

MATTER 6 - DELIVERABILITY

STATEMENT ON BEHALF OF LETCHWORTH GARDEN CITY HERITAGE FOUNDATION

INTRODUCTION

1. Letchworth Garden City Heritage Foundation is a Community Benefit Society, which owns the freehold of the Letchworth Garden City Estate. It is successor to First Garden City Limited and the Letchworth Garden City Corporation and is subject to the Letchworth Garden City Heritage Foundation Act 1995. We apply a basic principle of reinvesting surplus generated from a primarily commercial property portfolio back into the local community, by way of a series of charitable services and grant related activity. Our charitable commitments are set out in the 1995 Act.
2. In our written representations to the Submission Plan, we highlighted the process which led to our Board of Trustees supporting the allocation of the housing sites under our control for inclusion in the Local Plan process. This includes sites LG1, LG3, LG4, LG5, LG8, LG13, LG14, LG15, LG16 and LG18.
3. Our support for these housing sites, in particular LG1 (Policy SP15), followed a robust examination of the socio economic conditions in Letchworth Garden City and housing need, both provided as background papers to our previous written submissions, and an understanding of the site specific circumstances of land under our control.
4. The Trustees also took into consideration the founding principles on which Letchworth Garden City was created and the need to ensure that there is a long term sustainable future for the benefit of the local community, including residents and business.
5. Also contained within our freehold ownership is land allocated for town centre uses under the provisions Policy SP4, sites LG19, LG20 & LG21.
6. Detailed representations concerning these sites will be submitted under Matters 10 (Housing Allocations – Letchworth Garden City) and 14 (Town and Local Centres).
7. This statement will focus on the deliverability of these allocations in response to the Inspector's Issues 6.1 and 6.3.
8. The proposed site allocations have a critical role in the future development of Letchworth and meeting local demand. Given our role as the main landowner within Letchworth and our commitment to maintaining and enhancing the Garden City, we consider it essential that we participate at the Examination regarding the deliverability of the Plan. As such, we request to be heard at the Hearing scheduled for 16 November 2017.

Issue 6.1: Is the housing trajectory shown in Figure 6 of Section 5 of the Plan based on a realistic assessment of the likely timing of housing delivery?

9. We broadly support the housing trajectory identified by the Council within the 'Partial Update September 2017: Housing monitoring and five-year supply' (document ref. ED3) with respect to the Heritage Foundation' sites. However, we provide comment on specific sites. We consider that the delivery of housing on site allocation LG5 is likely to come forward later in the plan period, compared to the 2023 and 2026 completions currently anticipated. In addition, we consider that site allocation LG16 is likely to come forward before 2026, as identified in the Council's housing trajectory.

Issue 6.3: Is the economic and housing development set out in Policies SP3 (employment), SP4 (retail floorspace), SP8 (housing), and are the proposed land allocations for these uses, financially viable?

10. We provide a response to the Inspector's Questions in relation to Policy SP8 and the site allocations within the Heritage Foundation's ownership.
11. A separate statement has been submitted in relation to Matter 10, which confirms that having regard to the infrastructure, services and the constraints of the site, our site allocations are considered deliverable.
12. With respect to site allocation LG1, this is an established part of the Heritage Foundation freehold and there are no known constraints that would prohibit development. We can confirm that the site is available for development and we have a strong desire to deliver this development in accordance with the Council's housing trajectory and Policies SP8, SP15 and HG1, and Garden City Principles. In particular, we have had initial discussions with the two main housing associations in Letchworth Garden City, North Hertfordshire Homes and Howard Cottage and a series of key stakeholders. Both of these associations have confirmed that they would be interested in the opportunity of providing affordable housing should this development proceed and support the need for additional housing. We have advised that we would be applying the 40% affordable provision sought and consider this to be a viable prospect.
13. We strongly consider that the site allocation requirements will not place policy burdens that would threaten the ability to develop the site viably as required by NPPF para. 173. Taking into account the site specific circumstances, a viable scheme could come forward for development at the site allocations in our ownership and we strongly support the Council's allocation of these sites for residential development and look forward to shaping this scheme working with the local community and other key stakeholders. We therefore consider the site allocations to be sound in accordance with NPPF para. 182.

RETAIL ALLOCATIONS (POLICY SP4 & SITES LG19, 20 & 21)

Issue 6.3: Is the economic and housing development set out in Policies SP3 (employment), SP4 (retail floorspace), SP8 (housing), and are the proposed land allocations for these uses, financially viable?

14. Reference is made to Policies SP3, SP4 and SP8 and the viability of these allocations.
15. In our representations to the Submission Plan, we stated that as the major landowner of each of these sites we did not support their allocation.
16. Set out in more detail in our statement concerning Matter 14, we describe our serious concerns regarding the lack of clarity between the stated amount of retail floorspace set out Policy SP4 and the requirement for a total of 10,000 sq m of 'town centre use' floorspace in Letchworth. This should be read in the context of vacant units remaining in the town centre, a snapshot of which is provided at **Appendix A** and a commercial summary is at **Appendix B**.
17. We are also surprised to see that these sites are allocated for development towards the later stages of the plan, despite the background paper stating projections at 2026 and beyond should 'be treated with caution' Retail & Town Centres Background Paper paragraph 4 and 13 and paragraph 5.6 of the North Herts Retail Study Update 2016).
18. Paragraph 173 of the NPPF seeks to ensure that development is viable and deliverable. It is our submission that as the major landowner of these sites, we do not support these allocations, which in our view renders these sites not deliverable and therefore fails the basic test required for a site allocation.
19. This stance was included in previous representations and we are surprised that this has been ignored.
20. Sites LG19, LG20 and LG21 were all included as Opportunity Sites in Part 3 of the 2007 Town Centre Strategy and there has been no progress with these development proposals, despite market conditions having been far more positive at the time this plan was adopted.
21. The local authority has also failed to recognise that development proposals for site LG19 (The Wynd) received detailed planning permission (LPA Ref: 07/02428/1) and the CPO process commenced, but as landowner of this site, we could not achieve a viable development or developer partner willing to take this forward and the project was terminated in 2011/12. Since then, the retail environment has further deteriorated as shopping habits change, further harming any possible viability, as referred to in para 13 of the Retail and Town Centres Background Paper September 2016.
22. With respect to LG21 (Arena Parade), informal schemes were formulated in 2008 – 10 and discussed with the Council's Planning Team, but there was no likelihood of the development proceeding as the quantum of development required to have any chance of being viable, conflicted with the Council's policies

and in their opinion would have represented an over-development of the site. Furthermore, again the commercial attractiveness of a retail development would be further diminished since this project was also abandoned, also in 2011/12.

23. With respect to LG20, this site has an ownership interest of the Heritage Foundation, District and County Council, as indicated in **Appendix C**, and again may not be suited to a retail led development. It has a number of constraints on the site, including buildings of heritage value. This is a site that the Retail and Town Centres Background Paper September 2016 at Appendix B (pg 17), states should not be allocated for retail purposes.
24. We also remain concerned that the allocation of these sites could prejudice other development proposals. For example, when planning permission was sought for the permanent consent for The Wynd car park to be retained for this use, only a temporary permission was granted (LPA Ref 15/01401/1), which expires on 20th April 2019, due to the possible future major re-development, which reflects the Council's approach to development in Policy 34 the Town Centre Plan. This emphasises our concern that the allocation of these sites in line with the Submission Plan policies could prejudice much needed investment into the town centre.
25. To conclude, we have experience that two of the sites (LG19 and LG21) cannot produce a viable scheme to meet the aspirations of the policies. LG20 has a number of constraints and has been highlighted in the Council's background papers as not suitable for retail development.
26. We do believe that each of the sites do have re-development potential, but the constraints placed by the Submission Plan policies and the confusion surrounding the amount of retail provision created by these policies, is such that as landowner we cannot support these allocations.
27. Therefore as major landowner on these sites we object to their allocation, as we do not believe a development of this scale can be guaranteed to be commercially viable, these policies could be harmful to attracting investment and are contrary to the Council's own background papers. As such these town centre sites are not deliverable, fail the test set out in para 173 of the NPPF and are therefore not sound.

APPENDIX A – TOWN CENTRE SURVEY

Address	Tenant	Type	Use	
2 Arena Parade	Deep Blue Restaurants	Fish & Chip shop	Restaurant	A5
3 Arena Parade	The Arena Tavern	Public House	Public house	
4 Arena Parade	Dani Styles Ltd	Hairdresser & beauticians	Hairdressers & beauty	A1
5 Arena Parade	Arena Stationers	Stationers	Retail	A1
6 Arena Parade	Garden City Florist	Florist	Retail	A1
7 Arena Parade	Summan Fabrics	Fabrics & haberdashery	Retail	A1
8 Arena Parade	Indian Royal	Indian restaurant	Restaurant	A3
9 Arena Parade	Alexander Estates	Estate Agent		A2
10 Arena Parade	David Stern	Opticians	Opticians	A1
11 Arena Parade	Prezzo	Restaurant	Food	
30 Broadway	Scope	Charity shop	Charity	A1
32 Broadway	Coco & Co	Gents barber	Hairdressers & beauty	A1
34 Broadway	Glamour Nails	Nail Bar	Hairdressers & beauty	A1
36 Broadway	Alta Image (Stevenage) Ltd	Photo processing	Retail	A1
38 Broadway	Tattoo Studio	Tattooist		
40 Broadway	Paul's Inter Foods			A1
42 Broadway	Manor Pharmacy	Chemist	Chemist	A1
44 Broadway	Manor Pharmacy	Chemist	Chemist	A1
48 Broadway	Sagar Tandoori	Indian restaurant	Restaurant	A3
93 & 93a Broadway	Barclays Bank	Bank	Financial	A2
1 Eastcheap	Satchells	Estate Agents	Estate Agents	A2
3-5 Eastcheap	Ciao	Café	Restaurant	A3
13 Eastcheap	Walkwell			
15 Eastcheap	PG Alder	Opticians	Opticians	A1
17 Eastcheap	Days of Ashwell	Bakery	Food	A1
19 Eastcheap	Izzy Shoes			
21A Eastcheap	Vacant			
21B Eastcheap	Alloro	Restaurant	Restaurant	A3
23 Eastcheap	Age UK	Charity shop	Retail	A1
25 Eastcheap	Professional Dry Cleaners	Dry Cleaners	Services	A1
27 Eastcheap	Heart To Heart	Chinese Restaurant	Restaurant	A3
29 Eastcheap	Prezzos	Restaurant	Food	
38 Eastcheap	Talents	Hairdresser	Hairdressers & beauty	A1
74 Eastcheap	City Kebab House	Fast Food Takeaway	Hot Food Takeaway	A5
76 Eastcheap	Cinema			
11 Leys Avenue	Holland & Barrett	Health food shop	Food	A1
13 Leys Avenue	W Austin & Sons	HoT's - funeral director	Services	A1
14 Leys Avenue	Mr Ozdemir & Mr Caliskan	Turkish Restaurant	Restaurant	A3
18-20 Leys Avenue	Wetherspoons	Public House	Public house	
22-24 Leys Avenue	Vacant			
26 Leys Avenue	Ponden Homes	Homeware	Retail	A1
27 Leys Avenue	Rapid Ltd (t/a Esquires)	Coffee Shop	Restaurant	A3
28 Leys Avenue	Mind	Charity shop	Charity	A1
29 Leys Avenue	Andrew Merry	Opticians	Opticians	A1
30 Leys Avenue	Just For Me	Ladies accessories & dress agency	Clothing	A1
30A Leys Avenue	Vacant	Held by HF pending 32 Leys		
31 Leys Avenue	Mr Barnard	Butcher	Food	A1
31B Leys Avenue	Mr T Perkins	Cleaning services	Services	A1

Address	Tenant	Type	Use	
32 Leys Avenue	Cultivo Lounge	Restaurant / Bar	Restaurant	A3
33 Leys Avenue	Rocks Fryer	Fish & Chip shop	Restaurant	A5
34 Leys Avenue	Pick A Card	Card Shop	Retail	A1
35-37 Leys Avenue	Star Express	Burgers & takeaway	Hot Food Takeaway	A5
36 Leys Avenue	Groom Room	Gents barber	Hairdressers & beauty	A1
38-40 Leys Avenue	Advanced Tanning Ltd	Tanning studio	Hairdressers & beauty	A1
42 Leys Avenue	Vacant			
44 Leys Avenue	Dominos Pizza	Takeaway	Restaurant	A5
45 Leys Avenue	The Shoe Box	Cobbler	Retail	A1
47 Leys Avenue	Past & Present	Furniture Shop	Retail	A1
53 Leys Avenue	Beautiful Bathrooms		Retail	A1
55 Leys Avenue	Bad Girl Ink	Tattooist	Hairdressers & beauty	A1
59 Leys Avenue	Prontaprint	Printers	Retail	A1
63A Leys Avenue	Salvation Army	Charity shop	Charity	A1
63B Leys Avenue	Viello's	Gents barber	Hairdressers & beauty	A1
65 Leys Avenue	Venus Beauty	Beauticians	Hairdressers & beauty	A1
67 Leys Avenue	Posh Dogs	Dog Groomer	Services	A1
69 Leys Avenue	Christian Bookshop	Bookshop	Retail	A1
18 Openshaw Way	Letchworth Mobility		Retail	A1
1-3 Station Road	William Hill	Bookmakers	Financial	A1
5-7 Station Road	Ladbrokes	Bookmakers	Financial	A2
33-35 Station Road	TIC	Tourist Info Centre	Services	A1
17 Station Road	Letchworth Podiatry Clinic	Chiropodist	Hairdressers & beauty	D1
19-29 Station Road	Nestor Primecare	Sale of Care Packages	Retail & Services	A1
31 Station Road	Lane & Bennet's	Estate Agents	Estate Agents	A2
41 Station Road	Premier Inn	Hotel		C1
43 Station Road	LGCHF	LGCHF Hub	Services	B1
45 Station Road	Imperial Arts & Audio Gallery	Photographer	Retail	A1
49, 49 a & b Station Road	Citizens Advice Bureau	CAB	Services	B1
51 Station Road	Katz Kidz	Nursery School	Services	B1
53-55 Station Road	Coral Racing	Bookmakers	Financial	A1
56 Station Road	I6 Computing	IT Services	Retail	A1
57-59 Station Road	Garden City Surgery	Chemist	Chemist	A1
58 Station Road	Ming Way	Chinese Restaurant	Restaurant	A3
63 Station Road	TLC Medi Spa	Beauticians	Hairdressers & beauty	A1
65 Station Road	On your Travels	Travel agents	Retail	A1
65b Station Road	Trust	Charity shop	Charity	A1
71 Station Road	Shapla White	Indian restaurant	Restaurant	A3
1 The Arcade	MD & SR Singleton	Jewellers	Retail	A1
2 The Arcade	Letchworth arts centre	Arts Centre		
3 The Arcade	Mathew Phillips	Picture retailer & framers	Retail	A1
4 The Arcade	Abacus Travel	Travel agents	Retail	A1
5 The Arcade	Vacant			
6 The Arcade	Amron's House of Fashion	Sewing School	Retail	A1
7 The Arcade	Beutique	Florist	Retail	A1
8 The Arcade	Nanny Julie's Hairdressers	Glass gifts	Retail	A1
9 The Arcade	Love & Chairish	Upholstery	Retail	A1
10 The Arcade	Annie Chocolate Emporium	Traditional sweet shop	Retail	A1

Address	Tenant	Type	Use	
11 The Arcade	Bryan & Stokes	Gift Shop	Retail	A1
12-14 The Arcade	Museum			
13 The Arcade	M Davey & L Davey	Fancy Dress & t-shirt printing	Retail	A1
16 The Arcade	Charter Whyman	Estate Agents	Services	A1
18 The Arcade	Charter Whyman	Estate Agents	Services	A1
Unit 2 The Colonnade	Lunch Mate	Sandwich Bar	Restaurant	A1
1-9 The Gallery	The Green House	Indoor market	Retail	A1
12-13 The Gallery	Kip McGrath	Education Services	Services	A1
1 The Wynd	The Secret Wardrobe	Clothing and Gifts	Retail	A1
2 The Wynd	Systems Restore UK	IT	Retail	A1
3 The Wynd	Joules Etc	Gift Shop	Retail	A1
4 The Wynd	Revive	Beauticians	Hairdressers & beauty	A1
5 The Wynd	Garden City Crafts	Craft supplies	Retail	A1
6-8 The Wynd	Garden City Gallery	Gallery	Retail	A1
16 The Wynd	Watermill Bears	Teddy Bear Shop	Retail	A1
17 The Wynd	Unique Beauty	Beauticians	Hairdressers & beauty	A1
18 The Wynd	Vacant			
19 The Wynd	Cupcake Company	Cafe	Food	A3
22 The Wynd	Garden City Brewery	Microbrewery	Food & Drink	A3
23 The Wynd	The Little Ironing Shop	Ironing service	Services	A1
24 The Wynd	Vacant			
25 The Wynd	Vacant			
26 The Wynd	Party Hut			
27 The Wynd	Junk and Disorderly	Antique furniture	Retail	A1

Address	Tenant	Type	Use	
1 Central Approach	Wild Wood	Restaurant	Restaurant	A3
2 Central Approach	Superdrug	Chemist	Retail	A1
3 Central Approach	Claire's Accessories	Fashion Accessories	Retail	A1
4 Central Approach	Entertainment Exchange	Pawn Shop	Retail	A1
5 Central Approach	Mobile Store	Mobile Phone Shop	Retail	A1
6 Central Approach	EE	Mobile Phone Shop	Retail	A1
7-9 Central Approach	The Works			
8 Central Approach	Thomas Cook	Travel Agents	Retail	A1
10 Central Approach	Vacant			
11 Central Approach	Mr Branson's	Clothing Retailer	Retail	A1
12-14 Central Approach	Santander	Bank	Financial	A2
12a Central Approach	Vacant			
13 Central Approach	British Heart Foundation	Charity Shop	Charity	A1
13a Central Approach	Timpsons	Shoe Repairs	Retail	A1
15 Central Approach	Vacant			
15a Central Approach	Argos	Mixed Retail	Retail	A1
16-20 Central Approach	Iceland	Supermarket	Food	A1
17 Central Approach	Peacocks	Ladies Clothing	Retail	A1
19 Central Approach	Home Bargains	Discount Retailer	Retail	A1
1 Commerce Way	HBOS	Bank	Financial	A2
2-4 Commerce Way	Trespass	Outdoor Wear	Retail	A1
3 Commerce Way	Liberty Flights	E-Cigarettes	Retail	A1
5 Commerce Way	Vacant			
6-10 Commerce Way	Boots	Chemist	Retail	A1
7-9 Commerce Way	Bon Marche	Ladies Clothing	Retail	A1
11 Commerce Way	F Hinds	Jewellers	Retail	A1
12-14 Commerce Way	Dorothy Perkins	Ladies Clothing	Retail	A1
13-15 Commerce Way	Show Zone	Shoes Shop	Retail	A1
16 Commerce Way	New Look	Ladies Clothing	Retail	A1
17 Commerce Way	Card Factory	Card Shop	Retail	A1
18 Commerce Way	Specsavers	Opticians	Opticians	A1
19 Commerce Way	Boots Opticians	Opticians	Opticians	A1
20-24 Commerce Way	Poundland	Discount Retailer	Retail	A1
21 Commerce Way	Body Shop	Hair & Beauty Supplies	Retail	A1
23 Commerce Way	Vacant			
25 Commerce Way	Vacant			
26 Commerce Way	Costa	Coffee Shop	Restaurant	A3
35-37 Commerce Way	Thai Garden	Restaurant	Restaurant	A3
2-4 Eastcheap	Vacant			
6 Eastcheap	Tanique	Tanning Studio	Hairdressers & beauty	A1
7 Eastcheap	Subway	Restaurant & Takeaway	Restaurant	A3
8 Eastcheap	Cash Brokers	Pawn Broker	Retail	A1
9 Eastcheap	L'Artista	Restaurant	Restaurant	A3

Address	Tenant	Type	Use	
10 Eastcheap	Simmons	Bakery	Food	A1
11 Eastcheap	Wilkinson's	Discount Retailer	Retail	A1
11a Eastcheap	Garden House Hospice	Charity Shop	Charity	A1
12-14 Eastcheap	David's Music	Music & Records Store	Retail	A1
16 Eastcheap	David's Cafe			
18 Eastcheap	Thompsons	Travel Agents	Retail	A1
20 Eastcheap	The Lounge	Gents barber	Hairdressers & beauty	A1
22 Eastcheap	Greggs		Food & Drink	A3
42-44 Eastcheap	Poundstretcher	Discount Retailer	Retail	A1
46-48 Eastcheap	Sainsbury's	Retail	Retail	A1
74 Eastcheap	City Kebab	Takeaway	Restaurant	A5
1 Howard Park Corner	Shires Funeral Services	Funeral Directors	Funeral Directors	A1
3 Howard Park Corner	The Great Wall	Chinese Restaurant	Restaurant	A3
5 Howard Park Corner	Hydro-Active	Scuba Diving Shop	Retail	A1
7 Howard Park Corner	County Properties	Estate Agents	Estate Agents	A2
9 Howard Park Corner	Redfin Models		Retail	A1
1 Leys Avenue	Paul's Nails	Nail Bar	Retail	A1
2-4 Leys Avenue	HSBC	Bank	Financial	A2
3 Leys Avenue	Bloom	Florist	Retail	A1
6 Leys Avenue	Dead Swanky	Hair Dresser	Hairdressers & beauty	A1
7-9 Leys Avenue	Burrs Shoes	Shoes Shop	Retail	A1
8-10 Leys Avenue	ICAS Villas Fine Art	Art Gallery & Retailer	Retail	A1
12 Leys Avenue	No 12	Cafe	Food	A3
15 Leys Avenue	Crafty's	Microbrewery	Food & Drink	A3
16-16a Leys Avenue	Nationwide	Bank	Financial	A2
17 Leys Avenue	Edinburgh Woollen Mill	Clothing Retailer	Retail	A1
21 Leys Avenue	W H Smiths	Nook & Stationary Retailer	Retail	A1
23 Leys Avenue	Vacant			
25 Leys Avenue	Vacant			
39 Leys Avenue	Vacant			
41 Leys Avenue	Direct Carpets	Carpet Retailer	Retail	A1
43 Leys Avenue	Garden City bakery	Bakers	Food	A1
46a Leys Avenue	Vacant			
46 Leys Avenue	North Herts Chiropody	Chiropodist	Retail	A1
48-52 Leys Avenue	Spinks Arcade Vacant			
51 Leys Avenue	Willows	Estate Agents	Services	A1
54-58 Leys Avenue	Martins	Furniture Shop	Retail	A1
60 Leys Avenue	The Avenue	Hair Dresser	Hairdressers & beauty	A1
62 Leys Avenue	Martins	Furniture Shop	Retail	A1
64 Leys Avenue	Martins	Furniture Shop	Retail	A1
66 Leys Avenue	Letchworth Aquatics		Retail	A1
68 Leys Avenue	Pro Vaperz		Retail	A1
70 Leys Avenue	Smart Gents	Gents barber	Hairdressers & beauty	A1
71 Leys Avenue	Vacant			
74 Leys Avenue	Letchworth Kebabs	Takeaway	Restaurant	A5
76 Leys Avenue	Newsagents	News Agent	Retail	A1

Address	Tenant	Type	Use	
2-3 Station Forecourt	Premier Stores	Food Store	Food	A1
4 Station Forecourt	Taylor's	Estate Agents	Services	A1
5 Station Forecourt	Oh My Cod	Fish & Chip shop	Restaurant	A5
6 Station Forecourt	Connells	Estate Agents	Services	A1
Station Place	NatWest Bank	Bank	Financial	A2
4 Station Road	Lloyds TSB	Bank	Financial	A2
6 Station Road	Abbott Property Management	Estate Agents	Services	A1
14-16 Station Road	Dragon King	Chinese Restaurant	Restaurant	A1
50 Station Road	Friis & Radstone	Solicitors	Services	B1
50b Station Road	Prime Dry Cleaners	Dry Cleaners	Services	A1
50c Station Road	Vacant			
52 Station Road	E H Crouch	Funeral director	Services	A1
54 Station Road	USA Fried Chicken	Takeaway	Restaurant	A5
60-62 Station Road	Tower Records	Electrical Goods Suppliers	Retail	A1
61 Station Road	Globe Pharmacy	Chemist	Chemist	A1
67-69 Station Road	Trust	Charity Shop	Charity	A1
73 Station Road	McColls	News Agent	Retail	A1
75 Station Road	N.E Herts Conservatives	Association Office	Services	B1

APPENDIX B – COMMERCIAL REPORT



LGCHF/JCD/

23 October 2017

David Ames
Head of Strategic Planning and Development
Letchworth Garden City Heritage Foundation
Foundation House
Icknield Way
Letchworth Garden City
Hertfordshire, SG6 1GD

51 Great
Marlborough Street,
London W1F 7JT

0370 777 6292
info@rapleys.com
rapleys.com

LONDON
BIRMINGHAM
BRISTOL
EDINBURGH
HUNTINGDON
MANCHESTER

Dear David

Re: Letchworth Town Centre Retail

As we recently reported to the Governors of Letchworth Garden City Heritage Foundation, having completed our research project in conjunction with Local Data Company, we believe Letchworth is at relatively critical point in a retailing context. There is great opportunity, but there is also the potential for the town centre to see a gradual decline in the quality of its retail offer if it gets it wrong.

The structural changes in the retail environment, not least owing to huge advances in online retailing, but also changes in car utilisation etc., mean all retail centres need to adjust their future town centre strategies. It is important that the next Local Plan for Letchworth recognises this situation.

Background

Letchworth is in a complex situation, with strong competing nearby towns and conflicting demographic pressures. The inertia from the fact that retailing in Letchworth only commenced in 1904, whereas neighbouring towns had a retail heritage developing for centuries prior to that, is still highly relevant. The historic under-provision of licenced, leisure and food, and a very limited night time economy, are also important. That there is a relatively limited town centre office provision, limiting lunchtime and after-work spend, is also relevant. The challenge for Letchworth is drawing its relatively affluent population into the town, more often, to dwell, and to spend. At the moment, too many of them pass through quickly to commute by train, and then do their shopping in nearby towns, out of town, or online.

The answer does not, in our view, lie in increasing the retail provision though, and it is challenged by the threat of out of town expansion. There is enough provision already, although it is not all suitable for modern retailing. The answer lies to a greater degree in the balance between pure retail, leisure and service uses, and master planning.

In our research we looked at a number of comparable towns to Letchworth, not just locally but around the UK, to see what conclusions could be drawn. The table below tells a tale when one compares Letchworth with, for example, Ringwood in Hampshire, a similar town in demographic and population terms. (We have also included the data for Hitchin, which shows just how distinctly Letchworth varies from its nearest neighbour).

RAPLEYS LLP IS REGISTERED AS A
LIMITED LIABILITY PARTNERSHIP
IN ENGLAND AND WALES

REGISTRATION NO: 0C15M11

REGISTERED OFFICE:
FALCON ROAD, HUNTINGDON
BUSINESS PARK, HUNTINGDON
PE29 5SG

REGULATED BY RICS

Town	Population within a 10 minute drive time	Population within a 20 minute drive time	Number of retail units (Source: LDC)	Purchasing power per annum per capita (Source: Michael Bauer)	Prime retail rents (£ psf ITZA) (Source: Rapleys)
Letchworth	202,833	744,544	184	£19,910	£30-£40
Ringwood	214,238	823,579	167	£18,299	£80-90
Hitchin	262,510	941,230	369	£19,737	£80-90

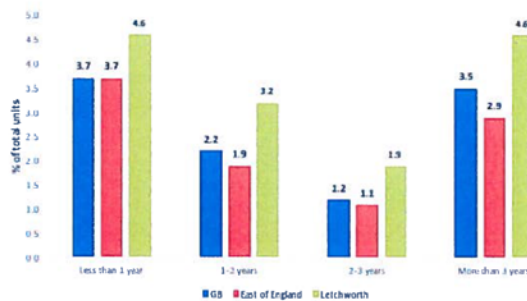
Despite Letchworth having the strongest per capita spending power, a comparable population, and a similar number of retailing units to Ringwood, rents in Letchworth run at less than half the level of those in Ringwood, which is a strong proxy for retail vitality. Letchworth dwellers are not spending enough in Letchworth!

This need not be the case. Letchworth has a strong proposition, offers a very pleasant retail environment, has both a high street and shopping-centre setting, and has a mix of multiple and local retail, the cinema etc., with sufficient parking. We do, however, see some threats.

Whilst overall, recent vacancy rates have fallen slightly of late, we see an underlying trend which is potentially worrying, including high levels of persistent vacancy, a relatively regular turnover of independent retailers, a rise in value retail and potentially an over-provision of service retail, hairdressers, nail bars etc.

Vacancy

Letchworth has seen its All Vacancy rate drop from 17.0% in 2013 to 14.4% in 2017. This has been driven by a drop in the Retail vacancy rate, which stood at 19.3% in 2013, but dropped to 17.1% in 2017. Letchworth's vacancy rate is however 4.4% above the GB average in 2017 - similar to the difference in 2013 (4.5%). Local Data Company analysis shows the town has a large number of persistently vacant units, with the percentage of units lying vacant sitting above the regional and GB average, across each of the time intervals. The main concern is the percentage of units that have been vacant for more than three years, where this +1.7% above the regional and +1.1% above the GB average.



Tenant Mix

Comparison retail, fashion, electrical, etc., have all declined in Letchworth in recent years. There is an undersupply, compared with national figures, of leisure, coffee shops and premium fast food, with only a 20% share of the units compared to a GB average of 25%. The latter now contributes significantly to consumers' perceptions and their enjoyment of the retail experience - and encourages 'dwell'.

Independents vs Multiples

Over the last five years, the percentage of independent retail occupiers has dropped from 62% to 59%. This is different to the national picture, where the percentage of independent occupiers has risen from 63% to 65% in the last five years.

This portrays the underlying challenges in Letchworth for independent occupiers, who depend on footfall and local shoppers visiting the town centre to thrive.

Service retail

Hairdressing/Health & Beauty has the largest oversupply in units in Letchworth by comparison with national averages. This category is made up of Hair salons, Nail salons and Barber shops and has been one of the fastest growing categories across GB in the last five years as the population spends more time and money on personal care. The top 10 is mainly made up of service retail occupiers (Estate Agents, Travel agents, Hairdressing, Banks), showing that Letchworth is the primary shopping destination for the primary catchments service needs.

Value vs Premium

Letchworth has seen a discernible rise in the number of value retailers, with the town centre now seeing four large format value operators and further provision out of town (B&M Stores). In the last 12 months, the town has seen its Comparison goods occupiers drop from 75 to 66 (-12%) and the Value retail mix growing from 43% to 47% in the last 3 years.

Value retail, of course, has its place, but it should be recognised that these formats have significant impact on smaller independent operators (see above).

It is possible for a town to play to both premium and value consumer groups, but this needs to be planned - and clear demonstration needs to be given to stronger premium retailers that the town has the capacity and the desire to welcome them if 'a race to the bottom' is to be avoided.

Leisure Offer

Overall, Letchworth has an undersupply in leisure, with only 20% of the total units in the town centre under this classification, compared to a GB average of 25%. There is specifically an undersupply in Cafes & Fast food and Bars, Pubs & Clubs, and whilst Letchworth may empirically have a sufficient number of restaurants, a lack of diversity within this category is evident with an oversupply of Indian, Chinese and Italian restaurants. (There is an oversupply of Entertainment, which is due to the number of Bookmakers) Our view is that Letchworth needs to attract Coffee shops, diverse restaurants and Fast food outlets to the town centre, and town planning policy should be adjusted to reflect this.

Conclusion

We are of the strong view that Letchworth's medium and long term interests would not be served by increasing the net provision of retail floor space, but rather by improving and reconfiguring town centre provision to cater for modern retailing needs, and to play to the town's distinctive proposition.

We say this from working with you in managing your town centre retail investments, giving us an insight into retailer performance, and also from marketing your vacant retail units, where discussions to tempt national retailers to the town have become increasingly difficult.

In addition, we have a strong view that any further increase in out-of-town provision, taken together with the challenges already posed to Letchworth by strong neighbouring towns, would have a serious, potentially irreversible, impact on the town centre's long term vitality.

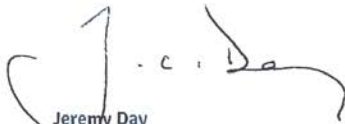
Rather than increased retail floorspace provision, what is needed, we would suggest, is a master plan that carefully considers the interaction of food and convenience shopping, banking, leisure, service and retail, with the High Street, Garden Square Shopping Centre and edge/out-of-town provision. It has been around a decade since the Local Authority's last Town Centre Strategy was published and we believe this should now be refreshed.

Regard needs to be had to town's population and demographics, which although relatively affluent, also contain significant numbers of those classed as hard-pressed living. In a retailing context, this creates a tension between those seeking a 'premium' retail environment with those seeking value shopping and service. This is the key to the vitality of the town, and merely adding to the retail provision, in a manner which leaves the market free to determine and respond to the above issues, will not, in our view, result in an optimal outcome.

Without this, we have serious doubts in any event about the viability of further retail development in the foreseeable future. There is insufficient retailer confidence and demand in the market to drive the rental growth necessary to support viable schemes.

I trust this is helpful.

Yours sincerely



Jeremy Day
MRICS BSc (Hons)
Partner
Jeremy.day@rapleys.com
07966 810030

APPENDIX C – GERON ROAD OWNERSHIP PLAN

