Lambert Smith Hampton

LOCAL CENTRE CAPACITY STATEMENT

PROPOSED LOCAL CENTRE, LAND TO NORTH OF LITTLE GREEN LANE, CROXLEY GREEN, RICKMANSWORTH

RICHBOROUGH

DECEMBER 2024

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This document has been prepared and checked in accordance with the Lambert Smith Hampton Quality Assurance procedures and authorised for release.

Signed: [redacted]

For and on behalf of Lambert Smith Hampton

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1.0 Introduction

Scope and Context

1.1 This Local Centre Capacity Statement has been prepared by Lambert Smith Hampton (hereafter referred to as 'LSH') on behalf of Richborough ('the applicant') in support of a planning application that proposes a new local centre in association with residential-led development at Land to North of Little Green Lane at Croxley Green in Rickmansworth.

1.2 The proposed development site lies within the Three Rivers District Council administrative area and was the subject of a request for a screening opinion by Richborough and RPS Consulting Services Ltd on 31 July 2024 (application reference 24/1220/EIA). The proposed development consists of up to 600 new residential dwellings, a one form entry primary school (plus expansion land), a mixed-use local centre (including NHS health and social care services), and country park and greenspace.

1.3 The purpose of this Local Centre Capacity Statement is to demonstrate that the proposed local centre is of an appropriate scale and has a beneficial impact in supporting appropriate, sustainable development. The key driver of a small-scale local centre such as this is the provision of a convenience store use that can meet localised day-to-day grocery needs and reduce the need to travel across a wider area. Convenience stores are typically the key anchor commercial tenant for such a centre and are therefore of importance in providing for a viable centre.

1.4 As such, the principal purpose of this Statement is to:

- identify the local catchment area for the proposed convenience store;
- identify the quantum of convenience goods expenditure within the catchment that may be available to support the proposed convenience goods floorspace;
- estimate the market share of expenditure that could be claimed by a store in this location; and
- estimate the quantum of floorspace that this expenditure could likely support.

1.5 LSH has also undertaken a market testing exercise to confirm that there is strong commercial interest in delivering a convenience store to meet local needs at the application site.

Purpose and Structure of Report

1.6 This Statement firstly confirms the nature of the proposed local centre and the wider development, and sets out the relevant planning policy context. It considers the retail capacity to support the proposed convenience store and the wider merits of the local centre. It then goes on to identify the commercial demand to support improved provision in this location.

1.7 The Statement is therefore structured as follows:

- Section 2 briefly confirms the proposed development and sets out the local context in respect of grocery retail provision;
- Section 3 identifies the relevant planning policy context at local and national level;
- Section 4 identifies the quantitative capacity to support a convenience store in this location and addresses the wider merits of the local centre;
- Section 5 summarises the results of LSH's market testing exercise; and
- Section 6 summarises the findings of this Statement and the key benefits of the local centre in meeting needs in a sustainable manner.

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2.0 Site, Proposed Development and Application Context

Application Site and Proposed Use

2.1 The site is located to the north of Little Green Lane, Croxley Green, Rickmansworth, covering an area of 40.69 hectares. The site is an irregularly shaped parcel and forms a logical extension to the existing northern built up area of the settlement. The site is located within the Metropolitan Green Belt.

2.2 The area immediately south of the site is predominately residential, with several residential roads leading to Little Green Lane. There is a mix of housing types, with detached, semi-detached, terraced, and bungalow dwellings all apparent. Little Green Junior School is located just beyond the south-eastern edge of the site.

2.3 Full details of the application site and the proposed development are set out elsewhere in this application submission, most notably in the Planning Statement prepared by RPS. A summary of the pertinent points in respect of the proposed local centre is provided below.

2.4 The proposed housing, primary school, and local centre are all located within the southern half of the site. The local centre would be connected to the housing and primary school by road and footpath networks as well as by cycle routes. Two vehicular access points to the site would be located across from Little Green Lane to the south at the junctions of Links Way and Durrants drive. In addition, a 3.0 metre footpath/cycleway would be located at the junction with Canterbury Way across Little Green Lane.

2.5 The units within the local centre are expected to comprise of a convenience store, NHS health and social care services, a community hub. The gross floorspace areas for each element are identified below:

- NHS health and social care services comprising 1,206 sq.m;
- retail unit 1 (convenience store) comprising 400 sq.m;
- retail/commercial unit 2 (potential coffee shop/café use) comprising 165 sq.m; and
- community hub comprising 430 sq.m.

2.6 Retail units 1 and 2 would also accommodate residential development above ground floor in order to make efficient use of land and provide for a sustainable form of development.

2.7 It is therefore evident that 'main town centre uses' comprise 565 sq.m of gross floorspace.

2.8 Given the scale of the proposed convenience store, it is anticipated that it could support occupation by the respective convenience store trading model of the traditional 'main four' grocery retailers, i.e. Asda Express, Morrisons Daily, Sainsbury's Local, or Tesco Express. Such stores typically have a gross floor area of circa 400 sq.m and a net sales area of 230 to 280 sq.m to comply with Sunday trading restrictions.

2.9 It is anticipated that the provision of NHS health and social care facilities will be delivered through the shell of the new building being funded by the scheme developer and the fit out funded by the new occupier.

2.10 For the purpose of this assessment, we have assumed a completion date for the local centre and wider development of 2030, although this is subject to planning permission being secured in a timely manner and the development thereafter being implemented without significant delay. The potential level of local expenditure to support a convenience store as part of the local centre is calculated on this basis.

Local Context: Existing Grocery Provision

2.11 The relevant existing convenience store and supermarket/superstore provision in the area is set out at Table 2.1 below.

2.12 The nearest large format foodstore is a Morrisons, which is located approximately 1.6 kilometres to the south-east of the site in Watford. Additional large format stores, including Waitrose (in Rickmansworth), Sainsbury's (in Watford) and Tesco (in Watford), can be reached within a 10-minute drive time and will assist in supporting main food shopping needs which arise from the development.

2.13 The nearby convenience foodstore provision which is deemed to have some impact on the catchment of a proposed convenience format foodstore at the site consists of a Londis to the south-west, a SPAR store to the south-east (both located on Baldwins Lane), a Co-op store on Watford Road, and a Co-op store on New Road.

Table 2.1: Existing Grocery Provision in the Area

Retailer	Format	Distance (km)	Direction from Site
Morrisons, Ascot Road, Watford	Large (footprint circa 6,380 sq.m)	1.6	South-east
Waitrose, Homestead Road, Rickmansworth	Large (footprint circa 2,940 sq.m)	2.7	South-west
Sainsbury's, Albert Road, Watford	Large (footprint circa 5,440 sq.m)	2.9	East
M&S Foodhall, High Street, Rickmansworth	Large (footprint circa 1,530 sq.m)	3.1	South-west
Aldi, Century Park, Watford	Large (footprint circa 1,420 sq.m)	3.7	South-east
Tesco, Lower High Street, Watford	Large (footprint circa 13,400 sq.m)	3.8	South-east
Londis, Baldwins Lane, Croxley Green	Convenience	0.7	South-west
SPAR, Baldwins Lane, Croxley Green	Convenience	0.9	South-east
Co-op, Watford Road, Croxley Green	Convenience	1.0	South-east
Co-op, New Road, Croxley Green	Convenience	1.2	South-west

2.14 In the reviewing existing provision, it is relevant to note that:

- the existing convenience store provision in the local Croxley Green area is not operated by the 'main four' grocery retailers (this impacts on the role and function of convenience stores, with the 'main four' more likely to carry a greater number of product lines and be a more attractive proposition to local residents);
- existing convenience store retailers are located beyond what is likely to be comfortable walking distance for some residents of the subject development; and
- larger foodstore provision is located outside of the immediate Croxley Green area suggesting that the area would benefit from an improved convenience store offer which is capable of better meeting grocery shopping needs.

2.15 In respect of this last bullet point, in fulfilling the requirements of a 'main four' grocers' convenience store format (as opposed to a secondary retailer), the local centre will be able to meet more basket food shopping needs (i.e. it will move beyond staple grocery goods, drinks and snacks, and carry a greater number of ingredients, ready meals and so on to better meet local residents' needs).

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3.0 Planning Policy Context

3.1 Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires all planning applications to be determined in accordance with the development plan unless material considerations indicate otherwise.

3.2 The relevant statutory development plan comprises:

- the Three Rivers Core Strategy, which was adopted in October 2011;
- the Development Management Policies Local Development Document, which was adopted in July 2013; and
- the Site Allocations Local Development Document, which was adopted in November 2014.

3.3 The Core Strategy is of principal relevance in respect of the local of new retail and commercial uses. We summarise relevant Core Strategy policies below before then identifying relevant provisions within the National Planning Policy Framework ('NPPF') (the most recent iteration of which was published in December 2024).

Statutory Development Plan

3.4 Core Strategy Policy CP1 'Overarching Policy on Sustainable Development' seeks to, inter alia:

- improve access to jobs, skills, services and facilities; and
- sustain the vitality and viability of the Principal Town, Key and Secondary Centres and Villages as identified in the Three Rivers Settlement Hierarchy.

3.5 The 'Town Centres and Shopping' section of the Core Strategy identifies Croxley Green as a local centre. The existing local centre is focused on Watford Road by Croxley Underground Station, in the southern part of the Croxley Green built up area.

3.6 Core Strategy Policy CP7 'Town Centres and Shopping' identifies that proposals for new town centre and shopping development will be considered taking into account:

a) the location of the proposed development with preference given to centrally located and accessible areas;

b) the impact of development on the viability and vitality of existing centres and local shops; and

c) the appropriateness of the type and scale of development in relation to a centre and its role, function, character and catchment area.

3.7 With regard to convenience shopping, Core Strategy Policy CP7 states that such proposals will be considered on their own merits with reference to the above criteria.

National Planning Policy Framework

3.8 The NPPF sets out the Government's overarching policy objectives and, at paragraph 7, identifies that the purpose of the planning system is to contribute to the achievement of sustainable development.

3.9 With specific reference to planning applications for main town centre uses which are neither in an existing centre nor in accordance with an up-to-date plan, NPPF paragraph 91 sets out the requirements of the sequential approach to development. It states that:

'Main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available should out of centre sites be considered.'

3.10 The following paragraph 92 identifies that:

'When considering edge of centre and out of centre proposals, preference should be given to accessible sites which are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale, so that opportunities to utilise suitable town centre or edge of centre sites are fully explored.'

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3.11 Paragraph 94 sets out an impact test in two parts. It states that:

'When assessing applications for retail and leisure development outside town centres, which are not in accordance with an up-to-date plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold the default threshold is 2,500m^2 of gross floorspace). This should include assessment of:

a) the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and

b) the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider retail catchment (as applicable to the scale and nature of the scheme).'

3.12 Paragraph 95 then goes on to state that, where an application fails to satisfy the sequential test or is likely to have a significant adverse impact, it should be refused.

3.13 A reading of paragraph 95 in isolation may give rise to the suggestion that it could act to set out two 'gateway' tests (a sequential test and an impact test), which must be 'passed' before other considerations could be weighed in the balance.

3.14 However, such an interpretation is contrary to the remainder of the NPPF – which gives primacy to the development plan where it is up-to-date – and to the key principle established by Section 38(6) of the Planning and Compulsory Purchase Act 2004 which requires both the positives and negatives of any application proposal to be considered before reaching a balanced decision.

Planning Policy Appraisal

3.15 We first address the key sequential and impact tests before then going on to consider the general need for development to be sustainably located and to meet communities' needs.

3.16 The sequential test should be applied with reference to the instruction provided in the Town Centres and Retail Planning Policy Guidance (published 18 September 2020). Paragraph 012 states that:

'Use of the sequential test should recognise that certain main town centre uses have particular market and locational requirements which mean that they may only be accommodated in specific locations. Robust justification will need to be provided where this is the case, and land ownership does not provide such a justification.'

3.17 In this case, the proposed local centre seeks to meet an entirely localised need. It is embedded within existing and proposed residential development, and is designed to address needs that arise within the northern part of Croxley Green. The existing Croxley Green local centre is focused around Watford Road, near Croxley Green Underground Station. This is approximately 1.8 kilometres from the proposed local centre based on the most direct route by adopted highway. This approximately equates to a 20 minute walk in both directions and is beyond a comfortable walking distance for residents in the northern part of the settlement (grocery shopping generally results in the need to transport heavy bags which limits the distance shoppers are willing to travel on foot). Guidelines for Providing for Journeys on Foot (The Institution of Highways & Transportation, 2000) identifies that the maximum preferred walking distance to a defined town centre is 800 metres.

3.18 Given the above, it is evident that the existing Croxley Green local centre serves a different catchment area to the application proposal. As such, there is no opportunity to accommodate the application proposal within an existing centre given the needs that it is designed to meet. We further consider the catchment area of the proposed convenience store in the following section to further substantiate this conclusion.

3.19 In respect of the impact test, the NPPF clearly identifies a national threshold of 2,500 sq.m above which there is a requirement to undertaken formal impact assessment. Retail uses and food & beverage uses delivered as part of the local centre would collectively occupy 565 sq.m of gross floorspace.

3.20 Due to the scale of proposed development, there is no requirement for an impact assessment to be submitted in support of the application proposal. Furthermore, as set out above, the nearest defined centre to the application proposal – this being the existing Croxley Green local centre – is sufficiently distant that there will be limited overlap in terms of catchment areas. Due to the distance between proposal and centre and the limited scale of proposed commercial development, the Council can be confident that no material in-centre trading impacts will arise from the proposal.

3.21 Furthermore, whilst Core Strategy Policy CP7 'Town Centres and Shopping' requires consideration to be afforded to the vitality and viability of existing shops, it is not the purpose of the planning system to generally discourage competition or afford any sort of 'policy protection' to retailers which are located outside of defined centres. Indeed, paragraph 94 of the NPPF supports improvements in consumer choice within the catchment area of a proposal.

3.22 As the above Table 2.1 identifies, local shopping provision in the Croxley Green area is relatively distant from the application site such that the catchment area served is different to that served from the proposed local centre. Furthermore, as we go on to explore in the following section, there is sufficient capacity available within the local area to support the application proposal based on consideration of its localised catchment area.

4.0 Local Convenience Goods Retail Capacity

4.1 Given the scale and location of the proposed local centre, it is evident that it would serve localised needs and that it conforms with the requirement of the sequential and impact tests.

4.2 The principal purpose of the remainder of this Statement is therefore to confirm that the convenience store can be supported and that it would appropriately meet the day-to-day grocery retail needs of a localised catchment area.

4.3 In doing so, LSH adopts the following staged methodology:

i) Stage 1: Identify the catchment area of the proposal;

ii) Stage 2: Estimate the existing and proposed population located within the catchment area;

iii) Stage 3: Estimate the per capita convenience expenditure associated with the catchment area population;

iv) Stage 4: Estimate the overall convenience goods expenditure generated within the catchment area;

v) Stage 5: Estimate the market share of expenditure that could be claimed by a new full format convenience store at the application site; and

vi) Stage 6: Convert this expenditure to a net and gross floorspace requirement to justify the scale of convenience retail development proposed.

4.4 Each stage is summarised below. Further details of the exercise are provided in the detailed capacity tables at Appendix 1.

Stage 1: Identify Catchment Area of Proposal

4.5 The first stage is to define the likely primary catchment of the proposed convenience store. As set out previously, we anticipate that the opportunity will be attractive to a 'main four' operator and consider the likely catchment area on this basis. It is assumed that the store's offer will be that of a full format convenience store trading close to the Sunday trading restrictive limit of 280 sq.m net sales floorspace.

4.6 The primary catchment is seen as the nearby residential population who will regularly shop at the store based on its convenience and accessibility. Those within the primary catchment are expected to travel to the store by foot, bike, and car.

4.7 Due to the strong connectivity between the site and the residential area to the south, we assume that the convenience store can cater for both existing and proposed residents.

4.8 We set out our below assumed catchment area at Figure 4.1 below. The catchment includes all of the residential population within the site, as well as a significant area of the residential housing to the south. The catchment area reflects that, whilst the store will cater for a localised need, the offer associated with a 'main four' grocer will be qualitatively different to that of the nearest convenience store competition (i.e. the Londis and SPAR stores at Baldwins Lane to the south). This reflects the relative prestige and more extensive product line associated with a 'main four' convenience store.

Figure 4.1: Proposed Convenience Store Catchment Area

Stage 2: Identify Catchment Area Population

4.9 The proposed development supports circa 600 dwellings. Based on typical occupation rates of 2.5 persons per dwelling, it is anticipated that the proposal will support a new population of around 1,500 persons.

4.10 Experian Location Analyst data indicates a projected population of 3,236 persons by 2030 within the defined primary catchment area to the south. This therefore results in a total primary catchment population of 4,736 persons at 2030.

4.11 To note, the store will draw trade from beyond its immediate catchment area. This trade will include employees, pupils, and parents associated with the new primary school and employees and patients of the new doctor's surgery. The store's ability to draw from beyond its immediate catchment will however be constrained due to the positioning of the site and its lack of potential passing trade. This further underlines that the purpose of the store is to meet a localised need.

Stage 3: Estimated Per Capita Expenditure Associated with Catchment Area Population

4.12 In order to establish the total convenience goods expenditure originating within the defined catchment area, we have sourced the annual convenience goods expenditure per capita associated with the existing catchment area population located to the south of the site. This is as identified by Experian Location Analyst data.

4.13 Experian identifies that such residents' per capita annual expenditure on convenience goods is £2,674 at 2022. It is assumed that residents of the new residential development will be broadly similar in their demographic characteristics to the existing residents to the south of the site. As such, we have applied the respective per person convenience goods spend of the existing residential population to the south to the entire future catchment population.

4.14 The per capita convenience goods expenditure figures are then revised to account for:

i. the assumed proportion of convenience goods expenditure which is spent via 'special forms of trading' (including online retailing) at base year 2022, which is derived from Appendix 3 of Experian Retail Planner Briefing Note 21; and

ii. annual convenience goods expenditure growth rates (adjusted to exclude sales from stores) to project the expenditure forward to the reporting year of 2030 (these are derived from Figure 7 of Appendix 3 of Experian Retail Planner Briefing Note 21).

4.15 The estimated per capita expenditure available at 2030 after making allowance for expenditure committed via special forms of trading and annual changes in expenditure is set out below at Table 4.1.

Table 4.1: Estimated Per Capita Study Area Convenience Goods Expenditure at Base and Reporting Year 2030

Per capita expenditure at 2022 (£)	£2,674
Per capita expenditure at 2022 minus SfT (£)	£2,543
Per capita expenditure at 2030 minus SfT (£)	£2,408

Noted: Extract from Table 1 of Appendix 1; 'SfT' refers to special forms of trading; 2022 prices

Stage 4: Estimate the Overall 'Pot' of Convenience Goods Expenditure Within the Catchment Area

4.16 Stage 4 is a straightforward exercise. The identified level of per capita convenience goods expenditure at 2030 is multiplied by the assumed catchment area residential population at the same date to estimate the overall 'pot' of expenditure which originates from the proposed residential development.

4.17 As set out below at Table 4.2, this results in a local 'pot' of convenience goods expenditure of £11.40m.

Table 4.2: Estimated Study Area Convenience Goods Expenditure at Key Reporting Years

	2030
Catchment Population	4,736
Assumed Per Capita Catchment Expenditure (£)	£2,408
Overall Catchment Area Convenience Expenditure (£m)	£11.40m

Noted: Extract from Tables 2 and 3 of Appendix 1; 2022 prices

Stage 5: Assumed Local Market Share

4.18 It is generally standard assumption that around 30% of convenience goods shopping may be attributable to top-up shopping at convenience stores. In this case, we believe that figure may be slightly higher; perhaps around 35% given that there are no supermarkets or superstores in the local area.

4.19 Given that application store will be the dominant convenience store within the catchment area, we believe that it may be able to secure in the order of 20% of catchment convenience goods expenditure. This equates to an estimated turnover of £2.28m. The assumed market share reflects the fact that local residents will still undertake some top-up convenience goods shopping at other stores in the area and at other locations as part of their working day.

4.20 As identified above, it is recognised that a convenience store on the site would also draw some trade from beyond its primary catchment area. This trade will largely be driven by employees, pupils and parents associated with the new primary school and employees and patients of the new doctor's surgery. This trade is commonly referred to as 'inflow'. We estimate that around 15% of the turnover of a convenience store in this location could be secured from inflow.

4.21 This accounts for a further £0.40m, increasing the overall turnover of the convenience store to £2.68m

Stage 6: Estimate the Quantum of Floorspace Associated with the Identified Convenience Goods Turnover

4.22 In order to calculate the potential volume of convenience floorspace that could be supported by the proposed convenience store, it is necessary to apply an average sales density to understand the quantum of floorspace that could be supported.

4.23 In our experience, a standard convenience goods sales density which would likely support a viable convenience store of the scale proposed is circa £10,000 per sq.m. As per Experian's Retail Planner Briefing

Note 21 (February 2024), projected changes to convenience sales densities to 2030 are negligible, and so the sales densities set out above will remain broadly constant across the next six years.

4.24 The application of this sales density to the identified store turnover equates to a convenience goods sales floorspace of 268 sq.m.

4.25 Finally, to account for the small proportion of non-convenience goods that are typically on offered within a convenience store, such as cleaning products, flowers and toiletries, we have applied a 5% uplift to indicate the potential total sales floorspace. This adjustment equates to an overall estimated sales area of 282 sq.m.

4.26 In practice, operators limit the net sales area of stores to 280 sq.m to conform with Sunday trading restrictions.

4.27 It is assumed that there will be a 70:30 split in respect of net retail sales and 'back of house' floorspace. On this basis, our capacity exercise demonstrates that a 'main four' convenience store with a net sales area of 280 sq.m and a gross floorspace of 400 sq.m could be supported at the local centre.

Key Conclusions

4.28 LSH's key conclusions in respect of capacity are as follows:

a convenience store operated in this location by a 'main four' grocery operator could serve a local catchment area of around 4,736 persons;

based on average available convenience goods per capita expenditure of £2,408 at 2030, an estimated £11.40m of convenience goods expenditure is generated within the catchment area at 2030;

it is assumed that 20% of this expenditure – equating to £2.28m – could be attracted to the proposed convenience store;

a further estimated £0.40m would be drawn to the store as inflow from beyond the identified catchment;

based on a sales density of £10,000 per sq.m, the assumed store convenience goods turnover equates to 268 sq.m of net convenience goods sales;

comparison goods sales would equate to around 5% of store floorspace, meaning that the total estimated net sales area is 282 sq.m which we round down to 280 sq.m to accord with Sunday trading restrictions; and

based on a typical split between sales floorspace and back of house provision, the convenience store would comprise circa 400 sq.m gross floorspace.

4.29 The total quantum of gross floorspace supported equates to a typical convenience store requirement for a 'main four' grocery operator.

5.0 Commercial Market Demand

Convenience Retail Overview

5.1 Notwithstanding the challenging national retail picture, neighbourhood retail has experienced something of a renaissance in recent years as consumers rediscovered their local centres during the pandemic restrictions.

5.2 Following the pandemic, hybrid and home working now appears to be entrenched and a return of staff to pre-pandemic office occupancy levels looks unlikely. The annual LSH Office Occupier Survey indicates that attendance in the office increased last year with 39% of staff now spending three days week in the office and 42% spending two days – this is significantly lower than pre-pandemic levels. The upshot of these working patterns is that local/neighbourhood centres are enjoying the benefit of increased patronage through the working week.

5.3 From a leasing perspective there has been an increased demand for convenience retail from both national chains and independent service-orientated retailers.

5.4 Use Class E, introduced in September 2020, has allowed certain occupiers – outside of the former Use Class A – access to what was previously primary or restricted retail frontages.

5.5 Former Class D1 and D2 uses – including the commercial health, beauty and wellbeing sub-sectors – have been acquisitive in neighbourhood locations. Medical, dental, and other health & wellbeing uses (such as fitness studios and cosmetic treatment clinics) have also increasingly been taking redundant retail space in neighbourhood locations thereby easing vacancy rates.

5.6 Whilst smaller local centres typically attract 'food to go' uses, LSH has also seen leasing activity within local centres from the independent restaurant sector, particularly for fitted restaurant space, thereby mitigating capital expenditure on fit-out costs.

5.7 Coffee and 'food to go' operators including Costa, Starbucks, Pret, Caffe Nero, Greggs, Subway, and other fast-food brands have all been expansive in local centres looking to take advantage of the increased consumer spend brought about by flexible working. As such, it is LSH's view that the second retail/commercial unit would likely be attractive to a range of food and beverage operators.

5.8 The convenience store sector has historically favoured neighbourhood retail locations and the sector has enjoyed strong trading performances during and since the pandemic. This sector can arguably be divided into two broad types of operator.

5.9 Primary operators, such as Tesco Express, Sainsbury Local, Asda Express, Morrisons Daily and the Co-op (i.e. 'main grocery retailers'), typically take larger stores providing around 400 sq.m gross in locations with strong retail catchments.

5.10 The more secondary convenience store operators (i.e. 'c-store format specialists'), which are often franchise-driven, are also expansive with the likes of One Stop, Budgens, Londis, Premier, Costcutter, and Nisa all acquiring new sites. As identified in the preceding section, these operators typically take smaller stores serving a more compact catchment than the primary operators and as a result pay lower rental levels.

5.11 Traditionally, district and local centres have been anchored by foodstore provision ranging from the smaller convenience store formats up to large supermarkets However, other non-retail uses including health centres, nurseries and schools can be important footfall-generating in a local centre.

Soft Market Testing

5.12 LSH's standard approach in relation to soft market testing is to contact targeted retailers providing them with a brief overview of the development and its constituent parts along with the development framework and local centre layout plans to provide context and to outline the future opportunity.

5.13 For reasons of commercial confidentiality, we are unable to report the names of the operators who have been approached and who have responded as part of LSH's soft market testing exercise.

5.14 However, we are able to confirm that the response to the market testing exercise is very encouraging and that it has informed the scale of the proposed convenience store and provided confidence that the store would be delivered and trade successfully in practice.

5.15 The market testing exercise has resulted in three initial positive expressions of interest from three mainstream convenience store grocers, and a more substantive expression of interest from a further mainstream grocer which has undertaken a detailed site appraisal. The detailed appraisal is based on the operator's own understanding of the market opportunity and likely turnover of a store in this location. The operator's own appraisal has confirmed that a convenience store trading from the application site is a viable proposition.

5.16 Given the above, LSH's soft market testing exercise has corroborated LSH's quantitative capacity assessment, which outlines that the proposed convenience store would be attractive to local residents and play an important role in serving needs which arise in the northern part of Croxley Green.

6.0 Summary and Conclusions

Proposal

6.1 The applicant seeks planning permission for residential-led development comprising up to 600 new residential dwellings, a one form entry primary school (plus expansion land), a mixed-use local centre (including NHS health and social care services), and open land and greenspace.

6.2 The proposed local centre seeks to meet needs that rise from the proposed residential development and the wider local area. The commercial anchor of the local centre would be a convenience store. This Local Centre Capacity Statement has addressed the appropriate scale for such a store to demonstrate that it is a viable commercial proposition and that it would have a beneficial impact in supporting sustainable development.

Policy Requirements

6.3 Three Rivers Core Strategy Policy CP7 'Town Centres and Shopping' CP1 'Overarching Policy on Sustainable Development' seeks to support accessible retail development that does not create unacceptable impacts on defined centres.

6.4 NPPF paragraph 91 sets out the requirements of the sequential approach to development, identifying that:

'Main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available should out of centre sites be considered.'

6.5 NPPF paragraph 94 sets out an impact test in two parts. It states that:

'When assessing applications for retail and leisure development outside town centres, which are not in accordance with an up-to-date plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold the default threshold is 2,500m^2 of gross floorspace). This should include assessment of:

c) the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and

d) the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider retail catchment (as applicable to the scale and nature of the scheme).'

6.6 NPPF paragraph 95 then goes on to state that, where an application fails to satisfy the sequential test or is likely to have a significant adverse impact, it should be refused.

6.7 Convenience stores typically have a localised catchment area. The nearest existing defined local centre is Croxley Green local centre, which is focused around Watford Road near Croxley Green Underground Station. This is approximately 1.8 kilometres from the proposed local centre based on the most direct route by adopted highway.

6.8 The existing local centre serves a different localised catchment area. The market opportunity which exists in the northern part of Croxley Green cannot be met in a sustainable manner through an expansion of the existing centre (should this be possible in land use terms).

6.9 Furthermore, given the distance between Croxley Green local centre and the application site, it is evident that the two will not directly compete for the same expenditure.

6.10 There is no requirement for the proposal to be the subject of formal impact assessment due to its modest scale. Notwithstanding this, LSH has demonstrated that the proposal conforms with the key retail policy tests.

Capacity and Meeting Local Needs

6.11 This Local Centre Capacity Statement adopts a staged methodology in estimating future convenience store floorspace capacity in the area served by the local centre. The stages are as follows:

i) Stage 1: Identify the catchment area of the proposal;

ii) Stage 2: Estimate the existing and proposed population located within the catchment area;

iii) Stage 3: Estimate the per capita convenience expenditure associated with the catchment area population;

iv) Stage 4: Estimate the overall convenience goods expenditure generated within the catchment area;

vii) Stage 5: Estimate the market share of expenditure that could be claimed by a new full format convenience store at the application site; and

viii) Stage 6: Convert this expenditure to a net and gross floorspace requirement to justify the scale of convenience retail development proposed.

6.12 This exercise has identified that the primary catchment area of the proposal would support a population of 4,736 persons at 2030, and that average convenience goods per capita expenditure at this date within the catchment is £2,408 (after account has been taken of expenditure committed via special forms of trading).

6.13 This equates to a primary catchment convenience goods turnover of £11.40m.

6.14 LSH assumes that 20% of this expenditure (£2.28m) could be supported by a convenience store operated by a 'main four' grocer and that a further £0.40m of convenience goods expenditure could be drawn to the store as inflow. This equates to a turnover of £2.68m.

6.15 Based on a typical convenience operator net sales density of £10,000 per sq.m, 268 sq.m of convenience goods sales floorspace is supported. Around 5% of sales floorspace would be dedicated to comparison goods in practice, which provides for a total of 282 sq.m of sales floorspace.

6.16 In practice, this level of capacity equates to a convenience store with a sales area of circa 280 sq.m and a gross floorspace of circa 400 sq.m.

6.17 The capacity exercise has therefore demonstrated that the proposal would meet a localised catchment area, and that this catchment area is able to support a store which would make a significant contribution to meeting day-to-day grocery needs in the northern part of Croxley Green.

6.18 NPPF paragraph 94 identifies that consideration can be given by the determining authority in respect of improvements in local consumer choice delivered through new development. This Statement has clearly demonstrated that the proposal will meet needs that arise in a catchment area that is deficient in respect of convenience goods retail provision.

Soft Market Testing

6.19 The convenience store retail sector has been the subject of expansion in recent years, with 'main four' grocers opening an increasing number of stores. Convenience stores typically act to anchor local centres, and there can be a strong degree of confidence that the proposed amalgamation of uses at the site provides for an attractive development that would likely support a coffee shop/café use in the second retail/commercial unit.

6.20 LSH has undertaken a soft market testing exercise in association with the proposal. This has corroborated the findings of the capacity exercise and has identified a strong degree of interest in the opportunity from mainstream grocery operators. The Council can have confidence that the local centre opportunity would be delivered in practice.

Conclusions

6.21 The proposed local centre is wholly compliant with relevant retail and town centre planning policy, including the sequential and impact tests. This Local Centre Capacity Statement has demonstrated that a convenience store with a net sales area of circa 280 sq.m and a gross floorspace of circa 400 sq.m could be supported on the site. Furthermore, it has been demonstrated that such a provision would meet local needs arising in the northern part of Croxley Green. The improvement in provision and customer choice arising from the proposal is a net benefit which can be afforded weight in considering the overall merits of the development.

APPENDIX 1

LOCAL CONVENIENCE GOODS RETAIL CAPACITY TABLES

Table 1: Estimated Convenience Goods Retail Expenditure Per Capita

Year	2022 with SfT	2022	2023	2024	2025	2026	2027	2028	2029	2030
Per Capita Expenditure	2,674	2,543	2,469	2,445	2,430	2,420	2,415	2,413	2,410	2,408

Notes:

1. Per capita convenience goods expenditure sourced from November 2024 Experian Location Analyst Report.

2. SfT assumed to equate to 4.9% of expenditure at 2022 in accordance with the 'adjusted' figure provided at Figure 5 of Experian Retail Planner Briefing Note 21.

3. Annual expenditure growth derived from Figure 7 of Experian Retail Planner Briefing Note 21.

Table 2: Estimated Construction Rate and Number of Residents at 2030

	Population
Number of New Residents	1,500
Existing Catchment Residents	3,236
Total Catchment Population	4,736

Notes:

1. Number of new residents is Richborough estimate.

2. Existing catchment residents derived from LSH estimate of catchment and with reference to Experian Location Analyst data.

Table 3: Estimated Convenience Goods Expenditure Supported by Development at 2030

	Pop/Expenditure
Convenience Exp. per Capita (£)	2,408
Population	4,736
Total Catchment Expenditure	11.40

Notes:

1. Convenience expenditure per capita derived from Table 1.

2. Population derived from Table 2.

Table 4: Estimated Convenience Goods Floorspace Supported at 2030

Total Convenience Expenditure (£m)	11.40
Convenience Exp. Available to Store	2.28
Inflow from Outside Catchment	0.40
Total Store Conv. Expenditure	2.68
Sales Density (£ per sq.m)	10,000
Conv. Floorspace Capacity (sq.m)	268
Adjustment for Comparison F'space	14
Total Store Floorspace	282

Notes:

1. It is assumed that the convenience store would secure 20% of catchment area convenience goods expenditure.

1. It is assumed that the convenience store could secure 15% of its turnover as 'inflow' from beyond the catchment area.

2. It is assumed that the store would secure a sales density of around £10,000 per sq.m.

3. An allowance for comparison goods floorspace has been made which equates to 5% of total store floorspace.

2022 prices