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EXECUTIVE SUMMARY

The Water Lane site is located in a central and prominent location along the High Street of Berkhamsted. The site comprises a number of late 20th century mixed use commercial buildings forming a frontage along the High Street and an open public car park to the rear, bounded at its northern extent by the historic alignment of the River Bulbourne. The site is surrounded by a range of land uses including retail, leisure, offices, a school and a water pumping station. The buildings on the site are of a relatively low quality and character.

The site is allocated in the Dacorum Borough Council Local Plan under proposal S1 for a high quality supermarket-led redevelopment proposal of a significant but limited size, together with other supporting land uses and car parking. The purpose of this study has been to test the feasibility of this proposal under a number of options, generated from the broad requirements of a range of local interest groups and the Town Council.

A range of broad objectives have been identified for redevelopment of the site. These include a need for no loss of car parking, additional and improved quality retail space (including a supermarket), new residential accommodation, improved servicing arrangements, a public urban space, and the replacement of the existing public toilets.

Site and background analysis covering urban design, movement, ground conditions and services has been undertaken to assess the sites constraints and potential. A Property Market Assessment and contact with the current landowners has also informed the proposed land use mix and distribution tested.

A preferred development option is proposed that is intended to meet as many of the site requirements as possible and that seeks to demonstrate a financially viable proposition. This option includes a range of land uses including a supermarket, additional retail, new residential uses and areas of new underground car parking. The structure of the existing Tesco building is assumed to be retained to minimise disruption to the adjacent highway and to facilitate retention of the existing car park. All other buildings on the site are proposed to be redeveloped to create a positive and high quality high street frontage and a new front onto a retained and upgraded car parking square.

The preferred option proposes closing Water Lane to all vehicles (possibly except taxis) and widening Greene Field Road for entry and exit. This would allow a high quality pedestrian priority route to be created along Water Lane.

The viability assessment of the options tested demonstrates that the redevelopment would, in itself, be viable if the site were not currently in use. Any surplus generated is not likely to be enough to enable the existing land holdings and leases to be bought out at the current time. Consequently, alternative forms of development would need to be proposed. This might include a development led by one of the existing land owners with a long term interest in the site. Public gap funding is thought unlikely in this location.

The preferred option has been evaluated against a number of issues including urban design and townscape, movement and traffic impact. It is considered that a high quality redevelopment proposal has a strong potential to significantly improve the environmental and urban design qualities of the S1 site and its context.

In order to guide any potential future redevelopment a development brief is also being prepared for the site.
1 Introduction

car park option 2
30 public spaces
public square
10 residential 200 per

block 1
15,660 supermarket

Tesco's
retail: 6,175 sq ft
1.0 Introduction

1.1 Tibbalds Planning and Urban Design were appointed as lead consultants by Dacorum Borough Council (DBC) in February 2006 to carry out a feasibility study for the potential re-development of the Water Lane Local Plan S1 Site in Berkhamsted (see Figure 1.1).

THE SCOPE OF THE PROJECT

PROJECT BRIEF

1.2 The project brief required that the study should assess the opportunities offered by this important town centre site and should aim to identify a commercially viable set of proposals, which are capable of implementation, taking into account the following issues in particular:

- The content of Proposal S1 in the Local Plan (see appendix A1), setting out the potential for a replacement supermarket alongside other uses;
- The re provision of the existing public toilets;
- Retaining Water Lane and The Wilderness as routes in some form.
- The retention of approximately the same number of public car parking spaces that exist on the site at present;
- Retaining access to the adopted service area to the west of the site
- The relationship of the proposed development with the existing high street and views and impact of the development when approached from the north;
- The impact of the development on the character of Berkhamsted (to be developed further through a subsequent development brief for the site).

1.3 One of the specific aspects of the site that the team were asked to look at was undertaking research and providing information on the current owners of the site, any leases or tenants.

STUDY TEAM

1.4 The Tibbalds Planning and Urban Design team has comprised the following consultants providing specialist inputs to the study:

- Tibbalds Planning and Urban Design; project management and coordination, site planning, design and urban design.
- Campbell Reith, Consulting Engineers; site constraints, engineering and car parking advice, highways and traffic, archaeological background, abnormal costs.
- Cluttons, Chartered Surveyors; financial viability, land ownership and interests, property consultants, retail and housing market expertise.
- Gardiner and Theobald, quantity surveyors; costs.

STUDY PROGRAMME

1.5 The study programme was set at around 8 weeks with draft analysis, background information and development options presented to the client team 4 weeks into the programme. The work has therefore been quite focused with some elements being undertaken in parallel.

STUDY LIMITATIONS

1.6 We have used and interpreted information provided by our sub-consultant team and others, as set out in the appendices, in as careful and balanced way as we can to inform our analysis and findings. It must be recognised, however, that there are inevitably some areas of risk and uncertainty which could not be resolved within the programme or at the level of detail of this study. Where appropriate these are identified in the text and the assumptions made explicitly stated.
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Figure 1.1: Site location and study area

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THE SITE

1.7 The Water Lane site is a town centre site of approximately 0.9 hectares (2 acres) in multiple ownership. The site comprises part of the main high street frontage in Berkhamsted and the open area directly behind which includes public car parking and other municipal facilities. It includes three streets; Water Lane, The Wilderness and Greene Field Road; that connect it to the wider network. The site is in an important and prominent location along the high street.

The study area (see figure 1.1) includes:

- The Water Lane Car Park (with 100 short stay car parking spaces including 6 disabled spaces);
- 172-176 High Street (currently occupied by Laura Ashley Home and Fitness First above);
- 168 High Street (currently occupied by Ottakar's bookshop with offices above);
- 162-166 High Street (currently occupied by Costa Coffee with offices above);
- 160 High Street (currently occupied by Tesco, including a basement level customer car park);
- 1 Church Lane (current use not known);
- Water Lane, which includes a taxi rank;
- The Wilderness;
- Greene Field Road; and
- An electricity sub station on the Wilderness.

THE CONTENT OF THIS REPORT

1.8 The document is set out in various sections to present and then review the information that has informed and shaped this study.

Section 2: Covers topic appraisals for various development issues affecting the site;

Section 3: Includes various physical appraisals for the site;

Section 4: Sets out the various site options and alternatives that have been considered;

Section 5: Feasibility assessment including financial viability, access, movement and car parking and urban design and design issues;

Section 6: Covers the land assembly and development issues; and

Section 7: Document summary and conclusions.
2 Topic appraisals

Car park option

30 public spaces

Public square

10 residential 200 per

Block 1

15/660 supermarket

Tesco's

Retail: £6,195,095
2.0 Topic appraisals

2.1 The wider economy of Berkhamsted

2.1.1 Berkhamsted is a vibrant and busy market town organised around an attractive and high quality high street (see figure 2.1). The town (together with the adjacent area of Northchurch) has a population of around 18,500 (source: Census 2001). The population of Berkhamsted is relatively wealthy with 61% comprising wealthy executives, flourishing families, prosperous professionals or secure families (source: Town Focus Report). Berkhamsted has low levels of unemployment (in April 2003 it was 1.7%. Source: Berkhamsted Health Check and Action Plan March 2004). The town is well located for transport and the train station provides direct services to central London in less than an hour. It has a strong character that brings a high level of local support and interest. Further comprehensive information on the background to Berkhamsted is contained in the Berkhamsted Health Check and Action Plan Report dated March 2004 and available online at http://www.berkhamsted.gov.uk/images/BCPimage/Health_Check.pdf

2.1.2 Berkhamsted is not a PROMIS rated town (see footnote 1) and only has 2 of the top 20 retailers (Boots and WHSmiths), as classified by ORC Data Services.

2.1.3 Berkhamsted is located approximately 2.5 miles to the west of Hemel Hempstead and 15 miles to the north of Greater London. The town is situated to the west of junction 8 of the M1, providing easy access to the national motorway network. Berkhamsted also has a train station, with regular services running to London Euston. The nearest airport is London Luton Airport.

Footnote 1: PROMIS is a standard source of reference within the Property Industry for comprehensive, up-to-the-minute information on every aspect of the office, industrial and retail markets in key towns and cities within the UK and worldwide. PROMIS is provided by PMA (Property Market Analysis) and covers local economy, demographics, existing and potential supply and market conditions.

2.2 Market appraisal

Retail potential

2.2.1 The existing retail uses have been trading from the site for the last couple of years and comprise national retailers including Laura Ashley, Ottakar's, Costa Coffee and Tesco (see appendix D1).

2.2.2 The assumptions in terms of future retail are based on the Retail and Leisure Study produced for DBC by Donaldsons in January 2006. This identified the town as having good retail demand with a lack of units to meet all of those required. The town also has a low number of national retailers, which gives it a strong local character.

2.2.3 The report identifies a demand for units of between 500 sqft and 2,000 sqft with the largest units being sought, even from national retailers, as being 3,000 sqft maximum (see appendix D2). Ideally as many retail units would have High Street or other prominent frontage.

2.2.4 In terms of food retail demand we have assumed that as there is an existing supermarket on the site at present that there would be potential for a replacement store. We have discussed the potential unit sizes with a couple of operators and their current advice is that either a small store of around 410 sqm gross (4,500 sqft, including 1,500 sqft storage) or a larger store of up to around 1360 sqm gross (15,000 sqft, including 5,000 sqft storage) might be appropriate in this location. The current Tesco store is around 900 sqm gross (9,500 sqft).

The potential for residential uses

2.2.5 A clear demand has been identified within Berkhamsted Town Centre for residential development. Local agents suggest that 1 and 2 bedroom apartments, with car parking space are the most appropriate for this location as those looking for larger properties with 3 bedrooms or more would generally prefer to be on the edge of town (See appendix D2).
Figure 2.1: Land-uses on and around the site (ground floor)

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Office uses

2.2.6 Berkhamsted is not seen as a prime office location and sits well behind larger towns in the area such as Hemel Hempstead and Watford. However, much of the office space that is available is poor quality, uneconomical and situated above retail units and there is considered to be a lack of Grade A new office accommodation.

2.2.7 Requirements for new units would be for small suites of around 50 square metres (500 square foot), above retail and with a good specification. Even so, these spaces are relatively hard to let and as such have a relatively low investment value.

Leisure uses

2.2.8 The site currently includes a commercial leisure unit at first floor (Fitness First) and we have assumed that this unit could be replaced within any redevelopment. It is considered unlikely that there is potential for further commercial leisure uses on the site. The Donaldsons Retail and Leisure Study did not identify any pressing need for commercial leisure facilities in the town.

Car parking

2.2.9 A large part of the Water Lane site is managed by Dacorum Borough Council as a short stay public car park (see appendix C) and is owned by Hertfordshire County Council. The car park is well used and generates around £90,000 p.a. in revenue from Pay and Display charges and £40,000 in revenue from Penalty Charge Notices (figures relate to 1/10/04 to 30/9/05 from DBC).

2.2.10 The car park area is bisected by a number of roads and gives access to other surrounding streets. The car park also provides a route through to several adjoining car park and service areas.

2.2.11 We have reviewed the potential to extend the current car parking area and to provide this as a decked car park in its current location. However, there are considerable barriers to be considered in relation to visual impact, urban design quality and existing routes and services, if this were to be pursued.

2.3 Existing site ownership and leasehold interests

2.3.1 The site is currently in multiple ownership (see figure 2.2) and is leased and sub-leased to a number of occupiers (see appendix D1). Some of these leases have up to 18 years remaining.

2.3.2 This complex arrangement of land ownership may make achieving a comprehensive development more difficult across the site. This issue is explored further in section 6 and a full review of all the ownerships and uses on the site is included in appendix D1.

2.4 The Town Council, Local Interest and Resident Groups

2.4.1 Berkhamsted has a number of different local interest and residents groups, including:

- Berkhamsted Town Council;
- Berkhamsted Chamber of Commerce;
- Berkhamsted Youth Council;
- Berkhamsted Citizens Association;
- Berkhamsted Community Partnership; and
- There are also a number of keen individual residents with strong views about the future of the town.

2.4.2 All of these groups have an active interest in the town and its future and many have strong ideas for how the town should change and evolve over time. Much of the desire to see something happening on the S1 site relates back to the Local Plan Inquiry and Tesco’s former proposals for a large out of centre replacement supermarket. A number of the units were also empty for a considerable period, until as recently as 2004.
Figure 2.2. Land ownership (freeholders) across the study area (source: Land Registry).

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2.4.3 Some of the ideas that have been put forward by these groups and other key stakeholders both as part of this feasibility process and contained in other studies, include:

- A desire for a town square or other focal space to act as the centre point of the town;
- The need for additional car parking to support the high street and local retailers;
- The need for additional retail space, particularly for local businesses and shops;
- Support for new residential uses within the centre, but also concern with how these mixed uses might work;
- The desire for a high quality contemporary proposal that is appropriate to the important historic context of the High Street; and
- A concern that the perceived high levels of traffic congestion are not worsened by any proposals.

2.4.4 It is clear that there are a number of conflicting views about how Berkhamsted should evolve and in particular how the S1 site should be redeveloped. However there is a strong and generally broadly held view that something does need to happen on this site and that it is at present a missed opportunity.

2.4.5 A list of contacts made and relevant for the site is included in Appendix F.
3 Site appraisals

car park option
30 public spaces
public square
10 residential areas

Block 1
15,660 supermarket
Tesco
retail: 6,195 sqft
3.0 Site appraisals

3.1 The site

Site area
3.1.1 The extent of land covered by Proposal S1 is set out in Figure 1.1.

3.1.2 As part of this study we have carefully considered whether additional land should be included within the study area, but have concluded that this would not make a great difference to what was achievable on the S1 site and would therefore serve little additional benefit in this case. However, it may be that any development that comes forward includes other adjoining buildings or sites and we recommend that this issue is covered more fully in a development brief for the site.

Site character
3.1.3 The character of the site is varied and contains a mix of buildings of minimal townscape value and large areas of tarmac car parking. The buildings that make up the frontage along the high street were mostly constructed in the 1960’s and 1970’s and are noticeably different in scale and character from many of the more historic high street frontages.

3.1.4 The car park area of the site is back-land development with generally unattractive service areas and backs of buildings forming the main elevation when viewed from within the site. The northern part of the development site, along Greene Field Road is more open and green and sits at the edge of the main developed area of the town. It abuts open playing fields relating to the school to the north and the narrow and contained River Bulbourne, directly to the south.

3.1.5 Within the site, the edges of the development along The Wilderness and Water Lane are generally blank and unattractive. See photographs of the site area in figure 3.1.

Building condition and character
3.1.6 The buildings on the site at present appear in reasonable condition for their current use (from external inspection only). However, they are not attractive and do not contribute to the overall character and appearance of the town and in particular the Conservation Area (see figure 3.4). In particular the backs of these buildings are unappealing and fail to provide a positive impression of the town as seen by those using the Water Lane car park. Apart from 1 Church Lane, no buildings of historic interest remain on the Water Lane Site.

3.1.7 We have considered whether these buildings should be retained or redeveloped and have concluded that there is no overriding townscape or building character reasons why these buildings should remain. In their current form they offer little potential for reorganisation of the uses on the site or the intensification of development.

3.1.8 However, the current Tesco building contains an existing basement storey (as shown on the section in figure 3.2), the walls of which provide support to the existing highway on either side (Water Lane and the Wilderness) and the construction of which would have removed or destroyed any interesting archaeology (see section 5). For these reasons it is may be appropriate to retain the frame or structure of this building, together with the basement, in the form of a reclad and reconfigured building. This potential is discussed further in section 4.

Site history
3.1.9 The site lies within the Bulbourne Valley, an area of rich historical development with records of considerable activity from the late Iron Age, when it was a major iron production area. This use declined in Roman times but the nearby commercial activity of Akeman street (High street) resulted in ongoing Roman development in the area, albeit in a limited manner. In Saxon times the town developed some importance regionally with substantial churches at St Peters (close to the site) and St Marys.
Figure 3.1. Photographs of the study area and immediate context.
3.1.10 After the Norman conquest it is recorded that Duke William came to Berkhamsted to receive the surrender of the Archbishop of York. It is likely that the castle was built at this time or shortly thereafter. Berkhamsted continued to grow in Medieval times with the development of burgage plots to the rear of the High street, their northern boundary being restrained by the marshy areas of the River Bulbourne (see figure 3.3). It is recorded that this area became marshy due to the construction of the Town mill which impeded river flows. By the 19th century the town was well developed but still very much linear in arrangement with only some of the medieval burgage plots developed. Historical mapping shows that some of these areas (including some now under the Water Lane car park) have never been developed and may contain valuable archaeological remains.

3.1.11 The 1878 Ordnance Survey map shows the town gas works on part of the site, a brewery and the water works, in addition to the buildings that made up the high street frontage. Development since this time has been limited with the gasworks being redeveloped around 1900, the Water Lane car park was created in the early 1970’s and the main development on the site, including Tescos, in the late 1970’s. See figure 3.3.

**Historic organisation of the site**

3.1.12 More generally the character of the north side of the high street fits into two main categories:

- the main high street frontages with a good level of enclosure and continuity; and
- the backs of these buildings, facing north and that mostly comprise a jumble of buildings of variable quality and character and that contain little order and formalism.

3.1.13 Historically, these two faces of the buildings would have performed quite different functions with only the front of the buildings onto the high street being widely seen. However, the advent of the use of the back land sites such as this one for car parking and other similar uses have opened up these areas. Often the latter give people their first sense of arrival in a place, which is something that they are not always able to do positively.

3.1.14 Any new proposals that are brought forward for this site will have to carefully respond to the context, as summarised above. This will include responding to the scale, massing, architectural treatment and design of the existing and adjacent buildings and also to the streets and spaces. This does not necessarily mean that the new buildings should
Figure 3.3: Site history appraisal and ground conditions summary

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look exactly like the context, just that they should consider and relate to them in an appropriate way. High quality contemporary approaches may be as able to achieve this as traditional ones.

3.2 The site context

3.2.1 The Water Lane site sits adjacent to the historic core of Berkhamsted and on the likely site of early parts of the town. Around the site are buildings and areas with interesting and varied characters. High Street and Church Lane, in particular, form the strongest elements of this context.

3.2.2 To the north are a range of 1970’s offices and flats (Berkeley Court and Amersham House) which appear dated. Amersham house in particular does not make a positive contribution to the character of the area.

3.2.3 To the north east is Mill Street, an area of generally attractive houses and other uses. This area is not likely to become an important through route into or from the site.

3.2.4 To the east is a historic area containing Berkhamsted Collegiate school and a number of attractive historic buildings.

3.2.5 To the south is the High Street and Church Lane, both of which form strong elements of the Townscape and which reinforce the town’s strong linear organisation along this route. The High Street contains strong frontage with a high degree of enclosure and interesting historic buildings. These buildings contain a wide variety of scales and characters and a good level of detail and articulation. They are generally of 2-3 storeys in height but on occasion range between 1 and 4 storeys.

3.2.6 Directly to the south of the site is the widest section of the high street that is used on Fridays and Saturdays for markets.

3.2.7 To the west of the site are various back land uses including car parking, service yards and a number of utility and water related functions, some of which are housed in relatively attractive buildings. Further to the west is Lower Kings Road, one of the main routes connecting with the high street and that provides the main access to the Waitrose Supermarket further over and north towards the canal and the station.

3.2.8 To the north west of the site is the River Bulbourne. Located directly to the south of Greene Field Road the river is in an open narrow cutting. It continues below the developed areas to the north of the site. To the north of Greene Field Road are school playing fields and open land that stretches across to the canal, some 150 metres away and broadly providing the edge to the urban part of the settlement in this area. The train station is located about 300m to the north.

3.3 The Planning Policy Context

The Local Plan Framework

3.3.1 The principal planning document that will guide development on this site is the Dacorum Borough Local Plan 1991–2011 (adopted 2004). This document contains the general policies for the area of Berkhamsted as well as specific planning requirements for the redevelopment of the site (Proposal S1), as referred to earlier in the study (see appendix A1).
Land off High Street and Water Lane, Berkhamsted | Feasibility Study

Figure 3.4: The Local Plan Proposals Map showing the extent of the Conservation Area, The Town Centre and the S1 proposal site.
The Conservation Area

3.3.2 The study area is also within the Berkhamsted Conservation Area (see figure 3.4). The Conservation Area statement for this area is included within the Local Plan as Supplementary Planning Guidance, and identifies the site as falling primarily within the High Street Identity Area, although Greene Field Road is also along the boundary with the Grand Union Canal Identity Area. The statement identifies a number of issues of importance for the High Street Identity area, in particular, including:

- The variety of building forms, roofscape and materials.
- Concentrating on enhancing those buildings that currently detract from the Conservation Area;
- The need for High Quality public realm and streetscape;
- The use of pitched roof forms;
- The use of locally appropriate building materials, including in particular soft red brick and clay tiles;
- Specific protection for the historic core;
- A consistent building line at the edge of the footway (for the High Street itself); and
- The need for sympathetic (although not necessarily traditional) shopfronts.

3.3.3 In addition to the Conservation Area Berkhamsted contains 69 listed buildings. Many of which are along the High Street in the area of the S1 site.

3.3.4 Early discussion will be necessary with the Council’s Conservation Team before any detailed design or development proposals are undertaken.

Other relevant development Plan Policies

3.3.5 A number of other relevant development plan policies and guidance will influence and control the redevelopment of this site are contained within the Local Plan. These currently include:

- The Berkhamsted Town Centre Strategy;
- Parking provision;
- Open space and play provision;
- Residential design standards;
- Shopping frontages (Policy 42); and
- Sustainability Checklist.

Planning Obligations

3.3.6 In addition to the Local Plan requirements as set out in the site specific policy, redevelopment of the site will also attract planning obligations that will need to be negotiated with the Local Planning Authority as part of the planning process. Officers of Dacorum Borough Council and Hertfordshire County Council have initially advised that the following would form the starting point for these discussions (see appendix A2 and the Local Plan for more detail):

- An Affordable housing provision related to any residential development of around 30%;
- 10% lifetime homes requirement;
- Education contributions from residential development, based on unit size and tenure (HCC);
- Contributions towards library facilities for each residential unit (HCC)
- Financial contributions towards childcare and youth facilities for each residential unit (HCC);
- Fire hydrant provision within 60m of each residential unit (HCC);
- Financial contributions towards off-site provision or upgrade of open space may be possible, instead of on-site provision (Dacorum Local Plan);
- A contribution towards off-site highway improvements as necessitated by the development; and
Figure 3.5: Services and site constraints summary

- ZONE OF HIGH ARCHAEOLOGICAL INTEREST
- ZONE OF HIGH POTENTIAL CONTAMINATION
- ELECTRICITY SUBSTATION
- LOW VOLTAGE
- 5000 SEWER
- 11000 VOLT MAIN
- 2300 VOLT
- OLD BUILDINGS WITH BOUNDARY/(NON PARTY) WALLS. UNDERPINNING MAY BE REQUIRED.
- RETENTION OF HIGHWAY DURING EXCAVATION

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• A public realm contribution to cover the delivery and maintenance of works both on and off-site. This might include streetscape improvements, public art, signage, improved street lighting, CCTV etc.

3.4 Services

Foul and Surface Water Drainage

3.4.1 Drainage records show three sewers crossing the site (see Figure 3.5). A 450 mm diameter surface water sewer and a 225 mm diameter foul sewer runs along Water Lane before taking a diagonal path across the car park towards Mill Street. A further 450 mm diameter foul sewer passes behind Amersham House and then crosses Green Field Road before entering the pumping station located on the western side of Green Field Road.

Initial investigations indicate that both foul and surface water drainage is available to the site and that there is likely to be sufficient capacity to accommodate the level of redevelopment being considered (see Appendix B3).

Electricity

3.4.2 Records provided by EDF energy indicate that the company has a plant within and crossing the S1 site area. There are two electricity sub stations within the site (see Figure 3.5), one substantial facility located on the eastern extremity of the site adjacent to the existing Tesco building and The Wilderness. The other sub station is located on the western boundary of the site immediately to the north of the building previously occupied by Waitrose.

3.4.4 Three underground cables cross the site consisting of a low voltage cable which runs parallel to the site’s western boundary; a 11,000 volt cable which diagonally crosses the site from The Wilderness to Green Field Road; and a further 11,000 volt cable that runs along The Wilderness and out towards Mill Street. Due to the scale of these services we would strongly recommend that the Sub-station along the Wilderness is retained in situ in any redevelopment proposals.

Gas

3.4.6 Transco inform us that they have a 180 mm diameter gas main running along Water Lane, which then takes a diagonal route across the car park and then out into Mill Street (see Figure 3.5).

3.4.7 Transco also inform us that they would have no problems in supplying a redevelopment proposal for the site of the scale currently envisaged.

British Telecom

3.4.8 Both residential and commercial services are available from BT in the Water Lane area. BT also informs us that they have no significant plant crossing the regeneration site.

3.4.9 Due to the alignment and location of a number of the services across the site we would recommend that Water Lane and The Wilderness are not built over. This would allow those services to remain in their current location and significantly reduce the cost and complexity of any works.
Figure 3.6: The extent of adopted highway (source: Hertfordshire County Council)

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3.5 Ground Conditions and Archaeology

Archaeology

3.5.1 As part of this study the site history has been investigated and HCC have been consulted in relation to potential archaeological risk. Drawing GIS 001 in Appendix B shows the results of these studies. In short, the southern areas of the site have been heavily developed and potential archaeology is likely to have been severely impacted although medieval remains may exist. Areas of interest may arise if additional basements are dug out. Under the Water Lane car parks less historical development has taken place and the potential for archaeological remains is significantly higher, particularly in the western area as this appears to have remained undeveloped (as shown on figure 3.5). The area of the underground Tesco’s car park is known to have been excavated into the chalk and therefore any potential archaeology will have been destroyed in this area. Reuse of this area for future basements would therefore be sensible. HCC will require full archaeological appraisal for any Planning Application submitted on the site.

Contamination

3.5.2 Historical maps of the area show that part of the Berkhamsted Collegiate School and Wilson House and Cox’s House have been built on the site of a former gas works. As a consequence part of the site to the east of Water Lane falls within a zone of high potential contamination. It will therefore be necessary to undertake a detailed site investigation before any development is commenced. It is recommended in the interim that residential uses (with gardens) are not provided on this part of the site.

Ground Conditions

3.5.3 At present no ground surveys have been undertaken. However, from the geological maps, ground conditions are known to be alluvium and peat over chalk with the chalk no more than 3 metres deep (from Basement excavation in Tesco’s basement). Traditional foundations are therefore anticipated.

3.6 The Route Network

Vehicular Access

3.6.1 Vehicular access to and from the site area is gained from the following roads (see figures 3.6 and 3.7):

i) Water Lane

3.6.2 Water Lane is an adopted road maintained by Hertfordshire County Council, as the local highway authority. The road operates as a one-way street, and provides the main vehicular access to the car park at the rear of the regeneration site. For the first forty metres the road has a carriageway width some 4.0 metres before widening to 7.0 metres as it enters and passes through the car park. There is no pedestrian footway provided on the narrow section of Water Lane, although a short section of footway is then provided adjacent to the buildings fronting on to the eastern boundary of the road. This footway is narrow, being just 1.0 metre wide.

ii) Mill Street

3.6.3 Mill Street enters the site from the north and provides both ingress and egress from the car park particularly for vehicles travelling to the town centre from the north. The road is a single two-lane carriageway road having a width of 6.0 metres. 1.8 metre wide footways are provided on both sides of the carriageway. The road is an adopted public highway maintained by Hertfordshire County Council.

iii) Lower Kings Road.

3.6.4 Lower Kings Road is a two-way single carriageway road having an approximate width of 7.3 metres. 2.0 metre wide footways are provided on both sides of the carriageway. The road intersects with the High Street and the junction formed by this intersection is a signal-controlled crossroads.
Figure 3.7. Movement: Vehicular Circulation, Servicing and Car Parking

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iv) Greene Field Road

3.6.5 Greene Field Road is located at the northern end of the site and is a private road that is owned by Hertfordshire County Council. The road is a one-way single carriageway road having an approximate width of 6.0 metres.

Extent of adopted highway

3.6.6 The site area includes an area of adopted highway that is not contiguous (see figure 3.6). This area forms the service yard for the retail units directly to the west of the site. Access to this area is from the public car park area to the north of the site. Access for service vehicles and pedestrians will need to be retained within any proposal.

Servicing

3.6.7 At present the retail and commercial uses on the site are serviced from the rear and through the car park. This does mean that open, unattractive service yards are located on the prominent northern edge of the development. Ideally these spaces would be reordered, and ideally enclosed and contained within any redevelopment proposal. The various servicing requirements of different UK supermarket operators has been broadly considered.

Pedestrian Access

3.6.8 The principal pedestrian access to the regeneration site is from the High Street via Water Lane and The Wilderness. The car park and the vehicular movement that occurs within it inhibit pedestrian movement. As such little in the way of pedestrian movement extends to the north of the site.

The Wilderness is extensively used by Collegiate pupils as a link to the High Street.

Access to Public Transport

3.6.9 The site is within easy walking distance of all public transport modes, being just 400 metres south of Berkhamsted railway station and within 80 metres of the nearest bus stops providing access to 8 local bus services. Drawing GIS 003, which accompanies this report indicates the routes of these 8 services.

Cycle Routes

3.6.10 There are a number of cycle lanes and routes within close proximity of the Water Lane regeneration site and these are shown on Drawing GIS 004 that accompanies this report.

Future Vehicular Access

3.6.11 Two alternatives have been considered for the future vehicular access and servicing of this site. The first retains a similar pattern of movement to that on the site currently with vehicles entering along Water Lane and generally leaving via Greene Field Road (although Mill Street would remain open). Whilst this arrangement works acceptably for cars at the current time, Water Lane and Greene Field Road are both narrow routes that have a limited capacity. The second option looks at the potential for widening Greene Field Road, making it two way and closing Water Lane for general vehicles. We would recommend that in any event both Water Lane and The Wilderness are closed to motor vehicles and pedestrianised. This will provide a safer and more friendly pedestrian and cycle environment along the High Street and safer pedestrian routes between the car park and the high street. The pedestrianisation of Water Lane and The Wilderness will have minimal impact upon the operation and capacity of the High Street and will reduce vehicle/pedestrian conflict. These closures should be achieved by way of Traffic Regulation Orders thereby maintaining their status as public highways.
Figure 3.8. Townscape and urban design: Mixed up backs and fronts and inconsistent frontages within the S1 Site.
3.6.12 It is recommended that the principal vehicular access to the regeneration area should be via Greene Field Road. The present secondary access to Mill Street should be maintained. Due to the poor visibility at the Green Field Road / Lower Kings Road junction, we would suggest the junction becomes signal controlled.

The Traffic Network

3.6.13 There is a local perception that there is considerable traffic congestion in the town. While traffic levels can be high, there remains adequate/ample capacity in the road network to safely accommodate any development as borne out by the background studies carried out (see appendix B2).

3.6.14 Because of the fairly intensive use of the site at present for car parking and commercial purposes, the traffic generation of any redevelopment of the sites is unlikely to have a substantial impact on the highway network (See appendix B2 and section 5). However, any changes to the road network i.e. closing Water Lane and widening Greene Field Road to 2 way are likely to have some impact, although limited, and this will need to be carefully assessed. Some improvements to the off-site highway network may be required depending on the scale and nature of the proposals that come forward.

3.7 Urban Design and Design Issues

3.7.1 An urban design appraisal of the site and it’s context (figure 3.8) indicates that the Water Lane site has a varied character, with buildings of low townscape value. The context contains both high quality (high street) and low quality areas (back land sites generally).

3.7.2 Although these issues would be covered more fully in the proposed development brief for the site we have concluded that any redevelopment of the site should aim to follow a number of design principles, as follows:

- The scale form and massing of the new development should be sensitive to views into and out of the site and should seek to create:
  - a robust and high quality frontage onto any square or car parking square, or public route that is retained or created as part of the development; and
  - an appropriately scaled and proportioned frontage onto the High Street that relates well (although not necessarily copies) the surrounding building character.
- The layout and forms should relate to the historic arrangement of development in the town with the streets and spaces forming a ‘grid’ along the lines of former property boundaries.
- The scale and massing of the development should relate to both the existing context of the high street but also the scale and visual impact of development to the north of the site.
- The development should create attractive and safe car parking areas that use high quality materials, street furniture and lighting appropriate to this important gateway into the high street.
- Active uses should relate to the ground floor of all publicly accessible areas, taking up changes in external ground level within buildings.
- Wherever possible, entrances should be located on corners and in prominent locations.
- The development should use materials that reflect the context, but these could be used in a contemporary manner, if appropriate.
4 The proposals

car park option 2
30 public spaces
public square
10 residential

Block 1
15,660 supermarket
Tesco's
retail: 6,195 sq ft
4.0 The proposals

4.1.1 Based upon the topic and site appraisals, we have prepared a set of proposals for the purposes of testing the potential feasibility and viability of the re-development of the S1 site. These attempt to balance the various requirements and design principles for the site and provide a range of appropriate uses. These proposals represent the organisation of the site and potential layout that has been developed within the programme of this study. The potential to interpret the concept flexibly, and to adapt it’s operation is a strength and represents the robust quality of the mix of uses and layout proposed.

4.2 Baseline assumptions

4.2.1 As part of the development of the proposals for the site a number of baseline assumptions have been agreed with Dacorum Borough Council officers, as follows:

- Minimise any reduction in public car parking on the site from current levels;
- Not to move or interfere with the sub station along The Wilderness;
- Not to build over Water Lane or the Wilderness so as to avoid the services below;
- To retain a road link to the separated section of adopted highway (in the west) for servicing;
- To avoid building ground floor residential development directly above the former gasworks site;
- To replace the existing public toilets on site;
- To avoid removing the basement level below the existing Tesco’s site (as this would affect the adjacent highway and it may not therefore be able to be replaced);
- To avoid disturbance of the potentially most archaeologically valuable undeveloped areas of the site; and
- To avoid building any new basements within 10m of the adopted highway.

4.2.2 It has also been a specific objective to ensure that the proposals balance the need for marketability with the constraints of developing in a historic market town.

4.3 Development concept

4.3.1 The development concept for the S1 site is as follows (see figure 4.1):

- To create 2 new mixed use development blocks that create a strong frontage onto the High Street, at the same time as creating new frontages onto the car parking square, Water Lane and The Wilderness;
- To ensure these two main blocks: (a) maintain a consistent building line so as to facilitate continued access to the area of adopted highway to the west; and (b) is in line with the rear of the existing and retained Tesco building;
- To create a new supermarket at the ground level of the western parcel, with direct access to an enclosed service yard. Note: the relocation of this use could enable continuous trading during the period of construction of the new building and also gives a more positive presence on the high street;
- Not to build over the historic alignment of Water Lane or the Wilderness in order to avoid service and adopted highway constraints;
- To retain the basement and possibly the structure of the existing Tesco’s building so that the highway is not disturbed and the maximum potential of this part of the site can be realised;
- To retain a large proportion of the existing public car park in an open form but to re-landscape this as a ‘car parking square’ with high quality materials and tree planting. This may include an area of pedestrian only public space;
- To replace the existing public toilets with a new facility on the ground floor of one of the two main buildings;
- To provide additional car parking opportunities either below the new western building or above the ground floor uses;
Figure 4.1. Development concept for site S1 showing the broad distribution of uses and blocks that could form the basis of any proposals for the site.

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• To provide an element of office and leisure uses at first floor level overlooking the high street;
• To provide residential uses in the form of apartments above the commercial and retail uses in order to bring additional people into the site and support the evening economy. All new homes should have access to at least one car parking space per unit (including the affordable housing);
• A potential additional block of residential uses within the eastern half of the existing car park, to create new frontages and enclosure onto Water Lane and The Wilderness; and
• To widen and improve the access and egress from the site from Greene Field Road.

4.4 Development options

The Scenarios

4.4.1 In accordance with this development concept a number of options for the site have been developed and tested that take on board the various requirements and constraints on the site. These are intended to test different development scenarios (see appendix E1). Two particular options were tested as part of this study, as follows:
• Option 1 is closest to the Local Plan Proposal for site S1 and maximises car parking on the site; and
• Option 2 maximises the amount of residential development on the site and proposes a smaller supermarket.

4.4.2 These options have been formulated so that the different elements and uses can be interchanged to make a number of different alternatives. In this way a preferred option (as shown in figure 4.2, 4.3 and 4.5), has been put together from these elements based on the evaluation of these options in financial, movement, urban design terms etc. This preferred option is based on providing:
• A supermarket up to the size of the maximum proposed in the local plan on the western half of the site, with an enclosed service yard, a basement car park and a mix of leisure, office and primarily residential uses above;
• New or relocated retail uses at the ground floor of a substantially refurbished eastern block, also incorporating replacement public toilets and residential uses above, with reuse of the car parking below; and
• The existing car parking square is re-landscaped as a car parking square. Note: All of the parking uses need to be coherently managed and maintained to ensure simple and secure operation of the site.

4.4.3 The idea for a dedicated public square is not specifically proposed in this option as there is a need to deliver both substantial quantities of lettable floorspace, and car parking. This does not mean that a new square is not possible in any proposal, just that within the constraints of this study there is limited space available.

4.4.4 For all of the options we have assumed that the existing interests in the land (via landownership and leases) would need to be bought out by whoever was to assemble the land in order to undertake a comprehensive redevelopment.

Feasibility proposals and schedules

4.4.5 These options have been measured and costed for the purposes of this study (see appendix E) based on areas taken from Ordnance Survey Mapping Data of the site. A schedule of floor areas sets out the areas that are included within each and the car parking spaces and format that have been assumed. A schedule of costs against these areas, and of abnormal costs is also set out in the appendix.

4.4.6 These options are set out in simple terms as layouts, that take on board the anticipated requirements of each of the uses in terms of access, circulation and structural arrangement. However, they are not ‘designs’ for the site and any prospective developer would need to work up proposals of their own to a suitable level to reassure themselves of the technical feasibility of the proposals and the actual floor areas that could be achieved.
Figure 4.2: Sketch plan of preferred option: ground floor plan showing the western building containing the supermarket and service yard, the eastern building containing smaller retail units and a landscaped parking square to the north.
4.5 The Preferred Option: Summary

Access
4.5.1 Water Lane closed to general traffic and possibly retained for taxis. Greene Field Road widened and made two way to provide both access and egress to the site. Mill Street unchanged.

Land uses and areas
4.5.2 1300 sqm gross supermarket with enclosed service yard (total max floor area 2050 sq m including ramp to basement and circulation to other levels).

680 sqm gross additional retail.

800 sqm gross offices/leisure.

Up to 54 no. 1 and 2 bedroom flats (3455 sqm approx GIA).

Replacement public toilets.

Recycling facilities within parking square.

Car parking
4.5.3 100 public/supermarket car parking spaces in landscaped parking square.

30 residential car parking spaces in existing basement.

Around 43 supermarket car parking spaces in new basement below store.

Cycle parking spaces will be incorporated for all uses.

Scale of development
4.5.4 The western building is up to 4 storeys high (1 commercial/retail storey of 5m plus 3 of residential/mixed uses at 2.7m floor to floor). Total up to approx 13m high.

The eastern building is up to 4 storeys high (1 retail storey of 5m floor to floor, plus 3 of residential uses at 2.7m floor to floor). Total up to approx 13m high.

Both buildings are assumed to have a reduced High Street frontage to relate to the scale of the context.

*Note: all areas are approximate and based on OS survey data*

Figure 4.3: Sketch layout of preferred option: upper floors
Figure 4.4: Sketch section through the preferred options showing the changes in level across the site and one way that this could be incorporated into the ground floor of the development to relate both to the High Street frontage and to the rear car parking square.

Figure 4.5: Sketch elevation diagram of the high street frontage showing how the proposals could be broken down into smaller elements to work with the existing scale of the adjacent buildings.
5 Site Value, Viability and Evaluation
5.0 Site value and viability

5.1 Appraisal of stakeholders interests

Appraisal of Existing Value (under CPO/Market Value disregarding the redevelopment potential)

5.1.1 To enable us to appraise the development potential of each option we need to know the likely cost of purchasing all the existing interests in the subject site. If the properties are to be bought under Compulsory Purchase Order (CPO) powers, then the properties will be by definition bought at existing value with the specific assumption that the redevelopment potential of the subject site is disregarded.

5.1.2 In our figures below we have given an approximation of the Existing Value of each interest assuming that each is bought under CPO powers (see footnote 2).

5.1.3 It is worth noting that in the market place operators can pay considerable premiums to compensate the current leaseholder/freeholder for their fit out (if applicable), any premium they have previously paid or even simply to secure the unit because of a desirable location. These premiums are impossible to estimate and therefore the amount paid in the market place could be more than the values we have given (see appendix D3).

5.1.4 The assessment of the interests and ownership of the site give a current total indicative value of stakeholders interests (assuming existing value under CPO) of £9.47 million. See Appendix D3 for a more detailed breakdown of this cost. While most of the upper floors of the existing buildings are unoccupied, the lower floors are, in the main, let to national multiple retailers. Due to the very high demand at present for commercial property investments with a secure income flow, the value of the existing interests has increased significantly in recent years.

Appraisal of Value of Stakeholders’ interests when regeneration potential is permissible

5.1.5 Should the Council not wish to pursue buying in the various interests under Compulsory Purchase Orders, then the cost could be significantly above this. In the open market in such situations where CPO is not being used, there is no formal guide as to how much parties should sell or surrender their interests for, any sale process would be down to negotiation and ultimately may not even end in an agreement between the parties.

5.1.6 When they become aware that a property, which they have an interest in, has development potential, stakeholders will seek to extract the maximum cash/deal they can. These demands can bear little or no relation to the value of their interest and can be so excessive so as to make the redevelopment unviable. For this reason we would suggest that the Council opt to use CPO powers if it chooses to proceed with the regeneration project in due course. See appendix D3.

Footnote 2: It should be noted that formal valuations have NOT been carried out as part of the preparation of this Feasibility Study. The properties have not been inspected internally, nor have we had sight of the relevant leases, nor are we aware of the cost of premiums/fit out costs paid by ingoing tenants in the subject properties. The assumptions have in the main been based on the evidence derived from the Land Registry and from discussions with the stakeholders (wherever possible).
5.2 Development costs

Abnormal development costs

5.2.1 Based on the desktop appraisals carried out the following abnormal costs have been assumed (see appendix B for further details):

- Remediation, allow £16,000
- Groundworks, allow £64,000
- Archaeology, allow £50,000
- Service diversions, allow £45,000
- New Services (sub stations and storm pump), allow £90,000
- Off-Site Highways, allow £250,000

Preferred Option Development Costs

5.2.2 Estimated redevelopment costs for the site based on floorspace and average specification appropriate to the Conservation Area location, amount to around the following sums:

Site acquisition costs (stamp duty, legal and agency fees) £170,000

Car park public realm and landscaping, including Greene Field Road £914,000

EASTERN BLOCK (current Tesco block)
- Stripping to shell £161,700
- Car parking £240,000
- Retail uses £306,000
- Residential uses £2,531,400
- Replacement public toilets £84,000

WESTERN BLOCK (former Waitrose site)
- Demolitions £352,000
- Construction of basement car park £1,120,000
- Supermarket (shell) and service yard £1,143,000
- Shared circulation £30,000
- Residential uses £2,811,900
- Leisure/office uses £600,000

Professional Fees (12%) £1,273,000
Contingency (3%) £318,000

Total construction costs estimate £12,201,000
Disposal fees £487,000
Interest on capital £1,030,000
Note: more detailed costs for the development options tested and the preferred option are set out in Appendix E2.

5.3 Development values

Value assumptions

5.3.1 We have undertaken initial appraisals to establish the economic viability of the two options. Each appraisal (within appendix D3) incorporates a number of assumptions as follows:

- £3750 revenue per m² for private residential accommodation;
- £1345 revenue per m² for affordable residential accommodation. This is based on 60% of the “Total Cost Indices” published by the Housing Corporation;
- The net revenue per parking space has been assumed to be £340 per annum. This is derived from annual revenue figures provided by DBC less 75% to account for running costs. This has been capitalised at 5% to derive a capital value;
- Supermarket rental income has been assumed at £215 per m² per annum. This is based on market evidence and has been capitalised at 4.75% to derive a capital value;
- Other retail and office rental income has been assumed at £161 per m² per annum. This is based on market evidence and has been capitalised at 5% and 6.5% respectively to derive a capital value;
- Leisure rental income has been assumed at £75 per m² per annum. This is based on market evidence and has been capitalised at 6.5% to derive a capital value; and
- Developer’s profit has been assumed to be 20% on Gross Development Value (revenue) which is market rate for such a scheme.
5.4 Viability

5.4.1 The viability of the two options and the preferred option have been tested as residual appraisals (see appendix D3). These demonstrate a residual land value of between around £2,000,000 and £3,000,000.

Preferred Option

5.4.2 The preferred option has been developed to deliver the highest residual land value of the three options, whilst also attempting to best meet the various competing development requirements and land uses for the site. The appraisal is based on the following broad costs and revenues in accordance with the assumptions set out above:

- Total Costs £13,563,000
- Total Revenue £20,346,000
- Developer Profit £3,391,000
- Land Value £3,067,000

Initial conclusions

5.4.3 The viability assessment demonstrates that the preferred option would provide a positive land value and could be viable, depending on the sum that would be needed to buy out the existing stakeholders interests.

5.4.4 However, it is also clear that there is a considerable shortfall between the positive land value figure produced (around £3.06 million - see appendix D3) and the indicative value of stakeholders interests (£9.47 million - see appendix D3). Under a traditional scenario, this clearly makes the scheme currently unviable. It is possible, however, that parts of the scheme will be developed incrementally as and when they become viable. Alternatively one or more of the current land owners may decide that it is worthwhile to make up the shortfall in order to develop the whole site to increase market share. There may also be other options whereby the development is effectively subsidised by the Council by lowering the affordable housing requirement. These options are examined in greater detail in section 6.0.

Development sensitivities

5.4.5 These viability appraisals will be affected by a number of sensitivities including costs, values, site investigations and other factors. The most important sensitivities to consider are build costs, residential values and commercial values. The current build cost figures have been calculated on the basis of an external contractor conducting all of the building work on behalf of a developer.

5.4.6 It is possible that if the lead developer jointly developed the site with a national house builder, some build costs would be saved on the residential element due to their economies of scale and internalising of much of the professional work.

5.4.7 While standard contingencies have been included within the viability appraisals, it is possible that build costs will increase if any additional costs are found. Clearly an increase in build costs would have a detrimental impact on the land value and any decrease in build costs would have a positive impact.

5.4.8 Any increase in the demand for commercial property investments, reflected in a further hardening of commercial yields and increase in the capital value of the properties will not necessarily improve the viability of the scheme. While an increase in the capital value of the commercial element within the preferred option would have a positive impact on the viability appraisal, it is more than likely that this would be outweighed by a similar increase in the value of the existing commercial premises on the site at present. An increase in residential values would, however, make the redevelopment of the site more viable since the value of the preferred option would increase while the value of the existing uses on site would not. Conversely, a decrease in residential values would make the redevelopment of the site less viable but a decrease in commercial values would have less of an effect since the existing uses on site would also suffer a reduction in value.
Alternative option scenarios

5.4.9 The options tested have been specifically put together to test different forms of development on the site. They have also been carefully assembled to allow flexibility in any future development and are acknowledged to represent only one way that this site may come forward for redevelopment. However, they are considered to include a reasonable level and density of development on the site, consistent with the site constraints, capacity in relation to the character and scale of the town and feedback from key stakeholders.

5.5 Other evaluation criteria

Urban Design and Design Quality

5.5.1 From a design point of view redeveloping this site in the right way could have massive urban design benefits for the site and the area. At present the site is bleak and unattractive and a sensitive redevelopment would change this.

5.5.2 The development concept allows a number of options for the site, all of which could have a positive impact on the character and quality of the town and the high street and the experience of residents and visitors to Berkhamsted. A key issue is to relate carefully to the scale and character of the surroundings and to develop a scheme with a high design quality appropriate to this sensitive location on the high street and within the Conservation Area generally.

5.5.3 There is reasonable flexibility in style terms as to what might be appropriate for any redevelopment. The Local Plan, through the Conservation Area statement indicates a number of key features that it would expect to underpin any proposals in the high street location but these could be entirely appropriate for either a sensitive traditional or more contemporary approach. In any case any proposals will need to be of the highest design quality.

Regeneration

5.5.4 There are a range of benefits of redeveloping the S1 site including the potential environmental and physical improvements that could be achieved. The potential for encouraging residential uses in the town centre would be expected to support the evening economy in the town, whilst also allowing a good level of natural surveillance of these spaces. As little additional retail or commercial floorspace is proposed it is not anticipated that there are any significant economic benefits in terms of additional employment.

5.5.5 In addition, any redevelopment or improvements to the S1 site may also help encourage the redevelopment of other adjacent sites that contain buildings of low quality and townscape value, further enhancing the town.

5.5.6 An other potential regeneration benefit of a redevelopment of the site would be to bring together the management of the site and in particular of the access, servicing and car parking arrangements. This should ideally be arranged to make the most of any potential for shared use.

Site Capacity

5.5.7 The site is limited in its capacity for large floorplate uses, given the constraints identified and in particular the maximum size of the larger development block. This will influence and limit the scale of any potential redevelopment. Under the current scenario it would be difficult to achieve a supermarket of the full size allowed for in Proposal S1 (1500sqm) as well as the large service yard that might be required. However, this is not necessarily a problem as this may not be the sale of store that the food retail market is looking for in this location in any case or suit particular balance of requirements of any of the potential operators. Alternatively, it may be possible to extend the redevelopment to include some of the adjacent High Street retail uses and land area to the west of the site to provide a store up to the maximum size set out in the proposal. This issue of extending the site area will be covered in the Development Brief.
**Traffic Impact**

5.5.8 The preferred development option for the site is made up of four elements, which are, replacement car parking, residential, retail and office. With the site's current primary use being parking, this element of the development option will not result in any additional traffic generation. Vehicular trips associated with retail development are classified into three main categories, as follows:

- **Trips new to the road network:** These are vehicular trips that due to the attractiveness of the store or its operator are drawn from a regional or sub-regional area and are therefore new trips on the local road network;
- **Diverted trips:** these are vehicles that are already on parts of the local network and divert from their normal route to visit the store; and
- **Pass-by trips:** vehicles that are passing the site and decide to call into the store.

5.5.9 As a consequence of the retail element of development option being replacement stores to those currently trading in the centre or on the site, it is most unlikely that a significant number of new trips will be generated by the retail development. As with the retail development, the commercial element of the development option is principally replacing that currently available and will therefore not generate much additional traffic to the site.

5.5.10 The residential element of the development option will generate a small number of new trips to the local network, equivalent to a 2% increase on the network. However, when these trips are added to the network, the capacity assessments undertaken demonstrate that they will have little or any impact on the operation of the local road network and the High Street / Upper and Lower Kings Road Signal controlled junction. (See appendix B).

**Car Parking Management**

5.5.11 The arrangement of car parking on the site under the preferred option is potentially much more complex than at the current time with more users of the site and additional spaces in more locations. It will be important that any proposals brought forward consider this issue holistically and develop comprehensive proposals that work for all of the site users and landowners.

**Sustainability**

5.5.12 The redevelopment of the S1 site has the potential to deliver significant sustainability benefits over the current buildings and uses on the site. These might be reasonably expected to include:

- All new buildings (including the refurbished Tesco building) would need to comply with current building regulations which are significantly more stringent in terms of energy use and insulation than those in place when the current buildings were developed;
- The development would need to meet the sustainability criteria set out in the current Local Plan;
- Additional sustainable targets could be required through the development brief for the site, or as a planning obligation by the Local Authority;
- The new residential development would be a very sustainable location, within the town centre, near to local facilities and shops and a reasonable walking distance from the train station;
- The development would be undertaken on previously developed land and intensifying its use;
- The new buildings would have a strong potential to be designed to be flexible in the medium to long term so that any changes in land uses or other requirements can relatively easily be undertaken. It is a requirement of the Local Plan that a proportion of all new residential uses are designed as Lifetime Homes i.e. homes that are designed to adapt to the changing needs of households over time; and
The development makes good use of existing resources by reusing parts of the existing Tesco building (structure and basement).

**Accessibility**

5.5.13 The redevelopment of the site would undoubtedly provide a much more accessible environment for a wide range of users, in accordance with current Building Regulations and the Disability Discrimination Act. This could be a significant advantage over the current buildings and uses on the site.

**Archaeology, ground conditions and services**

5.5.14 The preferred option for the site does include a new basement car park in an area where such extensive excavations have not previously been carried out and this does therefore create an area of significant risk. This issue would need to be further investigated.

5.5.15 The buildings proposed in the preferred option have been specifically located to avoid the location of known below surface infrastructure and services in order to minimise the complexity and cost of this aspect of the redevelopment.

5.5.16 Existing ground conditions are anticipated to be suitable for the forms of development proposed. One of the options tested located additional residential development on the existing car parking area in the potentially contaminated location of the former gas works.
6 Land assembly and development issues

car park option 2
30 public spaces
public square
10 residential 000 pax

Block 1
15,660 supermarket

Tesco
retail: 6,175 sqft.
6.0 Land assembly and development issues

6.1 Land assembly

6.1.1 Due to the funding gap on this site a range of alternative development scenarios are likely to need to be investigated in order to bring forward the redevelopment of this site. This may include the following:

Compulsory Purchase

6.1.2 The appraisals of the two site options produce an indicative site value which is below the figure we have estimated for existing value of all the stakeholders’ interests within the proposed site assuming the interests are bought under CPO. As previously discussed, using CPO this is likely to produce the lowest possible cost to buy in all the stakeholders’ interests in comparison to performing the same exercise on the open market. We would therefore suggest that the regeneration will only be viable if the starting point is that CPO is used and then further measures are taken by the Council to make the project viable. Ultimately the decision on whether to use CPO may be down to whether the Council have the financial resources to undertake the exercise.

6.1.3 In the event that the Council wish to progress with CPO, this will lead to the site becoming a single entity, which would be more attractive to developers when the site is marketed for disposal.

6.1.4 Section 99 of the Planning & Compulsory Purchase Act 2004 sets out the basis under which a local authority may acquire land compulsorily for the carrying out of development, redevelopment or improvement. In short, the authority will be able to acquire the land if they think the carrying out of development, re-development or improvement is likely to be of economic, social or environmental benefit to the area.

6.1.5 If the Council decide to progress compulsory purchase of a site, they will need to proceed in accordance with the Compensation Code and the final compensation will be based on the market value of the land/leasehold interest, disturbance and loss payments, amongst others.

Partnership Agreement

6.1.6 Another option for the regeneration of the Water Lane site, is the signing of a Partnership Agreement between the various freeholders present at the subject site. This would have the intention of joining all the land holdings together through the establishment of an appropriate joint-venture vehicle.

6.1.7 From our experience, it is essential to establish an appropriate joint-venture vehicle from the outset, which should set out the principles under which any cash consideration is shared and the re-provision of services is programmed.

Other Development Scenarios

6.1.8 Some parts of the scheme might be more viable than others and so development of the site may be in accordance with the preferred option but will be approached in a more piecemeal manner as individual land owners decide to redevelop over time. Alternatively, it is possible that a supermarket operator such as Tesco who are already on site may decide that the difference between the land value of the preferred option and the indicative value of the stakeholders interests is a worthwhile cost to incur in order to secure a greater market share in the local area, especially since their existing store on site is an older format and is under utilised.
6.2 Council led and other incentives

6.2.1 A number of other measures may be possible to facilitate and encourage redevelopment of the site in accordance with Proposal S1. These might include:

**Removal/lowering of affordable housing requirement on regeneration scheme**

6.2.2 It is possible that the development may require some form of public subsidy in order to ensure that the development is viable. This does not necessarily have to be achieved through direct funding by the landowners. Examples include lowering the proportion of affordable housing to allow the increased private residential capital value to cross subsidise core elements required by the landowner(s). We believe that removing the requirement for affordable housing would be particularly appropriate here.

**Stamp Duty Land Tax exemption**

6.2.3 Other proposals might include increasing the housing benefit made available or applying to the Inland Revenue for an exemption in respect of stamp duty. The latter is unlikely to be workable here as the overall site is comparatively small for such an application and the Inland Revenue may not think it worthwhile.
Summary and conclusions
7.1 Preliminary conclusions

7.1.1 This study has tested the feasibility of redeveloping Site S1 of the Dacorum Borough Council Local Plan (1991–2011) for a supermarket and retail-led redevelopment proposal.

7.1.2 It is concluded that there are no overriding physical constraints to the redevelopment and that there is significant potential to improve the character and quality of the site area.

7.1.3 The retail/commercial uses on the site are currently owned and leased by a range of investment companies, high street chains and multiples, many of which have a long term interest in the site.

7.1.4 A development concept (see figure 4.1), based on the desktop appraisals carried out, locates the redevelopment into several mixed use blocks and presents a number of alternatives for vehicular access, development mix and car parking arrangements.

7.1.5 Viability testing of 2 alternative proposals and a preferred option, based on the development concept, produces a positive land value that demonstrates that the redevelopment of the site could be viable. However, the high cost of buying out the current leases and other interests means that this could not be undertaken by a third party unless other finance was available.

7.1.6 It is also concluded that redevelopment of this site, in accordance with the development concept, will have little impact on the surrounding road network (see appendix B2). However, some improvements to the current access arrangements are suggested.

7.2 Recommendations

Due to the high existing use value of the site this report cannot conclude that any one particular development proposal or mix of uses will come forward on this site. However, it may be that one or other of the existing (or new) landowners or occupiers sees the potential of this site to deliver a wider range of uses and high quality development and that this may facilitate a development strategy.

The primary recommendation of this study is therefore that adequate guidance is put in place to ensure that whatever might come forward in the future:

- Meets the needs of the site and considers the site constraints;
- Delivers high quality development and appropriate urban design for this key site within the historic core of Berkhamsted;
- Considers the requirements of the local community for a focal space of some kind at the heart of the town centre;
- Facilitates the redevelopment of other appropriate sites and buildings in the locality of the site, where these could also contribute to the environmental improvement of this part of Berkhamsted;
- Provides at least as many public car parking spaces as are on the site at present, ideally arranged and managed together as part of a coherent strategy;
- Provides a much upgraded public realm within and around the site area;
- Delivers appropriate retail, commercial and community floorspace in accordance with Proposal S1 and the needs of the town centre; and
- Secures significant improvements to the pedestrian environment, potentially through the closure of Water Lane to all vehicles (except possibly taxis) and the widening of Greene Field Road to 2 way traffic.
car park option 2
30 public spaces
public square
10 residential 000 pax

Block 1
15,660 supermarket

Tescos
retail: 6,195 sqft.