

# ROYAL BOROUGH OF GREENWICH RETAIL & LEISURE STUDY

## **Executive Summary**

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# EXECUTIVE SUMMARY

## Introduction

- 1.1 Carter Jonas was commissioned by the Royal Borough of Greenwich ('the Council') in January 2018 to prepare the *Greenwich Retail and Leisure Study* (the '2018 GRLS'). The evidence based study will be used by the Council to help inform plan-making and decision-taking across the Borough and its main centres; including the preparation and review of the Local Plan and other Supplementary Planning Documents (SPDs), planning briefs, Article 4 Directions and decisions on applications for planning permission or prior approval.
- 1.2 The 2018 GRLS has been prepared in the context of current and emerging national and development plan policy guidance, as well as other key material considerations. These include the *National Planning Policy Framework* (NPPF) published in March 2012 and the *National Planning Practice Guidance* (PPG), published in March 2014, which place significant weight on the development of positive plan-led visions and strategies to help ensure the vitality of town centres.
- 1.3 The key elements of the 2018 GRLS carried out in accordance with the Council's requirements, include:
  - a review of national, regional and local plan policy pertaining to town centres, retailing and commercial leisure;
  - a review of the key trends driving changes in the retail and leisure sectors, including the growth in online shopping, and the impact on the performance, role and function of town centres;
  - a detailed market share analysis of shopping (food and non-food) patterns and leisure preferences across the Borough based on the findings of a telephone interview survey conducted across a widely defined catchment area, incorporating the Borough area;
  - a health check for the Borough's main town centres, namely Woolwich, Eltham, Greenwich, Greenwich East, North Greenwich, Plumstead and Thamesmead;
  - a quantitative capacity ('need') assessment for new retail (comparison and convenience goods) floorspace in the Council area over the short (to 2023), medium (to 2028) and longer term (to 2033 and 2038);
  - an assessment of the need for new commercial leisure uses over the plan period and any significant current 'gaps' in provision;
  - advice on the potential for a locally set impact threshold below the NPPF default threshold of 2,500 sqm gross; and
  - strategic advice on how the Council can effectively plan for, manage and promote the vitality and viability of the main centres over the plan period.
- 1.4 This report provides an *Executive Summary* only of the detailed evidence, findings and recommendations set out in the 2018 GRLS.
- 1.5 It is important to state at the outset that when considering and assessing the findings 2018 GRLS that capacity forecasts beyond a five year (short-term) time period (i.e. post 2023) should be interpreted with caution as they are subject to increasing margins of error. We therefore advise that although the 2018 GRLS provides the robust evidence base required to help inform plan-making and decision-taking across the Borough and its main centres, the forecasts should be updated periodically to take into account, *inter alia*: the impact of any significant new retail development at the local level; changes in the retail expenditure and population growth forecasts over time; and any potential impacts arising from other key trends in the retail and leisure sectors (such as, the growth in internet shopping) and commercial leisure sectors. For example, a significant growth in the market share of on-line internet shopping above current forecasts will substantially reduce the capacity for new 'physical' retail floorspace over the plan period, as well as the market demand from retailers for representation in town centres.

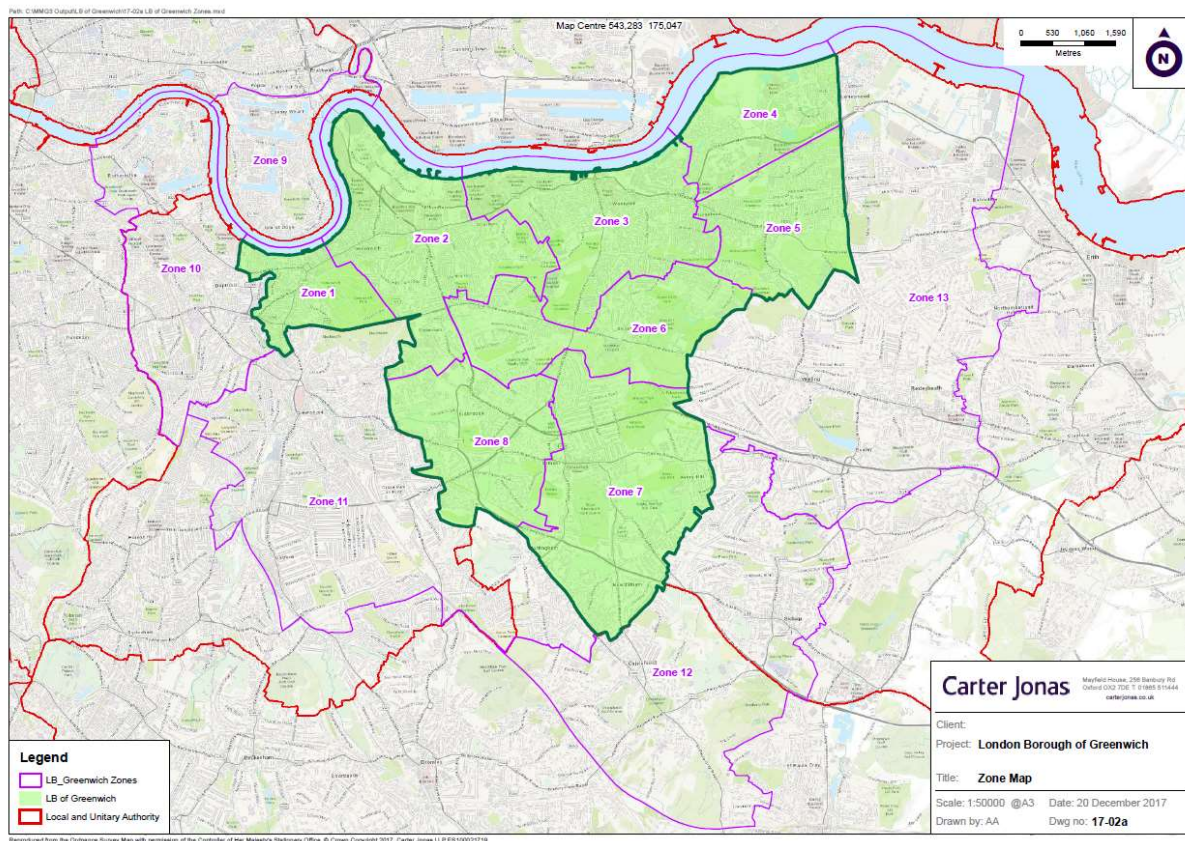
## Planning Policy & Retail Trends

- 1.6 **Section 2** of the 2018 GRLS sets out a detailed review of the main policies and provisions of the NPPF, the London Plan and the adopted and emerging development plan documents pertaining to town centres and retail planning. The policy review highlights the significant weight attached to maintaining and enhancing the vitality and viability of town centres, and to promoting new sustainable development and economic growth in town centre locations 'first'. This 'town centre first' policy objective has been in place since the mid-1990s and is needed to help town centres face the increasing economic challenges associated with competing out-of-centre shopping and leisure facilities, and the growth in online retail sales.
- 1.7 **Section 3** of the 2018 GRLS reviews some of the key trends that have fuelled the changes in the retail sector over the last three decades, and the impact of these trends on the UK's town centres. It provides a commentary on the impact of the downturn in the economy since 2007 and the growth of internet ('multi-channel') retailing on consumer spending, retail development and retailers' business strategies. Drawing on the latest research it also describes how these trends may continue to shape changes in the future, and whether and how town centres can respond to help maintain and enhance their overall vitality and viability. Based on the review of national, regional and local trends, Section 3 concludes that it is the medium-sized towns that occupy the middle ground that are increasingly being squeezed by the dynamic shifts in retailer demand and investment, and the growth in online shopping. Historically, such towns have had a reasonably large comparison shopping function, but this is beginning to shrink back because the demand from multiples is slowing and the space offered is often of the wrong size and configuration, and in the wrong location to meet today's retailer requirements where it exists. The challenge for local planning authorities generally, and the Royal Borough of Greenwich specifically, will be how to revitalise and regenerate existing town centres, looking beyond retail as a key driver for growth. The most attractive, successful and commercially viable centres in the future will therefore need to offer a wider range of retail, leisure, cultural and other amenities to make them more resilient to change.

## Shopping Patterns and Market Share Analysis

- 1.8 **Section 4** of the 2018 GRLS first defines the study/catchment area that provides the basis for the quantitative and qualitative needs assessment. It then describes the household telephone interview survey (HTIS) and summarises the key headline findings of the survey-derived market share analysis for convenience and comparison goods retailing. In this case the study area has been sub-divided into 13 zones. These zones cover the Royal Borough of Greenwich Council Area in full (Zones 1 to 8). They also extend to include neighbouring local authority areas, namely: London Borough of Tower Hamlets; London Borough of Southwark; London Borough of Lewisham; and London Borough of Bexley (see Figure 1 below and **Appendix 1** to the 2018 GRLS).

Figure 1: Study Area



- 1.9 The study/catchment area comprises 13 zones based on ward geography. A telephone interview survey of over 1,300 households was carried out across this area. For the purpose of the review of shopping patterns and market shares the Borough area comprises Zones 1-8 and it has been assumed that the following zones broadly represent the 'Core Zones' or 'Primary Catchment Areas' (PCAs) of the main study centres:
- Zone 1 – Greenwich;
  - Zone 2 - East and North Greenwich;
  - Zone 3 - Woolwich;
  - Zone 4 – Thamesmead;
  - Zone 5 – Plumstead; and
  - Zone 7 – Eltham.
- 1.10 Across the Borough area (Zones 1-8) the market share for Special Forms of Trading<sup>1</sup> (SFT) for convenience goods is lower than the national average, which suggests that there could be potential for internet food shopping to increase its market share over time. This may reduce the expenditure available to support the need for physical space over the longer term. The comparison goods market share across the Borough Area (Zones 1-8) for SFT is higher than the national average.

<sup>1</sup> Special Forms of Trading (SFT) comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales.

1.11 The survey results shows that convenience and food stores within the Borough Area are achieving an overall market share of 53.8%. This represents a good retention rate and reflects the relative strength and quality of the Borough's overall food shopping offer. In terms of each centre, the results show:

- **Woolwich's** food and convenience stores retain 59.8% of convenience expenditure within its Core Zone 3 and 16.8% in the Borough Area. The out-of-centre food stores achieve a market share 16.0% from its Core Zone 3. Only 5.4% of Woolwich's convenience trade is leaking out to locations outside the Borough and 5.1% is lost to SFT.
- **Eltham's** food and convenience stores retain 57.7% within its Core Zone 7 and 15.9% in the Borough Area. The out-of-centre food stores achieve a market share of 5.3% from its core zone. Key competition comes from stores outside the Borough Area which achieve a market share of 24.5% from the core zone. Only 6.8% of Eltham's trade is lost to SFT.
- **Greenwich's** food and convenience stores retain 35.9% within its Core Zone 1 and 4.8% across the Borough Area. The out-of-centre food stores achieve a market share of 26.2% from its Core Zone 1. Approximately a quarter (25.1%) of Greenwich's trade is leaked to locations outside the Borough. Only 5.8% of Greenwich's trade is lost to SFT.
- In **East and North Greenwich**, the food stores retain a low market share of 7.7% within Core Zone 2 and 1.9% across the Borough Area. Key competition comes from the out-of-centre food stores which draw 47.5% of trade within the core zone and 24.8% across the Borough area. SFT accounts for 11.0% of the convenience market share.
- In **Plumstead**, the food stores are achieving a low market share of 9.1% within Core Zone 5 and 1.1% across the Borough Area. There is significant 'leakage' to out-of-centre stores from its core zone, most notably the stores Abbey Wood which achieve a 23.3% in Core Zone 5. A further 22.8% of Plumstead's convenience trade is lost to locations outside the Borough. Only 4.9% is accounted by SFT trade.
- Finally, **Thamesmead** has a retention level of 59.8% within its Core Zone 4 and 7.6% across the wider Borough Area. There is however strong competition from out-of-centre food stores locally, which achieve a 20.1% market in Core Zone 4. Only 1.8% of Thamesmead's convenience trade is accounted for by SFT.

1.12 Comparison stores within the Borough area are achieving an overall market share of 43.7% across the Borough Area. Of the remaining spend in the Borough, some 31.1% is 'leaking' to other centres and stores outside the Borough and 25.3% is accounted for by SFT, which is higher than the national average (19.7%). It should also be noted that SFT market shares vary across the different zones within the Borough Area; from a 'low' of 20.8% in Zone 5 (Abbey Wood), up to a high of 32.9% in Zone 2 (East and North Greenwich). In terms of each centre, the results show:

- **Woolwich** is achieving a market share of 6.2% from the Borough Area and 19.9% from its Core Zone 3. It faces significant competition from internet sales (26.6% market share), retail facilities outside the Borough Area (25.5%) and out-of-centre facilities (20%).
- **Eltham** is achieving a higher market share of 9.9% from the Borough Area than Woolwich, and a relatively strong market share of 29.7% within its Core Zone 7. It nevertheless faces significant competition from internet shopping (21.8%), retail facilities outside the Borough Area (39.2%) and out-of-centre facilities, particularly in the Charlton area (6.7%).
- **Greenwich** has a market share of 2.6% in the Borough Area and 14.5% within its Core Zone 1. The centre is mainly 'losing' market share to internet shopping (23.8%), retail facilities outside of the Borough Area (45.2%) and out-of-centre facilities.
- **East and North Greenwich** do not register any market share of comparison goods expenditure within their Core Zone 2. The available expenditure in their Core Zone 2 is taken up by internet shopping (32.9%), retail facilities outside of the Borough Area (18.3%) and out-of-centre shops, specifically in the Charlton area (32.2%).



- **Plumstead** has a low market share of 1.1% from within its Core Zone 5. The comparison expenditure in its PCA is mainly taken by the internet (20.8%), centres/stores outside of the Borough Area (43.3%) and out-of-centre facilities, specifically Charlton which draws 16.8% of the comparison expenditure.
- **Thamesmead** has a 2.4% market share within the Borough Area and 22.9% within its Core Zone 4. It faces competition from online shopping (22.0%), centres/stores outside of the Borough (28.8%) and out-of-centre facilities (16%).

1.13 In summary, the survey results show that the Borough's main centres are achieving different market shares for convenience and comparison goods shopping depending on the scale and quality of their provision and their role and function in the network and hierarchy of centres. It is also apparent that the market shares and performance of the Borough's main centres are subject to significant competition from out-of-centre stores and shopping facilities located both within and beyond the Borough, and from the growth on online shopping. It is also notable that Woolwich has a lower comparison goods market share in the Borough Area (6.2%) than Eltham (9.9%).

## Health Check Assessments

1.14 **Sections 5-12** of the 2018 GRLS set out the health check assessment for the Borough's main centres carried out in accordance with the PPG<sup>2</sup>. Health checks are recognised as important planning 'tools' for appraising and monitoring the changes in the overall vitality and viability of town centres, and informing both plan-making and decision-taking at the local level. Section 5 of the report sets out the Key Performance Indicators (KPIs) that formed the overall health checks, and the main data sources. The key findings are summarised below.

### Woolwich

1.15 Woolwich Town Centre is classified as a Major Centre, but is identified in the draft London Plan (2017) as having the potential to be reclassified as a Metropolitan Centre. The town benefits from good accessibility, including the Woolwich Arsenal train station, as well as DLR services to Stratford International and Bank. Once the Crossrail ('Queen Elizabeth') line opens, Woolwich will also be very accessible to locations such as Bond Street; Westfield Stratford and Canary Wharf. As a result the centre has benefitted and is benefitting from significant new investment and development, and principally new residential-led development.

1.16 However, the findings of the 2018 GRLS health check and comparisons with existing Metropolitan Centres suggest that Woolwich is some way from achieving Metropolitan status. For example, the market share and turnover figures indicate that Woolwich is not even the premier shopping destination in the Borough; Eltham is achieving a higher comparison goods market share and turnover.

1.17 The health check assessment (Section 6) identified a number strengths and weaknesses in the scale, quality and attraction of Woolwich's retail and leisure offer including:

- The town has a strong convenience offer due to the presence of the Tesco Extra and Lidl.
- There is a gap in the scale and quality of its comparison goods offer, and particularly its fashion offer. There is a lack of major anchor stores to help to generate increased trips and footfall.
- The service offer is above the national average. There is a large proportion of health and beauty services, a good provision of retail banks and an adequate offer of cafés, restaurants and public houses.
- The vacancy level of 11.7% is slightly above the Experian Goad national average figure of 11.2%.
- There are limited published requirements from retailer and leisure operators actively seeking representation in the town centre.

<sup>2</sup> PPG; paragraph 005 Reference ID: 2b-005-20140306.

- There is a poor evening economy, compounded by a 'one-dimensional' food and beverage offer and the lack of a cinema.
- The street markets need significant improvement in terms of quality and offer.
- The environmental quality is adequate, but needs improvement.
- There is a high PTAL rating of 6b due to the by DLR and the soon to be operational Queen Elizabeth line (Crossrail). Pedestrian accessibility is constrained due to barriers such as the A206 and the Royal Arsenal.

### **Eltham**

1.18 Eltham is the Borough's main shopping location as measured by its market share and retail turnover. Overall Eltham is a healthy centre that is benefitting from new investment and development. In summary:

- There is a good convenience offer with the provision exceeding the national average in terms of units and floorspace.
- There is an adequate comparison offer that is broadly in line with the national average in terms of units and floorspace. The M&S store is an important anchor to the town's overall shopping offer.
- There is a below average vacancy level indicating the centre is performing well.
- There are 9 operators with published requirements, including Papa Johns and Starbucks.
- The new cinema (Vue) and branded restaurants (Nandos and Pizza Express) planned for the centre will provide a significant boost to Eltham's daytime and evening economy.
- The markets offers a wide range of fresh produce that positively contribute to the retail offer.
- The environmental quality is good with a pleasant shopping environment and key areas such as Passey Place which provides an attractive open space for community events and the market.
- There is a high PTAL rating of 6a and good accessibility throughout the centre.

### **Greenwich**

1.19 Greenwich District Centre is a healthy and viable centre that meets the needs of its local resident population, as well as a strong visitor and tourist market. In summary:

- There is a strong convenience offer with an above average provision in terms of units and floorspace.
- The comparison offer is unique and predominantly comprised of independent retailers which is reflective of Greenwich's character, historic offer and tourism role.
- There is a below average figure for retail and financial services but an above average provision for leisure services reflecting the impact of the town's visitor and tourist economy.
- There is a low vacancy rate indicating the centre is performing well.
- There are 37 retailers and leisure operators with published requirements for the centre including operators.
- The Greenwich Market significantly enhances the Town Centre's offer and attraction.
- The environmental quality, signage and shopping environment is good and creates a pleasant atmosphere in the Town Centre.
- Accessibility is good throughout the Centre and there is a high PTAL rating of 5.

### **East Greenwich**

1.20 East Greenwich is fulfilling its role and function in the Borough's retail hierarchy. Although there are some signs of "fragility" in its offer, the centre principally serves the day-to-day top-up food shopping and service needs of its local catchment population. In summary:

- There is an adequate food and convenience offer supplemented by small stores on Trafalgar Road.



- There is a weak comparison offer due to a below average provision in terms of units and floorspace.
- In terms of services, there is an above average figure for leisure services and good representation of health and beauty outlets, but no representation of any retail banks.
- The vacancy rate is slightly below the national average in terms of units but is significantly above the national average in terms of floorspace.
- The environmental quality is poor due to the A206 which detracts from the overall shopping experience. Planting should be increased to improve the visual appearance.
- The accessibility of the centre is adequate, with regular bus services and a train station. There is a PTAL rating of 4.

### **North Greenwich**

1.21 North Greenwich District Centre (proposed) is undergoing significant development and change. Its overall role, function and growth is inextricably linked with the O2 Arena, meaning it serves the need of the area's local residents, alongside the expenditure generated by UK and international tourists and visitors. In summary:

- The convenience and comparison offer is reasonable given North Greenwich's role and function to serve not just the immediate residents, but national and international visitor to the O2. The retail offer is therefore convenient in nature. The Tesco Express is well used by local residents and visitors during events at the O2.
- The presence of the O2 characterises the centre as an entertainment and leisure destination. This acts as a major draw for visitors and positions North Greenwich as a key location within London.
- The service offer is particularly strong, due to the O2 providing cuisines from a range of multiples operators. These significantly contribute to the centres overall vitality and viability.
- There is a PTAL rating of 5 and good accessibility across the centre with 7 bus services and TfL services towards Stratford and Stanmore. There is also a good provision of car parking, but this is considered to be expensive.
- The centre is currently undergoing significant regeneration and development. Of particular note, within the Greenwich Masterplan, Peninsula Place will substantially revitalise the area and generate footfall throughout the centre. The proposed designer outlet village in the O2 will significantly improve the area as a retail, entertainment and leisure destination.

### **Plumstead**

1.22 Plumstead District Centre serves the day-to-day convenience and service needs of its local and diverse resident population. In summary, the key strengths and weaknesses include the following:

- The convenience offer is adequate and supplemented by the Tesco Express and Iceland.
- There is a weak comparison offer due to the below average figure in terms of units and floorspace.
- There is an adequate range of retail and financial services but a below average figure for leisure amenities.
- There is a low vacancy rate indicating the centre is performing well.
- The environmental quality is poor due to the narrow pavements, lack of planting and congestion.
- There is a PTAL rating of 4 and accessibility is adequate across the centre with bus services and a train station.

### **Thamesmead**

1.23 Thamesmead is a vital and viable centre, but does not function as a typical traditional district centre as its offer and character is more akin to an out-of-centre shopping park. In summary:

- There is a strong food and convenience offer due to the presence of the large supermarkets.

- There is also a strong comparison offer due to the presence of key multiples at Cannon Retail Park
- There is an under representation of financial services and limited retail services, with no retail bank present in the centre.
- It has a good leisure offer, although this is mainly dominated by fast food outlets.
- There is a low vacancy rate indicating the centre is performing well.
- The environmental quality is adequate as the centre lacks a sense of place and identity.
- There is good accessibility by car and bus and extensive and free car parking at Cannon Retail Park. However, the centre itself is very isolated and it has a limited walk-in trade.

## Retail Needs Assessment

- 1.24 **Section 13** of the 2018 GRLS assesses the overall quantitative need ('capacity') for new retail (convenience and comparison goods) floorspace in the Royal Borough of Greenwich and its main centres over the short (to 2023), medium (to 2028) and long term (to 2033 and 2038). The detailed economic tabulations are provided in **Appendix 9** for convenience goods and **Appendix 10** for comparison goods.
- 1.25 In summary, retail capacity has been assessed using CJ's **CREAT<sup>®</sup>** Capacity Model. This Excel-based model has been designed and developed by CJ over a number of years to help identify the need for new retail floorspace and to test the impact of new floorspace on the trading/turnover performance of existing centres and stores. The model adopts a transparent '*step-by-step*' approach in which all the key assumptions and forecasts can be easily tested, in accordance with good practice guidance. In this case the population figures and projections at Ward level have been sourced from the GLA's "*central projection*", as agreed with the Council. The expenditure per capita assumptions, expenditure growth forecasts, SFT market shares and productivity growth rates have all been derived from Experian's MMG3 datasets and their latest *Retail Planner Briefing Note 15*, published in December 2017. All known retail commitments in the Borough and its main centres at the time of preparing this assessment have been sourced, checked and validated by local planning authority; including informed judgements as to likely mix and scale of Class A1 food and non-food floorspace to be applied for the capacity modelling. In line with standard approaches, the capacity forecasts also assume that the retail market is in '*equilibrium*' at the base year (2018) and that market shares remain constant over the study period.
- 1.26 It is important to restate that capacity forecasts beyond five years should be interpreted with caution. This is because they are based on various layers of assumptions and forecasts with regard to changes in the national and local economy; the trading performance of existing centres and stores; the growth in population and retail spending; etc. For example, if the growth in Internet and multi-channel shopping is stronger than current forecasts suggest, then this could further 'dampen' the future demand and capacity for new (physical) floorspace over the long term. For these reasons, and as described in **Section 13** of the 2018 GRLS, we have also tested the 'sensitivity' of the baseline capacity forecasts to potential increases in Special Forms of Trading (SFT) market shares (including online sales) and floorspace 'productivity' growth rates up to 2038.
- 1.27 The Council will have to take into account these potential margins for error in the capacity forecasts when assessing the need for new retail floorspace over the short (0-5 years), medium (5-10 years) and long term (10 years plus). We therefore advise that greater weight should be placed on the short to medium term forecasts in assessing the capacity for new floorspace across the Borough and the main centres, and in addressing the NPPF requirement in paragraph 23 to meet needs in full. We also advise that the capacity forecasts are refreshed at appropriate stages to take account of any significant changes in the key inputs to the model; including, for example, updated population and expenditure growth forecasts, new commitments, etc.

- 1.28 The results of the 'baseline' capacity assessments for convenience and comparison goods, and the impact of the 'sensitivity' tests on the capacity forecasts are briefly described below.

### Convenience Goods Capacity

- 1.29 The table below summarise the forecast 'baseline' capacity for new convenience ('superstore' and 'supermarket/deep discounter') floorspace across the Borough and its main centres up to 2038 (see Tables 4-14, Appendix 9).

Table 1: Royal Borough of Greenwich: Convenience Capacity Forecasts (sqm net)

	Superstore Format (sqm net)				Supermarket / Deep Discounter (sqm net)			
	2023	2028	2033	2038	2023	2028	2033	2038
<b>Borough-wide Residual Expenditure Capacity (£m)</b>	<b>£20.2</b>	<b>£32.4</b>	<b>£63.6</b>	<b>£98.5</b>	<b>£20.2</b>	<b>£32.4</b>	<b>£63.6</b>	<b>£98.5</b>
Woolwich Town Centre	615	1,270	1,779	2,316	1,025	2,117	2,965	3,860
Eltham Town Centre	250	585	945	1,403	417	976	1,575	2,338
Greenwich District Centre	136	317	510	741	226	528	851	1,235
East Greenwich District Centre	165	264	359	455	276	440	599	758
North Greenwich District Centre	-203	-1,845	-1,842	-1,839	-339	-3,075	-3,070	-3,065
Plumstead District Centre	8	15	28	49	13	25	47	82
Thamesmead District Centre	198	465	701	929	330	776	1,168	1,548
All Local Centres	-610	-446	-289	-121	-1,016	-744	-481	-201
All Neighbourhood Parades	28	50	77	116	46	83	129	193
All Out-of-Centre Stores in Borough	1,037	1,916	2,787	3,748	1,728	3,194	4,645	6,247
<b>TOTAL CONVENIENCE GOODS CAPACITY</b>	<b>1,624</b>	<b>2,592</b>	<b>5,056</b>	<b>7,798</b>	<b>2,707</b>	<b>4,321</b>	<b>8,427</b>	<b>12,996</b>

- 1.30 The tables show that the forecast residual expenditure capacity of £20.2m at 2023 could sustain some 1,624 sqm net of new '**superstore**' format floorspace trading at a higher average sales level. In simple terms this level of floorspace capacity could potentially support some 4-6 smaller convenience stores across the Borough (assuming an average sales area for a convenience store of c.250-300 sqm net), or a new foodstore, or possibly extensions to existing stores where feasible.
- 1.31 Alternatively the residual expenditure could support up to 2,707 sqm net of new '**supermarket/ deep discounter**' floorspace trading lower average sales levels. On the basis that the Aldi and Lidl business models typically require sales areas of up to 1,500 sqm net, then the level of capacity forecast for 2023 could potentially sustain two new discounter/supermarkets, or improvements/ extensions to existing stores. In line with local and national policy objectives any new retail floorspace investment and development should be directed to town centres first, ahead of edge and out of centre locations.
- 1.32 The Borough's out-of-centre stores are also generating capacity for between 1,037 sqm and 1,728 sqm net of new floorspace by 2023, increasing to 3,748 sqm and 6,247 sqm net by 2038. This reflects the relative scale, market share and cumulative turnover of existing out-of-centre provision in the Borough. As stated elsewhere in this study, any forecast need generated by out-of-centre floorspace **should be** directed to the Borough's main centres first in line with the identified network and hierarchy of centres, and in compliance with the NPPF. This could therefore support more convenience floorspace in the main centres, subject to market demand and the availability and suitability of sites over the plan period. If no suitable sites are available in or on the edge of existing centres, then the forecast need could be met through the extension of existing out-of-centre stores (where possible), provided that the new floorspace satisfies the impact test (NPPF; paragraphs 26-27).
- 1.33 The table below summarises the impact of the 'sensitivity' tests on the baseline capacity forecasts over the short (to 2023) and medium (to 2028) term based on higher assumed annual growth in the market share of SFT and floorspace 'productivity'.

- 1.34 The table shows that the Borough-wide capacity at 2028 falls from 2,592 sqm to 1,979 sqm net for new '**superstore**' format floorspace based on a higher assumed growth in SFT; and to 1,190 sqm net assuming higher floorspace 'productivity' growth. This level of Borough-wide capacity could still potentially sustain one larger superstore in the Borough.

Table 2: Convenience Goods Capacity Forecasts 2018 to 2028 – 'Superstore' Format Summary Table (sqm net)

	Baseline Capacity		Sensitivity Test 1: Higher SFT		Sensitivity Test 2: Higher 'Productivity' Growth	
	2023	2028	2023	2028	2023	2028
<b>Borough-wide Residual Expenditure Capacity (£m)</b>	<b>£20.2</b>	<b>£32.4</b>	<b>£16.7</b>	<b>£24.8</b>	<b>£15.2</b>	<b>£15.3</b>
Woolwich Town Centre	615	1,270	562	1,153	538	1,006
Eltham Town Centre	250	585	190	455	157	277
Greenwich District Centre	136	317	114	269	103	208
East Greenwich District Centre	165	264	158	248	155	228
North Greenwich District Centre	-203	-1,845	-204	-1,846	-204	-1,847
Plumstead District Centre	8	15	5	9	4	0
Thamesmead District Centre	198	465	172	406	157	326
All Local Centres	-610	-446	-625	-480	-632	-522
All Neighbourhood Parades	28	50	23	39	20	25
All Out-of-Centre Stores in Borough	1,037	1,916	949	1,726	910	1,487
<b>TOTAL BOROUGH-WIDE CAPACITY</b>	<b>1,624</b>	<b>2,592</b>	<b>1,344</b>	<b>1,979</b>	<b>1,209</b>	<b>1,190</b>

- 1.35 For '**supermarket/deep discounter**' floorspace trading at lower average sales levels the table below shows a reduction in Borough-wide capacity from 4,321 sqm net to 3,298 sqm net based on higher SFT growth; and to 1,983 sqm net assuming a higher 'productivity' growth. This reduced capacity could potentially support one supermarket/deep discounter (assuming an average sales area for a store of 1,500 sqm net).

Table 3: Convenience Goods Capacity Forecasts 2018 to 2028 – 'Supermarket/Deep Discounter' Format Summary (sqm net)

	Baseline Capacity		Sensitivity Test 1: Higher SFT		Sensitivity Test 2: Higher 'Productivity' Growth	
	2023	2028	2023	2028	2023	2028
<b>Borough-wide Residual Expenditure Capacity (£m)</b>	<b>£20.2</b>	<b>£32.4</b>	<b>£16.7</b>	<b>£24.8</b>	<b>£15.2</b>	<b>£15.3</b>
Woolwich Town Centre	1,025	2,117	937	1,921	897	1,677
Eltham Town Centre	417	976	316	758	262	462
Greenwich District Centre	226	528	189	449	172	346
East Greenwich District Centre	276	440	263	413	258	380
North Greenwich District Centre	-339	-3,075	-339	-3,076	-340	-3,078
Plumstead District Centre	13	25	9	15	6	1
Thamesmead District Centre	330	776	286	676	262	543
All Local Centres	-1,016	-744	-1,042	-800	-1,053	-869
All Neighbourhood Parades	46	83	38	66	33	41
All Out-of-Centre Stores in Borough	1,728	3,194	1,582	2,877	1,517	2,479
<b>TOTAL BOROUGH-WIDE CAPACITY</b>	<b>2,707</b>	<b>4,321</b>	<b>2,239</b>	<b>3,298</b>	<b>2,015</b>	<b>1,983</b>

- 1.36 In terms of the capacity for new goods floorspace in the Borough's main centres, Woolwich appears to have the greatest potential in terms of residual expenditure growth to support an anchor superstore/supermarket by 2028, or a number of smaller convenience stores. The floorspace capacity forecast for the other centres could potentially support smaller convenience stores or possibly extensions to existing stores, where feasible.
- 1.37 d.

### Comparison Goods Capacity

- 1.38 The table below summarises the comparison goods capacity for the Borough and its main centres and stores up to 2038 (also see **Appendix 10**).

Table 4: Royal Borough of Greenwich: Comparison Goods Capacity (Net) by Locations (sqm)

	2023	2028	2033	2038
<b>Borough-wide Residual Expenditure Capacity (£m)</b>	<b>-£143.8</b>	<b>-£98.3</b>	<b>-£23.0</b>	<b>£55.8</b>
Woolwich Town Centre	-772	746	2,269	3,589
Eltham Town Centre	1,764	4,521	7,362	9,844
Greenwich District Centre	652	1,820	2,963	3,949
Plumstead District Centre	-446	-372	-296	-230
Thamesmead District Centre	401	1,031	1,674	2,233
All Other Local Centre & Parades	-403	255	913	1,488
All Out-of-Centre Stores and Floorspace	-9,342	-3,816	1,698	6,485
North Greenwich	-13,350	-17,350	-19,350	-21,350
<b>TOTAL COMPARISON GOODS CAPACITY</b>	<b>-21,496</b>	<b>-13,166</b>	<b>-2,767</b>	<b>6,010</b>

Notes: The survey-derived market share analysis did not identify any comparison goods turnover for either East Greenwich or North Greenwich at 2018. There is therefore no forecast capacity for either centre. The significant 'negative capacity' for North Greenwich reflects the impact of the committed new Class A1 comparison goods floorspace permitted for the O2 Designer Outlet Village.

- 1.39 As the table shows that there is no Borough-wide capacity for new retail floorspace until the end of the 20-year forecast period, at 2038, after taking account of all known commitments (i.e. 6,010 sqm net).
- 1.40 Breaking down this capacity on a centre-by-centre basis shows that, based on a constant market share approach and taking account of the projected population and expenditure growth, Eltham is forecast to have the greatest capacity for new retail floorspace over the short term (to 2023) of 1,764 sqm, increasing to 4,521 sqm net over the medium term (by 2028) and to 9,844 sqm net over the long term (to 2038). The next highest capacity is forecast for Greenwich District Centre; 652 sqm net at 2023 and increasing to 3,949 sqm net by 2038. There is no forecast capacity for new comparison goods floorspace in Woolwich up to 2023 due to the impact of new commitments in the town centre. Capacity increases thereafter to 746 sqm net by 2028 and to 3,589 sqm net by 2038.
- 1.41 The table below summarises the impact of the 'sensitivity' tests on the forecast capacity for new comparison floorspace over the short (to 2023) and medium term (to 2028) across the Borough and its main centres.
- 1.42 The forecasts show no Borough-wide capacity for new comparison goods retail floorspace up to 2028. Indeed it should be noted that the 'sensitivity' tests show no capacity for new comparison goods floorspace over the study period, 2018 to 2038. For the Borough's main centres the 'sensitivity' testing shows lower forecast capacity of between 402-415 sqm net for Woolwich at 2028; 3,812-3,839 sqm net for Eltham; 1,559-1,569 sqm net for Greenwich; and 886-891 sqm net for Thamesmead. In our judgement this medium-term need in the main centres up to 2028 could be met, in part, by the take-up of existing 'fit-for-purpose' vacant floorspace/premises in the centres, along with the potential regeneration of suitable sites/premises for new retail and mixed use development.

Table 5: Comparison Goods Capacity Forecasts 2018 to 2028 – Summary Table (sqm net)

	Baseline Capacity		Sensitivity Test 1: Higher SFT		Sensitivity Test 2: Higher 'Productivity' Growth	
	2023	2028	2023	2028	2023	2028
<b>Borough-wide Residual Expenditure Capacity (£m)</b>	<b>-£143.8</b>	<b>-£98.3</b>	<b>-£153.8</b>	<b>-£120.1</b>	<b>-£151.2</b>	<b>-£121.9</b>
Woolwich Town Centre	-772	746	-946	402	-881	415
Eltham Town Centre	1,764	4,521	1,399	3,812	1,535	3,839
Greenwich District Centre	652	1,820	520	1,559	570	1,569
Plumstead District Centre	-446	-372	-455	-390	-452	-389
Thamesmead District Centre	401	1,031	327	886	355	891
All Other Local Centre & Parades	-403	255	-483	99	-453	105
All Out-of-Centre Stores and Floorspace	-9,342	-3,816	-9,998	-5,105	-9,753	-5,057
North Greenwich	-13,350	-17,350	-13,350	-17,350	-13,350	-17,350
<b>TOTAL BOROUGH-WIDE CAPACITY</b>	<b>-21,496</b>	<b>-13,166</b>	<b>-22,987</b>	<b>-16,086</b>	<b>-22,429</b>	<b>-15,978</b>

## Commercial Leisure Needs Assessment

1.43 **Section 14** of the 2018 GRLS assesses the quantitative and qualitative need for new commercial leisure uses across the Borough and the wider Study Area, and any current 'gaps' in provision. Subject to the caveats involved in forecasting leisure needs over a long time period, the key findings include the following:

- Existing **cinema** (Class D2) provision in the Borough area is relatively good, as demonstrated by the fact that they are achieving a strong market share of cinema trips within the Borough of almost 75%. Based on current provision and the opening of a new cinema in Eltham in 2019, there is no forecast need for new cinema screens over the plan period. However, this does not negate the potential future market demand from cinema operators for representation in the Borough and its main centres. A potential need for new cinemas in Woolwich and Thamesmead has also been identified to help strengthen their daytime and evening economies, and diversify their overall offer.
- There is no identified capacity for new **food and beverage** (Class A3-A5) floorspace in the short term (to 2023) due to existing commitments in the Borough. Over the medium term (to 2028) capacity increases to 1,672 sqm gross. Over the longer term to 2033 the forecast capacity rises to 12,717 sqm gross, increasing further to 25,312 sqm gross by 2038. This forecast capacity should be directed to the Borough's main centres first to help ensure their overall vitality and viability.
- There is also potential scope for new **health and fitness** facilities given that the population of the Borough Area is forecast to increase by 77,850 by 2038. This will be subject to the level of market interest and demand for representation in the Borough's main centres, as well as other planning considerations.

1.44 Additionally, in terms of addressing future needs, the Borough could benefit from a wider range of **family activities**, such as a multi-use venue, and these should be directed to town centres first. Woolwich in particular could benefit from a family activity venue given the levels of expected population growth and the ambition to become a Metropolitan town centre. However the potential for new family activity venues will also be subject to market interest and demand.

## Impact Threshold

1.45 Drawing on the review of current and future retail trends (Section 3), and the key findings of the survey, health check and capacity assessments (see Sections 4-14), **Section 15** of the 2018 GRLS concludes that it would be reasonable for the Council to set a local impact threshold of **280 sqm** gross in this case, which is below the NPPF (paragraph 26) default threshold of 2,500 sqm gross. A lower impact threshold will provide the local planning authority with sufficient flexibility on a case-by-case basis to assess the merits and implications of edge and out-of-centre foodstore applications that could potentially have significant implications for the viability and delivery of new or extended floorspace in these existing centres.



- 1.46 If the lower impact threshold of 280 sqm gross is accepted, it is nevertheless important that the scope of any *Retail Impact Assessment* (RIA) in support of planning applications is discussed and agreed between the applicants and the Council at an early stage in the pre-application process. The level of detail included within a RIA should be proportionate to the scale and type of retail floorspace proposed, and should be agreed between the Council and applicant on a case-by-case basis. In all cases the local planning authority should adopt a pragmatic and reasonable approach with regard to the scope and detail of evidence required in support of planning applications.

## Key Conclusions and Recommendations

- 1.47 **Section 16** of the GRLS provides a summary of the key findings of the study relevant to plan-making and decision-taking in the Royal Borough of Greenwich area and its main centres. It specifically sets out high level strategic advice on how the Council can effectively plan for, manage and promote the vitality and viability of its main centres over the development plan period. The following summarises some of the key recommendations pertaining to the Borough's main centres.
- 1.48 With regard to **Woolwich Town Centre** it is advised that unless there is a material change to the Mayor's definitions of a Metropolitan Centre, which is heavily biased towards the quantum of retail provision, then Woolwich could struggle to reach Metropolitan status over the medium to long term. This is because the town centre will have to improve both the quantum and quality of its retail and service offer if it is to better compete with other centres within the sub-region – in particular Bexleyheath, Bluewater, Bromley and Lewisham - as well as the out-of-centre facilities at Charlton Riverside. We therefore recommend that Woolwich should first focus on becoming the best performing centre in the Borough as a short to medium term objective. Notwithstanding this, and as part of the '*journey*' to Metropolitan status, we strongly recommend that the Council commissions a regeneration framework for the town centre to update and refresh the 2012 Masterplan in light of recent and planned developments and investments. This would be underpinned by extensive stakeholder and landowner engagement to agree a joined-up vision and strategy for the town centre, and more detailed market and viability testing to better understand what can and cannot be delivered over time, and whether this can be achieved in a comprehensive rather than piecemeal manner. This additional work would, we believe, help promote the Council's case for Woolwich to be promoted to a Metropolitan Centre by setting out clear evidence, timelines and milestones.
- 1.49 **Eltham** is identified as an attractive, healthy, vital and viable centre. It is performing well within the Borough's network and hierarchy of centres. The existing and planned investment and development in the centre will further help to strengthen and consolidate its important role as a Major Centre. Based on our understanding of existing and potential development opportunities in the town centre, we consider that the potential forecast need for new retail floorspace and leisure uses can be met in full over the plan period.
- 1.50 **Greenwich District Centre** is also an attractive, vital and viable historic centre that is balancing the needs of its local resident and student population, with its diverse visitors and tourists. It has a strong and flourishing daytime and evening economy that should be maintained, managed and enhanced. The only potential 'brake' on Greenwich's future growth will be the lack of available and suitable development sites to meet future needs. Opportunities will therefore need to be explored to accommodate new retail, commercial leisure and residential uses where the demand arises and sites can be sensitively assembled, or alternatively the forecast need should be directed to other town centres in the Borough, and principally Woolwich.
- 1.51 **East Greenwich District Centre** is a linear centre that would benefit from significant improvements to the quality of its shopping and town centre environment through investment in the public realm, street furniture and shop frontages, as well as introducing more green landscaping across the centre and traffic calming measures. This would, in turn, make the centre a more attractive proposition for visitors and for potential investors and

businesses. New investment could also help to address the signs of “*fragility*” in the centre’s current offer; as indicated by the high level of vacant floorspace across the centre

- 1.52 **Plumstead** is largely fulfilling its role and function as a District Centre in the Borough’s network and hierarchy of centres, but its retail offer and environment is relatively poor. Although we do not believe that High Street can support significant new retail and leisure floorspace from an economic and commercial (market demand) perspective, there is potential to improve the quality of the shopping and town centre environment through investment in the public realm, street furniture and shop frontages. There is also potential to introduce more green landscaping across the centre and traffic calming measures. This would, in turn, make it a more attractive proposition for visitors and for potential investors and businesses. In response, we understand that the Council has recently secured significant investment to improve Plumstead’s environment, the library and the station area.
- 1.53 **Thamesmead** is designated as a District Centre and is located in an area that is identified for significant growth over the next 10-20 years. There is significant potential to meet the forecast need for new retail floorspace and leisure uses in full in the centre, and also to potentially accommodate a greater quantum of retail, commercial leisure and town centre uses as part of the wider transformation of the centre and area. To help inform the future planning and development of the centre we strongly recommend that the ‘*Opportunity Area Planning Framework*’ (OAPF) currently being prepared considers the potential to redevelop and reconfigure the centre’s offer and environment to create a more ‘typical’ town centre with a greater sense of place and ‘civic pride’ that better serves the needs of the existing and growing population. As part of this we advise that the opportunity should be grasped to make better use of the lakes to the north and west of the centre to help create a more attractive town centre environment.
- 1.54 **North Greenwich** is a proposed District Centre in the adopted Core Strategy (2014) and draft London Plan (2017). In terms of its potential designation as a District Centre we advise the Council to err on the side of caution in this case. The retail and commercial offer at North Greenwich is linked to the O2 Arena and largely has the character and function of an out-of-centre location. The Designer Outlet will also reinforce this in terms of the scale and type of retailing proposed. If the area was to be designated as a District Centre it would potentially ‘*open the door*’ for more extensive retail, commercial leisure and town centre uses to locate here, which could potentially divert market demand from Woolwich and the Council’s other main centres. With a District Centre designation this new floorspace would not be subject to more detailed sequential and impact testing, which would be required under the NPPF. Given the fragility of the retail market and the Council’s aspirations for Woolwich, we advise the Council that careful monitoring and management is applied to North Greenwich in its proposed role and function as a new District Centre.
- 1.55 In terms of the need for new retail floorspace generated by the Borough’s out-of-centre stores and retail facilities, this should be directed to the Borough’s main town centres first in compliance with local, regional and national plan policy objectives.
- 1.56 Finally, the 2018 GRLS has not covered Lee Green or Blackheath District Centres, nor has it specifically assessed the defined 9 Local Centres and 34 Neighbourhood Parades across the Borough. Their role and function in the retail hierarchy should be assessed as part of any future Local Plan review. The Council will also be aware that neighbourhood parades are not defined as centres under the NPPF and are therefore not afforded any policy protection. It may be the case therefore that the Council may wish to undertake a separate study to identify the relative role, function and status of these smaller centres in the Borough’s overall network and hierarchy as part of any future Local Plan review.