

ROYAL BOROUGH OF GREENWICH RETAIL & LEISURE STUDY

Volume 1: Main Report

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1 INTRODUCTION

- 1.1 Carter Jonas ('CJ') was commissioned by the Royal Borough of Greenwich ('the Council') in January 2018 to prepare the *Greenwich Retail and Leisure Study* (the 'GRLS').
- 1.2 This study is an evidence base document that will be used to inform plan-making and decision-taking across the Borough; 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.
- 1.3 The Study has been prepared in the context of current and emerging national and development plan policy guidance, as well as other key material considerations; principally the *National Planning Policy Framework* (NPPF) published in March 2012. Where relevant the study also draws on advice set out in the *National Planning Practice Guidance* (PPG), published in March 2014, which places significant weight on the development of positive plan-led visions and strategies to help ensure the vitality of town centres. The sequential and impact 'tests' are also key to both plan-making and decision-taking at the local level.
- 1.4 The assessment of the need (or 'capacity') for new retail (convenience¹ and comparison² goods) floorspace has been carried out at the strategic (borough-wide) level to help inform the likely scale, type, location and potential phasing of new retail development over the short (0-5 years), medium (6-10 years) and long term (11-20 years).
- 1.5 The study/catchment area defined for the purpose of this Study principally covers the Royal Borough of Greenwich local authority area, and extends to a wider area incorporating parts of neighbouring authorities to reflect broader shopping and leisure patterns (**Appendix 1**). The study area has been divided into 13 zones that broadly reflect the population distribution and local catchments of the main study centres.
- 1.6 The defined study area and zones provide the framework for the new telephone interview survey of some 1,300 households conducted by NEMS Market Research (NEMS) in January 2018. The full (weighted) survey results are provided in a separate volume to this study (**Appendix 12**). The survey provides the most up-to-date and robust evidence on shopping patterns, leisure preferences and expenditure flows within the Borough and the wider study area. The survey findings have also informed the health check assessments for the main study centres, as well as the quantitative ('capacity') and qualitative need assessments for new retail (convenience and comparison goods) floorspace and leisure uses over the plan period.
- 1.7 For ease of reference this report is structured as follows:
 - **Section 2** reviews the national and local planning policy context material to retail planning and town centres.
 - **Section 3** highlights some of the key trends that are driving the dynamic changes in the retail and leisure sectors at the national and local level, and how this has shaped (and is likely to shape) the UK's urban and retail landscape.
 - **Section 4** sets out the results of the market share analysis for convenience and comparison goods shopping and leisure use across the study area based on the household telephone interview survey (HTIS). The more detailed market share tabulations for convenience and comparison goods (including Special Forms of Trading³) are provided in **Appendix 4 and 5** respectively.

¹ Convenience retailing is the provision of everyday essential food and convenience items (e.g. food, drinks, newspapers/magazines and confectionery) – see Glossary.

² Comparison retailing is the provision of non-food items not obtained on a frequent basis (e.g. clothing, footwear, household and recreational goods) – see Glossary.

³ 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. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).

- **Section 5** sets out the health check methodology, which draws on the Key Performance Indicators (KPIs) detailed in the Planning Practice Guidance (PPG). This assessment draws on a range of primary and secondary research sources and datasets, supplemented by site visits. The health check assessment also takes account of the results of the household telephone interview survey.
- **Sections 6-12** detail the key findings of the health checks for the main study centres; namely, Woolwich; Eltham; Greenwich; East Greenwich; North Greenwich; Plumstead and Thamesmead.
- **Section 13** sets out the key assumptions and outputs of CJ's in-house CREAT[®] (excel spreadsheet) economic capacity model. This includes the forecast population and expenditure available in the Study Area (**Appendices 2-3**); the convenience (**Appendix 7**) and comparison (**Appendix 8**) turnovers of all existing centres/stores; and the forecast trading characteristics of all known committed retail floorspace at the time of preparing this assessment. It also presents the detailed borough-wide and main centre capacity forecasts for both convenience (**Appendix 9**) and comparison goods (**Appendix 10**).
- **Section 14** sets out the findings of the commercial leisure 'gap' assessment. This looks at the main leisure uses, and provides a high level review of the need for new food and beverage uses, cinema and gyms based on the health checks, household and in-centre survey evidence.
- **Section 15** examines whether there is a requirement for the Council to set a lower local impact threshold based on the research evidence set out in this report and any other associated material considerations.
- **Section 16** draws on the previous sections of the Study and summaries the relative health, role and function of the Council's main centres.

1.8 When considering and assessing the findings of this retail assessment it is important to understand at the outset that capacity forecasts beyond a five year (short-term) time period should be interpreted with caution as they are subject to increasing margins of error. We therefore advise that although this updated study provides the robust evidence base required to help inform plan-making, site allocations and the determination of planning applications at the local level, the forecasts should be updated periodically to take into account, inter alia:

- 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.

2 PLANNING POLICY OVERVIEW

- 2.1 This section provides a high level overview of the relevant national and local development plans and policies pertaining to retail planning and town centre uses. It also considers proposed changes to national and regional policy that have recently been consulted upon including the draft *National Planning Policy Framework* (NPPF) and *Draft London Plan 2017*.

National Planning Policy Framework (NPPF)

- 2.2 The NPPF was published in March 2012 and sets out the planning policies for England and how these are expected to be applied. It reinforces the importance of up-to-date plans and strengthens local decision making. The NPPF must be taken into account in the preparation of Local Plans and Neighbourhood Plans.
- 2.3 At the heart of the NPPF is a presumption in favour of sustainable development, which is seen as *'a golden thread running through both plan-making and decision-taking'* (paragraph 14). The NPPF (paragraph 14) sets out the Government's view of what sustainable development means in practice for both plan-making and decision-taking at the local level.
- 2.4 For plan-making the Framework states that local planning authorities should positively seek opportunities to meet the development needs of their area. Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits. The Framework (paragraph 15) states that policies in Local Plans should follow the approach of the presumption in favour of sustainable development so that *'...it is clear that development which is sustainable can be approved without delay'*.
- 2.5 The NPPF (paragraph 17) sets out twelve core planning principles that underpin both plan-making and decision-taking. Amongst other objectives these principles confirm that planning should be genuinely plan-led; proactively drive and support sustainable economic development to deliver thriving local places; promote mixed use developments; focus significant development in locations which are or can be made sustainable; and deliver sufficient community and cultural facilities and services to meet local needs.
- 2.6 The Framework (paragraph 150) emphasises that Local Plans are *'...the key to delivering sustainable development that reflects the vision and aspirations of local communities'*. They should be 'aspirational but realistic' and should set out the opportunities for development and clear policies on *'...what will or will not be permitted and where'* (paragraph 154).
- 2.7 In terms of the evidence-based approach to planning, the Framework states LPAs should ensure that the Local Plan is based on *'...adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area'* (paragraph 158). Furthermore the assessment of, and strategies for housing, employment and other uses should be integrated, and take full account of relevant market and economic signals. LPAs should use this evidence base to assess the needs for land or floorspace for economic development, including for retail and leisure development; examine the role and function of town centres and the relationship between them; assess the capacity of existing centres to accommodate new town centre development; and identify locations of deprivation which may benefit from planned remedial action. The NPPF is clear that pursuing sustainable development requires *'...careful attention to viability and costs in plan-making and decision-taking'* (paragraph 173).

2.8 In terms of ‘*ensuring the vitality of town centres*’ the NPPF (paragraph 23) states that planning policies should be positive and promote competitive town centre⁴ environments, as well as setting out policies for the management and growth of centres over the plan period. When drawing up Local Plans, LPAs should amongst other considerations:

- recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
- define a network and hierarchy of centres that is resilient to anticipated future economic changes;
- define the extent of town centres and primary shopping areas⁵, based on a clear definition of primary and secondary frontages⁶ in designated centres, and set policies that make clear which uses will be permitted in such locations;
- promote competitive town centres;
- retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;
- allocate a range of suitable sites to meet the scale and type of retail and leisure development needed in town centres;
- ensure that the needs for retail and leisure are ‘met in full’ and ‘not compromised by limited site availability’. Assessments should therefore be undertaken of the need to expand town centres to ensure a sufficient supply of suitable sites;
- allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre;
- set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;
- recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and
- where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.

2.9 When assessing and determining applications for main town centre uses⁷ that are not in an existing centre and not in accordance with an up-to-date Local Plan, the Framework requires that LPAs should:

- Apply a **sequential test**⁸, which requires applications for main town centre uses to be located in town centres first, then in edge-of-centre locations and only consider out-of-centre locations if suitable sequentially more preferable sites are not available. When considering edge and out of centre proposals, ‘...*preference should be given to accessible sites that are well connected to the town centre*’ (paragraph 24). Applicants and LPAs should demonstrate flexibility on issues such as format and scale.
- Require an **impact assessment** if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500 sqm). This should include assessment of the impact of the proposal on existing, committed and planned public and private investment in a centre or

⁴ The NPPF (Annex 2) states that references to town centres or centres apply to city centres, town centres, district centres and local centres, but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in Local Plans, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

⁵ Primary shopping area is defined by the NPPF (Annex 2) as the defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage).

⁶ The NPPF (Annex 2) states that ‘primary frontages’ are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. ‘Secondary frontages’ provide greater opportunities for a diversity of uses such as restaurants, cinemas and businesses.

⁷ NPPF (Annex 2) defines ‘main town centre uses’ as retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).

⁸ This sequential approach should not be applied to applications for small scale rural offices or other small scale rural development.

centres in the catchment area of the proposal; and on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made. For major schemes where the full impact will not be realised in five years then the impact should also be assessed up to ten years from the time the application is made.

- 2.10 The NPPF (paragraph 27) states that '*...where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the above factors, it should be refused*'.

Draft Revised National Planning Policy Framework (NPPF) (2018)

- 2.11 The revised draft NPPF was published on 5th March 2018, with consultation taking place until 10th May 2018.
- 2.12 Although the March 2012 NPPF still remains the adopted Framework for plan-making and decision-taking, there are a number of proposed revisions to the policies and provisions set out in Section 7 of the draft NPPF - '*Ensuring the Vitality of Town Centres*' - that are material to this study.
- 2.13 First, in terms of plan-making, the revised draft Framework (paragraph 86d) proposes a shorter ten year time horizon for allocating sites to meet the forecast needs for new retail, leisure, office and other main town centre uses. This contrasts with the current policy position, which requires local planning authorities to allocate sites to "*meet needs in full*" over the plan period; currently 15 years or more. These proposed changes reflect the dynamic changes in the economy, customer behaviour, technology (including the growth of internet shopping), the retail property market and retailer demand generally (see **Section 3**), and the inherent difficulties involved in forecasting future capacity/need over long time periods.
- 2.14 In terms of decision-taking and specifically the sequential test, the revised draft Framework is also seeking to strengthen the '*town centre first*' approach by bringing back the more flexible wording last seen in the PPS4; namely that suitable town centre or edge of centre sites do not have to be available immediately for development, but within a "*reasonable period of time*" (paragraph 87).
- 2.15 The draft Framework also recognises that where centres are in decline then policies and measures should be promoted that support diversification and changes of use (paragraph 86g).

National Planning Practice Guidance (PPG) (2014)

- 2.16 This study also draws on advice set out in the National Planning Practice Guidance (PPG), published in March 2014. The PPG has streamlined and replaced the advice previously set out in the PPS4 *Practice Guidance on Need, Impact and the Sequential Approach*. The revised PPG still places significant weight on the development of positive plan-led visions and strategies for town centres, and thus retains the key sequential and 'impact tests'. Of relevance to this study the PPG (para 003) states that the assessment of the potential for centres to accommodate new development and different types of development should cover a '*three-five year period*' but should '*also take the lifetime of the Local Plan into account and be regularly reviewed*'
- 2.17 A draft update to the Planning Practice Guidance was also issued alongside the draft NPPF in March 2018. The update covers Viability, Housing delivery, Local Housing Need Assessment, Neighbourhood plans, Plan making and Build to Rent. We understand that a further draft PPG will be issued after the revised NPPF is adopted with regard to '*ensuring the vitality of town centres*'.

The London Plan (2016)

2.18 The London Plan (2016) is the overall spatial development strategy for London. It sets out an integrated economic, environmental, transport and social framework for development over the next 20-25 years. The plan includes a number of policies relating to town centres, retail and Greenwich specifically, including:

- **Policy 2.13 (Opportunity Areas and Intensification Areas)** identifies Charlton Riverside, Greenwich Peninsula, Thamesmead and Abbey Wood and Woolwich Opportunity Areas. Table 2.1 below outlines the development potential indicated for each area in the London Plan.
- **Policy 2.14 (Areas for Regeneration)** and its associated Annex 2, sets out the areas identified for regeneration in which the Mayor will work with strategic and local partners to co-ordinate sustained renewal by prioritising them for neighbourhood-based action and investment. The objective of the Mayor's regeneration programmes is to drive growth in London's towns and high streets. Annex 2 lists Woolwich as a centre that has potential for high growth and regeneration. High growth centres are defined as town centres likely to experience strategically significant levels of growth with strong demand for retail, leisure and office development with existing/potential public transport capacity to accommodate it.
- **Policy 2.15 (Town Centres)**, and its associated Annex 2, identifies London's network of town centres, including the CAZ, major centre, district centres and neighbourhood centres. The development of London's network of town centres should provide a structure for sustaining and improving a competitive choice of goods and services which are conveniently accessible. This policy sets out the importance of sustaining and enhancing the vitality and viability of the centre; identifying town centre boundaries, primary shopping areas and primary and secondary frontages; accommodating economic and/or housing growth through intensification and selective expansions; and enhancing the competitiveness, quality and diversity of the town centre retail and other uses.
- The associated **Annex 2 (Table A2.2)** identifies Woolwich's potential future classification change from a Major Centre to a Metropolitan Centre. A Metropolitan centre is defined as serving a wide catchment which can extend over several boroughs, containing a minimum of 100,000 sqm of retail, leisure and service floorspace. These centres are generally very accessible. The same part of the Plan also recognises North Greenwich's potential change from an unclassified centre to a District centre.
- **Policy 4.7 (Retail and Town Centre Development)** sets out the Mayor's support towards a strong partnership approach to assessing need and bringing forward capacity for retail, commercial, culture and leisure development in town centres. The policy states that Boroughs should identify future retail and commercial leisure floorspace needs; undertake regular town centre health checks; resist inappropriate out of centre development; and manage existing out of centre retail and leisure development in line with the sequential approach.
- **Policy 4.8 (Supporting a Successful and Diverse Retail Sector and Related Facilities and Services)** states that LDFs must take a proactive approach to retail planning by: bringing forward capacity for additional comparison goods retailing including in major centres; supporting convenience retailing particularly within district and neighbourhood centres; supporting London's markets; and identifying areas underserved in local convenience shopping and services provision.
- **Policy 4.9 (Small Shops)** aims to support small or independent retailers by suggesting that where appropriate Local Plans impose conditions or seek contributions through planning obligations when considering applications for large scale retail developments. This will help to strengthen and promote the retail offer, attractiveness and competitiveness of centres.

Table 2.1: Development Potential for Opportunity Areas in the London Plan

Centre	Employment Capacity	Residential Capacity
Charlton Riverside (under review)	1,000 new jobs	3,500 new homes
Greenwich Peninsula (adopted)	7,000 new jobs	13,500 new homes
Thamesmead and Abbey Wood (under review)	4,000 new jobs	3,000 new homes
Woolwich (adopted)	5,000 new jobs	5,000 new homes

2.19 Within the adopted London Plan, Table A2.1 outlines the Town Centre classifications. These are listed below in full as they provide important context for the review of the relative role and function of the main centres in the Borough, and their future potential:

- **International Centres** – London’s globally renowned retail destinations with a wide range of high-order comparison and specialist shopping with excellent levels of public transport accessibility.
- **Metropolitan Centres** – serve wide catchments that can extend over several boroughs and into parts of the wider South East region. Typically they contain at least 100,000 sqm of retail, leisure and service floorspace with a significant proportion of high-order comparison goods relative to convenience goods. These centres generally have very good accessibility and significant employment, service and leisure functions.
- **Major Centres** – typically found in inner and some parts of outer London with a borough-wide catchment. They generally contain over 50,000 sqm of retail, leisure and service floorspace with a relatively high proportion of comparison goods relative to convenience goods. They may also have significant employment, leisure, service and civic functions.
- **District Centres** – distributed more widely than the Metropolitan and Major centres, providing convenience goods and services for more local communities and accessible by public transport, walking and cycling. Typically they contain 10,000–50,000 sqm of retail, leisure and service floorspace. Some District centres have developed specialist shopping functions.
- **Neighbourhood and Local Centres** – typically serve a localised catchment often most accessible by walking and cycling and include local parades and small clusters of shops, mostly for convenience goods and other services. They may include a small supermarket (typically up to around 500 sqm), sub-post office, pharmacy, laundrette and other useful local services. Together with District Centres they can play a key role in addressing areas deficient in local retail and other services.

Town Centre Supplementary Planning Guidance (July 2014)

2.20 The Town Centre SPG (2014) provides guidance on the implementation of policies within the London Plan which refer to town centre development. The SPG is focused on a set of principles which include: supporting the evolution and diversification of town centres; delivering mixed use housing intensification; promoting accessibility; and connectivity and proactive town centre strategies.

Culture and Night Time Economy Supplementary Planning Guidance (November 2017)

2.21 The SPG provides guidance on measures that can help protect and enhance cultural provision and the night time economy in London, including protecting pubs and other important cultural venues such as those that host live music. The SPG is provided to give strategic advice for preparing, scrutinising or contributing to planning policy, masterplans or planning applications relating to London’s culture and the night-time economy, by finding individual solutions to address local situations.

Draft New London Plan (2017)

2.22 The main changes and key policies proposed in the draft London Plan relating to town centres are as follows:

- **Policy SD1 (Opportunity Areas)** continues to allocate Charlton Riverside, Greenwich Peninsula, Thamesmead and Abbey Wood and Woolwich as Opportunity Areas.
- **Policy SD 6 (Town Centres)** will replace the similar Policy 2.15 of the current adopted London Plan. The policy aims to promote the vitality and viability of London’s town centres as well as supporting the adaption and restructuring of town centres in response to the challenges and opportunities presented by multi-channel shopping and changes in consumer behaviour.

- **Policy SD7 (Town Centre Network)** and associated Table and Figure A1.1 continues to support Woolwich's future potential (our emphasis) change to an Metropolitan Centre and North Greenwich's change from an unclassified Centre to a District Centre.
- **Policy SD 8 (Town Centres: Development Principles and Development Plan Documents)** states that Development Plans and development proposals should take a town centre first approach. The policy also sets out the additional requirements for development plans and development proposals.
- **Policy SD9 (Town Centres: Local Partnerships and Implementation)** supports the formation of Town Centre strategies produced in partnership at a local level in a way which is inclusive and representative of the local community. These strategies should be tailored to the specific town centre. The policy also sets out that regular health checks should be undertaken to inform policy. Targeted Article 4 Directions should also be introduced, where appropriate, to remove permitted development rights for office, light industrial and retail to residential in order to sustain town centre vitality and viability.
- **Policy SD10 (Strategic and Local Regeneration)** identifies Greenwich Peninsula and Woolwich as Strategic Areas for Regeneration. Development Plans and OAPFs and development proposals should contribute to regeneration by tackling spatial inequalities and the environmental, economic and social barriers that affect the lives of people in the area. Boroughs should also develop locally-sensitive policies and initiatives that contribute to the renewal of town centres in these areas.
- **Policy E9 (Retail, Markets and Hot Food Takeaways)** supports a successful, competitive and diverse retail sector which promotes sustainable access to goods and services for all Londoners in line with the wider objectives of the plan related to town centres.

2.23 Draft Policy SD7 has a particular relevance to this study, particularly in relation to Woolwich town centre. The supporting text to the Policy is clear that Woolwich (and other centres) is not recommended for immediate reclassification in the retail hierarchy. Although the hierarchy is recognised as being dynamic, any changes (at Major and Metropolitan level) must be supported by robust evidence. The Plan's suggestion in respect of Woolwich is that the centre could move up the hierarchy to Metropolitan status, subject to capacity analysis, impact assessment, accessibility, planning approvals and full implementation. This potential change in status appears to be driven by the level of residential development planned around the town centre (particularly the Royal Arsenal development), the need for regeneration, and the opening of Crossrail.

2.24 Subsequent to the publication of the draft plan the Mayor's office has recently also published part of the evidence base, in the form of the 2017 *London Town Centre Health Check Analysis Report* (January 2018) – including technical appendices. Based on the available evidence the Report also seems to strike a slightly more cautious tone as regards the future potential of Woolwich town centre. For example, recommendation 8 (pp.103) of the document states that further work is required in respect of the potential for Woolwich as there appears to be conflicting data; potentially indicating that the centre has declined in commercial terms over the last decade due to the impact of wider economic and retail trends on town centres and the high street (see **Section 3**).

2.25 Likewise, there is an element of uncertainty as regards the potential classification of North Greenwich within the retail hierarchy (the centre being unclassified within the adopted London Plan). The Health Check Report (pp.104) states that given the focus of the (O2) centre on leisure and entertainment uses rather than retail, and the other improvements still planned in the area, it is appropriate to retain a potential classification (as a District centre) but not to reclassify at this time (Recommendation 11). That said, there does not appear to be any acknowledgement within the draft Plan of the (soon-to-be) opening of significant retail floor space within the O2 (in the form of a designer outlet village).

Local Planning Context

2.26 The extant development plan policies and guidance for the Royal Borough of Greenwich consist of the following documents:

- Core Strategy with Detailed Policies DPD (adopted July 2014)

- Policies Map (adopted in 2014)
- Saved UDP Site Allocations (2006)
- Woolwich Town Centre Masterplan SPD (April 2012)
- Spray Street Masterplan (January 2015)
- Charlton Riverside Masterplan (June 2017)
- Eltham Town Centre Masterplan (April 2012)
- Greenwich Peninsula Site GP3 Planning Brief (November 2017)
- Thamesmead and Abbey Wood SPD (December 2009)
- Kidbrooke Area SPD (June 2008)

2.27 The council is currently preparing the Site Allocations DPD, having consulted on the Issues and Options (Regulation 18) in February/March 2016. We briefly review these documents below.

The Royal Greenwich Local Plan: Core Strategy with Detailed Policies (July 2014)

2.28 This is the primary planning document within the Royal Greenwich Local Plan (referred to in this Study as the 'Core Strategy'). It is the spatial framework for future development within Royal Greenwich and sets out the vision, objectives, and the strategic and detailed policies for delivering town centre and retail uses within Royal Greenwich up to 2028.

2.29 Some of the key policies and provisions of most relevant to this study are briefly reviewed below.

- **Policy EA1 Economic Development** supports the expansion of existing businesses and increased employment opportunities. It aims to achieve this by firstly concentrating retail, leisure, cultural and office development within the hierarchy of Town Centres⁹, specifically to improve the quality and positioning of Woolwich Town Centre (as outlined in Policy TC2 below). Increasing the retail offer in Woolwich Town Centre will remain a challenge, as this will be subject to operator interest and demand. Secondly, the policy emphasises the development of new employment and creative industries hub and a new leisure-led District Centre to include the O2 Arena and surrounding area at North Greenwich (as outlined in Policy TC5 below). Outline planning permission was granted (**Ref: 15/0716/O**) to revise the approved 2004 Greenwich Peninsula Masterplan to include residential; retail (including food and non-food retail, restaurants, bars and cafes); businesses; hotel; leisure (including gyms and a cinema); car parking; and a 5km running track (the P5K running track). We understand this extent of the Masterplan will aim to be completed in 20 years' time. Finally, Policy EA1 aims to develop the new urban quarters at Charlton Riverside and Greenwich Peninsula West for the intensification of existing employment land (see policies EA2 and EA3 below); as well as the development of small and medium business space.
- **Policy EA2 Charlton Riverside** refers to the land at Charlton Riverside as a Strategic Development Location allocated to include a new mixed-use urban quarter. This allocation aims to consolidate employment uses and increase both quantity and quality of open space. As a result, out of town centre retail uses in this area will be reduced. A significant amount of out-of-centre retail floorspace has been granted in Charlton Riverside, which the Plan notes can significantly harm the vitality and viability of existing centres. A reduction in town centre uses is therefore recommended. A Masterplan SPD has been prepared for Charlton Riverside to help guide development in this area (see below).
- **Policy EA3 Greenwich Peninsula West** refers to the creation of a new urban quarter at Greenwich Peninsula West as a Strategic Development Location (SDL) to include a range of residential and commercial land uses. This will complement the planned uses within the Greenwich Peninsula. A Masterplan SPD has been prepared for Greenwich Peninsula West to help guide development in this area (see below).

⁹ The town centre hierarchy consists of Major Centres (Eltham and Woolwich); District Centres (East Greenwich; North Greenwich (proposed); Greenwich; Lee Green; Plumstead; Blackheath and Thamesmead); 8 Local Centres; and 35 Neighbourhood Parades.

- **Policy TC1 Town Centres** states Town Centres are the preferred location for major retail, leisure, cultural, office and other uses that attract and serve the public. Notwithstanding this, and as mentioned above, there has been a significant amount of out-of-centre retail floorspace allowed across the Borough, and primarily at Charlton Riverside.
- **Policy TC2 Woolwich Town Centre** refers to Woolwich as a Town Centre that will “*reassert itself*” as a Major Centre by clawing back trade and improving and enhancing the quality and quantity of its retail offer. The Council is promoting Woolwich’s reclassification as a Metropolitan Centre¹⁰, specifically, through the addition and improvement of comparison retail, office uses, leisure, cultural and tourism uses; and improved links and connectivity.
- **Policy TC3 Eltham Town Centre** refers to Eltham as a Town Centre that will grow in its role as the “*pre-eminent Town Centre in the South of the Borough*”. It will be enhanced through redevelopment within the existing Town Centre Boundary (TCB) to include additional and improved comparison retail floorspace, restaurants and leisure facilities; measures for bus priority to reduce traffic congestion and improve pedestrian safety and comfort; as well as improving north and south links.
- **Policy TC4 Greenwich Town Centre** aims to protect and enhance the historic character of Greenwich Town Centre whilst simultaneously promoting its role as a multi-functional District Centre, tourist destination and centre for a tertiary education. In order to achieve this, it aims to support additional retailing; improvements to the environment for pedestrians in the impact of traffic; and developments that will encourage tourists to dwell longer in the centre.
- **Policy TC5 North Greenwich District Centre** refers to a new leisure-led District Centre to be created at the Greenwich Peninsula to complement the existing O2 Arena. This development will perform a specialist role by catering for the entertainment and leisure needs of national and international visitors, in addition to the workers and residents of Royal Greenwich. Overall, it will comprise the 26,000 capacity O2 Arena entertainment venue; sports, leisure and retail outlets; and new high quality office space.
- **Policy TC6 Other District Centres** sets out that retail developments will be supported in District Centres that are of an appropriate scale to serve the population of their catchment area, and which do not harm the vitality and viability of other centres, specifically Woolwich. It is pivotal to maintain the health of Woolwich Town Centre, as it aspires to become a Metropolitan Centre. The policy also emphasises the need to support the comparison offer in Thamesmead, Blackheath and Lee Green, as well as improve the quality of environment in Lee Green, Plumstead and Greenwich East. It is important to maintain these District Centres to meet the more day-to-day retail, leisure and service needs of their local populations, whilst simultaneously promoting the higher order centres at Woolwich and Eltham.
- **Policy TC7 Local Centres and Neighbourhood Parades** supports the enhancement of local centres and neighbourhood parades by encouraging retail and services that are scale appropriate to serve the needs of their local catchment. The policy also states that a new local centre will be created at Kidbrooke to include a supermarket and small scale retail, leisure and service uses to provide the day-to-day needs of the local residents. With regards to neighbourhood parades and freestanding retail premises, a change of use of existing ground floor units within Use Class A1 will be refused unless the proposed development is capable of reinforcing the function of the neighbourhood parade by meeting the needs of the local residents.
- **Policy TC(a) Primary, Secondary and Local Shopping Frontages** indicates the designation of primary, secondary and local shopping frontages and states that at ground floor level, the following minimum percentages of frontages which should be available for A1 retail use:
 - **Major Centres:** Eltham and Woolwich (70% of primary and 40% secondary);
 - **District Centres:** East Greenwich; Greenwich; Lee Green and Plumstead (50% primary); Blackheath and Thamesmead (70% primary); and all District Centres (30% secondary); and
 - **Local Centres:** All Local Centres (50% frontage).
- **Policy TC(b) Non-retail Uses in Protected Shopping Frontages** states to support the provision of non-retail uses in town centres including evening activities which are environmentally appropriate, subject to

¹⁰ The London Plan states that Metropolitan Centres should serve wide catchments which extend over several boroughs and into parts of the Wider South East. They should contain 100,000 sqm of retail, leisure and service floorspace with a significant proportion of high-order comparison goods relative to convenience goods. These centres generally have very good accessibility and significant employment, service and leisure functions. Many have important clusters of civic, public and historic buildings.

ground floor retail thresholds (as indicated above in Policy TC(a) above). The policy states that non-retail proposals should:

- Serve visiting members of the public, encourage pedestrian activity and ensure shopping frontages are active and viable;
- Include installation and retention of a display window of good design;
- Not result in the loss of A1 retail use where alternative premises for the non-retail use are available elsewhere in the specific centre; and
- Not increase in the likelihood of anti-social behaviour or increase the fear of crime.

- 2.30 It should be noted that non-retail proposals will not be permitted if either the proposed Use Class category or the combined total of A3, A4 and A5 Uses would occupy more than 25% of all designated frontage premises within that centre or individual block.

Draft Site Allocations DPD

- 2.31 The Site Allocations Issues and Options paper was the first stage in the preparation of the Site Allocations Local Plan. It included potential sites that could deliver a significant amount of development, such as housing or employment space and other types of strategic sites that will provide the necessary infrastructure to deliver sustainable growth in Greenwich such as schools and open space. The consultation took place from 15 February to 29 March 2016. The next round of consultation, known as the Preferred Approach (Regulation 18), is scheduled to take place in Autumn 2018. This Retail and Leisure Study, along with other Royal Greenwich Evidence Base documents, will inform the Site Allocations Preferred Approach.

Supplementary Planning Documents (SPDs)

Greenwich Peninsula Site GP3 Planning Brief (November 2017)

- 2.32 The Greenwich Peninsula Site Planning Brief sets out the overarching framework for the future development of Site GP3. The vision is for site GP3 to be redeveloped to address existing environmental constraints and create a high quality residential-led mixed use neighbourhood. The mixed use development could include between 600 and 1200 residential units, public open space, 2,500sqm to 10,500sqm of commercial uses which could include office, hotel, data centre/storage centre, local retail, cafes and restaurants and community uses.

Charlton Riverside Masterplan (June 2017)

- 2.33 The Charlton Riverside SPD covers an area of 122.33 hectares and is bounded to the north by the River Thames, Horn Link Way/ Peartree Way to the west, Warspite Road to the east, and Woolwich Road to the south. The overarching vision of the SPD is to create Charlton Riverside as a living, working neighbourhood. The key objectives are to ensure Charlton Riverside is economically active; a residentially diverse; connected and accessible; integrated and lifetime ready; well designed; sustainable and resilient; and viable and deliverable.

Spray Street Masterplan SPD (January 2015)

- 2.34 The Spray Street Masterplan SPD covers an area of 1.9 hectares in Woolwich Town Centre, adjacent to the DLR station and the future Crossrail station. The key objectives of the SPD are to: contribute to Woolwich's aspiration to become a Metropolitan Centre; create a landmark high quality environment; intensify housing development; improve the physical environment; expand on the leisure and culture offer; increase connectivity to the Town Centre; and attract visitors to the Town Centre.

Woolwich Town Centre Masterplan SPD (April 2012)

- 2.35 The Woolwich Town Centre Masterplan envisions the revitalisation of the centre by: enhancing the retail offer through the introduction of a wider mix of uses including culture, leisure, community, offices and housing; encouraging evening activities through active frontages; and development on major sites within the Town Centre. Accessibility is also a key focus with regards to its legibility around the Town Centre and both the riverside and surrounding residential areas. The Masterplan also aims to increase Woolwich's importance as a transport hub, by improving existing DLR connections and through the addition of Crossrail in 2018. A riverside transit route is also planned to route throughout the Town Centre, to link Thamesmead and Abbey Wood to the east, and North Greenwich to the west. The Masterplan aims to intensify retail uses as a key land use within the Town Centre's core, specifically through the development of sites. This is scheduled to be reviewed in 2018.

Eltham Town Centre Masterplan (April 2012)

- 2.36 The Eltham Town Centre Masterplan aims to create a shopping environment that is “*characterful, rich and enjoyable*”. This is to be achieved through improving its overall offer; enhancing the public realm; reducing the dominance of the car; and intensify town centre uses. In terms of retail uses, the Masterplan aims to provide high quality retail, improve shopfronts and intensify retail use. Key areas include:
- the rear of the High Street including the Sainsbury's store to open up the area and improve linkages;
 - the former Alders and Co-Op buildings on the High Street to improve the overall quality of retail and open up the areas behind these buildings; and
 - the Grove Market place site to include new retail.
- 2.37 It also supports and encourages Independent retailers. In terms of leisure, culture and community uses, the Masterplan aims to widen the offer and identify sites where possible. For the evening economy, uses which promote the night-time economy will be encouraged through public realm improvements, such as outdoor seating and a lively, enjoyable environment.

Thamesmead and Abbey Wood SPD (December 2009)

- 2.38 The Thamesmead and Abbey Wood SPD aims to create the centres and neighbourhoods within these areas as a ‘destination of choice’. Specifically, Thamesmead town centre will be a retail and civic heart for the community that is supported through a neighbourhood level function with smaller shops and services. Abbey Wood will become a major transport interchange and a gateway to Thamesmead. The key objectives of the SPD focus on design and development; environment, open spaces and sustainability; sustainable transport; community; neighbourhoods and local centres; employment and economy; and good governance. An Opportunity Area Planning Framework (OAPF) is currently being prepared in partnership with the Greater London Authority, Transport for London and the London Borough of Bexley. Once adopted, this will replace the Thamesmead and Abbey Wood SPD.

Kidbrooke Area SPD (June 2008)

- 2.39 The Kidbrooke Area SPD aims to support the new residential quarter and mixed use neighbourhood centre. At the time of the SPD, the Kidbrooke Area was identified in the London Plan (2004) as an ‘Area of Intensification’, where development opportunities should be promoted through higher density redevelopment at transport nodes to achieve more intensive use, especially residential development. The Kidbrooke Area is still identified in the current London Plan (2016) as an ‘Area of Intensification’. The overarching objectives of this SPD is therefore to create an integrated, accessible neighbourhood that has high quality residential development, a sense of identity, good quality public realm and a local centre which will be ‘hub’ of activity.

Lee Neighbourhood Planning Forum

- 2.40 Lee Neighbourhood Planning Forum and Area was accepted on 29th January 2016. The purpose of this Neighbourhood Planning Forum is to promote and improve the social, economic and environmental well-being of the area. The Lee Forum area includes land in both Lewisham and Greenwich Boroughs. It is located south of Greenwich and west of Eltham. There is currently no Neighbourhood Plan in place.

Summary

- 2.41 In summary, the underlying objective of both the current and draft NPPF, London Plan and Local Plan policy is to maintain and enhance the vitality and viability of town centres, and to promote new sustainable development and economic growth in town centre locations 'first'. This policy objective is crucial as town centres are facing increasing economic challenges associated with alternative forms of retailing; in particular online shopping (discussed further in **Section 3**). This study has been prepared in the context of these national and local plan policy objectives.

3 NATIONAL RETAIL AND TOWN CENTRE TRENDS

- 3.1 This section summarises 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.

Retail Trends

- 3.2 Following an unprecedented period of growth in retail sales and expenditure since the mid-1990s, the onset of the longest and deepest economic recession in living memory in 2007/08 had a dramatic impact on consumer spending and market demand. Business and consumer confidence was further weakened by public sector cuts, the rise in VAT, increasing unemployment, less expansionary consumer credit and the rising cost of living (including higher energy costs, petrol and housing prices). This reduced disposable income and retailers' margins were squeezed further.
- 3.3 Official figures show that the UK recovery began in early 2013 and although GDP growth peaked at 2.9% in 2014, it slowed to around 2% in 2015 and 2016 against the backdrop of a weaker global economy and further uncertainty on financial markets. The Brexit vote and subsequent triggering of Article 50 is likely to further dampen business/consumer confidence and the prospects for new investment and growth in the near future. Indeed, over the last 12 months the UK has shifted from being one of the fastest growing G7 economies to among the slowest. Against this background of economic and political uncertainty, Experian Business Strategies¹¹ project lower GDP growth of around +1.5% in 2017 and 2018.
- 3.4 This dampening in economic growth is also impacting on household income and spending, and ultimately retail sales. The combination of higher inflation, a decline in real wages, a rise in interest rates and a tightening of consumer credit will continue to place a drag on real incomes and consumer spending. Experian forecast that retail sales growth will average 1% in 2018 and 1.9% in 2019.
- 3.5 **Table 3.1** shows the actual and forecast growth in retail (convenience and comparison goods) spending per head identified by Experian Business Strategies in their latest *Retail Planner Briefing Note 15* ('Briefing Note') published in December 2017. This is based on their 'central forecast scenario' which assumes annual growth in GDP averaging 2% from 2016 to 2035¹².

¹¹ Experian Business Strategies is a leading source of economic and retail forecasts.

¹² To note, according to Experian: "Retail spending will remain on a slower growth trajectory over 2018 and 2019. The squeeze on household incomes will continue well into 2018 as inflation remains above wage growth for several more months. In addition, an easing in job creation and ongoing welfare reforms will also weigh on incomes, with only a modest recovery in living standards envisaged over this horizon. In the medium term (2020-24), retail sales volumes are expected to return to a stronger footing as the Brexit-related uncertainty unwinds and economic conditions improve. The baseline assumes a relatively orderly transition process, concluding with continued access to the European single market. Retail sales volumes rebound back above the 2% mark, but will be slower than in the long-term history (1997-2016). This reflects the constraints on overall economic growth, more modest growth in consumer lending than pre-2007 and less of an impact from globalisation. Retail sales per head is forecast to grow at an annual average rate of 2.3% over the longer term (2025-36). This and remains well below the long-term trend (1997-2014) given the factors noted above."

Table 3.1 Forecast year-on-year growth in retail expenditure per capita

Volume Growth per head (%):	-----ACTUAL GROWTH-----										EXPERIAN FORECASTS					HISTORIC TRENDS	
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-24	2025-36	1997-07	1997-16	
Total Retail Spend	2	-2.8	0.7	-1.1	1.3	1.9	2.1	2.8	3.5	1.4	0.4	1.2	2.2	2.3	5.4	3.5	
Convenience	-4.2	-4.2	-0.6	-3.3	-0.2	-0.3	-0.3	-1	1	0	-0.6	-0.2	0.1	0.1	0	-0.6	
Comparison	4.4	-2.9	1.4	0.1	2.3	3.5	3.6	5.2	5	2.3	0.9	2.1	3.2	3.2	8.3	5.6	

Source: Experian Retail Planner Briefing Note 15 (December 2017); Figures 1a and 1b.

Notes: The table also shows historic growth rates for the period 1997-2007 (the pre-recession period) and for 1997-2016.

- 3.6 As the table shows, there has been negative annual growth in convenience goods expenditure per capita levels between 2008 and 2015. Although there was positive growth of +1% in 2016, the forecasts show a return to no or negative growth over the period 2017 to 2019, with limited growth of +0.1% thereafter up to 2036. The forecast growth rates compare with previous historic trends of no growth between 1997 and 2007, and negative growth of -0.5% over the long term, between 1997 and 2016.
- 3.7 For comparison goods the Experian data indicates that annual growth rates are recovering from a low of -2.9% in 2009, to a peak of +5.2% in 2015 and +5% in 2016. However, for the reasons set out above, Experian forecast a dampening in growth in the immediate post-Brexit period; to +2.3% in 2017, +0.9% in 2018 and +2.1% in 2019. Thereafter, comparison spend growth is forecast to average circa +3.2% between 2020 and 2036. Despite the growth forecast by Experian, it is clear that comparison goods growth rates are well below historic trends of +8.3% per annum for the period 1997 to 2007.
- 3.8 Any further dampening of growth rates over the medium to long term could have implications for the viability of existing retail businesses and the take-up of new space, as well the need ('capacity') for new retail floorspace over the forecast period. This needs to be taken into account when assessing and reviewing the capacity forecasts for new convenience and comparison goods floorspace set out in this report.

Special Forms of Trading and Internet Shopping

- 3.9 One of the key trends that has impacted on the retail sector and shopping patterns over the last decade has been the growth in internet shopping, which forms part of special forms of trading (SFT)¹³. Based on ONS data, Experian Business Strategies (EBS) estimate that:
- The value of internet sales is estimated to be £55.1bn (at current prices). This represents a +31% increase from £42.1bn in 2015 and a +13% increase from £48.9bn recorded in 2016.
 - The value of other (non-internet) SFT sales (e.g. mail order, vending machines, market stalls, etc.) is estimated to be £8.8bn. This represents a more modest growth from circa £8.5bn in 2016 and £7.9bn in 2015.
 - Total non-store retail sales are therefore estimated to amount to some £63.9bn. This represents a 28% growth in sales from £50bn in 2015 a substantial increase from £17.1bn recorded in 2006.
 - The overall market share of SFT, as a proportion of total retail sales, has increased nationally from 5.4% in 2006 to 16.5% in 2017. It is forecast by Experian to increase to 17.2% in 2019, 19.3% by 2021 and to 22.5% by 2036 (see **Table 3.2** below)

¹³ 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. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).

Table 3.2 SFT's market share of total retail sales

	2018	2023	2028	2033	2036*
TOTAL:	17.2%	20.2%	21.3%	22.1%	22.5%
Comparison	20.5%	23.2%	23.5%	23.8%	24.0%
Convenience	11.4%	14.2%	16.1%	17.2%	17.8%

Source: Appendix 3 of Experian Retail Planner Briefing Note 15 (December 2017)

Notes: *Experian's forecasts do not extend beyond 2036

- 3.10 This significant growth is being sustained by new technology (such as browsing and purchasing through mobile phones) and the development of interactive TV shopping. Although Experian forecast that the pace of e-commerce growth will slow after 2020; other commentators suggest that the growth and market share could be higher. For example, for SFT comparison shopping, Experian forecasts a market share of 19.7%, whilst Mintel forecasts 24.0% up from 17.0% in 2013¹⁴.
- 3.11 However such forecasts need to be treated with caution, as according to Experian approximately 25% of all SFT sales for comparison goods and some 70% for convenience goods are still sourced through traditional ('bricks-and-mortar') retail space, (which may also include click and collect) rather than from 'virtual' stores and/or distribution warehouses¹⁵. On this basis Experian has adjusted the SFT market shares downwards to reflect the proportion of internet sales sourced from existing stores.

Table 3.3 Revised forecast growth in SFT's market share of total retail sales

	2018	2023	2028	2033	2036*
TOTAL:	11.1%	13.1%	13.8%	14.5%	14.9%
Comparison	15.4%	17.4%	17.6%	17.9%	18.0%
Convenience	3.4%	4.2%	4.8%	5.2%	5.3%

Source: Appendix 3 of Experian Retail Planner Briefing Note 15 (December 2017)

- 3.12 Notwithstanding this, there is no question that the digital revolution and growth of online ('virtual') retailing has significantly impacted on Britain's high streets and sales, as it provides local consumers with convenient and often cheaper alternatives to more traditional shops. Up to now, the impact of Internet shopping has been mainly concentrated on certain retail products and services (such as, for example, electrical goods, books, music and travel). In turn, this has resulted in a reduction in the number of retailers selling these types of products and services on the high street (examples being the rationalisation of HMV and GAME stores across the UK, and the loss of Blockbusters). However this does not mean that other comparison goods categories are immune to the impact of the internet, including clothing and footwear. This is illustrated by the survey-derived market shares for SFT and internet shopping across the defined study area and zones (see **Section 4**).
- 3.13 The impact of the digital revolution is also impacting on how and where people choose to spend their leisure time. For example, instead of visiting the cinema or theatre, consumers can digitally stream to their televisions a vast library of filmed entertainment on demand; and social media, Skype, email and instant messaging are displacing face-to-face interactions. The innovation and development of these alternative digital customer experiences is accelerating, and in the process exacerbating a 'digital divide' between, on the one hand, those well-resourced companies investing and competing in the digital arena, and on the other hand the small

¹⁴ Brits Hung Up On Online Fashion: Online Sales Of Clothing, Fashion Accessories And Footwear Grow By 17% In 2017. Mintel Press Office (2017)

¹⁵ Experian say that retailers are using bricks-and-mortar stores as a showroom for products, a service location and collection/drop-off points for online orders.

independent merchants that comprise most of today's high street communities. Yet the success of firms at both ends of the 'divide' is mutually dependent, and is essential to a successful high street.

- 3.14 Notwithstanding the clear and present impact of the digital revolution on how people shop and 'play', some town centres should be well positioned to benefit from the growth of new retail related services and multichannel retail, particularly through the provision of convenient '*click and collect*' facilities to help drive footfall; whereby customers can browse and order a product on-line, and then collect it from a local store at their convenience.
- 3.15 According to research by NEMS Market Research¹⁶, 48% of online shoppers have at some point made '*click & collect*' purchases (i.e. bought or ordered goods online, but then collected the goods themselves). This not only addresses the major weakness of online shopping, which is that customers may not be at home when their goods are delivered, but also offers an opportunity for the successful adaptation of traditional high street retailing. John Lewis has led the way in this field and Argos has reported that sales through its '*click & collect*' service account for circa one-third of the company's total turnover. Amazon also has an agreement with the Co-operative and Morrisons to locate self-service lockers in local stores. According to research by NEMS Market Research Ltd, a wide range of retailers are rated positively in terms of having a good '*click and collect*' service, but a few stand out. For example Argos was rated positively by a third of the people who have used a '*click & collect*', followed by Tesco (27% rated its service as good), ASDA (15%), John Lewis (13%) and Marks & Spencer (7%). The only 'pure' online retailer that was rated highly was Amazon (7%).
- 3.16 Further to this is the potential for '*showrooms*' on the high street, where customers can view and test products in-store before purchasing online. This co-ordinated multi-channel strategy should therefore help to support the vitality and viability of some town centres over time, and help drive the demand for retail space from non-traditional retailers.

Floorspace 'Productivity' Growth

- 3.17 Floorspace 'productivity' (or turnover 'efficiency') growth represents the ability of retailers to absorb higher than inflation increases in their costs over time (such as, for example, rents, rates, service charges and staff costs) to help maintain their profitability and viability. Practically, this is achieved by increasing the amount of sales (revenue) within a given retailer's available floorspace (measured in square feet or metres).
- 3.18 It is standard practice for retail planning assessments to make an allowance for the year-on-year growth in the average sales densities of existing and new (comparison and convenience) retail floorspace. However, there is limited evidence detailing actual changes in the turnover and profitability of retailers over time. Furthermore analysis of past data and trends is complicated by the fact that sales density increases have been affected by changes in the use of retail floorspace over the last 20 years; such as, for example, the growth in out-of-centre retailing; Sunday-trading; longer opening hours; and the very strong growth of retail expenditure relative to the growth in floorspace. Following the recession many retailers struggled to increase or even maintain sales density levels and, together with other financial problems, this resulted in some retailers going out of business.
- 3.19 **Table 3.4** below sets out the latest sales density growth forecasts for comparison and convenience goods floorspace published by *Experian Business Strategies* (EBS), based on predicted changes in retail floorspace over time and after making an allowance for 'non-store' (SFT) retailing.

¹⁶ Usage of Click & Collect by internet shoppers. NEMS Market Research (2016)

Table 3.4 Forecast 'productivity' growth rates

	2014	2015	2016	2017	2018	2019	2020-24	2025-36
Comparison	5.4%	5.3%	4.3%	1.3%	0.9%	1.8%	2.3%	2.2%
Convenience	-2.0%	-1.2%	0.7%	-0.1%	-0.1%	-0.2%	0.0%	0.1%

Source: Figures 4a and 4b, Experian Retail Planner Briefing Note 15 (December 2017)

- 3.20 The forecasts show that the scope for sales density growth is limited for convenience goods retailing. This is mainly due to slow growth in sales volumes and limited additions to the floorspace stock following the shelving of major foodstore expansion programmes by the leading national grocers (i.e. Tesco, Waitrose, Sainsbury's, Morrisons and Asda). Notwithstanding this, the turnover densities of existing foodstores in strong trading locations will inevitably be driven upwards where they are serving catchments that are forecast to benefit from strong population and expenditure growth over the short, medium and long term, and particularly where there is limited or no addition to the floorspace stock.
- 3.21 For comparison goods retailing, the trends towards more modern, higher density stores and the demolition of older inefficient space is forecast to continue, resulting in average growth rates of around 2.2%/2.3% per annum over the next 15-20 years. However, this is still well below the rate seen during the boom of the early years of this century.
- 3.22 The floorspace 'productivity' growth rates forecast by EBS have been used to inform the retail capacity assessment set out in **Section 13** of this study. It should be noted however that we consider that existing retailers and floorspace will need to achieve higher annual 'productivity' growth rates to absorb increasing costs in order to remain profitable and viable over the long term, and this is especially the case where opportunities for additional new floorspace is limited.

Changing Retailer Requirements

- 3.23 The economic downturn, the growth in internet shopping and the continued demand for out-of-centre shopping has resulted in national retailers reviewing and rapidly adapting their business strategies, requirements and store formats to keep pace with the dynamic changes in the sector and consumer demand.
- 3.24 This is probably best illustrated by the changes in the grocery sector over the last decade. Following a sustained period of growth over almost 20 years up to 2009/10, principally driven by new store openings, the focus for the main grocery operators (i.e. Tesco, Sainsbury's, Asda, Waitrose and Morrisons) has now shifted to growing market share through opening new smaller convenience store formats (such as Tesco Express, Sainsbury's Local and Little Waitrose) and online sales. Over this period applications for large store formats have slowed to a virtual standstill and in some cases permissions are not being built out¹⁷. At the other end of the grocery spectrum, the European-led 'deep discount' food operators (namely Aldi and Lidl) are increasing their market shares through new store openings across the UK. This will inevitably have implications for the scale and type of new floorspace required by food stores in the future.
- 3.25 In the non-food sector, those retailers that experienced significant growth up to 2007/08 have had to adapt to the very different market conditions. The retailers that have not been flexible enough to respond to changing consumer needs, or are being squeezed in the increasingly competitive 'middle ground' between high-end and value retailing, have largely struggled to maintain market share. In some cases, this has resulted in a series of high profile 'casualties' and a number of key retailers have either disappeared from our high streets altogether

¹⁷ For example, in 2015 Tesco disposed of some 49 sites with recent permissions for new foodstores, including sites in Ipswich, Basingstoke and Dartford.

(e.g. Woolworths, TJ Hughes, Jessops, BHS, Maplin and Jane Norman), or have significantly reduced their store portfolio in centres across the UK (e.g. HMV, GAME etc.). For example, BHS closed over 160 stores in 2016 after being placed in administration, with the loss of over 11,000 shops. At the time of finalising this study Poundworld had also announced the closure of its 335 store portfolio, with a loss of 5,100 jobs. Other major retailers, such as House of Fraser and New Look are seeking to reduce their store portfolios to help maintain their profitability and viability.

- 3.26 Research also shows that there is an increasing polarisation and concentration of retailer demand and investment interest in the larger regional and sub-regional centres (i.e. the 'top 25-50' UK centres as defined by Javelin VenueScore rankings). This is because these centres usually have large and established catchment areas, and therefore represent less 'risky' investments in the current uncertain economic climate. These larger centres have also generally benefitted from recent new shopping centre development and investment over the last decade, and are therefore better placed than smaller and medium sized centres to accommodate retailers' requirements for modern larger format units. At the same time, retailer and investment demand is also mainly focussed on the prime retail pitches, with the secondary and tertiary pitches contracting and deteriorating in some centres due to limited demand, smaller shop units and increasing vacancies. The continuation of these trends will impact on future operator requirements, with retailers looking to satisfy their demand for larger modern premises in prime shopping locations, with strong catchment areas and a good supply of appropriate retail space.
- 3.27 Furthermore, many of the major multiples and traditional high street retailers are changing their store formats and locational requirements. For example, key anchor retailers such as Boots, Next, Mothercare, TK Maxx, John Lewis and Marks & Spencer are actively seeking larger format units to showcase their full product range and to provide an exciting shopper environment backed by the latest (digital) technology. As a result, it is the larger centres and out-of-centre retail parks that are often best placed to meet this demand; as larger units are difficult to accommodate within existing traditional high streets and town centres, particularly historic areas characterised by conservation areas and listed buildings.
- 3.28 As a result, some traditional high street retailers are moving out of town centres to retail parks. For example, over recent years Marks & Spencer has closed a number of traditional variety stores on high streets (including in Harlow, Great Yarmouth, Rugby and Woolwich) and opened new M&S Simply Food stores in out-of-centre locations. M&S has also recently announced a further wave of closures for 2018/19. This further underlines the growing demand from multiple retailers for larger format shop units, and the need for town centres to provide a good mix of large modern units to help attract and retain high street retailers, or potentially risk their relocation to new competing shopping destinations as and when leases expire.
- 3.29 These changes in retailer requirements and market demand will continue to have a significant impact on the UK's town centres and high streets, particularly in those cases where retailers make the decision to relocate from town centres to out-of-centre locations, or even out of the area altogether.

Vacancy Levels

- 3.30 The impact of retail closures in town centres due to administration (beginning with Woolworths in 2008, BHS in 2016, and Jaeger in 2017) and portfolio rationalisation (such as Clinton Cards planned closure of 120 stores in 2017/18, as well closure of all Banana Republic stores in 2017) has led to a dramatic increase in national vacancy rates.
- 3.31 Experian's figures show that the national average vacancy level (expressed as a proportion of total outlets) more than doubled between 2006 and 2013; from circa 7% to 16%. Although vacancy levels have more recently fallen back to circa 11.2% in 2017, the national average figure 'masks' the reality for different centres and locations, for example:

- Research by the *Local Data Company* shows that there is a significant polarisation in vacancy levels between prime and secondary centres, and between centres in the north and south. The generally more 'healthy' centres, closer to London and the south-east have vacancy levels of less than 10%, whereas the more challenging conditions in centres such as Blackpool, Grimsby and Hull is resulting in vacancy levels of over 20%. According to the latest GLA Health Check Assessment, the average vacancy rate for London town centres currently stands at 6.1%. Examples such as Stratford Metropolitan Centre have a vacancy rate of 8.1%; and Bexleyheath Major Centre with 10.0%.
- Since 2012¹⁸ a significant number of shopping centre and high street retail leases have expired as 25 year leases agreed in the late 1980's to early 1990's and more recent sub-10 year leases all reach maturity. In some cases/locations this has helped retailers with their portfolio rationalisation, as they adjust their store requirements for the new multi-channel environment.
- In many centres, there can be as many as 25–30% of occupied shops on temporary short-term lets, with little or no rent being paid¹⁹.

3.32 Experience shows that long-term vacancies and concentrations of vacant properties in centres can lead to a '*spiral of decline*', engender feelings of neglect and lack of confidence in town centres, and act as a magnet for crime and antisocial behaviour. Redeveloping and bringing vacant and under-used sites and properties back into use can help stimulate vitality and economic viability, and kick-start local growth²⁰. In those cases where vacancies are long-term and units cannot be let, it will be necessary to consider alternative uses and options for redevelopment. This can include temporary uses that ensure town centres and frontages remain active, with the potential to accommodate business start-ups, art studios and galleries, community/youth centres, etc.

3.33 Another option is '*meanwhile uses/leases*', which can facilitate temporary occupation of empty buildings while a permanent solution is being found. Furthermore, local planning authorities can provide greater flexibility for changes of use in areas with high vacancy levels, particularly secondary frontages, through local plan policies, area action plans and other planning tools.

Trends in Retail-Led Investment and Development

3.34 The weak UK retail economy, the low growth in retail sales volumes, high vacancy levels and the lack of private sector funding (e.g. developers and investors) are all combining with other factors to create a very difficult climate for new shopping centre development and investment. One of the key impacts at the height of the economic recession was to '*weed out*' some of the more expensive and unviable development schemes that were in the pipeline before the downturn in 2007/08.

3.35 *The Shopping Centre Development Pipeline Report* published by the British Council of Shopping Centres (BCSC) shows that the UK experienced, on average, nine new centre openings in each of the first 10 years of the 21st century. However, following the development of circa 260,000 sqm in 2009, 232,000 sqm in 2010 and 280,000 sqm in 2011, 2012 was the first year since records began in 1983 that no significant new shopping centres opened. Notwithstanding this, there are more positive recent signs of new shopping centre investment and development activity, with UK-based and international funds seeking assets (principally in prime and secondary locations) that offer the potential for growth. In terms of new development, three significant schemes opened in 2013 with a total floorspace of circa 140,000 sqm (including Trinity Leeds); Westfield Stratford which opened in 2011; the Old Market scheme in Hereford opened in 2014; and in 2015 there were a number of significant openings, including Grand Central in Birmingham as part of the New Street station redevelopment and Friars Walk in Newport. Other shopping centre schemes have opened in centres across the UK since 2015,

¹⁸ Jones Lang LaSalle, Property Predictions, 2012.

¹⁹ Sourced from Beyond Retail (2013)

²⁰ London Assembly Economy Committee: Open for Business. Empty shops on London's high streets GLA, March 2013.

but none are of the scale witnessed during the 'golden age' of shopping centre development between 1997/98 and 2007/08.

- 3.36 Recent trends suggest that average scheme size is generally smaller than previous schemes (i.e. less than 27,870 sqm), apart from in the larger 'top ranking' cities with the strongest catchment populations and expenditure to support new floorspace. Furthermore, recent developments and schemes in the pipeline have a significantly higher proportion of leisure uses and space than earlier shopping centre developments. For example, Land Securities recently reported that leisure space had grown four-fold in their new development schemes over the last 10 years; as illustrated by their major Trinity Leeds scheme which includes a significant leisure and catering offer. In London, the High Street Quarter scheme in Hounslow Metropolitan Centre will also include a significant food and beverage offer, anchored by a multi-screen cinema, with a reduced retail offer; and a new Westfield shopping centre has been approved in Croydon.
- 3.37 Even smaller schemes, such as those in Hereford and Salisbury, are providing between 5-10 restaurant (Class A3) units. Such demand is especially true in those town centres which have wider employment, tourist or other attractions and offer the potential for longer stay shopping. It is apparent that the trend towards more eating out and more informal restaurants and catering outlets across town centres is now very much part of new investment and development. This is a trend that clearly has implications for the future planning and development of the Council's main centres and the delivery of a realistic retail vision.
- 3.38 Given that it takes on average over ten years for a town centre scheme to be planned and developed, then it follows that it will take a number of years for centres to benefit from the economic upturn and renewed investment and development confidence. Town centre redevelopment is complex and complicated by fragmented ownership in many centres, which acts as a barrier to site assembly and the creation of new development and infill schemes that might provide the right type of larger format retail units to attract expanding retailers. Small units and fragmented ownership are not conducive to accommodating many of today's modern retailer requirements.
- 3.39 As a result, local planning authorities will need to take a more proactive role in attracting and/or delivering new investment and development in town centres. This was a key recommendation of the BCSC research '*Enabling Retail Development*' (2015), which identified the following interventions by local authorities based on their case study research:
- **Investor:** Newport, Sheffield, Oldham, Walsall
 - **Developer:** Sheffield, Oldham, Bradford, Walsall
 - **Masterplanner/site assembly:** Ealing, Hounslow, Newport
 - **Owner and management company:** Woking
 - **Public Realm delivery:** Hemel Hempstead, Bradford
 - **High Street improvements and grants:** Newport, Hounslow, Bradford
- 3.40 Furthermore, the more challenging retail environment means that those shopping locations outside the 'top 25-50' centres that missed the previous (pre-recession) development cycle may face a long wait for new town centre development, as investors look to reduce their exposure and risks. While existing shopping centres may provide the opportunity for asset management by their owners to improve their overall attraction, offer and turnover (such as, for example, through extensions and/or increasing the food, beverage and leisure offer), it can still be problematical and prohibitively expensive to reconfigure units in the more dated early generation shopping centres. In addition, a lack of finance in recent years has severely limited investment in these centres. So, even where there is single ownership and control, activity to create the right type of units for retailers has been restricted. However it is preferable to work with existing schemes, where possible, to avoid simply moving retailers from one scheme to another and creating yet more vacant units.

- 3.41 Even with internet growth, additional floorspace remains one of the primary mechanisms which retailers use to grow profit and if they cannot occupy or adapt existing space, they will often look elsewhere. This means that new retail development solutions are likely to need to become more imaginative in the way in which existing properties (including listed buildings, while mindful of avoiding harm to such heritage assets) are altered in order to help prevent further diversion of trade to out-of-centre locations. Notwithstanding this, the economic rationale for new floorspace in many town centres is much reduced and some commentators²¹ argue that the focus will increasingly be on enhancing and updating the existing town centre fabric.

Independents and Markets

- 3.42 Multiples continue to be a powerful force within the retail sector, both as marketable brands, and in their ability to secure prime locations in town centres. However this does not underestimate or undervalue the important role of small independent shops²² and street markets, which help to improve consumer choice and convenience to the communities they serve, as well as generating significant benefits for town centre economies in terms of local employment and income generation. Furthermore, it is widely accepted that a good mix of independent shops and market stalls help to enhance the character, diversity and vibrancy of town centres, preventing the growth of so-called 'clone towns'²³ due to the increasing colonisation of centres by larger chain stores. The homogenisation of the high street is discussed below:

'Is the spread of clone towns and the creeping homogenisation of the high street anything more than an aesthetic blight? We think so. Yes, distinctiveness and a sense of place matter to people. Without character in our urban centres, living history and visible proof that we can in some way shape and influence our living environment we become alienated in the very places that we should feel at home.'
(New Economics Foundation, *Reimagining the High Street*, 2010)

- 3.43 Notwithstanding this, research shows that the number of small shops in the UK has declined in the past decade. This decline has been caused by multiple factors including changes in shopping behaviour, competition from supermarkets, internet shopping and rising costs (including rents and rates).
- 3.44 In terms of street markets, the *1994 Rhodes Report* demonstrated its collective and economic strength. From this report the industry has been successful in demonstrating its national economic value and successive governments have started to value the role of markets as a vibrant and active part of the future of our town centres and the high street. This is illustrated by the NPPF (paragraph 23), which places weight on the need to *'retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive'*.
- 3.45 The *Portas Review*²⁴ also identified markets as an important factor in the future of successful town centres. This review produced 28 recommendations for reforms and whilst the success (or otherwise) of the Portas Pilots and other interventions are still the subject of debate, recommendation No 17, a national market day, was grasped by the retail market industry. In May 2012 the first *'Love Your Local Market Fortnight'* (LYLM) was rolled out as an annual national celebration of all things positive about retail markets in the UK. The Department for Communities and Local Government (DCLG) have also been very proactive in supporting the positive role of markets in the UK and town centre economies.
- 3.46 Retail markets therefore continue to make a meaningful and important contribution to towns and cities across the UK. The successful markets we see today are those which have embraced change and adapted alongside

²¹ English Heritage (2013), *The Changing Face of the High Street: Decline and Revival*

²² There is no national definition however the Mayor's Town Centres SPG defines 'small independent shops' as a shop with a gross floorspace of 80 sqm or less.

²³ New Economics Foundation (NEF) *Clone Town Britain Report* (2005 and 2010)

²⁴ The Portas Review: *An independent review into the future of our high streets* (2011)

the town in which they trade; as the demographics of a town change a successful market will reflect this change and continue to cater for and attract the town's residents creating a vibrant and successful market. This will in turn attract visitors from outside the area and increase the value of the market²⁵.

- 3.47 In summary, providing for the needs of modern retailers in larger format stores, principally through new retail-led developments, whilst maintaining the viability, representation and mix of independent businesses and market stalls is a difficult balancing act for local planning authorities. It will be a greater challenge going forward with the threat of internet shopping and a fragile economy in the post-Brexit age, but it is vitally important that the diversity of a centre's offer is not undermined by the new retail brands. Diversity (including independents and multiples) in offer will be critical to creating and making more resilient town centres.

Impact of Out-Of-Centre Retailing

- 3.48 Alongside the dramatic growth in online shopping and sales over the last decade, it is apparent that the appetite from investors and operators for new retail and leisure floorspace in out of centre locations has not diminished. Research²⁶ shows that there has been a significant shift of institutional retail investment away from town centres over the last 20 years. In 1993, the proportion of investment held out of town was less than a fifth of that in town centres; today the value of property owned out of town has overtaken that held in town centres.
- 3.49 Larger format units in out-of-centre shopping parks are increasingly attractive locations for more traditional high street retailers, with the benefits of good accessibility, lower costs and ample surface car parking compared with town centres. Out-of-centre retailing also accounts for a significant proportion of existing and new retail floorspace and sales in the UK. For example research has highlighted the fact that of the new retail developments approved since the NPPF was published in March 2012, 72% were in out of town centre locations, 16% were edge of centre and just 12% were in town centres.
- 3.50 Although planning policies and more restrictive conditions on what goods can and cannot be sold from some retail warehouses and parks has slowed down the growth of out-of-centre retailing to a degree, the sector continues to mature and move away from 'bulky' goods²⁷ retailing to the provision of larger stores selling fashion and homewares that compete directly with the high street. Examples include Next at Home (which now includes a significant proportion of fashion sales), John Lewis at Home, and Outfit (which includes the Arcadia brands in one store, including Dorothy Perkins, Topshop, Burton, Wallis, etc.).
- 3.51 Continuation of this trend will further challenge the future vitality of many high streets as retailers choose edge and out of centre locations ahead of town centres. The impact of these changes will also affect centres differently depending on their function and the future growth in their catchment populations and expenditure. For many towns, the simple fact is that in the future they will require a smaller, more concentrated retail core repositioned for future consumer and retailer needs, and not focused on the past. This will further reinforce the polarisation trend already being witnessed. The impact is likely to be felt across all centres to a greater or lesser extent, manifested through high vacancy rates, falling rent levels, decreasing footfall, weakening multiple retail offer and, potentially, a worsening town centre environment.

Summary

- 3.52 Existing floorspace in town centres faces a myriad of challenges. These will continue to grow over the short, medium and long term. This notwithstanding, for the centres within the Royal Borough of Greenwich area to

²⁵ Recent research documents supporting the benefits of markets can be found via the following link: <http://www.nabma.com/publications/research-documents/>.

²⁶ Property Data Report 2012, sourced from English Heritage Report (2013), The Changing Face of the High Street: Decline and Revival

²⁷ 'Bulky' goods retailing is generally defined as comprising DIY goods, furniture and floor coverings, major household appliances and audio-visual equipment.

perform strongly they will need to embrace the new dynamics and build in resilience to adapt seamlessly to future changes where necessary. There is still a role for existing floorspace and physical 'store based' retailing in town centres.

- 3.53 There are positive signs that the UK is emerging from the shadow of the longest and deepest economic downturn in living memory, but it is clear that our town centres and high streets post-recession are under pressures to simply retain retail businesses, let alone attract new investment and development.
- First, although the economy in general, and retail sector in particular, is forecast to experience growth over the short to medium term at least, there are risks to these growth forecasts; not least the slowdown in global economies, an increase in interest rates and the potential fallout from Brexit and other global uncertainties arising from international politics.
 - Second, the growth of online shopping is impacting on the vitality and viability of many of Britain's centres and high streets.
 - Third, although the NPPF reinforces the longstanding policy objective of promoting development and investment in town centres first, the market appetite for new and extended shopping facilities in out-of-centre locations shows no signs of slowing. The lack of available, suitable and viable sites in town centres – and particularly historic centres – to meet the demands of modern retailers and commercial leisure operators for larger format units will inevitably result in an increase in new out-of-centre applications and/or applications to widen 'bulky goods' conditions on existing retail parks.
- 3.54 Within the Royal Borough of Greenwich area, there will be a need to build in resilience to the changes in shopping habits, which are likely to move away from solely being retail led locations to those which offer a wider range of retail, leisure, cultural and other amenities. This is to encourage increased dwell times and to create more purpose in frequenting centres.
- 3.55 These trends, and others, are also placing pressures on rental growth and market demand in many centres, particularly the smaller secondary centres and market towns outside the 'top 25-50' shopping locations. This has been further compounded by rising vacancy levels and the loss of key retailers. As a result, the share of non-food retail sales conducted through town centre shops has declined; from 64% in 2002 to just over 40% by 2013. Indeed research predicts that by 2020, the impact of declining in-store sales will result in a 31% reduction in high street stores²⁸.
- 3.56 As a result a far more uncertain future awaits the next wave of new retail investment and development. The evidence suggests that:
- At one end of the spectrum the larger, more dominant 'top 25' **cities and towns** in the UK should strengthen their competitive position. Because of their scale and catchment populations they will continue to attract market interest from high profile domestic and international retailers seeking space, as well as from commercial leisure operators.
 - At the other end of the spectrum the smaller **local and neighbourhood centres** will be less affected. They are principally meeting the everyday retail (food), service and community needs of their local ('walk-in') resident catchment populations. It will therefore be important for local planning authorities to protect the important offer, role and function of these smaller centres.
 - 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. 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. The challenge for local planning authorities will therefore be how to revitalise and regenerate these centres, looking beyond retail as a key driver for growth. This could apply to the majority of the Borough's main centres (Woolwich; Eltham and Greenwich).

²⁸ Javelin Group (October 2011), 'How Many Stores Will We Really Need?'

- 3.57 Notwithstanding these threats, industry experts still predict that the demand from major retailers for new physical space in the right locations with strong catchments will continue, as it still remains one of the primary mechanisms for retailers to 'reach' their customers, to grow their businesses and to increase market share and profitability. Over the short to medium term any increased demand for space from retailers will have to be met by the current retail stock (i.e. existing shopping centres, the high street and out-of-centre facilities). This is because there is limited new retail floorspace in the pipeline in town centres and, in any case, it can take a long time to deliver new development on complex town centres sites.
- 3.58 Therefore those shopping locations that are able to accommodate and deliver new developments over the next 5-10 years should be in a good position to attract operator interest. However, this will depend on the new retail floorspace being in the right location (i.e. preferably prime shopping locations, with good accessibility, etc.) and having the right size, format and specification to meet the needs of modern retailers. Due care and attention will also need to be paid to ensuring that the new floorspace and tenants complement rather than compete with the centre's existing offer, and strengthen rather than weaken the existing pedestrian circuit so as to generate the maximum benefits for the centre's overall vitality and viability.
- 3.59 In this context, it is clear that the prime centres and shopping locations in Britain should continue to flourish once the economy recovers. The table below provides a list of the top performing centres/shopping locations in London based on their 2017 Javelin VenueScore²⁹ Ranking.

Table 3.3: Top 10 Performing Centres and Shopping Locations in London by Rank

Centre	Rank
Oxford Street	10 th
Westfield White City	23 rd
Westfield Stratford	26 th
Covent Garden	30 th
Knightsbridge	41 st
London Docklands/ Canary Wharf	57 th
Kings Road	72 nd
Regent Street	94 th
Brent Cross	101 st
Wimbledon	121 st

- 3.60 The greatest challenge facing local planning authorities will be how to revitalise the fortunes of struggling small and medium sized centres and market towns that do not have the critical mass of retail, leisure and other uses to compete for more limited investment and development.
- 3.61 This provides the important background and context for assessing and understanding the potential for new retail investment and development in the Royal Borough of Greenwich and its main centres over the short, medium and long term.

²⁹ Venuescore is Javelin Group's annual ranking of the UK's top 3,000+ retail venues based on provision of multiple retailers including anchor stores, fashion operators, and non-fashion multiples, where each operator is given a weighted score to reflect its overall impact on shopping patterns and the attraction of centres.

4 STUDY AREA & SHOPPING PATTERNS

- 4.1 This section first defines the Study or 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.

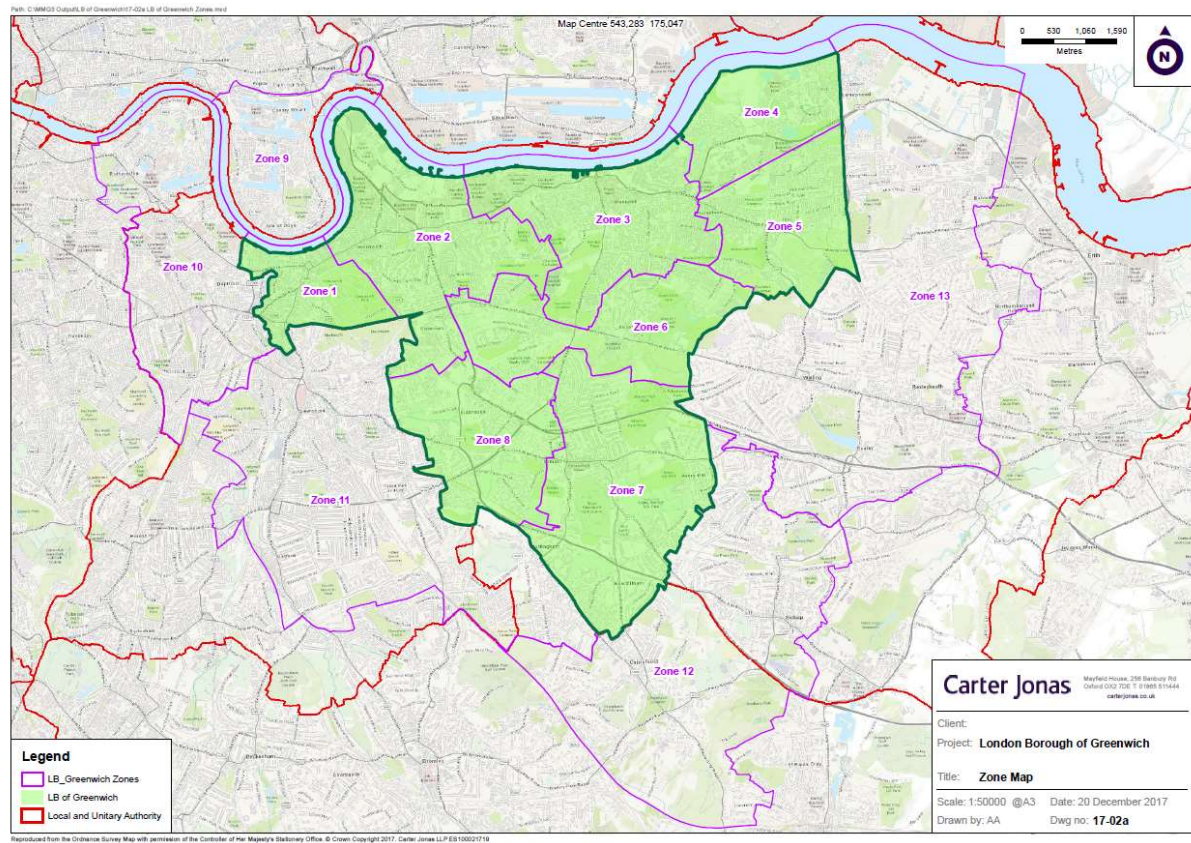
Study Area and Zones

- 4.2 The definition of an appropriate Study/Catchment Area is an important starting point for any retail and town centre capacity and impact assessment. In this case, the Study Area has been defined using Ward geography as this more accurately reflects the local authority boundary (which comprises of Wards), and allows for comparison and cross-reference of data with other evidence base documents used by the Council.
- 4.3 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 **Table 4.1**, **Figure 4.1** and **Appendix 1**).

Table 4.1: Study Area – Zones

Zone	Ward Name & Code Number
1	Greenwich West (E05000222)
2	Blackheath Westcombe (E05000215); Charlton (E05000216); and Peninsula (E05000225)
3	Glyndon (E05000221); Woolwich Common (E05000229); and Woolwich Riverside (E05000230)
4	Thamesmead Moorings (E05000228)
5	Abbey Wood (E05000214); and Plumstead (E05000226)
6	Kidbrooke and Hornfair (E05000223); and Shooters Hill (E05000227)
7	Eltham North (E05000218); Eltham South (E05000219); and Coldharbour & New Eltham (E05000217).
8	Eltham West (E05000220); and Middle Park & Sutcliffe (E05000224)
9	Blackwall & Cubitt Town (E05009318); Island Gardens (E05009324); and Canary Wharf (E05009323).
10	Rotherhithe (E05000549); Surrey Docks (E05000552); Evelyn (E05000443); New Cross (E05000449); Brockley (E05000439); and Telegraph Hill (E05000453)
11	Blackheath (E05000438); Ladywell (E05000446); Lewisham Central (E05000448); Rushey Green (E05000451); Catford South (E05000440); Lee Green (E05000447); Whitefoot (E05000454); Grove Park (E05000445); and Mottingham & Chislehurst North (E05000121).v
12	Chislehurst (E05000111); Longlands (E05000078); Sidcup (E05000083); and Blackfen Lamorbey (E05000066).
13	Blendon & Penhill (E05000067); and Falconwood & Welling (E05000076); Danson Park (E05000073); Christchurch (E05000069); East Wickham (E05000074); St. Michael's (E05000082); Brampton (E05000068); Northumberland Heath (E05000080); Belvedere (E05000065); Lesnes Abbey (E05000077); and Thamesmead East (E05000084)

Figure 4.1: Study Area and Zones



- 4.4 These zones provide the sampling framework for the HTIS. This zone-by-zone approach also enables more detailed analysis of shopping patterns, market shares and expenditure flows both within and outside the Study Area for the purpose of the retail capacity assessment, in accordance with good practice.
- 4.5 For the purpose of our review of shopping patterns and market shares, 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.
- 4.6 It is important to note that Zones 6 and 8 are located within Borough boundary but do not include a main centre.

Household Telephone Interview Survey & Market Share Analysis

- 4.7 NEMS Market Research was commissioned to carry out a HTIS across the defined study area and zones. The interviews took place between 11th and 25th of January 2018. The questionnaire was designed by Carter Jonas (CJ) in collaboration with the Council. The full 'weighted' survey results are set out in a separate volume to this study (**Appendix 12**).

- 4.8 In total, some 1,301 interviews were conducted by NEMS Market Research (NEMS)³⁰. This involved structured interviews by telephone with the person responsible for the main household shop. A number of measures were put in place by NEMS to ensure each sample was representative of the profile of the person responsible for shopping in the household (see **Appendix 12**). Responses across the Study Area were also weighted by the population in each zone to ensure that the results of respondents in more sparsely or heavily population areas were not under or over represented in terms of the market share assessment. In addition, these results were further filtered to remove 'null' responses (including "don't know" responses). This is a standard approach that helps to ensure the survey results provide a robust and realistic picture of shopping and leisure patterns.
- 4.9 The survey results help to identify broad patterns and preferences for different types of retail (convenience and comparison goods) shopping purchases and online shopping, as well as leisure use across the Study Area. The key findings are used to inform the baseline market share analysis³¹ and the centre/store turnover estimates that underpin both the quantitative and qualitative needs ('gap') assessment.

Convenience Goods – Market Share Analysis

- 4.10 Convenience goods³² retailing is generally defined as comprising everyday essential items (including food, drinks, newspapers/magazines and confectionery), as well as an element of non-durable housing goods (such as washing up liquid, kitchen roll, bin bags, etc.).
- 4.11 The survey-derived market share (%) analysis for all convenience goods shopping is set out in **Table 1 (Appendix 4)**.
- 4.12 It should be noted that for this stage of the analysis the market shares for both convenience and comparison goods retailing include expenditure on '*Special Forms of Trading*'³³ (SFT - including internet sales), but exclude 'null' responses. This is in accordance with standard practice and approaches.
- 4.13 The overall market shares have been derived from the analysis of the responses as to where people normally shop for their main ('bulk') and 'top up' grocery purchases. In order to avoid the analysis of food shopping patterns being 'skewed' by larger superstores and food stores in the Study Area, the survey also asked respondents where else they normally shop (if anywhere) for their 'main' and 'top up' purchases in addition to the first store identified. The market shares for these different types of food shopping are set out in detail in **Appendix 4**.
- 4.14 The responses for 'primary' and 'secondary' food shopping purchase have then been merged through the application of a weighting based on judgements as to the proportion of household expenditure normally accounted for by each type of convenience goods shopping. These judgements have been informed by Question 9 of the household survey, which identifies the proportion of expenditure spent on main food shopping, which shows that approximately 75% of food purchases was on main food shopping. In this case we have applied a reasonable and robust weighting of 60% for main 'bulk' shopping; 15% for secondary main 'bulk' shopping; 15% for primary 'top-up' shopping; and 10% for secondary 'top-up' shopping. This is also a standard weighting applied to retail assessments.

³⁰ This is equivalent to a minimum of 100 interviews per zone. This is a standard sampling approach that is recommended by NEMS and was accepted by the previous PPS4 good practice guidance. NEMS also advise that surveys and research carried out over a number of years show that 100 interviews in a zone is sufficient to be able to accurately capture respondents' behaviour.

³¹ It is common practice in retail assessments to deduct special forms of trading (i.e. purchases over the internet, mail order shopping and market stalls) from average expenditure per capita figures at the outset according to national forecasts derived from Experian Business Strategies. Internet shopping and special forms of trading have therefore been filtered out from the survey results before undertaking the market share assessment.

³² For the purpose of this retail assessment 'convenience goods' and 'food' shopping have the same meaning.

³³ A more detailed explanation of SFT is set out in **Section 3**

- 4.15 **Table 4.2** summarises the convenience market shares levels by centres and locations across the Study Area.

Table 4.2: Convenience Goods Markets Shares

	Study Area (Zones 1-13)	Royal Greenwich Borough Area (Zones 1-8)	Greenwich - Zone 1	East & North Greenwich (Zone 2)	Woolwich (Zone 3)	Thamesmead (Zone 4)	Plumstead (Zone 5)	Eltham (Zone 7)
Major Centres								
Woolwich Total	6.5%	16.8%	3.9%	4.4%	59.8%	10.2%	11.5%	1.4%
Eltham Total	8.2%	15.9%	0.6%	2.2%	2.3%	0.0%	0.1%	57.7%
District Centres								
Greenwich Total	2.9%	4.8%	35.9%	6.1%	1.8%	0.0%	0.0%	0.4%
East Greenwich Total	0.8%	1.9%	0.5%	7.7%	0.0%	0.0%	1.0%	0.9%
North Greenwich Total	0.1%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
Plumstead Total	0.4%	1.1%	0.0%	0.0%	0.3%	0.2%	9.1%	0.0%
Thamesmead Total	4.1%	7.6%	0.0%	0.2%	7.0%	59.8%	18.8%	0.4%
Other	0.5%	0.9%	0.7%	3.2%	0.0%	0.0%	0.0%	0.0%
Local Centres Total	1.4%	3.2%	0.5%	9.6%	0.3%	0.3%	0.4%	2.4%
Neighbourhood Parades Total	0.8%	1.7%	0.8%	0.0%	1.8%	1.0%	4.3%	0.2%
Retention from LPA	25.7%	53.8%	43.0%	33.5%	73.4%	71.5%	45.1%	63.4%
Out-of-Centre Total	10.6%	24.8%	26.2%	48.0%	16.0%	20.1%	27.2%	5.3%
Out-of-Borough Total	57.8%	15.2%	25.1%	7.5%	5.4%	6.6%	22.8%	24.5%
SFT	5.9%	6.2%	5.8%	11.0%	5.1%	1.8%	4.9%	6.8%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

- 4.16 The table shows that SFT's share of all food shopping across the Study Area (i.e. Zones 1-13) is 5.9%. In the Borough Area (i.e. Zones 1-8) SFT's market share is broadly comparable at 6.1%. The market share of SFT does vary across the Study Area; from a low of 1.8% in Zone 4 to a high of 11.0% in Zone 2.
- 4.17 Experian's latest *Retail Planning Briefing Note 15* (RPNB15, December 2017) shows that the national average market share for non-store (SFT) convenience goods retail sales of 10.8% in 2017 is higher than that for both the Study Area (5.9%) and Borough Area (6.2%) (also see **Section 3**). A number of factors may explain this lower than average market share across the Study and Borough Area; for example, people living in dense urban and metropolitan areas generally benefit from good and easy access to a wide range and choice of food and convenience stores in close proximity to where they live and/or work. Nevertheless, it would appear to indicate that there could be potential for SFT's market penetration to increase in the future as online grocery shopping becomes more popular and convenient. If this was to occur, then it would potentially reduce the expenditure available to support the need ('capacity') for new ('physical') retail floorspace over the forecast period to 2038. We test the 'sensitivity' of the retail capacity forecasts to increases in the market share of SFT to 2038 in more detail in **Section 13** to this study.
- 4.18 Turning to the market share analysis for the **main centres and stores** in the Borough area, the table shows that they are achieving an overall convenience goods market share ('retention level') of 25.7% within the wider Study Area, but this increases to a 'retention level' of 53.8% within the Borough area. This is a relatively good retention level when compared against other London Boroughs. For example, recent studies show that the London Borough of Islington retains approximately 59% of convenience expenditure within its Study Area; and Tower Hamlets retains approximately 66.6%.
- 4.19 The following sets out the key headline findings of the market share analysis for each centre.

Woolwich

- Woolwich is achieving a market share of 6.5% within the Study Area. This increases to 16.8% within the Borough area and 59.8% in its Core Zone 3.
- The main shopping facilities are Tesco Extra, Sainsbury's and Lidl.
- The main competition comes from the out-of-centre food stores in the Charlton Riverside area, which are achieving a 24.8% market share in Borough Area. Within Zone 3, out-of-centre stores have a 16.0%

combined market share. The most popular stores are Asda Bugsby's Way (7.6%) and Sainsbury's Bugsby's Way (4.3%).

- From its Core Zone 3, only 5.4% of Woolwich's convenience trade is 'leaking' to locations outside the Borough; primarily to Welling (2.5%) and Bexleyheath (1.2%).
- Furthermore, only 5.1% of Woolwich's convenience trade from its Core Zone 3 is accounted for by SFT.

4.20 Overall, the market share results appear to indicate that Woolwich has a fairly good foodstore provision; albeit the scale and choice of out-of-centre facilities are superior to those in-centre. We assess the scale and quality of Woolwich's food and convenience goods offer in more detail in the health check assessment (**Section 6**).

Eltham

- Eltham's food and convenience stores are achieving a market share of 8.2% within the wider Study Area. This increases to 15.9% for the Borough area and 57.7% in its Core Zone 7.
- The main shopping facilities are Sainsbury's and Lidl.
- The key competition is from locations outside the Borough Area. From its Core Zone 7, there is a 24.5% 'leakage' of convenience trade from the PCA; principally to Welling (5.8%), Sidcup (2.5%) and Willow Grove (2.9%).
- The other main competition is from the out-of-centre food stores in Charlton. These stores are drawing 5.3% of available expenditure from its Core Zone 7 and 20.8% from across the Borough. The most popular out-of-centre stores are Asda Bugsby's Way (2.3%) and Sainsbury's Bugsby's Way (2.1%).
- The survey results show that only 6.8% of Eltham's convenience trade from Core Zone 7 is accounted for by SFT.

4.21 Overall, the market share results would appear to indicate that Eltham has a good food and convenience store provision, albeit the scale and choice of out-of-centre facilities are superior.

Greenwich

- Greenwich has a low market share (2.9%) of convenience goods expenditure from within the Study Area. Its market penetration is higher for the Borough Area (4.8%) and its Core Zone 1 (35.9%).
- The main shopping facilities in the centre include the Waitrose and M&S.
- The key competition comes from out-of-centre food stores. From its Core Zone these are achieving a total combined market share of 26.2% and a substantial 24.8% across the Borough Area.
- The most popular out-of-centre stores from its Core Zone 1 are Asda Bugsby's Way (12.8%) and Sainsbury's Bugsby's Way (6.3%) in Charlton.
- From its Core Zone 1, approximately one-quarter (25.1%) of Greenwich's convenience trade is also 'leaking' to locations outside the Borough; principally to stores in Lewisham (16.7%) and Canary Wharf (2.8%).
- Only 5.8% of Greenwich's convenience trade from its Core Zone 1 is accounted for by SFT.

4.22 In summary Greenwich has a relatively good convenience and food store provision serving residents in its Core Zone 1. Notwithstanding this, its retention level (35.9%) is lower than for Woolwich (59.8%) and Eltham (57.7%) in their respective Core Zones. This reflects the fact that Greenwich does not have the same provision of larger format foodstores, and the relative scale and choice of out-of-centre and out-of-borough facilities.

East & North Greenwich

- East Greenwich is achieving a market share of 0.8% within the Study Area, increasing to 1.9% within the Borough and 7.7% in its Core Zone 2. The main shopping facilities in East Greenwich include Iceland and a number of small convenience stores including Co-op, Sainsbury's Local, Tesco Express and M&S Simply Food.

- North Greenwich has a lower market share within the Study Area (0.1%) and a slightly higher share within its Core Zone 2 (0.2%). This reflects the fact that its main convenience store is Tesco Express.
- A large proportion of convenience trade within East and North Greenwich's Core Zone 2 is spent in other stores across the Borough area; including the Major Centres (6.6%), District Centres (9.5%) and Local Centres (9.6%).
- The key competition however comes from the out-of-centre food stores in the Charlton area. These are drawing some 47.5% of available convenience expenditure from within Core Zone 2 and 24.8% from the Borough Area. The most popular out-of-centre stores are Asda Bugby's Way (15.5%) and Sainsbury's Bugsby's Way (18.1%).
- Only 7.5% of East and North Greenwich's convenience trade is 'leaking' from its Core Zone 2 to locations outside the Borough Area; principally Catford (3.1%) and Lewisham (1.3%).
- 11.0% of East and North Greenwich's convenience trade is accounted for by SFT from its Core Zone 2.

4.23 Overall, the market share results indicate that both East and North Greenwich have an adequate provision of smaller convenience stores that predominantly meet the more day-to-day needs of their local populations and visitors. The results also confirm that there is significant competition for market share from the Borough's major out-of-centre stores.

Plumstead

- Plumstead is achieving a market share of 0.4% from within the Study Area, 1.1% in the Borough Area and 9.1% from within its Core Zone 5. This relatively low market share from the Borough Area.
- A large proportion of convenience trade within Plumstead's Core Zone 5 is going to the Borough's other main centres; including the Major Centres (11.7%) and other District Centres (28.8%).
- There is also significant 'leakage' to out-of-centre stores from its Core Zone 5; principally Abbey Wood (23.3%) and, to a lesser degree, the stores in Charlton (3.9%). The main destinations are Sainsbury's Abbey Wood (16.0%), Lidl Abbey Wood (7.3%), and Asda Charlton (1.8%).
- A further 22.8% of Plumstead's convenience trade is 'leaking' to locations outside the Borough; principally to Welling (12.4%), Belvedere (3.5%) and Bexleyheath (3.6%).
- Only 4.9% of Plumstead's convenience trade is accounted for by SFT.

4.24 The market share results would appear to indicate that Plumstead has a weaker convenience provision, as a large amount of trade is going to other stores both within and outside the Borough. This reflects Plumstead's main role and function as serving the day-to-day shopping and service needs of its local resident catchment population. It also indicates the better scale and choice of facilities in these competing locations.

Thamesmead

- Thamesmead has a market share of 4.1% from within the Study Area, 7.6% within the Borough Area and a substantial 59.8% share within its Core Zone 4.
- The high market share within its PCA reflects the attraction and draw of the Morrison's, Iceland and Aldi stores.
- The main leakage of convenience expenditure from Thamesmead's Core Zone 4 is to Woolwich (10.2%).
- Thamesmead experiences a strong competition from out-of-centre food stores in its Core Zone 4, which combined are achieving a total market share of 20.1%. The most popular locations include Sainsbury's Abbey Wood (5.7%) and Lidl on Enysam Drive (7.5%), and the Asda Bugby's Way in Charlton (4.6%).
- Some 6.6% of convenience trade in the Core Zone 4 is 'leaking' to locations outside the Borough Area; namely Bexleyheath (2.8%) and Belvedere (1.5%).
- Furthermore, only 1.8% of Thamesmead's convenience trade is accounted for by SFT.

- 4.25 Thamesmead appears to have a good provision of food stores, although there is some leakage of trade to Woolwich and out-of-centre stores in the Borough, as well as to stores outside the Borough boundary. Thus, despite the presence of the large Morrison's food store, we consider that there is potential to improve the scale, quality and choice of foodstores in Thamesmead.

Comparison Goods – Market Share Analysis

- 4.26 Comparison goods³⁴ are generally defined as items not obtained on a frequent basis and include clothing, footwear, household and recreational goods (see **Glossary**). The household survey comprised questions on the main groupings of non-food expenditure, as defined by Experian in the latest Retail Planner Briefing Note, including: clothing and footwear, recording media, electrical goods, books, furniture and carpets, DIY and garden products, medical goods and other non-food goods.
- 4.27 **Table 1 (Appendix 5)** shows the market shares (%) for all comparison goods shopping purchases made both within and outside the Study Area, as well as within the Borough Area. These total market shares have been informed by the shopping patterns for the different types of comparison goods expenditure set out in **Appendix 5**.
- 4.28 The market share analysis (%) takes account of the distribution and weight of spend (£) by households on the different comparison goods categories. This ensures that the resultant shares are not 'skewed' by any particular comparison goods expenditure category. This is a standard approach for retail assessments.
- 4.29 As for the analysis of convenience goods, the market shares include expenditure on Special Forms of Trading (SFT), but exclude all 'null' responses. The key findings of the market share analysis are briefly described below.
- 4.30 **Table 1 (Appendix 5)** shows that SFT's share of all non-food shopping across the total Study Area (i.e. Zones 1-13) is 23.9%. The SFT share for the Borough Area (i.e. Zones 1-8) is higher than that of the Study Area, at 25.3%. In comparison, Experian's latest RPN15 shows that the national average market share for non-store (SFT) comparison goods retail sales is lower, at 19.7% in 2017. 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).

Study and Borough Area

- 4.31 The table below summarises the comparison goods market shares for the main centres and shopping locations both within and outside the Borough and wider Study Area. The full tabulated results are set out in **Appendix 5**.

³⁴ Please note that comparison goods and non-food shopping have the same meanings.

Table 4.3: Comparison Goods Market Shares

	Study Area (Zones 1-13)	Royal Greenwich Borough Area (Zones 1-8)	Greenwich - Zone 1	East & North Greenwich (Zone 2)	Woolwich (Zone 3)	Thamesmead (Zone 4)	Plumstead (Zone 5)	Eltham (Zone 7)
Major Centres								
Woolwich Total	2.4%	6.2%	0.6%	4.9%	19.9%	9.0%	7.7%	6.7%
Eltham Total	5.3%	9.9%	0.1%	2.3%	3.4%	0.2%	0.1%	2.8%
District Centres								
Greenwich Total	1.2%	2.6%	14.5%	5.4%	0.3%	0.0%	0.2%	2.0%
Plumstead Total	0.1%	0.4%	0.0%	0.0%	0.5%	0.3%	1.1%	1.5%
Thamesmead Total	1.2%	2.4%	0.0%	0.0%	3.4%	22.9%	5.0%	1.2%
Other	0.9%	1.4%	1.9%	3.8%	0.4%	0.6%	0.4%	0.8%
Local Centres Total	0.2%	0.4%	0.0%	0.0%	0.0%	0.3%	4.2%	0.0%
Neighbourhood Parades Tot	0.1%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.3%
Out-of-Centre Total	9.1%	20.1%	13.9%	32.3%	20.0%	16.0%	17.2%	26.5%
Out-of-Borough Total	55.7%	31.1%	45.2%	18.3%	25.5%	28.8%	43.3%	32.3%
SFT	23.9%	25.3%	23.8%	32.9%	26.6%	22.0%	20.8%	26.0%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

- 4.32 The survey results show that the Borough's main centres and out-of-centre stores are drawing some 20.4% of available comparison goods expenditure within the Study Area, and 43.7% within the Borough area.
- 4.33 Of the remaining spend in the Borough, some 31.1% is 'leaking' to other centres and stores outside the Borough and a further 25.3% is accounted for by SFT (see **Table 4.3**). The main competing shopping destinations (based on market shares for the Borough Area Zones 1-8) are Bluewater Shopping Centre (9.1%), Central London (4.6%), Bexleyheath (13.7%), Bromley (2.4%) and Lewisham (1.7%).
- 4.34 The figures below also show the market shares for the Council's main centres and stores (aggregated), other centres and SFT/internet shopping for residents in the Study Area and the Borough Area only for different categories of comparison goods expenditure.

Figure 4.2: Comparison Goods Market Share for the Study Area (Zones 1 – 13)

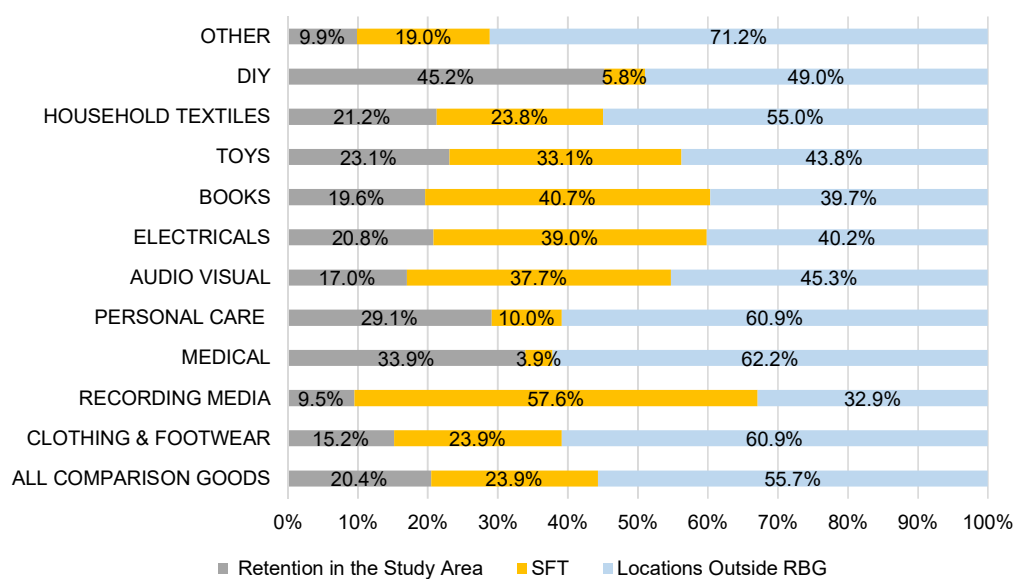
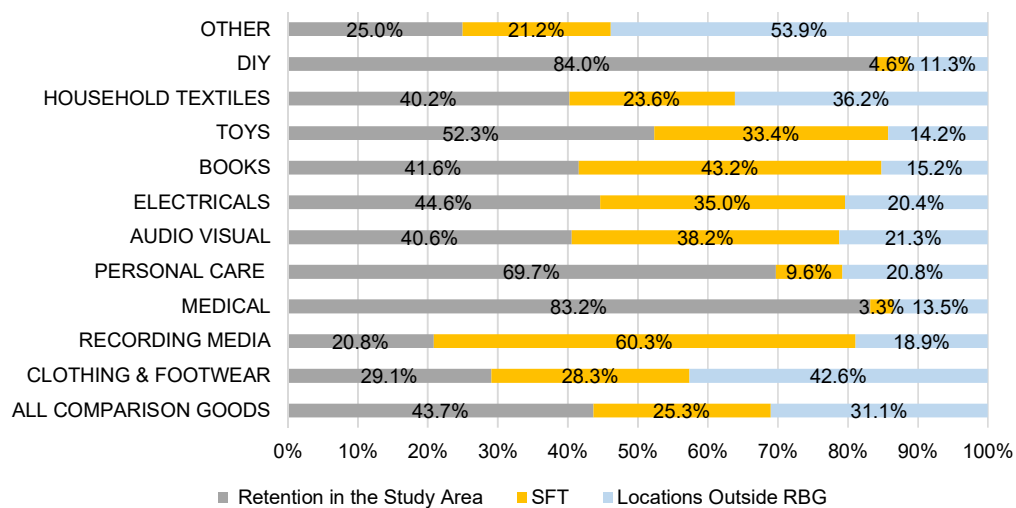


Figure 4.3: Comparison Goods Market Share for the Borough Area (Zones 1 – 8)



4.35 For the different comparison goods categories **Figure 4.3** shows that the Borough is achieving a strong retention of expenditure on DIY (83.2%), medical (83%) and personal care (69.7%) purchases, and a more limited retention for recording media (20.8%) and clothing and footwear (29.1%). The low market share for recording media reflects the impact of the internet on purchases within this particular category. The lower share for clothing and footwear in this case is mainly explained by competition from larger, higher order centres outside the Borough.

4.36 Turning to the market shares for the Borough's main centres, the following main patterns have been identified.

Woolwich

4.37 Woolwich is achieving a low market share of only 2.4% of available comparison goods expenditure in the Study Area, increasing to 6.2% from within the Borough Area and 19.9% from within its Core Zone 3.

4.38 The market share analysis confirms that Woolwich is facing significant competition from:

- **SFT** – Accounts for 26.6% from its Core Zone 3;
- **Retail facilities outside of the Borough Area** – Draw 25.3% from Core Zone 3. The main shopping destinations are Central London (4.2%), Bexleyheath (3.1%), Bluewater Shopping Centre (5.3%).
- **Out-of-centre facilities** - in the Borough (20%), and specifically in the Charlton area, which draws 19.9% of the comparison expenditure in the PCA.

4.39 The survey results suggest that Woolwich has a gap in the scale and quality of its comparison offer. Opportunities to improve the quality and choice of the centre's non-food retail offer should therefore be explored to help the centre 'claw back' shoppers and trade. As we explain elsewhere in this study, this will be a key objective (and challenge) if the Council's policy aspiration is for the centre to move up London's hierarchy from a Major Centre to Metropolitan Centre. Clearly any improvements to the scale and quality of its retail offer will also be dependent on the potential economic capacity for growth in a sustainable manner, and ultimately the market interest/ demand from retailers to take space in the centre.

Eltham

- 4.40 Eltham is achieving a higher market share than Woolwich from within the Study Area of 5.3%, 9.9% from the Borough and 29.7% from Core Zone 7. As for Woolwich, Eltham is nevertheless facing significant competition from:
- **SFT** - which accounts for 21.8% of market share from its Core Zone 7.
 - **Retail facilities outside of the Borough** - are achieving a market share of 39.2% from its Core Zone 7. The main 'leakage' of spend from Eltham's Core Zone 7 is to Central London (2.5%), Bromley (7.2%) and Bluewater (15.9%).
 - **Out-of-centre facilities** - in the Borough and specifically the stores in the Charlton area that are achieving a 6.7% market share from its Core Zone 7.
- 4.41 The survey results show that Eltham is the main comparison goods shopping destination in the Borough. Notwithstanding its higher retention of expenditure from within its PCA than Woolwich, the market share results suggest that Eltham also has a potential gap in its comparison offer as a significant proportion of expenditure is 'leaking' to out-of-centre shopping facilities and to shopping locations outside of the Borough.

Greenwich

- 4.42 Greenwich retains only 2.6% of comparison expenditure within the Borough and 14.5% with its PCA (Zone 1). As with the other centres in the Borough, Greenwich also faces significant competition from SFT (which accounts for 25.3% of the trade in the Borough Area and 23.8% from its Core Zone 1); centres and shopping facilities outside the Borough (which are achieving a 31.1% market share in the Borough Area and 45.2% from its Core Zone) - principally Central London (11.8%), Bluewater (5.6%), Lewisham (13.9%) and Bromley (3.8%); and out-of-centre stores and shopping locations in the Borough (specifically Charlton, which draws 12.2% of the comparison expenditure in the PCA).

East & North Greenwich

- 4.43 According to the survey results, East and North Greenwich (Core Zone 2) are not achieving a market share of comparison expenditure. This is explained by the lack of a significant critical mass of non-food shops in these smaller centres. The main 'outflow' of expenditure is accounted for by SFT (25.3% in the Borough Area and 32.9% within its Core Zone 2); centres and shopping locations outside the Borough (a 'leakage' of 31.1% from the Borough Area and 18.3% from its Core Zone 2); and out-of-centre stores in the Borough (principally Charlton, which draws 32.2% of the comparison expenditure in its Core Zone 2).
- 4.44 It should be noted however that the planned commitment for the Designer Outlet Village at the O2, as well as the retail floorspace planned as part of the Greenwich Peninsula Masterplan, will significantly enhance the comparison retail offer in North Greenwich and help to 'claw back' a proportion of this leaking expenditure. This is discussed later in this study.

Plumstead

- 4.45 Plumstead is achieving a limited market share of 0.4% within the Borough Area and 1.1% from within its Core Zone 5. It is also facing significant competition from SFT (which has a 25.3% market share in the Borough Area and 20.8% in its Core Zone 5); centres and shopping destinations outside the Borough such as Bexleyheath (18.8%), Bluewater Shopping Centre (11%) (31.1% in the Borough Area and 43.3% in its Core Zone 5); and from out-of-centre stores and locations in the Borough, principally in the Charlton area (16.8%). This reflects its relative role and function as a District Centre in the Borough hierarchy serving the more day-to-day food and service needs of its local catchment.

Thamesmead

- 4.46 Thamesmead retains a 1.2% comparison expenditure market share with the Borough Area and 22.9% with its Core Zone 4. As for the Borough's other main centres, SFT accounts for a relatively high market share in the Borough Area (25.3%) and 22% from its Core Zone 4. Other centres and shopping locations outside the Borough are drawing some 31.1% of available spend in the Borough area and 28.8% in its Core Zone 4; and the main shopping destinations are Bexleyheath (8.6%), Bluewater (5.4%) and Westfield Stratford (3.2%). The competition from out-of-centre shops and locations is also strong, with the stores in Charlton drawing some 16% of expenditure from within its Core Zone 4.
- 4.47 Notwithstanding the presence of major operators in the centre, such as Next and Wilko, there is potential to improve the scale, quality and choice of Thamesmead's comparison goods offer to help the centre 'claw back' shoppers and trade. However, as stated previously, this will be subject to economic capacity and market demand. We consider this in more detail throughout this study.

Summary

Convenience

- 4.48 The convenience shopping in the Borough can be summarised as follows:
- **Woolwich District Centre** is achieving a market share of 59.8% from within its Core Zone 3. The key competition in the PCA comes from the out-of-centre food stores in the Charlton Riverside area (16%), with a more limited market share for SFT (5.1%). Overall, the results appear to indicate that Woolwich as a whole has a strong provision, albeit the out-of-centre facilities are achieving a higher market share than the in-centre stores.
 - **Eltham** attains a market share of 57.7% from within its Core Zone 7. The key competition comes from the facilities outside the Borough Area (which are achieving a 24.5% market share from its Core Zone 7), out-of-centre stores in Charlton (5.3%) and SFT (6.8%). Overall, the results indicate that Eltham has a fairly strong food and convenience provision, albeit the scale and choice of out-of-centre facilities are superior to those in-centre.
 - **Greenwich** has a more limited market share of 2.9% from its Core Zone 1. The key competition is from the out-of-centre food stores (26.2% market share in its Core Zone 1), stores outside the Borough (25.1%) and SFT (5.8%). In summary, the results indicate that Greenwich is mainly serving the more frequent top-up ('day-to-day') food shopping needs of its local residents, and their 'bulk' food shopping purchases are mainly occurring in the larger format stores both within and outside the Borough.
 - **East & North Greenwich** has a market share of 7.7% from within its Core Zone 2, and North Greenwich has a 0.2% share. The key competition comes from the out-of-centre food stores in Charlton, which are drawing 48% of available expenditure from within the PCA. Only 7.5% of East and North Greenwich's convenience trade is leaking to locations outside the Borough Area, from its Core Zone 2, although a higher proportion (11.0%) is accounted for by SFT. In summary, East & North Greenwich have an adequate provision, principally serving the to-up ('day-to-day') food shopping needs of their local resident populations.
 - **Plumstead** is achieving a market share of 9.1% from within its Core Zone 5. The main leakage of spend is to out-of-centre stores in Abbey Wood (23.3%) and Charlton (3.9%). A further 22.8% of Plumstead's convenience trade is leaking to locations outside the Borough Area. Only 4.9% of the PCA's convenience trade is accounted for by SFT. In summary, Plumstead is principally serving the day-to-day needs of its local resident catchment population, and the scale and choice of convenience and food stores is more limited.
 - Finally, **Thamesmead** has a strong market share of 59.8% within its Core Zone 4. The key competition is from Woolwich (10.2%) and the Borough's out-of-centre foodstores (20.1%). Only 6.6% of Thamesmead's convenience trade from its Core Zone 4 is leaking to locations outside the Borough Area and only 1.8% is accounted for by SFT. Overall, we consider that Thamesmead has a good food and convenience store

offer. Notwithstanding this, there could be potential to improve the scale and quality of its offer to help 'claw back' expenditure from out-of-centre stores.

- 4.49 In terms of food purchased online, SFT's market share within the Study Area and the PCAs is much lower than the national average (of 10.8% in 2017). A number of factors may explain this, such as good access to food and convenience stores at the local level. This nevertheless could indicate that there is potential for SFT's market penetration to increase in the future as online grocery shopping becomes more popular and convenient. If this was to occur then it would reduce the economic capacity for new retail floorspace.

Comparison

- 4.50 The comparison good market share assessment can be summarised as follows:
- **Woolwich** has a market share of 19.9% from within 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%). Given that it is the Council's aspiration to reposition Woolwich as a Metropolitan Centre in London's network and hierarchy of centres, the market share results suggest that it has significant gaps in comparison offer and is facing significant competition from higher order centres and out-of-centre shopping facilities. This is discussed in more detail later in this study.
 - **Eltham** is achieving a market share of 29.7% within its Core Zone 7. Despite retaining the highest market share from within its Core Zone, 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%). The survey results suggest that Eltham has a gap in comparison offer.
 - **Greenwich** retains a market share of 14.5% within its Core Zone 1. The centre is 'losing' market share to internet shopping (23.8%), retail facilities outside of the Borough Area (45.2%) and out-of-centre facilities. Despite this, it is important to highlight that Greenwich serves the more day-to-day shopping needs of its local resident catchment population, and a wider tourist and visitor market. As such, there may be opportunities to enhance the centre's comparison retail offer; although this will be subject to economic capacity, market demand and the availability of suitable sites.
 - Neither **East Greenwich** nor **North Greenwich** register any market share of comparison goods expenditure within their Core Zone 2. This reflects the limited non-food offer in both centres. As a result 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%). As mentioned above, the proposed Designer Outlet Village and planned retail floorspace in the Greenwich Peninsula Masterplan will significantly enhance the comparison retail offer in North Greenwich, and its overall market share within the PCA, Borough and wider Study Area. In contrast, East Greenwich will continue to function more as a centre serving the day-to-day needs of its local resident population.
 - **Plumstead** retains 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 from within its Core Zone 5. In summary, Plumstead has significant gap in comparison offer, which mainly reflects its role as serving the day-to-day shopping, food and service needs of its local resident population.
 - **Thamesmead** retains 22.9% of available comparison goods expenditure within its Core Zone 4. Thamesmead faces competition from online shopping (22.0%), centres/stores outside of the Borough (28.8%) and out-of-centre facilities (16%). This would suggest that the existing comparison provision in Thamesmead is not attracting enough spend and there could be potential to 'claw back' shoppers and trade, particularly from out-of-centre locations.
- 4.51 Finally, SFT's market share for the Royal Greenwich Borough Area (i.e. Zones 1-8) (25.3%) is higher than for the wider Study Area (23.9%) and is much higher than the national average (19.7%).

5 TOWN CENTRE HEALTH CHECKS: METHODOLOGY

5.1 **Sections 6-12** provide detailed health check assessments for the following main centres, as agreed with the Council:

- Woolwich
- Eltham
- Greenwich
- Greenwich East
- North Greenwich
- Plumstead
- Thamesmead

5.2 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.

5.3 In accordance with the PPG (paragraph 005 Reference ID: 2b-005-20140306), there are a number of indicators that are widely used (where the information exists) to help assess and monitor the overall health and performance of centres. Some of the indicators include:

- the diversity of uses (e.g. retail and services offer);
- proportion of vacant street level property;
- commercial yields on non-domestic property;
- customers’ views and behaviour;
- retailer representation and intentions to change representation;
- commercial rents;
- pedestrian flows;
- accessibility;
- perception of safety and occurrence of crime; and
- state of town centre environmental quality.

5.4 In this case the most reliable KPIs have been gathered (where available) for the centres to help inform the assessment of their overall strengths and weaknesses in terms of their retail and leisure provision, the opportunities for new sustainable development and growth, and any potential current and future threats to their overall vitality and viability. We have referred to a number of datasets and research to help assess the relative vitality and viability of the Royal Greenwich’s main town centres, as referenced throughout the report. The general methodology is set out below.

5.5 It should also be noted that the health check for Woolwich Town Centre goes beyond the traditional analysis and benchmarks data against other metropolitan centres in the draft London Plan.

Retail Composition & Diversity of Uses

5.6 The town centre health check assessments have been informed by analysis of *Experian Goad Category* reports for each town centre. Where Experian Goad reports are not available for specific centres, we have necessarily drawn on information provided by the local planning authority and/or our own town centre site visits and audits.

5.7 In brief, the Goad reports set out the number and proportion of units in each use classification across the centres (i.e. convenience, comparison and service uses, and vacant units). They allow for benchmarks with the UK national average for all circa 2,000 centres and shopping locations covered by Experian Goad. It should be noted that 'services' as defined by Experian Goad are sub-divided into the following three sub-categories.

- **Retail services** – Defined by Experian, these retail services include some Class A1 uses (i.e. those Class A1 uses that are not covered by Experian's definition of comparison and convenience goods) and certain *sui generis* uses³⁵;
- **Leisure services** - comprise cafés and restaurants (Class A3), betting shops (*sui generis*) and fast food/takeaway outlets (Class A5); and
- **Financial and professional services** - cover all Class A2 uses (such as banks, estate agents, etc).

Goad Town Centre Definitions and Floorspace

5.8 The health checks also provide an effective 'gap' analysis tool to help identify whether specific retail, leisure and service types and/or categories are under or over represented in centres based on the Goad UK averages for all circa 2,000 centres and shopping locations covered by Experian. For example, it may be that centres have no or limited clothing and footwear provision compared with the Goad national average figure for all centres, and this 'gap' analysis therefore helps to highlight this and enable more detailed analysis as to the reasons why this may be the case.

5.9 It should be noted that in our description of each centre's town centre boundary we have referred to the boundaries defined by the Council. However, where Experian Goad data is relied on it should be noted that the area surveyed is not necessarily identical to the Council's identified town centre boundaries. As such, it is possible that the number of units set out in our analysis may not relate directly to the Council's own boundaries and centre audits.

5.10 The floorspace figures shown in the report are also derived from the relevant Goad Plan which show only the 'footprint' floorspace and the site area without the building lines. They should therefore not be read as a definitive report of floorspace, but do provide a useful means of comparison between centres, as all outlets are measured in a consistent manner.

Vacancies

5.11 The *Experian Goad Category Reports* also help to identify the number of vacant outlets and scale of vacant floorspace at a particular point in time. Where Goad data is not available, we generally draw on information provided by the local planning authority or on our own town centre sites visits and audits. In general terms the number and scale of vacancies in a centre, and the length of time properties have been vacant, represents a key performance indicator (KPI) to help assess a centre's overall vitality and viability. For example, high vacancy levels, or a concentration of vacancies in certain areas/streets, could point to underlying weaknesses in terms of retailer demand and/or the fact that vacant units are not meeting demand and are not 'fit-for-purpose'. Notwithstanding this, vacancies can arise in even the strongest centres due to the natural 'churn' in businesses opening and closing at any point in time. This KPI must therefore be used and interpreted with care.

³⁵ According to Experian Goad this includes: Beauty Salons, Car & Van Rental, Car Repairs, Car Wash, Clothing Alterations, Clothing Hire, Dog Grooming, Driving School, Dry Cleaning, Electrical Repairs, Filling Station, Filling Station & Convenience Store, Film Developing, Hairdressing, Hairdressing & Beauty Salon, Health Salon, Hotel Reservations, Jewellery Repair, Launderette, Natural Therapy, Optician, Photographer, Post Office, Satellite & Cable TV, Tattooist, Telephone Bureau, Travel Agent, TV & Hi-Fi Repairs, TV & Video Rental, Tyres & Exhausts, Undertakers, Upholsterer & Furniture Repairs, Video Rental, Watch & Clock Repairs, Wedding Services, Wigs, Windscreen Repairs.

Multiple and Independent Retailers

- 5.12 The *Experian Goad Category Reports* also provide analysis on multiple retailer representation. A multiple is defined by Experian Goad as being part of a network of nine or more outlets. It is widely accepted that a good presence and mix of multiples in a centre, alongside a strong independent offer, helps to increase the overall attraction and performance of shopping centres. Multiples are a strong draw for customers and they help to generate frequent shopping trips and footfall, and linked expenditure for other shops, businesses and services.

Street/Covered Markets

- 5.13 Whether or not a centre has a market, and the quality and offer of a market, can give an indication as to whether a centre is vital and viable. Information regarding the health of the markets discussed in this report has been obtained from our own research and observations of the centres.

Retailer Demand and Requirements

- 5.14 Evidence of requirements ('market demand') from retail and leisure operators for representation in a town centre can provide a further indication of the overall health and attraction of centre, and investor confidence.
- 5.15 For the purpose of this study we have drawn on standard published sources to inform our assessment of current market demand; including CoStar and the Requirements List.
- 5.16 However, it should be noted that this published information is not definitive, as many retailers and leisure operators prefer not to announce their requirements as it can undermine their negotiating position with potential landlords. Furthermore, market demand is often opportunity-driven; for example in response to the marketing of new development and regeneration initiatives.
- 5.17 In some cases the requirements list shows demand from retailers and operators who are already represented in the town centre. In these cases the operators could be seeking larger format units to either complement or replace their existing stores, or the requirements list may reflect market demand for space across the wider Borough area rather than the specific centre identified.
- 5.18 Where possible we have also supplemented the published retailer requirements lists with the market knowledge of CJ's retail agents. However, it should be noted that in the current dynamic economic and retail climate many of the major national retailers and leisure operators are seeking to reduce rather than increase their store portfolios (see **Section 3**). There is therefore little additional evidence of market demand from national retailers for a presence in the Borough's main centres, over and above the published requirements.

Prime Zone A Rents

- 5.19 The level of rent that businesses are prepared to pay for retail space, and the commercial yields achieved provide a further indication of the relative strength of the centre and its prime retail pitch. However, it should be noted that Prime Zone A rents³⁶ and yields are not available for all centres, particularly smaller centres where there are more limited transactions. Therefore, an assessment of Prime Zone A rents and yields is only provided for Woolwich and Eltham Town Centres because this information is not available for other town centres.

³⁶ Prime Zone A Rents refers to the top achievable rent for a retail unit within the town or city at specified date. See Glossary for a more detailed definition and explanation.

Customer Views and Perceptions

- 5.20 Our assessment of customers' views and behaviours draws on the findings of the household survey. The household survey comprised in total 1,300 interviews across 13 zones and asked specific questions regarding what respondents 'like' and 'dislike' about the main centres.

Environmental Quality

- 5.21 Environmental quality represents a key performance indicator (KPI) to help assess a centre's overall vitality and viability. An assessment of environmental quality (including cleanliness and attractiveness, security, treatment of buildings and open spaces) has been undertaken using our own research and observations of the centres.

Accessibility

- 5.22 A centre's vitality and viability can also be impacted by the ease of accessibility by different modes of travel, and the level and quality of car parking. This assessment has been informed by the survey evidence, along with our own research and observations of how easy a centre is to access; mobility time and cost; public transportation; traffic management and signage; barriers; car parking³⁷; and access by other modes.

Out of Centre Provision

- 5.23 Out of centre provision has been determined using a number of sources. For example, *Completely Retail*, a comprehensive retail database, has been referenced to identify the location, scale and operators trading outside of the main centres. We have also referred to the results of the household survey.

New Investment and Potential Development

- 5.24 Carter Jonas has relied on the Council to identify new investments and potential development opportunities within the main centres as well as a review of relevant planning history. It should be noted that proposals included in the assessment include permissions after 2012.
- 5.25 Based on the above KPIs, **Sections 6-12** set out our detailed health check assessments for the main centres.

³⁷ This was captured through the following data sources: <https://en.parkopedia.co.uk> and Royal Borough of Greenwich

6 WOOLWICH HEALTH CHECK

- 6.1 Woolwich is defined as a 'Major Centre' by the 2014 Core Strategy, with a potential to reclassify as a 'Metropolitan Centre' (as stated in the London Plan 2016 and draft London Plan 2017). The town is located approximately 1.7km from London City Airport and 3.2km from Thamesmead.
- 6.2 Woolwich is served by the Woolwich Arsenal train station which provides Southeastern services to London Cannon Street, London Bridge, Gillingham and Dartford; as well as DLR services to Stratford International and Bank.
- 6.3 The centre is ranked 274th in the 2017 Javelin Venuescore, just below Eltham (263rd). **Table 6.1** below outlines the ranking position of competing centres. All of the larger competing centres (excluding Eltham) are either existing or potential Metropolitan Centres in the London Plan and are positioned higher in terms of their rank. It is important to note that Lewisham has the potential to be reclassified as a Metropolitan Centre, and Stratford aspires to reclassify to an International Centre in the draft London Plan (2017).

Table 6.1: Competing Centres

Town Centre	Location Grade ³⁸	Existing London Plan Classification	Venuescore Rank
Croydon	Regional	Metropolitan	23 rd
Stratford Westfield	Major Regional	N/A	26 th
Bromley	Major Regional	Metropolitan	38 th
Ilford	Regional	Metropolitan	115 th
Lewisham	Sub-Regional	Major	181 st
Eltham	Sub-Regional	Major	263 rd
Woolwich	Sub-Regional	Major	274th

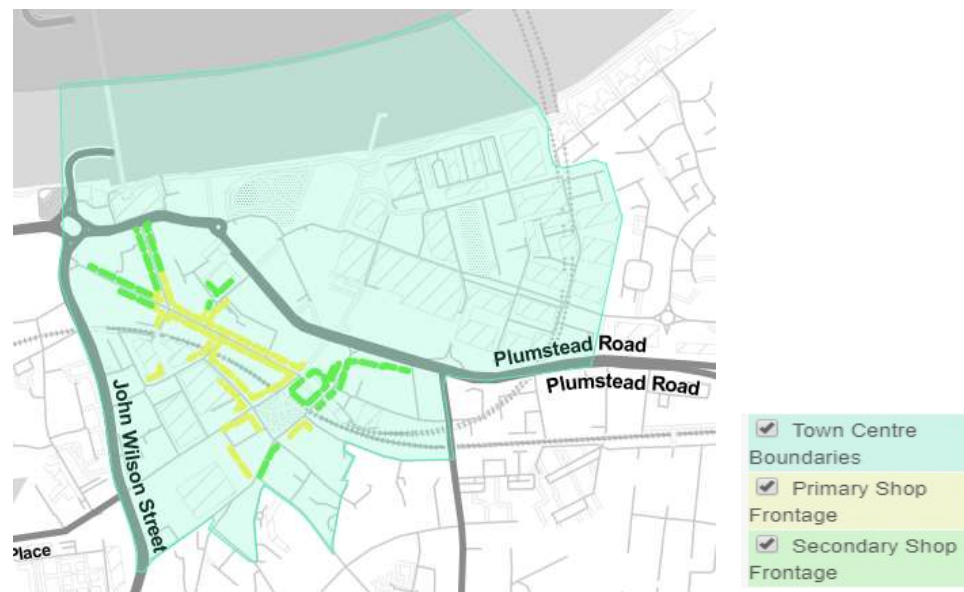
Source: Javelin Venuescore (2017)³⁹

- 6.4 As a designated centre, Woolwich is a sequentially preferred location for main Town Centre uses including: retail development, leisure, entertainment facilities, certain intensive sport and recreation uses, offices, and arts, cultural and tourism uses (see **Policy TC1 Town Centres** and **Policy TC2 Woolwich Town Centre**).
- 6.5 A proportion of the Town Centre is designated within a Conservation Area and in a Flood Risk Area. The majority of the Town Centre is designated as a Strategic Development Location (SDL). There are a number of listed buildings in the Town Centre Boundary.
- 6.6 The extent of the Town Centre Boundary, including the Primary and Secondary Shop Frontages are illustrated in **Figure 6.1** below.

³⁸ Javelin Venuescore category

³⁹ Venuescore is Javelin Group's annual ranking of the UK's top 3,000+ retail venues based on provision of multiple retailers including anchor stores, fashion operators, and non-fashion multiples, where each operator is given a weighted score to reflect its overall impact on shopping patterns and the attraction of centres. The Market Position Index measures the degree to which the centre's offer has a high-end or discount focus (High=Bias towards High-end retailers; Low=Bias towards Discount-oriented retailers)

Figure 6.1: Town Centre Boundary, including Primary and Secondary Shop Frontages in Woolwich



Source: Royal Borough of Greenwich Planning Policies Map (2014)

6.7 Based on our assessment, the Town Centre can be divided into the following areas:

- **General Gordon Square:** This is a key focal point for the Town Centre. It is located between Thomas Street; Woolwich New Road and Greens End. It provides information on the Big Screen and event space for the community. The Big Screen broadcasts BBC coverage of local and national news, sports, the arts, music and entertainment. The Square also benefits from trees, grass terraces and landscaping. This creates a 'green oasis in the heart of Woolwich' and provides a space for visitors to enjoy events and screenings.
- **Powis Street:** This is the main shopping street which runs directly through the Town Centre. The pedestrianised⁴⁰ street and planting provides visitors with a pleasant shopping environment. The provision predominantly consists of comparison and retail services, the majority of which are multiple brands. Key retailers located here include: New Look, TK Maxx, Boots, Poundland and Holland & Barrett. **Hare Street** is located off Powis Street and is primary in its nature. It includes the 1,250 sq.m Primark store and a Peacocks store.
- **Thomas Street / Woolwich New Road / Plumstead Road:** These streets are largely characterised by independent retailers. Thomas Street includes a number of independent retail units and beauty services. Woolwich New Road is characterised by independent leisure services including restaurants and bars. The Tesco Extra is also located on Grand Depart Road and provides an attractive frontage to the Town Centre and the square. Plumstead Road includes the covered market which is now occupied temporarily by Street Feast.

Retail Composition & Diversity of Uses

6.8 Tables 1 and 2 (**Appendix 6**) summarise the retail and service composition of the centre in terms of total units and floorspace. The composition is based on the latest Experian Goad Category Report (June 2017). Plan 1 (**Appendix 6**) also illustrates the extent of the Goad coverage. It should be noted that the area surveyed by Goad is not identical to the Council's own defined Town Centre Boundary (TCB). As such, it is possible that the number of units set out in our analysis may not relate directly to the Council's centre boundary.

⁴⁰ Pedestrianised only Monday – Friday 10.00am – 4.30pm and Saturday 10.00am – 5.30pm.

- 6.9 As the tables show, Woolwich has some 323 retail, leisure and service outlets trading from a total (Goad) floorspace of 85,441 sqm. Based on the outputs of the Council's 2008 study, the total outlets has increased from 306 and the floorspace from 77,212 sqm.

Convenience Offer

- 6.10 There are 44 convenience units in the survey area according to the latest 2017 Experian Goad Category Report, trading from a total floorspace of 13,842 sqm. Convenience goods account for 13.6% of all units and 17.2% of total floorspace, which is above or same as the respective national averages of 8.9% and 17.2%. Since the 2008 Study, there has been a 37.5% increase in convenience units.
- 6.11 Woolwich's food provision is anchored by Tesco Extra; Sainsbury's (located on Calderwood Street); and Lidl (located on Macbean Street). There is also an M&S Foodhall (located on Victory Parade, located on the ground floor of a new residential building), as well as an Iceland frozen food store (on Powis Street). The Tesco Extra store on Love Lane (ref: 06/1751/O and 10/2440R) also comprises 259 dwellings, other retail and food/beverage uses (A1-A5 Use Classes).
- 6.12 Woolwich's convenience offer is further supported by smaller supermarkets (such as Continental Supermarket, Louroy Supermarkets and Nisa Local), as well as 4 bakers/confectioners, 3 butchers, 5 CTNs, 2 fishmongers, 15 grocers and delicatessens and 1 health food shop. The Royal Arsenal Woolwich Farmers' Market also has a baker, greengrocers, cheesemongers and florists.
- 6.13 There is also an out-of-centre Aldi store situated at Brocklebank Retail Park; and an M&S, Asda and Sainsbury's at Charlton Place Retail Park. These retail parks are part of Charlton Riverside which is approximately a 10 minute drive from the Town Centre. As the household survey results show, the Borough's out-of-centre stores in the Charlton area are achieving a significant market share of food and non-food spend within the Borough (see **Section 4**).
- 6.14 In summary, we consider Woolwich's food and convenience offer is relatively strong. The provision is above the national average, in terms of number of units and floorspace. However, Woolwich does face competition and impact from large out-of-town retail and leisure uses at Charlton Riverside.

Comparison Offer

- 6.15 There are 82 comparison goods retailers located within Woolwich trading from a total floorspace of 26,923 sqm. The number of outlets represents 25.4% of total units in the centre, which is below the national average of 31.2%. The current floorspace provision represents 33.5% of total floorspace in the centre, which is below the national average of 34.8%. Since the 2008 Study, there has been a reduction (-8.9%) in comparison units.
- 6.16 In terms of its overall non-food provision the key headlines are:
- Across the different comparison sub-categories, the centre has a high representation of many categories including charity shops (4 units), chemists (4 units), general clothing (7 units), footwear (5 units), ladies wear and accessories (5 units), telephones and accessories (19 units) and toiletries cosmetics and beauty products (5 units).
 - There is an overprovision of telephones and accessories shops. There are currently 19 units within the centre, which is equivalent to 5.8% compared to a national average of 1.4%. There is an underrepresentation of ladieswear and accessories, as these account for 1.5% of the total units which is below the national average of 2.1%. Despite this, footwear and clothing general are both above the national average.
 - The centre is characterised by a mix of independent and multiple comparison retailers. Multiple retailers include WHSmith, Clarks outlet, Primark and TK Maxx. The independent offer is considered to be of low quality. Woolwich does not contain large proportion of high-order comparison goods.

- It is also noted that the market in the town centre (the Beresford Square Market) sell a variety of inexpensive comparison goods.

6.17 In summary, we consider Woolwich's comparison offer has the potential for improvement, given the ambition to reclassify to a Metropolitan centre. Of particular note, the provision is below the national average, in terms of number of units and floorspace. In order to become a Metropolitan Centre, the comparison offer will have to double in terms of floorspace. The addition of high-order comparison retailers will also have to be present in the centre. This aspiration will be challenging, given Woolwich's current comparison offer.

Service Offer

6.18 As **Appendix 6** (Tables 1 and 2) shows, there are 157 retail (i.e. excluding all comparison and convenience floorspace defined by Experian Goad), financial and leisure service outlets in Woolwich Town Centre, with a total floorspace of 30,918 sqm. Services account for 48.6% of all units and 36.2% of total floorspace, which is above the respective national averages of 48.8% and 39.4%.

6.19 The following provides a brief summary of provision across the different service categories:

- There are 60 **retail services**, which represent 18.6% of total outlets and is above the national average of 14.5%. This category is mostly made up of 48 health and beauty outlets; which is equivalent to 14.8% of units and is above the national average of 8.9%. Provision also includes 1 dry cleaners and launderettes, 2 opticians and a post office.
- In terms of **financial services**, there are 22 outlets, located within Woolwich trading from a total floorspace of 5,769 sqm. The number of outlets represents 6.8% of total units in the centre, which is below the national average of 10.3%. The Goad report shows that financial services include 9 retail banks (including Santander; Natwest and HSBC) 4 property services, as well as 3 financial services and 3 legal services.
- There are 75 **leisure service** outlets, equivalent to 23.2% of total units, which is just below the national average of 24.0%. Leisure provision includes 16 cafes, 24 fast food takeaways, 10 restaurants, and 8 public houses. It was noted during a site visit that Woolwich has a poor night time economy with the centre becoming empty after 6pm.

6.20 Given the size and role of the centre, as well as its aspirations to become a Metropolitan Centre, we consider that the overall representation of services is inadequate. The night time economy needs to be significantly improved, so the centre can attract visitors during the day and evening. We assess the potential need for new commercial leisure uses in more detail in **Section 14** of this study.

Vacancies

6.21 There were 38 vacant units recorded by Experian Goad in 2017. This is equivalent to a vacancy level of 11.8%, which is above the national average of 11.2%. In total, this amounts to 8,584 sqm of vacant floorspace, which represents 10.6% of the town's total floorspace. This is also above the national average of 9.7%. Woolwich is underperforming as a centre in terms of vacancy levels, particularly given the aspiration to reclassify it as a Metropolitan Centre.

Multiple and Independent Retail Representation

6.22 Based on the 2017 Goad Category Report, there are some 92 multiple retailers. This includes a number of key names such as Boots, Carphone Warehouse and Clarks. This only accounts for 28.5% of the total units, with independent retail representing 71.5% of the total units. The independent offer is considered to be of low quality. The table below illustrates the provision of multiple retail and service outlets.

Table 6.2: Multiple Retailers

Category	No. of Outlets	% of Total Multiple Outlets	UK Average 2016 %
Comparison	42	45.6%	42.7%
Convenience	10	10.8%	11.2%
Retail Service	5	5.4%	9.2%
Leisure Service	25	27.2%	21.5%
Financial & Business Service	10	10.8%	15.2%
TOTAL	92	100.0%	100.0%

Source: GOAD Category Report (June 2017)

- 6.23 Despite the provision of comparison retail falling below the national average in terms of units and floorspace, **Table 6.2** above demonstrates that Woolwich is above the national average for multiple comparison retail (45.6%). Moreover, retail and leisure services are also above the national average with only financial and convenience goods falling below the national average.

Street and Covered Markets

- 6.24 Markets can make a significant contribution to a centre's overall vitality and viability. The most successful and viable markets not only complement the more traditional retail offer, but can also act as key 'anchors' helping to increase trips, footfall and expenditure across the centre as a whole.
- 6.25 The main street and covered markets in Woolwich are:
- **Plumstead Road Covered Market** features the Street Feast and comprises 8 street food traders, 3 bars and seating for up to 300 people. When the market is closed, the space is available for community events; such as a pop-up cinema, sports screenings and kids' clubs.
 - **Woolwich Market** is located on Beresford Square and is a council-run market which sells a range of value-led comparison goods and also includes some food stalls. This market operates every Monday to Wednesday 9am to 4pm, Thursday 9am to 1pm, Friday and Saturday 9am to 4.30pm.
 - **Royal Arsenal Farmers' Market** features traders such as bakers, greengrocers, cheesemongers and florists. This market is hosted every autumn and winter within the Grade II listed building. During the summer the market also runs along No. 1 Street. This market trades on the second and last Saturday of every month.
- 6.26 In summary, Woolwich generally has a good provision of markets that offer a range of goods to supplement the town's wider convenience and comparison offer. However, from our site visits we observed that the layout of the Woolwich Markets was poor, and the Beresford Square appeared to be significantly underutilised. In our judgement there could be potential to introduce new cafés and restaurants in the buildings around the square to help create a more attractive and active space during the daytime and evenings.

Prime Zone A Rents

- 6.27 Prime Zone A Rents in Woolwich were estimated to be £90 per square foot (psf) in mid-2017. This represented no change from the 2016 reported rents. Current Prime Zone A's are higher when compared to other centres in the Borough; such as Eltham (£50 psf) and Thamesmead (£25 psf).
- 6.28 The table below summarises the change in rents per annum since the end of 2003 to mid-2017 in Woolwich, with positive growth of +3% recorded for the period from 2012 to 2017.

Table 6.3: Prime Zone A Rents in Woolwich

Prime Rents	Change (% per annum)
Change mid 2003 – end 2008	+5.6
Change mid 2008 – end 2012	-2.2
Change mid 2012 – mid 2017	+3.0

Source: PROMIS PMA

Retailer Demand

- 6.29 **Table 6.4** below sets out the requirements from retail and leisure operators for representation in Woolwich, as listed by the latest available *Requirement List* (February 2018). There were 12 operators with published requirements at February 2018; equivalent to a total minimum floorspace of 3,290 sqm gross. This compares with 14 requirements listed by the 2008 study. The majority of the retailers with requirements are value-led or discount operators⁴¹.

Table 6.4: Retailer Demand

Operator	Category	Use Class	Minimum Floorspace (sqm)	Maximum Floorspace (sqm)
Carpetright	Comparison	A1	140	370
Wilko	Comparison	A1	280	1,390
Poundworld	Comparison	A1	465	1,860
Topps Tile	Comparison	A1, B8	230	745
Five Pound World	Comparison	A1	185	465
Farmfoods	Convenience	A1	560	745
Lidl	Convenience	A1	930	2,790
GDK	Leisure Service	A3	85	140
KFC	Leisure Service	A3	240	280
Papa Johns	Leisure Service	A5	80	90
Supercuts	Retail Service	A1	55	70
Vaporized	Retail Service	A1	40	170
TOTAL	12		3,290	9,115

Source: The Requirements List (February 2018)

- 6.30 It should be noted that CJ's retail agents have not identified any significant demand from operators for representation in Woolwich in addition to those listed in the *Requirements List*. Furthermore, since the latest requirements list was published, Carpetright has announced that it is to close some 92 of its estimated 400 stores across the UK⁴². Furthermore, at the time of finalising this study, Poundworld has also announced it is to close its 335 stores, with the loss of 5,100 jobs, after it was forced into administration in June 2016. Thus although the market demand information was correct at the time of preparing this study, it should be read with caution.

Customer Views and Perceptions

- 6.31 We have drawn on the findings of the household telephone interview survey (HTIS) to help gauge customers' views and perceptions of the Town Centre as a place to shop and visit for a range of leisure uses and other

⁴¹ It should be noted that Wilko has a stated requirement for between 280 sqm and 1,390 sqm gross in Woolwich, but they are already represented in the town centre. As described in **Section 5**, this may be explained by the fact that Wilko is seeking a larger store in the town centre to complement or replace its existing stores, or it could reflect Wilko's wider requirements for another store or stores across the Borough area.

⁴² Source: <https://metro.co.uk/2018/04/12/carpetright-stores-closing-92-store-closures-across-uk-7460825/>

activities. The main responses with regard to the town centre generally and the street market specifically are summarised below.

Woolwich Town Centre

- 6.32 The survey results show that the majority (73.7%) of respondents from the Study Area never visit Woolwich. Of those who do visit from the Study Area, 4.1% visit one day a week, and 3.3% visit 2-3 days a week. Similarly, 52.7% of respondents from the Borough never visit Woolwich, with 9.6% visiting one day a week and 7.6% who visit monthly. In contrast, 20.3% of respondents from Woolwich's Core Zone⁴³ (Zone 3) visit 2-3 days a week, 16.6% visit one day a week, and 15.8% visit daily.
- 6.33 In terms of what people 'like' about Woolwich Town Centre, the most frequently raised attractions are summarised in **Table 6.5**.

Table 6.5: Top features respondents liked about Woolwich Town Centre

Aspects	Responses from Woolwich (Zone 3)	Responses from the RBG (Zones 1 - 8)	Responses from the Study Area (Zones 1-13)
Close to home	43.5%	26.4%	20.1%
Nothing / very little	24.7%	29.4%	31.5%
Good food stores	12.4%	9.3%	6.9%
Good range of non-food shops	9.9%	11.6%	11.6%
Attractive environment / nice place	9.1%	9.2%	8.7%
Good facilities	5.9%	4.0%	2.6%
Close to friends or relatives	4.1%	1.7%	2.2%
Good range of services	3.0%	2.1%	1.4%
Good range of independent shops	2.8%	4.1%	5.6%
Familiarity	1.9%	0.9%	0.6%

Source: Household Survey

- 6.34 As **Table 6.5** shows, the majority of respondents (43.5%) from Woolwich's Core (Zone 3) like the centre because it is close to where they live. Other popular responses included the good food stores (12.4%) and the range of non-food shops (9.9%). The responses from the Study Area were similar, with the highest response indicating there is nothing they like about Woolwich Town Centre (31.5%).
- 6.35 Respondents were also asked what improvements to the town centre encourage them to visit more. In response some 41.2% of respondents from Woolwich's Core Zone (Zone 3) stated 'nothing'. Other popular responses included more national multiple shops (27.0%), more or better comparison retailers (8.9%) and more security or better safety (7.9%). Other popular responses from the Study Area included cleaner streets (2.9%) and more and better parking (2.2%).

Woolwich Street Market

- 6.36 Respondents were also asked questions on the relative offer and attraction of the markets. The responses show 38.5% of respondents from Woolwich's Core Zone (Zone 3) visit the market, whilst 61.5% do not. Across the wider Study Area the majority of respondents (90.5%) do not visit the market.
- 6.37 In terms of what people 'like' about Woolwich Street Market, the most frequently raised themes are shown in **Table 6.6**.

⁴³ For the purposes of this Study and due to the geography of the area, the 'Core Zone' relates to the area in which the centre is most prominently located.

Table 6.6: Key features respondents liked about Woolwich Street Market

Aspects	Responses from Woolwich (Zone 3)	Responses from the RBG (Zones 1-8)	Responses from the Study Area (Zones 1-13)
The food stalls	35.3%	32.1%	28.4%
Near / convenient	25.9%	13.1%	14.2%
Good prices / cheap	14.7%	8.7%	7.5%
Nothing	13.7%	15.8%	16.8%
Quality of the non-food products	10.4%	4.5%	4.5%
Different types of markets (i.e. antiques, farmers market)	8.9%	5.5%	5.1%
Don't know	6.9%	6.5%	6.5%
The variety of stalls	6.2%	14.3%	16.2%
The places to eat	3.8%	6.4%	5.9%
Quality of the food products	1.3%	9.9%	8.5%

Source: Household Survey (Appendix 12)

- 6.38 As **Table 6.6** shows (derived from the HTIS – **Appendix 12**) the majority of respondents (35.3%) from Woolwich's Core Zone like the food stalls. Other popular responses included the fact it is near and convenient (25.9%) and the price of goods (14.7%). Some 13.7% stated they liked nothing about the market. Similar responses from the Study Area were recorded, with other popular responses including the variety of stalls (16.2%).
- 6.39 In terms of what type of stalls respondents normally visit, the highest responses are indicated below:
- **Food and Grocery** - 57.2% from the Woolwich's Core Zone and 58.0% from the Study Area;
 - **Clothing and Footwear** - 8.6% from the Woolwich's Core Zone and 10.1% from the Study Area; and
 - **Florist** - 5.1% from the Woolwich's Core Zone and 1.7% from the Study Area.
- 6.40 Respondents were also asked what improvements to the markets would encourage them to visit more often than they currently do. In response some 41.1% of respondents from Woolwich's Core Zone (Zone 3) stated 'nothing'. Other popular responses included a better variety of stalls (15.9%), the addition of more non-food stalls (12.9%) and more fishmonger stalls (10.3%). Other popular responses from the Study Area included a larger market (8.5%) and cleaner streets (6.5%).
- 6.41 The survey results do therefore indicate the potential to improve the quality and offer of Woolwich's markets to help complement and strengthen the town's wider retail offer.

Environmental Quality

- 6.42 Based on our site visits we consider that whilst Woolwich has an adequate town centre environmental quality, there is still significant scope in our view for improvements to the public realm and built/green environment.
- 6.43 The General Gordon Square acts as a focal point for the Town Centre and provides a large open space for community events and gatherings, but it is a 'hard' landscape that in our judgement would benefit from more planting and seating areas.
- 6.44 Beresford Square hosts the Woolwich Market and the Royal Arsenal Gatehouse forms an attractive building that fronts onto the square to create an enclosed open space. However the market and square appeared to be under-utilised at the time of our site visits.
- 6.45 Along Powis Street, the pedestrianised streets, seating and tree planting provide a pleasant shopping environment. The active frontages positively contribute to the shopping experience.

- 6.46 The town's overall environmental quality is inevitably impacted upon by the large traffic flows around the Town Centre which negatively contribute to noise and pollution levels. The A206 also acts as a barrier which separates the Town Centre from the Royal Arsenal Riverside housing development. Despite this, we consider that legibility throughout the town reasonable, due to the presence of pedestrian crossings and wide pavements.

Accessibility

- 6.47 Woolwich has a PTAL rating of 6b, the highest accessibility rating for areas in London. Woolwich benefits from good road links including the A206 and the S Circular Road.
- 6.48 As stated above, Woolwich is served by the Woolwich Arsenal train station which provides Southeastern services to London Cannon Street, London Bridge, Gillingham and Dartford; as well as DLR services to Stratford International and Bank. Once Crossrail opens, Woolwich will also be very accessible to locations such as Bond Street; Westfield Stratford and Canary Wharf.
- 6.49 There are 17 bus services which operate from Woolwich Arsenal Station and Beresford Square. These include:
- 51 (towards Orpington Bus Station);
 - 178 (towards Lewisham Shopping Centre);
 - 54 (towards Elmers End Interchange);
 - 180 ((towards Lewisham Shopping Centre);
 - 380 (towards Belmarsh);
 - 291 (towards Woodlands Estate);
 - 496 (towards Erith);
 - 368 (towards Blackheath);
 - 177 (towards Peckham);
 - 244 (towards Abbey Wood);
 - 122 (towards Crystal Palace);
 - 99 (towards Bexleyheath Shopping Centre);
 - 96 (towards Woolwich);
 - 422 (towards Bexleyheath Bus Garage);
 - 161 (towards North Greenwich);
 - 53 (towards Whitehall); and
 - 472 (towards Thamesmead).
- 6.50 In terms of car parking, the table below outlines the provision and the number of spaces in the town centre.

Table 6.7 Car Parking in Woolwich

Car Park	Spaces
Tesco Car Park, Grand Depot Road, Woolwich, London, SE18 6HQ	Not available
Wilko Car Park, Wilmount Street	Not available
Lidl Car Park	Not available
Woolwich Calderwood Street Car Park, Calderwood Street, London SE18 6QW	445 spaces, includes 17 disabled bays
Woolwich Monk Street Car Park, Monk Street, London SE18 6JT	41 spaces , including two disabled bays
Woolwich Powis Street Car Park, Powis Street, London SE18 6JL	68 spaces
Woolwich Arsenal Car Park	210 spaces
Woolwich Arsenal Station Car Park	106 including 3 disabled bays

Source: Parkopedia (2018)

- 6.51 We consider that Woolwich has a good provision of car parking. However, it is important to note that Woolwich as a centre is facing significant competition from shopping destinations that are served by extensive and free parking. For example the household survey results show that Charlton Riverside in particular is achieving a 19.9% comparison market share in Woolwich's PCA. In the context of this competition from existing and proposed out-of-centre retail and leisure facilities within and outside the Borough, it may be necessary to consider an incremental increase or retention of some parking in the town centre to meet the future needs of shoppers and operators for good convenience parking. This may also be needed for the town centre to remain competitive, particularly if the aspiration is for Woolwich to transition to a Metropolitan Centre over time (which would necessarily require a significant uplift in its retail and commercial floorspace). However, as set out in the

London Plan, it will be important to balance new development and prevent excessive car parking provision that can undermine cycling, walking and public transport use.

- 6.52 Woolwich has a high PTAL with numerous public transport links and good pedestrian flows. For example, there are numerous pedestrian crossings and a number of raised paving sections which allow pedestrians good access to the retail, business and leisure units. The General Gordon Square and Beresford Square allows users to cross the Town Centre with relative ease.

New Investment & Development

- 6.53 Woolwich Town Centre is expected to experience significant new investment, development and growth over the next decade. This is being driven by its important role as a key transport hub, which includes improvements to the existing DLR connections and the opening of the new Crossrail Station in late 2018. This new infrastructure, investment and development should help to revitalise the centre through the provision of new homes, along with new retail, commercial leisure and cultural/tourism uses.
- 6.54 The table below sets out the major known commitments (i.e. with planning permission and/or under construction) in Woolwich Town Centre at the time of preparing this study, as provided to by the local planning authority. These commitments comprise a mix of Class A1 (food and non-food) floorspace and represent a key input to the retail capacity assessment (see **Section 13** and **Appendices 9-10**)⁴⁴.

Table 6.8: Committed and future proposals in Woolwich

Site	Development	Planning Reference	Date of Permission
The Warren/Royal Arsenal - Laboratory Building (Phase 3)	Construction of new buildings and refurbishment of two royal laboratory buildings.	11/1632/F	09/03/2012
The Waterfront, Royal Arsenal	Outline planning permission for a mixed-use development at land adjacent to Beresford Street / Woolwich High Street. Any A1 floorspace will be comparison only.	13/0117/O	19/06/2013
38 Wellington Street, Woolwich	Demolition of existing buildings and the construction of a building comprising a lower ground level with five storeys.	13/2798/F	19/03/2013
Cornwallis Road - Crossrail (Over Station) Development	Construction of building to provide residential and non-residential floorspace at Woolwich Crossrail Station on former car park & units 12, 14-16 Gunnery Terrace	13/3307/F	01/04/2015
Royal Sovereign House - 40 Beresford Street	Construction of an additional two floors on the building for a change of use from office/training to retail/commercial and residential above.	15/0016/F	27/07/2017
Island Site, Wellington Street (Bathway Quarter)	Phased redevelopment and refurbishment for mixed use development.	16/2480/F	n/a
Royal Carriage Square (Buildings 10 & 11) - Woolwich Riverside	Change of use and alteration of two Grade II Listed Buildings to provide mixed use development.	16/2807/F	24/03/2017

⁴⁴ Please note that for some of the commitments and proposals there is no specific information as to the likely mix of A1-A5 floorspace and other uses. As a result we have necessarily applied our own judgements as to the mix of Class A1 (food/non-food), A2, A3-A5 and D uses based on the information available and current market conditions. A more detailed explanation is provided to Table 3 (**Appendix 9**) of the convenience goods capacity assessment, and Table 3 (**Appendix 10**) of the comparison goods capacity assessment.

6.55 There are also a number of other sites in the town centre that have been identified by the local planning authority as having the potential for mixed use development over the plan period; including new retail, commercial leisure, residential, office and town centre uses. Some of the key sites are listed below. It should be noted that some of these were 'live' applications the time of preparing this study, but had not been determined by the local planning authority (i.e. they could not be treated as 'commitments' for the purpose of the retail capacity assessment).

- **Spray Street Quarter** – The Spray Street SPD was adopted in February 2015, with the objective of creating a landmark high quality mixed use development on the site including retail, commercial and residential uses. A planning application (Ref: 18/0126/F) was submitted in January 2018 for the demolition of existing buildings and the construction of a comprehensive mixed use development comprising 742 residential dwellings (C3); 6,000 sqm of retail floorspace (Class A1-A3); 3,500 sqm of leisure, to include a Cinema (D2); a 650 sqm nursery (D1); 1,650sqm of business floorspace (B1); and a new public square and public realm. The application had not been determined by the local planning authority at the time of finalising this study.
- **Thomas Street/Love Lane** – The wider site is included as mu35 in the Core Strategy Addendum UDP Site Proposals Schedules for a residential, retail and/or business/employment uses. There are two 'live' applications on site that have not yet been determined by the local planning authority. In 2015, a planning application (Ref: 15/1267/RT) was submitted to extend the time limit for the submission of reserved matters for Phases 3 and 4 of 06/1751/O, with the balance of the maximum development permitted in Phases 3 and 4 up to 1,430sqm for Class A1/A3/A4/A5 uses and up to 2,500sqm for Class D1/B1 uses. In 2017, a full planning application (Ref: 17/2812/F) was submitted for Phases 3 and 4. This includes 1,056 sqm at ground and first floors in a Phase 3 tower (with 103 sqm of this specified as D1 and 260 sqm as B1) and 1,793sqm of Class A1/A3/B1 uses at ground and first floors in Phase 4. The applications had not been determined by the local planning authority at the time of finalising this study.
- **Glass Yard** – The Woolwich Town Centre Masterplan (adopted April 2012) identifies that the Waterfront Leisure Centre should move to a more central location in the town centre, close to the existing public squares. Future development at Glass Yard should incorporate a mix of uses with active frontages in order to open the site to the riverfront. The Council has identified the Wilko site fronting General Gordon Square as the preferred site for a relocated leisure centre.
- **Macbean Centre and former Woolwich Poly and Murrays Yard** – Included as mu9 in the Core Strategy Addendum UDP Site Proposals Schedules for mixed retail and town centre uses with residential above.
- **Land Enclosing Mortgramit Square** – Included as 'mu10' in the Core Strategy Addendum UDP Site Proposals Schedules for mixed retail and town centre uses with residential above.

6.56 It follows that the delivery of new retail, commercial leisure and town centre uses on these sites would help to meet the forecast need for new floorspace identified by the retail and leisure assessments over the short, medium and long term (see **Sections 13 and 14**).

Out of Centre Provision

6.57 The main out of centre retail (and other commercial) floorspace provision of relevance to Woolwich town centre is focused around the Bugsby's Way area at Charlton Riverside, located some 2-3km to the West of Woolwich, which comprises the following shopping facilities and stores:

- **Brocklebank Retail Park:** Aldi, Mothercare; Next; Primark; Wickes;
- **Charlton Place:** M&S and Sainsbury's;
- **Greenwich Shopping Park:** Boots; H&M; New Look; Outfit; Poundland; River Island; Homesense and others;
- **Peninsula Park:** Argos; CPW; McDonald's; Office Outlet; Pets at Home; Smyths Toys; TK Maxx; and
- **Stone Lake Retail Park:** B&M; Carpetright; Currys; Halfords; Harveys.

- 6.58 As highlighted in **Section 4**, Woolwich Town Centre faces significant competition from the out-of-centre retail and leisure offer at Charlton Riverside, which currently draws 19.9% of the comparison expenditure in the PCA. Part of the attraction of this area to retailers and shoppers is the good accessibility by road. The A2 links south-east London (and Kent beyond) to the City of London and Canary Wharf, via the Blackwall Tunnel. The area is also close to the residential populations of Blackheath, Charlton and Greenwich. Incremental development and growth of the retail facilities over the years and permissions for Open A1 retail (for example, Brocklebank Retail Park benefits from Open A1 retailing), have been assisted by the availability of redundant industrial land in large plot sizes and, until recently, the relative unattractiveness of the area for residential development.
- 6.59 The strong performance and market share of these out-of-centre shopping and leisure facilities, relative to the Borough's main town centres, will be further strengthened by the following permissions and commitments that were in the pipeline and/or under construction at the time of preparing this study:
- **Stonelake Retail Park (Ref: 14/3158)** – This scheme involves the amalgamation of Units 1A and 1B on the retail park to form a single retail unit and an additional 3,306 sqm of retail floorspace, along with mezzanine space and the use of part of the floorspace for an A3 café of 103 sqm. Permission was granted in December 2014 but development has not yet started. There have been two other applications at Stonelake Retail Park which were granted before 2012 (refs: 11/1269/F and 09/0628/F).
 - **IKEA at Millennium Retail Park, Greenwich Peninsula (Ref: 13/3285/O & 17/0672/R)** – The planned circa £100m redevelopment of the existing Sainsbury's Store (Number 55) and former Comet Store (Number 57) at Millennium Retail Park, Bugsby's Way, will provide a maximum of 33,000 sqm gross floorspace to accommodate a new IKEA store. This is currently under construction and upon completion IKEA will attract shoppers and expenditure from within the Borough and beyond.
- 6.60 It is inevitable that the scale, quality and choice of these retail and leisure facilities have impacted upon the performance of the Borough's main town centres over a period of years. In this context we note that when considering the application for the M&S and Sainsbury's units at Charlton Plan in late 2012 / early 2013, the Council took the view that although there would be impact upon Woolwich town centre, the provision of Crossrail in particular over the long term would help to ensure that investor confidence (in the town centre) would not be seriously harmed. It is, of course, too soon to tell if that will be the case. However in terms of generating retailer demand and meeting the retail hierarchy policy aspiration for Woolwich (to be a Metropolitan Centre), we consider such a decision could have a longer-term impact on market demand that was not necessarily fully understood at the time. By way of example, one of the objectors to the application (Powis Street Estates) suggested that M&S would vacate their store in Woolwich town centre if permission was granted (refer to the application committee report). M&S has subsequently closed their store in the town centre, although this may be explained by the company's wider rationalisation of its store portfolio across the UK.
- 6.61 As reported in **Section 3**, other major brands and retailers are reducing their presence on the high street, either in favour of larger format stores in out-of-centre locations or by increasing their market share and profitability via the internet. This is significantly reducing the pool of retailers and leisure operators available to town centre locations.

Metropolitan Centres - Benchmarking

- 6.62 As part of the health check for Woolwich we have also been asked by the Council to benchmark the centre against existing and proposed Metropolitan Centres to gauge an understanding of the relative scale and offer of centres above Woolwich in London's network and hierarchy of centres.
- 6.63 **Table 6.10** below outlines the existing and proposed Metropolitan Centres in the London Plan, and their national ranking based on VenueScore.

Table 6.10: Existing and Proposed Metropolitan Centres

Centre	Borough	Classification	Future Classification	Javelin Ranking (2017)
Kingston	Kingston	Metropolitan		18
Croydon	Croydon	Metropolitan		23
Bromley	Bromley	Metropolitan		38
Romford	Havering	Metropolitan		45
Sutton	Sutton	Metropolitan		82
Uxbridge	Hillingdon	Metropolitan		99
Ilford	Redbridge	Metropolitan		115
Ealing	Ealing	Metropolitan		127
Camden Town	Camden	Major	Metropolitan	127
Wood Green	Haringey	Metropolitan		132
Bexleyheath	Bexley	Major		156
Hounslow	Hounslow	Metropolitan		181
Lewisham	Lewisham	Major	Metropolitan	181
Woolwich	Greenwich	Major	Metropolitan	274

Source: Draft London Plan (2017) and Javelin VenueScore

- 6.64 The two nearest centres, in terms of both location and scale, are Bexleyheath and Lewisham. In policy terms these centres are also defined as Major centres within the London Plan, but are significantly above Woolwich in the national rankings. Lewisham is also identified as having the potential to move up the retail hierarchy to Metropolitan status. The nearest defined Metropolitan Centre is Bromley (ranked 38th), located to the Southwest of the Borough. In our view it should represent a reasonable ‘comparator’ centre in terms of the scale and offer of what Woolwich may need to aspire to.
- 6.65 In this context we have therefore benchmarked Woolwich against Bexleyheath, Bromley and Lewisham, based on a number of key criteria (see **Table 6.11** below)⁴⁵. For consistency, all the data for the centres has been taken from the recently published 2017 *London Town Centre Health Check Analysis Report* (GLA, January 2018):

Table 6.11: Woolwich Benchmarked against Bexleyheath, Lewisham and Bromley based on Key Performance Indicators

Data-set	Woolwich (Major Centre)	Bexleyheath (Major Centre)	Lewisham (Major Centre)	Bromley (Metropolitan)
Total gross retail floor space (A1-5)(sq.m.)	48,313	49,490	63,952	114,678
Total number of retail units (A1-5)	185	139	197	295
Comparison retail floor space (sq.m.)	27,823	35,170	46,232	99,118
Proportion comparison (%)	57.6%	71.1%	72.3%	86.4%
Recommended comparison threshold	50-75%	50-75%	50-75%	75%-100%
Number of comparison shop units	91	93	115	202
Average unit size (sq.m.)	306	378	402	491
Number of department stores	0	0	0	1
Department store floor space (sq.m.)	0	0	0	10,812
Vacant retail floor space (sq.m.)	6,140	3,470	3,770	5,950
Vacant retail floor space (%)	12.7%	7.0%	5.9%	5.2%
Vacant retail units	29	16	16	43
Vacant retail units (%)	15.7%	11.5%	8.1%	14.6%
Class A3 units	24	23	23	54
Class A4-5 units	31	15	32	28
Nightclubs	0	1	0	3

Source: GLA Health Check Data (2018)

- 6.66 As described in **Section 2**, the adopted London Plan defines Major and Metropolitan centres as follows:
- **Major centres:** typically found in inner and some parts of outer London with a Borough-wide catchment. They generally contain over 50,000 sqm of retail, leisure and service floor space with a relatively high

⁴⁵ Note: the floorspace thresholds exclude class B1 office floor space – see footnote 7, pp.17 of the 2017 Health Check Report].

proportion of comparison goods relative to convenience goods. They may also have significant employment, leisure, service and civic functions;

- **Metropolitan centres:** serve wide catchments which can extend over several Boroughs and into parts of the wider Southeast region. Typically they contain at least 100,000 sqm of retail, leisure and service floor space with a significant proportion of high-order comparison goods⁴⁶ relative to convenience goods. These centres generally have very good accessibility and significant employment, service and leisure functions.

- 6.67 Table A2 in Appendix 2 (*Town Centre Classification Thresholds*) to the 2017 London Town Centre Health Check Analysis Report⁴⁷ sets out more detailed criteria against which the performance (and hence classification) of centres that have been assessed. For example, Major Centres are suggested as generally comprising between 25,000–65,000 sqm of occupied retail floor space (of which 50-75% should be for comparison purposes), whereas Metropolitan Centres have a minimum of 65,000 sqm occupied retail floorspace (of which at least 75% should be for comparison purposes).
- 6.68 It is apparent that comparison retail is considered the key driver in Town Centre classification. International and Metropolitan centres, as well as CAZ frontages continue to be dominated by comparison retail; whereas Major and District centres have greater convenience and service retail. This is because larger comparison stores tend to be focused in larger Town Centres.
- 6.69 On that basis Woolwich would need to add a significant amount new retail comparison floorspace (i.e. more than doubling its existing stock of circa 27,823 sqm) over the plan period in order to meet the current Metropolitan definition. Indeed, it is apparent that Woolwich only just meets the criteria for a Major Centre classification at present; albeit that development schemes are committed and/or proposed that may help to consolidate its position in this regard.
- 6.70 There would also, in our view, need to be a step-change in the quality of offer and environment in Woolwich town centre to enable it to attract the higher-order department stores and anchor retailers associated with London's other Metropolitan centres. Furthermore, this needs to be considered against the background of lower forecast growth in the economy and consumer spending (and particularly spending on the high street), and the dampening of retailer demand for space in centres principally due to the impact of the internet on shopping patterns and retailers' business strategies.
- 6.71 Furthermore, in order to deliver the quantum and quality of additional retail floorspace and offer required for Woolwich to achieve Metropolitan status over the long term, it would ideally be achieved through a single comprehensive retail and mixed use scheme in the town rather than necessarily through incremental separate developments. However, this presents further challenges in terms of allocating and assembling a site large enough to drive the wider regeneration of the town centre, not forgetting the market demand needed to drive a development forward. It will therefore be a difficult challenge for Woolwich to increase its floorspace, due to the significant competition it faces from out-of-town retail specifically at Charlton Riverside which draws 19.9% of its market share (See **Section 4**).

Summary

- 6.72 Below we summarise the key strengths and weaknesses of Woolwich Town Centre:
- Woolwich has a total (Goad) retail, leisure and service floorspace of 85,441 sqm, which is below the London Plan requirement of a Metropolitan Centre to have at least 100,000 sqm of floorspace.

⁴⁶ These are relatively expensive goods purchased less frequently such as clothes, electrical or products.

⁴⁷ Source: GLA https://www.london.gov.uk/sites/default/files/2017_london_town_centre_health_check_analysis_report_-_final.pdf

- It has a strong convenience offer based on total outlets and floorspace benchmarked against the national average. Tesco Extra and Lidl have helped to strengthen the town's offer, and they generate footfall and linked trips to the benefit of other shops and businesses.
- The town's food and convenience offer is further supplemented by a good independent offer, including the Royal Arsenal Woolwich Farmers' Market and Beresford Square Street Market.
- Woolwich's comparison offer is below the national average in terms of units and floorspace. If there are aspirations for Woolwich to be reclassified as a Metropolitan Centre, this under-provision will need to be addressed.
- Furthermore, the quality of the comparison offer is considered to be of low quality. The addition of major retailers would help to improve the offer, but this is subject to both economic and market demand, and identifying a significant development opportunities in the town centre to accommodate this demand.
- Charlton Riverside to the west of the Town Centre is a large and popular out-of-centre shopping location and includes key food retailers such as Aldi, Asda and Sainsbury's, and non-food operators including M&S, Mothercare, Next, Primark and (soon-to-be) Ikea. This acts as a major competition to Woolwich Town Centre.
- In terms of services, Woolwich has an above average figure in terms of units and floorspace for retail, financial and leisure service outlets. In summary, Woolwich has a large proportion of health and beauty services, a good provision of retail banks and an adequate offer in terms of cafés, restaurants and public houses.
- Woolwich has above average vacancy levels measured both in terms of units and floorspace. Given Woolwich's aspiration to reclassify as a Metropolitan Centre, we consider the centre is underperforming in terms of vacancy levels.
- There is a good provision of markets within Woolwich Town Centre. However, it was noted that the layout of the Woolwich Markets was impractical and the overall quality could be improved. The creative district plans at Beresford Square will significantly enhance this area.
- There are a total of 12 operators with published requirements in Woolwich town centre, representing a total minimum floorspace of 3,290 sqm gross. These include retailers such as Poundworld, Papa Johns and KFC.
- The household survey results indicated that the majority of respondents (31.5%) from within the Study Area indicated there is nothing they like about Woolwich Town Centre. When asked about improvements, popular responses included the need for more national multiple shops (6.6%), cleaner streets (2.9%), more or better parking (2.2%), more or better comparison retailers (2.1%) and more security or better safety (1.7%).
- Based on our site visits and audits of the centre we consider that Woolwich has an adequate environmental quality. However, a large volume of traffic passes through the centre and has a negative impact in terms of noise and pollution levels, and also in terms of connectivity and linkages across the town. For example, the A206 also acts as a barrier and separates the Town Centre from the Royal Arsenal Riverside housing development. Notwithstanding this, the pedestrianised streets, seating and tree planting on Powis Street provide a pleasant public space and environment. The General Gordon Square also acts as a focal point for the Town Centre and provides a large open space for community events and gatherings.
- There are also a number of committed and proposed investments and developments for the Town Centre that will help to improve the quality of the environment and its overall offer. However, the scale of development proposed will not be sufficient, by itself, to raise Woolwich from a Major to Metropolitan Centre as defined by the London Plan.
- The *Woolwich Creative District* is currently in the design stage and will create an attractive cultural and creative sector for the town centre on the Royal Arsenal

6.73 In summary, the health check assessment has demonstrated that overall Woolwich is performing adequately as a Major Centre, but it faces significant competition and challenges from existing and proposed out-of-centre retailing, higher order centres in the wider south-east region, and threats from the growth of internet shopping. Of particular note, when benchmarked against other Metropolitan and Major centres such as Bexleyheath,

Lewisham and Bromley, Woolwich falls behind in terms of its overall offer and quality as a retail and leisure destination. With this evidence in mind, the reality of Woolwich achieving Metropolitan status is therefore an ambitious one. We therefore recommend that Woolwich should focus on becoming the strongest and best performing shopping centre in the Borough first. It should also look to capitalise on its latent strengths; for example, the fact it is a waterside destination should be marketed to exploit tourism spend. Only once the centre improves its competitive position is it likely to achieve Metropolitan Centre status.

7 ELTHAM HEALTH CHECK

- 7.1 Eltham is defined as a 'Major Centre' in the Core Strategy (2014) and is located approximately 3.6km from Blackheath, 3.8km from Welling and 4.2km from Sidcup. The Eltham train station provides Southeastern services to London Cannon Street, London Victoria, Slade Green and Dartford.
- 7.2 Eltham is ranked 263rd in the 2017 Javelin Venuescore, above Woolwich. **Table 7.1** below outlines the ranking position of competing centres. Eltham performs well against nearby competing centres in terms of its overall rank, but falls below the larger centres of Lewisham and Bexleyheath.

Table 7.1: Competing Centres

Town Centre	Location Grade ⁴⁸	London Plan Classification	Venuescore Rank
Bexleyheath	Major	Regional	156 th
Lewisham	Sub-Regional	Major	181 st
Eltham	Sub-Regional	Major	263rd
Dartford	Sub-Regional	N/A	292 nd
Welling	Major District	District	558 th
Sidcup	District	District	819 th

Source: Javelin Venuescore (2017)

- 7.3 As a Major Centre Eltham is a sequentially preferred location for main town centre uses including retail development, leisure, entertainment facilities, certain intensive sport and recreation uses, offices, and arts, cultural and tourism uses (see **Policy TC1 Town Centres** and **Policy TC3 Eltham Town Centre**).
- 7.4 A proportion of the Town Centre is designated as a Site of Nature Conservation (North West in the Town Centre) importance and a Conservation Area (south and south west in the Town Centre). There are a number of listed buildings in the Town Centre Boundary. The extent of the Town Centre Boundary, including the Primary and Secondary Shop Frontages are illustrated in **Figure 7.1** below.

Figure 7.1: Eltham Town Centre Boundary including primary and secondary frontages



Source: Royal Borough of Greenwich - Planning Policies Map (2014)

⁴⁸ Javelin Venuescore category

7.5 Based on our assessment, the Town Centre can be divided into the following commercial/shopping areas:

- **Eltham High Street:** The majority of the retail offer is located along the High Street. This linear street hosts a number of key anchors, most notably M&S, Lidl and the cinema complex (located on the former Poundland and which was under construction at the time of preparing this study) with restaurants including Nandos. A number of other prominent multiples are located along the High Street, including Peacocks, Holland & Barrett and Boots. The wide pavements and pedestrian crossings contribute to an attractive and positive shopping experience.
- **Passey Place:** This Street is located off the High Street to the east and is a key focal point that is predominantly pedestrianised. It benefits from a large and attractive open space, with seating and planting. This small public area is currently used as an event space for entertainment activities and the market. The Eltham GPO public house is located here, as well as the Argos store. We consider Passey Place is the prime location for leisure facilities such as cafés and restaurants that spill out onto the open space.
- **Pound Place:** This Street is located off Eltham High Street to the west and hosts the large Sainsbury's store, as well as leisure facilities such as cafés and restaurants. This area has recently benefitted from new investment in shop frontages and canopies.

Retail Composition & Diversity of Uses

7.6 Tables 3 and 4 (**Appendix 6**) summarise the retail and service composition of the centre in terms of total units and floorspace. The composition is based on the latest Experian Goad Category Report (July 2017). Plan 2 (**Appendix 6**) illustrates the extent of the Goad coverage. It should be noted that the area surveyed by Goad is not identical to the Council's identified Town Centre Boundary (TCB). As a result it is possible that the number of units set out in our analysis may not relate directly to the Council's defined centre boundary.

7.7 As the tables show there are currently some 217 retail, service and leisure outlets in Eltham trading from a total (Goad) floorspace of 52,543 sqm. This represents a fall in the number of outlets from the time of the previous 2019 study for the Council, but an increase in the total floorspace from 51,440 sqm.

Convenience Offer

7.8 There are 20 convenience units in the town centre as defined by Experian Goad, trading from a total floorspace of 7,813 sqm. This provision is above the national average in terms of units and floorspace.

7.9 Eltham's food provision is anchored by the Sainsbury's (located on Philipot Path); the Lidl (located on Eltham High Street) and the M&S (located on the High Street) that is well used by visitors of the Town Centre.

7.10 The convenience offer is further supported by three bakers/confectioners, 2 CTNs, 7 convenience stores, 2 grocers and delicatessens and 1 health food shop.

7.11 The Eltham Producers' Market also supports the convenience offer and provides a range of fresh produce.

7.12 In summary, we consider Eltham's food and convenience offer is relatively strong, due to the presence of the Sainsbury's and Lidl stores, which are further supplemented by the smaller convenience stores. Its provision is also above the national average in terms of number of units and floorspace.

Comparison Offer

7.13 There are 71 comparison goods retailers located within Woolwich trading from a total floorspace of 19,871 sqm. The number of outlets represents 32.7% of total units in the centre, which is slightly above the national average

of 31.2%. The current floorspace provision represents 14.8% of total floorspace in the centre, which is significantly below the national average of 34.8%.

7.14 In terms of its overall non-food provision the key headlines are:

- Across the different comparison sub-categories, the centre has a high representation of many categories including charity shops (10 units), footwear (5 units), ladies wear and accessories (2 units), telephones and accessories (7 units) toys, games and hobbies (3 units) and vehicle and motorcycle sales (3 units).
- There is an overprovision of charity shops and telephones and accessories shops. There are currently 10 charity shops within the centre which is equivalent to 4.6% compared to a national average of 2.7%, and 7 telephones and accessories shops which is equivalent to 3.2% compared to a national average of 1.4%.
- The M&S store (located on Eltham High Street) is well used by visitors and local residents. Other key multiple comparison retailers include Game, Peacocks and JD Sports.

7.15 In summary, we consider the comparison offer is adequate and almost in line with the national average in terms of units and floorspace. The M&S store is well used by residents and visitors to the Town Centre, and is an important anchor to the town's overall offer. There is an overprovision of charity shops and telephones and accessories shops.

Service Offer

7.16 There are 109 retail, financial and leisure service outlets in Eltham Town Centre, with a total floorspace of 20,735 sqm. Services account for 50.2% of all units and 39.3% of total floorspace, which is above the respective national averages of 48.7% and 39.4%.

7.17 The following provides a brief summary of provision across the different service categories:

- There are 37 **retail services**, which represent 17.1% of total outlets and is above the national average of 14.5%. This category is mostly made up of 26 health and beauty outlets; which is equivalent to 11.9% of units and is above the national average of 8.9%. Provision also includes 2 dry cleaners and launderettes, 3 opticians and a post office.
- In terms of **financial services**, there are 19 outlets, which represents 8.7% of total units which is below the national average of 10.3%. The Goad report shows that financial services include 6 retail banks (including Halifax and Nationwide) 5 property services, as well as 4 financial services and 3 legal services.
- There are 53 **leisure service** outlets, equivalent to 24.4% of total units, which is just above the national average trading from a total floorspace of 14,595 sqm. This is equivalent to 27.7% of the total floorspace in the centre, which is above the national average 24.9%. Leisure provision includes 13 cafes (representing 5.9% of the total units which is above the national average of 4.5%); 14 fast food takeaways (which represents 6.5% of the total units which is above the national average of 5.7%); 8 restaurants (representing 3.9% of the total units which is below the national average of 4.6%); and 6 public houses restaurants (representing 2.7% of the total units which is slightly above the national average of 2.6%).

7.18 There has been no cinema in the Town Centre for more than four decades following the closure of the ABC on the High Street in 1972. The last cinema in the town – the Well Hall Coronet – closed in 2000 and a gym opened in the former cinema in 2015. However, as we describe in more detail later in this section, a new 6-screen cinema (Vue), two ground floor restaurant units (identified for Nandos and Pizza Express) and a 'sky bar', along with associated public realm works at the former Poundland store are currently being developed on the High Street. The total estimated investment value is circa £20m and the scheme is scheduled to open in Spring 2019. The cinema, restaurants and bar will provide a significant boost to Eltham's daytime and evening economy.

7.19 In summary, we consider the range of services within Eltham Town Centre is adequate given its role and function as a Major Centre. Although there is an above average figure for leisure services in terms of floorspace, we consider there is an underrepresentation of quality restaurants. This shortage will be addressed, in part, by the

new cinema development, and by improving the food and beverage offer in key areas of the town centre; such as Passey Place for example.

Vacancies

- 7.20 The 17 vacant units in the centre are equivalent to a vacancy level of 7.8%, which is below the national average of 11.2%. The total vacant floorspace amounts to 4,124 sqm, which represents 7.8% of the total floorspace and is also below the national average of 9.7%. On this basis we consider that Eltham is performing relatively well benchmarked against national averages and Woolwich.

Multiple and Independent Retail Representation

- 7.21 There are some 82 multiple retailers in the town centre, which includes a number of key names such as Argos, Boots, WH Smith and Next. The provision of multiple retailers is in line with national average figures for all categories. Multiples represent 35.5% of all units and independents represent 65.5% of all units.

Table 7.2: Multiple Retailers

Category	No. of Outlets	% of Total Outlets	UK Average 2016 %
Comparison	40	48.7%	42.7%
Convenience	8	9.7%	11.2%
Retail Service	7	8.5%	9.2%
Leisure Service	18	21.9%	21.5%
Financial & Business Service	9	10.9%	15.2%
TOTAL	82	100.0%	100.0%

Source: GOAD Category Report (July 2017)

- 7.22 There is a relatively good and complementary mix of multiple and independent retailers, serving the centre and its catchment population which positively add to the attraction and character of the centre, and its overall vitality. In contrast to Woolwich, we consider that Eltham's independent offer is of a higher quality and attraction to the community⁴⁹.

Markets

- 7.23 Markets can make a significant contribution to a Town Centre's vitality and viability, helping to reinforce the existing retail offer and draw a different customer profile. There is only one market in Eltham Town Centre which is the **Farmers' Market / Producers' Market**. This is located in Passey Place, off Eltham High Street and offers a wide range of fresh produce from the South East. This market operates every fourth Sunday of the month from 10am to 3pm.

Prime Zone A Rents

- 7.24 Prime Zone A Rents in Eltham are estimated to be circa £50 per square foot. This represents no change from the levels recorded in 2016. Estimated rents are lower when compared to Woolwich (£90 psf), but higher than for Thamesmead (£25 psf). The table below summarises the change in rents per annum since the end of 2003 – mid 2017 in Eltham.

⁴⁹ For example, discussions with the Council indicated that the baby clothing store 'Bebebonito' and other independently run cafés are a key attraction to Eltham's town centre offer.

Table 7.3: Prime Zone A Rents in Eltham

Prime Rents	Change (% per annum)
Change mid 2003 – end 2008	0.7
Change mid 2008 – end 2012	-7.2
Change mid 2012 – mid 2017	0.0

Retailer Demand

- 7.25 **Table 7.4** below sets out the requirements from retail and leisure operators for representation in the town, as listed by the latest available *Requirement List* (February 2018). In summary, there are 12 operators with published requirements; equivalent to a total maximum floorspace of 3,645 sqm gross. This compares with 17 requirements identified by the 2008 study. Overall, the operators range in quality from discount retailers to Starbucks. The addition of some of these multiples would improve the town's overall offer.

Table 7.4: Retailer Demand

Operator	Category	Use Class	Minimum Floorspace (sqm)	Maximum Floorspace (sqm)
Warren James	Comparison	A1	65	140
Salvation Army	Comparison	A1	90	140
Poundworld	Comparison	A1	465	1,860
Farmfoods	Convenience	A1	555	745
Starbucks	Leisure Service	A1	140	185
ClockJack	Leisure Service	A3	155	230
Papa Johns	Leisure Service	A5	80	90
Vets4Pets	Medical Service	D1	140	185
Supercuts	Retail Service	A1	55	70
TOTAL		9	1,745	3,645

Source: The Requirements List (February 2018)

- 7.26 It should be noted that CJ's retail agents have not identified any additional requirements from retail and leisure operators over and above the published requirements. Furthermore, at the time of finalising this study, Poundworld has also announced it is to close its 335 stores, with the loss of 5,100 jobs, after it was forced into administration in June 2016.

Customer Views and Perceptions

- 7.27 We have drawn on the findings of the household telephone interview survey (HTIS) to help gauge customers' views and perceptions of the town centre as a place to shop and visit for a range of leisure uses and other activities.
- 7.28 The survey results show that the majority (64.3%) of respondents from the Study Area never visit Eltham. Of those who do visit, 9.5% visit one day a week and 5.1% visit monthly. In contrast, 40.0% of respondents from the Eltham's Core Zone (Zone 7) visit one day a week, 18.8% visit 2-3 days a week and 9.8% visit 4-6 days a week.
- 7.29 In terms of what people 'like' about Eltham Town Centre, the majority of respondents stated that it is close to home (28.7%). Other popular responses from the Study Area included the good range of non-food shops (12.1%), the attractive environment (10.6%) and the good range of High Street retailers (10.4%). A large proportion of respondents (21.9%) from within the Study Area indicated there is nothing they specifically like about Eltham Town Centre.

- 7.30 Respondents were also asked what, if anything, they would improve in Eltham that would encourage them to visit more. The majority of respondents across the Study Area stated 'nothing' or 'don't know' with a combined response rate of 77.4%. Respondents in Eltham's Core Zone (Zone 7) stated the addition of national multiple shops would improve the Town Centre (22.6%), as well as more or better parking (13.8%), more or better comparison retailers (10.8%) and free or cheaper parking (4.5%).

Environmental Quality

- 7.31 In our view Eltham Town Centre has a good environmental quality. A key focal point is Passey Place. This area is predominantly pedestrianised and benefits from a large and attractive open space, with seating and planting. This small public area is currently used as an event space for entertainment activities and the market.
- 7.32 Along the High Street, the street furniture, wave pavements and pedestrian crossings create a pleasant shopping environment for the user. The 'Eltham' sign also contributes to the sense of place and encourages civic pride in the town centre. Eltham also benefits from a number of historic and attractive buildings that contribute well to the overall environment.
- 7.33 Based on our site visits we found that the centre was generally clean and tidy throughout; with street lighting and litter bins well distributed across the centre. The majority of building facades are well kept, and the new cinema and restaurant scheme will significantly improve the overall attraction, look and appearance of the centre.
- 7.34 In terms of the key shortcomings, it is considered that the some frontages appear out-dated in their appearance and hence do not create a pleasant shopping environment; particularly on units 67 – 93 Eltham High Street. In our view the centre would also benefit from more green landscaping (e.g. trees, planting, etc.).

Accessibility

- 7.35 Eltham has a PTAL rating of 6a, the second highest accessibility rating for areas in London. There is one train station, which provides Southeastern services to London Cannon Street, London Victoria, Slade Green and Dartford.
- 7.36 There are 13 bus services which operate from Eltham Court Yard and Eltham High Street. These include:
- | | |
|--|---|
| ▪ 161 (towards North Greenwich); | ▪ 314 (towards New Addington); |
| ▪ B15 (towards Bexleyheath Shopping Centre); | ▪ 321 (towards New Cross Gate); |
| ▪ 296 (towards Ilford Broadway); | ▪ 233 (towards Swanley); |
| ▪ 180 (towards Lewisham Shopping Centre); | ▪ 160 (towards Sidcup Station); |
| ▪ B16 (towards Kidbrooke); | ▪ 126 (towards Eltham High Street); and |
| ▪ 162 (towards Eltham Station); | ▪ 132 (towards Bexleyheath Centre). |
| ▪ 124 (towards Eltham, Southend Crescent); | |
- 7.37 It also has good road links, including Eltham High Street and the A208.
- 7.38 The main car park is the Orangery Lane Car Park which has 96 spaces (including 3 disabled bays). Similar to Woolwich, whilst the car parking provision in the centre is good, we consider that in order for the Town Centre to compete effectively with out-of-centre shopping destinations, car parking will need to be increased to accommodate growth and the majority of customers travelling by car.

- 7.39 In terms of pedestrian accessibility within the town, there are numerous pedestrian crossings and a number of raised paving sections which allow pedestrians good access to the retail, business and leisure units.
- 7.40 In summary, Eltham is a highly accessibility centre, with numerous public transport facilities and good pedestrian flows.

Out of Centre Provision

- 7.41 There is a limited out-of-centre provision surrounding Eltham. The closest out-of-centre shopping facilities that are drawing shoppers and trade from the town's catchment are:
- **Bromley Road Retail Park** in Catford (approximately a 14 minute drive from Eltham Town Centre) includes the following operators: B&M Bargains, Dunelm, Harveys, Carpetright, Selco Builders, Toolstation and Wren Kitchens.
 - **Charlton Riverside** is approximately a 15 minute drive from Eltham Town Centre. It is a major destination for both comparison and convenience shopping (see **Section 4**). As highlighted in **Section 4**, Eltham Town Centre faces significant competition from the out-of-centre offer at Charlton, which currently draws 6.7% of the comparison expenditure in the PCA.
 - **Bell Green Retail Park** in Bell Green / Lower Sydenham is approximately a 23 minute drive from Eltham Town Centre and includes the following operators: B&Q, Currys PC World, McDonald's, Next, Pets at Home and Toys R Us.

New Investment and Development

- 7.42 The major investment in the town centre is the circa £20 million redevelopment of the existing building on Eltham High Street to provide a 3 (part 4-storey) mixed-use scheme consisting of a 6 screen cinema (Vue) and associated public foyer over basement, ground, first and second floors. There will be two ground floor restaurant units (identified for Nandos and Pizza Express) and one first floor commercial unit for a 'sky bar', along with associated public realm works at the former Poundland store (planning ref: 15/2152/F). The scheme is scheduled to open in spring 2019 and will result in a loss of 3,081 sqm of retail floorspace.
- 7.43 In addition to this, there are commitments at Kidbrooke Village Centre for new retail and commercial floorspace. The potential scale and mix of floorspace and uses are described in detail in the tables and footnotes appended to the retail capacity assessment (see **Appendix 9 and 10**).

Summary

- 7.44 In summary, the health check assessment has demonstrated that overall Eltham is a healthy centre that has promising investment and development occurring within the centre.
- 7.45 Based on the evidence, the key strengths and weaknesses of the centre in our view include the following:
- Eltham's convenience offer is considered good, with the provision exceeding the national average in terms of units and floorspace. The key convenience retailers include Sainsbury's, M&S and Lidl.
 - The comparison offer is adequate. The provision is nearly in line with the national average in terms of units and floorspace. The M&S store is well used by residents and visitors to the Town Centre, and is a key anchor to the town's overall shopping offer.
 - There is an overprovision of charity shops and telephones and accessories shops.
 - There is an above average provision of leisure services in terms of floorspace but we consider there is an under-representation of restaurants. This shortage could be addressed in key areas, such as Passey Place.

The new cinema (Vue) and branded restaurants (Nandos and Pizza Express) planned for the centre will also provide a significant boost to Eltham's daytime and evening economy.

- Vacancy levels in the centre are below the national average (for both outlets and floorspace), which is a positive indication that the centre is performing well and investor/business confidence is good.
- There is a good and complementary mix of multiple and independent retailers, with the provision of multiple retailers broadly in line with national averages. Shop front surveys also indicated that key independent retailers are performing well in Eltham.
- The Eltham Farmers' Market / Eltham Producers' Market. This is located in Passey Place and offers a wide range of fresh produce from the South East.
- There are 9 operators with published requirements for representation in the town; equivalent to a total minimum floorspace requirement of 1,745 sqm gross. These include retailers ranging from Poundworld, to Papa Johns and Starbucks.
- Based on our audit of the centre we consider its overall environmental quality to be good. Passey Place in particular provides an attractive open space for community events and the market. Eltham High Street has a pleasant shopping environment due to the street furniture, wide pavements, and pedestrian crossings. However units 67–93 High Street are out-dated in their appearance, contribute negatively to the Town Centre and would benefit from new investment.
- Eltham is a highly accessibility centre with a PTAL rating of 6a. There are 12 bus services and a train station that provides Southeastern services to London Cannon Street, London Victoria, Slade Green and Dartford.
- In terms of new investment, and as highlighted above, the development on Eltham High Street for a 6 screen cinema and 2 ground floor restaurant units will significantly help to revitalise the centre, increase footfall and promote a stronger early evening and night-time economy.

8 GREENWICH HEALTH CHECK

- 8.1 Greenwich is a popular centre serving the needs of its resident population, and a wider visitor and tourist market⁵⁰. It is located approximately 1.5km from Deptford, 1.9km from Blackheath, 2.2km from New Cross, 2.3 from Lewisham and 2.6k from Canary Wharf. It is served by a train station providing Southeastern services to London Cannon Street, Dartford and Crayford; and Greenwich DLR station providing services to Bank and Lewisham.
- 8.2 Greenwich is ranked 579th in the 2017 Javelin Venuescore. **Table 8.1** below outlines the ranking position of these nearby competing centres. Greenwich performs well against these centres but is significantly lower than Woolwich (ranked 274th) and Eltham (ranked 263rd).

Table 8.1: Competing Centres

Town Centre	Location Grade	London Plan Classification	Venuescore Rank
Lewisham	Sub-Regional	Major	181 st
Greenwich	Major District	District	579th
Deptford	Minor District	District	1,140 th
New Cross	Minor District	District	1,140 th
Blackheath	District	District	1,144 th

Source: Javelin Venuescore (2017)⁵¹

- 8.3 The Core Strategy (2014) designates Greenwich as a 'District Centre'. It is therefore a sequentially preferred location for main town centre uses including: retail development, leisure, entertainment facilities, certain intensive sport and recreation uses, offices, and arts, cultural and tourism uses (see **Policy TC1 Town Centres** and **Policy TC4 Greenwich Town Centre**).
- 8.4 A large proportion of the Town Centre is designated in a Conservation Area, as well as an area of historic landscape, World Heritage Buffer and a Flood Risk Area (Zone 3).
- 8.5 The extent of the Town Centre Boundary illustrated in **Figure 8.1** below. The figure also shows the extent of the defined Primary and Secondary Shop Frontages.
- 8.6 Based on our assessment, we have divided the town centre into the following distinct commercial/shopping areas:
- **Church Street / Greenwich Market:** This area is the focal point for the centre and provides the majority of the comparison, convenience and service facilities. A significant proportion of these units are independent, most notably the Greenwich Market which sells a range of goods including antiques, market food, art, crafts and fashion.
 - **Nelson Road:** This hosts a large proportion of services, including 6 restaurants (including chains such as Bills and Jamie's Italian) catering American, British, Chinese, Italian and Japanese cuisines. There is also a number of comparison goods found here, ranging from art and art dealers; crafts and gifts; furniture; greeting cards; ladies and men's fashion; and sports and leisure goods.
 - **Greenwich High Road:** This hosts a number of town centre uses including the post office, the Greenwich Picturehouse Cinema, a Sainsbury's Local and a large number of leisure services including cafés, bars, public houses, hotels and restaurants.

⁵⁰ It was reported that Greenwich has experienced a record number of tourists visits in the last year (Source: http://www.newsshopper.co.uk/news/16157647.Greenwich_had_more_tourists_visit_the_borough_last_year_than_ever_before/)

⁵¹ Venuescore is Javelin Group's annual ranking of the UK's top 3,000+ retail venues based on provision of multiple retailers including anchor stores, fashion operators, and non-fashion multiples, where each operator is given a weighted score to reflect its overall impact on shopping patterns and the attraction of centres.

Figure 8.1: Greenwich Town Centre Boundary including primary and secondary frontages



Source: Royal Borough of Greenwich Planning Policies Map (2014)

- **Cutty Sark Station:** This area is a small pedestrianised street which can be entered via Greenwich Church Street and Creek Road. It hosts a number of traditional high street brands and retail and leisure services including McDonald's, Superdrug, Waterstones, EE and Weatherspoon.

Retail Composition & Diversity of Uses

- 8.7 Tables 5 (**Appendix 6**) summarises the retail and service composition of the centre in terms of total units and floorspace. The composition is based on the latest Experian Goad Category survey (July 2017). Plan 3 (**Appendix 6**) illustrates the extent of the Goad area, although it should be noted that the plan shows the total area audited by Experian Goad which covers both Greenwich and East Greenwich Town Centres. Our analysis is based on Greenwich Town Centre area (i.e. excluding East Greenwich).
- 8.8 It should be noted that the area surveyed by Goad is not the same as the Council's own identified Town Centre Boundary (TCB). As a result, it is possible that the number of units set out in our analysis may not relate directly to the Council's defined boundary for Greenwich Town Centre.
- 8.9 As the table shows, Greenwich has 180 retail, leisure and service outlets, trading from a total (Goad) floorspace of 23,880 sqm.

Convenience Offer

- 8.10 There are 17 food and convenience units in Greenwich according to the latest Goad Report, trading from a total floorspace of 3,370 sqm. This provision is above the national average in terms of units, but below the average in terms of floorspace.
- 8.11 Greenwich's food provision is anchored by Waitrose (located on New Capital Quay) and M&S Simply Food (located on Cutty Sark Station). The convenience offer is further supported by 5 bakers/ confectioners, 7 convenience stores, 2 grocers and delicatessens and 2 health food shops.
- 8.12 Greenwich Market also supports the convenience offer and provides food stalls selling a range of hot food, as well as crafts, pictures and jewellery stalls.

- 8.13 In summary, we consider Greenwich's food and convenience offer is good, with the key anchors (M&S and Waitrose) further supplemented by smaller independent convenience stores and the market.

Comparison Offer

- 8.14 There are 67 comparison goods retailers in Greenwich trading from a total floorspace of 5,050 sqm. The number of outlets represents 37.2% of total units, which is above the national average of 31.2%. The current floorspace provision represents 21.1% of total floorspace in the centre, which is below the national average of 34.8%. In terms of its overall non-food provision the key headlines are:
- There are 11 crafts/gifts/china/glass shops. This represents 6.1% of the total units and is significantly above the national average of 1.6%. This strong provision predominantly caters for Greenwich's visitor and tourist market.
 - There are also 10 arts/art dealers in the centre which attract customers and visitors from further afield. Current provision is equivalent to 5.5% of total units and is above the national average of 0.6%.
 - Independent businesses account for approximately 85% of the centre's comparison retail offer, with only 10 units classified as multiples. The majority of the multiple retailers are located on Greenwich Church Street, Greenwich South Street and Greenwich High Road; including a M&S foodhall, Waterstones, Superdrug and Oliver Bonas.
 - The overall quality of the comparison provision is considered to be good, due to the range of independent operators and boutiques. Although the comparison offer is below the national average in terms of floorspace (which may be due to the size of the centre restricting larger fashion stores), the overall range of quality of the comparison provision is good, and explains why there is a greater proportion of smaller independent boutiques for fashion, gifts or sweets.
 - Greenwich's comparison offer is further supplemented by the Greenwich Market⁵² which sells a range of arts (18 stalls), crafts (54 stalls), antiques and collectables (11 stalls), jewellery (18 stalls), fashion (33 stalls) and children's goods (12 stalls). The overall offer is considered to be of good quality, which is considered to be the main draw to the town centre.
 - In terms of shortcomings, Greenwich could benefit from the addition of higher end fashion multiples to complement the current offer provided in the centre.

- 8.15 In summary, we consider the comparison offer is good. The provision is above the national average in terms of number of units, but below in terms of floorspace. The offer is dominated by craft and gift shops, which is unsurprising given Greenwich's tourism offer and role as a historic Town Centre. The market complements the independent offer within the Town Centre. As mentioned above, the addition of higher end multiple retailers could benefit the centre and build on its provision which is currently lacking multiple retailing.

Service Offer

- 8.16 As Table 5 (**Appendix 6**) shows, there are 89 retail, financial and leisure service outlets in Greenwich Town Centre, which is equivalent to a total floorspace of 14,400 sqm. Services account for 49.3% of all units and 60.3% of total floorspace, which is above the respective national averages of 48.7% and 39.4%.
- 8.17 The following provides a brief summary of provision across the different service categories:
- There are 13 **retail services**, which represent 7.2% of total outlets trading from a total floorspace of 940 sqm. These figures are both below the respective national averages of 14.5% and 6.8%. This category is mostly made up of 8 hairdressing and beauty salons; which is equivalent to 4.4% of units and is below the national average of 8.9%. Provision also includes 2 dry cleaners, a post office, a tattooist and a film developing shop.

⁵² Source: <https://www.greenwichmarket.london/guide>

- In terms of **financial services**, there are 15 outlets, which represents 8.3% of total units which is below the national average of 10.3%. The total floorspace is 2,030 sqm, which represents 8.5% of total floorspace and is above the national average of 7.7%. The Goad report shows that financial services include 11 estate agents; 3 retail banks (including HSBC and Royal Bank of Scotland), and a printing and copying service.
- There are 61 **leisure service** outlets, equivalent to 33.8% of total units, which is above the national average trading from a total floorspace of 11,430 sqm. This is equivalent to 47.8% of the total floorspace in the centre, which is significantly above the national average 24.9%. Leisure provision includes 13 cafes (representing 7.2% of the total units which is above the national average of 4.5% and includes chains such as Starbucks), 6 fast food takeaways (including a McDonald's), 19 restaurants (representing 10.5% of the total units which is above the national average of 4.6% and includes chains such as Bills and Jamie Oliver), and 8 public houses restaurants (representing 4.4% of the total units which is above the national average of 2.6%). There is one cinema (Greenwich Picturehouse) and two casinos and betting offices.

8.18 In summary, we consider that Greenwich has a relatively good leisure offer. Although its retail and financial services provision is below the national average in terms of units and floorspace, there is a good range of leisure services including cafés, public houses and restaurants throughout the centre. These act as a major attraction for the centre as a whole serving both its catchment population and the wider visitor and tourist market.

Vacancies

8.19 There were seven recorded vacant units in 2017. This is equivalent to a vacancy level of 3.8%, which is significantly below the national average of 11.2%. The total vacant floorspace amounts to 1,060 sqm, which represents 4.4% of the total floorspace and is also below the national average of 9.7%. In summary, we consider that Greenwich is performing well as a centre in terms of vacancy levels.

Multiple and Independent Retail Representation

8.20 There are some 46 multiple retailers in the centre which represents 26.2% of the total units. This includes a number of high profile multiples, such as M&S, Greggs, Sainsbury's and EE. A significant proportion of independent retailers / service providers (133 units) are also present, equivalent to 73.8% of total units. The table below illustrates the provision of multiple retail and service outlets.

Table 8.3: Multiple Retailers

Category	No. of Outlets	% of Total Outlets	UK Average 2016 %
Comparison	10	21.7%	42.7%
Convenience	4	8.7%	11.2%
Retail Service	1	2.2%	9.2%
Leisure Service	23	50.0%	21.5%
Financial & Business Service	8	17.4%	15.2%
TOTAL	46	100.0%	100.0%

Source: GOAD Category Report (July 2017)

8.21 Comparison, convenience and retail services are all below the national average, with comparison significantly below (21.7% in contrast to 42.7%). The majority of multiple retailers are clustered around Cutty Sark station and include Superdrug; EE and Waterstones. The addition of multiples would be subject to market interest and demand, and the availability and suitability of sites to accommodate any demand. In summary, we consider that there is a shortage of multiple retailers in the town, particularly comparison goods retailers. Although the independent offer is strong (due to the presence of small boutiques and the market), we consider the addition of multiple retailers would positively add to the attraction and character of the centre, and its overall vitality.

Markets

- 8.22 Greenwich Market is located off Church Street and is a privately run covered market, which sells arts and crafts, antiques and collectables, seasonal produce and food-to-go. This market was granted a Royal Charter in 1700 and operates Tuesday to Sunday 10am to 5.30pm except for Friday when the market is open 10am to 7.30pm. This market is extremely popular with visitors and acts a major attraction for the Town Centre. It is the only historic market in London that is located within a World Heritage Site⁵³.

Prime Zone A Rents & Retailer Demand

- 8.23 Prime Zone A Rents were not available for Greenwich⁵⁴. **Table 8.4** below sets out the requirements from retail and leisure operators for representation in the town, as listed by the latest available *Requirement List* (February 2018). In summary, there are 37 operators with published requirements; equivalent to a total minimum floorspace of 7,380 sqm gross. This is the same number of requirements as identified by the 2008 study.
- 8.24 These operators include Lidl, Wilko, Five Guys and Snap Fitness. Overall, we consider that the operators seeking representation in Greenwich are of a good quality and would help to strengthen the centre's overall vitality and viability as a shopping, leisure and visitor/tourist destination.

Table 8.4: Retailer Demand

Operator	Category	Planning Class	Minimum Floorspace (sqm)	Maximum Floorspace (sqm)
Savers	Comparison	A1	140	280
Carpentright	Comparison	A1	140	370
Wilko	Comparison	A1	275	1,395
Mind	Comparison	A1	80	140
Holland & Barrett	Comparison	A1	90	650
Salvation Army	Comparison	A1	90	140
British Heart Foundation	Comparison	A1	75	140
Poundworld	Comparison	A1	465	1850
Lidl	Convenience	A1	930	2,785
Majestic Wine	Convenience	A1	140	325
Taj The Grocer	Convenience	A1	230	370
Gails Bakery	Leisure Service	A1	140	185
Caffé Nero	Leisure Service	A1	85	185
Starbucks	Leisure Service	A1	140	185
The Lounge Co	Leisure Service	A1	230	370
Admiral Slots	Leisure Service	A2, Sui Generis	90	275
Hache	Leisure Service	A3	110	185
Pizza Union	Leisure Service	A3	185	275
Five Guys	Leisure Service	A3	230	370
Balans Soho Society	Leisure Service	A3	230	370
The Crackle Den	Leisure Service	A3	45	110
KFC	Leisure Service	A3	240	275
Honest Burger	Leisure Service	A3	90	185
Porkys BBQ	Leisure Service	A3	90	275
Chip Nation	Leisure Service	A3, A5	25	140
Brew Dog	Leisure Service	A4	165	465
Brunning & Price	Leisure Service	A4	420	465
Beds & Bars	Leisure Service	A4	370	930
Wadworth	Leisure Service	A4	185	555
Be At One	Leisure Service	A4	140	230
Craft Brewery Operator	Leisure Service	A4	745	1855
Awesome Chips	Leisure Service	A5	25	45
Snap Fitness	Leisure Service	D2	370	930
Headmasters	Retail Service	A1	80	185
House Of Vapes	Retail Service	A1	25	70
Priority Plumbing	Retail Service	A1	230	325
Formula One Autocentres	Retail Service	B2	40	650
TOTAL		37	7,380	18,535

Source: The Requirements List (February 2018)

⁵³ Source: <https://www.greenwichmarket.london/guide>

⁵⁴ Please see **Section 5** of this study.

Customer Views and Perceptions

- 8.25 We have drawn on the findings of the household telephone interview survey (HTIS) to help assess customers' views and perceptions of the Town Centre as a place to shop and visit for a range of leisure uses and other activities. The following summarises the headline responses on the town centre and market.

Greenwich Town Centre

- 8.26 The survey results show that the majority (50.6%) of respondents from the Study Area never visit Greenwich. Of those who do visit from the Study Area, 9.9% visit monthly and 8.5% visit 3-4 times a year. Similarly, 46.7% from the Borough never visit Greenwich, with 10.3% visiting monthly and 10.2% visiting one day a week. In contrast, 26.8% of respondents from Greenwich's Core Zones (Zone 1 and 2) 26.8% visit one day a week, 13.7% visit 2-3 days a week visit, and 11.0% visit monthly.
- 8.27 In terms of what people 'like' about Greenwich Town Centre, the most frequently raised themes are shown in **Table 8.5**.

Table 8.5: Key features respondents liked about Greenwich Town Centre

Aspects	Responses from Greenwich (Zone 1)	Responses from the RBG (Zones 1-8)	Responses from the Study Area (Zones 1-13)
Attractive environment / nice place	39.2%	36.5%	38.0%
Close to home	26.9%	11.3%	6.5%
The market	10.2%	15.8%	17.7%
Good range of independent shops	15.5%	8.3%	9.6%
(Nothing / very little)	10.2%	10.4%	8.7%
Traditional	11.6%	10.1%	7.4%
Good pubs, cafés or restaurants	7.0%	16.1%	17.9%
Good range of non-food shops	6.8%	5.4%	3.4%
Good range of 'High Street' retailers / multiples	2.5%	4.2%	4.1%
Close to friends or relatives	0.0%	3.2%	1.9%

Source: Household Survey

- 8.28 As **Table 8.5** shows, the majority of respondents (39.2%) from Greenwich's Core Zones like the Town Centre because it has an attractive environment and is a nice place. Other popular responses included the fact that it is close to home (26.9%), the market (10.2%) and the good range of independent shops (15.5%). The responses from the Study Area were similar, with other popular results including the good range of pubs, cafés and restaurants (17.9%).
- 8.29 Respondents were also asked what, if anything, they would improve in Greenwich that would encourage them to visit more. 54.4% of respondents from Greenwich's Core Zones stated 'nothing' and 'don't know'. Other popular responses included more and better parking (13.2%), less traffic (9.1%), and free and cheaper parking (5.1%). Other popular responses from the Study Area included better public transport (4.3%).

Greenwich Street Market

- 8.30 Respondents were also asked questions about the Greenwich Street Market. The responses show 57.4% of respondents from Greenwich's Core Zones visit the market, with 42.6% who do not. A similar proportion of respondents from the Study Area visit the market (42.3%), with 57.7% of respondents who do not.
- 8.31 In terms of what people 'like' about Greenwich Street Market, the most frequently raised themes are shown in **Table 8.6**.
- 8.32 As the table shows, the majority of respondents (47.3%) from Greenwich's 'Core Zone' like the variety of stalls. Other popular responses included the different type of markets (15.6%), the 'nice/busy feel' (9.5%) and the food

stalls (12.5%). Similar responses from the Study Area were recorded, with other popular responses including the character of the market (13.9%).

Table 8.6 Key features respondents liked about Woolwich Street Market

Aspects	Responses from Greenwich (Zones 1 and 2)	Responses from the RBG (Zones 1-8)	Responses from the Study Area (Zones 1-13)
The variety of stalls	47.3%	38.7%	32.9%
Different types of markets	15.6%	15.0%	12.1%
Nice busy feel	12.7%	9.8%	9.5%
The food stalls	12.5%	11.7%	16.3%
(Don't know)	7.4%	5.7%	5.8%
The non-food stalls	6.5%	7.2%	3.8%
Quality of the food products	6.4%	6.5%	8.6%
Quality of the non-food products	5.9%	3.5%	3.7%
Products are unique / handmade	5.0%	3.0%	6.2%
The character of the market	4.7%	9.0%	13.9%

Source: Household Survey

8.33 In terms of what type of stalls respondents normally visit, the highest responses were as follows:

- **Food to go** - 23.4% from the Greenwich's Core Zone and 28.8% from the Study Area;
- **Arts and Crafts** - 14.8% from the Greenwich's Core Zone and 10.9% from the Study Area;
- **Gifts and Antiques** - 13.0% from the Greenwich's Core Zone and 10.6% from the Study Area;
- **Clothing and Footwear** - 6.5% from the Greenwich's Core Zone and 3.7% from the Study Area; and
- **Jewellery** - 2.3% from the Greenwich's Core Zone and 1.2% from the Study Area.

8.34 Respondents were then asked what, if anything, they would improve that would encourage them to visit the market more often. Some 82.7% of respondents from Greenwich's Core Zone stated 'nothing' and 'don't know'. The other popular responses included a better variety of stalls (5.1%), controlling the business of the market (4.2%) and modernisation (2.2%). Other popular responses from respondents in the Study Area included more, better and easier parking (3.1%).

Environmental Quality

8.35 Overall, based on our site visits it is apparent that Greenwich Town Centre has a good environmental quality. It has a number of historic and attractive buildings that make a significant contribution to the overall attraction and quality of the centre as a place to live, show, work and visit for a variety of uses and activities.

8.36 The centre is generally clean and tidy throughout. Street lighting and litter bins are evenly distributed across the centre. The majority of the shopping frontages and building facades are also well kept.

8.37 Greenwich Market is positioned within the middle of the Town Centre and contributes to the 'sense of place' and encourages civic pride.

8.38 The attractive signage and wide pedestrian pavements create a pleasant and legible shopping environment. The linkages to the large open space and riverside view at King William Walk also contribute positively to the identity of the Town Centre.

8.39 In terms of the key shortcomings, the traffic pollution contributes to the overall noise levels and negatively affects the visitors shopping experience. The centre could also benefit from green landscaping.

Accessibility

- 8.40 Greenwich has a PTAL rating of 5, the third highest accessibility rating for areas in London. As stated above, Greenwich is served by Greenwich train station providing Southeastern services to London Cannon Street, Dartford and Crayford; and Greenwich DLR station providing services to Bank and Lewisham.
- 8.41 There are 7 bus services which operate from Romney Road, Royal Hill and Creek Road. These include:
- 286 (towards Queen Mary's Hospital);
 - 129 (towards Cutty Sark);
 - 180 (towards Lewisham);
 - 386 (towards Blackheath Village);
 - 177 (towards Peckham);
 - 199 (towards Bellingham, Catford Bus Garage);
 - 188 (towards Russell Square);
- 8.42 Greenwich Town Centre also has good 'A' road links including the A200 and the A206.
- 8.43 The table below outlines the main car parks and spaces in the town centre.

Table 8.7 Car Parking in Greenwich

Car Park	Spaces
Greenwich - Burney Street Car Park	102 spaces, including 3 disabled bays
Greenwich - Park Row Car Park	92 spaces, including 2 disabled bays
Greenwich - Cutty Sark Gardens Car Park	70 spaces

Source: Parkopedia (2018)

- 8.44 In terms of pedestrian accessibility within the town, there are numerous pedestrian crossings and wide pavements which allow pedestrians good and safe access to the retail, business and leisure units.
- 8.45 In summary, Greenwich is a highly accessibility centre, with numerous public transport facilities and good pedestrian flows.

Out of Centre Provision

- 8.46 As highlighted in **Section 4**, the Borough's main centres – including Greenwich - are experiencing competition for shoppers and operators from out-of-centre retail and leisure facilities. In the case of Greenwich **Charlton Riverside** is a major destination for both comparison and convenience shopping (see **Section 4**) and is located under a 10 minute drive from the town centre.

New Investment and Development

- 8.47 There are four major new investments planned for Greenwich Town Centre, as follows:
- 13/0364/F – On 18 November 2013, planning permission was granted for the demolition of existing buildings and structures and redevelopment to provide 83 residential units, 1,800 sqm ground floor commercial (A1, A2, A3, D1 and D2) floorspace at 262-298 and 304 Creek Road.
 - 13/2725/F – On 5 March 2014, planning permission was granted for the demolition of existing building and construction of a part 4/part 6-storey building comprising of commercial space at ground and lower ground floors and eight 2-bed apartments at 139 Greenwich High Road.
 - 14/1775/F – on 9 December 2015, planning permission was granted for the demolition of the existing buildings and redevelopment to provide a part 6/part 10-storey building comprising 197sqm of retail floorspace (A1/A2/A3/D1) and 41 self-contained residential units at Holt Court.

- 16/3328/F – On 14 March 2017, planning permission was granted for the demolition of existing buildings and construction of a part 4/part 5 storey building including basement comprising flexible A1/A2/B1 at ground and lower ground floor level and 9 self-contained flats above at 258-260 Creek Road.

Summary

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

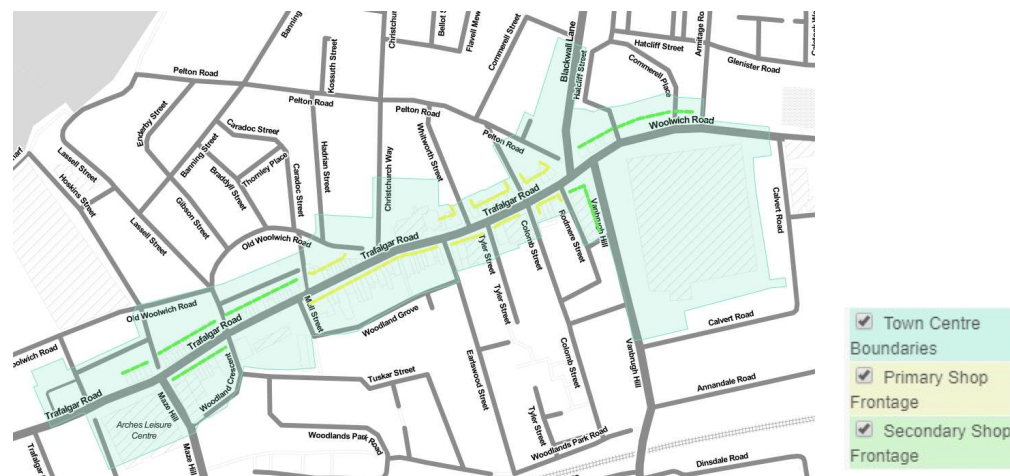
8.49 Based on the evidence, the key strengths and weaknesses of the centre in our view include the following:

- Greenwich's convenience offer is strong. Provision is above the national average in terms of units and floorspace. The offer is anchored by an M&S store and the Waitrose store and further supplemented by bakers/confectioners, convenience stores, grocers and delicatessens, health food shops and the Greenwich Market.
- Greenwich's comparison offer is unique and predominantly comprised of independent retailers, most notably small boutiques such as fashion or sweet shops. There is an overprovision of craft and gift shops, which is reflective of Greenwich's character, historic offer and tourism role.
- Services are below the national average in terms of the retail and financial offer, but significantly above the average in terms of leisure amenities. For leisure services, this category is largely comprised of cafés, restaurants, fast food takeaways and public houses. The majority of this provision is independent with multiples such as McDonald's, Starbucks and Weatherspoon. This stronger leisure provision also reflects the impact of the town's visitor and tourist economy.
- The vacancy rate is low with 3.8% when compared to the national average of 11.2%. There is a total of 1,060 sqm of vacant floorspace which represents 4.3% of total space and is also below the national average (9.7%). Greenwich is therefore performing well in the current retail market.
- The retailer representation is largely comprised of independent operators, representing 73.8% of the total units. The key multiples include M&S, Waterstones and Oliver Bonas.
- The Greenwich market significantly enhances the Town Centre's offer through its wide-ranging comparison goods stalls and offer.
- There are 37 retailers and leisure operators with published requirements for the centre; equivalent to a total minimum floorspace of 7,380 sqm gross. These include operators such as Lidl, Wilko, Five Guys and Savers.
- Based on our audits and sites visits we consider that the town's environmental quality is good. It is characterised by attractive street lighting, wide pavements and litter bins distributed throughout the centre. The attractive Greenwich Market signage and wide pedestrian pavements create a pleasant shopping environment and the historic buildings contribute well to the overall feel and quality of the Town Centre.
- The town centre is a constrained historic urban area, which makes it difficult to provide new suitable floorspace that meets the need of modern retailers.
- Finally, Greenwich functions as an important tourist destination due to the high-quality attractions including the market and leisure services such as the good range of cafés, public houses and restaurants. The unique historic and heritage offer also acts as a major attraction for visitors.

9 EAST GREENWICH HEALTH CHECK

- 9.1 East Greenwich is located approximately 1.2km from Greenwich Town Centre, 2km to Greenwich Peninsula and 3km from London City Airport. The centre is served by one train station (Maze Hill) which provides connections to London Cannon Street and Dartford.
- 9.2 The Core Strategy (2014) designates East Greenwich as a 'District Centre'. It is therefore a sequentially preferred location for main town centre uses including: retail development, leisure, entertainment facilities, certain intensive sport and recreation uses, offices, and arts, cultural and tourism uses (see **Policy TC1 Town Centres**).
- 9.3 All of the centre is located in a Flood Risk Area (Zone 3) and a small proportion (west of the Town Centre) is allocated within the World Heritage Site Buffer. The extent of the Town Centre Boundary, including the Primary and Secondary Shop Frontages are illustrated in **Figure 9.1** below.

Figure 9.1: East Greenwich Town Centre Boundary including primary and secondary frontages



Source: Royal Borough of Greenwich Planning Policies Map (2014)

- 9.4 Based on our assessment and site visits we have divided the centre into the following distinct commercial/shopping area:
- **Trafalgar Road:** This is the main shopping street and comprises the majority of retail and leisure services. Key anchors include the Co-op and Iceland stores. A large proportion of the centre's leisure services are also located along the road (such as cafés, restaurants and fast food outlets), a number of health and beauty services, as well as comparison goods (such as charity shops, electrical and other durable goods and hardware and household goods). The majority of these units are outdated in appearance and the offer is considered to be low in quality. There is also a high presence of vacancy located on Trafalgar Road, but this is to be expected given this is the main street in the centre where activity is clustered. The west of Trafalgar Road (where the old leisure centre is located) is allocated as Secondary Uses, whilst the middle / East section is allocated as Primary Uses.
 - **Woolwich Road:** This Street is allocated as a Secondary Shopping Frontage and includes comparison goods (a charity shop and cycle and accessories shop); two convenience stores; leisure services (including two fast food outlets; a public house and a restaurant) and other retail services.
 - **Lambarde Square:** This area consists of a new housing development, with ground floor uses including leisure facilities (e.g. the Greenwich Centre and the Greenwich Centre Library) and convenience uses (including a Sainsbury's Local). There is also a vibrant public square with generous planting that positively contributes to the centre's overall appearance.

Retail Composition & Diversity of Uses

9.5 Table 6 (**Appendix 6**) summarises the retail and service composition of the centre in terms of total units and floorspace. The composition is based on the latest Experian Goad Category Survey (July 2017). Plan 3 (**Appendix 6**) illustrates the extent of the Goad boundary. As described in **Section 8** for Greenwich Town Centre, the plan shows the total area audited by Goad which covers both Greenwich and East Greenwich Town Centres. However, for the purpose of our analysis, we have focussed on provision in East Greenwich only. It should also be noted that the area surveyed by Goad is not identical to the Councils' identified Town Centre Boundary (TCB), and as such, it is possible that the number of units set out in our analysis may not relate directly to the Councils' defined centre boundary.

9.6 The following sets out the headline findings of our analysis.

Convenience Offer

9.7 There are 16 food and convenience units in the defined East Greenwich survey area, trading from a total (Goad) floorspace of 2,740 sqm. This provision is above the national average in terms of both units and floorspace.

9.8 East Greenwich's food provision is anchored by a Co-op Supermarket, Sainsbury's Local, Tesco Express, M&S Simply Food (BP Garage) and Iceland (all located on Trafalgar Road). The convenience offer is further supported by a bakers/confectioner, 7 convenience stores, a grocers/delicatessen, a greengrocer, a frozen food shop and a health food shop.

9.9 In summary, we consider East Greenwich's convenience offer is adequate for a centre of its role and size in the Borough's network and hierarchy. The provision is above the national average, in terms of number of units and floorspace. The offer predominantly comprises small convenience stores, which meet the day-to-day needs of the local resident population. The centre's more local role is confirmed by the findings of the household survey and the market share analysis (see **Section 4**).

Comparison Offer

9.10 There are 17 comparison goods retailers in East Greenwich trading from a total floorspace of 1,840sqm. The number of outlets represents 13.9% of total units, which is significantly below the national average of 31.2%. The current floorspace provision represents 10.6% of total floorspace in the centre, which is also significantly below the national average of 34.8%. In terms of its overall non-food provision the key headlines are:

- Across the different comparison sub-categories, the centre has a good representation in a number of categories, including charity shops (5 units), chemists (3 units), electrical and other durable goods (3 units) and hardware and household goods (2 units).
- The centre has no representation of any fashion or clothing shops, although this is to be expected for a centre of its size, role and function.
- The 5 charity shops represent 4.1% of total outlets, which is above the national average of 2.7%.
- The 3 electrical and hardware stores represent 2.5% of total outlets, which is double the national average of 1.2%.
- The comparison offer is largely independent, with only 4 multiple retailers (namely Save the Children, DEBRA, Alliance Boots and Day Lewis).
- The overall independent offer is more value orientated.
- The majority of the comparison retailers are located on Trafalgar Road.

9.11 In summary, the centre's comparison offer reflects its role and function in the Borough's network and hierarchy of centres. Its comparison provision is significantly below the national average, in terms of number of units and

floorspace, with no representation of fashion or clothing shops. The offer is also more orientated towards the value/discount end of the market.

Service Offer

- 9.12 As Table 6 (**Appendix 6**) shows, there are 76 retail, financial and leisure service outlets in East Greenwich Town Centre, with a total floorspace of 7,250 sqm. Services account for 62.3% of all units which is above the national average of 48.7%; and 37.4% of the total floorspace, which is below the national averages of 39.4%.
- 9.13 The following provides a summary of provision across the different service categories:
- There are 25 **retail services**. This represents 20.5% of total outlets and is above the national average of 14.5%. This category is mostly made up of 17 health and beauty outlets; which is equivalent to 11.0% of units and is above the national average of 6.8%. Provision also includes 4 dry cleaners and launderettes, an optician, a filling station and a post office.
 - In terms of **financial services**, there are 13 outlets. This represents 10.7% of total units which is in line with the national average of 10.3%. The Goad report shows that financial services include 8 property services, as well as 2 building supplies and services, 1 financial service and 2 other business services.
 - There are 38 **leisure service** outlets, equivalent to 31.1% of total units, which is above the national average trading from a total floorspace of 4,100 sqm. This is equivalent to 25.6% of the total floorspace in the centre, which is above the national average 24.9%. Leisure provision includes 7 cafés (representing 5.5% of the total units which is above the national average of 4.5%), 13 fast food takeaways (which represents 10.6% of the total units, compared with the national average of 5.7%), 9 restaurants (representing 7.3% of the total units, which is also above the national average of 4.6%), and 3 public houses restaurants (representing 2.5% of the total units which is slightly below the national average of 2.6%).
- 9.14 In summary, East Greenwich has an above average provision of leisure services in terms of units and floorspace, with a relatively high representation of fast food and take away outlets. There is also a high representation of health and beauty outlets, but no representation of high street banks. Overall, we consider the range of services within East Greenwich Town Centre is adequate for a centre that predominantly serves the more frequent needs of its immediate resident population and passing car-borne trade.

Vacancies

- 9.15 There are 13 recorded vacant units across the centre. This is equivalent to a vacancy level of 10.7%, which is just below the national average of 11.2%. However, the total vacant floorspace of 5,450 sqm represents 34.0% of the centre's total floorspace, which is significantly above the national average of 9.7%. Our audit of the centre also identified a number of large vacant units. This is a cause for concern if the vacancies persist and will therefore need to be closely monitored.

Multiple and Independent Retail Representation

- 9.16 There are some 23 multiple retailers in the centre, representing 18.9% of the total units. This includes a number of key names such as Greggs, Domino's Pizza, M&S and Save the Children.
- 9.17 A larger proportion of independent retailers/ service providers are present in the town, with 99 units representing 81.1% of the total units.

Table 9.3: Multiple Retailers

Category	No. of Outlets	% of Total Outlets	UK Average 2016 %
Comparison	4	17.4%	42.7%
Convenience	6	26.1%	11.2%
Retail Service	3	13.0%	9.2%
Leisure Service	7	30.4%	21.5%
Financial & Business Service	3	13.0%	15.2%
TOTAL	23	100%	100.0%

Source: GOAD Category Report (July 2017)

- 9.18 In summary, the high representation of independent retailers in the centre reflects its role as a District Centre serving the day-to-day needs of its local population.

Markets

- 9.19 There are no markets within East Greenwich Town Centre.

Prime Zone A Rents & Retailer Demand

- 9.20 Prime Zone A Rents were not available for East Greenwich. There are also no published or known requirements of retailers or leisure operators currently seeking representation in East Greenwich Town Centre.

Environmental Quality

- 9.21 Overall, based on our audits and site visits, we consider that East Greenwich has an adequate environmental quality, although the busy main road (A206) that runs through the centre does have a negative impact on the overall environment, as it is noisy and unwelcoming to the pedestrian.
- 9.22 Based on our site visits we identified that the majority of shop frontages and buildings on Trafalgar Road are rundown and dated in appearance (for example, the Iceland Frozen food store). This creates an unattractive shopping environment.
- 9.23 Despite these drawbacks, the centre has a good provision of pedestrian crossings and pavements. In addition, there are a number of trees throughout the centre and particularly along Trafalgar Road that help to 'break down' the mass of tall the buildings. We recommend introducing more green landscaping and planting to help 'soften' the environment further.

Accessibility

- 9.24 East Greenwich has a PTAL rating of 4. The nearest train station is Maze Hill which provides connections to Dartford and London Cannon Street. There is also 7 bus services. These include:
- 422 (towards Bexleyheath Bus Garage);
 - 286 (towards Queen Mary's Hospital);
 - 180 (towards Lewisham Shopping Centre);
 - 386 (towards Blackheath Village);
 - 177 (towards Peckham);
 - 129 (towards Cutty Sark); and
 - 188 (towards Russell Square).
- 9.25 East Greenwich Town Centre has good 'A' road links; including the A206 and the Blackwall Tunnel Southern Approach.

- 9.26 There is only one car park in East Greenwich, which is located off Hawthorne Crescent.
- 9.27 In terms of pedestrian accessibility, there are numerous crossings and pavements which allow pedestrians good and safe access to the retail, business and leisure units.
- 9.28 In summary, East Greenwich is a relatively accessible centre, with numerous public transport facilities and good pedestrian flows.

Out of Centre Provision

- 9.29 Charlton Riverside is located approximately a 12 minute drive from East Greenwich Town Centre. As described previously, it is a major destination for both comparison and convenience shopping (see **Section 4**).

New Investment and Development

- 9.30 We are not aware of any planned investment or potential developments within East Greenwich.

Summary

- 9.31 In summary, the health check assessment has demonstrated that East Greenwich is fulfilling its role and function in the Borough's retail hierarchy, serving the day-to-day top-up food shopping and service needs of its local catchment population. However, there are some signs of "fragility" in its offer; principally the high level of vacant floorspace across the centre.
- 9.32 Based on the evidence, the key strengths and weaknesses of the centre in our view include the following:
- The convenience offer is adequate; key anchors include Iceland, Tesco Express, M&S and Coop. All these stores are relatively small and are located on Trafalgar Road.
 - The comparison offer is considered to be weak. The provision is significantly below the national average, in terms of number of units and floorspace, and the majority of the units are independent and of low quality. There is no representation of fashion or clothing shops. However, this is to be expected given the more local role and function of the centre meeting the daily needs of its local population.
 - In terms of service provision, there is an above average figure for leisure services in terms of units and floorspace, with a high representation of fast food and take away outlets and cafes. There is also a high representation of health and beauty outlets, but no representation of any retail banks.
 - Although the vacancy rate is slightly below the national average in terms of units, it is significantly above the national average in terms of floorspace.
 - The environmental quality is poor due to the busy and noisy A206 road. This significantly detracts from the overall shopping experience. Although there is presence of trees throughout the centre, we recommend to increase planting to balance the ratio between greenery and buildings.
 - The accessibility of the centre is adequate, with 7 bus services and one train station (Maze Hill) which provides connections to London Cannon Street and Dartford.

10 NORTH GREENWICH HEALTH CHECK

- 10.1 North Greenwich (or the 'Greenwich Peninsula') is served by one tube station (North Greenwich) which provides TfL Jubilee westbound services to Stanmore and eastbound services Stratford. North Greenwich is between Canary Wharf and Canning Town and is within Zones 2 and 3.
- 10.2 The O2 Arena is at the northern end of the Greenwich Peninsula and is an indoor arena and entertainment complex that provides worldwide events such as the ATP World Tour Finals and the BRIT Awards. The O2 Arena is classed as a leisure park and is ranked 968th in the 2017 Javelin Venuescore. **Table 10.1** below outlines the ranking position of these nearby competing centres.

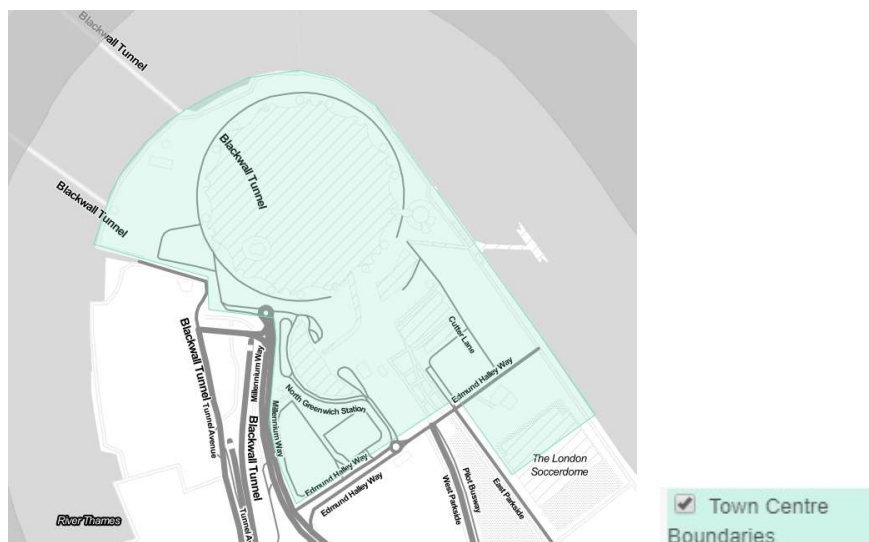
Table 10.1: Competing Centres

Town Centre	Location Grade ⁵⁵	London Plan Classification	Venuescore Rank
London Docklands	Regional	Major (Canary Wharf)	57 th
O2 Arena	District	District (Greenwich)	968^h
Canning Town	Local	District	1775 th

Source: Javelin Venuescore (2017)⁵⁶

- 10.3 The Core Strategy (2014) designates Greenwich as a 'District Centre'. It is therefore a sequentially preferable location for main town centre uses including retail, leisure, entertainment facilities, certain intensive sport and recreation uses, offices, and arts, cultural and tourism uses (see **Policy TC1 Town Centres** and **Policy TC5 North Greenwich District Centre**).
- 10.4 A large proportion of the Town Centre is within Flood Zone 3 and a Flood Risk Area. As well as this, the District Centre is next to Site of Nature Conservation Importance (the River Thames).
- 10.5 The extent of the Town Centre Boundary is illustrated in **Figure 10.1** below.

Figure 10.1: North Greenwich Town Centre Boundary including primary and secondary frontages



Source: Royal Borough of Greenwich Planning Policies Map (2014)

⁵⁵ Javelin Venuescore category

⁵⁶ Venuescore is Javelin Group's annual ranking of the UK's top 3,000+ retail venues based on provision of multiple retailers including anchor stores, fashion operators, and non-fashion multiples, where each operator is given a weighted score to reflect its overall impact on shopping patterns and the attraction of centres.

Retail Composition & Diversity of Uses

- 10.6 Experian GOAD has not surveyed North Greenwich. We have therefore necessarily relied on other data sources⁵⁷ and site visits to assess the centre's overall retail and leisure composition.
- 10.7 In summary, we have identified that North Greenwich has a small number of retail and leisure services that cater for the immediate visitors (i.e. Ravensbourne University students) and diverse visitors to the O2. The retail offer is therefore predominantly convenience in nature, with bars and restaurants that complement the O2 as an entertainment and leisure destination.
- 10.8 In terms of convenience goods, there is a Tesco Express located within the Peninsula Square. This provides convenience goods, an ATM machine and click-and-collect facilities. This store is well used by local residents and visitors during events at the O2.
- 10.9 With regards to services, there is an array of restaurants, pop-up restaurants, bars and coffee shops (including national chains such as Wagamama; Yalla Yalla; and Costa Coffee); as well as a gym (Better Gym) and an art gallery (NOW Gallery).
- 10.10 The O2 Arena is also located within the District Centre and is discussed below in terms of its retail and leisure composition and offer.

The O2 Arena

- 10.11 The O2 Arena is a leisure-led entertainment and restaurant destination, which caters to national and international visitors of the O2. In terms of comparison retail, there are 5 shops, including merchandise for events, the O2 shop and a newsagent. With regards to leisure services, there are 25 restaurants (offering American, British, Mexican, Italian, Portuguese and Oriental cuisines) and drinking facilities. The multiple chains include Nando's, Pizza Express, All Bar One and Frankie and Benny's. There is also a 11-screen cinema operated by Cineworld; a bowling facility (Hollywood Bowl); the various arenas (including the O2, Building Six and Indigo at the O2). Other entertainment facilities include the Nissan Innovation Station, Sky Studios and Up at The O2 Base and North Camp.

Vacancies

- 10.12 Due to the nature of the centre and its development status, as well as the absence of GOAD data, a vacancy rate is not available. However, from our site visit we have identified that vacancies are limited.

Multiple and Independent Retail Representation

- 10.13 As mentioned above, there are a large proportion of multiple operators located within North Greenwich.
- 10.14 The leisure services are dominated by national chains and include a number of key names such as ASK Italian, Five Guys and Starbucks. There is also a small number of independent operators, and there could be potential to increase this more independent offer to provide a wider variety and choice for visitors.
- 10.15 Notwithstanding this North Greenwich's role and function is to serve not just the immediate residents, but national and international visitor to the O2. On this basis the large presence of multiples significantly benefits the centre and contributes to its overall attraction, vitality and viability.

⁵⁷ These data sources included Google Maps and the O2 website.

Markets

- 10.16 There are no markets within North Greenwich.

Prime Zone A Rents & Retailer Demand

- 10.17 Prime Zone A Rents were not available for North Greenwich. There are also no published requirements available for North Greenwich.

Environmental Quality and Legibility

- 10.18 North Greenwich has an attractive and modern environment, which is largely dominated by the O2 and the wide open space surrounding North Greenwich tube station. Other attractive features include the waterfront and buildings, such as Ravensbourne University. These contribute to the centre as an entertainment and leisure destination.
- 10.19 North Greenwich is currently under significant redevelopment. Peninsula Place will regenerate the area and provide an attractive environment for the town centre. In particular, the PK5 running track will allow users to navigate around the centre via a pedestrianised track. This will enhance the overall legibility and usability of the centre.

Accessibility

- 10.20 North Greenwich has a PTAL rating of 5, the third highest accessibility rating for areas in London. As stated above, North Greenwich served by one train station (North Greenwich) which provides TfL Jubilee westbound services to Stanmore and eastbound services Stratford. There are 8 bus services which operate from Romney Road, Royal Hill and Creek Road. These include:
- 129 (towards Cutty Sark);
 - 422 (towards Bexleyheath Bus Garage);
 - 486 (towards Bexleyheath Shopping Centre);
 - 161 (towards North Greenwich);
 - 472 (towards Thamesmead);
 - 108 (towards Lewisham Shopping Centre);
 - 188 (towards Russell Square);
 - 132 (towards Bexleyheath Shopping Centre);
- 10.21 North Greenwich also benefits from the Blackwall Tunnel Southern Approach and the Emirates Air Line Cable Car providing access between North Greenwich and the Royal Docks. The table below outlines the car parks in the town centre. During the site visit, it was noted that the cost of car parks is high.

Table 10.6 Car Parking in North Greenwich

Car Park	Spaces
The O2 Car Park 1	1,400 spaces
The O2 Car Park 2	Not available
The O2 Car Park 3	Not available
The O2 Car Park 4	Not available
Coach Parking O2 Arena	900 spaces
North Greenwich London Underground Station	567 spaces

Source: Parkopedia (2018)

- 10.22 In terms of pedestrian accessibility within the town, the Peninsula Place development will include a 5km running track that loops around the development which will be used by runners and pedestrians. During O2 events, the centre can become crowded which stagnates the walkability and ease throughout the centre.

- 10.23 In summary, North Greenwich is a highly accessibility centre, with numerous public transport facilities and good pedestrian flows.

Out of Centre Provision

- 10.24 Charlton Riverside is located approximately a 10 minute drive from North Greenwich. It is a major destination for both comparison and convenience shopping (see **Section 4**).

New Investment and Development

- 10.25 There are two major schemes taking place within North Greenwich, as follows.

02 Designer Outlet Village

- 10.26 A Designer Outlet Village is under construction at the O2 and will provide approximately 20,000 sqm of retail (approximately 80 units) and 30,000 sqm of restaurants⁵⁸. The O2 currently generates circa 9 million visitors a year and the DOV is expected to generate an additional 3 million visits. The proposed DOV is scheduled to open in October 2018. The relevant permissions pertaining to this development are briefly outlined below and are covered in more detail in the commitments tables in **Appendix 9** and **10** (Table 3) and footnotes.

- On 1st July 2013, planning permission (**reference: 11/3033/O**) was granted for the development of 13,500 sqm of A1 retail floorspace within existing structure of The O2 for use in connection with a Retail Outlet Village.
- On 10th December 2014, planning permission (**ref: 14/1486/O**) was granted for the development of food and drink floorspace (Use Classes A3 and A4) within the existing structure of The O2 for use in connection with a Retail Outlet Village and the Entertainment District. It involves the addition of 7,540 sqm of A3 and A4 floorspace.
- On September 2016, a reserved matters application (**ref: 16/1933**) was granted for 702 sqm of A3/A4 floorspace, 4,605 sqm of D2 floorspace for an 8 screen extension to existing Cinema, 2,848 sqm for a new family orientated leisure use, as well as 1,404 sqm of A1/A3/A4 floorspace for 7 flexible retail/restaurant units. This application is linked to the Reserved Matters application (**ref. 16/1934/R**).

Greenwich Peninsula Masterplan

- 10.27 In 2004 permission was approved for 10,000 homes and 3,000 sqm of commercial floorspace on the Greenwich Peninsula. The masterplan was revised in 2015 and planning permission was granted to increase the amount of homes to 15,700 (equivalent to a population of 37,000) and commercial space sufficient for 13,000 jobs (including the O2). The location is not ideal for offices due to Stratford and Canary Wharf nearby, so the overall aim is to increase the residential units and decrease the employment space. Further to this, outline planning permission (**ref: 15/0716**) was granted on 8th December 2016 for the demolition of buildings and a mixed-use redevelopment of:

- up to 12,678 residential dwellings (1,171,909 sqm) and up to 220 serviced apartments (20,306 sqm);
- Class A1-A5 use (food and non-food retail, restaurants, bars and cafes) up to 23,475sqm;
- Class B1(a)(b)(c) (business) up to 59,744sqm;
- Class C1 (hotel) up to 35,999sqm for up to 500 rooms;
- Class D1 (education facilities) up to 37,900sqm;
- Class D1 (health care facilities) up to 1,462sqm;
- Class D1/D2 (visitor attraction) up to 19,526sqm;

⁵⁸ Consultation with Knight Dragon indicated this may provide 20 screens, making it the largest cinema in the country.

- sui generis use for film and media studios up to 38,693sqm;
- residential and non-residential car parking as well as a minimum of 2000 AEG parking spaces (for the O2); and
- cycle parking; associated community facilities; public realm and open space; hard and soft landscaping; a new transport hub and associated facilities; works to the river wall; a ferry jetty terminal; a 5km running track (P5K running track); highway and transport works, including amendments to the Thames Footpath and Cycle path; and, associated ancillary works.

- 10.28 By 2020 it is anticipated that 2,500 residential units will have been delivered; mostly on the east side of the masterplan area. Other than residential, the main commercial elements will include a '*design district*' of flexible workspace (16 separate buildings of circa 20,000 sqm) located on the green space presently to the South of the NOW Gallery and Craft London buildings.
- 10.29 '*Peninsula Place*' will sit above the existing North Greenwich station and will comprise a mixed-use building including 15,000 sqm of retail / town centre uses, a 450 bed hotel, residential, and a winter-garden public area. A relocated bus station would be situated immediately to the South of this, and beyond that a 2,000 space multi-storey car park (replacing the 2,700 surface level spaces currently on site – and largely serving the O2).
- 10.30 The entire masterplan itself is anticipated to take 20 years to deliver and should be delivered by around 2035-40. However, the timing of delivery of the car park is uncertain, as it cannot be constructed until the future of the Silvertown Tunnel is resolved. The SoS decision is expected in Summer 2018. It is anticipated that the town centre space would be delivered in a single phase and would open to the public around 2025. It is estimated that 50% of the floorspace would be retail and may include a small food store, pharmacy and health centre, with the remaining 50% for food and beverage. However, this will all be dependent on occupier interest and demand.

Summary

- 10.31 In summary, the health check assessment has demonstrated that overall North Greenwich is a centre that is undergoing significant development and change. Based on the evidence, we have identified the following key strengths and weaknesses of the centre:
- 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 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 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.
 - Accessibility in the centre is good, with a PTAL rating of 5. There are 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.
 - In terms of new investment, the proposed designer outlet village in the O2 will significantly improve the area as a retail, entertainment and leisure destination. In addition to, the revised Masterplan will contribute to the area and provide residential; food and non-food retail; restaurants, bars and cafes; business; education; health care uses, as well as a P5K running track.

11 PLUMSTEAD HEALTH CHECK

- 11.1 Plumstead is located in south-east London. It is served by a train station providing Southeastern services to London Cannon Street, Dartford; Barnehurst, Crayford. The town is located approximately 4.3km from Abbey Wood; 2.2km from Woolwich; and 5.4km from Bexleyheath. Plumstead is ranked 2377th in the 2017 Javelin Venuescore.
- 11.2 **Table 11.1** below sets out the ranking of Plumstead compared with the main neighbouring centres. Its rank of 2,377th confirms the centre's principal role as a 'District Centre' (Core Strategy 2014) serving the more day-to-day retail, service and leisure needs of its local resident catchment population.

Table 11.1: Competing Centres

Town Centre	Location Grade	Venuescore Rank
Bexleyheath	Regional	156 th
Welling	Major District	558 th
Belvedere	Local	2377 th
Plumstead	Local	2377th

Source: Javelin Venuescore (2017)⁵⁹

- 11.3 The Core Strategy (2014) designates Plumstead as a District Centre. It is therefore a sequentially preferred location for main town centre uses including: retail development, leisure, entertainment facilities, certain intensive sport and recreation uses, offices, and arts, cultural and tourism uses (see **Policy TC1 Town Centres**). A proportion of the Town Centre is located in a Flood Risk Area (Zone 1).
- 11.4 The extent of the Town Centre Boundary, including the Primary and Secondary Shop Frontages are illustrated in **Figure 11.1** below.

Figure 11.1: Plumstead Town Centre Boundary including primary and secondary frontages



Source: Royal Borough of Greenwich Planning Policies Map (2014)

⁵⁹ Venuescore is Javelin Group's annual ranking of the UK's top 3,000+ retail venues based on provision of multiple retailers including anchor stores, fashion operators, and non-fashion multiples, where each operator is given a weighted score to reflect its overall impact on shopping patterns and the attraction of centres. The 'Location Grade' is based on Javelin's own categorisation of centres and does not relate to the definition in the adopted Core Strategy.

- 11.5 Based on our review and audit of the centre, we have divided it into the following commercial/shopping areas:
- **Plumstead High Street:** This is the main shopping street and it comprises the main comparison and convenience retail offer (including an Iceland), a large proportion of leisure services (predominantly takeaway outlets) and a significant number of barbers and hairdressers. This street is also where the majority of independent operators and vacancies are located.
 - **Lakedale Road:** This road is characterised by a mix of primary and secondary uses, and the majority of multiples, notably the Tesco Express, Barclays Bank, Shelter charity shop and a Greggs.

Retail Composition & Diversity of Uses

- 11.6 Table 7 (**Appendix 6**) summarises the retail and service composition of the centre in terms of total units. The composition is based on the latest *Council Shop Front Survey Data* (2017). This includes all units within the designated Primary and Secondary Shopping Frontages.

Convenience Offer

- 11.7 There are 16 convenience units in the survey area according to the latest Council data. This represents 12.6% of total units and is above the national average of 8.9%. Plumstead's food offer is anchored by Tesco Express (located on Lakedale Road) and Iceland (located on Plumstead High Street). The convenience offer is further supported by 4 other supermarkets; 2 independent convenience stores; 2 bakeries; 1 Caribbean grocery store; 2 grocery stores; an off licence; a wine shop and a cake shop.
- 11.8 Overall, we consider Plumstead's convenience offer is adequate given the centre's role and function in the Borough's network and hierarchy of centres, principally serving the day-to-day needs of its local resident catchment population.

Comparison Offer

- 11.9 There are 24 comparison goods retailers located within Plumstead. The number of outlets represents 18.9% of total units in the centre, which is below the national average of 31.2%. There has been an increase in comparison units (26.3%) since the 2008 Study. In terms of its overall non-food provision the key headlines are:
- Across the different comparison sub-categories, the highest representation includes charity shops (2 units), clothing shops (3 units), general stores (3 units including Lyca Mobile and a Pound store); jewellers (2 units), and pharmacies (2 units including a Boots).
 - The majority of the comparison goods shops are located on Plumstead High Street.
 - Key multiple comparison retailers include Lyca Mobile and Boots. The majority of the comparison offer is consisted of independent retailers, most of which is low in quality.

- 11.10 The centre's comparison offer is adequate and reflects its size and function, and its relative role in the Borough's network and retail hierarchy.

Service Offer

- 11.11 There are 77 retail, financial and leisure service outlets in Plumstead Town Centre. Services account for 60.6% of all units, which is significantly above the national average of 48.7%. The following provides a brief summary of provision across the different service categories:
- There are 35 **retail services**, which represent 27.6% of total outlets and is above the national average of 14.5%. This category is mostly made up of 19 barbers and hairdressers / beauty salons. This is equivalent to 15.6% of units and is above the national average of 8.9%. Provision also includes a 3 dry cleaners and laundrette; a dentist; an optician; a tattoo parlour; 3 travel agents, a post office and other retail services.

- In terms of **financial services**, there are 15 outlets, which represents 11.8% of total units which is above the national average of 10.3%. Provision includes a retail bank (Barclays); 4 estate agents; 2 cash and carries; 2 accountants; and other financial services.
- There are 27 **leisure service** outlets, equivalent to 21.3% of total units, which is below the national average of 23.9%. Leisure provision includes 13 fast food and take away outlets; 4 betting shops and bookmakers; 5 restaurants; 2 cafés; a public house; and a gym.

11.12 In summary, we consider the range of services within Plumstead Town Centre is good for a centre of its size, role and function. Although there is an above average figure for leisure services in terms of floorspace, we consider the overall quality is low.

Vacancies

11.13 There were 10 vacant units recorded by Experian Goad in 2017. This is equivalent to a vacancy level of 7.9%, which is below the national average of 11.2%. Plumstead is therefore performing relatively well in terms of vacancy levels.

Multiple and Independent Retail Representation

11.14 Based on the latest Council *Shop Front Survey Data* (2017) there are some 15 multiple retailers in the centre. This represents only 11.8% of the total units and includes a number of key brands, such as Boots, Tesco and Greggs. A significant proportion of independent retailers / service providers are present in the Town Centre. These independent operators represent 88.2% of the total units, but are generally of low quality.

Table 11.2: Multiple Retailers

Category	No. of Outlets	% of Total Outlets	UK Average 2016 %
Comparison	6	40.0%	42.70%
Convenience	3	20.0%	11.20%
Retail Service	1	6.7%	9.20%
Leisure Service	5	33.3%	21.50%
Financial & Business Service	0	0.0%	15.20%
TOTAL	15	100.0%	100.0%

Source: Council Survey Data (2017)

11.15 In summary, there is an imbalance between multiple and independent retailers, with the centre being dominated by lower quality independents. However this is expected given the centre's size and function, and its catchment.

Markets

11.16 There are no markets within Plumstead.

Prime Zone A Rents & Retailer Demand

11.17 Prime Zone A Rents were not available for Plumstead. There are also no published requirements.

Environmental Quality

11.18 Overall, we consider that Plumstead has a poor environmental quality. The narrow pavements, lack of planting and general run-down appearance of the frontages and buildings detract from the shopping experience and environment.

- 11.19 Furthermore, the main road (Plumstead High Street) is congested and contributes to the overall noise pollution in the centre. The centre would also benefit from green landscaping (e.g. trees and hanging baskets).

Accessibility

- 11.20 Plumstead has a PTAL rating of 4. As stated above, Plumstead is served by the Plumstead train station providing Southeastern services to London Cannon Street, Dartford; Barnehurst, Crayford. There are 7 bus services which operate from Orchard Road, Griffin Road and the High Street. These include:
- 53 (towards Whitehall);
 - 180 (towards Lewisham Shopping Centre);
 - 469 (towards Erith)
 - 177 (towards Peckham);
 - 99 (towards Bexleyheath Shopping Centre);
 - 96 (towards Woolwich);
 - 422 (towards Bexleyheath Bus Garage);
- 11.21 Plumstead has good 'A' road links including the A206. There is a limited amount of car parking in the town centre. The only car park in the centre is Aberly Street car park which has 24 parking bays, including 2 disabled bays. In terms of pedestrian accessibility within the town, there is a limited amount of pedestrian crossings. The centre also has narrow pavements that create an unwelcoming environment in the town centre. Despite this however, Plumstead's accessibility is adequate, given its role and function to serve the immediate residents.

Out of Centre Provision

- 11.22 **Charlton Riverside** is located approximately a 13 minute drive from Plumstead. It is a major destination for both comparison and convenience shopping (see **Section 4**).

New Investment and Development

- 11.23 The main investment that we are aware of in Plumstead is the permission at 106 High Street (granted 28th July 2014) for the alteration of the existing building at ground and first floor level, with the erection of a second floor comprising of A1, A2 and B1 floorspace (Ref: 13/3278/F). The development involves the addition of 495 sqm of A1 floorspace. This scheme is currently not complete and still at the discharge of conditions stage.
- 11.24 As well as this, Plumstead will also benefit from the Council-led circa £12m investment in the refurbishment of the Grade II listed library to provide a new library and multi-functional cultural and sports centre. The non-listed rear extension to the library will be demolished and a two-storey building will be provided for new leisure facilities by Autumn 2019.

Summary

- 11.25 Based on the evidence, the key strengths and weaknesses of the centre in our view include the following:
- The convenience offer is adequate due to the above average figure for units and the presence of multiples such as Tesco Express and Iceland. The convenience provision is strengthened by 4 other supermarkets; 2 independent convenience stores; 2 bakeries; 1 Caribbean grocery store; 2 grocery stores; an off licence; a wine shop and a cake shop
 - The comparison offer is weak and below the national average in terms of total outlets.

- The key multiple is Boots, with the rest of the offer comprised of low quality independents.
- In terms of services, there is an adequate range of retail and financial services (due to the presence of a high street retail bank and other key retail services such as dry cleaners, a post office etc.) and a below average figure for leisure amenities.
- Despite this, there is an above average figure for fast food and takeaway outlets, a number of restaurants and cafes and a gym.
- The vacancy rate is below the national average (7.9%), indicating the centre is performing well.
- The centre is predominately comprised of independent operators, representing 88.2% of the total units. Although independents contribute to a town's overall identity and viability, Plumstead's offer is generally considered to be of low quality, which significantly detracts from the overall shopping offer.
- There are only 15 multiples present in the Town Centre.
- Plumstead has a poor environmental quality, due to the narrow pavements, lack of planting, congested and noisy street and general run-down appearance of the frontages and buildings.
- Plumstead's accessibility is adequate, with a train station, 7 bus services and road links including the A206. There is a lack of car parking and [pedestrian access throughout the centre is generally poor.

11.26 In summary, the health check assessment has demonstrated that overall Plumstead is a relatively healthy centre, but has a fragility in some areas.

12 THAMESMEAD HEALTH CHECK

- 12.1 Thamesmead is defined as a District Centre in the Core Strategy (2014) and is located approximately 3.3km from Beckton; 3.2km from Woolwich; and 3.6km from Dagenham. The nearest train station is Abbey Wood which is approximately 1.4km from the Town Centre.
- 12.2 Thamesmead is ranked 3,133rd in the 2017 Javelin Venuescore, and the Cannon Retail Park which forms part of the Town Centre is ranked 1,233rd. **Table 12.1** below outlines the ranking position of competing centres. Overall, Thamesmead is performing adequately against these nearby competing centres given its size and offer.

Table 12.1: Competing Centres

Town Centre	Location Grade	London Plan Classification	Venuescore Rank
Welling	Major District	District	558 th
Dagenham	District	District	1,044 th
Cannon Retail Park	Minor District	N/A	1,233 rd
Belvedere	Local	N/A	2,377 th
Beckton	Local	District	2,566 th
Thamesmead	Local	District	3,133rd

Source: Javelin Venuescore (2017)

- 12.3 As a District Centre Thamesmead is a sequentially preferred location for main town centre uses including: retail, leisure, entertainment facilities, certain intensive sport and recreation uses, offices, and arts, cultural and tourism uses (see **Policy TC1 Town Centres** and **Policy TC6 Other District Centres**).
- 12.4 A proportion of the Town Centre is designated as a *Site of Nature Conservation* and the entire Town Centre is designated as a *Strategic Development Location*. The Town Centre is also within Flood Zone 3 and within a Flood Risk Area. The extent of the Town Centre Boundary, including the Primary and Secondary Shop Frontages are illustrated in **Figure 12.1** below.

Figure 12.1: Thamesmead Town Centre Boundary including primary and secondary frontages



Source: Royal Borough of Greenwich Planning Policies Map (2014)

12.5 Based on our assessment and audit of the centre, we have divided it into the following commercial/shopping character areas:

- **Joyce Dawson Way:** This area consists of a small pedestrianised shopping parade which hosts a number of services such as hairdressers, cafés and estate agents. This area include attractive features, such as the clock tower and the lake, which contribute positively to the shopping environment.
- **Twin Trumps Way / Cannon Retail Park:** This is the main shopping area of Thamesmead and is anchored by the Morrison's Supermarket. Other key retailers include Poundland, Iceland, Superdrug, and an Aldi. Cannon Retail Park to the west of the Town Centre also includes a number of national comparison multiples such as Next, Pets at Home, Argos and Wilko. There is a large amount of surface, free car parking provided for customers.

Retail Composition & Diversity of Uses

12.6 Tables 8 and 9 (**Appendix 6**) summarise the retail and service composition of the centre in terms of total units and floorspace. The composition is based on the latest Experian Goad Category Report (October 2015). Plan 4 (**Appendix 6**) also illustrates the extent of the Goad area. It should be noted that this area is not identical to the Council's defined Town Centre Boundary (TCB). As a result, it is likely that the number of units set out in our analysis may not relate directly to the Council's centre boundary.

Convenience Offer

12.7 There are 5 convenience units in the centre, trading from a total floorspace of 11,223 sqm. This provision is below the national average in terms of units (14.3% compared to 25.0%) but significantly higher in terms of floorspace (45.2% compared to 15.2%). This reflects the fact that the centre's food and convenience offer is anchored by three main stores - Aldi (located on Central Way), Morrison's (located on Twin Tumps Way) and Iceland (on Joyce Dawson Way). The food offer is further supported by a bakers/confectioner, a frozen food store, a grocers/delicatessen and two supermarkets. Overall, we consider Thamesmead's food and convenience offer is strong due to the presence of the large foodstore anchors (Morrison's, Iceland and Aldi) that help to generate trips, footfall and trade.

Comparison Offer

12.8 There are 11 comparison goods retailers trading from a total floorspace of 7,005 sqm. The number of outlets represents 31.4% of total units in the centre, which is slightly above the national average of 30.7%. However current floorspace provision (28.2%) is below the national average of 34.8%. In terms of its overall non-food provision the offer comprises:

- a catalogue showroom (Argos);
- a clothing store (Peacocks);
- a furniture store;
- 2 hardware and household goods stores (Wilko and Poundland);
- a clothing, footwear and accessories store (Next);
- a newsagent and stationers;
- 3 toiletries cosmetics and beauty products store (including Superdrug); and
- a Pets at Home.

12.9 Overall Thamesmead has a strong comparison offer, which reflects Cannon Retail Park's tenant mix. The provision is slightly below the national average, in terms of number of units but is significantly above the national

average in terms of floorspace. This is unsurprising given the larger format retail units which characterise the retail offer.

Service Offer

- 12.10 As Table 8 (**Appendix 6**) shows, there are 18 retail, financial and leisure service outlets in Thamesmead Town Centre, with a total floorspace of 6,466 sqm. Service outlets account for 51.4% of all units, which is above the national average of 48.7%. The service floorspace accounts for circa 26.0% of total floorspace, which is below the national averages of 39.4%.
- 12.11 The following provides a brief summary of provision across the different service categories:
- There are 6 **retail services**, which represent 17.1% of total outlets and is above the national average of 14.5%. This category includes 3 health and beauty outlets, an optician and a post office.
 - There is only one **financial and business services** in Thamesmead and provision is significantly below the national average.
 - There are 11 **leisure service** outlets trading from a total floorspace of 5,853 sqm. This is equivalent to 31.4% of total units, which is above the national average of 24%. Floorspace represents 23.6% of total floorspace in the centre, which is below the national average 24.9%. Leisure provision includes a café, 2 casinos and betting offices, 5 fast food and take away outlets (including a McDonald's and KFC), 1 public house and 2 sports and leisure facilities.
- 12.12 In summary, we consider the range of services within Thamesmead are adequate given its role and function as a District Centre. There is an under representation of financial services and limited retail services. It has a good provision of leisure amenities, albeit that the offer largely comprises fast food outlets.

Vacancies

- 12.13 There was only one vacant unit in the centre at the time of the last Experian Goad survey and our own recent audit. This is equivalent to a vacancy level of 0.5%, which is significantly below the national average of 11.2% and is the lowest vacancy rate recorded within the Borough. In total, this amounts to 139 sqm of vacant floorspace. This represents 0.6% of the total floorspace, which is also below the national average of 9.7%.

Multiple and Independent Retail Representation

- 12.14 There are some 20 multiple retailers in the centre. This includes a number of key names such as Argos, Wilkinson, Next and Superdrug. Across the sub categories, there is a good representation of multiples when compared against the national average. It also considered that there is a good and complementary mix of multiple and independent retailers, serving the centre and its catchment population. Such retailers positively add to the attraction and character of the centre, and its overall vitality.

Table 12.2 Multiple Retailers

Category	No. of Outlets	% of Total Outlets	UK Average 2016 %
Comparison	9	45.0%	42.7%
Convenience	4	20.0%	11.2%
Retail Service	2	10.0%	9.2%
Leisure Service	5	25.0%	21.5%
Financial & Business Service	0	0.0%	15.2%
TOTAL	20	100.0%	100.0%

Source: GOAD Category Report (October 2017)

Markets

- 12.15 There are no markets in the centre.

Prime Zone A Rents & Retailer Demand

- 12.16 Peabody indicated that Prime Zone A Rents in Thamesmead currently stand at £25 per square foot. There are no published requirements available for Thamesmead.

Environmental Quality

- 12.17 The majority of the centre is generally clean and tidy throughout and the building facades are well kept.
- 12.18 Cannon Retail Park is a typical out-of-centre shopping environment, largely dominated by surface parking. In contrast, the pedestrianised shopping parade at Joyce Dawson Way provides a pleasant shopping environment due to the presence of planting, the bridges and the lake
- 12.19 Overall, we consider that Thamesmead is lacking a 'sense of place and identity' due to absence of traditional town centre features centred on a typical high street, with attractive buildings, a public square, street furniture, etc. In our judgment the centre would benefit from redevelopment and reconfiguration to provide a more typical high street environment, and which makes better use of the surrounding lakes, parks and environment.

Accessibility

- 12.20 Thamesmead has a PTAL rating of 2. There are 6 bus services which operate from Central Way / Tawney Road. These include:
- 177 (towards Peckham);
 - 401 (towards Bexleyheath Shopping Centre)
 - 229 (towards Queens Mary Hospital)
 - 244 (towards Abbey Wood);
 - B11 (towards Bexleyheath Bus Garage)
 - 472 (towards Thamesmead)
- 12.21 Thamesmead is served by extensive 700 surface-level free car parking spaces.
- 12.22 In summary, the centre benefits from good accessibility and parking, along with numerous public transport facilities. The long term plans for a river crossing and the potential to extend the DLR to the town centre would also significantly increase its accessibility and viability as a key Town Centre serving the wider Thamesmead area.

New Investment and Development

- 12.23 Thamesmead and Abbey Wood is identified as an Opportunity Area in the London Plan, and additionally Peabody has secured Housing Zone status for 13 sites in the area. The West Thamesmead Housing Zone funding will support the delivery 1,459 homes across four sites in Greenwich over the next 10 years (focused around Plumstead Station and Abbey Wood Station). Additionally, the Housing Zone in Bexley will deliver 1,216 homes across several sites located along Harrow Manor Way. To date, planning permission has been secured for 66 homes within the West Thamesmead Housing Zone (at the Reach, Ref: 16/2413) and Bexley has granted permission for 525 homes (close to Abbey Wood Station, Ref: 16/2413/K).

- 12.24 Longer term, the Mayor's Transport Strategy 2018 includes the extension of the DLR to Thamesmead, which will unlock significant development capacity in Thamesmead Town Centre and along the riverfront. Subject to funding, this could be delivered within ten years. The draft London Plan identifies a baseline capacity of 8,000 additional homes in the OA, and the extension of the DLR would enable a substantial uplift above this level of growth over the next 30 years. There is therefore substantial growth planning within Thamesmead over the plan period and beyond.

Summary

- 12.25 In summary, the health check assessment has demonstrated that overall Thamesmead is a healthy centre, but it does not function as a typical traditional district centre. Its offer and character is more akin to an out-of-centre shopping park. Based on the evidence, we have identified the following key strengths and weaknesses of the centre:
- Thamesmead's convenience offer is strong due to the presence of the large supermarkets (Morrisons, Iceland and Aldi). The provision is above the national average in terms of units and floorspace and is further supported by a bakers & confectioner, frozen food store, grocers/delicatessen and 2 supermarkets.
 - The comparison offer is significantly above the national average in terms of floorspace and is strengthened by the presence of key multiples at Cannon Retail Park.
 - In terms of services, 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. A wider-ranging leisure offer should be encouraged as there is currently a lack of evening economy uses. For example, a cinema would help to diversify the centre's daytime and evening offer, increasing its overall attraction and footfall.
 - The vacancy rate of 2.7% is below the national average and is the lowest recorded within the Borough. This amounts to 140 sqm of vacant floorspace, which represents 0.5% of the total floorspace and is also significantly below the national average.
 - There is a complementary mix of multiple and independent retailers in the centre, with key brands such as Argos, Wilkinson, Next and Superdrug.
 - The centre is lacking a sense of place and identity due to absence of a traditional Town Centre character and features.
 - Thamesmead benefits from good accessibility by car and bus. There is extensive and free car parking at Cannon Retail Park. Despite this, the centre itself is very isolated and it has a limited walk-in trade. It was noted on our site visit that there is a notable separation between north and south Thamesmead. The centre could therefore benefit from a DLR station to improve overall accessibility to, from and within Thamesmead.
 - Thamesmead does not currently function as a typical District Centre. We consider that redevelopment and reconfiguration of its offer and environment will be needed to create a sense of place, and a more 'typical' town centre destination.

13 QUANTITATIVE RETAIL NEEDS ASSESSMENT

- 13.1 This section sets out the results of the quantitative retail need ('capacity') assessment for new retail (comparison and convenience goods) floorspace in the Royal Borough of Greenwich and its main centres covering the period from 2018 to 2038; further broken down into five year periods (i.e. 2023, 2028, 2033, and 2038). This assessment updates and supersedes the findings of the Council's previous evidence-based studies.

The CREAT^e Model: Key Baseline Assumptions & Forecasts

- 13.2 The CREAT^e economic model has been specifically designed and developed by Carter Jonas over a number of years to assess the capacity for and impact of new retail (convenience and comparison goods) development and investment.
- 13.3 The (Excel-based) 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. The model is underpinned by the survey-derived market share analysis. This helps to inform the assessment of the current (convenience and comparison goods) turnovers and trading performance of existing centres, shops and stores at the base year.
- 13.4 It has necessarily been assumed for the purpose of the capacity assessment that the Borough's retail market is in '*equilibrium*' at the base year. In other words, all existing centres and stores are broadly assumed to be trading in line with their expected ('benchmark') turnover levels. This approach is reasonable, robust and realistic in this case as it reflects the impact of the economic downturn and the significant growth in internet sales on the trading levels and performance of retailers and stores across the UK. It also reflects the potential impact of Brexit on the economy and retail sector going forward.
- 13.5 On this basis any residual expenditure available to support new retail floorspace over the development plan period will be derived from the difference between the forecast growth in 'current' (survey-derived) turnover levels (based on population and expenditure growth), and the constrained growth in 'benchmark' turnovers⁶⁰ based on applying robust year-on-year floorspace 'productivity' (turnover 'efficiency') growth rates to all existing and new retail floorspace⁶¹.
- 13.6 It is important to restate that long-term forecasts should be treated with caution, as they will be influenced by changes in economic, demographic and market trends. As a result, we advise that greater weight should be placed on the short-term forecasts carried out over a five year period (see PPG, para 003). Notwithstanding this, the Council will need to take account of the forecast capacity for new retail floorspace over the plan period to inform its policy making and site allocations, as the NPPF (paragraph 23) states that local planning authorities should meet the need for retail and town centre uses 'in full' (see **Section 2** of this study).
- 13.7 The updated capacity forecasts set out in this section are intended as a broad guide to enable the Council to assess the broad strategic options for the spatial distribution of new retail-led floorspace and development over the plan period, and to make informed policy choices about where any forecast need should be met, in accordance with the advice set out in the NPPF (paragraph 24). It follows that the allocation of sites to meet any identified need over the next five years, and over the lifetime of the development plan, will depend on a

⁶⁰ In this case, under the 'equilibrium' approach, the 'benchmark' turnovers at the base year (2018) are assumed to be the 'current' turnovers derived from the market share analysis.

⁶¹ The 'efficiency' growth rates are informed Experian's latest *Retail Planner Briefing Note* (Figures 4a and 4b). These year-on-year turnover growth rates help to maintain the viability and vitality of existing centres and stores over time, particularly against the backdrop of increasing occupancy costs (e.g. rents, business rates, service charges, etc.) and labour costs. It should be noted that individual centres, stores and shopping facilities will be capable of achieving higher and/or lower annual 'efficiency' growth depending on a range of trading factors (including the size, quality and type of retail floorspace). In this case we have assumed slightly higher turnover 'efficiency' growth levels for existing and committed floorspace in the local authority areas for the period 2025-2036 than forecast by Experian (see paragraphs 3.17-3.22 of **Section 3** of this study for a more detailed explanation).

range of key considerations, including the suitability, viability and availability of sites in or on the edge of existing centres, and the potential to expand existing centres to accommodate the forecast needs.

- 13.8 The key steps in the retail capacity assessment, and the main assumptions and forecasts underpinning the CREATE Model are described in more detail below.

Population and Projections

- 13.9 The base year population and projections are set out in Table 1 (**Appendix 2**).
- 13.10 The population figures have been sourced from ward-based 2016 trend projections prepared by GLAIntelligence⁶². In brief the GLA has released three sets of trend-based projections based on different assumptions about future migration patterns drawing on past trends. The “**central projection**” uses ten years of past data to project migration trends and the GLA advises that this is the best available projection for strategic planning purposes. It has therefore been agreed with the Council that the ‘*Central Case Scenario*’ should be used for the purpose of this strategic retail assessment to assess potential population growth for the Borough and wider study area of the forecast period.
- 13.11 As the table shows, the total study area (i.e. Zones 1-13) population is projected to increase from 757,384 in 2018 to 914,151 by 2038 (+20.7%). For the Royal Borough of Greenwich area only (i.e. Zones 1-8) the total population is forecast to experience a higher growth of +27%; increasing from 288,550 in 2018 to 366,400 by 2038 (+77,850 people).

Base Year Expenditure Per Capita and Forecasts

- 13.12 Table 2 set out the expenditure per capita estimates for convenience goods (**Appendix 2**) and comparison goods (**Appendix 3**) for each of the study zones; after making an allowance for special forms of trading (SFT)⁶³.
- 13.13 The base year (2018) average expenditure per capita figures have been derived from CJ’s in-house Experian MMG3 GIS (please note all expenditure and turnover figures are expressed in 2016 prices). The base year expenditure per capita figures by zone have then been grown year-on-year drawing on the latest Experian *Retail Planner Briefing Note 15* (RPBN) published in December 2017. As described in **Section 3** (see **Table 3.1**), Experian forecast more limited annual growth in convenience and comparison goods expenditure.
- 13.14 Our allowance for SFT at the local level has been informed by the household survey findings, benchmarked against Experian’s SFT market share forecasts for convenience and comparison goods. The survey-derived shares have necessarily been adjusted downwards to reflect the fact that a proportion of online food and non-food sales are sourced from traditional stores rather than from dedicated (‘dotcom’) warehouses⁶⁴. This follows the advice set out in Experian’s latest RPBN. The adjusted SFT market share for comparison goods is 18.6% in 2018, which is above the Experian national average figure of 15.4%. In contrast the locally adjusted SFT market share for convenience goods of 2.7% is below the national average of 3.4%.
- 13.15 Clearly if the growth in SFT (online shopping) is higher than the national projections, then this would effectively reduce the total available expenditure to support existing and new floorspace over the forecast period. We test the sensitivity of the capacity forecasts of a higher growth in SFT later in this section.

⁶² Refer to <https://data.london.gov.uk/dataset/projections-documentation>.

⁶³ SFT comprises non-store sales via the internet, mail order, stalls and markets, door-to-door and telephone sales.

⁶⁴ Drawing on Experian’s latest research we have assumed that some 25% of SFT convenience goods sales and 70% of comparison goods sales are sourced from traditional (‘physical’) retail space.

Total Available Expenditure

- 13.16 Table 3 forecasts the growth in total available convenience goods (**Appendix 2**) and comparison goods (**Appendix 3**) retail expenditure respectively across the study area and zones between 2018 and 2038 (excluding SFT)⁶⁵. The tables shows that:
- **Convenience goods** expenditure in the Study Area (Zones 1-13) is forecast to increase by +20.5% (+£297.5m) over the forecast period; from £1,450.5m in 2018 to £1,748m by 2038 (2016 prices). The total forecast growth between 2018 and 2023 is +6% (+£83.8m), with growth over the next 15 years (i.e. 2023-2038) forecast at +14% (£213.7m).
 - **Comparison goods** expenditure growth is forecast to be significantly higher over the same period, at +114.1%; from £2,139.9m to £4,582.5m (+£2,442.6m). The total forecast growth between 2018 and 2023 is +19% (+£411.6m), with growth over the next 15 years (i.e. 2023-2038) forecast at +80% (£2,031m).
- 13.17 It follows that, because the growth in comparison goods expenditure significantly outstrips convenience goods spend over the study period that there should be greater potential capacity for new comparison goods floorspace than for convenience goods retailing. However the overall capacity will be dependent on the level of retail commitments in the pipeline, the growth in SFT and the forecast growth in the 'productivity' levels of existing floorspace and stores/shops (see below).

Market Share and 'Inflow' Analysis

- 13.18 **Section 4** described the headline results of the survey-derived (%) market share analysis, including SFT (also see **Appendices 4 and 5**). For the purpose of the retail capacity assessment, and in line with accepted approaches, the market share analysis has been adjusted for both convenience goods (Table 1, **Appendix 7**) and comparison goods (Table 1, **Appendix 8**) to exclude SFT⁶⁶.
- 13.19 The next key stage in the capacity assessment involves allocating the baseline convenience and comparison expenditure (£ million) within the study area and zones to the identified centres, stores and floorspace based on the survey-derived market shares. This helps to establish the current '*baseline*' (2017) trading performance for the main centres and stores within the Borough based on expenditure drawn from the study area only. It should be noted that no allowance is made at this stage for any potential 'inflow' (trade draw) of expenditure to centres and stores from outside the defined study area.
- 13.20 For both convenience goods (**Appendix 7**) and comparison goods (**Appendix 8**) the 'baseline' turnovers are projected forward to 2023 (Table 3), 2028 (Table 4), 2033 (Table 5) and 2038 (Table 6) assuming no changes in market shares.
- 13.21 The survey-derived turnovers based on the market share analysis are summarised in Table 1 (**Appendix 7** for convenience goods and Table 1 (**Appendix 8**) for comparison goods.
- 13.22 In order to provide a complete picture of the current trading (turnover) performance of the main centres and stores across the local authority area we have also necessarily made informed judgements with regard to the likely 'inflow' (trade draw) from outside the widely defined study area. The 'inflow' assumptions take account of:
- the scale, offer and location of all existing centres and stores in the Borough area;
 - the likely extent of their catchment areas;
 - the competition from centres, stores and shopping facilities outside the study area; and

⁶⁵ Total expenditure is derived by multiplying the population and average expenditure per capita levels together

⁶⁶ This is in accordance with the standard approach for retail assessments, which make a deduction for SFT at the outset from the expenditure per capita figures.

- the likely retail expenditure derived from people who live outside the study area (including tourists, visitors and commuters) in the study area's main centres and stores.

13.23 We have also taken account of previous studies and retail assessments to help inform our judgements.

13.24 Although the assessment of 'inflow' is not a straightforward exercise, due to the complex nature of overlapping catchments and shopping patterns, it is reasonable to assume that for comparison goods retailing the Borough's larger centres will draw a proportion of their shoppers and trade from outside the defined study area. In this case we have assumed a higher inflow of trade for Greenwich to reflect the potential spend of visitors and tourists in the centre. On the other hand, the local centres and smaller parades generally draw the majority of their shoppers and trade from within their more localised catchments, with limited or no 'inflow' from outside the study area apart from passing car-borne expenditure.

13.25 The 'inflow' of convenience goods expenditure to the main centres and stores from outside the wider study area will be more limited than for comparison goods. This is because households generally carry out their main food and top-up shop at their more local and convenient stores, and do not normally travel longer distances for food purchases.

Total Forecast Turnover of Existing Centres and Stores

13.26 The assessment of the total turnover of all the main centres and stores within the Royal Borough of Greenwich is based on the expenditure allocated to these centres/stores according to their survey-derived market shares at 2018, and our judgements as to the total "inflow" of trade to these centres/stores from outside the defined study area.

13.27 The total estimated convenience goods turnovers are set out in Table 2 (**Appendix 9**) to this study, and in Table 2 (**Appendix 10**) for comparison goods. In summary we forecast the following turnovers for the main centres at the base year (2018).

Table 13.1 Forecast Turnover of Main Centres in Royal Borough of Greenwich at 2018 (£ million)

Town/District Centre	Comparison	Convenience	TOTAL
Eltham	£165.4m	£140.3m	£305.7m
Woolwich	£78.4m	£110.4m	£188.8m
Greenwich	£58.8m	£47.1m	£105.9m
Thamesmead	£33.2m	£62.3m	£95.5m
Plumstead	£4.1m	£6.8m	£10.9m
East Greenwich ⁶⁷	-	£14.3m	£14.3m
North Greenwich ⁶⁶	-	£0.9m	£0.9m

Source: Table 2 (**Appendix 9**) for convenience goods and Table 2 (**Appendix 10**) for comparison goods.

Notes: All turnover figures are expressed in 2016 prices.

13.28 The Borough's main concentration of out-of-centre food and non-food stores in the Charlton area are forecast to be achieving a total comparison goods turnover of £283.6m and a convenience turnover of £143.9m at the base year. This turnover is significantly higher than for Woolwich and Eltham.

⁶⁷ The survey-derived market shares (%) did not identify any comparison turnover for the smaller centres of East and North Greenwich. This reflects the relatively limited comparison goods offer in both centres. Respondents to the household survey did not identify either centre as a place where they "normally" purchase a range of non-food goods. Notwithstanding this the centres will, to varying degrees, achieve some limited comparison goods turnover through their shops and stores.

- 13.29 The total comparison goods turnover of all out-of-centre stores and shopping facilities in the Borough is £294.1m, and the total convenience goods turnover is £181.3m. This reflects the relative location, scale and attraction of the out-of-centre retailing to residents in the Borough and those living in the wider Study Area.

Retail Commitments

- 13.30 The next stage in the retail capacity assessment takes into account the retail floorspace and predicted turnovers of all the major food and non-food commitments⁶⁸ and policy-led floorspace allocations in the Borough Area at the time of preparing this study. Based on information provided by the Council we have set out our understanding of the major planned/ committed retail floorspace for convenience goods in Table 3 (**Appendix 9**) and in Table 3 (**Appendix 10**) for comparison goods.
- 13.31 In summary, we estimate that there was approximately 3,681 sqm net of **convenience goods** floorspace in the pipeline across the Borough at the time of preparing this study⁶⁹. All this committed floorspace is forecast to be open and trading by 2028, when it will achieve a total cumulative turnover of approximately £46.1m. This turnover is predicted to increase slightly to £46.5m by 2038 based on Experian's year-on-year floorspace 'productivity' forecasts (see **Section 3, Table 3.4**).
- 13.32 For **comparison goods** we estimate that there is approximately 46,765 sqm net of committed floorspace in the Borough⁶⁶. As discussed elsewhere in this report, the most significant retail commitments are the O2 Designer Outlet Village (planning references: 16/1933/R, 14/1486/O and 11/3033/O), IKEA at Millennium Retail Park (ref: 13/3285/O & 17/0672/R) and the 'retail hub' that forms part of the permitted Greenwich Peninsula Masterplan (ref: 15/0716). We have necessarily allowed for the phasing of some of this floorspace over the forecast period in line with the Council's advice. The comparison goods commitments are forecast to achieve a substantial cumulative turnover of £199.5m by 2023, increasing to £351.1m by 2038.

Capacity Forecasts

- 13.33 The detailed economic capacity tabulations are set out in **Appendix 9** (Tables 4-14) for convenience goods, and **Appendix 10** (Tables 4-12) for comparison goods. The following describes the main outputs of the 'baseline' capacity forecasts for the main centres and stores in the Borough area.

Convenience Capacity

- 13.34 In order to assess the potential capacity for new convenience goods floorspace up to 2038 we have necessarily tested two trading scenarios for different types and formats of food/convenience retailing in order to convert the residual expenditure (after taking account of new commitments) into a (net) sales area figure:
- **'Superstore format' trading scenario** – we have first assumed that the residual expenditure could support one of the 'top 6' foodstore operators (i.e. Tesco, Sainsbury's, Asda, Morrisons, Waitrose and Marks & Spencer), which together could achieve an average sales density of approximately £12,500 per sqm in 2018 based on the latest Mintel UK Retail Rankings; and
 - **'Supermarket/discounter' trading scenario** – we have also tested the impact on the capacity forecasts of assuming the residual expenditure is taken up by a supermarket (e.g. Co-op, Budgens, etc.) and/or 'deep discounter' retailer (principally Aldi and Lidl) trading at a slightly lower average sales levels of circa £7,500 per sqm in 2018. However, it should be noted that both Aldi and Lidl have increased their company average sales densities significantly over recent years due to their expansive store opening programmes and their

⁶⁸ Commitments are commonly defined as retail floorspace with planning permission and/or under construction at the time of preparing this study.

⁶⁹ Please note that the majority of the planned and committed retail schemes in the Borough benefit from flexible permissions for Class A, B and D uses, and do not therefore specifically set out the scale and mix of Class A uses that will be delivered under the planning permissions. As a result we have necessarily made informed judgements as to the quantum of Class A1 (food and non-food) gross/net floorspace that we consider can realistically be delivered, taking account of current market conditions and retail trends.

increasing market share of the grocery sector. If this trend continues then we consider that the gap between the 'top 6' grocers and the main discounters will narrow further over time.

- 13.35 As stated previously, it has been assumed that the local retail market is in 'equilibrium' at the base year as there is no qualitative evidence to show that existing stores/floorspace are significantly over and/or under trading, and particularly when considered in the context of the current economic and retail climate. We have also allowed for year-on-year growth in the turnover 'efficiency' (floorspace 'productivity') of all new and existing convenience floorspace in line with the latest forecasts set out in Experian's *Retail Planner Briefing Note 15* (Figure 4a)⁷⁰.
- 13.36 Table 4 (**Appendix 9**) sets out the Borough-wide total residual capacity for new convenience goods floorspace, after allowing for the turnover of all known commitments. Tables 5-14 disaggregate this total capacity for the main centres, the smaller District Centres and parades, and the main out-of-centre retail floorspace. The table below summarises the convenience goods capacity forecasts for new '*superstore*' and '*supermarket/deep discounter*' floorspace based on the different trading scenarios described above.

Table 13.2: 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
Borough-wide Residual Expenditure Capacity (£m)	£20.2	£32.4	£63.6	£98.5	£20.2	£32.4	£63.6	£98.5
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
TOTAL CONVENIENCE GOODS CAPACITY	1,624	2,592	5,056	7,798	2,707	4,321	8,427	12,996

- 13.37 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 sqm net), or a new foodstore, or possibly extensions to existing stores where feasible.
- 13.38 Alternatively the residual expenditure could support up to 2,707 sqm net of new '*supermarket/ deep discounter*' floorspace trading at 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.
- 13.39 The Borough-wide capacity increases thereafter to between 2,592-4,321 sqm net by 2028 and 7,798-12,996 sqm net by 2038. In our judgement, the 2038 forecast capacity could support up to 3 superstores, assuming a sales area for an average store of 2,500 sqm, or approximately 8 smaller 'supermarkets/deep discounters'. The capacity at 2038 is mainly forecast for Woolwich Town Centre (2,316-3,860 sqm net), Eltham Town Centre (1,403-2,338 sqm net), Thamesmead District Centre (929-1,548 sqm net) and Greenwich District Centre (741-

⁷⁰ Experian's year-on-year forecast growth rates are set out in **Table 3.4, Section 3** of this study.

1,235 sqm net). This new floorspace could potentially support an 'anchor' foodstore in each centre, or a mix of smaller convenience stores and extensions to existing stores, where feasible.

- 13.40 However, as stated elsewhere in this report, we advise the Council that forecasts beyond 2023 should be treated with extreme caution, as these forecasts will inevitably be influenced by potentially significant future changes in consumer behaviour, trends in the retail and grocery sectors, and wider changes in the economy. Furthermore, any take up of potential capacity will be dependent on the market demand from food and convenience store operators for representation in the Borough and its main centres over the forecast period. This needs to be considered against the background of current trends in the food sector, which have resulted in the main grocers (namely Tesco, Asda, Sainsbury's and Morrisons) 'placing a brake' on larger format superstore developments to focus on growth in sales through convenience stores expansion and online shopping (see **Section 3**).
- 13.41 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.
- 13.42 As stated above, 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.

Comparison Capacity

- 13.43 Table 4 (**Appendix 10**) sets out the total residual capacity for new comparison goods floorspace in the Borough area after allowing for the turnover of all known commitments. Tables 5-12 disaggregate this total capacity for the main centres, the smaller centres and parades, and the Borough's out-of-centre retail floorspace. The table below summarises the comparison goods capacity for the Borough and its main centres and stores over the plan period.

Table 13.3: Royal Borough of Greenwich: Comparison Goods Capacity (Net) by Locations (sqm)

	2023	2028	2033	2038
Borough-wide Residual Expenditure Capacity (£m)	-£143.8	-£98.3	-£23.0	£55.8
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
TOTAL COMPARISON GOODS CAPACITY	-21,496	-13,166	-2,767	6,010

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.

- 13.44 The capacity forecasts are based on the reasonable and robust assumption that new floorspace will achieve an average sales levels of circa £6,000 per sqm in 2018⁷¹. It is also assumed that all new and existing floorspace will experience a year-on-year growth in floorspace 'productivity' in line with the latest forecasts set out in Experian's *Retail Planner Briefing Note 15* (Figure 4b)⁷².
- 13.45 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.
- 13.46 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 results in the following outputs:
- 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. This quantum of new floorspace for Woolwich would clearly not be sufficient to achieve the step change in its critical mass and quality of retailing to support Council's policy aspiration for it move from a 'Major' to 'Metropolitan' Centre in London's network and hierarchy of centres. The capacity forecasts (based on constant market shares) clearly demonstrate that Woolwich would need to significantly increase its market share within the Borough and wider Study Area over the forecast period to support the substantial and necessary scale of retail floorspace normally associated with a Metropolitan Centre. This uplift in market share could be achieved, in part, by 'clawing back' retail expenditure that is currently going to out-of-centre shopping locations in the Borough (principally in the Charlton area) and 'leaking' to major centres and stores outside the Borough area. However, it also follows that increasing Woolwich's market share will inevitably have some impact on the turnovers of existing centres both within and outside the Borough (such as Eltham for example). Any reductions in the turnover of other centres will therefore need to be carefully considered against the key impact 'tests' set out in the NPPF (paragraph 26).
- 13.47 Notwithstanding this, even if the hike in Woolwich's market share can be justified and there are found to be no 'significant adverse impacts' on the vitality and viability of existing centres, it does not necessarily mean that in the current (or future) economic and retail climate that there will be the market demand and 'pool' of major retailers available to anchor and sustain a substantial increase in the town's shopping floorspace and offer. Furthermore, any significant increase in floorspace capacity will also be dependent on the Council identifying and allocating suitable sites in the town centre that can accommodate the needs of modern retailers for larger format stores in a comprehensive and viable manner.
- 13.48 The capacity forecasts also identify the potential for 2,233 sqm net of new comparison goods floorspace in Thamesmead by 2038. Given the current wider role and function of the centre, and the significant new housing development proposed for the area over the plan period, we consider that this forecast capacity (along with the need for circa 929 sqm net of new convenience goods floorspace), would further support the regeneration of Thamesmead Town Centre.

⁷¹ The average sales density of circa £6,000 per sqm at 2017 is assumed to be broadly equivalent to the average sales performance of retail units in prime shopping locations, and has been informed by different research evidence including the latest Mintel UK Retail Rankings Report. However, average turnover levels do inevitably vary between different locations, different retail formats and different operators. Where this is the case it will have implications for assessing the capacity for, and impact of new retail floorspace. The Councils will therefore need to take this into account when considering applications for different operators and different types of retail floorspace in edge and out of centre locations. For example 'bulky goods' DIY retail warehouse operators typically trade at lower average sales levels, whereas electrical goods retailers and some fashion operators can achieve much high average turnover levels.

⁷² Experian's year-on-year forecast growth rates are set out in **Table 3.4, Section 3** of this study.

- 13.49 The forecast capacity for the Borough's other District Centres, Local Centres and Neighbourhood Parades is more limited. In our judgement this capacity can be accommodated in full in these centres through the take-up of vacant space, infill development and/or potential changes of use of existing units.
- 13.50 There is no capacity for new out-of-centre floorspace after taking account of all known commitments at the base year. However, this does not mean, that there will be no market demand and/or applications for new out-of-centre retail floorspace over the plan period, as this still remains an area of growth for store expansion and investment. Where applications for new Class A1 comparison goods floorspace do occur outside of existing centres they will need to be assessed and determined by the Council on a case-by-case basis in accordance with their up-to-date local plan policies, and the sequential and impact tests set out in paragraphs 24-27 of the NPPF (see **Section 2**).
- 13.51 As part of their decision-taking we advise that the Council should pay specific attention to the potential impact of new retail floorspace in edge and out of centre locations on existing, committed and planned investment in centres, and particularly on market demand and business confidence.
- 13.52 As highlighted in **Section 3** of this study, the current retail and economic climate is characterised by increasing retail business failures and falling market demand from both food and non-food retailers for physical space in most centres. Against this background we consider that any potential loss of key anchor food and non-food stores from the Borough's main centres to existing and potentially new edge and out of centre shopping locations could result in a significant adverse impact on their overall attraction and viability, which would be contrary to both local plan policies and the NPPF aimed at ensuring the vitality of town centres.
- 13.53 As explained above we have necessarily treated the total floorspace commitments for North Greenwich (i.e. the O2 Designer Outlet Village and the Greenwich Peninsula Masterplan) as a separate line in the capacity forecasts.
- 13.54 Finally, it should be noted that the capacity forecasts do not take account of vacant floorspace. It is reasonable to assume that a proportion of the forecast capacity identified by this study could be taken up by 'fit-for-purpose' vacant units/buildings in some of the centres, but only where these units/buildings meet the needs of operators in terms of scale, layout, location (i.e. prime or secondary shopping streets), etc. For example in Woolwich the latest Experian Goad report indicates that there is 8,584 sqm gross of vacant floorspace in the town centre, which is equivalent to a vacancy level of 10.6% (see **Section 3**). Even assuming only one-third of this vacant floorspace is suitable and viable for new Class A1 comparison goods retailing (circa 2,575 sqm gross / 2,000 sqm net), this would still account for the majority of the forecast capacity for new floorspace in Woolwich up to 2033 of 2,269 sqm net.

Retail Capacity Forecasts – 'Sensitivity Tests'

- 13.55 In compliance with the Council's brief for this study we have also tested the 'sensitivity' of the capacity forecasts to changes in some of the key CREAT^e model inputs and forecasts. In this case we have tested the following two scenarios:
- First, we have made an allowance for an uplift in the market share of **Special Forms of Trading** (SFT – including online sales) over the forecast period to 2038. This reflects the current trends and dynamic growth in online shopping over the last 5-10 years as reported in **Section 3** of the study, and the potential for higher growth than forecast by Experian over the study period.
 - Second, we have also tested the impact of a higher year-on-year growth in the '**productivity**' of existing floorspace (or 'turnover efficiency') up to 2038. This reflects the need for retailers and businesses to achieve higher sales efficiencies to cover their increasing costs (e.g. business rates, higher wage costs, inflation, etc.) and to remain viable.

13.56 The results of the 'sensitivity tests' are summarised below.

Sensitivity Test 2: Impact of Higher 'Special Forms of Trading' on Capacity Forecasts

13.57 For **comparison goods**, the table below shows the national SFT market shares forecast by Experian in their latest *Retail Planner Briefing Note 15* published in December 2017 (also see **Table 3.3; Section 3**). It also shows the survey-derived market shares that were used for the 'baseline' retail capacity assessment.

Table 13.4: SFT – Estimated and Projected Market Share of Non-Store Comparison Goods Retail Sales

	2018	2023	2028	2033	2038
Experian RPN 15 (December 2017)*:	15.4%	17.4%	17.6%	17.9%	18.0%
Survey-based SFT Market Shares:	18.6%	21.0%	21.3%	21.6%	21.8%
'Sensitivity Test' – High Market Share Potential	18.6%	22.0%	23.0%	24.0%	25.0%

Source: *RPN15 - Figure 5, Appendix 3.

13.58 In order to understand the potential impact on the capacity forecasts, we have assumed that SFT's market share could increase to 25% by 2038. This is based on the reasonable assumption that there could be a greater growth in online shopping than forecast by Experian. The impact of this higher SFT market share on the capacity forecasts is summarised in the table below.

Table 13.5: Revised Comparison Goods Capacity Forecasts – Higher SFT Market Share

	2023	2028	2033	2038
Borough-wide Residual Expenditure Capacity (£m)	-£153.8	-£120.1	-£59.5	-£4.2
Woolwich Town Centre	-946	402	1,751	2,823
Eltham Town Centre	1,399	3,812	6,303	8,289
Greenwich District Centre	520	1,559	2,571	3,369
Plumstead District Centre	-455	-390	-323	-269
Thamesmead District Centre	327	886	1,456	1,910
All Other Local Centre & Parades	-483	99	679	1,144
All Out-of-Centre Stores and Floorspace	-9,998	-5,105	-238	3,631
North Greenwich	-13,350	-17,350	-19,350	-21,350
TOTAL COMPARISON GOODS CAPACITY	-22,987	-16,086	-7,151	-454

13.59 The outputs of the 'sensitivity' analysis show that the relatively modest assumed uplift in SFT market shares from 21.8% as originally tested, to 25% at 2038 effectively 'wipes out' any capacity for new comparison goods floorspace across the Borough area. As explained above, there is no Borough-wide capacity due principally to the impact of the new Class A1 non-food floorspace planned for North Greenwich. Although there is residual capacity for new floorspace in most of the Borough's main centres, this has fallen in line with the wider Borough forecasts. For example, the capacity for new floorspace in Woolwich has been reduced by 766 sqm net (-21%) under this scenario; from 3,589 sqm net as originally tested, to 2,823 sqm net by 2038. For Eltham forecast capacity has fallen by 1,555 sqm net (-16%); from 9,844 sqm net to 8,289 sqm net.

13.60 For **convenience goods**, the table below shows the SFT market shares forecast by Experian in their latest *RPN 15* (also see **Table 3.3; Section 3**) and the survey-derived market shares applied to the capacity forecasts.

Table 13.6: SFT – Estimated and Projected Market Share of Non-Store Convenience Goods Retail Sales

	2018	2023	2028	2033	2038
Experian RPN 15 (December 2017)*:	3.4%	4.2%	4.8%	5.2%	5.3%
Survey-based SFT Market Shares:	2.7%	3.3%	3.8%	4.1%	4.2%
'Sensitivity Test' – High Market Share Potential	3.4%	4.5%	5.5%	6.5%	7.5%

Source: *RPN15 - Figure 5, Appendix 3.

- 13.61 As explained elsewhere in this section, the survey-derived market shares are lower than Experian's national forecasts in this case. In order to understand the potential impact on the capacity forecasts, we have assumed that SFT's market share for convenience goods could potentially increase to a level above Experian's national forecast, to around 7.5% by 2038. The impact of this higher SFT market share growth on the capacity forecasts is summarised in the table below.

Table 13.7: Revised Convenience Goods Capacity Forecasts – Higher SFT Market Share

	Superstore Format (sqm net)				Supermarket / Deep Discounter (sqm net)			
	2023	2028	2033	2038	2023	2028	2033	2038
Borough-wide Residual Expenditure Capacity (£m)	£16.7	£24.8	£50.1	£76.9	£16.7	£24.8	£50.1	£76.9
Woolwich Town Centre	562	1,153	1,575	1,989	937	1,921	2,624	3,315
Eltham Town Centre	190	455	719	1,042	316	758	1,198	1,737
Greenwich District Centre	114	269	427	607	189	449	712	1,012
East Greenwich District Centre	158	248	330	408	263	413	551	680
North Greenwich District Centre	-204	-1,846	-1,843	-1,841	-339	-3,076	-3,072	-3,069
Plumstead District Centre	5	9	18	33	9	15	30	54
Thamesmead District Centre	172	406	596	761	286	676	993	1,269
All Local Centres	-625	-480	-348	-215	-1,042	-800	-579	-359
All Neighbourhood Parades	23	39	59	87	38	66	99	144
All Out-of-Centre Stores in Borough	949	1,726	2,455	3,213	1,582	2,877	4,091	5,355
TOTAL CONVENIENCE GOODS CAPACITY	1,344	1,979	3,988	6,084	2,239	3,298	6,646	10,139

- 13.62 As the table shows, the increase in SFT market shares has reduced the capacity for new 'superstore' format floorspace from 7,798 sqm net at 2038 to 6,084 sqm net, and the capacity for new 'supermarket/deep discounter' floorspace from 12,996 sqm net to 10,139 sqm net.
- 13.63 It follows that if the growth in SFT's market share is higher than forecast under the above scenarios, then the capacity for new retail floorspace would fall further. On this basis we advise that the Council monitors and updates the capacity forecasts at regular intervals (every three to five years), to take account of changes in Experian's forecasts, and wider market, retail and economic trends.

Sensitivity Test 2: Impact of Higher Floorspace 'Productivity' Growth on Capacity Forecasts

- 13.64 For the purpose of this retail assessment we have also tested the 'sensitivity' of the capacity forecasts based on increasing Experian's year-on-year floorspace 'productivity' growth rate. As described above, retailers and businesses are experiencing increasing pressures on their turnovers and profit margins principally due to increasing costs (including, for example, rising rents, business rates and wages), and they may therefore need to achieve higher 'productivity' growth rates than forecast by Experian to remain viable.
- 13.65 For **comparison goods**, the table below shows the national year-on-year floorspace 'productivity' growth rates forecast by Experian in their latest *RPN 15*, which formed the basis for our capacity assessment.

Table 13.8: Comparison Goods Floorspace 'Productivity' Growth Rates (% per annum)

	2018	2019	2020-24	2025-38
Experian RPN 15 (December 2017)*:	+0.9%	+1.8%	+2.3%	+2.2%
'Sensitivity Test' – Higher 'Productivity' Growth Rates	+0.9%	+1.8%	+2.5%	+2.5%

Source: *RPN15 - Figure 4b.

- 13.66 In order to understand the potential impact on the capacity forecasts, we have assumed a slightly higher year-on-year growth in 'productivity' levels of +2.5% for the period 2020 through to 2038. The impact of these higher 'productivity' growth rates on the capacity forecasts is summarised in the table below.

Table 13.9: Revised Comparison Goods Capacity Forecasts – Higher 'Productivity' Growth Rates

	2023	2028	2033	2038
Borough-wide Residual Expenditure Capacity (£m)	-£151.2	-£121.9	-£68.2	-£16.5
Woolwich Town Centre	-881	415	1,662	2,676
Eltham Town Centre	1,535	3,839	6,122	7,991
Greenwich District Centre	570	1,569	2,503	3,258
Plumstead District Centre	-452	-389	-328	-277
Thamesmead District Centre	355	891	1,418	1,849
All Other Local Centre & Parades	-453	105	639	1,078
All Out-of-Centre Stores and Floorspace	-9,753	-5,057	-569	3,085
North Greenwich	-13,350	-17,350	-19,350	-21,350
TOTAL COMPARISON GOODS CAPACITY	-22,429	-15,978	-7,903	-1,690

- 13.67 The outputs of the 'sensitivity' analysis show that even a relatively modest uplift in the 'productivity' growth rates result in no Borough-wide capacity for new comparison goods floorspace over the forecast period. There is a similar reduction in the capacity for new floorspace in the main centres. For example, the forecast capacity for Woolwich falls by circa 25% (-913 sqm net) from 3,589 sqm to 2,676 sqm net at 2038. The floorspace capacity for Eltham falls by circa 19% (-1,853 sqm net) from 9,844 sqm to 7,991 sqm net.
- 13.68 For **convenience goods**, the table below shows the 'productivity' growth rates forecast by Experian in their latest *RPN 15*.

Table 13.10: Convenience Goods Floorspace 'Productivity' Growth Rates (% per annum)

	2018	2019	2020-24	2025-38
Experian RPN 15 (December 2017)*:	-0.1%	-0.2%	0.0%	+0.1%
'Sensitivity Test' – Higher 'Productivity' Growth Rates	-0.1%	-0.2%	+0.2%	+0.5%

Source: *RPN15 - Figure 4a.

- 13.69 In order to understand the potential impact on the capacity forecasts, we have assumed a higher year-on-year growth in 'productivity' levels of +0.2% for the period 2020 to 2024, and +0.5% for 2025 to 2038. The impact of these higher 'productivity' growth rates on the capacity forecasts for new convenience goods floorspace is summarised in the table below.

- 13.70 The revised forecasts show a significant fall in the Borough-wide capacity from 7,798 sqm net to 3,997 sqm net for new 'superstore' format floorspace at 2038; and from 12,996 sqm net to 6,629 sqm net for 'supermarket/deep discounter' format floorspace.
- 13.71 The outputs of the 'sensitivity' analysis show that even a relatively modest uplift in floorspace 'productivity' growth rates result in a significant reduction in the capacity for new comparison and convenience goods floorspace over the forecast period.

Table 13.11: Revised Comparison Goods Capacity Forecasts – Higher 'Productivity' Growth Rates

	Superstore Format (sqm net)				Supermarket / Deep Discounter (sqm net)			
	2023	2028	2033	2038	2023	2028	2033	2038
Borough-wide Residual Expenditure Capacity (£m)	£15.2	£15.3	£32.8	£53.7	£15.2	£15.3	£32.8	£53.7
Woolwich Town Centre	538	1,006	1,294	1,593	897	1,677	2,156	2,655
Eltham Town Centre	157	277	390	585	262	462	649	975
Greenwich District Centre	103	208	311	443	172	346	518	739
East Greenwich District Centre	155	228	292	353	258	380	487	589
North Greenwich District Centre	-204	-1,847	-1,846	-1,845	-340	-3,078	-3,076	-3,074
Plumstead District Centre	4	0	2	11	6	1	4	19
Thamesmead District Centre	157	326	446	552	262	543	743	920
All Local Centres	-632	-522	-428	-329	-1,053	-869	-713	-549
All Neighbourhood Parades	20	25	33	49	33	41	54	82
All Out-of-Centre Stores in Borough	910	1,487	1,996	2,564	1,517	2,479	3,327	4,273
TOTAL CONVENIENCE GOODS CAPACITY	1,209	1,190	2,490	3,977	2,015	1,983	4,149	6,629

Summary

- 13.72 This section has assessed the potential (economic) 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).
- 13.73 The CREATE^e capacity 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 GLA figures are preferred to Experian's projections, as the GLA projections better reflect future Borough-wide population trends and growth. 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 2017⁷³. All known retail commitments in the Borough and its main centres at the time of preparing this assessment have been provided by the local planning authority, and the Council has subsequently agreed as to the likely mix and scale of Class A1 food and non-food floorspace to be applied for the capacity modelling.
- 13.74 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

⁷³ To note that Experian expenditure projections are universally and robustly used in retail planning and are applied to any derived demographic profile.

over the long term. The Council will have to take into account these margins for error when assessing the need for new retail floorspace over the short (0-5 years), medium (5-10 years) and long term (10 years plus).

- 13.75 For these reasons we have also tested the 'sensitivity' of the baseline capacity forecasts to potential increases in SFT market shares (including online sales) and floorspace 'productivity' growth rates up to 2038. The tables below summarise the forecast capacity for new comparison and convenience floorspace over the short (to 2023) and medium term (to 2028) only across the Borough and its main centres.

Table 13.12: 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
Borough-wide Residual Expenditure Capacity (£m)	-£143.8	-£98.3	-£153.8	-£120.1	-£151.2	-£121.9
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
TOTAL BOROUGH-WIDE CAPACITY	-21,496	-13,166	-22,987	-16,086	-22,429	-15,978

- 13.76 In summary, for **comparison goods** the forecasts show no Borough-wide capacity for new comparison goods retail floorspace up to 2028. This is mainly due to the impact of the turnover of major new commitments in North Greenwich; including the O2 Designer Outlet Village and IKEA at Millennium Retail Park. Applying the 'sensitivity' tests of higher SFT market shares and 'productivity' growth over the forecast period therefore results in no capacity for new comparison goods floorspace over the study period, 2018 to 2038 compared with the positive capacity for 6,010 sqm net under the 'baseline' assessment (Table 13.3).
- 13.77 Based on the 'sensitivity' testing **Table 13.12** shows there is forecast capacity for between 402-746 sqm net of new comparison goods floorspace in Woolwich at 2028; 3,812-4,521 sqm net in Eltham; 1,559-1,820 sqm net in Greenwich; and 886-1,031 sqm net in Thamesmead. In our judgement this medium-term need 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 regeneration and development of suitable sites for new retail and mixed use development.
- 13.78 For **convenience goods**, the table below shows that there is forecast Borough-wide capacity for between 1,190-2,592 sqm net of new 'superstore' format floorspace by 2028. This level of capacity could potentially sustain one larger superstore in the Borough, or a number of convenience stores trading at higher average sales levels, or possibly extensions to existing stores where feasible.

Table 13.12: 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
Borough-wide Residual Expenditure Capacity (£m)	£20.2	£32.4	£16.7	£24.8	£15.2	£15.3
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
TOTAL BOROUGH-WIDE CAPACITY	1,624	2,592	1,344	1,979	1,209	1,190

- 13.79 For ‘supermarket/deep discounter’ floorspace trading at lower average sales levels the table below shows slightly higher capacity for between 1,983-4,321 sqm net of new floorspace by 2028. This level of capacity could potentially support up to three supermarkets/deep discounters (assuming an average sales area for a store of 1,500 sqm net) or a number of convenience stores, or possibly extensions to existing stores where feasible.

Table 13.13: 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
Borough-wide Residual Expenditure Capacity (£m)	£20.2	£32.4	£16.7	£24.8	£15.2	£15.3
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
TOTAL BOROUGH-WIDE CAPACITY	2,707	4,321	2,239	3,298	2,015	1,983

- 13.80 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.
- 13.81 The Borough’s existing out-of-centre foodstores are generating significant capacity for between 1,190-2,592 sqm net of new ‘superstore’ format floorspace, or between 2,479-3,194 sqm net of new ‘supermarket/deep discounter’ floorspace by 2028. This new floorspace capacity should be directed to the Borough’s main centres first in line with local and national planning policy objectives, and the defined network and hierarchy of centres
- 13.82 Notwithstanding the forecast capacity for new comparison and convenience goods floorspace identified for the Borough and its main centres up to 2028 and beyond this to 2038, meeting this need in full in existing centres will depend on identifying available and suitable sites/premises, and whether there is market demand from operators for representation in the respective town centres.

14 COMMERCIAL LEISURE NEEDS ASSESSMENT

- 14.1 The NPPF (paragraph 23) states that in drawing up Local Plans to ensure the vitality of town centres, local planning authorities should promote competitive Town Centres that provide customer choice and a diverse retail offer which reflects the individuality of Town Centres.
- 14.2 Against this background leisure uses can make a significant contribution to a Town Centre's vitality and viability. For example, a good provision and choice of leisure facilities and uses can help to increase 'dwell times', footfall and turnover in centres, with significant benefits for both daytime and evening economies.
- 14.3 However, forecasting the need for new commercial leisure uses is more complicated and problematic than for retailing, as the sector is highly complex and dynamic, and particularly sensitive to changes in economic, demographic, lifestyle and fashion trends. Consequently, the methods and approaches developed to forecast the need for new commercial leisure floorspace and uses are more wide-ranging and less sophisticated than for retail capacity forecasts.
- 14.4 The NPPF recommends that need assessments for new leisure uses and floorspace should take account of both quantitative and qualitative considerations (paragraph 161). In this context our analysis focuses on the following key elements:
- A review of the key trends driving market demand in the sector over the last decade;
 - An audit of existing commercial leisure uses in the council area to help identify any marked 'gaps' in provision;
 - A review of the results of the household survey to understand current commercial leisure participation rates and preferences across the study area; and
 - A broad economic assessment of the need for new additional leisure facilities across the main centres based on different datasets and accepted approaches.
- 14.5 For the purpose of our assessment we have necessarily focussed on the main commercial leisure uses that are widely accepted as making a significant contribution to the overall vitality and viability of Town Centres; namely food and beverage uses (Class A3-A5), cinemas and health clubs and gyms, and to a lesser extent ten-pin bowling, casinos and bingo halls.
- 14.6 Detailed tables on forecast commercial leisure capacity, including projections on expenditure and need are set out below.

Leisure Expenditure Growth

- 14.7 Like the retail market, the commercial leisure sector has experienced significant growth in consumer and market demand since the mid-1990s; fuelled by a buoyant economy, growing disposable income and low unemployment levels. Although the leisure sector has not been immune to the impact of the recent economic downturn, leisure activities remain an important lifestyle choice for many consumers who are prioritising leisure over other areas of spending.
- 14.8 The table below shows the UK average expenditure per head per annum on commercial leisure services and the average for the defined study area based on Experian data. It shows that UK household spending on leisure services is dominated by the restaurant and café category (including pubs). This pattern is broadly repeated across all the zones.

Table 14.1: Estimates of Expenditure per Capita on Leisure Services in 2018 (£ per annum)

	Accommodation	Cultural services	Games of chance	Hairdressing salons & personal grooming	Recreational & sporting services	Restaurants, cafes, etc.	Total
Zone 1	£444	£302	£115	£99	£266.5	£1,766	£2,992
Zone 2	£438	£343	£126	£111	£299.6	£1,691	£3,009
Zone 3	£212	£172	£83	£59	£109.2	£828	£1,464
Zone 4	£189	£159	£78	£54	£91.2	£699	£1,272
Zone 5	£185	£188	£87	£57	£124.2	£711	£1,354
Zone 6	£246	£267	£109	£87	£198.4	£1,106	£2,014
Zone 7	£329	£313	£132	£125	£221.4	£1,330	£2,450
Zone 8	£212	£256	£116	£79	£159.3	£982	£1,805
Zone 9	£559	£331	£122	£179	£330.7	£2,160	£3,682
Zone 10	£356	£247	£109	£83	£203.4	£1,445	£2,444
Zone 11	£303	£270	£108	£87	£220.4	£1,246	£2,234
Zone 12	£386	£356	£149	£150	£249.5	£1,482	£2,773
Zone 13	£275	£285	£133	£110	£180.4	£1,160	£2,143
STUDY AREA	£318	£268	£113	£99	£204	£1,277	£2,280
(% of Total)	14.0%	11.8%	5.0%	4.3%	9.0%	56.0%	100.0%
LPA Area (Zones 1-8)	£282	£250	£106	£84	£184	£1,139	£2,045
(% of Total)	13.8%	12.2%	5.2%	4.1%	9.0%	55.7%	100.0%
UK Average (£)	£200	£277	£240	£88	£104	£1,002	£1,912
(% of Total)	10.5%	14.5%	12.6%	4.6%	5.5%	52.4%	100.0%

- 14.9 The table below shows the most recent leisure spend projections by Experian Business Strategies (EBS) as set out in *Retail Planner Briefing Note 15* (December 2017). EBS forecasts shows a decreasing growth forecast in the short term (2016-2018) before stabilising over the longer term (from 2019) to between +1.1% and 1.2% per annum. This forecast growth is higher than annual average historic growth rates for the period 1997-2015, when there was no growth in leisure spend.

Table 14.2: Actual & Forecast Growth in UK Leisure Spend (% per annum)

	2015	2016	2017	2018	2019	2020-2024	2025-2036
Leisure Spend Growth (%)	1.7	0.7	0.3	-0.1	0.8	1.1	1.2

Source: Experian Business Strategies, Retail Planner Briefing Note 15 (December 2018), Figure 1a and 1b

- 14.10 The base year expenditure per capita levels for leisure (**Table 14.1**) have been projected forward to 2038 using Experian's forecast annual growth rates (**Table 14.2**), and then applied to the projected population for each Study Zone (based on Table 3, **Appendix 2**) to identify the total available expenditure on leisure and recreation goods and services (**Table 14.3**).

Table 14.3: Total Forecast Growth in Commercial Leisure Expenditure: 2018 – 2038 (£m)

Zone	2018 (£m)	2023 (£m)	2028 (£m)	2033 (£m)	2038 (£m)	Change: 2018-2038 (£m)	Change: 2018-2038 (%)
Zone 1	£66.9	£73	£78	£85	£95	£28.37	42.4%
Zone 2	£159.2	£198	£230	£264	£300	£141.23	88.7%
Zone 3	£92.7	£111	£129	£145	£162	£69.44	74.9%
Zone 4	£26.0	£29	£34	£39	£44	£18.47	71.0%
Zone 5	£46.4	£49	£53	£58	£64	£17.10	36.8%
Zone 6	£57.5	£60	£64	£69	£76	£18.52	32.2%
Zone 7	£96.5	£104	£113	£124	£138	£41.87	43.4%
Zone 8	£49.2	£57	£63	£69	£77	£27.34	55.6%
Zone 9	£182.6	£213	£243	£274	£308	£125.75	68.9%
Zone 10	£271.1	£313	£358	£403	£444	£172.70	63.7%
Zone 11	£290.0	£318	£347	£376	£407	£116.91	40.3%
Zone 12	£140.7	£151	£164	£177	£191	£50.63	36.0%
Zone 13	£273.8	£293	£318	£343	£370	£96.31	35.2%
STUDY AREA	£1,752.7	£1,969.1	£2,192.9	£2,426.9	£2,677.3	£924.6	52.8%
LPA Area (Zones 1-8)	£594.4	£681.2	£762.7	£853.0	£956.8	£362.3	61.0%

- 14.11 As **Table 14.3** shows, the available commercial leisure expenditure across the defined study area is forecast to increase by 52.8% (+£924.6m) up to 2038; and across the Borough area the available commercial leisure expenditure is forecast to grow by 61% (+£362.3m) up to 2038.
- 14.12 Based on the broad leisure expenditure profile, the majority of the growth in leisure expenditure is likely to be weighted towards eating and drinking out (food and beverage). This highlights the potential to enhance the scale and quality of Class A3-A5 uses in the centres over the development plan period, subject to market demand.
- 14.13 Against this background, the following commentary identifies the potential 'gaps' in the commercial leisure offer of the Borough's main centres and the likely need for new uses and facilities over the forecast period to help maintain and enhance the daytime and evening economies of the Borough's main centres.

Cinema Provision

- 14.14 Although cinema audiences grew significantly during the 1990s, the UK cinema market has traditionally been dominated by a handful of operators namely Cineworld (the UK's largest operator, with over a quarter of the cinema box office market), Odeon/UCI; Vue (who operate the multiplexes in Westfield's Stratford and White City schemes); and Showcase (the UK arm of National Amusements of the USA). There was significant consolidation in the UK market in 2012 when Odeon acquired the BFI Southbank and a site from AMC; Vue acquired the Apollo cinema chain; and Cineworld acquired Picturehouse. This trend of acquisition and consolidation in the sector is set to continue over the short term in our view.
- 14.15 According to the latest research by Dodona (a specialist market research consultancy in the cinema industry) at the end of 2015, the UK had 4,046 screens, 137 more than 2014, in 751 cinemas in the UK. Approximately three-quarters (77%) of the screens are in multiplexes. It should be noted that the number of cinemas has fluctuated, with a low of 697 in 2006 and a high of 769 in 2012. This has been influenced by the increase in the number of multiplex screens and the loss of 'traditional' cinemas. The rest of the market is mainly represented by smaller multiplex operators and independents which tend to operate non-multiplex cinemas (i.e. less than six screens) and screens in mixed-use venues (such as arts centres); including The Light, Curzon and Everyman cinemas. Everyman cinema reported in early 2017 that demand for its "home from home" experience is growing around the UK with new openings planned for 2018 venues in York, Liverpool and Newcastle, as well as London's Borough Market in 2020.
- 14.16 The cinema industry has not been immune from the recession and there have been some closures since 2008; although the majority have been smaller art centre venues rather than the larger chains. Notwithstanding this,

the industry generally appears to be in good health and the UK is the second largest consumer market for filmed entertainment in the world after the USA. The latest research shows that box office revenue in 2015 in the UK exceeded £1bn for the fifth year in succession, based on 171.5m admissions. Overall the cinema sector has remained relatively resilient in the prevailing economic and consumer environment.

- 14.17 In recent years, cinema operators have also introduced changes to the cinema experience, including premium seating areas and better quality refreshments, such as alcohol and higher quality food. For example, Vue Cinemas introduced their 'Evolution' concept which provides a mix of seating types comprising bean bags and sofas, as well as regular seats. Cineworld has also introduced the 'Screening Room' concept, characterised by leather chairs and table service.
- 14.18 There has also been a growth in smaller (Digital) cinemas to serve smaller catchment areas. These Digital cinemas are more flexible and less "space-hungry", as they do not require the large shopping auditoriums needed to accommodate traditional projectors. There are therefore opportunities for modern cinema offer to be provided in existing buildings. Examples include the HMV in Wimbledon which has a small Curzon cinemas above the store; Genesis, Whitechapel; The Grosvenor, Glasgow; Watershed, Bristol and the Lynton Cinema, Lynton.
- 14.19 Turning to the cinema provision in the Study Area, the key commercial and independent purpose built cinemas are illustrated on Plan 1 in **Appendix 11**. Table 1 in **Appendix 11** is based on the analysis of the survey-derived market shares and sets out the retention levels of the individual cinemas in the Royal Greenwich area, as well as the leakage to locations outside the Borough Area.
- 14.20 The survey results show that there is strong **Borough-wide** retention rate of cinema trips of 74.9%, which reflects the relatively good level of cinema provision. The key findings for the main centres are as follows:
- **Woolwich** - does not have a cinema. Although a high proportion of respondents in Woolwich's defined 'Core Zone'⁷⁴ visit cinemas within the Borough area (59.3%), it does mean that there is currently a 40.7% leakage of trips and cinema-related expenditure outside the Borough. The most popular venue is the Showcase Cinema at Bluewater (12.4%). The provision of a new cinema anchor in Woolwich would help to strengthen the town's daytime and evening economy and would also help to attract new food and beverage operators that normally co-locate with cinemas. As reported in **Sections 6** and **13**, there is currently an application with the Council for the Spray Street site that includes a cinema as part of the wider mix of residential and commercial uses (ref: 18/0126/F).
 - **Eltham** – also does not currently have a cinema. As a result, respondents in the town's 'Core Zone' currently visit cinemas within the Borough area (52.5%); with the majority visiting the Cineworld at the O2 (33.5%). There is also a 47.35 leakage of cinema trips outside the Borough area, with the most popular venue Showcase Cinema at Bluewater (19.3%). Notwithstanding this, the new Vue cinema in Eltham is expected to be completed in 2019 and will draw significant cinema trips and leisure expenditure to the centre. The new cinema will also help to boost the centre's daytime and evening economy.
 - **Greenwich** – the Picturehouse Cinema is the main venue for 80.0% of respondents in Greenwich's defined 'Core Zone'. Overall, some 96% of cinema trips are retained within the Borough area. This is very positive and will have a positive impact on Greenwich's daytime and evening economy.
 - **North Greenwich** - the Cineworld cinema at the O2 is achieving a market share of 16.4% within the centre's defined 'Core Zone'. A large proportion of respondents also visit the out-of-centre cinema at Bugsby's Way (33.3%). There is a low level of leakage to cinemas outside the Council area (9.6%), which is also very positive.
 - **East Greenwich** - does not benefit from a commercial cinema as it is too small. Respondents from within its Core Zone primarily visit the Picturehouse cinema in Greenwich (40.8%).

⁷⁴ For the purposes of this Study and due to the geography of the area, the 'Core Zone' relates to the area in which the centre is most prominently located

- **Thamesmead** - does not have a cinema, although relatively high proportion of respondents in its 'Core Zone' do visit cinemas within the Borough area (73.3%).
- **Plumstead** – also does not benefit from a commercial cinema as it is too small. Nevertheless a relatively high proportion of respondents in its 'Core Zone' visit cinemas within the Council area (68.8%). There is a 31.2% leakage of cinema trips, with the most popular venue being the Cineworld in Bexleyheath (21.0%).

14.21 We have used a standard and widely accepted approach to assess the current level of cinema provision and future needs in the Borough area based on national and regional 'screen density' averages (i.e. the number of screens per unit of population). According to Dodona, in 2015, the UK average was 6.3 screens per 100,000 people, up from 6.1 screens in 2014 and the equivalent figure for London is 6.7 screens per 100,000 people.

14.22 The table below shows the potential quantitative need for additional cinema screens in the Borough area, based on the overall Borough-wide retention rate of almost 75%.

Table 14.4: Potential Capacity for New Cinema Screens: 2018-2038

	2018	2023	2028	2033	2038
Potential Cinema Catchment Population	216,124	233,988	247,395	260,315	274,434
Cinema Screen Density (screens per 100,000 persons)	6.7	6.7	6.7	6.7	6.7
Cinema Screen Potential	14	16	17	17	18
Existing Screens	34	34	34	34	34
Proposed Screens	6	6	6	6	6
Net Screen Potential	No Potential	No Potential	No Potential	No Potential	No Potential

Source: Screen density London derived from British Film Institute Statistical Yearbook 2017

Notes: Screen density is used to measure screen provision in a given area. Existing cinema screens account for key cinema facilities only.

Proposed Scheme potential refers to the six screen cinema proposed as part of the Vue development on Eltham High Street (App Ref: 15/2152/F)

The net screen potential is derived by subtracting the existing and proposed provision less cinema screen potential

14.23 The results of our assessment indicate that based on population growth within the Borough area, there is no quantitative capacity to support new cinema screens over the study period to 2038, when applying an aspirational London average screen density of 6.7 screens per 100,000 people and after taking in to account the proposed 6 screen Vue Cinema proposed on Eltham High Street (App Ref: 15/2152/F). Notwithstanding this, the new Vue cinema is likely to increase the retention rate further and claw back visits from competing locations.

14.24 In our judgement, whilst there is no identified quantitative capacity, cinema operators are still looking to expand their venue portfolios in the right locations; this demand is being generated by both the larger multiplexes (such as, for example, Vue and Cineworld) and the more 'niche' and specialist cinema operators (such as, for example, The Light and Everyman). If demand does exist this should be directed to town centres first in accordance with national and local policy objectives, and specifically to Woolwich and Thamesmead which we consider would both benefit from cinema anchors to help strengthen their daytime and evening economies.

Eating and Drinking Out

14.25 The food and beverage sector, including restaurants, cafes, bars and pubs (Class A3, A4, and A5), provide an increasingly important part of the town centre's wider offer and economy. They also complement other town centre uses, particularly shops, offices and cinemas (see above), helping to lengthen 'dwell times' (the time people spend in centres) and increase expenditure as part of the same trip.

14.26 As highlighted in **Section 3**, average household expenditure on leisure services in the UK is largely dominated by eating and drinking out. The following provides a summary of some of the key trends driving changes in the food and beverage sector over recent years.

- **Pubs and Wine Bars** – Pub operators have widened their food and non-alcoholic beverage offer, resulting in the growth of so-called "gastro-pubs" in competition with more established restaurants, and the rise in 'micro pubs'. Notwithstanding this the sector has also been characterised by increasing consolidation and closures. Recent research by CAMRA also suggests that on average around 21 pubs closed every week

in the UK between June and December 2015. The sale of pubs for conversion to alternative uses has also increased over recent years, particularly for convenience retailing (e.g. Tesco Express and Sainsbury's Local).

- **Restaurants** – This sector has also experienced mixed fortunes during the economic downturn. Some of the key trends driving change in this sector include an increase in 'eating at home', which has increased sales for take-aways and deliveries. At the same time customers are increasingly basing their decisions to eat out on 'value for money', but not at the expense of quality in terms of service, food and the overall experience. Recent successes include Bill's and Cote, with branded restaurants increasing their share in the market. There has also been a growth in 'all-you-can-eat' style restaurants which are aimed at offering value for money (examples include the Taybarns brand owned by Whitbread). In broad terms, and according to recent research, future F&B growth is most likely to be dominated by multiple operators expanding their presence across the UK.
- **Cafes/Coffee Shops** – This sector has experienced strong growth over the last five years. According to Mintel research, the UK coffee shop market rose by 37%, up from £2.4 billion in 2011 to reach £3.4 billion in 2016. Additionally, between 2015 and 2016 sales increased by 10.4% – the biggest year-on-year boost witnessed in the last five years. The market over the next five years is forecast to grow a further 29%, to reach £4.3 billion estimated at 22,845 outlets, the total UK coffee shop market delivered a growth of 6% in outlets in 2016. Costa Coffee, Starbucks Coffee Company, and Caffè Nero remain the UK's leading chains with a 53% outlet share of the branded coffee shop market. Market leader Costa operates 2,121 UK outlets, adding 129 units in 2016, and Starbucks and Caffè Nero operate 898 and 650 UK outlets respectively. Leading chains continue to expand and enjoy positive like-for-like sales growth, albeit at a slowing pace. However small and medium sized boutique chains such as Coffee#1, Joe & the Juice, and Taylor St. Baristas are gaining momentum and driving the comparable sales growth across the sector, ahead of the leading chains. Increased merger and acquisition activity throughout 2016 signifies the strength of the vibrant coffee shop market in the UK. Activity such as Whitbread's 49% acquisition of Pure; Tchibo's acquisition of Matthew Algie; and Caffè Nero's purchase of Harris+Hoole signals further market convergence. Notwithstanding the rise of the multiples, there has also been growth in independent and specialist cafés and coffee houses, particularly those serving a more luxury or specialist offer (e.g. organic and Fairtrade). The strong independent coffee sector has fuelled many new start-up businesses in local centres. While many forecasters considered the café market to be saturated a few years ago, Allegra reveals that after 18 years of considerable continued growth, the coffee shop market is one of the most successful in the UK economy and is set to outnumber pubs by 2030 as coffee shops become the new local.

14.27 Between 2014 and 2017, the expansion of F&B operators was dominated by multiple operators – from 37% of net addition of units, to 49% of units in 2016⁷⁵. Moving forward this may change due to over-provision and saturation in certain sectors and increasing costs. For example, over the last 12 months casual dining spending has taken a hit with some restaurants now struggling, and in the first quarter of 2018 alone the following chains announced closures / restructuring of operations and outlets:

- Strada – shutting down a third of their sites;
- Jamies Italian – filing for a company voluntary arrangement (CVA) closing 12 of its 37 sites;
- Jamie Oliver's Barbecoa has gone into administration;
- Square Pie has also gone into administration;
- Byron Burger – seeking reduced rents from landlords and closing 20 sites;
- Prezzo – Creditors have backed a restructuring plan that will see it close 94 outlets - about a third of the chain. The 94 closures include restaurants under the Prezzo, Mexico and Cleaver brands and all 33 Chimichanga sites; and
- Carluccios – appointed restructuring experts to advise on its 102 sites.

⁷⁵ Cushman & Wakefield – UK Food & Beverage Market Sustainable Growth – H1, 2017, Pg. 16

- 14.28 The current consolidation is attributable due to the presence and range of competing outlets and where margins have come under pressure. Once profitable sites for some operators have become unsustainable due to higher rents and business rates, labour costs and Brexit fuelled food inflation. Additionally, there is a recognition that dining restaurants and chains in particular have over expanded, and particularly those funded by private equity who were under pressure to expand to sustain returns for their investors.
- 14.29 The household survey identified where people living in the Study Area currently chose to eat and drink, and whether there are potential 'gaps' in the current offer. The survey results are summarised in Table 2 (**Appendix 11**) and show a relatively high Borough-wide retention rate of 69% for eating and drinking out. The headline findings for the Borough's main centres are as follows:
- **Woolwich** – the cafés, restaurants and bars in Woolwich attract some 34.6% of respondents living within its 'Core Zone'. A high proportion of respondents choose to eat out in Greenwich (19.8%), followed by Eltham (7.4%) and Blackheath (7.4%). Some 10.9% of respondents also eat out in Central London. The survey results confirm that there is a qualitative need to improve the scale and quality of the food and beverage provision within Woolwich given the aspiration to reclassify it as a Metropolitan Centre.
 - **Eltham** retains a high proportion of its population from its Core Zone (40.5%). The remaining population choosing to eat out in either Blackheath (3.8%) or Charlton (1.2%), or locations outside Royal Greenwich such as Central London (13.9%) and Bexleyheath (6.2%). It is likely that Eltham's market share will increase following the opening of the new restaurants as part of the cinema development.
 - **Greenwich** - retains the highest proportion (76.0%) of respondents in its 'Core Zone', which reflects its strong food and beverage offer. Central London (9.9%) is the next most popular destination.
 - **North Greenwich** - also retains a small market share of people from within its Core Zone (1.4%). This is surprising given presence of the O2 Arena as an established leisure destination. However, this may be due to the fact this it primarily caters for national and international visitors and tourists. The remaining population eat out in Greenwich (49.9%), other District Centres and locations in Central London.
 - **East Greenwich** – has a low retention level within its Core Zone of 0.8%. This reflects the low quality fast food outlets in the centre.
 - **Thamesmead** – has a low retention level of 4.5%. This reflects the limited choice of Class A3-A5 facilities in the centre. Over half of its 'Core Zone' population either eat out at other venues in the Borough (51.5%), or elsewhere; for example Central London (20.8%) and Bexleyheath (17.5%) are popular destinations.
 - **Plumstead** – according to the survey results it is not retaining any trips for eating and drinking out within its 'Core Zone'. Although the majority of respondents eat out in Woolwich (17.4%) and Greenwich (17.6%), some 58.1% go outside the Council area; principally to Bexleyheath (18.7%), Central London (12.0%) and Bluewater (10.1%).
- 14.30 Turning to the potential need for new F&B uses (floorspace), the table below shows that the total available expenditure for food and drink in 2018 is £594.4m. The HTIS has indicated that centres from within the Borough area collectively have a relatively strong retention level (69%) for eating and drinking out. An appropriate strategy should seek to maintain and, where possible, increase this market share over the forecast period to 2038.

Table 14.5: Total Leisure Spend in the District Area (Zones 1, 2, 3 & 7) (£m)

	LPA Area (Zones 1-8) : Total Leisure Spend (£m)					Change:	Change:
	2018	2023	2028	2033	2038	2018-2038 (£m)	2018-2038 (%)
Accommodation	82.5	94.8	106.3	119.0	133.6	£51.0	61.8%
Cultural services	72.4	82.7	92.5	103.4	115.9	£43.5	60.1%
Games of chance	30.6	34.9	39.1	43.6	48.8	£18.2	59.5%
Hairdressing salons & personal grooming	24.5	27.9	31.2	34.9	39.1	£14.6	59.7%
Recreational & sporting services	53.6	61.4	68.7	76.9	86.3	£32.7	61.0%
Restaurants, cafes, etc.	330.8	379.4	424.8	475.2	533.1	£202.3	61.2%
Total	594.4	681.2	762.7	853.0	956.8	£362.3	61.0%

- 14.31 On this basis, the available expenditure has been projected forward to 2038 and any residual expenditure available to support new A3-A5 floorspace over the development plan period will be derived from the difference between the forecast growth in 'current' (survey-derived) turnover levels and the growth in 'benchmark' turnovers after applying robust year-on-year 'productivity' ('efficiency') growth rates to all existing floorspace of 1% per annum.
- 14.32 The resulting residual expenditure has been converted into floorspace projections using a 2018 average assumed sales density of £2,000 per sqm net (inflated by 1% per annum over the period to 2038). This reflects our judgement of the potential range of turnover levels achieved by food and beverage operators across the UK, based on the available evidence and market intelligence.
- 14.33 The analysis also takes in to account the following extant commitments (also set out in **Section 13** and in **Appendices 9-10**, Table 3) and our assumptions based on the available evidence with regard to the likely mix and quantum of Class A3-A5 (food and beverage) uses:
- The Waterfront, Royal Arsenal, Woolwich (ref: 13/0117/O) – 342 sqm net of A3/A4 uses.
 - Royal Carriage Square, Royal Arsenal, Woolwich (ref: 16/2807/F) – 376 sqm net of A3/A4 uses.
 - All other commitments in Woolwich Town Centre – these include the flexible commercial floorspace permitted as part of wider mixed use schemes as at 1 April 2018⁷⁶, which CJ estimate will comprise a total Class A3-A5 sales area of 1,201 sqm net.
 - All commitments in Greenwich District Centre – these include the flexible commercial floorspace allowed as part of mixed use schemes as at 1 April 2018⁷⁷, which CJ estimate will comprise approximately 202 sqm net of Class A3-A5 uses.
 - Kidbrooke Village - outline permission (ref: 08/2782/O) has been superseded by a series of s73 material amendments to the residential and non-residential floorspace⁷⁸ and CJ estimate the net floorspace for Class A3-A5 uses is 554 sqm net.
 - Greenwich Peninsula (ref: 15/0716) - the derived net floorspace for Class A3-A5 uses is 4,095 sqm net.
 - The 02, Peninsula Square (ref: 14/1486/O & 11/3033/O) - the net floorspace for A3 and A4 uses is 10,906 sqm.
 - The 02, Peninsula Square (ref: 16/1933/R) – further net Class A3-A4 floorspace of 983 sqm net.
 - Greenwich Millennium Village (ref: 12/0022/O) - net Class A3-A4 floorspace of 278 sqm net.
 - All other out-of-centre commitments in the Borough - as at 1st April 2018 CJ estimate a total sales area for new Class A3-A5 uses of 690 sqm net based in information provided by the local planning authority⁷⁹.

⁷⁶ Planning references: 11/1632/F; 13/2798/F; 13/3307/F; 15/0016/F; and 16/2480/F

⁷⁷ Planning references: 13/0364/F; 13/2725/F; 14/1775/F; and 16/3328/F

⁷⁸ include planning references 14/2607; 15/3036/MA; 17/0094/MA; 7/0536/MA; 17/1239/MA; and 17/1240/MA

⁷⁹ include planning references 13/1841/F; 14/3795/F; 15/0973/F; 15/2187/F; 15/2272/F; 16/0132/F; 16/1792/F; 16/2163/F; 16/2878/F; and 17/4080/F

14.34 The table below summarises the high level capacity forecasts for new Class A3-A5 floorspace on this basis.

Table 14.6: Need for new Food & Beverage Space in the Borough – Projected Gross Floorspace (sqm)

	2023	2028	2033	2038
Total Available Expenditure in RBG Area (Zones 1-8) (£m)	379.4	424.8	475.2	533.1
Current retained turnover (£m)	261.8	293.1	327.9	367.8
Benchmark turnover (£m)	239.9	252.1	265.0	278.5
Net Residual Excluding Commitments (£m)	21.9	41.0	62.9	89.3
Turnover of Committed Floorspace (£m)	32.6	38.4	42.2	46.1
NET RESIDUAL EXPENDITURE AFTER COMMITMENTS: (£m)	-10.8	2.6	20.7	43.2
Capacity (sq m gross) based on a sales density of: £2,000/sqm net	No Capacity	1,672	12,717	25,312

14.35 Assuming 'equilibrium' at the base year and constant market shares over the forecast period, there is no forecast capacity in the short term to 2023 with emerging capacity by 2028 of 1,672 sqm gross, increasing to 12,717 sqm gross by 2033 and 25,312 by 2038. As stressed previously, forecasts beyond a five year (short-term) time period should be interpreted with caution as they are subject to increasing margins of error. In compliance with the objectives of the NPPF, this forecast need should be directed to town centres within the Borough area first to help increase competition and choice, and to help underpin their daytime/evening economies.

Health and Fitness Facilities

14.36 The health and fitness market has generally performed well during the economic downturn. The latest statistics from the *Leisure Database Company*⁸⁰ (LDC) show that over the twelve month period to March 2016, the industry has grown its total market value by +5.3% to £4.4 billion, and its member base has also grown by +5.3%. According to LDC there were an estimated 6,435 private health clubs and public fitness centres facilities in the UK in 2016, which represented a small +1.9% net increase from 6,312 facilities the previous year. The main operators in the market currently include:

- Esporta, Greens & David Lloyd Leisure – at the premium end of the market focus on health, racquet and tennis clubs;
- Nuffield Health (previously Cannons) & Virgin Active – dominate the mid-range family-orientated health; and fitness market (Nuffield acquired 35 Virgin Active gyms in 2016);
- LA Fitness, Fitness First and Bannatyne's Health Clubs – operate smaller in-centre clubs at the more value end of the market; and
- Within London smaller 'boutique' gyms are popular, such as Soho Gyms, which have facilities across the City.

14.37 The most significant growth in the sector in recent years has been fuelled by value and budget operators. The new wave of ("no frills") fitness clubs is growing steadily and lead by Pure Gym, which opened 60 clubs across the UK in 2015. Other popular low cost brands include EasyGym, Fitness 4 Less, Fitspace, TruGym, and SimplyGym. The low cost business models is based on 24-hour opening, discounted monthly subscriptions (of

⁸⁰ LDC is a market research specialist for the leisure industry

between £10 and £20 on average) and 'pay as you go' membership. According to LDC, the low cost gym sector now accounts for 12% of total private clubs and 32% of private sector membership.

- 14.38 Overall, the proportion of the population in 2016 with a gym membership was estimated at 14.6%, up from 13.7% in 2015. According to LDC, the average number of members per club in the UK is estimated to be 1,426, which includes the average for independent venues (726 per club) and larger leisure chains (2,198 per club). For the larger fitness chains (e.g. David Lloyd, Virgin, LA Fitness, etc.) the average club membership increases to 2,897, while budget chains are even higher at 3,452 members.
- 14.39 **Plan 2 (Appendix 11)** shows the current representation of the main national, regional, independent, privately-owned as well as Council-owned leisure centres health and fitness operators across the Study Area. Table 3 (**Appendix 11**) is based on the analysis of the HTIS, and sets out the retention levels of the health and fitness facilities in the Royal Greenwich Area, as well the trade leakage to locations outside the Council Area.
- 14.40 The key findings are as follows:
- **Woolwich** retains a higher proportion of the population within its Core Zone. The Waterfront Leisure Centre (37.8%) and the Better Gym (2.7%) are two of the five most popular facilities within the Borough Area. A total of 10.7% of trips are lost to other facilities outside the Council Area.
 - **Eltham** retains 31.4% of its population from within its Core Zone due to the presence of the Eltham Centre. Another popular facility is located outside the Council Area in Sidcup (Better Gym) which has a market share of 19.2%.
 - **Greenwich** has a good retention rate, with 27.7% of the population in its PCA choosing to use local facilities. The most popular facility in the Borough area is the Better Gym in North Greenwich (15.2%). A similar proportion is lost to locations outside the Borough; namely in Central London (15.2%) and to Fitness First in London Bridge (7.5%).
 - **East Greenwich** has a 14.7% retention level, with the Greenwich Centre in Lambard Square being the most popular facility.
 - **North Greenwich** retains 9.6% of its health and fitness trips, with the Better Gym being the most popular facility.
 - **Thamesmead** has a relatively high retention level of 56.9% within its Core Zone due to the presence of the Thamesmead Leisure Centre. The main leakage is to North Greenwich (11.2%) and Woolwich (7.7%).
 - **Plumstead** the majority of respondents in the centre's Core Zone visit health and fitness facilities in Woolwich (37.9%; including the Better Gym and the Waterfront Leisure Centre), Thamesmead (21.8%; including the Thamesmead Leisure Centre). Another popular health and fitness facility is the Crook Log Leisure Centre in Bexleyheath (14.3%).
- 14.41 In terms of supporting new facilities, there is likely to be demand for new provision across the study area given that the population of the Borough is forecast to increase by 77,850 from 2018 to 2038 (Zones 1-8). Applying the participation rate (26.8%) for gym and health and health club activities identified for the Borough area, this results in some 20,864 potential new gym members over this period. Based on average membership levels of 2,897 members for commercial gym operators and 3,452 members for budget gyms, this quantum of population is able to support up to seven commercial gyms or six budget type of operators over the forecast period to 2038. However, as for the other commercial leisure uses, this will be dependent on market demand from operators seeking space in the Borough and its main centres.

Bingo and Gambling

- 14.42 Gambling represents a significant element of the leisure industry. The main sectors of the gambling industry comprise 'games of chance' (i.e. bingo clubs, casinos, betting shops, amusement arcades, etc.). We briefly

describe the key trends in this sector and the forecast need/ demand for new facilities in the study area, if any, based on the available evidence.

- 14.43 In terms of Bingo Halls, the latest research by The Gambling Commission (Industry Statistics November 2015) indicates that there are over 599 licensed premises in operation in the UK, which is a reduction from 653 recorded in 2014. Gala Leisure and Mecco Bingo are the leading operators accounting for over a third (36.9%) of all premises. Research by Mintel indicates that the industry has experienced a fall in revenues and admissions over recent years as a result of legislative changes (such as the ban on smoking in public places), the impact of the economic downturn and the growth of online gaming. In response to falling admissions, bingo operators are increasingly taking advantage of the online market and embracing smart-phone technology through new 'app' development. This forms part of a wider trend and growth in 'remote/online' gambling, which includes gambling activities through the internet, telephone, radio, etc. Bingo operators are also increasingly looking to diversify their customer profile, and are marketing their clubs at a younger, predominantly female audience. As a result there has been an increase in the number of younger and more affluent bingo players over recent years, particularly as deregulation has enabled clubs to offer bigger (national) prizes. The above has resulted in the closure of many bingo halls across the UK.
- 14.44 For Casinos research shows that there were some 147 venues in the UK in September 2015. The number of premises has remained fairly static over the past five years. This sector is dominated by two companies: the Rank Group (incorporating Grosvenor Casinos and Gala Coral Casinos) and Genting UK. There has been consolidation of the sector in the past few years, with acquisitions such as Rank Group's purchase of Gala Coral Casinos making it the largest operator in the UK. While casino attendance has grown from 18.24m in 2012 to 20.44m in 2015, attendance dropped by 2.6% from 2014 (20.99m). The increase in attendance since 2012 is largely explained by larger new casino venues granted licences under the 2005 Gambling Act. As far as we are aware there is no casino facility located within the three LPA areas. The nearest commercial casino is Aspers at Westfield Stratford City.
- 14.45 Betting shops do represent a growing market in the gambling sector and are ever present on the UK's high streets. There are approximately 9,000 betting shops in the UK, of which around half are operated by Ladbrokes and William Hill. Regulatory changes in 2015 led to a fall in revenue and profit. In response, William Hill announced their intention to close 150 of their 2,300 outlets. As gambling activities continue their shift to online channels, demand for physical outlets could dampen in the future. The presence of betting shops in high streets is a contentious issue, particularly the perceived social issues that are linked to this particular activity (e.g. anti-social behaviour) and their concentration in deprived areas. The Government has recognised that betting shops have specific impacts and in 2016 reclassified betting shops from A2 to Sui Generis use. This reclassification gave local authorities greater control on managing the number of outlets and therefore greater potential to limit impacts associated with betting shops.
- 14.46 Table 4 in **Appendix 6** is based on the analysis of the HTIS, and sets out the retention levels of the bingo halls, casinos and bookmaker facilities in the Royal Greenwich Area, as well the trade leakage to locations outside the Council Area. The key findings are discussed below:
- **Greenwich** - all respondents in Greenwich that carry out this type of leisure activity visit the Gala Bingo in Surrey Quays.
 - **Thamesmead** - does not retain any of trips within its Core Zone. Some 19.1% visit the Mecca Bingo in Greenwich and 81.0% visit the Gala Bingo in Bexleyheath.
 - **Plumstead** - all respondents in its Core Zone visit the Gala Bingo in Bexleyheath.
 - **Eltham** - some 51.9% of its population visiting the Mecca Bingo in Greenwich and 48.1% visiting the Gala Bingo in Bexleyheath.
 - **Online gambling** was not recorded by the household survey.

- 14.47 In our judgement, there is no demonstrable need to enhance existing provision to improve competition and choice at the local level, although this will be subject to market interest and demand from other bingo and casino operators. If demand arises in the future, we advise that this should be directed to the town centres first in accordance with national and local plan policy. Given that current trends for bingos and casinos show activity moving online instead of physical venues, future demand for new venues is expected to be very limited.

Other Commercial Leisure Uses

- 14.48 Other commercial leisure facilities can be grouped together under ‘family entertainment’ venues which include paid activities that appeal to adults and children; such as, for example, tenpin bowling, roller skating, ice skating, and similar uses.
- 14.49 Tenpin bowling is possibly the most popular of this category and has been established as a commercial leisure activity in the UK for over 40 years. It remains a strong family and group activity. Research shows that there are currently over 321 bowling centres in the UK. This sector benefitted from a period of growth from the mid-1990s onwards, fuelled by the development of large entertainment ‘boxes’ and leisure parks at one end of the spectrum, and smaller independent specialist bowling facilities at the other end. A number of the successful bowling facilities opened over the last 15-20 years tend to form part of larger leisure complexes that include multi-screen cinemas, restaurants and nightclubs. It is the critical mass of leisure uses under one roof or as part of leisure parks that helps to underpin the viability of ten-pin bowling centres, which can struggle as standalone attractions.
- 14.50 Examples of the smaller specialist operators include All Star Lanes which operates five bowling venues in the UK (four in London and one in Manchester) and largely targets the corporate/private hire market. Bloomsbury Bowl Lanes also operates from smaller venues with sites in Bloomsbury (8 lanes) and Bristol (5 lanes). The company offers a 1950’s American-themed bowling venue with ancillary karaoke rooms, venue rooms for hire, DJ booths, bars, small scale cinema and a venue for bands and live performers/comedy nights. In addition to, Hollywood Bowl have opened two additional centres in Dagenham and Yeovil. This operator intends to introduce an electrical system for resetting pins, which is reported to be easier and cheaper to run.
- 14.51 The household survey indicates that 20.7% of respondents from the Study Area partake in family entertainment activities. Family activities are carried out less frequently than other leisure activities, with 29.3% of respondents from the Study Area carrying out family ‘activities’ once every six months and 23.5% once every two months. Only 2.2% of respondents the Study Area visit family attractions once a week and 12.2% visit once a month.
- 14.52 Table 5 in **Appendix 11** is based on the analysis of the HTIS, and sets out the retention levels of family attractions in the Royal Greenwich area, as well the leakage to locations outside the Council Area. It should be noted the Greenwich Maritime Museum was not recorded in the household survey.
- 14.53 The key findings are discussed below:
- **Greenwich** does not retain any trips in its Core Zone, although over half of its population visit family entertainment venues in the Royal Greenwich area; namely the MFA bowling in Blackheath (28.5%) and the Hollywood Bowl at the O2 (22.1%). Nearly half of the expenditure is lost to attractions outside the Council area, the most popular being the All Stars Lanes bowling facility in Stratford (27.4%).
 - **East Greenwich** does not have any family attraction venues and explains why it does not retain any expenditure within its Core Zone.
 - On the other hand, **North Greenwich** retains 21.7% of its expenditure at the Hollywood Bowl at the O2. Respondents visit the MFA Bowling in Blackheath (62.9%), and venues outside the Borough, including the Tenpin bowling facility in Bexleyheath (9.2%) and the Hollywood Bowling facility in Surrey Quays (6.3%).
 - **Woolwich** does not retain any expenditure in its PCA, with the majority of respondents (86.5%) visiting attractions outside the Council area. Popular venues include Hollywood Bowling facility in Surrey Quays

(58.2%) and the Tenpin bowling facility in Bexleyheath (28.2%). This suggests there is a need to increase the quality and offer in Woolwich town centre.

- **Thamesmead** does not have any family attraction venues and explains why it does not retain any expenditure within its Core Zone. A high proportion of respondents (95.7%) visit attractions outside the Council area, the most popular being the Tenpin bowling facility in Bexleyheath (78.5%).
- **Plumstead** does not have any family attraction venues. Similar to Thamesmead, a high proportion of respondents (95.6%) visit attractions outside the Council area, the most popular being the Tenpin bowling facility in Bexleyheath (91.3%).
- **Eltham** does not have any family attraction venues. The majority respondents visit the Hollywood Bowl facility at the O2 (18.7%) and attractions outside the Council area, including the Tenpin bowling facility in Bexleyheath (59.8%).

Theatre and Cultural Activities

- 14.54 Cultural activities include a broad range of activities that are focused on the arts and historic attractions. For the purpose of this assessment, consideration is given firstly to the provision of theatres and music venues, and secondly, historic/cultural attractions. The provision of cultural venues is illustrated in **Plan 3** in **Appendix 11**.

Theatres and Music Venues

- 14.55 Table 6 in **Appendix 11** shows where respondents living in the Study Area go to visit theatres and music venues. The key findings are discussed below:
- **Greenwich** has a relatively good retention rate of 21.0% within its Core Zone, which is accounted for by one venue, the Greenwich Theatre. Unsurprisingly, there is a large “leakage” of trips to locations outside Royal Greenwich and specifically to venues in Central London which are achieving a total market share of 65.1% in the Core Zone. The leakage to these locations is unsurprising given their extensive offer and close proximity to Greenwich.
 - **East Greenwich** does not have any theatres or music venues and hence does not retain any trips. However, **North Greenwich** is retaining 5.3% of respondents due to the attraction of the O2. Although this figure may seem small, the O2 caters primarily to national and international visitors. Unsurprisingly, there is a large “leakage” to Central London venues, which are achieving a total combined market share of 52.4%.
 - **Woolwich, Thamesmead and Plumstead** do not have any theatres or music venues. A high proportion of respondents within these Core Zones visit Central London venues (71.2% in Woolwich; 68.6% in Thamesmead; and 51.7% in Plumstead).
 - **Eltham** retains 5.7% of its trips due to the attraction of the Bob Hope Theatre, although a significant proportion of Eltham’s population visit theatres and music and venues in Central London (68.3%).

Historical and Cultural Attractions

- 14.56 The results of the household survey indicate that 35.8% visit museums, galleries and places of historical or cultural interest (50.7% in Greenwich; 28.2% in East and North Greenwich; 18.9% in Woolwich; 42.2% for Thamesmead; 17.1% in Plumstead; and 34.8% in Eltham).
- 14.57 Table 7 in **Appendix 11** below is based on the analysis of the HTIS, and sets out the retention levels of museums, galleries and places of historical or cultural facilities in the Royal Greenwich Area, as well the trade leakage to locations outside the Council Area.
- 14.58 The key findings are discussed below:
- **Greenwich** retains a high level of trips in its Core Zone (63.3%) due to the attraction of the National Maritime Museum. The remaining population mainly visit Central London attractions (28.6%) or Kensington (4.8%).

- **East and North Greenwich** do not have any historical or cultural attractions. The majority of respondents (71.0%) visit locations in Greenwich or places outside the Borough area, including Central London (18.0%) and Kensington (11.0%).
- **Woolwich** retains 5.7% of its population in its Core Zone. The majority of respondents visit locations outside the Council area, including Central London (41.7%) and Kensington (23.0%).
- **Thamesmead and Plumstead** do not have any major historic or cultural attractions. The majority of respondents within these Core Zones visit Central London locations (27.8% in Thamesmead and 65.3% in Plumstead).
- **Eltham** retains 5.1% of its population within its Core Zone. The main attractions are Eltham Palace and Eltham Park Baptist Church. The majority of respondents visit Central London locations (65.3%) and Kensington locations (16.2%).

14.59 Due to the proximity and accessibility to Central London there is a lower overall retention level in the Borough area. Notwithstanding this history and heritage and cultural attractions in Greenwich are key attractor for the Borough and make a significant contribution to the local economy.

Hotel Provision

14.60 **Plan 4 (Appendix 11)** illustrates the hotel provision in the Borough area based on data collected by Carter Jonas. Overall, there is a slightly greater concentration of hotel provision in Greenwich. The key finding of our high level research are set out below:

- Within **Eltham** there is one hotel located outside the Town Centre. This is a chain operator (Premier Inn) and is moderately priced at £64 a night.
- Within **Woolwich** there are 2 hotels; one within the Town Centre and one outside the TCB. These are both budget chain operators (Travelodge and Premier Inn) and are moderately priced. Considering Woolwich's aspiration to become a Metropolitan Centre, we consider there will be a need to increase hotel provision within the Centre that differentiates from the current provision, subject to market demand.
- Within **Greenwich** there are 6 hotels, 2 of which are chain operators (Ibis and Travelodge). The prices of hotel accommodation within Greenwich range from £59 - £140. The overall quality of these hotels is considered to be good compared against other centres.
- Within **East Greenwich** there is only one hotel in the centre. It is an attractive building along the main street and is priced at £115 per night.
- Within **North Greenwich** there are 2 hotels located within the TCB. These are the most expensive hotels within the Borough, with the InterContinental starting at £294 per night. This is to be expected given the centre's role and function as a major leisure and entertainment destination. It should be noted that the Masterplan also proposes the construction of up to 59,744sqm of hotel (Class C1) floorspace.
- And finally, across the Borough there are 2 hotels in Charlton, 4 hotels in Blackheath District Centre and 2 hotels in Abbey Wood Local Centre.

14.61 It is important that the Council considers marketing and promoting the Borough's and each centre's attractions to help draw year-round trips to these venues. In this way there may be potential opportunities for growth in this sector. We therefore recommend that a more detailed assessment of the current supply of hotel rooms, occupancy rates and revenue generated (RevPAR) may need to be undertaken to provide the Council with a better understanding of current performance and the potential for growth.

Conclusion

14.62 The commercial leisure industry faces considerable challenges and pressures. It is clear that consumers are becoming increasingly selective in terms of where and how they spend their discretionary leisure spending. There will also be a continued increase in at-home activities due to the advances in computers, tablets,

television, gaming, and audio technology. The challenge for town centres and leisure operators in the future will therefore be to attract customers away from their homes.

- 14.63 Our review of the Borough's commercial leisure sector and offer, and the results of the household survey, indicate that there is an adequate level of leisure facilities (for example food and drink). This is also set to grow with additional provision at the venues such as the O2 and Greenwich Peninsula.
- 14.64 In terms of cinema provision, the assessment found a good level of retention level for cinemas from across the Borough area of 74.9%. Future market demand from cinema operators should be directed to town centres in line with national and local plan objectives, and we consider that Woolwich and Thamesmead would benefit the most from new cinemas to help sustain and grow their daytime and evening economies.
- 14.65 The total available expenditure for food and drinking in the Borough area is £330.8m in 2018. This is forecast to increase by 61.2% to £533.1m by 2038. However there is no identified Class A3–A5 capacity in the short term to 2023 due to the impact of new commitments across the Borough. Over the medium term to 2028 capacity is forecast to increase to 1,672 sqm gross. Over the longer term to 2033 the forecast capacity rises to 12,717 sqm gross and to 25,312 sqm gross by 2038. The prospect for new facilities is however ultimately determined by the level of market demand and interest and should be directed to town centres to enhance the complementarity they bring to the town centres.
- 14.66 Given that the population of the Council study/catchment area is forecast to increase by 77,850 compounded further by the popularity of the need for a healthier lifestyle, there may be potential scope for new health and fitness facilities subject to market interest and demand and other planning considerations.
- 14.67 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 may 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 be subject to market interest and demand.
- 14.68 The Borough also benefits from a diverse range of arts and historic attractions, particularly at Greenwich, which contribute to the visitor and tourist economy of the area and help to sustain the overall vitality and viability of some of the main centres. These attractions and venues need to be maintained and promoted to maintain their current status and attract other further visitors to the area.

15 LOCAL FLOORSPACE IMPACT THRESHOLD

- 15.1 As described in **Section 2**, the *National Planning Policy Framework* (NPPF) requires an impact assessment to be undertaken for “*retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date Local Plan*” (paragraph 26). The Framework states that local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold. If there is no locally set threshold, then the NPPF default threshold of 2,500 square metres (gross) should be applied.
- 15.2 To help inform the setting of a locally appropriate impact threshold the *Planning Practice Guidance* (PPG)⁸¹ states that it will be important to consider the following:
- scale of proposals relative to town centres;
 - the existing viability and vitality of town centres;
 - cumulative effects of recent developments;
 - whether local town centres are vulnerable;
 - likely effects of development on any town centre strategy; and
 - impact on any other planned investment.
- 15.3 However, it is important to state at the outset that the threshold is not something that determines whether or not an application should be refused, only whether an application should be subject to an impact assessment. Furthermore, the PPG advocates that the level of information pertaining to the impact test (and the sequential test) provided in support of any application should be proportionate and considered in a locally appropriate way⁸². We therefore advice the Council that they should pro-actively engage with any applicant at an early state in the pre-application process in terms of scoping and agreeing the level of supporting retail information required on a case-by-case basis.
- 15.4 In the context of the advice set out in the NPPF and PPG, this section examines whether there is a requirement for the Royal Borough of Greenwich (the ‘Council’) to set a lower “*local impact threshold*” based on the research evidence set out in this report and any other material considerations.

Retail Trends

- 15.5 To help inform the justification for and potential setting of a lower local impact threshold in this case, it is important first to consider the dynamic inter-related trends that are driving change in the retail and commercial leisure sectors. These trends are impacting upon the scale, type and location of new development and investment at the national, regional and local level, and ultimately on the overall vitality and viability of town centres. **Section 3** to this study provides a detailed commentary on these key trends and the following is therefore only intended to highlight some of the key current and predicted trends that will help to inform the setting of a robust and appropriate threshold in this case.
- 15.6 As reported in **Section 3** the growth in internet shopping (which forms part of ‘*Special Forms of Trading*’⁸³) has been one of the key trends that is impacting on the retail sector and shopping patterns. Experian’s latest forecasts show that SFT currently accounts for 17.2% of total retail sales, and this is forecast to increase to

⁸¹ PPG: paragraph 017; Reference ID: 2b-017-20140306

⁸² PPG: paragraph 016; Reference ID: 2b-016-20140306

⁸³ 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. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).

22.5% by 2036. Other commentators (such as Mintel⁸⁴, for example) predict that the growth of online shopping and its market share of retail sales could be even higher. Whatever the forecasts and whatever the proportion of retail sales that is sourced from shops, 'click-and-collect' facilities or 'dotcom' warehouses, it is clear that online shopping is having a significant impact on the way households choose to buy food and non-food goods. In turn this is impacting upon retailer business and operating models, and their strategies for investment and growth.

- 15.7 At the same time the UK's town centres and high streets are facing long term challenge from out-of-centre stores, retail and leisure facilities that remain popular with investors, operators and consumers. The competitive advantages of out-of-centre locations over town centre locations are well established, and include: lower occupancy costs; large and generally free surface car parking; good and convenient accessibility, principally by car; and larger format units offering a wider range of goods and services '*under one roof*'. Ultimately these trends in online shopping and out-of-centre retailing are also impacting upon the traditional role and function of town centres and high streets, as they are no longer the first choice of a wide range of shopping and leisure activities.
- 15.8 **Section 3** provides a detailed review of the impact of internet and out-of-centre retailing on shopper behaviour and retailer business models, and is particularly relevant to the consideration of the potential need to set a "*lower impact threshold*" in this case. As described in paragraphs 3.23-3.29, these impacts are probably best illustrated by the changes in the grocery sector over the last decade. Following a sustained period of growth over almost 20 years up to 2010, principally driven by new larger format superstore openings, the main grocery operators (i.e. Tesco, Sainsbury's, Asda, Waitrose and Morrisons) have effectively scrapped their superstore expansion programmes to focus on growing their market shares via online sales and opening smaller convenience stores (i.e. Sainsbury's Local, Tesco Express, Little Waitrose, etc.). Although sizes vary from location-to-location, the main grocers are promoting smaller convenience stores with a minimum gross floorspace of between 280 sqm (circa 3,000 sq ft) and 372 sqm (4,000 sq ft).
- 15.9 The 280 sqm gross floorspace figure is important in this case, as stores below this threshold are exempt from Sunday trading restrictions. In brief, the *Sunday Trading Act* defines a '*large shop*' as generally being over 280 sqm. It is the government's intention through this Act to protect smaller, independent stores which are perceived to be financially weaker and therefore require protection from unfair competition from the major supermarket operators.
- 15.10 In general terms therefore it follows that proposals for retail floorspace over 280 sqm gross are unlikely to be a purely local facility and will have the ability to draw trade from outside of their immediate local catchment with potential consequent impacts on existing stores and centres. For example, in circumstances where convenience stores are proposed on the edge or outside of centres, often as part of petrol filling stations (e.g. BP/M&S Simply Food) or conversions of public houses, they can have a significant adverse impact on the trading performance, vitality and viability of smaller district and local centres nearby. This will particularly be the case where these existing centres are dependent on smaller supermarkets and/or convenience stores to anchor their retail offer, and to generate footfall and linked trips/expenditure to the benefit of other shops, services and facilities. In some cases post office counters can also form an integral part of the convenience store offer and attraction in smaller centres, and their future operation could therefore also be jeopardised by new convenience stores opening outside of centres.
- 15.11 One of the other key trends in the grocery sector over the last decade has been the 'rise' of Aldi and Lidl, otherwise defined as 'deep discounters'. Their growth has principally been driven by a more price-conscious shopper following the impact of the economic recession on household income and expenditure. Although their business and operating models differ, both Aldi and Lidl have increased their respective market shares through

⁸⁴ Brits Hung Up On Online Fashion: Online Sales Of Clothing, Fashion Accessories And Footwear Grow By 17% In 2017. Mintel Press Office (2017)

a significant store expansion programme and by differentiating themselves from the main grocers based on offering ‘*value for money*’ across a selected range of goods and products. In general terms Aldi and Lidl have requirements for stores with a minimum gross floorspace of approximately 2,000 sqm; which is also below the NPPF default threshold of 2,500 sqm gross.

- 15.12 Turning to non-food (comparison goods) retailing, **Section 3** has also highlighted the significant challenges that are facing this sector and how retailers are responding to these challenges. In summary, the last decade has been characterised by increased business failures and closures on the high street due to the impact of the economic downturn, the growth of online shopping and rising costs impacting on operator profitability. Woolworths was the first ‘casualty’ in 2008 and BHS and Poundworld the most recent, but other high profile operators are also reviewing their business strategies and store portfolios (including Marks & Spencer, Debenhams, House of Fraser, New Look and others). As a result some major national retailers are closing their smaller and under-performing stores in town centres, and relying on out-of-centre stores and the internet to service their customers in these locations.
- 15.13 At the same time, the market demand from operators seeking representation and space in town centres is falling significantly as the space available in centres is often of the wrong size and configuration, and in the wrong location to meet today’s retailer requirements. For example, modern multiple retailers selling a range of comparison goods (including, for example, fashion, homestore and ‘bulky’ goods) generally have requirements for larger format modern premises with a minimum size of circa 465 sqm gross (5,000 sq ft), and usually 929 sqm (10,000 sq ft) and above. This minimum floorspace provides operators with the necessary ‘critical mass’ of sales needed to display their full range of goods in-store and attract customers from a wider catchment area, particularly where they are co-located alongside similar stores in town centre and out-of-centre locations. These minimum floorspace requirements also fall significantly below the NPPF-default threshold of 2,500 sqm gross.
- 15.14 In summary, the review of trends in the retail sector has clearly demonstrated that operators are typically seeking premises with a minimum floorspace of 280 sqm (circa 3,000 sq ft) gross in the case of food retailers and circa 465 sqm (5,000 sq ft) gross in the case of non-food retailers. This minimum floorspace requirements are significantly below the NPPF threshold of 2,500 sqm gross.

The Health and Composition of the Borough’s Main Centres

- 15.15 To further help inform the setting and justification of a lower impact threshold in this case, it is necessary to consider the current health, composition and performance of the Borough’s main centres and whether they are potentially vulnerable to significant adverse impacts from applications for new retail and commercial leisure floorspace in edge and out of centre locations below the NPPF threshold.
- 15.16 Drawing on the key findings of the survey and health check evidence set out in **Sections 4-12** of this study it is apparent that the Borough’s main centres and stores have already experienced impact from the out-of-centre shopping and leisure facilities mainly concentrated at Charlton Riverside and outside the Borough, as well as from the growth of online shopping. For example, the survey-derived market share analysis set out in **Section 4** show that for:
- **Comparison goods** - the Borough’s out-of-centre stores and retail facilities account for 20.1% of available comparison goods expenditure in the Borough and SFT (including online retailing) has a 25.3% market share. There is a further ‘leakage’ of 31.1% to other centres, shops and stores outside the Borough area. This compares with the significantly lower market shares for Eltham and Woolwich of 6.2% and 9.9% respectively.
 - **Convenience goods** - the Borough’s out-of-centre food stores are achieving an even higher market share of circa 25%, although SFT’s share is lower at 6.2%. Furthermore, there is a substantial quantum of committed and proposed food and non-food floorspace in out-of-centre locations in the pipeline and

proposed that will further impact on shopping patterns and market shares across the Borough; including the O2 Designer Outlet Village and IKEA at Millennium Retail Park.

- 15.17 Turning to the relative health and retail composition of the Borough's main centres, the table below shows the average size of comparison and convenience units in each centre as identified by Experian Goad data.

Table 15.1: Average Size of Comparison and Convenience Outlets in the Borough's Main Centres⁸⁵

	Total Comparison Floorspace (sqm)	Outlets	Average Outlet Size (sqm)	Total Convenience Floorspace (sqm)	Outlets	Average Outlet Size (sqm)
Woolwich	26,923	82	328	13,842	44	315
Eltham	19,871	71	280	7,813	20	391
Thamesmead	7,005	11	637	11,223	5	2,245
Greenwich	5,050	67	75	3,370	16	211
East Greenwich	1,840	17	108	2,749	16	172
Average Outlet Size (sqm):			286			666

Source: Experian Goad Category Reports.

- 15.18 As the table shows the average size of comparison goods units range from 75 sqm to 637 sqm, with an overall average of 286 sqm. For convenience goods the average size of outlets ranges from 172 sqm in East Greenwich, to 391 sqm in Eltham. Although the overall average outlet size is higher at 666 sqm gross, this is skewed by the average outlet size for Thamesmead of 2,245 sqm, which reflects the fact that the centre's offer is anchored by a larger format Morrison food store and there are limited other convenience and food stores in the centre. Stripping out Thamesmead and the larger Morrison store from the figures reduces the average size of units in the four other centres to 272 sqm gross. The average size of comparison and convenience outlets in all the main centres of 272 sqm gross to 286 sqm gross is therefore significantly below the NPPF impact threshold of 2,500 sqm gross.
- 15.19 As the health checks for the main centres in **Sections 6-12** identified, the smaller independent stores and services in all the Borough's main centres make a significant contribution to each centre's diverse offer and overall vitality and viability. For example, the Experian Goad data shows that smaller independent (i.e. non-multiple) retailers and service businesses account for 71.5% of total units in Woolwich; 65.5% in Eltham; 73.8% in Greenwich; and 81.1% in East Greenwich. Furthermore, based on the Council's own 2017 *Shop Front Survey Data*, Plumstead's smaller independent businesses account for over 80% of retail and service units in the centre. It is therefore important that the role and function of these smaller independent businesses are maintained and enhanced to ensure the vitality of the Borough's main centres. Clearly any application proposals (either individually or cumulatively) comprising floorspace and units of a similar scale, format and type of offer to that provided in the Borough's main centres could result a significant adverse impact on the viability of these smaller independent businesses, resulting in their potential closure and increased vacancies and difficult-to-let units across centres in some cases.
- 15.20 Vacancy levels are another important 'Key Performance Indicator' ('KPI') used to measure the overall vitality and viability of centres, and the table below shows that most of the Borough's main centres appear to be performing relatively well compared with the national (Experian Goad) average for outlets (11.2%) and floorspace (9.7%).

⁸⁵ Note: Plumstead is excluded

in this analysis as there is no Experian Goad report for this centre.

Table 15.2: Vacancies in the Borough's Main Centres

	Vacant Outlets	Vacancy Level	National Goad Vacancy Level	Vacant Floorspace	Vacancy Level	National Goad Vacancy Level	Average Vacant Outlet Size (sqm)
Woolwich	38	11.8%	11.2%	8,584	10.6%	9.7%	226
Eltham	17	7.8%		4,124	7.8%		243
Thamesmead	1	0.5%		139	0.6%		139
Greenwich	7	3.8%		1,060	4.4%		151
Plumstead	10	7.9%		n/a	n/a		-
East Greenwich	13	10.7%		5,450	34.0%		419

Source: Experian Goad Category Reports; Local Authority Data; and Town Centre Audits

- 15.21 However, the table also shows that total vacant outlet and floorspace levels in Woolwich are above the national average, and total vacant floorspace in East Greenwich (34%) is significantly above the national average. This is a cause for concern and an indicator that these centres could be vulnerable to impact from competing stores and services of a similar scale and format proposed in the edge and out of centre locations. Furthermore, the average size of vacant outlets in all the centres is circa 236 sqm gross, ranging from 139 sqm gross in Thamesmead up to 419 sqm gross in East Greenwich. This is significantly below the NPPF-default threshold of 2,500 sqm gross.
- 15.22 Turning to the published and known market demand from retailers and leisure operators for representation in the Borough's main centres, it is apparent that the minimum average unit sizes operators are seeking are significantly below the NPPF threshold of 2,500 sqm gross. For example:
- for Woolwich, **Table 6.4 (Section 6)** shows that 12 operators have a minimum requirement for 3,290 sqm gross, which is equivalent to an average unit size of circa 275 sqm gross.
 - for Eltham the average unit size is lower, at 193 sqm gross, based on the 9 identified operators with reported requirements for a total minimum space of 1,745 sqm gross (see **Section 7, Table 7.4**).
 - for Greenwich the Requirements List summarised in **Table 8.4 (Section 8)** shows that there are 37 operators seeking a minimum floorspace of 7,380 sqm gross in the centres, which is equivalent to an average unit size of circa 200 sqm.
- 15.23 Clearly if the demand from these operators was to be met in edge and out of centre locations, then it could result in a significant adverse impact on the vitality and viability of the Borough's main centres, specifically in terms of reduced market demand, investment and trade.
- 15.24 Turning to the recent permissions for new mixed use schemes in the Borough's main centres (principally Woolwich), and current applications being determined by the Council, they are all generally seeking commercial Class A1 floorspace or flexible floorspace under the NPPF default threshold of 2,500 sqm gross (refer to Table 3, **Appendices 9 and 10**). For example, the committed schemes in Woolwich, Greenwich and Plumstead allow for new residential development, with smaller scale commercial retail, leisure and service uses at ground floor level. These and other similar proposed schemes in the Borough's main centres would be vulnerable to competition from any edge and out of centre schemes also seeking similar smaller format units, possibly as part of residential-led mixed use schemes. In simple terms, competing out-of-centre proposals could have a significant adverse impact on investor confidence in, and market demand for the commercial retail, leisure and service elements of these mixed use town centre schemes. It is therefore reasonable in our view for the Council to apply a lower floorspace threshold in this case in order to provide it with greater flexibility to robustly assess the individual ('solus') and cumulative impacts of any smaller commercial floorspace proposed outside of existing centres that could compete 'like-against-like' with the planned and proposed schemes in its main centres.
- 15.25 Finally we have also had regard to the residual expenditure capacity available to support new retail (convenience and comparison goods) floorspace across the Borough and its main centres over the short (to 2023), medium

(to 2028) and long term (to 2033 and 2038). The capacity forecasts set out in **Section 13** to this study clearly show that there is no Borough-wide residual expenditure capacity to support new comparison goods floorspace until 2038 due to the impact of all known retail commitments. Although there is capacity for new convenience goods retail floorspace up to 2038, the forecasts show limited capacity over the short term. For most of the Borough's centres there is either no capacity at 2023 (for example, North Greenwich) or limited capacity of up to 250 sqm net. This again points to the need for the local planning authority to set a lower floorspace threshold in order to monitor, assess and determine the impact of smaller scale retail schemes on the vitality and viability of its main centres, and particularly on its smaller district and local centres.

Summary of Findings and Key Recommendations

- 15.26 Drawing on our review of current and future retail trends set out in **Section 3** of this study, and the key findings of the survey, health check and capacity assessments (see **Sections 4-14**), it is apparent that the Borough's main centres have and/or are to varying degrees experiencing impact from the significant quantum of out-of-centre shopping and leisure facilities located both within and outside the Borough area, and also from the growth in online shopping. Both the Borough's out-of-centre floorspace stock and online shopping are forecast to experience significant growth.
- 15.27 The research and evidence has demonstrated that, in general terms, the vitality and viability of the Borough's centres is underpinned by a high proportion of smaller independent retail, commercial leisure and service business operating from units with an average size ranging from 272 sqm gross to 286 sqm gross. The Sunday Trading Act defines a '*large shop*' as being over 280 square metres. Setting an impact threshold below that level would not appear sensible in this case, but it is nevertheless an important guide to national thinking as to what constitutes a '*large shop*' that is capable of generating a reasonable amount of trade and, therefore, the potential to result in an impact on shopping patterns.
- 15.28 It should also be noted that the Council's own CIL rate for retail is set at 280 sqm gross. This size threshold recognises that the major supermarket operators also operate smaller stores (the 'Sainsbury's Local', 'Tesco Express' and 'Little Waitrose' formats) and are generally seeking stores slightly in excess of 280 sqm. The CIL threshold of 280 sqm gross also reflects the Sunday Trading Act threshold for stores which are able to open on Sunday and the government's intention "*to protect smaller, independent stores which were perceived to be financially weaker and required protection from unfair competition from the major supermarket operators*".
- 15.29 The health check evidence has also demonstrated although the Borough's main centres are performing well against a number of the key KPIs, there is an underlying fragility in their overall vitality and viability and a vulnerability to further loss of shoppers, retailers and trade to competing shopping and leisure locations and to online shopping.
- 15.30 As described in **Section 3**, it is the medium-sized towns (such as Woolwich, Eltham and Greenwich) that are increasingly being squeezed by the dynamic shifts in retailer demand and investment that are vulnerable to impact. Historically, such towns have had a reasonably large comparison shopping function, but this is beginning to shrink back due to the competition from out-of-centre and online shopping. This is resulting in increased business failures, higher vacancies and falling demand from multiples for representation in town centres. Furthermore, where the Borough's centres are benefitting from new investment and development (such as Woolwich for example), it is generally residential-led and characterised by smaller scale retail and commercial leisure floorspace provided at ground floor level in smaller format units. This scale and type of floorspace planned and proposed for the Borough's main centres is therefore vulnerable to impact from similar smaller sized units proposed for edge and out of centre locations as part of mixed use developments, or as part of new residential developments.

- 15.31 We therefore conclude in this case based on the evidence that it is reasonable for the Council to set a local impact threshold of 280 sqm gross. In our judgement this represents a reasonable impact threshold as it 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. We also advise that this threshold should be applied, where relevant, to change of use applications and applications seeking variations of conditions.
- 15.32 Finally, and as stated above, 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.

16 CONCLUSIONS & RECOMMENDATIONS

- 16.1 This final section 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 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, namely:
- Woolwich;
 - Eltham;
 - Greenwich;
 - East Greenwich;
 - North Greenwich;
 - Thamesmead; and
 - Plumstead.
- 16.2 Our advice is informed by the updated quantitative and qualitative need assessment for new retail (comparison and convenience goods) floorspace and commercial leisure uses up to 2038. The need assessment draws on a robust and up-to-date evidence base and new primary research, including a detailed health check of the main centres and a telephone interview survey of some 1,301 households across a widely defined area.
- 16.3 The study has been prepared in the context of national and development plan policy guidance, as well as other key material considerations. This includes the *National Planning Policy Framework* (NPPF) and the *Planning Practice Guidance* (PPG). Both place weight on the development of positive plan-led visions and strategies for town centres, and promote new investment and development in town centres first ahead of edge and out of centre locations.
- 16.4 Based on the key evidence and findings of this study, and in compliance with the Council's Brief, this section provides a brief summary of:
- each centres' relative health, role and function, and any potential (qualitative) weaknesses and/or 'gaps' in their retail and leisure offer, including their respective evening economies;
 - the quantitative need (or 'capacity') for new retail (convenience and comparison goods) floorspace and other main leisure and town centre uses over the plan period; and
 - recommendations for maintaining and/or changing the current definition of the retail hierarchy to better reflect existing and future shopping and trading patterns, and the potential impact of planned and proposed new investment and development on the relative role of function of the Borough's main centres.
- 16.5 It is against this background that we set out below our main findings and recommendations to help inform plan-making in the Borough, specifically focusing on positive policies that will help with the management and potential growth of competitive town centres over the plan period in compliance with the NPPF.

Retail Needs Assessment

- 16.6 **Section 13** assessed 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.

- 16.7 Retail capacity has been assessed using CJ's **CREAT^e** 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.
- 16.8 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. As described in **Section 13**, the GLA figures are preferred to Experian's population forecasts, as the Council consider that GLA's projections better reflect Borough-wide policy, trends and growth over the plan period. 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.
- 16.9 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**, 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.
- 16.10 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.
- 16.11 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

- 16.12 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 16.1: 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
Borough-wide Residual Expenditure Capacity (£m)	£20.2	£32.4	£63.6	£98.5	£20.2	£32.4	£63.6	£98.5
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
TOTAL CONVENIENCE GOODS CAPACITY	1,624	2,592	5,056	7,798	2,707	4,321	8,427	12,996

- 16.13 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.
- 16.14 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.
- 16.15 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.
- 16.16 **Table 16.2** 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'.
- 16.17 **Table 16.2** 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 16.2: 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
Borough-wide Residual Expenditure Capacity (£m)	£20.2	£32.4	£16.7	£24.8	£15.2	£15.3
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
TOTAL BOROUGH-WIDE CAPACITY	1,624	2,592	1,344	1,979	1,209	1,190

- 16.18 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 16.3: 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
Borough-wide Residual Expenditure Capacity (£m)	£20.2	£32.4	£16.7	£24.8	£15.2	£15.3
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
TOTAL BOROUGH-WIDE CAPACITY	2,707	4,321	2,239	3,298	2,015	1,983

- 16.19 In terms of the capacity for new convenience 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.
- 16.20 The Borough’s existing out-of-centre foodstores are generating capacity for between 1,487-1,916 sqm net of new ‘superstore’ format floorspace by 2028, or between 2,479-3,194 sqm net of new ‘supermarket/deep discounter’ floorspace. This new floorspace capacity should be directed to the Borough’s main centres first in line with local and national planning policy objectives, and the defined network and hierarchy of centres, although this will be subject to market demand and the availability of suitable sites in the main centres to accommodate the forecast need.

Comparison Goods Capacity

- 16.21 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 16.4: Royal Borough of Greenwich: Comparison Goods Capacity (Net) by Locations (sqm)

	2023	2028	2033	2038
Borough-wide Residual Expenditure Capacity (£m)	-£143.8	-£98.3	-£23.0	£55.8
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
TOTAL COMPARISON GOODS CAPACITY	-21,496	-13,166	-2,767	6,010

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.

- 16.22 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).
- 16.23 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.
- 16.24 Table 16.5 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

Table 16.5: 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
Borough-wide Residual Expenditure Capacity (£m)	-£143.8	-£98.3	-£153.8	-£120.1	-£151.2	-£121.9
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
TOTAL BOROUGH-WIDE CAPACITY	-21,496	-13,166	-22,987	-16,086	-22,429	-15,978

- 16.25 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. We summarise the relative health and performance of the Borough's main centres, and the need for new retail floorspace and leisure uses in more detail below.

Commercial Leisure Needs Assessment

- 16.26 **Section 14** of this study has assessed the quantitative and qualitative need for new commercial leisure uses across the Borough and the wider Study Area in detail. The following provides a summary of the key findings and recommendations arising from this assessment.
- 16.27 It is important to restate at the outset that forecasting the need for new commercial leisure uses is more complicated and problematic than for retailing. This is because the leisure sector is highly dynamic, and particularly sensitive to changes in economic, demographic, lifestyle and fashion trends. Consequently the methods and approaches developed to forecast the need for new commercial leisure floorspace and uses are more wide-ranging and generally less sophisticated than for retail capacity forecasts. Furthermore, as for retail, the broad forecasts of the quantitative and qualitative need for new leisure uses and floorspace are highly dependent on market demand for representation in centres and areas. For example, just because there is a forecast (economic) need or 'gap' in provision at the local level does not necessarily mean that commercial leisure operators will automatically have requirements, or be seeking space. Stimulating market demand will depend on a number of factors; ranging from marketing the opportunities, to providing the right sites in the right town centre locations.
- 16.28 Against this background, the leisure assessment for has identified the following needs:
- There is no demonstrable quantitative need for new cinema screens over the plan period due to the high retention level of 74.9% across the Borough Area. However, this does not negate the potential future market demand from cinema operators for representation in the Borough and its main centres. Eltham is to benefit from the opening of a new cinema in 2019, and the potential need for new cinemas in Woolwich and Thamesmead has been identified to help strengthen the daytime and evening economies of these centres.

- There is no identified capacity for new 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 rises to 12,717 sqm gross, increasing further to 25,312 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 market interest and demand and other planning considerations.

16.29 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 may 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 be subject to market interest and demand.

Enhancing the Vitality and Viability of the Main Centres

16.30 Having reviewed and summarised the Borough-wide capacity and need for new retail floorspace and commercial leisure uses, the following draws together the key findings of this study with regard to the relative health of the main centres (see **Sections 5-12**), including an assessment of their role and function in the Borough's network and hierarchy of centres and what measures/actions may be needed to help maintain and enhance their vitality and viability over the plan period in line with the local and national planning policy objectives.

Woolwich

- 16.31 Woolwich Town Centre is classified as a Major Centre in the adopted Core Strategy (2014) and is identified as having the potential to be reclassified as a Metropolitan Centre towards the end of the plan period (by 2028). The draft London Plan (2017)⁸⁶ also identifies the future potential for Woolwich to achieve Metropolitan Centre status.
- 16.32 However the key findings of the household survey, health check, benchmarking and capacity analysis all point to a centre that is currently some way from achieving Metropolitan status. Indeed the survey-derived market share and turnover figures indicate that Woolwich is not even the premier shopping destination in the Borough. For example, Woolwich is achieving a 6.2% market share of available comparison goods expenditure within the Borough area, compared with Eltham's 9.9% share. As a result the town centre's total estimated comparison turnover of £78.4m in 2018 is substantially below Eltham's estimated turnover of £165.4m.
- 16.33 This highlights the underlying weaknesses in the scale, quality and attraction of Woolwich's retail and leisure offer. Notwithstanding recent investment in the centre, the evidence shows that the attraction of Woolwich as a shopping and leisure location for both customers and retailers has been eroded over time for a number of reasons, including:
- the provision of significant new out-of-centre shopping facilities both within the Borough (and principally at Charlton Riverside) and elsewhere (such as Bluewater);
 - competition from other major and metropolitan centres in south-east London; and
 - the rise of internet shopping over the last decade, which has had a fundamental impact on shopping patterns, retailer business models and high streets generally.

⁸⁶ Policy SD7 and Figure A1.1.

- 16.34 This is illustrated by the fact that since the last retail study was prepared for the Council almost a decade ago there has been limited new retail and commercial floor space delivered in Woolwich town centre, whereas over the same period some key retailers have rationalised or withdrawn from the centre altogether.
- 16.35 The weaknesses in Woolwich's shopping, leisure and town centre offer are highlighted in detail in the health check assessment (see **Section 6**). In summary these include:
- A gap in the scale and quality of its comparison goods offer, and particularly its fashion offer.
 - Related to this, there is a lack of a major anchor store to help to generate increased trips and footfall to the centre to the benefits of other retailers, services and businesses.
 - A vacancy level of 11.7%, which is above the Experian Goad national average of 11.2%. Equivalent to 8,584 sqm of empty (Goad) ground floor retail space.
 - Limited published and/or known demand from retailer and leisure operators actively seeking representation in the town centre. Of those that are identified, they are generally value or discount operators.
 - A poor evening economy. This is compounded by a '*one-dimensional*' food and beverage offer, and the lack of a cinema to help anchor both the daytime and evening trading and attract a more diverse customer profile.
 - A call from respondents to the survey for more/better multiples and comparison retailers, and better safety and security across the centre to encourage them to visit more often than the currently do.
 - Although popular, the street markets could be improved in terms of the quality of their offer, their layouts and environment. In particular, Beresford Square appears to be poorly utilised during market and non-market days.
 - Although highly accessible by different modes of travel – including by DLR and the soon to be operational Queen Elizabeth line (Crossrail) – and having the highest PTAL rating, the town has a number of barriers to pedestrian movement that have resulted in parts of the centre being "*isolated*" from others. For example it is physically cut off from the river by the A206 and the Royal Arsenal. The challenge will be to "*stitch together*" the town centre to create a more coherent and effective pedestrian circuit.
- 16.36 These weaknesses in Woolwich's retail, leisure and wider town centre offer, along with its relatively low market shares of both comparison and convenience expenditure across the defined Study Area, are reflected by the limited forecast economic capacity for new retail floorspace over the short (to 2023), medium (to 2028) and long (to 2033 and 2038). Drawing on the results of the 'baseline' forecasts and 'sensitivity' testing, there is predicted capacity for between 415-746 sqm net of new comparison goods floorspace by 2028 and 1,006-1,270 sqm net of new convenience goods ('superstore' format) retailing.
- 16.37 We also consider that Woolwich offers the best opportunity to accommodate the residual expenditure capacity and floorspace need generated by the Borough's existing out-of-centre stores and shopping facilities in line with local and national planning policy objectives, and the London Plan, to concentrate new development and investment in town centres first. However this will be subject to market interest and demand, and the availability/suitability of sites. This scale of floorspace capacity could be met by the take-up of vacant sites/premises in the centre allocated for new retail and mixed use development. However, the quantum of floorspace capacity forecast would not be sufficient by itself, in our view, to raise the status of the town centre from a Major to Metropolitan Centre based on current GLA definitions.
- 16.38 Notwithstanding this, the town has benefitted, is benefitting and will benefit from significant new investment and development that will provide an uplift in its residential, retail, leisure and wider town centre uses. Alongside DLR and Crossrail and the associated station development, the permitted developments include plans for a new '*Creative District*' to be formed out of five historic military buildings in Royal Arsenal (ref:16/2807/F). Led by the Council the predominantly unused Grade II and II* listed buildings will be converted to a 16,500 sqm creative hub for multiple cultural occupiers. The new Woolwich Creative District will include a 450-seat theatre, a music venue, a museum and a variety of rehearsal studios, as well as providing a base for a number of internationally

acclaimed theatre and dance companies. The permitted Waterfront/Royal Arsenal scheme will also provide over 2,000 new residential units along with new retail, leisure and employment space (ref: 13/0117/O). Other proposals yet to be determined by the Council at the time of preparing this study include the application for a mixed use scheme on the Spray Street site, which includes provision for new commercial floorspace and a cinema (ref: 18/0126/F). Furthermore the acquisition of the Woolwich Estate by British Land for over £100m is a positive sign of investor confidence in the future of the town centre.

- 16.39 It is apparent that the scale and quality of the residential, commercial and employment space planned and proposed for Woolwich will help to transform the centre over the next 5 to 10 years. Taken alongside the positive impact of the Queen Elizabeth line on the town and its economy when it opens in 2018, there would appear to be some future potential for Woolwich to transition from a 'Major' to a 'Metropolitan' centre.
- 16.40 However this potential needs to be considered alongside the profound changes impacting on the retail sector, the way that people shop and the (post-Brexit) economy generally. As described throughout this report, this has fundamentally impacted on retailer business models, resulting in a reduced demand for physical space. The impact of this restructuring of the retail sector and the longstanding competition from the out-of-centre facilities at Charlton Riverside and other retail facilities within the sub-region (such as Westfield Stratford) will continue to cast a shadow over Woolwich's potential to advance in the hierarchy. In this context, choices may have to be made regarding the Council's competing policy aspirations; including, for example, the potential establishment of a new '*local centre*' designation at Charlton Riverside as identified by the Charlton SPD which, without careful management in terms of the scale and mix of uses, could further dampen market demand from retailers and leisure operators for space in Woolwich in the future.
- 16.41 In summary, 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, we believe that 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.
- 16.42 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.

Eltham

- 16.43 Eltham is designated as a Major Centre in the adopted Core Strategy (2014). The health check and survey evidence indicates that it has a good provision of retail and leisure uses. It is the Borough's main shopping location as measured by its market share and retail turnover; albeit that its total (Goad) retail, service and leisure floorspace of 52,543 sqm is less than recorded for Woolwich of 85,441 sqm.
- 16.44 The town has a strong food and convenience offer, anchored by a number of major national multiples (Sainsbury's, M&S and Lidl). This is balanced by a mix of independent stores and the market, which complements the wider offer and generates footfall and linked trips to other shops and businesses across the centre.

- 16.45 Eltham's comparison offer is also relatively good, and is in line with the national average in terms of units and floorspace. The M&S store is well used by residents and acts as a key anchor to the town's overall shopping offer. However there could be a concern in light of recent announcements by M&S that it is to close some 100 stores by 2022⁸⁷ that Eltham's store could be vulnerable to closure in the future. This will need to be closely monitored by the Council.
- 16.46 The health check assessment has also identified that there is a relatively good representation of retail, financial and leisure services in the town centre. However there is an under-representation of quality restaurants and there is currently no cinema. This gap in its offer will be addressed by the development of a new Vue Cinema at Passey Place on the High Street, along with a number of national restaurant chains (Nandos and Pizza Express) and a 'Sky Bar'. This represents a significant investment in the town centre and will create a leisure destination that will act as a catalyst for the wider regeneration and will significantly strengthen Eltham's daytime and evening economy.
- 16.47 Drawing on the results of the 'baseline' forecasts and 'sensitivity' testing, there is predicted capacity for between 3,839-4,521 sqm net of new comparison goods floorspace by 2028; 277-585 sqm net of new convenience goods retailing; and for new commercial leisure and town centre uses dependent on market demand. There will be the potential to meet some of the forecast need over the short to medium term through the take-up, in part, of vacant floorspace (estimated to be circa 4,124 sqm at the time of the most recent Experian Goad survey) and through potential 'infill' redevelopments; for example, units 67-93 High Street are out-dated in their appearance, contribute negatively to the town centre and would benefit from new investment and redevelopment in our judgement. Other potential opportunities to meet the forecast need over the short, medium and long term are set out in the 2012 Eltham SPD.
- 16.48 In conclusion, Eltham is 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 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.

Greenwich

- 16.49 Although Greenwich is designated as a District Centre in the Core Strategy, below Eltham and Woolwich, it has an important wider role and function as a major visitor and tourist destination. This tourist economy helps to underpin the centre's overall vitality and viability, which is further strengthened by the growing resident and student population.
- 16.50 In summary, the health check and survey evidence indicates that Greenwich's food and convenience offer is relatively strong, and above the national average in terms of units and floorspace. The key anchor stores include M&S and Waitrose, and they are supported by a good independent offer and Greenwich Market. The Market is a significant attraction for the centre; it sells a wide range of food and non-food goods and contributes to Greenwich's overall character, historic offer and tourism role
- 16.51 Greenwich's comparison offer differs from the Borough's other main centres in that it mainly comprises independent retailers principally catering for the visitor and tourist trade. It is characterised by a wide range of specialist and boutique fashion stores, as well as gift, art and craft shops.

⁸⁷ <http://www.bbc.co.uk/news/business-44197128>

- 16.52 Although the centre's provision of retail and financial services is below the national average, it has a good choice of leisure services. These include a mix of national and independent cafés, coffee shops, restaurants, fast food take aways and public houses. The Greenwich Market also supplements this food and beverage offer.
- 16.53 Greenwich also has an attractive historic environment, complemented by large open spaces, the riverside view and the historic buildings. The fact the Greenwich Market is positioned within the middle of the Town Centre also contributes to the sense of place and encourages activity and civic pride in the centre as a whole.
- 16.54 In terms of the forecast need for new retail and leisure floorspace, there is potential capacity for 1,569-1,820 sqm net of new comparison goods floorspace by 2028; 208-317 sqm net of new convenience goods ('superstore' format) retailing; and for new commercial leisure and town centre uses dependent on market demand. As for other centres there could be the potential to meet some of the forecast need over the short to medium term through the take-up, in part, of vacant floorspace (although this is only estimated to be circa 1,060 sqm gross according to the latest Experian Goad survey). The potential for 'infill' redevelopment in the town centre is probably more limited than for other centres due to its historic nature, listed buildings and World Heritage Site and conservation area status. If the.
- 16.55 In conclusion, Greenwich is 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 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.

East Greenwich

- 16.56 East Greenwich is a linear centre and is classified as a District Centre in the adopted Core Strategy.
- 16.57 Its retail offer is underpinned by its food and convenience offer, and anchored by Tesco Express, M&S, Iceland and Coop. All these stores are relatively small and are located on Trafalgar Road. The centre's comparison offer is limited and orientated towards the value and discount end of the market. This reflects its role and function in the Borough's hierarchy and network of centres, and its catchment profile.
- 16.58 East Greenwich does have an above average provision of leisure services and a particularly high representation of fast food and take away outlets and cafés. There is also above average provision of health and beauty outlets. There are no retail banks in the centre, which reflects the trend across the country as more households conduct their banking and financial transactions online.
- 16.59 Overall, East Greenwich is fulfilling its role and function in the Borough's retail hierarchy; namely serving the more day-to-day top-up food and convenience shopping and service needs of its local resident population and passing car-borne trade. However, there are some signs of "fragility" in its offer; as indicated by the high level of vacant floorspace across the centre.
- 16.60 In terms of the forecast need for new retail and leisure floorspace, there is forecast capacity for 228-264 sqm net of new 'superstore' format retailing, increasing to 380-440 sqm net for 'supermarket/deep discounter' floorspace at 2028. There is no forecast capacity for new comparison goods retailing.
- 16.61 In our judgement there is the potential to meet all the forecast need over the short to medium term through the take-up of vacant floorspace (estimated to be circa 5,450 sqm gross according to the latest Experian Goad survey). Other opportunities for 'infill' redevelopment to provide a mix of commercial and residential uses should also be explored (similar to the '*Heart of East Greenwich*' site).

- 16.62 Although we do not believe that this linear centre can support significant new retail and leisure floorspace from an economic and commercial (market demand) perspective, we do consider that 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, 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.

Plumstead

- 16.63 Plumstead is designated as a District Centre in the adopted Core Strategy and primarily serves the day-to-day convenience and service needs of its local and diverse resident population.
- 16.64 The centre's food and convenience offer is anchored by Tesco Express and Iceland, and is supplemented by a number of independent stores. The comparison offer is more limited, and mainly comprises smaller independents. The range of services are adequate for a centre of its size and include a high street retail bank and other key retail services such as dry cleaners, post office etc. There is a below average provision of leisure services, but there is a choice of fast food and takeaway outlets, restaurants and cafés and a gym.
- 16.65 Plumstead does, however, have a poor environmental quality. The narrow pavements, lack of planting, congested and noisy High Street and general run-down appearance of the frontages and buildings detract from the overall shopping environment and experience. There is also a lack of car parking. These environmental factors are having an adverse impact on the centre's overall vitality and viability. However we understand that approximately £5m⁸⁸ of public sector investment has recently been secured by the Council for improvements to shop fronts, wider pavements and better street lighting, along with a further circa £2.7m of Housing Zone money that will help to deliver a new public realm scheme adjacent to Plumstead Station.
- 16.66 At the same time Plumstead is also set to benefit from the Council-led circa £12m investment in the refurbishment of the Grade II listed library to provide a new library and multi-functional cultural and sports centre. The non-listed rear extension to the library will be demolished and a two-storey building will be provided for new leisure facilities by Autumn 2019. This forms an integral part of the *Plumstead Urban Development Framework*, which aims to deliver the renewal and regeneration of the Plumstead area and to provide modern leisure facilities and services for the local community.
- 16.67 In terms of the need for new retail and leisure floorspace, there is no forecast capacity for new comparison goods floorspace after taking account of the new commitment on the High Street (planning ref: 13/3278/F), and limited capacity for new convenience goods floorspace. Any forecast need could be met through the take-up of vacant floorspace in the centre. There are also a number of opportunities for mixed use development across the centre that could potentially accommodate active ground floor retail and commercial leisure uses, with residential and/or employment uses above ground.
- 16.68 In conclusion we consider that 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.

⁸⁸ This consists of £2.5m from the Mayor of London's 'Good Growth Fund' and £2.5m from the Council.

Thamesmead

- 16.69 Thamesmead is designated as a District Centre in the adopted Core Strategy and is located in an area that is identified for significant growth over the next 10-20 years. For example, the health check assessment (**Section 12**) has highlighted that the partnership between Peabody, the Mayor, the Royal Borough and the London Borough of Bexley will deliver some 2,500 new homes over the next 10 years through the GLA Housing Zone Programme. Furthermore Crossrail will be operational at Abbey Wood towards the end of 2018 and the Mayor has identified the extension of the DLR Thamesmead as a priority that could be delivered within 10 years, subject to funding. The extension of the DLR would enable a substantial uplift above the baseline level of growth over for the area identified in the Draft London Plan (8000 homes) over the next 30 years. This level of growth will significantly transform the area.
- 16.70 Thamesmead District Centre will be located at the heart of this change.
- 16.71 However the District Centre functions more as an out-of-centre location in terms of its retail offer, layout and character. The retail park element of the centre has a number of larger format food and comparison goods stores that help to anchor its offer and underpin its overall vitality and viability; including Morrison's, Aldi, Argos, Next and Peacocks. This offer is complemented by the small pedestrianised shopping parade along Joyce Dawson Way that consists of a number of mainly independent business, including hairdressers, cafés and estate agents. There is also the Thamesmead Leisure Centre and Library located to the rear of the shopping centre, off Thamesmere Drive.
- 16.72 In terms of the forecast need for new retail and leisure floorspace, there is potential capacity for 891-1,031 sqm net of new comparison goods floorspace by 2028 and 543-776 sqm net of new convenience goods ('superstore' format) retailing. There will also be potential for new commercial leisure and town centre uses, subject to market demand. For example, we consider that the introduction of a cinema as part of the centre's overall offer would help to diversify its daytime and evening economy, attract new complementary food and beverage outlets and increase its overall attraction and footfall. Further market testing will therefore be required to assess the interest from cinema operators to locate in the centre either now or at some point in the future, and any pre-conditions for investment.
- 16.73 In the case of Thamesmead we also consider that there is significant potential to meet the forecast need in full 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.
- 16.74 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.

North Greenwich

- 16.75 North Greenwich is a proposed District Centre in the adopted Core Strategy (2014) and draft London Plan (2017)
- 16.76 It differs from the other main centres in the Borough in that its overall role, function and growth is inextricably linked with the O2 Arena. It therefore serves the need of the area's local residents, alongside the spend generated by UK and international tourists and visitors.
- 16.77 The centre's retail offer is relatively limited at present and includes Tesco Express, which is well used by local residents and visitors during events at the O2. The service offer is particularly strong, as the O2 has a wide

choice of food and beverage operators (including Wagamama and Costa Coffee). There is also a gym and art gallery. Together the mix of retail, leisure and town centre uses contribute to the centre's overall vitality and viability.

- 16.78 There is no forecast economic capacity for new retail floorspace or leisure uses in North Greenwich. However, the O2 and wider peninsula is set to benefit from significant new development and investment over the plan period, which will further establish it as a major shopping, visitor and tourist destination. The new Designer Outlet Village at the O2, for example, should be transformational in terms of promoting more trips, footfall and spend during the daytime and early evenings. Further to this the delivery of the Greenwich Peninsula Masterplan will provide new residential, retail, restaurants, bars and cafés, business, education, health care facilities, etc., that will have a significant impact on the area over the lifetime of the development plan and beyond.
- 16.79 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 therefore advise the Council that careful monitoring and management is applied to North Greenwich in its role and function as a proposed new District Centre.

Other District Centres, Local Centre and Neighbourhood Parades

- 16.80 Finally, this study 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.

Local Impact Threshold

- 16.81 Finally, 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** concluded that it is reasonable for the Council to set a local impact threshold of 280 sqm gross in this case.
- 16.82 This represents a reasonable impact threshold as it 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. We also advise that this threshold should be applied, where relevant, to change of use applications and applications seeking variations of conditions.
- 16.83 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.

GLOSSARY

TOWN CENTRES:	Town are the principal centre or centres in a local authority's area. In planning the future of town centres, local planning authorities should consider the function of different parts of the centre and how these contribute to its overall vitality and viability.
MAJOR CENTRES	Major centres are typically found in Inner London and often have a borough wide catchment. They generally contain over 50,000sqm of retail, leisure and service floorspace with a higher proportion of comparison over convenience goods; and potentially significant employment, service and civic functions.
DISTRICT CENTRES:	District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library. These centres generally contain between 10,000-50,000sqm of retail, leisure and service floorspace; and provide a higher proportion of convenience over comparison goods.
LOCAL CENTRES:	Local centres include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office, a pharmacy or a launderette.
TOWN CENTRE USES:	As defined in the NPPF, main town centre uses are retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, cultural and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).
TOWN CENTRE BOUNDARY:	Defined area, including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. The extent of the town centre should be defined in Local Plans and on the policies map.
PRIMARY SHOPPING AREA (PSA)	Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage).
PRIMARY & SECONDARY FRONTAGES	Primary frontages are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. Secondary frontages provide greater opportunities for a diversity of uses, such as restaurants, cinemas and businesses.
EDGE-OF-CENTRE	As defined in the NPPF, For retail purposes a location that is well connected up to 300 metres from the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances.
OUT-OF-CENTRE	A location which is not in or on the edge of a town centre. Out-of-centre locations are at the bottom of the retail hierarchy and any application for retail development in an out-of-centre location must fully assess impacts and rule out potential for locating in a more sequentially preferable location.
CONVENIENCE SHOPPING	Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery.
COMPARISON SHOPPING	Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.
SUPERMARKETS	Self-service stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking.
SUPERSTORES	Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.
RETAIL WAREHOUSES	Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers.
RETAIL PARKS	An agglomeration of at least 3 retail warehouses.
WAREHOUSE CLUBS	Large businesses specialising in volume sales of reduced priced goods. The operator may limit access to businesses, organisations or classes of individual.
FACTORY OUTLET CENTRES	Groups of shops specialising in selling seconds and end-of-line goods at discounted prices.
LEISURE PARKS	Leisure parks often feature a mix of leisure facilities, such as a multi-screen cinema, indoor bowling centres, night club, restaurants, bars and fast-food outlets, with car parking.
CONVENIENCE GOODS EXPENDITURE	Expenditure (including VAT as applicable) on goods in COICOP categories: Food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), Newspapers and periodicals, Non-durable household goods.

COMPARISON GOODS EXPENDITURE	Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.
SPECIAL FORMS OF TRADING	All retail sales not in shops and stores; including sales via the internet, mail order, TV shopping, party plan, vending machines, door-to-door and temporary open market stalls.
GROSS GROUND FLOOR FOOTPRINT FLOORSPACE	The area shown on the Ordnance Survey map or other plans as being occupied by buildings and covered areas measured externally.
GROSS RETAIL FLOORSPACE	The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods.
NET RETAIL SALES AREA	The sales area within a building (i.e. all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.
RETAIL SALES DENSITY	Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those sales.
PRIME ZONE A RENTS	Zoning is a standard method of measuring retail premises to calculate and compare their value. It is used by both public and private sector surveyors. Zoning as a method has been applied in the UK to the analysis of shop rents and properties for rating purposes since the 1950s. In brief, shop or retail premises are divided into a number of zones each of a depth of 6.1 metres - or 20 feet. Zone A closest to the window is most valuable with the value decreasing with distance from the frontage: Zone B is the next 6.1 metres, then Zone C until the entire depth of the retail area is allocated to a zone - anything after Zone C is usually defined as the remainder.
QUANTITATIVE NEED	Is conventionally measured as expenditure capacity (i.e. the balance between the turnover capacity of existing facilities and available expenditure in any given area). Expenditure capacity, or 'quantitative need' can arise as a result of forecast expenditure growth (either through population growth or increase in spending), or by identification of an imbalance between the existing facilities and current level of expenditure available in an area.
QUALITATIVE NEED	Includes more subjective measures such as, for example, consumer choice; the appropriate distribution of facilities; and the needs of those living in deprived areas. 'Over trading' is also identified as a measure of qualitative need, although evidence of significant over-crowding, etc., may also be an indicator of quantitative need.
OVERTRADING	The extent to which the turnover of existing stores significantly exceeds benchmark turnovers may be a qualitative indicator of need, and in some cases inform quantitative need considerations. For example it may be an expression of the poor range of existing facilities or limited choice of stores and a lack of new floorspace within a locality. In certain cases 'overtrading' occurs when there is an imbalance between demand (i.e. available spend) and supply (i.e. existing floorspace capacity).
BENCHMARK TURNOVER	In the case of specific types of provision (such as foodstores) company average turnover figures are widely available and can provide an indication of a 'benchmark' turnover for existing facilities. However, turnover benchmarks should not be used prescriptively or in isolation to indicate a measure of 'need'. It is important to recognise that a range of factors (such as rental levels and other operating costs) mean that operators are likely to trade at a wide range of turnover levels. Given the inherent margins of error involved in this type of exercise, the use of company averages as benchmarks should be treated with caution unless they are corroborated by other independent evidence of under-performance, or strong trading. Examples might include the results of in-centre health checks, or the extent of congestion in stores and queuing at checkouts.

APPENDIX 1: STUDY AREA

APPENDIX 2: POPULATION & CONVENIENCE GOODS EXPENDITURE

APPENDIX 3: POPULATION & COMPARISON GOODS EXPENDITURE

APPENDIX 4: CONVENIENCE GOODS MARKET SHARES (INCL SFT)

APPENDIX 5: COMPARISON GOODS MARKET SHARES (INCL SFT)

APPENDIX 6: HEALTH CHECKS – GOAD PLANS & SUMMARY TABLES

APPENDIX 7: CONVENIENCE GOODS TURNOVER

APPENDIX 8: COMPARISON GOODS TURNOVER

APPENDIX 9: CONVENIENCE GOODS CAPACITY

APPENDIX 10: COMPARISON GOODS CAPACITY

APPENDIX 11: LEISURE NEEDS – PLANS & MARKET SHARE ANALYSIS

**APPENDIX 12: NEMS HOUSEHOLD SURVEY - METHODOLOGY &
TABULATIONS**