

ROYAL GREENWICH RETAIL & LEISURE STUDY

Volume D: Local Impact Threshold Advice

Prepared for:

Royal Borough of Greenwich Council

November 2025

lsh.co.uk

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Issued: November 2025

Contents

- 1. INTRODUCTION4
- 2. POLICY ANALYSIS.....5
- 3. CURRENT TRENDS AND ECONOMIC OUTLOOK.....8
- 4. CENTRE OVERVIEW: UNIT COMPOSITION AND HEALTH 11
- 5. PLANNED RETAIL & LEISURE FLOORSPEACE AND FORECAST
RETAIL NEED 17
- 6. CONCLUSION & RECOMMENDATION 19

APPENDIX C1: SAMPLE OF LONDON BOROUGH LOCAL IMPACT THRESHOLDS

1. INTRODUCTION

1. Lambert Smith Hampton (LSH) was instructed by Royal Borough of Greenwich Council ('the Council' or 'RBGC') in June 2025 to provide advice on the appropriateness of adopting a local floorspace threshold for the purposes of applying the retail impact test in line with the National Planning Policy Framework (NPPF) (as per Paragraph 94 of the NPPF).
2. This Impact Threshold Study ("the Study") will provide the Council with an evidence base to justify applying a locally set threshold; enabling greater scope in identifying impact associated with proposed retail and leisure development at edge or out-of-centre locations. The identified threshold will inform policy within a new Local Plan to replace the adopted Core Strategy.
3. The study follows on an earlier commission by the Council to update the evidence base for town centre policies, which is necessary to inform the new Local Plan. This document should be read alongside the other volumes of the Retail and Leisure Study ('RLS') for Greenwich (Volumes A to C). Volume A sets out wider recommendations on whether current policies contained in the adopted Local Plan are still appropriate or whether amendments are required to policies and/or the introduction of new policies.
4. The Study is set out in the following format:
 - Section 2 reviews the context of national, regional and local policies, and the associated guidance on setting out retail impact threshold.
 - Section 3 outlines the national retail and town centre trends, average unit sizes sought by retail and leisure operators in Royal Greenwich's main centres, and the reviews the threshold precedent set by other London Boroughs.
 - Section 4 summaries the health of Royal Greenwich's main centres and an analysis of average unit sizes.
 - Section 5 examines the approved retail and leisure development proposals.
 - Section 6 concludes the evidence and recommends the appropriate localised threshold.

2. POLICY ANALYSIS

5. The 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 94). The purpose of the test is to ensure that the impact of out-of-centre and edge of centre proposals on existing town centres is not significantly adverse (see para 94, NPPF).
6. Local Planning Authorities (LPA) should require an impact assessment if the development is over a proportionate, locally set floorspace threshold, but if there is no local threshold, then the NPPF default threshold (2,500 sqm gross) should be applied.
7. Guidance on setting a locally appropriate threshold for retail impact assessments is currently contained in the ‘Town centres and retail’ section of the PPG (Paragraph: 015. Reference ID: 2b-015-20190722).
8. This states that in setting a locally appropriate threshold it will be important to consider:
 - The scale of proposals relative to town centres;
 - The existing viability and vitality of town centres;
 - Cumulative effects of recent developments;
 - Whether local centres are vulnerable;
 - Likely effects of development on any town centre strategy; and
 - Impact on any other planned investment.
9. These criteria are considered as part of this Study where data is available, and alongside other considerations such as market trends, market demand for retail and leisure space in Royal Greenwich (Section 3), and composition of town centre uses within the main centres (Section 4).

The London Plan (2021)

10. The London Plan 2021 is the Spatial Development Strategy for Greater London which sets out an integrated economic, environmental, transport and social framework for London over the next 20-25 years.
11. The plan includes a number of policies that promote the strengthening of London’s town centres and highstreets and where diversification and investment should be prioritised.
12. Policy SD6 Town centres supports the vitality and viability of London’s town centres. The key themes in Policy SD6 include encouraging strong, resilient, accessible, and inclusive hubs with a diverse range of uses that meet the needs of Londoners, including main town centre uses, night-time economy, civic, community, social and residential uses (A(1)). The role of town centres as a main focus for Londoners’ sense of place and local identity should be strengthened (A(4)) and town centres should be the primary location for commercial activity

beyond the CAZ (A(5)). Part B supports the need for “adaption and diversification” and the management of vibrant daytime, evening and night-time economies should be promoted (Part F). The potential for new housing is also recognised.

13. **Of most relevance to this Study is Policy SD7 Town Centre: Development Principles and Development Plan Documents.** Here, policy takes a town centre first approach and discourages out-of-centre development of main town centres uses through the application of the sequential and impact tests. The policy advises that Development Plans should:
 - assess need for main town centre uses, allocate sites to accommodate identified need within town centres and should allocate appropriate edge-of-centres sites if suitable and viable town centres sites are not available;
 - define the detailed boundary of town centres in policy maps;
 - consider the protection of out-of-centre high streets and develop policies through strategic and local partnerships approaches, in accordance with other town centre policies; and
 - develop policies for edge-of-centre areas, revising shopping frontages where required, identify centres that have particular scope to accommodate new commercial and housing growth having regard to the growth potential set out in Annex 1 of the London Plan.
14. It should be noted however that the London Plan itself does not set a threshold for retail impact assessment. **The Town Centres Supplementary Planning Guidance** (SPG) published on 8 July 2014, provides further guidance on the London Plan, and specifically in relation to the impact test. It reaffirms the “town centre first approach”. Paragraphs 6.3.3 and 6.3.4 state that “In line with NPPF paragraph 26, London Plan policy 4.7Bc requires an impact assessment for applications for new, or extensions to existing, edge or out of centre development. This policy is applicable to retail, leisure and office development exceeding 2,500 sqm outside of town centres, which are not in accordance with an up-to-date local plan. An impact assessment may also be required for developments below this threshold, for example, where a borough has set a proportionate, local floorspace threshold as indicated in the NPPF.”

Royal Greenwich Local Plan: Core Strategy

15. The Local Plan was adopted in July 2014 and includes the policies directly relevant to the retail and town centre uses which are reviewed within the RLS.
16. Whilst the Local Plan sets out policy guiding the development of town centre uses to Royal Greenwich’s existing centres it does not set out any specific guidance on when or where an impact assessment should be considered.
17. Typically, LSH would expect guidance on when an impact assessment is required to form part of **Policy TC1: Town Centre** which identifies town centres are the preferred location for major retail, leisure, cultural, office and other uses that attract and serve the public. The policy supports the town centre hierarchy of major,

district and local centre and its neighbourhood parades. Residential development in town centres is supported. In line with the NPPF, sites for main town centre uses should be identified through the sequential approach.

Impact Threshold Trends within London

18. A review has been conducted of the Local Plans in London adopted in the last 5 years (since 2020) and whether these adopt a localised impact threshold. The review was based on a sample of 33 London Boroughs.
19. In summary, of the 33 London Boroughs, almost two thirds (20 London Boroughs) adopt a localised impact threshold or have draft policy in place to support a localised threshold.
20. The majority of London Boroughs use a “blanket” approach whereby the threshold applies to all the centres in the specific Borough. The blanket threshold ranges from 80 sqm – 1,000 sqm, with half of those Boroughs adopting a threshold range between 200 sqm and 400 sqm gross.
21. A summary of LPAs with adopted thresholds is listed in the table below. A full list of the sampled LPAs is provided in Appendix 1.

Table 1: Summary of the London Borough’s Impact Thresholds

Borough	Development Plan	Date Adopted	Policy	Adopted Local Threshold
Barking & Dagenham	London Borough of Barking and Dagenham Local Plan 2020-2037	Sep-24	Policy DME 3	500 sq.m for retail and leisure uses
Barnet	Barnet Local Plan 2021-2036	Mar-25	Policy TOW01	500 sq.m of retail and leisure uses
Bexley	Bexley Local Plan 2038	Apr-23	Policy SP4	280 sq.m on new retail and leisure uses
Brent	Brent Local Plan 2019-2041	Feb-22	Policy BE4	500 sq.m for retail and leisure uses
Hackney	Hackney Local Plan 2033	Jul-20	Policy LP32	200 sq.m for town centre uses
Hammersmith & Fulham	Hammersmith and Fulham Local Plan 2035	Feb-18	Policy TLC1	300 sq.m for retail use
Havering	Havering Local Plan 2016-2031	Nov-21	Policy 13	200 sq.m for retail, leisure and office
Hillingdon	Development Management Policies 2026	Jan-20	Policy DMTC 1	200 sq.m for retail and 1,000 sq.m for all town centre uses
Hounslow	Hounslow Local Plan 2015-2030	Sep-15	Policy TC3	500 sq.m for retail and 2,500 for other main town centre uses
Islington	Islington Local Plan 2020/21- 2036/37	Sep-23	Policy R3	200 sq.m for main town centre uses
Kensington & Chelsea	New Local Plan 2024- 2044	Jul-24	Policy CF 1	400 sq.m for main town centre uses
Lewisham	Lewisham Local Plan 2040	Jul-25	Policy EC12	500 sq.m for main town centre uses
Merton	Merton Local Plan 2024-2037/38	Nov-24	Policy TC 13.6	280 sq.m for town centre uses
Newham	Newham Local Plan 2018 - 2033	Dec-18	Policy INF5	300 sq.m for town centre uses
Richmond upon Thames	Local Plan 2018-2033	Jul-18	Policy LP 25	Over 500 sq.m for retail use
Southwark	Local Plan 2019- 2036	Feb-22	Policy P36	Over 1,000 sq.m for main town centre uses
Tower of Hamlets	Tower Hamlets Local Plan 2031	Jan-20	Policy D.TC3	200 sq.m for retail
Wandsworth	Wandsworth Local Plan 2023-2038	Jul-23	Policy LP43	400 sq.m for retail and leisure uses

3. CURRENT TRENDS AND ECONOMIC OUTLOOK

22. The RLS provides a comprehensive overview of key economic, consumer and property market trends that are driving change in the retail and leisure sectors over the last decade. This included the impact of the COVID-19 pandemic on consumer habits and operator requirements and the knock-on effect of the pandemic and more recent economic events on the performance of the retail and leisure sectors.
23. For this study, the commentary on current and emerging retail/leisure business models and requirements is of most relevance, particularly in terms of how changing requirements are driving operators to seek sites in locations outside of town centre locations to accommodate site requirements.

CHANGING REQUIREMENTS

24. The growth in **online shopping** is having a significant impact on the way households choose to buy food and non-food goods, which in turn is impacting upon retailer business and operating models. This should be considered alongside the long-term impacts of out-of-centre stores, shopping and leisure facilities on town centres. These impacts are probably best illustrated by the changes in the grocery sector over the last decade.
25. 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 and 372 sqm (circa 3,000 - 4,000 sqft).
26. The minimum floorspace requirement of 280 sqm floorspace figure is also significant, 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 net sales, which broadly equates to 350 sqm gross. 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.
27. In general terms therefore it follows that proposals for retail floorspace over 280 sqm net sales or 350 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 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.

28. The Government's overarching aim to protect the role, function and integrity of local shops selling essential goods and comprising essential services (e.g. post-office counters) is further demonstrated by the reforms to the UCO and the introduction of the new Class F2, which covers local community uses. Within this category, Class F2(a) specifically pertains to a shop (previously classified as A1) selling mostly "essential goods", including food, to visiting members of the public where the shop's premises cover an area of no more than 280 sqm net sales or 350 sqm gross and there is "no such facility within 1,000 metre radius of the shop's location". This new use class is intended to ensure that uses which are important to local communities have some protection through the planning system, because the scope to change use without planning permission is more limited.
29. 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, home store and 'bulky' goods) generally have requirements for larger format modern premises with a minimum size of circa 465 sqm gross (5,000 sqft), and usually 929 sqm (10,000 sqft) 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.

OPERATOR REQUIREMENTS

30. Turning to the published and known market demand from retailers and leisure operators for representation in Royal Greenwich'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. The table overleaf sets out the average minimum unit size sought by retail and leisure operators.

Table 2: Operator Requirements - Average Minimum Unit Size

Centre	Total number of requirements	Average Unit Size
Eltham	7	556
Woolwich	12	199
Blackheath	19	253
Greenwich West	13	169
Kidbrooke	3	1,115
North Greenwich	1	557
Plumstead	1	1,672
Thamesmead	0	-
Abbey Wood	11	805
Shooters Hill	1	186
Total Average	68	613

31. As the table shows, the minimum size unit sought by retail and leisure operates varies across the centres, which is due in part to the number of requirements and those where supermarkets have registered interest.
32. For example, Lidl has registered requirements in Kidbrooke, Plumstead (the only requirement listed for the centre), and Thamesmead. When Lidl's requirements are discounted from the analysis the average minimum unit size is 307 sqm.
33. Clearly if the demand from registered operators is for edge and/or out of centre locations, then it could undermine the future retail and leisure offer and investment within the Royal Greenwich's centres. This is particularly the case in relation to supermarket requirements, such as those from Lidl, which will invariably seek edge or out of centre units over town centre sites.
34. Therefore, it is crucial that where retail and leisure operators are seeking edge of centre and out of centre sites that the proposals are rigorously tested to ensure that the schemes do not result a significant adverse impact on centre vitality and viability, specifically in terms of reduced market demand, investment and trade.

4. CENTRE OVERVIEW: UNIT COMPOSITION AND HEALTH

35. An important factor in determining the appropriateness of a local floorspace threshold for retail and leisure impact testing is an understanding of the health of relevant centres and the composition of commercial town centre accommodation.
36. Volume C of the RLS presents comprehensive health check assessments for Royal Greenwich's town and district centres, which is summarised within a SWOT analysis in Section 4 of Volume A. The health checks also reviewed the composition of town centre uses in terms of the mix of retail, service, and vacant outlets based on survey data of outlets provided by Royal Greenwich.
37. For the purposes of this report, the findings of the RLS health checks and survey data on outlets is used to inform an overview of outlet composition and centre performance for Royal Greenwich's town and district centres.

Overview of Centre Performance

38. The summary findings on how Royal Greenwich's centres are performing are set out below:
39. **Woolwich Major Centre:**
 - Woolwich is a vital and viable centre that is generally performing well – serving its immediate catchment whilst also drawing visitors from beyond, in part due to its substantial retail and leisure offer.
 - The arrival of the Elizabeth Line in 2022 has significantly boosted the centre's linkages to the rest of London, with growth in footfall figures seen in recent years.
 - Ongoing investment into the public realm are expected to make significant improvements to the centre's environmental quality and will hopefully increase visitor numbers further as well as boost dwell times.
 - Residential-led developments will see the centre's catchment population rise, and with it, the available expenditure within the area.
 - Further opportunities such as Woolwich Exchange have the potential to strengthen the centre again, with additional population, further diversification of uses as well as improvements to the public realm
40. **Eltham Town Centre:**
 - Eltham is a vital and viable centre that is generally performing well as a retail and leisure hub for the Borough.
 - The centre's leisure offer in particular has been boosted in recent years with the arrival of Vue cinema and associated food and beverage units.
 - Vacancy rates are low, and footfall has grown in recent years, indicating that it has weathered the impact of the COVID-19 pandemic relatively well.

- Whilst there is a strong presence of national multiples in the centre, as to be expected for a centre of its size, the struggles that many major high street brands have faced in recent years poses a threat to Eltham going forward.
- However, opportunities such as the development at the Orangery Lane site provide a chance for Eltham to continue to develop and evolve, making it even more resilient to external pressures.

41. **Blackheath District Centre:**

- Blackheath is currently performing well as a District Centre, providing local residents with a good mix of day-to-day uses, whilst having the ability to draw visitors from further afield due to its high environmental quality and strong independent offer.
- However, the proportion of vacant floorspace is above the London average, and footfall levels have not fully recovered from pre-COVID-19 pandemic levels.
- There are therefore improvements that need to be made to secure the long-term success of the centre, potentially through the introduction of new uses into the centre, the delivery of development opportunities or by working to accommodate retailers that have interest in gaining presence in Blackheath.

42. **East Greenwich District Centre:**

- East Greenwich is currently performing adequately as a District Centre, serving the day-to-day needs of its local residents (particularly through leisure and service uses).
- Whilst footfall has grown in recent years, vacancy rates are above London averages, posing a challenge to the centre.
- In light of this, and given the high/ increasing business operating costs, coupled with the competition from nearby centres, East Greenwich will need to look to diversify its uses in an effort to reduce vacancy rates and increase its resilience going forward.

43. **Greenwich West District Centre:**

- Greenwich West is currently a successful centre that serves its immediate catchment with day-to-day retail, leisure and services, whilst also attracting and satisfying the needs of those who travel from beyond to visit attractions and destinations such as the market and nearby park.
- Vacancy rates are low, with leisure leading as the dominant use within the centre.
- Footfall has not managed to return to pre-pandemic levels however, and so further work is needed to secure the success of the centre going forward.

- Whilst vacancy rates are low, there is significant interest from retailers in gaining presence within the area, and so efforts should be made to satisfy these requirements, thus strengthening the centre's offer going forward.

44. **Lee Green District Centre:**

- Lee Green is a vital and viable centre, that serves the day-to-day needs of its immediate catchment.
- Whilst vacancy rates are currently high, this is in the context of the imminent redevelopment of the Leegate shopping centre. This project poses a huge opportunity for the centre to boost its catchment population, strengthen its diversity of uses and improve the public realm within the centre.
- High/ increasing infrastructure/ development costs are however a threat to be mindful of as the delivery of the re-development progresses.

45. **North Greenwich District Centre:**

- North Greenwich District Centre is currently performing well as a leisure and comparison retail destination, not just for the Borough, but for London and beyond.
- The O2 acts a major entertainment attraction and footfall driver for the rest of the centre.
- The impact of the COVID-19 pandemic did however highlight a potential over-reliance on these uses, and so ongoing opportunities for residential developments pose a chance for the centre to diversify slightly and improve its resilience.

46. **Plumstead District Centre:**

- Plumstead is vital and viable, serving the day-to-day needs of its immediate catchment.
- Footfall trends in recent years have shown the centre's resilience, even in the face of the COVID-19 pandemic, whilst low vacancy rates suggest that it is a positive environment for businesses to operate in.
- Investment into the high street and train station further strengthen Plumstead's role within the Borough.

47. **Thamesmead District Centre:**

- Thamesmead provides a unique offer when compared to the rest of the centres within the Borough.
- Its retail park format offers units that are suitable to national multiple comparison retailers, however, several of these units are currently vacant. As a result, vacancy rates (particularly vacant floorspace) are high.
- If these units remain vacant, then there is a risk that further vacancies appear as a result of a weakened offer across the centre as a whole.

- An opportunity exists however for the diversification of uses within the centre, such as the introduction of healthcare (in the form of a community diagnostics centre for example). Fortunately, the dominant use within the centre is convenience, and as such, Morrisons and Aldi will continue to act as regular drivers of visits to the centre. The supporting offer however requires improvement in order to secure the long-term success of Thamesmead.

48. The conclusion on the health check analysis is that generally Royal Greenwich's centres are performing well. However, investment is a priority for many of the centres, particularly Woolwich to strengthen its function as the principle retail and leisure destination for the borough. The centre will be competing with other centres in Royal Greenwich, such as North Greenwich, but more so out of centre retail and leisure facilities at Charlton Riverside (Greenwich Shopping Park, Millennium Shopping Park, etc).
49. There is also a need to ensure that planned investment in Royal Greenwich's centres (e.g. the redevelopment of Leegate Shopping Centre) is not undermined by competing edge and out of centre retail and leisure proposals.

Average Unit Sizes

50. The health checks for the town centres have also identified that smaller independent stores and services make a significant and vital contribution to each centre's diverse offer, attraction and viability. The table below shows the average size of comparison and convenience units in each main centre as sourced from Experian Goad data.

Table 3: Average Size of Outlets by Centre & Category (sqm gross)

Centre	Convenience	Comparison	F&B	Other leisure	Total
Woolwich	307	363	142	246	228
Eltham	540	422	193	191	259
Blackheath	100	113	139	600	130
East Greenwich	182	100	104	117	112
Greenwich	306	111	208	481	209
Lee Green	1,190	161	124	355	236
North Greenwich	144	227	355	721	304
Plumstead	135	143	88	110	111
Thamesmead	2,066	569	210	100	562
Average	552	245	174	325	239

51. As the table shows the average size of comparison goods units range from 111 sqm to 569 sqm gross, with an overall average unit size of 239 sqm gross.
52. For convenience goods the average unit size is higher than other commercial categories at 552 sqm gross; ranging from 100 sqm gross for Blackheath, to 1,190 sqm gross for Lee Green. This is explained by the fact that most of the centres are generally anchored by at least one larger format foodstore (and in the case of

Woolwich by a 2,539 sqm gross Tesco Extra store and 3,600 sqm gross Sainsbury's store. For Lee Green, the centre is comparatively small in terms of the number of units, but is anchored by a 5,450 sqm gross Sainsbury's. If this store is excluded then the average is significantly smaller. The position applies to Thamesmead, a comparatively small centre that is anchored by a 9,180 sqm gross Morrisons store.

53. Given the average of units there is a possibility that commercial businesses in Royal Greenwich's centres could be subject to competition from edge and out of centre development that provides retail and leisure operators that larger space.
54. A review of average unit sizes at retail parks within the Charlton Riverside area varies and correlates to differences in the type and format of retail and leisure provision within each location. The assessment has focused on Charlton Riverside due to the availability of floorspace data.
55. The table below summarises the average unit size for units occupied for retail and leisure uses across the main retail park locations in Charlton Riverside.

Table 4: Average Size of Outlets by Centre & Category (sqm gross)

Retail Park	Convenience	Comparison	F&B	Other leisure	Total
Bugsby Way	6,150	15,230	220		7,200
Gallions Retail Park	6,990	390	180	1,040	2,150
Greenwich Shopping Park	1,630	882	310	510	833
Lombard Trading Estate		425			425
Meridian Trading Estate	1,750	2,023	3,135		2,303
Greenwich Millennium Retail Park			405	3,350	1,878
Peninsual Retail Park	240	1,298	250		596
Ramac Industrial Estate		600			600
Stone Lake Retail Park	970	1,260			1,115
Other	240	313	185		246
Total Average	2567	1580	226	1425	1450

56. As the table above shows. The average unit size for convenience and comparison retail units across all retail park locations in Charlton Riverside is generally representative of large box units. The average is skewed for most of the locations due to the averages for each retail / leisure category being represented by a single unit. For example, the average convenience unit size for Bugsby Way, Gallions Retail Park, and Meridian Trading Estate relate to a single large foodstore in each location. For comparison retail, in many cases the average is representative of significantly large units such as the IKEA and B&Q on Bugsby Way. The retailers trade 15,172 sqm gross and 8,761 sqm gross stores.
57. Aside from the major foodstores and large-scale comparison retailers, the average unit size falls under the NPPF's default threshold (2,500 sqm gross). While many of the retailers that operate within Charlton Riverside's retail park are typically found at retail park locations and represent either major foodstores or bulky goods operators, this does not remove the risk of future impact on Greenwich's town centres.

58. While traditionally retail parks such as those at Charlton Riverside are aimed at serving a complimentary shopping role to Greenwich's towns by offering a bulky goods retail offer, many retail park operators are seeking to broader retail and leisure offer and attract high street brands. This can occur through planning applications to vary or remove restrictions on the sale of goods and reduce unit sizes. Similarly, retail park asset owners may seek to expand retail and leisure offer through the change of use of existing units or by extending floorspace, either by way of additional units or increased mezzanine space.
59. Where the above proposals come forward on a unit-by-unit basis, they would fall under the default threshold without any requirement for the applicant to demonstrate impact. This could over time, particularly where applications come forward on a incremental basis result in an unchecked and significant adverse impact on town centre vitality and viability.
60. Therefore, without a local impact threshold in place, retail parks can easily evolve from being complimentary retail destinations to town centres to direct competitors, and without a requirement to demonstrate impact. This highlights the importance of ensuring that a local impact threshold is in place to ensure that proposals for retail and leisure uses at edge and out of centre locations in Greenwich are appropriately assessed against the impact test.

5. PLANNED RETAIL & LEISURE FLOORSPEACE AND FORECAST RETAIL NEED

61. This section examines retail and leisure consents in the Council area since 2019; including their size and location, and consideration of the RLS findings on retail capacity over the emerging Local Plan period.

PLANNED RETAIL AND LEISURE FLOORSPEACE

62. Information on planning consents has been provided by the Council and informed the retail and leisure needs assessments in the RLS. This analysis will help inform the likely pressure the existing centres face from out-of-centre development, and help inform an appropriate local floorspace threshold for the purposes of assessing retail impact.
63. The table overleaf provides a summary of planning permissions for new retail and leisure floorspace in Royal Greenwich since 2019.
64. Based on available data there have been a total of 10 planning applications, cumulatively seeking 4,822 sqm gross of new retail and leisure floorspace. This includes schemes seeking flexible commercial floorspace to support retail, food and beverage, and leisure uses, whereby there is uncertainty about the end occupier.
65. For other consents, the applications are for additional floorspace to an existing building or the redevelopment of an existing building for another commercial use.
66. A breakdown of the consented accommodation shows that the floorspace size in terms of average unit size or the extended area to an existing building is 498 sqm. However, this includes two planning consents for large units or extensions, including a 1,400 sqm gross extension to an existing David Lloyd leisure centre (Kidbrooke Village) and the temporary restaurant use for a 800 sqm gross unit on Eastmoor Street, Charlton. When these two consents are excluded the average unit or extension size reduces to 325 sqm gross.

RETAIL CAPACITY

67. We have also had regard to the borough-wide capacity assessment for new retail (convenience and comparison goods) floorspace, focussing on the next five to ten years in accordance with the advice set out in the NPPF and PPG, but also taking the lifetime of the plan into account. In this case the capacity forecasts show no capacity for new retail floorspace over the ten-year period, or over the lifetime of the plan to 2037 (after allowing for all known commitments).
68. Where potential floorspace capacity exists, it will support new commercial floorspace in the Royal Greenwich's centres or planned as part of housing allocations. It is critical that the investment in and delivery of this new floorspace is not harmed by proposals for new floorspace of varying scale and use outside these areas and existing centres.

Table 5 Retail & Leisure Schemes Permitted since 2019

Planning Reference	Address	Location to Centre	Average Outlet Size / Extension	Proposal description
20/1924/F	Land at Nos. 6, 61-81 and Coopers Yard, Eastmoor Street and Nos. 6 & 10 Westmoor Street, Charlton, SE7 8LX	Out of Centre	170	Residential-led mixed use scheme including flexible retail and community uses.
22/0002/F	Argos, Unit 4, Penninsular Park Road, Charlton, SE7 7TZ	Out of Centre	313	Creation of additional 'retail' floorspace at mezzanine level
22/2124/F	Royal Tavern, 185 Court Road, Eltham, SE9 4UG	Out of Centre	682	Single storey rear extension to the existing public house (Class Use Sui Generis)
19/0512/F	87 Blackwall Lane, Greenwich, SE10 0AP	Out of Centre	182	Residential development and 182sqm of flexible commercial floorspace (former Class A1/A3/B1/D1).
21/0585/F	London South East Colleges Greenwich, 95 Plumstead Road, Woolwich, SE18 7DQ	Out of Centre	325	Construction of a 5-storey college (Class F.1) building including 325sqm (GIA) flexible non-residential floorspace.
21/0384/F	Asda, Bugsbys Way, Charlton, SE7 7ST	Out of Centre	280	Single storey extension to existing Asda store.
21/1314/F	159 Lee Road, Lee Green, SE3 9DJ	In Centre	320	Change of use from Pub (former Class A4) to Supermarket (Class E)
21/3388/F	Former Thames Barrier Store, Eastmoor Street, (rear of) 114-126 Westmoor Street, Charlton, SE7 8NQ	Out of Centre	800	Temporary use for restaurant (former Class A3/A4 use)
21/2100/F	David Lloyd, Weigal Road, Kidbrooke Village, SE12 8HF	In Centre	1,410	Extension to an existing David Lloyd leisure centre.

6. CONCLUSION & RECOMMENDATION

69. An impact threshold of **350 sqm gross** (280 sqm net sales) is the most appropriate and robust for assessing the impacts of any proposed retail/leisure developments outside of Royal Greenwich's defined centres in accordance with paragraph 94 of the NPPF.
70. The recommended threshold is based on the following key findings of this Study:
 - A shift in space requirements across the retail and leisure sectors, particularly the grocery sector which is focusing growth on local convenience stores, which typically fall under 500sqm, and mid-size discount foodstores.
 - Half of sampled London Borough's apply a local impact threshold with a higher proportion adopting a threshold of 200 sqm gross to 400 sqm gross.
 - A review of retailer and leisure operator requirements for sites in or near Royal Greenwich's centres identifies an average minimum unit size is 307 sqm.
 - Royal Greenwich's centres are performing well against their role and function in the hierarchy, but the centres will be vulnerable to edge and out of centre retail and leisure development.
 - Town centre accommodation for commercial uses is mainly supported by smaller units with an average unit size of 239 sqm.
 - While the average unit size for retail and leisure units at retail parks in Charlton Riverside are on average greater than those in the centres and broadly represent a different customer market, there is a risk that without a local impact threshold in place that these out of centre retail destinations could evolve into competing destinations.
 - A review of committed retail and leisure planning consents identifies an average unit size or extension size of 498 sqm or 325 sqm gross when consents with large floor areas are excluded.
71. The recommended threshold will provide the Council with greater flexibility to robustly assess the individual ('solus') and cumulative impacts of any smaller commercial floorspace (including extensions to existing accommodation) proposed outside of existing centres that could compete 'like-against-like' with existing, planned and proposed investment in Royal Greenwich's main centres.
72. The threshold should be applied, where relevant, to change of use applications and applications seeking variations of conditions. It should be noted that whilst the proposed threshold applies to net additional floorspace, where a proposal is for the redevelopment of existing retail floorspace, the threshold should apply to the total floor area proposed (i.e. existing and net additional).
73. The Council will be aware that the locally set impact threshold does not determine whether an application should be allowed or 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 way. Therefore, the Council should pro-actively engage with any applicant at an early state in the pre-application process to scope and agree the detail of any assessment and the evidence required in support of an application on a case-by-case basis.

APPENDIX 1: SAMPLE OF LONDON BOROUGH DEVELOPMENT PLAN LOCAL IMPACT THRESHOLDS

Borough	Development Plan	Date Adopted	Adopted Local Threshold	Policy	Draft Local Plan	Draft Local Plan Policy	Draft Local Plan Stage
Localised Impact Threshold Applied							
Barking & Dagenham	London Borough of Barking and Dagenham Local Plan 2020-2037	Sep-24	500 sq.m for retail and leisure uses	Policy DME 3: Encouraging vibrant, resilient, and characterful town centres			
Barnet	Barnet Local Plan 2021-2036	Mar-25	500 sq.m of retail and leisure uses	Policy TOW01: Vibrant Town Centres			
Bexley	Bexley Local Plan 2038	Apr-23	280 sq.m on new retail and leisure uses	Policy SP4: Supporting successful town centre uses			
Brent	Brent Local Plan 2019-2041	Feb-22	500 sq.m for retail and leisure uses	Policy BE4: Supporting Strong Centres			
Hackney	Hackney Local Plan 2033	Jul-20	200 sq.m for town centre uses	Policy LP32: Town Centres			
Hammersmith & Fulham	Hammersmith and Fulham Local Plan 2035	Feb-18	300 sq.m for retail use	Policy TLC1: Hierarchy of town and local centres			New Local Plan 2024/2027 currently at pre-publication on draft Plan and SA (Regulation 18) stage
Havering	Havering Local Plan 2016-2031	Nov-21	200 sq.m for retail, leisure and office	Policy 13: Town centre development			Review of local plan regulation 18 consultation anticipated for autumn 2025
Hillingdon	Development Management Policies 2026	Jan-20	200 sq.m for retail and 1,000 sq.m for all town centre uses	Policy DMTG 1: Town Centre Developments			Calls for views consultation (Regulation 18) completed on 24 June 2024. Regulation 19 'proposed submission' consultation was scheduled for early 2025
Hounslow	Hounslow Local Plan 2015-2030	Sep-15	500 sq.m for retail and 2,500 for other main town centre uses	Policy TC3: Managing the growth of retail and other main town centre uses	Draft Hounslow Local Plan 2020-2041 (regulation 19 version)	Policy TC3: Managing the growth of retail and other main town centre uses	Regulation 22 phase - council submitted draft Hounslow Local Plan 2020-2041 to the secretary of state on June 2025 for independent examination by the Planning Inspectorate
Islington	Islington Local Plan 2020/21- 2036/37	Sep-23	0 sq.m for main town centre uses at edge and out of centre locations	Policy R3: Islington's retail hierarchy			
Kensington & Chelsea	Kensington & Chelsea New Local Plan 2024- 2044	Jul-24	500 sq.m for retail; 2,500 sqm for leisure & office uses	TC1: Location of New Town Centre Uses			
Lewisham	Lewisham Local Plan 2040	Jul-25	500 sq.m for retail and leisure uses	Policy EC12: Town centre network and hierarchy *			
Merton	Merton Local Plan 2024-2037/38	Nov-24	280 sq.m for retail use	Policy TC 13.6 Development of Town Centre Type Uses outside Town Centres *			
Newham	Newham Local Plan 2018 - 2033	Dec-18	300 sq.m for retail uses	INF5 Town Centre Hierarchy and Network *	Draft Newham Local Plan	Policy HS3: Edge-of-Centre and Out-of-Centre retail, restaurants, cafes and services	Draft submission of local plan (regulation 19) and consultation took place between July to September 2024.
Richmond upon Thames	Richmond Local Plan 2018-2033	Jul-18	Over 500 sq.m for retail use	Policy LP 25 Development in Centres	Draft Richmond Local Plan (regulation 19 consultation version)	Policy 18: Development in Centres	Currently at examination stage, with the submission of documents (regulation 22) in January 2024
Southwark	Local Plan 2019- 2036	Feb-22	Over 1,000 sq.m for retail uses	Policy P36 Development outside town centres			
Tower of Hamlets	Tower Hamlets Local Plan 2031	Jan-20	200 sq.m for retail uses	Policy D.TC3 Retail outside our town centres*	Tower Hamlets Draft New Local Plan	No mention of retail impact assessments	Second regulation 19 consultation scheduled for June 2025 to August 2025
Wandsworth	Wandsworth Local Plan 2023-2038	Jul-23	400 sq.m for retail and leisure uses	Policy LP43: Out of Centre Development			
No Localised Impact Threshold							
Redbridge	Redbridge Local Plan 2015-2030	Mar-18	Over 2,500 sq.m for town centre uses	LP10: Managing Town Centres and Retail Uses			
Camden	Camden Local Plan 2016- 2031	Jul-17	NPPF 2,500 sq.m applies	Policy TC1: Quantity and location of retail development	Proposed Draft Submission Camden Local Plan	Policy IE6: Supporting Designated Centres and Essential Services	Camden Local Plan Proposed Submission Draft (regulation 19) published for consultation May to June 2025
Croydon	Croydon Local Plan 2018- 2036	Feb-18	NPPF 2,500 sq.m applies	Policy DM8: Development in edge of centre and out of centre locations	Croydon Local Plan 2018- revised	Policy DM8: Development in edge of centre and out of centre locations	Regulation 22- submission of plan November 2024, local plan examination as of 2025
Ealing	London Plan 2021	Mar-21	NPPF 2,500 sq.m applies	Policy SD7 Town centres: development principles and Development Plan Documents			Regulation 22- submission and examination of draft New Local Plan in November 2024
Enfield	Core Strategy 2010-2025	Nov-10	NPPF 2,500 sq.m applies	Policy 18: Delivering shopping provision across Enfield	Enfield's New Local Plan 2019-2041 (Regulation 19)	Strategic Policy TC2: Encouraging vibrant and resilient town centres	Regulation 24 examination in public including stage 2 hearings summer 2025
Haringey	Development Management Document 2026	Jul-17	NPPF 2,500 sq.m applies	Policy DM41: New Town Centre development			Regulation 18- Draft local plan consultation anticipated for July to September 2025
Harrow	Development Management Policies 2026	Jul-13	NPPF 2,500 sq.m applies	Policy DM 35: New Town Centre Development	Harrow's New Local Plan 2021-2041 (regulation 19)	Policy LE1: Development Principles & Town Centre Hierarchy	Regulation 22, the submission of the Local Plan took place on Wednesday 26 February 2025. Regulation 24, the post-examination of the inspector's report is anticipated for late 225/early 2026.
Kingston upon Thames	Core Strategy 2027	Apr-12	NPPF 2,500 sq.m applies	Policy DM 20 New Retail Development	Kingston's local plan 2019-2041 (regulation 18)	Draft Policy KE6: Main town centre uses outside town centres	Feedback from first draft of the Local Plan (Regulation 18) took place on February 2023. Next stage is the regulation 19 publication version of the local plan
Lambeth	Lambeth Local Plan 2020–2035	Sep-21	NPPF 2,500 sq.m applies	Policy ED7: Town centres			
Waltham Forest	London Borough of Waltham Forest Local Plan 2020-2035	Feb-24	NPPF 2,500 sq.m applies	Policy 39 New Retail, Office and Leisure Developments			
Westminster	City Plan 2019-2040	Apr-21	NPPF 2,500 sq.m applies	Policy 14: Town centres, high streets and the CAZ			Regulation 19 on the City Plan partial review between March 2024 and May 2024.
No mention of Impact Threshold							
City of London	Local Plan 2015- 2026	Jan-15			Draft 2040 city plan	Strategic policy S5: Retail and active frontages	As of 2025, examination in Public Hearing sessions has been completed, with the next stage being the adoption of the City Plan (anticipated for spring 2026).
Bromley	Bromley Local Plan 2030	Jan-19					Undergoing review of the Bromley Local Plan - evidence base preparation as of 2025.
Greenwich	Royal Greenwich Local Plan: Core Strategy with Detailed Policies 2028	Jul-14					Call for development site for new Local Plan took place April 2024- 31 July 2024 and the Consultation on draft Local Plan is expected to take place summer 2025
Sutton	Sutton Local Plan 2016-2031	Feb-18					Publication of the draft Local Plan for public consultation anticipated in the Autumn 2025

* Here policies refer to main town centre uses but the supporting text specifies that the need to demonstrate impact against the local threshold applies to retail or retail and leisure uses.