



Nathaniel Lichfield and Partners

Planning Design Economics

**FORMER GAS WORKS SITE, BELL
GREEN (PHASES 2 AND 3)**

**PLANNING APPLICATIONS FOR
REDEVELOPMENT FOR RETAIL,
RESTAURANT, EMPLOYMENT,
COMMUNITY AND RESIDENTIAL
PURPOSES BY THE NATIONAL GRID
PROPERTY HOLDINGS LTD &
CASTLEMORE SECURITIES LTD**

**PROOF OF EVIDENCE OF
NEIL GOLDSMITH ON BEHALF
OF THE LONDON BOROUGH OF
LEWISHAM**

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Nathaniel Lichfield & Partners Ltd
14 Regent's Wharf
All Saints Street
London N1 9RL

T 020 7837 4477
F 020 7837 2277
london@nlppanning.com
www.nlpplanning.com

Offices also in:
Cardiff
Manchester
Newcastle upon Tyne

CONTENTS

- 1.0 QUALIFICATIONS AND EXPERIENCE 1**
- 2.0 INTRODUCTION AND SCOPE OF EVIDENCE 2**
- 3.0 NLP RETAIL CAPACITY ASSESSMENT AND SITE ALLOCATION STUDY (JULY 2004)..... 4**
- 4.0 RELEVANT RETAIL PLANNING POLICY CONTEXT 8**
 - PPS6: Planning For Town Centres (March 2005) 8
 - The London Plan, February 2004 11
 - Adopted Lewisham UDP 2004..... 13
- 5.0 QUANTITATIVE AND QUALITATIVE NEED AND SCALE 15**
 - Introduction 15
 - Quantitative Analysis 15
 - Updated Quantitative Analysis..... 17
 - Table 2: Revised Total Comparison Goods Capacity Analysis (2011) 18
 - Table 3: Revised Large Format Capacity Analysis (2011) 19
 - Sensitivity Analysis 20
- 6.0 THE SEQUENTIAL APPROACH 24**
 - Introduction and Background to the Sequential Approach 24
 - Policy Context..... 27
 - Alternative Sites..... 28
 - Conclusions 32
- 7.0 RETAIL IMPACT 33**
 - Introduction 33
 - Health Check Analysis..... 33
 - Forecast Retail Impact..... 34
 - a) Planning Perspectives Retail Impact Analysis..... 34
 - b) NLP Cumulative Impact Analysis 36
- 8.0 CONSIDERATION OF THE APPLICATIONS AGAINST RELEVANT PLANNING POLICY 40**
- 9.0 CONCLUSIONS 44**

1.0 QUALIFICATIONS AND EXPERIENCE

- 1.1 I am Neil Goldsmith, a graduate of Manchester University being a Bachelor of Arts in Planning and Bachelor of Planning and I am a member of The Royal Town Planning Institute.
- 1.2 I joined Nathaniel Lichfield and Partners Ltd in March, 1990 after several years experience in the public sector mainly with Westminster City Council.
- 1.3 I was made an Associate of Nathaniel Lichfield and Partners Ltd in July 1993, and a Director in January 1999.
- 1.4 Since joining Nathaniel Lichfield and Partners Ltd I have been involved in a wide range of schemes in the retail and leisure sectors in particular. I have considerable experience of both call-in applications and Section 78 appeals, appearing at Inquiries on behalf of developers, operators and local authorities.
- 1.5 As outlined in my Proof of Evidence, my firm was instructed by the London Borough of Lewisham to prepare a Retail Capacity Assessment and Site Allocation Study in 2004. I am therefore very familiar with the retail situation in the Borough and specifically the Bell Green site. I am fully conversant with relevant planning policy at all levels.

2.0 INTRODUCTION AND SCOPE OF EVIDENCE

- 2.1 My Proof of Evidence has been produced on behalf of the London Borough of Lewisham to provide evidence in relation to the retail aspects of these proposals. As such, and with reference to the “*call-in*” letter dated 5th October 2005 (CD D1) my Proof of Evidence deals predominantly with the extent to which the proposed developments are consistent with the First Secretary of State’s policies in Planning Policy Statement 6 “*Planning for Town Centres*” (CD E8).
- 2.2 In particular, I consider whether there is scope to justify these proposals in terms of quantitative and qualitative need, and whether the forecast impact of the proposals upon any nearby town, district or local centre is acceptable.
- 2.3 I also deal with the sequential approach in terms of the policy context set out in PPS6 and I consider all relevant potential alternative sites. The basis of this analysis is the 2004 Retail Capacity Study which has been updated where required for the purposes of this Inquiry. Finally, I deal with whether the retail aspects of the proposals accord with the relevant policies of the Lewisham Unitary Development Plan and the London Plan in particular.
- 2.4 As outlined in Peter Smith’s Proof of Evidence and in response to the 2003 Secretary of State’s “*call in*” decision on Bell Green and to the Inspector’s report into the UDP Inquiry, the Council appointed my company, Nathaniel Lichfield and Partners Ltd (NLP), to undertake a borough-wide Retail Capacity and Site Allocation Study in 2004 (CD E3). I outline in the next section the general background to the Capacity Study, the methodology used and the overall conclusions.
- 2.5 In terms of description of the site and surroundings, the site’s planning history and a description of the proposals subject of this Inquiry, these have been dealt with in the Proof of Evidence of Peter Smith of the London Borough of Lewisham and/or are contained within the Statement of Common Ground. As such, I do not duplicate this information within my Proof of Evidence. My Proof therefore deals with the following:
- a) a synopsis of the NLP Retail Capacity Study dated July 2004 (Section 3.0);
 - b) a summary of relevant retail policy with particular reference to PPS6, the London Plan and the Adopted Lewisham UDP (Section 4.0);

- c) a consideration of the quantitative and qualitative need for and the scale of the proposals (Section 5.0);
- d) the sequential approach (Section 6.0);
- e) a consideration of the forecast impact of the proposals upon any nearby town, district or local centre including Sydenham (Section 7.0). Within this section I refer to the NLP letter dated 14th October 2004 (Appendix 5) which provided a review of the applicant's assessment of retail impact contained within the Planning Perspectives Retail Statement dated August 2003. As outlined in this letter, this review dealt solely with retail impact matters and did not consider any other retail issues such as need and the sequential approach;
- f) a consideration of the proposals against relevant retail planning policy (Section 8.0); and
- g) my conclusions are set out in Section 9.0.

3.0 NLP RETAIL CAPACITY ASSESSMENT AND SITE ALLOCATION STUDY (JULY 2004)

3.1 NLP was commissioned by the London Borough of Lewisham to prepare a Retail Capacity Assessment and Site Allocation Study in January 2004 (CD E3). This study responded to a consultant's brief prepared by London Borough of Lewisham which required the following:

- i) review existing retail provision in the Borough;
- ii) assess the retail need and capacity for additional convenience and comparison retail floorspace in the Borough to 2016;
- iii) undertake a sequential approach of all the town and district centres and examine the potential sites that may be capable of accommodating additional comparison and convenience retail floorspace; and
- iv) drawing on the above, including an assessment of the scope of, and likely timescale for, individual identified sites to meet the retail need as well as efficiency increases and other policy objectives, assess residual capacity to 2016.

3.2 As part of the study, NLP commissioned NEMS to undertake a household survey. In terms of relevant national policy, the study considered PPG6 entitled "*Town Centres and Retail Development*" produced in June 1996. However, reference was also made to draft PPS6 which had been published in December 2003, but was not produced in final form until after the study had been completed.

3.3 The study undertook a health check analysis of all the major shopping centres in the London Borough of Lewisham. Detailed town centre audits were therefore provided for Lewisham, Catford, Blackheath, Deptford, Downham, Forest Hill, Lee Green, New Cross and Sydenham. Of particular interest to these applications are the centres of Sydenham, Forest Hill and Catford.

3.4 In terms of the quantitative analysis, this was based on a study area centred around London Borough of Lewisham, although regard was had to areas within surrounding boroughs which also fell within the catchment areas of centres within the Borough. The extent of the study area also had regard to earlier retail studies within the Borough. These included the borough-wide GL Hearn Capacity Study and the Planning Perspectives (PP) Report which accompanied the Phase 2 application which is now subject to this call in Inquiry.

- 3.5 The survey showed that within the zones that primarily contain population within LB Lewisham (ie. Zones 4, 5 and 7), the retention rate of comparison facilities in the borough was around 43%. Although over half of all comparison goods expenditure is leaking from the borough, this to some extent, is expected given the proximity of higher order centres such as the West End, Bluewater, Bromley and Croydon.
- 3.6 The summary table of capacity for additional comparison goods floorspace is summarised in Table 1 below

Table 1: Comparison Goods Summary Capacity Table

	2006	2011	2016
High Street Comparison Expenditure	39.04	112.21	211.40
Floorspace Capacity Net	9006	24624	44143
Floorspace Capacity Gross	12866	35177	63061
Capacity of identified sites	0	16,000 to 21,000	41,580 to 46,580
Capacity of vacant units	4,500	4,500	4,500
Residual capacity	8,366	9677 to 14677	11,981 to 16,981
Plus potential for increased retention	4,761	5,665	6,804
Total Potential High Street	13,127	15,342 to 20,342	18,785 to 23,785
Large Format Expenditure (£mill)	13.02	37.40	70.46
Floorspace capacity net	5106	13955	25013
Floorspace capacity gross	6383	17443	31266
Identified Sites	2482	2482	2482
Bell Green (Phase 2)	3669	3669	3669
Mezzanines	5,000	5,000	5,000
Residual Capacity	-4,768	6,292	20,115
Total Capacity	8,359	21,634 to 26,634	38,900 to 43,900

- 3.7 This table took account of commitments at that time and also made an allowance for the reuse of some existing vacant floorspace and the potential installation of mezzanine floorspace within existing retail developments. As part of the analysis, we also undertook a detailed evaluation of potential development sites to consider their potential availability, suitability and viability to be developed for either food or non food floorspace.
- 3.8 The study made a number of recommendations and conclusions. In overall terms, we recommended that the minimum objective of the retail strategy should be to safeguard the Borough's existing shopping role and market share within the sub-region in the face of increasing competition from centres outside the Borough, in particular Bromley and Croydon.

- 3.9 In terms of comparison goods development, we concluded that the expenditure capacity projections confirmed that there was significant scope for additional comparison goods retail development within the borough in the future. This was based on the assumption that the facilities in Lewisham maintain their 2006 market share, following the implementation of current commitments. At 2011 there was a total gross floorspace requirement up to 26,634 sq.m of retail floorspace, even once account had been taken of the identified sites, such as the Lewisham Gateway. The “residual capacity” figure in the table shows the level of large format floorspace that can be justified and once an allowance has been made for commitments etc. The Table shows 6,292 sq.m (gross) of such floorspace can be accommodated by 2011.
- 3.10 In terms of the scope for accommodating this growth in comparison goods expenditure, we considered that the reuse of vacant units within the Borough, in addition to the potential for mezzanines to be incorporated within existing retail warehouses, may assist in meeting the identified capacity. For the purposes of the analysis we split the forecast capacity between high street retailing and large format stores. We stressed that the split did not infer that large format stores should be located in out-of-centre locations as retail warehouses. Large format stores are clearly capable of being accommodated in in-centre or on the edge-of-town centres if suitable sites exist. The conclusions in relation to comparison capacity are summarised in para. 7.26 to 7.29 of the Retail Capacity Assessment. These paragraphs state:

“The figures identify that there is capacity for both types of retailing at 2006, 2011 and 2016, except for large format stores at 2006. The latter reflects the capacity of potential sites to be developed in the short term, including Bell Green (Phase 2). It also assumes that all the mezzanine floorspace is developed. As noted in Section 6.0 it is unlikely that in the period to 2006 all this space would be developed in reality. This is important given the current proposals to provide additional space at Bell Green (current application).”

There is potentially a need for additional floorspace over that identified at 2006 given the existing qualitative shortfall in retail warehouse provision in the Borough. Under such a scenario a degree of expenditure will be clawed back resulting in an increase in market share.

Overall there is a need for additional comparison floorspace at 2006 which will be difficult to accommodate given that a number of the potential sites identified are medium and long term options. In this situation there could be merit in allowing a proposal such as the current one at Bell Green to meet the shortfall in the short term. The fact that additional development at this site would combine with existing retail development is an advantage as recognised in PPG6. However, whilst

this may be acceptable in capacity terms this study does not attempt to consider the acceptability of the Bell Green proposals. Such proposals need to be considered subject to a consideration not only of retail policy tests such as impact, but also other planning issues such as highways, contamination etc.

It is unlikely that the sites identified for retail floorspace will meet all the capacity identified either in 2011 or 2016. However, other sites will come forward and other redevelopment opportunities may be identified by the Council. As noted above, support should be given to proposals which comply with its requirements of national, strategic and UDP policy. It is important, however, that the Council ensure that any new scheme located outside a town centre would not prejudice the implementation of these town centre sites.”

- 3.11 In its consideration of the applications, LB Lewisham took into account the recommendations of the NLP Retail Capacity Study. We also advised the Council in respect of the retail impact of these proposals and this is dealt with in Section 7.0 of my Proof of Evidence.

4.0 RELEVANT RETAIL PLANNING POLICY CONTEXT

4.1 Within this section I briefly outline relevant retail planning policy at a national, strategic and local level. This context provides the basis against which the applications are considered in subsequent sections.

PPS6: Planning For Town Centres (March 2005)

4.2 PPS6: Planning for Town Centres (March 2005) sets out the Government's advice on retail policy (CD E8).

4.3 The Government's key objective for town centres (this covers city, town, district and local centres) is to promote their vitality and viability by planning for growth and development of existing centres and promoting and enhancing existing centres, by focusing development in such centres and encouraging a wide range of services in a good environment, accessible to all.

4.4 Other Government objectives that need to be taken account of in the context of this key objective are set out in paragraph 1.4:

- Enhancing consumer choice by making provision for a range of shopping, leisure and local services, which allow genuine choice to meet the needs of the entire community and particularly socially excluded groups;
- Supporting efficient, competitive and innovative retail, leisure, tourism and other sectors, with improving productivity; and
- Improving accessibility, ensuring that existing or new development is, or will be, accessible and well served by a choice of means of transport.

4.5 The PPS6 policy agenda is underpinned by the core principles of sustainable development and PPS6 seeks to integrate policies for town centre uses with other elements of this policy agenda including social inclusion, an encouragement of high density mixed use development and the regeneration of deprived areas.

4.6 There is a specific identification in the PPS that larger stores may deliver benefits for consumers and local planning authorities should seek to make provision for them (para. 2.6).

- 4.7 PPS6 envisages the more proactive role Councils should play in identifying town centre development sites. Assessments of need and the identification of sites are expected to be undertaken in consultation with the development industry, and reviewed in annual monitoring reports. This was the process initiated by LB Lewisham when NLP was instructed to prepare the Retail Capacity Study.
- 4.8 In terms of need, PPS6 policy gives greater weight to quantitative need but recognises that qualitative need should also be taken into consideration.
- 4.9 In relation to quantitative need, PPS6 specifically requires local planning authorities to forecast expenditure for specific classes of goods within the broad categories of comparison and convenience goods and to forecast improvements in productivity in the use of floorspace. Such an assessment should provide sufficient information for the local authority to base strategic choices about where growth could be accommodated and to address deficiencies in the existing network of centres.
- 4.10 There is specific policy guidance on qualitative need factors which include an appropriate distribution of locations to improve accessibility and the provision of genuine choice to meet the needs of the whole community (para. 2.35), and the degree to which shops may be overtrading (para. 2.36).
- 4.11 For the sequential approach, and in terms of the order of preference of site location PPS6 makes clear that local, district, town and city centres have the same status in the retail hierarchy. As a starting point and in the absence of other policies, sites in each can have equal status. This is subject to the requirement that the type and scale of development is directly related to the role and function of the centre.
- 4.12 PPS6 provides further clarification on edge-of-centre locations, where preference should be given to sites that are or will be “*well-connected*” to the centre (para. 2.44). In looking at out-of-centre sites, preference will be given to sites which are or will be well-served by a choice of means of transport, which are close to the centre and have a high likelihood of linked trips with the centre.
- 4.13 Paragraph 2.45 confirms that local authorities should identify a range of sites to allow for the accommodation of the identified need. It confirms that Council’s should identify sites which are, or likely to become, available for development during the plan period, including sites capable of accommodating a range of business models. In preparing development plan documents however, local authorities are advised to allocate sites for growth in town centres to meet the identified need for at least the first 5 years from

adoption (para. 2.52). PPS6 allows greater weight to be given to retailers' commercial considerations compared with previous guidance. While retailers are required to be flexible in terms of scale and format of development and car parking provision, the policy guidance recognises that the retailer's business model, including format, is a relevant consideration.

4.14 Paragraph 3.17 states, inter alia:

"It is important to explore whether specific parts of a development could be operated from separate, sequentially preferable sites. For retail and leisure proposals in edge-of-centre or out-of-centre locations which comprise a group of retail and/or leisure units, such as a retail park, leisure park or shopping centre, the applicant should consider the degree to which the constituent units within the proposal could be accommodated on more centrally-located sites in accordance with the objectives and policies in this policy statement".

4.15 PPS6 makes clear that an individual retailer or leisure operator should not be expected to split their proposed development onto separate sites where a reason for not doing so has been demonstrated (para. 3.18).

4.16 There is guidance also in the PPS on the time periods for which sites should be allocated and within which potentially sequentially preferable sites would have to be available if they are to provide an available alternative for development proposals. In relation to the latter, PPS6 simply advises that sequentially preferable sites should be likely to become available for development within a reasonable period of time determined on the merits of a particular case (para. 3.19). However, para. 3.10 advises that in looking at need in relation to development proposals, this should not be assessed more than five years ahead, as sites in the centre may become available within that period.

4.17 PPS6 confirms that Impact assessments are required for all retail and leisure developments over 2,500 sq m gross floorspace, but may occasionally be necessary for smaller developments (para. 3.23).

4.18 Paragraph 3.22 states:

"In particular, local planning authorities should consider the impact of the development on the centre or centres likely to be affected, taking account of:

- *the extent to which the development would put at risk the spatial planning strategy for the area and the strategy for a particular*

centre or network of centres, or alter its role in the hierarchy of centres;

- *the likely effect on future public or private sector investment needed to safeguard the vitality and viability of the centre or centres;*
- *the likely impact of the proposed development on trade/turnover and on the vitality and viability of existing centres within the catchment area of the proposed development and, where applicable, on the rural economy (an example of a positive impact might be if development results in clawback expenditure from the surrounding area);*
- *changes to the range of services provided by centres that could be affected;*
- *likely impact on the number of vacant properties in the primary shopping area;*
- *potential changes to the quality, attractiveness, physical condition and character of the centre or centres and to its role in the economic and social life of the community; and*
- *the implications of proposed leisure and entertainment uses for the evening and night-time economy of the centre (see also para. 2.24)”*

4.19 In terms of other relevant matters para. 2.37 states:

“Additional benefits in respect of regeneration and employment do not constitute indicators of need for additional floorspace. However, they may be material considerations in the site selection process (see para. 2.51). The weight to be given to such factors will depend upon the particular local circumstances”.

4.20 PPS6 confirms in para. 3.28 the material considerations include:

- physical regeneration;
- employment;
- economic growth; and
- social inclusion

4.21 These issues are dealt within the Proof of Evidence of Peter Smith.

The London Plan, February 2004

4.22 The London Plan (CD E1) forms part of the development plan for Lewisham. Policy 3D.1 confirms the requirement to enhance access to goods and services and strengthen the wider role of town centres.

4.23 Policy 3D.2 deals with locations for retail and leisure activity and states:

“UDP policies should:

- *assess retail capacity and need, through sub-regional partnerships where appropriate. Where need for additional development is established, capacity to accommodate such development should be identified within the UDP following a sequential approach;*
- *relate the scale of retail, commercial and leisure development to the size and role of a centre and its catchment and encourage appropriate development on sites in town centres in the network. If no town centre sites are available in the network, provision should be made on the edge of centres in the network;*
- *treat proposals for out of centre development or for intensification or expansion of existing out of centre retail facilities, in line with this policy and relevant central government advice”.*

4.24 Supporting paragraph 3.228 states:

“Government guidance sets out a sequential approach for identifying the preferred location for retail and leisure development. This plan supports that approach. To facilitate the rigorous application of the sequential test, boroughs should carry out assessments of the capacity of each town centre to accommodate additional retail development appropriate to its role within the network. This supply side assessment should be set against an assessment of the need for new retail development on a borough and sub-regional basis. Where need is established, boroughs should adopt a sequential approach to identifying suitable sites. Sub-Regional Development Frameworks will assist this process. The Mayor will publish Supplementary Planning Guidance on retail needs assessment.

4.25 Paragraph 3.229 deals specifically with out of centre developments and states:

“Because of London’s exceptionally dense form of development intensification of out of centre supermarkets and shopping centres could further threaten town centres and, where proposed, should be treated in line with national policy as new development. Where out of centre developments are proposed, the following key considerations should apply, in line with national policy and taking account of the exceptional scale and intensity of London’s town centre network:

- *the likely harm to the spatial development strategy;*
- *the likely impact of the development on the vitality and viability of existing town centres, including the evening economy;*

- *their accessibility by a choice of means of transport, taking account of the importance of fostering public transport use in London;*
- *their likely effect on overall travel patterns and car use”.*

Adopted Lewisham UDP 2004

4.26 The Lewisham UDP (CD E2) designates the former Bell Green Gas Works site as Development Site 17. The schedule confirms the site is suitable for a mix of Class B uses and non food bulky goods retailing.

4.27 Policy STC 1 sets out the retail hierarchy within the Borough and defines Lewisham and Catford as Major Town Centres, with Blackheath, Deptford, Downham, Forest Hill, Lee Green, New Cross and Sydenham defined as district town centres.

4.28 In addition, the policy refers to the out-of-centre Retail and Business Parks at Bell Green and Bromley Road (Ravensbourne Retail Park).

4.29 The supporting text to this policy states:

“Bell Green is not part of the established hierarchy of shopping town centres as it was not historically a shopping or town centre. However, with the development of part of the site with a Savacentre of 13,935 sq.m, it now contains a significant amount of retail floorspace. There are also proposals to increase the amount of non food bulky goods retailing on this site. For those reasons this area is classified as an out of centre retail park. The development along the Bromley Road of the Ravensbourne Retail Park comprising five non food retail units is also classified as an out of centre retail park”.

4.30 Policy STC 2 is a criteria-based policy relating to the location of new stores. It states:

“The Council will grant planning permission for additional retail use, and in particular substantial additional retail, in the Major and District Town Centres as defined on the Proposals Map. If no suitable, viable or available sites are present in these centres, then edge-of-centre sites should be considered, followed only then by out-of-centre sites in locations that are or can be made accessible by a choice of means of transport. Proposals for substantial retail provision on the edge or outside major and district centres will only be considered if the following criteria are satisfied:

- (a) there is a quantitative and qualitative need for the proposal;*
- (b) there are no other sites available in accordance with the sequential test;*

- (c) *the proposal, either by itself or together with other recent or committed developments, would not demonstrably harm the vitality and viability of an existing shopping centre;*
- (d) *the proposal is sited so as to reduce the number and length of car journeys and can serve not only car journeys but also those on foot, bicycle or using public transport;*
- (e) *the proposal is not on land allocated for employment purposes on the Proposals Map and for which a demand can be established; and*
- (f) *if planning permission were to be granted then a S106 may be negotiated for relevant improvements.*

For Guidance developments of 1,000 sq.m or more will normally be considered substantial.”

4.31 Other policies within the UDP (policies STC 4, STC 5 and STC 6) relate to permitted uses within core, non core and other shopping areas. They also encourage town centre regeneration (STC 11) and mixed use development (STC 12).

4.32 Policy STC 15 states that LB Lewisham will promote Lewisham Town Centre as the Borough's premier shopping area, and will aim to improve its position within the London hierarchy of centres. It states that it will give favourable consideration to applications for new or refurbished retail floorspace (particularly comparison floorspace), as well as supporting proposals which add to the variety and vitality of the Town Centre, including those related to the evening economy.

4.33 In the light of the lack of a specific allocation for the Bell Green site (despite its "designation"), I consider that in terms of development plan policy the proposals should be considered against Policy STC2 of the UDP and relevant policies of the London Plan, in addition to the retail policy tests of PPS6.

5.0 QUANTITATIVE AND QUALITATIVE NEED AND SCALE

Introduction

- 5.1 In this section of my Proof of Evidence, I deal with the issue of retail need and scale. In particular I update the quantitative assessment undertaken by NLP as part of the Retail Capacity Study in July 2004.
- 5.2 It is important to recognise that NLP did not advise LB Lewisham on the issues of retail need and scale specifically in respect of these applications. However, it is clear that the 2004 NLP Retail Capacity Study was an important consideration in the Council's determination of these applications.

Quantitative Analysis

- 5.3 The PP Retail Statement (August 2003), produced on behalf of the applicants (CD B5), provided an updated quantitative analysis compared with the study previously produced by GL Hearn on behalf of the Council. As part of this quantitative assessment a new household survey was undertaken in June 2003. This survey informed their need and impact analysis. Quantitative need was considered based on two scenarios:
- a) that the defined catchment area maintains its current market share; and
 - b) an increase in market share in respect of bulky goods expenditure from 22% to 30% within the catchment area.
- 5.4 Under the second scenario, i.e. an increase in market share, it resulted in a gross floorspace requirement of 16,981 sq m in 2004, 17,842 sq m in 2006 and 21,272 sq m in 2011. Based on these figures, PP considered that there was sufficient capacity for the application proposals, even when account was taken of the Thurston Road scheme (based on a smaller scheme at that time) and Phase 3 at Bell Green.
- 5.5 Retail capacity was also considered at the 2003 Phase 3 Call-In Inquiry. The First Secretary of State confirmed in his decision letter (CD A5) that a quantitative (and qualitative) need had been demonstrated, albeit that this related to a significantly smaller amount of retail floorspace than currently proposed.
- 5.6 Although the PP Study and the Phase 3 decision provide useful background to a consideration of retail capacity, I consider that the NLP study of July 2004 is the most

up-to-date and appropriate analysis against which to consider these proposals. It also considers need Borough wide and takes account of the leakage of expenditure to destinations further a field.

- 5.7 A summary of the NLP capacity study is provided in Section 3.0 of my Proof of Evidence. Table 1 in Section 3.0 confirms that at 2011 there is a total gross floorspace requirement (comparison goods) of up to 26,634 sq m. This figure has already taken into account the potential of identified sites, such as the Lewisham Gateway. The NLP analysis confirms that there is significant capacity for additional comparison goods retail floorspace within the London Borough of Lewisham by 2011.
- 5.8 Before updating the 2004 NLP Analysis to take account of developments post the publication of the study, there are a number of important considerations that need to be taken into account, which were highlighted within the Study.
- 5.9 At paragraph 6.2 we confirm that the *“floorspace projections... should be treated with caution and should only be used as a broad guide ...”*. At paragraph 6.28 we refer to the incorporation of mezzanine floorspace as part of the capacity analysis. It notes that it has been assumed that the mezzanines trade at the average retail warehouse turnover at 2004 of £2,500 per sq m. However, it continues that *“it is acknowledged that additional mezzanine floorspace within an existing store is unlikely to trade at the same level as the current store. The actual trading level will clearly depend upon the type of operator and its existing turnover level. Capacity would therefore depend upon these factors...”*.
- 5.10 This issue of the appropriate turnover for the mezzanine floorspace is considered in more detail below.
- 5.11 Finally, paragraphs 6.31 and 6.32 deal with the issue of increasing market share. These paragraphs state:

“Furthermore, given the relative qualitative shortfall in retail warehouse provision in the borough, the provision of further retail warehouse floorspace is likely to increase the market share of facilities in the Borough. This is demonstrated in table 6b where the overall market share of these facilities is forecast to increase when Thurston Road and Bell Green (phase 3) commence trading.

Subject to the location of additional retail warehouse facilities according with the relevant planning policy, an increase in market share would satisfy National Planning Policy tests in terms of reducing the need to travel and improving the qualitative provision of the existing retail facilities.”

5.12 All the above factors need to be considered in the context of the calculation of the quantitative need for the current proposals.

Updated Quantitative Analysis

5.13 One important change in the retail situation in the Borough relates to the new mezzanine legislation, which came into force on the 10th May 2006. The threat of this legislation led a number of retailers and developers to install mezzanines over the proceeding 18 months. This has had the effect of significantly increasing the level of floorspace provided in some of the existing retail units within the borough.

5.14 With the cooperation of officers at LB Lewisham, I have produced updated figures which take account of this additional mezzanine floorspace. The analysis shows that mezzanine floors have been incorporated in the following stores since the NLP study was produced.

Store	Mezzanine (gross sq m)
Matalan (Lewisham)	1,470 sq m
MFI (Lewisham)	730 sq m
Sports World (Lewisham)	840 sq m
Former JJB Sports Unit (New Cross)	603 sq m

5.15 In addition, a mezzanine of 1,085 sq m gross has been granted permission at the existing Homebase store on Beckenham Hill, although as yet it has not been implemented. I also note that the Harveys Units on the Ravensbourne Retail Park has a mezzanine of around 800 sq m gross. This mezzanine was actually trading at the time of the NLP study and should have been included within the figures at that time. However, for completeness I have now included this mezzanine within the updated analysis.

5.16 Based on these changes analysis I have produced a revised total comparison goods analysis at 2011. This is provided in Table 2 below.

Table 2: Revised Total Comparison Goods Capacity Analysis (2011)

1.	Available Surplus Comparison Expenditure (no commitments) (£m)	164.55
2.	Turnover of Large Format Commitments/Post 2004 Mezzanines (£m)	26.96
3.	Residual total comparison goods expenditure (£m) post commitments	137.59
4.	High Street (£m)	103.19
5.	High Street (sq.m. net)	22,644
6.	High Street (sq.m. gross)	32,349
7.	Large Format (£m)	34.40
8.	Large Format (sq.m. net)	12,836
9.	Large Format (sq.m. gross)	16,045
10.	Total Comparison Goods Floorspace (sq.m gross)	48,394
11.	Vacant Units (sq.m. gross)	4,500
12.	Lewisham Gateway (optimum scheme) (sq.m. gross)	9,000
13.	Lewisham Phase 2 (sq.m. gross)	6,000
14.	Convoys Wharf (sq.m. gross)	5,236
15.	Small Thurston Road Units (sq.m. gross)	754
16.	Residual (after identified sites) (sq.m. gross)	22,904
17.	Plus Increased Retention (sq.m. gross)	5,665
18.	Total Capacity (sq.m. gross) including increased retention	28,569
19.	Bell Green Phase 2 (including Phase 3 balance) (sq.m. gross)	12,689
20.	Bell Green Phase 3 (sq.m. gross)	1,247
21.	Residual (post Bell Green) (sq.m. gross)	14,633

Notes/Sources

- | | | | |
|-----|--|-----|--|
| 1. | Table 6.3 (Retail Capacity Study) + no commitments | 12. | Current application |
| 2. | Derived from large format table (2 to 4) - see Table 3 | 13. | Table 6.3 |
| 3. | (1) – (2) | 14. | Draft planning permission |
| 4. | (75% of all comparison goods expenditure | 15. | Application Documents |
| 5. | assumes trading density of £4,557 per sq.m. | 16. | (10) – (11 + 12 + 13 + 14 + 15) |
| 6. | assumes 70:100 net:gross ratio | 17. | Table 5.6 (Retail Capacity Study) |
| 7. | 25% of all comparison goods expenditure | 18. | (16) + (17) |
| 8. | assumes trading density of £2,680 per sq.m. | 19. | Derived from large format table (5 to 7) – Table 3 |
| 9. | assumes 80:100 net:gross ratio | 20. | Derived from large format table (8) – Table 3 |
| 10. | (6) + (9) | 21. | (18) – (19 + 20) |
| 11. | Table 6.3 | | |

5.17 As can be seen from the Table, in addition to the additional mezzanine floorspace and vacant units, the proposed B&Q store at Thurston Road and the associated smaller units have been included, as has the optimum scheme for the Lewisham Gateway site, i.e. 9,000 sq m gross of comparison floorspace (as outlined in the recently submitted application). The Table also includes a reference to the proposed scheme at Convoys Wharf, to the north of Deptford. This application is subject to a resolution to grant planning permission and the draft conditions restrict the level of Class A1 floorspace to 6,036 sq.m (gross) which includes a maximum food store figure of 800 sq.m (gross). It is on this basis that the Convoys figure has been included. However, it should be recognised that there is a strong possibility that, because of the scale of the proposals, the retail floorspace would not be developed before 2011.

- 5.18 Based on this analysis and taking into account the current proposals at Bell Green Phases 2 and 3, there is still a residual floorspace requirement at 2011 of over 14,000sq.m of comparison floorspace. This Table confirms that, in terms of expenditure on comparison goods, there is more than sufficient capacity to accommodate the application proposals. It actually demonstrates the pressing need to develop non-food floorspace in the Borough to retain the existing market share and to fulfil the Council's aim of safeguarding the Borough's existing shopping role.
- 5.19 I have also revised the analysis based upon our 2004 large format capacity analysis, which in part reflects the guidance within PPS6 which confirms that local planning authorities should identify sites to accommodate a range of business models. This revised analysis is summarised in Table 3 below. In contrast to the figures in Table 2, the figures in Table 3 are based on turnover levels rather than floorspace. This is due to the fact that there is more certainty over likely turnovers for this floorspace.

Table 3: Revised Large Format Capacity Analysis (2011)

1.	Available Surplus Expenditure (no commitments) (£m)	52.35
2.	Turnover of main Thurston Road Store (April 2006) assuming B&Q (£m)	14.82
3.	Turnover of JJB Service Yard Unit, New Cross (£m)	1.03
4.	Adjustment for Post 2004 Mezzanines (£m)	11.11
5.	Sub Total (£m)	25.39
6.	Homebase, Bell Green (£m)	11.73
7.	Other Bell Green (Phase 2) (£m)	7.96
8.	Balance (from Phase 3) (£m)	3.30
9.	Residual Phase 3 (£m)	2.67
10.	Overall large format capacity (£m)	- 0.27

Sources/Notes

1. Large format surplus expenditure (Table 6.3 Retail Capacity Study) plus turnover of retail commitments as both are large format.
2. Application documents (converted to 2002 prices).
3. 386 sq.m x £2,680 = £1.03 million (using 80% net sales)
4. 5,528 sq.m (assumes 100% Sales Area), but turnover estimated at 75% of average density, i.e. £2,010sq.m
5. (1) – (2+3+4)
6. 7,432 sq.m (gross), 6,689 sq.m (net) x £1,753 = £11.73m
7. 1,858 sq.m x 2 x 929 sq.m = 3,716 sq.m gross = 2,973 sq.m net x £2,680 = £7.96 million
8. 1,541 sq.m = 1,233 sq.m (net) x £2,680 = £3.30m
9. 1,247 sq.m. gross = 998 sq.m net x £2,680 = £2.67m
10. (5) – (6+7+8+9)

- 5.20 This Table demonstrates that surplus expenditure for large format floorspace by 2011 stands at £25.39 million, without the Bell Green proposals. As such, around half of the identified available surplus expenditure cannot be met through any identified scheme (excluding Bell Green). This shows the importance of Bell Green in meeting the

identified need in the short/medium term. With the Bell Green proposals, the analysis shows a shortfall of £0.27m, which equates to just 126 sq.m gross of non food floorspace. As noted above this residual figure needs to be considered in terms of a number of factors, including the potential to increase market shares and the fact that these capacity figures should only be treated as broad guidelines when considering individual applications.

- 5.21 In terms of the mezzanine floorspace it is clear that not all the additional 5,528sq.m is net sales area. In considering some of this floorspace, the Homebase mezzanine for example, is likely to trade at significantly less than the £2,680sq.m figure used in the NLP assessment. As such I have assumed that the total mezzanine floorspace of 5,528sq.m is all net sales, but that it trades at 75% of the average turnover figure. This is still a robust assumption and in my view is likely to overestimate the turnover of this floorspace in reality.
- 5.22 A further consideration within the capacity assessment for large format stores is the fact that the Courts Store on Bromley Road is now vacant and has been for around 18 months. I understand from planning officers at LB Lewisham that informal discussions have been held with the owners of the site about a non-retail redevelopment. I am not surprised that this unit appears to have failed to attract a bulky goods operator. It is a relatively small site with inadequate car parking for a store of this size. If this unit fails to attract an operator, and I accept that this cannot be confirmed at this stage, it would release over 2,750 sq m gross of large format floorspace, which could be added to the residual figure outlined above.
- 5.23 Given the above, it is my view that based on the large format analysis, in addition to the total comparison goods analysis, there is sufficient capacity (quantitative need) to justify the current proposals.

Sensitivity Analysis

- 5.24 The NLP Retail Capacity Study includes an assumption that the existing comparison retail floorspace within the Borough increases its turnover by 1% per annum. At the time this reflected a long standing approach used by NLP and other retail consultants making an allowance for existing comparison floorspace to increase its turnover annually.

- 5.25 However, at the time that the individual applications were being considered and at the request of the GLA Planning Decisions Unit, NLP carried out a sensitivity test to model comparison retail floorspace need, assuming that existing retail floorspace increases turnover by 2% and 2.5% per annum - instead of the assumed 1%. A copy of this sensitivity Briefing Note is attached at Appendix 1. In response to this note the GLA confirmed at paragraph 9 of the Stage 2 Report (CD D2) that: *"the applicant has demonstrated that there is need and capacity for a new development and has provided sensitivity tests using the floorspace productivity assumptions used in the GLA's research into comparison goods floorspace need across London..."*.
- 5.26 Despite the above, I have also attached at Appendix 2 a further Note which assumes floorspace efficiency increases by 1.5% per annum. In recent retail studies NLP has generally adopted the 1.5% efficiency rate. This note confirms that at 2011 the total comparison goods floorspace requirement is 45,562sq.m gross (compared with 52,620 sq.m gross within our Retail Capacity Study). In terms of a revised Table 6.3 from the NLP study, the residual capacity for large format stores at 2011 reduces to 3,952sq.m gross - a reduction of 2,340sq.m gross.
- 5.27 If this figure was used for the 2004 analysis it would reduce the level of capacity within the Borough. However, in my view it is inadvisable to change one assumption to update a retail study. The 2004 study was based on 2002 prices and the population levels and expenditure growth rates available at that time. Clearly these will have changed and all these variables should be revised to ensure a comprehensive updated analysis is provided. I am comfortable with the conclusions of the 2004 Study and it is clear that to ensure that the Borough maintains and indeed enhances its shopping role in the face of competition from beyond the borough, it means that if higher efficiency rates were used, then it is likely that assumptions would be made about increasing the market share, in a similar way to that included within the PP Retail Statement of 2003. The potential to increase the market share would reflect the aim of increasing the attractiveness of the Borough's shopping facilities and overall retail offer. With the completion of some, or all, of the developments identified in the NLP Study, it is inevitable that the Borough's expenditure retention rate would, in fact, be increased.
- 5.28 It is also important to note that using a level of 1.5% for efficiency growth is, in part at least, dependent upon the quality and type of retail floorspace within the existing centres. The relative lack of modern, large retail units within many of the centres

within the Borough potentially restricts the opportunity for existing retailers to achieve this level of efficiency growth in this case.

Qualitative Need

- 5.29 The issue of qualitative need was covered in detail in the NLP Retail Capacity Study, but was also considered in some detail in the Phase 3 Call-in Inquiry. In this respect, the Inspector (CD A5) confirmed that she was satisfied that there was a need for further durable goods floorspace arising from the sustainability issues and the desirability of arresting the leakage of trade to other shopping destinations outside the Borough and retaining expenditure within the catchment area. At paragraph 207 she states:

"The bulky goods offer in the Borough is poor in terms of its range and choice. Comparison with the offering in neighbouring boroughs is stark. Chesterton's survey indicated that 78% of residents shop for bulky goods outside the Borough. Lewisham lies between the retail warehouse estates on the Greenwich Peninsula and those in Purley Way, both of which offer an attractive range and choice of retail warehouse type bulky goods. In my judgement most people travelling the significant distances to the Greenwich Peninsula or Purley Way would do so by private car, despite the congested routes".

- 5.30 She continued that the new retail warehouse development at Bell Green would help to capture a proportion of the bulky goods expenditure currently lost to the Borough and would offer an improved choice to residents at a closer and more sustainable location accessible by alternative modes of travel. She therefore considered that there was a clear qualitative need for additional non-food retail floorspace at Bell Green.

- 5.31 The Secretary of State agreed with the Inspector and stated at paragraph 14:

"... he accepts that the desirability of arresting the leak of trade of comparison goods, including durable goods, to other shopping destinations can constitute qualitative need and he agrees with the Inspector that in this case there is a need for further durable goods floorspace arising from the same sustainability issues and the desirability of arresting the leak of trade to other shopping destinations outside the borough and retaining its expenditure within the catchment area".

- 5.32 NLP 2004 Retail Capacity Study came to a very similar conclusion. It also noted that existing retail warehouse facilities within the Borough appear to be trading well. In this respect, PPS6 notes that overtrading is a measure of qualitative need (para. 2.36). Although there has been an increase in retail warehouse floorspace since the 2004

study, this has been through the incorporation of mezzanine floorspace rather than new developments. I therefore consider that the qualitative need still exists and agree with the previous conclusions of the Inspector and the SoS, as well as the applicants within their Retail Statement.

Scale

- 5.33 PPS6 confirms that local planning authorities should ensure that the proposed development is of an appropriate scale. Generally, this guidance relates to the scale of developments in respect of the role and function of a particular centre. In this case Bell Green is a genuine out-of-centre site which serves the needs of the Borough, rather than being integrated with, or forming part of the retail offer of a particular centre, such as Sydenham.
- 5.34 Bell Green is an established retail destination through the existing Sainsbury's development. It is also relevant to note that there are extant permissions for a significant level of non-food floorspace at this site, which could further increase its attraction.
- 5.35 Although Bell Green is not part of the established hierarchy of shopping centres within Lewisham it is identified in Policy STC1 of the UDP as one of the two out-of-centre Retail Parks. There is merit in meeting the identified need through the extension of an existing out-of-centre retail destination, if no suitable alternative sites exist.
- 5.36 In this respect, I note that the Secretary of State in the Phase 3 call-in decision (CD A5) confirmed that the benefits of the Bell Green site include the fact that residents would have an improved retail offer *"at a closer and more sustainable location"*. The Inspector concurred at para. 208 when she confirmed:
- "... New retail development at Bell Green would help to capture a proportion of the bulky goods expenditure currently lost to the Borough and would offer improved choices to residents at a closer and more sustainable location accessible to alternative modes of travel"*.
- 5.37 In view of the above, I consider that the level of floorspace proposed at Bell Green is suitable and appropriate given the catchment area it seeks to serve and its accessible location.

6.0 THE SEQUENTIAL APPROACH

Introduction and Background to the Sequential Approach

- 6.1 In terms of the consideration of the sequential approach, it is important to confirm, in common with the issue of need, that NLP did not advise LB Lewisham during their consideration of the current applications. However, the Council had regard to the conclusions of the NLP Retail Capacity and Site Allocation Study in this respect.
- 6.2 Given the date of the PP Retail Statement (August 2003), it was quite correctly considered against the guidance contained within PPG6. Although this advice has now been superseded by PPS6 it is noted that the applicants also considered subsequent Ministerial Statements by both Caborn (February 1999) and McNulty (April 2003). The latter statement dealt in particular with the sequential approach.
- 6.3 In considering the suitability of the Bell Green site for non-food retail warehousing within their statement, PP referred in a number of sections to the UDP Inquiry Inspector's report which was produced in May 2003 (Appendix 3). The issue of additional retail warehousing at Bell Green was considered in some detail at this Inquiry. With specific reference to Bell Green and the identified retail need, the Inspector stated at paragraph 3 (page 194) that any non town centre site should be identified "*after thorough assessment of all suitable sites in the sequential test*".
- 6.4 He continued at paragraph 7 (page 195):
- "I find it very difficult to appreciate whether Bell Green is the most sequentially preferable site for such an allocation. All of this persuades me of the need to re-visit this allocation and the policy. I therefore recommend that the Council undertake a comprehensive assessment of suitable sites, which includes the consideration of both sites identified by objectors - Thurston Road and Bromley Road Retail Park."*
- 6.5 As noted above, it is partly within this context that LB Lewisham instructed NLP to undertake the Retail Capacity and Site Allocation Study to inform future development control decisions and the formulation of the Local Development Framework. This accords with the advice contained within PPS6.
- 6.6 The sequential approach was dealt in some detail in Section 6 of the PP Retail Statement. In applying the policy, the applicants note the relatively good accessibility of Bell Green by a choice of means of transport. In the terms of area of search, this was based on postcode sectors and extends as far as the 10 minute drive time

isochrone. Although this isochrone goes beyond the Borough boundary, PP focussed their search on 5 centres within the Borough i.e. Catford, Sydenham, Forest Hill, Downham and Lewisham. A number of sites were identified in each of these centres and dismissed for various reasons relating to their suitability, availability and viability. This includes the Lewisham Gateway and Thurston Road sites, both located within Lewisham town centre and which I deal with in more detail below.

- 6.7 The issue of the sequential approach was an important consideration at the Phase 3 call-in Inquiry which led to the First Secretary of State's (SoS) decision in October 2003 (CD A5). However, there was a difference of opinion between the Inspector and the SoS in relation to the sequential approach. The Inspector stated that the existence of the Thurston Road site as sequentially preferable did not, in that circumstance, weigh against the application proposals due to the level of identified need. The SoS on the other hand concluded that the sequential approach was not satisfied and in this respect, the proposal was contrary to PPG6.
- 6.8 The SoS observed that it was reasonable to limit the search of sites to the Borough. PP on behalf of the applicants have used a 10 minute drive time for their study area. However, the Borough boundary is identical to the area of search used by NLP for the Retail Capacity Study. The SoS observed that 8 sites were identified but only 2 were considered to meet the tests of suitability, viability and availability as outlined in PPG6. These sites were Thurston Road and Lewisham Gateway. In terms of the latter, he was not satisfied that on the evidence presented that it had been demonstrated that the proposed floorspace could not be accommodated at the Lewisham Gateway site if the applicant had been more prepared to be flexible concerning the format of their proposal. His conclusions on the sequential approach are outlined in paragraph 20 of his decision which states:

“Having concluded that the Thurston Road site is sequentially preferable, the Inspector goes on to consider the question of timing in terms of meeting the quantum of need and concludes that the presence of a sequentially preferable site does not weigh against the application development, given the level of need that would support those schemes and the qualitative need that will be met by the development at Bell Green. The Secretary of State does not agree. Paragraph 1.11 of PPG6 says that first preference should be for town centre sites and, in the Secretary of State's view, the sequential test is not met if there is a town centre site which meets the tests at paragraph 1.12 of the PPG. While he accepts that there is a significant need for additional retail floorspace, he considered that it would undermine the Government's objectives for town centres to give consent for a less sequentially preferable site before available sites in town centres, irrespective of need. On this issue, therefore, he

concludes that sequential approach is not being satisfied and that, in this respect, the proposal is contrary to PPG6.”

- 6.9 Partly due to the conclusions of the SoS and the UDP Inspector, LB Lewisham decided that a detailed analysis of alternative retail sites was required. The Study undertaken by NLP is therefore the only detailed alternative sites analysis of all the centres within the Borough. One of the aims of the Study was to consider sites which could meet the identified need. Within the analysis, NLP also considered the potential for some of the identified need to be taken up by the re-use of vacant floorspace and the incorporation of mezzanines within existing large format stores whether in or out-of-centre.
- 6.10 As part of our analysis for alternative sites, the initial search identified a total of 60 sites within the Borough, half of which were located within Lewisham and Catford. As a result of an initial sieving of these 60 sites, 46 were discounted for a variety of reasons such as their unavailability, site-specific constraints and/or poor location. Sites within and on the edge of the town centres were considered as part of this analysis.
- 6.11 The NLP report noted that the evaluation of the 14 remaining sites did not constitute a detailed planning appraisal and did not imply the planning permission should be granted or refused for retail development on some or any of these sites. This evaluation provided a framework within which the Council could consider the implementation of a development strategy for the Borough.
- 6.12 In terms of higher order comparison floorspace and large format non-food stores, 6 sites were identified. This included 3 sites within Lewisham, the Gateway Site, Lewisham ‘Phase 2’ and Thurston Road, one in New Cross (within the existing JJB service yard) and one each at Lee Green and Catford. The latter two were considered as longer term options.
- 6.13 Despite these potential locations, reference was made to the Bell Green site. In respect of paragraph 7.28 of the NLP study states:

“Overall, there is a need for additional comparison floorspace at 2006 which will be difficult to accommodate given that a number of potential sites identified are medium and long term options. In this situation, there could be merit in allowing a proposal such as at Bell Green to meet the shortfall in the short term. The fact that an additional development at this site would combine the existing retail development is an advantage as recognised in PPG6. However, whilst this may be acceptable in capacity terms the study does not attempt to consider the

acceptability of the Bell Green proposals. Such proposals need to be considered subject to a consideration not only of retail policy tests such as impact, but also other planning issues such as highways, contamination etc..”

Policy Context

- 6.14 As noted in Section 4.0 of my Proof of Evidence, since NLP undertook the retail capacity study, the final version of PPS6 has been produced and it is predominantly against this advice that the proposals were considered by the Council in association with relevant policies of the Development Plan.
- 6.15 How PPS6 deals with the sequential approach is dealt with in some detail in my Section 4 and I note that the application of the sequential approach has been refined within the new guidance (compared with PPG6).
- 6.16 Paragraph 2.45 of PPS6 confirms that local authorities should identify a range of sites to allow for the accommodation of the identified need. In addition, it confirms that Councils should identify sites that are, or likely to become, available for development during the Plan period. Specifically it refers to including sites capable of *“accommodating a range of business models”*. Councils are also advised to allocate sites to meet the identified need for at least the first 5 years from adoption.
- 6.17 Importantly, PPS6 accepts that any retailer’s business model, including format, is a relevant consideration and that retail operators should not be expected to split their proposed development on to separate sites where a reason for not doing so has been demonstrated (para. 3.18). In terms of considering sequentially preferable sites, PPS6 advises that any alternative site should be likely to become available for development within *“a reasonable period of time determined on the merits of a particular case”*.
- 6.18 In the context of the above, it is important to recognise that LB Lewisham had, through the UDP process, sought to identify the Bell Green site as suitable for additional non-food retail floorspace. However, Policy STC2A, which dealt specifically with Bell Green as a retail allocation, was removed from the UDP following the recommendation of the Inspector. The Inspector considered that the policy should be deleted *“until such time as a proper sequential assessment has been carried out”*. Despite this, the site is still designated as *“Development Site 17”* and suitable for mix of Class B and non-food bulky goods retailing. Irrespective of this designation and given the recommendations of the UDP Inspector, I reiterate my view that the

application proposals should be determined against policy STC2 of the adopted UDP, but considered in the knowledge of the site's designation and the Council's historic acceptance of retail use on this site.

Alternative Sites

- 6.19 In the context of the above, an updated consideration of potential alternative sites is attached at Appendix 4. This Appendix has been produced in close co-operation with planning officers at LB Lewisham who deal with most of these sites on a regular basis.
- 6.20 When considering potential alternative sites, I have had regard to the Sydenham Society's Statement of Case (CD D15). Within this document it states that a thorough assessment has not been made of all potential development opportunities in town centre or district centre sites. Specific reference is made to the Lee High Road site in Lewisham and the Old Market site in Catford. Both these sites are considered in more detail below.
- 6.21 Before considering the alternative sites it is important, in my view, to differentiate in terms of the sequential approach between the Phase 2 and Phase 3 applications. The Phase 3 site has an extant consent for a level of non-food retail floorspace (2,788sq.m in gross) which is over twice the amount currently proposed on this site. The permission restricts the majority of this floorspace (ie. the non food element of 2,323 sq.m gross) to units of above 700sq.m. Assuming two units are now proposed at Phase 3, the type and size of units would be very similar to that which could be developed on-site at present.
- 6.22 In my view the existence of a clearly implementable fall-back position of almost identical nature and character to the current proposals means that it could be strongly argued that it is unnecessary to consider this phase against the sequential approach. Despite this, sites and buildings capable of accommodating units of this size have been tested in any event. The suitability of these units in this location is also dealt with in the Proof of Evidence of Peter Smith.
- 6.23 It is clear from the assessment within Appendix 4 and NLP's earlier consideration of alternative sites within the Retail Capacity Study that the potential to accommodate a proportion of the identified level of non-food retail floorspace in the medium term is only possible as part of the Lewisham Gateway scheme, a re-development/upgrading of the Lewisham Centre and the proposed development at Thurston Road. It is

important to note that there is no guarantee that the first two sites would be completed by 2011.

6.24 As noted above, the Gateway and Thurston Road sites were considered in some detail at the Phase 3 call-in Inquiry. It is important to recognise the differences, however, between the 2003 Phase 3 scheme and the current proposals. The call-in Inquiry dealt with 2,788 sq. m gross of retail floorspace and the Secretary of State considered that with a greater level of flexibility this development could be accommodated within the Gateway scheme. In terms of the current Phase 2 scheme this proposes a total gross floorspace of 12,689 sq.m (excluding the garden centre). Clearly, none of the sites identified (taking this into account the recently submitted Lewisham Gateway application) could accommodate all of this retail floorspace. However, it is accepted that flexibility needs to be shown and the smallest units as part of Phase 2 are 929 sq.m gross. However, even sites and unit sizes (ie. vacant units) below this figure have been considered to ensure a robust analysis. It is within the context that I consider the alternative sites below.

a) Thurston Road

6.25 As noted in Appendix 4, the site is, at best, an edge of centre location. However, its proximity to the main town centre in the Borough means that it is sequentially preferable to Bell Green based on the PPS6 Guidance. However PPS6 confirms that availability should be determined on the merits of a particular case. It is clear from the Thurston Road application that this scheme has been designed to accommodate B&Q specifically. In this respect, it is important to note that it is a full application. There is no evidence to suggest that the development of Bell Green will prejudice this investment by B&Q. Indeed, I understand that neither B&Q nor the applicants have objected to the Bell Green proposals. In addition, none of the small ground floor units proposed at Thurston Road could accommodate even the smallest units proposed at Phase 2.

6.26 Given the named occupier and the bespoke design of the building I consider that this site is very unlikely to be available to occupiers who may wish to locate at Bell Green, including Homebase who is a named occupier. This updates the position and differentiates it from the time of the previous Call-in Inquiry.

b) Lewisham Gateway

- 6.27 As noted in Appendix 4, the Gateway application has recently been submitted. Based on infrastructure works commencing in October 2006 (which I understand from Council officers is ambitious), it is likely that the earliest completion date for the Gateway scheme is 2010-2011. Although such a scheme will clearly help to meet some of the identified need outlined in Section 5.0 and promote Lewisham as a more attractive town centre, it would not be available within the next 3-4 years, and in my view, does not meet the criterion of being available within a reasonable period of time as outlined in PPS6.
- 6.28 Despite the above and given the level of need identified within the NLP capacity study, it is also important to reiterate that PPS6 identifies the need for Councils to identify a number of sites within the Plan period, including sites capable of accommodating a range of business models i.e. large format stores such as those currently being proposed at Bell Green. To some extent, this differentiates national retail planning policy from that considered as part of the Phase 3 Call-in Inquiry. Although the Bell Green site falls short of a specific non-food retail allocation within the adopted UDP, it has a "*designation*" and it is clearly part of the Council's overall plans to meet the retail need identified by NLP and previous retail consultants who acted on behalf of the Council such as GL Hearn.
- 6.29 In my view the Gateway scheme is aimed at providing units for higher order comparison retailers to increase the town centre's market share in the face of competition from surrounding towns. Such a scheme complements the proposals at Bell Green and accords with Government policy to provide for a range of business models. As such, even if the site was considered available, I see no conflict with the overall objectives of the sequential approach as outlined in PPS6.

c) Lewisham Centre - Phase 2

- 6.30 This site was considered as part of the NLP Retail Capacity Study. We recommended that it could accommodate 6,000sq.m gross of additional non-food floorspace within the medium term, i.e. up to 2011. This was based upon the outstanding application at that time.
- 6.31 However, as noted in Appendix 4, this application was submitted by Slough Estates who have now sold the Centre to Land Securities. Their proposals for the site are, at this stage, unclear and are apparently dependent upon the likely outcome of the

Gateway scheme. Consequently, it is my view that any scheme on this site would not become available within a "reasonable period of time".

d) Lee High Road Site

6.32 This site has been referred to by the Sydenham Society. In the NLP Retail Capacity Study, the site is considered as a convenience retail site which would become available within the medium term.

6.33 I am aware that Lidl own the site and are preparing a mixed-use application to develop the site for a foodstore and residential use. In my view the site is likely to be developed for a convenience led development and is unavailable in the context of the sequential approach.

e) Catford - Old Market Site

6.34 This site was also considered in some detail in the NLP Retail Capacity Study. As noted in Appendix 4 it is unlikely that the small allocated site (as defined in the UDP) would be developed on its own, and will be incorporated within a large comprehensive redevelopment of the centre.

6.35 The comprehensive redevelopment of this site is a long-term project and would not be available before 2011. This site is not therefore available in the context of the sequential approach.

f) New Cross – JJB/Currys Service Yard Site

6.36 Planning permission has been granted for development of a 482 sq.m (gross) non food unit in the service yard of the Currys and former JJB units. This unit is nearing completion and will be occupied by Dreams.

g) Lee Green

6.37 The potential redevelopment of the Lee Green Shopping Centre was considered in the NLP Retail Capacity Study. We concluded that this was a long term option (post 2011) and there are doubts about its commercial viability. This site could not meet the identified need in the short/medium term.

h) Vacant Units

- 6.38 There are two vacant retail units located within town centre boundaries. The unit between Matalan and Sports World in Lewisham is vacant. However, it is currently being fitted out and will be occupied by Carpetright.
- 6.39 The second unit is in New Cross and is the former JJB Sports unit. This unit is subject to a current application for external alterations and it is likely to be re-let in the near future, although the Council is not aware of the proposed operator. Neither vacant units, in my view, are available when considered in the context of the sequential approach.

Conclusions

- 6.40 As identified in the NLP Retail Study, I consider that the development of Bell Green site for this level and type of floorspace helps to meet the short to medium term need for additional non-food retail floorspace within the Borough. I do not consider that the potential alternative sites referred to above, in Appendix 4 and in the NLP Retail Capacity Study are either suitable or can accommodate the Phase 2 proposals within a *"reasonable period of time"*.
- 6.41 In the context of PPS6, it is important to identify sites for a range of business models. Through the identification of Bell Green as a suitable large format retail site within the UDP (Site 17) and based on the conclusions of the NLP Retail Capacity Study, I consider that the current proposals generally accord with the overall objectives of the sequential approach. I come to this conclusion in full knowledge of the fact that the Thurston Road site in Lewisham (which is in a sequentially preferable location) can accommodate non food retail floorspace within a similar timescale. However, due to the fact that there is a compelling need to develop retail floorspace within the Borough, Thurston Road has a named occupier and that, as shown in the next section, the proposals would not prejudice investment within any of the nearby centres, I consider that in sequential terms the proposals are appropriate.

7.0 RETAIL IMPACT

Introduction

7.1 In this section of my Proof I deal with the forecast retail impact effects of the proposals. NLP provided advice to LB Lewisham on this issue in a letter dated 14th October 2004 (Appendix 5). This letter concluded:

“..... our review of PP’s analysis suggests that, subject to any permission being suitably conditioned, the levels of comparison impact on the existing centres, at less than 3.5%, are likely to be acceptable”.

7.2 However, and notwithstanding our view on the acceptability of the solus impact levels, NLP also advised LB Lewisham to ask the applicants to address the cumulative impact of the application proposal in conjunction with the permitted schemes including Thurston Road, so a view could be taken of the overall impact arising on nearby town centres. PP responded to this request in a Supplementary Retail Statement dated December 2004.

Health Check Analysis

7.3 Before dealing with the potential impact in more detail, I note that one of the main concerns of the Sydenham Society (as outlined in their Statement of Case) is the likely impact of the proposals upon Forest Hill and Sydenham Town Centres in particular. Given the Sydenham Society’s concerns, I have undertaken an up to date health check analysis of Forest Hill, Sydenham and Catford Town Centres to provide a basis for considering how these application proposals would affect the vitality and viability of these centres. These health checks are attached at Appendix 6.

7.4 Based on the health checks the centres can be briefly summarised as follows:

- Catford is the largest of the three centres and is identified as a major district centre; Forest Hill and Sydenham are identified as district town centres in the adopted UDP.
- All three centres have a reasonable range of comparison and convenience shopping facilities with at least one food store serving the centre. Catford as the largest centre has a higher number of high street multiples present as well as a number of smaller independent retailers. In Sydenham and Forest Hill the retail offer is predominantly made up of small independent traders.
- The vacancy rates in Catford and Forest Hill are slightly higher than the national average, but the rate for Sydenham is below. All the vacancy rates have

reduced since the last surveys (NLP 2004 Study). Most of the vacant units in these centres are located outside of the core and secondary frontages.

- All of the centres appear to be reasonably healthy, with Catford due to its size and offer having the greater attraction/draw. All the centres have improved their position in the rankings in recent years, which demonstrates stronger centres. Indeed, Catford's commercial yield has significantly improved since 2002.
- None of the centres have a particularly strong comparison goods offer, with the number of units significantly below the national average. For smaller centres such as Sydenham and Forest Hill in particular, this is expected as the centres have a predominantly local draw. The range of bulky goods retailers is limited in all centres, reducing the potential for direct competition within the proposals.

Forecast Retail Impact

7.5 Retail impact was an issue dealt with in some detail in the Inspector's Report and the Secretary of State's decision into the proposals for development of the Phase 3 site at Bell Green (CD A5). The Secretary of State agreed with the Inspector's reasoning and conclusions on the impact of the proposed development on the retail function and vitality and viability of nearby town centres. The Inspector noted at para. 224 that on her visits none of the nearby centres (Sydenham, Catford and Forest Hill) had a substantial comparison goods sector and a few stores that might be considered to be in direct competition with those occupying the application scheme tended to offer a particular specialist function or trade. Their view is still relevant today as the health checks of Sydenham, Forest Hill and Catford demonstrate. In her judgement, the main impact would be on competing retail warehouses of a similar nature which she noted were often located outside the Borough. Although the Phase 3 proposals are of a smaller scale to the current proposals, the conclusions of the Inspector are, in my view, still relevant.

a) Planning Perspectives Retail Impact Analysis

7.6 PP's 2003 Retail Statement forecast impact levels which can be summarised as follows:

Table 3: PP Forecast Retail Impact, 2006

Facility	Turnover 2006 (£m)	DIY Diversion (£m)	Other Bulky Goods Diversion (£m)	Bulky Goods Diversion (£m)	Bulky Goods Diversion (%)
Homebase, Bromley Road	18.54	3.11	-	3.11	16.8
Wickes, Catford	23.09	2.19	-	2.19	9.5
Homebase, Penge	15.50	2.37	-	2.37	15.3
Sydenham	5.76	0.24	0.25	0.49	8.5
Forest Hill	4.38	0.00	0.55	0.55	12.6
Catford	15.37	0.81	1.08	1.89	12.3
Other	266.86	2.35	3.63	5.98	2.2
Courts	7.15	-	0.58	0.58	8.1
Ravensbourne Retail Park	39.53	-	3.00	3.00	7.6
Dreams/Paul Simon, Catford	4.06	-	0.00	0.00	0
Loampit Vale	11.10	-	1.90	1.90	17.1
Savacentre	6.38	-	0.62	0.62	9.7
Bell Green (Phase 3)	7.23	-	0.55	0.55	7.6
Other		0.92	0.16		
Total		11.99	12.32		

7.7 Based on these figures, which use a design year of 2006 and a price base of 2000, Planning Perspectives concluded in paragraphs 8.74 and 8.75:

“The results of the retail impact analysis suggest that the effect of the proposed floorspace is likely to be experienced by comparable facilities. In this respect, existing DIY retail warehouses (Homebase) and retailers on the Ravenbourne Retail Park are most likely to experience the effected of competition. However, a number of these stores are achieving high levels of turnover, reflecting the imbalance between supply and demand in terms of stores and the amount of floorspace, relative to the level of population within this part of London. As noted earlier, there are currently just two retail warehouse parks within the catchment area which has a population of 406,645 (2006).

In conclusion, whilst the proposed floorspace is likely to result in an increase in competition for existing stores, the analysis indicated that the implications are unlikely to result in adverse consequences in terms of trade diversion. On the contrary, the results suggest that a number of the stores will continue to trade at above average levels. In this regard, the existing bulky goods stores would continue to form part of the overall retail offer of the existing centres analysed (Catford, Sydenham and Forest Hill). As a result, there would be no decline in the vitality and viability of any existing centre.

7.8 In the NLP letter of 14th October 2005 (Appendix 5) we noted that the impact levels are forecast on the bulky goods turnover of the centres and other facilities. The trade diversion figures forecast by PP resulted in a comparison goods turnover impact of just 3% on Catford and Forest Hill and 1.7% on Sydenham Town Centres. These centre turnover figures were based on the NLP Retail Capacity Study. It is these

figures which give a better indication of likely impact upon the vitality and viability of centres rather than the bulky goods impact figures.

7.9 The NLP advice letter therefore concluded:

“The impact levels arising from the application proposal in isolation are unlikely to be of a level where the vitality and viability of any centre is threatened. The impact arising is slightly higher when the diversion from retail warehouse parks within the existing centres is considered (e.g. Catford Island). However, the NLP report concluded that these facilities were trading in excess of benchmark levels”.

7.10 As noted above, NLP, when advising LB Lewisham on this initial study, requested that PP address cumulative impact issues, although our initial view suggested that the levels of cumulative impact *“may well be acceptable in planning terms”*. PP responded in the form of a Supplementary Retail Statement produced in December 2004. This Statement deals with a number of issues. In particular, it responds to a number of the comments made in our 14th October 2005 letter regarding population levels, existing bulky goods floorspace figures etc.

7.11 In terms of cumulative impact, PP conclude that the *“excess”* of expenditure is less than the Phase 2, Phase 3 and Thurston Road commitments and therefore *“in cumulative terms the effect of the proposals are acceptable”*.

7.12 NLP did not advise LB Lewisham on this Supplementary Retail Statement and, in my view, in terms of cumulative impact, the Statement did not fully address this issue.

b) NLP Cumulative Impact Analysis

7.13 Given the above, I have undertaken a cumulative impact analysis to test the likely trade diversion effects upon Sydenham, Forest Hill and Catford town centres.

Table 4: Cumulative Trade Diversion, 2011

Town Centre	Total Comparison Goods Turnover 2011 (£m)	Phase 2		Phase 3 Diversion (£m)	Thurston Road Diversion DIY Store Only (£m)	Total Trade Diversion (£m)	Impact %
		DIY Diversion (£m)	Other Bulky Goods Diversion (£m)				
Sydenham	£31.37	0.25	0.16	0.12	0.16	0.69	2.2%
Forest Hill	£18.11	-	0.36	0.27	-	0.63	3.5%
Catford	£64.68	0.86	0.70	0.53	1.09	3.18	4.9%
Other		10.62	6.74	5.05	13.57	35.98	
Total		11.73	7.96	5.97	14.82		

Notes: 1) 2002 prices

- 7.14 This Table is based upon the 2003 PP Retail Assessment, because it is the only quantitative impact analysis that has been undertaken for Phase 2. Although the analysis was based on an assumption relating to potential operators of the four smaller units, I understand that there is no certainty over the likely line up of these units. The Table updates the price base to 2002 to be consistent with the 2004 NLP Retail Capacity Study. In addition, it uses a design year of 2011 which reflects one of the test years used in the NLP study. I note that the PP Assessment used a design year of 2006. This is no longer appropriate given that a decision on these applications is unlikely until late 2006. It is reasonable to test the impact of proposals at least one year after opening to allow a settled trading pattern to be achieved. As such, a design year of 2009 or 2010 could be justified. The implication of testing impact a year later is that the centres would have benefited from an additional year's growth in efficiency, thereby increasing their total turnover. However, this does not significantly alter, in this case, my views on cumulative impact.
- 7.15 As noted in NLP's letter dated 14th October 2004 (Appendix 5), the main scheme for Phase 3 at Bell Green was taken into account in the "*pre-development*" turnovers of existing food facilities between 2004 and 2006 in the PP Assessment. However, I have used the total comparison goods turnover figures from the NLP Study updated to 2011 and therefore the earlier Phase 3 scheme is not included. Consequently, the extant Phase 3 permission is included within Table 4. In terms of the NLP town centre turnover figures, the study makes clear that these exclude the retail warehousing within the centres eg. JD Sports/Dreams within Catford. In this respect, it should be noted that the Wickes is located outside the defined town centre. The Catford turnover figure therefore underestimates the actual comparison goods turnover of this centre.
- 7.16 The forecast trade diversion for the Phase 2 scheme is based upon the trade draw assumptions used by PP, but updated to reflect the potential turnover of the scheme based on the capacity analysis undertaken in Section 5.0 of my Proof. This ensures a consistent analysis is undertaken. However, this figure may change depending upon the final line up of operators. Different operators would affect the total turnover figure, but in the absence of confirmed names I consider using average turnover figures from the NLP Retail Study for retail warehousing is appropriate. The Phase 2 scheme does not include any transfer of floorspace from the existing Phase 3 consent. In terms of the Phase 3 scheme, this is forecast to have a turnover of just under £6 million and

the proportion of trade diverted from the centres of Sydenham, Forest Hill and Catford are the same as that forecast by PP for the Phase 2 scheme (based on the “bulky goods” diversion figures).

- 7.17 In terms of the Thurston Road scheme, I have considered the proposed B&Q DIY store only. This is because I am unaware of the likely operators of the smaller units and in any event they are likely to divert negligible levels of trade from the three town centres, that I have tested. The Thurston Road application was accompanied by a Retail Assessment, however, this considered the proposals in terms of quantitative need and did not provide an impact analysis. This is because the site is located within the defined town centre. Given the lack of information relating to the likely impact effects of the B&Q, I have made an assumption based on the PP analysis. It is likely that the B&Q store will divert a greater level of its trade from the retail warehouse facilities in Greenwich compared to the proposals at Bell Green. The greater distance of Thurston Road from Sydenham and Forest Hill in particular (compared to the Bell Green site) will mean that the level of trade diverted from these centres will be less, as a proportion of the total turnover. To ensure a robust analysis I have assumed that the Thurston Road DIY store will draw a similar proportion of its turnover from Catford as that proposed for the Homebase store at Bell Green. However, I have assumed that in terms of trade diversion from Sydenham and Forest Hill it will divert half the amount (proportionately) compared with the Homebase store.
- 7.18 I accept that this is a fairly simple analysis which reflects the fact that similar information was not submitted with the Bell Green or Thurston Road applications. However, it provides an indication of the likely cumulative trade diversion upon the three town centres. As can be seen from the impact table, none of the centres will experience an overall impact upon comparison goods turnover of more than 5%. Catford is forecast to experience the highest cumulative impact. However, if the retail warehousing at Catford Island was included within the total turnover of the centre, then this figure would increase resulting in a reduction in the impact in percentage terms. Based on the updated health checks, the trade diversion figures predicted by PP for Catford could be on the high side, although I accept that it is difficult to be definitive given the fact that the type of operators are unknown.
- 7.19 The reason for this relative lack of competition is clearly demonstrated in the Health Check Analyses. These show the relative lack of retailers within the centres that sell a similar type of goods to that which would be sold from the Bell Green developments.

Where retailers sell a similar type of goods, they are often more specialist or discount retailers which differentiate them from mainstream retail warehouse type operators.

- 7.20 This lack of competition demonstrates that the proposals would not adversely affect the vitality and viability of any of the nearby centres. In this respect, it should also be noted that the retail turnover of centres also includes the convenience goods turnover. All three centres have reasonable food store offers which significantly boost the overall turnover of the centres. If this convenience goods turnover was added to the comparison goods turnover the impact levels, on the centres as a whole, would be significantly lower.
- 7.21 In common with the conclusions of the PP Retail Statement, I consider that the majority of trade to the proposals would come from existing out of centre retail warehouses. This predominantly includes the Homebase stores at Beckenham Hill and Penge, the Wickes at Catford and other bulky goods retailers in Ravensbourne Retail Park in particular.
- 7.22 The Sydenham Society refer to retail impact issues in their Statement of Case. The Society refer, in addition to the loss of bulky goods spending from town centres, to the potential associated loss from convenience shops due to a reduction in linked trips within the centres (ie. a decline in overall visitors to the town centres). In my view, given the relative lack of forecast trade diversion from these centres, there will not be a significant impact upon linked trip spending. The existing Savacentre is already an attractive, predominantly convenience, retail destination. Most shoppers within the catchment area who currently do not undertake either their bulk or top up shopping within the Savacentre, in my view, are unlikely to be attracted to this store simply because of the attraction of the adjacent retail warehousing. These facilities will complement existing town centres and the main impact is likely to be positive for sustainability reasons, but also in terms of retaining expenditure within LB Lewisham, with a possibility of new linked trips being generated with Sydenham and Forest Hill town centres in particular.
- 7.23 Based on the above, I consider that the proposals would not adversely affect any nearby town centre even when account is taken of the committed schemes. In this respect, I concur with the views of the SoS and Inspector for the Phase 3 scheme on impact, although I accept that less floorspace was being proposed in that instance.

8.0 CONSIDERATION OF THE APPLICATIONS AGAINST RELEVANT PLANNING POLICY

8.1 The preceding sections to my Proof of Evidence deal with the relevant retail planning tests, as set out in PPS6 and Development Plan Policy. In this section, I consider how the conclusions of these preceding sections confirm that, in terms of retail issues, the current proposals generally accord with relevant retail planning policy.

8.2 Before considering the individual retail policy tests in more detail, it is important to consider the views of both the GLA, as the strategic planning authority, and the London Borough of Lewisham on the applications.

8.3 The Stage One report for the Phase Two application was produced by the GLA in April 2005 (CD D2). The recommendation advises LB Lewisham that the proposal is supported in strategic planning terms, subject to concerns at that time regarding the incorporation of renewable energy technologies, inclusive design and a reduction in car parking.

8.4 In terms retail planning issues, the GLA state at paragraph 17:

“In looking at the retail assessment, an accepted method of assessing need and the sequential test has been undertaken. However, the impact analysis detail was only submitted on the impact of the proposal on existing DIY/ other bulky goods retailers in town centres (with up to 20% trade diversion impact), rather than identifying the impact on the town centre as a whole. Therefore, further work was undertaken by Nathaniel Lichfield and Partners to assess the potential trade diversion from the town centres as a whole. It was shown that the proposed level of floorspace would not harm the viability and vitality of existing centres. This further work has been verified by GLA Officers”.

8.5 However, the next paragraph states that, in the GLA's view, the proposals are in conflict with relevant policy by virtue of their scale relative to the established local centre. Subsequently, the GLA confirm that any tensions created by this conflict with policy can be outweighed by an addition of housing and a reduction in the levels of car parking.

8.6 The GLA Stage Two report, which considered both applications, was produced in August 2005 (CD D2). Paragraphs 9 to 11 of this report are of most relevance. These state:

“The applicant has demonstrated that there is need and capacity for the new development and has provided sensitivity tests using the floorspace productivity assumptions used in the GLA’s research into comparison goods floorspace need across London. A detailed assessment of capacity to accommodate new retail development through the sequential approach was undertaken using evidence provided by Lewisham Council, regarding the availability of town centre and edge of centre sites.

Supplementary work on the retail assessment has been undertaken to identify the estimated impact of the proposal on neighbouring town centres as a whole and taking into account the cumulative impacts with other proposals in the planning pipe-line. The cumulative trade diversion from neighbouring town centres as a whole has been estimated to be less than 3.5%. This evidence suggests that the proposed level of floorspace would not significantly impact on the vitality and viability of existing town centres.

The applicant has demonstrated the need for the development, undertaken a sequential approach to site selection and demonstrated that the cumulative impact of the proposed level of floorspace would not harm the viability and vitality of existing town centres.”

8.7 Given the above, the GLA concluded that “the principle of redeveloping the site for mixed use, providing retail, restaurant, business, industrial and storage use is supported in strategic planning terms.

8.8 Although the Stage Two Report is not entirely clear, particularly when account is taken of my views on cumulative impact, outlined in Section 7.0, it is clear that the GLA, as strategic planning authority, considered that the proposals were acceptable when considered against relevant planning policy.

8.9 The Phase Two and Phase Three applications were initially considered by LB Lewisham’s Strategic Planning Committee on 16th June 2005 (CD D10/D11). Both applications were subject to very detailed Planning Committee Reports, reflecting the issues raised by the proposals, but also the level of scrutiny given to them by Planning Officers.

8.10 In terms of the Phase Two application, paragraph 6.28 concludes, inter alia, on the need and sequential approach issues:

“...Officers are satisfied that the proposed non-food, bulky goods retail proposals for Bell Green meets the qualitative and quantitative need criteria and the sequential test approach as contained in PPS6, Policy 3D.2 of the London Plan and Policy STC2 of the adopted UDP.”

8.11 In terms of the retail impact analysis, the Committee Report notes that NLP was requested to review this analysis. Paragraph 6.30 confirms that Planning Officers

were satisfied, based on the evidence in front of them, that the Phase Two Bell Green proposals would not significantly impact on the vitality and viability of neighbouring town centres.

- 8.12 Based on the above, and a more detailed consideration of other issues raised by the Phase Two and Phase Three proposals, the Council passed a resolution to grant planning permission, subject to referral to the GLA and the Secretary of State.
- 8.13 Consideration of the proposals against Policy STC2 of the adopted UDP, allows all the relevant retail tests of PPS6 (apart from scale) to be taken into account. However, before considering the proposals against this policy, it is worth briefly referring to the London Plan. As outlined in Section 4.0 of my Proof of Evidence, para. 3.228 confirms that London Boroughs should carry out assessments of the capacity of each centre to accommodate additional retail development appropriate to its role within the network. This supply side assessment should be set against an assessment of the need for new retail development on a Borough and sub-regional basis. Through LB Lewisham's decision to appoint NLP to undertake the 2004 Retail Capacity and Site Allocation Study, it is clear that the authority has followed the approach advocated by the Mayor as well as that contained within PPS6. The only drawback in terms of production of this study was one of timing and it was imperative that the adoption of the UDP could not be delayed by the results of the NLP study. As such, although the study does not inform the policies of the UDP directly, it is an important tool when considering retail applications and is, in my view, a significant material consideration.
- 8.14 Policy STC2 is outlined in Section 4.0 of my Proof of Evidence and is a criteria based policy relating to the location of new retail stores. The most relevant criteria to these application proposals, in the context of my evidence, are Criteria a), b) and c).
- 8.15 Criterion a) deals with quantitative and qualitative need and my Section 5.0, which is based on an updated version of the 2004 NLP Retail Study, demonstrates that there is capacity for the Bell Green proposals and that there is a clear qualitative need which has previously been accepted by the Secretary of State. The proposals are therefore in compliance with criterion a) of the policy.
- 8.16 Criterion b) deals with the sequential approach. Section 6.0 of my evidence covers this issue. Given the advice contained within PPS6 in particular, I consider that based on the fact that there is a compelling need to develop retail floorspace within the Borough, that the opportunity to provide this retail floorspace in the short/medium term is limited and due to the fact that I do not consider that the proposals at Bell

Green would prejudice any currently proposed retail investment within a sequentially preferable location, I consider that the application proposals are appropriate in terms of the sequential approach. As such, in my view, the proposals are in general compliance with criterion b).

- 8.17 Finally, in terms of criterion c), my Section 7.0 confirms that even when account is taken of current commitments at Thurston Road and the 2003 Phase 3 scheme at Bell Green that the impact upon nearby centres (in particular Sydenham and Forest Hill) would not be sufficient to adversely affect their vitality and viability. I agree with the 2003 Call-in Inspector in this respect when she noted that such centres had a limited comparison goods offer which would directly compete with the proposals at Bell Green and as such, the likely levels of trade diversion are limited. When considered against para. 3.22 of PPS6, I am of the view that the proposals accord with the spatial strategy for the area and importantly would not jeopardise future public or private sector investment in any of the centres. I reach this conclusion in full knowledge of the schemes that are proposed in sequentially preferable locations.
- 8.18 As noted above, Policy STC2 does not refer to scale. However, I deal with this issue in Section 5.0 and I am satisfied that the scale of the proposals are appropriate in this location.
- 8.19 Based on the above and the preceding sections of my Proof of Evidence I consider that the proposals at Phase 2 and Phase 3 generally comply with relevant planning policy set out in PPS6, Policy 3D.2 of the London Plan and Policy STC2 of the adopted Lewisham UDP.

9.0 CONCLUSIONS

- 9.1 My Proof of Evidence has been produced on behalf of London Borough of Lewisham to provide evidence solely in relation to the retail aspects of these proposals. With reference to the First Secretary of State's call-in letter dated 5th October 2005 I have therefore considered the applications against relevant retail guidance within PPS6, the London Plan and the Adopted Lewisham Unitary Development Plan.
- 9.2 My Proof of Evidence has been produced in a context of the Borough Wide Capacity and Site Allocation Study undertaken by my firm on behalf of LB Lewisham in 2004. I have also considered the planning history of the site and in particular the planning permission for retail use granted for Phase 3 at Bell Green in 2003.
- 9.3 Evidence relating to need, scale and the sequential approach are based on the NLP Retail Study. However, I have updated this analysis to take account of new retail floorspace that has been provided post 2004 as well as current non food retail commitments. In terms of the sequential approach, I have revisited all the sites considered within the NLP Study and also investigated the relevant centres for any new sites which may have emerged since that time. This includes vacant retail units.
- 9.4 Based on the updated analysis from the 2004 NLP Study, I consider that the proposals generally accord with the need and sequential approach tests contained within PPS6.
- 9.5 With regard to scale, it is important to recognise that Bell Green is an established retail destination based on the existing Sainsbury's development. There is merit, in my view, in meeting the identified retail need through the extension of this out-of-centre retail destination given that no sequentially preferable alternative sites exist. I therefore consider that the level of floorspace proposed at Bell Green is suitable and appropriate given the catchment area it seeks to serve and its accessible location.
- 9.6 I note that the issue of retail impact is one of particular importance to the Sydenham Society. To ensure a robust analysis of retail impact I have undertaken a health check analysis of the nearby centres of Sydenham, Forest Hill and Catford, and in addition considered retail impact in cumulative terms. In my view, given the type of retail proposed at Bell Green, which can be controlled through relevant conditions, and the

lack of competing units within nearby centres I consider the proposals would not adversely affect the vitality and viability of any nearby centre.

- 9.7 Given the above, it is my view that the proposals generally accord with relevant retail policy at all levels. However, I stress that my Proof of Evidence only deals with retail issues and there are clearly other issues that need to be considered as part of the overall determination of these applications.

