



Briefing Note – Private and Confidential

Our ref 11936/02/NG/DPa
Date 06 December 2010

**Subject Ladywell Leisure Centre Site: Potential Convenience Retail
Provision**

1.0 Introduction

1.1 This Confidential Briefing Note has been requested by the London Borough of Lewisham (LBL) to address retail planning issues associated with the potential mixed use development of the Ladywell Leisure Centre Site.

1.2 Specifically, drawing on the advice contained within the NLP Retail Capacity Study (2009) (RCS) (and updated accordingly) we have been asked to assess the scope for, and retail planning issues associated with, the identification of part of this site for food retail development. We understand that the intention is that this Briefing Note will inform the site options analysis within the forthcoming Lewisham Town Centre Area Action Plan (AAP) currently being prepared on behalf of LB Lewisham.

1.3 Specifically, in line with the instruction from LB Lewisham, this note:

- Reviews NLP's previous comments on the scope for retail development in this location within the RCS (section 2.0);
- Briefly identifies, and then assesses, the retail planning issues associated with the development of a modest foodstore (through the AAP process) on this site (Section 3.0); and
- Sets out our conclusions including an identification of the appropriate level of food retail development (in planning policy terms) capable of being accommodated on this site (section 4.0).

1.4 We have not been asked to advise on any development control issues (such as design, transport and residential amenity) relating to potential retail development on this site.

2.0 Previous Guidance on Retail Development

2.1 The Ladywell Leisure Centre site was identified within the RCS (Appendix F) as forming a potential retail development site (site L2). Our analysis noted that the site was located within the major town centre boundary for Lewisham but was not in either the defined shopping core area or the shopping non core area. We therefore concluded that the site had *"limited potential for retail - located*

some distance from the Shopping Core Area.” For this reason we did not go on to identify this site as a potential retail site and undertake a more detailed analysis of it.

- 2.2 It is also relevant that, in October 2007, LB Lewisham permitted a mixed use development (including a ground floor retail unit) in close proximity to the site at 262 – 274 Lewisham High Street (LPA Ref DC/06/64180).

3.0 **Retail Planning Issues**

- 3.1 In line with the subsequent instruction from LB Lewisham (associated with the preparation of the Lewisham Town Centre AAP) we have revisited our earlier work specifically having regard to guidance within PPS4: Planning for Sustainable Development in the context of development plan preparation.
- 3.2 The site is approximately 320 metres from the Shopping Core Area (which for the purposes of PPS4, we consider equates with the “*primary shopping area*”). In view of the distance, and the presence of some intervening non retail uses, the site comprises an “*out of centre*” location in the context of the sequential approach (despite being located within the defined Town Centre boundary).
- 3.3 PPS 4 (policy EC5) relates to site selection for main town centre uses in the context of development plan preparation (including AAPs’). This states, that Local Planning Authorities (LPAs) should (a) base their approach on the identified **need** for development, (b) identify the appropriate **scale** of development (including proposals being in keeping with the role and function of the centre), (c) apply the **sequential approach** to site selection and (d) assess the **impact** of sites on existing centres. We assess each of these in turn below.
- 3.4 In considering **retail need** the RCS identified surplus convenience goods expenditure within “*Lewisham Central*” (which comprises the town centres of Lewisham, Blackheath and Lee Green) after retail commitments are taken into account of £33.52 million in 2009 rising to £48.09 million in the period 2009 to 2014 (table 5.4). Based on assumptions about the typical turnover density achieved by this type of floorspace, the analysis goes on to identify scope for approximately 3,047 sq m net in this area rising to around 4,333 sq m net in the period 2009-2014.
- 3.5 This indicates that there is a quantitative need for additional convenience retail floorspace in the Lewisham area, even after retail commitments are taken into consideration.
- 3.6 The 2009 RCS went on to identify a series of potential **sequential development sites** within LB Lewisham. Of these sites, site 12B is shortly to be developed for a Lidl foodstore and is therefore no longer available for any other operator. Site 6A (Thurston Road) is identified as appropriate for non food retail floorspace and has an extant permission for such a use. Site L9 (land north of

Sundermead) has planning permission for 1,230 sq m floorspace (across use classes A1, A2 and B1) and site 12A (36-56 Lee High Road) has permission for retail floorspace (in the form of a number of unit shops) of around 922 sq m. Whilst both sites are currently being developed they relate to relatively small scale development which are likely to be split across a number of units (and retail / service uses) and neither are therefore capable of accommodating a modest sized foodstore.

- 3.7 Similarly site L3 (Lewisham Model Market) does not appear to be the subject of any current development interest (which is consistent with our identification within the RCS of it having only “*poor/reasonable*” overall development potential). Not only does it appear that the site is not available it would, in any event, give rise to only small scale retail provision.
- 3.8 Sites 5 (Lewisham Gateway) and L17 (Lewisham Shopping Centre) were identified within the RCS potential to accommodate some additional convenience retail provision. However both sites form longer term major development opportunities (particularly within the current economic climate) and are unlikely to be available within a “*reasonable*” period of time.
- 3.9 Finally, site L11 (extension to Tesco store) is located in the northern part of Lewisham Town Centre. In the context of the significant need identified within the RCS and the distance between the two locations meaning they are likely to serve different (if overlapping catchments) an extension to this store would not necessarily preclude the additional development of modest retail floorspace on the Ladywell Leisure Centre site. It would be necessary to assess the implications of both proposals proceeding in terms of impact and we comment on this further below.
- 3.10 Overall we conclude that, in the context of the substantial quantitative need identified in the RCS, the development of a modest retail foodstore on the Ladywell Leisure Centre site would not necessarily fail to accord with the sequential approach.
- 3.11 Finally, it is necessary to assess the appropriate **scale** of any foodstore and the potential **retail impact** (primarily on Lewisham Town Centre but also, to a lesser extent, on Catford Town Centre).
- 3.12 Our conclusions above are based on the assumption that a “*modest*” foodstore is developed on the site and we have therefore assessed the likely implications of a foodstore of between 929 sq m gross and 1,394 sq m gross (with a limited element of non food sales). In our view, a significantly larger foodstore on the site would both be likely to compete with the existing foodstores within the centre and be likely to include a significant non food range which would have the potential to impact further on existing centres (and where the sequential analysis has identified other potential sites for non food development). In this respect we note that one of the options that is being

considered by the Council is a foodstore of up to 40,000 sq ft (3,716 sq m) net.

3.13 Specifically the RCS identified a typical average turnover for a range of retail foodstore operators at £11,099 (including an allowance for efficiency growth) per sq m (in 2014). We have used 2014 as the design year to allow time for vacant possession of the site being obtained, construction of the proposed store (possibly as part of a wider mixed use development) and then a period for a settled trading pattern being achieved.

3.14 Table 1 below identifies the resultant turnover for stores of both 929 sq m and 1,394 sq m (based on assumptions that they would have net : gross ratios of 65 : 35 and around 10 % of the net floorspace would comprise non food floorspace.

Table 1 : Indicative Turnovers of modest foodstores on the site

Floorspace Gross (sq m)	Floorspace Net (sq m)	Convenience Net (sq m)	Convenience Turnover (£ per sq m)	Convenience Turnover (£ million)
929	604	544	11,099	6.03
1,394	906	815	11,099	9.05

3.15 PPS 4 requires a number of impact tests to be undertaken (policies EC10 and EC16) and those principally of relevance to this analysis are the effect of the turnover on the relevant centres as well as the effect on potential private and public sector investment.

3.16 We have therefore undertaken an indicative retail assessment on the basis of our assumptions that consider that around 35% of the store's turnover would be drawn from existing retail facilities within Lewisham Town Centre, 15% from facilities within Catford Town Centre and 50% from facilities elsewhere and Table 2 below indicates the implications of this. The final impact is likely to be dependent on a number of factors (including the operator and level of car parking etc) and this assessment may well represent a "worst case" assessment.

Table 2 : Indicative Impacts

	929 sq m store	1,394 sq m store
Convenience Goods Turnover (£ million)	6.03	9.05
Diversion from Lewisham Town Centre (£ mill) (35 %)	2.11	3.17
Lewisham TC Convenience Turnover 2014 (£ mill)	81.34	

Impact on Lewisham TC (%)	2.6	3.9
Diversion from Catford Town Centre (£ mill) (15%)	0.90	1.36
Catford TC Convenience Turnover 2014 (£ mill)	54.29	
Impact on Catford TC (%)	1.66	2.50

- 3.17 The analysis indicates that a modest foodstore of up to around 1,394 sq m is unlikely to give rise to significant adverse harm on Lewisham or Catford Town Centres (or their convenience function).
- 3.18 However the development of a larger store could lead to the proposed foodstore becoming a major destination in its own right and therefore competing more directly with the main food stores in Lewisham and Catford Town Centre, in turn impacting upon both these stores and reducing the propensity for linked trips between these stores and other facilities in the centre leading to further harm. This is before the implications of the non food impact arising from a larger foodstore are considered.
- 3.19 The final retail impact point to address is the potential harm arising to public and private sector investment proposed within nearby centres. The RCS highlights a number of such proposals (including, but not limited to, the potential extension / redevelopment of the Tesco stores in both Lewisham and Catford town centres). A modest store (up to around 1,394 sq m gross) is unlikely to jeopardise this anticipated investment. In particular the RCS identified that the survey data suggested that the Tesco, Lewisham store traded well (at above benchmark levels) and this is likely to increase the impetus for the extension / redevelopment of this store.
- 3.20 If, however, a scheme at the Ladywell leisure centre site provided a larger facility (eg up to 3700sqm net sales) which would compete more directly with the Tesco stores in both Lewisham and Catford Town Centre this may jeopardise the delivery of the investment proposed (and potential benefits) arising from these potential developments in both locations. A store of this size is also likely to impact upon the role and function of nearby local centres.

4.0 **Conclusions and Recommendations**

- 4.1 Consistent with the analysis in the RCS our concerns about potential redevelopment on this site reflect its isolation from the primary shopping area. We consider that there is a potential need for a modest foodstore in this location and an absence of sequentially preferable sites within Lewisham Town Centre to accommodate it within the near future.

- 4.2 We do however have concerns about the potential convenience (and comparison) impact arising on Lewisham Town Centre (and to a lesser extent Catford Town Centre) from a larger foodstore (ie significantly in excess of 1,394 sq m). A larger foodstore may also jeopardise the proposed investment within both centres.
- 4.3 Accordingly we recommend that the retail element of any mixed use allocation within this site should be restricted to :
- A maximum floorspace of 1,394 sq m gross
 - No more than 15 % of the net floorspace being used for the sale of non food products.
- 4.4 In view of the constantly evolving formats of the store operators, existing representation and demographic / target customer profiles there can be no certainty that any operator may seek a store of this size in this location and the AAP should be sufficiently flexible to recognise that alternative uses (ie non retail) uses may be more commercially attractive.