

# Local Plan Topic Paper

## Retail and Leisure July 2023



# 1. Introduction

- 1.1** Town centres are at the heart of our communities; they act as focal points for many of our day-to-day activities including shopping as well as our social and leisure interests. They are often focused around major transport hubs making them some of the most accessible locations in the borough. For this reason, many public buildings such as libraries, leisure centres and town halls are also found in town centres and are focal points for culture, communities and everyday activities. Whilst traditionally focussed on retail, the role of town centres has changed in recent years and they continue to evolve and diversify.
- 1.2** The Council's Corporate Plan, 'Our Greenwich' identifies several missions relating to town centres, including:
- Neighbourhoods are vibrant, safe and attractive with community services that meet the needs of local residents;
  - Development delivers positive change to an area for existing and new communities;
  - Town centres, high streets and shopping parades are vibrant, prosperous, well- maintained places that meet the needs of local people;
  - Our economy attracts new high value businesses whilst strengthening its foundations.

# 2. Current Approach

- 2.1** Royal Greenwich has a network of town centres that have multi-functional roles. Traditionally larger centres are retail focused with more anchor stores and smaller local and neighbourhood shops meet the day-to-day needs of residents. The three largest town centres in Royal Greenwich are Woolwich, Eltham and Greenwich, which have a bigger role to play in meeting our shopping and leisure needs and they often require more active management.
- 2.2** Woolwich is Royal Greenwich's largest town centre and is set to see a significant level of growth. It is a key transport hub with a mix of uses ranging from offices, housing, retail, cultural and leisure uses. Whilst it is defined as a 'major' centre in the London Plan, it has a relatively modest leisure and cultural offer. Eltham provides a community hub in the south of the borough with a range of shops including smaller independent stores and larger anchor stores. In recent years, the leisure and night-time economy has begun to expand in Eltham to include cafes, restaurants and a new cinema.
- 2.3** Greenwich town centre has a unique historical character which is reflected in its specialist role as a tourist destination whereby markets and leisure orientated activities tend to play a wider role than more traditional shopping.
- 2.4** Royal Greenwich's current policies set out positive visions for our town centres which support economic and employment growth. They seek to encourage a variety of retail, commercial, leisure and cultural facilities within town centres whilst protecting the provision of retail shops. There is also an ambition in the current local plan for Woolwich Town Centre to expand its floorspace and retail offer to become a metropolitan town centre<sup>16</sup>.

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<sup>16</sup> The London Plan states that Metropolitan Centres should serve wide catchments which extend over several boroughs and into parts of the Wider South East. They should contain 100,000 sqm of retail, leisure and service floorspace with a significant proportion of high-order comparison goods relative to convenience goods. These centres generally have very good accessibility and significant employment, service and leisure functions. Many have important clusters of civic, public and historic buildings.

# 3. What's changed?

- 3.1** High streets and town centres are facing many challenges, not least the recent impacts of Covid-19. The way people shop has changed in recent years with a rise in online shopping and services such as click and collect. Retail floorspace has also begun to change with many shops no longer displaying full lines of stock and instead shifting their focus to showrooms or click and collect points where ordering still takes place online. People are also seeking more from their shopping experience as they look to combine shopping with leisure and dining together in one place.
- 3.2** Town centres are still valuable places to meet, socialise, access services, live and work. As a result of our changing shopping habits and technological innovation, the retail industry has changed considerably. Demand for traditional town centre shopping has fallen and smaller high street premises are struggling to attract retail business. The need for retail floorspace has therefore declined and there is a limited need for new floor space in Royal Greenwich in the next 15-20 years. The town centre is more than just a place to shop and the role of centres needs to adapt and diversify to become stronger going forward.
- 3.3** The retail and leisure study carried out for Royal Greenwich in 2018 expands upon this and looks at changing retail and leisure patterns in the borough as well as what people like and dislike about Royal Greenwich's town centres. It measured the health of our town centres and found that they have adapted to these changes relatively well; however, this was pre-Covid. The study also identified ways town centres may need to adapt and evolve to the changing retail environment as summarised in the diagram below.

# Health of Royal Greenwich Town Centres

## Woolwich

Lacks scale and quality of comparison floorspace and anchor stores needed to increase footfall and become metropolitan town centre

Lack of night time economy

Need to expand and diversify uses, such as increase leisure uses to support the high level of residential development expected

## Eltham

Borough's main shopping location - Adequate comparison offer with some large anchor stores such as M&S

New cinema and restaurants have provided a boost for evening economy

## Greenwich

Popular and healthy town centre, meets needs of visitors and tourists

Unique retail offer predominantly independent and boutique shops reflecting Greenwich's character

Adequate leisure uses creating a vibrant night time economy

Loses some convenience trade to Charlton and out of borough centres such as Lewisham and Canary Wharf

## Thamesmead

More like an out of centre retail park than a district centre with higher than average comparison floorspace

The centre is isolated and lacks a sense of identity

Need to improve variety of evening leisure offer

## North Greenwich

Not yet matured as a district centre

Has a different role to other centres; to serve visitors to the O2 as well as residents

The retail outlet and regeneration of Peninsula will revitalise the area and increase footfall

## Plumstead

Quality and variety of shops and environment needs improving

Good Growth Fund won in March 2018 will help to address the quality of the environment

## East Greenwich

Meeting day to day shopping and service needs of residents

High level of vacancy rates

**3.4** This downward decline in retail is likely to continue and may have been accelerated further by the Covid-19 pandemic. Whilst it is still too early to understand the full impacts of Covid-19 on the future of our high streets, there are early indications as to how our shopping habits are likely to change longer term. For instance, internet shopping has increased and is expected to remain higher than before Covid. Special forms of trading<sup>17</sup> which covers all non-store retail sales including internet shopping accounted for 17.2% of total retail sales in 2018 and this was expected to rise to at least 22% by 2036. However, given the impact Covid-19 has had on increasing our internet shopping, the new normal rate of internet shopping may be higher than originally anticipated.

**3.5** Footfall for shops drastically reduced as a result of Covid-19 and has not yet returned to post lockdown levels. With more people working from home, the town centres we use and how we use them has also changed. Larger town centres which may have previously relied heavily on footfall from workers are now more likely to rely on footfall from local residents, provided there is sufficient residential development in the town centre. Many smaller shopping parades have seen a rise in footfall from local residents as they shop more

locally, as well as a rise in footfall for social and leisure activities as people choose to socialise closer to home. The pandemic has also increased the pace with which retail and hospitality have adapted their businesses in the recovery phase to become stronger and more resilient on the high street going forward. Nevertheless, the current ongoing cost of living crisis and associated high levels of inflation continue to pose a threat to this recovery.

**3.6** As part of a radical overhaul of the planning system, the government has made significant changes to the Use Classes Order which came into effect in September 2020. The changes have removed previously distinct Use Classes A and D and introduced two new categories, classes E and F. Class E includes most of the uses that were formerly within class A (shops (A1), banks and estate agents (A2), cafes and restaurants (A3)). Class E also includes offices, research and development, and light industrial uses (B1), and leisure, health and community uses considered compatible with high streets, for example health centres and nurseries (D1) and gyms (D2). Class E does not include pubs and bars (A4) or hot food takeaways (A5), which have become Sui Generis uses more capable of control through local policy.

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<sup>17</sup> Special Forms of Trading (SFT) comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).

**3.7** Class F is subdivided into F1 and F2. F1 is referred to as “learning and non-residential institutions” and includes uses that were within D1 whose purpose is primarily educational or cultural, e.g. libraries, schools and art galleries, as well as places of worship. F2 combines public recreation uses, e.g. swimming pools, skating rinks and outdoor sports facilities, with community/village halls. F2 also includes small local shops that sell essential goods where no other similar shop is within 1km, such as local village stores. The more commercial uses within the old D2 use class have been made Sui Generis, including cinemas, live music venues and bingo halls.

**3.8** The government have also introduced further changes to permitted development rights, which allow class E uses to change to residential use without the need for planning permission. This means places such as shops, restaurants, nurseries and health centres amongst other uses would be able to change to residential, including units within town centres. The council has sought to protect its town centres through introducing an Article 4 Direction that will restrict this right in some areas.

**3.9** These changes will have significant effects on town centres and on the ability of planning policies to control the balance of retail and non-retail uses. Town centres are known for their active ground floor uses which generate activity and footfall and create vibrant places. If these ground floor units are lost to residential, the number of people visiting town centres could reduce and affect the role and vitality of town centres. The challenge for local planning authorities will therefore be to revitalise and regenerate these centres, looking beyond retail as a key driver for growth. As part of the Future High Streets Funding scheme, Woolwich town centre has been awarded over £17 million to aid recovery from the pandemic and support the delivery of ambitious regeneration plans.

# 4. How should we respond?

- 4.1** Current planning policies which seek to protect and enhance the retail function of town centres will no longer be appropriate given the changes to the Use Classes Order. Primary and secondary frontages will no longer have a purpose as there will be no mechanism to ensure a higher concentration of retail uses within primary frontages. The new Local Plan will need to consider how the policy approach to town centres should be revised in light of these changes as well as changes in shopping and leisure patterns and how this is likely to impact on individual town centres.
- 4.2** The new Local Plan could seek to ensure that there is a balance of appropriate uses in town centres by exploring methods to restrict or limit the over-concentration of uses such as hot food takeaways, betting shops, pawn brokers and pay day loan shops. An over-concentration of these types of use can result in environmental and amenity problems such as litter, waste disposal, traffic and late-night noise disturbance, as well as the potential to increase crime and anti-social behaviour. The Council's preference is to locate hot food takeaways in town centres rather than other areas where these impacts are more sensitive.
- 4.3** To increase access to a wide range of goods and services for the local community, the new Local Plan could consider methods to protect and enhance existing market spaces where they complement and support the vitality and viability of existing town centres. Markets are a valuable community asset which can help meet the needs of local communities. The new Local Plan could further recognise the importance that markets play in providing an affordable food source for communities and can seek to protect local community markets as well as farmers markets.
- 4.4** It is likely the new Local Plan will need to review town centre boundaries considering the reduced need for future retail floorspace as well as redefining their function. In addition, the London Plan has identified Town Centres as locations for intensification of housing and appropriate for high density developments due to their accessibility and higher levels of social infrastructure. The new Local Plan will need to consider how to strike a balance between new high-quality homes and the need to support and enhance our town centres and expand their role to ensure they remain resilient and a focal point for diversified and strengthened economic activity.

- 4.5** We could introduce a policy which ensures all ground floor high street units have active and engaging frontages. For example, clear signage, internal uses visible from the outside and clear accessible entrances which add interest and vitality to the public realm and add rhythm to the street scene. It may also be appropriate to restrict the flexibility of design in new developments; for instance, if a nursery has been secured as part of a development, the ability to change use to another use within class E may need to be removed. This is likely to be through the use of planning conditions rather than explicitly expressed through policy.
- 4.6** Given the changing retail environment and the current unknown long-term impact of Covid-19, the new Local Plan must consider the potential to expand the role of our town centres to become cultural, leisure and entertainment destinations to increase the footfall and vibrancy of town centres. Greenwich Town Centre has experienced a loss of footfall from international tourism due to Covid-19 and consideration will need to be given to the balance between its role in serving local residents and international and domestic tourists. The London Plan identifies areas of strategic night-time activity with Greenwich Peninsula having an international/national role in the night-time economy and Blackheath, Greenwich and Woolwich town centres as having a role of more than local importance in the night-time economy.
- 4.7** The retail and leisure study also found that Woolwich is under performing as a Major Centre relative to its growth potential. The London Plan continues to identify Woolwich as a centre with the potential to become a Metropolitan Centre over the plan period, however the growing competition from the out-of-town retail park in Charlton would make achieving the additional floorspace needed in Woolwich Town Centre to achieve this status extremely unlikely. It may be appropriate to remove this aspiration for Woolwich to become a metropolitan centre and instead focus on ensuring its function as a strongly performing major town centre is achieved by improving the quality of the retail offer available and expanding leisure and cultural uses. To encourage more leisure uses within town centres we could consider introducing a policy on meanwhile uses which could allow temporary changes to uses which fall outside of class E, subject to meeting appropriate criteria.
- 4.8** In response to the rise in out-of-town centre retail in the borough, we could introduce a local impact threshold below the national threshold of 2,500sqm through the new Local Plan. This means that developers providing retail floorspace over this threshold outside of a town centre would need to assess the impact of this floorspace on nearby town centres. This would provide flexibility on a case-by-case basis to assess the merits and impacts of edge and out-of-centre retail applications that could potentially have significant implications for the viability of Royal Greenwich town centres. Local impact thresholds will be used to protect town centres from the negative impact of the increasing number of out-of-town retail developments.

