

Introduction

- 1.1 This Appendix comprises the quantitative impact assessment based on the proposed retail floor space of the Proposed Development.
- 1.2 The methodology undertaken within this quantitative assessment is based upon a traditional “*step by step*” approach.
- 1.3 There is already a significant volume of retail work which has been undertaken on behalf of LB Lewisham by its retail consultant Nathaniel Litchfield and Partners (NLP) as background evidence to the LDF. We have therefore utilised the same base assumptions and parameters used within as LB Lewisham’s own evidence base. As such the methodology utilised within the following impact assessment is robust and follows an accepted approach as detailed within PPS4 and the accompanying Good Practice Guide.
- 1.4 We now detail the methodology below.

Design Year

- 1.5 The quantitative analysis looks at a design year of both 2014 and 2019, given the Proposed Development will not be totally complete until 2025.
- 1.6 This accords with the work undertaken by LB Lewisham’s retail consultant NLP in respect to the Lewisham Retail Capacity Study which considers a design year of both 2014 and 2019.

Catchment Area

- 1.7 The retail floor space proposed is intended to be focused on local neighbourhood shopping provision. No extensive catchment area is proposed given the ‘*top up*’ nature and role of the proposed retail provision. As such, the proposed neighbourhood shopping provision will have a catchment area simply extended to the new Surrey Canal Community.

Floorspace of the Development

- 1.8 The Development Specifications Document confirms the full extent of the retail floor space (A1, A2) will extend to 3,600 sq m. However, this total figure of 3,600 sq m represents the gross

external area (GEA). For the purposes of any necessary quantitative assessment, it is the retail trading floor space (ie the net area) which is relevant. For such local shopping provision a net to gross ratio of 65:35 is appropriate. This would therefore provide a proposed net trading area of 2,340 sq m.

- 1.9 In addition, a degree of this floor space will relate to A2 uses and therefore this figure is an over estimation of the net trading figure for which any quantitative assessment should relate.
- 1.10 The Proposed Development is intended to be entirely neighbourhood shopping. The largest retail unit will have a maximum floor area of 1,000 sq m and is anticipated to be some form of local supermarket provision. As stated above, the figure of 1,000 sq m is a gross rather than a net figure. As such, the average net to gross ratio of 65:35 the estimated maximum net area of any store would be 650 sq m.
- 1.11 The remaining floor space is anticipated to be other local shopping provision. It is considered, that these small retail units are of a size which do not require significant consideration under PPS4. As such, the quantitative retail assessment has focused on the single small supermarket unit.

Assumed Sales Density

- 1.12 In respect to an assumed sales density, we have utilised the figure contained within the Lewisham Retail Capacity Study 2009 for local shopping of £5,000 sq m. This accords with the Council's own retail assumptions contained within the Lewisham Retail Capacity Study.

Turnover of the Application

- 1.13 As explained above, the large unit is expected to have a sales area of some 650 sq m net (based on a gross to net split of 65:35). Using the assuming sales density above, this would give rise to a turnover of £3.25m.

Available Capacity

- 1.14 However, prior to assessing impact, consideration should be given to the level of expenditure growth in the catchment area of the Proposed Development. Where there is sufficient growth in expenditure within a given catchment area over the period of the assessment (ie in this case through to 2014 and 2019) impact will be less of a concern than might otherwise be the case as

the turnover of any proposed floor space, can (to a degree) be accommodated through growth within the catchment area expenditure alone. This ensures that any impact or trade diversion is likely to be less significant than where there is no (or very little) proposed growth in expenditure within a given catchment area over the period of the assessment. In such circumstances, it is much more likely that there will be a greater level trade of trade diversion from existing retail floor space.

- 1.15 In addition to the available local expenditure capacity (discussed below), account must be taken of inflow into any available catchment area from visitors, tourists etc. No catchment area is entirely water tight and this is particularly the case in London where transport connections and provisions are highly evolved. However, the level of inflow to the Surrey Canal community is exacerbated by the presence of Millwall FC Stadium home to a successful championship footballing side which regularly has a significant volume of both local residents (from outside the immediate community area) and away fans visiting the Stadium. In addition, there are also significant other elements of the scheme which attract people namely the office development (attracting workers) and, for example, the multi-faith community centre which will also attract visitors from outside the catchment area. As such, a percentage turnover of the net floor area of 20% is considered to be accounted for by inflow to the catchment area. This therefore ensures that only 520 sq m remains to be supported by other expenditure.
- 1.16 On the basis that the Proposed Development is for a maximum of 2,500 homes, we have taken the average size of household formation in the Borough (2.3) which therefore gives rise to a total population of 5,750. Utilising the relevant convenience expenditure per head for 2014 and 2019 of £1,630 and £1,685 respectively provides for a total available convenience expenditure within the catchment of £9.37m at 2014 rising to £9.69m at 2019.
- 1.17 For the purposes of calculating the available expenditure, we have assumed that 30% of the above figures will be available for “top up” shopping which is the role the proposed retail floor space will provide. Accordingly, at 2014 there is some £2.81m of available expenditure rising to £2.91m at 2019.
- 1.18 With reference to the assumed sales density above utilised from the Lewisham RSC, this provides for a total available floor space based on the available expenditure of 562 sq m at 2014 and 581 sq m at 2019. This is more than enough to support to proposed retail floorspace.

Trade Diversion

- 1.19 Given the local nature of the retail provision proposed coupled with the level of inflow expected and amount of available capacity within the Proposed Development – excluding the immediate surrounding area, there is sufficient available expenditure to fully support the new proposal. As such, due to the very local nature of the shopping floorspace proposed coupled with the synergy and linkages between the various uses proposed, it is not considered the Proposed Development is likely to give rise to any level of undue impact.
- 1.20 In terms of centres which we have specifically given consideration to, these are, the centres of New Cross and New Cross Gate and also Surrey Quays Shopping Centre within LB Southwark at Canada Water. This is fully considered within the main body of the statement, but given the very small and local nature of the proposed retail floorspace it is of such a small size and scale that it is unlikely to give rise to any impact of note on either of these centres.