

surplus expenditure. This exercise illustrates that there is capacity for additional floorspace, starting at 494 sq m in 2029, and rising to 1,410 sq m by 2040.

- 15.97 We are highly cognisant of the fact that the recent pandemic will have resulted in the closure of a large amount of restaurant, bar and café floorspace across the Council area. In addition to the pandemic, there has also been significant increases to business costs including energy and transport. Whilst our figures show that there is likely to be some pent-up consumer demand for additional spending this area, this does not mean that all of that demand should be met through new floorspace. The potential re-occupation of vacant floorspace should be accounted for in the first instance. The Council should also account for any existing committed leisure developments in this respect.

Figure 15.97.1 Restaurants, Pubs, Bars and Café Capacity

Year	Residual Spending	Sales Density	Floorspace (sq m)
2029	£2.5	£5,065	494
2034	£6.1	£5,116	1,192
2040	£7.3	£5,178	1,410

Source: Nexus analysis

### Other Leisure Uses

- 15.98 Turning to consider cultural uses (theatre, museums and art galleries), the household survey indicates that 15.5% of residents of the Study Area visit cultural facilities within the Borough most often, including Fairfields Hall (6.6%), Churchill Theatre (5.4%) and Ashcroft Theatre (2.0%).
- 15.99 84.5% of residents within the Study Area carry out their trips outside Croydon, with the most popular destinations being Central London (17.7%) and a wide array of other venues elsewhere in London, including Bromley (5.4%).
- 15.100 There was relatively little desire for Study Area residents to see a greater cultural offering in the Borough. According to Question 46 of the household survey, 5.7% of respondents asked for more theatres, whilst 3.5% suggested more concert halls/venues.

### Leisure – Summary

- 15.101 The above findings present the quantitative and qualitative capacity for new leisure development in the Croydon Borough area. As we noted earlier in this Study, leisure spending is not undertaken regularly, and residents will often visit a variety of different facilities depending on a number of factors.
- 15.102 Generally speaking, residents are well provided for in the Borough, with little evidenced dissatisfaction based on our qualitative surveys, and little evidenced additional capacity, beyond some capacity for food and beverage uses, based on our quantitative assessments.

## 16. Recommendations

### Introduction

16.1 This section brings together the findings of our report and advises on the following:

- Retail Capacity and Strategy;
- The Impact of the forecast closure of Box Park in 2027;
- The Purley Way Transformation Area;
- The Retail Hierarchy; and
- Primary and Secondary Shopping Frontages and the protection of Community Facilities.

### Retail Capacity and Strategy

16.2 Section 16 of this Study described the empirical survey work undertaken and summarised the market share findings in terms of where residents of the Study Area carry out their convenience and comparison goods shopping. Applying those market shares to census-based population and expenditure estimates for the Study Area geography, capacities for additional convenience, comparison and food/beverage floorspace over the Plan period to 2040 were estimated. These are summarised below.

Figure 16.2.1 LB Croydon – Floorspace Capacity Projections to 2040 (Sq m net)

Year	Convenience Goods	Comparison Goods	Food/Beverage
2029	5,033 to 6,891	835 to 1,313	494
2034	6,477 to 8,867	4,719 to 7,415	1,192
2040	7,677 to 10,509	8,155 to 12,815	1,410

16.3 At the outset, given current economic uncertainties and, more relevantly, pressures on the retail sector, we would stress the need to treat long-term forecasts with caution. As highlighted within the PPG<sup>36</sup>: *“Given the uncertainty in forecasting long-term retail trends and consumer behaviour, this assessment may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed”* (our emphasis).

16.4 Additionally, capacity does not equate to need. Need is more than just a quantitative measure; it should also involve qualitative considerations around issues such as any residents’ dissatisfaction with the current level of provision, and the potential impacts of realising capacities on the ground from our health check work. Fundamentally, capacity modelling should not be seen as an absolute; it is a guide to a Plan-led approach.

16.5 Any consideration of allocations for new retail floorspace should take into account an assessment of the performance and vitality and viability of a centre in order to ensure that any identified capacity meets both a quantitative and qualitative need and does not harm existing businesses.

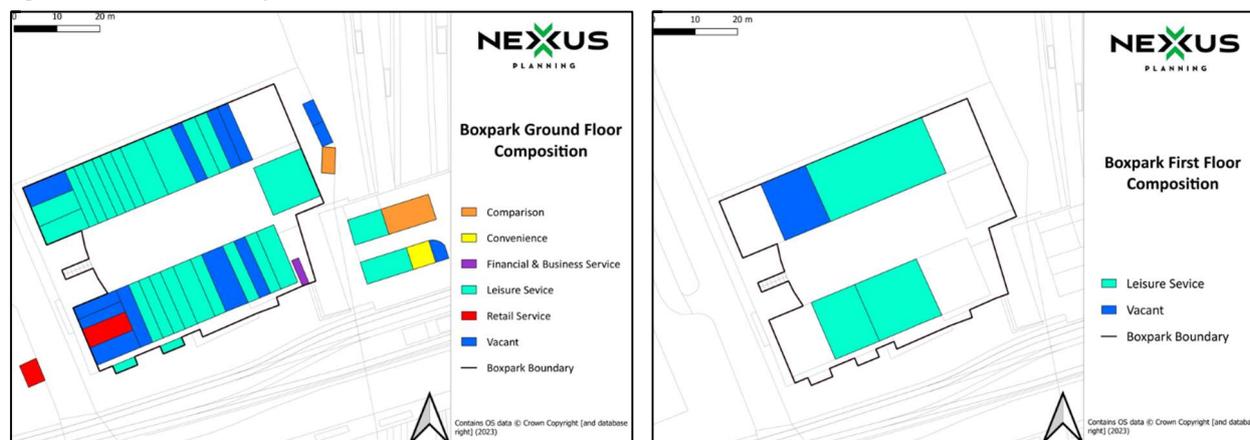
<sup>36</sup> (Town Centres and Retail) Planning Practice Guidance, Paragraph: 004, Reference ID: 2b-004-20190722

- 16.6 Taking each of the above factors into account, we consider that the Borough might benefit from additional convenience goods floorspace. The capacity analysis indicates that, even taking the advisory approach of looking to the short-term, there is capacity for between 5,033 and 6,891 sq m of net convenience floorspace over the period to 2029. This capacity is largely generated by the over-trade of existing foodstores within the town centres of the Borough and therefore needs to be treated with care as, in principle, over-trading town centre foodstores are a positive thing which should be protected. Within that context, it would obviously be compliant with retail policy (subject to all other policies of the Plan) to permit new convenience goods floorspace within existing centres, both in terms of vitality and viability, as well as increasing customer choice. However, allocating or permitting new floorspace out-of-centre should be treated with caution as this would appear likely to have direct impacts on the Borough's town centres, which are evidenced to currently host a series of important foodstores for footfall generation.
- 16.7 This capacity is likely to be met in several different locations, as there is no obvious requirement for a single large foodstore anywhere in the Borough which might consume all or most of the identified capacity. In this regard, a location which might be suitable to accommodate one or more smaller foodstores is the Purley Way Transformation Area, which we discuss in more detail below.
- 16.8 Turning to comparison goods, it is evident that macro-economic conditions in general, and retail trends towards online shopping, have re-shaped the viability of the sector. As a result, our forecasts show very limited floorspace capacity in the early part of the Plan period, with more significant capacity only arising over the period beyond 2029. On this basis, we do not recommend that the Council seeks to allocate any floorspace for additional comparison goods over the short-term, and instead formulates a policy base on which to preserve and enhance existing floorspace in its town centres and any Planned activity under the Purley Way Transformation Area.
- 16.9 The food/beverage sector has been hard-hit by the pandemic and there have been a number of vacancies created as national multiple chains have been forced to close. Notwithstanding, our expectation is that there will be a quantum of vacant floorspace in this sector which can be used to accommodate new start-ups. Our below discussion in respect of Box Park, which is scheduled to close in 2027, is also relevant in this context.
- 16.10 Taking this into account, the relatively small quantum of floorspace capacity we have identified (494 sq m by 2029) does not, in our view, warrant any specific allocations in the emerging Plan. This amount of floorspace could be utilised to support the intent of the small-scale retail provision at various sites being brought forward under the Purley Way Transformation Area Masterplan (see below).

### **The Impact of the Forecast Closure of Box Park**

- 16.11 Box Park is located immediately west of East Croydon Train Station and opened in its current format in 2016. Its innovative structure is home to a number of food and drink venues and its central feature is a 2,000-capacity events space. Nexus has surveyed Box Park as part of our health-check work and we set out below its current composition.

Figure 16.11.1 Box Park Composition



16.12 As the current planning permission for the site expires on 1<sup>st</sup> January 2027, we have been asked to examine what impact this closure might have on retail and town centre trade in Croydon Metropolitan Centre (CMC). In order to estimate this, we asked a number of questions relating to current use of the Park, as well as linked trips in the NEMS household telephone survey of 800 households (see **Appendix D**).

16.13 The key findings were as follows:

- 40.0% of households have visited Box Park (Q33).
- Visitation numbers (Q33) were around this number for all Zones i.e. all parts of the borough, with only Zone 5 (East of the Borough) having a notably higher visitation rate (52.9%). Visitation rates in Zone 1 (39.7%), where Box Park is located, were actually slightly below average. The indication is that Box Park is a destination for visitors from elsewhere in the Borough, with residents living nearby as likely to access the range of other entertainment venues in CMC.
- For those who visited Box Park, the main attractors (Q34) were the presence of 'good cafes/restaurants/bars' (47.4% of first mentions), its 'attractive environment/nice place' (10.4%), 'closeness to home' (7.4%) and 'easy to get to by train' (6.0%).
- The average visitor to Box Park visits 'less than once a month' (Q35), highlighting its function as an occasional entertainment venue for most people, as opposed to an everyday facility. Only 6.9% of respondents who have visited Box Park, do so on a weekly or more regular basis.
- In terms of linking trips, 52.2% of those who visited Box Park, did not link their trip with any other activity (Q36). 22.7% of visitors linked their trip with another entertainment venue, whilst 22.4% of visitors linked their visit with a shopping activity.

16.14 In order to estimate the potential impact of the closure of Box Park, we can utilise these figures to estimate the linked trip benefit which the park generates to Croydon Metropolitan Centre. If we assumed that 40.0% of the Study Area (413,498 @ 2023, Table 1a, **Appendix E**) visited Box Park on a bi-monthly basis, then that would assume around 165,000 people visited Box Park six times a year. This would be an annual visitation rate of 990,000 unique visits<sup>37</sup>. If we then assumed that a combined 22.4% of those visitors went on to link their trip to Box Park with shopping, then that would be

<sup>37</sup> Box Park will also attract visitors/tourists from further afield, but we have assumed that the vast majority of those visitors would be unlikely to combine their visit with a trip into Croydon Metropolitan Centre for shopping purposes.

linked trip numbers approaching 222,000 visits to Croydon Metropolitan Centre per annum. It would be unreasonable to suggest that these trips would not all take place if there was no Box Park, but if we were to assume that half of those linked trips would not occur in future, then that would be 111,000 trips per annum. If those visitors were to spend an average of £30 on their linked shopping trip, the loss would be around £3.3m per annum. To contextualise that, we calculate at Tables 4b and 17b of **Appendix E**, that Croydon Metropolitan Centre currently has an annual turnover of £59.0m in convenience goods and £362.1m in comparison goods. The combined turnover is therefore £421.1m, and so a loss of £3.3m in linked spending from Box Park would result in around an overall loss of 0.8% of current trade.

- 16.15 There would also be an associated loss of linked trips to similar entertainment venues. Applying the same survey-based situations as above, then a 22.7% loss of linked entertainment venue trips would be 225,000 trips per annum. If half were lost all-together, at an average spend of £30 again, then this would equate to £3.4m per annum. At Questions 40 and 41 of **Appendix D**, the survey discerned that 18.2% of Study Area restaurant market share and 19.5% of pub, bar and nightclub spend was attracted to CMC. Utilising the figures at Figure 16.94.1 (£309.5m spending per annum), this would mean spend in the order of £60.0m per annum currently being attracted to CMC. Based on this broad assumption, a loss of linked trips equating to £3.4m per annum would result an impact of around 5.7% on entertainment venues locally.
- 16.16 Based upon our two assessments, we therefore estimate that the combined impact on CMC of the closure of Box Park would be £7.7m of linked trip benefit per annum, equating to a 1.6% impact on annual turnover of £481.1m.

### The Purley Way Transformation Area

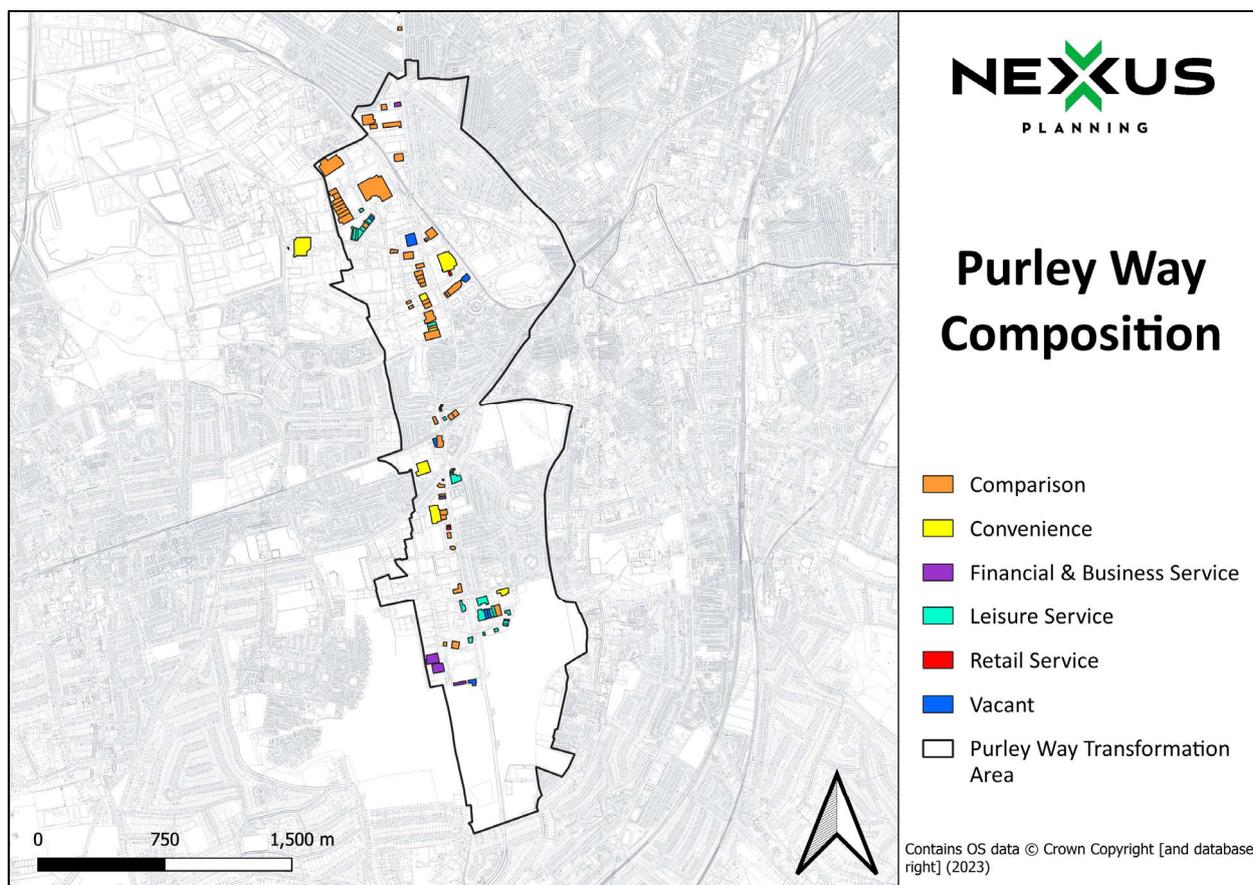
- 16.17 Purley Way is located to the west of the borough and runs north to south, with little current focus other than the A23. The expansive area has a largely fragmented character consisting of various out-of-centre leisure, retail and business parks as well as small clusters of independent businesses that form part of housing developments.
- 16.18 For context, we set out below a summary of the current features and composition of the Purley Way area.

Figure 16.18.1 Photos of the Purley Way



Source: Nexus Site Visit (September 2023)

Figure 16.18.2 Map showing composition of retail units on Purley Way



Source: Experian GOAD

Table 16.18.1 Purley Way Composition Table

	Purley Way (Total)	Purley Way (%)	National Average
<b>Comparison</b>	<b>60</b>	<b>44.8%</b>	<b>26.9%</b>
<b>Convenience</b>	<b>12</b>	<b>9.0%</b>	<b>9.3%</b>
<b>Services (total)</b>	<b>49</b>	<b>36.6%</b>	<b>49.9%</b>
<i>Retail</i>	<i>10</i>	<i>7.5%</i>	<i>15.8%</i>
<i>Leisure</i>	<i>33</i>	<i>24.6%</i>	<i>25.4%</i>
<i>Financial &amp; Business</i>	<i>6</i>	<i>4.5%</i>	<i>8.7%</i>
<b>Vacant</b>	<b>12</b>	<b>9.0%</b>	<b>13.8%</b>
<b>Total</b>	<b>134</b>	<b>-</b>	<b>-</b>

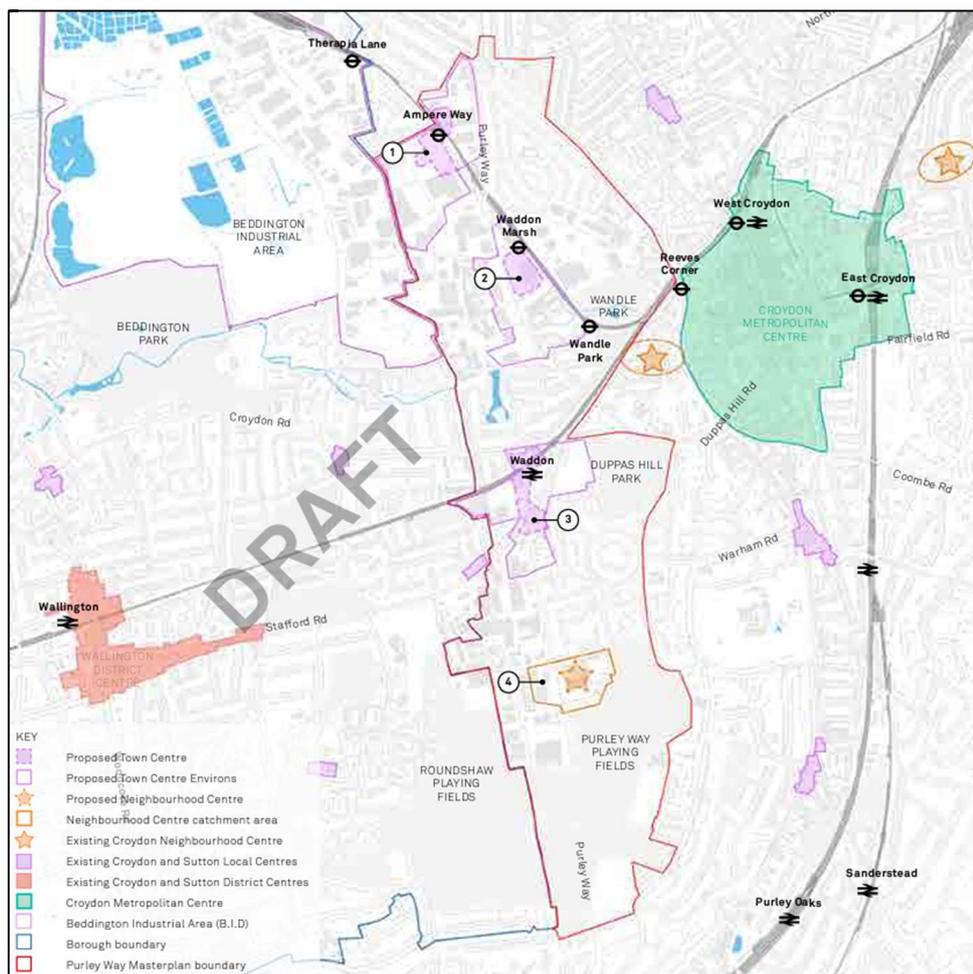
16.19 As part of the partial review of the Local Plan, the Council has identified Purley Way as one of its main areas for transformation over the next Plan period. It is seen as an area which can provide both significant housing growth and the expansion of employment opportunities. This should be supported by new infrastructure and facilities including new transport and social infrastructure, a generous and inclusive public realm with exemplary blue and green interventions,

smart city infrastructure and more. To guide the transformation of Purley Way, the Council was awarded a grant from the Mayor’s Homebuilding Capacity Fund to develop a comprehensive design- led, delivery-focused masterplan and a dedicated Local Plan chapter.

16.20 A Purley Way Masterplan was commissioned by the Council in 2020 and brought together a wide range of expertise from a number of external consultancies. Following a public consultation exercise in early 2021, a Detailed Draft Masterplan was produced later that year. Of relevance to this Study, the masterplan proposes “the creation of four distinct Town and Neighbourhood Centres that will help provide a stronger structure and sense of place for the area. The design of the new centres respond to existing local character and activities. Retail and leisure uses could be consolidated in Valley Park, Waddon Marsh and Five Ways Town Centres, together with new convenience shopping, services and leisure spaces that are small in scale and which focus on supporting businesses, workers, and residents in the area. Waddon Way Neighbourhood Centre will allow new small-scale convenience shopping and community uses to support nearby business and residential communities” (Page 3).

16.21 Specifically, the Masterplan identifies opportunities for 3 new Town Centres at Valley Park, Waddon Marsh and Five Ways, with the creation of a new Neighbourhood Centre at Waddon Way. The proposed location of these centres is extrapolated below.

Figure 16.21.1 Location of Proposed New Centres – Purley Way Masterplan (2021)



16.22 The Draft Masterplan describes the Town Centres as “places mostly accessible by walking & cycling, located in close proximity to rail or tram infrastructure, with a small cluster of shops & services as well as leisure, educational and healthcare facilities. Other uses like supermarkets, post-office, pharmacy, launderette and other local services may be located along the new town centres” (page 8). The proposed Neighbourhood Centre is described as “a place intended to serve the day to day needs of the local community, providing opportunities for modest growth. It could have a focus on family-sized homes, and other uses like small convenience stores, places of worship, playgrounds, schools, public houses and other community-focused facilities. The area should be largely accessible by walking and cycling. This centre is not intended to compete with District or Town Centres”.

16.23 We discuss below how centres which have these roles and function might fit within the overall Retail Hierarchy.

16.24 We also utilise our market share findings to understand the role and function of existing facilities within the Purley Way Transformation Area, and how those facilities might relate to the proposed Town and Neighbourhood Centres proposed under the Draft Masterplan.

### Convenience Goods

16.25 At Tables 4a and 4b of **Appendix E**, we identify that the area defined as the Purley Way Masterplan Area currently attracts 12.7% of all spending by Study Area residents on convenience goods. This equates to £125.8m per annum. The largest attractor by far is the Sainsbury’s on Trafalgar Way (5.9% market share or £58.5m per annum). But stores operated by Aldi on Purley Way (1.8%/£17.5m), Lidl on Purley Way (1.7%/£16.3m) and Morrisons at Five Ways (1.6%/£15.7m) also attract significant market share.

16.26 None of these stores are located within a currently defined centre within the retail hierarchy and therefore each is currently classified as ‘out-of-centre’ by the NPPF. However, under the Masterplan proposals, the Sainsbury’s store would fall within ‘Waddon Marsh Town Centre’, the Aldi and Lidl stores would be within the wider boundary for ‘Waddon Marsh Town Centre Environs’, whilst the Morrisons store would be within ‘Five Ways Town Centre’.

16.27 In terms of main food shopping, it is clear therefore that two of the proposed centres – Waddon Marsh and Five Ways – would be very well catered for in terms of existing convenience goods provision. However, there is no substantial existing provision at either the proposed Valley Park Town Centre, or at the proposed Waddon Way Neighbourhood Centre.

### Comparison Goods

16.28 Turning next to considering the existing provision of comparison goods facilities within the Purley Way Transformation Area, Table 17a and 17b at **Appendix E** show that stores within the Purley Way Transformation Area have the largest collective market share of any destination within the Study Area. Purley Way accounts for a 37.0% market share of all comparison goods spending, equating to £544.4m per annum. By contrast, we calculate that Croydon Metropolitan Centre has an annual comparison goods turnover of £362.1m or XX%.

16.29 Stores on Purley Way account for 8.2% of Study Area residents spending on clothing and footwear, 66.1% on furniture goods, 55.9% on DIY goods, 66.2% on electrical goods, 49.5% on small household goods, 1.7% on small media items, 14.2% on chemist goods and 47.8% on recreational goods (Tables 8a – 16a, **Appendix E**). There is clearly therefore an existing emphasis on the sale of bulky comparison goods items from big box stores.

### Future Provision

16.30 In terms of what is envisioned for each centre, the draft Masterplan set out the following:

- Valley Park Town Centre – 22,152 sq m of new retail, leisure and community uses. This focuses such uses around Ampere Way station and in close proximity to the existing Ikea store. Specific reference is made to a focus on convenience retail.
- Waddon Marsh Town Centre – 15,940 sq m of new retail, leisure and community uses. The centre will focus around Sainsbury's, alongside locally focussed convenience retail, and small-scale convenience retail in general.
- Five Ways Town Centre – 16,947 sq m of new retail, leisure and community uses. The centre will cater for high-quality mixed-use development. Morrisons will be re-provided for in the core area, with small-scale and locally-focused convenience retail.
- Waddon Way Neighbourhood Centre – 10,111 sq m of town centre uses. The centre will provide for small-scale (up to 280 sq m) day-to-day shopping and services for the localised business and residential communities. This may include 24-hour shops and cafes.

16.31 There is therefore a clear emphasis in the Masterplan on providing for convenience goods shopping at all four new centres. There is no mention of comparison goods shopping, other than various units being re-provided for, so it can be assumed that there is no master-planned intent to provide for any extensive additional provision of comparison goods, presumably beyond small-scale provision in the core area of each centre. We consider this to be sensible, based on the extent of comparison goods already attracted to the area (highlighted above). If the Masterplan were to plan for extensive additional provision of comparison goods (particularly big-box retail typologies), then we would be concerned about the potential impact on the higher-order Croydon Metropolitan Centre. In particular, we feel that it is important for Croydon Metropolitan Centre to continue to maintain its market position in respect of clothing and footwear (where it attracts a market share of 43.8% of all Study Area resident spending, versus the 8.2% market share attracted to Purley Way). In saying this we are mindful also of the relatively small quantum of identified comparison goods capacity in the near future (between 835 and 1,313 sq m net for the Borough as a whole by 2029, Table 19a, **Appendix E**).

16.32 Turning to convenience goods, we have previously identified a more significant amount of capacity in the short-term (between 5,033 and 6,891 sq m net for the Borough as a whole by 2029, Table 7a, **Appendix E**). Linking this to the draft Masterplan, our spatial analysis of existing provision (above) highlighted that there are a number of existing foodstore which attract a healthy market share in the Purley Way Transformation Area. However, of the proposed Town Centres, none of those stores is located within the Valley Park Town Centre. It is therefore no surprise that the draft Masterplan seeks to focus on convenience retail around Ampere Way Station, and we concur that it would be appropriate to consider a main food store to be located within that evolving Town Centre.

## Retail Hierarchy

16.33 In Sections 4-14 we set out a detailed health-check of the main centres of the Borough. These centres comprise the current retail hierarchy in Croydon, as defined at SP3.6 of the Croydon Local Plan 2018 and its associated Proposals Map, and as set out at Figure 16.37.1 below. Our work has involved analysing the health of each of Croydon Metropolitan Centre, as well as the nine District Centres, centres under a series of checks specified in the PPG, as well as understanding market shares and qualitative likes and dislikes deriving from a widespread household telephone survey. We have also drawn on our household telephone survey findings to examine the market shares of each of the nine Local Centres defined at SP3.6.

16.34 In Section 15, we have also examined the current market share of each centre, as well as any 'gaps' in existing provision or capacity for new provision. The culmination of this work allows us to recommend an appropriate hierarchy of centres

for the Council area, taking account both of present circumstances, and the Council’s wider plan-making aims and objectives.

16.35 By way of background, as described previously in Section 2, Paragraph 86 of the NPPF explains that:

*“Planning policies should define a network and hierarchy of town centres and promote their long-term vitality and viability – by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters”.*

16.36 Building on this guidance, we think it is helpful to quickly examine the purpose of defining a hierarchy of centres. Symbolically, it is a signal to investors as to where the Council is looking to provide for future growth to build on or improve the vitality and viability of town centres. But in more practical planning terms, it is also a key component of the ‘impact’ and ‘sequential’ tests in decision-making for town centre uses. We consider this further in the section on Plan Policy below, but in brief, the higher up in the hierarchy a centre is, the more varied you might expect its range of town centre uses to be, and the more resilient and welcoming of new developments within, or close by, its centre it might be.

16.37 More importantly still, the hierarchy determines how the sequential test is applied under a ‘town centre first’ regime. By way of example, a proposal for an out-of-centre foodstore nearby a Local Shopping Parade would be expected to pass the test of having first examined the availability, suitability and viability of central or edge-of-centre sites in nearby higher order centres (i.e. a Town Centre).

16.38 Turning specifically to the position in the Croydon Borough area, the adopted Plan (2018) has a specified retail hierarchy set out at SP3.6 and Policy DM5. This is summarised below:

Figure 16.38.1 Existing Retail Hierarchy

Hierarchy	Centre/s
<b>Metropolitan Centre</b>	Croydon.
<b>District Centres</b>	Addiscombe, Coulsdon, Crystal Place, New Addington, Norbury, Purley, Selsdon, South Norwood and Thornton Heath.
<b>Local Centres</b>	Beulah Road, Brighton Road (Sanderstead Road), Brighton Road (Selsdon Road), Broad Green, Hamsey Green, Pollards Hill, Sanderstead, Shirley and Thornton Heath Pond.
<b>Neighbourhood Centres</b>	Ashburton Park, Brighton Road/Downlands Road, Brigstock Road, Coulsdon Road/Court Avenue, Fieldway Green Lane/Northwood Road, Kenley (Godstone Road), London Road/Kidderminster Road, Lower Addiscombe Road, Cherry Orchard Road, Portland Road/Watcombe Road/Woodside Avenue, Selhurst Road, Selsdon Park Road/Featherbed Lane, Shirley Road, South End/Parker Road/St Peter’s Church, South Norwood Hill, Spring Park/Bridle Road, Waddon Road/Abbey Road and Woodside Green.

16.39 Having established the position in the adopted Plan, it is first relevant to consider whether the groupings used remain appropriate i.e. Metropolitan Centres, District Centres and Local Centres. Town Centres and Retail Planning Practice Guidance refers to town centres, district centres and local centres at its Paragraph 001. The existing titles used by Croydon are therefore the same, with the exception of the addition of a Metropolitan Centre title, and a Neighbourhood

Centre tier. This though is in conformity with the London Plan 2021, so we consider that there are no issues with the definition of the groupings in the retail hierarchy.

16.40 Beyond titles, it is also important to define the role and characteristics of centres at each tier of the hierarchy, recognising that town centres are the focus of community life as well as their commercial life. This is specified at Paragraph 86 of the NPPF. The adopted Plan does so in part, and we would recommend to the Council that a clearly-defined and suitable definition is added to each tier of the hierarchy to assist with expectations around the future role and function of each centre, and how this differs between different tiers. Having assessed each centre within the current hierarchy, we suggest wording such as the following to describe the role of each tier of the hierarchy. Notably, we have utilised and adapted the London Plan 2021 definition of Metropolitan Centre to be consistent.

Figure 16.40.1 Potential Definitions for the Role of each Tier of the Retail Hierarchy

Hierarchy	Role
<b>Metropolitan Centre</b>	Serving a wide catchment which extend over several boroughs and into parts of the Wider South East. Contains at least 100,000 sqm of retail, leisure and service floorspace with a significant proportion of high-order comparison goods relative to convenience goods. Has generally very good accessibility and significant employment, service and leisure functions, as well as important clusters of civic, public and historic buildings.
<b>District Centres</b>	Provides (or has the potential to provide) a range of shops, retail and non-retail services, businesses and community facilities to a suburb or suburbs.
<b>Local Centres</b>	Provides (or has the potential to provide) a small grouping of units, typically comprising convenience stores, other small shops of a local nature, and some retail or non-retail services. Will typically serve its immediate suburb.
<b>Neighbourhood Centres</b>	Serving a local need smaller in scale to that of a Local Centre. They should be able to meet the day-to-day needs of the local community and allow for modest growth in order to accommodate local needs.

16.41 Having considered the title, role and function of the retail hierarchy, we move on next to consider whether the centres of the current retail hierarchy are appropriately placed. There is no set methodology for defining a retail hierarchy in the NPPF or PPG. We have therefore utilised our empirical evidence to assess a range of criteria that, we feel, provides a suitable basis for supporting the proposed hierarchy. The Figure below provides an assessment of each of the ten centres which have been subject to detailed consideration under this Study. Descriptors that have been chosen include the number of units, comparison and convenience goods market share (from our survey work), average market rent, and supermarket and community services provision. This list is not intended to be exhaustive, but we consider these to be some of the key characteristics which define the hierarchy.

Figure 16.41.1 Retail Hierarchy Indicators

Centre	No of Units	Market Share – Comparison Goods	Market Share – Convenience Goods	Market Rent	Community Services <sup>38</sup>	Large Super markets <sup>39</sup>
<b>Croydon Metropolitan Centre</b>	795	24.6%	6.0%	£47.31/sq ft	LIB, DS, PS, TS	2
<b>Addiscombe District Centre</b>	102	0.3%	1.4%	£29.29/sq ft	LIB, DS	0
<b>Coulsdon District Centre</b>	140	1.6%	5.1%	£30.54/sq ft	LIB, DS, TS	2
<b>Crystal Palace District Centre</b>	220	0.9%	2.3%	£25.58/sq ft	DS	1
<b>New Addington District Centre</b>	56	0.1%	0.4%	£35.71/sq ft	LIB, LC, DS	0
<b>Norbury District Centre</b>	165	0.3%	0.3%	£46.85/sq ft	LIB, DS, TS	0
<b>Purley District Centre</b>	156	3.4%	9.7%	£29.09/sq ft	LIB, LC, DS, TS	1
<b>Selsdon District Centre</b>	64	0.2%	7.0%	£26.69/sq ft	LIB, DS	2
<b>South Norwood District Centre</b>	160	0.2%	2.1%	£24.53/sq ft	LIB, LC, DS, PS	1
<b>Thornton Heath District Centre</b>	150	0.9%	4.6%	£48.22/sq ft	LIB, LC, DS, TS	1

16.42 Our assessment shows a clear distinction between the top two tiers of the hierarchy. The Metropolitan Centre has a clearly distinguishable number of units, comparison goods market share and market rental values, when compared to the other centres. There is variation within the District Centre category, for example, Purley District Centre has notably higher market shares in convenience and comparison goods. However, the survey evidence shows that this is predominantly because the large Tesco store is included within its boundary. It's other characteristics, such as market rent, unit numbers and community services, are all otherwise in keeping with the other District Centres. It is a similar case in Selsdon District Centre, with the presence of a standalone Sainsbury's store considerably enhancing its market share.

<sup>38</sup> Community facilities key = LIB (Library), LC (Leisure Centre), DS (Doctors Surgery), PS (Police Station), TS (Train Station) – included if within 300m of centre boundary

<sup>39</sup> Defined as supermarkets with 750 sq m + net sales area

16.43 In terms of any potential amendments to the hierarchy, there are therefore no obvious ‘outliers’ which would warrant a move away from the current hierarchy. We therefore recommend that the Council proceeds with the centres of the Retail Hierarchy as they are currently ordered.

16.44 Beyond the Metropolitan and District Centres, we have also gathered empirical survey data on the market shares of Local and Neighbourhood Centres (see **Appendix E**). We have also analysed the survey work to see if there are any notable market shares derived by centres in those categories which would suggest they should be elevated or demoted in the retail hierarchy. In our view, there are no obvious candidates from the Local Centres or Neighbourhood Centres list which stand out. Whilst two Local Centres – Hamsey Green and Thornton Heath Pond – have above average convenience goods market shares (2.7% and 2.4% respectively), this is a result of the presence of standalone foodstores in those locations (Waitrose and Lidl), rather than any scale of overall provision which would warrant a move in the hierarchy. Notably, both centres have negligible comparison goods market share.

16.45 Based on these indicators, we therefore suggest that the hierarchy set out in the following Figure might be appropriate.

Figure 16.45.1 Recommended Classification of Centres

Hierarchy	Role	Centres
<b>Metropolitan Centre</b>	Serving a wide catchment which extend over several boroughs and into parts of the Wider South East. Contains at least 100,000 sqm of retail, leisure and service floorspace with a significant proportion of high-order comparison goods relative to convenience goods. Has generally very good accessibility and significant employment, service and leisure functions, as well as important clusters of civic, public and historic buildings.	Croydon.
<b>District Centre</b>	Provides (or has the potential to provide) a range of shops, retail and non-retail services, businesses and community facilities to a suburb or suburbs.	Addiscombe, Coulsdon, Crystal Place, New Addington, Norbury, Purley, Selsdon, South Norwood and Thornton Heath.
<b>Local Centre</b>	Provides (or has the potential to provide) a small grouping of units, typically comprising convenience stores, other small shops of a local nature, and some retail or non-retail services. Will typically serve its immediate suburb.	Beulah Road, Brighton Road (Sanderstead Road), Brighton Road (Selsdon Road), Broad Green, Hamsey Green, Pollards Hill, Sanderstead, Shirley and Thornton Heath Pond.
<b>Neighbourhood Centre</b>	Serving a local need smaller in scale to that of a Local Centre. They should be able to meet the day-to-day needs of the local community and allow for modest growth in order to accommodate local needs.	Ashburton Park, Brighton Road/Downlands Road, Brigstock Road, Coulsdon Road/Court Avenue, Fieldway Green Lane/Northwood Road, Kenley (Godstone Road), London Road/Kidderminster Road, Lower Addiscombe Road, Cherry Orchard Road, Portland Road/Watcombe Road/Woodside Avenue, Selhurst Road, Selsdon Park Road/Featherbed Lane, Shirley Road, South End/Parker Road/St Peter’s Church, South Norwood Hill, Spring Park/Bridle Road, Waddon Road/Abbey Road and Woodside Green.

Source: Nexus Planning

## Protecting Community Facilities in Primary and Secondary Shopping Frontages

- 16.46 Policy DM19.1 of the Croydon Local Plan 2018 explains that the Council will permit the loss of existing community facilities where, inter alia, *“the existing use is located on the ground floor within a Primary Retail Frontage, a Shopping Parade or a Restaurant Quarter Parade”*. We understand that the term ‘Shopping Parade’ includes Primary and Secondary Shopping Frontages.
- 16.47 The Council is concerned with any influx in such losses and has asked us to consider whether it should consider greater protection for community facilities from change of use planning applications.
- 16.48 In practice, local authorities usually utilise the Primary Shopping Area definition to help designate those frontages which they are keenest to see prosper in retail use, with more liberal town centre uses applied to smaller centres and their Primary and Secondary Shopping Frontages. Within that context, and particularly given the more recent changes to the GDPO and Use Classes Order highlighted in Section 2 which have resulted in a simplified process for securing residential development on many high streets, we would advocate the following changes. The Council should consider a shift in policy in recognition of a) the beneficial nature of community uses to footfall and uniqueness on Primary and Secondary Shopping Frontages, and b) the increasing pressures for residential conversion on the high street.
- 16.49 More broadly, we note that Paragraph 86 of the NPPF requires local plans to *“define the extent of town centres and primary shopping areas”*, with there now being no specific requirement to identify Primary and Secondary Retail Frontages.
- 16.50 Annex 2 of the revised NPPF indicates that a Primary Shopping Area is the *“Defined area where retail development is concentrated”*. Annex 2 also identifies that a town centre is the *“Area defined on the local authority’s policies map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area”*.
- 16.51 In our opinion, the Council may wish to consider whether it is necessary to designate Primary and Secondary Shopping Frontage within a Primary Shopping Area. There is no requirement to do so in the NPPF, and whilst it can be introduced as a locally applicable development management tool, when viewed in the context of the Use Class Order and Permitted Development changes outlined above, they are now inherently difficult to police. Whereas previous policy may have been aimed at retaining retail uses within a tightly defined core area, such policies now have less teeth due to the policy changes. There is, of course, also merit as to why the Government has introduced Class E and the permitted development right. This is to alleviate planning restrictions on property owners so that they can more speedily bring forward alternative uses, which would generate additional footfall to a centre with wider overall benefits.
- 16.52 Having conducted the health checks as part of this study, we are of the view that CMC, in particular, is already experiencing a range of commercial and economic pressures, which would suggest that flexibility is important and that the additional layer of a Primary and Secondary Retail Frontage policy may be unduly restrictive. This, however, does not mean that there will be no control over undesirable development, as Primary Shopping Area policy would still apply.

## Summary

- 16.53 The findings of this Study can be summarised as follows:
- Retail Capacity and Strategy: we have calculated convenience, comparison and leisure floorspace capacities for the period to 2040. When based against our qualitative findings, it is evident that existing convenience floorspace in town centres is trading very well. Despite identifying some capacity, **we do not suggest that there is a pressing need**

**for any new foodstores in the early part of the Plan period.** However, there may be capacity for additional floorspace as part of the Purley Way Transformation Area. There is no identified capacity for comparison goods, and only limited identified capacity for food and beverage floorspace in the early part of the Plan period. In both cases, **we suggest that the Council takes a cautious approach to any out-of-centre proposals.**

- The Impact of the forecast closure of Box Park in 2027: **We have estimated that the closure of Box Park could result in a circa 1.6% loss of trade to Croydon Metropolitan Centre through associated linked trips.** To off-set this potential future impact, the Council will no doubt think carefully about the potential to re-use the space at Box Park for other trip generating uses.
- The Purley Way Transformation Area: We are supportive of the broad proposals contained within the Masterplan, but **caution against any further big-box comparison goods retail units** due to the impact it might have on Croydon Metropolitan Centre. **There is support for additional convenience goods provision as part of the proposed Valley Park Town Centre,** likely to be in the vicinity of Ampere Way Station.
- The Retail Hierarchy: We have assessed the existing retail hierarchy and conclude that **it remains fit for purpose based on the empirical evidence of the Study.**
- Primary and Secondary Shopping Frontages and the protection of Community Facilities: in view of the findings of our health-check assessments, **we recommend additional flexibility within the Plan Review for allowing community facilities within the Primary and Secondary Retail Frontages** in recognition of their footfall-generating potential. More widely, we have suggested that the **Council may also wish to review the imposition of Primary and Secondary Shopping Frontages** to offer additional flexibility. Instead, protective policy could focus on the Primary Shopping Area designation.

## Glossary of Terms

<b>Bulky goods:</b>	Goods of a large physical nature (for example DIY, furniture, carpets) that sometimes require large areas for storage or display. <i>Source: Planning Portal</i>
<b>Capacity:</b>	Forecast resident spending within the catchment area, with which to support existing and additional retail floorspace. <i>Source: Planning Portal</i>
<b>Comparison Goods:</b>	Retail items not bought on a frequent basis, for example televisions and white goods (fridges, dishwashers etc.). <i>Source: Planning Portal</i>
<b>Convenience Goods:</b>	Everyday essential items, such as food. <i>Source: Planning Portal</i>
<b>Edge-of-Centre:</b>	For retail purposes, a location that is well connected to, and up to 300 metres from, the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge of centre, account should be taken of local circumstances. <i>Source: NPPF</i>
<b>Expenditure per Capita:</b>	The amount of money spent on retail goods per person in each Zone across the Study Area.
<b>Expenditure:</b>	Average annual expenditure levels for various forms of goods, multiplied by the population within the defined Study Area.
<b>Experian Goad:</b>	Experian Goad is a retail property intelligence system that helps retail developers, property investors, planning professionals, and commercial agents to identify profitable locations for retail property development and investment projects. It offers comprehensive retail location plans and easy to use reports covering over 3,000 shopping areas in the UK.
<b>Experian App Library Micromarketer:</b>	A population, expenditure and socio-demographic dataset that utilises the 2021 Census release, projected forward by using growth rates derived from Office for National Statistics projections and current age and gender estimates.
<b>Financial &amp; Business Services:</b>	An Experian Goad category comprising the likes of banks, building societies, employment agencies, legal services, estate agents and business services. <i>Source: Experian Goad</i>

<b>Goad Plans:</b>	A plan showing a bird's eye view of a retail centre including the exact location of all retail outlets and vacant premises, fascia name, retail category, and floor space. Key location factors such as pedestrian zones, road crossings, bus stops and car parks are also featured, allowing you to instantly assess the site quality of existing or prospective store locations. <i>Source: Experian</i>
<b>Independent Retailers:</b>	Retailers with eight or less outlets/ stores. <i>Source: Experian</i>
<b>Leisure Services:</b>	An Experian Goad category for town centre leisure units which includes bars, cafes, cinemas, nightclubs, take-aways, hotels, public houses and restaurants. For clarity, it does not include facilities for leisure pursuits e.g. sports centres, swimming pools or health & fitness clubs. <i>Source: Experian Goad</i>
<b>Market Share:</b>	The proportion of residents that visit a particular retail destination, derived from household survey results.
<b>National Multiple:</b>	Defined as retailers with nine or more stores/ outlets. <i>Source: Experian</i>
<b>Primary Shopping Area:</b>	Defined area where retail development is concentrated. <i>Source: NPPF</i>
<b>Retail Floorspace:</b>	Total floor area of the property that is associated with all retail uses in square metres. May be expressed as a net figure (the sales area) or in gross (including storage, preparation and staff areas). <i>Source: Planning Portal</i>
<b>Retail Impact:</b>	The potential effects of proposed retail development upon existing shops. <i>Source: Planning Portal</i>
<b>Retail Services:</b>	An Experian Goad category comprising the likes of dry cleaners, health & beauty, opticians, photo processing, post offices and travel agents. <i>Source: Experian Goad</i>
<b>Requirements List:</b>	Commercial demand is taken from The Requirements List, a subscription-based website which, amongst other services, provides information of retailers actively seeking to expand into particular towns and localities across the UK.
<b>Sales Density:</b>	Gross turnover, per square metre. Various retail planning sources such as GlobalData and Mintel Retail Rankings provide average (or benchmark) sales densities for national

multiple convenience retailers.

**Sequential Approach:**

A planning principle that seeks to identify, allocate or develop certain types or locations of land before others. For example, town centre retail sites before out-of-centre sites.

*Source: Planning Portal*

**Special Forms of Trading:**

Special forms of trading (SFT) are defined as sales via the internet, mail order, stalls and markets, vending machines, door-to-door and telephone sales, including online sales by supermarkets, department stores and catalogue companies.

*Source: Experian*

**Turnover:**

Amount of sales per unit area of retail floorspace

*Source: Planning Portal*

**Town Centre:**

Area defined on the local authority's proposal map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in Local Plans, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

*Source: NPPF*

# Appendix A – Croydon Metropolitan Centre Composition Maps

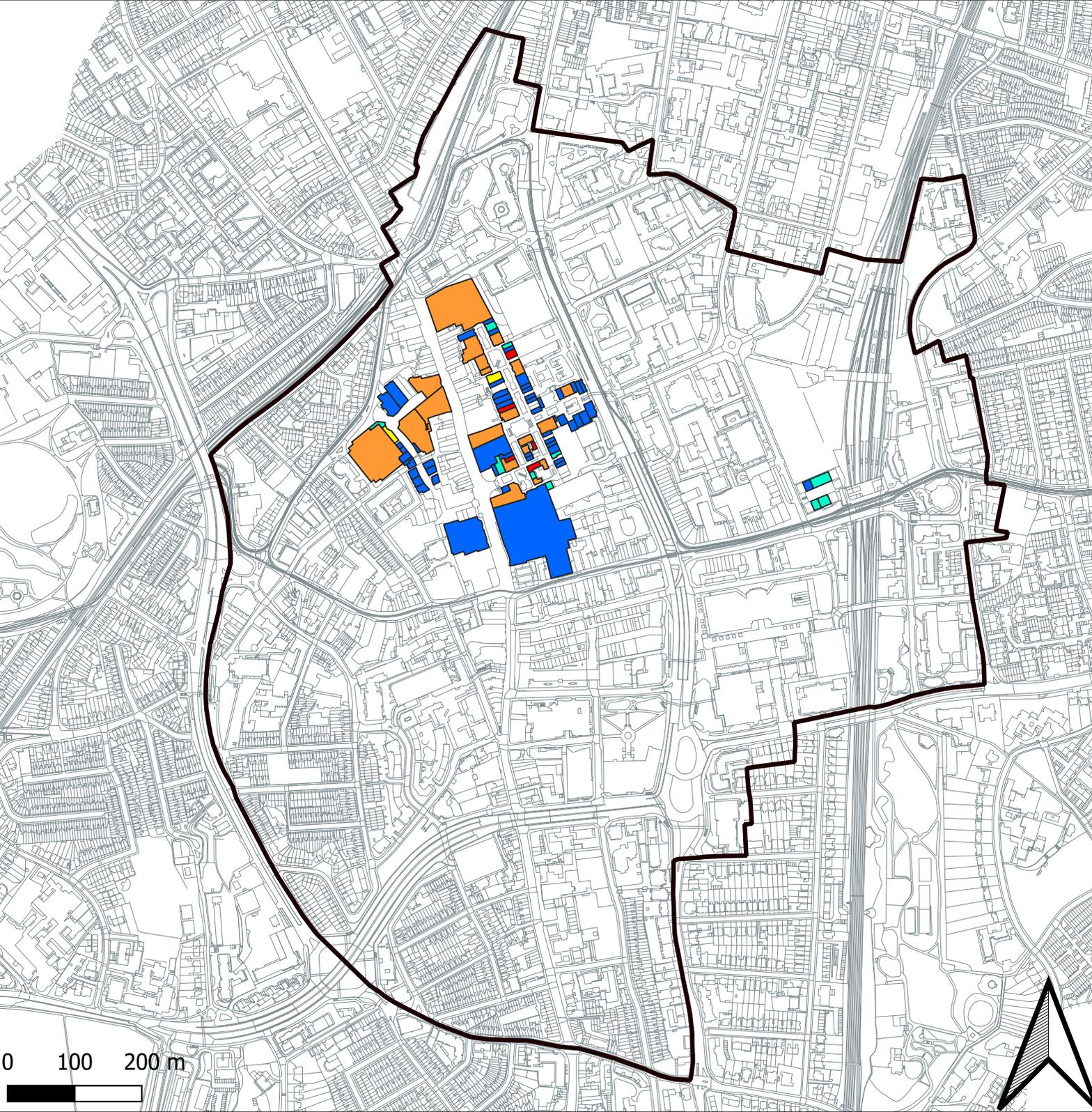
## Croydon Metropolitan Centre Ground Floor Composition

-  Comparison
-  Convenience
-  Financial & Business Service
-  Leisure Service
-  Retail Service
-  Vacant
-  Boundary of Croydon Metropolitan Centre

0 100 200 m

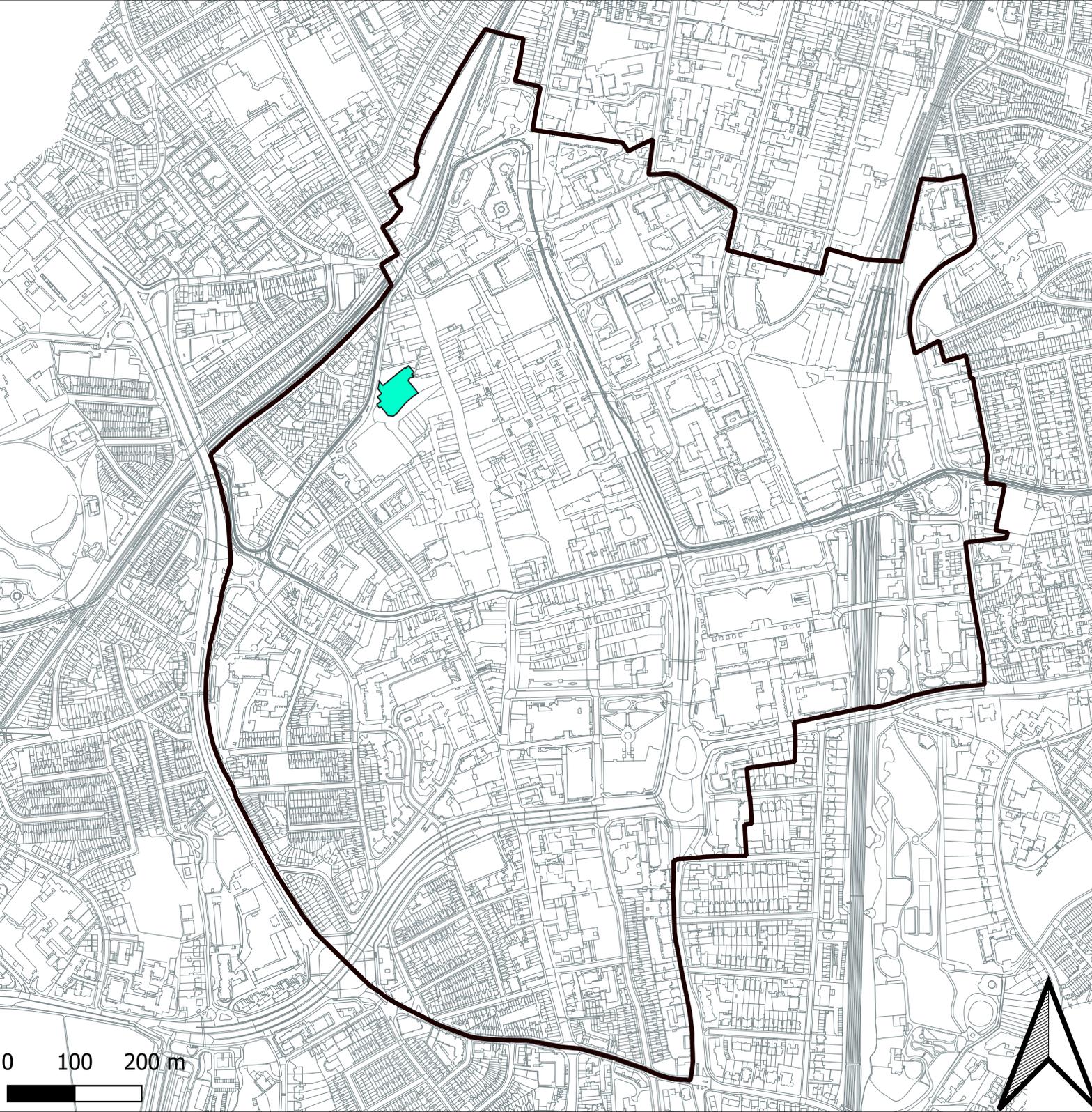


## Croydon Metropolitan Centre First Floor Composition



-  Comparison
-  Convenience
-  Financial & Business Service
-  Leisure Service
-  Retail Service
-  Vacant
-  Boundary of Croydon Metropolitan Centre

## Croydon Metropolitan Centre Second Floor Composition

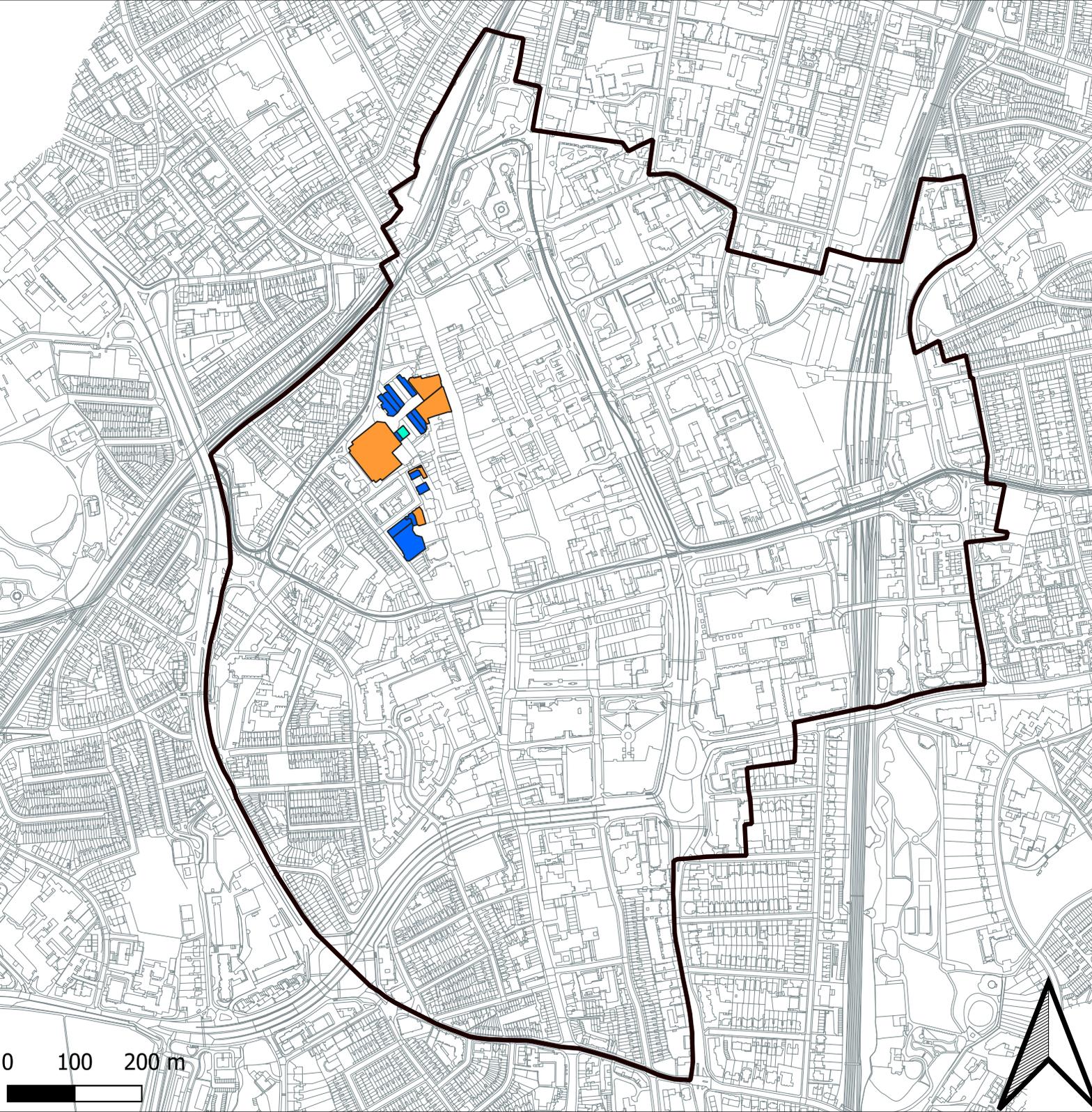


-  Comparison
-  Convenience
-  Financial & Business Service
-  Leisure Service
-  Retail Service
-  Vacant
-  Boundary of Croydon Metropolitan Centre

0 100 200 m



## Croydon Metropolitan Centre Lower Floor Composition



-  Comparison
-  Convenience
-  Financial & Business Service
-  Leisure Service
-  Retail Service
-  Vacant
-  Boundary of Croydon Metropolitan Centre