GREATER**LONDON**AUTHORITY

planning report PDU/0187h/02

25 July 2012

The O2 Arena

in the Royal Borough of Greenwich

planning application no. 11/3033/O

Strategic planning application stage II referral (new powers)

Town & Country Planning Act 1990 (as amended); Greater London Authority Acts 1999 and 2007; Town & Country Planning (Mayor of London) Order 2008

The proposal

Development of 13,500 sq.m. additional retail (Use Class A1) floorspace within existing structure of the 02 Arena for use in connection with a retail outlet village.

The applicant

The applicant is **AEG**, and the architect is **RTKL Associates.**

Strategic issues

The strategic matters raised regarding the **quantum of retail, reduction in leisure uses, design, access, climate change and transport matters** have been broadly addressed**.**

The Council's decision

In this instance Greenwich Council has resolved to grant permission subject to a section 106 agreement.

Recommendation

That Greenwich Council be advised that the Mayor is content for it to determine the case itself, subject to any action that the Secretary of State may take, and does not therefore wish to direct refusal.

Context

1 On 5 January 2012 the Mayor of London received documents from Greenwich Council notifying him of a planning application of potential strategic importance to develop the above site for the above uses. This was referred to the Mayor under Category 3E of the Schedule to the Order 2008:

Category 3E

"1. Development — a) which does not accord with one or more provisions of the development plan in force in the area in which the application site is situated; and (b) comprises or includes the

provision of more than 2,500 square metres of floorspace for a use falling within any of the following classes in the Use Classes Order—

(i) class A1 (retail);"

2 On 7 February 2012 the Mayor considered planning report PDU/0187h/01, and subsequently advised Greenwich Council that the application did not comply with the London Plan, for the reasons set out in paragraph 56 of the above-mentioned report; but that the possible remedies set out in paragraph 58 of that report could address these deficiencies.

3 A copy of the above-mentioned report is attached. The essentials of the case with regard to the proposal, the site, case history, strategic planning issues and relevant policies and guidance are as set out therein, unless otherwise stated in this report. On 5 July 2012 Greenwich Council decided that it was minded to grant planning permission and on 13 July 2012 it advised the Mayor of this decision. Under the provisions of Article 5 of the Town & Country Planning (Mayor of London) Order 2008 the Mayor may allow the draft decision to proceed unchanged or direct Council under Article 6 to refuse the application. The Mayor has until 26 July 2012 to notify the Council of his decision and to issue any direction.

4 The decision on this case, and the reasons will be made available on the GLA's website www.london.gov.uk.

Update

5 At the consultation stage Greenwich Council was advised that the application did not comply with the London Plan, for the reasons set out in paragraph 56 of the above-mentioned report; but that the possible remedies set out in paragraph 58 of that report could address these deficiencies:

- **Principle of development: (non compliant)** the GLA is still assessing the impacts of retail increase on other centres and may provide further comment in due course.
- **Climate change: (non compliant)** the GLA is still assessing the energy strategy which currently falls below the targets in policy 5.2 of the London Plan. Further comment will be provided in due course.
- **Transport: (non compliant)** the primary concern is the potential impact this development may have on the highway network and the level of parking associated with the development. Further discussion is required with TfL.

6 Since then the applicant has responded as set out below.

Principle of development

7 At the consultation stage GLA officers were in the process of scrutinising the applicant's retail impact analysis in the context of the out of town centre location and having regard to London Plan polices 2.15, 4.7-4.8 and the guidance contained within PPS4 *Planning for sustainable economic growth*. Since then the Government has published the National Planning Policy Framework and rescinded various PPS's including PPS4.

8 Paragraph 24 of the National Planning Policy Framework sets out *"Local planning authorities should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan. They should require applications for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered. When considering edge of centre and out of centre proposals, preference should be given to accessible*

sites that are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale".

9 As identified at the consultation stage the site is an Opportunity Area (Greenwich Peninsula) in the London Plan (Map 2.4). Annex 1 of the Plan provides further policy guidance under ref 11, Greenwich Peninsula, and identifies the site as an internationally significant leisure attraction with the main focus of commercial development at the north of the Peninsula around the O2 Centre and the Jubilee Line station. Furthermore, table A2.2 of the London Plan identifies potential future changes to the town centre network over the plan period and identifies North Greenwich as currently unclassified but with the potential for change to a District Centre. The District Centre designation is being brought forward in the Councils emerging draft Core Strategy.

10 Annex 1 of the National Planning Policy Framework notes that weight can be given to emerging polices according to the stage of preparation, unresolved objections to the relevant policies and degree of consistency with the Framework itself. The Council reports that no specific objection to the proposed designation as a District Centre has been made from the last round of consultation.

11 The Council also notes that (paragraph 10.13 – 10.24 Officer report)

"The proposed retail floorspace will perform a very different role to traditional high streets and retail parks. The catchment area of outlet centres is extensive, attracting a large proportion of trade from further afield including occasional day trippers and a large number of organised coach trips.

Items sold from ROVs generally comprise of surplus stock from the previous season.

There are currently 10 ROV's located in the south-east ranging from 8,826 square metres scheme at The Waterfront, Brighton to the 28,000 square metres scheme at Hatfield (The Galleria). At present, there are no ROVs located within London. The only designer outlet centre planned in London forms part of the Wembley City development which was granted outline consent in 2004 and includes proposals for approximately 35,000 square metres of retail floorspace. This is expected to open in late 2013.

The O2 Arena is currently an established destination in its own right, and the proposed inclusion of a ROV within the existing complex is expected to further enhance this attraction particularly for daytime visitors.

A Retail Statement was submitted with the application based on the fact that the planning application is for 'restricted retail' in the form of an ROV.

The sequential site assessment was completed against the town centres of Woolwich, Eltham, and Greenwich. The scope of the sequential site analysis was to ascertain whether there are any sites or vacant units within the defined town centre or in an edge of centre location which are available, suitable and viable for the proposed development.

A ROV depends on a critical mass of floorspace to encourage both visitors and retailers. Disaggregating these units into separate locations will not achieve the same ROV concept. It is not therefore appropriate to locate individual units proposed within existing vacant units within any of the centres for the reasons set out above. A minimum site size of 10,000 square metres has been considered for the sequential site assessment which will allow for some flexibility in terms of the quantum of retail floorspace provided as part of this development whilst having regard to the requirement to provide a critical mass of floorspace for the ROV concept to operate.

The rationale for the sequential site search has been set out and has demonstrated that there are no sequentially preferable sites that are available, viable or suitable for the proposed development.

An assessment based on the potential trade diversion resulting from the proposed development was also undertaken on comparison or durable goods outlets. The proposed ROV will mainly comprise comparison goods floorspace, this will be incidental to the overall offer of the development and will not in itself be sufficient scale to draw trade. Any convenience goods expenditure that takes place is incidental to the comparison goods expenditure. The town centre health checks undertaken in support of this application have found that Woolwich, Eltham and Greenwich are vital and viable centres. The ROV is not considered to affect the overall vitality and viability of these centres.

If outline consent is granted for an ROV within The O2, it will remain overwhelmingly a leisure led destination where the permitted (8,195 square metes) and the proposed additional controlled retail floorspace (13,500 square metres) would only account for 15.8% of the total floorspace."

12 GLA Officers have also scrutinised the Retail Statement and are broadly satisfied that the analysis and impact arising is acceptable in strategic terms. The Council has included suitable draft conditions to restrict the retail provision to fall within the range typically associated with ROV's, currently 30% below the recommended retail price.

Climate change

13 At the consultation stage the GLA requested further detail work regarding the energy strategy to ensure the approach was consistent with the London Plan. Officers have met with applicant and agreed an approach as set out below.

Energy efficiency standards

14 A range of passive design features and demand reduction measures are proposed to reduce the carbon emissions of the proposed development. Both air permeability and heat loss parameters will be improved beyond the minimum backstop values required by building regulations. Other features include energy efficient lighting and mechanical ventilation with heat recovery. The demand for cooling will be minimised through the use of high performance shading and solar shading.

15 Based on the information provided, the proposed development does not achieve any carbon savings from energy efficiency alone compared to a 2010 Building Regulations compliant development. Given the type of building fabric that forms the O2, it is accepted in this instance the development will not exceed 2010 Building Regulations compliance through energy efficiency alone.

District heating

16 The applicant has carried out an investigation given the potential Peninsula wide heat network the applicant has provided a commitment to ensuring that the development is designed to allow future connection to a district heating network should it become available.

Combined Heat and Power

17 The applicant proposes to install a 330 kWe gas fired CHP unit as the lead heat source for the site heat network. The CHP is sized to provide the domestic hot water load, as well as a proportion of the space heating. A reduction in regulated CO2 emissions of 771 tonnes per annum will be achieved through this second part of the energy hierarchy.

Renewable energy technologies

18 The applicant has investigated and discounted a range of renewable energy technologies. No further savings in CO2 commissions are therefore achieved under "Be Green". This is accepted in this instance given the shape and construction of the O2 building.

Overall carbon dioxide savings

19 The estimated regulated carbon emissions of the development are 771 tonnes of CO2 per year after the cumulative effect of energy efficiency measures and combined heat and power has been taken into account.

20 This equates to a reduction of 180 tonnes of CO2 per year in regulated emissions compared to a 2010 Building Regulations compliant development, equivalent to an overall saving of 19%.

21 The carbon dioxide savings falls short of the targets within Policy 5.2 of the London Plan and as such the applicant, in liaison with the Borough, will need to arrange for a cash in lieu contribution to be paid towards off-site carbon dioxide reduction projects in the borough.

22 Based on the proposed energy strategy, the development currently falls short of the London Plan target by 58 tonnes. Based on the current working assumption of £46/tonne CO2 over 30 years this shortfall would result in a cash in lieu contribution of approximately £80,040.

23 This has been agreed by the applicant and included in the draft heads of terms.

Transport for London's comments

24 At the consultation stage the principal concerns were car generated trips, the availability of car parking at the 02 venue, possible conflicts (traffic and parking) on 02 event nights and additional traffic generation in the evening peak.

Car parking

25 The applicant has advised that in addition to adopting a car parking pricing strategy to discourage car trips, they will continue to promote sustainable travel; public transport before the private car. Car use would also be monitored and reported as part of the overall 02 travel planning commitments.

26 There is car parking available at the site in excess of the London Plan maximum, but not all is within the control of the applicant for example, the existing London Underground Car Parking at North Greenwich.

27 It is also recognised that it is in the applicant's interest to ensure an effective management strategy and appropriate travel planning measures to minimise clashes with 02 event night demand for car parking. There is also a requirement for the applicant to enter into a legal agreement with the local planning authority in relation to car parking charges and a car parking management plan.

28 TfL is therefore satisfied that this approach is reasonable and consistent with London Plan Policy 6.1 strategic approach.

Travel Plan

29 The applicant has confirmed that the existing travel plan for O2 will be revised to include the proposed change of use and will cover all transport modes including taxi, river services and Emirates Airline. They have also confirmed they will continue with the regular monitoring programme as currently exists for the 02. The borough has agreed conditions requiring the submission of a travel plan which satisfies London Plan Policy 6.3 assessing the effects of development on transport capacity.

Cycling

30 In addition to the provision of cycle parking to accord with London Plan standards the applicant has confirmed lockers (25) and showers (4) will be provided for staff in one back of house area which satisfies London Plan Policy 6.9 cycling; details of which are to be approved by the Council.

Construction logistics and delivery and service plans

31 The applicant has confirmed they are content for these to be secured either by condition and or section 106 agreement and the borough has imposed conditions to this effect, which complies with London Plan Policy 6.3 assessing the effect of development on transport capacity.

Traffic Management Act and build over agreements

32 The applicant has agreed that a separate build over agreement will be required with TfL as the development is over the southern bore of the Blackwall Tunnel. The Council has required the applicant to enter into a build over agreement and to provide TfL will the necessary 24 hour access to the Blackwall Tunnel ventilation shaft as part of the section 106 commitments.

Community Infrastructure Levy

33 Since reporting the application at the consultation stage, in accordance with London Plan Policy 8.3 the Mayoral Community Infrastructure Levy has now come into effect. As advised at consultation stage this development will attract a charge of £35 per sq.m.

Section 106 agreement

34 In addition to the TfL Build Over Agreement requirement, the following heads of terms have been agreed:

- Transport (specific car park for the ROV, car parking charges and management plan).
- Financial contribution towards public realm.
- Financial contribution towards public safety.
- Financial contribution towards cultural strategy.
- Financial contribution towards environmental health.
- Commitment to secure a high end retail offer.
- Financial contribution towards energy.

Response to consultation

Environment Agency (EA):
No objection

London City Airport:
No objections subject to conditions

Thames Water (TW):
No objections subject to conditions and informatives

Southern Gas Network:
No objection subject to conditions

London Fire and Emergency Planning Authority (LFEPA):
No objection subject to.

Tower Hamlets:
No objection

Greenwich Peninsula Regeneration Limited (GPRL):

- As developers of the Greenwich Peninsula Masterplan, GPRL supports the principle of the Retail Outlet Village (ROV) within The O2 as a complementary use to the existing uses within The O2 and the approved Peninsula Masterplan. It is expected that the additional activity and footfall created by the proposals will have a beneficial effect on, and help raise the profile of, Greenwich Peninsula. However it is important that any impacts associated with the ROV are fully understood and where necessary adequately controlled via planning conditions and obligations. For this reason, GPRL seek additional clarification/assurance on several matters prior to determination of the application.
- GPRL has a close working relationship with AEG as all parking for The O2 is provided on land under our control. This is currently provided through a series of surface car parks (car parks 1, 2 and 4) which provide 2,099 spaces.
- As the Masterplan is built out these surface car parks will be replaced with multi-storey car parks located within the identified masterplan plan plots. The ROV will utilise Car Park 1 which has a capacity of 1,299 spaces.

Retail Restrictions

- GPRL agree with the applicant's proposed planning conditions (as set out within Chapter 7 of the Planning Statement) which will control the type of goods sold and the level of discount (minimum 30%) from High Street Retail Prices. These conditions are essential to limit the potential impacts on existing town centres such as Greenwich, Woolwich and Eltham and the emerging district centre on Greenwich Peninsula. The Peninsula Masterplan consent for circa 350,000 square feet of retail and food/drink uses which is an essential part of the masterplan, providing vitality and vibrancy and convenience and comparison retail facilities to the residents and workers on the Peninsula.
- In relation to goods sold, GPRL note that the applicant is seeking the sale of books, newspapers/magazines and other newsagent type offers in the ROV. GPRL do not consider this is appropriate within the ROV as it may harm the existing town centres and the retail proposed within the Masterplan.
- In addition to the conditions suggested by the applicant, consideration should also be given to include a condition limiting the size of units that can be provided within the ROV in order to protect existing and emerging retail centres and provide a mix of sustainable retail uses. The outline Masterplan planning permission contains such conditions and GRPL consider these conditions should be carried forward in any ROV permission.

Floor Areas

- The planning history relating to the floor areas within The O2 is very complex and the submission would benefit from a single table which clearly sets out what area has been approved, what has been built out to date under these approvals and how much the ROV application proposes to consolidate to position.

- It is noted that the floorspace figures provided on a GIA basis rather than GEA, which is the standard for applications for planning permission and assessing traffic and retail impact and could increase the area by a much as 10%. It acknowledged that the ROV is provided within an existing structure (The O2) however confirmation should be sought from the application that for the purposes of this application the GIA and GEA floorspace are consistent.

Car Park 1 – Parking Capacity

- The planning application forms state that the ROV will be open from 10:00- 22:00 Monday-Sunday. However, the TA states (paragraph 4.3) that the ROV will close at 20:00 and parking calculations with the TA are based on all ROV visitors having left by 21:00 (one hour after closing).
- Ensuring sufficient car parking capacity can be provided within Car Park 1and ultimately within the Masterplan is a critical issue for GPRL. GPRL are particularly interest in understanding the dual aspect of Car Park 1 for both ROV and Arena uses, and in particular the 'overlap' periods between the uses. In relation to Car Park 1, The O2 state on their web site "It is highly recommended that your parking is pre-booked due to the limited availability of space".
- Clarification of the opening hours for the ROV is essential to determine the extent of any 'overlap' between the ROV and The O2 and whether capacity within Car Park 1 will be adequate. If the ROV closes at 22:00, it is likely that there will still be a significant number of shoppers cars in Car Park1 at peak Arena arrival times. Although with the earlier closing time of 20:00 stated in the TA the position is improved, GPRL question whether all shopper cars will have left Car Park 1 by 21:00 as indicated in the TA. The applicant references Ashford ROV dwell time in their TA, however it is considered that the dwell time for The O2 ROV and all other uses in and around The O2 would be considerably longer than this and extend further into the evening.
- GPRL consider that applicant should also assess the predicted parking demand generated by The O2 once all of the proposed floorspace is fully developed out. This will ensure that the total number of car parking spaces provided within the temporary car parks is adequate but more importantly the permanent parking proposed within the Masterplan will be sufficient.
- As stated above, parking is critical issue for GPRL and the Masterplan and therefore GPRL would request that a planning condition be placed on any planning permission requiring the application to submit a car park management strategy prior to the commencement of development. This strategy should be continually reviewed an updated when the ROV is operational and as the Masterplan is built out. It should also contain remedial measures should the predicted parking capacity not be sufficient.

Coach Parking

- Coach parking for all of The O2 is currently provided within Car Park 1. The TA does not discuss the number of additional coach trips that are predicted to be generated by the ROV and whether existing provision is adequate to service the ROV and the O2. Further details should be provided on this matter.

<u>Council's response</u>

"The sale of books, magazines and newspapers is considered to be ancillary to the certain proposed uses within the ROV, for example coffee shops. The percentage of proposed floorspace which would be given to this type of offer is likely to be minimal due to the nature of the retail

outlet village retailing and therefore the request to restrict the sale of such goods by condition is considered unnecessary.

The applicant is willing to accept a condition limiting the size of the retail units similar to the condition previous used for Phase II consent (ref:08/0197/O).

A condition is proposed that will limit the maximum floor area and the permitted uses within the O2 Entertainment District.

The difference highlighted by GPRL with regards to the proposed opening hours of the ROV has come about due the need to retain flexibility in the opening hours of the ROV for special events such as late night events at Christmas. The regular trading hours of the ROV is expected to be cease at 20:00 each day. Since the comments from GRPL were submitted, the applicant has been in further discussion with TfL resulting in the following agreed measures in relation to the car parking:

- *to continue with the promotion of the applicant's sustainable travel hierarchy (i.e. public transport before the use of the private car);*
- *this promotion is to be underpinned by the introduction of a car parking pricing strategy similar to that of the Arena to discourage car use; and*
- *for the car use to be monitored and reported as part of Travel Plan monitoring process.*

In relation to coach parking, the TA provides modal splits which identifies the proposed number of trips to be made by coach. These figures are considered to be reflective of potential users which will travel by this mode to this location within London. The applicant considered the existing coach park provision is more than adequate to accommodate the indicated trips by this method to the ROV together with trips to existing attractions at The O2 and the London Soccor dome".

<u>Greenwich Conservation Group:</u>

- The provision of so much additional retail floorspace a departure from the UDP.
- It also represents a major variation to the approved Masterplan, one of whose objectives is to provide leisure-led activities both within The O2 and in the vicinity of The O2
- Away from the 26,000 capacity Arena itself, there is a modest amount of A1 and A3 use but the introduction of 13,500sqm, albeit for a specialist shopping experience, will no longer mean that the venue is leisure-led.
- clarification is required as to how this additional retail floor space relates to the 22,800sqm (maximum) of retail development (use Class A1 and A2) which the Core Strategy sees as a being provided outside of the O2 Arena.
- It seems to us that any approval of this outline application should be conditional on maintaining the Core Strategy aspiration as this is seen as being for the benefit of the residents of the 10,000 new homes on the Peninsula.
- The specific nature of the proposal - a retail experience to be enjoyed within The O2 alongside the leisure experience - would seem to confirm, our view; the proposal will bring with it additional vehicle movements required to service the numerous outlets while at the same time there is likely to be an intensification of use of the temporary car parks in the vicinity of The O2.
- While not objecting to the proposal, the Group believe that the issue of specific shopping provision and the day to day shopping requirements of residents and workers within the Greenwich Peninsula as a whole needs to be determined.
- The Group regret that, with the demise of the Greenwich Peninsula Partnership Forum, it has not been possible for interested parties - local residents, workers and amenity groups

- to contribute prior to the submission of the application by the applicant, Ansco Phase 2 Limited.

Council's response

"In order to provide comfort that the floorspace will be used as a ROV a condition is proposed to restrict the floorspace for this use.

In comparison to previously approved consent, the proposal will result in a significant reduction in the number of person trips generated."

GLA response

35 The response to the consultation does not raise any new strategic planning matters that have not already been considered and addressed or mitigated against through draft conditions and section 106 obligations.

Legal considerations

36 Under the arrangements set out in Article 5 of the Town and Country Planning (Mayor of London) Order 2008 the Mayor has the power under Article 6 to direct the local planning authority to refuse permission for a planning application referred to him under Article 4 of the Order. The Mayor may also leave the decision to the local authority. In directing refusal the Mayor must have regard to the matters set out in Article 6(2) of the Order, including the principal purposes of the Greater London Authority, the effect on health and sustainable development, national policies and international obligations, regional planning guidance, and the use of the River Thames. The Mayor may direct refusal if he considers that to grant permission would be contrary to good strategic planning in Greater London. If he decides to direct refusal, the Mayor must set out his reasons, and the local planning authority must issue these with the refusal notice.

Financial considerations

37 Should the Mayor direct refusal, he would be the principal party at any subsequent appeal hearing or public inquiry. Government guidance in Circular 03/2009 (*'Costs Awards in Appeals and Other Planning Proceedings'*) emphasises that parties usually pay their own expenses arising from an appeal.

38 Following an inquiry caused by a direction to refuse, costs may be awarded against the Mayor if he has either directed refusal unreasonably; handled a referral from a planning authority unreasonably; or behaved unreasonably during the appeal. A major factor in deciding whether the Mayor has acted unreasonably will be the extent to which he has taken account of established planning policy.

Conclusion

39 The application is broadly consistent with the London Plan.

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7 February 2012

The O2 Arena

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Strategic planning application stage 1 referral (new powers)

Town & Country Planning Act 1990 (as amended); Greater London Authority Acts 1999 and 2007; Town & Country Planning (Mayor of London) Order 2008.

The proposal

Development of 13,500 sq.m. additional retail (Use Class A1) floorspace within existing structure of the 02 Arena for use in connection with a retail outlet village.

The applicant

The applicant is **AEG**, and the architect is **RTKL Associates.**

Strategic issues

The application raises strategic matters regarding the **quantum of retail, reduction in leisure uses, design, access, climate change and transport matters**.

Recommendation

That Greenwich Council be advised that the application does not comply with the London Plan, for the reasons set out in paragraph 56 of this report; but that the possible remedies set out in paragraph 58 of this report could address these deficiencies. The application does not need to be referred back to the Mayor if the Council resolve to refuse permission, but it must be referred back if the Council resolve to grant permission.

Context

1 On 5 January 2012, the Mayor of London received documents from Greenwich Council, notifying him of a planning application of potential strategic importance to develop the above site for the above uses. Under the provisions of The Town & Country Planning (Mayor of London) Order 2008 the Mayor has until 15 February 2012 to provide the Council with a statement setting out whether he considers that the application complies with the London Plan, and his reasons for taking that view. The Mayor may also provide other comments. This report sets out information for the Mayor's use in deciding what decision to make.

2 The application is referable under Category of the Schedule to the Order 2008:

Category 3E

"1. Development — a) which does not accord with one or more provisions of the development plan in force in the area in which the application site is situated; and (b) comprises or includes the provision of more than 2,500 square metres of floorspace for a use falling within any of the following classes in the Use Classes Order—

(i) class A1 (retail);"

3 Once the Council has resolved to determine the application, it is required to refer it back to the Mayor for his decision, as to whether to direct refusal or allow the Council to determine it itself, unless otherwise advised. In this instance if the Council resolves to refuse permission it need not refer the application back to the Mayor.

4 The Mayor of London's statement on this case will be made available on the GLA website www.london.gov.uk.

Site description

5 The O2 Arena (formally the Millennium Dome) is located at the northern end of Greenwich Peninsula at the northern end of the borough and is currently the main feature of the Peninsula which is undergoing significant regeneration as part of the phased outline masterplan originally approved in 2004.

6 To the south of the O2 Arena is Millennium Square a public square, which forms a key part of the urban realm, framing the main pedestrian access route for visitors to the O2 Arena arriving from the North Greenwich Transport Interchange.

7 The A102 Blackwall Tunnel Approach is located to the north of the site and forms part of the Transport for London Road Network (TLRN), providing linkages to the M25, M11 and cross river connection via the Blackwall Tunnel. North Greenwich transport interchange, which provides access to eight different bus routes and Jubilee Line train services, is approximately 200 metres away from the site. As a result, the site benefits from a very good public transport accessibility level (PTAL) score of 5 on a scale of 1-6 where 6 is the most accessible site.

8 The proposals relate to the internal use and arrangements of the existing O2 Arena, specifically the Entertainment District that comprises land within the confines of the O2 Arena to the north east and north west of the central doughnut.

Details of the proposal

9 The proposals relate to the expansion of the retail offer at the O2 Arena for a new retail outlet village. The increase in retail floorspace on the existing outline permission is 13,500 sq.m.

Case history

10 On 23 February 2004, outline planning permission (ref 02/2903/O) was granted for the comprehensive redevelopment of the Peninsula, and for the permanent retention and change of use of the Millennium Dome (now the 02 Arena) to provide an arena and the Millennium Dome Waterfront leisure and entertainment area, as well as for the development of a Millennium Square.

11 The approved floorspace figures are summarised below as set out in the applicant's planning statement:

Figure 1 permitted and proposed changes to floorspace breakdown (excludes main arena area)

Use	**Floorspace permitted to date** (sq m)	**Floorspace proposed additions and reductions** (sq m)	**Floorspace permitted following application** (sq m)
Retail (A1)	8,195	0	8,195
Restricted Retail (A1)	0	+13,500	13,500
Food & Drink (A3 & A4)	15,080	0	15,080
Exhibition	11,760	-7,937	3,823
Leisure Sports and Entertainment	52,220	-26,779	25,441
Conference centre, shows & associated use	7,380	0	7,380
Sub Total	**94,635**	**-21,216**	**73,419**
Maximum total floorspace allowed under consents	**86,000**	**-**	**70,000**

Figure 2 overall resultant floorspace within the O2 Arena (subject to permission)

Use	**Floorspace permitted** (sq m)	***% of Sum Total***	
Retail (A1)	8,195	*6.0*	*15.8*
	13,500	*9.8*	
Food & Drink (A3 & A4)	15,080	*11.0*	*11.0*
Exhibition	3,823	*2.8*	*73.2*
Leisure Sports and Entertainment	89,081	*65.0*	
Conference centre, shows & associated use	7,380	*5.4*	
Sum Total	***73,419***	*100%*	*100%*

12 A pre-application meeting was held on 4 October 2011 with the GLA. GLA published advice in relation to the proposed development on 21 October 2011. The key strategic matter related to the principle of development, in particular defining the retail element of the scheme, some other design matters relating to way finding and access; climate change strategy and other matters relating to transport.

Strategic planning issues and relevant policies and guidance

13 The relevant issues and corresponding policies are as follows:

• Economic development	*London Plan; the Mayor's Economic Development Strategy; Employment Action Plan*
• World city role	*London Plan*
• Urban design	*London Plan; PPS1*
• Transport	*London Plan; the Mayor's Transport Strategy; PPG13*
• Crossrail	*London Plan; draft Mayoral Community Infrastructure Levy; Crossrail SPG*
• Parking	*London Plan; Assembly draft Early Minor Alteration to the London Plan; the Mayor's Transport Strategy; PPG13*
• Retail/town centre uses	*London Plan; PPG13, PPS4*
• Access	*London Plan; PPS1; Accessible London: achieving an inclusive environment SPG; Planning and Access for Disabled People: a good practice guide (ODPM)*
• Sustainable development	*London Plan; PPS1, PPS1 supplement; PPS3; PPG13; PPS22; draft PPS Planning for a Low Carbon Future in a Changing Climate; Mayor's Climate Change Mitigation Strategy; Mayor's Climate Change Mitigation and Energy Strategy; Mayor's Water*
• Tourism/leisure	*London Plan; Good Practice Guide on Planning for Tourism (DCLG)*

14 For the purposes of Section 38(6) of the Planning and Compulsory Purchase Act 2004, the development plan in force for the area is the 2006 Greenwich Unitary Development Plan (as saved 15 July 2009) and the London Plan 2011. Greenwich Council's draft Core Strategy and Development Management Policies Development Plan Document (for which consultation closed 5 February 2011) is also a material consideration. The Early Minor Alteration to the London Plan is also a material consideration of limited weight.

Principle of development

15 The site is identified as an Opportunity Area (Greenwich Peninsula) in the London Plan (Map 2.4). Annex 1 of the Plan provides further policy guidance under ref 11, Greenwich Peninsula, and identifies the site as an internationally significant leisure attraction with the main focus of commercial development at the north of the Peninsula around the O2 Centre and the Jubilee Line station.

16 Policies 2.15 and 4.7-4.8 of the London Plan provide the strategic framework for town centre policy development and implementation. Annex 2 of the London Plan also relates to London's town centre network. Table A2.2 identifies potential future changes to the town centre network over the plan period and identifies North Greenwich as currently unclassified but with the potential for change to a District Centre.

17 The masterplan for Greenwich Peninsula was granted planning permission in February 2004 and permitted two separate elements in relation to the retention of the former Millennium Dome.

- Arena floorspace for leisure sports and entertainment use up to 63,640 sq.m. (main arena)

- The Dome Waterfront floorspace, also known as the Entertainment District (ED) for up to 62,000 sq.m. comprising various uses including retail, food and drink, exhibition space, leisure, sports, entertainment, conference and service areas. (doughnut around the arena)

18 The phase two application increased the overall ED floorspace permitted from 62,000 sq.m. to 86,000 sq.m. with various quantum of specific uses identified provided these fell within the overall maximum.

19 The application proposes changes to the balance of uses within the ED and also a reduction in the maximum floorspace permission from 86,000 sq.m. down to 70,000 sq.m, but that within that an increase on the retail floorspace is proposed from 8,195 sq.m. as permitted, to 21,695 sq.m. representing an increase of 13,500 sq.m. The applicant is seeking the increase is controlled or restricted to discount retail in the form of a retail outlet village which serves end of season retail items.

20 As discussed at pre-application, national planning policy guidance for retail, leisure and entertainment, offices, arts, culture and tourism and other main town centre uses is provided by Planning Policy Statement 4 (PPS4) *Planning for Sustainable Economic Growth*. This was published in December 2009, and replaced PPG4 (1992), PPG5 (1992) and PPS6 (2005). The key change from PPS6 to PPS4 is the replacement of the need test with a wider ranging six-point impact test. The sequential test remains, as does the scale test, which has been incorporated into the new impact test alongside accessibility by a choice of means of transport. PPS4's main objectives include delivering more sustainable patterns of development, reducing the need to travel, especially by car, and responding to climate change, and promoting the vitality and viability of town and other centres as important places for communities.

21 Under current policy the Peninsula is not a town centre but is recognised within the UDP as a 'mixed use area' on the basis of the 2004 planning permission. The emerging Core Strategy does however seek to re-define the Peninsula as a district town centre. As noted above this is also supported in the London Plan table A2.2.

22 The London Plan identifies that typically district centres are distributed more widely than the metropolitan and major centres providing convenience goods and services for more local communities and accessible by public transport, walking and cycling. Typically they contain 10,000-50,000 sq.m. retail floorspace. Some district centres have developed specialist shopping functions. The Mayor did not raise general conformity matters regarding the emerging designation from the Council in the February 2011 pre-submission consultation on the Core Strategy.

23 Whilst this is the case as identified in the London Plan the re-classification is subject to capacity analysis, impact assessments, land use and accessibility, planning approvals, town centre health checks and full implementation. In the specific case therefore the tests under PPS4 still apply and whilst the emerging designation fits within the applicant's aspirations for increasing the retail offer, the impact on existing centres needs to be carefully considered.

24 The function of this type of facility needs to be considered using existing examples across the country; particularly those located within urban areas, and provide evidence of typical shopping patterns which will differ from typical non discounted high street shopping centres.

25 The focus of the O2 should remain entertainment and leisure led development as set out in the London Plan. Whilst the new approach could support a specialist shopping function in emerging policy the floorspace figures suggests that on the basis of the emerging proposals there is a significant reduction of 26,779 sq.m. of consented leisure, sport and entertainment space. It is therefore important that as well as providing specialist shopping function, the new approach does not undermine the strategic role the Arena plays as an internationally significant leisure attraction.

26 At present the GLA are still reviewing the supporting information regarding the impact of additional retail and regarding the reduction in leisure floor space. Further comment may be provided in due course.

27 In terms of controlling the retail offer as a retail outlet village, there should be appropriate conditions or legal clauses regarding the relevant percentage discount on products within the retail outlet village, to ensure that it does not compete directly with nearby town centres. The GLA is happy for the Council to lead on these negotiations.

Urban design

28 Good design is central to all objectives of the London Plan (2011) and is specifically promoted by the policies contained within chapter seven which address both general design principles and specific design issues. London Plan Policy 7.1 sets out a series of overarching design principles for development in London. Other design polices in this chapter and elsewhere in the London Plan include specific design requirements relating to maximising the potential of sites, the quality of new housing provision, tall and large-scale buildings, built heritage and World Heritage Sites, views, the public realm and the Blue Ribbon Network. New development is also required to have regard to its context, and make a positive contribution to local character within its neighbourhood (policy 7.4).

29 The internal arrangements regarding the different shopping character areas is broadly supported. The external appearance of the Arena will not change, but it is important that internally wayfinding, shopmobility and accessibility matters (particularly given the significant level change) are carefully designed. These can be secured by condition.

Climate change

30 The London Plan climate change policies as set out in chapter 5 collectively require developments to make the fullest contribution to tackling climate change by minimising carbon dioxide emissions, adopting sustainable design and construction measures, prioritising decentralised energy supply, and incorporating renewable energy technologies on-site. The policies set out ways in which developers must address mitigation of, and adaptation to, the effects of climate change.

31 The GLA energy team is still considering the content of the energy strategy. At present the proposals fails Building Regulations 2010 regarding energy efficient design by almost 10%. Combined heat and power technology provides approximately 18% carbon reduction beyond 2010 Building Regulations. Renewable energy options are also rejected due various technical constraints. Overall the proposal falls 7% short of the policy target set out in London Plan 5.2 (non domestic buildings) of 25% reduction in carbon dioxide emissions beyond 2010 Building Regulations.

32 Further consideration is required and the GLA will feed back further technical comments to the applicant and the Council in due course.

Transport for London's comments

<u>Car use and Car parking.</u>

33 It is stated that shoppers at the retail outlet village will use Car Park 1 at the 02 where 1,299 spaces are provided with 68 blue badge spaces and five electric vehicle charging points. Although the use of a specific car park would need to be secured by an appropriate condition or obligation if permission were to be granted there is concern that the level of potentially available parking represents a miss-match between the maximum car parking provision in the London Plan Policy 6.13.

34 The London Plan provides a maximum of 502 spaces using a space standard of one space per 50 sq.m. (across the development as a whole). This is demonstrated by the applicant's car parking accumulation exercise carried out in Chapter 5 of the Transport Statement which suggests that even with sensitivity testing, car park occupancy will only reach half of the maximum capacity. The car parking provision available for the retail outlet use should be reduced and controlled to discourage car use. It is noted that car parking charges are intended to be set at a level to discourage car trips which is supported, and will need to be secured through a section 106 agreement and related to the travel planning monitoring.

35 Whilst the retail trip generation for Saturday seems reasonable given the lack of more recent survey data the concern is whether the correct peak hour has been assessed for the weekday. The development visitor peak, which is stated to be the middle of the day, has been used as the basis for assessment. The peak hour on the transport network will be later than this and is composed mostly of commuter flows as the opening hours are suggested to be till 8pm (later in the evening than the Bicester example). The development may therefore generate more traffic particularly in the pm peak than is suggested and conflict with 02 event arrivals.

Mode Share

36 Mode share has been based on survey data for existing visitors to the 02 entertainment district. This shows visitors predominantly using the underground, with a car mode share of 27% (16% driver and 11% passenger). This relates to different land use where visitors are less likely to be carrying shopping and potentially has a different catchment area. This suggests that car use associated with this development is underestimated and a comparison should also be made with other retail destinations such as Stratford City or the proposed discount retail outlet at Wembley (both of which have similar public transport accessibility as the application site) to determine whether this mode share is realistic.

Travel Planning

37 Whist the use of travel planning is supported, there appears to be some confusion in the proposed modal splits. The figures for the 02 have been used and seemingly applied to the retail outlet village, for the above reasons there is some doubt whether this is appropriate. The proposed travel planning targets are 44% by tube, whereas the figures for the 02 supplied in the transport statement are 53% by tube with 27 % by car as compared to 44% and 33% for the entertainment district travel plan targets. The transport statement also refers to all staff travelling by non car mode, whereas the travel plan targets has staff driver and passenger targets of 1% and 6 % respectively.

38 A suitable obligation should be placed on any permission requiring the O2 travel plan to be updated to take account of this development. The travel plan should make provisions for individual occupiers within the retail outlet village to create standalone travel plans based on the travel plan for the O2 site.

Cycling

39 Cycle parking provision, particularly for staff should be further investigated; for example the reference to cycle parking near to Ravensbourne College is intended for use by students and should be retained as such. Lockers and showers should be provided in order to encourage cycling by staff which should be an aim of the Travel Plan.

Taxi use

40 There is currently a taxi rank at the station which serves the O2. There is also a successful private hire area where private hire vehicles wait to pick up their pre-booked jobs which is marshalled on event night. Depending on the demand this development generates the applicant should look into whether these facilities are sufficient or there a need to extend them in any way. If additional facilities are required these should be secured by condition section 106 agreement

River services

41 It is assumed that the travel plan will promote river services. However currently no reference is made to this mode of transport.

Emirates Airline

42 Emirates Airline is referred to in the transport statement but not assessed in any great detail. TfL nevertheless considers that the proposals will increase off peak demand for travel to/from the Greenwich Peninsula, and in turn any additional use of the Emirates Air Line is supported.

Construction and Servicing

43 A construction logistics plan should be secured by condition on the development to identify efficiency and sustainability measures to be undertaken while the development is being built including booking systems, consolidated or re-timed trips, secure off-street loading and drop-off facilities, details of traffic management and using operators committed to best practice, demonstrated by membership of TfL's Freight Operator Recognition Scheme (FORS), or similar. This should also comply with the wider Greenwich Peninsula construction logistics plan and where the opportunity arises, use of the River Thames should be included.

44 A delivery and servicing plan should be secured by condition or form part of the wider travel planning strategy for the development. This will identify efficiency and sustainability measures to be undertaken once the development is operational, for example including booking systems to minimise peak time deliveries and form part of the wider delivery and service plan for the 02.

Traffic Management Act

45 Should this application be granted planning permission, the developer and their representatives are reminded that this does not discharge the requirements under the Traffic Management Act 2004. Formal notifications and approval may be needed for both the permanent highway scheme and any temporary highway works required during the construction phase of the development.

Blackwall Tunnel Operations

46 TfL do not wish to see brown signs (for example 'retail outlet') on the Transport for London Road Network. The retail outlet will be part of the 02 which is already signed.

47 The proposals would be built above the southbound bore of the Blackwall Tunnel. A number of requirements must be met which will need to be part of a separate Build-Over Agreement with TfL.

48 PDF drawings are available indicating typical cross sections and plans through the Blackwall Tunnel, showing areas of land around the tunnel which Build-Over Agreements are required.

Summary

49 The primary concern, as outlined above, is the potential impact this development may have on the highway network and the level of parking associated with the development. The other issues, outlined above, should be addressed as part of the application process.

Community Infrastructure Levy

50 In accordance with London Plan *policy 8.3*, the Mayor of London proposes to introduce a London-wide Community Infrastructure Levy (CIL) that will be paid by most new development in Greater London. Following consultation on both a Preliminary Draft, and then a Draft Charging Schedule, the Mayor has formally submitted the charging schedule and supporting evidence to the examiner in advance of an examination in public. Subject to the legal process, the Mayor intends to start charging on **1 April 2012**. Any development that receives planning permission after that date will have to pay, including:

- Cases where a planning application was submitted before 1 April 2012, but not approved by then.
- Cases where a borough makes a resolution to grant planning permission before 1 April 2012 but does not formally issue the decision notice until after that date (to allow a section 106 agreement to be signed or referral to the Secretary of State or the Mayor, for example),.

51 The Mayor is proposing to arrange boroughs into three charging bands with rates of £50 / £35 / £20 per square metre of net increase in floor space respectively (see table, below). The proposed development is within the Royal Borough of Greenwich where the proposed Mayoral charge is £35 per square metre. More details are available via the GLA website http://london.gov.uk/.

52 Within London both the Mayor and boroughs are able to introduce CIL charges and therefore two distinct CIL charges may be applied to development in future. At the present time, borough CIL charges for Redbridge and Wandsworth are the most advanced. The Mayor's CIL will contribute towards the funding of Crossrail.

Mayoral CIL charging zones Zone	London boroughs	Rates (£/sq. m.)
1	Camden, City of London, City of Westminster, Hammersmith and Fulham, Islington, Kensington and Chelsea, Richmond-upon-Thames, Wandsworth	£50
2	Barnet, Brent, Bromley, Ealing, Greenwich, Hackney, Haringey, Harrow, Hillingdon, Hounslow, Kingston upon Thames, Lambeth, Lewisham, Merton, Redbridge, Southwark, Tower Hamlets	£35
3	Barking and Dagenham, Bexley, Croydon, Enfield, Havering, Newham, Sutton, Waltham Forest	£20

Local planning authority's position

53 The officer recommendation is currently unknown.

Legal considerations

54 Under the arrangements set out in Article 4 of the Town and Country Planning (Mayor of London) Order 2008 the Mayor is required to provide the local planning authority with a statement setting out whether he considers that the application complies with the London Plan, and his reasons for taking that view. Unless notified otherwise by the Mayor, the Council must consult the Mayor again under Article 5 of the Order if it subsequently resolves to make a draft decision on the application, in order that the Mayor may decide whether to allow the draft decision to proceed unchanged or direct the Council under Article 6 of the Order to refuse the application. There is no obligation at this present stage for the Mayor to indicate his intentions regarding a possible direction, and no such decision should be inferred from the Mayor's statement and comments.

Financial considerations

55 There are no financial considerations at this stage.

Conclusion

56 London Plan policies on town centre development, retail and leisure uses, design, climate change and transport are relevant to this application. The application complies with some of these policies but not with others, for the following reasons:

- **Principle of development: (non compliant)** the GLA is still assessing the impacts of retail increase on other centres. The Council should lead on the section 106 clauses which will define the type of retail being delivered on site (retail outlet village).
- **Urban design and access: (compliant)** the design approach will not impact on the external appearance of the O2 Arena. Internal arrangements regarding shopmobility and access can be conditioned in this instance.
- **Climate change: (non compliant)** the GLA is still assessing the energy strategy which currently falls below the targets in policy 5.2 of the London Plan.
- **Transport: (non compliant)** the development should avoid journeys in the peak. Given the proposed opening hours there is no issue in respect of the morning peak there is the likelihood of evening/pm peak hour conflict. There is a concern regarding the likely number of car generated trips arising from this development.

57 On balance, the application does not comply with the London Plan.

58 The following changes might, however, remedy the above-mentioned deficiencies, and could possibly lead to the application becoming compliant with the London Plan:

- **Principle of development: (non compliant)** the GLA is still assessing the impacts of retail increase on other centres and may provide further comment in due course.
- **Climate change: (non compliant)** the GLA is still assessing the energy strategy which currently falls below the targets in policy 5.2 of the London Plan. Further comment will be provided in due course.
- **Transport: (non compliant)** the primary concern is the potential impact this development may have on the highway network and the level of parking associated with the development. Further discussion is required with TfL.

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