

# REVITALISE



## Core strategy

CDB6. Employment Background Paper

March 2010



## CONTENTS

1.	INTRODUCTION .....	3
2.	POLICY BACKGROUND .....	3
2.1	National .....	3
	PPS1: Delivering Sustainable Communities (January 2005) .....	3
	PPS3: Housing (November 2006) .....	3
	PPS4: Planning for Sustainable Economic Growth (December 2009) .....	3
	PPS10: Planning for Sustainable Waste Management (July 2005) .....	4
	PPG13 – Transport (April 2001) .....	4
2.2	Regional .....	5
	London Plan (March 2008) (Consolidated with Alterations since 2004) .....	5
	Consultation Draft Replacement London Plan (October 2009) .....	6
	GLA Industrial Capacity Supplementary Planning Guidance (SPG) (March 2008) .....	8
	London Economic Development Strategy (January 2005) .....	8
	London Development Agency’s Corporate Plan 2007-2010 .....	9
	Visit London: The Mayor’s Plan for Tourism (September 2002) <b>Error! Bookmark not defined.</b>	
2.3	Local policy .....	10
	Southwark 2016: Sustainable Community Strategy (2006) .....	10
	Elephant and Castle Enterprise Quarter SPD (September 2008) .....	12
	Walworth Road SPD (September 2008) .....	12
	Canada Water SPG (February 2005) .....	13
	Elephant and Castle Development Framework SPG (2004) .....	13
	Southwark Employment Strategy 2005 - 2016 (June 2006) .....	14
	Southwark Enterprise Strategy 2005 - 2016 (June 2006) .....	15
3.	RESEARCH AND EVIDENCE .....	15
3.1	Employment overview of London and Southwark .....	15
	Business and financial services .....	17
	Manufacturing, storage and wholesale and utilities .....	17
	Creative and Cultural Industries .....	18
	Tourism .....	18
	Bankside and London Bridge .....	19
	Hotels and Catering .....	19
	Retail .....	20
	Transport and Communication .....	20
	Sciences and Medical/Healthcare .....	20
3.2	Enterprise .....	21
	Number and Size of Businesses .....	21
	Unemployment and skills .....	22
3.4	Land availability and demand .....	23
	Industry and Warehousing .....	23
	Offices .....	24
	Other Employment Generating Uses .....	28
4	THE OPTIONS .....	30
4.1	Issues and options .....	30
4.2	Preferred Options .....	30
5	STRATEGY .....	31
	Offices .....	31
	Industry and Warehousing .....	34
	Small Business Units .....	35
	Creative, cultural and tourism facilities .....	36
	Hotels .....	37

	Targeting new jobs and training opportunities which arise from development towards local people.....	38
	Promotion of supply chain opportunities for local businesses during and after construction of development.....	39
	Justification.....	39
6.	CONCLUSIONS.....	39
7.	DOCUMENT REFERENCES.....	40

## **1. INTRODUCTION**

- 1.1 This paper covers the employment and enterprise background and research that has informed Policy 10 and the supporting text contained within our core strategy. It summarises our evidence base, describes our strategy for employment and our reasons for selecting the approach we set out.

## **2. POLICY BACKGROUND**

### **2.1 National**

#### **PPS1: Delivering Sustainable Communities (January 2005)**

- 2.1.1 PPS1 emphasises the important role that the planning system has in the delivery of sustainable development. It encourages local authorities to make suitable land available for development in line with economic, social and environmental objectives to improve people's quality of life (para 5).

- 2.1.2 The PPS sets out that planning authorities should (amongst others):

- Recognise that economic development can deliver environmental and social benefits;
- Recognise the wider sub-regional, regional or national benefits of economic development and consider these alongside any adverse local impact;
- Ensure that suitable locations are available for industrial, commercial, retail, public sector (e.g. health and education), tourism and leisure developments, so that the economy can prosper (para 23).

#### **PPS3: Housing (November 2006)**

- 2.1.3 The Government's key housing policy goal is to ensure that everyone has the opportunity to live in a decent home, which they can afford, in a community where they want to live.

- 2.1.4 PPS3 identifies that to ensure effective use of land local planning authorities should consider a range of incentives or interventions that could help to ensure that previously developed land is developed in line with market trajectories. This should include considering whether sites that are currently allocated for industrial or commercial use could be more appropriately re-allocated for housing development (para 44).

#### **PPS4: Planning for Sustainable Economic Growth (December 2009)**

- 2.1.5 PPS4 sets out the Government's comprehensive policy framework for planning for sustainable economic development in urban and rural areas. Economic development is defined as development within the B Use Classes, public and community uses and main town centre uses. The policies in the PPS also apply to other development which achieves at least one of the following objectives:

- provides employment opportunities
- generates wealth or
- produces or generates an economic output or product (para 4)

2.1.6 With respect to employment land, the PPS emphasises the importance of maintaining flexibility to cater for the increasing diversity of businesses and jobs. The statement advises that local planning authorities should seek to make the most efficient and effective use of land and buildings, especially vacant or derelict buildings and should prioritise previously developed land which is suitable for re-use and for town centres, reflects the different location requirements of businesses, such as the size of site required, site quality, access and proximity to markets, as well as the locally available workforce (para EC2.1).

**PPS10: Planning for Sustainable Waste Management (July 2005)**

2.1.7 PPS10 requires that a broad range of sites including existing industrial estates should be considered when deciding where to locate new waste and recycling facilities. Effort should be made to locate waste processing facilities close to the producers of waste which are often those operating on existing business and industrial areas.

2.1.8 The PPS sets out that local waste planners should look for opportunities to locate complementary facilities together on appropriate sites. When identifying sites for waste management facilities the PPS suggests that local waste planners assess sites using the following criteria (para 21):

- The extent to which they support the policies in PPS10;
- The physical and environmental constraints on development, including existing and proposed neighbouring land uses;
- The cumulative effect of previous waste disposal facilities on the well-being of the local community, including any significant adverse impacts on environmental quality, social cohesion and inclusion or economic potential;
- The capacity of existing and potential transport infrastructure to support the sustainable movement of waste, and products arising from resource recovery, seeking when practicable and beneficial to use modes other than road transport, and
- Give priority to the re-use of previously-developed land, and redundant agricultural and forestry buildings and their curtilages.

**PPG13 – Transport (April 2001)**

2.1.9 PPG13 sets out the objectives to integrate planning and transport at the national, regional, strategic and local level and to promote more sustainable transport choices both for carrying people and for moving freight.

2.1.10 The guidance states that local planning authorities should seek to ensure that strategies in the development plan and the local transport plan are complementary. The consideration of development plan allocations and local transport priorities and investment should be closely linked. This role involves maximising the use of key sites located adjacent to transport interchanges (para 21).

2.1.11 With regard to office uses (B1), local planning authorities should adopt a positive, planned approach to identifying preferred areas and sites for B1 uses which are (or will be) as far as possible highly accessible by public

transport, walking, and cycling (para 32). In addition, local planning authorities are advised to adopt a flexible approach to the use of dwellings for home working to protect the amenity of the area for any neighbouring residential uses (para 33).

2.1.12 For warehousing and distribution uses (B8) PPG13 advocates that local authorities should aim to locate developments generating substantial freight, particularly bulk goods, away from residential/central areas, and ensure adequate access to major trunk roads. Opportunities for manufacturing (B2) and warehousing and distribution uses to be served by rail or waterways should be promoted wherever possible (para 45).

## **2.2 Regional**

### **London Plan (March 2008) (Consolidated with Alterations since 2004)**

2.2.1 The London Plan is the spatial strategy for Greater London spanning the next fifteen to twenty years. It sets out an integrated social, economic and environmental framework for the future development of London. The relevant policies are stated below.

2.2.2 Policy 3B.2 (Office demand and supply) sets out the Mayor's policy on office demand and supply. The plan advises that boroughs should

- enhance the environment and offer of London's office locations
- promote the provision of additional space and the rejuvenation of existing office space in Central Activities Zone (CAZ)
- develop strategies to manage long term, structural change in the office market beyond the CAZ
- work with the London development Agency (LDA), investors, developers, land owners and potential occupiers to bring forward and renew development capacity as efficiently as possible (see also Policy 4B.1).

2.2.3 Policy 3B.4 (Industrial locations) sets out guidance on the promotion, management and protection of Industrial Locations (SILs) around London. Boroughs should identify SILs in DPDs, and develop local policies and criteria to manage Locally Significant and other, smaller industrial sites outside the SILs having regard to an assessment of supply and demand and the potential to redevelop redundant employment land for alternative uses. The Old Kent Road (Surrey Canal SIL) and south-east Bermondsey are identified in Annex 2 as strategic industrial areas.

2.2.4 The London Plan provides guidance on the provision of creative industries (Policy 3B.8). The plan states that DPD policies should identify and support the development of clusters of creative industries and related activities and environments. Existing clusters should be protected. Further support should focus on developing creative industries in identified priority areas to drive regeneration.

2.2.5 Policy 3B.9 (Tourism industry) sets out the strategy for the tourism industry. Of particular importance to Southwark is that the Mayor, working with strategic partners, will:

- identify capacity for, and encourage development of sustainable tourism provision, including for the Olympic and Paralympic Games, in town centres and other locations across London with good public transport access
  - improve the quality of the tourist environment, visitor information management and customer service to provide a better overall visitor experience and to manage pressures on key tourist locations.
- 2.2.6 Policy 3B.11 (Improving employment opportunities for Londoners) states that the Mayor, working with strategic partners, will use a range of initiatives to improve employment opportunities for Londoners, remove barriers to employment and tackle low participation in the labour market.
- 2.2.7 Policy 3D.7 indicates that the Mayor will work with strategic partners to implement his Tourism Vision and to achieve 40,000 net additional hotel bedrooms by 2026. Boroughs should identify capacity both within the CAZ and outside, in town centres and areas with good access to public transport. Further intensification of provision in areas of existing concentration should be resisted, except where this would not compromise local amenity or the balance of local land uses
- 2.2.8 The plan divides London into sub-regions to facilitate the implementation of its strategic policies. The London Borough of Southwark now forms part of the South-East London Sub-Region along with Lewisham, Greenwich, Bexley and Bromley.
- 2.2.9 Policy 5D.1 sets out a number of strategic priorities for South-East London and those particular to Southwark and the region. The employment related priorities include the need to: promote the CAZ, opportunity areas and areas for intensification; address problems of social exclusion with particular emphasis upon tackling barriers to work and better access to childcare; manage the release of surplus industrial land; improve and extend strategic logistics provision; and plan for and secure the necessary financial resources to deliver planned transport infrastructure
- 2.2.10 Policy 5D.2 identifies Opportunity Areas at London Bridge/ Bankside and Elephant and Castle. It estimates that 30,000 jobs will be created at London Bridge/ Bankside, 4,200 at Elephant and Castle and 2,000 at Canada water.

#### **Consultation Draft Replacement London Plan (October 2009)**

- 2.2.11 Following the election of a new Mayor in May 2008, a full review of the London Plan was announced, leading to formal publication of a replacement plan towards the end of 2011 with policies setting out the mayor's strategy up to 2031.
- 2.2.12 The London Plan (2008) will apply until the replacement plan is formally published. The draft replacement plan will be a material consideration that can be taken into account in deciding planning applications, and the policies will gather weight the further into the process they go.
- 2.2.13 Policy 4.2 (Offices) advises that LDF policies should aim to enhance the environment and offer of London's office locations, provide the basis for work with the LDA, investors, developers, land owners and potential occupiers to

bring forward and renew development capacity as efficiently as possible, work with sub-regional partners to develop coordinated, phased strategies to manage long term, structural changes in the office market, and examine the scope for re-use of otherwise surplus large office spaces for smaller units.

2.2.14 Policy 4.3 (Mixed Use development and Offices) advises that within the CAZ increases in office floorspace should provide for a mix of uses including residential use. In preparing LDFs, local authorities should develop local approaches to mixed use development and offices

2.2.15 Policy 4.4 states that LDFs should demonstrate how the boroughs stock of industrial land and premises in Strategic Industrial Locations, Locally Significant Industrial Sites and other industrial sites will be planned and managed in local circumstances. This should take account of:

- the need to identify and protect Locally Significant Industrial Sites where justified by evidence of demand
- strategic and local criteria to manage these and other industrial sites
- the borough level groupings for transfer of industrial land to other uses and strategic monitoring benchmarks for industrial land release in Supplementary Planning Guidance
- the need for strategic and local provision for waste management, transport facilities, logistics and wholesale markets and quality and fitness for purpose of sites
- accessibility to the strategic road network and potential for transport of goods by rail and/or water transport
- accessibility to the local workforce by public transport, walking and cycling
- integrated strategic and local assessments of industrial demand to justify retention and inform release of industrial capacity
- the potential for surplus industrial land to help meet strategic and local requirements for a mix of other uses such as housing and social infrastructure

2.2.16 Annex 3 of the draft replacement London Plan continues to identify Surrey Canal and South East Bermondsey as strategic industrial locations.

2.2.17 Map 4.1 indicates that within Southwark, a limited approach should be taken to the transfer of industrial land to other uses.

2.2.18 With regard to London's visitor infrastructure (Policy 4.5) the Plan sets out that a total of 40,000 net additional hotel bedrooms will be achieved by 2031 and that visitor accommodation should be located in appropriate locations, including the CAZ and town centres.

2.2.19 The Plan acknowledges that London's cultural and creative sectors are central to the city's economic and social success. Strategic cultural areas identify, protect and seek to enhance significant clusters of these institutions. Policy 4.6 sets out guidance for LDFs in supporting and enhancing the provision for arts, culture and entertainment.

2.2.20 Policies 2.10 and 2.11 set out the Mayor's strategic policies for the CAZ. These include the need to increase office space and extend the offer within strategic cultural areas. Policy 2.13 identifies opportunity areas and areas for intensification. Annex 1 provides employment estimates of 5,000 jobs and



25,000 jobs for Elephants and Castle and Bankside, Borough and London Bridge respectively, over the period leading up to 2026.

- 2.2.21 Annex 2 provides policy guidance for town centres. Elephant and Castle and Canada Water are listed as centres with moderate potential for growth in retail, leisure and office floorspace.

**GLA Industrial Capacity Supplementary Planning Guidance (SPG) (March 2008)**

- 2.2.22 The SPG focuses on the implementation of London Plan Policies 2A.10 (Strategic Industrial Locations) and Policy 3B.4 (Industrial Locations) to manage, promote and, where appropriate, protect Strategic Industrial Locations (SILs) as London's strategic reservoir of industrial development capacity to accommodate industry and other activities with similar land use needs (including logistics, waste management, utilities and transport functions).

- 2.2.23 The SPG has classified London Boroughs into three groupings to reflect the broad approach they should adopt to the release of industrial land. These are (1) Restricted, (2) Limited and (3) Managed transfer of industrial sites. The SPG categorises Southwark as a borough for 'limited transfer of industrial sites' (Table 2). Annex 2 indicates that there is potential to release 37ha of industrial and warehousing land in Southwark for other uses over the period 2006-2026. Boroughs should take account of local variations of demand and are encouraged to manage and where possible, reconfigure their portfolios of industrial land, safeguarding the best quality sites and phasing release to reduce vacancy rates for land (para 3.16).

- 2.2.24 SPG 2 states that boroughs should promote the SILs as the prime locations for industrial activity in London and resist the development of non-industrial uses within the SIL (para 4.5).

- 2.2.25 The SPG confirms that Southwark has two London Plan designated SILs – Surrey Canal Area (part) and South East Bermondsey (Annex 4).

- 2.2.26 SPG 3 addresses Locally Significant Industrial sites, which fall outside of the SIL framework. Councils are advised to identify sites of particular local importance, which they wish to enhance and protect for industrial uses, subject to robust strategic and local evidence of demand and taking into account certain economic and land-use criteria. Once these sites are identified on proposals maps they are awarded the same protection as those under the SIL framework (para 4.6).

- 2.2.27 SPG 4 highlights the need for LPAs to develop policies and criteria in DPDs to manage the release or retention of other smaller industrial sites outside the SIL framework and not designated on Proposals Maps. Boroughs are asked to take account of strategic and local assessments of supply and demand and have regard to the qualitative criteria (para 4.7).

**London Economic Development Strategy (January 2005)**

- 2.2.28 The Mayor's Economic Development Strategy is one of a series of strategies to deliver the Mayor's vision for London. The vision is of a city with strong,

long-term economic growth which can be sustained for future generations where people and the environment are protected and cared for.

2.2.29 The strategy sets out a plan for the sustainable, equitable and healthy growth and development of London's economy to 2016. The strategy supports the development of London's economy, promotes employment, helps people participate in London's economy and supports businesses to be more competitive, all within the context of economic development being fair and sustainable.

2.2.30 This strategy focuses on four major investment themes (page 16). These are investing in:

- places and infrastructure
- people
- enterprise
- marketing and promoting London.

2.2.31 The London Development Agency (LDA) has a central role in facilitating delivering the strategy. It sets out the directions in which the LDA and the GLA group as a whole will seek to work with others in the public, private and voluntary sectors over the period covered by this strategy.

2.2.32 The priorities in the CAZ are to maintain the area's role as a key driver for London's economy; to support the intensification of uses to meet targets for homes and jobs; to maintain a diverse business base, and to ensure that residents from deprived areas are able to access current and future job opportunities here (page 26).

2.2.33 The Mayor is currently revising the economic development strategy. A draft consultation strategy for the period 2010-13 was published for consultation October 2009 – January 2010 in tandem with the consultation draft replacement London Plan.

### **London Tourism Action Plan 2009-2013**

2.2.34 The London Tourism Action Plan sets out the Mayor's priorities for tourism. These are listed as (page 20):

- supporting jobs in London's tourism businesses through targeted marketing campaigns designed to maximise economic impact
- delivering and promoting a world class sense of 'Welcome' throughout the visitor experience
- capitalising on the exposure that the 2012 Games and Cultural Olympiad
- exploiting the spotlight of the 2012 Games to maintain and grow London's reputation as a premier global sporting, cultural and business events city

2.2.35 The action plan states that the Mayor will work with partners to explore the potential for appropriate hotel development in Outer London, 'Areas of Intensification and Opportunity' and create links to local employment opportunities (Section 5.4).

## **2.3 Local policy**

### **Southwark 2016: Sustainable Community Strategy (2006)**

2.3.1 Southwark 2016 is the Sustainable Community Strategy for the borough. The Strategy guides the work of all statutory agencies in Southwark, as well as partners in the voluntary, faith and business sectors. It also takes account of trends emerging in the borough, in neighbouring boroughs and in Greater London itself. Providing a framework for the way ahead, the Strategy sets itself a number of goals, which include; developing Southwark's future as a player on the world stage; setting an example to other boroughs through fusing the celebration of diversity and social inclusion and; equipping its residents with the skills to make the most of job opportunities.

2.3.2 Southwark 2016's objectives are;

- improving individual life chances
- making the borough a better place for people, and
- delivering quality public services'

2.3.3 For the priority of 'Infrastructure for a vibrant economy' the strategy sets out the key actions to (page 31):

- Promote Southwark as an ideal location for specialist retail, tourism, creative industries and the newly emerging environmental industries, capitalising on the rich diversity of cultures and global connections reflected in the existing mix of large and small businesses.
- Protect for commercial and industrial uses the sites designated in the Southwark Plan, so there is sufficient land for business purposes to meet the expected demand for office, industrial, retail and warehousing in ways that are compatible with increasing the amount of affordable housing.
- Use regeneration and other opportunities to increase the number of business 'incubator' units for start-ups, and to help new and existing businesses to find appropriate premises at affordable rents
- Improve public transport connections to central London and across the borough, including the tram link and East London Line to open up business opportunities in Camberwell, Peckham and Walworth
- Enhance enterprise opportunities in the key business districts and shopping centres, encouraging collaboration between businesses in an area, supporting Business Improvement Districts, and promoting local businesses to Southwark residents and London-wide through events, open-air markets and specialist promotions.

### **Southwark Plan (Unitary Development Plan) 2007**

2.3.4 Strategic policies SP4 and SP5 seek to reduce barriers to employment and ensure that development contributes to long-term economic growth. SP7 states that development should support regeneration, wealth creation and arts, cultural and tourism uses.

2.3.5 Policy 1.1 (Access to employment opportunities) aims to ensure that jobs and training activities generated by development are targeted towards locally

disadvantaged people. Southwark plan to save this policy. It will be replaced by a new policy in the forthcoming Development Management DPD.

- 2.3.6 Policy 1.2 (Strategic and local preferred industrial locations) sets out the approach to preferred industrial locations (PILs). South-east Bermondsey, Old Kent Road, Mandela Way and Parkhouse Street are identified as PILs. Southwark plan to save this policy. It will be replaced by a new policy in the forthcoming Development Management DPD.
- 2.3.7 Policy 1.3 (Preferred office locations) encourages provision of office space in the London Bridge, Bankside and Borough areas. Southwark do not plan to save this policy.
- 2.3.8 Policy 1.4 (Employment sites outside the preferred office locations and preferred industrial locations) aims to ensure that employment uses are retained in key locations:
- The CAZ
  - Strategic cultural area
  - Public transport accessibility zones
  - On classified roads
- 2.3.9 Loss of employment use is only allowed where sites have been rigorously marketed over a 2 year period
- 2.3.10 Policy 1.5 (Small business units) protects small business units where policy protection for employment use applies.
- 2.3.11 Policy 1.6 (Live-work units) provides guidance on live-work units.
- 2.3.12 Policy 1.11 (Arts, cultural and tourism uses) seeks to protect and encourage arts, cultural and tourism uses in designated strategic cultural areas. Policy 1.12 (Hotels and visitor accommodation) encourages new accommodation in locations with good access to public transport.

### **Aylesbury Area Action Plan (January 2010)**

- 2.3.13 The Area Action Plan (AAP) was found sound by an Inspector in November 2009 and is due to be adopted in January 2010. The AAP was prepared in advance of the Core Strategy in recognition of the Aylesbury Estate being an area of economic and social deprivation requiring a policy framework to help secure regeneration and long-term prosperity for the area.
- 2.3.14 The AAP area is made up of two parts. The core of Aylesbury Estate, which will undergo comprehensive redevelopment and a wider area including East Street, Walworth Road, Old Kent Road and Burgess Park. The AAP primarily focuses on renewing the residential element of the area, however it also provides the stimulus for new employment opportunities for residents of the area, both directly through the creation of new business floorspace, and indirectly through new training and learning opportunities, such as in a Community Learning Centre.
- 2.3.15 The AAP envisages around 2,500 m<sup>2</sup> of floorspace being created for B1 uses, specifically for small businesses (Policy COM2).

**Draft Canada Water Area Action Plan –submission/publication draft (December 2009)**

- 2.3.16 Policy 25 of the draft AAP aims to promote a business cluster around Harmsworth Quays print works, providing around 12,000 sqm of new business space.

**Draft Peckham and Nunhead Area Action Plan – Issues and Options (March 2009)**

- 2.3.17 The Peckham and Nunhead AAP Issues and Options Report sets out two broad options for business use. The first aims to protect existing employment space and give priority to provide additional space for creative industries and businesses. The second option does not envisage providing a significant amount of additional space.

**Elephant and Castle Enterprise Quarter SPD (September 2008)**

- 2.3.18 The document provides stakeholders with detail regarding acceptable types of development within the area, and sets out specific detail on land-use and other aspects of urban form within the area to the north-west of the core Elephant and Castle Opportunity Area. It also provides further guidance on Policy 6.1 of the Southwark Plan, which pertains to the Enterprise Quarter.
- 2.3.19 In terms of land-use, a key objective of the vision for the Enterprise Quarter centres on the bringing forward for development of vacant or underused sites, particularly around London South Bank University (LSBU), which is the main occupier and landowner in the area. Extending the concentration of town centre activity proposed for the core area northwards to provide a boost to the Enterprise Quarter forms another objective, as does the introduction of new uses to the area to enrich the variations in character between different locations within the Quarter

**Walworth Road SPD (September 2008)**

- 2.3.20 The SPD provides guidance on acceptable land-use, housing density and urban form. Located within the Elephant and Castle Opportunity Area, the Walworth Road SPD area is envisaged to become a new town centre area for south-east London.
- 2.3.21 The SPD's proposals for the area, in terms of land-use, are for mixed-use developments that incorporate retail uses at ground level and mixed tenure housing on upper levels. Office and light-industrial employment land-use will be encouraged on the lower floors, as will commercial leisure and community and civic uses. The SPD also notes the potential for the railway arch areas to accommodate A, B and D use classes (section 5, paras 5.1-5.3).

**Draft Bankside, Borough and London Bridge SPD (January 2010)**

- 2.3.22 A Bankside, Borough and London Bridge SPD is being prepared to provide detailed guidance on how development in the area should occur to help maintain and improve the quality of the area's unique places. The SPD will contain information in respect of the type and scale of land uses envisaged in

the area, the infrastructure required to support new development, with the expected phasing and details of who is expected to fund and deliver it, and how S106 Planning Obligations will be used to help deliver the facilities and infrastructure needed to support a growing population.

2.3.23 Within Bankside, Borough and London Bridge the draft SPD aims to protect existing space, focus new space in particular locations, including London Bridge and the northern end of Blackfriars Road, take a flexible approach to the re-use of railway arches and encourage provision of flexible business spaces (section 4.1.3).

2.3.24 In relation to hotel development, the draft SPD seeks to steer hotel uses away from residential areas and protect the amenities of neighbouring occupiers, and ensure that provision of hotel space does not jeopardise meeting long term needs for office space (section 4.1.5).

#### **Canada Water SPG (February 2005)**

2.3.25 The purpose of the SPG was to install a framework for the future development of the area and elaborate upon guidance set out in the then adopted UDP (1995) and Draft UDP (2004). The framework aims to ensure that development is comprehensive and provides maximum benefit to local residents and the economy.

2.3.26 In terms of land-use, the SPG supports and encourages mixed-use development, specifically requiring an increase in local housing stock and small-scale office development. The SPG also acknowledged that existing B2 and B8 employment land in the vicinity of the Harmsworth Quays print-works may remain owing to land-use compatibility issues. Space for small business start-ups and incubation are encouraged in recognition of their contribution to providing local jobs (section 4).

#### **Elephant and Castle Development Framework SPG (2004)**

2.3.27 The SPG recognises the important role that regeneration of the Elephant and Castle area will play in the wider development of London South Central as a focus for investment and jobs. The SPG comprises an area specific Development Framework, designed to guide and inform comprehensive change and regeneration, so that development doesn't happen in a piecemeal fashion, whereby opportunities to affect positive changes might be marginalised by competing interests. The Elephant and Castle area is identified as an Opportunity Area in the London Plan.

2.3.28 The Development Framework incorporates a new mixed-use town centre for the area which takes advantage of the excellent public transport accessibility in Elephant and Castle. With regard to employment uses, the Framework permits B1a, b or c development, with an employment led development adjacent to Walworth Road (section 3).

#### **S106 Planning Obligations SPD (2007)**

2.3.29 The S106 SPD (**CDSPD6**) explains the requirements for the types of development proposals that must pay S106 money to the council to remove

or reduce the impacts of development, how much should be paid and what this will be spent on.

### **Southwark's Tourism Strategy 2005- 2010**

2.3.30 The Southwark Tourism Strategy 2000-2003 highlighted Southwark as an emerging tourism destination, and focused on improving and extending the tourism sector in Southwark, maximising benefits for local people by increasing visitor expenditure and inward investment, thereby increasing employment and developing quality driven sustainable tourism in the area. Work arising from this strategy predominately focused on visitor management, research, and marketing and promotion.

2.3.31 The updated strategy, covering the period 2005-2010 sets out an updated and expanded policy framework to guide development and promotion of tourism for the benefit of the area and its residents. By having such a strategy, Southwark seeks to ensure that the borough is best placed to benefit from the £8 billion generated in London each year from tourism.

2.3.32 The Strategy seeks to (Section 1.1):

- Highlight the main issues which must be addressed and the principal opportunities to be tackled;
- Emphasise the importance of tourism in Southwark and, in particular, its economic, social and environmental contributions;
- Provide a mechanism for the implementation of the London Mayor's Tourism Plan for London at a local level;
- Provide a framework for the council within wider council priorities, to enable it to co-ordinate its tourism activities and maximise its impact on tourism development and promotion.

### **Southwark Employment Strategy 2005 - 2016 (June 2006)**

2.3.33 The strategy sets out a plan of actions aiming to improve the access to employment for disadvantaged communities by removing barriers to employment.

2.3.34 The overall vision of the Southwark Employment Strategy is 'to maximise opportunities for accessing and sustaining high quality employment for all Southwark's residents' (section 1.2)

2.3.35 To measure achievement of this vision the Strategy has four key objectives (section 1.2):

- to improve access to employment for disadvantaged communities in Southwark by removing barriers
- to support new entrants to the labour market in order to sustain employment
- to ensure progression in employment by building the skills of Southwark's workforce, and
- to prevent Southwark residents from becoming long-term unemployed.

2.3.36 The Strategy identified a series of eight barriers to employment related to access, skills, confidence and health (section 1.4). Addressing these barriers

is a central issue in achieving the objectives of the strategy. Partnership with the main national, regional and local organisations is identified as essential and thus the strategy sets out to streamline and improve the way the relevant and often related organisations work together to improve employment outcomes in the borough (section 1.4).

2.3.37 To ensure a cross-cutting and coherent approach, objectives and targets from The Southwark Plan, the Community Plan, Neighbourhood Renewal, Employment Strategy, Enterprise strategy and other regional (e.g. the LDA's Economic Development Strategy) or national plans are reflected in the Strategy. The employment strategy will be renewed in 2010.

### **Southwark Enterprise Strategy 2005 - 2016 (June 2006)**

2.3.38 The identified role of the Strategy is to provide an overarching framework for enterprise support and development. It aims to make the most of Southwark's enormous economic potential and support the improvement of employment outcomes for all Southwark residents. The overall vision of the Strategy is to create: "A healthy competitive business environment built on an entrepreneurial culture with improved access to quality employment opportunities for all residents" (section 1.2).

2.3.39 The Strategy's objectives are (section 1.2):

- to build an entrepreneurial culture
- to develop and support existing businesses and promote inward investment
- to enhance enterprise opportunities in the key business districts and town centres of the Borough, and
- to promote a safe, high quality and accessible environment for businesses.

2.3.40 The Strategy sets out the challenges to Southwark business, among them; promoting an entrepreneurial culture; enhancing enterprise opportunities in key business districts and town centres; and matching jobs with skills. These challenges are being addressed through a close partnership approach involving all stakeholders in the Enterprise Strategy, which will be renewed alongside the employment strategy in 2010 (section 1.4).

## **3. RESEARCH AND EVIDENCE**

### **3.1 Employment overview of London and Southwark**

3.1.1 Table 4.2 below shows that the majority of the population in Southwark are employed in the managerial, professional and associate professional occupations, which is higher than the rest of London at 52.8% and Great Britain at 42.9%<sup>1</sup>. Compared to the London figure, there are a higher proportion of people in elementary occupations in Southwark.

---

<sup>1</sup> ONS annual population survey, 2008-09



**Table 4.2 Employment by Occupation**

	<b>Southwark (numbers)</b>	<b>Southwark (%)</b>	<b>London (%)</b>	<b>Great Britain (%)</b>
Managers and senior officials	25,700	18.2	17.7	15.6
Professional occupations	23,400	16.6	16.8	13.1
Associate professional & technical	30,600	21.7	18.7	14.6
Administrative & secretarial	14,900	10.6	11.6	11.4
Skilled trades occupations	7,900	5.6	7.7	10.7
Personal service occupations	11,300	8.0	7.2	8.3
Sales and customer service	8,900	6.3	6.2	7.5
Process plant & machine operatives	3,600	2.5	4.4	7.0
Elementary occupations	13,700	9.7	9.0	11.3

ONS annual population survey, 2008-09

3.1.2 The banking and financial services sector grew by approximately 67% during 1998 to 2009 with 27,622 new jobs. The sector now accounts for 42.4% of the employment in the borough. This is greater than the average for London of 19.4%, and the UK of 21.6%. The high growth of this sector can be attributed to the proximity, and good transport links, with the City of London<sup>2</sup>.

3.1.3 The second largest employment sector for the borough is the public administration, education and health services, which represents 22.8% of the total working age population in employment. However this is lower than the average for London of 28.2%, and the UK of 26.9%, and has contracted by approximately –16.6% (2298 jobs) since 1998<sup>3</sup>.

3.1.4 The most significant employment growth sector in Southwark is the Energy and Water sector, which grew by approximately 234.9% (498 jobs) between 1998 and 2007, however this still only represents 0.4% of the employment in the borough. While this is similar to the London average (0.4%), and lower

<sup>2</sup> ONS annual population survey, 2008-09

<sup>3</sup> ONS annual population survey, 2008-09

than the national average (0.7%), the trend is in contrast to the regional and national trends, which have witnessed a -21.4% and -15.8% decrease in this sector respectively<sup>4</sup>.

- 3.1.5 In a reflection of wider trends, employment in manufacturing declined by 22.1% between 1998 and 2007, from 12,043 to 9,392 over the period<sup>5</sup>.

### **Business and financial services**

- 3.1.6 Borough, Bankside and London Bridge (SE1 market) is characterised by large office developments for multi-national corporations, while offices located elsewhere in the borough tend to serve the local market. The North West of the borough at Elephant and Castle, Borough and Bankside and London Bridge is in the Central Activities Zone, and is an area where large-scale office development is encouraged and promoted through the London Plan.

- 3.1.7 The local office market in Southwark is characterised by older town house conversions or lower quality post war offices in local town centres or industrial areas. Most of these buildings are not DDA compliant or are of such poor quality that increasingly sophisticated and demanding users, drawn from the cultural/ creative and tourism sectors, are more inclined to require modern or refurbished accommodation. The market is focused primarily within the town centre areas of Elephant and Castle, Peckham and Camberwell with occupiers generally being SME providing services to other local businesses. However much of these buildings are outdated conversions which fail to meet demands for higher quality space<sup>6</sup>.

### **Manufacturing, storage and wholesale and utilities**

- 3.1.8 In London there has been a shift in jobs from industry and manufacturing to the service sector. London has lost on average 24,000 manufacturing jobs per year over the last 30 years. This trend is expected to continue in the future up to 2026.

- 3.1.9 Between 2001 and 2006, a total of 73 ha of industrial and warehousing land in the south east region had been lost to competing uses such as housing, retail and office space. In addition, the road network and high levels of congestion within the borough is not suitable for industrial uses, i.e. delivery of raw materials and goods from suppliers<sup>7</sup>.

- 3.1.10 The decline in the manufacturing sector has resulted in an annual average decrease in B2 floorspace of 2.1% between 2001 and 2006. With the decrease in demand for this type of floorspace, there has been minimal new development occurring<sup>8</sup>.

- 3.1.11 The South East of London has become an attractive location for storage and distribution centres. The sector occupies approximately 30% of total industrial floorspace within the sub region. The appeal of the area is largely

---

<sup>4</sup> ONS annual population survey, 2008-09

<sup>5</sup> ONS annual population survey, 2008-09

<sup>6</sup> Southwark Employment Land Review 2009 (sections 6.2 and 6.3)

<sup>7</sup> Ibid (section 6.2 page 79)

<sup>8</sup> Ibid (section 6.2 page 60)

derived from being located close to the central London office market and its supply needs.

3.1.12 The borough's preferred industrial locations (PILS) around Old Kent Road, South East Bermondsey, Mandela Way and Parkhouse Street play a particularly important role in providing accommodation for both manufacturing and well as storage and distribution uses. Demand at Mandela Way remains strong, as it contains high specification properties with adequate servicing areas and large floorspace.

3.1.13 Despite the decline in B2 floorspace, Southwark has a total of 389,000 sqm, primarily at the Old Kent Road and South East Bermondsey PIL. This is the largest amount in comparison with other south-east region boroughs. In terms of B8 stock, the borough has approximately 602,000 sqm. B2/B8 is primarily distributed around the major transport infrastructure through the borough<sup>9</sup>.

### **Creative and Cultural Industries**

3.1.14 The creative and cultural industries, such as advertising, radio and television and museum and arts facilities have experienced growth in employment in recent years. The continued growth of these sectors is of great importance in the context of the economic future of the borough.

3.1.15 There are clusters of creative industries in certain areas in the borough; Peckham and Camberwell in particular are growth areas for these types of industries. This area of industry has seen a growth from 2,430 jobs in 1998 to 2,978 jobs in 2007<sup>10</sup>.

### **Tourism**

3.1.16 Southwark welcomes 10 million visitors a year, (4.9 million alone to Tate Modern) generating over £500m in 2002. It has been estimated that three-quarters of overseas visitors to London visit the Bankside area. Tourism plays an important role in Southwark's economy as it attracts investment, provides jobs and opportunities and assists in regeneration<sup>11</sup>.

3.1.17 The Southwark's Tourism Strategy 2005- 2010 identifies a number of varied elements to its tourism product, which consists of the following:

- Attractions – museums and galleries, based mainly in Bankside and London Bridge.
- History and Heritage;
- Design; A mix of fashion, arts and architecture
- River and its bridges; this is one of the principal tourism product
- Markets; mainly Borough Market, but others include East Street and New Caledonian Antiques Market
- City life and cultural diversity
- Events
- Open spaces – historic parks such as Dulwich Park<sup>12</sup>

---

<sup>9</sup> Southwark Employment Land Review 2009 (section 6.2, pgs 59-61)

<sup>10</sup> Southwark Employment Land Review 2009 (section 4.4, page 36)

<sup>11</sup> Southwark's Tourism Strategy 2005- 2010 (page 4)

<sup>12</sup> Ibid (page 4)

- 3.1.18 The different elements are spread throughout the borough, but attractions are concentrated in Bankside and London Bridge.

### **Bankside and London Bridge**

- 3.1.19 There are 58 attractions in Southwark<sup>13</sup>, with the primary destinations being in Bankside and London Bridge area (North of the borough) as they comprise the major destinations such as Tate Modern, Shakespeare's Globe, Vinopolis and Tower Bridge. The major attractions correspond with the designated London South Central Area, Central Activities Zone (CAZ) and the Strategic Cultural Area (SCA) that runs along the riverside from the west to Shad Thames. In these areas, cultural, entertainment and leisure facilities should be protected and extended in accordance with the London Plan (policy 5G.2).
- 3.1.20 The CAZ is designated within the London Plan as an area that is diverse, and comprises important activities such as central government offices, embassies, the largest of financial and business service sectors and the offices of many trades. Other key uses and activities, such as those associated with retail, tourism, culture and entertainment, are also concentrated in CAZ. The London Plan outlines its aim to maintain and enhance the quality of existing tourism facilities and services in and around CAZ<sup>14</sup>.
- 3.1.21 The SCA are areas designated within the London Plan that are supported by a number of internationally important cultural institutions, including museums, galleries and theatres, which are among London's major tourist attractions.
- 3.1.22 The number of people employed in the tourism sector has increased by 4.9% between 1998 and 2007 which is a significantly higher rate than that of London over the same period (2.3%)<sup>15</sup>.

### **Hotels and Catering**

- 3.1.23 The growth of tourism in the borough has had a large impact on the development of the area. The number of people employed in hotels and catering service category has risen from 6,207 in 1998 to 10,496 in 2007 with this category now accounting for 6.3% of the total employment in Southwark<sup>16</sup>.
- 3.1.24 Several hotels have been constructed in the north of the borough in recent years. According to the GLA Hotel Demand Study (2006) the number of rooms expected to be in development in Lambeth, Southwark and Wandsworth over the next five years are currently expected to be greater than Westminster<sup>17</sup>.
- 3.1.25 In 2005, the estimated stock was 1,414 rooms. New stock over the period 2001 to 2005 amounted to 320 rooms<sup>18</sup>.

---

<sup>13</sup> www.visitsouthwark.com

<sup>14</sup> The London Plan Consolidated with alterations (2008) (page 118 para 3.175)

<sup>15</sup> ONS Annual Population Survey 2007

<sup>16</sup> ONS Annual Population Survey 2007

<sup>17</sup> GLA Hotel Demand Study 2006 (page 31)

<sup>18</sup> Ibid (page 34, table 4.9)

3.1.26 In 2006 to 2009 a total of 588 new rooms were built. Approximately 1700 rooms are currently in the pipeline from planning permissions granted from 2005<sup>19</sup>.

3.1.27 Despite the current economic climate, hotel development in London remains strong. The latest Visit London “Hotel Development Monitor”, reveals that despite the current recession, future hotel development in London remains robust with development projects concentrated in the budget and high end markets. A long term view is being taken, based upon the city’s inherent ability to continue to attract business and leisure visitors. Many investors are targeting their openings before the London 2012 Olympic and Paralympic Games <sup>20</sup>.

3.1.28 New research from Visit London and TRI Hospitality Consulting suggests that London is due to experience a 12% increase in new hotel rooms by 2012. The forecasted increase of 13,300 will take the total hotel room supply in the capital to over 123,000 by the time of the Olympic and Paralympic Games. The forecasted number of new bedroom supply in 2010 alone is expected to be above all levels experienced since 1989, with an estimated 4,300 rooms projected to enter the market<sup>21</sup>.

### **Retail**

3.1.29 In 2007, there were 7,810 workplace employees in Southwark working in the retail trade sector. This sector has contracted 17% since 1997 from 9,507 employees. In 2007, there were 13,497 workplace employees in the wholesale and retail trade sector. The sector has contracted 35% since 1997 from 17,959 employees<sup>22</sup>.

### **Transport and Communication**

3.1.30 This sector has seen the largest decline in employment out of all of the sectors. The total workforce in 1998 was 17,289 and has contracted to 9,078 in 2007<sup>23</sup>.

### **Sciences and Medical/Healthcare**

3.1.31 London South Bank University is situated in the borough’s largest high profile regeneration area, Elephant & Castle, and is within one mile of Westminster. This institution will be a key participant in the regeneration of Elephant & Castle as it is a major landowner and is consequently a major employer within the borough.

3.1.32 The LBSU also facilitates the operation of the London Knowledge and Innovation Centre (LKIC) and a Technopark. LKIC is a joint venture between London South Bank University and Southwark Enterprise Agency, Business Extra who specialise in business advice and mentoring for SMEs (small and medium size enterprises). LKIC is currently working with a number of

---

<sup>19</sup> Southwark Council Annual Monitoring Report 2008-2009

<sup>20</sup> [http://www.visitlondonmediacentre.com/press\\_releases/press\\_release/londons\\_hotel\\_room\\_supply\\_set\\_to\\_increase\\_12\\_by\\_2012/](http://www.visitlondonmediacentre.com/press_releases/press_release/londons_hotel_room_supply_set_to_increase_12_by_2012/)

<sup>21</sup> Ibid

<sup>22</sup> ONS Annual Population Survey 2007

<sup>23</sup> ONS Annual Population Survey 2007

businesses which are physically located in the LSBU Technopark at 90 London Road. LKIC attracts a lot of aspiring entrepreneurs from within Southwark and almost every LKIC client is a completely new start-up. As these LKIC clients grow they will create new employment opportunities in Southwark<sup>24</sup>.

3.1.33 Guy's Hospital, based adjacent to London Bridge Rail Station, is a large employer in the borough and adjacent boroughs. Approximately 9,000 people are employed with the hospital across Southwark, Lambeth and Lewisham. The institution launched a Biomedical and Research Centre in 2007<sup>25</sup>.

## 3.2 Enterprise

### Number and Size of Businesses

3.2.1 The growth in the number of jobs in Southwark has increased greatly between 2003 and 2007 and has been concentrated in Cathedral (+6347 jobs or +12.7%), and Riverside (+7,372 jobs or +40%) wards within the Central Activity Zone<sup>26</sup>.

3.2.2 Small businesses contribute heavily towards employment within Southwark with approximately between 10,742 companies employing between one and ten employees, or 84.1% of all companies registered in the borough, employing the equivalent of 19.3% of the boroughs workforce. However larger companies employing more than 200 people represent only 0.9% of all companies in the Borough but employ the equivalent of 52.4% of the boroughs workforce. 30% of businesses are classed as growing, a large proportion of the business stock is considered to be new businesses (established in the last three years). The highest concentration of businesses activity is in the Cathedral, Greene, Riverside and The Lane wards<sup>27</sup>.

3.2.3 The table below shows that the number of small businesses located within the borough has continued to grow. This is potentially caused by increasing rents in neighbouring boroughs including the City of London, and Tower Hamlets, resulting in small businesses searching for more competitively priced accommodation.

---

<sup>24</sup> <http://www.lkic.com/>

<sup>25</sup> Southwark Employment Land Review 2009 (section 4.4 page 37)

<sup>26</sup> ONS Annual Population Survey 2007

<sup>27</sup> Market Measures, Southwark profile, March 2008

Business Units by Size Band, 1998-2007

Employment Band	1998		2002		2007	
	Level	% of total	Level	% of total	Level	% of total
1 to 10	7,852	83.2	9,235	83.8	10,742	84.1
11 to 49	1,176	12.5	1,365	12.4	1,571	12.3
50 to 199	328	3.5	312	2.8	346	2.7
200 or more	85	0.9	109	1.0	114	0.9
<b>Total</b>	<b>9,441</b>	<b>100</b>	<b>11,021</b>	<b>100</b>	<b>12,773</b>	<b>100</b>

Southwark Employment Land Review (2009) (section 4.3, page 34)

**Unemployment and skills**

3.2.4 The unemployment rate in Southwark was 8.9% (13,700), which is higher than that of London (8.2%) and Great Britain (6.9%). This is historically the lowest rate of unemployment experienced in the borough and has decreased from a peak rate of 19.7% in 1997.

3.2.5 As of November 2009, there were 9,733 claimants of Job Seeker's Allowance (JSA), equivalent to 4.9% of the working age population, which is greater than the London (4.4%) and Great Britain (4.1%) figures.

3.2.6 There are 51,500 (25.9%) people considered to be economically inactive in the borough, and of these 11,200 (5.6%) are looking for work, with 40,300 (20.2%) not seeking employment. These figures are slightly higher in comparison to London where economic inactivity is reported for 24.5% of the working age population <sup>28</sup>.

3.2.7 As of December 2007, the workforce in Southwark was more qualified than the London average, with 87% of individuals holding a qualification (compared to 86% in Greater London). 46% of the population have a degree or higher degree, which is greater than the average for London which is also 39%. This is shown in the table below.

	Southwark (numbers)	Southwark (%)	London (%)	Great Britain (%)
NVQ4 and above	88,200	45.4	38.6	29.0
NVQ3 and above	111,100	57.1	51.6	47.0
NVQ2 and above	128,700	66.1	63.8	65.2
NVQ1 and above	146,100	75.1	73.7	78.9
Other qualifications	22,600	11.6	14.2	8.7
No qualifications	25,900	13.3	12.0	12.4

ONS Annual Population Survey 2007

<sup>28</sup> ONS Annual Population Survey 2009

### 3.4 Land availability and demand

#### Industry and Warehousing

- 3.4.1 At 2009, there was 174 hectares of land in industrial employment uses in Southwark including:
- 73 hectares of manufacturing land
  - 54 hectares of warehousing land
  - 0 hectares of vacant industrial land
  - 47 hectares of ‘specialised’ employment land (waste management and recycling, public transport functions (land for rail and buses) and utilities <sup>29</sup>
- 3.4.2 Southwark’s Employment Land Review (ELR) (2009) has provided an assessment of local demand and supply of industrial stock within the borough.
- 3.4.3 The ELR has confirmed that demand for good quality industrial accommodation remains constant.
- 3.4.4 Demand is strong for high quality industrial properties which are not disturbed by and do not cause disturbance to local residential properties, and can operate on a 24 hour basis; have adequate access to strategic transport infrastructure with adequate car parking provision and off road loading and unloading areas. These properties are seen to be desirable for modern distribution and warehousing occupiers (B8), who serve central London market, and are consequently in demand. The demand for these types of units currently outstrips supply<sup>30</sup>.
- 3.4.5 Demand for B2 premises in Southwark is lower, which reflects the trends in other inner London boroughs. There is a supply of vacant railway arch premises across the borough, due to accessibility problems experienced. There has been some good quality conversions of these units, which have been marketed and taken up by creative and light industry uses, particularly within the Bankside and Borough area, however owing to the poor quality and accessibility of many of these units this has a knock-on effect in terms of demand for B2 premises<sup>31</sup>.
- 3.4.6 GLA research suggests that whilst there will be increased demand for utilities services, it is more likely that existing sites will be renewed, rather than additional sites being required on industrial land. There will be more co-location with other land uses. Additional land for public transport is assumed to be zero, with research suggesting that land requirements are likely to be just 2 hectares across the whole of the sub-region<sup>32</sup>.
- 3.4.7 The GLA Demand and Supply for Land for Logistics (2007) and GLA London Waste Apportionment Study (2006) identified significant demand for more industrial land for logistics and waste functions in London. The additional

---

<sup>29</sup> Southwark Employment Land Review 2009 (section 7.9, page 85 table 7.11)

<sup>30</sup> Southwark Employment Land Review 2009 section 6.3 page 63-64

<sup>31</sup> Southwark Employment Land Review 2009 (section 6.4 page 65-66)

<sup>32</sup> Ibid (section 7.8 page 82)



amount of land required for logistics in London was 461ha of land between 2006 and 2020<sup>33</sup> and 215 hectares for waste<sup>34</sup>.

3.4.8 The Southwark Employment Land Review (ELR) (2009) has forecast future demand for industrial employment land using a synthesis forecasting approach. The method follows the steps below:

- Step 1: Calculate historic floorspace, historic employment and future employment trends for B1, B2 and B8 land uses
- Step 2: Create an adjustment terms by dividing future employment trends by historic employment trends and then multiply the adjustment term by the historic floorspace trend.
- Step 3: Modify the resulting floorspace projection by other demand factors not captured in the Step 1 data, such as the effects of the recession, policy interventions and regeneration investment. This produces the future floorspace requirement to 2026 (section 7.1 page 72).

3.4.9 The ELR found that since 2006, 19ha of industrial and warehousing land has been redeveloped for other uses in Southwark. Through the application of this forecasting methodology, the ELR has identified that there is a net demand for between -23.7 ha and -16.7 ha over the period 2006 to 2026. This equates to a net reduction of between -42.7 ha and -35.7 ha in the period 2006 to 2026. This range is in line with the 37 hectares of land suggested for release within the GLA's Industrial Capacity SPG (2008)<sup>35</sup>.

### Offices

3.4.10 In recognition of demand for office floorspace in Southwark being influenced by different factors, the Southwark Employment Land Review (2009) divided the office employment land market in the borough into two distinct market areas

- The 'SE1' market area
- The 'local' office market

3.4.11 For example, the demand for office floorspace in the 'SE1' area is mainly influenced by wider factors such as the expansion and relocation of multi-national companies. The 'local' market, which is mainly comprised of small and medium sized enterprises (SMEs), is more influenced by factors consistent in the local and sub-regional market more unique to the South East London boroughs<sup>36</sup>.

3.4.12 The growth in employment in the business and financial services sector has been strongly influenced by increasing pressures on available land and restrictions on the size and density of new development within The City core office market. The resulting situation of a significant decrease in supply causing rental values to increase in The City has fuelled an overspill of professional services into new market areas, many companies from north of the river, decamped to the SE1 market, inflating take-up of lettings in 2006 and 2007. This area has prospered in recent years as a result of an increase

---

<sup>33</sup> GLA Demand and Supply for Land for Logistics (2007) Section 7.7 page 67

<sup>34</sup> London Plan 2008 (para 4.74)

<sup>35</sup> Ibid (section 7.10 table 7.12 page 88)

<sup>36</sup> Southwark Employment Land Review 2009 (section 6.2 pages 57-58)

in demand for high quality office space from companies providing support and complementary services to City occupiers, at comparatively lower rents. The SE1 market is dominated by either modern large floorplate buildings or higher value warehouse conversions <sup>37</sup>.

3.4.13 In 2008, the total office stock in the SE market area amounted to 1,130,000sqm, however is dominated by second hand space and Grade B accommodation which accounts for 47% of the office space. New and refurbished accommodation accounts for only 25% of the total office stock <sup>38</sup>.

3.4.14 By the end of 2008, the South Bank area experienced only a 3.1% availability rate and supply of new and refurbished space fell 30% during the year. The low supply of space was attributed to two factors. Some second-hand Grade B stock has been demolished and replaced with new housing. And secondly, the area has expanded in small firms, who are able to operate and survive in more economical space in locations such as Bermondsey, Southwark Street, Blackfriars Road and Borough High Street <sup>39</sup>. Overall, there is a significant over-supply of second-hand accommodation and an undersupply of modern quality office space across the borough.

3.4.15 Office starts in Central London fell in the year 2008, as a result of lending restrictions imposed by funding institutions. In Southwark, construction starts were below 10,000 sqm <sup>40</sup>, and they were largely a reflection of residential starts on former employment land, where the Southwark Plan policies require that B1 space is re-provided. This has led to the creation of mixed use blocks, with the provision of office space on the ground and first floors with housing above. Whilst office starts were low, construction activity was relatively high in Southwark by the end of 2008, mainly due to the construction of 7 More London, which is pre-let to Pricewaterhouse Coopers<sup>41</sup>.

3.4.16 Overall, the stock of high specification office accommodation within Southwark has increased significantly over recent years (floorplates of greater than 4,500 sqm). The recent completion of the More London development at London Bridge (175,000 sqm) and Bankside 1, 2, 3 (33,000 sqm) has demonstrated the development potential of the north west of the borough.

3.4.17 Southwark continues as a borough of major office development, with large-scale committed and pipeline projects. In terms of office schemes below 10,00 sqm there is not much in the pipeline.

3.4.18 The pipeline development of office schemes in Southwark over the period 2006 -2008 were dominated by a clutch of schemes along the South Bank, which included:

- The Shard, 32 London Bridge Street, SE1 (54,000 sqm)
- London Bridge Place, 25 London Bridge Street, SE1 (41,000 sqm)
- Kings Reach Tower, Stamford Street, SE1 (38,000 sqm)
- 20 Blackfriars Road, SE1 (20,600 sqm)

---

<sup>37</sup> Southwark Employment Land Review 2009 (section 6.2 page 59)

<sup>38</sup> Ibid (section 6.2 page 58)

<sup>39</sup> London Office Policy Review 2009 (para 1.4.14 page 11)

<sup>40</sup> Ibid (para 1.5.5 page 13)

<sup>41</sup> Ibid (para 1.6.10 page 16)

- 240 Blackfriars Road, SE1 (16,200 sqm)
- Lumina, 135 Park Street, SE1 (86,000 sqm)
- Wedge House, 30-40 Blackfriars Road, SE1 (77,000 sqm)<sup>42</sup>

3.4.19 Construction works for The Shard commenced on site in March 2009. The construction is expected to be completed by May 2012. Half of the floorspace is pre-let to TfL.

3.4.20 Demand in the local office market has remained at a low level, however the demand is for modern office space from SMEs and local businesses, particularly in Peckham where units are generally regarded as being of poor quality<sup>43</sup>.

3.4.21 The Southwark Employment Land Review (2009) has forecast future demand for B1 office floorspace using a synthesis forecasting approach. The method follows the steps below:

- Step 1: Calculate historic floorspace, historic employment and future employment trends for B1, B2 and B8 land uses
- Step 2: Create an adjustment terms by dividing future employment trends by historic employment trends and then multiply the adjustment term by the historic floorspace trend.
- Step 3: Modify the resulting floorspace projection by other demand factors not captured in the Step 1 data, such as the effects of the recession, policy interventions and regeneration investment. This produces the future floorspace requirement to 2026<sup>44</sup>.

3.4.22 In terms of the demand to supply ratio in Southwark there is a demand for more office floorspace on top of the schemes that are in the pipeline and under construction such as The Shard. The ELR has forecast additional demand up to 2026 for between 419,685 and 507,590 sqm of floorspace for B1 uses. The majority of this demand is for office space in the SE1 market area. In the local office market, demand for between 25,140 and 30,171 sqm of floorspace is forecast up to 2026.

3.4.23 The demand for B1 office floorspace is expected to continue as a result of increased regeneration and investment, continued public sector interventions, the extension of the East London Line, the Olympic Games and site specific regeneration initiatives that are occurring in Elephant and Castle<sup>45</sup>.

3.4.24 The recently published data from GLA Economics, which informs the preparation of the replacement London Plan, has forecast London to have an increase of 326,000 jobs in the financial and business services sector over the period 2011 - 2031<sup>46</sup>. This projection is derived from:

- Historic trends – reflecting the past revealed preference of employers for locating jobs in particular boroughs;

---

<sup>42</sup> London Office Policy Review 2009 (para 1.7.23 page 23)

<sup>43</sup> Southwark Employment Land Review 2009 (section 6.3 page 52)

<sup>44</sup> Ibid (section 7.1 page 71)

<sup>45</sup> Ibid (section 8.1, page 91)

<sup>46</sup> GLA Economics – Working Paper 38- Employment Projections for London by sector Nov 2009 (table 4)

- Site capacity – reflecting the expected availability of business sites for jobs to locate in across London; and,
- Transport accessibility – reflecting the changes in accessibility across London expected to flow from various improvements in London’s transport infrastructure.

3.4.25 Southwark is projected to have an increase of 34,000 jobs over the period 2011-2031<sup>47</sup>. Through its evidence base, the consultation draft replacement London Plan sets an indicative employment capacity of 25,000 new jobs for the Bankside, Borough and London Bridge Opportunity area over the period 2011-2026<sup>48</sup>.

3.4.26 The GLA advise boroughs to use these figures for forward planning purposes. While the forecasts provided by GLA Economics give an overall borough employment forecast there is no breakdown of borough employment forecasts by B1, B2 and B8 use class.

3.4.27 The Southwark ELR uses this methodology and has calculated the employment forecasts for the PMAs for B1, B2 and B8. The Study has used the GLA Economics projection data from 2006.

Employment Forecast by Relevant Sector for South East Property Market Area (SEPMA) and Office Areas

	Projections					Compound Average Annual Change 2006-2026 %
	2006	2011	2016	2021	2026	
B1 Office SE1	823,366	908,321	938,077	960,915	980,815	0.9
B1 Office Local Market	95,124	98,995	104,372	109,729	114,165	0.9
B2 Factories: SEPMA	40,039	35,255	31,258	27,822	24,950	-2.3
B8 Warehouses: SEPMA	36,801	37,054	37,276	37,498	37,609	0.1
<b>Total</b>	<b>1,254,264</b>	<b>1,367,804</b>	<b>1,424,365</b>	<b>1,470,716</b>	<b>1,511,841</b>	<b>0.9</b>

Southwark ELR 2009 – Section 7.5 page 78

3.4.28 When the total estimated (gross) quantum of B1 floorspace in 2026 is divided by the number of jobs as taken from the GLA economic forecasts (103,757), the floorspace per employee is 16.14m<sup>2</sup>, which is slightly below the ODPM guidance of 17.9 m<sup>2</sup>. This would seem a realistic density however given the increased prevalence of more flexible working practices<sup>49</sup>.

<sup>47</sup>GLA Economics –Working Paper 39 Borough Employment Projections to 2031 Nov 2009 (table 9)

<sup>48</sup>Consultation Draft Replacement London Plan 2009 Annex 1

<sup>49</sup> Southwark Employment Land Review 2009 (section 7.10 page 90)

## **Other Employment Generating Uses**

### **Creative, Cultural and Tourism**

- 3.4.29 Given that these sectors are significant employment sectors in Southwark, expansion of them would help create new jobs, boost the economy and address issues of deprivation.
- 3.4.30 Southwark's ELR has provided an analysis of the historic growth of these sectors over 1998 to 2007, in comparison to London. The historic growth of these sectors is over twice as much in Southwark as it is in London as a whole. Taking into account this growth rate, it is reasonable to assume that these sectors in Southwark will continue to experience significant growth up to 2026<sup>50</sup>.

### **Hotels**

- 3.4.31 The GLA Hotel Demand Study (2006) has indicated that international visitor numbers to London are expected to increase over a longer period of time, particularly given the London 2012 Olympic games<sup>51</sup>.
- 3.4.32 The London Plan (Policy 3D.7) and the Mayor's Tourism Vision highlight the need to provide a net 40,000 net hotel bedrooms in London in the period up to 2026. The GLA Hotel Demand Study (2006) concludes that 2,000 extra ("net") rooms will be required per annum over the period to 2026. To meet this target, a total of around 2,500 new ("gross") hotel rooms will be required each year (expect a loss of 500 rooms each year)<sup>52</sup>.
- 3.4.33 Overall the central sub-region (i.e. Camden, Islington, Kensington & Chelsea, Lambeth, Southwark, Wandsworth and Westminster) is estimated to hold 69% of London's hotel stock in 2005 (section 4.6 page 32).
- 3.4.34 In 2005, the estimated stock of hotel bedrooms in Southwark was 1,414, with a pipeline supply of 1,126 over the period 2006-2010 (table 4.9 page 34).
- 3.4.35 The study has provided a geographic indication of future requirements at the borough level. The data is derived from assessing historical trends in hotel development and an analysis of regeneration and transport initiatives likely to take place in the future.
- 3.4.36 The study advises that the borough level numbers should be treated with caution. In particular, they will need to be tested on the ground in the light of local circumstances in each of the individual boroughs. There are also considerable uncertainties involved in forecast numbers, because the local level data has a considerable amount of 'noise' in it and, secondly, because the forecast horizon is 20 years. The likely range in the figures could be around +/- 250 for smaller boroughs and up to +/- 1,000 for larger boroughs (section 8.3, page 72).

---

<sup>50</sup> Southwark Employment Land Review 2009 (section 7.5 page 79)

<sup>51</sup> GLA Hotel Demand Study 2006 (section 1.2 page 2)

<sup>52</sup> GLA Hotel Demand Study (Section 1, page 1)

- 3.4.37 For the period 2007-2026, Southwark has an indicative forecast of approximately 2,800 rooms (gross), with a possible loss of 300 rooms, amounting to a net requirement of 2,500 rooms (table A1.1 and A2.1).
- 3.4.38 The London Plan policy identifies Central London and the CAZ as a priority location for hotel accommodation as well as promoting the provision of a wide range of tourist accommodation such as apart-hotels.
- 3.4.39 The level of hotel development in Southwark is relatively advanced. Since 2006/07, 497 hotel rooms have been completed and there are more than 1700 hotel rooms currently in the pipeline contributing to the requirement up to 2026<sup>53</sup>.
- 3.4.40 Accommodation is not merely limited to tourists, but for business visitors. This has been particularly the case due to the opening of the first phase of More London (Hilton Hotel), increasing the commercial visitation to the area. As such, the hotels in the northern area of the borough are experiencing 'full' nights in the midweek period.
- 3.4.41 There have been a number of high profile schemes that have also commenced, which are likely to attract visitors in the higher tariff market. Examples include The Shard granted in 2003 would provide 197 rooms. The Beetham Tower (1 Blackfriars Road) granted planning permission in 2009 will also contribute 395 rooms.
- 3.4.42 The large brand hotels are based in Bankside and London Bridge areas and the lower end visitor facilities are based mainly in the other parts of the borough. There are two advertised youth hostels on the [visitsouthwark.com](http://visitsouthwark.com) website, and are located only in London Bridge and Rotherhithe. The areas around Bankside and London Bridge have high levels of public transport accessibility and therefore are the most appropriate and suitable areas to accommodate visitor accommodation. However, other areas in the borough could also accommodate and contribute to the hotel beds requirement.
- 3.4.43 It is unlikely that demand will fall over the short to medium term. Therefore, the combination of the large number of tourist attractions, the increase in business demand and the high occupancy rates in existing hotels in Southwark, indicate that there is a need for more hotel accommodation to avoid any displaced demand to neighbouring areas and loss of visitor spend in the borough.
- 3.4.44 The Good Practice Guide on Planning for Tourism (2006) recognises hotels, guest houses and bed and breakfast accommodation being the type of tourist facility that are typical of urban locations and exhibit advantages in being the focus of regeneration or help to underpin it.

---

<sup>53</sup> Southwark Annual Monitoring Reports

## **4 THE OPTIONS**

### **4.1 Issues and options**

- 4.1.1 Two options for growth were assessed through the Core Strategy Issues and Options stage of the Core Strategy consultation. These were:

Option 1 Growth areas

- 4.1.2 This option would prioritise regenerating places by creating Growth Areas at the Central Activities Zone, Elephant and Castle, Peckham, Canada Water, Bankside and London Bridge and Camberwell. Under this option existing offices, industrial land, cultural and creative industries, tourist facilities and small businesses would be protected and new facilities encouraged in the growth areas. The resulting regeneration in growth areas would create more job opportunities and more funding from new developments for skills and training.

Option 2 Housing led growth

- 4.1.3 Under this option new housing would be allowed throughout the borough, and it would not be focused in specific areas. This option would leave less land for other land uses such as offices, industrial, tourism and culture and community facilities. Under this option, there would not be any protection of existing offices, industrial land, small businesses, cultural and creative industries or tourist facilities. We would allow new offices, industrial uses and cultural and creative industries throughout the borough

### **4.2 Preferred Options**

- 4.2.1 The Growth Areas led option has generally been taken forward following the Sustainability Appraisal (SA) at the Issues and Options stage.

- 4.2.2 The preferred options for employment and the economy was set out in policy 10, (Numbers and places for people to work).

- 4.2.3 Increase the number of jobs in Southwark, reduce the barriers that prevent people from finding work, and create an environment in which businesses can thrive. We want to maintain and encourage a range of types of business space to suit a variety of users, including small and medium sized enterprises (SMEs). We will also try to ensure that local people benefit from new jobs which are generated when development is being built and also when businesses move into the development.

- 4.2.4 The Preferred Options set out that we will do this by:

- Providing new business space as part of big council regeneration schemes, including: Elephant and Castle and Canada Water.
- Protecting existing business space and encouraging further business space in:
  - The Central Activities Zone
  - Town centres
  - The core action areas
  - Strategic Cultural Area

- Protecting small business units in the locations listed above.
- Protecting industrial and warehousing and enabling growth in new sectors such as green manufacturing and technology in the following strategic and local preferred industrial locations.
- Bermondsey (we will change the boundary of the existing preferred industrial location by taking out the Tower Industrial Estate on St James' Road). It will retain the same amount of business as are currently in the industrial estate.
- Old Kent Road
- Parkhouse Street (which will also be protected for a possible depot for trams or alternative forms of public transport); and Mandela Way.
- Protecting arts, cultural and tourist facilities in Southwark and encouraging them, particularly in strategic cultural areas.
- Restricting hotel growth in some areas to prevent them becoming too dominant and encouraging them in other areas where they will have positive impacts.
- Targeting new jobs and training opportunities which arise from development towards local people, through s106 planning obligations.

## **5 STRATEGY**

5.1.1 The overall strategy is continue to develop and strengthen the economy in Southwark to increase the number of jobs, provide successful town centres and create an environment in which businesses can thrive.

### **Offices**

5.1.2 Our strategy in policy 10 is to:

5.1.3 Protect existing business space and support the provision of around 400,000sqm-500,000sqm of additional business space in the Bankside, Borough and London Bridge areas.

5.1.4 Protect existing business floorspace and support provision of around 25,000sqm- 30,000 sqm in the CAZ, town and local centres, strategic cultural areas, action area cores, Camberwell action area and on classified roads.

5.1.5 Across the borough we are working with the local communities, and key partners including, Southwark Alliance, the business improvement districts (BIDs) at Bankside and London Bridge and key landowners to bring forward development which is consistent with our preferred strategy.

5.1.6 In addition to the Core Strategy, we will use area based local development documents to help implement the policy. The Aylesbury area action plan aims to provide 2,500 sqm of new business space. The space will be provided on land owned by the council and will be brought forward through contractual agreements with a development partner.

5.1.7 Through the Canada Water AAP, we are working with landowners to deliver around 12,000 sqm of new office space. Permission has been granted for 5,000 sqm at Mulberry Business Park. This space will generate some 350 jobs (net) contributing towards our target of 2,000 new jobs at Canada Water (section 4 of the core strategy).



- 5.1.8 The Peckham and Nunhead AAP, which is currently at issues and options stage, will also aim to deliver new employment space.
- 5.1.9 The Bankside, Borough, London Bridge SPD has provided a vehicle to help bring forward development in the opportunity area and coordinate necessary improvements to transport infrastructure. Recent developments, such as More London, Bankside 1, 2, 3, and Palestra demonstrate that the SE1 area in particular is an attractive location for corporate occupiers who need to be located in central London. In addition to recently completed developments, we have a large office space pipeline supply of approximately 332,800 sqm<sup>54</sup> and several large office developments, including the Shard of Glass, are underway. New office jobs in this area will comprise a significant proportion of the 25,000 new jobs we expect will be generated at Bankside, Borough and London Bridge (section 4 of the core strategy).
- 5.1.10 At Elephant and Castle, the 2004 Development Framework SPG provides the policy framework to deliver growth at Elephant and Castle. The Heads of terms agreed with the Council's development partner Lendlease, include a commitment to providing approximately 70,000 sqm of commercial space, to help provide new jobs.
- 5.1.11 The forthcoming Camberwell and Old Kent Road AAPs will aim to coordinate and deliver growth in those areas.

### **Justification**

- 5.1.12 Our strategy for office space is based on:

### **Employment land review**

- 5.1.13 Consistent with paragraph 3.149 of the London Plan, Southwark has undertaken an integrated strategic and local office demand study. The Southwark Employment Land Review (ELR) (2009) suggests that by 2026 there will be a need to provide up to 500,000 sqm of new business space, mainly in the SE1 market area, to meet the demands of businesses which need to locate in central London.
- 5.1.14 Outside the SE1 area, the ELR indicates that we need to make provision for up to 30,000 sqm of new business space to suit the needs of other businesses, many of which serve the local market. Areas with good transport accessibility and supporting shops and services are the most appropriate locations to keep and provide new business space.
- 5.1.15 We recognise that there may be instances where, because of its condition or location, there is no longer demand to use particular business premises. We will set out exceptions criteria to assess loss of business use in these locations in our Development Management DPD<sup>55</sup>.

---

<sup>54</sup> London Office Policy Review 2009 (section 1, para 1.7.23)

<sup>55</sup> Southwark Local Development Scheme (2009)

### **Consistency with our Employment and Enterprise Strategies**

- 5.1.16 The objective of delivering new office space will help deliver the aims our Enterprise and Employment strategies which seek to promote inward investment and grow the number of businesses and jobs in the borough.

### **Consistency with the London Plan**

- 5.1.17 The policy seeks to concentrate the great majority of new office floorspace in the CAZ. Outside the CAZ, the policy focuses on providing new flexible space which meets local needs. This approach is consistent with London Plan Policy 3B.2 which seeks to promote provision of additional office space and the rejuvenation of existing office space in the CAZ and focus on renewal of space in key locations outside the CAZ.
- 5.1.18 New office space will contribute towards the jobs targets for the opportunity areas and area for intensification set out in annexes 1 and 2 of the draft replacement London Plan.

### **Consultation and sustainability appraisal**

- 5.1.19 The Sustainability Appraisal has helped to identify the preferred options for the Core Strategy and areas of concern to be addressed through the refinement of policies or through the use of mitigation measures, to help avoid potential conflicts. At the Preferred Options stage of the Core Strategy consultation, the Core Strategy Sustainability Appraisal found that Policy 10 scored positively against the majority of sustainable objectives, and particularly against Sustainable Development Objectives 1 (To tackle poverty and encourage wealth creation) and 2 (To improve the education and skill of the population). However, it scored a minor negative impact against three objectives in relation to climate change, air quality and waste. The reason for the negative impacts is because of the quantum of development proposed in the borough. Policies 1, 13 and 14 will be used to mitigate any negative impacts.
- 5.1.20 The preferred approach will ensure that most new employment floorspace development will happen in the growth areas; mainly in the opportunity areas and action area cores (Bankside, Borough and London Bridge, Elephant and Castle, Aylesbury, Canada Water, Camberwell, Peckham and Nunhead) to help assist with regeneration and ensure a sustainable pattern of development <sup>56</sup>.
- 5.1.21 The strategy has been generally supported by consultation. The greatest number of objections focused on the perception that the policy is overly protective. However, as is noted above, in accordance with London Plan policy, the strategy is founded on a robust study of supply and demand. A policy in the development management DPD will set out the circumstances in which loss of employment land would be accepted, to provide some flexibility.

---

<sup>56</sup> Core Strategy submission/publication report Figure 25 page 91

### **Equalities considerations**

5.1.22 Increasing employment opportunities is an important factor in addressing barriers for many of the equalities target groups, particularly those in faith and belief, race and ethnicity equalities who suffer from economic deprivation and high unemployment levels. The growth option taken forward through the preferred option and core strategy would see the greatest provision of new jobs through encouraging a mix of uses including employment and setting a framework for protection of employment sites creating local jobs.

### **Industry and Warehousing**

5.1.22 Our strategy aims to protect sufficient industrial and warehousing floorspace to meet needs over the next 15 years and allow some release of redundant sites to provide land for alternative uses.

5.1.23 We will protect industrial and warehousing uses in preferred industrial locations (PILs) of:

- Bermondsey
- Old Kent Road
- Parkhouse Street (which will also be protected for a possible depot for trams or alternative forms of public transport).
- Mandela Way.

5.1.24 The PILs will also be able to accommodate growth in new sectors such as waste management and green manufacturing. In partnership with Veolia, we are developing a waste management facility on the Old Kent Road gasworks site.

5.1.25 In addition to the PILs, we will save Southwark Plan site proposal 16P which allocates sites on Jamaica Road for B1 and B8 uses.

5.1.26 In all, we anticipate releasing around 18 ha of industrial and warehousing land over the Core Strategy period for other uses. The largest site to be released is the Tower Bridge Business Square in south-east Bermondsey.

### **Justification**

5.1.27 London Plan policy 3B.4 (Industrial Locations) indicates that local authorities should identify strategic industrial locations and Locally Significant sites, in the light a number of criteria including the quality and fitness of sites and integrated strategic and local assessments of industrial demand.

5.1.28 The Mayor's Industrial Capacity SPG suggests that Southwark can release around 37ha of industrial and warehousing land for other uses over the period between 2006 and 2026. This is reiterated in the consultation draft replacement London Plan, policy 4.4.

5.1.29 Our 2009 ELR assessed both the demand for and the supply of employment land. The ELR concludes there is an expected decline in the demand for B2 uses over the plan period. In contrast, need for warehousing land is rising.

- 5.1.30 Through the ELR, we assessed the quality of some 36 clusters of employment uses against a range of criteria, including condition of buildings, access to the strategic highway network, environmental quality, access to public transport etc.
- 5.1.31 The PILs were generally assessed as functioning well, against the criteria and we propose they are retained in industrial use in order to ensure a supply of sufficient industrial and warehousing land.
- 5.1.32 The one exception to this approach is the Tower Bridge Business Square. Demand for the warehousing space on this site has been low. The remainder of the site comprises workshops and studios which have become a focus for light industrial activities (B1c class uses). Southwark considers that a mixed use redevelopment of part of the site, which provided both employment and residential use, would help reinforce the light industrial and creative activities taking place on the site. It would also help regenerate The Blue local centre by enabling better connections through the railway arches and encouraging investment in a centre which is generally struggling and in an area which is characterised by high levels of deprivation.
- 5.1.33 Through our Development Management DPD, we will allocate this site for mixed use development, ensuring that there is net growth in business space on the site.
- 5.1.34 Further guidance will be provided in the Tower Bridge Workshops Supplementary Planning Document 57.
- 5.1.35 Outside the PILs, three well functioning sites will be retained in industrial use (Goose Green, the Admiral Hyson Industrial Estate and the Print Works in Peckham). These sites will be allocated through our Development Management DPD.
- 5.1.36 Sites outside these areas have been released from industrial and warehousing use, for residential or mixed use. In this way we anticipate releasing 18ha of industrial and warehousing uses. When added to the 19ha of industrial and warehousing land which have been redeveloped for other uses since 2006, the net total of 37ha is consistent with the benchmark in the Mayor's SPG and the range set out in Southwark's ELR.

### **Small Business Units**

- 5.1.37 Our strategy is to aim to protect small units in those areas in which we protect employment uses. This applies to both business (B class) units as well as retail (A class) units.
- 5.1.38 We also encourage the provision of flexible B1 floorspace, with emphasis on providing space designed for the needs of SMEs, rather than providing subsidised floorspace. The provision of flexible business space will be secured via planning obligation agreements (Sections 106) or by conditions.
- 5.1.39 Where relevant, area-based local development documents will be used to help deliver new flexible space. New space to be delivered through the

---

<sup>57</sup> Southwark Local Development Scheme (2009)

Aylesbury AAP will be predominantly aimed at SME businesses (refer to sections 2.13 and 2.14 of the Aylesbury AAP Economic Development background paper.

- 5.1.40 Development at Canada Water and Elephant and Castle will provide new space for SME businesses. The Heads of Terms agreed with Lendlease will provide a business incubator at E&C.

### **Justification**

- 5.1.41 Southwark's Enterprise Strategy highlights the role of small and micro businesses in the local economy.

- 5.1.42 Small and medium sized enterprises (SMEs) make up over 99% of the total number of businesses in Southwark. Such businesses form an important source of local employment and can increase the ability of the economy to withstand macro-economic shocks. Along with removing barriers to employment, encouraging enterprise and business growth in the borough forms a critical plank in the council's strategy for tackling unemployment and deprivation in the borough. As is noted in paragraph xxxx, the key objective of the borough's Enterprise Strategy is to create a healthy and competitive business environment, built on an entrepreneurial culture.

- 5.1.43 The ELR suggests that the majority of SMEs are seeking premises of between 200sqm and 500sqm. Size of premises is particularly important for small and start up businesses, with smaller premises generally being more affordable.

- 5.1.44 The policy is consistent with the approach of the Mayor, set out in London Plan policy 3B.2, in seeking range of size, type, and cost of office premises to meet the needs of all sectors.

### **Creative, cultural and tourism facilities**

- 5.1.45 As set out in paragraph 3.1.9 above, the number of large cultural and tourism attractions in Southwark, including Tate Modern, the Imperial War Museum, the Design Museum, the Globe Theatre, demonstrates the attractiveness of the borough as a location for these kinds of uses. Pipeline developments such as the Phase 2 extension of Tate Modern which is due to open in 2012 will reinforce Southwark's reputation as a focus for creative, cultural and tourism uses.

- 5.1.46 The north of the borough in particular has areas in which there is a concentration of creative, cultural and tourism uses. To protect and promote expansion of these uses, we are proposing to retain the designation of strategic cultural areas, which were identified in the Southwark Plan 2007.

- 5.1.47 Our strategy is to protect arts, cultural and tourism uses in appropriate locations, including in the Strategic Cultural Areas. We are proposing to save Southwark Plan Policy 1.11 - Arts, Culture and Tourism Uses. This will be replaced by a new policy in the Development Management DPD, which encourages further growth and sets out criteria to assess loss of these uses, where sites are no longer fit for purpose or where there is no demand for an individual site.

### **Justification**

- 5.1.48 The approach is consistent with the findings of the ELR which suggests that growth in jobs in this sector in Southwark over the last 10 years has been twice the London average.
- 5.1.49 The policy is also in line with the approach of the Mayor set out in policies 3B.8 and 3B.9 of the London Plan. The designation of the strategic cultural areas responds to the policy direction to protect clusters.

### **Hotels**

- 5.1.50 Southwark recognises the value of hotels and the contribution they make towards the economy. In addition to helping achieve the tourism objectives highlighted in the London Plan, new hotels in the borough would also provide direct and indirect employment opportunities.
- 5.1.51 Through the core strategy we will promote further growth in appropriate locations, such as town centres and strategic cultural areas (SCA). Southwark's Tourism Strategy identifies the need to enable tourism dispersal, to increase the economic value of tourism and increase the spread of tourism and its benefits to other areas of the borough. There is also a need to avoid an over-concentration of hotels in specific areas to ensure that they do not harm the amenities enjoyed by local residents.
- 5.1.52 The area based documents within the LDF will help implement this policy. We are working with landowners to develop new hotel bed spaces at Canada Water, as set out in the Canada Water AAP.
- 5.1.53 The Bankside, Borough and London Bridge SPD provides further guidance for that area. Of all of the hotel bedrooms which exist in Southwark, around 35% are located in the Bankside and Borough areas. A significant proportion of the pipeline supply is also located in these areas.
- 5.1.54 The Development Management DPD and Bankside, Borough and London Bridge SPD will set out criteria to assess whether proposals would result in an overconcentration of hotels and to ensure their impacts are addressed.
- 5.1.55 Our approach through the Core Strategy is to plan, manage and monitor growth to maximise its value for Southwark and meet the forecast growth estimates set out in the replacement London Plan and GLA Hotel Study. While Southwark will provide the strategic direction, the policy will be implemented by the private sector. The fact that in the last three years, over 2000 hotel bedrooms have either been approved or are under construction, suggests that the borough is on course to meet the GLA estimate of 2,500 new bed spaces.

### **Justification**

- 5.1.56 The strategy is consistent with London Plan policy 3D.7 which seeks to ensure that boroughs focus provision for new visitor accommodation within the CAZ and town centres. It should also enable Southwark to meet estimates of hotel growth set out in the GLA hotel demand study.

5.1.57 While we wish to promote new hotel growth in the CAZ, town centres and areas with good access to public transport, it is important that hotels do not over-dominate. This is also recognised in London Plan policy 3D.7.

**Targeting new jobs and training opportunities which arise from development towards local people**

5.1.58 Our strategy is to aim to ensure that local people, and particularly those in the high need groups referred to above, including lone parents, people with disabilities and those with low skills can benefit from the training and employment opportunities which major development proposals for employment floorspace can bring.

5.1.59 We propose to save existing Southwark Plan Policy 1.1. This will be replaced by a Development Management policy.

5.1.60 The council have successfully been using schemes such as Building London Creating Futures (BLCF) to help ensure that job and training opportunities created by development are targeted towards local people through S106 planning obligations.

5.1.61 BLCF is in partnership with a variety of private, public and voluntary organisations committed to identifying construction recruitment needs. The aim is to find long term employment for local people in London. Specialised recruitment and retention of skilled staff is offered, particularly placing long term unemployed people back into the construction industry. The scheme particularly targets harder-to-help residents who might not otherwise apply for jobs.

5.1.62 The scheme includes an innovative workplace coordinator model to create a cross London network of skilled people who can be transferred from site to site. The model helps sustain employment and identifies shortages of skills in the construction sector.

5.1.63 The Council also supports a wide variety of enterprise related projects to ensure good innovative business ideas develop and existing businesses in Southwark have support to develop.

**Justification**

5.1.64 Despite a significant rise in the total number of jobs within the borough, unemployment rates among the borough's residents are still significantly higher than the London average, and in some areas, up to two and a half times higher than the national average. This prejudices the sustainability of the local economy and can result in severe inequalities in wealth creation.

5.1.65 This is a significant concern in Southwark. Removing barriers to employment is the key objective of the borough's Employment Strategy and is recognised in the Neighbourhood Renewal Strategy. It is also consistent with the approach of the Mayor in London Plan policy 3B.11.

**Promotion of supply chain opportunities for local businesses during and after construction of development**

- 5.1.66 We will promote supply chain opportunities for local businesses during and after construction.
- 5.1.67 We are committed to supporting the local economy through council procurement and supply chains and are working with several partner organisations in promoting local small businesses as valuable suppliers to the council and other public sector organisations.
- 5.1.68 We work through partnerships such as Supply Southwark to help promote opening up supply chain opportunities for local businesses. The Supply Southwark Group is a business-led partnership driving forward improvements to help small local businesses access and compete for council and other public sector contracts. Supply Southwark works with the council in reviewing and improving its procurement processes to the benefit of local small businesses including ethnic minority businesses and social enterprises.

**Justification**

- 5.1.69 Southwark businesses are a major contributor to the success of the local economy. They create wealth and employment throughout the borough and play an integral role in the improvement, development, vitality and diversity of Southwark. Southwark will support SMEs to bid for and win new contracts. This strategy can help make businesses more resilient to economic downturn and bring lasting benefits for the local economy.

**6. CONCLUSIONS**

- 6.1.1 The number of jobs in Southwark has grown significantly in recent years. With 27,622 new jobs created between 1998 and 2007, the greatest expansion has been in the business and financial services sector. The SE1 area in particular has become an established part of the City fringe. There has also been strong growth in the creative industries sector and tourism and hotels.
- 6.1.2 Despite this growth, unemployment and worklessness in the borough remain high. Notwithstanding this increase, unemployment remains unacceptably high, with certain groups facing particular barriers to gaining employment. The borough's Employment and Enterprise Strategies are focused on breaking down barriers to employment, and encouraging business formation and growth across a range of sectors.
- 6.1.3 In the light of government guidance in PPS4 and policies 3B.2 and 3B.4 we have carried out an assessment of supply and demand for business space. The 2009 Southwark Employment Land Review (ELR) found that demand for land for manufacturing and industry is expected to diminish over the plan period. In contrast it is anticipated that demand for warehousing land will rise. Taking these two factors into account, the ELR estimates that Southwark can afford to release between 16.7 ha and 23.7 ha of industrial and warehousing land over the period between 2011 and 2026.
- 6.1.4 The ELR also reviewed 36 employment clusters and measured their suitability for continued employment use against a range of criteria. In the light of this



review, sites which are no longer fit for use for industrial and warehousing purposes have been released. In all this amounts to 18ha of land. This level of release is consistent with both the ELR and the Mayor's Industrial Capacity SPG. Our strategy is to retain industrial and warehousing land in preferred industrial locations (PILs) in order to retain a sufficient supply of industrial and warehousing land.

6.1.5 Fuelled by growth on the northern side of the river, the amount of office space in the SE1 area has expanded significantly in recent years, through developments such as More London, Palestra and Bankside 1, 2, 3. Further office space is under construction in developments such as the Shard of Glass. The ELR anticipates that there will be a need for up to around 500,000 sqm of additional office space in the SE1 over the next 15 years to meet demand. Outside SE1, up to around 30,000 sqm will be needed to meet demands primarily driven by the local office market. Through our area action plans and supplementary planning documents, we are working with landowners to bring sites forward and coordinate improvements to infrastructure.

## **7. DOCUMENT REFERENCES**

- CDN1 Planning Policy Statement 1 Planning for Sustainable Development (2005)
- CDN4 Planning Policy Statement 3 Housing (2006)
- CDN5 Planning Policy Statement 4: Planning for Sustainable Economic Growth (2009)
- CDN9 Planning Policy Statement 13: Transport (Communities and Local Government, April 2001)
- CDN32 DCLG Guidance Notes on Employment Land Reviews (2004)
- CDN33 ONS Annual Population Survey 2007
- CDN34 ONS Annual Population Survey 2008
- CDN35 ONS Annual Population Survey 2009
- CDN35 ONS Annual Business Inquiry 2007
- CDN37 Census 2001, Neighbourhood Statistics
- CDR1 The London Plan Consolidated with alterations (2008)
- CDR2 Consultation draft replacement London Plan (October 2009)
- CDR8 GLA Industrial Capacity Supplementary Planning Guidance (SPG) (March 2008)
- CDR9 London Tourism Action Plan 2009-2013
- CDR10 London Development Agency's Corporate Plan 2007-2010
- CDR5 London Economic Development Strategy (January 2005)
- CDR18 GLA Economics- Economics Evidence Base – October 2009
- CDR19 The GLA Hotel Demand Study (2006)
- CDR24 GLA London Town Centre Health Check (2009)
- CDR25 London Office Policy Review (2009)
- CDR35 North East and South East London Industrial Baseline (2007)
- CDR36 Industrial and Warehousing Demand in London (2004)
- CDR37 [www.visitlondonmediacentre.com](http://www.visitlondonmediacentre.com) - Press Release (London's hotel room supply set to increase by 2012)
- CDR38 GLA Demand and Supply for Land for Logistics (2007)
- CDR39 GLA Economics – Working Paper 38- Employment Projections for London by sector (Nov 2009)
- CDR40 GLA Economics –Working Paper 39 Borough Employment Projections to 2031 (Nov 2009)

South London Sub-regional Development Framework (Mayor of London, May 2006)

Southwark Plan (2007)

Southwark 2016: Sustainable Community Strategy (2006)

Southwark Local Development Scheme (January 2009)

Southwark Employment Land Review (2009)

Southwark's Tourism Strategy 2005- 2010

Southwark Employment Strategy 2005 - 2016 (June 2006)

Southwark Enterprise Strategy 2005 - 2016 (June 2006)

Southwark Retail Study (2009) and appendices

Strategic Review of Southwark Markets & Street Trading Service October – December 2008

Camberwell Creative Industries Mapping Report (2007)

LB Southwark, Sector Skills Agency

Business Incubators Managed and Affordable Workplace Feasibility Study (2004)

Market Measures, Southwark profile (March 2008)

Background paper: Economic development Aylesbury Area Action Plan (March 2009)

Aylesbury Area Action Plan (Jan 2010)

Draft Canada Water Area Action Plan Submission/Publication Report (Jan 2010)

Draft Peckham and Nunhead Area Action Plan 2009 – Issues and Options (Mar 2009)

Draft Bankside, Borough and London Bridge SPD/ OAPF Tall Buildings Study (2010)

Southwark Section 106 Planning Obligations SPD 2007

Elephant and Castle Development Framework SPG (2004)

Elephant and Castle Enterprise Quarter SPD (2008)

Walworth Road SPD (2008)

Canada Water SPG (2005)

[www.elephantandcastle.org.uk](http://www.elephantandcastle.org.uk) - regeneration programme