

Cabinet: 28 January 2014
Blackfriars Road Supplementary Planning Document

No.	Title	Held at
Appendix A	Blackfriars Road supplementary planning document, 2014	Hard copy provided with the report
Appendix B	Representations received and the officer comments (Appendix J of the consultation report)	Available on the web at: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4554&Ver=4
Appendix C	Tracked changed version of the Blackfriars Road supplementary planning document, 2014	Available on the web at: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4554&Ver=4
Appendix D	Consultation report including a separate document containing appendices A-I Two separate documents	Available on the web at: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4554&Ver=4
Appendix E	Equalities analysis	Available on the web at: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4554&Ver=4
Appendix F	Sustainability appraisal	Available on the web at: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4554&Ver=4
Appendix G	Sustainability statement	Available on the web at: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4554&Ver=4
Appendix H	Appropriate assessment	Available on the web at: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4554&Ver=4
Appendix I	Urban design study	Available on the web at: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4554&Ver=4
Appendix J	Business and employment background paper	Available on the web at: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4554&Ver=4



LONDON BOROUGH OF SOUTHWARK

Draft Blackfriars Road

Supplementary Planning Document

Business and Retail Background Paper

January 2014

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1. INTRODUCTION

- 1.1. This background paper explains our approach to business and town centre uses in the Blackfriars Road SPD area. The paper sets out why we have prepared the guidance, how it is in conformity with the National Planning Policy Framework and London Plan and how it relates to our Core Strategy and saved Southwark Plan policies. It also provides some detail from the sustainability appraisal and the equalities analysis which have informed the preparation of the document.
- 1.2. The business and town centre uses background paper is split into different sections. These set out the policy background and the research and evidence that have informed our guidance.
- 1.3. This paper has been updated following the public consultation on the draft SPD which has resulted in proposed minor amendments to the guidance.

2. POLICY BACKGROUND

NATIONAL

National Planning Policy Framework (NPPF) (March 2012)

- 2.1. Since the Core Strategy was adopted, the government has published its National Planning Policy Framework. It sets out the government's planning policies for England and how these are expected to be applied. It consolidates the previous Planning Policy Statements (PPS) into a single, concise document covering all major forms of development proposals handled by local authorities. The NPPF sets out the Government's economic, environmental and social planning policies. The policies will apply to the preparation of local and neighbourhood plans, and to development management decisions.
- 2.2. Paragraphs 160 and 161 set out that the preparation of a robust evidence base must be undertaken in order to have a clear understanding of business needs within the economic markets operating in and across local planning authority areas. The evidence base should be used to access:
 - The need for land or floorspace for economic development;
 - The existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs;
 - The role and function of town centres and the relationship between them, including any trends in the performance of centres;
 - The capacity of existing centres to accommodate new town centre development.
- 2.3. In terms of retail provision, the government seeks to support town centres and to protect local high streets. Paragraph 23 of the NPPF states that planning policies should plan for the management and growth of centres over the plan period. In addition, in drawing up Local Plans, local planning authorities should recognise town centres as the heart of their communities and pursue policies to support their viability and vitality. Local planning authorities should also promote competitive

town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres.

- 2.4. Paragraph 70 sets out guidance to promote healthy communities. It states that planning policies should plan for the provision of community facilities such as local shops, meeting places, sports venues, cultural buildings, public houses and places of worship and guard against the unnecessary loss of valued facilities and services particularly where this would reduce the community's ability to meet day to day needs.
- 2.5. Paragraph 24 of the NPPF maintains the 'town centres first' approach, which means that new shops and leisure developments should look for sites in town centres first. If suitable town centre sites are not identified through a sequential test, shops and leisure developments can be located at the edge of a centre and then on out of centre sites.
- 2.6. In terms of the employment, the NPPF sets out at paragraph 21 that local planning authorities should ensure that they:
- set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
 - set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated requirements over the plan period;
 - support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate requirements not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
 - positively plan for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
 - identify priority areas for economic regeneration, infrastructure provision and environmental enhancement.
- 2.7. Paragraph 22 advises that local planning authorities should regularly review land allocations for employment use. Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose.

REGIONAL

London Plan (July 2011)

- 2.8. Policy 1 of the plan sets out the strategy for developing London's economy by promoting and enabling the continued development of a strong, sustainable and increasingly diverse economy across all parts of London, ensuring the availability of sufficient and suitable workspaces in terms of type, size and cost, supporting infrastructure and suitable environments for larger employers and small and medium sized enterprises, including the voluntary and community sectors.

- 2.9. Policies 2.15 and 4.7-4.8 of the London Plan provide the strategic framework for town centre policy development and implementation. Policy 2.15 advises boroughs to coordinate the development of their network of town centres so that they can provide the structure for sustaining and improving a competitive choice of goods and services that are conveniently accessible to all Londoners.
- 2.10. Policy 4.7 advises boroughs to identify future levels of retail and other commercial floorspace, undertake regular town centre health checks and identify new capacity, bringing forward development within or on the edge of town centres (where appropriate). The plan states that local assessments of need and capacity for comparison and convenience goods retail will be an important part of the process for policy preparation. Paragraph 4.43 advises that when carrying out town centre health checks, an assessment should be included of the capacity of the centre to accommodate additional retail and other commercial development appropriate to its role within the network.
- 2.11. Policy 4.8 sets out the strategy for supporting a successful and diverse retail sector, by encouraging boroughs to bring forward capacity for additional comparison goods retailing, supporting convenience retail, and to provide a policy framework for local and neighbourhood shopping and facilities.
- 2.12. Policy 4.9 encourages the development of local policies to support the provision of small shop units in order to promote a competitive and diverse retail sector and to support small and medium sized enterprises.
- 2.13. The Mayor's **Draft Town Centres SPG** was published for consultation in February 2013 for a period until 31 May 2013. This SPG provides guidance on the implementation of London Plan Policy 2.15 Town centres and its associated Annex, and of other policies in the plan with specific reference to town centre development and management. In particular the SPG includes guidance to promote the vitality and viability of London's town centres, including neighbourhood and local centres. This includes supporting a vibrant mix of uses in town centres including retail, leisure, culture, tourism, business, social infrastructure and housing and accommodating growth in demand for new town centre floorspace within centres or in well integrated edge of centre sites. It also addresses quality issues in town centre such as safety, access, design, diversity and sustainability and also the location and scale of development.
- 2.14. Addressing the provision of office stock is set out within policies 4.2 - 4.3 of the London Plan. Policy 4.2 advises that local policies should be providing the basis for work with investors, developers and landowners to bring forward and renew development capacity as efficiently as possible. In addition, co-ordinated, phased strategies should be developed to manage long term, structural changes in the office market, focusing new capacity where there is strategic as well as local evidence of demand, encouraging renewal and modernisation in viable locations and supporting changes of surplus office space to other uses.
- 2.15. With regard to London's visitor infrastructure Policy 4.5 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 Central Activities Zone (CAZ) and town centres.

- 2.16. The London Plan acknowledges that London's cultural and creative sectors are central to the city's economic and social success. Policy 4.6 sets out guidance for local authorities in supporting and enhancing the provision for arts, culture and entertainment. The policy sets out that the Mayor will, and boroughs and other stakeholders should, support the continued success of London's diverse range of arts, cultural, professional sporting and entertainment enterprises and the cultural, social and economic benefits that they offer to its residents, workers and visitors.
- 2.17. Policy 3.2 Improving Health and Addressing Health Inequalities advises boroughs to work with their partners to identify and address significant health issues facing their area, promote the effective management of places that are safe, accessible and encourage social cohesion and integrate planning, transport, housing, environmental and health policies to promote the health and wellbeing of communities.

LOCAL POLICY

- 2.18. The SPD will be used alongside the Core Strategy and the saved Southwark Plan policies to make decisions relating to business and other town centre uses in the Blackfriars Road SPD area. The Core Strategy and saved Southwark Plan policies have been assessed for their consistency against the NPPF policy guidance.
- 2.19. Our timetable for preparing and updating our policies is set out in our Local Development Scheme (LDS). The current LDS sets out that we will prepare a new Southwark Plan in accordance with the NPPF, which will set out the strategy for development in Southwark with policies, masterplans, maps and site allocations. This will replace the Core Strategy and saved Southwark Plan policies. We have started an early scoping consultation stage to inform the preparation of the New Southwark Plan, setting out a range of questions on a range of topic areas i.e. business, retail, community facilities, housing etc. Further information is available on our website at http://www.southwark.gov.uk/info/856/planning_policy

Core Strategy (2011)

- 2.20. Strategic Policy 2 provides the planning framework for the Bankside, Borough and London Bridge opportunity area and sets out that the council is working with the local community and landowners to deliver large scale development and improvements, providing over 1,900 new homes, 665 affordable housing units and around 25,000 new jobs by 2026.
- 2.21. Strategic Policy 2 also sets out the area vision for Bankside and Borough and details that Blackfriars Road will continue to have a mix of shops, services and offices serving both a local and wider need. It sets out that there will be a cluster of tall buildings around the northern end of Blackfriars Road providing high quality offices, housing, hotels and shops. These buildings will be of exceptional design and will enhance the look of the area and provide new public spaces.
- 2.22. Strategic Policy 3 sets out the strategy for retail and leisure provision in the borough. The policy defines a hierarchy of town and local centres which reflect

their sizes and roles. It states that we will direct large leisure and retail developments to town and local centres. Bankside and Borough is defined as a district town centre with an existing quantum of retail floorspace of approximately 18,000 sqm.

- 2.23. The policy also sets out that we will protect and enhance our centres by ensuring that the scale of new development is appropriate to their role and character, that a balance of different uses, including shops, bars, restaurants and cafes is maintained, and that we support the provision of markets.
- 2.24. Strategic Policy 10 sets out that we will protect existing business floorspace and promote the provision of around 500,000 sqm of new business floorspace in the following locations:
- The Central Activities Zone (CAZ).
 - Town and local centres.
 - Strategic cultural areas.
 - Action area cores.
 - Camberwell Action Area.
 - On classified roads.
- 2.25. Policy 10 protects small business units in the locations above and encourages provision of flexible space to help meet the needs of the local office market and independent retailers.
- 2.26. Creative, cultural and tourism facilities are protected and encouraged through Policy 10, and the policy sets out that we will allow development of hotels within the town centres, the strategic cultural areas, and places with good access to public transport services, providing that these do not harm the local character.
- 2.27. Policy 14 sets out that the Council will work with our partners, local communities and developers to meet the targets set out in Strategic Targets Policy 2 – Improving places.

Saved Southwark Plan Policies (2007)

- 2.28. The Southwark Plan was adopted in 2007 and we applied to the government to save a number of the policies in the plan beyond July 2010 whilst we were preparing our Local Development Framework policy documents. The following policies, or parts of the policies have been saved and are used alongside the Core Strategy to make decisions.
- 2.29. Policy 1.1 (Access to employment opportunities) aims to ensure that jobs and training activities generated by development are targeted towards locally disadvantaged people.
- 2.30. Policy 1.4 (Employment sites outside the preferred office locations and preferred industrial locations) has been updated by the Core Strategy Policy 10. It aims to ensure that employment uses are retained in key locations i.e. CAZ, Strategic

Cultural areas, Town centres and classified roads. It also sets out criteria to assess an exception to the net loss of business floorspace.

- 2.31. Loss of business floorspace is only permitted where it can be demonstrated that sites have been rigorously marketed over a 2 year period; where the site or buildings would be unsuitable for re-use or redevelopment for business use or a mix of uses or where the site is located in a town centre and the replacement uses are active town centre uses.
- 2.32. Policy 1.5 (Small business units) protects small business units where policy protection for employment use applies (i.e. Core Strategy policy 10 locations). It also allows the change of use of railway arches outside of the Preferred Industrial Locations to A, B or D uses.
- 2.33. The Core Strategy Policy 3 hierarchy of town and local centres supersedes those set out in Southwark Plan Policy 1.7 (Development within town and local centres) however the set of criteria to assess new development has been saved in Policy 1.7 and is continued to be used.
- 2.34. Policy 1.9 sets out the criteria for the change of use from A1 Use Class within protected shopping frontages, which are set out within Appendix A and B. A protected shopping frontage is defined as a frontage of shops where there is a concentration of retail activity. These frontages comprise a cluster of ten or more retail shops.
- 2.35. Policy 1.10 protects small scale shops and services outside of the town and local centres and protected shopping frontages. Development will only be permitted if certain criteria can be demonstrated.
- 2.36. Policy 1.11 (Arts, cultural and tourism uses) seeks to protect and encourage arts, cultural and tourism uses in designated strategic cultural areas.
- 2.37. Policy 1.12 (Hotels and visitor accommodation) encourages new accommodation in locations with good access to public transport.

Section 106 Planning Obligations SPD (2007)

- 2.38. Southwark adopted a s106 Planning Obligations SPD in 2007. The SPD complements Core Strategy Policy 14 (Implementation and Delivery) and the saved Southwark Plan planning obligations policy 2.5. The SPD is designed to provide a clear set of standard charges required to mitigate the impact of major development proposals across the Borough. The SPD advises on how and when we will seek these obligations from developers. The SPD is a material consideration in deciding planning applications.
- 2.39. Planning obligations can be calculated using a standard charge methodology which is set out in the SPD and these are sought to address the following areas:
 - Affordable housing
 - Archaeological investigation and excavations, preserving, recording and publishing the results and London Borough of Southwark monitoring of the excavations

- Children's play facilities, public open space improvements, and sport and recreation
- Community and health facilities
- Education provision and facilities
- Legal and monitoring costs
- Strategic transport projects (i.e. borough-wide transport projects included in the LIP which may be fully or partially exclusive of contributions sought by TfL)
- Training and employment initiatives.

2.40. The charges are index linked and have been raised annually in line with inflation.

Southwark Community Infrastructure Levy (CIL)

2.41. The Community Infrastructure Levy (CIL) is a new levy that local authorities can choose to charge on new developments in their area. CIL is a mandatory charge levied on most new developments that involve an increase of 100sqm or more of net additional internal floorspace or development that involves the creation of a new residential unit or more.

2.42. The gross floorspace of any existing buildings on a site that are going to be demolished may be deducted from the calculation of the CIL liability. Similarly the gross floorspace arising from development to the interior of an existing building (i.e. mezzanine) may be disregarded from the calculation of the CIL liability. The CIL regulations currently only allow deductions in respect of demolition or change of use to only apply where the existing building has been in continuous lawful use for at least six months in the 12 months prior to the development being permitted. However, following a consultation on amendments to the CIL Regulations early this year, the government is proposing to extend the time period to three years, as opposed to 12 months.

2.43. CIL money can be used to support development by funding infrastructure that the council, local community and neighbourhoods need. The benefits are increased certainty for the funding and delivery of infrastructure, increased certainty for developers and increased transparency for local people.

2.44. To charge CIL we must prepare and adopt a Charging Schedule setting out the levy rates. We have consulted on the first stage, the preliminary draft CIL charging schedule, during the summer 2012, and this set out the amount of CIL to be paid for different types of development (pounds per square metre of new floorspace) and an explanation of the method to be used to work out how much should be paid in each case. A further round of consultation on the draft CIL Charging Schedule was undertaken between February 2013 and April 2013. We are currently planning to undertake a further round of consultation on proposed changes to the draft CIL Charging Schedule during December 2013 and January 2014 and submit the draft CIL Charging Schedule for independent examination by an Inspector in March 2014. It is therefore anticipated that the CIL will be brought into effect in late 2014. Our proposed CIL levy is supported by evidence, including a study of the economic viability of new development (CIL Viability Study) and Southwark's infrastructure needs (Infrastructure Plan) which are both available at

http://www.southwark.gov.uk/info/856/planning_policy/2696/community_infrastructure_levy

- 2.45. The Infrastructure Plan identifies a range of infrastructure projects which could receive potential CIL funding and we will need to prepare a CIL expenditure protocol which will provide clear governance for the allocation of Southwark CIL funds collected by the Council, highlighting the agreed decision making process and associated responsibilities for funding strategic projects. Section 106 planning obligations will operate outside of this protocol.
- 2.46. Under the CIL regulations, where all or part of a chargeable development is within an area that has a neighbourhood development plan in place, the charging authority must pass 25% of the relevant CIL receipts to the neighbourhood forum for that area to spend on local infrastructure provision. In other areas without a neighbourhood plan, the charging authority must pass 15% of CIL receipts to be spent in the local area. In Southwark, we will pass 25%, regardless of whether the area is within a neighbourhood plan area or not. This allocation would be made using the recently adopted community infrastructure project list (CIPL) which replaces the project banks. The current CIPLs were approved in April and June of 2013 by community councils. Ideas were sought for new local infrastructure projects using either existing Section 106 funds or future Southwark CIL funds. Generally, publically accessible infrastructure improvements in local areas can be considered. For Section 106 it needs to provide mitigation from new developments and from Southwark CIL it must be infrastructure that supports growth.
- 2.47. The CIL Charging Schedule will eventually replace the Section 106 standard charges which are set out in the Section 106 planning obligations supplementary planning document (SPD). CIL monies will be used to fund borough wide strategic infrastructure, and Section 106 planning obligations will also continue to be secured to fund local infrastructure requirements resulting from the direct impact of development, such as public realm, site specific transport, local access or connection to services. Section 106 planning obligations will continue to be used to secure affordable housing. We plan to consult on a revised Section 106 planning obligations/CIL SPD from December 2013 until February 2014 which sets out the relationship between CIL and Section 106 Planning obligations and also the revised set of standard charges which will only be used to address the direct impact of a particular development.
- 2.48. The Charging Schedule sits alongside the Core Strategy (or Local Plan), and helps deliver our development objectives.

Southwark Economic Well-being Strategy (2012-2020)

- 2.49. Our strategy sets out what the council seeks to achieve between 2012 and 2020, and how we aim to work across the council and with our partners in the private, public and voluntary sectors in order to make Southwark a place:
 - Where people, especially our young people, are equipped with the skills and ambition to make the most of our central London location
 - Where businesses grow and prosper
 - Where town centres and high streets thrive

- Where our residents are financially independent
- 2.50. The strategy seeks to use the planning system to help ensure that a supply of better quality, more flexible, better managed and affordable business space is available for start-ups and businesses that are ready to grow. It also recognises the need to take a balanced view on the many different land use needs, including establishing expectations and principles for the amount, design, size, location and affordability of commercial space in new developments and regeneration schemes.

3. RESEARCH AND EVIDENCE

RETAIL

Southwark Retail Capacity Study (2009)

- 3.1. The London Plan requires boroughs to identify future levels of retail and other commercial floorspace in light of integrated strategic and local assessments (Policy 4.7C). The Southwark Retail Capacity Study (2009) (RCS) provides details of the existing shopping provision in Southwark and also includes health checks and surveys of the town and local centres describing the vitality and viability of the borough's centres in terms of their retail performance. It has also examined whether the town centres can accommodate additional capacity for convenience and comparison goods floorspace.

Bankside and Borough District Town Centre

- 3.2. The RCS evaluates the vitality and viability of Bankside and Borough town centre, in terms of its retail performance. A survey was undertaken to assess the state of the physical environment as well as shopping activity and traffic levels.
- 3.3. There is a profusion of independent service operators trading from the retail units that line Bankside & Borough District Centre. When Borough Market is in operation the dense range of stalls provides a diverse mix of convenience and specialist foods. No high-end comparison retailers operate in the area, and the evening economy is restricted to the bars and restaurants that populate the centre.
- 3.4. There is very little in the way of comparison shopping in the centre, and there are very few multiple retailers in the vicinity. Notwithstanding this, the RCS confirms that the centre is performing well and shopping activity is heavy and consistent.
- 3.5. The SPD area has a limited convenience and comparison goods offer. Most of the units are in service uses, including financial and retail services but predominantly leisure service uses such as a few bars, cafes and restaurants. The main concentrations are focused around the protected shopping frontages, of Stamford Street, Hopton Street, The Cut and Waterloo Road where the mix of retail is controlled.
- 3.6. The area benefits from its location in the CAZ and the extensive office uses in the immediate area which support the existing retail facilities.

Assessment of retail capacity

- 3.7. The RCS sets out the results of a household telephone survey, the results underpin many of the conclusions in the RCS. The survey was split into 12 zones which went beyond the Southwark boundaries (see Plan 2 of the RCS). Bankside and Borough district centre draws most of its trade from Zone 1 and Zone 7 (across the border into Lambeth) (see Plan 2 of the Retail Study).
- 3.8. The RCS analysed the influence of key competing centres in the wider London context on retail centres in Southwark. The assessment of each of the competing centres identifies the main retail offer and floorspace provision, and the extent to which this is likely to change and influence shopping patterns in the sub-region in the future. The household telephone survey results highlight Peckham and Canada Water as the main centres in Southwark for comparison shopping. These two centres are reviewed in relation to key competing centres identified in the survey including Bluewater, Brixton, Bromley, Canary Wharf, Catford, Croydon, Lewisham and London (West-End).

Comparison Goods

- 3.9. The RCS reviewed shopping patterns in the borough and also the performance of existing comparison goods floorspace for the main comparison goods destinations (Peckham, Elephant & Castle/ Walworth Road, Canada Water, Camberwell, Lordship Lane, Out-of-Centre). The RCS looked at composite market shares which were derived from the household survey and calculated estimates for expenditure.
- 3.10. The comparison goods spend for the main destinations in the borough is £312.7 million. This amounts to just over 16% of the total available comparison spend from the whole survey area of the RCS, which is £1.9 billion. The available comparison spend for the whole borough is calculated at £850 million and the proportion of this borough spend that is retained by the borough is £245m or 29%. Southwark's centres are therefore losing trade (71%) to competing centres such as the West End and Croydon.

Convenience Goods

- 3.11. The borough performs much better in convenience retailing. Using the composite market shares derived from the household survey and baseline expenditure estimates, the convenience goods turnover of the main convenience goods provision in the borough (Peckham, Elephant & Castle/Walworth Rd, Bankside & Borough, Camberwell, Canada Water, London Bridge, Lordship Lane, Dulwich Village, Herne Hill, Nunhead, The Blue) is calculated to be £381.5 million. This is compared with the overall expected turnover based on company averages of £295m. Based upon the average there is therefore a surplus of convenience expenditure in the borough.

Floorspace capacity for additional retail development

- 3.12. On the basis of current market shares, increases in population levels and disposable income will increase the available comparison spend which will create

capacity for additional retail floorspace. By 2018 the RCS estimates that expenditure surplus will be sufficient to support approximately 13,996 sqm net of new comparison goods floorspace, with most of this arising in the north east (Canada Water) and central east (Peckham) of the borough. This is a result of the stronger performance of Canada Water, stores on the Old Kent Road and Peckham and the lack of development commitments in the pipeline in these areas.

- 3.13. There is evidence of a surplus of convenience shopping expenditure in the borough. The borough's convenience goods capacity has been calculated based on current market shares and taking into account the retail commitments in the borough. The borough will be able to support an additional 11,554 sqm of floorspace by 2018. Through analysing the breakdown of capacity arising in different parts of the borough, most of the convenience capacity is arising in the north east (Canada Water) and the south of the borough.
- 3.14. For Bankside and Borough district town centre, the RCS identified that the focus should be on continuing to meet the needs of workers, tourists and visitors. There is little conventional town centre retailing in this area and as such the forecast turnover for convenience and comparison goods is low. This area has a small quantum of development in the pipeline which results in a lack of capacity for new floorspace in the short term. However, new schemes will be supported by an increase in population in the area, through new residents, workers and visitors and these will come forward on an incremental basis.

BUSINESS

Employment Profile

- 3.15. Sustainable communities aim to provide adequate employment suitable to the local workforce. In order to fully understand the performance of the existing employment land-use in the SPD area, and the required future provision, the present socio-economic structure of the area, and recent trends in key indicators need to be taken into account.
- 3.16. There is a population of approximately 13,000 economically active working age people (16-74) living in Cathedrals ward (which the SPD area lies within), the highest in the borough, having increased from 12,000 in 2007. There are around 7,200 people in employment, with an employment rate of around 55%. The unemployment rate in the ward is currently 5.2%, compared to the borough rate of 6%.
- 3.17. The majority of residents in the ward work in associate, professional and technical occupations. The industry breakdown of occupations shows that the majority of residents work in 'Professional, Scientific and Technical Activities' (16.8%), and 'Financial and Insurance Activities' (12.7%), both higher than the borough percentage.
- 3.18. The majority of people living in the area have Level 4 qualifications or above (45%). This compares to the Southwark average of 43.1%. The number of people claiming benefits in the area (13.9%) is lower than the total for Southwark (15.6%).

Of those claiming benefits, the highest proportion of claims are for incapacity benefit (6.3%), compared to job seekers allowance (3.9%) and lone parents (1.3%)

- 3.19. The workforce occupation breakdown for the ward indicates that the majority of employees work in the Information and Communications industry (18.2%), followed by the Professional, scientific and technical industry (16.8%). Business administration and support services is also well represented (10.1%). Arts, entertainment and recreation only make up around 8% of employment, and Accommodation and food services amount to around 6%.
- 3.20. The SPD area falls within Cathedrals ward, which has an estimated 57,000 people in employment, according to the Business Register and Employment Survey. This is around a quarter of the total number employed in Southwark, which amounts to around 195,000.
- 3.21. There are a diverse range of occupiers of buildings in the area as a whole. The types of businesses located in the area include government offices, company headquarters, support services for the financial sector in the City, professional bodies, media and communications, publishing, and advertising. Employment in hotels, catering, tourism and creative and cultural industries has also grown significantly over the past decade. The area also has a cluster of creative industries. In the last twelve months, take-up of floorspace was largely attributed to the Media sector, at 24%, followed closely by Charities and Associations (17%), Professional services (16%) and the Legal sector (14%).
- 3.22. Southwark demonstrates a relatively strong entrepreneurial culture which in part reflects the diverse ethnic mix of the local population. The vitality of small business growth in the borough is demonstrated by the fact that since 2008 there has been on average 255 business start ups each year in the Cathedrals ward. This is on par with Riverside ward, however Grange ward had the highest number in the borough.

Southwark Employment Land Review (2010)

- 3.23. Southwark's Employment Land Review (ELR) has provided an assessment of local demand and supply of office stock and industrial land within the borough.

Offices

- 3.24. The SPD area is located within the SE1 property market area. The ELR drew a clear distinction between the SE1 market area which supplies office space to those businesses which need to locate in central London and the local office market which serves the needs of Southwark's economy.
- 3.25. The demand for office floorspace in the SE1 market 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.
- 3.26. The ELR forecasts the need to provide around 400,000 – 500,000 sqm of additional office floorspace over the life of the Core Strategy to meet the needs of

the SE1 property market. This forecast takes into account historic floorspace trends, historic employment and the GLA's future employment projections, as well as the impact of economic recession, to calculate the future floorspace requirement.

- 3.27. The ELR also identifies that there are a considerable and growing number of SMEs in the SE1 property market which indicates that these businesses draw benefit from being located in the area. The analysis of this market showed that, although there is a supply of premises that could accommodate some of this demand for B1 office floorspace, the quality of these premises does not meet the needs of potential occupiers. SMEs generally require flexible space and incubator units capable of possible expansion with premises with good visibility from the road, that are DDA compliant and have good accessibility.
- 3.28. The ELR assessed the quality of some 36 clusters of employment areas across the borough against a range of criteria, including condition of buildings, access to the strategic highway network, environmental quality and access to public transport. The ELR recommends that B1 uses should be protected in the area and growth facilitated for B1 development that accommodates demand. The SE1 property market, which includes the Bankside and Borough district town centre has prospered in recent years, as a result of an increase in demand for high quality office space from companies providing support and complementary services to City occupiers.
- 3.29. Overall, the ELR suggests that the demand for B1 office floorspace is expected to continue across the borough, influenced by factors such as increased regeneration and investment. The development of Crossrail across the city will also bring a beneficial impact to the area, as it will connect central London City, Canary Wharf, the West End and Heathrow Airport to areas east and west of the capital. It will bring 1.5 million people within a 60-minute commute of the city. This may increase demand for office stock.
- 3.30. The London Office Policy Review (2012) is the most recent in a series of independent reviews of office market trends commissioned by the GLA. It includes a review of office-based employment projections and office floor space need estimates to inform future alterations to the London Plan.
- 3.31. The review estimates that there is 252,026 sqm of floorspace in the pipeline in Southwark. An overall employment projection of an additional 37,101 jobs between 2011-2031 has been calculated and an office employment projection of 25,201 jobs. The office employment forecasts are converted into forecast of net additional demand for floorspace by application of employment density ratios. Southwark's projected office floorspace demand over the period 2011-2031 is 345,259 sqm (GIA). When comparing this figure to our pipeline supply figure, we have met demand by around 73%. However, not all of the supply may come forward and also the demand projections may be subject to market forces over time.

Industry and Warehousing

- 3.32. 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). The recently adopted Land for Industry and Transport SPG (2012) updates this figure to 25 hectares between the period 2011-2031 (1.3 ha per annum).

- 3.33. The ELR suggests that the demand for B2 premises in Southwark is low, which reflects the trends in other inner London boroughs.
- 3.34. The SPD area does not contain any Southwark designated Preferred Industrial Locations (PILs), however it does contain sites which are used for industrial type activities. The ELR recommends the loss/ change of use of these non-designated general industrial premises (B2) to account for the projected reduction in net demand for B2 employment sites and floorspace up to 2026. Outlying employment sites are more likely to be bad neighbours and in less appropriate locations for traditional industry or warehousing. The redevelopment of these sites may present an opportunity to provide light industrial and workshop space to meet the needs of SMEs.

4. DEVELOPING THE SPD

SPD 1: BUSINESS SPACE

Sustainability Appraisal

- 4.1. The Sustainability Appraisal (SA) has been used to help inform the preparation of the SPD guidance and identified areas of concern to be addressed through the refinement of guidance or through proposing the use of mitigation measures to try to make the policies socially, environmentally and economically sustainable. The SA found that the additional guidance in the SPD will generally have a positive impact. For every piece of guidance, the positive impacts outweighed the negative impacts when assessed across the whole range of sustainable development objectives. In the majority of cases the additional guidance has no anticipated negative impacts against the sustainable development objectives.
- 4.2. In summary, the following assessment was made:
- 4.3. The promotion of new business development was identified as potentially having a minor negative impact on Sustainable Development Objective (SDO) 6, 'to reduce contributions to climate change'. The reason for the negative impact is that the quantum of new development is likely to have negative impacts upon climate change and air quality. However, it is felt that the negative impacts can be resolved through appropriate mitigation measures, in particular the application of Core Strategy policies 1, 13 and 14. The Sustainable Design and Construction SPD and Sustainability Assessment SPDs provide further details to applicants on the type of measures that should be introduced in order to mitigate the environmental impacts of development.
- 4.4. New business floorspace was identified as potentially having an uncertain impact on SDO 15, 'to provide everyone with an opportunity to live in a new home'. Promoting additional business floorspace and increasing the number of town

centre uses in the area will lead to more mixed use developments. This could potentially reduce the number of homes that could be provided compared to solely residential schemes. However, allowing mixed-use development in town centres will encourage more sustainable communities and will still deliver new homes, including affordable homes and family homes. This will contribute towards meeting our housing target over the plan period, with the provision of a range of sizes of dwellings to meet housing need. The NPPF also advises that planning authorities should allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres. It also states that it is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability.

- 4.5. Additional business floorspace was also identified as potentially having an uncertain impact on SDO 17, to provide the necessary infrastructure to support existing and future development. New development will place an increased demand upon the infrastructure. Developers and the council will need to ensure that the existing infrastructure has capacity to meet the additional demands of new proposals. Policy requirements for financial contributions towards the provision of new social, physical and green infrastructure will be met through either site specific, or strategic section 106 planning obligations or CIL (when it is adopted).

Equalities Analysis

- 4.6. We prepared an Equalities Analysis to assess the impact of the SPD guidance on the nine equalities groups. The Equalities Analysis has since been updated following consultation, and to take into account changes made to the draft SPD. In summary, the following assessment was made:
 - 4.7. To mitigate any potential impact against the equality groups, the SPD guidance provides a supportive framework for job retention and creation. We promote the creation of new small and medium sized enterprises in SPD 1. We will work with our partners to target jobs created by new development at local people and support local employment training projects in the area.
 - 4.8. Increasing the range and amount of employment floorspace should have a positive impact on all of the community. Focusing on providing a range of unit sizes and utilising spaces within the railway arches will help provide a range of employment opportunities. In principle this will benefit all members of the community by creating local jobs for people to access.
 - 4.9. Providing mostly office jobs may have a positive impact on some groups with protected characteristics such as young people, women and disabled people who may be more likely to pursue jobs in office environments. Providing jobs in the local area may also have more positive impacts on some disabled people and pregnant women who may not find it as easy to travel to other parts of London for employment.
 - 4.10. We identified in the Equalities Analysis the possibility that some groups may experience barriers in accessing employment opportunities. We will seek to mitigate against this by securing Community Infrastructure Levy funds/ or section

106 planning obligations from new development for employment training. Local employment and training projects will help to ensure that local people can access sustainable jobs and share in local economic growth. This will help to reduce inequalities, both social and economic, and to create a fairer future for all residents.

THE STRATEGY

- 4.11. SPD 1 sets out our aspiration to generate more jobs and businesses in the area in order to consolidate and expand the existing business services cluster and reinforce the area as a strategic office employment location. Following consultation on the draft SPD, we have incorporated some minor amendments to SPD1. These are the inclusion of a reference to small and start-up businesses within the first bullet. The “we are doing this because section” of SPD 1 has also been updated to include more detail on small and medium sized enterprises, and to cross refer to saved Southwark Plan policy 1.5 which aims to protect small business units. An update has also been made to refer to employment opportunities within the railway arches in line with Network Rail’s objectives. A minor update has also been made to the “we are doing this because” section to refer to London South Bank University’s new Clarence Centre for Enterprise and Innovation.
- 4.12. The consultation report which accompanies the draft SPD sets out a full summary of the consultation responses received and our responses.
- 4.13. Our strategy is:
- Supporting the provision of new business floorspace (B1 use class). Space should be designed flexibly to accommodate a range of unit sizes, including space suitable for small and start-up businesses helping to contribute to a diverse stock of business accommodation.
 - Requiring existing business floorspace (B1) to be retained or replaced, unless an exception can be demonstrated in accordance with our borough wide employment policies.
 - Allowing any additional floorspace on sites already in business use (B1) to be used to accommodate a range of town centre uses, provided these will not jeopardise the continued business use of the site.
 - Supporting use of the railway arches for a range of business uses (B1) including small business space, creative and cultural industries, light industrial uses and appropriate A or D class uses.

JUSTIFICATION

Supporting the provision of new business floorspace

- 4.14. The NPPF emphasises the importance of clusters, stating that authorities should “Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries” (paragraph 21). The London Plan also recognises the importance of clusters, describing London as a

“strategically important, globally orientated financial and business services cluster” (Policy 2.10). London Plan policy 2.11 states that within the CAZ, the Mayor, boroughs and relevant agencies should enhance and promote the unique international, national and London-wide roles of the CAZ, ensuring that the development of office provision is not strategically constrained and that provision is made for a range of occupiers especially the strategically important financial and business services. Paragraph 2.44 explains that the CAZ covers London’s geographic, economic and administrative core and brings together the largest concentration of London’s financial and globally-oriented business services.

- 4.15. The SPD area lies within the CAZ which contains nearly 30% of all London’s jobs and is projected to accommodate 36% of London’s employment growth up until 2026. This is an area where large-scale office development is encouraged and promoted in the London Plan. The London Plan identifies the Bankside, Borough and London Bridge Opportunity Area with an employment capacity of around 25,000 jobs over the period 2011 – 2026. In context, Southwark is projected to have an increase of 37,101 jobs over the period 2011-2031 according to the London Office Policy Review (2012). Therefore the majority of job growth will occur in the CAZ.
- 4.16. The Southwark CAZ has witnessed significant levels of growth in recent years and comprises a major reservoir for future growth in London. The amount of office stock in Southwark grew by over 20% between 2000 and 2012, the fourth highest rate of growth in London. In the period between 2011 and 2036 it is estimated that gross demand for office floorspace in Southwark will be approximately 345,259sqm which represents 9.5% of estimated gross demand in the CAZ/Tech City/Isle of Dogs boroughs. The London Plan job target in the Southwark CAZ is testament to that potential.
- 4.17. On the back of its association with the City, the SE1 property market has prospered in recent years, as a result of an increase in demand for high quality office space from companies providing support and complementary services to City occupiers. The area has excellent transport links to the City, and is connected via a number of rail and roadways, including the Bakerloo, Jubilee, and Northern tube lines, and also Blackfriars, Southwark, London and Tower Bridges. This has been confirmed through the recent completion of landmark schemes such as Palestra, More London, Bankside 1,2,3 and the Shard, with several more schemes under construction. The latter include 231 Blackfrairs Road, The Place at London Bridge, South Bank Tower and Sea Containers House.
- 4.18. Market analysis confirms that there is approximately 10 million square foot of office floorspace in the SE1 property market area, of which around 80% is in Southwark and 20% in Lambeth. There will be a future demand for growth and new development sites in SE1 and Blackfriars Road area present a real opportunity to meet some of this demand.
- 4.19. The creative and cultural sector has been identified as the fastest growing sector in London and this sector has also experienced growth in employment in Southwark in recent years. According to the GLA Economics report on London’s Creative Sector (2010), in Southwark there are over 2,200 creative industry firms and approximately 15,000 jobs. Many of the B1 occupiers are technical, creative and

cultural-related enterprises who are attracted to the affordable workspace offered in the area.

- 4.20. The ELR identifies the SE1 area as having a strong clustering of SMEs, engaged in creative, cultural and tourism activities, compared to other areas of the borough. This indicates that these activities draw benefit from being located in the SE1 area. The availability of more suitable small office/studios/workshops could lead to the establishment of a more formal physical cluster of creative individuals and businesses in the area. The new Clarence Centre for Enterprise and Innovation at the south end of the road at St. George's Circus will enable more creative firms to grow, with links and support directly from London South Bank university. This new development provides space for small and start-up businesses over a range of sizes, including 13 office units of 322 sqft and 40 single desk units in open areas which provide a hub for networking.
- 4.21. Southwark's Economic Well-being Strategy (2012-2020) highlights the importance of facilitating the provision of new business space to stimulate growth in the local economy. It sets out that we need to tap this potential further, and make sure we have the right policies to optimise land use and use our influence to open up well-designed, well located and affordable business space, and to make sure our own regeneration schemes deliver the right mix of business and employment uses to provide jobs for local people.
- 4.22. In particular, the strategy states that the council will work with partners to:
- take a balanced view on the many different land use needs, including establishing expectations and principles for the amount, design, size, location and affordability of commercial space in new developments and regeneration schemes.
 - develop policy for better use, management and improvement of employment land, industrial locations and our own commercial property.

Require new business space to be designed in a flexible way

- 4.23. The ELR recommends that new developments should also support business start ups and growing SMEs through the provision of space that is affordable and flexible through its design, suitable for a range of business types and sizes and allows growing businesses to remain in the area, as well as attracting new businesses. SMEs in Southwark have fed back that they require premises with visibility from the road, DDA compliance and good accessibility.
- 4.24. The provision of office space in mixed use development is sometimes seen as a design after-thought; providing it in sub optimal locations where residential space is less palatable i.e. ground floor and basements. Like residential occupiers, office occupiers are also wary of security concerns and the visibility into the space from outside. Even in major office schemes, ground floor offices are normally less desirable and are cheaper than upper floors. The resulting floorplates are difficult to subdivide into smaller units (for SMEs) while retaining natural light. The ELR confirms that SMEs typically require facilities of between 200sqm to 500sqm, while public sector organisations require larger facilities up to 2,000sqm.

- 4.25. Market analysis commentary notes that there is good supply of large floorplate corporate office floorspace in SE1, with more supply of Grade A floorspace developments coming onto the market in the short term. However there is a real need for high quality small to medium sized floorplates in the future as there will be plenty of Grade A floorspace and Grade B second hand floorspace.
- 4.26. Analysis also confirms that the creative and media sectors look for buildings with strong environmental performance and well designed buildings with good amenity and services, with the potential for high density layout. There is an opportunity to promote Blackfriars Road as a destination for investment and promote small to medium sized new commercial space, particularly in Blackfriars South.
- 4.27. The guidance for provision of flexible business space is in line with our Economic Well-being Strategy which states the council will work with partners to take a balanced view on the many different land use needs, including establishing expectations and principles for the amount, design, size, location and affordability of commercial space in new developments and regeneration schemes.

Retain or replace existing business floorspace

- 4.28. The overarching planning framework for Southwark is the Core Strategy 2011. In accordance with paragraph 21 of the NPPF, Core Strategy policy 10 (Jobs and business) sets out a clear economic vision and strategy for the borough. The policy supports existing business sectors including office, small businesses and industrial/ storage/ warehousing and also identifies sustainable growth locations in which business space should be provided and also protected. These include the CAZ and town centres in which the SPD area is located.
- 4.29. The requirement for the retention or replacement of business floorspace is justified by the available evidence, including the ELR, which points to the need to protect and intensify employment land and business floorspace over the plan period.
- 4.30. The guidance is used in conjunction with Southwark Plan saved Policy 1.4 which sets out criteria to assess whether continued business use is viable. Where it is demonstrated that there is no reasonable prospect of continued business use land can be released for other purposes which is consistent with the guidance set out in the NPPF (paragraph 22). Saved policy 1.5 of the Southwark Plan also aims to protect small business units in proposals for redevelopment or change of use of employment sites, by requiring the equivalent provision for small units within the replacement floorspace, subject to exception criteria.
- 4.31. The Southwark CAZ office market differentiates itself from the traditional financial centre of the City of London through supplying high-specification offices at comparatively lower rents. Rents achieved in the CAZ for good quality, Grade A office floorspace provided in locations such as More London, Southwark Street and Blackfriars Road are circa £45 per sq ft. For example, UBM secured a 15 year term for a pre-let of 103,362 sq ft of offices at 240 Blackfriars Road in December 2011 at a headline rent of £47 per sq ft due to be completed in March 2014. By comparison, A Grade rents in the City can be up to £70 per sq ft. Any significant loss of office floorspace would push up rents. This in turn would also serve to disperse existing occupiers to other parts of London. Ultimately this would reduce

the concentration of occupiers in the CAZ, thereby limiting the positive agglomeration effects they currently enjoy and the benefit to the Southwark economy.

- 4.32. It will be important to retain existing business floorspace where this is appropriate, to ensure there continues to be space available for established businesses outside the area to move into the area and for start up businesses to establish themselves.

Allowing any additional floorspace on sites already in business use (B1) to be used to accommodate a range of town centre uses, provided these will not jeopardise the continued business use of the site.

- 4.33. The NPPF advises that town centres should be recognised as the heart of communities and local authorities should pursue policies to support their viability and vitality. In addition, policies should be promoting competitive town centres that provide customer choice and a diverse retail offer which reflects the individuality of town centres. The London Plan supports a vibrant mix of uses in town centres including retailing, leisure, culture, tourism, business, social infrastructure and housing.
- 4.34. The SPD guidance aims to promote a wide range of town centre uses to be provided in the area, to diversify the current offer for local residents and also attract more people into the area. However it will be important to retain the business floorspace concentration and the agglomeration effects which have been developing in the SE1 market in recent years.

Support a range of uses in the railway arches

- 4.35. The SPD area does not contain any designated industrial areas; however the railway arches have traditionally accommodated general industrial storage, light industrial and car-related sui-generis uses. However accessibility for these types of uses can be constrained due to the narrow access roads.
- 4.36. There is evidence of demand for railway arches for office, creative, cultural and tourism uses in this area, with a large number of units having already been converted to accommodate space for such uses. There are some good examples in the wider area where the arches have been refurbished by Network Rail to a very high-standard and leases have been taken up quickly by a wide range of businesses. The arches have been waterproofed, soundproofed and insulated to very high standard. Mezzanine floors have also been introduced to utilise the height of the arch.
- 4.37. The SPD guidance is consistent with saved Southwark Plan policy 1.5 which supports the change of use of railway arches for alternative town centre uses. The ELR states that the railway arches are suitable to accommodate a range of business uses including small business space, creative and cultural industries, light industrial uses and also appropriate A (retail) or D (community) class uses. Saved Southwark Plan Policy 1.5 allows the use of the railway arches to change use from B2 and B8 industrial uses to ensure the spaces can meet the needs of a wide range of occupiers.

SPD 2: MIXED USE TOWN CENTRE

Sustainability Appraisal

- 4.38. The Sustainability Appraisal was updated following the consultation on the draft SPD. In summary, the following assessment was made:
- 4.39. Additional guidance on mixed town centre uses was identified as potentially having a minor negative impact on SDO 6, to reduce contributions to climate change. The reason for the negative impact is that the quantum of new development is likely to have negative impacts upon climate change and air quality. However, it is felt that the negative impacts can be resolved through appropriate mitigation measures, in particular the application of Core Strategy policies 1, 13 and 14. The Sustainable Design and Construction SPD and Sustainability Assessment SPDs provide further details to applicants on the type of measures that should be introduced in order to mitigate the environmental impacts of development.
- 4.40. The additional guidance on mixed town centre uses was identified as potentially having an uncertain impact on SDO 15, to provide everyone with an opportunity to live in a new home. Promoting additional business floorspace and increasing the number of town centre uses in the area will lead to more mixed use developments. This could potentially reduce the number of homes that could be provided compared to solely residential schemes. However, allowing mixed-use development in town centres will encourage more sustainable communities and will still deliver new homes, including affordable homes and family homes. This will contribute towards meeting our housing target over the plan period, with the provision of a range of sizes of dwellings to meet housing need.
- 4.41. Additional guidance on mixed town centre uses was also identified as potentially having an uncertain impact on SDO 17, to provide the necessary infrastructure to support existing and future development. New development will place an increased demand upon the infrastructure. Developers and the council will need to ensure that the existing infrastructure has capacity to meet the additional demands of new proposals. Policy requirements for financial contributions towards the provision of new social, physical and green infrastructure will be met through either site specific, or strategic section 106 planning obligations (or CIL when it is adopted).

Equalities Analysis

- 4.42. We prepared an Equalities Analysis to consider the potential impact (positive and negative) of proposals on the key 'protected characteristics' in the Equality Act 2010 and Human Rights, the equality information on which the analysis is based and mitigating actions to be taken. The Equalities Analysis has since been updated following consultation, and to take into account changes made to the draft SPD. In summary, the following assessment was made:
- 4.43. The guidance seeks to encourage more mixed use development to build on the existing commercial development in the area and also provide a wider range of services for local residents. This will include encouraging a mix of uses in particular

shops, restaurants, cafes and bars and also arts and cultural and leisure facilities and community facilities. Improving the range of town centre uses will mean there is less need for people to travel elsewhere for their services and will have a positive impact on all groups. New town centre uses will also provide a wider range of employment opportunities which is likely to have a particular beneficial impact for young people.

THE STRATEGY

- 4.44. SPD 2 sets out our aspiration to promote the provision of a more balanced mix of town centre uses to enhance the commercial attractiveness of the area whilst also providing a more diverse range of uses for local residents and workers. There were many representations raising that housing should be looked at through the SPD. Whilst housing policy and associated guidance is provided elsewhere in our planning documents we have acknowledged that the SPD guidance needs to refer to residential use, in addition to town centre uses, as also being an appropriate use within town centres. SPD 2 has been updated to include residential into the bullet point on encouraging a range of uses. The supporting text has also been updated to make it clearer that there is residential development in the area, that more people will be living there in the future and that the increased provision of town centre uses will benefit residents. The fact box on town centre uses has also been updated to make this clearer by referring to the definition of main town centre uses in the National Planning Policy Framework. Furthermore, an update to SPD2 has been made to make it clearer that space should be designed flexibly to accommodate a range of unit sizes, in order to be consistent with SPD 1.
- 4.45. SPD 2 sets out that we will consider the impact of all proposals for food, drink, evening and night time economy uses on the overall mix of the area and on local amenity. Text has been added into the “we are doing this because” section to cross refer to the Borough and Bankside licensing saturation area.
- 4.46. Our strategy includes:
- Encouraging the provision of a mixture of new town centre uses (especially shops, restaurants, cafes and bars). Space should be designed flexibly to accommodate a range of unit sizes, developed alongside residential development and business uses in order to increase activity and strengthen the appeal of the area to visitors and to a wider range of occupiers.
 - Supporting proposals for new hotels and other forms of visitor accommodation (C1) to ensure there is a good supply of accommodation for visitors and to contribute to a mix of uses and employment opportunities. Proposals should seek to maximise the opportunity to include ancillary facilities and activity along the lower and street level frontages.
 - Encouraging a mix of complementary arts, cultural, leisure, entertainment and education uses, taking into account their economic benefit to the area, their contribution to the vitality of the area and impact on health and well-being.

- Considering the impact of all proposals for new or expanded food, drink, evening and night time economy uses, whether cumulatively or individually, on the overall mix of uses in the area and on local amenity.
- Supporting the provision of new social infrastructure and community facilities as part of mixed use developments. Opportunities should be taken to ensure that new community facilities are accessible to all members of the community.
- Requiring development to provide active lower floor and street level frontages to reinforce the visual continuity of building frontages facing onto the street and to help add interest and vitality to the public realm.

JUSTIFICATION

Encourage a mix of new town centre uses.

- 4.47. The NPPF advises that town centres should be recognised as the heart of communities and local authorities should pursue policies to support their viability and vitality. The London Plan supports a vibrant mix of uses in town centres including retail, leisure, culture, tourism, business, social infrastructure and housing. Page 17 of the SPD sets out the definition of town centre uses.
- 4.48. Figure 1 below shows the boundary of the Bankside and Borough district town centre, the protected shopping frontages and the boundary of the SPD area.
- 4.49. Our evidence base, the Southwark Retail Capacity Study (2009), provides details of the existing shopping provision in Southwark and also includes health checks and surveys of the town and local centres, describing the vitality and viability of the borough's centres in terms of their retail performance. The study confirms that the Bankside and Borough town centre is performing relatively well and shopping activity is heavier and consistent along Borough High Street than anywhere else in the centre.
- 4.50. The town centre has been assessed as having a limited convenience and comparison goods offer. Most of the units are in service uses, including financial and retail services but predominantly leisure service uses such as a few bars, cafes and restaurants, particularly concentrated more towards Borough High Street. There is also a profusion of independent service operators trading from the retail units. No high-end comparison retailers operate in the area, and the evening economy is restricted to the bars and restaurants that populate the centre.
- 4.51. The main concentrations of retail in the SPD area are focused around the protected shopping frontages, of Stamford Street, Hopton Street, The Cut and Waterloo Road where the mix of retail is controlled through adopted planning policy. There is also a cluster of retail uses around Southwark Station.
- 4.52. The SPD area benefits from its location in the CAZ and the extensive office uses in the immediate area which can support additional retail and town centre facilities. There is already a small quantum of new retail floorspace coming forward, either under construction or in the pipeline, as part of mixed use developments.

- 4.53. There is an opportunity to promote a much wider mix of town centre uses as part of the development opportunity sites identified in the SPD area (figure 8). The Mayor's Draft Town Centres SPG encourages local planning authorities to support a broader functional base in town centres by encouraging diversification. The introduction of a wider range of types of uses will help in promoting the area as a more commercially desirable location for business, but also provide a more diverse shopping experience for local residents. A wider mix of uses will support the businesses located in the area, by helping to boost the local economy by generating additional spending and inward investment in other businesses and providing an increased number of employment opportunities. It will also help to promote local distinctiveness, sense of place and local identity which is important for the wider community. This is consistent with the Core Strategy which promotes a range of uses in town centres and the CAZ and the London Plan encourages a mix of uses including housing where development schemes include an increase in office floorspace. It will be important to ensure the any new space coming forward in new development schemes is designed to provide a range of unit sizes, in order to accommodate a variety of different town centre uses and sizes of businesses. Space which is designed to be attractive to independent retailers, small businesses and organisations will be vital to ensure a wide diversity of facilities and services is provided.
- 4.54. In parallel with the SPD guidance we will continue to apply saved Southwark Plan Policies 1.9 and 1.7 to assess proposed uses in the town centre and the protected shopping frontage. The vitality and viability of the town centre depends on the range and critical mass of retail services on offer being maintained.

Support the provision of new hotels in the town centre.

- 4.55. The north of the borough has seen strong growth in the number of hotel developments over the past 10 years, which has partly been as a result of an increase in visitors to the premier arts and cultural facilities along the Southbank and Bankside areas. Our Core Strategy policy 10 directs hotels to the town centres, strategic cultural areas and places with good public transport accessibility as these are the locations where hotel development would best support business, retail and the service economy.
- 4.56. Within the SPD area there are seven hotels. The Mad Hatter Hotel (Stamford Street), Ibis and Novotel (Blackfriars Road), H10 and Travelodge (Waterloo Road), Travelodge (Union Street) and Express by Holiday Inn (Southwark Street)), with approximately 1,260 hotel bedspaces between them. The pipeline schemes in the area include 1 Blackfriars Road (152 hotel bedspaces), Sea Containers House (358 hotel bedspaces) and on Bear Lane/Great Suffolk Street (280 hotel bedspaces).
- 4.57. Just beyond the border of the SPD area there are an additional three hotels with approximately 458 hotel bedspaces (Mercure London, Premier Inn and Citizen M). In addition there is one apart-hotel scheme in the pipeline at 1 Bear Gardens and 1-2 Rose Alley (60 hotel bedspaces)

- 4.58. The GLA's Hotel Demand Study (2006) sets out the approximate amount of new hotel bedrooms required in Southwark over the period 2007 – 2026, to help meet the target of 40,000 new hotel bedrooms in London which is set out in Policy 4.5 of the London Plan. This amounts to 2,500 over this period. Since 2007, approximately 1,625 hotel bedrooms have been completed and approximately 850 rooms are currently in the pipeline from planning permissions.
- 4.59. The forecast figure for Southwark should be treated as indicative only, and local circumstances should also be factored in. It is important to consider that the SPD area is within the Central Activities Zone, Bankside, Borough and London Bridge Opportunity Area and part of the Elephant and Castle Opportunity Area which are areas promoted in the London Plan to accommodate strategically important hotel provision. Arts, cultural and tourism activities have flourished in Southwark in the last decade, particularly in the Strategic Cultural Area, which is within the CAZ. Bankside, Borough and London Bridge has consequently experienced a growth in the number of hotels to support this increasing visitor economy.
- 4.60. The SPD promotes the expansion of existing town centre uses and also the creation of new uses, contributing to the day time economy and also the development of the evening and night time economies in the town centre which can attract more visitors to the area. Additional hotels will help contribute to the local economy by providing accommodation for visitors to the area, generating additional spending and inward investment in other businesses and providing an increased number of employment opportunities.
- 4.61. When considering how economic growth can be maximised, it is important to differentiate between uses which drive economic growth, and uses which support primary activities. Generally, premises within the B use class provide accommodation to sectors that drive economic growth. In terms of employment land specifically, although hotels can also be classified in an employment capacity, they often provide a low employment density ratio (i.e. Ratios are generally expressed as the average floorspace in square metres per full time employee). Because hotels offer much less capacity for employment growth, local employment effects will be an important factor in the consideration of planning applications, such as the provision of ancillary facilities which can provide additional employment, encourage wider use of the building to benefit the local community and passing public and also activate the street frontage. The SPD cites an example of the Citizen M hotel on Lavington Street which provides business meeting rooms for hire and also a cafe/bar on the ground floor which creates an inviting and publicly accessible space.

Encouraging a mix of complementary arts, cultural, leisure, entertainment and education uses

- 4.62. Part of the SPD area lies within the South Bank/Bankside/London Bridge Strategic Cultural Area (SCA) which is identified in the London Plan in order to protect and enhance strategically significant clusters of heritage sites, internationally renowned cultural institutions and their settings. There is a wide representation of theatres and art gallery organisations and facilities in the SCA. The soon to be completed extension to the Tate Modern gallery to create more performance and exhibition space will attract more visitors to the area. Theatre and the arts are widely

represented, to name a few, Bankside Gallery and Purdy Hicks Gallery Artistic Studio Company, In Toto Theatre Company, Bankcider Productions, the Young Vic Theatre and the Union Theatre. Music and dance is also well represented including the London Centre of Contemporary Music, Borough Music School and From Here To Maturity Dance Company.

- 4.63. The Mayors Draft Town Centre SPG (2012) encourages local planning authorities to recognise and invest in the relationship between culture and the surrounding environment whether it be the great cultural attractions of central London or the everyday experience of town centres and local neighbourhoods. By promoting leisure and entertainment alongside arts and culture in the SPD area, this will help to bring in more visitors from further afield as well as enhance the cultural offer available to local people.
- 4.64. This in turn can deliver the footfall necessary to support a stronger retail offer or other forms of economic activity in the area. This can help to diversify the mix of uses and increase the overall vitality and diversity of the area which will make a positive contribution to the day, evening and night-time economies by generating additional spending and inward investment in other businesses and providing an increased number of employment opportunities.
- 4.65. Through the council's Cultural Strategy (2013), we will also encourage partnership working between the educational institutions, local arts organisations and community groups to help broaden access to, participation in and understanding of the arts within the wider community, as the area physically develops. The SPD encourages engagement between developers and arts/cultural agencies, including the Southwark Arts Forum, South Bank and Bankside Cultural Quarter Partnership, and Southwark council's culture team, to identify potential occupiers of new spaces and the impact of proposals on existing provision. Existing arts and cultural facilities are protected by the saved Southwark Plan and Core Strategy policies.
- 4.66. The SPD also encourages expansion of education facilities. The influence of London South Bank University (LSBU) through its central location, its positive approach to wider engagement through its community outreach programmes to support businesses, enterprise and education within the community, can offer considerable development capacities that can support future development in the area and beyond.
- 4.67. The university has four faculties which include:
 - Arts and Human Sciences;
 - Business Computing and Information Management;
 - Engineering, Science and the Built Environment; and
 - Health and Social Care.
- 4.68. LSBU places particular emphasis on preparation for employment and, for students already in work (the university has a high proportion of postgraduate, part-time, and professional study), a focus on up to date course content immediately relevant to today's work place. Over 50% of students are from SE London, and the university celebrates a very wide ethnic and cultural mix (60% of students are from ethnic minorities). Many students are studying for professional qualifications or higher degrees, but the university also works in partnership with local schools and Further

Education colleges to provide access to higher education through Level 3 courses (A-level equivalent). A high proportion of students are mature (90% aged 20 or older), and the university encourages applications from students returning to education with non-traditional qualifications (over 80% of students enter the university through this route). There is a very wide programme of courses, backed by niche research (mainly applied) and links with business.

Considering the impacts of food, drink, evening and night time economy uses on the overall mix of uses in the area and on local amenity

- 4.69. The SPD encourages a mixture of consumption (especially restaurants, bars as well as retail) alongside other town centre uses which are likely to attract visitors and generate interest and audiences.
- 4.70. The development of the evening and night-time economy (NTE) in the area will help keep the town centre lively and safe at different times of the day and provide more leisure opportunities for local residents, visitors and people working in the area. It will also boost the local economy by generating additional spending and inward investment in other businesses; an increased number of jobs; greater footfall and an enhanced perception of place; the development of non-alcohol based activities through the attraction/expansion of leisure venues such as cinemas and health and fitness centres etc that will benefit a wider section of the community and provide more customer choice and mix.
- 4.71. However, we have acknowledged in the SPD that careful consideration needs to be given to reconciling NTE economic benefits and the concerns of local residents through mitigating any potential detrimental impacts associated with these uses. Our saved Southwark Plan policies, particularly policy 3.2 'Protection of amenity', will also be used to assess the degree of impact upon local amenity in planning proposals, and conditions may be attached to planning permissions which can help to mitigate against any potential detrimental impacts on the quality of life of residents, workers and the night time economy customers.
- 4.72. The SPD also highlights the Borough and Bankside licensing saturation area, which is a local policy that addresses the cumulative impact of licensed premises. All applications for new or varied premises licences for night-clubs, public houses and bars, restaurants and cafes, off-licences, supermarkets and grocers need to address the saturation concerns set out in the council's licensing policy within the premises operating schedule.

Supporting the provision of new social infrastructure and community facilities as part of mixed use developments.

- 4.73. The NPPF requires planning policies to plan positively for the provision and use of shared space, community facilities and other local services to enhance the sustainability of communities and residential environments. The SPD recognises that as the area changes with new development, new and improved leisure, social infrastructure and community facilities will be needed to support the growing population.

- 4.74. Investment in community facilities is typically via section 106 planning obligations, which will be replaced by a borough-wide community infrastructure levy (CIL) in 2014. We have prepared an infrastructure plan (2013) to support the proposed CIL, which identifies strategic infrastructure that is needed to support growth and development in the borough over the lifetime of Southwark's Core Strategy (2011-2026). Where possible it identifies the cost of infrastructure to be provided, any committed sources of funding which will be used to deliver it and the organisations responsible. The Infrastructure Plan is a "living document" which will be updated regularly as further details about infrastructure requirement to support growth become clearer.
- 4.75. Given the limited amount of funding that will be available through CIL and the competition to fund a broad range of strategic infrastructure to underpin growth throughout the borough, our strategy for community facilities will focus on making the most of existing assets in the area.

Requiring development to provide active lower floor and street level frontages

- 4.76. There are areas of Blackfriars Road which lack visual interest and many of the main building frontages are unattractive with blank façades facing the public realm. This leads to a negative image of the area with key approaches and streets without activity or natural surveillance.
- 4.77. The SPD requires new development to include active lower floor and street level frontages in their design, which is a strategy consistent with planning policy. Good design will encourage a higher level of activity in the public realm which will help to add vibrancy to the area.
- 4.78. Best practice on designing active frontages includes maximising the number of doors and windows at street level; enlivening the ground floor facade with the inclusion of bay windows, canopies, arcades and porches. Commercial activities taking place within a building's ground floor should be visible from the public realm and occupants should be able to benefit from views out. Frontages should be detailed to be visually stimulating and lit well from inside.
- 4.79. SPD2 is linked with SPD 3 which provides guidance on the public realm and recognises that currently there are sections of Blackfriars Road and surrounding roads and spaces that have inactive frontages which result in an environment that people find difficult to engage with and enjoy.

Figure 1

