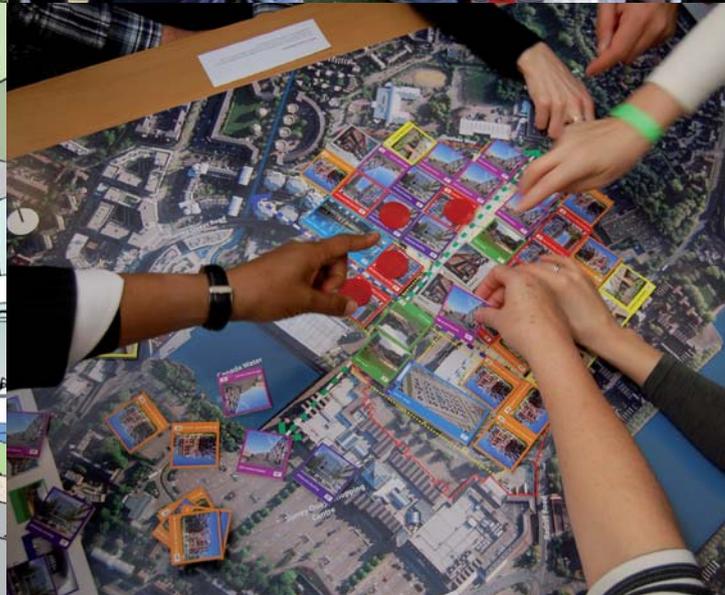


Revised Canada Water Area Action Plan

Business and retail background paper

April 2014



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1. INTRODUCTION

1.1. This background paper explains our approach to the business and retail strategy set out in policies 1 (Shopping in the town centre), 25 (Jobs and business space) and site allocation CWAAP24 in the Revised Canada Water area action plan (RCWAAP). In particular it shows how the revisions to policies in the adopted AAP:

- Are in general conformity with the London Plan and consistent with the NPPF and the council's Core Strategy and saved Southwark Plan policies;
- Have been informed by the sustainability appraisal, the equalities analysis and consultation; and
- Have been informed by the evidence base.

1.2. The business and retail background paper is split into different sections. These set out the policy background, the research and evidence that have informed our policies and the way in which the revisions to the policies has been considered.

2. POLICY BACKGROUND

NATIONAL POLICY

National Planning Policy Framework (NPPF) (March 2012)

2.1. Since the Core Strategy was adopted in 2011, the government 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 needs 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 that 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 to 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 edge of 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.
- 2.8. Paragraph 157 advises that local plans should allocate sites to promote development and flexible use of land, bringing forward new land where necessary, and provide detail on form, scale, access and quantum of development where appropriate.

REGIONAL POLICY

London Plan (2011) consolidated with Revised Early Minor Alterations (2013)

- 2.9. The London Plan was published in 2011, however a number of alterations have been made to the Plan (2013) to ensure it is as up-to-date as possible, in particular regarding references to Government guidance and national legislation enacted since July 2011.
- 2.10. Canada Water is designated as an intensification area (Annex 1) where the London Plan encourages boroughs to progress and implement planning frameworks to realise the potential of intensification areas. The London Plan promotes an indicative capacity of 2,000 new jobs, describing the area has having good public transport accessibility with significant potential for mixed use regeneration on infill sites and intensification of existing commercial sites.

- 2.11. 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.
- 2.12. Policies 2.15 and 4.7-4.8 of the London Plan provide the strategic framework for town centre policy development and implementation. Map 2.6 and Annex 2 (London's town centre network) of the plan sets out a retail hierarchy in London, identifying the existing role and function of town centres in the network and an indication of the future growth potential of each town centre.
- 2.13. Canada Water is classified as a district town centre in Annex 2 of the plan and has also been included in the classification of 'High growth' which includes town centres with moderate levels of demand for retail, leisure or office floorspace and with physical and public transport capacity to accommodate it. It has also been given the supplemental classification of 'Regeneration' which refers to those town centres where existing capacity can be utilised to achieve regeneration objectives including physical, environmental and economic renewal. In addition, office provision is promoted as part of wider residential or residential and retail/leisure mixed use development.
- 2.14. 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 conveniently accessible to all Londoners. It also states boroughs should identify town centre boundaries, primary and secondary shopping areas in proposals maps and set out policies for each type of area in the context of Map 2.6 and Annex 2.
- 2.15. 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.
- 2.16. 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. It also encourages the support of street and farmers markets.
- 2.17. 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.
- 2.18. 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 retailing, 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.

- 2.19. Addressing the provision of office stock is set out within policies 4.2 - 4.3. 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.
- 2.20. Policy 4.3 advises that outside the CAZ mixed use redevelopment can play an important role in promoting renewal and modernisation of the office stock in appropriate locations.
- 2.21. The plan indicates that the most viable locations for the renewal and modernisation of the office stock in outer London includes locally oriented, town centre based office provision, which can be consolidated effectively to meet local needs, or where necessary, changed to other uses.
- 2.22. London Plan policy 4.4 sets out guidance on the promotion, management and protection of Strategic 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 Canada Water action area does not contain any SILs or local Preferred Industrial Locations.
- 2.23. The Mayor has also adopted a **Land for Industry and Transport SPG (2012)** which updates and consolidates the Mayor's existing SPGs on Industrial Capacity (2008) and Land for Transport (2007).
- 2.24. Although significant growth is projected in London over the plan period, the SPG asserts that London's economy is undergoing a structural change, with a decline in traditional manufacturing and an increase of other industrial sectors, such as warehousing, logistics and utilities. The role of the SPG is to set out guidance for boroughs to manage the changing demand for industrial land and land for transport as a result of these changes.
- 2.25. The SPG reflects the London Plan which states that boroughs should promote, manage and where appropriate protect strategic industrial locations as London's main reservoir of industrial capacity, including land for waste management, transport functions and environmental industries. Surrey Quays Corridor/Old Kent Rd and South East Bermondsey in Southwark are identified as strategic industrial locations (SILs) in the London Plan. The SPG and London Plan state that boroughs can also identify further Local Significant Industrial Sites, where appropriate and should set out criteria to release surplus sites for other uses. In Southwark there are two Preferred Industrial Locations (PILs). There are no PILs in the Canada Water action area.

- 2.26. The SPG indicates that 24 hectares of industrial and warehousing land was released in Southwark between 2006 and 2011 for other uses. The SPG also calculates an indicative benchmark figure of a further 25 hectares for industrial land release in Southwark between 2011 and 2031 (1.3 ha per annum). While our approach to the management of industrial land is set out in the Core Strategy, it is likely that a further review of industrial land will be needed during the Core Strategy plan period.
- 2.27. 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 CAZ and town centres.
- 2.28. 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 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.
- 2.29. Policy 3.2 sets out policy on 'Improving Health and Addressing Health Inequalities' and 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. The Plan also states that development and regeneration of areas for regeneration (Policy 2.14) and many of the designated opportunity and intensification areas (Policy 2.13) provide the greatest opportunity to improve health and reduce health inequalities. The supporting text to the policy is clear that new development should be supported by necessary and accessible health and social infrastructure. Planning obligations should be secured, and the Community Infrastructure levy should be used as appropriate to ensure delivery of new facilities and services (policies 3.16-3.19, 8.2 and 8.3), including places for meetings between all members of a community (see policies 3.1 and 7.1).
- 2.30. The Mayor has also prepared best practice guidance (BPG) 'Health Issues in Planning' for boroughs and others on promoting public health. This includes guidance on a range of tools, including health impact assessments, available to help assess the impact of a development. The Mayor plans to update the BPG to reflect the new policy and changes to the NHS in London and will include a methodology for undertaking HIAs.
- 2.31. In terms of education facilities, the London Plan Policy 3.18 encourages local plans to assess the need for education and community learning facilities, and to secure sites for future provision recognising local needs and the particular requirements of the education sector. Boroughs should also support and maintain London's international reputation as a centre of excellence in higher education.

Further Alterations to the London Plan (2014)

- 2.32. On 14 January 2014, the Mayor published draft Further Alterations to the London Plan. The FALP proposes that Canada Water is designated as an opportunity area. The opportunity area designation in Annex 1 states that the area has significant potential for mixed use regeneration and intensification of existing commercial sites. Canada Water may evolve to become a major centre with scope for a substantial increase in the minimum new homes target and employment capacity. The employment capacity remains at 2000 jobs. The draft designation also refers to the potential to develop a new science cluster linked to an academic institution (King's College).

LOCAL POLICY

- 2.33. The RCWAAP will be used alongside the Core Strategy and the saved Southwark Plan policies to make decisions related to retail and business use.
- 2.34. Our timetable for preparing and updating our policies is set out in our Local Development Scheme (LDS). The current LDS sets out that Southwark will prepare a new Local 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.

Core Strategy (2011)

- 2.35. Canada Water is defined as a major town centre with around 45,000sqm of existing retail space. The Canada Water vision in the Core Strategy (and the adopted AAP) indicates that the council aims to transform the town centre, creating a new destination around the basin which combines shopping, civic, leisure, business and residential use. It states that it's role as a shopping destination should be strengthened, expanding the amount of retail space by around 35,000 sqm. Office development will provide space for local businesses and together will retail space, generate around 2,000 new jobs.
- 2.36. 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 Southwark will direct large leisure and retail developments to town and local centres.
- 2.37. The policy also sets out that Southwark will protect and enhance its 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 Southwark will support the provision of markets.
- 2.38. Southwark will also protect small scale retail facilities ('A' class uses) outside town and local centres to help meet day-to-day needs.
- 2.39. Strategic Policy 10 sets out that the council will protect existing business floorspace and promote the provision of around 25,000 -30,000 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.
- 2.40. 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.
- 2.41. Creative, cultural and tourism facilities are protected and encouraged through Policy 10, and the policy sets out that the council 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.

- 2.42. 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.
- 2.43. On 19 March 2013 Southwark’s cabinet considered a report on the consistency of policies, including the Core Strategy with the newly published NPPF. With regard to policy 3, the report concluded that the policy was in line with the NPPF and could therefore be given significant weight in decision taking. In particular, consistent with the NPPF the policy identifies the network and hierarchy of town centres in the borough, supports provision of new retail space and the diversification of the town centre. It was informed by a robust assessment of need and capacity.
- 2.44. Policy 10 was also considered to be consistent. It provides a clear economic vision and strategy for the borough, supports existing and new business sectors. The policy is used in conjunction with Policy 1.4 of the Southwark Plan which sets out criteria to assess that where there is no reasonable prospect of land coming forward for business use in the locations listed, it can be released for other purposes, which is consistent with the NPPF. The strategy is also based upon an assessment of the quantitative and qualitative needs for business activities and existing and future supply of land (the Employment Land Review, 2010). The strategy and approach were examined by the inspector in the Core Strategy Examination in Public. The inspector concluded that: “The Council’s evidence represents a proportionate and credible means of assessing employment land for the purposes of setting a strategy for the Borough and for controlling the release of surplus land. It is a tailored approach to the Borough which has had due regard to government advice and is capable of monitoring... In conjunction with SP10, the saved policies of the UDP (for example Policy 1.4) will provide adequate flexibility in relation to the use of employment land and premises for alternative purposes, including residential, in the majority of the Borough” (paras 32-34).

Saved Southwark Plan Policies (2007)

- 2.45. The Southwark Plan was adopted in 2007 and Southwark applied to the government to save a number of the policies in the plan beyond July 2010 whilst the council was preparing its Local Development Framework policy documents. The following policies, or parts of the policies have been saved and are used alongside the Core Strategy and Area Action Plans to make decisions.
- 2.46. Policy 1.1 (Access to employment opportunities) aims to ensure that jobs and training activities generated by development are targeted towards locally disadvantaged people.
- 2.47. 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.
- 2.48. 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.

- 2.49. Policy 1.5 (Small business units) protects small business units where policy protection for employment use applies (i.e. Core Strategy 10 locations). It also allows the change of use of railway arches outside of the Preferred Industrial Locations to A, B or D uses.
- 2.50. 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.
- 2.51. 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.
- 2.52. 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.
- 2.53. Policy 1.11 (Arts, cultural and tourism uses) seeks to protect and encourage arts, cultural and tourism uses in designated strategic cultural areas.
- 2.54. Policy 1.12 (Hotels and visitor accommodation) encourages new accommodation in locations with good access to public transport.
- 2.55. On 19 March 2013 Southwark's cabinet considered a report on the consistency of policies, including the saved Southwark Plan policies with the NPPF. The report considered that the policies were consistent, with the exception of policy 1.8 which the report recommended by rescinded. Further information is set out in the report and its appendices.

Canada Water AAP (March 2012)

- 2.56. The vision in the adopted AAP is described in paragraph 2.35 above. AAP policy 1 states that the council will work with partners to deliver around 35,000sqm of new retail space at Canada Water, while policies 2-5 support provision of cafes and restaurants, markets and small scale shops outside the AAP core area. Policy 25 promotes a business cluster of around 12,000sqm providing new office and light industrial space.
- 2.57. Policy 30 addresses Albion Street and aims to reinforce the viability of the shopping parade, while policy 31 (Lower Road) seeks to improve connectivity between Lower Road and the shopping centre. The site allocations in appendix 8 describe required and acceptable uses and explain the way in which the spatial distribution of land uses is envisaged.
- 2.58. The report considered by cabinet on 19 March 2013 stated the AAP is consistent with the NPPF. It is worth noting that the planning inspector considered the consistency of the AAP against the draft NPPF. Although the NPPF was in draft, the inspector concluded that the AAP provided for plan-led development and enabled positive long term visions for the area (paragraph 36), in accordance with the draft document.

S106 Planning Obligations SPD (2007) and draft S106 Planning Obligations and Community Infrastructure Levy SPD (2013)

- 2.59. 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 Southwark will seek these obligations from developers. The SPD is a material consideration in deciding planning applications.

- 2.60. Among other charges, the SPD provides a framework and standard charge to ensure that local jobs and training opportunities are provided for locally disadvantaged people.
- 2.61. The **draft S106 Planning Obligations and Community Infrastructure Levy SPD** explains how s106 planning obligations will work alongside CIL. It also explains the council's approach to negotiating obligations in circumstances where planning proposals are not policy compliant.

Southwark Community Infrastructure Levy (CIL) (2013)

- 2.62. 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.
- 2.63. In December 2013 the council published a Revised Draft CIL Charging Schedule. With regard to non-residential uses at Canada Water, the CIL proposes a charge of £125 per sqm for small scale retail floorspace and £250 per sqm for supermarkets or covered shopping malls. The charge for office space would be £0. Hotels would be £125 per sqm. Health and education uses are nil-rated. Other uses are £30 per sqm. The Revised Draft CIL is expected to be submitted for examination in April 2014 with an examination in early summer 2014.
- 2.64. The Charging Schedule sits alongside the Core Strategy (or Local Plan), and helps deliver our development objectives.

Southwark Economic Well-being Strategy (2012-2020)

- 2.65. 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

Street Trading and Markets Strategy (2010)

- 2.66. The Street Trading and Markets Strategy addresses many of the issues facing Southwark's markets and sets out objectives and actions to develop street trading. The value of street markets and street trading more generally is increasingly recognised for its economic and social benefits. Well managed and supported street markets:
- Provide access to high quality affordable food and other goods.
 - Have significant economic and employment benefits.

- Promote and sustain independent and small businesses and can be a fertile environment for black and minority ethnic entrepreneurs as business start-ups.
- Contribute to a vibrant public realm that people enjoy and feel safe using.
- Increase the pull to visitors and destination shoppers.

3. RESEARCH AND EVIDENCE

3.1. The Retail and Employment background papers prepared to accompany the adopted AAP explain the council's evidence base on retail and employment matters. They summarise the council's Employment Land Review, 2010 and the Southwark Retail Study (2009). They also explain the locally relevant evidence prepared by the council to inform the AAP including the town centre viability study undertaken by CBRE which assessed demand for retail and hotel use, the St George's Wharf study carried out by BNP Paribas and the Town Centre Feasibility Study undertaken by Benoy architects which explored the capacity of the shopping centre site and potential development options. The evidence was assessed by the EIP planning inspector who concluded that:

“Based upon the available evidence, the approach of the AAP to shopping, jobs and business is justified by the evidence base and is deliverable” (Inspector's report, paragraph 51).

3.2. In August 2011, the Daily Mail which occupied the Harmsworth Quays printworks confirmed that it would be relocating its printing operations to a site in Essex. Because the Daily Mail had previously indicated that it would be staying at Harmsworth Quays, the adopted AAP is predicated on the printworks remaining at Canada Water. However, Harmsworth Quays is a strategic site in the core of the action area and its availability opens a significant opportunity for redevelopment. At the EIP the council committed to undertaking a review of the AAP to put in place policy to guide a redevelopment of Harmsworth Quays and the adjacent sites.

3.3. In its evidence presented at the EIP the council considered that the vision of the plan is flexible and that a redevelopment of Harmsworth Quays was compatible with the key elements of the vision. However, it was recognised that a redevelopment of Harmsworth Quays would have impacts on the following areas of the plan: quantum of development, infrastructure requirements, pedestrian and cycle connectivity, the relationship between Harmsworth Quays and adjacent sites, the interface between developments and Surrey Quays Road and urban design.

3.4. The adopted AAP envisages establishment of a business cluster around Harmsworth Quays. Part of the rationale for this was the need to ensure that non-residential blocks provide effective barriers against noise break out from the printworks. The council recognised during the EIP that the quantum and distribution of non-residential use on Harmsworth Quays and the adjacent sites (Mulberry Business Park, Site E and Surrey Quays Leisure Centre would require a review.

Harmsworth Quays non-residential uses study (October 2012)

3.5. In 2012, the council commissioned URS to undertake a study exploring demand for non-residential use. The focus of the study was business (B class) use, leisure uses, higher education and health. The council's existing evidence base on retail and hotels was already considered sufficiently comprehensive. Moreover, given the quantum of retail use envisaged on the shopping centre site, it was not considered that there would be scope for additional destination/comparison goods retail space.

3.6. The conclusions of the study are summarised below.

3.7. Business (B class) use:

- The current supply of business space in the SE16 local property market area is small, and there is a lack of new space to meet modern business standards. However, the existing stock is well let and seems popular with local SMEs.
- In fringe locations such as Canada Water, there is strong demand for space that is suitable for SMEs and businesses that support the key central London functions. This need for suitable space for SMEs and businesses that support the key central London functions will increase with the planned growth in jobs in e.g. Isle of Dogs and London Bridge. This may provide an opportunity for Canada Water to accommodate new support services for this growth.
- Key strengths of the area are good public transport accessibility and access to other amenities. The regeneration benefits accruing from the other measures planned for the area, could increase demand by helping to alter perceptions of the area and create more of a critical mass of businesses in the area to raise the profile as a location to do business.
- Specific requirements of prospective occupiers would include: keenly priced modern, well designed, fitted out, serviced flexible space; start up space available on easy out easy in terms; combination of well managed and competitively priced serviced space; good levels of data connectivity, potential for fibre optic and high speed broadband; a range of space to accommodate small and medium sized enterprises and allows them to grow as their business develops and; by size, demand is considered to be for units that are generally smaller than 500 sq m (5,000 sq ft) in size.
- The research has shown that business space should ideally be provided in stand alone buildings and should be clustered to create a business community which can connect and share services. URS' recommendation is that the majority of the space should be provided on the reconfigured Surrey Quays Road frontage which has the potential to have a more mixed use or commercial character and has good access to public transport services. Business space located in this area would help to create activity and animate the public realm. Should residential use also be proposed in this area, it is recommended that careful consideration is given to masterplanning to ensure there are no conflicts between the uses in terms of respective access, servicing and demarcation of public / private space.
- Demand for B-use classes (predominantly B1a) in the study site was estimated to be in the range of 5,337 sq m – 9,514 sq m. However, if certain factors do materialise they may result in demand for B1 uses being higher, particularly given the transformational nature of the plans for the area and interest from provided interviewed. Market agents confirm that in the short term there is likely to be lower demand for space and that demand is likely to pick up in the medium to long term period of the AAP (2017-2026) once Canada Water has become more intensively developed for retail and residential uses and therefore considered a more desirable location.
- A representative of a collective of fashion designers, manufacturers, retailers, educators and other partners was interviewed. This operator was shortlisted in the last two to take control of the Olympic Media Centre. Canada Water is a site this operator would be interested in considering. They are partnered by a manufacturer based in N4, a well known fashion college (for post-graduate studies) and SMEs working in inadequate facilities in central London locations. A business space provider is also involved.

3.8. Leisure uses:

- The area is known for its range of leisure uses, including a cinema, bingo and bowling alley. There is an iconic new library containing exhibition and performance space and a council owned leisure centre.
- There is reported demand from providers for community leisure in the Rotherhithe area. It was felt that provision on Rotherhithe peninsula is sub-standard and something needs to be done to improve the quantity and quality of leisure provision. Canada Water would be a good place to meet this demand.
- There is potential interest from gym operators.
- There may be demand from an independent cinema provider in this location, however a specific potential user was not identified through the consultation process.

3.9. Health uses:

- The health sector is a growing sector in the UK and potentially an industry that may have interest in the site, due to the space available, the large London population catchment and good transport links.

3.10. Higher education uses:

- There are two universities based in Southwark and others within easy access by public transport.
- King's College currently have an interest in developing part of the proposed Canada Water area potentially as a town centre campus with a mix of uses.

Harmsworth Quays and adjacent sites masterplanning feasibility study (April 2013)

- 3.11. The council commissioned Hawkins\Brown to undertake a masterplanning study for Harmsworth Quays and the adjacent sites. The aim was to test a number of options comprising different combinations and quantum of use and alternative layouts and densities to identify key principles to be incorporated into guidance. The options were informed by the Harmsworth Quays Non-Residential Uses study, public consultation and partnership working with developers and landowners. Prior to commencing the study, King's College approached the council indicating that it wished to explore the idea of creating a new university campus at Canada Water, providing both student housing as well as other university facilities.

Harmsworth Quays and the adjacent sites viability analysis (February 2013) and Harmsworth Quays and the adjacent sites further viability testing (November 2013)

- 3.12. Montagu Evans were commissioned to advise on the viability of options and assess one of the options in the masterplanning feasibility study. An options providing a combination of uses (as set out below) was assessed as being broadly capable of delivery.

- Harmsworth Quays (50,470 sqm residential, 45,885 sqm student residential, 21,955 sqm university, 6,500 sqm leisure, 5,705 sqm office, 1,425 sqm retail, 1,370 sqm community and 296 car spaces).

- Mulberry Business Park (9,130 sqm residential, 13,240 sqm student residential & 3,310 sqm university).
- Site E (13,670 sqm residential, 2,760 sqm office and 63 car spaces).
- Surrey Quays Leisure Park (49,485 sqm residential, 11,105 sqm leisure, 2,630sqm retail, 5,200 sqm hotel and 495 car spaces).

CIL Viability study (2013)

- 3.13. The CIL study carried out by BNP Paribas also tested the viability of a number of sites at Canada Water with combinations of uses, in order to ensure that both uses and infrastructure required to deliver growth was capable of being delivered.

4. DEVELOPING THE REVISIONS TO THE AAP

Context

- 4.1 In preparing the adopted plan adopting the AAP the council consulted widely on issues and options, preferred options and publication draft plan. This helped establish the vision which is set out in the adopted AAP. Following the EIP on the adopted AAP, the inspector agreed that revisions to the AAP could be addressed within the scope of the adopted vision and objectives. The council did not consider it necessary to go back to an issues and options stage. The vision emphasises that Southwark is aiming to consolidate Canada Water as a mixed use town centre and it is in that context that revisions to the AAP were considered. As is noted above, appropriate land uses and their potential distribution were explored further through the Harmsworth Quays non-residential uses study and the masterplanning feasibility study.

Public consultation prior to the publication of the draft Revised AAP and evidence base

- 4.2 Prior to publishing the revised draft AAP, the council sought to engage the public and landowners/developers through workshops designed to explore issues around land uses, pedestrian and cycle connections, urban design and open spaces/public realm. The report on the workshops is set out in Appendix 13 of the Consultation Report. Key messages to emerge from the workshops included public support for King's College's proposals. Reasons for the support included a perceived need to generate more daytime activity in the area, boost the local economy and provide more jobs and to help raise the profile of Canada Water. Many attendees also wanted more office space to be provided.
- 4.3 The council used the consultation, the evidence base and partnership working with landowners/developers to inform the approach to non-residential uses and business uses in policies 1-5, policy 25 and the site allocation policies for Harmsworth Quays and the neighbouring sites.

NPPF

- 4.4 In preparing the Draft Revised CWAAP the council also gave careful consideration to ensuring consistency with the NPPF. The adopted AAP was preparing prior to the introduction of the NPPF. However the draft NPPF was published before the EIP commenced. The inspector asked the council to consult on the implications of the draft NPPF for the AAP and duly considered all responses received. He concluded that:

"Whilst still a draft document, the National Planning Policy Framework (NPF) indicates the importance of the plan-led system, wherein positive long term visions for an area

are enabled. This is achieved by the AAP. The NPF identifies the need to keep plans up to date and this would be secured by the early review proposed by the Council" (paragraph 36).

- 4.5 As is noted above paragraph 21 of the NPPF indicates that in drawing up plans, local authorities should set out a clear economic vision and strategy, set criteria or identify strategic sites for investment and support existing business sectors, taking account of emerging sectors. Paragraph 22 emphasises the needs to avoid long term protection of sites allocated for employment land and where there is no reasonable prospect of sites being used for employment purposes, treat applications for alternative uses on their merits have regarding to market signals and the relative need for uses to support sustainable local communities. Southwark considers that the revisions to the plan are compliant with this approach. As was noted by the adopted AAP planning inspector, the plan does provide a positive framework to enable a long term vision. The council's evidence base comprising the Employment Land Review 2010 and Harmsworth Non-Residential Uses study 2010 identify existing and potential future demand for employment generating uses. CWAAP24 has been drafted to provide flexibility to adapt to changing circumstances over the life of the plan. It indicates that while the council has good evidence on which to seek employment generating uses, a range of criteria are set out to enable the council and developers to consider alternatives. The criteria have regard to market signals, such as demand and viability and also regeneration benefits, in line with NPPF paragraph 22.
- 4.6 With regard to town centres, again, the council's view is that the approach in the RCWAAP is positive and represents an appropriate means for managing the growth of the town centre, in accordance with NPPF paragraph 23. Paragraph 23 states that it is important that the needs for retail, leisure, commercial, office, cultural, community and residential development are met in full and ensure that these are not compromised by site availability. The council's stated willingness to extend the town centre to the east into Harmsworth Quays will achieve this aim of providing sufficient land. It provides certainty for developers that the council will support provision for town centre uses on Harmsworth Quays.
- 4.7 Town centres are defined by the NPPF as an "Area defined on the local authority's proposal map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area". Main town centre uses are defined by the NPPF as retail development, leisure, entertainment and recreation uses, offices, and arts, cultural and tourism development (NPPF, Glossary). The RCWAAP states explicitly that the council will support provision of such uses on Harmsworth Quays.
- 4.8 While the RCWAAP requires maximum provision of town centre uses on Harmsworth Quays and the adjacent sites, there is still some uncertainty over the quantum and distribution of such uses. In the light of that the council does not consider it appropriate at this stage to include the whole of Harmsworth Quays within the town centre. The boundary of the town centre will be defined in the future to cover that area which is predominantly occupied by town centre uses, in accordance with the NPPF.
- 4.9 The council considers that this approach supports NPPF guidance on promoting sustainable travel by seeking to focus town centre uses in those areas which are most easily assessable by public transport and which maximise opportunities to link trips and walk and cycle. It also supports the NPPF objective of creating a strong sense of place. Creating an identifiable town centre in which town centre uses predominate will be reinforced by creating a hierarchy of streets and spaces which reflects the importance of the town centre as a destination. This is also consistent with the tall

buildings strategy (RCWAAP policy 17). Part of the rationale for focusing tall buildings within the town centre is that such buildings can accommodate uses which animate the surrounding environment and which contribute to the vibrancy of the centre.

London Plan

- 4.10 Consistency with the adopted London Plan is addressed comprehensively in section 5 of the Employment background paper (March 2010) and the Retail background paper (January 2010), respectively. The Mayor has confirmed that the RCWAAP is in general conformity with the London Plan.
- 4.11 The FALP identify the potential for the town centre to become a major centre in London's hierarchy. The vision for the RCWAAP states that the council wants to strengthen Canada Water's role as a shopping destination, expanding the retail space by around 35,000sqm. RCWAAP policy 1 states that Canada Water will move up the hierarchy of centres to become a major town centre.
- 4.12 The draft FALP designation does not increase the jobs estimate above the 2000 cited in the adopted plan. This figure is explicitly identified in the RCWAAP vision. Moreover, the vision has been strengthened to emphasise that the council wishes to broaden the appeal of the town centre and diversify and strengthen the local economy. RCWAAP policy 25 indicates that the council will promote a business cluster, requiring provision of around 12,000sqm of business space. In his report on the adopted AAP following the EIP, the planning inspector commented that:
- "...this accords with the thrust of the Council's Economic Development Strategy and the LP which contains an indicative employment capacity of 2,000 new jobs to 2031." (para 46).
- 4.13 The RCWAAP strengthens this further through the allocation policy for CWAAP 24 which requires proposals to maximise the amount of non-residential space. The 12,000sqm of business space referred to in the adopted AAP can be supplemented by other employment generating uses, such as higher education, which would take the number of jobs much higher than the 2,000 identified in the LP and FALP.
- 4.14 Finally the draft FALP refer to the potential to develop a science cluster at Canada Water. The RCWAAP vision has been amended to ensure that it specifically refers to higher education facilities as part of the mix that the council would like to see developed in the area. Policy 29a states that proposals for higher education facilities will be supported. CWAAP 24 seeks a mix of uses, such as higher education and other uses. Para 7.8.55 explicitly identifies the potential for new academic and research facilities and the benefits that these would bring.

Sustainability appraisal and equalities analysis

- 4.15 The Draft Revised CWAAP was tested through sustainability appraisal. The RCWAAP had an overall positive impact on all the sustainability indicators, although some issues were identified around the possibility of new development increasing the risk of climate change, waste and flooding. Overall, the preferred option for CWAAP24 and the other policies which were revised as a result of the availability of Harmsworth Quays have a positive effect on the sustainability indicators. In particular, SDO 1. To tackle poverty and encourage wealth creation and SDO 5 To promote social inclusion, equality, diversity and community cohesion scored very well overall. This is due to the positive impacts of providing more new homes, attracting new business and investment which will increase the number of jobs in the area as well as providing an improved

landscape and townscape. The sustainability of the plan is strengthened in the publication/submission version by the addition of a policy which explicitly states that there is a presumption in favour of sustainable development.

- 4.16 An equalities analysis of the Draft Revised CWAAP was also carried out. This highlighted that the RCWAAP would have a number of beneficial impacts for all members of the community, including new job opportunities, more homes, improved community facilities and more opportunities for walking, cycling and using public transport. Site allocation CWAAP24 was assessed as having a broadly positive impact on people with protected characteristics as it would encourage new uses on the site which would provide jobs and increase the activity in the town centre as well as providing opportunities for new public spaces and routes through the area which would make it more accessible to all.

Public consultation on the Draft Revised Canada Water AAP

- 4.17 In response to public consultation on the Draft Revised CWAAP, the council's strategy of maximising the amount of non-residential use to be provided on Harmsworth Quays and the adjacent sites was strongly supported (see section 3 of the Consultation Report). In the light of this strong support for non-residential uses, the council also amended the AAP vision in the publication/submission version to draw attention to the potential for higher education as part of the vision and also draw attention to the opportunity to diversify town centre uses.

Public consultation on the Revised Canada Water AAP (publication/submission draft)

- 4.18 Representations received on the publication/submission draft plan raised concerns about risks associated with the delivery of employment generating uses and the need to ensure that sites are not reserved for uses that may never come forward. As is noted in paragraph 4.5 above, the council considers that the plan contains sufficient flexibility to address a range of circumstances. However, a minor modification was proposed to the risk section of the RCWAAP (section 6.7) which outlines how the council has sought to mitigate risks associated with delivery of employment generating uses.

5. APPENDICES

APPENDIX 1: BIBLIOGRAPHY

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