Elephant and Castle

Background paper: Employment

Draft Supplementary Planning Document (SPD) and Opportunity Area Planning Framework (OAPF)

December 2011
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1. INTRODUCTION

1.1 This background paper explains our approach to employment in the Elephant and Castle Opportunity Area. The paper sets out why we chose the employment strategy in the SPD, which covers Policies 3, 4 and 6, how it is in conformity with the 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 impact assessment and consultation, which have informed the preparation of the document.

1.2 The employment background paper is split into different sections. These set out the policy background and the research and evidence that have informed our policies. It also provides a full list of all the document references. Throughout this background paper we have referenced the core documents (CD) that have informed the SPD and a full list of these documents is in section 7 of this paper.

2 POLICY BACKGROUND

NATIONAL

2.1 The national policy context is set out in section 2 of the Core Strategy Employment background paper (CDB6).

2.2 Since the Core Strategy was adopted, the government has recently consulted upon its draft National Planning Policy Framework. The Government wants to produce a simple national planning policy framework setting out their priorities for the planning system in England in a single, concise document covering all major forms of development proposals handled by local authorities. The NPPF will set 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.

2.3 In terms of employment, the draft NPPF sets out 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.

REGIONAL

2.4 The wider regional policy context is set out in section 2 of the Core Strategy employment background paper (CDB6).

London Plan (July 2011)

2.5 Policy 2.13 identifies opportunity areas in London. Table A1.1 sets out further detail for the Elephant and Castle Opportunity Area. Elephant and Castle is identified as having an indicative employment capacity for 5,000 jobs over the period leading up to 2031.

2.6 The London Plan states that the Elephant and Castle area is undergoing major transformation with significant investment in housing and potential for new retail provision integrated with a more efficient and attractive transport interchange. There is scope to create a series of connected public open spaces complemented by environmental and traffic management improvements. Resolution of these and rail related issues are crucial to the successful redevelopment of this southern gateway to central London.

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

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

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

2.10 The 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 LDFs 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.
LOCAL

2.11 The wider Local Policy context for the borough is set out in section 2 of the Core Strategy employment background paper (CDB6). The relevant Core Strategy policies that the draft SPD employment policies need to be consistent with are the Elephant and Castle vision and Policy 10: Jobs and Businesses and Policy 14: Delivery and Implementation.

2.12 The Core Strategy sets out a vision for Elephant and Castle which requires provision of around 25,000-30,000sqm of new business space.

2.13 Strategic Policy 10 has been adopted and sets out the protection of existing business floorspace and 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.

2.14 The majority of the opportunity area is located in the CAZ and is designated a major town centre.

2.15 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.

2.16 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.

2.17 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 (which sets out the area target for Elephant and Castle)

Saved Southwark Plan policies 2010

2.18 Policy 1.1 (Access to employment opportunities) aims to ensure that jobs and training activities generated by development are targeted towards locally disadvantaged people.
2.19 Policy 1.4 (Employment sites outside the preferred office locations and preferred industrial locations) aims to ensure that employment uses are retained in key locations:

- The CAZ
- Strategic cultural areas
- Town centres
- On classified roads

2.20 Loss of employment use is only allowed where sites have been rigorously marketed over a 2 year period or where the site is located in a town centre and the replacement uses are active town centre uses.

2.21 Policy 1.5 (Small business units) protects small business units where policy protection for employment use applies.

2.22 Policy 1.11 (Arts, cultural and tourism uses) seeks to protect and encourage arts, cultural and tourism uses in designated strategic cultural areas.

2.23 Policy 1.12 (Hotels and visitor accommodation) encourages new accommodation in locations with good access to public transport.

2.24 The majority of proposals sites which were set out in the Southwark Plan, have been saved, and are carried forward into the Core Strategy. The vision and requirements for the Elephant and Castle proposal site 39P include the need to provide at least 5,300 new homes, up to 75,000sqm of retail and leisure space, 45,000sqm of business space, leisure facilities, a secondary school and a highly efficient transport hub. The Core Strategy vision for Elephant and Castle updates these land use requirements.


2.25 In 2004 Southwark adopted the Elephant and Castle Development Framework SPG to set out guidance for the core part of the opportunity area. This document highlights the council’s ambition to comprehensively redevelop the core area to create a new mixed use town centre. The core area covered the area around the northern and southern roundabouts, the Heygate Estate and part of Walworth Road.

2.26 This SPG is based on the 2007 Southwark Plan, aspects of which have been superseded by the Core Strategy; however most of the policies have now been saved until they are replaced by other Development Plan Documents. The floorspace targets in the Southwark Plan for Elephant and Castle do not reflect the Core Strategy or new London Plan. Since the SPG was prepared economic circumstances have changed. In addition, in preparing the core strategy and the new London Plan, the council and the GLA have updated much of the
evidence base which underpinned the 2004 SPG. Key pieces of recently gathered evidence include: the 2009 Southwark Retail Study, the 2010 Southwark Employment Land Review, the 2009 Southwark Open Spaces Evidence base, Southwark Housing Development Capacity Assessment 2010, the Southwark Housing Requirements Study (2009) and the Southwark Affordable Housing Viability Study (2010).

Elephant and Castle Enterprise Quarter Supplementary Planning Document (SPD) September 2008

2.27 The SPD provides stakeholders with detail regarding acceptable types of development within the area, and sets out specific detail on land-use and other aspects of urban form within the area which is located in the north-west of the Elephant and Castle Opportunity Area. It also provides further guidance on Policy 6.1 of the Southwark Plan, which pertains to the Enterprise Quarter, however this policy has now been superseded by the Core Strategy vision for Elephant and Castle (2010).

2.28 In terms of land-use, a key objective of the vision for the Enterprise Quarter centres on the bringing forward for development of vacant or underused sites, particularly around London South Bank University (LSBU), which is the main occupier and landowner in the area. Extending the concentration of town centre activity proposed for the core area northwards to provide a boost to the Enterprise Quarter forms another objective, as does the introduction of new uses to the area to enrich the variations in character between different locations within the Quarter.

2.29 The Enterprise Quarter SPD also sets out detailed information on public realm improvements. These have been carried forward into the draft SPD.

Walworth Road SPD (September 2008)

2.30 The SPD provides guidance on appropriate land-uses, housing density and urban form and design guidance for the northern part of Walworth Road. The area includes a variety of different public and private ownerships located to the west of the Walworth Road and bounded by Steedman Street to the north and Amelia Street to the south. Robert Dashwood Way, a private road running adjacent to the railway viaduct, forms the site’s western boundary.

2.31 In terms of land-uses, the SPD sets out guidance for mixed-use developments to incorporate retail uses at ground level and mixed tenure housing on upper levels. Office and light-industrial employment land-use is encouraged on the lower floors, as is commercial leisure and community and civic uses. The SPD also notes the potential for the railway arch areas to accommodate A, B and D use classes.
2.32 Several of the sites identified in the SPD have now been developed. These include:

- South Central West comprises a predominantly residential development in three new buildings rising from 2 storeys on Crampton Street to 9 storeys alongside the railway line.
- South Central East comprising a predominantly residential development rising between 6 storeys at its southern end and 10 storeys at its highest point, fronting onto Robert Dashwood Way; and a 7 storey building comprising 25 flats facing onto Steedman Street.
- Print works on the corner of Amelia Street and Robert Dashwood Way – Private and Affordable Housing with commercial units on the ground floor.
- 120-138 Walworth Road - Student housing.

2.33 The Walworth Road SPD will be superseded by the draft SPD.

**S106 Planning Obligations SPD (2007)**

2.34 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.

2.35 Planning obligations which can be calculated using standard charges set out in the SPD 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.

2.36 The charges are index linked and have been raised annually in line with inflation.
2.37 The draft SPD sets out in Policy 20, the approach to S106 Tariff in the area and will be used in conjunction with the S106 SPD.

The Economic Development Strategy (2010)

2.38 Southwark’s Economic Development Strategy replaces the Employment Strategy (2005-2010) (CDE3) and the Enterprise Strategy (2005-2010) (CDE4). The strategy was adopted in 2010 to include important changes since the last revision in 2006 and includes revised employment and enterprise strategies accompanied by delivery plans. The core aim of the strategy is to tackle the barriers and market failures that prevent certain sections of the community from being able to achieve their potential, participate in the economy and achieve financial independence and wellbeing.

2.39 The strategy’s employment and enterprise priorities are set out below. These are set out in the delivery plans with accompanying objectives, actions, timescales, targets and delivery responsibility.

- Tackle the barriers to work faced by priority groups
- Increase business and employer engagement
- Raise skills for sustained employment
- Support existing businesses
- Develop key business district

3 RESEARCH AND EVIDENCE

3.1 Section 3 of the Core Strategy employment background paper sets out the broader research and evidence context (CDB6).

3.2 The majority of the Elephant and Castle opportunity area is located in the Central Activities Zone which is an area which the London Plan promotes office provision for a range of occupiers especially the strategically important financial and business services.

3.3 Southwark is projected to have an increase of 34,000 jobs over the period 2011-2031\(^1\). Through its evidence base, the London Plan sets an indicative employment capacity of 5,000 new jobs for the Elephant and Castle Opportunity area over the period 2011-2026\(^2\)

3.4 The small local office market in Southwark can be found mainly within the town centres of the borough, including Elephant and Castle. The local office market is generally made up of Small and Medium Enterprises (SMEs) providing services to other local businesses. Information technology, creative industries, public sector organisations and professional services are common businesses.

\(^1\) GLA Economics –Working Paper 39 Borough Employment Projections to 2031 Nov 2009 (table 9)
\(^2\) London Plan 2011 Annex 1
3.5 The area accommodates several office buildings. Some of these include (amongst others):

- Hannibal House (above the shopping centre)
- Erlang House, Blackfriars Road
- Salvation Army headquarters, Newington Causeway
- Avonmouth House, Avonmouth Street
- Ipsos Mori, Borough Road
- Skipton House, London Road

3.6 In Elephant and Castle and its shopping centre, there are a variety of Latin American businesses (i.e. Colombia, Ecuador, Bolivia and Peru, among other countries in Latin America). The shopping centre boasts several restaurants, bookshops and general stores and there are a number of Latin American businesses located behind the shopping centre along Elephant Road.

3.7 There is a supply of vacant railway arch premises across the borough, due to accessibility problems being experienced. A number of these premises are served by single lane cul-de-sacs, often with poorly surfaced roads, which make servicing of businesses difficult and inappropriate for B2/B8 uses in some cases. There has been some good quality conversions of these units, which have been marketed and taken up by creative and light industry uses, however owing to the poor quality and accessibility of many of these units this has a knock-on effect in terms of demand for B2 premises. The arches of the Thameslink railway line in the area accommodate B2, B8, light-industrial and sui-generis uses, with a large number of vacant and underused premises being identified. Therefore a change of use to office (including creative and cultural uses) and other suitable uses may be appropriate.

3.8 London South Bank University (LSBU) is home to the successful London Knowledge and Innovation Centre (LKIC) and the Technopark which provides support services, incubator space and business advice to knowledge-based start-ups, supported by LSBU and the Southwark Enterprise Agency. Business Extra who specialise in business advice and mentoring for SMEs (small and medium size enterprises). LKIC is currently working with a number of businesses which are physically located in the LSBU Technopark at 90 London Road. LKIC attracts a lot of aspiring entrepreneurs from within Southwark and almost every LKIC client is a completely new start-up. As these LKIC clients grow they will create new employment opportunities in Southwark.

3.9 The creative and cultural industries, such as advertising, radio, television, museum and arts facilities have experienced growth in

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3 Southwark Employment Land Review 2010 (section 6.4 page 65-66)
4 http://www.lkic.com/
employment in recent years. The continued growth of these sectors is of great importance in the context of the economic future of the borough. Elephant and Castle is an area where many small and medium sized businesses are locating due to its good transport links.

Southwark Employment Land Review

3.10 Southwark’s Employment Land Review (2010) (ELR) (CDE1) has provided an assessment of local demand and supply of office stock and industrial land within the borough.

Offices

3.11 The ELR divided the office employment land market in the borough into two distinct market areas:

- The ‘SE1’ market area
- The ‘local’ office market

3.12 For example, the demand for office floorspace in the ‘SE1’ area is mainly influenced by wider factors such as the expansion and relocation of multi-national companies. The ‘local’ market, which is mainly comprised of small and medium sized enterprises (SMEs), is more influenced by factors consistent in the local and sub-regional market more unique to the South East London boroughs\(^5\).

3.13 The Elephant and Castle area can be categorised in the ‘local’ office market. The ELR forecasts the need to provide between 25,000 sqm and 30,000 sqm of new B1 office floorspace in Southwark by 2026 to meet the needs of the local office market which is located outside of the SE1 area of the borough. Areas with good transport accessibility and supporting shops and services are the most appropriate locations to keep and provide new business space.

3.14 The ELR suggests that there are a considerable and growing number of Small and Medium Enterprises (SMEs) that create ‘localised’ demand for B1 floorspace. 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, DDA compliant and good accessibility. Existing small business units displaying these design characteristics below 500 sq.m in floor space size should be protected for B1 use\(^6\).

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\(^5\) Southwark Employment Land Review 2010 (section 6.2 pages 57-58)
\(^6\) Southwark Employment Land Review 2010 (page 95)
3.15 Elephant and Castle is a suitable location to accommodate new B1 office floorspace largely due to its access to public transport and the general quality of the environment. The ELR recommends that B1 uses should be protected in the area and growth facilitated for B1 development that accommodates local demand.

3.16 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, continued public sector interventions, the extension of the East London Line and the Olympic Games.

3.17 The development of Cross Rail 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. As above, this may increase demand for office stock, being in close proximity to the Elephant and Castle tube and rail stops.

3.18 The London Office Policy Review (2009) (CDR25), commissioned by the GLA, provides an account of the office market in the city, with a description of recent events and their knock-on for commercial property. Pipeline developments are listed and also the impact of economic trends on the London office market is provided in a supply and demand assessment, with forecasts of demand provided for office floorspace to 2031.

3.19 The pipeline is relatively thin elsewhere in Southwark, such as in Elephant and Castle, as far as self-contained office buildings are concerned, with offices more commonly found as minor elements in larger residential-led developments.

**Industry and Warehousing**

3.20 The ELR suggests that the demand for B2 premises in Southwark is low, which reflects the trends in other inner London boroughs.

3.21 The Mayor’s Industrial Capacity SPG (CDR8) suggests that Southwark can release around 37ha of industrial and warehousing land for other uses over the period between 2006 and 2026. The ELR found that since 2006, 19ha of industrial and warehousing land has been redeveloped for other uses in Southwark. 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

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7 Southwark Employment Land Review 2010 (section 8.2, pages 94-95)
8 [http://www.crossrail.co.uk/](http://www.crossrail.co.uk/)
3.22 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.

4 THE OPTIONS

ISSUES AND OPTIONS

4.1 In order to ensure that the SPD contributes to sustainable development as far as possible, three different options were initially assessed for overall sustainability. 21 identified issues were evaluated in each option.

Option one – Business as Usual

4.2 Establishing the business-as-usual scenario involved asking how current policies, practices and trends might change in the future in the absence of any active intervention through an SPD. 21 identified issues were evaluated in terms of growth already committed or planned in the Core Strategy, existing transport proposals; and the continuation of certain trends (e.g. in terms of levels of job creation).

4.3 Under this option would aim to provide 5,000 new jobs and up to 25,000sqm of new office space and also maintain the function of the enterprise quarter and the higher education function of LSBU. Hotel proposals in the area would be considered on their merits.

4.4 For arts and cultural provision, we would rely on policies in the Core Strategy and the saved Southwark Plan to make decisions on arts, cultural or community use. There would be no opportunity to highlight the importance of these uses at Elephant and Castle or provide encouragement for new proposals.

Option two – Managed growth: A major new town centre destination

4.5 In this option, the character of the central area of the Opportunity Area would become much more like a major town centre, because at present it is not fulfilling its role to its full potential. A critical mass of new shopping and leisure space would be provided creating a destination and new shopping option for Southwark residents. The Heygate development site would be developed for a mix of uses which include a significant amount of new retail space. The Enterprise Quarter would also become more mixed use, with the introduction of residential use.

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9 Southwark Employment Land Review 2010 (section 7.10 table 7.12 page 88)
4.6 In terms of jobs and business, this option promoted an increase in business space including space suitable for small and medium sized enterprises (SMEs). New business space would be promoted on the Heygate development site as well as in the existing clusters around Newington Causeway, the viaduct adjacent to Robert Dashwood Way and St George’s Circus to promote a more mixed use town centre. Flexible space and a range of formats would be required to help meet the needs of SMEs i.e. ‘incubator’ space, or ‘follow-on’ space for more established businesses. We would maintain the function of the enterprise quarter and higher education function of LSBU. We would promote the creation of new specialist business activity between education establishments and the business sector. New hotel space and arts and cultural uses on the Heygate development site would be promoted. This option would put in place criteria to ensure that provision of arts, cultural and tourism uses can be actively managed. We would highlight the role which the local universities play in providing arts, cultural and tourism use.

Option C: Managed growth: A district centre which meets local needs

4.7 In this option, the town centre would be regenerated, but with a smaller increase in shopping and business space. New shopping space would meet the needs of a smaller and more local catchment area. The Heygate development site would be redeveloped as a primarily residential scheme. The Enterprise Quarter would remain primarily in commercial and educational use.

4.8 As in option B, the council would promote retention of business space but little additional would be provided. No additional space would be provided on the Heygate development site. Fewer overall jobs would be created as less non-residential space would be provided. In turn, local SMEs would not benefit to the extent that would be possible under Option B.

4.9 This option was similar to option B. Unlike in Option B however, no additional arts and cultural space would be located on the Heygate development site.

5 The Strategy

5.1 The provision of new business space in the opportunity area will be supported and it must be designed flexibly to accommodate a range of unit sizes to help meet the needs of the local office market and SME businesses and to enable businesses to remain in the area as they grow.

5.2 Existing business floorspace should be retained, unless replaced by an alternative town centre use. Town centre uses are defined as retail; offices; leisure and entertainment facilities (including cinemas, health and fitness centres, bowling centres, bingo halls, pubs, cafes and
restaurants); arts, tourism and cultural facilities (including theatres, galleries and concert halls); and hotels.

5.3 The strategy also sets out that the railway arches should continue in active use for a range of uses including small business space, light industrial uses and appropriate A or D class uses.

5.4 We have identified through our Core Strategy that hotels will be appropriately located within town centres where there is good access to public transportations. New hotel bed spaces will therefore be supported in the town centre and on main roads leading into it.

5.5 Our strategy is also to promote new arts, cultural, leisure and entertainment space on the Heygate site and also 50 New Kent Road. These uses will contribute towards consolidating Elephant and Castle and Walworth Road as a major town centre, increasing its attraction to a wider catchment and making a positive contribution to the evening economy. We have set out criteria to assess the contribution they would make.

Justification

5.6 The Core Strategy vision for the Elephant and Castle opportunity area includes the provision of around 25,000 sqm of new business floorspace. With excellent access to public transportation (tube, rail and buses) and good accessibility to supporting shops and services within the town centre, Elephant and Castle is an attractive location to provide new business space. It should also benefit from growth at London Bridge where development is expected to generate 25,000 new jobs in the period leading up to 2031. This will stimulate growth in the local economy as small and medium sized enterprises will play a vital role in providing goods and services to the major business hubs.

5.7 We aim to meet the London Plan target of 5,000 new jobs by encouraging more offices, hotels, small businesses in the area and developing the evening economy and cultural activities.

5.8 Our ELR forecasts the need to provide a significant amount of new office business space by 2026 to meet the needs of the local office market which is located outside of the SE1 area of the borough. Provision of new space will also stimulate growth in the local economy, attract inward investment and help facilitate the growth of small and medium sized enterprises. SMEs make up over 99% of the total number of businesses in Southwark and play a vital role in providing goods and services to the major business hubs.

5.9 Southwark’s Economic Development Strategy highlights the role of small and micro businesses in the local economy. Business and

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10 London Plan (table A1.2)
commercial developments which meet the needs of small and start up business units will therefore be encouraged and protected in Elephant and Castle. These provide important local employment and business start-up opportunities. Small business premises are often vulnerable to displacement and therefore need special protection and support.

5.10 The research undertaken through the ELR suggests that new business space should be flexible to meet the demands of the local office market. Future occupiers would be likely to be public sector organisations or SMEs providing services to other local businesses, mainly in the information technology, creative industries, and professional services sectors. SMEs typically require facilities of between 200sqm to 500sqm, with public sector organisations requiring larger facilities up to 2000sqm.

5.11 Saved Southwark Plan policy 1.4 protects business space and provides criteria against which to assess the loss of business floorspace in proposals. These criteria include an exception for the loss of business floorspace within town centres where, in accordance with saved Southwark Plan policy 1.7, it may be replaced by class A retail or other suitable town centre uses which are defined in the SPD.

5.12 We promote through saved Southwark Plan policy 1.5 the use of the railway arches for either A, B and D uses to ensure the spaces can meet the needs of a wide range of occupiers. The Elephant and Castle area does not contain any designated industrial areas, however the railway arches located along the Thames Link railway have traditionally accommodated general industrial storage, light industrial and car-related sui-generis uses. A number of the premises located in the Elephant and Castle area are served by single lane cul-de-sacs, which makes servicing of businesses difficult and sometimes inappropriate for B2/B8 uses. The ELR sets out that a change of use to office (including creative and cultural industries) and other suitable A, B and D uses may be appropriate for this railway arches.

5.13 The provision of new hotel bed spaces in the area will contribute to the diversity of the town centre. The GLA’s Hotel Demand Study 2006 identifies the need for around 2,500 rooms (net) for Southwark to be provided over the period 2007-2026.

5.14 Promoting additional arts, cultural, leisure and entertainment facilities in the area will further diversify the mix of uses and increase the overall vitality of the area whilst also making a positive contribution to the evening economy. Given that the creative and cultural sectors are significant employment sectors in Southwark, expansion of them would help create new jobs, boost the economy and address issues of deprivation.
Consistency with London Plan and Core Strategy

5.15 The Core Strategy vision for Elephant and Castle opportunity area includes the provision of 25,000 - 30,000 sqm of new business floorspace. The vision also sets out that we will meet the London plan target of 5,000 new jobs by encouraging more offices, hotels, small businesses and developing the evening economy and cultural activities.

5.16 Strategic Policy 10 of the Core Strategy protects existing business floorspace and supports provision of around 25,000 sqm- 30,000 sqm in the CAZ, town and local centres, strategic cultural areas, action area cores, Camberwell action area and on classified roads.

5.17 The strategy is also consistent with the London Plan which sets out that London’s Opportunity Areas are suitable for accommodating large scale development to provide substantial numbers of new employment and housing, each typically more than 5,000 jobs and/or 2,500 homes, with a mixed and intensive use of land and assisted by good public transport accessibility.

5.18 London Plan table A2.1 estimates that Elephant and Castle can provide around 5,000 new jobs. We estimate that provision of new B1 office space would make a significant contribution to generating new jobs. The actual number will depend on the amount of new floorspace provided and the extent to which existing space is replaced by alternative town centre uses.

5.19 The provision of new hotel bed spaces in the area is consistent with Policy 4.5 which encourages boroughs to promote and facilitate development of a range of visitor accommodation. The promotion of hotels on the main roads leading into the centre of the Opportunity Area is consistent with Core Strategy Policy 10 which promotes hotels in town centres and areas with good public transport accessibility.

5.20 Creative, cultural and tourism facilities are protected and encouraged through Core Strategy Policy 10.

Sustainability appraisal

5.21 The Sustainability Appraisal (SA) has helped to identify the preferred strategy for the draft SPD and areas of concern to be addressed through the refinement of policies or through the use of mitigation measures, to help avoid potential conflicts.

5.22 In the assessment of the issue of Business and Jobs, the initial options appraisal found that Option A obtained more uncertain impacts as there would be more uncertainty on the timing and delivery of new development in the absence of guidance and a strategy for the area and consequently, and there was more uncertainty whether the
necessary infrastructure to support existing and future development could be secured.

5.23 The appraisal of Option B received a higher number of positive impacts through the promotion of a higher quantum of business floorspace, in comparison to the other two spatial options, in the central area which would promote a more mixed use town centre and in turn had more of a positive impact on creating employment opportunities in supporting SMEs and local businesses with the potential for the generation of new skills.

5.24 Overall, Option B scored positively against the majority of sustainability objectives or had an uncertain impact or no significant impact.

5.25 The appraisal of the draft SPD policy 4: Jobs and Businesses, scored very positively against several sustainability objectives. New business space will result in new job opportunities for local people and boost the local economy, having a positive impact upon addressing poverty and encouraging wealth creation. The promotion of a range of shop unit sizes and flexible business space, to include affordable units will help support new business start-ups and independent retailers in the area. The town centre would also become much more distinctive with the provision of new mixed use buildings containing some business floorspace.

Equalities considerations

5.26 Increasing employment opportunities is an important factor in addressing barriers for many of the equalities target groups, particularly those in faith and belief, race and ethnicity equality groups who may suffer from economic deprivation and higher unemployment levels. The jobs and business strategy in the SPD would see the greatest provision of new jobs through encouraging a mix of uses in the area and also requiring flexible business space to meet the needs of small and medium sized businesses.

6 CONCLUSIONS

6.1 The ELR anticipates that there will be a need for up to around 25,000 - 30,000 sqm of additional office space for the ‘local’ office market over the next 15 years to meet demand. Elephant and Castle is a good location to accommodate some of this demand for office space, with its good public transport, good accessibility to supporting shops and services within the town centre. We are working with landowners in the area to bring sites forward and coordinate improvements to infrastructure to ensure we are able to accommodate additional business floorspace growth in the area.
6.2 The provision of additional business, arts, cultural, leisure and entertainment space contributes to the overall vision for the area, with the emphasis on mixed use development to help provide more local employment opportunities so people can live near their place of work and so reduce the need to travel, especially by car. Promoting a mix of different uses also will also help make a positive contribution to the evening economy.

6.3 Our strategy recognises the contribution that SME’s make to the local economy, and through the provision of flexibly designed new business space, this will enable the SME businesses to remain in the area as they grow.

7. DOCUMENT REFERENCES

(CDR2) The London Plan (July 2011)
(CDL21) The saved Southwark Plan (2010)
(CDE1) Southwark Employment Land Review 2010
(CDB6) Core Strategy Employment background paper