

# London Borough of Southwark Response

## Examination of the New Southwark Plan

### Inspectors' Matters, Issues and Questions

#### **Matter 5 - Planning for the economic prosperity of the Borough including employment sites and town and local centres**

##### Issue 1

Whether the Plan has been positively prepared and whether it is justified, effective, consistent with national policy and in general conformity with the London Plan in relation to economy and employment.

Relevant Policies – SP1a, SP1b, SP4 – P43

#### ***Economy and Employment in general (SP1a, SP1, SP4)***

##### **Question 5.1**

**What is the evidence in relation to jobs growth and the need for employment land/floorspace in the Borough over the plan period (i.e. to 2033)? What does it show? Is the employment land evidence base sufficiently up to date to provide a robust basis against which the policies in the plan have been prepared?**

1. The evidence base relating to jobs and growth and the need for employment/land floorspace is contained within SP412 (Employment Land Review, 2016). This drew on information from the SP413 Industrial Land and Warehousing Study. The ELR is supplemented by the Old Kent Road Workspace Demand Study, 2019 (SP431) and the Affordable Workspace Evidence of Needs in Southwark report 2019 (SP422).
2. Between 2000 and 2012, office stock significantly increased in the borough (SP412). Large planning applications significantly changed the function and character of Southwark's Central Activity Zone (CAZ). This is owed to the regeneration of the Southbank, delivery of More London (Tooley Street/riverside, completed in 2009) and schemes such as Neo Bankside (permitted in 2006, completed in 2013). Our AMR (SP425) shows that from 2011/2012 to 2018/2019 there was 350,724sqm of employment floorspace that was redeveloped. The majority of this was industrial uses. There has been a net loss of around -28,914 of B1 floorspace (majority B1c uses) and a net loss of -72,012sqm of B2 and B8 floorspace (completions data). However the gross increase of over 235,222 of B1 space overall (majority B1a) has shown growth in offices over this time period. The gross amount of floorspace completed was 249,798sqm. There has been a loss overall of -100,926sqm over this time period (majority B8).

3. These new office schemes included The Shard and the News Building at London Bridge and schemes on Blackfriars Road including 20 Blackfriars Road, an 18 storey modern office building.
4. In terms of approvals a similar pattern is evident, with an overall loss of -107,226sqm of B1 floorspace, of which the majority is a loss of B1c light industrial floorspace. There was also a loss of -84,438sqm B2 and B8. 571,637sqm was existing employment floorspace (majority industrial) which has been approved for redevelopment. Gross figures show over 363,615sqm of delivery of B1 floorspace (majority B1a offices). The total gross amount of floorspace approved is 379,973sqm. There has been a loss overall in approvals of -191,664sqm over this time period (majority B8). There has been significant growth in office floorspace through approvals and completions but these have replaced older industrial stock through regeneration in the north of the borough owing to a net overall loss in employment (B class) floorspace overall.
5. Employment in Southwark has grown rapidly since 2000, increasing by 41%, or 74,000 jobs, from 2000 to 2013. In London Plan terms Southwark is an Inner London borough and forms part of the Central London Sub-Region. Employment is concentrated in the north of the borough in London's Central Activities Zone. The northern wards which make up the Southwark CAZ account for over 90% of all office employment in the borough, largely in the professional services sector. Employment in Southwark grew by 41% from 2000 to 2013, compared to 21% for Lambeth, 8% for Lewisham and 16% for London. This represents approximately 74,000 additional jobs in Southwark, which is nearly 10% of the increase in jobs across London over this period. The ELR estimates that just under half, 46.5%, of all jobs in Southwark are in B-space activities. Of this total 41.5% are in office type employment and 5.0% are in industrial employment. The proportion of B-space jobs is highest in CAZ at 56.3%, of which 51.9% are office jobs.
6. 91.1% of all office jobs are in the Southwark CAZ compared with 72.8% of all jobs. Industrial jobs are also more strongly represented in the CAZ which has 63.0%, compared to 26.3% in the CAZ Hinterland, whilst the South of the borough accounts for 13.9%. The local service area in the South of the borough accounts for just 4.4% of office jobs and 9.1% of total jobs. Economic activity rates in Southwark are above the London average but so are unemployment rates.
7. The largest employment sector for both Southwark residents and Southwark workers is the property, professional, scientific and technical sector. In 2011 this sector employed over 20% of Southwark workers but only around 14% of Southwark residents.

8. South Bermondsey and the Old Kent Road are the areas that contain the majority of the boroughs remaining industrial stock. This area as well as other areas such as Canada Water, Peckham and Camberwell (CAZ Hinterland) have increasingly become a service economy for the CAZ. Industrial rents in Old Kent Road and the borough reflect a healthy demand and falling availability, with a lack of new supply being delivered.
9. The employment projections for Southwark in this report are based on GLA Economics data and labour market projections from 2013 and 2015. Borough projections for total employment are published based on the triangulation method. Briefly the triangulation method consists of weighted forecasts of three key variables:
  - the trend forecasts for a borough;
  - the development capacity of a borough; and
  - the accessibility of a borough.
10. The objective of the Southwark ELR 2016 was to create a borough sector forecast for Southwark that is consistent with the GLA's sector forecasts and its borough totals. The latest London Labour Projections were published 2017 so the Southwark ELR created an interim borough projection that anticipates broadly what might be expected when the final projections were due to be issued the following year. The methodology including converting the employment projections to floorspace projections by applying employment density ratios to the relevant uses, for example offices, industrial and warehousing. There is also an allowance made for vacancy rates which generated the planning target of 460,000sqm of office floorspace and 90,000sqm of other employment uses to be delivered between 2014-2036. This equates to projected employment growth of 58,000 jobs in the period 2014-2036, of which 35,500 would be office jobs (Table 6.3, page 83). It was also projected that around 80% of the office jobs would be provided in the CAZ. Industrial jobs were projected to decline. The jobs target of 84,000 referenced in the NSP was for the period 2011-2036.
11. Evidence base published later than Southwark's ELR, and the latest evidence to support the Publication London Plan, including the London Office Policy Review 2017 and the London Labour Market Projections 2017. Borough employment projections (the sum of employee and self-employed projections) use the same methodology as the 2016 projections. The borough trend employee projections use the ONS Business Register and Employment Survey series for data for the most recent years, and use the same methodology as for the London and sector medium-term trend-based projections. These are considered alongside workplace capacity projections and transport accessibility projections.

12. In the Labour Market Projections 2017 report, the methodology uses a bi-angulated approach (excluding accessibility). Borough transport accessibility studies looked at trends from 2007-2015 between transport provision and jobs, but did not find evidence of how transport infrastructure constrained jobs growth. In the absence of such evidence the transport accessibility projections were not used in the development of borough employee projections. As such, the final borough employee projections are comprised only of those based on trend and workplace capacity.
13. In this report Southwark employment is projected to grow 0.89% per annum 2016-2041 (2,850 jobs pa). Comparable to the jobs projection in the ELR 2016 for the period 2014 – 2036 this would equate to 62,700 jobs. This is not significantly different from the Southwark projection of 58,000 jobs which takes into account specific sectors in Southwark. This is explained further in Question 5.2.
14. In the LOPR 2017 the composite projection for floorspace for Southwark is 506,800sqm GIA 2016-2041 and a lower floorspace capacity estimate of 385,330sqm.
15. The composite projection combines a trend-based projection of what has happened to floorspace stock in the past with an employment-based projection that factors both structural employment projections and takes account of future development plans. For most boroughs, the composite projection is an average of the trend-based (338,300sqm for Southwark) and employment based projections. For the CAZ boroughs (including Southwark), the evidence suggests there are fewer viability constraints on development. So, for the CAZ boroughs the higher employment-based projections were used which takes account of underlying structural and development factors.
16. This demonstrates the general trends of floorspace demand and labour projections are broadly consistent with the interim projections made in the ELR 2016 which takes into account the Southwark context and the evidence base remains up to date.
17. Consistent with the ELR 2016 commentary, over the period 2011/12 to 2018/2019 there has been an overall net loss of employment floorspace, particularly industrial floorspace (AMR, SP425). There has been office growth over this time period in replacement of the industrial uses, which is particularly reflected in the approvals. It is appropriate to use the 460,000sqm target however this should be brought forward for the plan period 2020/1 - 2035/6. This will be monitored in terms of overall completions for this time period which will reflect the

current approval rates. An additional target has been suggested in the Strategic Targets Background Paper (EIP161) of 90,000sqm employment uses which would be non-office employment uses in areas outside of the CAZ. This was recommended in the ELR 2016.

18. Supplementary evidence base has been prepared since the ELR 2016. The Affordable Workspace Evidence of Needs in Southwark report 2019 (SP422) provides analysis of economic baseline data of micro and small enterprises and the need for affordable workspace in different parts of the borough. Certain characteristics of the borough analysed are consistent with the ELR 2016 including demand for office and co-working space in the CAZ, workspace to support start-ups and general low vacancy rates across all sectors, particularly industrial sectors. The largest area of existing industrial land in the borough is located in Old Kent Road. Evidence base has been prepared which explores industrial intensification and co-location which is consistent with the policies in the Publication London Plan 2020 (Old Kent Road Workspace Demand Study, 2019, SP431). As a result of the proposals in the Old Kent Road AAP, employment floorspace is projected to increase overall and in line with general demand for industrial floorspace in the borough and to replace the existing levels of industrial floorspace where sites are redeveloped. Employment floorspace in the Old Kent Road area is now projected to grow overall by 127,957sqm, much of which would be industrial co-location or intensification of certain sites for industrial uses only. This is proposed to be updated in Table 1B of the plan as a result of the latest draft of the AAP published in December 2020.

## **Question 5.2**

**What is the overall scale of employment development envisaged by type, is this sufficiently clear and is it justified?**

1. The ELR 2016 (SP412) projection of 460,000sqm is based on office growth, due to the high levels of employment growth in the professional and technical services sectors that generate a demand for office space. This is also consistent with the LOPR projections for office space in Southwark.
2. The policy changes in terms of preparing the Old Kent Road AAP and industrial co-location and intensification will ensure the existing industrial capacity can be maintained and provide a choice of workspaces for the types of businesses that are already successfully operating in the area and meet future demand for industrial space. This is evidenced in the Old Kent Road Workspace Demand Study, 2019 (SP431).

3. The employment projections by GLA Economics are not broken down into sector for individual boroughs. However the London based sector analysis demonstrates that similar to previous projections, jobs in the professional, real estate, scientific and technical sector are expected to grow strongly, accounting for over a third of the total increase expected in London to 2041. Strong employment growth is also expected in the administrative and support service, accommodation and food service, information and communication sectors, education and health sectors – collectively accounting for nearly three fifths of the expected total London increase to 2041.
4. The jobs forecast for Southwark in the ELR 2016 is calculated by assigning industrial sector activities to land use categories. The base year borough land use data is collected from BRES (UK Business Register and Employment Survey) at the 5 digit Standard Industrial Classification (SIC) levels. A share of the overall jobs projection is then applied to the 16 sectors. This analysis also demonstrates the past trend based and future projected growth in the professional, real estate, scientific and technical sector, administrative and support services, information and communication sectors, education and health sectors, retail and arts. This is consistent with the general projected sector growth in London as a whole and the CAZ. Industrial sectors such as manufacturing, utilities, wholesale, transport and storage were projected to decline in terms of overall job numbers due to the decline in availability of industrial land.
5. The NSP includes the target of delivering 460,000sqm office space to 2036 (brought forward from 2014). The ELR also forecast a net addition of B1 floorspace for the CAZ Hinterland of 90,000sqm over the period 2014-36, which is partially offset by the loss of of industrial space, acknowledging there may be some scope for re-use and intensification on existing employment sites. This target has been added to the overall borough targets in Policy SP1a. The Strategic Targets Background Paper, EIP161 explains how this target would be met by other employment uses coming forward in the CAZ Hinterland, which would meet market demand in other parts of the borough. This includes industrial intensification at South Bermondsey, capacity in railway arches, industrial co-location at Old Kent Road and studio/workspace/hybrid uses in Peckham and Camberwell and through mixed use development. These uses are secured by applying the policy requirements of P29 in terms of designing workspace in terms of layout and servicing and a marketing strategy to ensure it is designed to meet current market demand. The Old Kent Road AAP requires workspace to be equipped with mechanical and electrical fit out, heating and cooling provision and kitchen and WC facilities. Also commercial units are required to provide sprinklers. These principles are also applied to industrial mixed use development in other parts of the borough where required. These fit out requirements ensure

workspace is attractive and viable to future occupiers and the workspace is suitable for small businesses and businesses in different sectors that require light industrial/studio/hybrid workspaces.

6. Some sectors that are envisaged to grow in Southwark may require a different type of workspace that may be different from the traditional office, particularly in areas outside of the CAZ. This is referenced in both the ELR and OKR Workspace Demand Study, in terms of increased demand for hybrid workspaces, blending some office with makerspace or workshop type uses. Additionally co-working spaces and incubator units are significantly in demand supporting start-ups or micro enterprises who would benefit from affordable workspace options.
7. Table 2 of the Site Allocations Methodology Report (EIP82, page 9) highlights that including the maximum employment that could potentially come forward on the Canada Water masterplan site, and also including office led schemes proposed on CAZ site allocations, the delivery of overall employment floorspace could in potentially exceed the office floorspace projection. However, the office floorspace projection is focused towards demand heavily weighted towards the CAZ, and it is highlighted in the LOPR 2017 that the floorspace capacity may not be sufficient to meet the projected demand in Southwark.
8. The changes to the Old Kent Road non-residential floorspace capacity estimates would mean the overall employment floorspace figure would increase, and potentially meet some of the additional office demand. The Old Kent Road AAP plans for a range of different employment floorspace types from “laptops to forklifts” (Policy AAP5). A range of different types of employment floorspace is planned to come forward in areas such as Old Kent Road, Peckham and Camberwell to accommodate the other types of employment uses which are in demand and to contribute towards the target of employment floorspace outside of the CAZ.
9. Overall it is difficult to achieve the projected demand particularly for CAZ office development and this demand still remains strong. However overall through the site allocations, utilisation of railway arches, and intensification of industrial land at South Bermondsey, the NSP contains strong policies to meet demand for a range of employment uses in different parts of the borough. Jobs would be generated from increases in other types of employment floorspace, which would generate high employment densities and contribute to the overall target. The jobs target also includes sectors which are not traditionally B class, such as employment, retail, arts and education uses which are also planned to achieve an overall net increase (Table 1B).

10. The overall target for offices is clear, to address the particular demand for offices in the CAZ. In terms of other types of employment floorspace, Policies SP4, P28 and P29 and certain site allocations specify the expectations in terms of other types of employment floorspace including industrial. The NSP clearly outlines the hectares of land designated for SPIL and LSIS and where these uses would be intensified. Policy P29 specifically references the different types of employment spaces that would be expected in mixed use development, and requires a marketing strategy for the use and occupation of the employment space to be delivered to demonstrate how it will meet market demand. This policy is essential to ensuring that different parts of the borough are delivering the employment space that matches local demand, which is referenced in the various evidence base documents.

### **Question 5.3**

**Are the floorspace figures in SP1b expected changes in floorspace? Or are they intended to be targets? Should the plan be clearer as to what the overall quantum of employment land and floorspace proposed to be allocated through specific sites should be?**

1. They are expected changes in floorspace based on the site allocations methodology (EIP82, page 10). The policy requirement in P29 is that development sites should retain or increase the amount of employment floorspace on the site. On certain site allocations in the CAZ, the expectation is that the office floorspace would significantly increase and this is reflected by a number of current planning applications. The policies on these site allocations require the re-provision of the existing quantum of employment space as a minimum or 50% of the total floorspace, whichever is greater.
2. The expected changes in floorspace in the site allocations are based on the estimated existing employment floorspace on the site and the policy requirement to re-provide or increase it. They are intended as indicative floorspace figures for many of the sites if there is no planning application or masterplan for the site.
3. EIP82 explains how the site allocations expected changes in floorspace would go towards meeting the employment floorspace targets outlined in the NSP. Table SP1b includes the overall quantum of employment floorspace that is expected to come forward on the site allocations. It is broken down by vision area. As explained above whilst the plan includes an office floorspace target the plan includes overall employment floorspace figures which would be dependent on current market demand or specific policy requirements on each site allocation. The method for achieving different types of employment floorspace across the borough is explained further in the Strategic Targets Background Paper

(EIP161). The CAZ is likely to meet the demand for Grade A type offices, whereas the central parts of the borough are likely to deliver more hybrid workspaces. Parts of the Old Kent Road area, Parkhouse Street and some non-designated industrial sites would deliver industrial floorspace as part of mixed use development. Parts of Old Kent Road and South Bermondsey would also deliver stand-alone industrial uses through intensification.

4. Table 2 (page 37-40) in the Industrial Background Paper (EIP401) specifies each of the non-designated industrial sites which are site allocations in the NSP and the employment space requirements. All of the sites are required to meet Policy P29 including re-provision or uplift of employment floorspace which meets identified current market demand. As stated in para 123 (page 41), planning applications are subject to scrutiny on commercial design criteria, provision of affordable workspace and quantum, sector and type of employment floorspace capacity. This is informed by the council's evidence and knowledge base of the workspace demand in different parts of the borough. This could include a mix of offices, hybrid workspaces or light industrial spaces.
5. Proposed changes to update Table SP1b demonstrate the expected typologies that are broken down in Old Kent Road in terms of site allocations and industrial intensification.
6. The plan includes both targets in Policy SP1a and expected changes in floorspace on site allocations to help meet those targets in Policy SP1b. The targets are 460,000sqm increase in office space over the plan period (80% in the CAZ), 90,000sqm increase in other employment uses and the designation of 32ha of SPIL and 20ha of LSIS. The Old Kent Road AAP includes the commitment to achieving no net loss of industrial floorspace over the plan area, which is explained in the Industrial Background Paper (SP401) and updated evidence base documents (Existing and Proposed, EIP149).

#### **Question 5.4**

**Is the plan sufficiently clear as to the amount of office and general industrial floorspace that the plan intends to allocate or identify?**

1. Changes are suggested to Policy SP1a, SP1b (see Strategic Targets Background Paper (EIP161) and SP4 (see answer to Question 1.9) to make the targets clearer. Table 1B separates the overall employment growth on Old Kent Road site allocations and the growth as a result of proposals for industrial intensification in South Bermondsey. The AAP overall achieves no net loss of industrial floorspace by taking a plan wide approach.

2. The site allocations in the CAZ specify that the employment floorspace is likely to accommodate the required growth in offices. The Old Kent Road site allocations have detailed design guidance in the AAP to demonstrate which types of uses are required. However as stated above the requirements for employment floorspace would be assessed in accordance with Policy P29 to ensure that the policy is sufficiently flexible to accommodate changing employment trends and localised demand for particular types of workspace. The figures in Table 1B are presented as gross and net as many of the sites already contain employment floorspace that would be redeveloped.

### **Question 5.5**

#### **Have any alternative options for the distribution of new employment development been considered? If so, what are they?**

1. The NSP IIA (EIP72) explains the alternative options that were considered for the NSP. Para 6.22 explains that in Option B (the chosen option) the reprovision or uplift of employment floorspace has been made a 'must' requirement in the CAZ site allocations. Option C in the IIA (EIP72) considered a higher number of homes and as para 6.49 explains, the impact of adjusting the number of homes or amount of employment floorspace on sites could negatively impact on the targets and delivery of the other. Paragraphs 4.27-4.30 of EIP82 (Site Allocations Methodology Paper) explain the approach taken with regard to striking the balance of housing and employment requirements in the CAZ site allocations.
2. The required growth of offices in the CAZ is a strategic objective in the Publication London Plan (2020). Southwark's portion of the CAZ contributes to the London-wide strategic targets and identified need and demand for office space in this central London location. There is not the same level of strong demand for office space, or capacity for the significant required growth for offices in other parts of the borough. Where previous planning applications have proposed office uses on the ground floors of residential development outside of the main town centres these have struggled to let. It is vital that proposed employment uses respond positively to local demand and are designed for the specific uses intended guided by the development plan and evidence of demand. There is significant growth planned for new offices in the Canada Water and Old Kent Road Opportunity Areas (CAZ hinterland), which would be supplementary to the core growth and identified demand for offices in the CAZ and borough overall, rather than being alternative options. The approach in the plan has therefore responded to evidenced demand and this demand could not be met elsewhere in the borough.

3. The largest existing areas of industrial land in the borough are located in Old Kent Road. The AAP plans to redevelop many of the sites currently in industrial designation, and promotes the re-provision of industrial space through co-location and intensification. There are no other parts of the borough that could accommodate the same levels of existing capacity for industrial floorspace. Over the plan preparation period, a number of options were considered for the development of SPIL (SP401 Industrial Background Paper page 8). In the NSP Preferred Option, all local and strategic PIL was proposed to transition to mixed use neighbourhoods. In response to consultation, in later versions of the plan, SPIL was proposed to be retained at South Bermondsey and at the Integrated Waste Management Facility on Old Kent Road. Admiral Hyson Industrial Estate was also designated as a new SPIL site. In response to consultation, the Old Jamaica Road site allocation was deleted and the site instead allocated as SPIL. The SPIL was subsequently extended to include the railway arches from Old Jamaica Road to South Bermondsey. LSIS was also proposed on three sites in the Old Kent Road Opportunity Area in the NSP Amended Policies (2017). The consideration of alternative options for the designation of industrial land has therefore evolved over the plan preparation period and in response to consultation.
  
4. EIP130 (Integrated Impact Assessment for the Old Kent Road AAP) identifies two possible options for the Opportunity Area based on the delivery of the Bakerloo Line extension. Option A includes the possibility of development without the BLE and would limit the potential growth to between 8,000-9,500 homes and associated non-residential uses. The IIA identified that the ability for the area to deliver additional jobs in this scenario may require incentive for change within the currently designated industrial sites which may be difficult due to well established uses and land values unlikely to change significantly over the plan period. Existing uses in storage, distribution and warehousing sectors typically have a low floorspace to jobs ratio. Industrial sites are more likely to remain in industrial use in this scenario (para 6.84). This scenario was not considered to be the best option, as the BLE could unlock significant additional growth and redevelopment of industrial sites to generate additional floorspace. The overall net gain in employment floorspace in the Old Kent Road masterplan would include replacement industrial uses as well as introducing a range of other employment uses to the area.

### **Question 5.6**

**Should the plan be clearer as to the requirements for floorspace within particular planning designations e.g. CAZ, AAP areas, town centres and elsewhere?**

1. Table 1B of Policy SP1b specifies the expected levels of floorspace within each Vision Area of the borough. We have suggested updates to Policy SP1a to include clearer targets for the areas for the plan period (see Strategic Targets Background Paper EIP161).

### **Question 5.7**

**What effects, if any, do the changes to the Use Classes Order (September 2020) have on the employment policies?**

1. The response to this question is included in the Use Classes Order note prepared separately (EIP162).

### **Question 5.8**

**Are main modifications necessary to any of the employment policies for soundness?**

1. The response to this question is included in the Use Classes Order note prepared separately (EIP162). If the Inspector is minded to make modifications, the paper includes our suggested wording.

### ***SP4 - Strong local economy***

### **Question 5.9**

**Does the plan provide for sufficient employment land of a range of types to meet identified needs?**

1. Yes. Through the site allocations and Policies P28 and P29. For additional information please refer to our response to Questions 5.1-5.6 and the Strategic Targets Background Paper (EIP161).

### **Question 5.10**

**Is the proposal to co-locate industrial premises with new homes justified and consistent with the London Plan?**

1. Yes. Please refer to our response to Question 1.9 (Industrial Land).

## Question 5.11

### Are the retail floorspace requirements justified and supported by evidence?

1. The retail target in Policy SP1a was based on a figure from the Retail Study 2018 (SP419). This figure accounted for planning applications in the pipeline (completions/commitments) between 2014 and 2017, as well as testing the remaining projected retail requirement after accounting for the future delivery of three key applications in Major Town Centres in the borough: Aylesham Shopping Centre in Peckham, Surrey Quays shopping Centre in Canada Water, and the Elephant and Castle Shopping Centre. The latter two sites have now had planning permission granted.
2. We have amended the retail target (using the methodology set out in SP419) to better reflect the overall delivery of retail floorspace over the plan period based on the site allocations in the NSP. The list of completions and commitments between 2014-2017 in SP419, included a number of applications (including the aforementioned three key applications) which have either not been completed or are yet to begin construction – these applications have been carried forward into the plan period.
3. Therefore, the amended figure provides the retail floorspace requirements based on growth in population and per capita spending, and over and above an *adjusted* pipeline list based on the most up-to-date delivery information.
4. The projections look forward to 2031 however anticipated that many of the commitments (e.g. approvals) would be built by 2021. Some of the planned commitments on site allocations have not started construction so it is appropriate to adjust the retail target to the plan period of 2020/1 - 2035/6. This is demonstrated in the Strategic Targets Background Paper (EIP161) edits to Policy SP1a.
5. The overall target is 76,670 sqm net; broken down into 6,560 sqm net convenience floorspace, 42,130 sqm net comparison floorspace and 27,980 sqm net food and beverage floorspace. The overall retail target then includes estimated target figures for each of the main town centres based on the likely floorspace coming forward on site allocations in those areas and the required demand as set out in the evidence base. The distribution of retail floorspace is: 6000 sqm Elephant and Castle Major Town Centre, 7000 sqm Peckham Major Town Centre, 40,000 sqm Canada Water Major Town Centre, the rest of the retail demand (23,670 sqm) would be met by sites in the CAZ and in the district town centres. Table 1B supporting Policy SP1b demonstrates how retail, leisure and community floorspace is expected to change based on site allocation

capacity estimates in each Vision Area. There is no specific target for leisure and community floorspace however the town centre sites allow for the capacity of retail, leisure, community and other main town centre uses to increase to support the growth and vitality of town centres in the borough.

6. The retail floorspace in Old Kent Road has reduced to an overall net loss in the December 2020 masterplan. This is due to the changing format of how retail space will be delivered in the area. The NSP designates two district town centres for the Old Kent Road area (north and south). The Publication London Plan (2020) anticipates that district town centres typically contain 10,000-50,000sqm retail, leisure and service floorspace. The Old Kent Road Opportunity Area currently contains 75,000sqm of retail floorspace and the overall net loss is fairly minimal on a plan-wide level of -7,045sqm. The area will redevelop a significant amount of existing retail space which is currently 'big box' retail sheds and mixed use development will significantly improve the retail environment by providing a range of shop sizes from supermarkets to high street shops. The retail evidence base: SP414 - Southwark Retail Study (2015) Part 1 of 2; SP415 - Southwark Retail Study (2015) Part 2 of 2; and SP419 - Southwark Retail Study Old Kent Road Update (2018), adequately reflects the level of additional population being planned for in the borough.
7. Suggested revised Table 1B (see EIP161) states the expected capacity for retail, leisure and community floorspace is 80,054sqm (net). This figure uses the minimum expected capacity in the Canada Water masterplan. There is scope for additional retail, leisure and community uses in the Canada Water masterplan outline planning application if a higher range is accommodated between the minimum and maximum floorspace estimations. Additional retail, leisure and community uses may also come forward on smaller scale windfall sites in town centres.
8. SP419 forecasts growth in population and per capita spending to determine the quantitative scope for new retail floorspace in Southwark from 2014 to 2031. SP419 assesses the quantitative scope for new retail floorspace in Southwark from 2014 to 2031. The methodology adopted for this analysis is set out in detail in Appendix 1 of SP415, paragraphs 1-18.
9. The population projections are based on an up-to-date evidence base. SP414 is based on census population estimates for 2011. SP419 uses updated population projections to 2014, 2017, 2021, 2026 and 2031, which are based on the latest growth projections for Southwark Borough set out in the Preferred Option – Interim 2015 based BPO Projection (GLA 2017) and GLA ward-based projections for zones outside Southwark Borough. These projections take into account the

OKR AAP preferred option sites. This is set out in paragraphs 2.6 and 2.7 of SP419. Population projections are shown in Table 1 in Appendix 2 of SP419.

10. The quantitative analysis for additional retail floorspace capacity is based on the defined area of study, see Appendix 1 of SP419.
11. As a consequence of growth in population and per capita spending, within the study area:
  1. Convenience goods expenditure is forecast to increase by 21.8%, from £1,296 million in 2014 to £1,533 million in 2031.
  2. Comparison goods expenditure is forecast to increase by 90.7%, from £1,632 million in 2014 to £3,139 million in 2031.

### **Quantitative Capacity for Convenience Floorspace**

12. SP419 estimates an increase in convenience goods expenditure from £690.08 million in 2014, Table 5 in Appendix 2, to £848.65 million by 2031, Table 8 in Appendix 2. The breakdown of Convenience Goods Floorspace Expenditure Capacity 2014 to 2031, is shown in Table 15 Appendix 2. The methodology for the quantitative capacity for convenience floorspace is set out in full, in paragraphs 2.1-2.15, and 2.16-2.24 of SP419.

### **Quantitative Capacity for Comparison Floorspace**

13. SP419 estimates an increase in comparison goods expenditure from £530.1 million in 2014, Table 5 Appendix 3, to £1,065.65 million in 2031, Table 5 Appendix 8. The breakdown of Comparison Goods Floorspace Expenditure Capacity 2014 to 2031 is shown in Table 21 Appendix 3. The methodology for the quantitative capacity for comparison floorspace is set out in full, in paragraphs 2.1-2.15, and 2.25-2.33 of SP419.

### **Quantitative Capacity for Food/Beverage Floorspace**

14. SP419 estimates an increase in food and beverage (use classes A3/A4/A5) expenditure from £950.18 million in 2014 to £1,441.24 million in 2031, Table 3 Appendix 4. The breakdown of Food and Beverage Capacity 2014 to 2031 comparison floorspace requirements is shown in Table 19 Appendix 4. The methodology for the quantitative capacity for food/beverage floorspace is set out in full in paragraphs 2.1-2.15, and 3.6-3.13 of SP419.

## ***P27 - Access to employment and training***

### **Question 5.12**

**Is the policy overall justified, effective and consistent with national policy? Is it viable? Is it supported by evidence?**

1. A similar policy has been in use for many years in Southwark since adoption of the saved Southwark Plan in 2007 (EIP67). Policy 1.1 requires all developments creating over 1000sqm of new or improved floorspace that provide or generate employment, to enter into planning obligations target the training and employment opportunities toward local unemployed, disadvantaged people, and school children, including mentoring schemes in local schools. Policy 10 of the Core Strategy (2011, EIP68) specifies we will target new jobs and training opportunities which arise from development towards local people. The S106 SPD (EIP49) was adopted in 2015 and the requirements for schemes over 5,000sqm and over 2,500sqm is set out to ensure S106 agreements include measures to place unemployed jobseekers from the local area into jobs within the construction sector, support training opportunities, short courses and new apprenticeships. Any shortfall in achieving these targets is set out as a financial contribution instead (£4,300 the average cost of supporting one unemployed resident into sustained employment, £150 the cost of a typical construction sector short course, and £1,500 for apprenticeship Level 2 construction sector qualification).
2. The council's Economic Wellbeing Strategy 2017 to 2022 (SP411) reinforced the council's commitment to supporting local people into employment and apprenticeships, improving skills through access to work related training, and promoting financial wellbeing and independence. A recently commissioned gap analysis of the strategy has shown that the fundamental principles outlined above remain sound. The council has also adopted the Southwark Skills Strategy with the aims of residents having the opportunity to gain the type and level of skills they need to access local opportunities and progress in the labour market, employers investing in their workforce and have access to training provision that responds to their needs and allows them to recruit locally, and employers and providers work collaboratively to develop a local skills offer that is responsive to the needs of the local economy.
3. Employment and skills are key strategic priorities for the council and we support frontline programmes to help residents into work and promote a strong local economy. It is our aspiration that all Southwark residents have employment that is fairly paid, underpinned by the council's lead on promoting the London Living Wage. We also want Southwark residents to have secure

employment and the skills to progress beyond entry-level, insecure, low-paid work. Our strategic ambitions for Southwark on this theme include:

- Southwark is a full employment borough with a job opportunity for every resident who wants to work;
  - Southwark employers offer top quality apprenticeships, from entry to advanced-level roles, and our residents are at the front of the queue to access them; and
  - Regeneration and development continues to provide lasting jobs for residents in construction and related industries and in completed developments.
4. The Economic Wellbeing Strategy also emphasises that the council will continue to use S106 and CIL obligations to ensure that new developments bring sustained jobs and training opportunities to the borough. The current policy requirements have been applied successfully to schemes in the borough. As part of the 2014-18 council plan, the council:
    - Supported 5,811 residents into work between through investment into Southwark Works and other targeted programmes, prioritising those residents furthest from the labour market; and
    - Created 1,918 apprenticeships, through support for employers to create quality apprenticeships under the Southwark Apprenticeship Standard.
  5. Since 2013 the council has adopted a strategic approach to the management and use of employment and skills S106 contributions. The total amount of contributions accrued since 2013 totals £8,816,625.47. Funds from contributions for employment and skills outcomes are assigned across council programmes to support delivery of key Council Plan commitments including supporting 5,000 residents into jobs and creating 2,500 apprenticeships. The excellent success of meeting the 2014-18 council plan targets and ongoing achievements to date, illustrated the scale of delivery that the council can achieve through our commissioned services and through contributions via our S106 agreements.
  6. The ongoing use of S106 contributions will ensure resources are available to invest in the council's programme of employment and training support as set out in the Economic Wellbeing and Skills strategies and the Economic Renewal Plan, to build on these achievements and further increase the numbers of Southwark residents securing jobs and sustaining employment.
  7. Initiatives such as the Construction Skills Centre in Elephant and Castle and the Southwark Works programme are successful in delivering the policy aims. Further information is set out in EIP160 (Employment and Training S106 release report, October 2020). This document, as well as the Viability

Background Paper (EIP20) demonstrate development schemes in the borough are able to meet this policy requirement and financial contributions as a result of this policy have not affected viability.

8. NSP Policy P27 continues to support the successful implementation of the council's strategy for employment and training opportunities. There is an additional requirement to allow for local businesses to tender for the procurement of goods and services generated by the development both during and after construction. This does not affect viability and would be secured through S106 agreements. The policy is consistent with the NPPF aspiration to build a strong competitive economy and Policy E11 in the Publication London Plan 2020 (Skills and opportunities for all).

### **Question 5.13**

**Is the policy sufficiently flexible to respond to local economic conditions and where viability may be challenging?**

1. The policy is flexible as it allows for developers to work with the council or on their own programmes to provide training and jobs for local people in the construction stage of developments and in the final developments. Financial contributions are required if the opportunities for jobs, short courses and apprenticeships are not offered on site. The contributions are used for the council to provide equivalent opportunities in the local area.
2. Some sites may require more detailed site and scheme specific viability analysis when they come forward through the development management process. It is up to the applicant to demonstrate whether particular circumstances justify the need for viability discussions at the application stage. Where it is evidenced that the viability is challenging in a development, flexibility may be applied to the policy requirements.
3. The Viability Background Paper (EIP20) provides a list of delivered schemes that have met this policy requirement, which demonstrates its deliverability.

### **Question 5.14**

**What mechanisms would be proposed to secure the requirement for local jobs? Is the policy sufficiently clear as to how this will be implemented?**

1. The requirements are set out in the Section 106 SPD and this would be updated following the adoption of the NSP.

## ***P28 - Strategic protected industrial land***

### **Question 5.15**

**Is the policy overall justified, effective and consistent with national policy? Is it necessary for soundness that the NSP should only allow for co-location of residential on strategic protected industrial land (including LSIS) through the Plan's allocations?**

1. The NSP proposes to retain 32 hectares of land as SPIL in Southwark and this is identified on the proposed policies map. Policy P28 makes clear in these areas only industrial uses would be permitted. The purpose of this is to ensure there are locations for industrial uses that would be non-compatible with residential uses to continue to function. The proposed masterplan for the South Bermondsey SPIL identifies the potential for industrial intensification of industrial only uses. This is referenced in the reasons paragraph 2 of NSP Policy P28.
2. The NSP (Policy P28) does not allow for residential co-location on its designated SPIL sites. The NSP proposes some release of currently designated industrial land in line with the principles of the industrial land policies in the Publication London Plan 2020 (see Question 1.9) and the designation of the Old Kent Road Opportunity Area to deliver a range of other uses.
3. The NSP also designates 20ha of land as LSIS on three of the Old Kent Road site allocations and on the proposed policies map in accordance with Publication London Plan (2020) Policy E6. This is referenced in paragraph 1 of the reasons to Policy P28. The relevant NSP site allocations NSP55, part of NSP63 and part of NSP67 all require industrial uses to be provided in the parts of the sites identified on the policies map as LSIS.
4. Minor edits to Policy P28 and Policy SP4 are suggested (see Question 1.9) to make this clearer and to address the most recent comments by the Mayor.

### **Question 5.16**

**Is the requirement to increase jobs sound and is it evidence-based?**

1. The policy requires a small typographical edit:  
'Development must retain, grow ~~and~~ or intensify industrial uses including increasing the number of jobs.'

2. The premise of the policy requirement to increase jobs is sound and evidence-based. The policy seeks to ensure industrial uses are intensified which would lead to more floorspace being generated and an increase in the number of jobs.
3. Whilst traditionally many industrial uses would have low job densities, the growth of industrial businesses in the borough have generated higher employment rates due to the subdivision of premises for smaller makerspace light industrial type development (SP431). The Old Kent Road Opportunity Area is currently has 10,035 jobs overall and 29% of the share of employment is in the wholesale, transport and storage sectors. Whilst some of the lower density uses have declined, the business survey comparative analysis shows that between 2015 and 2019 the number of jobs in the Old Kent Road area has increased (SP421). The plan is to double the number of jobs in that area and the masterplan proposals demonstrate this will be achieved through delivering a range of employment spaces at a range of densities (EIP149 and EIP150). Proposals for intensification of SPIL at South Bermondsey result in a significant increase in industrial floorspace at low or medium density but which would still generate up to 3,000 additional jobs.

### **Question 5.17**

#### **Does the policy allow for business growth that may not result in a net increase in jobs (i.e. for automation)?**

1. The council seeks to generate employment through development and particularly to benefit local unemployed people or providing young people with training opportunities or apprenticeships. Generally we would expect an increase in floorspace as per the policy requirements of Policies P28 and P29 which would usually result in the increase in the number of jobs and grow local employment. It is acknowledged some industries which are developing in automation may not result in a net increase in jobs. However the policy is sufficiently flexible as if jobs cannot be generated on the site, Policy P27 allows for financial contributions to be made for other jobs and training opportunities in the borough. This would be considered on a site by site basis. Overall however we consider the range of industries proposed across the borough would significantly boost local employment and the policy is intended to facilitate this.

## ***P29 – Office and business development***

### **Question 5.18**

#### **Is the policy overall justified, effective and consistent with national policy?**

1. Yes, the policy justified. There is significant evidence which indicates that there is high demand for office space within Southwark, especially within the CAZ which the London Plan identifies as a key strategic office location, both nationally and internationally. This demand is detailed in SP402 Offices background paper and summarised below.
2. SP412 Southwark Employment Land Review (2016) indicates that Southwark needs to deliver 460,000sqm of new office space in the period of 2014-2036 (p.7). This is also set out in the policy reasons. In order to meet this demand our strategy requires the retention and uplift in employment floorspace. The strategy requires redevelopment of specific site allocations to develop employment floorspace and more specifically requires the provision of at least the amount of employment floorspace currently on site.
3. In the report of the Examination in Public of the London Plan 2019 to the Mayor of London (GLA, October 2019), the Inspector set out that approximately 60% of additional office space is expected to be required in the CAZ.
4. SP402 Offices background paper makes reference throughout to the London Office Policy Review (Ramidus Consulting Limited in association with CAG Consulting. Greater London Authority; June 2017) which sets out the employment forecasts and capacity. Office employment projections indicate an increase in 619,300 jobs from 1.98m in 2016 to 2.60m in 2041, a rise of 31%. This therefore indicates a need for employment floorspace growth to accommodate these jobs. At the London level, there is sufficient potential capacity in the pipeline to accommodate projected growth, through increasing density of office sites and developing sites with no existing employment floorspace.
5. It is recognised that the CAZ in Southwark is relatively limited in capacity for employment floorspace. Southwark is currently redeveloping existing employment sites to increase density of office floorspace, to increase provision and developing appropriate sites as illustrated in the New Southwark Plan's site allocations to further increase the capacity and availability of office floorspace to meet demand. These sites are attracting office floorspace development in the CAZ and Opportunity Areas.

6. The LOPR indicates that take up in South sub-market where Southwark is located sees a general increase in take-up since 2012. This indicates demand for office floorspace in the south sub-market, which requires policy intervention from Southwark Council to ensure this is met. This will be achieved through the provision site allocations and requirement of employment floorspace.
7. The report also indicates that even prior to the relaxation of Permitted Development Rights, that CAZ boroughs were losing office stock. Southwark's AMR figures show a net loss employment floorspace in the years 2011/12 to 2018/2019. The New Southwark Plan therefore plans for the delivery of office space to meet the demand.
8. In SP402 Between 2013 and 2015, the borough lost 21,787sqm of office floorspace to residential development. This loss justifies the need to now protect and increase office floorspace, especially within strategic locations.
9. Yes, the policy is effective. Most site allocations require the re-provision of at least the amount of employment floorspace B class currently on the site. In the CAZ the site allocations require either re-provision or at least 50% of the development as employment floorspace, whichever is greater. This wording and these interventions are designed to create an uplift in employment floorspace to meet these targets. By requiring this, it ensures re-provision is achieved as a minimum and encourages an uplift of employment floorspace on site. This prioritises B use class, whilst also encouraging mixed use development.
10. Yes, the policy is consistent with national policy. Chapter 6 of the NPPF 'Building a strong local economy' highlights the need to create conditions in which businesses can invest, expand and adapt with a strong emphasis on supporting economic growth and productivity.
11. The Council's intention to support economic growth and productivity is set out in the Strategic Policy of the Plan SP4 which clearly sets out our economic vision and strategy in relation to encouraging sustainable economic growth across different sectors in accordance with Paragraph 81 of the NPPF.
12. In accordance with paragraph 81 (a), the economic strategy supports growth through the delivery of 460,000sqm of office space between 2014-2036.
13. Policy P29 will help achieve this with protection of office floorspace in the locations set out within the policy: Central Activities Zone, town centres,

opportunity area and individual development plots within site allocations where employment re-provision is required.

14. The NPPF paragraph 82 makes reference to the benefits of the locational requirements of different sectors and making provisions for clusters. The plan will meet the demand for the growth of office space and workspace within the CAZ and town centre locations.
15. The inclusion of town centres in the P29 is in compliance with Paragraph 85 of the NPPF which addresses the need for a diversity of uses, including office floorspace provision in town centres to promote viability and vitality.
16. The policy particularly supports the growth and economic sustainability of the Central Activities Zone as a global business location in accordance with Policy SD4 of the 'Publication London Plan (2020)' as offices are identified as a strategic function of the CAZ.
17. Policy SD5 London Plan sets out that new residential and mixed-use development does not compromise the strategic functions of the CAZ.
18. Policy E1 makes reference to increasing office provision, improving office space through refurbishment and mixed-use development. Also, to the development and promotion of "unique agglomerations and dynamic clusters of world city businesses and other specialist function of the central London office market, including the CAZ. Existing viable office floorspace outside locations identified in Part C should be retained, supported by borough Article 4 Directions to remove permitted development where appropriate, facilitating the redevelopment, renewal and re-provision of office space where viable and releasing surplus office capacity to other uses.
19. The policy also sets out the importance of town centres and opportunity areas as strategic office locations.
20. The Central Activities Zone SPD (GLA, adopted 2016) sets out that between 2011 and 2036, the ten CAZ boroughs are projected to accommodate a further 460,000 jobs of which 58% are in the CAZ itself. The population of the ten CAZ boroughs is anticipated to rise by over 450,000 during the same period. These drivers of change demonstrate the pressures and challenges of accommodating growth in the CAZ. The CAZ therefore needs to be protected to ensure that it can continue as a key economic centre and employment hub.

### **Question 5.19 Taking**

1. This question is incomplete. The council have asked the Inspectors to clarify.

### **Question 5.20**

#### **Is the policy sufficiently flexible to respond to changing economic circumstances?**

1. Yes, the policy is sufficiently flexible to respond to changing economic circumstances.
2. Criteria 2 of the policy requires the successful integration of homes and employment space in physical layout and servicing that will accommodate mixed use development. This will include a range of employment spaces including freight, logistics, light industry, co-working, maker spaces and offices. The policy encourages the layout and design to accommodate specific sectors and ensure it is easy to adapt to any change in future economic circumstances. This part of the policy will also ensure the delivery of other types of employment floorspace in the different parts of the borough.
3. Criteria 3 provides flexibility as it references the types of employment space should be provided to demonstrate how it will meet current market demand. Therefore, proposals will be up to date with the economic climate of that point in time.
4. P29 also includes flexibility to allow for changes in economic circumstances, where this is justified by evidence through the two-year marketing requirement.
5. Recently, the changing circumstances surrounding the COVID-19 mean that the situation is being kept under review. As COVID-19 restrictions are temporary, the Council's position is based on the evidence we have available which is that demand still exists in Southwark for office space, particularly in strategic locations such as the CAZ and town centres. The council has continued to receive and process applications for major office development in the borough. However, the situation will be closely monitored and the Council's agile approach to plan making means that the policies will be reviewed every six months, giving us the opportunity to adapt and respond with up-to-date information.

## **Question 5.21**

### **Is the requirement for a two-year marketing period justified? Is it supported by evidence?**

1. Paragraph 81 of the NPPF sets out the need for planning policies to positively and proactively encourage sustainable economic growth and also be flexible enough to enable a rapid response to changes in economic circumstances.
2. The principal objective of P29 is to protect and grow office floorspace across the borough in accordance with Southwark's strategy for economic growth and based on evidence which suggests that there is a need for this type of land use in Southwark (see above for more detailed justification on demand).
3. The marketing requirement is included in the policy to allow for a local assessment to be made of the demand for office floorspace and take into account any unforeseen changes in the market.
4. The requirement for the two-year marketing period is justified as it ensures that sufficient attempts have been made to ensure the office use can continue. It is therefore considered as an appropriate length of time and would not result in long periods of vacancy.
5. The policy mechanism encourages employment sites to be appropriately marketed either for existing use or for an improved employment use through redevelopment. A shorter marketing period or a poor marketing strategy may put the continued use as employment at risk, for which there is demonstrated high demand in the borough.
6. By comparison of marketing requirements, the two-year period is consistent with other LPA's with several periods being in excess of 18 months.
7. Appendix 2 SP402 Offices background paper sets out clear guidance on the criteria required for marketing evidence to be submitted with any proposals which would result in the loss of employment floorspace in order to guide applicants during the application process.

## Question 5.22

### **Is the requirement for financial contribution towards training and jobs for local people justified? Is it viable?**

1. Yes, the requirement for financial contribution towards training and jobs for local people is justified as our strategic objective is to grow and strengthen our local economy. The loss of employment floorspace would have a negative impact on job availability in the borough therefore a financial contribution would be required to mitigate the impact.
2. One of the Council's targets is to create 58,000 jobs. The Council is keen to promote the creation of new jobs whilst ensuring that there is a supply of sites for businesses to grow. (Policy reasons) Therefore, any loss in employment space should be compensated for by a financial contribution to provide training and jobs for local people elsewhere in the borough. This ensures that development increases employment and economic growth in Southwark.
3. The Employment and enterprise section of the Section 106 and Community Infrastructure Levy (CIL) SPD (2015) (EIP49) sets out how a loss of employment floorspace may be mitigated against through planning obligations in exceptional circumstances. Southwark will seek to secure section 106 planning obligation from developers who cannot meet the policy requirements of NSP P29. The planning obligation is used to fund skills and employment programs. (SP402, para 2.100).
4. The Employment and Enterprise plan for skills, training and employment sets out a skills and employment plan. For business use floorspace a target for the number of jobs lasting a minimum of 26 weeks for unemployed Southwark residents will be calculated at 10% of the estimated Full Time Employee (FTE) employment on site according to Homes and Community Agency (HCA) employment densities or an alternative measure agreed by the council. This aligns with policy P29 Office and Business Development, that requires development that results in a loss of employment floorspace to provide a financial contribution towards training and jobs for local people.
5. One of the Economic Wellbeing Strategy (SP411) objectives is for regeneration and development to provide lasting jobs for residents in both construction and related industries and jobs in completed developments. This can be supported through the funding of skills and training programs for unemployed residents.
6. As this criterion of the policy has been implemented where required, it is considered to be viable. S106 contributions from this policy have been

directed towards funding successful training and employment projects such as the Southwark Construction Skills Centre in Elephant and Castle.

### ***P30 - Affordable workspace***

#### **Question 5.22**

**Is the policy overall justified, effective and consistent with national policy and the London Plan? Is it viable? Is it sufficiently flexible?**

1. Yes. The NPPF requires the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development (para 80). Local business needs and supporting the growth of new businesses has been taken into account when preparing this policy and justified by the evidence base. The Publication London Plan 2020 Policy E2 supports the provision of lower cost workspace, flexible workspace for micro and SME businesses and supporting start ups. Policy E3 supports using planning obligations to secure affordable workspace at rents maintained below the market rate for specific sectors and purposes. Part C of the policy requires boroughs to consider detailed affordable workspace policies in light of local evidence of need and viability. The policy includes a number of definitions to explain the types of businesses affordable workspace is intended to support.
2. Affordable workspace was a key proposed policy change that was tested in the Viability Study 2019 (SP423). The proposed changes were requiring a proportion of at least 10% of commercial floorspace to be provided as affordable workspace at discounted market rents. The study tested a range of scenarios, in each of the three CIL zones of the borough and at different levels of market rents. The study concluded that in general, a requirement for 10% of floorspace at a discount to market rent of 25% is deliverable in the majority of scenarios.
3. The Affordable Workspace Evidence of Needs Report 2019 (SP422) and the Old Kent Road Workspace Demand Study (SP431) provides further detailed evidence that supports Policy P30. It is based on 10% of the total space being delivered as affordable workspace, and focused on micro and small businesses. The study (SP422) assesses 5 different typologies of deliver workspace which was then applied to the five study sub-areas: Southbank, Elephant and Castle, Canada Water, Camberwell and Peckham. These typologies were: Type 1 – Micro site mixed use office/light industrial and residential scheme; Type 2 – Medium office/light industrial scheme; Type 3 – Micro site light industrial and independent retail scheme; Type 4 – Large

office scheme; and Type 5 – Large office/light industrial and residential scheme.

4. The report recommends the discount on rent that is viable to ask for in each sub area for affordable workspace delivery based on viability evidence. The recommended discounts range from peppercorn rents to 25% discount off market rent depending on location and type proposed. This further evidence is more location specific. Section 7 of the report takes the conceptualised workspace typologies and considers the viability implications that could arise to deliver these new workspace forms, in Southwark. Based on the values and assumptions outlined in the report, the study recommends the levels of discount that would be viable in different typologies and locations in the borough.
5. The policy is sufficiently flexible as it is required to assess and analyse the most appropriate discounts to suit the required and identified occupiers in individual schemes. The discount is based on the affordability of current market rents, which may be subject to change. It is also flexible in that the policy requires the delivery of affordable workspace on-site, but if this is not possible there is a mechanism for financial contributions instead.
6. To date the council has approved over 70,000sqm affordable workspace based on the requirements of the draft policy (10%).
7. The Viability Background Paper (EIP20) Table 4 shows the detail of the negotiated affordable workspace in some schemes which have been approved.
8. The policy principles have been successfully applied to these schemes, and each scheme contains a bespoke affordable workspace offer which is secured in the S106 agreement.

### **Question 5.23**

**Is the proposed Borough wide approach to affordable workspace rather than a geographically targeted approach justified? Is the requirement to provide 10% of proposed gross employment floorspace as affordable workspace justified and evidence based?**

1. Yes. The policy contains a size threshold for the delivery of affordable workspace so only schemes over 500sqm would be required to provide affordable workspace. The reasons to the policy and the map at Figure 5

- explains the demand for different types of affordable workspace in different locations in the borough. The design, rents and management arrangements of affordable workspace can be very different in terms of the workspace that is required in the CAZ/north of the borough (co-working, offices, start-ups) to the workspace that is required in central parts of the borough and Old Kent Road (light industrial workspace), for example. However the overarching policy requirements work effectively for all locations in order to meet demand identified locally as all are required to deliver the terms of the policy and the detail is reserved for particular locations.
2. Based on the evidence for requirements of affordable workspace around different parts of the borough, it is justified to have a borough wide policy. However the policy is applied to suit the geographical requirements of each area.
  3. The application plans and S106 agreements can include details of the type, design, rental discount levels, management arrangements, workspace provider (if applicable), eligibility criteria, fit out, service charges and the length of time affordable workspace is secured for. Given the complexity of affordable workspace as a relatively new policy area to London, the council is planning to produce an Affordable Workspace SPD to supplement this policy to give further information on how it should work in practice and in different geographical locations. Nevertheless current negotiations on planning applications have been successful in securing a range of different types of affordable workspace to suit different geographical demands.
  4. The requirement for 10% affordable workspace is reasonable and has been viability tested as explained in our response to Question 5.22. Different percentages of affordable workspace were also tested in the Viability Study 2019 (SP423) however 10% was considered to be the most reasonable and viable.

#### **Question 5.24**

**Is the policy likely to be effective protecting small businesses based on the size of their premises alone?**

1. A small business is defined as a business operating with 50 employees or less and an independent business is defined as a business operating on no more than 3 sites (Fact Box). The policy seeks to ensure small and independent businesses that may be at risk of displacement are retained where possible. The policy also works on an area wide basis, where affordable workspace must be prioritised for small and independent businesses from the local area. This means that in large regeneration areas, businesses could be relocated in different phases of development to ensure they can stay local.

### **Question 5.25**

#### **How will any payments in lieu for offsite affordable workspace be calculated? Should this be included in the plan?**

1. The Viability Study 2019 (SP423, pages 73-74) outlines a recommended site specific approach to calculating affordable workspace. This approach allows flexibility as it requires the proposed floorspace, proposed percentage of affordable workspace, market rents and market investment yields to be inserted to the calculator for specific schemes. This is negotiated on a scheme by scheme basis. The calculator has been used for a number of schemes where affordable workspace cannot be provided on site. The calculator can be easily used by inserting the aforementioned figures into an excel spreadsheet to generate the required payment (EIP159). This mechanism would form part of the Affordable Workspace SPD and an update to the Section 106 SPD.

### **Question 5.26**

#### **How will eligibility for affordable workspace be considered and secured?**

1. The Fact Box explains eligibility in terms of the definition of an affordable workspace occupier and affordable workspace provider. Part 2(5) of the policy requires developers to collaborate with the council, local businesses, business associations and workspace providers to identify the businesses that will be nominated for affordable workspace. This is negotiated on a scheme by scheme basis. Often S106 agreements will include the requirement to market affordable workspace to eligible local businesses. Further detail may be added to the Affordable Workspace SPD.

### **Question 5.27**

#### **How will existing affordable workspace be retained in the Borough?**

1. Existing affordable workspace that may be affected by redevelopment proposals would be subject to the requirements of Policy P30 (requiring affordable space for small and independent businesses at risk of displacement) and P32 (Business relocation). Part 2(4) of Policy P28 requires affordable workspace for existing small and independent businesses at risk of displacement or the targeting of small and independent businesses from the local area with an identified need.

### **Question 5.28**

**Is the policy intended to require affordable workspace as part of employment refurbishment proposals or any net new employment floorspace including extensions to existing premises in single occupancy? Is this justified?**

1. Para 5 of the reasons explains the policy applies to all new build developments providing over 500sqm of new employment floorspace regardless of any existing employment uses that will be demolished. For extensions to buildings or changes of use, the policy applies to new floorspace created if the extension or change of use is over 500sqm. If a premises is in single occupancy and providing over 500sqm in an extension, the policy would apply. This is justified due to the identified need for affordable workspace in the borough.
2. The proposed 500sqm threshold is appropriate and viable for the range of employment uses and locations identified for employment uses. The threshold is informed by the evidence of need for affordable workspace in the borough, and by the average size of a micro business unit at 50sqm. This is the minimum unit size which could be accommodated in proposals which include separate micro business units. In circumstances where this is not feasible to provide on site, an in-lieu payment will be required to secure off-site provision of affordable workspace.
3. If it not possible or feasible to provide affordable workspace in a building intended for single occupancy, the policy requires a financial contribution so that affordable workspace can be delivered in other parts of the borough. This exceptions approach and the use of pooled contributions is recommended in the Affordable Workspace Evidence of Needs Report 2019 (SP422) and the Old Kent Road Workspace Demand Study (SP431).
4. The Viability Report 2019 (SP423) recommends that the Council considers the provision of payments in lieu of on-site Affordable Workspace on a site and scheme specific case-by-case basis, using a calculation of the opportunity cost of delivering onsite affordable workspace as set out in section 3.46 of the report.

### **Question 5.29**

**What would be considered exceptional circumstances to justify the provision of affordable retail or affordable cultural uses and is the policy sufficiently clear as to what these are?**

1. The exceptional circumstances are if there is a use proposed (alternative to employment) that has a specific and demonstrated need for affordable premises, and the occupier must be named. This is specified in the policy part 4. An example would be if space was required to accommodate a Southwark business (retail or cultural use) due to displacement or need for relocation. Affordable terms would be negotiated for that specific use and to support the continued viability of the named business. It is considered appropriate that as long as the 10% floorspace requirement would be met and the other elements of the policy are met, that this would be an exceptional circumstance to providing affordable retail or cultural uses instead of workspace.

### ***P31 - Small shops***

#### **Question 5.30**

**Is the policy justified, effective and consistent with national policy? Are the thresholds in P31(2) justified and supported by evidence?**

1. Yes, the policy is justified, effective and consistent with national policy. Policy P31 aims to ensure town centre viability and vitality, through the provision of a diverse range of shop units, key social infrastructure, employment opportunities, and affordable space for small and independent businesses. The justification is set out in SP403 Retail Background Paper paragraphs 6.18-6.35.
2. To ensure the availability of small shops and affordable commercial space the policy requires developments over 2,500 m<sup>2</sup> GIA or more of retail space to provide at least 10% of this space as small shops. The threshold of 2,500 m<sup>2</sup> is in accordance with the approach defined in the NPPF of which impact assessments are required for retail and leisure developments, paragraph 89.

### ***P32 - Business relocation***

#### **Question 5.31**

**Is the policy justified, effective and consistent with national policy? Taking each criterion in turn, are the requirements justified and supported by evidence?**

1. The Development Consultation Charter (O0001C) is a validation requirement to deliver 'Regeneration that works for all', a promise to the community as an agreed way of working with developers and the community. This forms part of the Statement of Community Involvement. The DCC requires an evidenced-based audit of the area including who currently occupies the site and whether

- they will need to be relocated. This fact based audit is required at pre-application stage.
2. The NPPF (para 82) requires planning policies to address the specific locational requirements of different sectors. Policy E2 of the Publication London Plan 2020 requires that where there is a shortage of lower-cost space or workspace of particular types, uses or sized development should either demonstrate there is no reasonable prospect of the site being used for business purposes or ensure that an equivalent amount of business space is re-provided. This should be appropriate in terms of the type, use and size, incorporating existing businesses where possible. Policy P32 in the NSP responds to these requirements in addition to addressing specific considerations for retaining the existing successful economic sectors and businesses operating in Southwark whilst accommodating redevelopment proposals.
  3. The policy wording is considered to be sound, and sufficiently flexible in that this information is required to establish the circumstances around existing businesses on the site. The policy has been developed in response to concerns from the business community about displacement of existing businesses from site redevelopment proposals.
  4. The policy wording has been refined in response to consultation on the NSP and Old Kent Road AAP. The council works proactively with local businesses and developers to ensure the design of new workspace would be appropriate to accommodate the types of existing businesses already present in the borough. Where it is possible to relocate existing businesses on the site as part of phased redevelopment proposals, specific terms are agreed in the S106 agreement. The council has established initiatives such as the Old Kent Road Business Network and the Southwark Workspace Provider List. The Southwark Workspace Provider List is a source of linking workspace providers who are already operating in Southwark or wish to expand into Southwark. This requires a detailed application and screening process. Many of the providers cater for the creative industries and artists studios, showing the increase in demand in these types of industries in the borough. Affordable workspace has been secured for some of these providers in the Old Kent Road opportunity area offering the potential for reprovision, relocation and expansion of the businesses. Additionally the Old Kent Road Business Network has been established to help link businesses looking for new space to developers and understand the requirements and aspirations of businesses in this area.
  5. Due to the scale of change planned for some existing sites in Southwark, the potential for the growth and opportunities of existing and new businesses is an essential consideration.

6. The business relocation policies of both the NSP and the OKR AAP seek to ensure a robust strategy enabling the retention and growth of Southwark businesses across the borough. Providing the quantum and types of floorspace that responds to this demand is essential. This is particularly important in the phasing of developments in central Southwark overall to ensure a range of employment floorspace is available and marketed at different phases of regeneration.
7. Along with the affordable workspace policy, the policy seeks to ensure existing businesses can be accommodated in redevelopment proposals where possible. Some businesses may be able to temporarily relocate and return to the site and this can be secured through Section 106 agreement. Some businesses may not be able to relocate temporarily, and therefore options for permanent relocation will be explored. Developers will be expected to work positively with businesses to explore opportunities for relocation to suit the viable continuation of the business and any assistance that will be provided. In Old Kent Road, negotiated S106 agreements generally require space to be marketed at existing Old Kent Road businesses as a first priority. In other parts of the borough, marketing is also directed to ensure Southwark businesses would be targeted to occupy the space first.
8. Some industrial businesses will not be suitable to relocate into mixed use development, therefore opportunities to intensify industrial sites such as South Bermondsey (along with Lewisham Council) will help to create new industrial workspaces and increase capacity. The council seeks to match developers to businesses and workspace providers in need of new space, and try to identify new opportunities to ensure businesses can stay operating in the borough and contributing to the wider Southwark economy.
9. Whilst industrial co-location is a relatively new concept, the council continues to work alongside the business community to identify specific operational requirements of different types of business and how this can be accommodated alongside residential development. This includes specific design criteria for mixed use development and ensuring appropriate servicing yards, servicing times, ceiling heights, configuration of spaces and columns, noise insulation and designing out amenity impacts (Industrial Background Paper, SP401, page 41-42).
10. The policy is effective as many business relocation strategies have already been developed in accordance with the requirements of the draft policies and the DCC. Some examples of business retention and relocation in Old Kent Road have ranged from small businesses (as well as larger businesses and

churches) such as Tannery Arts, Southwark Studios and Access self-storage at the Rich Estate redevelopment, Halfords and Pets and Homes at the Cantium Retail Park, Southwark Studios and Southwark Metals at Ruby Triangle, Jewsons at Ilderton Road, Aldi and Lidl on Old Kent Road (temporary relocation to enable redevelopment of the site), churches retention or relocation at Civic and Livesey, Ruby Triangle and Murdock Street. The redevelopment of the Elephant and Castle shopping centre also included a detailed relocation strategy including on-site affordable retail space, business advice, financial support and a database of relocation opportunities within the surrounding area for the small shops and traders located in the centre.

11. Point 1. The requirement for a relocation strategy is essential to explain the steps that have been taken by developers to identify and work with existing businesses on the site.
12. Point 2. The requirements are justified to establish the circumstances of the existing businesses operating on the site, and to compare whether the existing and proposed floorspace would be comparable. The number of employees is useful to establish whether the business would be classified as a small business (less than 50 employees) and whether the estimated number of employees in the new scheme would increase jobs. The details of engagement relating to the circumstances relating to each business on the site is required in terms of understanding the relocation options or any discussion about re-provision of the business on the site. The details of engagement relating to the new employment space is required to understand current market demand and an understanding of the sectors that may require the new workspace so that it can be designed appropriately. Basic lease information is useful to understand the anticipated development timescale, whether there are meanwhile uses on the site or whether businesses may be at more immediate risk of displacement.
13. Point 3. This is required to understand the transition arrangements for businesses if they will be accommodated in the new development, including temporary relocation and specific business requirements so that the terms can be agreed to support the viable continuation of the business on the site.
14. Point 4. This is required to ensure any relocation assistance or support can be arranged and that the option is suitable for the business that may be displaced. It also encourages the identification of alternative premises in Southwark or in adjoining boroughs to ensure businesses can continue to operate in the same area which may be close to their suppliers or customer base. Additionally collaboration with other landowners is helpful to establish whether existing businesses could be accommodated in different phases of the development programmes as some new workspaces may be phased to

come forward sooner and businesses could relocate into new premises which would be completed first.

### **Question 5.32**

**At what stage in the planning process is a business relocation strategy required to be provided and how would it be secured?**

1. The DCC requires a fact-based audit which would include some of the basic information about businesses present on the site at pre-application stage. The business relocation strategy is required at submission stage of the planning application to establish the existing businesses present on the site and the proposed options for relocation. The detail of any agreed mechanisms is secured through Section 106 agreements.

### **Question 5.33**

**Should the policy require consideration of the market value of businesses as part of relocation strategies?**

1. The policy relates to small and independent businesses at risk of displacement. The definitions of small and independent businesses are included in the Fact Box and do not necessarily need to refer to their market value.

### ***P33 - Railway arches***

### **Question 5.34**

**Is the policy justified, effective and consistent with national policy?**

1. Yes the policy is in accordance with the NPPF to build a strong and competitive economy, making effective use of land and improving safety and accessibility, reducing crime and encouraging walking and cycling. There are over 800 railway arches in Southwark which have the potential to increase jobs. Policy P33 encourages the use of railway arches for a variety of commercial or community activities including for employment, retail and community uses. Additionally Low Line walking routes are proposed to be created adjacent to the railway arches so spaces for pedestrians to walk as

well as active frontages to generate activity in the arches will be created (SP401).

2. Around 100 new arches have been created in South Bermondsey on the 'diveunder' site where the railway tracks have been reconfigured to accommodate the Thameslink upgrade programme. This area falls within the South Bermondsey SPIL and therefore could create capacity for new industrial uses. The masterplan estimates around 10,300sqm would be available in vacant arches in this location (EIP128). Para 4.24 of EIP82 and Table 1B in the NSP specifies vacant railway arches in the borough overall could generate around 17,280sqm of additional commercial floorspace over the plan period. Any railway arch in a SPIL would be required to provide industrial uses however outside industrial areas other commercial uses are also encouraged to help enliven the arches and Low Line walking routes. The council has an Article 4 Direction in place to restrict the permitted development conversion of railway arches to residential homes.

### **Question 5.36**

**Does the retail evidence base adequately reflect the level of additional population being planned for in the Borough? Is it up to date?**

1. Yes. The retail evidence base: SP414 - Southwark Retail Study (2015) Part 1 of 2; SP415 - Southwark Retail Study (2015) Part 2 of 2; and SP419 - Southwark Retail Study Old Kent Road Update (2018), adequately reflects the level of additional population being planned for in the borough.
2. SP419 forecasts growth in population and per capita spending to determine the quantitative scope for new retail floorspace in Southwark from 2014 to 2031. SP419 assesses the quantitative scope for new retail floorspace in Southwark from 2014 to 2031. The methodology adopted for this analysis is set out in detail in Appendix 1 of SP415, paragraphs 1-18.
3. The population projections are based on an up-to-date evidence base. SP414 is based on census population estimates for 2011. SP419 uses updated population projections to 2014, 2017, 2021, 2026 and 2031, which are based on the latest growth projections for Southwark Borough set out in the Preferred Option – Interim 2015 based BPO Projection (GLA 2017) and GLA ward-based projections for zones outside Southwark Borough. These projections take into account the OKR AAP preferred option sites. This is set out in paragraphs 2.6 and 2.7 of SP419. Population projections are shown in Table 1 in Appendix 2 of SP419.
4. The quantitative analysis for additional retail floorspace capacity is based on the defined area of study, see Appendix 1 of SP419.

5. As a consequence of growth in population and per capita spending, within the study area:
  1. Convenience goods expenditure is forecast to increase by 21.8%, from £1,296 million in 2014 to £1,533 million in 2031.
  2. Comparison goods expenditure is forecast to increase by 90.7%, from £1,632 million in 2014 to £3,139 million in 2031.

### **Question 5.37**

**What is the scale of each type of main town centre uses proposed and are these justified?**

1. The scale of each type of main town centre use proposed, including their justification, is set out in EIP82 - Southwark Site Allocations Methodology Paper (updated July 2020), paragraphs 4.16 and 4.17. A summary of the findings is as follows:

#### **B1 / E(g)**

2. SP412 - Southwark's Employment Land Review (Part 1 Final Report) (2016), indicates that 460,000 sqm of net additional B1 employment floorspace is needed, principally large office space in the CAZ as well as a range of business spaces in the CAZ hinterland.

#### **A1, A3-A5 / E(a), E(b)**

3. The overall target is 76,670 sqm net; broken down into 6,560 sqm net convenience floorspace, 42,130 sqm net comparison floorspace and 27,980 sqm net food and beverage floorspace. These retail projections are justified in SP419 - Southwark Retail Study Old Kent Road Update (2018). The targets have been adjusted as explained in the response to Question 5.11.

#### **Quantitative Capacity for Convenience Floorspace Methodology**

4. SP419 estimates an increase in convenience goods expenditure from £690.08 million in 2014, Table 5 in Appendix 2, to £848.65 million by 2031, Table 8 in Appendix 2. The breakdown of Convenience Goods Floorspace Expenditure Capacity 2014 to 2031, is shown in Table 15 Appendix 2. The methodology for the quantitative capacity for convenience floorspace is set out in full, in paragraphs 2.1-2.15, and 2.16-2.24 of SP419.

#### **Quantitative Capacity for Comparison Floorspace Methodology**

5. SP419 estimates an increase in comparison goods expenditure from £530.1 million in 2014, Table 5 Appendix 3, to £1,065.65 million in 2031, Table 5

Appendix 8. The breakdown of Comparison Goods Floorspace Expenditure Capacity 2014 to 2031 is shown in Table 21 Appendix 3. The methodology for the quantitative capacity for comparison floorspace is set out in full, in paragraphs 2.1-2.15, and 2.25-2.33 of SP419

### **Quantitative Capacity for Food/Beverage Floorspace Methodology**

6. SP419 estimates an increase in food and beverage (use classes A3/A4/A5) expenditure from £950.18 million in 2014 to £1,441.24 million in 2031, Table 3 Appendix 4. The breakdown of Food and Beverage Capacity 2014 to 2031 comparison floorspace requirements is shown in Table 19 Appendix 4. The methodology for the quantitative capacity for food/beverage floorspace is set out in full in paragraphs 2.1-2.15, and 3.6-3.13 of SP419.

### **Question 5.38**

#### **Is the plan sufficiently clear as to the distribution of new retail floorspace being planned for at each tier of the retail hierarchy?**

1. The plan is sufficiently clear as to the distribution of new retail floorspace being planned for at each tier of the retail hierarchy. Policy SP1b of EIP27A Proposed Changes to the Submitted New Southwark Plan, sets out our strategic targets 2020 and 2035 for Southwark's Vision Areas. The capacities for retail, leisure and community uses, excluding education and health floorspace, are set out per Vision Area. The target has been updated as suggested in the Policy SP1a in the Strategic Targets Background Paper (EIP161) and includes the anticipated distribution of retail space in the major town centres, CAZ and other town centres.
2. The strategy will seek to support an increase in the comparison goods floorspace throughout the borough and particularly within the Elephant and Castle, Canada Water, Peckham Major Town Centres. To help achieve our floorspace projections this plan anticipates the redevelopment of our key shopping centres in the three Major Town Centres, Elephant and Castle Shopping Centre, Surrey Quays Shopping Centre and the Aylesham Centre. See SP403 Retail Background Paper Appendix 3 – Key Applications.

#### **Elephant and Castle (including Walworth Road) Major Town Centre**

3. The Elephant and Castle Shopping Centre will deliver 3,102 sqm (net) A1-A4 floorspace and 2,806 sqm (net) A1-A4/B1 floorspace. The Elephant Park redevelopment committed to around 8,000sqm retail uses of which 4,463sqm has been built along with 745sqm D1 uses. The remaining 3,537sqm retail has yet to be built along with 2,477sqm leisure/community uses. The total of

6,014sqm retail/leisure/community uses has been shown still to come forward in Table 1B. The target for Elephant and Castle town centre retail is the expected uplift as a result of site allocations in addition to the completion of the Elephant Park scheme. In combination with other town centre sites is estimated Elephant and Castle Major Town Centre will provide at least 10,000sqm net of retail floorspace over the plan period.

### **Canada Water Major Town Centre**

4. The Canada Water Masterplan has been approved seeking planning permission for Phase 1 and outline planning permission for future phases of the redevelopment of this site. The approved application seeks to deliver up to 88,432 m<sup>2</sup> of retail (Class A) across the Masterplan site, with a commitment to a minimum provision of 46,452m<sup>2</sup> (11,017-52,997m<sup>2</sup> net). The site also has the potential to deliver additional leisure floorspace. In combination with other town centre sites, it is estimated Canada Water Major Town Centre will provide at least 40,000sqm net of retail floorspace.

### **Peckham Major Town Centre**

5. SP419 estimates a net increase of up to 7,000sqm at Aylesham Centre in 2026. Up to 2,100sqm gross of this projected floorspace is food and beverage floorspace; and up to 4,900 is forecast as comparison goods floorspace. In combination with other town centre sites it is estimated Peckham Major Town Centre will provide at least 7,000sqm net of retail floorspace.
6. The remaining growth of retail floorspace is anticipated to come forward in the CAZ, District and Local Town Centres. The Old Kent Road District Town Centres will have an overall net loss. The area will redevelop a significant amount of existing retail space which is currently 'big box' retail sheds; mixed-use development will significantly improve the retail environment by providing a range of shop sizes from supermarkets to high street shops in a high street format. The Elephant and Castle Shopping Centre has an overall net loss of retail, leisure and community floorspace due to the loss of some leisure and community floorspace. However, there is a net uplift in retail and commercial floorspace 3,102 sqm net (A1-A4), and 2,806 sqm net (A1-A4/B1) - the distribution of new retail floorspace in Elephant and Castle Major Town Centre is based on the net uplift and an estimate of the likely delivery of retail floorspace across the remaining site allocations.
7. EIP82 - Southwark Site Allocations Methodology Paper (updated July 2020) sets out where new retail floorspace is being planned for within the town centre hierarchy. See Appendix 2: Site Allocation indicative development capacities and deliverability information.

### Question 5.39

**Should the network and hierarchy of town centres included in the reasoned justification of P34 be identified as a strategic policy? Does it accord with the Framework?**

1. Whilst the network and hierarchy of town centres has a strategic quality, it should not be identified in itself as a strategic policy. In EIP27A Proposed Changes to the Submitted New Southwark Plan, strategic policies are borough-wide policies which set out the council's regeneration strategy to work with local people to improve neighbourhoods and create new opportunities for the future. They are also used to set the context for our detailed planning policies and to make planning decisions. Policy SP4 Strong Local Economy sets out how we will make sure that Southwark has a strong economy where all of our existing and new residents, businesses and employees benefit from local growth. Including through ensuring the vitality and vibrancy of our town and local centres. In SP4 reasons, paragraph 4, the town centre hierarchy and strategy is set out.
2. NPPF sets out the need to take a positive approach to the growth, management and adaptation of town centres. The NPPF recognises the important role town centres have at the heart of local communities and the need to define a network and hierarchy of town centres. Policy SD8 Town centre network, of the Publication London Plan (2020) states that the changing role of town centres should be proactively managed in relation to the town centre network as a whole, a vital element of London's economy.
3. P34 defines Southwark's town centre network and hierarchy in accordance with the NPPF. The policy is also in conformity with the Publication London Plan's Town Centre Network, of which Elephant and Castle, Peckham and Canada Water are designated as Major Town Centres. P34 additionally includes requirements for development of main town centre uses, the retention of retail floorspace, scale, and concentration of uses – these detailed requirements would not be appropriate for a strategic policy; however, are essential in managing the growth and adaptation of our town centres within a broader hierarchy.

## Question 5.40

**Are there sufficient allocations/ permissions to meet the identified needs of each type of main town centre uses identified in the retail study? If not, what is the net requirement of each type of retail development still to be identified?**

1. Yes. There are sufficient allocations to meet the identified needs of each type of main town centre use identified in the retail study.
2. The overall target is 76,670 sqm net; broken down into 6,560 sqm net convenience floorspace, 42,130 sqm net comparison floorspace and 27,980 sqm net food and beverage floorspace.
3. Growth of retail will mainly be accommodated in the redevelopment of three large shopping centres within the Major Town Centres of Elephant and Castle, Peckham and Canada Water. Old Kent Road will also be transformed from retail warehouses with large car parks to a Healthy High Street. This target will be met by the retail floorspace capacity as part of the retail, leisure and community uses identified in the site allocations, EIP82, which ranges from 75,247 sqm – 137,348 sqm based on the minimum and maximum indicative capacity set out in the Canada Water masterplan.
4. As set out in our response to 5.11, the retail target in Policy SP1a was based on a figure from the Retail Study 2018 (SP419). This figure accounted for planning applications in the pipeline (completions/commitments) between 2014 and 2017 (see SP419, Appendix 1, Table 1), as well as testing the remaining projected retail requirement after accounting for the future delivery of three key applications in Major Town Centres in the borough: Aylesham Shopping Centre in Peckham, Surrey Quays shopping Centre in Canada Water, and the Elephant and Castle Shopping Centre. The latter two sites have now had planning permission granted.
5. We have amended the retail target (using the methodology set out in SP419) to better reflect the overall delivery of retail floorspace over the plan period based on the site allocations in the NSP. The list of completions and commitments between 2014-2017 in SP419, included a number of applications (including the aforementioned three key applications) which have either not been completed or are yet to begin construction – these applications have been carried forward into the plan period.
6. Therefore, the amended figure provides the retail floorspace requirements based on growth in population and per capita spending, and over and above an *adjusted* pipeline list based on the most up-to-date delivery information.

### **Question 5.41**

**Is policy SP1b sufficiently clear about the timing of the retail floorspace requirements? Should the plan be clearer as to the requirements by type (e.g. convenience and comparison goods)?**

1. The update to the retail target and proposed adjustment to the timing of delivery over the plan period is including in the Strategic Targets Background Paper (EIP161). Policy SP1b sets out the expected changes to retail floorspace as planned for in the site allocations. These retail projections are justified in SP419 - Southwark Retail Study Old Kent Road Update (2018).
2. SP419 sets out the projected levels of available convenience goods (Tables 11 to 13 in Appendix 2), comparison goods (Tables 11 to 13 in Appendix 3) and food and beverage expenditure (Tables 10 to 12 in Appendix 4) at 2021, 2026 and 2031. SP419 sets out the projected floorspace requirement over and above commitments for convenience floorspace (Table 14 Appendix 2), comparison floorspace (Table 19 Appendix 3), and food and beverage (Table 17 Appendix 4) at 2021, 2026 and 2031.
3. Policy SP1a sets out the timing of the retail floorspace within the plan period. As a strategic policy, the intermediate estimates for retail growth are not included within this policy. SP1b sets out the capacity of sites identified within the plan period to accommodate the required growth in retail floorspace within the plan period. The plan target has been updated as a total amount of retail floorspace and the expected proportion that would be convenience, comparison and food and beverage types, including the expected distribution across the plan area. Certain site allocations require supermarket uses which would help meet the requirements for convenience retail. The suggested changes to policies as a result of the Use Classes Order set out how specific requirements for development sites to meet retail targets would be managed (EIP162).

### **Question 5.42**

**What effects do the changes to the Use Classes Order (September 2020) have on each of the town centre and shopping policies, particularly in regards to the newly created 'Class E'?**

1. EIP162 sets out the effects of the changes to the Use Classes Order (September 2020) have on each of the town centre and shopping policies. If the Inspector is minded to make modifications, the paper includes our suggested wording.

### **Question 5.43**

**Are any main modifications required to the town centre and shopping policies, particularly in light of the changes to the Use Classes Order?**

1. EIP162 sets out the effects of the changes to the Use Classes Order (September 2020) have on each of the town centre and shopping policies. If the Inspector is minded to make modifications, the paper includes our suggested wording.

### ***P34 – Town and local centres***

#### **Question 5.44**

**Taking each criterion in turn, are the requirements justified? Is this supported by evidence? Is the evidence up to date?**

1. The requirements in this policy are justified, and supported by up-to-date evidence.

Criterion 1. Ensure main town centre uses including markets, community, civic, leisure and cultural uses are located in town centres and local centres; and

2. This criterion seeks to ensure that town and local centres are the main focus for new developments providing the main town centres uses “retail development (including warehouse clubs and factory outlet centres); leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).” This is in accordance with the approach as set out in the NPPF, paragraph 86.

Criterion 2. Be of a scale and nature that is appropriate to the role and catchment of the centre; and

3. The NPPF sets out the need to take a positive approach to the growth, management and adaption of town centres. The NPPF recognises the important role town centres have at the heart of local communities and the need to define a network and hierarchy of town centres. This criterion ensures that development supports the role of town centres within the network and hierarchs, locally within Southwark, and across London. Policy SD8 Town centre network of the Publication London Plan (2020), states that the changing role of town centres should be proactively managed in relation to the town centre network as a whole, a vital element of London’s economy

4. This policy and criterion has been informed by an audit of town centres in the Southwark Retail Study 2015 and the wider evidence base. See SP403 Retail Background Paper, paragraphs 4.1-4.56.

Criterion 3. Retain retail floorspace (A Use Class) or replace retail floorspace with an alternative use that provides a service to the general public, and would not harm the vitality and viability of the centre; and

5. The policy seeks to retain A Use Class space in anticipation of longer term growth which can support 33,875, net of comparison good retail floorspace and 1,954m<sup>2</sup> net of convenience sales floorspace (above commitments and the Elephant and Castle and Canada Water proposals).

Criterion 4. Not harm the amenity of surrounding occupiers or result in a concentration of uses that harms the vitality and viability of the centre; and

6. The policy seeks to also manage the concentration of uses which harm the amenity of the local community and harm the vitality and viability of town centres. The justification of P39: Betting shops, pawnbrokers and pay day loan shops and P47: Hot food takeaways highlight ways in which the over concentration of centre uses can have a negative impact on public health and town centre vitality.

Criterion 5. Provide an active use at ground floor in locations with high footfall; and

7. Active uses at ground floor in town centres, high streets and key employment locations, encourage footfall, are a key placemaking principle and ultimately support economic renewal. In accordance with the NPPF, paragraph 85; this criterion inhibits significant stretches of inactive frontages, which would otherwise undermine the long-term sustainability, vitality and viability of town centres and high streets
8. This approach is in conformity with the London Plan. Policy SD6 Town centres and high streets states that 'Safety and security should be improved, and active street frontages should be secured in new development, including where there are ground floor residential frontages.' The Town Centres SPG also states that active frontages should be maximised wherever development faces publicly accessible space.

Criterion 6. For large schemes for main town centre uses that are 1,000 sqm or more provide free public toilets, public drinking fountains and public seating.

9. A local threshold of 1,000m<sup>2</sup> has been set, of which development for town centre uses above this threshold must provide public toilets, drinking fountains and seating. This is because developments over this size are likely to contribute significantly to the town centre environment and these facilities are currently lacking. The inclusion of these facilities will ensure our town

centres continue to be accessible for all and will also benefit the shops provided because they will be providing an additional service to customers and ensuring they spend time in the town centre.

10. The local threshold of 1,000m<sup>2</sup> has also been set at which developments will require an impact assessment to demonstrate they will not harm the vitality and viability of centres
11. In particular, existing developments outside of town centres are car dependent and encourage vehicular travel, which contributes to poor air quality. The developments are often poorly connected with their surroundings, as evidenced by the retail parks along the Old Kent Road which although provide shopping amenities provide barrier to cycling and walking.
12. The Southwark Retail Study 2015 (documents SP414 and SP415) states that the NPPF threshold of 2,500 m<sup>2</sup> gross is inappropriate as a blanket threshold within LB Southwark, as this scale of development would represent a significant proportion of the overall retail projections in each of the four zones within the borough. Development below 2,500 m<sup>2</sup> gross may also have cumulative impact implications. Development smaller than 2,500 m<sup>2</sup> gross could have a significant adverse impact on smaller centres. A reduced threshold of 1,000 m<sup>2</sup> has therefore been used in this policy.

### ***P35 – Development outside town centres***

#### **Question 5.45**

**Is the policy justified, effective and consistent with national policy? Have Primary Shopping Areas been defined? Are these shown on the Policies Map?**

1. The policy is justified, effective and consistent with national policy. This policy seeks to ensure that town and local centres are the main focus for new developments providing the main town centres uses.
2. This policy applies the sequential test approach to town centre development in line with the NPPF and the Publication London Plan (2020). Paragraph 86 of the NPPF states that “Local planning authorities should apply a sequential test to planning applications for main town centre uses which are neither in an existing centre nor in accordance with an up-to-date plan. Main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered.”

3. Primary shopping areas have been identified on the proposed policies map (major, district and local town centres, primary and secondary shopping frontages) and as part of P36 – Protected shopping frontages, P37 Shops outside protected shopping frontages, town and local centres, P39 Betting shops, pawnbrokers and pay day loan shops, and P47 Hot food takeaways. EIP27C - NSP policies map schedules for Southwark Council's Proposed Changes to the submitted New Southwark Plan August 2020, provides the full schedule of designated primary and secondary shopping frontages. Primary shopping areas are also shown on the interactive Policies Map, NSP02 - Policies map.

### **Question 5.46**

#### **Is the local threshold of 1,000 sqm for impact assessments justified and supported by evidence?**

1. A local threshold of 1,000m<sup>2</sup> has been set, of which development for town centre uses above this threshold must provide public toilets, drinking fountains and seating. This is because developments over this size are likely to contribute significantly to the town centre environment and these facilities are currently lacking. The inclusion of these facilities will ensure our town centres continue to be accessible for all and will also benefit the shops provided because they will be providing an additional service to customers and ensuring they spend time in the town centre.
2. The local threshold of 1,000m<sup>2</sup> has also been set at which developments will require an impact assessment to demonstrate they will not harm the vitality and viability of centres.
3. In particular, existing developments outside of town centres are car dependent and encourage vehicular travel, which contributes to poor air quality. The developments are often poorly connected with their surroundings, as evidenced by the retail parks along the Old Kent Road which although provide shopping amenities provide barrier to cycling and walking.
4. The Southwark Retail Study 2015 (document SP414 and SP415) states that the NPPF threshold of 2,500 m<sup>2</sup> gross is inappropriate as a blanket threshold within LB Southwark, as this scale of development would represent a significant proportion of the overall retail projections in each of the four zones within the borough. Development below 2,500 m<sup>2</sup> gross may also have cumulative impact implications. Development smaller than 2,500 m<sup>2</sup> gross could have a significant adverse impact on smaller centres. A reduced threshold of 1,000 m<sup>2</sup> has therefore been used in this policy.

## ***P36 – Protected shopping frontages***

### **Question 5.47**

#### **Is the approach to protected shopping frontages justified, effective and consistent with the Framework?**

1. The NPPF sets out the need to take a positive approach to the growth, management and adaption of town centres. SP419 - Southwark Retail Study Old Kent Road Update (2018), suggests that there is a need to retain A1 Use classes within the designated centres, protected shopping frontages, and other local shop and services.
2. The protected shopping frontage survey and Southwark Retail Study audit of major, district and local centres indicates highlights significant variation between centres. As such, the blanket approach of Policy 1.9 of the Southwark Plan 2007 (July) whilst providing some flexibility could go further, through the creation of primary and secondary shopping frontages, to maintain a high proportion of A1 uses in the most important town centre frontages.
3. The retail study suggests that the approach of designating primary and secondary shopping frontages would help maintain a high proportion of A1 uses in the main town centre frontages, whilst also allowing greater diversification in the wider town centre. This approach has been adopted in Peckham, where the primary shopping frontage (SF1) has an A1 use threshold of 75% and the secondary frontage has 50%.
4. There has been a strong preference from consultation to protect A1 shop units in our town centres, and this has been a strong policy requirement as the NSP has developed. Protected shopping frontage surveys undertaken by the policy team have informed the thresholds of primary frontages in P36 of EIP27A Proposed Changes to the Submitted New Southwark Plan. See SP403 Retail Background Paper, paragraphs 6.74-6.88 for the full justification of the approach to protected shopping frontages.
5. Changes to the Use Classer Order from the 1 September 2020, introduced three new use classes, including Class E (commercial, business and service), which has superseded the aforementioned A1 Use Class and would affect the implementation of this policy.
6. EIP162 sets out the effects of the changes to the Use Classes Order (September 2020) have on each of the town centre and shopping policies. If

the Inspector is minded to make modifications, the paper includes our suggested wording.

### **Question 5.48**

#### **Are the proportions of retail units in table 8 justified and supported by evidence? Are they identified on the Policies Map?**

1. The NPPF sets out the need to take a positive approach to the growth, management and adaptation of town centres. SP419 - Southwark Retail Study Old Kent Road Update (2018) (document SP419), suggests that there is a need to retain A1 Use classes within the designated centres, protected shopping frontages, and other local shop and services.
2. The protected shopping frontage survey and Southwark Retail Study audit of major, district and local centres indicates highlights significant variation between centres. As such, the blanket approach of Policy 1.9 of the Southwark Plan 2007 (July) whilst providing some flexibility could go further, through the creation of primary and secondary shopping frontages, to maintain a high proportion of A1 uses in the most important town centre frontages.
3. The retail study suggests that the approach of designating primary and secondary shopping frontages would help maintain a high proportion of A1 uses in the main town centre frontages, whilst also allowing greater diversification in the wider town centre. This approach has been adopted in Peckham, where the primary shopping frontage (SF1) has an A1 use threshold of 75% and the secondary frontage has 50%.
4. The tailored approach set out in this policy was initially informed by the 2017 protected shopping frontage survey. Following the 2018 protected shopping survey, the threshold for the primary shopping frontage in Peckham (SF1) was amended to 75%. The justification behind this amendment is that as the main shopping area in Southwark and with an existing high percentage (73%) of A1 units, the threshold should be lowered to reflect its current level and support town centre diversification. Alternatively, the other primary shopping areas, Elephant and Castle/Walworth Road, Camberwell, Lordship Lane and The Blue have not been amended in order to promote growth of A1 use class in these areas. SP403 Appendix 1 and Appendix 2, compare the recommended levels in this policy with the existing levels surveyed, in both the designated primary and secondary shopping frontages. Appendix 4 shows the changes in percentage of A1 uses in the designated protected shopping

frontages between survey years, highlighting a decline in most key shopping areas.

5. EIP162 sets out the effects of the changes to the Use Classes Order (September 2020) have on each of the town centre and shopping policies. If the Inspector is minded to make modifications, the paper includes our suggested wording.

### ***P37 – Shops outside protected frontages, town and local centres***

#### **Question 5.49**

**Is the approach justified, effective and consistent with the Framework? Is the requirement for a 2 year marketing period and that there are alternative shops within 400 metres justified?**

1. The NPPF sets out the need to take a positive approach to the growth, management and adaption of town centres. The retail floorspace projections within the Southwark Retail Study Old Kent Road Update (2018) (document SP419) suggest that there is a need to retain A1 Use classes within the designated centres, protected shopping frontages, and other local shop and services.
2. Changing the policy requirement would leave the borough vulnerable to loss of crucial A1 use shop units which help meet the local needs of our Southwark's neighborhoods outside town and local centres.
3. The inclusion of a marketing clause of two years is consistent with other marketing policies in the plan. It is not the intention of the policy to encourage vacant units; but to discourage unnecessary loss of A1 use class floorspace. Southwark shops have very low average vacancy rate of 8.4% when compared to a national average of 12% in 2014. It is important to maintain A1 uses because they offer services to the community. Marketing for one year may encourage shops to be left vacant for this time period until a change of use can be established. Marketing for two years would discourage this from happening and for the marketing strategy for be effective in finding an alternative A1 occupier, which continues to be in demand in Southwark.
4. The 400m threshold corresponds roughly to a walking time of approximately five minutes. This requirement ensures that local communities have access to local shops and services.

## ***P38 - Shop fronts***

### **Question 5.50**

#### **Is the approach justified, effective and consistent with the Framework?**

1. Yes, the approach to Policy P38 is justified, effective and consistent with the Framework.
2. The five criteria of P38 work together to help preserve and protect the existing character of shop frontages within the boroughs town centres and shopping parades. Paragraph 184 of the NPPF (page 54) sets out the importance of buildings and sites with local historic value. This is something that Southwark wish to conserve and where possible enhance whether within the parameters of a conservation area or not. Further guidance is given in the Heritage SPD (EIP54), which provides more detail on the anatomy of shop fronts, paragraph 7.4.7 and 7.4.7.1 (page 35).
3. The NPPF, chapter 16, paragraph 184 Criterion 3 sets out the how a building should be lit, ensuring that the buildings location is carefully considered before adding lighting in order to ensure lighting is in keeping where local context as well providing security of place.
4. Similarly to above, criterion 4, protecting local character is paramount, and solutions for security are advised in order to not only protect the appearance of the shop, but also the protect the shop itself.
5. The five criteria express how to ensures that town centres and shopping parades use windows as a mechanism for active frontages, encouraging people to use the area whilst at the same time being sympathetic to the character of the area.
6. The retail background paper (SP403) page 46 sets out the evolution of the policy which shows minimal changes.

## ***P39 – Betting shops, pawnbrokers and payday loan shops***

### **Question 5.51**

#### **Is the approach to protected shopping frontages justified, effective and consistent with the Framework? Is it supported by evidence?**

1. Yes, the approach to protected shopping frontages is justified.
2. The policy reasons clearly state how there is concern from the local community regarding the impact of betting shops, pawnbrokers and pay day loan shops on the vitality and vibrancy of shopping areas and how these types of uses can have a negative impact on health outcomes, both mental and physical. Therefore, it is considered that a policy restricting these uses is necessary and justified in order to discourage poor health in the community and also improve the offering of shopping areas in Southwark. Requiring assessment of these uses in shopping frontages only means they can be focused in main shopping areas along with other town centre uses rather than in locations borough-wide, and would be inappropriate in mainly residential areas, and the effects can be monitored in terms of the proliferation of uses.
3. The policy is effective. The academic research indicates that access to gambling venue increases gambling activity and problem gambling. Paragraph 1.1.0 of SP409 shows that the most common finding in gambling studies has been that regions with relatively high concentrations of gambling facility supply tend to have higher levels of gambling activity amongst the local population. Therefore, by restricting where betting shops, pawnbrokers and payday loan shops can operate, the negative impacts on health outcomes can be controlled and minimised.
4. Under Chapter 7 of the Framework, 'Ensuring the vitality of town centres' paragraph 85 section (a) encourages a mix of uses and section (b) sets out the need to make clear the range of uses permitted in shopping areas, as part of a positive strategy for the future of each centre. As the evidence shows the negative impacts of an over concentration of betting shops, pawnbrokers and payday loan shops, the policy is consistent with the framework as it helps avoid a singular concentration in shopping areas and clarifies the amount of usage allowed for betting shops.
5. Furthermore, Chapter 8 of the framework 'Promoting healthy and safe communities' paragraph 91 section (c) states that planning policies and decisions should aim to achieve healthy, inclusive and safe places which enable and support healthy lifestyles. As shown in the justification above around the negative impact on health outcomes, the policy clearly complies with the Framework in that it is pro-actively restricting uses which would be detrimental to the health of the community.
6. The policy has been informed by SP409 Betting, borrowing and health report (2014) and SP410 Responding to the cumulative impact of betting shops

(2013). These reports provide evidence on the links between poor health outcomes, not only on individuals but also on communities.

7. Evidence from academic research shows that problem gambling is linked to poor health, low level and severe mental ill health and a co-dependence on alcohol, and that problem gamblers experience the worst health outcomes. The academic literature also highlights the negative links between personal debt and poor mental health.
8. Protecting and improving health and wellbeing, reducing inequalities in health and developing sustainable communities are important strategic objectives in national, regional and local plans. Therefore, it is considered that P39 is a necessary intervention to safeguard the health of Southwark's residents.

#### **Question 5.52**

**Is the protected shopping frontage referred to in criterion 1 the same as a Primary/ secondary Frontage?**

1. Yes, the protected shopping frontage referred to in criterion 1 is either a primary or secondary frontage. Our protected shopping frontages have been delineated into two categories Primary and Secondary, in accordance with their significance in serving local communities with retail amenity. The policy states that betting shops, payday loan shops and pawnbrokers will only be permitted in protected shopping frontages and the total number of betting shops, payday loan shops and pawnbrokers should make up no more than 5% of either primary or secondary shopping frontages. This percentage of uses on protected shopping frontages is monitored by the Council to aid in decision making.
2. Primary and secondary shopping frontages are displayed on the Council's interactive proposals map.

#### ***P40 – Hotels and other visitor accommodation***

#### **Question 5.53**

**Is the approach justified, effective and consistent with the Framework?**

1. The policy is remained supportive of new hotels, particularly those which contribute to employment growth and offer employment opportunities to local people. The policy requires hotels and other forms of visitor accommodation ensure the design, scale, function, parking and servicing arrangements respond positively to local character and protect the amenity of the local

community and visitors to the hotel. This will ensure a high quality of design for visitors as well as assessing impact on the character and amenity of the local community. The NPPF classifies hotels as a main town centre use, and the Publication London Plan 2020 identifies visitor accommodation as a strategic function of the CAZ. Southwark is relatively well connected in terms of central London and visitor attractions therefore hotels may come forward in all parts of the borough, as long as the other policy requirements are met.

#### **Question 5.54**

**Is the requirement for 10% of the total floorspace to be ancillary facilities justified? Is the policy sufficiently clear as to what ancillary facilities are?**

1. The policy requires a minimum of 10% of the total floorspace to be provided as ancillary facilities in hotel developments that incorporate a range of daytime uses and offer employment opportunities. This was added in recognition of the need for hotels to contribute positively towards civic and community amenity space to foster good integration with the local community and provide local employment. Many hotels are now incorporating public spaces within the ground floor as a feature of the design and enhancing technology to improve the traditional experience of a hotel lobby. Spaces are being transformed the functional to the social, incorporating ideas such as retail pop-up shops, co-working spaces, public restaurants, bars, community or civic spaces, classes and workshops. The ancillary facilities need to incorporate daytime uses and offer employment opportunities but the policy is sufficiently flexible to enable a range of uses to be provided in combination with the main hotel use. Some further examples are given in the reasons. The hotels background paper (SP404) contains further information on hotels.

#### ***P41 – Pubs***

#### **Question 5.55**

**Is the approach justified, effective and consistent with the Framework? Is the requirement for a 2-year marketing period justified and supported by evidence?**

1. Yes, the approach is justified. The policy reasons paragraph 1 clearly sets out how Southwark has lost a third of its pubs between 2007-2017, which is a loss of 79 pubs leaving 164 remaining. SP402 sets out that Southwark conducted a survey to assess the number of pubs within the borough). Therefore, there is a justified need to protect pubs across Southwark as they play an important role in the community and have unique historic characteristics which should be recognised as key social, cultural and heritage assets within local neighbourhoods. As set out in paragraph 2 of the

policy reasons, pubs also play a positive economic role in contributing to the vibrancy and vitality of shopping areas.

2. As set out in Paragraph 6 of SP406 (Southwark confirmation of pubs Article 4 direction) (2017) Southwark has designated 10 public houses as Assets of Community Value which indicates the communities desire to protect local pubs from redevelopment or change of use.
3. The approach is effective as this intervention protects from the loss of viable public houses without due consideration to the impact on the local community, heritage and economy. The proposed policy recognises financial viability, heritage value and ACV status of pubs as material considerations in decision-making.
4. Paragraph 92 of the NPPF to provide the social, recreational and cultural facilities and services the community needs, planning policies and decisions should:
  - (a) plan positively for the provision and use of shared spaces, community facilities (such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship) and other local services to enhance the sustainability of communities and residential environments;
5. As set out in Paragraph 36 of SP406 (Southwark confirmation of pubs Article 4 Direction) (2017) pubs facilitate social interaction and can act as community hub, supporting a wide range of activities such as sports, social and members clubs. The protection of these facilities is therefore vital to enhancing the sustainability of communities and residential environments.
6. Pubs are identified as a main town centre use in Annex 2: Glossary of the NPPF. Paragraph 85 of sets out how planning policies should take a proactive approach to the growth, management and adaptation of town centres. Therefore, the approach to public houses in the plan is consistent with the framework as the protection of public houses ensures the continued vitality of town centres. This is indicated in SP406 as pubs support local employment, both on a primary basis and also supporting local businesses such as breweries and local food manufacturing or suppliers. Pubs also support the vitality and vibrancy of town centres, contributing to the evening economy, promoting safety and surveillance in town centres at night.
7. The Southwark Retail Study (2015) (document SP414 and SP415) states that food and beverage operators including pubs support other major leisure uses

- (such as cinemas), supporting the demand for other town centre development and growth. The food and beverage expenditure in the borough is expected to increase in real terms (excluding inflation) by 26% between 2014 and 2031.
8. Chapter 16 of the NPPF also sets out how plans should conserve and enhance the historic environment, setting out a strategy to protect heritage assets. As stated in Paragraph 37 of SP402, pubs have a unique historical and architectural value. They act as local landmarks and contribute to the character and historic fabric of local areas. Southwark has an extremely interesting and diverse history. Therefore, its pubs should be protected in accordance with the NPPF in order to conserve the historic environment. SP402 also demonstrates a number of pubs with historic and architectural which can be found in Southwark.
  9. In the Publication London Plan (2020) Policy HC7 'Protecting public houses' sets out that development plans and planning decisions should protect public houses where they have heritage, economic, social or cultural value to local communities or where they contribute to wider policy objectives of town centres, night-time economy areas, Cultural Quarters and Creative Enterprise Zones. P41 is therefore consistent with London wide policy as the main objective is the protection of pubs.
  10. The two-year marketing period is justified and supported by evidence.
  11. Section B of Policy HC7 'Protecting public houses' states that applications that propose the loss of public houses with heritage, cultural, economic and social value should be refused unless there is authoritative marketing evidence that demonstrates that there is no realistic prospect of the building being used as a pub in the foreseeable future. Therefore, the two-year marketing period is considered justified as the evidence above shows that the loss of pubs is detrimental to the vibrancy and vitality of centres across the borough.
  12. In Paragraph 7.7.7 of the Publication London Plan (2020) the marketing evidence requirement is for at least 24 months at an agreed price following an independent valuation, and in a condition that allows the property to continue functioning as a pub. Therefore, the two-year marketing period is in compliance with the London Plan.
  13. The requirement for the two-year marketing period is justified as it ensures that sufficient attempts have been made to ensure the public house use can remain. The two-year marketing period is therefore considered appropriate and would not result in long periods of vacancy. The policy mechanism

encourages pubs to be appropriately marketed either for existing use or for an improved public house use through redevelopment. A shorter marketing period or a poor marketing strategy may put the continued use as a pub at risk, for which there is a need to protect these types of establishments as demonstrated by the evidence above.

### ***P42 - Outdoor advertisements and signage***

#### **Question 5.56**

**Is the approach justified, effective and consistent with the Framework?**

1. Yes. The approach to outdoor advertising is justified, effective and consistent with the Framework. Paragraph 132 of the Framework states that advertisements should be subject to control only in the interests of amenity and public safety, and taking the cumulative impacts of multiple signs into account. Policy P42 is appropriate and entirely consistent with this approach as it sets out the important and reasonable policy criteria that must be considered when the impact of a proposed sign or advertisement on amenity is assessed, alongside public safety impacts. Policy P42 will ensure that the quality and character of Southwark do not suffer from advertisements that are poorly sited and designed.

### ***P43 – Broadband and digital infrastructure***

#### **Question 5.57**

**Is the approach justified, effective and consistent with the Framework? Are the requirements set out for each criteria justified?**

1. Yes. It is the Council's view that the approach to broadband and digital infrastructure is justified, effect and consistent with the Framework. It is the Council's view that the requirements set out for each criteria are justified.
2. Digital connectivity is an important utility that is essential to support development. Policy P43 Broadband and digital infrastructure ensures that new development has the potential for connection to the delivery of fibre to the premises (FTTP) broadband or equivalent technology for connection to superfast speed as minimum. Applicants must engage with UK mobile operators (MNOs) and digital infrastructure providers to secure connection to wireless broadband and telecommunication aerials.
3. This is a standard approach that is in compliance with national guidance. There are no statutory requirements for new development to connect to high

speed broadband. With regard to the criteria for major applications, Policy P43 Broadband and Infrastructure is consistent with national guidance.

4. The National Planning Policy Framework (NPPF) in Section 10 paragraph 112 that “advanced, high quality and reliable communications infrastructure is essential for economic growth and wellbeing”. Policy P43 Broadband and Digital Infrastructure aligns with this guidance by ensuring that major development must facilitate this connection.
5. With regard to the development of digital infrastructure the National Planning Policy Framework (NPPF) in Section 10 paragraph 115 sets out that applications for electronic communications development should be supported by necessary evidence to justify the proposed development. Policy P43 Broadband and Digital Infrastructure is compliant with national guidance as it sets out requirements to ensure that the externalities of the installation of this kind of infrastructure is reduced and that new development is properly connected to digital infrastructure.
6. The Publication London Plan (2020) sets out the importance and need for digital infrastructure and the increasing need for faster broadband. Policy SI 6 Digital connectivity infrastructure sets out requirements in part B of the policy for “Development Plans should support the delivery of full-fibre or equivalent digital infrastructure, with particular focus on areas with gaps in connectivity and barriers to digital access.”
7. Policy P43 Broadband and Infrastructure is compliant with the London Plan because it sets out requirements to ensure all new development is supported by digital infrastructure and broadband connection to ensure that there are no barriers to digital access.
8. The Infrastructure Background Paper (document SP201) sets out the justification and evidence for the planning and delivery of broadband and infrastructure in paragraphs 3.187 to 3.196. The background to policy P43 Broadband and Infrastructure is set out in paragraphs 3.197 to 3.201.