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Dear Sir/Madam,

1. Introduction

- 1.1 We write on behalf of our client, Newington Square Limited, to provide this written statement in response to Matter 10: Site Allocations – Issues 1 and 9 on the Proposed Changes to the Submitted New Southwark Plan (“NSP”).
- 1.2 In February 2018, Savills made representations on behalf of the owners of 101 Newington Causeway (“the Site”), The Salvation Army Trustee Company in response to consultation on the New Southwark Plan: Proposed Submission Version (December 2017). The representation expressed broad in-principle support for the Site Allocation and the identification of the sites potential to accommodate tall buildings. Newington Square Limited is now in contract to purchase the Site from The Salvation Army Trustee Company.
- 1.3 As noted in our previously submitted representation (October 2020), our client is broadly supportive of the principles of Site Allocation NSP44 which recognises the potential of the Site to help realise the wider vision for the Elephant and Castle (E&C). However, the land use requirements in the policy are unduly prescriptive and run the risk of constraining delivery of the site within the plan period. These potential constraints are compounded by recent shocks to the market including the ongoing COVID-19 pandemic and Brexit and their ramifications for the economy. These events have served to heighten uncertainty and risk around investment decisions. A more flexible approach to site allocations is required to ensure the site can be delivered in the plan period against a challenging market backdrop. To pass the test of soundness, the NSP should also be amended to be consistent with national policy (NPPF) and:
- be flexible to adapt to rapid change (paragraph 11a)
 - be deliverable (paragraph 16b)
 - create conditions in which businesses can invest, expand and adapt (paragraph 80)
 - address potential barriers to investment (paragraph 81)
- 1.4 Our responses to the Inspector’s questions are set out in greater detail below.

2. Overview of Matter 10 – Issue 9: Site Allocations

- 2.1 Matter 10 – Issue 1 queries whether the overall approach to site allocations is justified, effective and consistent with national policy and in general conformity with the London Plan. Our statement seeks to answer the Inspector’s specific questions 10.1, 10.6 and 10.64 however we consider LBS’s overall approach to site allocations is not justified, effective or consistent with national policy or in general conformity with the London Plan, particularly where this relates to Site Allocation NSP44.

(10.1) Is the ‘must, should, may’ approach sound? Is it clear as to the circumstances where planning permission would be granted, and will it be effective in securing the delivery of the site allocations?

- 2.2 Definitions of the terms ‘must’, ‘should’ and ‘may’ on page 147 of the NSP provide a hierarchy of land use requirements on Site Allocations whereby the most flexibility is associated with

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the term “may” and the least by the term ‘must’. When defining ‘should’ land use requirements, the text states that ‘all possible efforts should be made to achieve all the site requirements of both ‘must’ and ‘should’. This effectively sets a high policy test for schemes not proposing ‘should’ uses even where the requirements for ‘must’ uses are met. Further, the inclusion of ‘should’ and ‘may’ requirements creates an expectation within the LPA and the wider community for the delivery of uses for which there is no policy requirement, this is particularly the case for the ‘may’ uses. Equally, alternative uses (hotel on NSP44 for example) are omitted when such a use would be appropriate and consistent with policy.

2.3 While ‘must’ relates to ‘infrastructure requirements essential to meet the strategic needs of the borough’ no indication of a presumption in favour of developments providing the required level of ‘must’ infrastructure is set out in the policy, meaning that it is not clear that planning permission would be granted where the requirement for ‘must’ uses is met. Our interpretation therefore is that the acceptability of any scheme providing ‘must’ infrastructure will be assessed on its own merits taking into account all other material considerations.

2.4 Paragraph 16b of the NPPF states that plans should ‘be prepared positively, in a way that is aspirational but **deliverable**’ (emphasis added). As currently drafted, the ‘must’, ‘should’, ‘may’ approach and particularly the ‘must’ element, introduces undue prescription into site allocations and stands to impede their delivery. Sites subject to allocations by virtue of their scale and development potential are often reliant on funding from third party investors to ensure delivery. Current socio-economic conditions have introduced uncertainty to the market and increased the level of risk associated with long term investment decisions. It is our view that the Council’s prescriptive approach to its ‘must’ and ‘should’ requirements compounds this risk by narrowing the development scenarios against which investors model their decision making. This may result in site allocations failing to come forward for development during the plan period meaning that the NSP will not be **effective** in its delivery.

2.5 Our client’s site is subject to Site Allocation NSP44 which stipulates that ‘redevelopment of the site must provide at least the amount of employment floorspace (B use class) currently on the site or provide at least 50% of the development as employment floorspace, whichever is greater.’ We reflect on the borough’s requirement for office floorspace in our answer to question 10.64. Notwithstanding, we note that a range of other town centre, employment generating uses would be entirely appropriate on a highly accessible brownfield site in the CAZ/Opportunity Area such as this. More flexible wording around the requirement for employment generating/town centre uses would be consistent with this and also align with recent changes to the Use Class Order which are reflective of a new approach to 21st century town centres. To this end we question whether the NSP as currently drafted is sufficiently flexible to adapt to rapid change (i.e. new the Use Class Order and the pandemic) as required by paragraph 11(a) of the NPPF. It is our view that the narrow and prescriptive approach to land uses in Site Allocation is neither **justified** nor **consistent with national policy**.

2.6 Paragraph 80 of the NPPF states:

“Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future”.

2.7 In our view, the Council’s ‘must’ approach, by virtue of its level of prescription, fails to create conditions in which businesses can invest, expand and adapt, particularly in the context of challenging economic conditions and increased levels of risk for developers and investors.

2.8 Paragraph 81 of the NPPF goes on to add that “planning policies should seek to address potential barriers to investment.” In our client’s view, the prescriptive nature of the ‘must’ approach limits the potential to optimise development of the site within the plan period and is therefore a potential barrier to investment.

(10.6) Is the plan relying on the delivery of any sites that ‘should’ provide C3 Dwellings (rather than must)? If so, is this approach sound and what is the expected contribution?

2.9 As we have previously stated, paragraph 3.16 of the Site Allocations Methodology Report (December, 2019) states that the Council's housing requirements will be met through Site Allocations which 'must' provide housing. The report goes on to state that these sites are required to contribute to the Council's 5 year supply of housing land and provide approximately 25,000 new homes. In respect of Site Allocations which "should" provide housing, these sites result in an uplift of approximately 5,000 new homes identified in the 5 to 15 Year Housing Land Supply Report for years 6-15.

2.10 The Council's evidence base makes clear therefore that its housing supply trajectory has sufficient capacity from strategic "must provide" sites and is not reliant on sites that "should" provide new homes, such as NSP44. To this end, we note that the figures provided in Policy SP1b relate to the sum total of the indicative residential *capacities* of the site allocations and not the housing supply pipeline for years 6-15.

2.11 Given that the Council's housing requirements can be met through the delivery of other identified sites in the borough, our view is that the inclusion of an indicative residential capacity to Site Allocation NSP44 is unjustified and overly prescriptive for what is effectively a windfall site in terms of housing delivery. The inclusion of 'should' requirements creates confusion and sets an expectation to deliver housing above other land uses which would otherwise be policy compliant or as equally important in meeting other needs of the Council. This level of prescription may constrain redevelopment meaning that the NSP would not be **effective** in its delivery.

(10.64) Is the site developable during the plan period as a comprehensive mixed-use site having regard to the site requirements and other NSP policy requirements? Is the indicative residential capacity of the site justified?

2.12 We consider the proposed wording of Site Allocation NSP44 to be unduly prescriptive, restrictive and inflexible which results in constraining the future development potential of a key site within the Elephant & Castle town centre and designated Elephant & Castle Opportunity Area. As stated in response to question 10.1, the 'must' elements are inflexible and could result in a potential barrier to investment and the 'should' and 'may' requirements create an unjustified expectation for a narrow range of prescribed uses when alternative uses can be equally appropriate and consistent with policy. In light of this, it is our view that the current drafting creates significant uncertainty as to whether the site is capable of being delivered in the plan period.

2.13 Our specific concerns can be summarised as:

- a. The 'must' re-provide employment floorspace element of the Site Allocation is overly restrictive, not clearly justified from the evidence base why it must do so. This does not provide sufficient flexibility for an appropriately mixed-use development within the CAZ, town centre and OA, which is generally an inconsistent position with the NPPF, Publication London Plan,¹ and OAPF,² which generally promotes flexibility in providing town centre uses. This is particularly pertinent in view of current economic conditions and shifting retail and working patterns and their impacts on town centre uses and Government efforts to "future-proof" town centres evidenced in part by the introduction of the new Use Class E.
- b. The Site Allocation's requirement to retain or provide a 50% uplift in floorspace does not appear to be substantiated in LBS's evidence-base or within the NSP itself. The table in policy SP1B makes provision for a net loss of employment B use class floorspace in E&C – further explored below. The inflexibility of the policy as drafted creates an environment that will make it increasingly difficult to deliver the Site in the plan period.
- c. The evidence states LBS can meet its identified housing need through site allocations which 'must' provide residential and sites which 'should' provide residential merely boost delivery, the indicative residential capacity at the Site should be removed.

¹ Policy SD4 (The Central Activities Zone (CAZ))

² Policy SPD4 (Jobs and Business)

3. 50% Employment Floorspace Requirement

- 3.1 NSP44 requires development on the Site to provide, as part of a mixed-use development, either the same quantum of employment floorspace (B use class) currently on-site or at least 50% of the development to be employment floorspace, whichever is the greater. The current wording of NSP44 as drafted is overly restrictive and not sufficiently flexible to adapt to rapid change brought about by recent global events and the challenges these events pose to the delivery of large and complex sites, particularly those with significant requirements for new office space.
- 3.2 The Employment Land Study (“ELS”) (2016) outlines that 460,000 sqm of employment space is required over the 2014-2036 period in order for LBS to meet its employment need. However, we consider the requirement for the retention or 50% increase in office floorspace attached to NSP44 to be unjustified on two principal grounds:
- (1) Neither the NSP nor its evidence-base appears to substantiate a retention or 50% uplift requirement in “B use” employment space in E&C; and
 - (2) The socio-economic climate has changed significantly since the ELS was produced and it therefore fails to consider the wider impacts of global events like Brexit and the Covid-19 pandemic.
- 3.3 We understand that the ELS established the 460,000 sqm employment target however there appears to be no specific employment floorspace target for the E&C area within the CAZ demarcated in the evidence-base. In fact, the table in Policy SP1b of the NSP states that the E&C vision area will provide -1,563 net sqm of employment floorspace – seemingly implying that the area already has an overprovision of employment floorspace. The absence of evidence in the ELS specifically highlighting an employment demand high enough to warrant any retention or 50% uplift in employment space at the Site, read in conjunction with the implication of SP1b’s table implying there is no net need for employment space in E&C makes the criteria **unjustified** and fails to be positively prepared in line with Paragraph 35 (b) of the NPPF.
- 3.4 Notwithstanding the above, The Salvation Army’s relocation to the William Booth Campus in Denmark Hill retains all 450 existing jobs within the Borough (application ref. 18/AP/3144). On that basis, and coupled with the evidence base pointing to a position where there is no specific requirement to retain or increase employment floorspace in the E&C area, all existing jobs would remain the borough and this therefore enables the Council to take a more flexible approach to this site allocation than currently drafted.
- 3.5 The ELS was published in 2016, in a different economic and social environment to 2021, therefore already making the ELS an outdated evidence-base on which to underpin the NSP. Furthermore, the COVID-19 pandemic and changing work patterns has introduced heightened investor risk into the office market and if the NSP is to provide an overarching planning strategy which provides an appropriate framework to support project delivery and positive regeneration it must be more flexible. The current rigidity of the 50% employment uplift requirement is counterintuitive to the Borough’s stated 460,000 sqm requirement insofar as the overly restrictive requirement acts as a deterrent to development rather than a catalyst, and therefore hindering the Council’s ability to reach their stated target. This rigidity reduces the deliverability of a scheme on this Site which therefore makes NSP44 **ineffective** in line Paragraph 35 (c) of the NPPF.
- 3.6 To make NSP44 deliverable over the plan period (and thereby ‘effective’), greater flexibility to account for wider market-factors must be accounted for. Greater policy flexibility, particularly given the Site’s CAZ, Town Centre, and Opportunity Area designations all of which encourages a diverse and balanced range of uses within them, positively correlates to the Site’s deliverability. As such, a greater emphasis should be placed on employment generating town-centre uses. For example, uses such as hotel (Use Class C1) could be duly noted as an appropriate land use within NSP44. Such flexibility also acknowledges the increasingly important need to diversify town centres which are rapidly evolving partly due to macro-issues such as Brexit and COVID-19 but also smaller scale social and demographic changes.

4. Indicative Capacity Analysis

- 4.1 According to Paragraph 4.29 of the SAMR, LBS’ 5-year housing land supply target is met through site allocations which ‘*must*’ provide housing. It therefore follows that sites which ‘*should*’ provide housing are additional windfall sites which boost the borough’s housing delivery, but are not essential in meeting its

objective need. And as noted in paragraph 2.8 above, the Site is a windfall site and is not crucial in meeting LBS' identified housing need.

- 4.2 LBS officers have determined the Site's indicative residential capacity of 57 by giving it an FAR score of 5.4 – whereby an 'FAR of 1 can mean 100% of a site developed to 1 storey or 50% of the site developed to two storeys...' meaning the LBS officers have based the 57 indicative residential capacity on an approximate 5-storey building (developed across 100% of the Site) or an approximate 11-storey building (developed across 50% of the Site). Whilst we consider this indicative figure should be removed in its entirety, if it was to remain we would be concerned of it becoming the default position officers and public defer to during the determination of any planning application at the Site.
- 4.3 Paragraph 117 of the NPPF states that planning decisions should promote the effective use of land in meeting housing need and other uses in a way in which makes an effective use of previously developed or brownfield land. NPPF Paragraph 118 (c)-(d) continues that planning policies and decisions should give substantial weight to the value of using suitable brownfield land for homes and other identified needs, also noting that the utilisation of brownfield land and buildings should be supported and promoted especially if it helps meet an identified housing need.
- 4.4 It is evident that the Ministry of Housing, Communities and Local Government's ("MHCLG") supports site optimisation on sites such as 101 Newington Causeway, as this will help meet a clear and objectively identified housing need. As such, we are concerned that an indicative residential capacity of 57 contradicts the guidance established in the NPPF and is therefore **unjustified** and should be removed from the Site Allocation.

NSP44 (Salvation Army Headquarters, Newington Causeway)

Site Ref.	Site Name	Site Area m ²	Employment (B Class) GIA m ²	Residential floorspace – GIA m ²	Residential units	Town Centre Uses (A1, A2, A3, A4, D1, D2) GIA m ²	Assessed development GEA m ²	Assessed development GIA m ²	FAR
NSP44	Salvation Army Headquarters, Newington Causeway	2,607	7,346	4,214	57	554	14,227	12,114	5.4

Delivery of the site NSP44 (Salvation Army Headquarters, Newington Causeway)									
Landowner	The Salvation Army Trustee Company								
Planning application details and known delivery constraints	The site is in the central area of Elephant and Castle and redevelopment should contribute towards realising the vision. Redevelopment must provide at least the existing level of employment floorspace. Redevelopment should enhance local accessibility to bus stops, tube and rail stations and contribute towards improving the connectivity, walking and cycle routes, specifically taking into consideration the Newington Causeway project (TIL and Southwark).								
	There is no planning application relevant to this site. As there is currently no planning permission on this site, it is expected that this site will come forward in years 6-15.								
Delivery rates	Application number	Status	No of homes	Delivery timeframe					6-15 years (1 st April 2023 – 31 st March 2033)
				0-5 years (1 st April 2018 – 31 st March 2023)					
				2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	57
	N/A	N/A	57						

Figure 1. NSP44: Salvation Army Headquarters, Newington Causeway Appraisal

- 4.5 At a regional policy level, Policy D3 of the Publication London Plan (2020) encourages optimising site capacity through a design-led approach. This policy approach requires design options to determine the most appropriate form of development that positively responds to a site's context and capacity for growth. This new design-led approach requires consideration be taken of the appropriate form of development which positively responds to a site's context. In this instance the site's policy context remains that it is within the E&C OA which is identified as an opportunity to accommodate at least 4,000 homes. In light of this, the 57-unit indicative residential capacity on the Site is not justified as it is not in general conformity with the thrust of national and regional planning policy.

5. Conclusion

- 5.1 As currently drafted we consider the policy to be overly rigid and inflexible, thereby constricting rather than encouraging development at the Site and thereby reduces the Site's deliverability over the plan period.
- 5.2 This impact on deliverability undermines the effectiveness of NSP44 and the Site Allocation therefore fails the 'effective' criterion of the soundness test, in addition to being inconsistent with national policy, thereby failing the soundness test outlined in NPPF Paragraph 35. We therefore consider the draft policy and Site Allocation to be **unsound** and requires further consideration to increase its flexibility.

Yours faithfully

A handwritten signature in cursive script, appearing to read "Savills".

Savills