



New Southwark Plan

**Strategic Targets
Background Paper (EIP161)**

February 2021

1. Introduction

- 1.1 This Background Paper provides detailed responses to some of the Inspectors' Matters, Issues and Questions (December 2020) (EIP88). These responses relate specifically to questions within Matters 1, 2, 3 and 5. If the Inspectors were minded to make modifications based on the answers to our Matters this paper contains some recommended wording.

2. Matter 1 – Procedural and legal requirements including the Duty to Co-operate

Issue 1

Whether the Council has complied with relevant procedural and legal requirements.

Plan Preparation

Question 1.3

The plan period is to 2033. Assuming plan adoption in the second half of 2021 there would not be a 15-year plan period on adoption as required by NPPF2019 paragraph 22. Is it necessary for soundness that the plan period is extended to 2036 and that 1 April 2020 forms the basis for year 1 for measuring the housing land supply in accordance with NPPF paragraph 67?

Response

- 2.1 If the Inspector were to direct the council to make a modification to the plan throughout this would be the wording we would recommend to update the plan period:

2018-2033 2020-2035

- 2.2 The basis for the updated 5 and 15 year housing land supply will be from 1 April 2020-31 March 2035. On adoption of the Plan, the plan period will be updated to reflect the date of adoption.

3. Matter 2 – The Spatial Strategy and Area Visions

Issue 1

Whether the Plan's Spatial Strategy and Area Visions have been positively prepared and whether they are justified, effective, consistent with national policy and in general conformity with the London Plan.

Relevant Policies – SP1a, SP1b, SP2 and AV.01 – AV.16

Development Targets and Spatial Strategy (Southwark's Places)

Question 2.2

Does the plan provide clear, positively prepared and justified development targets for the Borough?

Response

SP1a Strategic Development Targets

- 3.1 We propose to update the plan period throughout to April 2020-2035 and the basis for the updated 5 and 15 year housing land supply will be from 1 April 2020-31 March 2035. On adoption of the Plan, the plan period will be updated to reflect the date of adoption.
- 3.2 Where appropriate we will update the targets in the Plan to be consistent with the plan period. However, for some of the targets it is not appropriate to amend them to be from 2020-2035, however, this is explained below where required.
- 3.3 Amendments to Policy SP1a Southwark's Development Targets proposed:

1. Development will improve the places in Southwark to enable a better quality of life for Southwark's diverse population. It must contribute to our Strategic Vision, Local Area Visions, Strategic Policies, Development Management Policies and Implementation Policies to protect, enhance and regenerate our places. This will ensure the borough continues to be successful, diverse and vibrant. We will work with our partners, local communities and developers to ensure that developments deliver the required growth and improvements to achieve our targets including:

- 1. 35,325 homes between 2020-2035 (2,355 new homes each year per annum), this includes 9,015 homes on small sites between 2020-2035 (601 new homes per annum)*
- 2. 11,000 council homes will be delivered by 2043 as part of the overall housing target*
- 3. 84,000 new jobs over the next 20 years 58,000 total jobs between 2020-2035. The targets for the distribution of jobs are*

| | |
|--|----------------------|
| <i><u>Borough, Bankside and London Bridge Opportunity Area</u></i> | <i><u>10,000</u></i> |
| <i><u>Elephant and Castle Opportunity Area</u></i> | <i><u>10,000</u></i> |
| <i><u>Canada Water Opportunity Area</u></i> | <i><u>20,000</u></i> |
| <i><u>Old Kent Road Opportunity Area</u></i> | <i><u>10,000</u></i> |
| <i><u>Other town centres</u></i> | <i><u>8,000</u></i> |

- 4. 460,000sqm office floorspace between 2020-2035 (equating to around 35,500 jobs) from 2014 to 2036. Around 80% of new offices will be delivered in the Central Activities Zone. Additional offices will be delivered in the Canada Water and Old Kent Road Opportunity Areas and in town centres.*
- 5. 90,000sqm additional employment floorspace between 2020-2035 outside the CAZ including industrial, distribution, hybrid and studio workspace;*

6. ~~26,672~~ 76,670 sqm net new retail (A1, A3, A4) floorspace ~~by 2031 over and above commitments between 2020 and 2035~~ (6,560sqm convenience retail, 42,130sqm comparison goods retail, 27,980sqm food and beverage). The targets for the distribution of the retail floorspace are:

| | |
|--|------------------|
| <u>Elephant and Castle Major Town Centre</u> | <u>10,000sqm</u> |
| <u>Peckham Major Town Centre</u> | <u>7,000sqm</u> |
| <u>Canada Water Major Town Centre</u> | <u>40,000sqm</u> |
| <u>CAZ and district and local town centres</u> | <u>19,670sqm</u> |

7. *The growth of other activities that create successful places such as places to work, leisure, arts and culture, sports, schools, health centres and tourist activities. We will encourage developments to focus on the strengths of places that make the different areas of the borough distinctive and respect and integrate with the local and historic context and communities.*

- 3.4 We propose to amend Policy SP1 and reasons to also include our housing target for the plan period as set out above.
- 3.5 It is not appropriate to amend the council homes delivery target to reflect the plan period as this is an established target within the Housing Strategy and the Council Plan.
- 3.6 The adjustments to the employment and retail targets to accurately reflect the revised plan period and the site allocations in the NSP are explained in the council's responses to Matter 5. The targets are also proposed to be edited in Policy SP4 (Strong Local Economy) and the reasons to Policy P29 to reflect the above changes adjusted for the plan period.

Policy SP1b Southwark's Places

- 3.7 We propose to update Table 1B as below under Policy SP1b to take into account the updated Old Kent Road AAP December 2020 masterplan non-residential floorspace amendments, and additional development still to come forward within the plan period at Elephant and Castle and Aylesbury.

| Site area | | Employment floorspace (sqm) | | Retail, leisure and community uses floorspace (sqm)* | | Approximate housing capacity within the borough through site allocations by area (net, units) | Net open space provision within site allocations in GIA (sqm) |
|-------------------------------|--|-----------------------------|-------------------------------|--|------------------------------|---|---|
| | | Proposed Provision (Gross) | Uplift (net) | Proposed Provision (Gross) | Uplift (net) | | |
| Aylesbury | | <u>2,500</u> | <u>2,500</u> | <u>300</u> | <u>300</u> | | |
| Bankside and Borough | | 139862 | 34726 | 8911 | 8190 | 1,148 | 3,151 |
| Bermondsey | | 22073 | -10935 | 10280 | 9992 | 2,313 | 0 |
| Blackfriars Road | | 177030 | 91750 | 17911.5 | 16029 | 1,553 | 0 |
| Camberwell | | 44875 | 4137 | 14901 | 7619 | 1,770 | 0 |
| Crystal Palace and Gipsy Hill | | 0 | 0 | 0 | 0 | 51 | 0 |
| Dulwich | | 0 | 0 | 1246 | 187 | 63 | 0 |
| East Dulwich | | 8867 | 3741 | 13631 | 2189 | 374 | -4,782*** |
| Elephant and Castle | Site allocations | 27687 | -1563 | 32542 | 2512 | 1,686 | 1,640 |
| | Elephant Park | <u>60000</u> | <u>60000</u> | <u>6014</u> | <u>6014</u> | | <u>8000</u> |
| | Planning applications | <u>47792</u> | <u>27542</u> | - | - | - | - |
| Total | | <u>135479</u> | <u>85979</u> | <u>38556</u> | <u>8526</u> | | <u>9,640</u> |
| Herne Hill and North Dulwich | | 2553 | 383 | 2041 | 306 | 45 | 0 |
| London Bridge | | 56574 | 43156 | 2132 | 1526 | 483 | 605 |
| Old Kent Road | Site allocations | <u>383060</u> | <u>49465</u> | | | | |
| | Industrial intensification in South Bermondsey | <u>91187</u> | <u>78492</u> | 73173 | <u>5,874</u> <u>-4158</u> | 20,572 | 38,828 <u>88,815</u> |
| | Total | <u>474247</u> | <u>6,321</u> <u>127957</u> | | | | |
| Peckham | | 22535 | 9127 | 21,920 | 8555 | 1,370 | 0 |

| | | | | | | |
|--|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Rotherhithe (minimum figures based on Canada Water masterplan NSP78) | 68642 | 22196 | 65467 | 9958 | 4,712** | 13,696 |
| Walworth | 0 | -2437 | 7,384 | 2,310 | 229 | 0 |
| Vacant railway arches brought back into use | 17280 | 17280 | | | | |
| Total (minimum based on Canada Water Masterplan, NSP78) | <u>1172517</u> | <u>429560</u> | <u>277854</u> | <u>80054</u> | <u>38,055</u> | <u>120,765</u> |
| Further uplift as a result of maximum capacity of Canada Water Masterplan, NSP78) | <u>236048</u> | <u>236048</u> | <u>137348</u> | <u>137348</u> | | |
| Total (Maximum based on Canada Water Masterpan, NSP78) | <u>1408565</u> | <u>665608</u> | <u>415202</u> | <u>217402</u> | | |

Updated Table 1B

*The figures do not include education and health (D4) uses.

**The capacities planned for Rotherhithe are based on the average of residential unit range set out in the Canada Water masterplan (Site allocation NSP78).

*** The change was due to a redevelopment to provide a new stadium at Dulwich Hamlet Football Club.

4. Employment and town centre targets

Target: Deliver 58,000 new jobs between 2020-2035 (including 35,500 office jobs) – why has this been updated?

4.1 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.

4.2 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 employment 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. The jobs target has been adjusted to bring it forward to the plan period in the same way as the floorspace target.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 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 service, 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. 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.

Target: Deliver 58,000 new jobs between 2020-2035 (including 35,500 office jobs) – how will this be achieved?

4.8 The policy includes a breakdown of the jobs target for each part of the borough.

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|---|---------------|
| <u>Borough, Bankside and London Bridge Opportunity Area</u> | <u>10,000</u> |
| <u>Elephant and Castle Opportunity Area</u> | <u>10,000</u> |
| <u>Canada Water Opportunity Area</u> | <u>20,000</u> |
| <u>Old Kent Road Opportunity Area</u> | <u>10,000</u> |
| <u>Other town centres</u> | <u>8,000</u> |

4.9 These are broadly consistent with the Opportunity Area targets in the London Plan however we consider that the CAZ and Old Kent Road could deliver in excess of the jobs distribution reflected in the London Plan, which is reflected above. The net increase of office floorspace projected for the CAZ vision areas is 255,611 sqm. Using the Employment Densities Guide (2015) average employment density for offices of 11sqm per employee, this could generate up to 23,237 office jobs. Additional jobs would come forward in retail, leisure arts and community sectors.

4.10 In addition, the Elephant Park redevelopment is estimated to generate 5,000 jobs in construction. The council partnered with Lendlease in 2016 to commission the Southwark Construction Skills Centre at Elephant and Castle, which supports residents to access pre-employment training, gain employment and progress in their careers by up-skilling. The centre supports developers to fulfil their section 106 employment and skills obligations on sites across the borough, offering a site for engaging local people with the construction industry and providing residents with the skills they need to enter and progress in the sector. Since July 2016 over 4,000 Southwark residents have received training at the centre.

4.11 The Old Kent Road AAP and Existing and Proposed (EIP149) demonstrate how we will double the number of existing jobs in the opportunity area, achieving a net uplift in 10,000 jobs.

4.12 The Canada Water Masterplan was estimated to deliver between 12,000 and 30,000 jobs on completion. The 20,000 jobs figure is in the Publication London Plan.

4.13 Development on other town centre sites such as Peckham and Camberwell as well as other site allocations and windfall sites would deliver the remainder of jobs to meet this target.

Target: 76,670 sqm net new retail floorspace 2020 and 2035 (6,560sqm convenience retail, 42,130sqm comparison goods retail, 27,980sqm food and beverage) – Why has this been updated?

4.14. 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.

4.15. 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.

- 4.16. 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.
- 4.17. 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.
- 4.18. 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 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.

Target: 76,670 sqm net new retail floorspace 2020 and 2035 (6,560sqm convenience retail, 42,130sqm comparison goods retail, 27,980sqm food and beverage) – How will this be achieved?

- 4.19. The distribution of retail floorspace is: 10,000 sqm Elephant and Castle Major Town Centre, 7,000 sqm Peckham Major Town Centre, 40,000 sqm Canada Water Major Town Centre, the rest of the retail demand (19,670 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.
- 4.20. 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.

- 4.21. Suggested revised Table 1B 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. If the maximum retail, leisure and community uses capacity will come forward in the Canada Water masterplan, this will result in a total net provision of 217,402sqm. Additional retail, leisure and community uses may also come forward on smaller scale windfall sites in town centres.

Targets– overall employment uses

- 4.22. As a whole, the site allocations and major office planning applications in Elephant and Castle plan for a net uplift of 429,560sqm B class employment floorspace. This total provision is based on the minimum capacities set out in the Canada Water masterplan.
- 4.23. As part of the Canada Water Masterplan hybrid/outline application (18/AP/1604) a mixed use redevelopment was granted planning permission, where the developer is committed to deliver a minimum of 46,452 sqm employment floorspace and a minimum of 46,452 sqm retail and leisure floorspace, with the potential of delivering up to 282,500sqm of employment, 86,650 sqm of retail, 45,650 sqm of community facilities and 51,500 sqm of leisure and culture uses as the maximum capacity set out in the parameter plan. Should the maximum amount of employment floorspace come forward in Canada Water, this would result in a total net uplift of 665,608sqm employment across all site allocations (not including the potential uplift from commercial schemes in CAZ – see below).
- 4.24. Due to capacity constraints and the balance of demand for housing and employment uses is it difficult to achieve the overall targets to meet the employment targets. The London Office Policy Review 2017 recognises that in Southwark the projected demand exceeds expected capacity. On a London wide basis the report notes the spatial imbalances for some boroughs, notably Islington and Southwark, but notes this can be offset by Tower Hamlets where identified capacity exceeds forecast demand.

4.25. The total employment target for the borough including office and other types of workspace is 550,000sqm (460,000sqm offices and 90,000sqm other types of workspace). If the maximum capacity of Canada Water came forward, the borough would exceed this target for employment floorspace overall. Further analysis is provided below in terms of the breakdown of the targets for different employment uses.

Target: Deliver 460,000sqm net additional office employment floorspace (2020-2035) – Why has this been amended?

4.26. 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.

Target: Deliver 460,000sqm net additional office employment floorspace (2020-2035) – How will this be achieved?

4.27. Southwark has a good track record for bringing forward mixed use redevelopment supported through AAPs and SPDs and this approach is proposed in the NSP. Many allocation sites also contain existing employment floorspace. In suitable locations (mainly in the CAZ) site allocations seek the re-provision of the existing quantum of employment space as a minimum or 50% of the total floorspace, whichever is greater. Within employment uses, site guidance is used to identify opportunities for town centre uses where they could improve streets and strengthen centres with active frontages. In some instances re-provision of specific existing uses is required.

CAZ site allocations

4.28. Offices have been prioritised in the CAZ by requiring the re-provision or additional provision of the existing employment uses on site allocations. In the CAZ vision areas of Bankside/Borough, London Bridge, Blackfriars Road and Elephant and Castle 401,152sqm (net provision of 168,069 sqm) of office floorspace is expected to come forward on site allocations.

CAZ planning applications

4.29. In addition, more offices will be delivered in Elephant and Castle. Lend Lease propose to submit a planning application for Plot H1 for an office building of around 60,000sqm. This would be a net increase of offices and it does not replace any other uses on the overall masterplan. Two planning applications have also recently been approved in Elephant and Castle which contribute to a significant uplift in office floorspace of a combined total of 27,542sqm net

increase (Skipton House 18/AP/4194 and 5-9 Rockingham Street 19/AP/0750).

- 4.30. A further uplift of employment floorspace will potentially come forward from commercial only development proposals relevant to the site allocations within the CAZ, which will create an additional net total of 73,297 sqm (125,636 sqm in gross floorspace) if planning permission is granted for those schemes. Further detail is set out in paragraph 4.44 below.

Old Kent Road

- 4.31. As a broad assumption, if 50% of the total floorspace in the site allocations could be offices, the masterplan could deliver 24,732sqm of offices (net). See revised Table 1B and Existing and Proposed (EIP149).

Canada Water

- 4.32. The Rotherhithe area could deliver a minimum of 22,196sqm net increase in offices. If the Canada Water masterplan delivered its maximum parameters the Rotherhithe area could deliver 258,244sqm of offices.
- 4.33. Office delivery overall would therefore be 375,836sqm net based on the minimum scenario at Canada Water and 611,884sqm maximum scenario. It is likely the target would be achieved with significant growth in offices at Canada Water.
- 4.34. Other parts of the borough such as town centres will also deliver offices however some may replace existing employment uses on the site, improving the overall stock. The council has also approved or received other planning applications in the CAZ which are increasing the overall office provision.

Target: Deliver 90,000sqm net additional employment floorspace between 2020-2035 outside the CAZ including hybrid, industrial and studio workspace – Why has this target been added?

- 4.35. The targets in Policy SP1a previously only referred to offices. In response to the Inspectors question regarding the different types of employment floorspace planned for, it was considered useful to include a further target for other types of employment floorspace which is included in the ELR 2016. The target was from 2014 to 2036 but due to net losses of employment floorspace overall since 2014 it is considered appropriate to bring this target forward for the plan period. Policy SP4 is suggested to be updated to include the specific land designations for industrial SPIL and LSIS (see response to Question 1.9).

Target: Deliver 90,000sqm net additional employment floorspace between 2020-2035 outside the CAZ including hybrid, industrial and studio workspace – How will this be achieved?

Old Kent Road

- 4.36. Assuming 50% of the total floorspace in the site allocations is industrial, hybrid or studio type workspace, this is 24,733sqm (net).
- 4.37. The NSP Industrial Background Paper demonstrates how we are planning for no net loss of industrial floorspace capacity across the Old Kent Road opportunity area where the majority of Southwark's industrial land is located

South Bermondsey industrial intensification

- 4.38. The masterplan plans for a net increase of 78,492sqm industrial floorspace.

Railway arches

- 4.39. Policy P33 of the New Southwark Plan (Railway Arches) supports the development of commercial activities in railway arches. This will particularly help to bring vacant arches into use, promote active frontages and deliver the Low Line walking routes outlined within the NSP. There are over 800 railway arches in Southwark, providing significant opportunity for uplift in the delivery of different types of workspace, retail and community uses. Some of the railway arches in Bermondsey remain as Strategic Protected Industrial Land where industrial uses will be of priority. A Low Line Horizon Study was prepared for the Borough, Bankside and Bermondsey Area which identified 110,000sqm of floorspace in 390 arches in the north part of the borough with 70 units vacant (equating to potential growth in 12,000sqm of space). The study identified the size of railway arches range from 30sqm to 500sqm with the average size of a railway arch being around 180sqm. With 800 arches in the borough equating to around 144,000sqm of floorspace, and a vacancy rate assumed to be the same as the north of the borough at 12% this could potentially provide an additional 17,280sqm commercial floorspace over the plan period.

Town centres and site allocations

- 4.40. The other vision areas outside of the main CAZ vision areas would deliver a net 6,515sqm employment floorspace (Table 1B).
- 4.41. Industrial floorspace delivered in Old Kent Road, industrial intensification in South Bermondsey, railway arches and town centre sites would deliver 127,020sqm net of employment floorspace. This would exceed the target for other types of employment floorspace that was projected to need to increase. It is possible that some of the railway arches and town centre sites could come forward as office development which would add on to the overall office target instead. Policy P29 allows for flexibility so that employment uses are delivered to meet current market demands. The Old Kent Road AAP sites are guided by a detailed masterplan with specific employment typologies.

Housing and employment in the CAZ

- 4.42. The requirements for other uses in the site allocations are balanced with the need to provide housing. P29 Office and business redevelopment of the NSP requires the employment floorspace in the CAZ to be retained or increased. Additional B Class uses will come forward in areas outside of the CAZ. In the CAZ, the re-provision or uplift of employment floorspace is a 'must' requirement in the site allocations. Housing is a 'should' which encourages mixed use development where the re-provision or uplift of employment floorspace can be achieved.
- 4.43. Housing is a required or encouraged use on most sites. As well as maximising the provision of new homes, this will help to ensure that all sites have the potential to generate an increase in land value to incentivise development.
- 4.44. The level of housing expected from development was estimated from the capacity remaining after other land use requirements are met. Our housing requirements are met through site allocations which 'must' provide housing, including sites in the Old Kent Road Opportunity Area. These sites will provide approximately 32,211 net new homes. These are required to contribute to our 5 year supply of housing land. Site allocations which 'should' provide housing result in an uplift of approximately 4,386 housing units in the borough. These are identified within the 5 and 15 Year Housing Land Supply Report for years 6-15. Housing on these sites is strongly encouraged to maintain a healthy land supply and allow for contingency when meeting housing targets later in the plan period.
- 4.45. Some planning applications have been submitted or approved for employment-led schemes on site allocations in the CAZ which would not provide any housing. These have been specified in Appendix 2 on sites NSP01, NSP17 and NSP51. As housing continues to be a suitable use for these sites and to allow for contingency, the 'should' requirement for housing has not been changed in the NSP. If the commercial applications on these sites are approved and delivered, these applications would provide an indicative capacity of employment floorspace, totalling 125,636 sqm, which will lead to an increased net employment growth of 73,297 sqm. As such, the 6-15 year housing land supply would be reduced by 417 to 3,969 homes in the 'should' category. However, the overall growth in housing within site allocations remains above our strategic targets at 36,180 units.
- 4.46. The approximate non-residential and housing capacity within the borough through site allocations by area' as set out in Table 1B will be updated following the update to the Site Allocations Methodology Report (EIP82) and 5 and 15 Year Housing Land Supply (SP105) to reflect the 1 April 2020 baseline.

5. Matter 3 – Meeting Southwark’s Housing Needs

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 meeting the Borough’s housing needs.

Relevant Policies – SP1, SP1a, SP1b, P1 – P11

Question 3.4

Is the policy clear as to the amount of housing that is to be delivered on small sites in accordance with NPPF paragraph 68? Is this in accordance with the London Plan?

Response

- 5.1. The Policy does not set a target for the delivery of homes on small sites as this is part of our overall housing target.
- 5.2. If the Inspector were to direct the council to make a modification to the plan this would be the wording we would recommend in relation to small sites in Policy SP1:

This will be achieved through:

1. *Meeting and exceeding our housing target of 2,355 homes per annum;*
 - 1a. *Supporting the delivery of homes on small sites;*
 2. *Building 11,000 new council homes by 2043 as part of our overall housing target, by developing our own land and developing on some of our existing estates, including in-fill development;*
 3. *Encouraging developers to increase the provision of social rented and intermediate homes on sites beyond 35%;*
 4. *Encouraging developers to receive affordable housing grant to increase the provision of social rented and intermediate housing;*
 5. *Encouraging developers to provide more social rented and intermediate housing through the fast track route; and*
 6. *Maintaining high housing standards; and*
 7. *Building more family homes for households with children as well as childless households; and*
 8. *Ensuring that vulnerable residents and families are helped to find the right housing to live as independently as possible; and*
 9. *Enabling our residents to take pride in and feel responsible for their homes and local area.*
- 5.3. Paragraph 68 of the NPPF sets out that small and medium sized sites can make an important contribution to meeting the housing requirement of an

area, and are often built-out relatively quickly. To promote the development of a good mix of sites local planning authorities should, inter alia:

- a. *identify, through the development plan and brownfield registers, land to accommodate at least 10% of their housing requirement on sites no larger than one hectare; unless it can be shown, through the preparation of relevant plan policies, that there are strong reasons why this 10% target cannot be achieved;*

- 5.4. The Publication London Plan (2020) (EIP157) Policy H2 small sites encourages the delivery of new homes on small sites (below 0.25ha in size) and requires boroughs to pro-actively support well-designed new homes on small sites. Table 4.2 sets 10 year housing target through small sites of 6,010 homes for Southwark as a component of the overall housing target.
- 5.5. As set out in the supporting text of the Publication London Plan (2020) (Para 4.2.3), the small sites minimum targets in Table 4.2 are informed by the 2017 London SHLAA and show the potential capacity for additional housing on sites of less than 0.25 hectares in size. The targets are based on trends in housing completions on sites of this size and the estimated capacity for net additional housing supply from intensification in existing residential areas, taking into account PTAL, proximity to stations and town centres, and heritage constraints. The small sites target can be taken to amount to a reliable source of windfall sites which contributes to anticipated supply and so provides the compelling evidence in this respect required by paragraph 70 of the National Planning Policy Framework of 2019.
- 5.6. A target is not set in the Plan for small sites. A significant number of site allocations within the Plan are below 1ha in size and a number are below 0.25ha (as underlined) and the proposed uses require delivering housing, these sites are:

| <i>NSP Ref</i> | <i>Site area (sqm)</i> | <i>Residential (net units)</i> |
|---|-------------------------------|---------------------------------------|
| <i>NSP02 62-67 Park Street</i> | <i>3,951</i> | <i>80</i> |
| <i>NSP03 185 Park Street</i> | <i>4,584</i> | <i>163</i> |
| <i>NSP04 London Fire and Emergency Planning Authority</i> | <i>8,800</i> | <i>199</i> |
| <i>NSP05 1 Southwark Bridge Road and Red Lion Court</i> | <i>7,887</i> | <i>261</i> |
| <i>NSP06 Landmark Court</i> | <i>6,223</i> | <i>36</i> |
| <i>NSP07 Land between Great Suffolk Street and Glasshill Street</i> | <i>6,004</i> | <i>132</i> |
| <i>NSP08 Swan Street Cluster</i> | <i>8,845</i> | <i>98</i> |

| | | |
|---|---------------------|------------------|
| <i>NSP09 19, 21 and 23 Harper Road, 325 Borough High Street, 1-5 and 7-11 Newington Causeway, SE1</i> | <i>3,048</i> | <i>13</i> |
| <i>NSP11 Tower Workshops</i> | <i>7,344</i> | <i>178</i> |
| <i>NSP13 Conoco House, Quadrant House, Edward Edwards House and Suthring House</i> | <i>6,663</i> | <i>124</i> |
| <i>NSP15 Land enclosed by Colombo Street, Meymott Street and Blackfriars Road</i> | <i>3,737</i> | <i>198</i> |
| <i>NSP17 Southwark Station and 1 Joan Street</i> | <i>6,466</i> | <i>130</i> |
| <i>NSP18 McLaren House, St George's Circus</i> | <i>4,377</i> | <i>215</i> |
| <i>NSP19 Land between Paris Gardens, Colombo Street, Blackfriars Road and Stamford Street</i> | <i>7,218</i> | <i>288</i> |
| <i>NSP24 Valmar Trading Estate</i> | <i>6,021</i> | <i>48</i> |
| <i>NSP27 Land Between Camberwell Station Road and Warner Road</i> | <i>4,135</i> | <i>64</i> |
| <i>NSP28 Iceland, 120-132 Camberwell Road</i> | <i>2,930</i> | <i>39</i> |
| <i>NSP29 49 Lomond Grove</i> | <i>3,162</i> | <i>39</i> |
| <i>NSP30 83 Lomond Grove</i> | <i><u>2,104</u></i> | <i><u>50</u></i> |
| <i>NSP31 123 Grove Park</i> | <i>5,798</i> | <i>9</i> |
| <i>NSP32 Camberwell Green Magistrates Court</i> | <i>4,814</i> | <i>150</i> |
| <i>NSP34 Guys and St Thomas Trust Rehabilitation Centre, Crystal Palace</i> | <i>5,027</i> | <i>51</i> |
| <i>NSP35 The Grove Tavern, 520 Lordship Lane</i> | <i>4,965</i> | <i>63</i> |
| <i>NSP36 Kwik Fit and Gibbs and Dandy, Grove Vale</i> | <i>3,266</i> | <i>19</i> |
| <i>NSP38 Railway Rise, East Dulwich</i> | <i>7,849</i> | <i>53</i> |
| <i>NSP40 Goose Green Trading Estate</i> | <i>4,976</i> | <i>83</i> |
| <i>NSP43 63-85 Newington Causeway</i> | <i>3,784</i> | <i>93</i> |
| <i>NSP44 Salvation Army Headquarters, Newington Causeway</i> | <i>2,607</i> | <i>57</i> |
| <i>NSP47 1-5 Westminster Bridge Road</i> | <i><u>773</u></i> | <i><u>21</u></i> |

| | | |
|---|---------------------|---------------------|
| <i>NSP50 Land between Melior Street, St Thomas Street, Weston Street and Fenning Street</i> | <i>3,814</i> | <i>362</i> |
| <i>NSP51 Land between St Thomas Street, Fenning Street, Melior Place, and Snowfields</i> | <i>4,033</i> | <i>121</i> |
| <i>NSP57 Salisbury estate car park</i> | <i><u>1,037</u></i> | <i><u>26</u></i> |
| <i>NSP58 96-120 Old Kent Road (Lidl store)</i> | <i>5,374</i> | <i>180</i> |
| <i>NSP59 Former petrol filling station, 233-247 Old Kent Road</i> | <i><u>870</u></i> | <i><u>24</u></i> |
| <i>NSP60 Kinglake Street Garages</i> | <i><u>750</u></i> | <i><u>21</u></i> |
| <i>NSP61 4/12 Albany Road</i> | <i><u>1,080</u></i> | <i><u>24</u></i> |
| <i>NSP62 Former Southern Railway Stables</i> | <i>6,248</i> | <i>103</i> |
| <i>NSP69 684-698 Old Kent Road (Kwikfit garage)</i> | <i><u>1,500</u></i> | <i><u>65</u></i> |
| <i>NSP70 636 Old Kent Road</i> | <i><u>900</u></i> | <i><u>42</u></i> |
| <i>NSP75 Rotherhithe Gasometer</i> | <i>9,597</i> | <i>160</i> |
| <i>NSP76 St Olav's Business Park, Lower Road</i> | <i>5,384</i> | <i>125</i> |
| <i>NSP79 Croft Street Depot</i> | <i>4,711</i> | <i>56</i> |
| <i>NSP80 Morrison's, Walworth Road</i> | <i>5,114</i> | <i>129</i> |
| <i>NSP81 330-344 Walworth Road</i> | <i>2,961</i> | <i>46</i> |
| <i>NSP82 Chatelaine House, Walworth Road</i> | <i>3,163</i> | <i>54</i> |
| <i>Total units on allocated sites of 1ha or below</i> | | <i>4,492</i> |
| <i>Total allocated units on sites below 0.25ha</i> | | <i>228</i> |

5.7. The Site Allocations Methodology Report (EIP82) confirms the number of homes to be delivered through the NSP site allocations is 36,369 homes. The Council will deliver 18,715 homes between 2018-2023 (years 0-5) and has planned to deliver 30,612 homes between 2023 and 2033 (years 6-15) (Paragraph 4.14). Therefore the delivery of 4,492 homes on sites no larger than 1ha comprises over 10% of our plan delivery this also exceeds 10% of our 10-year Publication London Plan (2020) target of 23,550 homes in accordance with the NPPF.

- 5.8. The Plan does not allocate small sites (less than 0.25ha) unless the site represents a particular opportunity for intensification as set out in the Site Allocations Methodology Report (EIP82) Chapter 3. Appendix 1 of the Report also sets out a list of sites that were omitted from the Site Allocations, a number of these were omitted due to the size, being a small site where acceptable redevelopment could be achieved under other NSP policies. Given the number of small sites in the borough, it is not realistic to allocate all of these in the Plan as they can be delivered under the NSP policies including design policies. As identified in the table above, 228 homes will be delivered on sites of less than 0.25ha through the plan.
- 5.9. Within our 5 and 15 year housing land supply report (SP105), in 0-5 years we use pipeline (planning approvals and starts on sites), we do not include windfall sites in this timeframe as these small sites have already received planning permission and are planned for or are already being built out and it may result in double counting if windfall sites are included.
- 5.10. Within our 5 and 15 year housing land supply report (SP105), in 6-15 years we use estimated windfall on past delivery to determine future delivery for small sites consistent with NPPF Paragraph 70. The Housing Trajectory on Page 31 (EIP27A) also sets out the windfall allowance for small sites of less than 0.25ha in the Borough. The 5 and 15 YHLS (SP105) Paragraphs 4.20-4.22 set out how the windfall allowance for small sites has been calculated and results in a contribution of 581 homes/year or 5,810 over the six to fifteen year period was assumed. This is broadly consistent with the Publication London Plan (2020) small sites target of 6,010 as determined through the Strategic Housing Land Availability Assessment. As set out in the Publication London Plan (2020) Policy H2, we will continue to pro-actively support well-designed new homes on small sites.

6. Question 3.6 and Question 3.42

3.6 What is the target for housing for older people falling within Class C2 of the Use Classes Order (as amended) and how does this relate to the benchmark provision identified in the London Plan?

3.42 How will the housing and accommodation needs of elderly persons be met in the Borough, both C3 housing (supported living etc) and C2 bedspaces? Is the plan justified in not seeking specific provision on allocated sites? (noting references to C2 provision on some sites has now been removed). Is there evidence that the market will provide this type of housing in the Borough on a 'windfall' basis?

Response

- 6.1. A target is not set for older people housing in the Plan (EIP27A). The Publication London Plan (2020) (EIP157, Policy H13 specialist older persons housing, table 4.3) sets an annual borough benchmark for specialist older persons housing 2017-2029 for Southwark of 65 units per annum. This is a benchmark rather than a target and covers a broad range of types of housing that can be used by older

people, within the C2 and C3 use classes as is made clear in the supporting text to the Publication London Plan (2020) Policy H13.

- 6.2. In conformity with the Policy H13 we will work positively and collaboratively with providers to identify sites which may be suitable for specialist older persons housing.
- 6.3. The Strategic Housing Market Assessment (SP107) identifies need for older people housing of 780 units required by 2029 which is based on the Publication London Plan (2020) evidence base: Assessing potential demand for older persons housing in London, GLA / 3 Dragons / Celandine, 2014 (proportions) and 2017 update (base figures).
- 6.4. The GLA studies do not breakdown their requirement into different types of accommodation for older people. Within the SHMA it uses the proportions calculated using the Housing Learning and Information Network's SHOP model to provide the breakdown of types accommodation required:
 - 559 (72%) should be sheltered (rent)
 - 18 (2%) sheltered (owned)
 - 49 (6%) enhanced sheltered (rent)
 - 38 (5%) enhanced sheltered (owned)
 - 116 (14%) extra care.
- 6.5. As regard to care homes and dementia provision, the number of people over 65 with dementia is forecast to reach 2,369 by 2030. Southwark has seen an overall reduction of 252 units (46%) of care home and dementia places since 2011 - an additional or improved 867 care beds are required by 2029.
- 6.6. The Housing Strategy (December 2020) (EIP156) has a thread throughout the four principles reinforcing our commitment to being an age-friendly and dementia friendly borough providing homes and neighbourhoods that will support people to live long and healthy happy lives in their own community (Pg 10).
 - Principle 1 (Pg 12) - we will review the demand for all forms of older people's housing and develop a joined up approach for older people, including ways to better support older people to downsize.
 - Principle 3 (Pg 21) - we commit to conducting a review of the demand for older people's housing and the council providing specific housing or facilities to meet particular needs.
 - Delivering additional extra/flexi care housing for older people, including a centre for people living with dementia and associated complex needs.
 - Delivering an Older People's Hub for people with social care needs, co-located on new extra care housing provision at Cator Street 2 development.

- 6.7. Work on delivering the commitments in Principles 1 and 3 in the Housing Strategy is undergoing and a board has been set up to plan for care home provision in the borough.
- 6.8. The confirmed pipeline in the Borough comprises:
- 50 extra care units - Cator Street
 - 99 residential nursing care – Burgess Park, Pickton Street, Camberwell (opening January 2022)
 - 54 extra care homes – Notting Hill, Aylesbury
- 6.9. In addition, general housing can accommodate the needs of older people, we require a range of unit sizes to be provided in developments under Policy P2 - new family homes, where the smaller 1 or 2 bedroom units can be accommodated by older people who would like to downsize.