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<b>Item No.</b> 6	<b>Classification:</b> Open	<b>Date:</b> 20 July 2021	<b>Meeting Name:</b> Planning Committee
<b>Report title:</b>		Article 4 Directions relating to demolition and change of use from commercial buildings to residential	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Director of Planning and Growth	

## 1. RECOMMENDATIONS

That the Planning Committee:

1. Approves non-immediate Article 4 Directions to withdraw the permitted development rights granted by Schedule 2, Part 3, Class MA of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) ('the GPDO') for changes of use from office use (Class E(g)(i)) to a dwellinghouse (Class C3) in the Central Activities Zone and railway arches in Southwark.
2. Approves immediate Article 4 Directions to withdraw the permitted development rights granted by Schedule 2, Part 3, Class MA of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) ('the GPDO') for changes of use from Commercial, Business and Leisure (Class E - except offices) to a dwellinghouse (Class C3) in the Central Activities Zone and railway arches in Southwark.
3. Approves immediate Article 4 Directions to withdraw the permitted development rights granted by Schedule 2, Part 3, Class MA of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) ('the GPDO') for changes of use from Commercial, Business and Leisure (Class E) to a dwellinghouse (Class C3) in the following locations:
  - Town centres including primary and secondary shopping frontages and New Southwark Plan Site Allocations inside town centres
  - Secondary shopping frontages outside of town centres
  - New Southwark Plan Site Allocations outside of town centres
  - New Southwark Plan proposed Strategic Protected Industrial Land
4. Approves immediate Article 4 Directions to withdraw the permitted development rights granted by Schedule 2, Part 20, Class ZA (amended) of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) ('the GPDO') (for demolition of commercial buildings and construction of new dwellinghouses in the following locations:
  - Central Activities Zone
  - Town centres including primary and secondary shopping frontages and New Southwark Plan Site Allocations inside town centres

- New Southwark Plan Site Allocations outside of town centres
  - New Southwark Plan proposed Strategic Protected Industrial Land
5. Notes the equalities impact assessment of the proposed Article 4 Directions (Appendix C).
  6. Delegates to the Director of Planning and Growth the arrangements for making the Article 4 Directions including compliance with the notification requirements under the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended).
  7. In the event of expected new legislation and updates to the Town and Country Planning (General Permitted Development) Order 2015 (as amended), delegates authority to the Director of Planning and Growth to update the wording of the new Article 4 Directions relating to Class ZA (from Class B1a-c to Class E(g)(i-iii)).

## 2. BACKGROUND INFORMATION

8. The changes to the Use Classes Order came into effect in September 2020 which amalgamated many uses which were formally contained in Class A1-A3 (retail), Class B1 (offices, research and development and light industrial) and Class D (leisure and community) into a new Class E and new Class F. Changes of use between any of the uses listed in Class E (ranging from certain retail, employment, health, leisure and education uses) no longer constitute development. Class E now contains the following provisions:
  - **E(a)** Display or retail sale of goods, other than hot food
  - **E(b)** Sale of food and drink for consumption (mostly) on the premises
  - **E(c)** Provision of:
    - **E(c)(i)** Financial services,
    - **E(c)(ii)** Professional services (other than health or medical services), or
    - **E(c)(iii)** Other appropriate services in a commercial, business or service locality
  - **E(d)** Indoor sport, recreation or fitness (not involving motorised vehicles or firearms)
  - **E(e)** Provision of medical or health services (except the use of premises attached to the residence of the consultant or practitioner)
  - **E(f)** Creche, day nursery or day centre (not including a residential use)
  - **E(g)** Uses which can be carried out in a residential area without detriment to its amenity:
    - **E(g)(i)** Offices to carry out any operational or administrative functions,
    - **E(g)(ii)** Research and development of products or processes
    - **E(g)(iii)** Industrial processes

9. Article 4 Directions relating to Use Classes before 1 September 2020 remain in effect until 31 July 2021. This applies to a number of Article 4s the council currently have.
10. The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 2) Order 2020, Part 1 Schedule 2 Part 20 introduced new permitted development rights which came into force on 31 August 2020. This included Class A, AA, AB, AC and AD which allowed “upward extensions” (subject to Prior Approval) to build additional storeys of residential on top of existing blocks of flats or detached or terraced commercial buildings or houses. The amendment also introduced Class ZA, which, subject to prior approval, permits the demolition of existing vacant buildings (vacant for a period of at least 6 months prior to the date of the application) and the construction of new dwellings being constructed in their place. The new permitted development right ZA applies to a single purpose-built detached block of flats and any other single detached building comprising either one or a combination of the former Class B1 (a-c) which includes offices, research and development and light industrial uses.
11. On 3 December 2020, the government published a consultation which included proposals for a new Use Class E to residential Permitted Development Right (PDR). This consultation closed on 28 January 2021. The Government’s intention behind these changes is to provide greater flexibility to meet the challenges of changing consumer behaviour, faster planning decisions, and the delivery of more homes to tackle the housing shortage. The consultation responses highlighted considerable concerns about the negative impact of this change.
12. On 31 March 2021, the government announced that it is introducing legislation for England to bring forward the new Use Class E to residential PDR from 1 August 2021, with some amendments from the consultation proposals. The proposal would allow all uses within Class E (commercial, business and service) to change to use Class C3 residential under a new class MA in the General Permitted Development Order (GPDO).
13. To take advantage of the PDR, applicants need to submit a Prior Approval application. Prior Approval is not a planning application because permission has been granted via the GPDO and so only certain conditions prescribed by law can be considered. The Prior Approval process contains a wider range of conditions than previously suggested in the original consultation (such as natural daylight, sustainability of conservation areas, incompatibility in industrial areas, impact on registered nurseries/health centres). There is a size limit of 1,500sqm and the premises must have been in commercial use for 2 years and vacant for three continuous months prior to an application for prior approval.
14. The local authority considers whether the proposal meets the requirements of the PDR conditions in determining the application, rather than applying planning policies. There is a statutory period of determination and if a decision is not made within 56 days prior approval is automatically granted

(unless an extension of time is formally agreed). The right will attract a fee of £100 per dwelling house, up to a maximum of £5,000. The PDR for Class E is only for changes of use and does not allow for operational development.

15. On 13 May 2021 the Government opened a technical consultation on the consequential changes to permitted development rights. This is predominantly to align the General Permitted Development Order 2015 (as amended) with the new Class E rights. It proposes to delete, amend or supersede many of the existing permitted development rights which relate to the old use classes. The consultation closed on 3 June 2021.
16. The recent government consultation on National Planning Policy Framework (NPPF) changes closed on 8 February 2021 and consultation responses are currently being analysed. The changes included a proposal to change paragraph 53 of the NPPF which deals with Article 4 Directions.
17. On 23 March 2021 the Housing, Communities and Local Government Committee launched a new inquiry to examine the Government's approach to permitted development rights. This included a call for evidence from interested parties. The first session of the Inquiry took place on 17 May 2021.
18. On 1 July 2021, the Secretary of State for Housing, Communities and Local Government issued a Written Ministerial Statement outlining the forthcoming wording for Article 4 Directions in the NPPF.
19. The new paragraph 53 of the National Planning Policy Framework will read:

*The use of Article 4 directions to remove national permitted development rights should:*

- *where they relate to change from non-residential use to residential use, be limited to situations where an Article 4 direction is necessary to avoid wholly unacceptable adverse impacts (this could include the loss of the essential core of a primary shopping area which would seriously undermine its vitality and viability, but would be very unlikely to extend to the whole of a town centre)*
  - *in other cases, be limited to situations where an Article 4 direction is necessary to protect local amenity or the well-being of the area (this could include the use of Article 4 directions to require planning permission for the demolition of local facilities)*
  - *in all cases, be based on robust evidence, and apply to the smallest geographical area possible.*
20. The Statement requires that Article 4 directions should be very carefully targeted, applying only to those locations where they are necessary to avoid wholly unacceptable adverse impacts. The geographical coverage of all Article 4 directions should be the smallest area possible to achieve the aim of the Article 4 direction. In respect of historic high streets and town centres, this is likely to be the irreducible core of a primary shopping area. It is very unlikely to be applicable to a broad area, and is not expected to be applied to

an entire local authority area. Local authorities will need to have robust evidence to justify the Article 4 direction and the area it covers.

21. In advance of the publication of the revised National Planning Policy Framework, the Statement requires local authorities to follow this new policy when they consider making new Article 4 directions so that they can assure themselves and their communities that the Article 4 direction is necessary and meets the higher threshold.
22. This report outlines the reasons for the geographical areas covered by the proposed Article 4 Directions in the relevant section. The evidence by the GLA also supports this approach (Appendix D). As required by the NPPF, the report justifies why, in the areas outlined, Article 4 directions are necessary to avoid wholly unacceptable adverse impacts on the CAZ, Southwark's town centres, secondary shopping frontages, railway arches, site allocations and industrial land. The maps of the areas affected are included in Appendix B.

### **3. ARTICLE 4 DIRECTIONS PROCESS**

23. An Article 4 Direction can be used to remove specific permitted development rights in all or parts of the local authority's area. It would not restrict development altogether, but instead ensure that development requires planning permission. A planning application for the proposal would need to be submitted that would then be determined in accordance with the development plan.
24. Article 4 Directions must apply to all uses within the relevant use class and it cannot restrict changes within the same use class.
25. The government's on-line National Planning Practice Guidance (NPPG entitled "When is permission required?") sets out guidance on the use of Article 4 Directions. The NPPG states that an Article 4 Direction to remove national permitted development rights should be limited to situations where this is necessary to protect local amenity or the wellbeing of the area. It also states that in deciding whether an Article 4 Direction would be appropriate, local planning authorities should identify clearly the potential harm that the direction is intended to address (paragraph 038).
26. Article 4 Directions can either be immediate or non-immediate depending upon when notice is given of the date on which they come into force. The process for making and confirming a non-immediate Article 4 Direction is as follows:
  - *Stage 1 (the current stage) - The council decides whether to go ahead and introduce a Direction setting a date in the Notice for when the Direction will come into force which must be at least 28 days and no more than 2 years after representations can first be made, which is usually after the last publication/service date;*
  - *Stage 2 – Publication/Consultation stage. The council:-*
    - 1) *publishes the notice of direction in a local newspaper;*

- 2) *formally consults with general members of the public and the owners and occupiers of every part of the land within the area or site to which the Direction relates over a period of at least 21 days;*
  - 3) *and places notices up on site for 6 weeks;*
- *Stage 3 – On the same day that notice is given under Stage 2 above, the council refers its decision to the Secretary of State who has wide powers to modify or cancel a Direction;*
  - *Stage 4 – Confirmation Stage - The council cannot confirm the Direction until after a period of at least 28 days from publication/service of the Notice. Once a Direction has been confirmed, the council must give notice of the confirmation in the same way as it gave notice of the initial direction, and must specify the date that the direction comes into force. A copy of the direction as confirmed must also be sent to the Secretary of State.*
27. The process for making and confirming an immediate Article 4 Direction is as follows:
- *Stage 1 (the current stage) - The council makes an Article 4 Direction withdrawing permitted development rights with immediate effect;*
  - *Stage 2 – Publication/Consultation stage. The council:-*
    - 1) *publishes the notice of the Direction in a local newspaper;*
    - 2) *formally consults with general members of the public and the owners and occupiers of every part of the land within the area or site to which the Direction relates over a period of 21 days;*
    - 3) *and place notices up on site for not less than six weeks;*
  - *Stage 3 – On the same day that notice is given under Stage 2 above, the council refers its decision to the Secretary of State who has powers to modify or cancel a Direction.*
  - *Stage 4 –Confirmation Stage - The Direction comes into force on the date on which the notice is served on the owners/occupiers of the land. The council has between 28 days from the date of when the notice comes into effect and six months to decide whether to go ahead and confirm the Direction, taking into account any representations which have been received. If confirmation this does not happen within six months, the Direction will lapse.*

#### **4. COMPENSATION**

28. In some circumstances the council can be liable to compensate developers or landowners whose developments are affected by Article 4 Directions. Local planning authorities are liable to pay compensation to landowners who

would have been able to develop under the permitted development rights that an Article 4 Direction withdraws, if they:

- Refuse planning permission for development which would have been permitted development if were not for an Article 4 Direction; or
  - Grant planning permission subject to more limiting conditions than the GPDO would normally allow.
29. Compensation may also be claimed for abortive expenditure or other loss or damage directly attributable to the withdrawal of permitted development rights. 'Abortive expenditure' includes works carried out under the permitted development rights before they were removed, as well as the preparation of plans for the purposes of any work.
30. Loss or damage directly attributable to the withdrawal of permitted development rights would include the depreciation in the value of land or a building(s), when its value with the permitted development right is compared to its value without the right.
31. However, the compensation arrangements differ for cases where a development order in respect of prescribed development is being withdrawn. The definition of prescribed development can be found in regulation 2 of the Town and Country Planning (Compensation) (England) Regulations 2015 (as amended). In cases such as these compensation is not payable if the following procedure is followed, as set out in section 108 of the Town and Country Planning Act:
- The planning permission withdrawn is of a prescribed description as set out in the Town and Country Planning (Compensation) Regulations 2015 (as amended).
  - The permitted development right is withdrawn in the prescribed manner.
  - Notice of withdrawal is given in the prescribed manner:
    - Not less than 12 months before it takes effect.
    - Not more than the prescribed period of two years.
32. Permitted development rights granted by Schedule 2, Part 3, Class MA and Part 20 Class ZA are prescribed development, which means that compensation may be payable for 12 months from the date that the immediate Direction comes into force. If more than 12 months notice of the withdrawal were given no compensation would be payable as in the case of the non-immediate Directions proposed for Class MA (Class E(g)(I) offices in the CAZ and railway arches.

## **5. PLANNING APPLICATIONS**

33. If permitted development rights are withdrawn and planning permission is required, the council would be obliged to determine the proposal in accordance with the development plan unless material considerations indicate otherwise. In Southwark's case, the development plan includes the



London Plan, the Core Strategy, saved policies in the Southwark Plan and adopted area action plans. The New Southwark Plan will replace the Core Strategy and Southwark Plan once it is adopted.

## 6. EFFECT ON EXISTING ARTICLE 4 DIRECTIONS

34. The new permitted development right for Class MA will replace Class O and part of Class M as they previously related to the change of use of office and retail premises to dwellings. Through the technical consultation, the Government propose to amend the Class M PDR to continue to allow the change of use from hot food takeaways, betting offices, pay day loan shops or launderette (which are sui generis uses) to residential C3 use. The right will provide for prior approval on the adequate provision of services only as a launderette. All other details remain unchanged, including the lower maximum 150sqm size limit. The Article 4 Direction relating to change of use from Class M (including hot food takeaways, betting shops, pay day loan shops or laundrettes) to residential use in railway arches will continue to apply.
35. The GPDO legislation provides that any existing Article 4 Directions which protects office floor space (previously B1a) from being converted to residential (C3) will remain in effect until 31 July 2022. The following Article 4 Directions will remain in place until 31 July 2022 when they will be replaced by the proposed non-immediate directions proposed in this report.
  - Change of use from **offices** to residential in the **CAZ**
  - Change of use from **offices** to residential in **railway arches**
36. The council's existing Article 4 Directions relating to the following will expire on 31 July 2021 and will be replaced by the immediate Article 4 Directions for Class MA as proposed in this report.
  - Changes of use in **town centres** (these directions were affected by the use classes changes in 2020 and updates to the General Permitted Development Order)
  - Changes of use from **light industrial** to residential in site allocations and industrial land (PDR rights Class P and PA relating to Class B1c (light industrial) and B8 (storage and warehousing) have already expired, however light industrial uses will now be able to change to residential under the new Class E to C3 PDR Class MA).
  - Changes of use from light industrial and storage (B1c) and distribution uses (B8) to residential in **railway arches** has already expired. Changes of use from Class M (retail) to residential in railway arches will partially be replaced by the Class MA Direction which will capture the update to Class E (retail uses). The Class M Article 4 Direction in railway arches insofar as it relates to betting shops, payday loan shops, laundrettes and hot food takeaways will still apply.

37. The council's existing Article 4 Directions relating to the following will remain in place and unaffected by the changes:
- Demolition, change of use or alteration of **pubs**
  - **Heritage** Article 4 Directions (Sunray Estate and the Old Southern Railway Stables and Forge)
  - Change of use from dwellings to **Houses in Multiple Occupation** in Bywater Place and Henshaw Street

## 7. PRIOR APPROVAL

38. Prior approval is an application to discharge the conditions pertaining to the PD right so the scope of the issues which are material to the prior approval application are fixed and fixed exclusively by the terms of the order. Therefore, no consideration can be given to the statutory development plan or the National Planning Policy Framework (NPPF) unless the GPDO specifically provides for this.
39. Below are the list of conditions required to be assessed under prior approval for Class MA:
- the impact of that change of use on the character or sustainability of the conservation area;
  - transport impacts of the development, particularly to ensure safe site access;
  - contamination risks in relation to the building;
  - flooding risks in relation to the building;
  - impacts of noise from commercial premises on the intended occupiers of the development;
  - where
    - the building is located in a conservation area; and
    - the development involves a change of use of the whole or part of the ground floor,
    - the impact on the local provision of the type of services lost.
  - the provision of adequate natural light in all habitable rooms of the dwelling houses;
  - the impact on intended occupiers of the development of the introduction of residential use in an area the authority considers to be important for general or heavy industry, waste management, storage and distribution, or a mix of such uses; and
  - where the development involves the loss of services provided by a:
    - registered nursery; or
    - health centre maintained under section 2 or 3 of the National Health Service Act 2006
40. In addition, developers will need to submit a floor plan showing the total floor space in square metres of each dwelling house. This will be subject to the national space standards requirements. There is a requirement to notify adjoining owners and occupiers of the intended change of use.

41. The list of conditions for Class MA of the GPDO is substantially longer and more ambiguous than the existing classes (O and M – offices and retail to residential). Some of the prior approval assessment conditions are ambiguous and would normally require a matter of judgement based on amenity policies in the local plan. However these conditions will now become a matter of law some which may require legal definition. The confusion surrounding these points (and others) could result in refusals, more appeals, more litigation, and the intended benefits of the PDR never being realised.
42. For Class ZA (relating to demolition of flats or commercial buildings), where the existing building is situated on land that forms part of a conservation area, a site of special scientific interest; or the building is listed or on land within its curtilage or a scheduled monument or land within its curtilage, it does not benefit from permitted development. The existing building must have been constructed before 31 December 1989 and the footprint must not exceed 1,000 square metres and the height must not be greater than 18 metres or 7 metres higher than the existing building (whichever is lower). Further restrictions are detailed in the legislation.
43. The Town and Country Planning (Use Classes) (Amendment) England Regulations 2020 Regulation 3 provides for a “material period” for the transition of the former use classes to the new use classes which expires on the 31 July 2021. The new Article 4 Direction for Class MA refers to the new legislation that will be in place from 1 August 2021. The Government’s technical consultation outlined the changes that were suggested for Class M and Class ZA to take into account the new Town and Country Planning (Use Classes) Order 1987 (as amended 2020). However the results of the consultation have yet to be published and new legislation has not yet been made.
44. The only amendment to Class ZA proposed in the technical consultation indicated that *‘Minor technical changes will be made to update the right to align with the current use classes: E (g). All other details remain unchanged’*. It is considered appropriate therefore to make an Article 4 Direction prior to 31 July 2021 with reference to the existing use classes. If the legislation is updated before 31 July, the recommendations include that Committee approve delegated authority to update the wording of the Article 4 Direction to change the reference to the new use classes proposed.
45. Class M currently allows for the change of use of, shops (A1), financial and professional services (A2), and hot food takeaways (A5) betting office, pay day loan shop or launderette, to residential (C3). There is currently a size limit on this of maximum 150sqm. Premises for the display or retail sale of goods, and financial, professional, or other services now fall within Class E and therefore benefit from the Class MA right (maximum 1,500sqm size limit). However through the technical consultation, the Government propose to amend Class M right to continue to allow the change of use from hot food takeaways, betting offices, pay day loan shops or launderette to residential C3 use. The right will provide for prior approval on the adequate provision of services only as a launderette. All other details remain unchanged, including

the lower maximum 150sqm size limit. This permitted development right will continue to be restricted in railway arches based on the council's current Article 4 Direction in place.

46. There is no exemption from CIL from PDR but usually the in-use building exemption will apply if at least part of the building has been occupied for a lawful use for at least six months continuously in the last three years.

## **8. KEY ISSUES FOR CONSIDERATION**

### **NEW SOUTHWARK PLAN**

47. The New Southwark Plan ('NSP') was submitted to the Secretary of State for Examination in January 2020. Subsequently two independent planning inspectors were appointed to examine the Plan and the Examination in Public took place from February to April 2021. The council is preparing to consult on the Main Modifications to the NSP over the summer. Since the plan was submitted, significant changes were made to legislation relating to the Use Classes Order and the council has subsequently proposed changes to policies to ensure the Plan is up to date.
48. The council was required to submit evidence on strategic matters to ensure the plan is sound. This included ensuring the council had clear and justified targets based on evidence of need for future office, industrial and retail provision in the borough.
49. The following sections focus on the evidence base and associated risks relating to PDR for the different areas of the borough for which the Article 4 Directions are proposed. These draw on the evidence base recently examined in detail by the Inspectors at the Examination in Public. The references to evidence base are included as reference numbers as they appear on the Examination webpages for the New Southwark Plan. The introduction of permitted development rights to change Class E premises to residential would undermine the council's ability to proactively implement the NSP policies as recently examined and meet its identified strategic targets for commercial development and affordable housing.

### **CENTRAL ACTIVITIES ZONE**

#### **OFFICES**

50. The Central Activities Zone (CAZ) covers London's geographic, economic and administrative core. The CAZ is an internationally and nationally significant office location and a key driver of the London and UK economy. The recently adopted London Plan shows the CAZ is projected to need to accommodate more than 367,000 additional office jobs and 3.5 million sqm

of office floorspace over the period 2016-2041 London-wide. This accounts for 59% of the total office employment growth in London overall (Table 6.1). Policy SD5(E) of the London Plan states the Mayor will work with boroughs and support them to introduce Article 4 Directions to remove office to residential permitted development rights across the whole of the CAZ.

51. In Southwark the CAZ incorporates Bankside, Borough, London Bridge and Elephant and Castle. It contains two London Plan designated opportunity areas: Bankside, Borough and London Bridge and Elephant and Castle. These are areas in which significant growth is expected as outlined in the London Plan and New Southwark Plan growth targets.
52. The CAZ contains over 80% of the total office jobs within Southwark. The majority of new office space planned for to meet current projected demand would be delivered in the CAZ. The main forecast demand is for a significant volume of Grade A office space with increasing demand for this space to respond to flexible working, natural light, technology-enabled and stylish design trends. The Southwark Employment Land Study (2016) recognises that flexible and smaller business uses are required in the Bankside and Borough employment land cluster, to ensure vital support space is not being lost.
53. Southwark's Economic Wellbeing Strategy 2017-22 seeks to make Southwark a place where businesses thrive and prosper. The strategy notes the scarcity of land for business in the borough, the need for new office space and the pressure for residential development. The strategy sets out to protect the functions of the CAZ and encourage growth in areas within and connected to the CAZ with a balance of uses providing a mix of homes, employment, commercial and leisure opportunities.
54. The council has been collaborating with the GLA and other boroughs to make Article 4 Directions to cover the CAZ as supported by the Mayor of London and the London Plan. Strategic evidence prepared by the GLA is endorsed by Southwark in the making of this Article 4 Direction and is attached as Appendix D.
55. The Article 4 Direction is proposed in recognition of the significant economic function of the CAZ and the need to retain and grow office space to support projected demand in Southwark and in the wider London context. This report sets out the justification for a non-immediate Article 4 Direction which is recommended to come into force from 1 August 2022 when the existing Article 4 Direction for offices will expire.
56. As set out below, permitted development rights for the change of use from office to residential in Southwark's CAZ would have implications for office locations of great significance to London and the UK's economy. Southwark's CAZ is often referred to commercially as part of the now well recognised South Bank office market. The nationally significant stock of office space provides a unique concentration of businesses contributing to employment

growth. Demand for new office space is already outstripping supply from both existing and permitted office space.

### **Office floorspace growth**

**NSP Target (Amended Policy SP4): Deliver 460,000sqm office floorspace between 2019 and 2036 (equating to around 35,500 jobs)- Around 80% of new offices will be delivered in the Central Activities Zone.**

57. The Southwark Employment Land Study 2016 indicates that 460,000 sqm of net additional office employment floorspace is needed, principally large office space in the CAZ. Many allocation sites contain existing employment floorspace. In the CAZ site allocations, the NSP policy requires the re-provision of the existing quantum of employment space as a minimum or 50% of the total floorspace, whichever is greater.
58. 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 NSP. In the CAZ vision areas of Bankside/Borough, London Bridge, Blackfriars Road and Elephant and Castle site allocations, 445,130 sqm (net provision of 211,103 sqm) of office floorspace is expected to come forward on the site allocations.
59. Planning applications in Elephant and Castle are also resulting in a significant net uplift in office floorspace including a combined total of 27,542sqm net increase (Skipton House 18/AP/4194 and 5-9 Rockingham Street 19/AP/0750).
60. In addition, 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 66,595sqm (115,342sqm) in gross floorspace) if planning permission is granted for those schemes.
61. In the CAZ, the re-provision or uplift of employment floorspace is a 'must' requirement in the site allocations due to the priority of delivering office floorspace in the CAZ based on evidence of demand. Housing is a 'should' which encourages mixed use development where the re-provision or uplift of employment floorspace can be achieved. Our housing requirements are met through Site Allocations which 'must' provide housing. The council does not rely on site allocations which 'should' provide housing to meet its housing land supply targets. The council's five and fifteen year housing land supply (EIP198a) shows that Southwark has a sufficient supply of land to meet its five year housing requirement of 14,665 net homes including a 20% buffer brought forward from later in the plan period, with a surplus of 1,165 homes. Southwark also has a sufficient supply of land to meet its six to fifteen year housing target of 23,550 net homes, with a surplus of 9,860 homes.

62. The New Southwark Plan contains allocations for development sites in the CAZ requiring an uplift in office floorspace to meet these targets alongside the delivery of new homes. Some of these sites contain existing offices and their conversion to residential could prevent comprehensive redevelopment.
63. Offices are central to providing employment in Southwark both for residents and workers across a much wider area. Overall job numbers are highly dependent on the CAZ and its vicinity as is the high level of jobs growth seen in recent years. Offices account for the majority of future jobs forecast and this expansion of employment would be undermined by the uncontrolled loss of offices to residential.

### Employment and jobs

**NSP Target (Amended Policy SP4): 58,000 total jobs between 2019 and 2036 including at least 1,000 new green jobs through the Southwark Green New Deal. The targets for the distribution of jobs in the CAZ are:**

Borough, Bankside and London Bridge Opportunity Area	10,000
Elephant and Castle Opportunity Area	10,000

64. These are broadly consistent with the Opportunity Area targets in the London Plan however the NSP contains a target to deliver in excess of the jobs distribution reflected in the London Plan for the CAZ, which is reflected above. The net increase of office floorspace projected for the CAZ vision areas is 298,645sqm. Using the Employment Densities Guide (2015) average employment density for offices of 11sqm per employee, this could generate up to 27,150 office jobs. Additional jobs would come forward in retail, leisure arts and community sectors.
65. 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.
66. The London Labour Market Projections 2017 report, Southwark employment is projected to grow 0.89% per annum 2016-2041 (2,850 jobs pa). The evidence base relating to jobs and growth and the need for employment/land floorspace is contained within SP412 (Employment Land Review,

2016).(ELR). 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).

67. 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.
68. 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.

## **HISTORICAL TRENDS AND PLANNING APPLICATIONS**

69. 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).
70. 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.



71. 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.
72. The London Office Policy Review (LOPR) (Ramidus Consulting Limited in association with CAG Consulting. Greater London Authority; June 2017) 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.
73. 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.

74. 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.
75. 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 identified demand.
76. 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.

## **SECTORS AND AGGLOMERATION BENEFITS**

77. 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.
78. The Southwark Employment Land Study (ELS) 2016 identifies the Southwark CAZ as being part of the principal economic cluster for professional scientific and technical services in London. It has attracted professional and business services such as legal and accountancy services, advertising and market research which will continue to grow as a sector.
79. Many of the businesses within Southwark's CAZ come together in Business Improvement Districts (BIDs): Team London Bridge, Better Bankside, South Bank and We Are Waterloo. When the council successfully sought the exemption for the CAZ in the GPDO in 2013, BIDs wrote in support of the application. The council also received letters from Better Bankside and We are Waterloo BIDs in support of an Article 4 Direction to maintain planning controls for office to residential conversions in 2018.
80. The concentration of large numbers of office-based businesses in Southwark's CAZ leads to increased productivity, access to a large pool of labour, collaboration, and transfer of knowledge, innovation and technology between businesses. Along with the character and reputation of the CAZ this improves the competition, efficiency and global competitiveness of Southwark, London and the UK. This agglomeration is boosted by exceptional levels of transport connectivity.

81. The Southwark ELS (2016) describes how the improvement of the environment in Southwark's CAZ in recent years, the Jubilee Line extension, development of large scale offices and the local cultural offer have supported the growth of professional and creative business clusters. Developments at Bankside, More London, The Place and The Shard have added 550,000 sqm of prime office space to help create a critical mass for agglomeration.
82. An Article 4 Direction would allow planning controls to maintain the concentration of businesses which add to the character and amenity of Southwark's CAZ as well as underpinning economic activity and wellbeing.

## **CONTRIBUTIONS TO STRATEGIC INFRASTRUCTURE**

83. Change of use from office to residential without planning permission in Southwark's CAZ would undermine contributions to strategic infrastructure. The impact on funding could be significant given the amount of potential future office space. The GLA has highlighted the success of the Mayoral Community Infrastructure Levy (CIL) 1 and MCIL 2 (excluding Elephant and Castle OA) to fund strategic transport infrastructure, namely Crossrail and Crossrail 2, essential to supporting the agglomeration of business functions in the CAZ and their contribution to the local and national economy and employment.
84. Development granted planning permission must also pay Southwark CIL to help fund strategic health, education, parks and transport infrastructure. This will include the extension of the Bakerloo Line, enabling delivery of 20,000 homes and 10,000 jobs in Old Kent Road as well as growth in New Cross and Lewisham. It will transform connectivity in south-east London, increase the capacity and resilience of London's transport network and provide opportunities for improved wellbeing and enhanced local amenity for quality of life. The potential for business rate retention will also make an important contribution to strategic infrastructure funding packages in the future, including the Bakerloo Line extension. This funding would be reduced by the loss of office floorspace and potential loss of higher density mixed use redevelopment.

## **CONTRIBUTION TO ECONOMY**

85. Offices in Southwark's CAZ contribute to the economy both within and far beyond the local area. The GLA has compiled strategic evidence to support the introduction of Article 4 Directions in the CAZ for office to residential permitted development rights (Appendix D). It calculates that in 2019 the output of the CAZ and Northern Isle of Dogs combined was £214 billion, accounting for almost half of London's output and around 11 per

cent of UK output. Southwark is an economically competitive borough and contains a large portion of the South Bank office market.

86. The strength of the office-based economy in Southwark's CAZ is underpinned by its strategic location. Businesses can access major transport hubs at Waterloo, Elephant and Castle and London Bridge and are well connected to the City, Midtown and West End markets north of the river. Major international firms from a range of sectors have taken up premises in the area including business and professional services.
87. The strategic evidence provided by the GLA concludes that the CAZ provides an irreplaceable contribution to the prosperity of the UK thanks to established policy support for offices. Offices in Southwark's CAZ bring the opportunities provided by strategic economic activity close to residents. There are deprived areas in the north of the borough and their proximity to the CAZ provides opportunities for those most in need. An Article 4 Direction would prevent harm to economic wellbeing locally, city-wide and nationally.

## **CENTRAL LONDON OFFICE MARKET TRENDS**

88. The stock of office space in Southwark's CAZ is substantial and has grown in recent years to accommodate a variety of businesses in growing clusters benefitting from agglomeration and providing employment as well as supporting the national economy. Office space in the CAZ has been growing since 2000 and now amounts to almost 20 million sqm, which is over a fifth of the UK's total. The Southwark ELS indicates that the borough's office stock grew from 1 to 1.3 million sqm between 2000 and 2012 due to the regeneration of the South Bank and delivery of More London as well as smaller schemes. The CAZ and the Northern Isle of Dogs are projected to accommodate a net increase of 367,000 jobs and 3.5 million sqm (GIA) office space over the period 2016-2041 (LOPR, 2017, London Plan Policy SD5).
89. Despite the expansion of office stock long term projections underpinning both the London Plan and New Southwark Plan point to demand outstripping supply. The Southwark ELS reasons that the regeneration of Southwark's CAZ will continue to strengthen its appeal for business and that there are positive underlying drivers of demand for office space. The sensitivity of location underlines the need to protect office stock that is already in highly suitable locations for business.
90. Clearly these trends must be considered in light of the ongoing COVID-19 pandemic. Most offices have now been closed for 16 months however as restrictions are easing some are gradually reopening. Whilst many organisations are considering changes to their working practices and future use of office spaces, it is difficult to predict the future trends of the market based on the unprecedented uncertainty from the pandemic.

91. Union Street Partners have continued to produce a quarterly research report on the take-up and investment trends in the South Bank office market. In their latest (April 2021) research report states that take-up levels for Quarter 1 were very subdued with just 36,209 sqft transacting across 9 deals, down 54% quarter on quarter and nearly 4 times lower than Q1 2020. The South Bank market has been very quiet whilst the country remained in lockdown and USP report it is difficult to pull out any specific trends.
92. USP report that *“internal viewing numbers do however paint an improving picture of activity and we are witnessing an increase in negotiations across multiple size brackets. Despite a cautious start viewing numbers are back to pre-pandemic levels and in March we recorded a record month of viewings, evidence that there is market activity of which we hope will translate into deals as the year progresses. The pandemic has made companies re-think the way they live and work with agility being key for larger occupiers along with flexibility. The serviced office market has suffered a turbulent 12 months with the sector usually accounting for a quarter of office Take-up per year (five-year average). As occupiers continue to strategise there will be a need for short term flexible office space.”*
93. In 2018, USP reported that the availability rate in the South Bank office market is 3.4%, well below the recommended 8% vacancy rate for efficient market operation and lower than the rates for the West End, Midtown and City. In 2021, USP report that availability levels have nearly doubled since the start of the global pandemic (now at 6%).
94. USP report that *“the increase in available space this quarter has been driven by the Second-hand Grade A market (up 28% quarter-on-quarter) with little additional refurbished space coming to the market and a reduction in Grade B space which is likely driven by landlords withdrawing poorer space with the aim of refurbishing it. There remains no true brand-new space immediately available to occupy on the South Bank with no new buildings coming to the market since Q4 2019. This is set to change during the year with six buildings due to complete adding 396,391 sq ft of new or significantly refurbished available space to the market. Most of this space will complete in the next six months. Currently 79% of available stock on the market and immediately available is second-hand so the arrival of the newly refurbished office space will increase the choice of top-quality accommodation for occupiers.”*
95. The council has continued to see major large scale office development proposals in the planning pipeline in the CAZ over the duration of the pandemic, with schemes such as 25 Lavington Street (20/AP/1009) for 50,000sqm office floorspace gaining approval subject to S106 agreement at Planning Committee in December 2020. 19/AP/0830 Landmark Court for 19,500sqm offices was approved with S106 in January 2021.

27,000sqm offices above Southwark Underground station (NSP17, 20/AP/1189) were approved subject to S106 at Planning Committee in March 2021. Lend Lease have also recently submitted proposals for a large scale office development (50,000sqm) on Plot H1 at Elephant Park (21/AP/1819) which demonstrates continued appetite for building new Grade A office space. This indicates some continued faith in the office market for the future by developers. A mixed use development including offices and retail is under construction at 185 Park Street (NSP03, Bankside area). On site allocation NSP16 (Blackfriars Road area) mixed use development including offices is under construction at Sampson House and Ludgate House. On site allocation NSP19, a hotel and office development is under construction at 18 Blackfriars Road.

96. Within this context there is still a concerning threat to office space and office-based businesses posed by the competing demand for homes. The GLA's London Office Policy Review (2017) highlights the pressure for residential development with little likelihood of change in the future. The Southwark ELS demonstrates that projected housing growth will negatively impact employment floorspace. The London Plan (para 6.1.6) states that outside the exemption zones, more than 1.9 million sqm of office space had received prior approval to change to residential by March 2018, mostly in town centres in west and south London and in areas around the CAZ fringe. There are concerns that office to residential permitted development rights are having a disproportionate impact on occupied office floorspace and on SMEs and it could undermine the potential to deliver significantly more housing through more intensive forms of mixed use development, particularly in town centres.
97. Existing small and secondhand office premises are more likely to be at risk from office to residential permitted development rights as they would be more readily converted into flats compared to large floorplate or new recently fitted out offices. These are likely to be occupied by the small and micro enterprises who are at the most risk of displacement by rising rents and lack of availability of workspace. This reduces the availability of low cost workspace (as required by Policy E2 of the London Plan) and limits the availability of affordable workspace in the borough.
98. The delivery of new offices is also put at risk. The ELS forecasts a high need for new Grade A, large floorplate office space to serve the professional services market where there is little available supply at present. These offices will require the delivery of strategic scale development in Southwark's CAZ. The profile of opportunity sites identified during the preparation of the New Southwark Plan suggests that suitable sites will usually have an existing employment land-use, often offices. Opportunistic conversion of these offices to residential could undermine their comprehensive redevelopment to achieve greater levels of new office provision alongside new homes. The pipeline of existing planning permissions and site allocations in the NSP illustrates that sites with existing offices are coming forward for redevelopment to provide improved office space. The New Southwark Plan allocates sites to

achieve the delivery of new office space in the CAZ and their delivery could be undermined by permitted development rights where these prevent sites with existing offices being available for comprehensive redevelopment. Sites that are within the CAZ are recognised in the plan as being the most in demand for office delivery and are required to contribute to this growth by providing an increase in the amount of employment floorspace.

## **OFFICE AND RESIDENTIAL VALUES**

99. The profits that could be realised would provide a strong incentive for conversion from office to residential under permitted development rights due to differences in value between the land uses. The GLA's strategic evidence (see Figure E.5, Appendix D) suggests that average residential values exceed average office and retail values in central London. In inner London, average residential values are typically greater than average office and retail values.
100. The Southwark ELS 2016 discusses the threat of high value residential in Southwark's CAZ creating pressure to convert and for businesses to have to relocate out of the borough or occupy poorer quality space. The study identifies a problem with office rental values dropping away from the riverside putting the second tier businesses that support the highest value CAZ firms at risk. It also draws attention to the risk to any future supply if potential development land can be outbid by residential developers. This would be exacerbated if residential could be established as the existing use through the tactical use of the permitted development rights. This is particularly a risk for smaller offices and workspaces vital to SMEs which are most at risk from conversion to residential. There is therefore a high likelihood of the harm to the economy, agglomeration, strategic infrastructure delivery, employment and the market for smaller office spaces, makerspaces and units offering low cost and affordable workspace for start-ups and SMEs. The GLA highlight the cumulative nature of this impact that requires management through a planned approach to office and residential development in the CAZ.

## **CENTRAL ACTIVITIES ZONE: OTHER CLASS E USES**

101. Southwark's part of the CAZ contains the two Opportunity Areas of London Bridge, Bankside and The Borough, and Elephant and Castle. It also contains the two district town centres of London Bridge and Borough and Bankside and the major town centre of Elephant and Castle. Throughout the preparation of the NSP, the council has proposed extensions to some town centres and protected shopping frontages. This is to include important retail areas which contribute to the vitality of the town centre, for the day and night-time economies.

## Retail, leisure and community uses in Class E

The NSP Target (Amended Policy SP4) for net new retail floorspace between 2019 and 2036 is 76,670 sqm, (6,560sqm convenience retail, 42,130sqm comparison goods retail, 27,980sqm food and beverage).

The targets for the distribution of the retail floorspace that include the CAZ are:

Elephant and Castle Major Town Centre	10,000sqm
CAZ and district and local town centres	19,670sqm

102. NSP Table 1B supporting Policy SP1b demonstrates how retail, leisure and community floorspace is expected to change based on the capacities identified in site allocations within 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.
103. In the CAZ vision areas of Bankside/Borough, London Bridge, Blackfriars Road and Elephant and Castle site allocations, 66,143sqm (net provision of 34,518sqm) of retail, community and leisure floorspace is planned to come forward on the site allocations in the CAZ.
104. CAZ Site Allocations identify opportunities or require retail, leisure and community uses where they could improve streets and strengthen centres with active frontages. In some instances, re-provision of specific existing uses is required. The NSP includes a new definition of retail and community uses and has removed reference to the old use classes to ensure the definition is clear and up to date about the uses that are required.

### Retail, community or leisure uses:

- E(a) Display or retail sale of goods, other than hot food
- E(b) Sale of food and drink for consumption (mostly) on the premises
- E(c) Provision of:
  - E(c)(i) Financial services,
  - E(c)(ii) Professional services (other than health or medical services),
  - or
  - E(c)(iii) Other appropriate services in a commercial, business or service locality
- E(d) Indoor sport, recreation or fitness (not involving motorised vehicles or firearms)
- E(e) Provision of medical or health services (except the use of premises



attached to the residence of the consultant or practitioner)

- E(f) Creche, day nursery or day centre (not including a residential use)
- F1(b) Display of works of art (otherwise than for sale or hire)
- F1(c) Museums
- F1(d) Public libraries or public reading rooms
- F1(e) Public halls or exhibition halls
- F1(f) Public worship or religious instruction (or in connection with such use)
- F1(g) Law courts
- F2(b) Halls or meeting places for the principal use of the local community
- F2(c) Areas or places for outdoor sport or recreation (not involving motorised vehicles or firearms)
- F2(d) Indoor or outdoor swimming pools or skating rinks
- Appropriate sui generis town centre uses (for example: public house, wine bar or drinking establishment, a venue for live music performance, a cinema, a concert hall, a bingo hall, a dance hall, subject to site specific circumstances)

105. The loss of retail, community and leisure uses would undermine the strategic priorities of the CAZ, namely arts, culture, leisure, entertainment, retailing, tourism and specialist egic functions of the CAZ. Due to the unique and significant role of the CAZ in London and the UK as a whole, it is important to plan residential development carefully. Permitted development rights would result in an ad hoc approach to housing provision which could impact on the strategic functions of the CAZ and could lead to overall amenity issues for future residents.

### **Industrial and research Class E uses**

106. As noted in paragraphs 69-76, there has historically been a change from the amount of industrial land located in the CAZ and has been redeveloped as the role of central London has changed to match changing market trends towards office space. However industrial premises that do still function in the CAZ have changed to accommodate small workshops, maker spaces and small-scale manufacturing. These would now fall under Class E (g)(iii) and would be at risk from permitted development conversions to residential. The CAZ also contains some Class E (g)(ii) uses (research and development) which contribute to world class research emerging from the heart of London. The loss of research uses would undermine the strategic priorities of the CAZ, namely uses connected with science, technology of regional, national and international importance, centres of excellence for higher and further education and research, centres of medical excellence and associated specialist facilities (London Plan, para 2.4.4). An example would be the London Bridge Health Cluster (NSP49) which includes health, research and education facilities associated with Guys and St Thomas Hospital.

## TOWN CENTRES

### Site Allocations and Growth Targets

107. The London Plan projects that 18% employment growth (109,400 office jobs and 1.1 million sqm office floorspace) is projected in Inner London (outside CAZ) (Table 6.1). As an Inner London borough containing part of the CAZ, Southwark is importantly placed to deliver substantial office growth in its part of the CAZ and in other key office locations in the borough, including our town centres outside the CAZ. Policy E1 of the London Plan supports the retention of existing viable office floorspace capacity outside the CAZ, supported by borough Article 4 Directions where appropriate, facilitating the redevelopment, renewal and re-provision of office space where viable.
108. 12% of the approvals application data for changes to B1 floorspace were a result of prior approvals and permitted development to change the use of B1a office or B1c light industrial floorspace to residential. This has resulted in -16,502sqm of losses of B1 floorspace over the period 2011/2012 – 2018/2019.
109. There has been a significant loss of office floorspace in Southwark and across London due to permitted development rights. This is owed to the implementation of permitted development rights permitting the change of use from residential to office floorspace. The CAZ was originally exempt from the office to residential permitted development right when it was first introduced in 2015. This exemption was subsequently lifted, and the CAZ boroughs (including Southwark) made Article 4 Directions in 2018 to continue to protect the CAZ from office to residential permitted development rights. Therefore these losses relate to the impact of the permitted development right (Class O – offices to residential) outside of the CAZ.
110. Furthermore the trends indicating a loss of B use class is further outlined in paragraphs 69-76. This sets out the growth in permitted development approvals for conversions since October 2015 when the PDR was made permanent. Since 2011 there has been a significant decrease in (former) Class B1 floorspace approvals and completions.

**NSP Target (Amended Policy SP4): Providing at least 58,000 new jobs between 2019-2036.**

The targets for the distribution of jobs outside the CAZ are:

Canada Water Opportunity Area	20,000
Old Kent Road Opportunity Area	10,000

Other town centres	8,000

- 111. 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.
- 112. The Canada Water Masterplan is estimated to deliver between 12,000 and 30,000 jobs on completion. The 20,000 jobs figure is in the London Plan.
- 113. 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.
- 114. The impact of permitted development rights in town centres would decrease the amount of jobs available and make it harder to achieve net increases in jobs and employment opportunities.

**NSP Target (Amended Policy SP4): Deliver 460,000sqm office floorspace between 2019 and 2036 (equating to around 35,500 jobs)- Around 20% of new offices will be delivered outside the Central Activities Zone.**

### **Old Kent Road**

- 115. The Old Kent Road Existing and Proposed document (EIP149) sets out the total employment floorspace provision in the Old Kent Road masterplan. This figure is used to inform the employment target in Table 1b in the NSP (see EIP82b for the latest figures). The total amount of employment floorspace planned to come forward on the Old Kent Road site allocations is 46,452sqm and the masterplan plans for a variety of employment spaces using the strategy “from laptops to forklifts”. Some offices may be provided in town centre locations however the area will also deliver a range of light industrial and creative workspaces.

### **Canada Water**

- 116. 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 (so an additional 236,048 sqm to the minimum scenario).
- 117. Office delivery overall would therefore be 388,471sqm net based on the minimum scenario at Canada Water and 664,519sqm maximum scenario. It is likely the target would be achieved with significant growth in offices at Canada Water.

118. Other parts of the borough such as town centres will also deliver offices. NSP Policy P29 requires that planning applications in town centres replace existing employment uses on the site, improving the overall stock.

### **Town centres and site allocations**

119. The other vision areas outside of the main CAZ vision areas, Old Kent Road Opportunity Area and Rotherhithe would deliver a net increase of employment of 9,169sqm.
120. If small scale office space in town centres is lost to residential, this would result in a net loss of office space and make it difficult to achieve the net gain in office floorspace that is required by the NSP targets and the evidence of need and demand.

**NSP Target (Amended Policy SP4): Increasing retail floorspace by 76,670 sqm between 2019 and 2036 (6,560sqm convenience retail, 42,130sqm comparison goods retail, 27,980sqm food and beverage).**

The targets for the distribution of the retail floorspace are:

Elephant and Castle Major Town Centre	10,000sqm
Peckham Major Town Centre	7,000sqm
Canada Water Major Town Centre	40,000sqm
CAZ and district and local town centres	19,670sqm

121. The overall target for retail floorspace provision is 76,670 sqm net. This is broken down into 6,560 sqm net convenience floorspace, 42,130 sqm net comparison floorspace and 27,980 sqm net food and beverage floorspace. 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 an area dominated by retail warehouses with large car parks to a Healthy High Street.
122. 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 (EIP82b) 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.

123. 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. 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 Old Kent Road masterplan also includes provision for health and education uses. The overall net loss of retail is fairly minimal on a plan-wide level of 1,143sqm taking into account new retail, community, leisure, education and health uses that will be provided.
124. Table 1B states the expected capacity for retail, leisure and community floorspace is 81,501sqm (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 218,849sqm. Additional retail, leisure and community uses may also come forward on smaller scale windfall sites in town centres.

### **Town Centre Hierarchy and Existing Retail Provision**

125. The GLA strategic evidence (Appendix D) includes reference to a recent report "The retail sector in London and the impact of the coronavirus on trends" (GLA Economics 2021).
126. In contrast to wider concerns about the decline of high streets nationally, the total number of retail and leisure outlets in London's town centres and high streets increased by 0.1 per cent and 0.5 per cent respectively over the period 2015 to 2019. Vacancy rates in London's town centres and high streets are typically well below those experienced in other parts of the country. In 2019 the London shop vacancy rate was 9.0 per cent, which is more than three percentage points lower than the rate for Britain (12.1 per cent) (see Figure 5.3 in Appendix D). The average vacancy rates for town centres and high streets were 8.5 per cent and 9.4 per cent respectively which translates to 3.6 and 2.7 percentage points lower (respectively) than the average vacancy rate for Britain. A recurring theme across Southwark is low vacancy rates. As data from Southwark's

Protected Shopping Frontage surveys shows that vacancy rates remained low in 2020, this implies that its Major, District Town Centres and Local Centres still have a prime role for retail.

127. The table below, *Existing Retail Provision in LB Southwark*, provides a summary of existing retail provision in 2014. At the time of this study Tower Bridge Road, Old Kent Road North and Old Kent Road South were not designated as town centres. The NSP designates Elephant & Castle and Walworth Road as one major town centre.

Centre	Number Shop Units	Convenience Floorspace (m <sup>2</sup> gross)	Comparison Floorspace (m <sup>2</sup> gross)	Food and Beverage (m <sup>2</sup> gross)
Peckham Major Centre	384	22,280	27,270	7,080
Canada Water Major Centre	135	9,500	19,928	7,240
Elephant & Castle Major Centre	93	2,540	4,710	3,170
Walworth Road Major Centre	273	9,080	17,980	6,980
London Bridge District Centre	94	2,080	1,520	6,590
Bankside/Borough District Centre	147	3,838	1,450	9,790
Lordship Lane District Centre	156	3,630	6,680	5,020
Camberwell District Centre	192	5,690	5,680	6,410
Herne Hill District Centre	107	1,100	3,000	2,900
The Blue Local Centre	80	2,740	1,715	1,500
Dulwich Village Local Centre	32	500	1,600	886
Nunhead Local Centre	62	1,100	2,100	867
Tower Bridge (undesigned)	63	1,080	640	1,360
Old Kent Road (undesigned)	35	11,800	19,800	2,000
Food stores outside centres	15	16,000	n/a	n/a
<b>Total</b>	<b>1,867</b>	<b>92,958</b>	<b>115,708</b>	<b>61,793</b>

128. The Southwark Retail Study (2015) provides details of the existing shopping provision in Southwark and includes up to date health checks of the shopping centres, describing the vitality and viability of the borough's centres in terms of their retail performance.

## Peckham

129. Peckham town centre is the largest shopping and commercial centre in the London Borough of Southwark, in terms of number of outlets and the amount of retail floorspace. The London Plan and the New Southwark Plan identify Peckham as a major town centre in the town centre network. The boundary and designation of the town centre remains relatively unchanged since the Core Strategy however there has been a small extension proposed through the New Southwark Plan preparation to incorporate shops just outside of the town centre boundary. It is also part of the Camberwell and Peckham Creative Enterprise Zone. In Creative Enterprise Zones it is important to safeguard capacity for light industrial, maker space and culture oriented creative production uses.
130. There are three site allocations located within Peckham Major Town centre including the redevelopment of the Aylesham shopping centre in the centre of the town. Together with the Blackpool Road site allocation (NSP72) just outside of the town centre, the site allocations in the Peckham vision area will deliver 1,370 homes, 7,000sqm retail, leisure and community floorspace and 15,300sqm employment floorspace (net).
131. Its key roles include convenience shopping, comparison shopping, services, entertainment and community facilities. Peckham has a large number of small independent convenience retailers located throughout the centre. The centre also accommodates a significant number of market stalls located along Rye Lane, Atwell Road, Blenheim Grove, Choumert Road and Highshore Road.
132. The proportion of convenience retailers located in and around the Peckham Major Town centre is significantly higher than the UK average.
133. There is also a high percentage of hot food takeaways and betting shops combined, 26%, when compared to the UK average, 19.2%.
134. Peckham town centres has a variety of non-retail services uses. The centre has a very high proportion of hairdressers and beauty parlours, 37.5% compared to a UK average of 22.9%, when surveyed in 2013.
135. Significantly, in 2014 Peckham Town centre had a high percentage of shops E(a) Use Class, 70.8%, and a low vacancy rate of 9.7%.
136. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).
137. It demonstrated that Peckham's town centre had 169 units in its SF1 primary shopping frontage and had a vacancy rate at 8.9%. Within its

SF30 secondary frontage, it had 246 units and had the vacancy rate of 15.9%.

Peckham Major Town Centre	
% of E	77%
% of E(a) – Retail shops	57%
Vacancy	13%
% of Sui Generis – Hot Food Takeaway	4%

138. There has been a reduction in the proportion of shops E(a) in Peckham Major Town Centre and an increase in the number of vacant shops.

### **Elephant and Castle (including Walworth Road)**

139. Elephant and Castle is a major town centre, part of the Central Activities Zone, Elephant and Castle Cultural Quarter and the Elephant and Castle Opportunity Area. There are 10 site allocations in the Elephant and Castle and Walworth town centre areas, including redevelopment of the Elephant and Castle shopping centre and London College of Communication campus (now granted consent) along with a range of other site allocations. Sites in the Elephant and Castle Vision Area including completion of the Elephant Park scheme and individual planning applications will deliver 2,315 homes, over 8,000sqm retail, leisure and community uses and 85,000sqm employment uses (net).
140. Most shop units were located within the Elephant and Castle Shopping Centre, prior to its redevelopment.
141. The proportion of A3/A5 service units is higher than the UK average. The vacancy rate of this centre is low at 4.3%, indicating a healthy, vital and viable centre.
142. Walworth Road is designated as a major centre along with Elephant and Castle. Extensions have been proposed to the Elephant and Castle major town centre boundary throughout the preparation of the NSP. This was to incorporate additional shopping areas to the south of East Street, southern part of Walworth Road and part of Westmoreland Road, which was also proposed to be part of the secondary protected shopping frontage SF23. The road has a good range of convenience and comparison shopping including: a Morrisons Supermarket, two Tesco Express stores, Iceland and an M&S food hall, a range of independent stores, pubs and community facilities.
143. There has been a decline of 30 units since 2009 and the proportion of former A1 uses was lower than the national average.



144. The Walworth Road has a strong selection of comparison shops, a reasonable range of service uses reflecting the size of Walworth Road and its service role in the shopping hierarchy. Nevertheless, the proportion of restaurants and cafes is below the average, and the proportion of hot food takeaways is slightly above.
145. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).

Elephant & Castle (including Walworth Road) Town Centre	
% of E	79%
% of E(a) – Retail shops	59%
Vacancy	7%
% of Sui Generis – Hot Food Takeaway	8%

## Canada Water

146. Canada Water is one of Southwark’s three major town centres and is also part of the Canada Water Opportunity Area designated in the London Plan. The boundary and designation of the town centre remains relatively unchanged since the Core Strategy however there has been a small extension proposed through the New Southwark Plan preparation to incorporate shops just outside of the town centre boundary.
147. There are two major site allocations in the town centre which will transform the area. NSP78 includes a large site allocation which has been granted planning permission for the Canada Water masterplan. There are also strategic sites allocated outside of the town centre but within the Opportunity Area. Together the site allocations in the vision area will deliver 4,712 new homes, 10,000sqm retail, leisure and community uses and 22,200sqm employment space (net). The masterplan is based on an outline permission and there is the potential for significantly more housing, office, retail, community and leisure floorspace within the parameters of the outline permission.
148. Uses within this town centre broadly reflect the national average, although with a significantly higher proportion of restaurants and hot food takeaways. The vacancy rate is also significantly smaller than the national average, which is again indicative of town centre vitality and viability.

149. This centre has a good selection of comparison shops, however a low proportion of clothing and footwear stores, 17%, when compared to the national average, 25%. In the New Southwark Plan: Interim Consultation Report Responses, some respondents noted that the retail offer lacked diversity in its offer.
150. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).

Canada Water Major Town Centre	
% of E	64%
% of E(a) – Retail shops	34%
Vacancy	10%
% of Sui Generis – Hot Food Takeaway	10%

## London Bridge

151. London Bridge is designated as a District Centre and includes CAZ frontages. The NSP proposes an extension to the town centre to incorporate Bermondsey Street and part of Tower Bridge Road. These areas include cultural, retail, night time economy, office and workspace uses. It is part of the CAZ and the Borough, Bankside and London Bridge Opportunity Area. There are 4 site allocations in the London Bridge town centre and vision area which will deliver 483 homes, 1,500sqm retail, community and leisure uses and 43,100sqm employment uses (net).
152. The centre's mix of units is focused on the convenience, food and drink sector. The vacancy rate is lower than the national average.
153. The proportion of restaurants and cafes and pubs and bars is much higher than the national average. The proportion of hairdressers/beauty parlours and banks/other financial services is significantly below the national average. This is indicative of its service role in Central London.
154. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).

London Bridge District Town Centre	
% of E	94%
% of E(a) – Retail shops	39%
Vacancy	3%

% of Sui Generis – Hot Food Takeaway	1%
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### Old Kent Road North and South

155. The Old Kent Road is the dominant destination for comparison shopping in the borough however previously was not designated as a town centre. The London Plan designates Old Kent Road as an Opportunity Area ('OA') and the NSP proposes two district town centres within the OA. The Opportunity Area will deliver 20,000 new homes, a new high street replacing big box retail type development and car parks, and industrial co-location and offices delivering 46,500sqm employment uses (net). The Old Kent Road Business Survey (SP421, We Made That, 2019) identifies that the area contains 75,000sqm retail floorspace, employing around 700 people and a 13% vacancy rate of retail units.
156. This compares to 2018 figures of around 10,000 m<sup>2</sup> of vacant floorspace (11%), which is comparable to the national average. However, along some designated protected shopping frontages along the Old Kent Road, the vacancy rate is as high as 29%.
157. Based on Valuation Office/Completely Retail data, the total occupied Class A1 to A5 floorspace at OKR totals about 64,500 m<sup>2</sup> GIA split:
- Class A1 retail, 45,300 m<sup>2</sup> (GIA)
  - Class A1 service/A2, 6,500 m<sup>2</sup> (GIA)
  - Class A3 to A5 = 10,000 m<sup>2</sup> (GIA)
158. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).

Old Kent Road North and South District Town Centres	
% of E	65%
% of E(a) – Retail shops	39%
Vacancy	19%
% of Sui Generis – Hot Food Takeaway	9%

### Bankside and the Borough

159. Bankside and the Borough is designated a District Centre and is designated CAZ frontage in the London Plan. The town centre is located in the CAZ, in the Borough, Bankside and London Bridge Opportunity Area and is part of the South Bank Cultural Quarter. There are 14 site allocations in the NSP vision area which will deliver 1,022 homes,

9,500sqm retail, community and leisure uses and 61,000sqm employment space (net).

160. This centre has a high proportion of units in the convenience retail and food and drink sectors. The Southwark Retail Study 2015 suggests this reflects its role as a CAZ frontage, which serves as a Central London service centre. The centre has a low proportion of comparison retail and a low vacancy rate. The proportion of restaurants and cafes and pubs and bars is far higher than the UK average.
161. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).

Bankside and the Borough District Town Centre	
% of E	74%
% of E(a) – Retail shops	23%
Vacancy	8%
% of Sui Generis – Hot Food Takeaway	10%

### Lordship Lane

162. Lordship Lane is designated as a District Centre in the New Southwark Plan, it has a role primarily serving local residents.
163. This centre has a higher proportion of convenience retail to the national average, but with a mix of units generally like the national average. This centre has a low vacancy rate.
164. The centre is mainly comprised of independent retailers with a small selection of national multiple retailers. The proportion of restaurants and cafes is higher than the national average.
165. The New Southwark Plan: Interim Consultation Report Responses highlighted that respondents were satisfied with the variety of retail uses, independent ownership of businesses and high-quality urban design and heritage.
166. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).

Lordship Lane District Town Centre	
% of E	79%

% of E(a) – Retail shops	50%
Vacancy	8%
% of Sui Generis – Hot Food Takeaway	5%

## Camberwell

167. Camberwell is designated as a District Centre in the New Southwark Plan. It is also part of the Camberwell and Peckham Creative Enterprise Zone. In Creative Enterprise Zones it is important to safeguard capacity for light industrial, maker space and culture oriented creative production uses. The town centre is proposed to be extended in the NSP to incorporate site allocations around the existing bus garages and Camberwell station site to take into account the significant town centre development opportunities. The Camberwell town centre contains 7 site allocations and there are additional sites within the NSP Camberwell vision area. In total these will deliver 1,765 homes, 7,700sqm retail, community and leisure uses and 2,200sqm employment uses (net).
168. The retail centre is comprised of a mix of building styles, ranging from traditional terrace period building typical of a London High Street to more modern infill development.
169. The diversity of uses present in the centre in terms of the number of units is set out in Table H.1, compared against the national average.
170. The proportion of comparison retail, 23.4%, is significantly below the UK average, 36%. The proportion of convenience, 11.5%, and food and drink uses, 26%, are well above the national average, 17.6%. The proportion of restaurants and cafes is higher than the national average, as is the number of hairdressers/beauty parlours and laundries/dry cleaner.
171. Camberwell has a low vacancy rate, 7.8%, much like the other centres in Southwark.
172. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).

Camberwell District Town Centre	
% of E	73%
% of E(a) – Retail shops	43%
Vacancy	10%
% of Sui Generis – Hot Food Takeaway	9%

## Herne Hill

173. Herne Hill district centre is situated between Southwark and Lambeth, the main concentration of retail units are located on Half Moon Lane in Southwark, although there are a number of commercial units by the railway station and on Railton Road, within Lambeth. There is potential for town centre and housing development at the Bath Trading Estate (NSP48).
174. Herne Hill District Centre has a relatively small selection of comparison shops. Most businesses are small independents, with a small selection of multiple retailers like Londis and Oxfam present. The centre also has a successful street market.
175. The proportion of restaurants and cafes, 51.1%, is much higher than the national average, 23.3%, as is the number of hairdressers/beauty parlours, laundries/dry cleaners and estate agents.
176. Much like most centres in Southwark, Herne Hill centre's vacancy rate is lower than the UK average.
177. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).

Herne Hill District Town Centre	
% of E	89%
% of E(a) – Retail shops	51%
Vacancy	0%
% of Sui Generis – Hot Food Takeaway	4%

## The Local Centres

178. The Blue forms a linear high street with a 'market place' at the centre. The centre has a limited number of multiple retailers and mainly fulfils a local shopping role. The vacancy of this rate of this centre, 11.3%, is broadly the same as the UK average, 12.1%. Respondents to the NSP: Interim consultation report noted that there were too many pawnbrokers and similar uses as well as takeaways.
179. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).

The Blue Local Town Centre	
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% of E	74%
% of E(a) – Retail shops	50%
Vacancy	4%
% of Sui Generis – Hot Food Takeaway	5%

180. Dulwich Village Local Centre is situated in the south of the borough. The centre has a limited number of multiple retailers and mainly fulfils a local shopping role, with the majority of businesses as small independents. The vacancy rate of this centre is significantly below the national average at 3.1% against 12.1%.
181. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).

Dulwich Village Local Town Centre	
% of E	88%
% of E(a) – Retail shops	51%
Vacancy	0%
% of Sui Generis – Hot Food Takeaway	0%

182. Nunhead Local Centre is made up of two sections, running along Evelina Road from the railway line south to Nunhead Green. It was extended as part of the NSP consultation to incorporate the shopping and community uses around Nunhead Green. There are no site allocations in Nunhead, the centre serves a local function. The centre has a limited number of multiple retailers and mainly fulfils a local shopping role. Significantly, the vacancy rate of this centre is double the national average at 24.2% of 12.1%. The retail study suggests this indicates that this centre is struggling to attract new retailers. The proportion of fast food takeaways, 39.1%, is much higher than the UK average, 15.2%.
183. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).

Nunhead Local Town Centre	
% of E	55%
% of E(a) – Retail shops	43%
Vacancy	12%
% of Sui Generis – Hot Food Takeaway	15%

184. Tower Bridge Road is designated as a new Local Centre in the New Southwark Plan. The proportion of comparison retail is significantly below the national average figure. This reflects its role as a centre serving a local population. The proportion of convenience, food and drink and A1 service uses are above the UK average.
185. Data from a survey of shops within designated protected shopping frontages, provides a useful picture of the mixture of uses in 2020 (although not directly comparable).

Tower Bridge Local Town Centre	
% of E	73%
% of E(a) – Retail shops	41%
Vacancy	10%
% of Sui Generis – Hot Food Takeaway	4%

### Protected Shopping Frontages

186. Policy P36 Protected Shopping Frontages aims to ensure that the vitality and viability of our key shopping areas is maintained. In the proposed modifications to the New Southwark Plan, this has been achieved through ensuring development provides active ground floor uses which provide a service to the general public, that would not harm the vitality and viability of the shopping frontage.
187. Prior to the changes to the Use Classes Order, this policy aimed to ensure that the percentage of shop units (E(a) use class and previously A1) within protected shopping frontages did not fall below a particular threshold.
188. The approach sought a more tailored approach to the protection of A1 units (as referred to at the time) through designating primary and secondary shopping frontages, an approach recommended in the evidence base, the Southwark Retail Study 2015.
189. The retail study suggested 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. For example, this approach was adopted in Peckham, where the primary shopping frontage (SF1) has an A1 use threshold of 75% and the secondary frontage has 50%.
190. Primary frontages were likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. In



secondary shopping frontages and the Central Activities Zone (CAZ), whilst shops are important, there was greater flexibility allowed for in the diversity of activities and services such as restaurants, cinemas and businesses. Maintaining a healthy balance of uses in these locations is vital to protecting the vitality and viability of our centres. Secondary shopping frontages inside town centres, still form a crucial part of the local economy and retail environment.

191. Comparisons of the Councils shopping frontage surveys in 2015, 2017 and 2018 highlight a consistent trend of loss of convenience and comparison retail units in designated shopping frontages. The table below indicates, the loss of shops A1/E(a) use class between 2017 and 2018 highlighted in red are where there have been reductions in the percentage of A1/E(a) shops.

NSP Schedule ID	Name	Years	
		2018 % of A1 / E(a) shops	2017 % of A1/ E(a) shops
SF1	Peckham	73%	82%
SF2	Walworth Road	60%	75%
SF3	Camberwell	47%	64%
SF4	Lordship Lane	49%	53%
SF5	The Blue	51%	94%
SF6	Hopton Street	40%	39%
SF7	The Cut	38%	39%
SF8	Borough High Street	13%	39%
SF9	Waterloo Road	33%	39%
SF10	Great Suffolk Street	53%	39%
SF11	Snowsfields and Weston Street	39%	38%
SF12	Colechurch House	67%	38%
SF13	Hay's Galleria	44%	38%
SF14	Tooley Street	33%	38%
SF15	Bermondsey Street	27%	38%
SF16	Dockhead	50%	50%
SF17	Jamaica Road	54%	85%
SF18	Jamaica Road	43%	44%
SF19	Albion Street	50%	46%
SF20	Harper Road	50%	58%
SF21	Tower Bridge Road	41%	55%
SF22	Lower Road and Plough Way	35%	43%
SF23	Walworth Road, East Street and	58%	73%

	Camberwell Road		
SF24	Old Kent Road, East Street and Dunton Road	40%	52%
SF25	Ilderton Road	55%	45%
SF26	Maddock Way	63%	78%
SF27	Peckham Park Road and Old Kent Road	35%	50%
SF28	Camberwell	36%	63%
SF29	Vestry Road	75%	45%
SF30	Peckham	48%	63%
SF31	Queens Road	29%	50%
SF32	Bellenden Road	59%	55%
SF33	Gibbon Road	33%	33%
SF34	Evelina Road, Nunhead Green and Kirkwood Road	47%	63%
SF35	Grove Vale	54%	63%
SF36	East Dulwich Road	38%	43%
SF37	Crosswaithe Avenue	100%	100%
SF38	Lordship Lane	50%	67%
SF39	North Cross Road	52%	71%
SF40	Herne Hill	57%	25%
SF41	Half Moon Lane	59%	67%
SF42	Norwood Road	48%	67%
SF43	Dulwich Village and Calton Avenue	62%	59%
SF44	Dulwich Village	35%	47%
SF45	Lordship Lane	57%	40%
SF46	Forest Hill Road	45%	65%
SF47	Forest Hill Road	29%	48%
SF48	Lordship Lane	58%	39%
SF49	Croxted Road and Park Hall Road	58%	58%
SF50	Seeley Drive	70%	75%
SF51	Nunhead Grove and Nunhead Lane	43%	70%
SF52	Camberwell New Road	19%	43%

192. A comparison of protected shopping frontages surveyed in 2017 and 2018 highlights a consistent trend that in two-thirds of designated shopping frontages the percentage of A1 use class has declined. Shopping frontages located in many of the key town centres of Southwark. For example, Peckham has decreased from 82% to 73%; Walworth Road has decreased from 75% to 60%; Lordship Lane 53% to 49%; and The Blue has gone from 94% to 51%. (It is important to recognise that minor changes to the specific extents of the frontages have been made in a few instances and caution must be applied with direct comparison between the two years).

193. The introduction of the new Use Class E provided a blanket flexibility across town centre areas, with the intention of supporting the recovery of town centres and high streets across England and Wales. The approach, as set out above is no longer possible as a change of use between E sub-classes is no longer classed as 'development', and therefore does not require planning permission.
194. The Table below illustrates how each town centre is comprised of several key shopping areas (designated as protected shopping frontages).

Designation	Town Centre	Key Shopping Area
Major	Elephant and Castle (including Walworth Road)	SF2
		SF20
		SF23
	Peckham	SF1
		SF30
	Canda Water	SF22
District	Bankside and The Borough	SF6
		SF7
		SF8
		SF9
		SF10
	London Bridge	SF11
		SF12
		SF13
		SF14
		SF15
	Camberwell	SF3
		SF28
	Lordship Lane	SF4
		SF38
		SF39
		SF48
	Herne Hill	SF41
		SF42
	Old Kent Road north	SF24
	Old Kent Road south	SF27
Local	The Blue	SF5

	Dulwich Village	SF43
		SF44
	Nunhead	SF33
		SF34
		SF51
	Tower Bridge Road	SF21

### Rationale for Article 4 Directions in Town Centres

195. The proposed Article 4's will cover the full extents of each of Southwark's designated Town Centres, and remove the rights granted by Schedule 2, Part 3, Class MA of the Town and Country Planning (General Permitted Development) (GPDO) Order 2015 (as amended) for changes of use from Commercial, Business and Leisure (Class E) to a dwellinghouse (Class C3) and demolition of commercial buildings and replacement with residential buildings (Class ZA).
196. The proposed Article 4 directions are necessary to ensure that our approach to retail provision, town centres and high streets, as set out in the New Southwark Plan and London Plan are deliverable.
197. Regionally, The London Plan Policy SD9 Town centres: Local partnerships and implementation states that "Boroughs should [...] introduce targeted Article 4 Directions where appropriate and justified to remove permitted development rights for office, light industrial and retail to residential in order to sustain town centre vitality and viability and to maintain flexibility for more comprehensive approaches to town centre housing and mixed-use intensification". Further evidence supporting this is set out in the Mayor of London's "Strategic evidence to support London borough Article 4 Directions (commercial to residential)" (Appendix D).
198. Locally, the NSP defines Southwark's town centre network and hierarchy in accordance with the NPPF and the London Plan's Town Centre Network, of which Elephant and Castle, Peckham and Canada Water are designated as Major Town Centres. The Retail study conducted a town centre audit, providing an analysis of the main town centres throughout the borough. The audit informed the designation of Southwark's town centre network and protected shopping frontages.
199. The strategy aims to improve the retail offer in our existing centres and to encourage all new major development for shopping and leisure uses to be located in the town centres as set out in the retail hierarchy. The strategy will seek to support an increase in the comparison and convenience goods floorspace throughout the borough and particularly within the Elephant and Castle, Canada Water, and Peckham Major Town centres.

This will ensure we are able to deliver the quantitative capacity for retail growth.

200. The NSP ensures there are sufficient allocations/capacity to meet the identified retail need, and according to the town centre network and hierarchy. Table 1B supporting Policy SP1b (see EIP82b) demonstrates how retail, leisure and community floorspace is expected to change based on site allocation capacity estimates in each Vision Area, with the overall expected capacity for retail, leisure and community floorspace is 81,501sqm (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.
201. The permitted development right for change of use from Commercial, Business and Leisure (Class E) to a dwellinghouse (Class C3) will have a negative impact on town centre vitality and viability. Through the loss of:
  - Retail
  - Offices and other employment floorspace
  - Health services and other social infrastructure
202. The continued vitality and viability of Southwark's centres and shopping parades depends, in part, on the range and critical mass of retail services on offer being maintained. The town centre first approach acknowledges that comparison retail is the core driver of growth within many of Southwark's town centres, and accordingly prioritises the protection of the core retail function, E(a) use, whilst also supporting the retention and uplift of other commercial, business and services use classes where there is an identified capacity.
203. The permitted development rights would affect how local planning authorities monitor the delivery and quantum of retail, employment and social infrastructure, against local evidence of current need and future demand. The introduction of this new permitted development right would inhibit a planning system which is genuinely plan-led, as set out in paragraph 15 of the NPPF.
204. The NSP, designates key shopping areas throughout the borough which form the heart of local communities, providing access to a range of shops and services, employment opportunities, culture and social contact, and information and support. As set out above, these areas are set out as protected shopping frontages, where the initial aim of this policy was to ensure their main function as retail spaces. Due to the changes to the Use Classes Order, the policy now seeks to ensure units in key shopping areas provide active frontages, in order to animate the street, encourage footfall and support the local economy.

205. The right would reduce the active frontages in town centres, high streets and key employment locations. Significant stretches of inactive frontages (with aesthetically incongruous former shop fronts) will undermine their long-term sustainability, vitality and viability, and diminish the ability of the local planning authority to ensure quality place-making. The reduction in active ground floor uses, would have a negative impact on the public realm, footfall and economic renewal.
206. Town Centre boundaries have been tightly formed around key shopping areas and site allocations; this is demonstrated by the maps in Appendix B. The implementation of policies relating to both the site allocations and the protected shopping frontages is crucial to the NSP's retail strategy, and to ensure a genuinely plan-led approach. The loss of commercial floorspace in these areas, would threaten the ability of these site to provide long-term growth in retail and leisure up to 2036, as required through the evidence base and associated strategy.
207. As such, it is appropriate to propose Article 4's which incorporate the full extents of the Town Centres in the borough, as this would demonstrate a targeted approach to the application of Article 4's due to their compact boundaries, formed around site allocations and key shopping areas – which will play a fundamental role supporting the local economy and Southwark's diverse places. The council recognises and support town centre intensification but the PDRs would create ad hoc change. By applying town centre planning policies and site allocation policies this would enable the council to actively manage the change for the positive benefit of a town centre wide approach to its shopping frontages and site allocations.

## **SECONDARY SHOPPING FRONTAGES OUTSIDE TOWN CENTRES**

208. There are 19 designated Secondary Protected Shopping Frontages located outside of town centre designations and the Central Activities Zone. These local shops and other local services provide an invaluable service to residents in meeting their daily needs. The Council proposes that the Secondary Protected Shopping frontages be included in an Article 4 Direction to protect change of use from Class E to residential for multiple reasons which are detailed in the following sections.
209. The table below shows the designated Secondary shopping frontages outside of town centres and the CAZ with the percentage vacancy and actual number of units which are vacant (Protected Shopping Frontages Survey, 2020). Although the percentage of vacancy looks relatively high, this is due to the low number of total units within the parade. The table details the actual number of vacant units, demonstrating that there is relatively low vacancy within these secondary frontages. Many of these

secondary frontages have 0 vacant units. In total, the percentage of vacant units in Secondary Protected Shopping frontages outside of town centres is only 9.79 per cent. The purpose of the PDR right is to prevent long term vacancy in shopping areas. The low vacancy data shows that these parades are in active use by the local community

**Designated Secondary Protected Shopping Frontages and vacancy rates outside of Town centres (Protected Shopping Frontages Survey, 2020)**

Key Shopping Area	Address	No. of Shops	% vacancy	No of vacant units
SF16	Dockhead 23-41	10	10	1
SF17	125 - 151 Jamaica Road	13	0	0
SF18	142 - 145, 156 - 250 Jamaica Road	35	2.86	1
SF19	20-52 Albion Street	14	0	0
SF20	16-42 Harper Road	12	33.33	4
SF25	Ilderton Road	11	0	0
SF26	Maddock Way 1-14	8	0	0
SF29	76-88 Vestry Road	4	0	0
SF36	34-60 (even) East Dulwich Road	13	7.69	1
SF37	6-20 (even) Crossthwaite Avenue	6	0	0
SF45	383-401 Lordship lane and 351-379 Lordship Lane	30	10	3
SF46	2-46 Forest Hill Road	21	14.29	3
SF47	92-126 Forest Hill Road	18	20	3
SF49	80-96 Park Hall Road and 2-12 Croxted Road	12	16.66	2
SF50	Seeley Drive 30-41	10	10	1
SF53	125-181 Southampton Way and 156-160 Southampton Way	17	0	0
SF54	201 -227 Camberwell Road	11	0	0
SF55	211-239 East Street	13	15.38	5
SF56	108-181 Camberwell Road and 157-179 Camberwell Road	28	17.86	5
Total		286	9.79	28

210. The Southwark Retail Study 2015 – undertaken by Nathaniel Lichfield & Partner’s (NLP) - points to the even distribution of protected shopping frontages across the borough in helping to ensure a high level of accessibility to local shopping facilities for most residents. The report recommends that in order to maintain high levels of accessibility across the borough, all protected shopping frontages should be retained, even if the number of shops and services falls below 10 units. Based on NLP’s experience across London, local parades of around 5 shop units can also fulfil an important shopping function.

211. The table shows that the number of shops in each frontage rarely falls below 10 units and it never falls below 5 units, thus demonstrating that Southwark's Secondary Shopping Frontages are still playing an important role in the shopping needs of local communities consistent with NLP's recommendation in the Southwark Retail Study 2015. The loss of these frontages to residential uses through PDR would remove this accessibility.
212. Throughout public consultation on the New Southwark Plan we have received numerous requests to designate more local parades outside of town centres. In 2019, four new secondary shopping frontages were designated at the request of residents and local groups:
- SF53 - 125-181 Southampton Way and 156-160 Southampton Way
  - SF54 - 201 -227 Camberwell Road
  - SF55 - 211-239 East Street
  - SF56 - 108-181 Camberwell Road and 157-179 Camberwell Road
213. This highlights the desire within the local community for shopping parades to remain in commercial use and their significance in serving local residents. Permitted development rights allowing the change of use from Class E to residential would erode the quality and offering of these shopping parades which are clearly valued by the community.
214. As set out above, in response to the changes to the Use Classes Order (September 2020) which introduced a blanket Class E for Commercial and business services, the Council proposed a modification to New Southwark Plan Policy P36: Protected shopping frontages. This policy was amended deliberately to provide protection from changes of use to residential uses in local parades and thus ensuring that they are able to continue providing a service to the general public. The removal of Permitted development rights from Class E to residential in secondary protected shopping frontages would maintain the integrity of this policy.
215. The importance of local shops and services has been particularly highlighted over the last 18 months as the COVID-19 pandemic has meant that people are unable to travel and have relied on the services closest to them. One of the more notable positive impacts of COVID-19 has been that more people have used their local shops and services, which has boosted the relative health of smaller centres and local parades.
216. The map below shows the geographic distribution of Southwark's Secondary Protected Shopping Frontages. In a pre- and post-pandemic world, local accessibility of shops and services is important for the elderly, the disabled, those who are pregnant or with young children, and those that cannot afford to travel to other centres to reach the goods and services they require.



217. The NPPF suggests that Secondary frontages provide greater opportunities for a diversity of uses such as restaurants, cinemas and businesses. The schedule below demonstrates the mix of offerings provided by the Secondary Protected Shopping Frontages outside of town centres. The PDR to change from Class E to residential would limit the opportunity for diversity and create blank facades impacting on the character, safety and vitality of residential neighbourhoods.
218. In conclusion, the loss of retail in Protected Shopping Frontages outside of town centres would result in the loss of services vital to local communities and mean people would have to travel further distances to reach their needs. This conflicts with national objectives to promote sustainable living. It also raises equalities issues as the protected groups mentioned above would lose access to basic services. The inclusion of secondary shopping frontages outside of town centres within an Article 4 Direction means that accessibility to goods and services will remain evenly distributed across the borough and satisfy the preference of residents to have conveniently located neighbourhood parades.

## **SITE ALLOCATIONS OUTSIDE TOWN CENTRES**

219. Outside of the town centres, Old Kent Road Opportunity Area and the CAZ, the council has designated 21 site allocations. These are important strategic sites over 0.25ha which have the potential for optimising the use of land, providing new homes and new commercial floorspace, or safeguarding existing uses such as important health facilities (now Class E). Most of these sites contain existing uses which would now fall within Use Class E. These include retail, office, health and light industrial uses. The site allocations outside of the town centres, Old Kent Road Opportunity Area and the CAZ which contain existing Class E uses have the potential to provide around 3,331 homes.
220. Sites outside of the town centres, Old Kent Road Opportunity Area and the CAZ also include 10 non-designated industrial sites outside town centres which are proposed as site allocations. Policy E7 of the London Plan only supports mixed use or residential development proposals on non-designated industrial sites where there is no reasonable prospect of the site being used for industrial purposes or the site has been allocated in a local development plan. The designation of these non-designated sites as site allocations gives further policy protection for securing future employment uses on the site. Policy P29 in the NSP requires the re-provision of employment floorspace on these sites which meets current market demand, and each site allocation contains bespoke policy relating to the requirements for non-residential uses that are expected. Prior approval applications on these sites would result in a net loss of industrial floorspace in the borough and the site allocation requirements and optimal use of the site not being realised.

221. The NSP contains a detailed schedule of existing uses on each site allocation and then sets out the site requirements in the site allocation policy. The site allocations have been updated to reference the new use classes and the proposed amendments to existing uses and site requirements are contained in EIP204. The estimated number of homes and floorspace capacity for non-residential uses has been quantified and referenced in Policy SP1b and Table 1B (see EIP82b for latest figures). Appendix 2 of the Site Allocations Methodology Paper (EIP82b) sets out the quantities of every site allocation.
222. In Old Kent Road, a detailed survey was undertaken of the Opportunity Area in 2015 and 2019 which updated and compared the baseline of existing uses on each site allocation (We Made That Old Kent Road Business Survey, SP421). This was then compared to the uses proposed in the masterplan and formed the baseline for understanding the net changes in industrial, employment, retail and community uses. The town centre boundaries are smaller than the overall Opportunity Area however the 18 site allocations in Old Kent Road form a comprehensive masterplan.
223. There are two examples within existing designated industrial land (now NSP site allocations outside of town centres) at St James' Road (Old Kent Road area) and Parkhouse Street (Camberwell) for which the council received prior approval applications for conversions to residential use. These applications undermine the ability to achieve re-provision of employment floorspace within comprehensive redevelopment schemes for which the council received prior approval applications for conversions to residential use and undermine the ability to achieve re-provision of employment floorspace within comprehensive redevelopment schemes for which the council is encouraging a range of mixed employment uses (including industrial).
224. The availability of permitted development rights can create a fallback position for developers. This is a particular risk for site allocations where the requirements of policy are watered down due to the fallback position of demolishing or converting a commercial building to residential use. If the permitted development right was implemented, this would also restrict the requirements of the site allocation policy being met, and could result in a poorer quality development which may not make optimal use of the site. This could result in less homes being provided overall, and would not result in any affordable housing being provided, of which there is an acute need.
225. The permitted development changes could also have an effect on the benchmark land value of the property when it comes to viability appraisals and this gives an alternative use value. Application of the permitted development right would undermine the council's ability to maximise affordable housing contributions. Firstly, any change of use to residential

made under the permitted development right would not be required to provide any affordable housing. Secondly, any change of use to residential will potentially increase the land value of the site. This would reduce the viability of any subsequent comprehensive redevelopment and would result in affordable housing obligations being reduced or unviable which would therefore affect Southwark's ability to meet its affordable housing targets.

226. The council has proposed to amend some economic and retail policies to include reference to the use of conditions in planning approvals so that particular uses that are planned for and would be meeting a strategic need in the borough could be secured (see EIP162). The council is already imposing conditions for example in the Old Kent Road Opportunity Area where light industrial uses are specifically designed for and then secured by condition in the planning approval. This is to meet the identified need and ensure the requirements of the masterplan for industrial co-location are met.
227. The risk with open Class E uses is that it is difficult for the council to plan for and monitor the delivery of the identified targets for retail, office and industrial uses especially where they may need to be specifically designed to target the identified end users. This risk can be managed for new applications where conditions can be applied and the council is able to work proactively to secure the right design criteria for identified uses (as required by site allocation policy, for example).

## **INDUSTRIAL LAND**

**NSP Target (Amended Policy SP4): Deliver 90,000sqm net additional employment floorspace between 2019-2036 outside the CAZ including hybrid, industrial and studio workspace**

### **South Bermondsey industrial intensification (SPIL)**

228. London Plan Policy E5 requires boroughs to define the detailed boundaries of SILs in policies maps having regard to the scope for intensification, co-location and substitution (as per Policy E7). Part 3 requires boroughs to explore opportunities to intensify and make more efficient use of land in SILs in development plan reviews and Opportunity Area Frameworks in collaboration with the GLA.
229. The latest draft of the Old Kent Road AAP (December 2020) sets out two options for the industrial intensification of Strategic Protected Industrial Land in South Bermondsey and includes a new masterplan for this approach. This is included in the background evidence EIP149 Old Kent Road Existing and Proposed (January 2021) and is based upon the masterplan by Maccreanor Lavington South Bermondsey Dive Under Masterplan (EIP145). If the minimum option for intensification was

achieved it would provide a net of 27,455 sqm in industrial floorspace. If the maximum option was delivered, 74,567 sqm of industrial floorspace would come forward (net).

230. The NSP proposes to retain 32 hectares of land as SPIL in Southwark and this is identified on the proposed policies map. This includes some additional designations on industrial sites that are not currently adopted SIL. 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, which would particularly meet the requirement in London Plan Policy E4 regarding 24 hour servicing. London Plan Policy E4 (part G) also states that boroughs should ensure that the need to retain sufficient industrial and logistics capacity is not undermined by permitted development rights by introducing Article 4 Directions where appropriate.
231. In line with the intensification principles in Policy E7, the proposed masterplan for the South Bermondsey SPIL identifies a significant increase in industrial uses. Increasing industrial capacity in this location also allows for the potential relocation or growth of the industrial sector in purpose built stacked industrial buildings.
232. Permitted development rights in the retained industrial designations in Southwark could significantly undermine the effective planning of these sites. The change of use or demolition of industrial buildings in SPIL and replacement with residential uses would create amenity issues for new residents due to noise, dust, odours and heavy traffic movements. It would also undermine the ability of heavier industries typically located in designated SPIL to run their businesses. The co-location of industrial and residential uses needs careful design consideration which is planned for in the sites proposed for release from existing industrial designation.

### **Old Kent Road site allocations**

233. In the Old Kent Road Opportunity Area, across 18 site allocations and industrial intensification in South Bermondsey we have planned for a net increase of 20,000 new homes, 128,000sqm employment uses and 3,000sqm community uses (EIP149). Due to the change in format of big box retail to high street format retail there would be a small overall net loss of retail floorspace however the dynamic of retail development along Old Kent Road will change significantly to benefit local residents and offer more choice.
234. The site allocations in Old Kent Road are planned to deliver 46,462sqm net uplift in employment floorspace. This will include industrial, hybrid or studio type workspace, as well as distribution and larger industrial units towards the NSP industrial floorspace increase target. 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.

235. Most of the site allocations are partially located in one of the two district town centres proposed for Old Kent Road in the New Southwark Plan, however some are located outside of the town centre boundary and in the wider opportunity area. The masterplan plans for a "bow-tie" strategy for employment development, encouraging the delivery of office and retail uses in the town centres close to the proposed Bakerloo Line stations, with larger scale distribution, warehouse and logistic uses mixed with residential towards the outer edges of the masterplan.
236. The Old Kent Road AAP requires bespoke design and policy requirements for industrial co-location and conditions are used to ensure light industrial uses are secured specifically (in the context of the Class E changes to the Use Classes Order).
237. Policy E4 of the London Plan requires that any release of industrial land to achieve wider planning objectives should be facilitated through the processes of industrial intensification, co-location and substitution as set out in Policy E7. Part E of Policy E4 requires any release of industrial capacity should be focused in locations that are well-connected and contribute to other planning priorities including housing, affordable housing, schools and infrastructure.
238. Policy E7 of the London Plan requires that the consolidation of designated industrial land to support the delivery of residential and other uses should be considered as part of a plan-led approach or as part of a coordinated masterplanning process in collaboration with the GLA and not through ad hoc planning applications.
239. Policy E6 requires boroughs to define the boundaries for LSIS sites and make it clear the range of industrial uses that are acceptable within that designation.
240. The NSP is in conformity with all of the policy requirements in E4-E7 and the aspirations for the Old Kent Road Opportunity Area (London Plan Policy SD1).
241. The NSP proposes to release some of the strategic SIL sites as formal industrial designations. This has been proposed in accordance with the principles in Policy E7 in respect of a plan-led and coordinated masterplanning process in collaboration with the GLA. The draft Old Kent Road AAP is successful in ensuring a plan-led approach to achieving a significant increase in homes as well as increased provision of employment and industrial floorspace including industrial co-location. Policy P29 also requires the successful integration of new homes and employment space to include a range of employment uses and that the

employment space must meet current market demand. The NSP site allocations for Old Kent Road make clear that development must respond positively to the objectives of the AAP, where there is significant design guidance. Evidence of market demand is included in the NSP evidence base studies, SP412, SP413, SP422 and SP431 which are used to inform discussions on the most appropriate types of employment floorspace that should be delivered or is identified on the relevant masterplan.

242. The NSP also designates 20ha of land as Locally Significant Industrial Sites (LSIS) on the proposed policies map in accordance with London Plan Policy E6. 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.
243. The masterplan shows ambitious levels of growth which could be achieved on the site allocations. The existing uses contain many existing office and industrial uses which includes Class E(g)(i) and (iii) office and light industrial uses. Individual buildings within the larger site allocations could therefore benefit from permitted development rights to residential. This would limit the Opportunity Area from achieving its full potential. The Old Kent Road has fragmented land ownership and smaller sites benefitting from PDR could undermine the delivery of the masterplan and would not fully optimise the use of the land. Furthermore this could limit the delivery of strategic infrastructure, undermine the case for the Bakerloo Line extension and may impede the delivery of important aspects of the masterplan, such as strategic parks and pocket parks.

## **RAILWAY ARCHES**

### **Commercial opportunities**

244. 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 and would contribute towards the employment targets identified in the NSP.

### **Risks of converting railway arches to residential**

245. Policy P33 of the NSP (update included in EIP162 due to use classes changes) requires railway arches to provide commercial or community activities. No residential development will be permitted. For railway arches located in SPIL, industrial uses are required in railway arches. Railway arches also need to promote the delivery of the Low Line walking routes by providing active frontages and safe and accessible spaces for pedestrians. Railway arches that have already been converted in Southwark contain a mix of uses from offices, workshops, betting shops, retail units, bars and restaurants. The council therefore is proposing immediate Article 4 Directions to restrict any changes of use allowed by Class MA (Class E uses) to residential.
246. Converting railway arches to dwellings would result in negative impacts on residential amenity through restricted access to outdoor space, restricted access to natural light and fresh air, exposure to excessive noise and vibration from the railway, safety concerns and incompatibility with surrounding uses. It is therefore considered appropriate to implement immediate Article 4 Directions to remove certain permitted development rights which relate to changes of use of railway arches.
247. Many railway arches in Southwark are located within goods yards or located adjacent to busy roads, and noise mitigation for future occupiers would always be a priority concern for above passing trains.
248. There are clear problems associated with residential amenity for surrounding residents and future occupiers associated with the conversion of railway arches to dwellings. Railway arches have one principle elevation, with limited ability for the dwelling to receive an appropriate level of daylight and sunlight. Principle habitable rooms created inside the arch, such as bedrooms, may be windowless and receive no natural light, and the only windows that could be created on the principle elevation are potentially restricted by privacy issues. The lack of natural light in a dwelling could have implications for public health.
249. There will also be limited ability for new dwellings to provide any outside amenity space. Railway arches do not traditionally encompass any curtilage and land outside the railway arches would not lend itself to provide garden or external amenity space. For these reasons it is also unlikely any external car or cycle parking or bin storage would be able to be accommodated adjacent to dwellings in railway arches. Many arches are located within goods or storage yards, distribution centres, adjacent to highway land or on land to the rear of existing development. There are a number of access and safety concerns for future occupiers of dwellings created within the arches. In many cases vehicular access to the arches is

difficult, which has a negative impact for access for emergency vehicles. The arches are often located to the rear of existing development which results in an urban environment that faces away from the arches. As a result many routes to the arches are unlit, poorly integrated with existing urban development and may result in concerns of the safety of new residents.

250. Railway arches are also often located to the rear of existing residential properties, and are overlooked by gardens and back windows. There would therefore be further amenity considerations with regard to overlooking, privacy and security for both existing residents and future occupiers of railway arches.
251. The conversion of railway arches for use as residential dwellings would need a bespoke ventilation system to accommodate for the lack of windows and fresh air to the property. In order to safeguard future residents from poor ventilation, the council should ensure such bespoke systems are fully assessed and a planning condition requiring their use would be essential. This is not possible to achieve through the prior approval process for permitted development.
252. One of the major concerns for residential amenity arising from permitted development rights in railway arches is the impact of noise from passing trains on occupiers of potential dwellings beneath the lines. In many areas in Southwark, multiple lines pass over the arches, particularly on the north-south routes to London Bridge station. Therefore occupiers would be subject to regular train movements overhead, posing potential significant noise and vibration issues. Trains to and from London Bridge and the surrounding routes also carry trains operating throughout the daytime, late at night and early in the morning.
253. A noise report for development within railway arches (15/AP/4832) indicates that train passes would almost double the highest recommended target internal noise level for passing trains. This level is reported to still be audible but at a level that has not been found to cause disturbance to most people. However this target level is significantly higher than the guideline internal noise level for dwellings (between 30dBA at night and 35-40dBA in the daytime). Vibrations were also found to occur in all parts of the archway, most significantly occurring towards the highest part of the arch. Whilst there do exist methods of insulation and construction techniques which could reduce noise and vibration to a safer level, it is considered this would need to be of a significant quality and will be unlikely to reduce noise to guideline internal noise levels for the average dwelling. It is vital that the council assess noise mitigation techniques for proposed residential conversions in railway arches in order to determine whether it would be safe for future occupiers. It is considered a full planning application would be required to assess and provide conditions for noise mitigation in all cases of conversion.



254. As many railway arches are located within informal industrial areas, distribution centres or yards, it is considered there would frequently be an issue of compatibility with adjoining uses. The introduction of residential dwellings within working yards or industrial areas would have implications for compatibility in relation to heavy traffic movements, noise from adjoining uses, odours, pollutants and dust which are not suitable neighbouring activities for residential development. There would also be safety concerns for accessing dwellings within railway arches situated within working yards.
255. The conversion of railway arches to dwellings could also pose a domestic fire risk. This would be a significant risk to the rail network above which could result in damage to railway infrastructure, unprecedented train delays and potential risk to railway staff and passengers.
256. Whilst the conditions associated with a Prior Approval application require transport, noise and industrial processes to be assessed, it is unlikely that the council would consider any railway arches to be suitable for conversion to residential use and an immediate Article 4 direction is therefore justified.

## **POLICY AREAS THAT WOULD BE IMPACTED BY PDR**

257. The following section includes information on important policy areas in the New Southwark Plan that would be undermined or undeliverable based on new PDR. These include policies on small shops, affordable workspace, business relocation and affordable housing delivery. The policies have recently been examined by independent Inspectors in the Examination in Public for the New Southwark Plan.

### **Small shops**

258. To promote town centre viability and vitality, our approach to retail development aims to provide a diverse range of shop units, key social infrastructure, employment opportunities, and affordable space for small and independent businesses. This is in part, achieved through securing small shops as part of retail, use class E(a), development.
259. It has been evidenced that small shops play a crucial role ensuring the vitality and viability of our town centres, namely through meeting the anticipated needs for a diverse retail offer, supporting social infrastructure and providing affordable commercial space.
260. The Mayor of London's High Streets for All report recognises the important role of small shops and businesses in the provision of crucial social infrastructure and social services for London. The study states that shops often go beyond their primary commercial role and perform a social function, with 40% of small businesses interviewed for the study providing

some form of social function. The social function of small shops often supports marginalised communities and under-represented groups, for example, older people, jobseekers, young people and recent immigrants.

261. High streets are largely comprised of small businesses on leasehold arrangements; typical high street spatial configurations comprise of multiple small units under separate ownership, further complemented by a range of various spaces for work. This research concludes that this configuration supports the diversity (of which small shops play a crucial role) and ultimately the resilience on the high street.
262. Accordingly, high streets with small units (amongst others) provide a variety of employment opportunities, often supporting the employment of marginalised groups and highly educated people alike. The high street often can offer diverse tenure options to traders, and simultaneously create employment opportunities, often keeping money within the local economy.
263. Small shops provide a crucial role ensuring social inclusion, affordability, economic resilience, diversity of choice and character; however, they are facing a series of pressures which support the need for policy intervention.
264. The High Streets for All report explains that small businesses find rent unaffordable in high streets and town centres. As a centre becomes more successful and rents rise, small and independent businesses and small shops are priced out.
265. The London Town Centre Health Check shows that average retail rents across all centres grew by 3% per annum between the period 2005 and 2016. Notably, Peckham Town Centre is listed as one of the top 20 centres with highest growth in retail rents over the same period.
266. The GLA London Small Shops Study 2010 illustrates that there has been a decline in the number of local shops; referencing the British Council of Shopping Centres, “the number of businesses registered for VAT in the wholesale, retail and repair category has fallen from 434,000 in 1994 to 390,000 in 2005”. Furthermore, the study highlights that there has been a long-term trend towards large stores in centres, which is having a negative impact on small shops; this is supplemented with the rise of major superstore operators’ opening small food store formats.
267. To ensure the availability of small shops and affordable commercial space the NSP policy P31- Small Shops 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 policy also requires the retention of small shops where existing small shops are at risk of displacement from a development. The policy requires the full consideration of the feasibility of providing affordable and suitable space for existing occupiers in the completed development. PDR could negatively impact on the availability of small

shops in the borough with the resulting impact of pushing up rents on existing stock, lessening the affordability of shops for small retailers.

### **Affordable workspace**

268. 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.
269. 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. 96.2% Southwark businesses are micro and small enterprises with less than 50 employees. Economic change has had an impact on the supply and demand for employment space of all different types which has pushed up commercial rents and this has a disproportionate impact on micro and small businesses. To date the council has approved over 70,000sqm affordable workspace based on the requirements of the draft policy (10%). It is important to maintain current supply or ensure small and affordable business space is reprovided in redevelopment proposals otherwise the loss of additional small business space will further increase rental costs of light industrial premises or workshop space creating a detrimental impact on existing businesses. The NSP contains robust policies on the requirement for affordable workspace (P30) and business relocation (P32) which would not be applicable in any application for Prior Approval for the new Class E to residential permitted development right.

### **Housing Quality**

270. Policy P14 in the New Southwark Plan and the Section 106 and CIL SPD (2015) requires certain standards to provide high quality residential homes. In exceptional circumstances where these standards cannot be met provisions are in place for financial contributions to help improve existing park spaces, playgrounds or public realm. Policy P14 requires standards relating to ceiling heights, dual aspect, private and communal amenity space, child play space and public open space (in Old Kent Road). The PDR include a limited number of conditions that would not encompass the full assessment criteria of the local plan policy. Sustainability standards set by the local plan, for example air quality neutral development and energy policies that help to address the climate emergency will not be required for new build developments under PDR (e.g. where demolition and new build residential is proposed under Class ZA).

## Housing delivery

271. In the CAZ, the reprovision or uplift of employment floorspace is a 'must' requirement in the site allocations due to the priority of delivering office floorspace in the CAZ based on evidence of demand. Housing is a 'should' which encourages mixed use development where the reprovision or uplift of employment floorspace can be achieved. Our housing requirements are met through Site Allocations which 'must' provide housing. The council does not rely on site allocations which 'should' provide housing to meet its housing land supply targets. The five and fifteen land supply report shows our housing requirement over the 15 year period from 2020-2035 is 38,215 homes. The total capacity identified in the Five and Fifteen housing land supply is for 49,240 homes. We therefore exceed the requirement by 11,025 homes.
272. Large numbers of new homes are being delivered in Southwark through an effective planned approach to regeneration and even greater numbers will be deliverable in the future without the need to relax requirements on office to residential conversion. The council's Facts and Figures webpage sets out the strong delivery of homes since 2004. Nearly 10,000 net homes have been delivered over the last five years since 2015.
273. The GLA evidence points to the Mayor's London Plan, which sets out ambitious ten-year housing targets for every borough, alongside Opportunity Area plans for longer-term delivery where the potential for new homes is especially high. The London Plan strikes an appropriate balance between strategic housing and office needs, supported by the London Housing Strategy setting out how the Mayor of London will work with boroughs to deliver the step change in housing supply required. The London Plan and Housing Strategy support the delivery of housing within the CAZ such that it does not compromise the agglomerations of offices and other strategic functions.
274. As set out in the London Plan 2021 the minimum ten year target between 2019/20-2028/29 for Southwark is **23,550 net homes**. This is equivalent to **2,355 net homes per annum**, giving an accumulative total of **11,775 homes net additional homes** for the period 1 April 2020 – 31 March 2025. This is the 4th highest housing target set in London and therefore it represents a significant requirement.
275. Southwark has a sufficient supply of land to meet its five year housing requirement of **14,665 net homes** including a **20% buffer** brought forward from later in the plan period, with a surplus of **1,165 homes**.
276. Southwark also has a sufficient supply of land to meet its six to fifteen year housing target of **23,550 net homes**, with a surplus of **9,860 homes**.

277. Southwark is not reliant on Permitted Development Rights to achieve housing targets. We have reviewed past completions from the last seven years and there has been a low delivery rate of homes from Permitted Development from office to residential. On average 27 homes have been completed through Prior Approvals per annum, office to residential, as identified in the table below.

### **Prior Approvals from office to residential completions**

<b>Year</b>	<b>Completions of Prior Approval from office to residential</b>
2013-2014	2
2014-2015	52
2015-2016	25
2016-2017	33
2017-2018	35
2018-2019	13
2019-2020	28
<b>Total</b>	<b>188</b>
<b>Average per annum</b>	<b>27</b>

278. There is an acute need for social rented and intermediate housing in the borough. New Southwark Plan policy P1 Social and Intermediate Housing will require all developments (including minor developments) to provide the maximum amount of affordable housing. Permitted development rights relating to the creation of residential units will not allow the council to secure much needed affordable housing contributions. This combined with the strong past delivery of homes in the borough would suggest that the council does not need PDR in order to increase housing delivery, particularly affordable housing delivery.

## **9. CONCLUSIONS**

279. Article 4 Directions can be made if the council is satisfied that it is expedient that development should not be carried out unless planning permission is granted on application.

280. The use of an Article 4 Direction would not restrict development altogether, but instead ensure that development requires planning permission. Planning permissions including residential development would ensure the balance between office and residential uses is appropriate. They would ensure that new homes are of good quality with access to sufficient amenity space, play space, parking and social infrastructure. They would secure affordable housing, housing for people with specialist needs, family housing and contributions to strategic infrastructure. Where

required by planning policy, they will achieve an uplift or re-provision of the amount of employment floorspace on the site, including affordable workspace and support for existing businesses.

281. PD rights for change of use and demolition of commercial buildings have been introduced with the intention of making better use of vacant commercial buildings for housing. In Southwark's case, despite the pandemic, vacancy rates are lower than the national average and the evidence base supporting the recently adopted London Plan and the recently Examined New Southwark Plan show the projected need and demand for office, industrial, retail, leisure and community floorspace and the planned future growth for these uses in the CAZ, town centres, site allocations and industrial intensification areas. Railway arches are not suitable for residential homes due to safety and amenity concerns.
282. Whilst there is a recognition of the governments intent to reform the planning system, in part through the provision of greater flexibility, the recent changes to the Use Classes Order have gone a significant way in achieving this and the proposed new permitted development right will have a negative impact on town centre vitality and viability. In particular, through the loss of:
- Retail
  - Offices and other employment floorspace
  - Health services and other social infrastructure
283. This PD right may have the effect of reducing active frontages in town centres, high streets and key employment locations. Significant stretches of inactive frontages (with aesthetically incongruous former shop fronts) will undermine their long-term sustainability, vitality and viability, and diminish the ability of the council to ensure quality place-making. The reduction in active ground floor uses, would have a negative impact on the public realm, footfall and economic renewal.
284. The PDRs will create a loss of affordable housing delivery, and contributions to infrastructure and public services through S106 contributions. Through full planning applications, local planning authorities are able to secure affordable housing through S106 agreements with the developer which would serve as an obligation on the developer to either provide affordable housing on site, or an agreement to pay the local authority an agreed sum to fund the delivery of affordable housing elsewhere.
285. The PDRs would affect how local planning authorities monitor the delivery and quantum of retail, employment and social infrastructure, against local evidence of current need and future demand. The introduction of PDR would limit the ability of Southwark to achieve its targets outlined in the New Southwark Plan as existing stock could be converted to housing,

reducing the net uplift required in the borough as a whole, through the plan period to 2036. It will also reduce the availability of small, affordable commercial premises for shops, offices, workspaces and light industrial units.

286. The Article 4 Directions would prevent the unintended harm of commercial to residential permitted development rights on existing occupiers and their contribution to the character of the area, employment, the overall functioning of the CAZ, town centres, local shopping areas and industrial areas and the wider economy.
287. The council is satisfied that permitted development rights granted by Schedule 2, Part 3, Class MA and Schedule 2, Part 20, Class ZA would create wholly unacceptable adverse impacts in the areas proposed for the Article 4 Directions for the reasons set out in this report.

## 10. CONSULTATION

288. Consultation on the Article 4 Directions will comply with provisions set out in the GPDO. Notice of the Directions will be made by:

- Local advertisement in the press;
- Site notices placed in visible locations on principle streets in Southwark's CAZ, town centres, site allocations, industrial areas and railway arches;
- Notification to the Secretary of State.

289. The Town and Country Planning (General Permitted Development) Order 2015 (as amended) Schedule 3 Article 4 states that the local planning authority need not serve notice on an owner or occupier in accordance with sub-paragraph (1)(c), if they consider that –

- (a) individual service on that owner or occupier is impracticable because it is difficult to identify or locate that person or
- (b) the number of owners or occupiers within the area to which the direction relates makes individual service impracticable.

290. Due to the number of properties in the areas specified in the Article 4 Directions and the ongoing COVID-19 pandemic, the council considers it impracticable to serve notice on all properties individually. However the council will endeavour to make additional notification as follows:

291. Additional notification will be made by:

- Mail out to over 20,000 email addresses on the council's planning policy consultation notification mailing list;

- Mail out to business contacts and organisations including the five Business Improvement Districts;
  - Article 4 Direction council webpages updated with relevant information on the Direction, the representation period, the planning committee report and other supporting documents available to view and download; and
  - Online Consultation Hub Page providing information on the Directions and a portal for submitting representations.
292. Following consultation and within 6 months a report recommending whether the Directions should be confirmed will be reported back to Planning Committee.

## **11. COMMUNITY IMPACT STATEMENT**

293. The council is working to improve the economic wellbeing of residents and to ensure that Southwark has a strong local economy with opportunities for employment, vibrant centres to do business in and residents equipped with skills and knowledge to access employment. The Article 4 Direction seeks to protect the contribution of offices to the local economy and economic wellbeing.
294. The equalities impact assessment (Appendix C) has concluded that the Article 4 Direction will have a positive impact on equalities and it will assist the council in implementing its planning policy framework, which has also undergone equalities analysis.

## **12. FINANCIAL IMPLICATIONS**

295. Should the local authority refuse planning permission for development that otherwise would have been granted by Class MA and Class ZA in the locations outlined on the proposed immediate Article 4 Directions, the council's potential liability for compensation is limited to one year from the date the Direction is introduced. Any compensation may relate either to a depreciation in the value of land or buildings which results from failure to gain planning permission or to abortive expenditure. Therefore there is a risk that the proposed Directions will make the council liable to compensation claims. Because circumstances vary widely, it is not possible to gauge the magnitude of such claims.
296. The council has made immediate Article 4 Directions previously and no claims for compensation have been made. However it is important to note that there is a risk that compensation claims could be made as a result of the new immediate Article 4 Directions within the next 12 months.
297. Any claim for compensation will be dealt with through the council's official complaints procedure and it is anticipated that any award would be



contained within the Planning division's budget. Should this not be possible support from council reserves would be sought. Any potential drawdown from council reserves for the payment of compensation claims will be subject to agreement by the relevant cabinet member, or full cabinet in the case of claims over £50,000.

298. The non-immediate directions for offices in the CAZ and railway arches will be made more than one year before the expiry of the existing exemption from the permitted development right (by Southwark's existing Article 4 Direction) so applicants will not be entitled to claim compensation.

### **13. SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Strategic Director of Law and Governance**

299. Paragraphs 8 to 22 of this report set out recent legislative changes, in particular amendments to the Town and Country Planning (Use Classes) Order 1987 and Town and Country Planning (General Permitted Development) (England) Order 2015 ('GPDO') These significant changes include the introduction of a Class E use (commercial, business and service) (see paragraph 8) and now associated permitted development rights to change use from Class E to Class C3 residential under a new class MA in the GPDO. The extent and impact of the changes have been considered against the planning policy direction of the development plan for Southwark, bearing in mind the advanced stage of preparation of the New Southwark Plan, which has now been through Examination in Public (paragraphs 47 to 49).
300. Directions under Article 4 of the GPDO permit a local planning authority to direct, if satisfied that it is expedient to do so, that certain descriptions of development in Schedule 2 of the GPDO should not be carried out unless permission is granted on application, therefore disapplying the permitted development rights specified in the direction. The recommendations section of this report outlines the new directions sought to remove permitted development rights introduced by Classes MA and ZA of the GPDO.
301. Paragraph 10 of Part 3F of the Council's Constitution states that it is the responsibility of planning committee to authorise directions under Article 4 so members must satisfy themselves that it is expedient to make the directions proposed in this report.
302. Members are also asked to note the import of the very recent Written Ministerial Statement referred to in paragraph 18 of this report which explains the changes to paragraph 53 of the National Planning Policy Framework (NPPF). In relation to the removal of permitted development rights relating to a change from non residential to residential use, the use

of Article 4 directions must be limited to situations '*necessary to avoid wholly unacceptable adverse impacts*' and in other cases '*be limited to situations where an Article 4 direction is necessary to protect local amenity or the well-being of the area*'. In all cases the directions must be based on robust evidence and apply to the smallest geographical area possible. The report includes detailed evidence drawn from the recent preparations for the New Southwark Plan and explains the reasons behind the choice of geographic locations to which the proposed directions will apply.

303. Members are asked to note the preceding paragraphs entitled 'Financial Implications' and paragraphs 28 to 32 of the report concerning the potential compensation payable in the case of the 'immediate' directions. Three of the four proposed new directions are immediate. The report explains that compensation may be payable where a person with a land interest has incurred expenditure in carrying out work which is rendered abortive because of the Article 4 direction or has otherwise sustained loss or damage which is directly attributable to it.

#### **Strategic Director of Finance and Governance (CE21/020)**

304. This report is requesting planning committee to approve three immediate Article 4 Directions (Appendix A) and one non immediate Article 4 directions to withdraw the permitted development rights as part of the schedule 2 of the Town and Country Planning (General Permitted Development) (GPDO) Order 2015 (as amended), as detailed in the recommendations. Full details and background are contained within the main body of the report.
305. The report is also requesting the planning committee to note the equalities analysis of the proposed Article 4 Directions and also delegate to the Director of Planning and Growth the arrangements for making the Article 4 Direction including compliance with the notification requirements under the Town and Country Planning (General Permitted Development) Order 2015 (as amended). Full details and background is provided within the main body of the report.
306. The strategic director of finance and governance notes that the proposed Directions may make the council liable for compensation claims but it is not possible to gauge the magnitude of such claims as circumstances vary. It is noted that any claim for compensation will be dealt through the council's official complaints procedure and sanctioned by the relevant cabinet member under the council's constitution as reflected in the report.
307. It is also noted that any agreed claims for compensation would be contained within the existing departmental revenue budgets where possible before funding from councils reserves are requested.

308. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

## 14. BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
General Permitted Development Order 2015 (as amended)	<a href="https://www.legislation.gov.uk/primary+secondary?title=general%20permitted%20development">https://www.legislation.gov.uk/primary+secondary?title=general%20permitted%20development</a>	<a href="mailto:planningpolicy@southwark.gov.uk">planningpolicy@southwark.gov.uk</a>
New Southwark Plan – Council's Proposed Changes to the Submission Version August 2020	<a href="https://www.southwark.gov.uk/assets/attach/34777/NSP-Print-Version-25.02.2021.pdf">https://www.southwark.gov.uk/assets/attach/34777/NSP-Print-Version-25.02.2021.pdf</a>	<a href="mailto:planningpolicy@southwark.gov.uk">planningpolicy@southwark.gov.uk</a>
London Plan 2021	<a href="https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/london-plan-2021">https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/london-plan-2021</a>	<a href="mailto:planningpolicy@southwark.gov.uk">planningpolicy@southwark.gov.uk</a>
Authority Monitoring Report (Employment and Retail)	<p><a href="#">SP425 - Authority Monitoring Report: Employment (B class) development figures (2011– 2019)</a> (pdf, 297kb)</p> <p><a href="#">SP430 - Authority Monitoring Report: Retail (A class) development figures (2011 - 2019)</a></p>	<a href="mailto:planningpolicy@southwark.gov.uk">planningpolicy@southwark.gov.uk</a>
Southwark Employment and Retail Evidence base (Submission documents)	<p><a href="#">SP411 - Southwark's Economic Wellbeing Strategy 2017 – 2022 (2017)</a> (pdf, 2.2mb)</p> <p><a href="#">SP412 - Southwark's Employment Land Review (Part 1 Final Report) (2016)</a> (pdf, 2.3mb)</p>	<a href="mailto:planningpolicy@southwark.gov.uk">planningpolicy@southwark.gov.uk</a>

	<p><a href="#"><u>SP413 - Southwark Industrial and Warehousing Land Study (2014)</u></a> (pdf, 3mb)</p> <p><a href="#"><u>SP413A - Southwark Industrial and Warehousing Land Study: Appendix 1-3</u></a> (zip, 3.4mb)</p> <p><a href="#"><u>SP414 - Southwark Retail Study (2015) Part 1 of 2</u></a> (pdf, 3.2mb)</p> <p><a href="#"><u>SP415 - Southwark Retail Study (2015) Part 2 of 2</u></a> (pdf, 6mb)</p> <p><a href="#"><u>SP416 - Southwark High Streets Survey Methodology (2015)</u></a> (pdf, 902kb)</p> <p><a href="#"><u>SP417 - Southwark High Streets Survey Report (2015)</u></a> (pdf, 950kb)</p> <p><a href="#"><u>SP418 - Understanding Perceptions of Southwark Town Centres (2014)</u></a> (pdf, 5.4mb)</p> <p><a href="#"><u>SP419 - Southwark Retail Study Old Kent Road Update (2018)</u></a> (pdf, 1.8mb)</p> <p><a href="#"><u>SP420 - Southwark Cultural Strategy (2017)</u></a> (pdf, 3mb)</p> <p><a href="#"><u>SP421 - Old Kent Road Business Survey Update (2019)</u></a> (pdf, 9.4mb)</p> <p><a href="#"><u>SP422 - Affordable</u></a></p>	
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	<p><a href="#">workspace in Southwark – Evidence of needs (2019)</a> (pdf, 5.4mb)</p> <p><a href="#">SP423 - New Southwark Plan Housing and Affordable Workspace Viability update (2019)</a> (pdf, 3mb)</p> <p><a href="#">SP431 - Old Kent Road Workspace Demand Study (2019)</a> (pdf, 21.9mb)</p> <p><a href="#">SP401 - Industrial land background paper</a> (pdf, 1.5mb)</p> <p><a href="#">SP402 - Offices background paper</a> (pdf, 1.3mb)</p> <p><a href="#">SP403 - Retail background paper</a> (pdf, 1.7mb)</p> <p><a href="#">SP404 - Hotels background paper</a> (pdf, 296kb)</p>	
<p>Southwark Employment and Retail Evidence base (Examination documents)</p>	<p><a href="#">EIP82b - Site Allocations Methodology Report (May 2021)</a> (pdf, 25.1mb)</p> <p><a href="#">EIP145 - South Bermondsey Dive Under masterplan (October 2020)</a> (pdf, 54mb)</p> <p><a href="#">EIP149 - Old Kent Road Existing and Proposed (Jan</a></p>	<p><a href="mailto:planningpolicy@southwark.gov.uk">planningpolicy@southwark.gov.uk</a></p>

	<p><a href="#">2021</a>) (pdf, 10.7mb)</p> <p><a href="#">EIP150 - Old Kent Road Accomodation Schedule (Jan 2021)</a> (pdf, 8mb)</p> <p><a href="#">EIP204 - UCO NSP Site Allocation Modifications</a></p> <p><a href="#">EIP207 - Strategics Policies Note</a> (pdf,</p> <p><a href="#">EIP128 - Old Kent Road AAP (Dec 2020)</a></p> <p><a href="#">EIP162 - Southwark Council response to changes to the Use Class Order and the impact on the NSP</a></p>	
Ministerial Statement 1 July 2021	<a href="https://questions-statements.parliament.uk/written-statements/detail/2021-07-01/hcws145">https://questions-statements.parliament.uk/written-statements/detail/2021-07-01/hcws145</a>	<a href="mailto:planningpolicy@southwark.gov.uk">planningpolicy@southwark.gov.uk</a>
Southwark Five and Fifteen Year Housing Land Supply	<a href="#">EIP198a - 5 and 15 Year Housing Land Supply and Appendices (June 2021)</a>	<a href="mailto:planningpolicy@southwark.gov.uk">planningpolicy@southwark.gov.uk</a>
Union Street Partners' Quarter 1 2021 London South Bank Office and Retail Markets Research Report	<a href="https://www.unionstreetpartners.co.uk/news/view/quarterly-research-released">https://www.unionstreetpartners.co.uk/news/view/quarterly-research-released</a>	<a href="mailto:planningpolicy@southwark.gov.uk">planningpolicy@southwark.gov.uk</a>

## 15. APPENDICES

No.	Title
Appendix A	Draft Article 4 Directions proposed
Appendix B	Map of the areas subject to proposed Article 4 Directions
Appendix C	Equalities Impact Assessment
Appendix D	GLA strategic evidence to support London borough Article 4 Directions

## 16. AUDIT TRAIL

<b>Lead Officer</b>	Stephen Platts, Director of Planning and Growth	
<b>Report Author</b>	Laura Hills, Team Leader Planning Policy	
<b>Version</b>	Final	
<b>Dated</b>	7 July 2021	
<b>Key Decision?</b>	Non-key	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Finance Director	Yes	Yes
<b>Cabinet Member</b>	Yes	No
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	8 July 2021	