

ELEPHANT & CASTLE TOWN CENTRE

Detailed Planning Application
London Borough of Southwark



RETAIL ASSESSMENT

DP9 Ltd

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1.0 INTRODUCTION

- 1.1 This Retail Assessment has been prepared by DP9 Ltd (DP9) on behalf of Elephant & Castle Properties Co. (hereafter referred to as ‘the Applicant’) to accompany a detailed planning application for the phased mixed use redevelopment of Elephant and Castle Shopping Centre site (hereafter referred to as the ‘East Site’) and the London College of Communication (LCC) site (hereafter referred to as the ‘West Site’). The East and West Sites comprise the overall ‘Application Site’. The Application Site is 3.56 hectares (ha) and is located within the London Borough of Southwark (LBS).
- 1.2 The Description of Development proposed is as follows:
- “Phased mixed use redevelopment of the existing Elephant and Castle Shopping Centre and London College of Communication sites comprising the demolition of all existing buildings and structures and redevelopment to include buildings ranging in height from single storey to 34 storeys (with a maximum building height of 124.5 m AOD) above basement (and additional space at mezzanine level within basements) to provide a range of uses including residential units (Use Class C3), retail (Use Class A1-A4), office (Use Class B1), education (Use Class D1), assembly and leisure (Use Class D2), and a new Station Entrance and Station Box for use as a London Underground operational railway station. The proposed development will also include new means of access, highway works, public realm and landscaping works, parking and cycle provision, plant and servicing, and a range of other associated and ancillary works and structures.”*
- 1.3 A full description of the proposal, and schedule of areas, is set out in the accompanying Planning Statement and Design & Access Statement.
- 1.4 The majority of the retail and leisure element of the proposals will be provided on the East Site (25,720 sq.m GIA) through the redevelopment of the existing 1960s Elephant and Castle Shopping Centre and Coronet music venue, with smaller retail and leisure elements in the West Site (6,342 sq.m GIA), including 2,614 sq.m GIA floorspace for a re-provided music venue. The development will improve overall vitality and sustainability, as well as active frontages within the new areas of public realm. The redevelopment of the shopping centre and Coronet music venue will be an integral part of proposals for the regeneration of the Elephant & Castle Town Centre, supporting the retail and leisure needs of the new housing within the proposals, as well as existing and forthcoming consents.
- 1.5 The Application Site benefits from access to two London Underground lines (Northern via Bank and Bakerloo), with access to these services located within the East Site. Elephant and Castle National Rail station is located immediately east of the East Site, which offers Thameslink services to north and south London. There are also a large number of bus stops situated on the surrounding highway network and cycle superhighway CS7 which runs perpendicular to the West Site boundary, along Elliot’s Row. Consequently, the Application Site has the highest PTAL rating of 6, reflecting the sustainability of this town centre location. The proposals do not include parking provision for customers, so the highly accessible location enables the Application Site to support a higher quantum of retail floorspace.
- 1.6 The Application Site, including the existing Elephant and Castle Shopping Centre, is located within a designated Local Plan Major Town Centre. Therefore the development of leisure and retail uses at the site is considered to be in accordance

with the development plan in principle, subject to demonstrating that the scale is acceptable and taking into consideration relevant provisions of the statutory development plan and other material planning guidance. This report specifically considers the issues of scale and impact to demonstrate that the proposed scale and types of retail and leisure are appropriate for the Town Centre.

1.7 The Assessment is structured as follows:

- **Section 2** summarises the existing retail offer and the retail element of the development proposals;
- **Section 3** outlines the relevant national planning policy and guidance;
- **Section 4** outlines the Development Plan, including relevant London Plan policies and local policies;
- **Section 5** analyses the retail capacity and need for additional retail floorspace in order to contextualise and demonstrate the appropriateness of the type and scale of the Proposals;
- **Section 6** assesses the appropriateness of the scale of the proposed development, and compliance with other town centre policy objectives;
- **Section 7** sets out a summary of the proposed benefits;
- **Section 8** presents the concluding position of the retail assessment.

2.0 THE PROPOSALS

Application Site and the Current Retail Offer

- 2.1 The East Site is occupied by the 1960s Elephant & Castle Shopping Centre, and to the north-east, the London Coronet Theatre, the Charlie Chaplin public house, market stalls, a newsagent and a dental surgery.
- 2.2 The Elephant & Castle Shopping Centre is a three storey building, and includes a central 16 storey office building, Hannibal House. It has a single level, double-height basement. The basement is used as a car park with access below one of the railway arches along the eastern boundary of the Elephant & Castle Shopping Centre on Elephant Road.
- 2.3 The Elephant and Castle Shopping Centre comprises 27,204 sq.m (GIA) of retail and leisure floorspace.
- 2.4 There are around 70 retail occupiers currently letting space within the Elephant and Castle Shopping Centre. In addition to 9 restaurants and 5 Leisure operators on the site.
- 2.5 According to the Southwark Retail Study (2015), the reduction in the number of units in the centre since 2009 is likely due to the amalgamation of retail units to provide large units to serve the needs of retailers. The vacancy rate at October 2015 was 5%.
- 2.6 The existing building and surrounding units are of a low quality, dated design and in poor condition. They do not engage with the surrounding area in any meaningful way, in part due to their original design, but also due to the contrasting relationship with the upgraded street scene and neighbouring development in and around Elephant and Castle.
- 2.7 The environmental quality of the centre is poor. There is little public realm within the shopping centre to enhance its overall attractiveness. Little investment has been made on the basis that significant investment is planned in the longer term, and the redevelopment of the Shopping Centre is required as a matter of priority to continue the regeneration of the town centre.
- 2.8 The retail units outside the shopping centre are on busy main roads which can prohibit pedestrian movement.

Surrounding Area

- 2.9 The Elephant and Castle Town Centre is being transformed following its designation within an Opportunity Area, with the Strata tower at 147m being one of the first symbols of the regeneration. In recent years a number of planning permissions have been granted for major developments, including tall buildings. Of these, a number are currently on-site, at pre-construction stage, or completed. These schemes will further help transform and regenerate this area of Southwark, and central London.
- 2.10 A list of these permissions and their retail, leisure and services floor areas are detailed below. In total they contribute 25,262 sq.m of additional retail, leisure and services floor area to the Elephant and Castle Opportunity Area.

Table 1: Consented retail, leisure and services floorspace from planning permissions which are currently under construction, have been implemented or have been scheduled for near future implementation since early 2015

Application	Permission Date	Retail, Leisure and Services Floorspace (sq.m)
Elephant Park – Comprehensive redevelopment of the former Heygate Estate. Planning permission granted for a phased development consisting of circa 2,500 homes, 15,000 sq.m of retail, 5,000 sq.m of office, 10,000 sq.m of community and leisure, a new energy centre and district heating network, and a new park. Construction is underway on the first phase with the whole development anticipated to be complete in 2025;	27/03/13 (Outline)	10,000 - Retail and services (min) 1,000 - Leisure (min) TOTAL: 11,000 (min)
One The Elephant – 37 storey residential tower comprising 284 residential units with ancillary retail at ground floor;	23/11/2012	809 - Retail and services
The New Elephant and Castle Leisure Centre – is being delivered by the Council and is due to open in 2016;	07/11/2012	3,170 - Leisure
360 London –Residential led 44 storey tower now under construction;	05/11/2014 (S73)	1,056 - Leisure 456 - Retail and services TOTAL: 1,512
Elephant 1, SE17 1LA – proposals for a 25 storey (87.5m AOD) building comprising 373 rented homes, 272 student residences, a supermarket, cinema and new retail units; (ref: 08-AP-2403)	14/03/2014	2,485 - Leisure 4,206 - Retail and services TOTAL: 6,691
The Signal Building, 89-93 Newington Causeway – 22 storey residential led development nearing completion;	01/11/2011	65 - Retail and services
128-150 Blackfriars Road – 27 storey residential led tower now under construction;	11/03/2015	1,728 - Retail and services
Eileen House/Two Fifty One – 41 storey tower containing 335 new homes under construction	04/03/2014	287 - Retail and services

- 2.11 Located at the centre of the Opportunity Area Town Centre, designed to complement the critical mass of the aforementioned regeneration schemes, the Proposals will be a critical addition for completing the regeneration of the Elephant and Castle area.

Planning application proposals

- 2.12 This section sets out a description of the retail development proposals which are being assessed as part of this Assessment. Full details of the proposed scheme are set out in the accompanying Planning Statement and Design and Access Statement.
- 2.13 The major element of the retail proposals is the redevelopment of the existing 1960s Elephant and Castle Shopping Centre. In total the retail and leisure elements of the proposed development (East and West Site) will provide a maximum of 32,062sq.m (GIA) retail and leisure floorspace.¹ The majority of the retail floorspace will be accommodated on the East Site comprising new retail and leisure uses, including a multi-screen cinema. The East Site will provide a total maximum retail and leisure floor area of 25,720 sq.m (GIA). The West Site will providing a maximum of 6,342 sq.m (GIA) of retail and leisure floor space.
- 2.14 Overall, the Proposals would result in a net increase of 4,858sq.m (GIA) of retail and leisure floorspace. Reflecting the excellent public transport provision serving the Town Centre, no car parking is proposed to serve the new retail and leisure provision, which is intended to serve the current and future needs of people living and working in the area.

Meeting Retailer and Customer Needs

- 2.15 The proposals provide an increase in the quantum, but also, critically, the quality of retail and leisure floorspace, in order to attract a range of retailers capable of ‘anchoring’ the wider town centre offer. This approach seeks to address the range of needs of the increasing population forecasts for Elephant and Castle and Southwark, outlined in the 2015 Southwark Retail Assessment.
- 2.16 The retail frontage of the existing shopping centre fronts Newington Butts and the eastern side of the Elephant and Castle Roundabout. The proposals would replace and upgrade the existing poor quality frontage, floorspace, public realm and environmental access to public transport. This will increase footfall within the new shopping centre, and across the Elephant and Castle Town Centre Opportunity Area.
- 2.17 The retail proposals have been designed with the requirements of a range of retailers in mind, but in particular, larger ‘prime’ retail units to enable the Town Centre to compete with competing town centres and adapt to modern retail requirements.
- 2.18 The Southwark Retail Study (2015) also notes the preference of high street multiple comparison retailers seeking larger modern shop units (over 200 sq.m) within town centres. It notes the trend of smaller vacant units becoming less attractive for new multiple occupiers, with retailers increasingly looking to relocate into larger units in higher order centres.

2.1 ¹ Flexible use A1, A2, A3, A4, B1 floor area on the West Site has been included in retail and leisure floor area calculations to provide the maximum retail and leisure floorspace output scenario.

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- 2.19 The proposals for the new shopping and leisure centre seek to accommodate the needs of these types of retailers, which are considered the appropriate type of retailers for a Major Town Centre like Elephant and Castle.
- 2.20 The proposals will complement and enhance the current and developing retail offer in other parts of the town centre, and deliver an uplift in the quality of the retail offering and environment, capturing a higher spend per visit, and enhancing the vitality and viability of the wider town centre.
- 2.21 The Site benefits from direct access to the Elephant and Castle transport hub (PTAL score of 6) and to the north of the Site the Elephant and Castle roundabout has recently undergone significant improvement works by TfL to rationalise the road network and enhance the public realm through the creation of a new peninsular, aiming to improve permeability and pedestrian experience.
- 2.22 It is also located within the Elephant and Castle Major Town Centre and Opportunity Area within LBS. The Council aspires to regenerate the Opportunity Area to realise its potential and create a better town centre and high density new mixed-use neighbourhood, incorporating a cluster of tall buildings. Given the site's prominence within the Opportunity Area, it represents a strategically important location for development. The Opportunity Area spans 122 ha. with a main objective of delivering 5,000 new jobs, 4,000 new homes and 45,000sqm of new shopping and leisure floorspace from 2011-2016
- 2.23 Consequently, the Site will increasingly benefit from excellent access to new and existing and commuter and visitor flows. The Site is ideally positioned to provide the required comparison, convenience, restaurant and leisure floorspace in terms of unit size, location, servicing and availability in order enhance the Town Centre for new and existing residents.
- 2.24 The proposals have been designed to accommodate the demand significant from convenience and comparison retailers and restaurant and leisure operators seeking representation in Elephant and Castle. The tenant mix of the development will be tailored to incorporate a mix of convenience and comparison retailers that work well in London, together with a significant proportion of cafes and restaurants serving the needs of those living and working in the centre. The anchor multi-screen cinema will also underpin the retail and leisure offer of the centre.
- 2.25 While tailored to the specific needs of the local catchment, the proposals are expected to perform a comparable role to other major centres in London which successfully combine a mix of convenience, leisure, food and fashion, and comparison retailers, including the Angel Central Shopping Centre, Fulham Broadway and Ealing Broadway.
- 2.26 Market research and consultation with interested retailers has indicated that this would be the most appropriate type of retail offer for the Site. This type of offer would best complement and enhance the retail offerings of other planned and consented developments in the Town Centre Opportunity Area, including at the Walworth Road Town Centre. The application site is the only location within the town centre able to accommodate these specific retailer and customer requirements at this time.
- 2.27 In summary, the development proposals (and corresponding TFL works) will replace the existing dated, poor quality shopping centre, with a more modern retail offer which caters to modern, evolving customer needs. The Proposals will improve the
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quality of the retail offering, shopping environment and townscape, increase the footfall within the Town Centre to create a livelier street scene, thereby improving the long term viability of the town centre and local economy.

3.0 NATIONAL PLANNING POLICY CONTEXT

National Planning Policy Framework

- 3.1 The National Planning Policy Framework (NPPF) (2012) provides national planning guidance, and is a material consideration in the determination of planning applications.
- 3.2 The NPPF sets out a clear presumption in favour of sustainable development. This means approving development proposals that accord with the development plan without delay, and where the development plan is absent, silent or out of date, granting planning permission unless any adverse impacts of doing so would significantly or demonstrably outweigh the benefits, when assessed against the policies of the framework taken as a whole.
- 3.3 The NPPF sets out the Government's commitment to securing economic growth in order to create jobs. The planning system should encourage and not act as an impediment to sustainable growth, and local authorities should plan proactively to meet the development needs of business. Planning policies should be positive and promote competitive town centre environments, and set out policies for the management and growth of centres, including allocating a range of sites to meet needs for retail, leisure and other uses in full.
- 3.4 The NPPF seeks to ensure that planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period (Paragraph 23). The NPPF requires that Local Planning Authorities (LPAs) should:
- *'Recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;*
 - *Define a network and hierarchy of centres that is resilient to anticipated future economic changes;*
 - *Define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations;*
 - *Promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;*
 - *Retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;*
 - *Allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres. It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. LPAs should therefore undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites;*
 - *Recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development in appropriate sites.*
 - *Where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.'*
- 3.5 The Proposals are fully aligned with the key objectives of the NPPF.

3.6 Paragraph 24 of the NPPF states that:

Local planning authorities should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan. They should require applications for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered.

It further requires that ‘*applicants and local planning authorities should demonstrate flexibility on issues such as format and scale.*’

3.7 Consequently, requirements to undertake a sequential test do not apply to these proposals for the following reasons:

- First, in accordance with the above-mentioned NPPF policy, the Site is located within a Major Town Centre designation of the extant Local Plan, and within a District Town Centre of the London Plan (2016).
- Second, the London Plan District Town Centre designation is within an up-to-date local plan, which explicitly supports retail and other town centre uses.

3.8 In these circumstances, there is no policy requirement to undertake an impact or sequential site assessment for main town centre proposals. However, this report will set out our analysis of the proposals to demonstrate that they are for an appropriate scale and type of uses within the Town Centre, considering the impact of the proposals on nearby centres and alignment with town centre designation scale specifications.

4.0 THE DEVELOPMENT PLAN

4.1 In accordance with Section 38(6) of the Planning and Compulsory Purchase Act 2004 (as amended), the proposed development must be determined in accordance with the development plan unless material considerations indicate otherwise.

4.2 The relevant development plan for the site is:

- The London Plan: Spatial Development Strategy for Greater London – Consolidated with Alterations Since 2011 (March 2016);
- Southwark Core Strategy (2011);
- Southwark Plan (2007) (saved policies 2010)

4.3 Material weight can also be given to policies within the 2012 Elephant and Castle SPD/OAPF, to the extent that this accords with the NPPF and Development Plan, and other material considerations

4.4 We set out a brief assessment of the retail policies of the development plan below.

Regional Planning Policy

The London Plan (March 2016)

4.5 Alterations to the 2011 and 2015 editions of the London Plan were adopted in March 2016. The London Plan provides clear support for the ‘sustained renewal,’ of the Elephant and Castle area through regeneration, development and transport proposals. This London Plan objective is supported by Policy 2.13 which designates Elephant and Castle as an Opportunity Area with ‘potential for new retail provision integrated with a more efficient and attractive transport interchange.’

4.6 The London Plan locates the Site within the Central Activities Zone. Central Activities Zone Policy 2.10f supports the improvement of the retail offer for CAZ residents, workers and visitors. Policy 2.11c supports the identification, enhancement and expansion of retail capacity to meet strategic and local need. The strategic and local need is identified in the Local Plan and its supporting 2009 Retail Assessment.

4.7 London Plan Policy 2.15 supports the role of town centres to sustain vibrant local economies. Table A2.1 identifies Elephant and Castle as a regeneration area Town Centre with ‘High Growth’ future potential. High Growth relates to centres likely to experience ‘strategically significant levels of growth with strong demand and/or large scale retail, leisure or office development in the pipeline and with existing or potential public transport capacity to accommodate it’.

4.8 In support of the ‘High Growth’ projections, whilst Table A2.2 confirms Elephant and Castle’s status as a District Town Centre, it also highlights its potential for re-classification to a Major Town Centre over the plan period, combined with Walworth Road, resulting from the development of the Opportunity Area and improved accessibility.

4.9 The step change from a District to a Major Town Centre is the increase of retail, leisure and service floor space typically from 10,000-50,000 sq.m to above 50,000

sq.m. For Major Town Centres this includes a relatively high proportion of comparison goods relative to convenience goods, and potentially significant employment, leisure, service and civic functions.

- 4.10 On the subject of ‘Retail centre classifications’ the 2014 Planning Inspector’s Report on the London Plan, upholds the GLA’s principle not to classify or reclassify a centre ‘until it has proven that it is operating at the required level.’ This requires an evidence based approach which justifies the formal re-classification of a District Town Centre only once it has demonstrated that it has the required characteristics. The GLA will confirm formal reclassifications of Town Centres in subsequent updates to the London Plan.
- 4.11 As such, the transformation of the Elephant and Castle and Walworth Road District Town Centres into a Major Town Centre is expected to be achieved through development. Such development will increase the retail floorspace to enable the District Town Centres to meet Major Town Centre increased retail floorspace criteria.
- 4.12 London Plan Policy 2.15 supports the role of town centres and requires that applications within town centres should conform with policies 4.7 and 4.8 and seek to sustain and enhance the vitality of centres, accommodate economic/housing growth through intensification, support and enhance town centre competitiveness, and also be in scale with the centre.
- 4.13 London Plan Policy 4.7 states that in taking planning decisions on proposed retail and town centre development:-
- *‘The scale of retail, commercial and culture and leisure development should be related to the size, role and function of a town centre and its catchment;*
 - *Retail, commercial and leisure development should be focussed on sites within town centres, or if no in centre sites are available, on sites on the edges of centres that are, or can be, well integrated within the existing centre and public transport; and*
- 4.14 The above policy relates to the aforementioned relevant NPPF policy, in that it does not require proposals within designated Town Centres to conduct sequential or impact assessments. They similarly expect retail, commercial and leisure development to be focussed on sites within town centres, and require development to be of an appropriate scale for the town centre designation. Our evidence demonstrates that our proposals satisfy all of the above criteria.
- 4.15 There is no test within the NPPF or Local Plan to specifically determine the appropriateness of scale. Acceptability of scale can however be judged in the context of population, expenditure and floorspace capacity requirement forecasts. In the case of these proposals, such data is published in the 2015 Southwark Retail Study commissioned by LBS, and London Town Centre Health Check Analysis Report, Experian (March 2014).
- 4.16 Paragraph 4.40 identifies a baseline need for an additional 0.9 – 2.2 million sq.m of comparison goods retail floorspace across London by 2036. The difference in the range reflects the treatment of vacant space. If it is assumed that vacant retail space in London is unlikely to be reoccupied for retail purposes, which appeared to reflect a broad consensus view at the Examination, the requirement would be at the upper end of the range indicated. When schemes in the planning pipeline are factored into

the analysis, London could need an additional 0.4 - 1.6 million sq.m of comparison goods retail floorspace by 2036.

- 4.17 Policy 4.8 advocates a proactive approach to planning for retailing, including; bringing forward capacity for additional comparison goods retailing, particularly in larger centres; supporting local convenience shopping and local goods and services; and supporting markets and other measures to improve their management, and enhance their offer.
- 4.18 As our evidence demonstrates, the proposed development provides an opportunity for increased leisure, services and comparison/convenience goods floor space to support the Elephant and Castle Town Centre's evolution from a District to a Major Town. As such, the proposals are fully in accordance with the London Plan, and indeed are necessary if Elephant and Castle is to achieve the higher order status anticipated.

Local Planning Policy

- 4.19 The adopted Local Plan comprises the Southwark Core Strategy and Southwark Plan Saved Policies. Both documents predate the NPPF and are therefore out of date. However, the policies should be afforded weight insofar as they are still consistent with national and regional policy. Both the Core Strategy and Southwark Plan Saved Policies will be replaced by the emerging New Southwark Plan.
- 4.20 Consultation on the New Southwark Plan - Preferred Option (2015) concluded in February 2016. Consultation on the submission draft is scheduled to take place in Spring 2017, with examination to follow in Summer 2017. Increased weight will be given to the draft New Southwark Plan, intended for submission in Summer 2017. Once adopted in 2018, the New Southwark Plan will become the most up to date development plan document for the purpose of deciding planning applications in Southwark, alongside the London Plan.
- 4.21 Subsequently, the evidence base for the New Southwark Plan contains the most up-to-date research, data and supporting documents. Therefore the policy in the New Southwark Plan is considered the most relevant for assessing the development proposals, as it is based upon the most accurate and up-to-date evidence.
- 4.22 Unlike the Core Strategy and the 2010 Saved Local Plan Policies, the emerging New Southwark Plan does not contain specific targets for new retail floor areas or specify preferred proportions for comparison/convenience goods floor space. It does however refer to the Elephant and Castle Supplementary Planning Document to provide more detailed guidance with additional requirements.
- 4.23 In 2009 Southwark Council commissioned a Retail Study prepared by GVA Grimley. In June 2015 Nathaniel Lichfield & Partners produced a comprehensive Retail Study Update. The study included data on the existing retail capacity and forecasts up to 2031.
- 4.24 In later sections, this retail assessment assess the development proposals against the Elephant and Castle SPD, the Retail Study's findings, and the Core Strategy.
- 4.25 The following sections identify the relevant Local Plan planning policy.

Southwark Plan (2007) Saved Policies (2010)

- 4.26 The Southwark Plan policies which were saved in 2010 are very out of date, and should be afforded little weight, particularly where they conflict with NPPF Paragraph 14 principle of presumption in favour of sustainable development.
- 4.27 Policy 1.7 of the Southwark Plan Saved Policies for ‘Development within town and local centres’, states that ‘most new developments for retail and other town centre uses should be accommodated within the existing town centres and local centres. In descending order of significance, it places Major Town Centre Elephant & Castle (including Walworth Road) at the top of this list. The second is Peckham.
- 4.28 Policy 1.7 also states that:
- ‘Within the centres, the LPA will permit developments providing a range of uses, including retail and services, leisure, entertainment and community, civic, cultural and tourism, residential and employment (Class B1) uses, where the following criteria are met:
- i. The scale and nature of the proposal is appropriate to the character and function of the centre and the catchment area it seeks to serve; and
 - ii. The proposal will not harm the vitality and viability of the centre; and
 - iii. A mix of uses is provided where appropriate; and
 - iv. Any floorspace currently in A Class use should be retained or replaced, unless the proposed use provides a direct service to the general public and the proposal would not harm the retail vitality and viability of the centre (where the proposal site is located within a protected shopping frontage, the proposal should comply with Policy 1.9); and
 - v. The proposal would not materially harm the amenities of surrounding occupiers; and
 - vi. Where developments which are likely to attract a lot of people are proposed, the site should be highly accessible by sustainable modes of transport; and
 - vii. The road network has sufficient capacity to take any additional servicing traffic generated by the proposal without causing adverse effects on the environment, traffic circulation, or air quality; and
 - viii. The development addresses the street, provides an active frontage on pedestrian routes and would not erode the visual continuity of a shopping frontage; and
 - ix. The proposal provides amenities for users of the site such as public toilets, where appropriate.
- 4.29 Note that point iv specifically, is inconsistent with NPPF policy, as the NPPF does not require an impact assessment for in-centre development.

Southwark Core Strategy (2011)

- 4.30 Southwark Core Strategy Strategic Objective 2D to create a vibrant economy states that, ‘the Central Activities Zone, Opportunity Areas and Action Areas will have lots of different activities as well as housing.’ The Site is located within both an Opportunity Area and the Central Activities Zone.

- 4.31 Core Strategy Strategic Targets Policy 2 for improving places, identifies regeneration retail development area targets between 2009-2016 for Elephant and Castle for around 45,000 sq.m of additional shopping and leisure space.
- 4.32 Figure 13 of the Core Strategy locates the application Site within the Elephant and Castle 'Core Area' – a main focus area for development and activity.'
- 4.33 The Core Strategy's vision for Elephant and Castle recognises its potential to become 'an attractive Central London destination,' through regeneration to create a 'more desirable place for both existing and new residents with 'excellent shopping, leisure facilities and cultural activities.' The Policy clearly supports new development on the Site providing a better quality retail offering. Furthermore, in its reference to both existing and new residents' the policy demonstrates an acceptance of the varying consumer needs that would need to be accommodated, determining the improved quality of the retail offering.
- 4.34 In line with the future role identified for it within the London Plan, the Southwark Core Strategy identifies Elephant and Castle as a Major Town Centre. The Core Strategy states that the Council 'will direct large leisure and retail developments to town and local centres.' Its approach to the Elephant and Castle/Walworth Road Major Town Centre will enable the provision of around 45,000 sq.m of additional shopping and leisure space, focusing on provision of new non-food shopping, strengthening its role as a major town centre.
- 4.35 The Core Strategy categorises Major Town Centres as:
- 'important shopping and service centres. They have a mixture of different types of shops, and usually some leisure and entertainment facilities. Generally they serve people from across the borough and possibly outside the borough, and usually have over 50,000 sq.m of retail floorspace.'*
- 4.36 The 2009 Retail Study suggests that although Southwark residents generally do their food shopping in the borough, most do not shop for comparison goods in Southwark.
- 4.37 The above referenced Policies from the London Plan and Southwark Core Strategy strongly support aspirations for the Elephant and Castle Town Centre to provide:
- Regeneration development to attract both existing and new residents with excellent shopping, leisure facilities and cultural activities
 - around 45,000 sq.m of additional shopping and leisure space, providing a mixture of different types of shops
 - New development to provide this floorspace
 - Retail floor space focusing on provision of comparison goods
 - Comparison goods retail to serve people from across the borough and possibly outside the borough

Elephant and Castle SPD /OAPF

- 4.38 The Elephant and Castle Opportunity Area Supplementary Planning Document (SPD) was adopted on 20 March 2012. The SPD/OAPF provides guidance on *inter alia* the mix of shops.

- 4.39 Policy SPD 1 relates to new retail opportunities through the redevelopment of Elephant & Castle:

‘We will support new retail development in the town centre to help consolidate Elephant and Castle and Walworth Road as a major town centre in the borough’s retail hierarchy.’

Furthermore, it particularly refers to the redevelopment of the shopping centre. It states that the Council will:

‘Work with the landowner to transform the shopping centre through redevelopment or remodelling, supporting the introduction of new large ‘anchor tenants’ and promoting a wider mix of retail uses to strengthen the appeal of the town centre to a wider catchment.’

- 4.40 In line with the above, the Development Proposals would introduce new, large ‘anchor tenants’ and promote a wider mix of retail uses to strengthen the appeal of the town centre. As discussed later in further detail, the retail and leisure elements of the Development Proposals will appeal to a similar catchment area as the existing, however due to the expected significant increase in the local residential population over the next few years, it will service significantly increased volumes of people.

- 4.41 Policy SPD 1 requires that:

Large retail developments (including refurbishments) over 1,000 sq.m m should:

- *Contribute to the provision of a vibrant mix of retail uses to add diversity to the town centre.*
- *Provide a range of shop unit sizes, including affordable units. We will use planning conditions or section 106 planning obligations to ensure that at least 10% of new floorspace (GIA) is made available as affordable space to provide suitable premises for small and medium sized enterprises in the opportunity area who have been displaced as a result of development, new business start-ups or independent retailers.*

- 4.42 The SPD/OAPF states that ‘the provision of new shopping floorspace at Elephant and Castle will help consolidate its role as a major centre in our hierarchy of town centres and help provide a step change which enables it to compete with other London centres.’

- 4.43 Accordingly, subject to the provision of affordable units, which we consider later, the development proposals fully meet the SPD/OAPF policy requirements. Furthermore they contribute to the achievement of the Council’s vision for the Elephant & Castle Shopping Centre and area in general.

New Southwark Plan (2015)

- 4.44 The following New Southwark Plan policies are relevant to the development proposals.
- 4.45 Strategic Policy 2 for revitalised neighbourhoods states that the Council will ‘encourage residential development above shops to enliven town centres.’ This policy objective directly relates to the proposals.

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- 4.46 Strategic Policy 4 for strong local economy aims to make the distinctive town and local centres ‘places where shops, leisure, office and community uses are competitive and popular, providing customer choice for local communities.’
- 4.47 The New Southwark Plan Preferred Option (2015) identifies Southwark’s Regeneration Areas to include the Central Activities Zone, as well as the Elephant and Castle Opportunity Area. The Application Site is located within both designations.
- 4.48 Policy DM9 for Revitalising Places through the design of places states that:
- ‘Planning permission will be granted for development that:*
- (1) Ensures the height, scale, massing and arrangement of development responds positively to the existing townscape, character and context;*
- (3) Ensures an urban grain and site layout that takes into account and improves existing patterns of development and movement, permeability and street widths;*
- (4) Ensures buildings, public spaces and routes are positioned according to their function, importance and use;’*
- 4.49 Policy DM13 for the efficient use of land states that ‘planning permission will be granted for development that (1.1) ensures that the underutilisation or overdevelopment of sites is avoided. The scale of the Proposals would strike an appropriate balance, avoiding underutilisation or overdevelopment of the Site, in accordance with Development Plan aspirations for the Opportunity Area and Town Centre aspirations.
- 4.50 Consistent with the extant Local Plan town centre designation, Policy DM27 for Town and Local Centres, identifies Elephant & Castle (including Walworth Road) as a Major Town Centre. This is also consistent with the London Plan’s vision of potential for future role of the Centre. It further advises that:
- ‘In town and local centres, planning permission will be granted for a range of town centres uses, markets, community, civic and cultural uses and residential homes, provided that:*
- The scale and nature of the proposal is appropriate to the role and catchment of the centre;*
 - A Use Classes are retained or replaced by an alternative use that provides a service to the general public and would not harm the vitality and viability of the centre; and*
 - The proposal provides an active use at ground floor in locations with high footfall; and*
 - Large schemes for town centre uses that are 1,000sqm or over provide public toilets.*
- 4.51 The stated reason behind this policy is the aim to ‘increase the amount of shopping space in our centres and improve the choice of goods and services, particularly at Elephant and Castle/Walworth Road... which have the most capacity for growth. As well as improving choice, this should reduce the number of trips made to places further away and also boost the local economy.’
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4.52 Policy DM29 for protected shopping frontages states that:

Planning Permission will be granted for changes of use in protected shopping frontages where:

(1) The proportion of units in A1 Use Class in primary and secondary frontages does not fall below the percentages set out in Table 8 below; and

(2) The premises have been rigorously marketed for A1 Use Class over an 18 month period prior to a planning application where the existing use class is A1 Use Class; and

(3) The proposed use provides uses within the A Use Class or provision of a service involving visits to the premises by members of the public.

In the table, Elephant and Castle/Walworth Road are identified as designated Primary shopping frontages which should maintain a 75% proportion of retail (A1 Use Class).

4.53 The emerging Southwark Plan includes two amendments to extend the Elephant and Castle Town Centre Boundaries.

The Elephant & Castle Major Town Centre – Amendment 1



Key to maps

- — — Primary or CAZ Primary shopping frontages
- — — Secondary shopping frontages
- — — New or extension to town centre boundary
- — — Reduction to town centre boundary
- — — Existing Major town centre boundary
- — — Existing District town centre boundary
- — — Existing local town centre boundary

The Elephant & Castle Major Town Centre – Amendment 2



4.54 These town centre boundary amendments take in more units with smaller floor plates close to Primary of CAZ Primary shopping frontages. The effect of this is to increase the town centre floor area in line with the Major Town Centre designation, and consequently to increase the retail opportunities for small to medium enterprises within the Opportunity Area to complement the proposals' retail offer.

4.55 The emerging New Southwark Plan does not contain specific targets for new retail floor areas or specify preferred proportions for comparison/convenience goods floor space.

Assessment

4.56 For the purpose of determining this planning application, the development plan comprises the London Plan (2016), the Southwark Core Strategy (2011) and Southwark Plan Saved Policies (2007).

4.57 The Core Strategy and Saved Local Plan Policies are pre-NPPF, but still largely align with national and regional policy. Therefore weight should still be afforded to policies from these documents, except where they conflict with the NPPF. Assessment of the Proposals against the relevant Planning policies has shown broad and strong compliance with the Development Plan.

4.58 The emerging New Southwark Plan is currently being consulted upon and will likely be adopted in 2018. Its evidence base represents the most robust and up-to-date information, shaping policies which will be adopted in the near future. Therefore, some weight should be attributed to the policies from this document.

4.59 The London Plan sets out a clear need for additional retail floorspace across London over the plan period. It specifically supports the improvement of the retail offer for CAZ residents, workers and visitors, supporting the identification, enhancement and expansion of retail capacity to meet strategic and local need. The Proposals accord with this policy.

4.60 Upon publication, the London Plan designated Elephant and Castle as a District town centre with high growth potential to upgrade to a Major Town Centre over the plan period. The anticipated town centre upgrade would be in support of the Opportunity Area designation's ambitions for growth and intensification for a wide mixture of land uses in addition to significant residential. It also recognises the potential for Elephant and Castle to become a comparison goods destination for Southwark residents who currently purchase these goods at other retail destinations outside of the borough.

4.61 Although out of date in NPPF terms, the Southwark Core Strategy and Saved Local Plan policies recognise Elephant and Castle's leading future role within the borough as a location for intensification and growth to support an evolving town centre with an enhanced borough wide retail offering. They also recognise the potential for Elephant & Castle's retail offering to evolve in order to meet the needs of new and existing residents. The increased quantum and quality of retail and leisure floorspace on the Site, to create a prime retail destination, would help deliver this.

4.62 The 2012 Elephant and Castle SPD /OAPF fully supports the redevelopment of the Elephant & Castle Shopping Centre to provide a greater variety and better quality of shops, and increased comparison goods shopping. The Proposals would deliver this vision. The SPD /OAPF therefore supports the role this Development would have in

enhancing Elephant and Castle's status as a town centre, servicing the north west of the borough. This approach is supported by emerging policy from the emerging New Southwark Plan, which refers to the Elephant and Castle Supplementary Planning Document for more detailed guidance on additional requirements.

- 4.63 The Proposals do not include 10% affordable retail for the reasons outlined later. This would be unviable and inappropriate given the intention to create a strong retail/leisure anchor at the heart of the town centre. However, by reinforcing the centre, attracting footfall, and providing enhanced linkages to the rest of the town centre, the Proposals will enhance the opportunities for small/medium sized enterprises, start-ups and independent retailers in other more appropriate locations in the town centre.

Conclusions

- 4.64 The Proposals strongly comply with the above planning policies both in terms of development management and regional/local government visions for the regeneration of the Elephant and Castle Area.
- 4.65 Notwithstanding the Proposal's general strong compliance with the above planning policies, it is clear that there are two specific policy areas against which the proposals need to be further assessed for compliance.

First, in accordance with the NPPF, London Plan, Core Strategy, Saved Local Plan Policies and emerging New Local Plan, the requirement for to consider whether the scale of main town centre uses proposed is appropriate to the current and planned role of the centre; and

Second, the Elephant and Castle SPD /OAPF's requirement for affordable retail.

- 4.66 These issues are addressed in Section 6. However, to put these matters into context, it is relevant to consider capacity for additional retail floorspace in Elephant and Castle, as this has a direct bearing on the scale and form of retailing which is needed. This is addressed in the following section.

5.0 RETAIL CAPACITY AND NEED

- 5.1 In this section we briefly analyse the planning policy retail evidence base and the recently published retail study commissioned by LBS, to establish the retail capacity and need arising within Elephant and Castle over the plan period. This will help contextualise the appropriateness of scale of the Proposals and why it is not appropriate to accommodate ‘affordable’ retail units within this part of the town centre.

Retail evidence documents

London Town Centre Health Check Analysis Report, Experian (March 2014)

- 5.2 The London Plan’s town centre network policies are underpinned by the London Town Centre Health Check Analysis Report, Experian (March 2014). The Experian report presents data to show that Elephant and Castle has the second highest combined town centre and edge of centre housing completions from 2008 to 2013 of 1,357 units. It also had the second highest recorded totals of net additional dwellings in permissions not started at March 2013 (2,766).
- 5.3 The Health Check notes that in general, across London, the average size of population and households appears to correlates well with the scale of town centres in the London’s town centre network. It highlights Elephant and Castle as a notable exception, where Elephant and Castle has by far the highest residential population and number of households, yet is still classified as a District Centre in the London Plan.
- 5.4 The report subsequently recommends the Elephant and Castle/Walworth Road Centre for potential future upgrade from a District Centre to a Major Centre, where Major Centres have retail floor space of 50,000-100,000 sq.m. The proposed increase in retail floor space would support the re-designation ambitions LBS have for Elephant and Castle/Walworth Road Town Centre.

Consumer Expenditure and Comparison Goods Floor space Need in London, Summary Report, Experian (October 2013)

- 5.5 The need forecasts within the London Plan are underpinned by the Consumer Expenditure and Comparison Goods Floor space Need in London, Summary Report, Experian (October 2013). This indicates a baseline requirement for circa 26,000sq.m gross additional comparison floor space in Southwark in 2036. The Proposals would contribute 4,858 sq.m (GIA) of additional retail and leisure floorspace, and therefore contribute to a clearly defined quantitative need.

New Southwark Plan Integrated Impact Assessment: Scoping Report (February 2015)

- 5.6 In Southwark, the retention of comparison goods expenditure is lower than the convenience goods shopping expenditure. Residents are drawn to the West End (defined in the London Plan as an “International Centre”) and the “metropolitan centres” of Bromley and Croydon (with a significantly larger catchment area than any major centre in Southwark).
- 5.7 In the south of the borough, 38% of resident’s capacity for comparison goods expenditure is retained in the borough, compared with 61% in the north of the borough.
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The Local Plan includes an aspiration to retain significantly more of the comparison spend generated within the borough, by reinforcing the role of its centres.

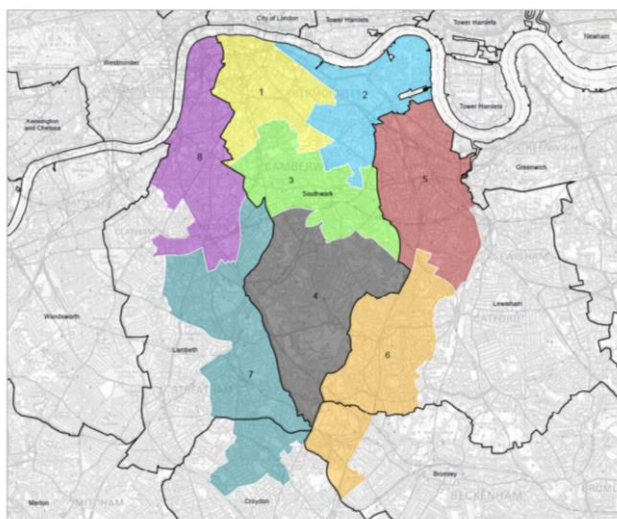
Southwark Retail Study (NLP, June 2015)

- 5.8 The 2015 Southwark Retail Study ('Retail Study') was commissioned by LBS and prepared by Nathaniel Lichfield & Partners, building on the findings from the 2006 Southwark Retail Study prepared by GVA Grimley, which is now considerably out of date.
- 5.9 Based on increasing GLA population projections, the Retail Study notes that convenience spending is set to increase across both Southwark and Lambeth Boroughs from 2014-2031 by 21.8%, and comparison goods spend will increase by 90.7%. The Proposals for additional, higher quality convenience and comparison floorspace would accommodate this increased spend.
- 5.10 The capacity figures for convenience goods across Southwark suggests that longer term surplus expenditure would support up to an additional 2,169 sq.m net (3,099 sq.m gross) floorspace in Southwark. In the very long term, surplus expenditure at 2031 could support 5,280 sq.m net of sales floor space (7,543 sq.m gross). Therefore, there will be sufficient spend available to the convenience goods retail floorspace within the Proposals.
- 5.11 From 2021 to 2031 comparison goods spend in Southwark will continue to require additional floor space up to 25,442 sq.m net which the development proposals would contribute to meeting.

Zone One - North West Southwark:

- 5.12 To assess retail capacity and spend at a sub-regional level, the Retail Study divides the Borough of Southwark into four zones based on ward boundaries. Elephant and Castle Town Centre sits within Zone One - North West Southwark.

Figure 4.2: Southwark Study Area



(Source 2015 NLP Southwark Retail Study)

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- 5.13 The top comparison goods expenditure areas within Zone One are Elephant and Castle / Walworth Road and Bankside & Borough.
- 5.14 Data on the existing retail mix of the Elephant and Castle Town Centre shows that the centre has a low vacancy rate of 4.3%, indicating a healthy, vital and viable centre. The study notes that out of the 4 vacant units across the whole centre, 2 are in the Shopping Centre. This confirms that demand for units in the Centre is stable. Comparatively, the Walworth Road District Centre also has a healthy vacancy rate.
- 5.15 Convenience and Comparison goods expenditure forecasts for Zone One in 2031 include data forecasts for a number of Planning Consents, including the Heygate Estate redevelopment. It estimates that £201.55m convenience expenditure and 378.56m comparison goods expenditure will be available in Zone 1 in 2031. Convenience spend per person will increase from £1,578 in 2014 to £1,688 in 2031. Comparison goods spend per person will increase from £2,434 in 2014 to £4,081 in 2031. The Proposal's retail offering ideally positions the development to accommodate the increased spend, taking into account the evolving demographic of the area and the improved accessibility and environmental attractiveness of the area.
- 5.16 2014 baseline comparison goods trading levels vary across borough Zones, with Zone One trading at £5,572 £/sq.m, below the borough average of £6,856 £/sq.m. This suggests that the level of comparison goods trading in Zone One is low and underperforming. The Proposals would seek to address this, with the improved retail environment and offering capturing a higher proportion of spend.
- 5.17 Zone 1 will have capacity for an additional 743m sq.m net (990 sq.m gross) of additional comparison goods floorspace in 2021 increasing to 3,302 sq.m net (4,402 sq.m gross) in 2026 of comparison goods floorspace. It should be noted that this baseline capacity projection assumes a constant market share, whereas the study identified that a significant and unsustainable proportion of comparison spend is lost from the borough. As such this figure understates the full extent of potential capacity in Zone 1.
- 5.18 The Retail Study indicates that in 2014 the proportion of convenience goods expenditure retained within Southwark was relatively high, with over 80% retained in Zone One. The Proposals to improve the convenience retail offering would work to sustain these high spend retention rates by better catering to new and existing resident's needs.
- 5.19 Food and beverage (A3-A5) growth in Zone One will require additional floor space requirements of 1,402 sq.m by 2031. The development proposals would contribute to meeting this need.
- 5.20 The Retail Study advises that the surplus total floor space projection capacity requirements for Zone 1 of 3,600 sq.m gross by 2026 and 8,500 sq. gross by 2031, could be accommodated within a comprehensive redevelopment of Elephant and Castle Shopping centre to provide retail and leisure floor space. The development proposals would contribute to meeting this floorspace requirement in Zone 1, as the Proposals contribute an additional 4,858 of retail and leisure floorspace, mostly on the East Site.
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Providing for Qualitative Need

- 5.21 According to the Retail Study, Southwark's comparison goods market share across the core London zones (Zones 1-4) is 50.4%. This means that just under 50% of comparisons goods spend is made outside of the borough. However, the ambition for Elephant and Castle to be elevated to a Major Town is part of the wider strategy to increase retail spend captured within the borough.
- 5.22 The development proposals to create a new prime retail and leisure destination would aim to increase the proportion of comparison goods spend retained within the borough, over competitors outside of the borough. In order to do this, the Shopping Centre must be able to compete qualitatively with retail offerings in other higher order town centres across London.
- 5.23 The Southwark Retail Study includes data from the Venuescore UK Shopping Index 2013 on Town Centre Hierarchy Analysis. The data ranks the UK's top 2000 retail destinations and attaches a weighted score for the number of multiple retailers and overall impact on shopping patterns. The Index assesses Walworth Road and Elephant and Castle separately. Walworth Road is ranked 360 in the UK with a score of 70. Elephant and Castle is ranked 1,263 with a score of 21.
- 5.24 Considering their geographical proximity, these results indicate that despite low vacancy rates, there is considerable scope for improvement to the Elephant and Castle retail offer. Additionally, The Retail Study's household survey found that the environmental quality of the Elephant and Castle Major centre was considered poor.

Conclusion

- 5.25 It is clear from the evidence presented above that there is an expenditure capacity, quantum, qualitative and regeneration need for additional retail floorspace at the Elephant and Castle Town Centre. Redevelopment of the Shopping Centre at Elephant and Castle would make a significant contribution to satisfying this need.
- 5.26 The Retail Study has demonstrated that the proposed comparison and food and beverage floor space within the Elephant and Castle Opportunity Area, would be viable, sustainable and appropriate.
- 5.27 The Proposals will deliver much needed additional convenience and comparison retail floor space, as identified by the Retail Study data and supported by the overall strategy for the Elephant and Castle Town Centre's transformation into a Major Centre.
- 5.28 The proposals would address the identified need for significant qualitative regeneration improvements in the retail environment of the Elephant and Castle Shopping Centre. This will be especially important to maintain the vitality across the town centre, given the quality of consented retail developments which includes the redevelopment of the Heygate Estate.
- 5.29 The statistical need for replacement and additional retail and leisure floorspace at the Elephant and Castle Shopping Centre Site is supported by specific policy requirements of the SPD. The redevelopment of the Application Site as proposed, would contribute to accommodating expenditure and floorspace need across the Elephant and Castle Town Centre, Zone One and north western areas of the borough.

6.0 SCALE AND OTHER RETAIL POLICY CONSIDERATIONS

6.1 The NPPF makes clear that in drawing up Local Plans, local planning authorities should allocate a range of suitable sites to meet the scale and type of retail development needed in town centres.

6.2 In accordance with the above-mentioned NPPF policy, this section assesses the appropriateness of the scale of the proposed development in the context of its impact on other town centres, against town centre designation characteristics, and any other relevant retail policy issues, including the appropriateness of affordable retail units within this part of the town centre.

Assessment of Scale

6.3 There is no defined approach to determine whether appropriateness of scale. However, two factors are likely to be particularly relevant. First, it is relevant to consider whether the proposals are likely to lead to any significant impact on nearby centres. Second, it is relevant to consider the current and planned level of retail and leisure floorspace in the centre having regard to the District/Major Town Centre London Plan designation.

6.4 Impact

6.5 The Elephant and Castle Shopping Centre has been identified as an important strategic retail development and intensification site in the Southwark Core Strategy, Southwark Plan and Southwark's Elephant and Castle SPD/OADF.

6.6 The Southwark Core Strategy (2012) and Elephant and Castle SPD/OADF (2012) set out aspirations for Elephant & Castle and Canada Water, of 45,000 sq.m and 35,000 sq.m of additional shopping and leisure floorspace.

6.7 Accordingly, the 2015 NLP Retail Study undertook sensitivity tests to consider the impact of additional retail floor areas at Canada Water and Elephant and Castle in line with the additional retail floor space aspirations outlined above.

6.8 At Canada Water it tested 17,544 sq.m gross of comparison goods floorspace capacity beyond existing planning commitments for the planned redevelopment/expansion (i.e. the Decathlon redevelopment, proposals at Surrey Quays Leisure Park and the permitted extension to the Surrey Quays Shopping Centre). The projections suggest there is capacity in the North East Zone 2 to support this sq.m gross of comparison goods floorspace at Surrey Quays/Canada Water by 2027/28.

6.9 At Elephant and Castle, it tested 17,500 sq.m of additional comparison goods floorspace (which would include the floor space in the Proposals.) The projections suggest there is theoretical capacity in the North West Zone 1 to support an additional 17,500 sq.m gross of comparison goods floorspace at Elephant and Castle by 2023.

6.10 The sensitivity test identifies theoretical capacity in the North West Zone 1 to support 2,500 sq.m gross of food and beverage floorspace at Elephant & Castle by 2022, and capacity in the North East Zone 2 to support 3,522 sq.m gross of food and beverage floorspace at Surrey Quays/Canada Water by 2025.

6.11 The cumulative impact of delivering all commitments and the additional floorspace at Surrey Quays Shopping Centre and Elephant & Castle were assessed at 2021. The

most affected Centres for comparison goods (measured by proportional reduction in turnover) are Bankside & Borough (-29.9%) and The Blue (-25.8%). The Retail Study notes that the impact on other centres is relatively low (3% or less).

- 6.12 The Retail Study suggests the two most vulnerable centres are The Blue and Bankside/Borough. The Old Kent Road is not a designated centre, and therefore the impact on facilities within this area are not a planning consideration. It suggested that Development within the Old Kent Road area would help to offset these impacts.
- 6.13 Overall the NLP Retail Study concludes that the implementation of extant planning commitments and additional development at Elephant & Castle and Canada Water would not harm the long term the vitality and viability of Bankside/Borough or The Blue (or any other town centre) at 2021.
- 6.14 Whilst the Proposal's net increase of 4,858 sq.m (GIA) retail and leisure floor space will not be all comparison goods floorspace, this analysis clearly demonstrates that even adopting this 'worst case' scenario, the development's retail element would still be supportable based on identified capacity, and would have no material adverse impact on other centres.
- 6.15 On the basis that the proposals are fully supported by the capacity analysis, and will not lead to any harm to the long term the vitality and viability of other Southwark town centres, we consider the evidence conclusively demonstrates that the scale of development is appropriate to the current and future role of Elephant and Castle Town Centre.

Town Centre Designation (Floorspace)

- 6.16 There is no separate test in the NPPF to assess whether the proposed retail development is of an appropriate scale. However, London Plan Policy 4.7.B requires that the scale of commercial, culture and leisure development proposed should be related to the size, role and function of a town centre and its catchment.
- 6.17 Supported by Experian Town Centre Health Check Report (2014) data on the increased town centre and edge of centre housing delivery and population/household increases, the London Plan endorses the Report's recommendation that the Elephant and Castle and Walworth Road District Town Centres should be upgraded from District Centres (typically below 50,000 sq.m) to a combined Major Centre.
- 6.18 The Experian Report characterises Major centres as being typically found in inner and some parts of outer London with a borough-wide catchment. They generally contain over 50,000 sq.m of retail, leisure and service floorspace with a relatively high proportion of comparison goods relative to convenience goods. They may also have significant employment, leisure, service and civic functions. The Proposals provide this range of retail and leisure uses.
- 6.19 The New Southwark Plan Integrated Impact Assessment Scoping Report (February 2015) estimates the existing amount of combined leisure, retail and services floorspace at the Elephant and Castle and Walworth Road Town Centres to be 69,000 sq.m.

- 6.20 These calculations notably do not include consented retail, leisure and services floorspace from the recent planning permissions outlined in Table 1, which are either scheduled for construction in the near future or are currently under construction. In total these contribute an additional 25,262 sq.m of retail, leisure and services floor area to the Elephant and Castle/Walworth Road Town Centre.
- 6.21 The Table 1 permissions will increase the town centre retail, leisure and service floor area to 94,262 sq.m. This is within the floor space requirements of 50,000-100,000 sq.m of retail, leisure and service floorspace floor space for a major town centre.
- 6.22 It is also important to note that this does not include the additional floorspace areas from the Emerging Local Plan's amendments to the Elephant and Castle Town Centre boundaries, which would, in time, contribute to the total town centre floor space.
- 6.23 Table 2 below identifies how the Town Centre is currently performing (using the above retail, leisure and services floor areas data), against specific London Plan town centre classification retail characteristics, and shows the effect of the Proposals.
- 6.24 The provision of 4,858 sq.m of additional retail, service and leisure floorspace at Elephant and Castle would increase the Town Centre floor retail, leisure and services area to 99,120 ie still within the floorspace range for a Major Centre.

Table 2: London Plan Evidence Base Town Centre Classifications*

Core Indicator	District Centre	Major Centre	Elephant and Castle/ Walworth Road Town Centre	
			Existing**	Proposed
Total town centre floorspace (retail, service and leisure)	10,000 - 50,000	50,000 - 100,000	94,262	99,120
PTAL	3 - 5	5 - 6	6	6

*Source: 2013 Experian report's recommendation in support of Town Centre Health

** Table 1 / New Southwark Plan Integrated Impact Assessment Scoping Report (February 2015) / 2015 NLP Southwark Retail Study (June 2015)

- 6.25 It is clear from the table above that when considering Elephant and Castle/Walworth Road as a Town Centre, the Elephant and Castle Town Centre Shopping Centre proposals would contribute towards the strategic future reclassification as a London Plan Major Centre, and would be in keeping with the type of offering befitting the characteristics and ambitions of a Major Town Centre.
- 6.26 On this basis, having regard to the identified capacity, impact, and the London Plan definitions of a Major Centre, we conclude that the scale of the proposals for Elephant and Castle Shopping Centre is clearly appropriate to the current and future role of the Town Centre.

Other Retail Policy Considerations

Affordable Retail

6.27 References to affordable retail are found within the Elephant and Castle SPD /OAPF.

6.28 Policy SPD 1 of the Elephant and Castle SPD /OAPF requires that:

Large retail developments (including refurbishments) over 1,000 sq.m m should:

- *Provide a range of shop unit sizes, including affordable units. We will use planning conditions or section 106 planning obligations to ensure that at least 10% of new floorspace (GIA) is made available as affordable space to provide suitable premises for small and medium sized enterprises in the opportunity area who have been displaced as a result of development, new business start-ups or independent retailers.*

6.29 The redevelopment of the existing shopping centre is an important strategic opportunity which will support the regeneration of the Elephant and Castle Opportunity Area.

6.30 It is important that the Proposals meet the needs and expectations of the existing residents in the area, as well as the many new incoming residents, who will occupy the new consented and committed development in the Elephant and Castle Opportunity Area.

6.31 The Proposals will aim to attract and accommodate the requirements of mainstream anchor and high street retailers of the type conventionally found in the prime retail areas of major Town Centres. These retailers generally require larger, modern shop units over 200 sq.m.

6.32 Securing these types of retailers will increase footfall to the area. The increased footfall generated by the prime comparison/convenience main stream retail and leisure offer will help underpin the Walworth Road and wider area's leasing aspirations for their commercial space which will remain more focused towards independent and local operators requiring smaller floorplates.

6.33 On this basis, affordable retail space (as advised by Saved Local Plan Policy SPD 1) requirements would not be suitable or appropriate within the Shopping Centre. It would compromise the success of its repositioning as an attractive higher order food, retail and leisure destination, and threaten its ability to compete with other higher order town centres across London and within the Borough, such as the new retail development at Canada Water and Borough and Bankside.

6.34 We consider that affordable retail floorspace for small and medium sized enterprises would better complement and enhance the character and retail opportunities within the Walworth Road Opportunity Area Town centre. This approach would allow both

town centres to enhance their distinct characters, providing a diverse, yet cohesive retail offer for the wider Elephant and Castle area.

- 6.35 'Pepper potting' affordable retail units throughout the town centre would undermine the potential to create distinct, complementary quarters, and diminish the key 'anchor' role, which the proposed development will play in the wider regeneration of the town centre.
- 6.36 The Applicant recognises that retaining local and specialist retailers as part of a more diverse offer in the wider Elephant and Castle mutually benefits development in both town centres through increased footfall, as well as providing benefits to the local residents and community. Accordingly, the Applicant accepts the aspiration to retain as many of the local retailers and businesses as possible within the Opportunity Area, and in particular those delivering important social, community and economic functions would benefit from access to affordable retail space in the wider area as well as business advice to support them through a relocation.
- 6.37 Businesses that provide these local important functions should be identified in conjunction with L B Southwark and these tenants should be consulted regarding their business aspirations. Where businesses wish to move from the Site, they can be provided with relocation alternatives in the area and may be entitled to access to affordable retail units within the area if they fit prescribed criteria connected with a particular location. Support will be offered in terms of independent business advice and planning and where to find specialist legal and property representation as well as a list of all available retail property that is available to lease in the area.

This approach would enable the proposed Development to provide the qualitative regeneration benefits to the Town Centre Opportunity Area sought by the London Plan and LBS.

Conclusion

- 6.38 The above analysis confirms the appropriateness of the scale of the Proposals and compliance with other retail policy within the NPPF, London Plan and Development Plan.

7.0 SUMMARY OF BENEFITS

- 7.1 The Elephant and Castle Town Centre has long been characterised by its dated, run down, poor quality retail environment, in serious need of investment and regeneration. As such, the redevelopment of the shopping centre has been an important long term strategic goal of the Council, for a significant period of time, to enable and support the regeneration of the wider area Elephant and Castle Area.
- 7.2 The Proposals are an essential component of the wider London Plan strategy and vision for improving and strengthening the opportunity areas, town centres and CAZ across London. They will complete the transformation of Elephant and Castle and Walworth Road into a fully functioning major town centre
- 7.3 The Proposals will create a new prime leisure and retail destination, befitting its location at an improved Zone 1 transport hub, servicing a large existing local population, as well as a significant numbers of new incoming resident's from recent consents in the Elephant and Castle Opportunity Area.
- 7.4 As such, it will retain more of the increased comparison retail spend within the borough, which would otherwise be lost to competing centres outside of the borough across London.
- 7.5 The Retail Study data shows that the Proposals are of an appropriate scale to accommodate the forecast retail floorspace capacity need and available spend within North West Southwark; they are fully consistent with the strategy for other town centres; and will not harm the vitality or viability of competing retail town centres within the borough.
- 7.6 As such the Proposals will provide increased quantum and quality of retail and leisure employment opportunities, which will benefit the local and wider economy. They will improve choice for new and existing shoppers living in the local area, supporting sustainable travel patterns which will bring benefits to other parts of the town centre, including the smaller, independent units.
- 7.7 The Proposals will flexibly accommodate the floorspace needs of retailers in order to best reflect and accommodate the evolving retail needs of the existing local residents as well as prospective residents/visitors of the numerous consented and planned major developments within the Opportunity Area.
- 7.8 In addition to reinvigorating the Elephant and Castle town centre, the increased footfall generated by the Proposals will encourage footfall movement between it and the shops within the Walworth Road Town Centre. The proposed retail offer will better complement and enhance the character and retail opportunities within the Walworth Road Opportunity Area Town centre.
- 7.9 This approach will allow both parts of the wider centre to enhance their distinct characters in the context of the Opportunity Area regeneration, providing a diverse, yet cohesive retail offer for the wider Elephant and Castle area, in line with planning policy and Council aspirations.
- 7.10 In line with the above local/regional government forecasts and aspirations, the Proposals would contribute to the evolution from District Town centre to Major Town
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Centre designation as per London Plan town centre designation specifications. This represents a step change in role the town centre plays in shaping the retail habits of residents at a local level.

- 7.11 The Proposals in particular will play a key strategic role in repositioning and redefining the Elephant and Castle town centre from others in the borough. It will further ensure that the increase of retail floorspace quantum is complemented by an increase in the qualitative retail offering, to capture the increased retail expenditure forecast across the borough.

8.0 CONCLUSION

- 8.1 The purpose of this retail assessment has been to assess the Proposals against the relevant retail planning policy. These policies require that proposals be acceptable in terms of scale, contributing to meet the forecast need for retail and leisure floorspace across town centres. It requires that retail development should promote sustainable growth through competitive town centre environments, proactively meeting the development needs of businesses, communities and residents.
- 8.2 Altogether, the development proposals (and corresponding TFL works) will replace the existing dated, poor quality shopping centre, with a more flexible, modern retail offer which caters to modern, evolving customer needs. The Proposals will improve the quality of the retail offering, shopping environment and townscape, increase the footfall within the Town Centre to create a livelier streetscene, thereby improving the long term viability of the town centre, local and borough wide economy.
- 8.3 This retail assessment has demonstrated that the proposed development at Elephant and Castle Town Centre will clearly satisfy all of the above-mentioned planning policy requirements. Furthermore, the Proposals represent a timely and significant strategic opportunity to realise the long standing, long awaited regeneration goals of both local and regional government, to elevate the Elephant and Castle Opportunity Area Town Centre to a prime retail and leisure destination as befits its Zone One London location.

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