

Just Space Economy and Planning

Note of 3rd Meeting, Thursday 5th December 2013

Sunley Pavillion Room, Royal Festival Hall (thanks to Waterloo Community Development Group)

Present:

Abigail Stevenson, Wards Corner
Community Coalition
Bill Ellson, Creekside Forum
Ed Jones, UCL
Elena Besussi, UCL and Camley Street
Neighbourhood Forum
George Turner
Kathryn Johnson, Sustainable Hackney
Michael Ball, Waterloo Community
Development Group
Michael Edwards, UCL
Myfanwy Taylor, UCL
Patria Roman Velazquez, Independent
Researcher

Richard Chute, Earls Court Opportunity
Area
Richard Lee, Just Space
Robin Brown, Hayes Community Forum
Sue Terpilowski, Federation of Small
Businesses

Apologies:

David Fell, Brook Lyndhurst
Ilinca Diaconescu, London Gypsy and
Traveller Unit
Jessica Ferm, UCL
Roy Tindle, London Thames Gateway
Forum

1. Introductions

George Turner began by informing new participants how Just Space Economy and Planning (JSEP) had emerged from Just Space's involvement in planning in London. Just Space' focus was on connecting up community groups with one another, and with researchers, in order to join up experience and knowledge to feed into planning policy in London. The Economy and Planning group was taking forward work on economic issues, including making links with local businesses and business organisations, as this was seen to be increasingly important. GT's own interest in economy and planning was related to his involvement in a campaign against a large luxury housing development on the South Bank, which had been greatly assisted by joining with local businesses who would have been displaced by the development. More broadly, this experience had highlighted to GT the importance of keeping land and space for industrial purposes, even in the city centre.

GT explained that the purpose of this meeting was to focus on the role of small businesses in planning. In planning the meeting, JSEP had noticed that within the London planning system, large enterprise has a very large voice and is often very specifically focused on high density office schemes or residential schemes. It had been felt that the sorts of businesses that form the backbone of the London economy, such as small shops and workshops, didn't have such a loud voice.

2. The Federation of Small Businesses (FSB)

Sue Terpilowski (ST) explained that the FSB is fairly unique, is that to be a member of the FSB, you either have to be an owner of the business, a director of the business or a partner of the business. You can be a member if you are self-employed, but not if you are an employee. Most members are tenants not freeholders. The FSB has a small paid staff.

In her initial presentation Sue highlighted the following main points:

- The FSB had just done a survey with London First which compared London with all other European capital cities and major competitors as a place to do business, including specifically a micro and small business index (see <http://www.fsb.org.uk/policy/rpu/london/assets/small%20businesses%20repor>)

[t%20-%20final%20-%20version%201-%2009%20oct%2013.pdf](#)). London came out as the 7th worst city across the whole 24 of the places, to do business. A key factor here was affordable housing and business premises.

- Some of the key barriers to growth for small businesses in London included SME support and the role of the local community around business (e.g. the potential role of councils in providing incubator space for small businesses, as Meg Hillier had done in Hackney).
- Decisions about where to place business support units or small business incubators should be made in discussion with the local business community. This was a key factor in determining whether developments succeeded or failed.
- While it was common for councils to think that the local businesses didn't have a vote, most business owners live no more than 12 miles from their businesses. So most of them are local residents as well as business owners.
- The FSB was very concerned about the forthcoming legislation to enable change of use from office to residential without planning permission. They felt this would have the effect of taking most of the micro and small business office space, as these would be the sorts of attractive (e.g. 'loft'-type) spaces that could be quickly and easily converted into expensive flats. The FSB was starting to see this particularly in places like Camden, Shoreditch and Brixton. Sue said this was a real worry for London, and would cause a lot of problems. For example, people working in micro- and small-businesses in these places actually supported the local economy during the day e.g. dropping off their dry cleaning, using the local cobbler, buying their newspapers in the local shops. If you don't have that trade, local residents are going to find that those shops can't keep going. ST was often told that businesses weren't wanted because of noise or delivery times, but it was much rarer that the benefits of local businesses for the local economy were acknowledged. The FSB had worked with businesses, residents, delivery companies and Transport for London on the Olympics, bringing all parties around a table to discuss how to deal with issues of noise and night-time delivery, and this had worked really well.
- Sue felt that the time had come for London to have a grown-up conversation about whether it wanted a micro- and small-business community in zones 1 and 2. Business rates were more than rent for most businesses in these areas, making whatever changes the Government made as part of Autumn Statement and Budget rather irrelevant. Sue referred to this problem as a 'ticking time bomb', because businesses would be leaving one by one and the problem wouldn't be noticed until it was too late. Commercial property was now overheating in the same way as residential property in London. London needs to decide whether it wants to be like Paris, and have all businesses located on the periphery. If not, a deliberate policy was needed to keep small and micro businesses in London.
- The FSB supported Business Improvement Districts (BIDs), although it had not originally. They were concerned, however, that micro and small businesses were sensibly treated in funding structures, due to business rates being so high. ST suggested Camden had done this very well, and was one of the 'model' BIDs to look at. However, it wasn't a one size fits all – for instance, Sue saw the need for something serious in Tottenham if small businesses weren't to be displaced through development plans.
- ST's main message was that small and micro businesses tended to care passionately

about their local area, and nine times out of 10 it is actually the area they live in. They want to be engaged with, they want to be part of the discussion, but most of the time they're shut out.

The following main points came up in discussion:

- RL asked how FSB could help Just Space to connect with businesses and business organisations in boroughs where they were doing local work e.g. in Greenwich. ST suggested the FSB could publicise Just Space meetings in their weekly newsletter, and one of the FSB paid employees, Matt, could also highlight four or five key active local businesses that might be interested. For instance. ST suggested FSB had good links in Greenwich, Tottenham, Elephant and Castle and Camden – where members had got very active due to being under threat. ST said people should get in touch with her at sue@imageline.co.uk. She would also put JSEP in touch with Matt and Stewart, FSB's two paid employees. She was pleased to begin the dialogue with Just Space and looked forward to continuing it.
- ME commented that it was good to hear from the FSB, as the perspectives of small and medium sized businesses were rarely heard in strategic London planning discussions, in Just Space' experience. ST felt that FSB, being mainly tenants, tended not to have such a strong voice in the planning process as their freeholders, who were the ones invited to formal meetings etc. MT asked what sorts of evidence and argument could be put forward to improve planning's approach to small businesses, but Sue felt it came back to the issue of politicians being elected by residents and thinking that businesses didn't have a vote.
- ST suggested a micro and small business assessment should be mandatory on all government and council decisions.
- FSB worked with some BIDs and local chambers of commerce, depending on the local area. ST was also a member of the London Business Advisory Council (LBAC) which meets with the Mayor bimonthly. So FSB built links with other business organisations that way – for instance, that was how the report with London First had come about.
- MT asked about FSB's experience with the London Enterprise Panel (LEP), and whether this might be a useful forum through which to explore issues of concern to JSEP. ST felt this was a forum in which different policy areas were being joined up, and although the LEP only had advisory status, it did have quite a strong voice. The LEP had also been good at going out to consult with other groups, so ST suggested it would be worthwhile engaging with. The agenda was quite constrained, however, because the LEP was following the agenda set by the London Plan.
- ST highlighted the shift towards renting time not permanent space through affordable workspace provides, such as Workspace. Her personal view was that we were on the cusp of a complete change in the way people do business. This shift required broadband to be seen as a 4th utility, but also affordable workspace was key. New office developments in the city were totally inaccessible for small and micro businesses, as they couldn't afford the rents. Instead, they were let by large businesses employing few people, who want the prestigious address but who make little contribution to the local economy. Sue's personal feeling was that London was very prosperous, but it wasn't the right prosperity. She felt nobody was brave enough to actually say that, and that more radical options were needed.

- PRV asked about why none of the support for small businesses seemed to target migrant and ethnic entrepreneurs and small businesses. A major problem was that only 'high-growth' businesses were supported by government schemes, as high returns of 3:1 were being demanded from public investment. These high returns ruled out investing in companies wanting to grow at a more steady, sustainable rate. This approach was aimed at investing in the next Google or Facebook, but these companies are very rare and have usually benefited from enormous state support. Tech City, for example, was a bubble that was about to burst, ST felt. Despite the Mayor of London having come from a small business background himself, with a good understanding of the importance of small businesses, the GLA's initiatives were very constrained by the return on investment required, and the LEP members had had to consider whether to go ahead on this constrained basis, or not access the funding at all.
- ST commented that there was a wide variety of practices amongst councils, with some boroughs being rather anti-business and others working quite collaboratively with the local business community. Business rates were generating a lot of anti-council feeling amongst micro and small businesses in many places, but also larger businesses e.g. Rymans.
- On mixed-use developments, ST felt that residential could be mixed with community space as well as retail space that could be used by residents and local businesses, supported by an easing of parking restrictions. ME highlighted the example of developers in Kings Cross not wanting to let to the sorts of businesses that residents actually needed e.g. local convenience stores, holding out instead for higher rents. BE highlighted that commercial units delivered through mixed-use schemes were often poorly designed and advertised.
- On high streets, ST reported that there was lots of attention on this, but things were still not joined up properly. The implications of parking restrictions on the local economy were very negative, and not taken into account by councils who just wanted to earn more money through parking charges. ST mentioned the Small Business Saturday initiative, to encourage people to shop locally, supported by free parking in some councils. MB highlighted that car-free days had worked really well in Lower Marsh Street in Waterloo, while ST reported the opposite in relation to Oxford Street, concluding that it depends on the local area. ME suggested a number of issues tended to get conflated within parking debates, including need for delivery space; collection space; parking space for shopkeepers; parking space for customers etc. ST highlighted the importance of hubs which draw people in to a high street, from which they then visit other shops. People needed time to explore the high street, not just 5 minutes to visit one shop.
- KJ raised the issue of the employment rate per pound spent. Sustainable Hackney were trying to work out whether this was greater in small than large businesses, in order to challenge the large chain store-led models of development.

3. Business displacement in Camley Street and the Camley Street Neighbourhood Forum
 Elena Besussi (EB), who had recently become the spokesperson on local economy issues for the Camley Street Neighbourhood Forum, gave a brief overview of the Camley Street area and the plans to establish a neighbourhood forum. Camley Street is close to King's Cross St Pancras and the Regents Canal, its location is very central. The area included a residential area (Agar Grove estate) and an industrial area (Cedar Way industrial estate), separated by Camley Street, which is very dense and interconnected, with a

close proximity of different uses and spaces. EB's presentation included a series of photos of the site, available on the Just Space website.

The area includes allotments, an orchard and an eco-park compost hub, as well as a wide range of businesses, including many garages, a café for cab drivers, international businesses (e.g. HP, DPD), food production, distribution and packaging, Network Rail offices, and fashion and creative firms (e.g. costume designer, photographer; architectural model maker). There were an estimated 1000 jobs in the area, with an turnover of £30 million. EB had made contact with the new economics foundation to explore how to identify the broader social and economic value of the area, including multiplier effects.

The area was now partially vacant, mainly because the council was now only offering very short term lets of only six months and because it wasn't advertising the units, as well as the broader economic downturn. These short leases were also causing a problem for existing businesses, who couldn't grow or invest.

Elena highlighted some of the threats to the area from encroaching development from Kings Cross as well as more generally. Some garages on the site have already disappeared, to make room for student accommodation. Recently, Marigold, a producer and packager of health food and health products had sold their property for development. Encroaching housing developments will be very incompatible with the industrial uses presently on the site, in particularly due to their long operating hours and the smells of the fish and meat suppliers. Further high density housing developments were underway nearby, and were possible options being considered for the housing estates.

The High Speed 2 / High Speed 1 links would be coming very close to Camley Street, which was due to become the main route for construction lorries for the construction site. This would mean the death of the existing businesses, as well as posing serious problems for residential communities.

Elena reported on progress to set up a neighbourhood forum and to develop a neighbourhood plan. This couldn't progress all business interests – some of these would need to be made direct to Camden Council by the business community e.g. for longer leases. A key aim of the neighbourhood forum was to make links between the different uses more visible as an area of co-dependency (or mutuality) between industrial and residential. Elena commented on the issue of sustaining business engagement, when businesses may not want to be seen as under threat when they wish to appear stable and viable to clients and contractors.

MB suggested it was crucial to ascertain whether or not Camley Street was in the Central Activities Zone (CAZ) (he felt that it probably was).

GT thanked Elena for the update, leaving questions and comments for after the next presentation due to lack of time.

4. Lessons from Waterloo Community Development Group (WCDG) on working with businesses (including BIDs)

Michael Ball (MB) told how Waterloo had been one of the areas protected under the GLC community areas policy. Plans to transform Waterloo after bomb damage were never fully realised. In particular, the large new offices of planners' fantasies were never realised, with the result that vacant sites have remained and become car parks. This led to the battle for Coin Street, fought around a call for homes not offices, which was won!

MB explained that the retail centre around Lower Marsh was always key for Coin Street and WCDG. It is the most important community facility for people in Waterloo, both providing meeting space and access to affordable food etc. Office workers also shop there during lunchtimes, meaning that residents of Waterloo benefit from a much larger shopping centre than they otherwise would have. Unfortunately, when County Hall closed with the abolition of the GLC (losing 10,000 workers) at the same time as Shell downsized, most of the shops in Lower Marsh closed. It was at this time that WCDG started working with the shopping centre, for example on public realm improvements and setting up a Business Improvement District in 2003. One of the key reasons for opposing the Channel Tunnel link to Waterloo was to avoid the loss of local shops.

MB suggested that the most significant change in Waterloo has been tourism. South Bank now attracts 22 million tourists a year, up from 1 million before the London Eye. Yet, all the while, large development sites have remained empty. The Shell Centre redevelopment has been haggled over for 15 years. Likewise, Elizabeth House, between Waterloo station and the Shell Centre, began in 1989 and is still in Judicial Review at the moment. In the meantime there's been no redevelopment, the place has been run down, it's looking terrible.

MB suggested that the CAZ extension to Waterloo has been disastrous, as it means planning policy can't be used to protect any small business or affordable office space, for example. Despite aspirations to deliver new jobs and homes, very little has been produced due to lack of progress on large sites. Yet, at the same time, the small businesses in Lower Marsh and the Cut are vibrant again.

Businesses are organised into different groups, including the Waterloo Quarter BID (which WCDG worked most closely with), the Better Bankside BID and the South Bank Employers group which represented 16 large landowners (currently a 'voluntary' BID but likely to go for formal BID status soon). Work was underway to set up a neighbourhood forum in Waterloo, led by the South Bank Employers Group, but was being resisted by the other BIDs. So businesses were split according to small/large and landowners versus retailers and small offices. The big businesses had direct communications to the government, GLA and local councils whereas it was much more difficult for small businesses. BIDs have been helpful in getting councils to take small businesses more seriously.

MB reported that he and GT were currently working on a Public Enquiry over the redevelopment of Hercules House, a former Central Office of Information of the Government. The current plan was to replace this office space, currently occupied by lots of third sector organisations, with another hotel. There would be some local spend from the hotel workers, but much less than from the office workers. Sites that were important to Waterloo were being lost to student accommodation and hotels.

Speaking to the BID the previous week, MB reported that they had said the main issues they faced were 1) the CAZ; 2) the loss of B and C class office space; and 3) change of use (on which Lambeth Council were fighting a Judicial Review).

5. Discussion

In discussion, the following main points were raised:

- The intention of the discussion had been to explore how Just Space could engage with businesses involved in planning through different mechanisms, including business organisations and federations such as FSB, BIDs, neighbourhood forums, coalitions such as Wards Corner Community Coalition and Friends of Queen's

Market. This was one of the initial JSEP meetings which aimed to widen JSEP's reach into business groups and campaign groups with experience in working with businesses, for instance, Peckham Vision and East London Trades Council, which had been the focus of the previous meeting, as well as FSB, WCDG and Camley Street Neighbourhood Forum at the present meeting. MT suggested that we might have more to do to get to grips with BIDs, and how JSEP might engage BIDs. RB had identified really useful briefing online, which was included in the papers for the meeting.

- Very rich examples had been presented from FSB, Camley Street Neighbourhood Forum and WCDG, but RL was concerned that we hadn't done enough to analyse them and had run out of time again. It was necessary to explore the planning policy that applied on the relevant issues and in the relevant areas, and to explore opportunities to connect in with live consultations, such as that RL and BE had been involved in in Greenwich. GT and RB highlighted that useful contacts had been made, and potential connections made with potentially aligned groups with interesting ideas such as the FSB. These could be taken forward.
- GT mentioned the idea to develop a 'Handbook' bringing together some of the examples that could be useful to community groups in engaging with businesses on planning issues. MT felt this could be a good way to draw together the experiences and knowledge JSEP was gathering in a useful format for community groups.
- There remained the issue that small businesses were much harder for the council to deal with than one big business. Councils which ceded power in individuals were also more likely to deal with other big institutions, rather than through more dispersed decision-making. This was what the BID model was potentially more useful for, joining up small voices into one larger one.
- Small businesses were much better represented in the Waterloo Quarter BID than in the Better Bankside BID, due to its focus on the Lower Marsh retail centre. RL raised a concern regarding the involvement of small businesses in the planned Waterloo neighbourhood forum, which MB would look into.
- PRV asked whether WCDG had experience of working with ethnic businesses, which could be useful in her work with Latin American retailers at the Elephant and Castle. This was not straightforward, as many Latin American groups focused on services for poor migrants and it was not easy to bring the broader community together. MB reported that there wasn't really an ethnic dimension to business in Waterloo, but he recognised the tension between the businesses and the wider community, though WCDG had focused on viewing Lower Marsh as a community facility.
- Statements within the London Plan regarding the impact on existing communities had been no help to WCDG.
- Business displacement was under-recognised in comparison to residential displacement in gentrification and regeneration debates. EB highlighted that distribution and industrial uses benefitted from central locations, yet this was totally disregarded by plans.
- Businesses were a critical element within the Kings Cross Railway Lands Group campaign, ME reported. MB agreed in relation to Waterloo, where the involvement of residents and businesses prevented the campaign being dismissed as NIMBYism.

- MB suggested 'business' covered far too much, and unhelpfully separated businesses from residents and other stuff, as if they had no common interest. KJ suggested that nef had done useful work here on local turnover and creative employment that was helpful in breaking the term 'business' down. ME highlighted the focus on big vs small businesses hid details about independent and multinational. He also highlighted the critical issue of whether the business is really a land-based real estate business or a freeholder of its premises where the property ownership aspect is not important or a tenant. These represented tremendous divisions of interest which needed to be kept separate, especially as real estate was becoming increasingly important for big business. AS also suggested we adapt the way we think about business in light of the rise of live-work spaces, including informally within (designated) industrial land.

6. Forward Programme

MT updated on recent activities and next steps:

- The JSEP Statement of Intent was now on the website, which set out the group's main activities, and encouraged all to have a look and see if it needed updating.
- RL would be sending a letter which had been drafted to the London Enterprise Panel (LEP) from JSEP asap, which aimed to open up a dialogue between JSEP and the LEP, in particular as there is no community representation on the LEP. MT reported that this issue had come up at a recent London Assembly Economy Committee meeting, when the Mayor had been questioned about the role of the LEP, as well as the LEP's lack of attention to inequalities, childcare, green economy etc. It seemed that the LEP was increasingly the forum in which the Mayor joined up his different priorities and responsibilities.
- MT reported that the LEP intends to produce a new long-term economic strategy for London. A proposal from GLA officers outlines that this would be consultant-led and funded by London First, who would also provide the Secretariat (see Item 3 at <http://www.london.gov.uk/moderngov/ieListDocuments.aspx?Cid=245&Mid=5220&Ver=4>).
- RB reported on a recent discussion with John Lett (principal planner at the GLA), and referred JSEP to the most recent update on the content of the expected revisions to the London Plan in a presentation by Stuart Murray to the RTPi on 19 September (<http://rtpilondoncalling.wordpress.com/2013/09/22/london-planning-summit-2013-plenary-1-planning-beyond-borough-boundaries/>). It seemed that the Mayor's 2020 Vision document was providing the vision for the alterations, as well as to the economic strategy being prepared by the LEP, and that the main focus was on housing growth; sustainability, employment growth, community facilities etc all seemed to be neglected. A lot of public meetings would also be taking place during the consultation period across all parts of London, and JL would forward the programme to RL asap. In terms of the content of the alterations to the London Plan.
- RB also reported that the Mayor's draft housing strategy was also presently out to consultation.
- The next bi-monthly meeting would be on affordable workspace. EJ and JF were working together on this, and were coming up with a proposal. EJ would circulate a briefing note in advance of the meeting. Possible dates were 27th, 28th or 30th

January. It was agreed a doodle poll should be set up to determine the best date. EJ also asked for input on who to invite (ME suggested inviting Sue Terpilowski again; MT suggested focussing on Hackney Wick rather than Waterloo, as this had been a strong focus this meeting; etc).

- MT was preparing plans for the first JSEP public event, and was exploring the possibility of partnering with nef. She requested feedback on the draft proposal, especially in relation to potential speakers.
- In terms of future meetings, MT suggested there would be a need for something specific on the London Plan during the consultation period (expected Jan – March). AS suggested focusing on social enterprises in a future meeting, as charities etc were increasingly being asked to behave like businesses.
- ME proposed that it would be useful for someone to do a dissertation on what goes on in industrial estates in central London. EB suggested the Maiden Lane industrial estate as one possibility. MT suggested this could evolve into a list of potential research projects coming out of JSEP.

Myfanwy Taylor
UCL January 2014