JUST SPACE ECONOMY AND PLANNING (195)
WRITTEN STATEMENT ON THE INSPECTOR'S FINAL MATTERS

Session 6: Employment

a) At paragraph 1.24 the FALP predicts that the number of jobs could increase from 4.9m in 2011 to 5.8m in 2036. Is this forecast justified and does the FALP create the right conditions to facilitate this growth?

Proposed amendments to the FALP:

The view of Just Space Economy and Planning (JSEP) is that the jobs growth forecast is not justified, as it ignores a range of key issues relating to how London's economy works and the broader aims of economic development policy. JSEP therefore rejects the proposed amendments in Chapter 1 which relate to the job growth forecasts as presently drafted. JSEP proposes the amendments are withdrawn, pending a full review of the economic evidence base and economic development strategy, or that additional wording is inserted which clarifies the limits of the job growth forecasts, sets them in a broader analysis of London's economy and makes connections with the various aims of economic development policy, in particular in relation to inequality and sustainability, recognising the points set out more fully below and in JSEP's response to the FALP.

Further information:

The GLA's approach to labour market forecasts is to project forward the historic ratio between output and employment, which is then used to calculate future employment assuming a constant GVA growth rate of 2.5%. Broadly speaking, the same approach is applied to project the number of jobs by sector and by borough, constrained by the figure arrived at using the London-wide data. In the GLA Economics report on London labour market projections (FA/KD/07), the GLA highlight the simplifying assumptions and data limitations associated with their approach, saying that '[t]he aim is that by being clear about the data limitations and simplifying assumptions used, readers can determine for themselves the amount of weight they place on the reported findings' (FA/KD/07 p.4). JSEP's view is that this approach is **not** justified as a basis for the FALP because it ignores a whole range of issues relating to how London's economy works, as well as the aims of economic development policy.

Firstly, applying projections sector-by-sector incorrectly assumes that different sectors within London's economy are independent from one another. This is particularly problematic given the importance of interactions between different sectors of the economy in driving innovation in cities such as London, where diversity has been identified as one of the key factors in its long-term success (Duranton and Puga, 2001; Buck et al, 2002). Further, as innovation occurs, economic activities may change but the classification system may not, meaning that the GLA's projection method may fail to capture important trends. By way of illustration, the updated labour market projections introduced by the FALP suggest that employment in manufacturing will decrease to 34,000 in 2036, where previously the London Plan projected a decrease to 89,000 jobs in 2031. No consideration has been given as to whether there might be a limit as to how far manufacturing might decrease in London, given the demand for goods from other sectors, nor whether such a low level might have a negative impact on related activities and industries. JSEP's response to the consultation highlighted the risk to the sectors which depend upon the activities which take place on strategic industrial land if that land is lost to housing - for example, the reliance of the restaurant industry on local warehousing; the reliance of a wide range of businesses on vehicle repair services; the reliance of online retail on warehousing and distribution; the reliance of central London offices on easy and quick access to lift repairers and manufacturers. Using projections which do not consider the interrelations between different sectors of the economy as a basis for policy are likely to have unintended consequences.

Secondly, it is not at all clear what meaning or purpose the borough-level job growth forecasts have. The methodology set out in the GLA Economics report on London labour market projections (FA/KD/07) explains that these forecasts are based on projecting forward historic relationships between output and jobs at a borough level to produce a jobs growth figure assuming 2.5% output growth, adjusting for the effects of forthcoming transport and workspace capacity and constrained by the London-wide projections. Unlike for the sector-based forecasts or the London-wide forecast, then, the future impact of planning policy and transport is to some extent taken into account. It remains unclear whether the borough projections include the impact of the FALP or not. This should be clarified. In responding to the FALP consultation, JSEP raised concerns that the flexibilities introduced by the FALP taken together with the (ongoing) relaxation of permitted development rules, would result in a significant loss of employment land to housing in London, where housing outbids employment uses so greatly. At a strategic level, JSEP argued that this would likely reduce the possibilities for sustainable development in London, reducing employment uses outside of central locations and increasing the need to travel. Increasing journey times also has a disproportionate effect on those on low incomes and with caring responsibilities and costs.

Thirdly, there is no scope within the GLA's current approach to labour market projections for any consideration to be given to other factors which may impact on job growth beyond the historic relationship between output and employment. For example, the Mayor's Chief Economic Advisor, Sir Gerard Lyons, has recently considered how four different scenarios for the development of the UK's relationship with the rest of Europe would affect London's economy, with outcomes ranging from 1.2 million jobs lost to 1 million jobs gained over 20 years[1]. Additionally, JSEP's response to the FALP consultation highlighted that the GLA"s labour market projections ignored the role of the housing market and financial services in the London economy, underplaying the problematic and uncertain situation London faces in the aftermath of the global financial crisis. For instance, while financial services have been seen in the past as the engine of growth for London's economy, the updated labour market projections accompanying the FALP predict that employment in financial services will fall by 22,000 jobs by 2036. Various amendments to the FALP now imply that the technology, media and

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[1] http://london.gov.uk/priorities/business-economy/vision-and-strategy/the-europe-report

telecommunications (TMT) sector will now drive the future growth of the London economy (e.g. Policy 2.9A and para 2.38; para 2.46; para 4.6), but there is no recognition of the underpinning of such sectors in other activities, such as machinery supply and repair and consumables supply. This highlights the need to reconsider the approach to labour market forecasting being taken in order to explore different scenarios for the future growth of the London economy. JSEP highlighted specifically the need to consider the trends and drivers for the green economy and 21st century industry, for instance.

Finally, there is no explanation of how the jobs growth forecast relates to the population growth forecast, nor any consideration of the implications of this relationship for relevant aims of the London Plan and economic development policy. This matter relates in this regard to Matter 2 (Housing) and in particular points d and h, and we refer to the Just Space written statement on this. Whereas the projections underlying the present London Plan suggest equal rates of job and population growth, the projections underlying the FALP suggest significantly larger population growth than employment growth. Yet this significant change is not acknowledged nor discussed. What are the implications of this discrepancy for inequality and unemployment in London? Likewise, as was alluded to previously, if job growth is projected to be concentrated in central London, what are the implications of this for sustainable development and for access to employment? The NPPF recognises that the economic, social and environmental aspects of sustainable development are mutually dependent, and should be 'sought jointly and simultaneously through the planning system' (paragraph 8). In order to achieve this, the evidence base for the FALP as set out in Chapter 1 needs to be joined up.

On the second part of the Matter 6a), namely whether the FALP creates the conditions to support the projected job growth, JSEP refers the Inspector to the extensive evidence documented in its response to the consultation which highlights how the changes introduced by the FALP risk damaging London's economy, let alone facilitating the growth that the GLA's labour market projections predict. Specifically, JSEP is concerned that the measures to increase new housing supply will result in the loss of affordable workspace, industrial land and weaken high streets and town centres. JSEP presented a range of evidence and examples documenting how jobs are being lost through new developments, rather than gained. The retail, office and industrial land reviews that inform targets for new supply are not based in a sufficient understanding of the the ways in which existing employment land is already being productively used.

JSEP have proposed that the FALP require a full and participatory review of the economic evidence base, involving a diversity of economic organisations and actors, in order to address these issues. As presently proposed, the changes introduced by the FALP risk damaging the London economy and worsening prospects for more sustainable and inclusive development.

b) Do the changes proposed demonstrate, as required by the NPPF, a clear understanding of business needs within the economic markets operating in and across London?

Proposed amendments to the FALP:

JSEP's view is that the FALP do not demonstrate a clear understanding of business needs nor the economic markets operating in and across London as required by the NPPF. In responding to the consultation, JSEP has already suggested a number of places in which the FALP could acknowledge the diversity of the London economy and the different needs of its various sectors, activities and forms of enterprise, including throughout Chapter 1 (see also response to Matter 6a), para 4.2 and 4.9A, and describe the ways in which the GLA is seeking to improve its understanding of this diversity, including through working with groups representing different forms of enterprise, economic sectors and local business groups.

JSEP rejects proposed alterations that would negatively impact on those businesses that presently make use of (or might in future make use of) affordable workspace in London, including in town centres (Policy 2.7Ah, Policy 2.15 and paras 2.72B-2.72H, Policy 4.7 and paras 4.40-4.43), industrial land (para 2.85; map 4.1; para 4.23) and Opportunity Areas and Intensification Areas (para 2.61 and 2.62). JSEP has welcomed alterations which signal some recognition of the importance of different kinds of workspace to the London economy - specifically small workspace (Policy 4.3Bc and d; para 4.17a), hybrid office/industrial (Policy 2.7Ai), affordable workspace (para 2.34, Policy 2.7Ah), space suitable for emerging sectors (Policy 2.9A and para 2.38; para 2.46; para 4.6; Policy 4.10Ac and para 4.53) - and argued that they should be significantly strengthened and extended in light of the significant problem of lack of affordable workspace. These arguments are strengthened by recently reported levels of take up of the right to convert office to housing without planning permission in London[2], and proposals to extend permitted development rights further to allow conversion of light industrial and storage & distribution buildings to housing[3].

JSEP has also proposed that the FALP should be explicit about how the needs of existing businesses (and residents) are to be met within new developments, and include commitments to collaborative working to ensure this - for example, in relation to Policy 2.4 (the 2012 Games and their legacy) and Policy 4.7 (re: town centres) - in light of the experiences of groups such as Latin Elephant, Wards Corner Community Coalition, Peckham Vision, PEACH and East End Trades Guild in working to secure a future for existing businesses in the development of town centres.

Further information:

As the question suggests, London's economy is very diverse and complex, with multiple economic markets operating at different scales and extending far beyond London's administrative boundaries. This diversity means that there is no single, representative 'business', with different businesses operating in different sectors, areas and using different business models having different needs. Yet the FALP do not demonstrate a clear

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[2] http://www.planningresource.co.uk/article/1306070/office-space-declines-new-change-use-rules-bite-report-shows
[3] https://www.gov.uk/government/consultations/technical-consultation-on-planning

understanding of the different needs of the diverse sectors, activities and areas that make up London's economy. The FALP should go much further in recognising this diversity and in developing policies which reflect it.

London's economy is presently characterised by significant inequalities, with existing communities too often left behind by new developments that prioritise the needs of international markets over the needs of existing residents and businesses. It is striking, for example, that some of the highest rates of child poverty in the UK are still to be found on the doorstep of Canary Wharf, home to London's financial sector. The FALP should acknowledge the different needs of different business interests in London's economy, and be explicit about how these tensions are being reconciled. Taking a more finely-grained view of London's economy and the needs of different sectors and areas may in turn offer greater possibilities for ensuring that Londoners benefit from growth and development in the capital.

Tools and methods developed by organisations for surveying local economies such as the new economics foundation[4] and researchers such as Dr Suzanne Hall (London School of Economics) would help to highlight the aspects of London's economy that are presently being neglected. Simple surveying of the existing occupiers of employment sites can yield very useful information about the sorts of activities going on and the particular needs of those businesses. For instance, Haringey Council and the Mayor of London recently funded a survey of industrial estates in Tottenham by the architects Gort Scott, which documented 'an eclectic array of top quality independent manufacturers' including 'artisan bakers, a craft brewery, gourmet popcorn manufacturers, royal uniform makers and the last remaining piano factory in London'[5]. The GLA Regeneration team has also recently published an atlas of London's largest industrial estate, Park Royal, or 'London's Kitchen', where 2000 businesses and 30,000 jobs are based, from 'advanced metal fabrication to theatrical prop makers, from highly specialised food production to logistics and smart recycling'[6]. Including such detailed economic studies as part of the evidence base for the FALP would help to provide a fuller understanding of the business needs of a greater diversity of the sectors and activities making up London's economy.

JSEP's view is that the FALP pose significant risks to businesses which presently rely upon the affordable workspace in town centres, high streets, offices and industrial areas which is likely to be lost to housing-led developments as a result of the flexibilities introduced by the FALP (which, in turn, will have broader damaging impact on London's places and economy). The needs of these businesses appear not to have been considered in producing the FALP. In responding to the FALP consultation, JSEP explored how the London Plan could better support small businesses, social enterprises and migrant economies in order to support more sustainable and inclusive development. This written statement outlines this analysis in terms of the NPPF's requirement for a clear understanding of business needs, builds on the consultation

[4] http://www.neweconomics.org/publications/entry/plugging-the-leaks
http://www.neweconomics.org/publications/entry/clone-town-britain
[5] http://www.gortscott.com/news/99/
[6] https://www.london.gov.uk/priorities/regeneration/publications-guidance/park-royal-atlas

response by highlighting some of the further evidence which has come to light since that was submitted.

a) Small businesses

The FALP introduce a new paragraph (4.9A) on the the London Enterprise Panel (LEP), as part of the analysis on 'Economic Context' which precedes the economic policies of the London Plan. In addition to reiterating the points JSEP made in our response to the FALP consultation, it is relevant to highlight the findings from a subsequent report from the Centre for Local Economic Strategies (CLES) which ranked London in 34th position out of 39 LEPs in terms of the representation of small businesses[7]. CLES suggest that a resilient LEP would have 'at least a third of its private representatives being SMEs' (p.9), but found London to have just 11.1%. Representation of small businesses within strategic policy making forums in London should be improved. A commitment to doing so should be included within the FALP at para 4.9A.

The experiences of groups such as Peckham Vision, East End Trades Guild and People's Empowerment and Action for Custom House (PEACH), referred to in the JSEP response to the FALP consultation demonstrate the importance of consulting and working with groups representing existing businesses, if their needs are to be met by the planning system and future developments in London.

The high cost of doing business in London is one of the key reasons highlighted in the FSB and London First 'Small Business Cities Burden Index'[8] - topped by Singapore and New York - for London's relatively poor performance as the 7th worst out of the 24 cities surveyed. The two key factors behind the high cost of doing business in London were identified as high cost of living and high cost of office occupancy. Easing these cost burdens will therefore involve not only reducing the cost of living, but also reducing the cost of workspace - yet the FALP demonstrates very little if any understanding of the scale and nature of the latter.

JSEP provided further evidence regarding the importance and lack of affordable workspace in London in its response to the FALP consultaton, particularly in relation to Policy 2.9 (Inner London) and Policy 4.7 (Retail and Town Centre development). In addition, JSEP wishes to highlight further reports which have emerged since then.

Firstly, the important role of (what the report terms) 'Low Threshold Enterprise Space' in the London economy is clearly acknowledged in the GLA's document 'Accommodating Growth in Town Centres: Achieving Successful Housing Intensification and High Street diversification', released in July 2014. That report acknowledges in particular the role of affordable workspace in providing 'new and start-up firms with low value space to grow and expand their business' and highlights the risk that loss of such space 'will reduce the opportunities for growth and in this way have an adverse impact on economic growth' (p.60). The report also highlights the benefits

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[7] http://www.cles.org.uk/news/leps-are-failing-to-build-local-resilience/
[8] http://londonfirst.co.uk/small-business-cities-index-shows-that-london-needs-to-cut-costs/

of businesses occupying affordable workspace in terms of quality of life, local character, lifetime neighbourhoods, provision of diverse employment opportunities accessible to local populations. It sets out a case for protecting affordable workspace where its loss would have a broader impact, saying that 'once this space is gone, it is lost to the property stock for good. The same type of product will not be re-provided in any new development' (p.66). The next chapter of the report clearly states that provision of non-residential space in town centres is an important part of town centre development, but is 'squeezed out' by residential development. These statements seem to support the evidence presented by JSEP and the case for the FALP to be withdrawn where they would result in a further loss of affordable workspace, and for further protections to be introduced.

We also refer to the recent RICS survey on the take-up of permitted development rights to convert office to retail, which showed that strong take-up in London and the South East was putting pressure on commercial space. As RICS highlighted, 'While making a much needed contribution to the substantial shortfall of homes, there are understandable concerns that this could be creating a related problem for businesses looking expand their footprint as economic confidence grows'. Similar difficulties can be expected if plans to relax permitted development rules for retail and industrial land are introduced. This strengthens JSEP's view that the FALP's approach of monitoring take-up is insufficient (Policy 4.2Ae and para 4.13A).

b) Social enterprises and other forms of enterprise e.g. mutuals; cooperatives

The FALP do not consider the needs of social enterprise and other forms of business such as mutuals and cooperatives.

JSEP disagrees with the removal of the reference to social enterprises from paragraph 2.45. The reference to voluntary enterprises can be added without removing the reference to social enterprises.

However, the FALP will need to go much further if they are to demonstrate an understanding of the needs of London's social enterprises, of which there were an estimated 3,400 in 2005[9]. Providers of affordable workspace for social enterprises, such as the Bootstrap Company, the long-standing Dalston-based provider of affordable workspace for social enterprises and start-ups, report that the lack of suitable and affordable 'move-on' workspace in Dalston and surrounds is limiting their business through-put, as businesses who start with them are unable to move on. Similarly, Bootstrap's ability to expand its own operations to new buildings is being limited due to a lack of suitable premises of more than 10,000 sq ft. Working with local people and partners in east London's most deprived areas, Bromley by Bow Centre has established over 50 local social enterprises and 275 new jobs. They are keen to contribute to shaping London's future development, as a global city, and a city of vibrant, diverse and entrepreneurial communities. The GLA ought to engage with this sector to identify its needs, and how the FALP can support it to grow and develop. Amongst the recommendations within Haringey Council's

[9] www.london.gov.uk/sites/default/files/social-enterprises-in-london.pdf

‘40:20’ Carbon Commission report, produced with the new economics foundation, is to support cooperative enterprise models (e.g. community energy mutuals; retrofitting cooperative networks) in order to re-invest wealth back into the borough[10]. Centre for London has also recently published a report on encouraging employee ownership - the FALP should consider the needs of employee owned enterprises in London[11].

Ethnic minority and migrant retail, business and creative sectors

Submissions from JSEP, Latin Elephant and Wards Corner Community Coalition have documented evidence concerning the particular role and needs of ethnic and migrant retailers and entrepreneurs. The FALP does not consider this at all despite their significant contribution to the London economy - at a UK level, ethnic and migrant entrepreneurs contribute an estimated £25-35 billion to the UK economy per year (Regeneris, 2010). The new economics foundation (nef) carried out an economic impact study of Queen’s Market, Newham, where 7 out of 10 businesses surveyed were BME traders. They found that ‘Queens Market provides a particularly fertile environment for black and minority ethnic (BME) entrepreneurs who face particular barriers when starting businesses’. The FALP should be amended to explicitly acknowledge and respond to the needs of BME and migrant businesses in London.

c) Is Policy 4.3 (as proposed to be altered) justified in seeking to protect small scale offices in the CAZ and require proposals which would result in the loss of office space in the CAZ to contribute to the provision of new office space within or nearby the development?

Proposed alterations to the FALP:

JSEP supports the alteration to protect small scale offices in the CAZ, but suggests this is extended to protect affordable office space of all sizes and also applied to Inner and Outer London, if problems of affordable workspace are to be eased. JSEP cautions against offsetting the loss of office space with provision of new office space, in light of the evidence that this tends to be considerably less in quantity and more expensive. Experience in Waterloo (documented below) suggests that any facility to replace office space lost with new office space should be a firm requirement at least 50% of existing office replaced in larger developments, either on site or off.

Further information:

See JSEP’s response to the FALP consultation in relation to Policy 4.3Bc and d and para 4.17a. Rather than repeat that evidence here, we discuss the case of Waterloo and Vauxhall in order to illustrate the issues and provide further evidence in support of the alterations we are seeking to the FALP relating to affordable workspace.

[10] http://www.haringey4020.org.uk/index/about4020/carbon_commission/report.htm
[11] http://centreforlondon.org/publication/local-owners-supporting-employee-ownership-locally/

There has been significant loss of both small, medium and large scale office at various Opportunity Areas over the past decade since the London Plan was first adopted, in and around the periphery of the CAZ. These losses are mainly to residential development, but also to student accommodation and to hotels. The losses at Waterloo and Vauxhall far exceed the targets for new jobs.

Waterloo OA has a target of 15,000 new jobs and 1,900 new homes, which was set in the 2004 London Plan. Instead we have had a net loss 5,000-6,000 jobs in B-class development, but not a single significant B-class development has come forward. This follows the loss of around 8,000 office jobs between 1986 and 2004 with the loss of the GLC, MI6, and the downsizing of Shell – much of this to housing, with 1,100 flats permitted and implemented on those sites.

Examples of office space lost in Waterloo since 2004 include the full range from large offices and purpose-built HQ buildings to smaller serviced offices. The list below does not include all office sites lost in Waterloo since 2004; nevertheless there has been a total loss of 120,864m2 GIA, with a total replacement of 35,562m2 GIA, i.e. a net loss of 85,302m2 GIA, the equivalent loss of between 4,490 jobs and 6,093 jobs.

Waterloo is one of the best-connected transport nodes in the country, with capacity for 100 million train users and 4 underground lines, plus 35 bus routes. It was zoned for City office overspill in the Greater London Development Plan and accommodated the largest single office development in Europe at Shell. While the area's residential population has steadily grown and the arts, culture and leisure offer is the largest in the UK, this has never been intended to be at the expense of office jobs. Being close to Parliament the area is home to many third sector organisations, large and small. This use continues along the Albert Embankment down to Vauxhall, but is being completely washed away by the redevelopment into housing, hotels and student accommodation.

SITE	PREVIOUS SIZE	PREVIOUS OCCUPANT	NEW USE/ SIZE	STATUS
County Hall Island site	22,800m2	GLC offices	Hotel (1,037 bed) + 3,756m2 conference facilities	Permitted 2008: complete
Addington Street	5,436m2	Serviced offices	Hotel (390 bed)	Permitted 2006: complete
General Lying-In Hospital	Hospital uses + 1,191m2 GIA office	St Thomas' Hospital	Hotel 238 bed	Permitted 2009: completed

75 Westminster Bridge Rd	6,000m2 serviced office	26 occupants – mainly third sector	6,000m2 Academy school	Permitted 2013: completed
157 Waterloo Rd	c4,000m2 GIA 197 jobs	Number of medium-sized businesses	Hotel (278 bed) c7,500m2 GIA 139 hotel jobs	Permitted 2008: completed
Hercules House	12,189m2 GIA	9 SMEs on leases	19,428m2 GIA 438-bed Hotel	Permitted 2013: on site
111 Westminster Bridge Rd	7,803m2 GIA	Costain HQ + 7 other medium-sized businesses	13,507m2 hotel + 683m2 GIA serviced office	Permitted 2011: on site
199 Westminster Bridge Rd (York House)	8,864 sqm GIA several SME occupiers	44,000m2 GIA offices permitted 2008	35,926m2 GIA student 6,340m2 GIA private school 384m2 affordable workspace	Permitted 2013: on site
118-120 Westminster Bridge Rd	3,768m2 GIA	Lambeth Building Society HQ	78-bed hotel + cafe	Permitted 2009; completed
King's Reach tower, Stamford St	48,813m2 GIA + 6,936m2 GIA	IPC HQ office retail	34,879 sqm office + 22,917 sqm residential + 6,756m2 retail	Permitted 2012: on site
1 Blackfriars Rd	12-storey, c10,000m2 GIA Permission 2002 for 57,426sq m (GEA) office (78m high)	Sainsbury HQ Not implemented because superseded	77,023sq m GEA of 261 hotel and 98 flats: 170m tall building	Permitted 2009: on site

During this period the Albert Embankment has seen virtually all of a ¾ mile stretch of major office developments permitted for conversion into residential and hotels. It sits in the VNEB OA with an indicative target of 25,000 jobs for that OA. But together with losses at sites in Vauxhall, around 90,000m2 of office has been lost, with 42,000m2 permitted in replacement as part of various mixed use schemes, although none have been built. The net loss of around 48,000m2 is the equivalent of a net loss of between 2,500 and 3,500 jobs across the OA area.

All of the redevelopment proposals in these areas have been driven by the uplift in value of the sites through their change of use. Some of these employment-generating sites were theoretically protected by local planning policy, but developers have often provided 'evidence' either of the lack of market for new offices. However their main and consistent line of planning argument has been the need to intensify uses on sites – despite the fact that most of these sites already had existing substantial 6-12 storey office blocks. Developers have argued that there is little demand for A grade office of double the size already existing; therefore to optimise the redevelopment potential of such centrally located sites they will need a change of use to residential or hotels. The local authorities of Lambeth and Southwark have been poor at negotiating even an element of office development being replaced, with only the 384m2 serviced affordable workspace at 199 Westminster Bridge Rd and 683m2 of office at 111 Westminster Bridge Rd coming forward.

The one exception is King's Reach Tower, which replaces 34,879m2 of office in a genuinely mixed use housing-led regeneration - but even here there is a net loss of 13,934m2 of B-class use.

This problem is far more widespread than Lambeth. Across the river at 190 The Strand, for example, permission has been granted to demolish a number of office blocks amounting to 25,636m2. Initially it was to be replaced with a high-quality KPF commerical-led mixed use scheme providing 27,220 sq m of office space and a further 4,273 sq m of residential, plus 1,109 sq m of retail space, permitted in 2007. But in 2011 a 48,863m2 (GEA) 'mixed-use' residential-led redevelopment was approved for

· Residential 31,863 sq m
· Retail 443 sq m
· Leisure 756 sq m
· Office 579 sq m
· Restaurant 503 sq m
· Ancillary 14,145 sq m

Given the sales prices currently quoted on the developers website, with an extraordinary <u>average</u> price of £2955 psf, it is clear that the land values created by the urge to intensify which have driven this change of use.

The majority of the losses referred to in this evidence are of large offices (they are easier to track: we have not quantified the smaller office losses). In seeking only to protect smaller offices in the CAZ the proposed FALP change is insufficient and will not be effective in attempting to achieve the policy goal of intensification at transport nodes and OAs within the CAZ by achieving new residential whilst also increasing employment-generating development.

One example of the absolute desperation this is causing is that Lambeth are seeking to include temporary construction jobs within its tally of new jobs within the Vauxhall and Waterloo OAs, contrary to normal or good practice.

d) Does the FALP provide the necessary infrastructure to support business, particularly with regard to power, transport and digital connectivity?

Nothing further to add to JSEP response to the FALP consultation at this point. We hope to expand in the Examination in Public.

e) Paragraph 4.23 encourages the release of surplus industrial land around public transport nodes to enable the provision of high density development for housing. However, these sites may be the most suitable/attractive to employers so is there a danger that this policy may deter investment and hinder the delivery of new employment?[1]

Proposed alterations to the FALP:

JSEP agrees that the alterations proposed to paragraph 4.23 risk significant loss of employment - as well as deterring additional development of employment uses - at well-located industrial land. JSEP proposes that these alterations are withdrawn. Instead, the alterations should introduce additional protection for industrial land, in light of the fact that more than twice the present target has been released in recent years and that the FALP propose therefore the tighten the target from 41ha to 37ha per annum. Additional protections - not flexibilities - are needed if the rate of release of industrial land is to decrease to present targets and then further still to the proposed lower target introduced by the FALP.

JSEP's view is that the issue of conflicts between land for housing and employment, and access to jobs for Londoners extends beyond the alteration proposed to paragraph 4.23. We have set out some of the issues to be considered here in response to Matters 6a and 6b, as well as in great detail throughout the JSEP response to the FALP consultation. If they are being considered in relation to parapgraph 4.23, they ought also to be considered more generally in relation to the FALP during the Examination in Public. We also cross refer to the Housing Matter, and the response from Just Space in response to Matter 2d and h in particular.

Further information:

Nothing further to add at this point to the evidence presented already in the JSEP response to the FALP consultation. We hope to provide further information at the Examination in Public regarding some of the cases discussed in the JSEP consultation response, including Hackney Wick and Fish Island and Camley Street (Kings Cross).

Session 7: Retail & Town Centres

a) The FALP at paragraph 4.40 identifies a need for between 0.4 to 1.6 million m² of comparison goods retail floorspace by 2036. Is this based on robust evidence and does the FALP provide an adequate steer with regard to the location of this new floorspace?

Proposed amendments to the FALP:

JSEP disagrees strongly with the future assessment of London's retail sector. JSEP also disagrees that consolidation will need to occur except in the very largest and smallest town centres. We explain why in our response to the FALP consultation, and argue that the proposed alterations should be withdrawn pending a review of the evidence base.

Further information:

Nothing further to add at this point to JSEP's response to the FALP consultation. We hope to be able to expand during the Examination in Public, in particular in relation to the GLA's 2013 Town Centre Health Check document and 'Accommodating Growth in Town Centres: Achieving Successful Housing Intensification and High Street diversification', which has not yet been possible due to late release of those documents.

b) The FALP envisages a structural change in retail provision driven largely by changes in the way people shop (internet, multi channel shopping etc) and leading to, amongst other things, the expansion or strengthening of some centres and the decline of others. Are the proposed alterations to Policies 2.15, 4.7 and 4.8 (and the supporting reasoned justification) sufficient to manage these changes particularly where centres are declining to ensure that they remain viable and vital? (commensurate to their function and place in the hierarchy).

Proposed amendments to the FALP:

As described in response to Matter 7a and in JSEP's response to the FALP consultation, we do not agree with the analysis of the future of retail in London nor the suggestion that retail will need to consolidate in all but the smallest and the largest retail centres. We argued that the FALP are likely to undermine the health of town centres, actively producing decline rather that supporting viability and vitality. We propose the alterations to Policies 2.15, 4.7 and 4.8 and relevant elements of supporting text are removed, pending a review of the evidence base.

Further information

Just Space Economy and Planning (JSEP) has already presented significant evidence to challenge the idea which seems to have emerged from the Experian retail review that only Westfield-type retail developments can secure a viable future for retail in a few of the largest town centres, with consolidation required in middle level centres. A wide range of evidence and policy initiatives are presently demonstrating the importance of town centres and high streets, and their adaptability and flexibility. Independent shops are flourishing in many London town centres, and vacancy rates are low. JSEP strongly disagrees with the question's suggestion that middle-level town centres in London are declining. JSEP's view is that the proposed alterations to policies 2.15, 4.7 and 4.8 infact would have the result of weakening town centres and causing their decline, rather than ensuring they remain viable and vital.

The analysis presented by JSEP re: the GLA's report, Accommodating Growth in Town Centres: Achieving Successful Housing Intensification and High Street diversification, in response to Matter 6b is also very relevant here and strengthens the argument presented by JSEP.

We will expand further during the Examination in Public, highlighting in particular the role of existing enterprises in shaping vibrant and vital medium-sized town centres, such as the Latin retailers at Elephant and Castle.

c) Are the changes to the status of the centres highlighted or struckthrough in Table A2.1 justified by evidence? (Including Policy Directions and Office Guidelines)

Proposed amendments to the FALP:
We oppose the downwards-designation of town centres which will lead to the loss of existing shops, businesses and services.

Further information:
We hope to expand on the JSEP response to the consultation on this matter at the Examination in Public.

d) The NPPF states that residential development can play an important role in ensuring the vitality of town centres. In promoting high density residential development in town centres should Policy 2.15c recognise that this should not be at the expense of the viability and vitality of town centres?

Proposed amendments to the FALP:

JSEP agrees that the FALP should be clarified to confirm that residential-led development in town centres should not damage their viability and vitality. We propose a further amendment that would require councils to work with existing businesses to ensure they are able to return to any new developments. We suggest that consideration is also given to similar alterations being included in relation to the proposed alterations to office and industrial space policies and in the relevant Chapter 2 alterations (see JSEP response to the FALP consultation and responses to other matters).

Further information:

Just Space Economy and Planning (JSEP) has already set out a range of evidence detailing cases where existing businesses are at risk of displacement through development schemes that do not recognise their contributions to the vitality of their town centre. This has been the case, for example at Wards Corner in Haringey; Queen’s Market in Newham; and in Elephant & Castle and Peckham in Southwark. We also described the ongoing work of the People’s Empowerment Alliance of Custom House (PEACH) to secure a future for existing shopkeepers in a major housing-led regeneration scheme in Custom House. This case demonstrates the steps that need to be taken to ensure that existing businesses, valued by the local community and contributors to the vitality of town centres and high streets, are not displaced by housing-led developments in town centres. We hope to expand on this evidence at the Examination in Public.

e) Should public houses be specifically mentioned in Policy 4.8Bc?

Proposed amendments to the FALP:
JSEP supports this proposal. Policy 4.8Bc should go further, however, in recognising the community value of other sorts of businesses such as small shops and markets, for example,

Further information:
Public houses, small shops and markets, amongst other businesses, are increasingly being listed as assets of community value by local councils, demonstrating the value that local businesses often have to local residents and community groups. Further policy support for retaining such community assets would be useful, given the pressure to develop such buildings for housing. This is the case in relation to the Baring Hall Hotel in Grove Park, Lewisham, for example, which was listed as an asset of community value (ACV) after it was sold to the company Antic Ltd. The pub remains vulnerable due to partial demolition for housing because planning officers said ACV status was not material due to the fact that the building would remain a pub. There is another example of a pub in the same borough where ACV status was cited as not relevant because the application to turn it into a supermarket included a lease less than 25 years. There is a strong case for strengthening ACV status in the London Plan so that ACV status can be considered a material consideration in all applications related to public houses.

Policy 4.8Bc should go further, however, in recognising the community value of other sorts of businesses such as small shops and markets, for example, Public houses are just one example of businesses that are often valued by the local community and can be listed as assets of community value by local authorities. The indoor market at Wards Corner, Seven Sisters, is now listed by Haringey Council as an asset of community value, for example, and an application was also recently made to list Queen’s Market in Newham. JSEP therefore proposes that small shops and markets are also listed alongside public houses as examples of businesses which have community value within Policy 4.8Bc.

Just Space Economy and Planning, 11 August 2014

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[1] Also the Plan at paragraph 1.28 says that making sure that Londoners can get better access to the jobs in their city will be a key priority.