



ISLINGTON

Local Plan

Topic Paper

Employment

February 2020

1	Introduction and Scope.....	3
	Introduction	3
	Scope and Structure of the Document.....	4
2	Existing Employment Policies	5
3	Proposed Employment Policies	6
4	Policy Context	7
	National Policy.....	7
	Regional Policy.....	9
5	Evidence Base	12
	Local Evidence	12
	Regional Evidence.....	18
6	Current Economic Context.....	29
	Population	29
	Economic Activity and Labour Supply.....	30
	Islington Employment and Fairness Commission	31
	Employment sector breakdown	32
	Office to Residential Permitted Development Right	36
	Conclusion	37
7	Employment Forecasts.....	39
	Employment Change by Sector Update.....	39
	Property Market Update	40
	Office Forecasts from London Office Policy Review	43
	Updated Supply Demand Analysis	44
8	Policy Justification	49
	Protecting and Promoting New Business Development.....	49
	Delivering Affordable Workspace.....	51
	Safeguarding and Intensifying Industrial Uses	53
9	Employment Designations	61

1 Introduction and Scope

Introduction

- 1.1 Islington performs well in economic terms. The most recent evidence on Gross Value Added (GVA), broken down by London Borough, shows that in 2012, Islington's GVA stood at £14,970¹. Behind Westminster, City and Tower Hamlets (Canary Wharf), Islington is second only to Camden. Despite having such a successful economy, Islington ranks third nationally on the income deprivation indicator for children, and fourth for income deprivation affecting older people². Poverty is an issue in every part of the borough: there is a neighbourhood in every ward in Islington that is among the poorest 20% of neighbourhoods in England³. The latest IMD data paints a stark picture in terms of child deprivation - nearly half of children resident in Islington and attending schools in the borough can be classed as deprived⁴
- 1.2 To combat this inequality, the Local Plan seeks to achieve an inclusive economy, where everyone, regardless of skills, experience or background, can truly and meaningfully share in and shape the success in the area. To achieve this goal, the Local Plan protects existing business space, encourages the delivery new business floorspace, which meets the needs of a range of businesses, including those at early stages of development, and secures jobs and training opportunities from new business development.
- 1.3 Looking ahead, Islington's economy is on an upward trajectory and employment growth is projected to exceed 50,000 jobs, the majority of which are forecast to be office based jobs, up to 2036. To accommodate such significant growth, the borough needs to provide approximately around 400,000sqm of additional office space. The Council recognises that meeting this requirement will be a challenge, but also recognises that this presents an opportunity to secure affordable workspace and space suitable for occupation for SMEs, as well as on-site construction and training opportunities, including apprenticeships. Policies in the proposed Local Plan have been developed to ensure a balanced approach towards accommodating competing needs and development pressures, particularly between housing and offices as well as industrial uses.

¹ Table 1, Work and Life in the Central Activities Zone, Northern Part of the Isle of Dogs and their fringes, GLA Economics, 2015

https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/Working%20Paper%2068.pdf

² English indices of deprivation, Ministry of Housing, Communities & Local Government, 2015

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/465791/English_Indices_of_Deprivation_2015_-_Statistical_Release.pdf

³ State of Equalities report, LB Islington, 2019

<https://www.islington.gov.uk/~media/sharepoint-lists/public-records/communications/information/adviceandinformation/20182019/20190131stateofequalitiesreport2019.pdf>

⁴ English indices of deprivation, Ministry of Housing, Communities & Local Government, 2019

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/835115/loD2019_Statistical_Release.pdf

Scope and Structure of the Document

- 1.4 This topic paper forms a justification of the soundness of employment policies B1, B2, B3, B4 and B5 of the Strategic and Development Management Policies in accordance with the tests set out in the National Planning Policy Framework (NPPF).
- 1.5 Section Two provides a brief overview of the Council's existing employment policies, as set out in the adopted Local Plan.
- 1.6 Section Three provides an overview of the proposed employment policies.
- 1.7 Section Four sets out the policy context in which the Local Plan has been prepared.
- 1.8 Section Five provides a review of and an update of the Council's evidence base documents.
- 1.9 Section Six sets out the current economic context.
- 1.10 Section Seven provides a detailed analysis of employment forecasts.
- 1.11 Section Eight justifies and explains how the proposed policies were developed, including a discussion of the key matters raised during the consultation process.
- 1.12 Section Nine provides a review of existing and proposed employment designations.

2 Existing Employment Policies

- 2.1 The Council's existing Local Plan is made up of the Core Strategy (2011), the Development Management Policies (2013), the Finsbury Local Plan (2013) and the Site Allocations (2013).
- 2.2 The Core Strategy (2011) encourages the development of new business floorspace, particularly in the Central Activities Zone and Town Centres. It safeguards existing business uses, including industrial uses, and requires on-site construction and training opportunities from new development. Affordable workspace and / or space suitable for occupation by small and micro businesses is also required from major non-residential development.
- 2.3 The Development Management Policies DPD (2013) adds detail to the policies set out in the Core Strategy. Employment policies promote business development in identified Employment Growth Areas and Town Centres and set out design requirements of such floorspace. Existing business floorspace is protected, unless exceptional circumstances are demonstrated. The plan retains and promotes the intensification of industrial uses in the Vale Royal / Brewery Road Locally Significant Industrial Site (LSIS). Detailed requirements for the provision of affordable workspace, or space suitable for occupation by micro and small enterprises, are also set out in the existing Local Plan.

3 Proposed Employment Policies

- 3.1 The overall strategy towards employment growth in the proposed Local Plan remains broadly the same as the approach taken in the existing Local Plan. The proposed policies are similar to the existing set of policies, but it was necessary to strengthen and refine some policy areas. Strategic and development management policies seek to deliver an inclusive economy through maximising the delivery of business floorspace and focussing this to certain locations across the borough.
- 3.2 As with the current policy, existing business floorspace will be protected unless exceptional circumstances can be demonstrated. The development of business floorspace is strongly promoted in the Central Activities Zone (CAZ), Bunhill & Clerkenwell Area Action Plan area, CAZ fringe areas (Kings Cross & Pentonville Road and Angel & Upper Street), and Priority Employment Locations.
- 3.3 The CAZ continues to be an area that accommodates the majority of Islington's employment. The Bunhill and Clerkenwell AAP aims to ensure that this growth is managed to secure a high quality and sustainable urban environment, to promote economic growth and employment, and also to address the deep challenges including deprivation, social mobility and environmental problems. The main difference between the Finsbury Local Plan (2013) and the Bunhill and Clerkenwell AAP is that the proposed policies prioritise the provision of business floorspace, particularly office, over other commercial uses in the area.
- 3.4 The protection and intensification of industrial uses continues to be sought in Locally Significant Industrial Sites (LSIS), with some former Employment Growth Areas, which contain industrial activities, now being recognised as LSIS due to the need to maintain, and if possible increase industrial capacity in the borough. In line with extensive regional and local evidence base, the proposed policies define the type of development that would be appropriate in the LSIS designations in the future.
- 3.5 One of the key differences between the existing and the proposed policies is in relation to affordable workspace. The proposed policy requires the provision of affordable workspace, rather than an option between providing space suitable for small and micro businesses or affordable workspace in development proposals. The amount of affordable workspace is now also specified (10% of total floorspace from schemes over 1,000sqm) and the period of time in which the space should be in use as affordable is increased from 10 years to 20 years.
- 3.6 Jobs and training opportunities will continue to be sought from the development of business floorspace.

4 Policy Context

National Policy

4.1 The National Planning Policy Framework (NPPF) was originally adopted in March 2012 and has since been revised in July 2018 and February 2019. The Local Plan review commenced at a time when the 2012 NPPF was still in place. Key requirements of the plan include:

- The need to identify strategic priorities, including jobs needed in the area;
- Only including policies that provide a clear indication of how a decision maker should react to a development proposal; and
- Allocating sites to promote development and flexible use of land, providing detail on form, scale, access and quantum of development where appropriate.

4.2 The 2012 NPPF also states that local plans should support economic development (para 21) by:

- setting out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- setting criteria, or identifying strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- supporting existing and potential business sectors, taking account of whether they are expanding or contracting, but ensuring that policies are flexible enough to respond to economic circumstances;
- planning positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- identifying priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
- facilitating flexible working practices, such as the integration of residential and commercial uses within the same unit.

4.3 Both the July 2018 and February 2019 NPPF state that the preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.

4.4 With regards to building a strong, competitive economy (paras 80-82), the July 2018 and February 2019 NPPF state that:

- Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account

both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.

- Planning policies should:
 - a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;
 - b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
 - c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and
 - d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.
 - Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.
- 4.5 Planning Practice Guidance (PPG) on economic need states that strategic policy-making authorities will need to prepare a robust evidence base to understand existing business needs, which will need to be kept under review to reflect local circumstances and market conditions.
- 4.6 In gathering evidence to plan for business uses, strategic policy making authorities will need to liaise closely with the business community to understand their current and potential future requirements. They will need to assess:
- the best fit functional economic market area;
 - the existing stock of land within the area - this will indicate a baseline for land in employment uses;
 - the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or loss to permitted development);
 - evidence of market demand – sourced from market intelligence from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums including locational and premises requirements of particular types of business;

- wider market signals – based on projected employment and population growth, diversification and innovation across employment sectors; and
 - oversupply and evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively.
- 4.7 The Local Plan review began at time when the 2012 NPPF was in place. Evidence commissioned by the Council to inform employment policies was produced in line with the 2012 NPPF, and subsequent policy formulation was undertaken in accordance with the July 2018 and February 2019 NPPF and revised PPG. Local Plan employment policies are underpinned by a robust needs assessment and are flexible in order to allow response to changes in market conditions.

Regional Policy

- 4.8 The current London Plan (2016, consolidated with alterations since 2011) includes the following relevant policies.
- 4.9 Policy 4.2 encourages local plans to support London’s office market by:
- enhancing the environment and offer of office locations, bringing forward and renewing development capacity, and assisting the conversion of surplus large offices into smaller units; and
 - focusing new capacity where there is strategic as well as local evidence of demand, encouraging renewal and modernisation in viable locations and supporting changes of surplus office space to other uses.
- 4.10 Policy 4.3 encourages a mix of uses in the Central Activities Zone (CAZ), and states that boroughs should develop local approaches to mixed use development and office provision.
- 4.11 Policy 4.4 states that boroughs should manage industrial land and premises to take account of strategic demand, including through the identification of locally significant industrial sites where appropriate.
- 4.12 Policy 4.7 states that, within town centres, boroughs should identify future levels of commercial floorspace need in light of integrated strategic and local assessments.
- 4.13 Policies 2.10 and 2.11 relate to the CAZ. These state that boroughs should:
- promote the provision of additional space and the rejuvenation of existing office space in the CAZ;
 - develop strategies to manage change in the office market beyond the CAZ, focusing on phased consolidation in certain locations (e.g. town centres);
 - promote development in the CAZ that provides a competitive, integrated and varied global business location;

- identify and bring forward capacity through redevelopment within appropriate quarters of the CAZ, through development and redevelopment in Opportunity and Intensification Areas; and
 - manage nearby industrial areas to meet the distinct needs of the CAZ.
- 4.14 Policy 2.15 identifies town centres and, as a strategic principle, identifies the need to manage these areas as the main foci beyond the CAZ for commercial development and intensification, including residential development.
- 4.15 The **new London Plan** is at an advanced stage of the preparation process. The Examination in Public was completed in 2019 and the Mayor has now published the London Plan's 'intend to publish version December 2019'. Relevant policies of the new London Plan are summarised below.
- 4.16 Policy GG5 seeks to conserve and enhance London's global economic competitiveness and ensure that economic success is shared amongst all Londoners.
- 4.17 Policy SD4 ensures that the nationally and internationally significant office functions of the CAZ are supported and enhanced by all stakeholders, including through the intensification and provision of sufficient space to meet demand for a range of types and sizes of occupier, and rental values.
- 4.18 Policy SD5 provides clarity on balancing the development of offices and other CAZ strategic functions. It states that new residential development should not compromise the strategic functions of the CAZ and that offices and other CAZ strategic functions are to be given greater weight relative to new residential development in all areas of the CAZ.
- 4.19 Policy E1 is related to offices. It seeks to increase the current stock of office in existing economic clusters and protects existing, viable office floorspace capacity. The policy supports the introduction of Article 4 Directions to prevent losses of office floorspace.
- 4.20 Policy E2 promotes the provision of, and where appropriate, the protection of a range of low-cost business space. It requires certain developments to consider the scope to provide a proportion of flexible workspace for micro, small and medium-sized enterprises.
- 4.21 Policy E3 states that planning obligations may be used to secure affordable workspace at rents maintained below the market rate, particularly where there is existing affordable workspace on-site and in areas where cost pressures could lead to the loss of affordable workspace.
- 4.22 Policy E4 aims to ensure a sufficient supply of land and premises to meet current and future demands for industrial and related functions, taking into account strategic and local employment land reviews.
- 4.23 Policy E6 advises that boroughs should designate and define detailed boundaries and policies for Locally Significant Industrial Sites (LSIS) in policies maps, including, justified by evidence in local employment land reviews.
- 4.24 Policy E7 encourages the intensification of business uses. It requires Development Plans to be proactive and to consider whether certain industrial uses can be intensified to provide additional industrial capacity.

- 4.25 Policy E8 requires employment opportunities for Londoners across a diverse range of sectors to be promoted and supported for the development of business growth and sector specific opportunities.
- 4.26 Policy E11 states that development proposals should seek to support employment, skills development, apprenticeships, and other education and training opportunities in both the construction and end-use phases, including through Section 106 obligations where appropriate
- 4.27 In relation to creative clusters, the London Plan supports the continuous growth and evolution of London's diverse cultural facilities and creative industries through policy HC5. The Council do not consider the Vale Royal/Brewery Road LSIS to be suitable for a Creative Enterprise Zone (CEZ) as per the overarching strategy and designation of this area. Policy HC5 encourages CEZ in co-operation with the Mayor.
- 4.28 The Mayor's CAZ Supplementary Planning Guidance (2016) (SPG) provides additional guidance on London Plan policies which relate to the CAZ. It also provides guidance on a range of other London Plan policies which affect the central area. Section 1 of the SPG focuses on promoting the CAZ as a competitive business location. It recommends that in order to accommodate projected growth in employment, and to ensure that the CAZ remains globally competitive, London Plan policy should be implemented in ways that promote and incentivise office and other strategic functions.
- 4.29 The Mayor's Land for Industry and Transport (2012) SPG provides guidance on the implementation of policies relating to land for industrial type activities and transport in the London Plan. It seeks to ensure an adequate stock of industrial capacity to meet future needs and to ensure the provision of sufficient land for the development of an expanded transport system. The SPG establishes industrial land release benchmarks for 2011-2031. With regard to mixed use industrial development and intensification, the SPG states that the redevelopment of industrial land for higher density, mixed uses, through the plan-led consolidation of a SIL or LSIS, must not compromise their offer as the main strategic and local reservoirs of industrial capacity and as competitive locations for logistics, transport, utilities or waste management.

5 Evidence Base

Local Evidence

Employment Land Study (2016)

Office

- 5.1 Islington's Employment Land Study (2016) (ELS) was produced by Ramidus Consulting and published in January 2016. The Council commissioned the study to inform the employment policies of the new Local Plan. The study sets out the planning policy context, establishes an economic profile of the borough, and provides an overview of employment development and the commercial property market in Islington. It also assesses existing employment sites in the borough, calculates future requirements of employment land, and makes conclusions and recommendations for policy formulation.
- 5.2 The methodology of the ELS is fully compliant with the NPPF and guidance set out in PPG. In establishing future requirements of employment uses, the study reviewed drivers of future demand for space and generated an employment forecast for Islington, consistent with the GLA forecasts for sectors. This employment growth was then translated into floorspace requirements by applying plot and job density ratios, in line with Home and Communities Agency (HCA) guidance on employment density.
- 5.3 In terms of need for office floorspace in particular, the forecast demand was then compared with land and property supply. This involved comparing total occupier demand with total planned supply of offices, to see whether current provision is in line with expected demand. Secondly, a qualitative analysis considering the quality of the sites and areas, development constraints, the mix and character of sites and areas, amongst other considerations, was carried out. The supply figure was then subtracted from the demand to arrive at an overall requirement for additional offices, which considers current vacancy and optimal vacancy.
- 5.4 The ELS found that for the period 2014 to 2036, total employment in Islington is set to grow by 50,500, within this approximately 30,000 are expected to be office-based jobs. A particularly strong growth is expected to be in the professional and technical services sectors. To facilitate the projected jobs growth in office-based sectors, the ELS identified a requirement for 400,000sqm of office space, up to the year 2036. In terms of supply, there is no current identified pipeline which will come close to meeting this demand. These figures are re-examined in section 7 of this paper.
- 5.5 It is useful to note that the above methodology is well used, particularly with London boroughs; the City of London, the London Borough of Hackney, the London Borough of Southwark have used the same methodology to arrive at supply demand figures.
- 5.6 The ELS considered planning application data to establish changes to the stock of B-use floorspace. The following section reviews the supply demand analysis set out in the ELS, in light of the most recent planning application data and office pipeline. The

ELS reviewed changes to B-use space effected through the full planning process over the period 2005 to 2015.

- 5.7 In summary, whilst there had been a healthy supply of new office floorspace being delivered through the planning application process, the overall total provision had been substantially reduced as a result of the office to residential permitted development right. Overall, between 2005 and 2015, there was a net gain of 10,910sqm completed through the full planning process, however, there was a net loss of 9,931sqm of office space through prior approval process. In terms of pipeline from proposals through the full planning application process, there was a net gain of 28,208sqm, but a loss of 45,531sqm in the prior approval pipeline. This is demonstrated in Table 1 below.

Table 1 - Changes to B1 floorspace 2005-2015

	Full planning process (sqm)	Prior approval (sqm)	Net B1 change (sqm)
Completions	10,910	-9,931	979
Pipeline	28,208	-45,531	-17,323
Total	39,118	-55,562	-16,344

- 5.8 The above table considers the years 2005-2015 only and represented a snapshot in time at the time of the ELS preparation. Table 2 below is an update of Table 1 above, reflecting B1a (office) Losses by Application Type for 2015-2018. It shows that between the 2015 and 2018 financial years, a total of 42,675 of B1a had been lost from full planning and prior approval completions.

Table 2 - B1a (office) Losses by Application Type for 2015-2018 (completions)

	Full Planning	Prior Approval	Prior Approval and Full Planning Total
2015-2016	-4,883	-6,582	-12,352
2016-2017	-15,571	-13,852	-29,423
2017-2018	7,385	-9,172	-1,787
Total	-13,069	-29,606	-42,675

- 5.9 The original ELS forecast requirement of 400,000sqm is inclusive of an additional 60,000sqm of floorspace to account for frictional vacancy. The London Office Policy Review (2017) and previous reports, commissioned by the Mayor to inform London Plan policies, regard an 8% availability rate as a pivotal measure. It goes on to state that rates above 8% are regarded as offering occupiers a wider choice of accommodation, and the associated tendency for rents to fall at this level, especially when availability has been on a rising trend and wider choice (and less competition for space) has been anticipated. Conversely, if availability rates fall below 8%, then there is a tendency for rents to rise, reflecting a narrowing choice of accommodation⁵.

⁵ Para. 5.2.2, London Office Policy Review, Ramidus Consulting on behalf of the GLA, 2017 https://www.london.gov.uk/sites/default/files/london_office_policy_review_2017_final_17_06_07.pdf

- 5.10 The LOPR advises that available information suggests that most boroughs are operating at well below this frictional vacancy rate and therefore additional supply needs to be added to meet this equilibrium level. It is understood that the practice of including additional floorspace to account for vacancy was endorsed at the 2009 London Plan Examination in Public, and has since been common practice.
- 5.11 The ELS argues that there is sufficient evidence on vacancy for the part of Islington which lies in the CAZ. Whereas non-CAZ areas are more difficult to assess, in part due to the low level of transaction activity. For these areas, the ELS relied on discussions with the local agents, who were able to provide 'a market view' on the level of vacancy. Employment Site Assessment fieldwork was also carried out to gather an understanding of the level of vacancy. A detailed survey of the LSIS produced an accurate impression of vacancy there.
- 5.12 The ELS arrives at a vacancy rate of 4% for Islington's CAZ area, where the majority of the borough's office stock is located. For non-CAZ locations, the ELS concludes that vacancy rates are well below the optimal; this is based on visual inspections and discussions with local property agents. Islington's total office stock was estimated at around 1.5 million sqm, therefore, an 8% vacancy rate would give a total of 120,000sqm of vacant floorspace, while a 4% vacancy rate only leaves 60,000sqm of vacant floorspace. An additional 60,000sqm of floorspace was therefore added to the forecast total to compensate for current vacancy rates being below their optimal level.
- 5.13 Research of the Central London office market undertaken as part of work on this topic paper concludes a CAZ vacancy rate of between 4.3% and 4.9%. Anecdotal evidence of the non-CAZ area also points to low vacancy. Therefore, the additional 4%, or 60,000sqm to account for vacancy, set out in the ELS, is still considered applicable.

Affordable Workspace

- 5.14 Issues around affordability in London exist due to a series of factors. These are related to the economic shift that has been underway, and the state of the property market. As previously stated, London's economy has shifted towards a service-based economy. This economic shift has resulted in significant office growth, and alongside a historically rapid population increase, has placed enormous pressure on land markets. This has led to steeply rising values and intense competition between residential and commercial land uses. Islington's location within and on the edge of the central business district typifies the stresses that are occurring. Over recent years, the pressure for residential development has been such that it has generally outbid commercial development. Consequently, Islington has experienced major losses in employment land to housing⁶. The amount of small and micro enterprises – in 2019, over 88% of enterprises comprised less than 9 people. The ELS examined the extent to which small and micro enterprises are hindered by lack of available start-up and move-on premises in terms of location, suitability, price and affordability. Although there is no direct or published data on this issue, local agents agreed that there is a growing demand for flexible space, because signs of shortage of space are emerging. The agents emphasised that this is not a problem unique to Islington: it is an issue that is seen all around the fringes of central London's core area, and the signs are most easily evidenced in rising rents. It is considered that the issue of pricing could become more of a problem if the supply situation is not eased with the delivery of new space⁷.

⁶ Para. 3.7.2, Employment Land Study, Ramidus Consulting on behalf on LB Islington, 2016
<https://www.ramidus.co.uk/wp-content/uploads/2017/03/LB-Islington-ELS-Report-16-01-26.pdf>

⁷ Para. 5.5.2, Employment Land Study, Ramidus Consulting on behalf on LB Islington, 2016

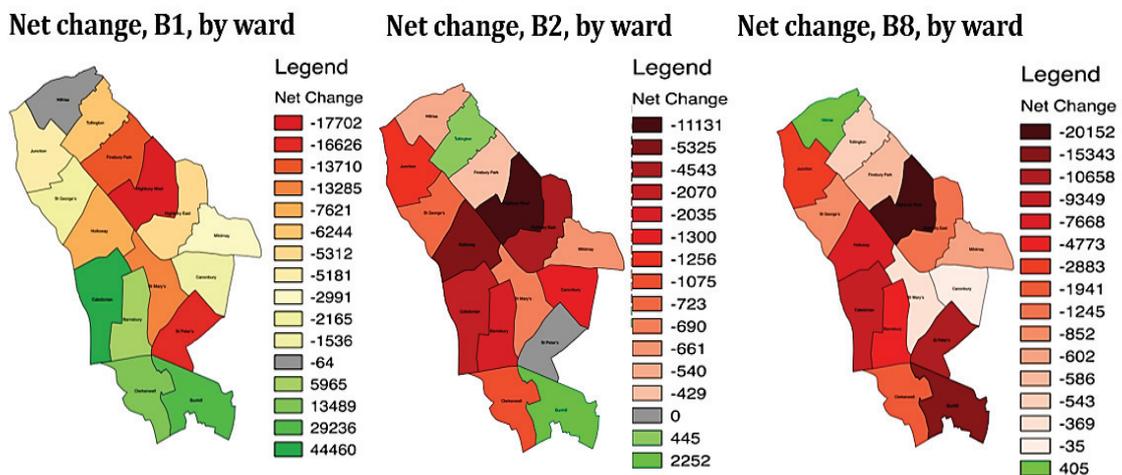
5.15 As set out above, the issue of affordability is also considered at a regional policy level. The importance of small and micro businesses to the London economy is highlighted in the Mayor’s City Fringe Opportunity Planning Framework (2015). It talks of how the success of Tech City was built on the availability and plentiful supply of low cost business space. The framework recognises the important role that affordable workspace will have on the future of London’s economy. At the time of writing, it was considered that local policy was the most appropriate way of responding to local need and delivering such space. However, since this time the Mayor has introduced an affordable workspace policy within the London Plan.

Industrial land

5.16 The ELS also examined the borough’s industrial land market, assessed recent changes to industrial stock and discussed how recent trends may continue into the future. In terms of the industrial land market, the ELS sets out that industrial restructuring has been underway for many years. This reflects changes in the wider UK economy, and its shift towards a largely serviced based economy. This shift has resulted in a dramatic decline in industrial premises, particularly in high land value areas such as in Central London, where most boroughs seem to have lost space at similar rates. For Islington, 436,000sqm of industrial was lost between 2000 and 2012⁸.

5.17 Overall, the ELS painted a picture of extensive losses of floorspace in all B use classes⁹ throughout the borough between 2005 - 2015. This story of losses of business floorspace is starkly illustrated by the maps below.

Figure 1 - Geographical distribution of B-use losses across the borough from the Employment Land Study (2016) in sqm - Completed schemes between 2005 -2015¹⁰.

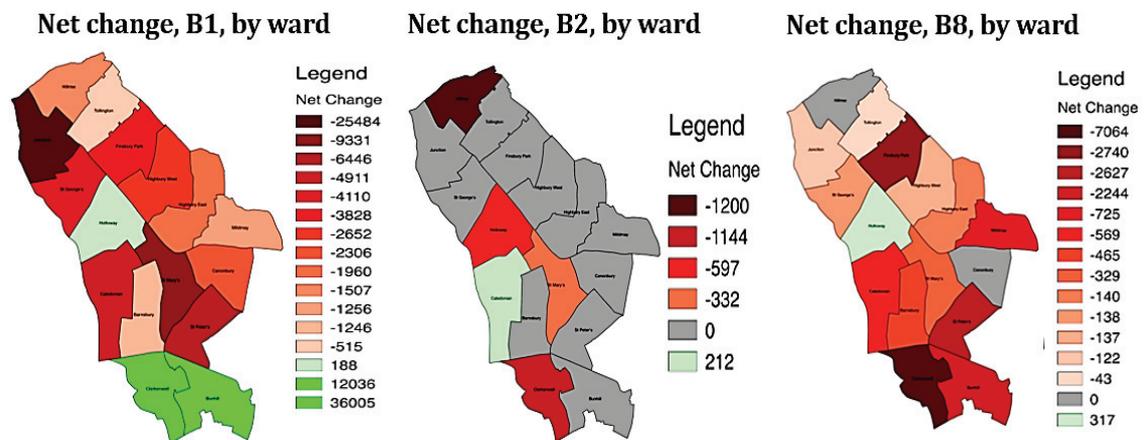


⁸ Para. 5.4.5, Employment Land Study, Ramidus Consulting on behalf on LB Islington, 2016

⁹ B1 use floorspace is not disaggregated into B1a, B1b, and B1c

¹⁰ Fig. 4.13, 4.14 and 4.15, Employment Land Study, Ramidus Consulting on behalf on LB Islington, 2016

Figure 2 - Geographical distribution of B-use losses across the borough from the Employment Land Study (2016) in sqm – Pipeline at the time of completing the study¹¹.



- 5.18 Despite dramatic losses across the borough, the ELS showed a more moderate reduction in the amount of industrial uses in the Vale Royal and Brewery Road LSIS, where industrial land decreased from 10.9ha to 10.1ha between 2010 and 2015¹². (This is in large part due to the LSIS designation and planning policies which sought to prevent loss of industrial uses/land.)
- 5.19 The ELS estimates that the vacancy rates are low and below optimal levels in the Brewery Road/Vale Royal LSIS, which means that there is not an appropriate range of industrial accommodation available to suit the needs of different occupiers.
- 5.20 In terms of future requirements, the ELS reports that what remains of Islington's industrial land is projected to continue to diminish. For industrial land there is a forecast loss of 90,000sqm of floorspace for the period 2014-2036. This is in line with the targets set out in the Land for Industry and Transport SPG (2012) and Islington's designation as a 'restrictive loss' (now referred to as 'retain'). However, nearly one-third of the forecast floorspace loss was already in the planning system through existing permissions at the time, as a result of which it was recommended that the Council should strengthen its policies to avoid further loss of its limited industrial stock, and seek to maintain an appropriate vacancy rate within industrial premises to allow businesses a level of choice in the market¹³.
- 5.21 Looking beyond the years assessed in the ELS, and as can be seen in Table 3 below, industrial floorspace in the borough is continually being lost.

¹¹ Fig. 4.16, 4.17 and 4.18, Employment Land Study, Ramidus Consulting on behalf on LB Islington, 2016

¹² Appendix C, London Industrial Land Supply and Economy Study, AECOM, March 2015
https://www.london.gov.uk/sites/default/files/industria_land_supply_and_economy2015.pdf

¹³ Para. 8.4.6, Employment Land Study, Ramidus Consulting on behalf on LB Islington, 2016

Table 3 - Industrial Losses between 2015 and 2018

	2015/16	2016/17	2017/18
B1c (sqm)	-1,151	-1,954	-1,121
B2 (sqm)	-1,200	-794	-100
B8 (sqm)	-2,098	768	-8,357
Total	-4,449	-1,980	-9,578

- 5.22 The Council's Employment Land Study (2016) provides a detailed analysis of the character and function of the Vale Royal / Brewery Road LSIS¹⁴. It explains the uses, building typologies, and occupants and notes that much of the LSIS is industrial use.
- 5.23 The proposed policies recognise the capacity that the Vale Royal and Brewery Road LSIS has for the intensification of industrial employment uses and allows the provision of hybrid workspace suitable for SMEs, in line with the priority Use Class Order of the LSIS. Islington's ELS (2016) identifies hybrid as space which combines features of office, light industrial, studio and production space and can often straddle traditional B-use classifications. Often such spaces are provided within refurbished industrial buildings which have plentiful natural light and high ceilings. The ELS associates the nature of hybrid spaces to the type of occupiers and the activities which take place at the premises, making a distinction between hybrid spaces of industrial character and hybrid offices¹⁵. One of the greatest opportunities for Islington with regard to the flexible space market is at the Vale Royal/Brewery Road LSIS. As this area faces further pressure from other land uses and employment uses intensify around the CAZ, there is an opportunity to re-use some of the stock on the site for hybrid uses¹⁶.
- 5.24 The ELS demonstrates that hybrid spaces can be designed in various ways to accommodate occupiers and specific activities, for office and for industrial space. The Council's definition of hybrid space is considered in part B of spatial policy SP3 in the context of the Vale Royal/Brewery Road LSIS, and contains Appendix 9 (Glossary and abbreviations). Islington's definition considers the integration of a small element of office and allows flexibility between B1c, B2 and B8, the main use classes considered for LSIS designations.

Review of B-use Premises and Permitted Development Rights (2016)

- 5.25 As part of the ELS, another study was produced, titled 'Review of B-use premises and permitted development rights (2016)'. The study analysed businesses occupying B-use premises in Islington to gain a thorough understanding of their contribution to the local economy, and to understand the likelihood of their conversion to residential use through permitted development.
- 5.26 The study highlights a number of serious issues relating to the current and future impact of the office to residential permitted development right. It demonstrated that the permitted development right had already reduced the borough's overall supply of

¹⁴ Section 6.2, Employment Land Study, Ramidus Consulting on behalf on LB Islington, 2016
<https://www.ramidus.co.uk/wp-content/uploads/2017/03/LB-Islington-ELS-Report-16-01-26.pdf>

¹⁵ Para 5.5.9 to 5.5.11, Employment Land Study, Ramidus Consulting on behalf on LB Islington, 2016.

¹⁶ Para 5.5.12, Employment Land Study, Ramidus Consulting on behalf on LB Islington, 2016

office floorspace, displaced a significant number of jobs and businesses, and negatively impacted the economy in terms of lost GVA and turnover.

- 5.27 Please note that Islington's part of the Central Activities Zone was exempt from the office to residential Permitted Development Rights from the outset. The council also managed to introduce an Article 4 Direction to remove the permitted development right for areas containing the most important office clusters outside the CAZ. However, a large number of prior approvals had already been granted by the time the Article 4 Direction came into force on 18 September 2014.

Vale Royal / Brewery Road Locally Significant Industrial Site – Height Study (2016)

- 5.28 The building heights guidelines for the Vale Royal/Brewery Road LSIS are underpinned by the Vale Royal / Brewery Road Locally Significant Industrial Site Height Study¹⁷, an evidence base document which has informed the Local Plan. The study's conclusions are based on detailed townscape analysis and a review of existing planning sensitivities and are considered appropriate.
- 5.29 The character and appearance in relation to area and townscape are important considerations when determining development proposals in LSIS designations. Industrial land is generally of lower heights; therefore, proposed policies consider the impact of mass and scale of proposed development relative to the context of the surrounding area (e.g. relatively narrow street profiles). In addition, local landmark views are also protected by proposed policy and encourage development to promote and enhance the borough's historical assets.

Regional Evidence

London Plan

Office

- 5.30 Policies SD4 and SD5 ensure that the global and national office function are supported and enhanced in the CAZ, providing clarity on the prioritisation of office over new residential development in this area to support its strategic function and to ensure that new development brings a variety of office typologies in terms of size and affordability, that caters for a diverse range of occupiers.
- 5.31 The London Plan seeks to increase the current office stock in existing employment clusters and to protect existing, ensuring a viable office capacity. Policy E2, in particular, aims to increase the provision and the protection of flexible and low-cost office space suitable for SME occupiers.

Affordable Workspace

- 5.32 London Plan Policy E3 sets out that in defined circumstances, planning obligations may be used to secure affordable workspace at rents maintained below the market rate for that space for a specific social, cultural or economic development purpose.

¹⁷ Vale Royal / Brewery Road LSIS height study, Urban Studio Initiatives on behalf of LB Islington, 2018
<https://www.islington.gov.uk/~media/sharepoint-lists/public-records/planningandbuildingcontrol/publicity/publicconsultation/20162017/20170303valeroyalbreweryroadlsisstudy.pdf>

The requirement for the provision of affordable workspace is underpinned by evidence set out in the London Office Policy Review (2017). As previously stated, it is difficult to evidence with hard data the struggles that small and micro businesses may face due to issues of affordability. However, there is a strong market perception that occupation of Central London offices is becoming more difficult for some businesses, and in particular smaller businesses looking to occupy secondary (less expensive) space. The impact of rental hikes, as well as the impact of the recent revaluation of business rate, is considered to be squeezing some businesses out of the market. Linked to this is the impact of the office to residential permitted development right, which has seen vast amounts of secondary office space disappear at rapid rates¹⁸.

Industrial

- 5.33 The new London Plan (intend to publish version December 2019) sets out various policies which seek to ensure that London has sufficient industrial capacity to support the economy and service the needs of its growing population, as well as contributing towards employment opportunities for Londoners. It details how over the period 2001 to 2015, more than 1,300 hectares of industrial land was released to other uses. This was well in excess of previously established London Plan monitoring benchmarks. Research for the GLA indicates that there will be positive net demand for industrial land in London over the period 2016 to 2041, mostly driven by strong demand for logistics to service growth in London's economy and population¹⁹.
- 5.34 London Plan policy therefore highlights the need to retain sufficient industrial capacity and as a general principle, ensure a no overall net loss of industrial floorspace capacity across London, specifically in designated Strategic Industrial Locations (SIL) and LSIS. This is set out in Policy E4. In terms of Islington, the London Plan categorises Islington in the 'retain' capacity category – meaning that the borough should seek to intensify industrial floorspace capacity following the general principle of no net loss across designated SIL and LSIS.
- 5.35 Policy E4 is in place to ensure that a sufficient supply of land and premises exist in different parts of London, to meet current and future demand for industrial and related functions. Therefore, it requires boroughs in the Central Services Area (all within the 'retain' category) to provide essential services to the CAZ and Northern Isle of Dogs and in particular, sustainable 'last mile' distribution logistics, 'just-in-time' servicing (such as food service activities, printing, administrative and support services, office supplies, repair and maintenance) waste management and recycling, and land to support transport functions²⁰.
- 5.36 The retention, enhancement and provision of additional industrial capacity is one of the principal objectives of policy E4. The London Plan defines floorspace capacity as either the existing industrial and warehousing floorspace on site or the potential industrial and warehousing floorspace that could be accommodated on site at 65 per cent (whichever is the greater). It goes on to say that this policy measure should ensure that in overall terms across London there is no net loss of industrial floorspace capacity (and operational yard space capacity) within designated SIL and LSIS²¹.
- 5.37 Policy E4 build on retention, enhancement and provision of additional industrial capacity, indicating the locations where it should be prioritised (e.g. locations suitable

¹⁸ Para. 3.2.43, London Office Policy Review, Ramidus Consulting on behalf of the GLA, 2017
https://www.london.gov.uk/sites/default/files/london_office_policy_review_2017_final_17_06_07.pdf

¹⁹ Para 6.4.4, London Plan – intend to publish version December 2019
https://www.london.gov.uk/sites/default/files/intend_to_publish_-_clean.pdf

²⁰ Para 6.4.10, London Plan – intend to publish version December 2019

²¹ Para 6.4.7, London Plan – intend to publish version December 2019

for 'last mile' distribution, access to road networks, etc.). Part C states that "the retention, enhancement and provision of additional industrial capacity across the three categories of industrial land set out in Part B should be planned, monitored and managed, having regard to the industrial property market area and borough-level categorisations in Figure 6.1 and Table 6.2". This should ensure that in overall terms across London there is no net loss of industrial floorspace capacity (and operational yard space capacity) within designated SIL and LSIS".

- 5.38 Islington accommodates small concentrations of industrial activity that meet the locational requirements stated in policy E4. Part D of this policy states that the retention, enhancement and provision of additional industrial capacity should be prioritised in locations with certain characteristics, such as those that are accessible to the strategic road network; provide capacity for activities such as logistics, emerging industrial sectors or essential industrial-related services that support London's economy and population; provide capacity for micro, small and medium-sized enterprises; are suitable for 'last mile' distribution services to support large-scale residential or mixed-use developments; and support access to supply chains and local employment in industrial and related activities. Therefore, it is clear that policy E4 goes beyond net loss.
- 5.39 Policy E6 of the London Plan relates to LSIS. It states that Local Development Plans should designate and define detailed boundaries and policies for LSIS in policies maps justified by evidence in local employment land reviews taking into account the scope for intensification, co-location and substitution. It requires boroughs to make clear the range of industrial and related uses that are acceptable in LSIS including, where appropriate, hybrid or flexible B1c/B2/B8 suitable for SMEs and distinguish these from local employment areas that can accommodate a wider range of business uses. Inner London sites providing sustainable distribution services for the CAZ and Northern Isle of Dogs may be particularly appropriate for an LSIS designation²².
- 5.40 Policy E7 requires all boroughs to explore the potential to intensify industrial activities on industrial land to deliver additional capacity. Policy E7 also instructs both borough local plans and development proposals to be proactive and encourage the intensification of industrial (B1c, B2, B8) uses on all categories on industrial land (meaning SIL, LSIS and non-designated industrial sites) through various measures. Further, the policy asks London boroughs to consider whether some types of industrial activities (particularly light industrial) could be co-located or mixed with residential and other uses. Through Local Plans, boroughs should also take a proactive approach to the management of vacancy rates to reach a level appropriate to the efficient functioning of the industrial market (considered to be five per cent for land and eight per cent for floorspace).
- 5.41 Overall, the London Plan requires Development Plans to adopt a proactive approach in identifying opportunities to intensify industrial capacity, and to ensure that there is a sufficient supply of industrial land (policies E4 and E7).
- 5.42 The Inspector's report of the London Plan Examination in Public (2019) confirms that there is merit in taking forward the overall approach set out in policies E4 to E7. Moreover, it recommends strengthening criterion included in policies E4 and E7 to make clear that a sufficient supply of industrial land and premises should be provided

²² Para 6.6.1, London Plan – intend to publish version December 2019

as well as maintained, and to ensure that the plan is effective in protecting all viable industrial uses, including those occupied by small businesses, in the future²³.

London Office Policy Review (2017)

- 5.43 The London Office Policy Review (2017) (LOPR) was commissioned by the Mayor to inform the review of the London Plan. The objectives of this study are to undertake a review of office market trends, assess supply / demand dynamics, examine the impact of the office to residential PD right, and provide office employment and floorspace projections.
- 5.44 As with the ELS, the LOPR forecasts high employment growth in the borough. Using data from CAG and GLA Economics, the LOPR set outs that the number of jobs is expected to increase by 48,134 by 2050²⁴. Supply / demand analysis arrives at similar figures to those in the ELS. Forecast demand for net additional office floorspace for 2016-2041 for Islington is 372,966sqm²⁵ (it is noted that this figure is slightly lower than the ELS forecast requirement for offices, and it relates to a slightly longer time period.) To assess supply pipeline, the report uses the London Employment Sites Database (2016) and for Islington, this set out that there is capacity for just 233,910sqm of office floorspace up to 2041²⁶. This again demonstrates a highly constrained supply / demand balance, where demand exceeds capacity by 139,090sqm.
- 5.45 The LOPR also notes that there is a strong market perception that occupation of Central London offices is becoming increasingly difficult for some businesses, and in particular smaller businesses looking to occupy secondary (less expensive) space. Rental hikes and the rapid loss of secondary office space are widely considered to be displacing some businesses out of the CAZ.
- 5.46 The LOPR notes that Islington has been significantly impacted by the office to residential PD right and reinforces the conclusions of the ELS, in particular, the need to continue to safeguard existing business floorspace in order to mitigate the impact of continued prior approval losses. The LOPR concludes that whether or not this issue should be addressed through spatial policy protecting secondary space for small occupiers, or through ensuring the provision of affordable workspace from new developments, it is clear that supply needs to be maintained to contain price increases.

London Labour Market Projections (2017)

- 5.47 The London Labour Market Projections (2017) is a report produced by GLA Economics. It provides total and sector-based projections and job estimates based on the historic productivity relationship between outputs and jobs. It concludes that employment in London will grow at annual rate of 0.78%, equivalent to 49,000 jobs, up to 2041. Jobs in the professional, real estate, scientific and technical sector are expected to grow strongly, accounting for over a third of the total increase expected in London to 2041.

²³ Paras 423 and 426, Report to the Mayor of London, The Planning Inspectorate, October 2019

²⁴ Figure 9.3, London Office Policy Review, Ramidus Consulting for the GLA, 2017

https://www.london.gov.uk/sites/default/files/london_office_policy_review_2017_final_17_06_07.pdf

²⁵ Figure 9.8, London Office Policy Review, Ramidus Consulting for the GLA, 2017

²⁶ Figure 9,16, London Office Policy Review, Ramidus Consulting for the GLA, 2017

5.48 Boroughs with areas within the Central Activities Zone account for 35% of the annual projected growth in jobs, or 16,900 jobs per annum. The report forecasts the highest growth in the professional, real estate, scientific and technical activities sector; followed by information and communications, and administrative and support service activities. For borough employment projections, the report forecasts that employment growth in Islington will result in an additional 2030 jobs per annum, between 2016 and 2041²⁷.

London Employment Sites Database (2017)

5.49 The London Employment Sites Database (2017) (LESD) is a report commissioned by the GLA. The LESD is a database that records recently completed employment developments and those in the pipeline in London (i.e. from sites which already have permission and have not yet been built out). The report brings together data from a variety sources and the principal output is a database setting out the employment capacity of each site.

5.50 For office capacity, the report shows that from 2016 to 2041, just 17,800 office jobs can be accommodated on employment sites which have been developed, or are in the pipeline to be developed²⁸. When considering that the ELS forecasts the need to provide accommodation for over 30,000 office based jobs (, the scale of office demand is highlighted.

Economic Evidence Base for London (2016)

5.51 The Economic Evidence Base for London (2016) is a report produced by the GLA Economics which seeks to provide consistent data and analysis of London's economy for strategy development purposes. The report finds that London's economy is very successful on many measures - in 2014, London's economic output (its 'Gross Value Added') totalled £364 billion; twice the size of the economies of Scotland and Wales put together. It also concludes that the attractiveness of London to global businesses means there are many internationally attractive employment opportunities available in London. However, competition for space in the centre of London puts upward pressure on the price of land and means businesses in London have to be very competitive to survive.

5.52 The report includes various data related to London's economy at borough-level. For example, it states that in financial and insurance activities, Islington's share of total local authority output is third only after the City of London (the financial core of London's economy) and Tower Hamlets (where Canary Wharf is located)²⁹. Islington also ranks third for total local authority output in business services³⁰. The report also draws upon various types of indicators for boroughs, including commuting inflows, land values, rents, density, deprivation, and school leavers, for example. For deprivation, it details that some areas of Islington fall within the 5% most deprived areas of England.

²⁷ Table 7, London Labour Market Projections, Greater London Authority, 2017
<https://www.london.gov.uk/sites/default/files/lmp-2017-final.pdf>

²⁸ Table 5.3, London Employment Sites Database, CAG Consultants, 2017
https://www.london.gov.uk/sites/default/files/lesd_final_report_may_2017.pdf

²⁹ Table 1.7, London Economic Evidence Base, Greater London Authority, 2016
https://www.london.gov.uk/sites/default/files/economic_evidence_base_2016.compressed.pdf

³⁰ Table 1.8, London Economic Evidence Base, Greater London Authority, 2016

London Industrial Land Demand (2017)

- 5.53 The London Industrial Land Demand study was commissioned by the GLA. It assesses land demands for various types of industry and the amount of industrial land that London needs to ensure it continues to function as a successful and sustainable city.
- 5.54 The study highlights the rates in which London's industrial stock has been lost in recent years - in the period 2010-15, the stock of industrial land in London fell by over 500ha, at an annual rate of 106ha per annum. It concludes that industrial land release in London is currently running at around 100ha a year, well above the benchmark release figure of 37ha a year set out in the London Plan and Land for Industry and Transport SPG. It suggests the release figure should be revised down to just 9 ha a year.
- 5.55 The report categorises London boroughs into three categories: limited release, retain and provide capacity. It considers baseline net demand estimates for each borough, and also vacancy rates and rents, to inform the borough categorisations. Islington is categorised in the 'retain' category, which means that the borough should seek to retain their capacity to accommodate industrial activity.
- 5.56 The reports overall policy recommendations are that industrial land policy should encourage the intensification of use, existing policy on the release of industrial land should be strengthened, and boroughs should give consideration to the use of Article 4 Directions to preserve business uses from changing to residential.
- 5.57 The London Industrial Land Demand Study (2017) also highlights large losses in Islington. In terms of demand, it notes how London's industrial property markets are having to respond to growing pressures of demand, particularly as the economy and population continue to grow and require servicing. It concludes that the imbalance between supply and demand is expected to continue, driven particularly by increasing demand from e-commerce and last mile fulfilment requirements.
- 5.58 The study reports that despite the fragile economic recovery that followed the financial crisis of 2008/ 2009, demand (as measured by floorspace take-up) has been consistently strong since 2010; averaging 668,900 sqm (7.2 million sqft) per annum between 2010 and 2015³¹. The combination of relatively strong demand and very low levels of available supply have resulted in modest rental growth. As demand continues to outweigh supply, particularly in the South East and for units on the edge or inside of the M25, the London and South East markets have started to see a return of speculative development. The strongest demand is for floorspace is from SMEs, reflecting the composition of London's business base. These occupy a diverse range of units from managed workspace to multi-let estates and larger units.

Type of Industrial Use

- 5.59 The London Industrial Land Demand Study (2017) notes that in CAZ fringe locations, such as in Islington, the industrial property market is dominated by businesses servicing the West End and City / Docklands office and retail economies. Typically, demand in this area is driven by companies which must be in close proximity to their customers, including, for example: food and drink preparation for central retail, restaurant and café outlets; printers and publishers; couriers and express delivery

³¹ Section 5.1, London Industrial Land Demand Study, CAG on behalf of the GLA, 2017
https://www.london.gov.uk/sites/default/files/ilds_revised_final_report_october_2017.pdf

operators, and other providers of time critical 'services'. The report sets out that competition for land in these areas is generally intense and, over time, industrial users have been squeezed out by other uses, notably other business users, residential and retail.

- 5.60 The imbalance between supply and demand noted above is expected to continue, driven particularly by increasing demand from e-commerce and last mile fulfilment requirements. It is considered that the London industrial occupier base now dominated by "clean" and more service-based businesses. The London Industrial Land Demand Study examines this 'servicing the services' economy. It notes that over the past three decades the London economy has become dominated by the service sector, where manufacturing shrank by almost four-fifths. Whilst this demonstrates a significant economic shift, the report notes how this is important for spatial planning and property markets; in that the growth of economic activity, mostly around the fringes of central London, supports the expansion and smooth running of the central area.
- 5.61 The Central London economy is characterised by the financial and business service sector, but also has strengths in creative and media industries, medicine, technology, higher education and other sectors. There is also the backdrop of the cultural and entertainment industries (including museums, galleries and theatres), as well as the tourist industry which generates many thousands of jobs in shops, restaurants and hotels. These key sectors draw upon a vast range of support activities. The London Industrial Land Demand Study uses the example of the diversity of services and products consumed by the average office building: catering; cleaning; furniture; maintenance and fit out; office equipment and supplies; print and copy; security; waste disposal, and many others. When considering the number of offices located within London, the extent of support activity becomes clear. The study cites how London's economy has become dominated by service activity, and manufacturing declined, meaning that London's industrial estates have evolved, changing from places where heavy industry once dominated, to areas providing critical, often service-based support³².
- 5.62 Many industrial areas, including the Vale Royal and Brewery LSIS accommodate 'clean' activities that provide for the expanding Central London business market. Examples of such activities are set out in Table 4.

Table 4 - 'Servicing the Services' Activities

building services	maintenance
catering	media production
cleaning	office supplies
courier services	security
hospitality services	technology support services

- 5.63 Such activities which support the Central London economy may also exist alongside more traditional forms of industrial uses, as well as emerging forms.

³² Section 6.3, London Industrial Land Demand Study, CAG on behalf of the GLA, 2017

5.64 Table 5 sets out examples of typical industrial uses from the London Plan. These are considered to be essential to the functioning of the economy and for servicing the needs of its growing population, as well as contributing towards employment opportunities for Londoners³³.

Table 5 - Typical Industrial Activities

vehicle maintenance and repair	transport functions
building trades	utilities infrastructure
construction	storage and distribution
waste management including recycling	manufacturing

5.65 The London Industrial Land Demand Study also highlights the importance of emerging industries which contribute to demands on industrial land. Such emerging activities are set out in Table 6 below.

Table 6 - Emerging Industrial Activities

creative industry production	clean technology
renewable energy generation	low carbon activities
data centres	life sciences

5.66 The shift away from manufacturing, towards activities which support the serviced based economy, create different demands on the type of space that is required. Hybrid buildings are considered to typify this shift; given that they can be adapted to accommodate different activities within the same building shell. The construction of mezzanines, sub-division of space and enhance specification are typical of such modifications to accommodate a wide range of activities.

5.67 The London Industrial Land Demand Study states that one of the defining features of servicing the services activity is its seeming inability to be neatly defined. The activities, as set out in Table 4, are broad and widely varying. It is therefore difficult to refer to sectors of industry in this context, as there are no identifiable relationships between business sectors and design / specification requirements. Whilst there is not hard definition of hybrid buildings, the study is able to describe the main features, these are summarised in the Table 7 below.

Table 7- Basic Features of Hybrid Business Space

Space that combines economy and quality
A basic, low specification that can be upgraded
A fit out that allows adaptation to specific needs

³³ Para. 6.4.1, London Plan – intend to publish version December 2019
https://www.london.gov.uk/sites/default/files/intend_to_publish_-_clean.pdf

Better designed environmental control systems
A menu of options available over fit out
A management regime sensitive to business dynamics

5.68 Another recent study by Ramidus Consulting examined the pressures on industrial land in London. It concludes that the greatest threat to industrial activities aimed at servicing the services by far is the loss of industrial land. There is an urgent need to reverse this trend and to provide the development and investment community with a degree of certainty over the future of industrial land. Spatial planning has an important role to play. In order to stem the increasing land shortages, planning must become more protective of industrial land. I must prevent both the wholesale loss of sites, as well as the fragmentation of these industrial land concentrations. Fragmentation reduces the strength and sustainability of business ecosystems. Strengthening the protection of industrial land will introduce greater certainty and enhance the potential for new investment³⁴. The study is also critical of the new London Plan and argues that the Plan could go much further in strengthening the protection of industrial land, and in advocating for change and innovation in terms of design of industrial buildings. It is argued that improving the nature of the product would help with building economics.

London Industrial Land Supply and Economy Study (2015)

5.69 The London Industrial Land Supply and Economy Study was commissioned by the GLA and published in 2015. The study provides a comprehensive review of the supply of industrial land in London and an assessment of the implications of future restricted supply of industrial land for the London economy.

5.70 The report finds that in 2015, there was an estimated 6,967ha of industrial land in London. Of this 6,976ha, outer London contains approximately 5,296ha or 76% of the total, and Inner London's contains 1,681ha of industrial land. The central sub-region (which includes Islington) accounts for the least amount of industrial land – just 328ha.

5.71 Analysis of past trends of industrial land release show an accelerated rate of release significantly above the GLA's Land for Industry and Transport SPG benchmark rates of release. For London, the rate of release for 2010 to 2015 is 105ha per annum, compared with the SPG recommended rate of release of 37ha per annum.

5.72 For Islington, and in terms of release of industrial land, the Industrial Land SPG recommends an annual release benchmark at 0.3ha for the years 2011-2031. Equating to a total of 5ha release over the same period, with a five-year release rate of 1.3ha. However, the actual release for the years 2010-2015 was 24.3ha. Meaning that the difference was between the benchmark release and actual release for 2010-2015 was 23.1ha – in percentage terms: 486%. Industrial Land and Transport Study (2017).

5.73 The Industrial Land and Transport Study (2017) was produced by Peter Brett Associates on behalf of Transport for London (TfL) to undertake a study of the issues surrounding transport and the economic activity sited on designated industrial Land in

³⁴ New industrial: 'Servicing the services', Ramidus, January 2018
<https://www.ramidus.co.uk/wp-content/uploads/2018/05/Servicing-the-Services-18-01-14.pdf>

London. The study set out to gather evidence with respect to the implications for transport of the release of industrial land in London.

- 5.74 The study concluded that the release of industrial land could have a negative impact on: the efficient operation of the firms affected by land release; the labour market - if firms have to move a significant distance; the ability to achieve service level agreements, which are becoming more onerous and supply chain impacts on 3rd parties more generally; and traffic congestion, air quality & emissions and road safety.

Creative Supply Chains (2019)

- 5.75 The Creative Supply Chains Study³⁵ was carried out by the GLA as part of the Mayor's Cultural Infrastructure Plan. It provides supportive evidence about the important role that creative production businesses play through their wider supply chain, both within London and across the UK.
- 5.76 The term "creative industries" is widely used and means very different things to different audiences. From the planning perspective, it is critical to distinguish between businesses who are predominantly office based, and those who genuinely require some form of industrial space. It is the second group, sometimes referred to as creative production sector, who are the focus of our concern here.
- 5.77 Office based occupiers can locate anywhere where there is office space available. In Islington we have seen a rapid growth of office-based "creative industries" over the last decades, e.g. Tech City in the wider Old Street area, where a large concentration of tech and digital companies have clustered.
- 5.78 However, creative production businesses need industrial spaces, which are usually only found in designated sites/clusters of industrial land. Designated industrial sites are designated precisely for the purpose of accommodating businesses which have different requirements to offices, for instance in terms of deliveries and servicing including use of large vehicles, the need for 24-hour access to sites etc.
- 5.79 Some of the creative production businesses "produce" their own product or services, whilst others are part of the creative supply chain. As evidenced in the Creative Supply Chains Study, creative supply chain activity happens in a range of workspaces, including studio spaces and industrial units, acknowledging that industrial land is under unprecedented pressure in London and that this has a direct impact on production and employment capacity of creative supply chains.
- 5.80 The Council is committed to supporting creative production industries in the borough. The list below includes some examples of the type of creative production businesses identified in the Vale Royal/Brewery Road LSIS:
- Matt Snowball and John Henry, both suppliers of logistics and sound equipment for live events;
 - Backgrounds, a props hire company;
 - Big Sky Studios, a photographic studio;

³⁵ Creative Supply Chains, GLA, 2019
https://www.london.gov.uk/sites/default/files/creative_supply_chains_study_final_191011.pdf

- Sensible Music, a sound recording studio; and
- Electro-Tech Colour Ltd, a graphics company who design and manufacture hoardings

Local Industrial Strategy (LIS) – London (TBC 2020)

5.81 The UK Government requires each regional authority or combined authorities to produce a LIS. These have a focus on raising productivity and earning power in the economy as a whole.

5.82 The LIS for London is planned to be agreed by the Government on 2020 and will inform the allocation of future funding for local growth. A series of workshops were set up by London Councils in September to involve London Boroughs in the preliminary stages of its preparation. Early discussions on the contents of the draft LIS identified the key role that planning policy has in addressing cross-cutting barriers to growth across London's established and emerging economic hubs (this strategy will deal with various sectors of the economy; it is not focused on industrial uses as defined in planning law). Islington's proposed Local Plan policies continue to promote and protect office development in appropriate and viable locations, with a greater focus on intensifying the provision of office space in the CAZ and other suitable locations such as Town Centres, in line with the London Plan.

5.83 Emerging evidence base for the LIS shows that the availability and quality of workspace and working conditions has an impact on the productivity and growth of the local economy. It identifies that London faces significant challenges from costs and availability of business space to poor air quality levels. The London Plan and other London policies recognise and seek to address these challenges and could therefore help improve London's productivity performance³⁶.

³⁶ Productivity levers in London: A literature review to inform the Local Industrial Strategy evidence base, GLA Economics, September 2019
<https://www.london.gov.uk/sites/default/files/lis-literature-review.pdf>

6 Current Economic Context

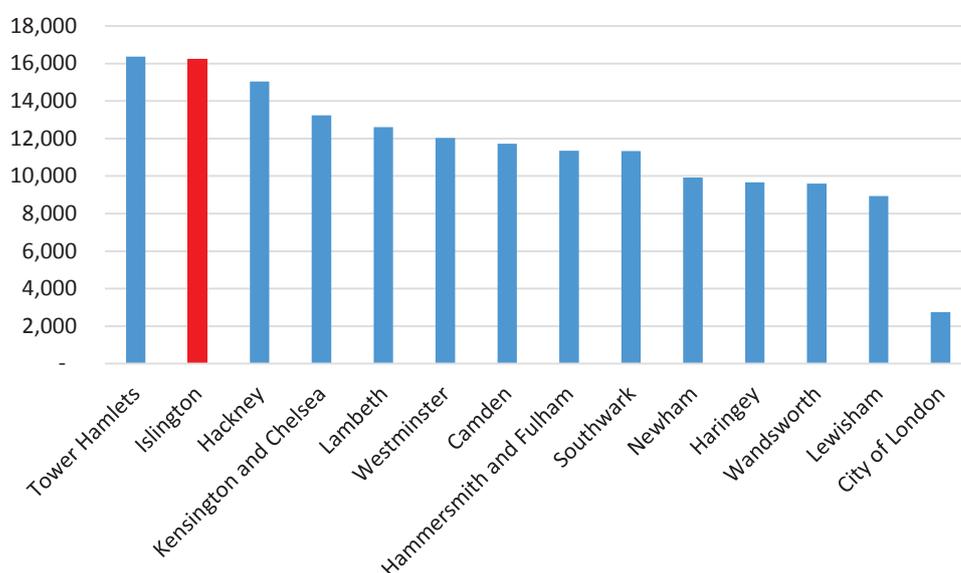
6.1 The following section of this paper provides a review of Islington’s economic profile. It seeks to update information set out in Employment Land Study (ELS) where possible. It examines population, economic activity, deprivation, businesses in the borough, and provides an overview of the development of B-use floorspace.

Population

6.2 The ELS stated that in 2014, Islington’s population was 221,000. The latest population data for Islington shows that in 2019 Islington’s population was 241,589³⁷, demonstrating an increase of over 20,000 in just three years.

6.3 In 2015, Islington was classified as being the most densely populated London borough³⁸. Population density data for 2019 shows that Islington is one of the most densely populated inner London borough with 16,261 people per square kilometre. Tower Hamlets has the highest population density of all London boroughs, and only surpasses Islington by 100³⁹, see Figure 3 below.

Figure 3 – Projected population density for 2019, Inner London.



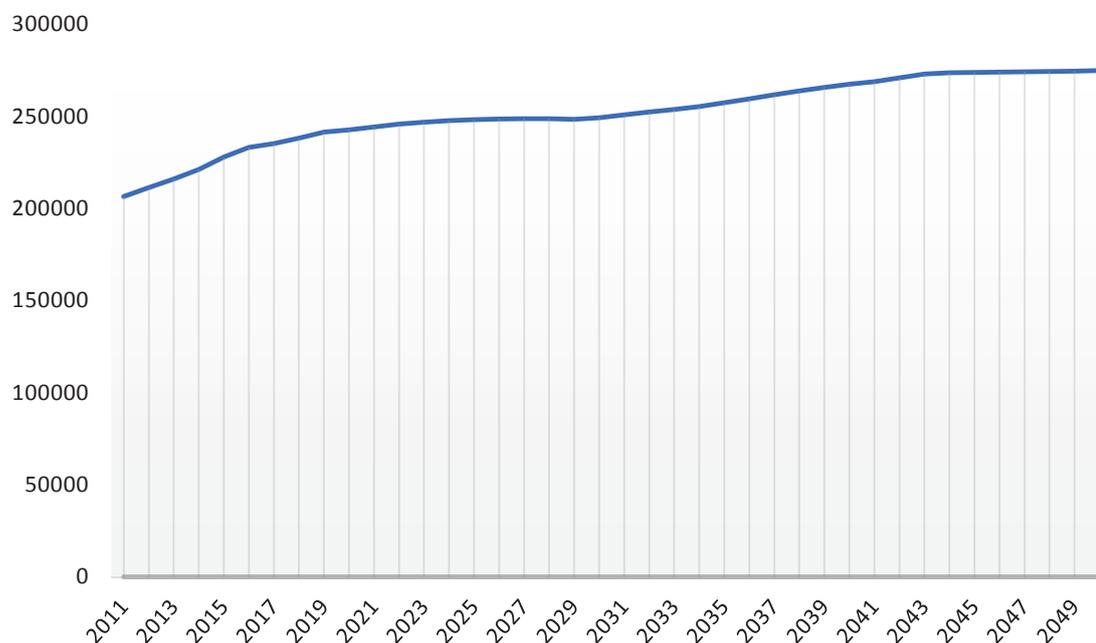
³⁷ GLA 2016-based housing-led Demographic Projections for 2019, London Datastore, March 2018 dataset

³⁸ Figure 3.3, Employment Land Study, Ramidus Consulting on behalf of LB Islington, 2016
<https://www.ramidus.co.uk/wp-content/uploads/2017/03/LB-Islington-ELS-Report-16-01-26.pdf>

³⁹ Population Density (GLA estimates/projections) for 2019, Land Area and Population Density by Borough, London Datastore, March 2018 dataset

- 6.4 Figure 4 , below, shows population projections for Islington⁴⁰ It demonstrates that whilst Islington’s population is set to grow further, the rate of growth is set to slow down in comparison to previous years.

Figure 4 –Islington Demographic Projections 2011-2050



Economic Activity and Labour Supply

- 6.5 The ELS set out that economic activity rates in Islington in 2015 was 74.9%, compared to a London average of 77.0%. The latest figures from ONS (for April 2018- Mar 2019), show that economic activity has increased to 79.3%, exceeding the London average of 78.1%. This is slightly higher than Camden (74.1%), Hackney (76.3%), Tower Hamlets (77.5%) and Kensington and Chelsea (65.6%)⁴¹.
- 6.6 Claimants of Job Seekers Allowance has continued to decrease in recent years and now stands at 1.6%, but still well above the London rate of 1.2%⁴². This decrease is driven in large part by the fact that benefit dependent families and individuals are being forced out of the borough due to the impacts of the radical welfare reforms introduced over the last 10 years.
- 6.7 Data from the ONS⁴³ shows that 11.5% of Islington’s workers are in Manager, Director or Senior Officials occupations. This is down from 15.9% from the 2015 survey, but is still considered relatively high, when compared with Hackney (8.5%), although slightly behind Southwark (12.6%) and Lambeth (12.9%). When the Manager, Director or Senior Officials category is combined with the Professional Occupations category, Islington ranks highest in this sample and 50.6% of the borough’s workforce falls into

⁴⁰ GLA 2016-based housing-led Demographic Projections 2011-2050, London Datastore, November 2017

⁴¹ Nomis / ONS, Labour Market Profile, 2018-2019

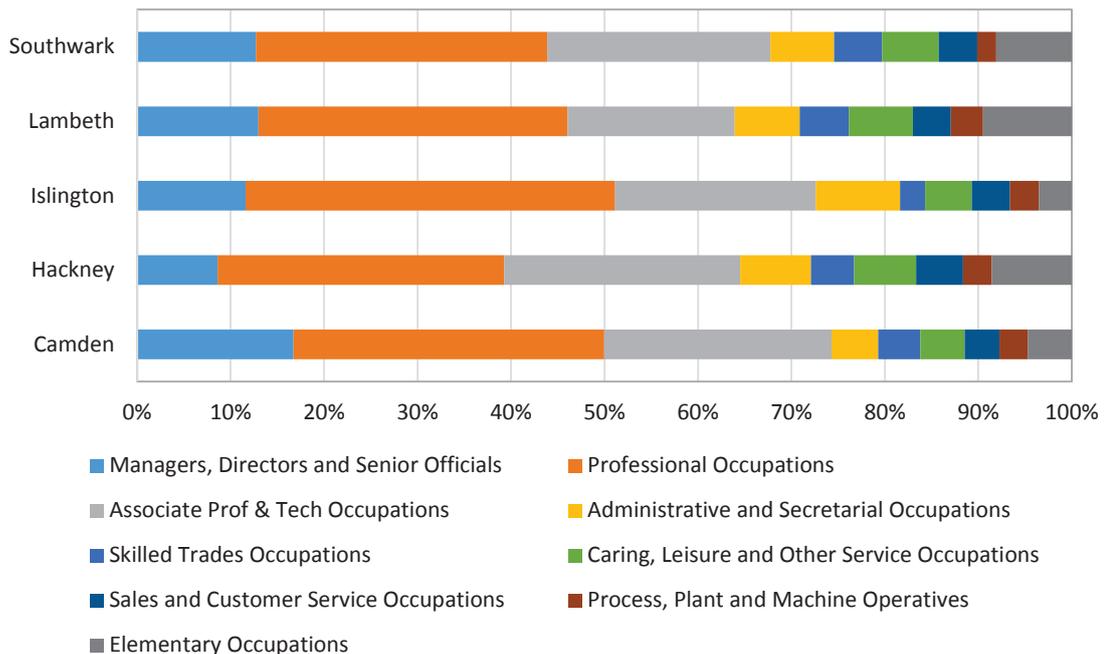
⁴² Nomis / ONS, Labour Market Profile, November 2016

⁴³ Annual Population Survey for April 2018-March 2019

this category. Figures for Camden, Hackney, Lambeth and Southwark range between 38.5% and 45.7%.

- 6.8 As Figure 5 below shows, and in line with the conclusions set out in the ELS, Islington continues to have a relatively highly skilled / qualified workforce, with a greater proportion of its residents working in professional, associate and tech occupations. The borough also has a higher than average educated population where 67.1% of the working age population qualified to NVQ level 4 and above. This is significantly higher than the London average of 53.1%.

Figure 5 - Occupational Structure, ONS Annual Population Survey, 2018-2019



Islington Employment and Fairness Commission

- 6.9 Despite low levels of Job Seekers claimants and unemployment in Islington (4.1%, below London average), nearly half of children resident in Islington and attending schools in the borough can be classed as deprived⁴⁴. The socio-economic indicators included in Islington’s State of Equalities report⁴⁵ show that 21.7% of the Islington population are living in income deprived households and that 17.8% of all Islington households are workless. From those residents that are economically inactive, 22.2% want a job, which indicates that there is a significant number of residents willing to work⁴⁶. Some of these residents may be facing barriers that stop them from accessing employment opportunities.

- 6.10 Islington’s Employment Commission was established to understand the nature of unemployment in Islington and what could be done to reduce it to the lowest possible

⁴⁴ English indices of deprivation, 2019

⁴⁵ State of Equalities report, LB Islington, 2019

<https://www.islington.gov.uk/~media/sharepoint-lists/public-records/communications/information/adviceandinformation/20182019/20190131stateofequalitiesreport2019.pdf>

⁴⁶ Annual Population Survey for April 2018-March 2019

level and to keep it there, while making employment meaningful and enjoyable for all. The report published in 2015⁴⁷, a year after the commission was established, highlights the key areas where progress had been made to employment networks in Islington to support residents into employment and on the creation of employment opportunities through engagement with local businesses. One of the key aims of the commission in terms of future development, is to continue improving employment prospects for the future generations by enhancing employment support provision across local schools.

- 6.11 Islington's Fairness Commission was set up in 2010 to improve the quality of life in the borough by making it a fairer place for all who live and work in it. Islington is marked by some of the starkest contrasts in wealth and poverty in the country. The final recommendations report published in 2011⁴⁸ included 19 recommendations to make the borough a fairer place by reducing poverty and inequality in the areas that matter the most. Some key implementation measures included Islington Council becoming the first accredited Living Wage Local Authority in UK; the creation of apprenticeships and work experience opportunities; a reduction in pay ratios; and other measures to improve neighbourhoods and housing. Fairness is also a key objective of the Council's corporate plans.

Employment sector breakdown

- 6.12 As set out in the ELS, and demonstrated through more recent data set out in Table 8 below, Islington has high concentrations of employment in the Professional & Technical and Information & Communications sectors. Activities in the Professional & Technical sector include legal and accounting, management consultancy, architectural and engineering, scientific research, and advertising and market research. Whereas, activities in the Information & Communications sector include publishing, film and TV, telecommunications, broadcasting, computer programming and information services activities.

⁴⁷ One year on: Making it work better, Islington Employment Service Board, 2015.
<https://www.islington.gov.uk/~media/sharepoint-lists/public-records/democracy/qualityandperformance/reporting/20162017/20161110oneyearonmakingitworkbetternov2015.pdf>

⁴⁸ Closing the gap: The final report, Islington Fairness Commission, 2011
<https://www.islington.gov.uk/~media/sharepoint-lists/public-records/democracy/qualityandperformance/reporting/20112012/20120303ifcfinalreportclosingthegap>

Table 8 - Sector Breakdown of Employment in Islington, ONS, 2018

Sector	Islington (Employee Jobs)	Islington (%)	London (%)
Professional & Technical	48,000	21.7	13.1
Information and Communications	32,000	14.5	8.1
Admin and Support Services	29,000	13.1	11.2
Wholesale, Retail Trade and Motor Trade	19,000	8.6	11.9
Health, Social Work & Culture	19,000	8.6	10.6
Accommodation & Food Service	17,000	7.7	7.5
Public Admin, Defence & Education	15,000	6.8	12
Financial & Insurance	12,000	5.4	7.1
Arts, Entertainment and Recreation	6,000	2.7	2.7
Other	6,000	2.7	2.3
Construction	5,000	2.3	4
Transport & Storage	5,000	2.3	4.6
Real Estate	4,500	2	2.3
Manufacturing	3,000	1.4	2.1
Primary & Utilities	800	0.3	0.5

6.13 The industry sectors employing Islington residents are similar to comparator borough's such as Camden, Hackney, Southwark and Lambeth. After the City of London and Southwark, Islington has the third highest rate of employment in the Professional & Technical sector (22.1%). A key difference between comparator boroughs is that Islington has the highest rate of residents employed in the Information Communications sector (14.3%), whereas Camden has 12.1%, Hackney has 11.1%, Southwark; 10% and Lambeth; 5.8%⁴⁹.

6.14 In 2014, there were approximately 14,805 enterprises in Islington. Since the ELS (2016) was produced, the number of enterprises has increased from 16,665 in 2015, to 17,760 in 2016, to 18,485 in 2017, to 18,780 in 2018 and to 20,130 in 2019. As can be seen in Table 9 below, the number of micro businesses (between 0-10 persons)

⁴⁹ ONS Business Register and Employment Survey, 2018

continues to grow in Islington, which is true in most locations. The breakdown of business across the different size bands is largely similar throughout the four years.

Table 9 - Size Structure of Enterprises 2015-2019, ONS UK Business Counts⁵⁰

	2015		2016		2017		2018		2019	
	No.	%								
0 to 4	12,805	76.8	13,860	78.0	14,480	78.3	14,725	78.4	15,960	79.3
5 to 9	1,840	11.0	1,775	10.0	1,855	10.0	1,840	9.8	1,840	9.1
10 to 19	1,025	6.2	1,085	6.1	1,100	6.0	1,140	6.1	1,180	5.9
20 to 49	600	3.6	620	3.5	625	3.4	605	3.2	650	3.2
50 to 99	195	1.2	200	1.1	200	1.1	245	1.3	260	1.3
100 to 249	105	0.6	115	0.6	125	0.7	125	0.7	130	0.6
More than 250	95	0.6	105	0.6	100	0.5	100	0.5	105	0.5
Total	16,665	100	17,760	100	18,485	100	18,780	100	20,130	100

6.15 Overall, it is evident that Islington's economic profile/context is broadly in line with the context at the time of the production of the ELS. Some economic indicators have improved, for instance, economic activity. With most other indicators the situation remains largely the same, e.g. in relation to sector breakdown, occupational structure and enterprise size. The stark differences between wealthy and deprived segments of the population remain, and continue to be one of the greatest challenges in the borough.

Changes in employment floorspace

6.16 is continued, large losses of business floorspace. The losses experiences between 2015 and 2018 exacerbate the already highly constrained supply demand balance and further justifying the Council's approach to protecting and promoting new business development.

6.17 The ELS (2016) provided an analysis of the changes in B-use floorspace up to June 2015. It noted that like most inner London boroughs, employment land has come under intense and continuous pressure for conversion to other uses, in particular residential. The analysis for the years 2005-2015 shows that across the Borough, B-use floorspace has been lost. Completions through the full planning application process have resulted in a net gain of B1 space for the same period, However, these limited gains in B1 floorspace have been eradicated by the office to residential permitted development right. For B2 and B8 uses, there have been consistent losses.

6.18 This paper provides updated information on loses of B-use floorspace, since the production of the ELS. Table 10 below, sets out the net changes in B-use floorspace

⁵⁰ UK Business Counts - enterprises by industry and employment size band, ONS, 2015-2019

for the financial years between 2015 and 2018. It shows that across the three years, there have been substantial losses of B-use floorspace. In the 2015/16 financial year, B-use losses totalled 16,555sqm; 11,888sqm of this loss was in the B1a (office) use, and as demonstrated in Table 11, over half of this loss was through permitted development.

- 6.19 In the 2016/17 financial year, losses totalled an enormous 30,948sqm. The majority of this figure can be attributed to the office to residential permitted development right where 13,852sqm of B1a floorspace was converted to residential use. The majority of the loss through the full planning application process can be attributed to just one scheme, where 12,864sqm of B1a space was permitted to convert to hotel use. Planning permission was granted on appeal.
- 6.20 The 2017/18 financial year experienced a loss of 11,430sqm, just 1,787sqm was lost in the B1a category, which represents a substantial improvement on previous years. As Table 4 shows, there was a gain of 7,385sqm of B1a floorspace but this was eradicated by the office to residential permitted development right where 9,172sqm was converted to residential use.
- 6.21 The impact of the office to residential permitted right is considered further in the next sub-section. Looking to the other B-uses, it can be seen that in the B1c (light industrial) and B2 (general industry) use classes, there have been overall losses across the three years. There were small net gains in the B1b (research and development) use class in the 2015/16 and 2016/17 financial years. For B8 (storage and distribution) space, there was an overall net gain of 768sqm in 2016/17, and losses in both 2015/16 and 2017/18. The majority of loss of B8 space in 2017/18 can be attributed to one scheme, where 5,721sqm of space used by Royal Mail was converted to museum/exhibition space associated with the British Postal Museum.

Table 10 - Net Change in B-use Floorspace (sqm) 2015-2018

	2015/16	2016/17	2017/18
B1a (sqm)	-11,888	-29,423	-1,787
B1b (sqm)	35	187	0
B1c (sqm)	-1,151	-1,954	-1,121
Unspecified B1 (sqm)	-253	268	-65
B2 (sqm)	-1,200	-794	-100
B8 (sqm)	-2,098	768	-8,357
Total	-16,555	-30,948	-11,430

Table 11 - B1a (office) Losses by Application Type for 2015-2018 (completions)

	Full Planning	Prior Approval	Total
2015-2016	-4,883	-6,582	-12,352
2016-2017	-15,571	-13,852	-29,423
2017-2018	7,385	-9,172	-1,787
Totals	-13,069	-29,606	-42,675

Office to Residential Permitted Development Right

- 6.22 As stated in the previous section and as demonstrated in Table 11, the office to residential permitted development right has resulted in significant losses of B1a space. The Council has undertaken an analysis on the impact on the office to residential permitted development right. Up-to-date planning application data shows that some schemes have lapsed, but shows that between May 2013 (when the permitted development right was first introduced) and March 2018, approximately 42,000 sqm of office floorspace has been converted to residential use through prior approval, with a further 244sqm under construction and 2,000sqm from extant unimplemented schemes.
- 6.23 Figure 6 below shows the losses of B1a floorspace, from completed Prior Approval schemes, broken down by financial year. As expected, completed losses were at their lowest in 2013/14, as this was the year that the permitted development was introduced, Completions increased in 2014/15, dropped in 2015/16, and peaked in 2016/17.
- 6.24 Figure 7 shows that the majority, or 61%, of the total B1a floorspace converted to residential use was granted Prior Approval in the 2013/14 financial year. Subsequent years demonstrate significantly less losses. This coincides with when an Article 4 Direction to remove the office to residential permitted came into force (September 2014).

Figure 6 - B1a Losses from the Office to Residential PD Right

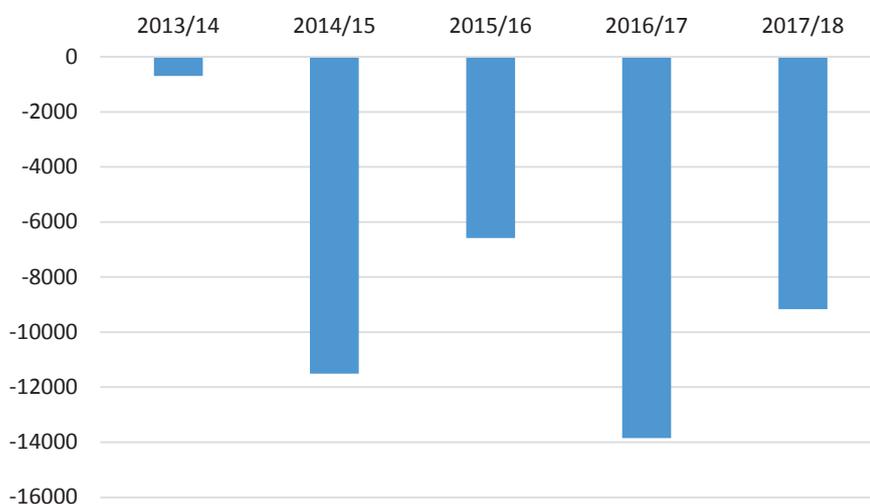
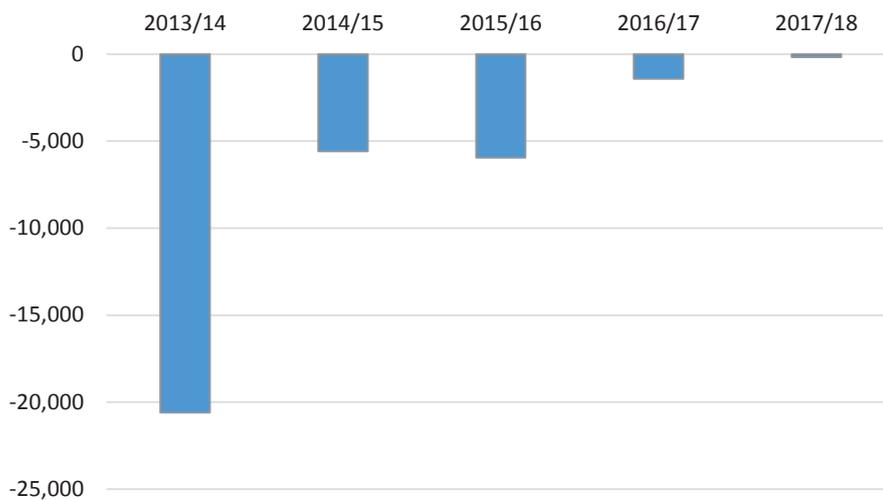


Figure 7 - B1a Floorspace Lost through Prior Approval by Granted Date



Conclusion

- 6.25 In conclusion, the current economic context of Islington is in line with the context at the time of the ELS being produced. Population data set out in the ELS shows that the borough is densely populated and experienced one of the fastest rates of growth in London in between 2008 and 2014. The ELS set out that population growth is projected to slow. The data in this report draws the same conclusions. It is important to note that while population growth rate is set to slow down, the population is still set to grow and will continue to put pressure on Islington's land markets from the residential sector.
- 6.26 In terms of labour supply, the ELS set out that economic activity rates for Islington were lower than the London average. Up-to-date data shows that the situation has improved and economic activity has increased by 4%, now higher than the London average. In terms of occupational structure, again recent data is in line with findings from the ELS. Although the number of Islington workers in Manager, Director or Senior Official roles has decreased by 4%, this is still significantly higher than Hackney.
- 6.27 Despite high levels of economic activity and employment, inequality and high levels of poverty are still prominent in Islington, where the wealthiest areas coexist with the most deprived neighbourhoods. Islington's Employment and Fairness Commission were set up to understand the nature of unemployment and to improve the quality of life in the borough by reducing inequality and poverty. Findings from research undertaken by the Commission highlighted that there have been major improvements to the employment support network. The Council has embedded fairness in the Corporate Plan and has a duty to monitor and report progress on poverty and equality indicators every six months to get a better understanding on the causes of deprivation in the borough.
- 6.28 The sector breakdown of employment in Islington set out in this paper is again in line with the ELS. It shows that the highest number of jobs are in the professional and technical sector, with higher concentrations also within the information and communications sector. In terms of businesses / enterprises, recent data shows that the number of micro business (those with 0-9 persons) continue to dominate. Overall,

the number of enterprises located in Islington has increased by 11% since the ELS was produced.

- 6.29 In relation to the changes in business floorspace, the ELS demonstrated very significant loss of both industrial and office floorspace. Since the ELS was produced the borough has experienced significant, further losses of business floorspace. For office space alone, approximately 43,000sqm was lost between the 2015 and 2018 financial years.

7 Employment Forecasts

- 7.1 The ELS (2016) presents forecasts for the demand for employment land and premises in Islington for the period 2014-2036. It sets out employment forecasts for Islington, by sector, drawing on employment projections prepared by GLA economics.
- 7.2 The focus on this section is on office-based employment. Whilst there is recognition that other uses generate employment, the predominant employment use in the borough is office, and employment growth projections also indicate that the majority of growth will be within office based jobs⁵¹. This approach is also in line with that in the ELS.
- 7.3 The ELS concludes that for the period 2014-2036, employment as a whole is projected to increase by 50,500, majority of which – over 30,000 - will be office based jobs. Continued high levels of growth are projected and Islington is expected to have high levels of employment growth in the types of professional and technical services sectors that generate demand for office space. An overall requirement for 400,000sqm of additional office space was established. This figure has been adjusted from 340,000sqm to allow for an 8% frictional vacancy factor. At the time of writing the ELS, live permissions coming through the planning system would generate a loss of approximately 12,000sqm of office space and there was no identified pipeline of new office proposals which would come close to meeting the forecast target.
- 7.4 The following section of this topic paper utilises more recent evidence to assess whether or not the projections sets out in the ELS are still applicable.

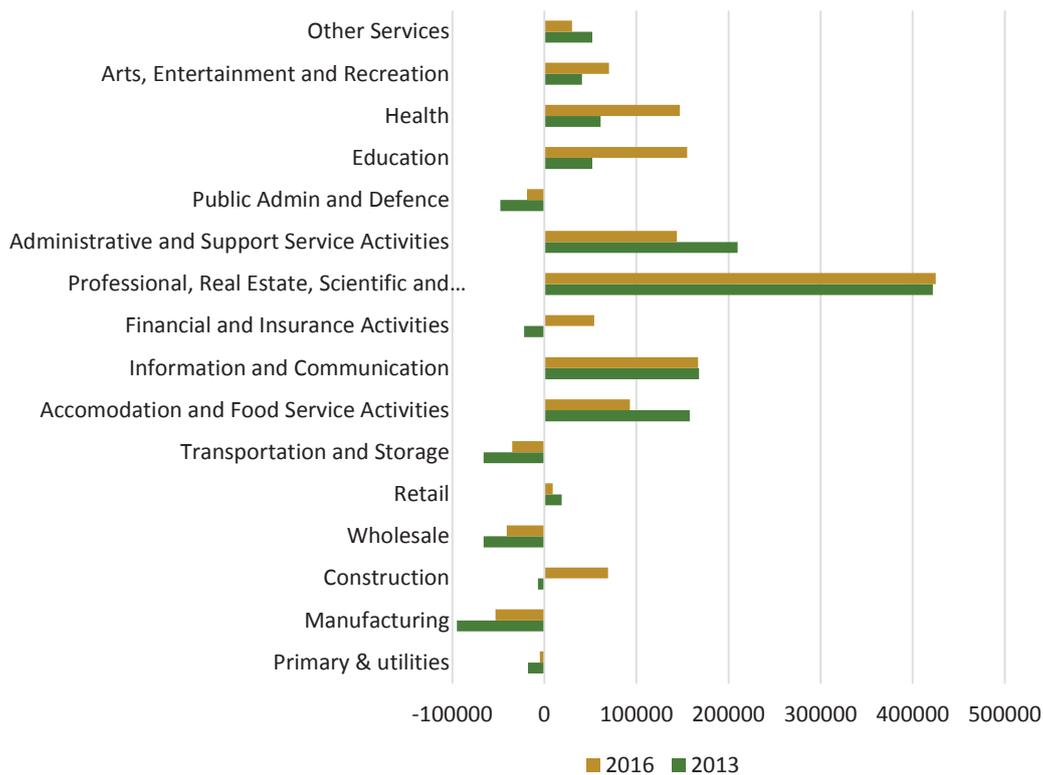
Employment Change by Sector Update

- 7.5 The ELS used the GLA Economics' 2013 and 2015 updated London Labour Market Projections to establish future requirements for employment land in Islington. Since the production of the ELS, the 2017 London Office Policy Review (LOPR) has been published. It sets out a comparison of the 2013 and 2016 projections on employment change in London, by sector. As can be seen in Figure 8, the comparison shows largest growth being in the Professional, Real Estate Scientific and Technical Services sector. This is in line with the previous projections. Growth in other sectors with a significant office component such as Administrative and Support Services have been revised down, although, this is largely offset by Financial and Insurance Activities which has been revised up⁵².

⁵¹ Industrial uses are analysed in more detail in section 8 of this paper. The Retail Topic Paper analyses retail uses in Islington in more detail

⁵² Para. 9.1.2, London Office Policy Review, Ramidus Consulting on behalf of the GLA, 2017
https://www.london.gov.uk/sites/default/files/london_office_policy_review_2017_final_17_06_07.pdf

Figure 8 – Comparison of 2013 and 2016 London Sector Employment Change⁵³



7.6 Also in 2017, GLA Economics released the latest the London Labour Market Projections. Employment projections for London’s sectors show that, as before, jobs in the professional, real estate, scientific and technical sector are expected to grow strongly, accounting for over a third of the total increase expected in London to 2041. Strong employment growth is also expected in the administrative and support service, accommodation and food service, information and communication sectors, education and health sectors – collectively accounting for nearly three fifths of the expected total London increase to 2041⁵⁴.

Property Market Update

Central Activities Zone (CAZ)

7.7 In establishing future requirements for employment land in Islington, the ELS carried out a detailed assessment of the dynamics of Islington’s commercial property market. The study consulted various research bulletins, including from Cushman & Wakefield; JLL and Savills; and also relied on input from local property agents. The ELS concludes that Central London’s commercial property market has recovered strongly from the financial crisis, and that the central area and its fringes are experiencing

⁵³ Figure 9.2, London Office Policy Review, Ramidus Consulting on behalf of the GLA, 2017
https://www.london.gov.uk/sites/default/files/london_office_policy_review_2017_final_17_06_07.pdf

⁵⁴ Chapter 5, London Labour Market Projections, GLA Economics, 2017
<https://www.london.gov.uk/sites/default/files/lmp-2017-final.pdf>

growth pressure, not just from the residential market. It details how there is an opportunity to benefit from an expanding 'Tech City'.

- 7.8 Property market information was updated at the time of drafting the Regulation 19 plan in spring of 2019. A review of research bulletins from the above-mentioned property surveyors, was undertaken.
- 7.9 The southern part of the borough is located within the Central London office market, as such it is reasonable, and in line with the ELS, to use office market reports which cover this area. The following assessment draws upon the reports available at the time, which relate to Quarter 4 of 2018. The key message from all surveyors was that despite the ongoing uncertainties due to Brexit, the Central London office market remains strong. All surveyors reported an increase in office take-up (space let, pre-let, or acquired for occupation) – BNP Paribas reported that take-up figures reached 15.1m sqft for 2018 (up 19% on 2017⁵⁵); whereas Cushman & Wakefield reported an annual total to 12.5 million sqft (6% ahead of the five-year average⁵⁶). Savills concluded that take-up recorded in Q4 alone totalled 1.45 million sqft which was the highest recorded quarter of take-up since Q1 2007⁵⁷.
- 7.10 The technology sector is set to continue to grow and thrive in London; retaining the top spot in Europe for technology investment funding in 2018, raising £1.8bn, according to BNP Paribas. This sentiment was echoed by Cushman & Wakefield who forecast that the professional services and the tech sector are expected to be the main drivers of growth over the next five years, supported by continued growth in the medical research and creative sectors. On the topic of employment, JLL held that the labour market remained healthy with both employment and unemployment rates reaching record highs and lows respectively, and that further employment growth is expected in the tech sector⁵⁸.
- 7.11 In terms of supply, all surveyors reported a decline. Savills set out that supply of offices continues to fall with the limited development pipeline and strong occupier demand, resulting in supply constraints being experienced across the market. BNP Paribas noted how high demand for offices reflected constrained levels of supply in the fringe, and that rents in Farringdon grew by 14%, the strongest level of annual submarket growth in Central London in 2018. In addition, JLL reported that overall supply contracted by 15% during the quarter to 9.5 million sqft, the lowest level since 2016.
- 7.12 Related to supply, is the issue of vacancy. JLL noted that vacancy dipped to 4.3% from 4.6%, whereas Cushman & Wakefield concluded a vacancy rate of 4.9%, JLL examined the links between vacancy and constrained supply, and highlighted this as an issue to watch. It warned that vacancy is expected to remain constrained given that a significant proportion of the future pipeline is already let or under offer. It goes on to state that the following 12 months was likely to see peak development completions, but more than half of this space is already pre-let. In addition, over a third of anticipated speculative completions in London will be delivered in one building –

⁵⁵ Central London Office Market Update, Q4 2018, BNP Paribas, March 2019
https://www.realestate.bnpparibas.co.uk/sites/default/files/2019-07/central_london_office_market_update_-_q4_2018.pdf

⁵⁶ Central London Marketbeat Q4 2018, Cushman & Wakefield, February 2019

<http://www.cushmanwakefield.co.uk/en-gb/research-and-insight/2019/central-london-marketbeat-q4-2018>

⁵⁷ Greater London & South East Offices, Market in Minutes, Savills, March 2019

https://www.savills.co.uk/research_articles/229130/278839-0/market-in-minutes--greater-london-and-south-east-offices---march-2019

⁵⁸ Central London Office Market Report, Q4 2018, JLL

<https://www.jll.co.uk/en/trends-and-insights/research/central-london-office-market-report-q4-2018>

Twenty-two Bishopsgate – and this concentration of construction will mean that many submarkets will be increasingly supply constrained. As a result, pre-letting will continue to be a key characteristic of the leasing market.

- 7.13 The issue of pre-letting is highlighted also by Cushman & Wakefield and BNP Paribas, who maintain that development pipeline continues to be eroded by pre-letting activity; more specifically 44% of the 5.5m sqft of office floorspace to be delivered this year is already pre-let.
- 7.14 Although Brexit has caused some uncertainty around the London office market, a brief review of office market analysis reports from 2019 (undertaken prior to submitting the draft Local Plan) has demonstrated that office take up continues to remain healthy. The issues around the lack of supply and vacancy have been reiterated in recent reporting. It has been further noted that the pre-let London office market continues to see high levels of activity.

Outside the Central Activities Zone (CAZ)

- 7.15 As stated in the ELS, the commercial property market beyond the CAZ is a limited one. Over four-fifths of the borough's office space sits within the CAZ. For the purposes of this topic paper, the Council carried out a review of office accommodation outside the CAZ to assess more accurately the volume and type of office space available on the market, using a combination of asking and achieved rental values. As office rental values differ across the borough the data analysed has been organised into two separate areas: Mid and Northern part of the borough.
- 7.16 The majority of the office property data was sourced from the EGi platform⁵⁹. The approximate available office space figures were derived from the sum of all the letting spaces available on EGi (Q4,2019), with the type of office space available based on the commercial availabilities on EGi (Q4, 2019). To quantify the average rental values, the dataset results on EGi were filtered to exclude properties of 1,000sqft or less and only included lettings between January 2017 to the time of updating this topic paper (Q4, 2019).
- 7.17 To ensure that the dataset was comprehensive, a variety of sources were used to supplement the data attained through EGi; including Co-star, Rightmove commercial, various commercial letting agency websites and Zoopla. The properties analysed included a mixture of recently refurbished office accommodation and office accommodation in a reasonable state of repair.
- 7.18 The Mid area covers the area from City Road and Pentonville Road to its northern border along Camden Road, Holloway Road, Tollington Road and Monsell Road. This area includes major transport links such as Highbury and Islington and Holloway Road Underground stations, and important thoroughfares such as Essex Road, Caledonian Road, Canonbury Road and Upper Street⁶⁰. The office property search in this area showed that there is approximately 330,000sqft of available office space on the market and that over 90,000sqft of office space let over the last 12 months. The category of the office space available was new or refurbished, followed by second hand grade B office. An analysis of identified asking prices and achieved lettings for office buildings indicated rental values of up to £60psf. One recent office refurbishment near Drayton

⁵⁹ EGI, Radius Data Exchange
<https://www.egi.co.uk/>

⁶⁰ Angel town centre, Islington Green and the southern section of Upper Street are not included in the Mid area, as these are considered part of the CAZ

Park providing over 10,000sqft of office space is being marketed for £39.50psf and closer to the CAZ, along Essex Road, one recent office letting of 20,000sqft achieved a rental value of £60psf.

- 7.19 The Northern area covers part of the borough from Camden Road, Holloway Road, Tollington Road and Monsell Road and its northern border runs along Highgate West Hill, Hornsey Lane and Crouch Hill. This area includes the following transport links: Finsbury Park, Archway, Crouch Hill Railway Station and Upper Holloway Railway Station. It also includes sections of Hornsey Road, Hornsey Rise, Crouch Hill and Holloway Road. Review of this area showed that there is approximately 120,000sqft of office space available on the market, of which the majority is second hand grade B office accommodation and that in the last 12 months over 12,000sqft of office space has been let. An analysis of identified asking prices and achieved lettings for office buildings identified rental values of up to £39.50psf. One recent office letting of over 11,000sqft near Finsbury park achieved a rental value of £35.50psf and a large-scale office refurbishment of 22,000sqft on Holloway Road is currently being marketed at £39.50psf.

Flexible and serviced offices

- 7.20 There has been a borough-wide increase in serviced offices, which have had growing interest from occupiers seeking flexibility, shorter occupation periods and business support services. Through undertaking research into the office market in the north of the borough, it was noted that various office buildings were being let as serviced offices. Serviced offices and co-working space providers have expanded their operations across London significantly over the last few years and are gradually acting as a catalyst for a change in the culture of the landlord and tenant relationship – with the emphasis on service and flexibility. The largest component of the flexible space market is serviced offices, and this sub-sector's growth highlights the growing attraction of flexible space. The ELS showed that while serviced office operators occupied 243,500sqm in 1995 in 150 centres across Central London, by 2010 they occupied 504,600sqm in 243 centres; and by 2015 this had risen to around 550,000sqm in 280 centres⁶¹. Latest updates suggest that the growth in this element of the office market (i.e. flexible space) continues to grow.

Office Forecasts from London Office Policy Review

- 7.21 The London Office Policy Review (LOPR) (2017) provides employment and floorspace demand projections. These are disaggregated to borough level and converted into demand for office floorspace through the application of employment density ratios. These employment-based projections are calibrated against past trends in office floorspace stock at borough level. The resultant projected demand for floorspace by borough is then compared against the pipeline of office supply identified through the planning system.
- 7.22 The LOPR sets out office employment projections by borough for the period 2014-2050; for Islington, it forecasts additional 48,134 office jobs⁶². The LOPR uses an

⁶¹ Para 5.1.8, Employment Land Study, Ramidus Consulting on behalf on LB Islington, 2016 <https://www.ramidus.co.uk/wp-content/uploads/2017/03/LB-Islington-ELS-Report-16-01-26.pdf>

⁶² Figure 9.3, London Office Policy Review, Ramidus Consulting on behalf of the GLA, 2017 https://www.london.gov.uk/sites/default/files/london_office_policy_review_2017_final_17_06_07.pdf

employment density ratio of 11.3sqm per desk, which is an average which takes into account new office floorspace (which may have higher densities) and older office stock (which would likely have lower densities).

- 7.23 In applying this density ratio, the LOPR shows that, for Islington, between 2014 and 2041, 36,455 additional office jobs are forecast; this translates to 411,942sqm of office floorspace. Between 2016 and 2041, 30,561 jobs are forecast; which translates to 345,339sqm of office floorspace. Finally, between 2016 and 2050, 42,240 office jobs are forecast; which translates to 477,315sqm of additional office floorspace⁶³.
- 7.24 The study highlights that these projections need to be adjusted to take into account vacancy. Projections are adjusted by adding at additional 8% to the forecast net additional floorspace growth projection. The figure of 8% is widely considered to be the optimum rate for frictional vacancy. The forecast demand for net additional office floorspace, with allowance for vacancy, for 2016-2041, for Islington, **totals 372,966sqm** (GIA)⁶⁴. As noted elsewhere the LOPR forecast figure is slightly lower than the ELS figure of 400,000 sqm and covers a longer time period.
- 7.25 The previous sections of this paper have established that the sector projections for employment in London are in line with those set out in the ELS. In addition, the current property market outlook for Islington is strong, particularly with regard to the tech sector, however, a constrained supply and low vacancy is a risk; further demonstrating the need to protect and promote office development. Finally, the office forecasts for Islington as set out in the London Office Policy Review are closely aligned with those set out in the ELS. For these reasons, it is reasonable to assume that the context in which the ELS was produced has experienced little change, and the therefore the supply-demand analysis carried out is still relevant.

Updated Supply Demand Analysis

- 7.26 The 2016 ELS provided amongst other things supply and demand analysis for offices at the time of writing. The following section provides an up to date demand analysis in light of the most recent planning monitoring information.
- 7.27 Detail of the changes in office floorspace between 2015-2018 are set out in Table 12 below, which demonstrate that almost 43,000sqm of office floorspace has been lost during the three-year period, most of which was the implementation of office to residential prior approvals.

⁶³ Figure 9.6, London Office Policy Review, Ramidus Consulting on behalf of the GLA, 2017

⁶⁴ Figure 9.8, London Office Policy Review, Ramidus Consulting on behalf of the GLA, 2017

Table 12 - B1a (office) Losses by Application Type for 2015-2018 (completions)

	Full Planning	Prior Approval	Prior Approval and Full Planning Total
2015-2016	-4,883	-6,582	-12,352
2016-2017	-15,571	-13,852	-29,423
2017-2018	7,385	-9,172	-1,787
Total	-13,069	-29,606	-42,675

- 7.28 As already stated, the original ELS office forecast for office floorspace requirement was 400,000sqm by 2036. It has been established in the earlier sections that, given updated employment sector projections are in line with those set out in the ELS, and the strength of the property market, the overall requirement for office floorspace of 400,000sqm over the plan period is still appropriate. It is noted that the LOPR forecast requirement for offices for Islington of 337,000 sqm is slightly lower and relates to a slightly longer time period. Whilst it might be argued that the figure of 400,000 sqm might potentially be an overestimate, it does broadly align with the LOPR forecast for Islington.
- 7.29 In addition to considering the 400,000sqm of office floorspace requirement, arrived at through the analysis in the ELS, we need to reflect on changes in employment floorspace since then. As stated previously, approximately 43,000sqm of office space was lost between the 2015 and 2018 financial years, and needs to be added to the overall requirement figure.
- 7.30 Therefore, the **updated figure for additional office floorspace required to accommodate projected office-based job growth over the plan period is 443,000sqm.**
- 7.31 A recent review of planning application data shows that there were 148 extant permissions involving B1(a) floorspace (gains and losses). If all of these are built out as permitted, there would be a borough-wide net increase in B1(a) floorspace of 138,163sqm⁶⁵.
- 7.32 The high achievable rental values for new-build B1a floor space within the CAZ coupled with low yields generates high capital values for new-build office schemes. This is an inherent incentive for developers to maximise the provision of B1a floorspace within their developments, therefore, building completion lapse rates from granted permissions for office space are generally very low.
- 7.33 Nonetheless, it is fair to assume that not all planning applications in the pipeline will be complete. According to local development data extracted from the London Development Database data, a lapsed rate of 20% should be considered for Islington.
- 7.34 To arrive at the lapsed rate, the report considered the total B1a floorspace from all lapsed schemes from the 1st April 2005 to 31st March 2018. This result was then

⁶⁵ AMR 2015-2018, London Borough of Islington, October 2019
<https://www.islington.gov.uk/~media/sharepoint-lists/public-records/planningandbuildingcontrol/publicity/publicconsultation/20192020/20191030annualmonitoringreport20162018.pdf>

divided by the combined total B1a floorspace from all completed and lapsed schemes over the same period.

- 7.35 Considering a lapsed rate of 20% for Islington, it can be established that the borough has a completion rate of 80%. The total office pipeline of 138,163sqm at 80% completion rate would deliver 110,530sqm.
- 7.36 Islington has a significant number of site allocations which are office-led or include office floorspace, which need to deliver a very significant amount of office floorspace to meet the projected need. An indicative capacity of site allocations has been established, based on broad capacity assumptions and application of proposed policy. Given indicative nature of these figures, they should not be considered to be the exact quantum sought on each individual site in question. The exact quantum of office space would depend on the detailed design of the schemes, and in some cases may well be considerably higher.
- 7.37 The total site allocations capacity assumption figure for office space is **337,500sqm**. This figure takes into account site allocations in the Bunhill and Clerkenwell AAP and elsewhere in the borough.
- 7.38 However, a number of site allocations already have planning consent and are included in the above-mentioned office pipeline. When the existing consents are excluded, the overall remaining capacity estimates for site allocations is reduced to 201,071sqm.
- 7.39 As indicated in Table 13 below, potential supply of office floorspace has been arrived at by adding the site allocations capacity floorspace estimates of 201,071sqm and the current office pipeline of 110,500sqm (at 80% completion rate). For the demand, the updated office forecast of 443,000sqm has been considered.

Table 13 - Data considered to calculate demand/supply balance

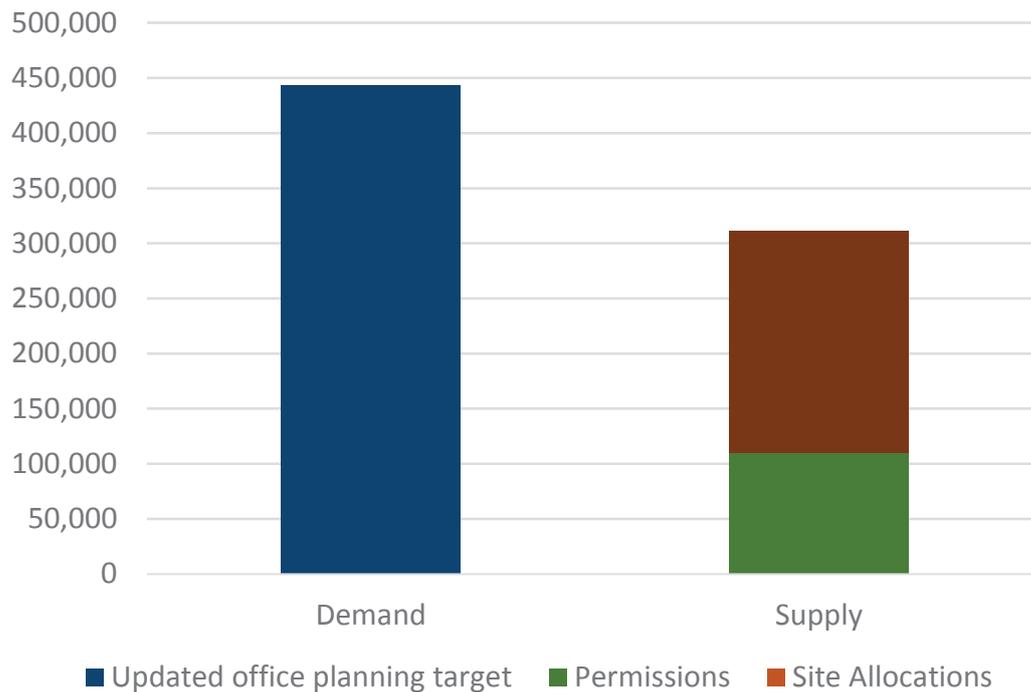
	Updated demand (sqm)		Scenario 1: supply identified considering lapsed rate (sqm)		Scenario 2: supply identified (sqm)
Office floorspace requirement (ELS, 2016) ⁶⁶	400,000	Office pipeline at 80% completion rate	110,500	Office pipeline at 100% completion rate	138,163
Office floorspace lost between 2015-2018 ⁶⁷	43,000	Site allocations capacity assumptions for office excluding permitted schemes (January 2020)	201,071	Site allocations capacity assumptions for offices excluding permitted schemes (January 2020)	201,071
Updated office floorspace requirement (2019)	443,000	-	-	-	-
Total	443,000		311,571		339,234

7.40 Figure 9, below, is based on Scenario 1 from Table 13 above. It shows the updated balance between demand and potential supply identified of office floorspace, where demand exceeds supply by 131,429sqm.

⁶⁶ The Employment Land Study (2016) considered development data up to June 2015

⁶⁷ The development data considered starts from July 2015

Figure 9 - Updated Supply Demand Balance⁶⁸



7.41 Whilst the identified potential supply capacity of almost 312,000 sqm (and 339,234 if we consider a 100% completion rate) of office floorspace is not sufficient to meet the forecast demand, it goes a long way towards meeting the identified requirement over the plan period. The gap between the demand and the potential supply, as identified at the point of submitting the draft Local Plan, is not a significant because:

- The site capacity assumptions might be underestimated on some sites. In reality proposals on some of the allocated sites could potentially deliver considerably more office floorspace than the current assumptions suggest; the scheme might deliver more when it is built; and
- As is always the case, there will be further “windfall” office proposals on other sites not currently identified in the plan.

7.42 The evidence summarised above shows that the Council’s strategy as set out in the draft Local Plan, which strongly promotes office space in order to accommodate the expected employment growth of office-based jobs, is an appropriate one.

⁶⁸ Figure 7 is based on Scenario 1 from Table 13 which considers an 80% completion rate (based on 20% lapsed rates for Islington)

8 Policy Justification

8.1 The following sections seek to provide further clarity and justification for the proposed policy approach to employment. The following topics will be addressed.

- Protecting and promoting new business development.
- Delivering affordable workspace.
- Safeguarding and intensifying industrial use.

Protecting and Promoting New Business Development

8.2 The principle of protecting and promoting business floorspace is embedded in the Core Strategy (2011). Policy CS13 encourages the development of new employment space, including space suitable for SMEs. It protects existing business space, unless exceptional circumstances are demonstrated, and requires jobs and training opportunities, and affordable workspace provision. These policies are built upon in the Development Management Policies (2013) which applies detail on how to apply the policies set out in the Core Strategy.

8.3 The proposed Strategic and Development Management Policies (SDMP) considered up-to-date evidence which concludes that the existing policies which protect and promote the development of business floorspace should be carried forward in the new Local Plan but need to be refined and strengthened. This was the starting point for the new policies. There are various important strands of the justification for protecting and promoting office development. The key arguments have been evidenced and examined in detail earlier in this paper. A summary of the key facts and arguments are set out below:

- It is estimated that most of the employment growth in the borough over the plan period would be in office-based jobs. Taking account of previous office requirement projections from the ELS and the subsequent losses of office floorspace, as well as the LOPR forecasts, the overall requirement for office floorspace is 443,000sqm has been arrived at (see Section 7 of this paper for more detail). The overall potential identified capacity, including permitted schemes (at 80% completion rate) and further capacity from the site allocations, have a potential to deliver at least 312,000 sqm of office floorspace. Further delivery is anticipated from “windfall” sites.
- High demand due to high employment growth projections and low supply has created a severely constrained supply demand balance, where demand far outstrips supply. This could be detrimental to sustaining a successful economy and accommodating further economic growth. It is therefore considered necessary for the Local Plan to put a strong focus on identifying as many

opportunities as possible for the provision of additional office floorspace, whilst ensuring that other priorities, such as housing in particular but also the need for industrial floorspace, are appropriately addressed. Given the role that the borough plays in the London's economy and in particular, Islington's part of the CAZ, delivering offices in this part of the borough is a priority and this is clearly reflected in the site allocations in the CAZ. In addition to the CAZ, other locations such as CAZ fringe areas, town centres and PELs also have an important role to play in delivering additional offices and facilitating future jobs growth.

- 8.4 The fundamental arguments on why there is a strong need to protect and promote the development of office floorspace is set out above. Islington is facing an extreme set of circumstances where there are significant development pressures from a range of different uses and increasingly scarce amount of land available for development. It is therefore necessary to have a robust and rigorous approach to managing these development pressures to ensure that the limited amount of land is developed for priority uses and future development addresses the key Council's objectives as set out in the plan. Other types of development which are not considered to be a priority are managed very carefully to ensure that they do not take up development capacity which is necessary to deliver as much development as possible for priority uses.
- 8.5 It is worth noting that PDR decimated office space in some parts of the borough and most of these were lower grade/older office floorspace of low quality but more affordable by its nature. Losses in employment land and floorspace have been exacerbated in recent years as a result of the introduction of the office the residential permitted development right. Such significant losses, in addition to the substantial losses experienced through the full planning process, have seriously impacted the borough's supply of office floorspace. An even more constrained supply will ultimately be causing rents to rise even further, and therefore, adding further pressure to local businesses who already faced with challenges related to lack of supply / choice in the market.

Regulation 19 Consultation

- 8.6 During the Regulation 19 consultation of the Local Plan, several respondents raised concerns about the lack of flexibility that policies B1 and B2 of the Local Plan pose for the co-location of residential and other commercial mixed-use development in different employment locations.
- 8.7 One of the top priorities of this plan to continue to deliver high housing growth and to continue to deliver affordable housing. However, high housing delivery in the past and shortage of land have resulted in significant constraints on future housing growth. This is recognised in the new London Plan which has significantly reduced Islington's housing target. The borough will be able to deliver the new, reduced housing targets over the plan period. Strong promotion of business uses in a range of locations as set out in the plan would not compromise the council's ability to deliver against its housing targets. The plan takes a balanced approach to different competing needs and pressures in order to facilitate both strong economic growth as well as growth in housing in a sustainable manner.
- 8.8 The employment policies set out in the proposed Local Plan are underpinned by a vision to create an inclusive economy. The Council's vision for an inclusive economy is

set out in the Draft Plan. In summary it is an economy which works better for local people and benefits the community as whole. In ensuring an adequate supply of business floorspace to meet employment growth projections, jobs in the borough can be created and sustained. The Council's Planning Department plays an important role in ensuring there is a sufficient supply of business floorspace, where efforts elsewhere in the Council are linked to this through work linking residents to employment and training opportunities. It is considered that this inclusive model can deliver wider social, economic and environmental benefits. It is also important to note that prioritising the delivery of business floorspace is not going to have a negative impact on the Council's ability to deliver housing. For further information, please refer to the Housing Topic Paper.

- 8.9 The delivery of business floorspace is also very important on a strategic level; in terms of delivering an inclusive economy. As set out earlier in this report, economic activity rates in the borough are higher than the London average. That said, there still exists poverty and deprivation - Islington continues to rank very low on the income deprivation indicator for children, and for income deprivation affecting older people⁶⁹. Given the polarisation in the borough and persistent poverty in worklessness the plan seeks to address more long-term challenges and moves into an inclusive economy. The policies are designed to address jobs and training opportunities for local people.

Delivering Affordable Workspace

- 8.10 Affordable workspace is embedded in the Core Strategy (2011); Policy CS13 requires either a proportion of small, micro and/or affordable workspace or affordable retail space, or contributions to these, from major non-residential developments. The Development Management Policies (2013), builds upon this in Policy DM5.4 – Size and Affordability of Workspace. An overview of the policy is set out below.

- The policy applies to major development proposals, where over 1,000sqm of employment space floorspace is provided in Employment Growth Areas and Town Centres.
- The proposal must incorporate an appropriate amount of affordable workspace and / or workspace suitable for occupation by micro and small enterprises.
- Where affordable workspace is proposed, it is to be leased at a peppercorn rate for at least 10 years, to a Council-approved Workspace Provider.

- 8.11 The proposed policy sets out that:

- Affordable workspace is to be provided within major development proposals, where over 1,000sqm of business space floorspace is provided in the CAZ, Bunhill and Clerkenwell AAP area, CAZ fringe spatial strategy areas (Angel and Upper Street; and Kings Cross and Pentonville Road), Priority Employment Locations and Town Centres.

⁶⁹ State of Equalities report, LB Islington 2019
<https://www.islington.gov.uk/~media/sharepoint-lists/public-records/communications/information/adviceandinformation/20182019/20190131stateofequalitiesreport2019.pdf>

- The proposal must incorporate at least 10% affordable workspace (as a proportion of overall gross B1a/B1b use classes, general B1 use class or Sui Generis uses akin to B1a/B1b). This includes proposals involving redevelopment, refurbishment (or refurbishment + extension), regardless of the fact that there is existing floorspace. For proposals solely involving extension of floorspace with no change to existing floorspace, the requirement applies to the new floorspace only.
- Where affordable workspace is proposed, it is to be leased at a peppercorn rate for at least 20 years, to the Council / Council-approved Workspace Provider, through the Affordable Workspace Commissioning Process.
- For proposals over 10,000sqm of floorspace a longer peppercorn period will be sought, including affordable workspace in perpetuity.
- Affordable workspace should be built to at least Category A fit out.

8.12 As can be seen above, the proposed policy builds on the existing affordable workspace policy; but adds more detail, specifically in terms of the amount, duration of the term, type of space requirements in relation to quality. The new policy is supported by viability testing and robust evidence. The results of viability testing in relation to affordable workspace requirements are discussed in the Plan Viability Topic Paper.

8.13 Islington's economy is made up of a wide range of businesses and organisations, the majority of which are micro and small enterprises. As seen in section 6 of this paper, the number of micro and small business continues to grow in Islington. Small and micro businesses rely on the flexibility of smaller spaces, often in secondary locations, underscoring the need to ensure a sufficient supply at affordable rates. New business floorspace policies seek to deliver high quality business space that caters for a diverse range of future occupiers, allowing the provision of a range of units in terms of type and size, and provision of affordable workspace.

8.14 Ensuring that Islington is place where small and micro enterprises (SMEs) can do business is key priority for the Council. Protecting premises for occupation by SMEs, and promoting the delivery of a range of spaces, are key principles embedded in the current Local Plan. This is also a key objective of the Mayor of London who set out his commitment to ensuring a range of different types of workspace, to accommodate the growth in London's businesses, in his Economic Development Strategy. It sets out that he wants to ensure there is adequate business space at competitive rents across the capital and will work with partners to identify innovative models that deliver genuinely affordable workspace⁷⁰.

8.15 The Council wants to support economic expansion in a way that is fair to residents and businesses, in an environment that is economically inclusive. An inclusive economy uses economic growth as a means of reducing inequality of opportunity within the local community, sharing the benefits of that growth. The Council's affordable workspace initiative is an important tool to nurture the borough's SME economy, but also to address the economic challenges of social inequality and disadvantage of residents,

⁷⁰ The Mayor's Economic Development Strategy for London, GLA, December 2018
https://www.london.gov.uk/sites/default/files/economic-development-strategy-2018_1.pdf

as well as the negative impacts of rising costs and displacement of small and micro businesses in the borough due to lack of space.

Regulation 19 Consultation

- 8.16 The GLA/Mayor's comments in response to the Regulation 19 consultation recommended that the Council extends requirements for affordable workspace provision (contained in policy B4) to major proposals containing B1c use. (It is noted that the London Plan's and the Islington's definition of affordable workspace are different.) The Council considers that B1c use is a priority use for Locally Significant Industrial Sites, and applying the council's, or any, affordable workspace requirement to B1c proposals is likely to act as a disincentive to delivering this type of space in the future. It is worth reiterating that developers/landowners prefer to develop offices rather than B1c space in any case given the higher rents they can secure from office floorspace. Therefore, the council's view is that this measure may preclude additional industrial capacity coming forward which would be contrary to our objectives. Policy B4 focuses on those business uses which are uniformly more viable in terms of delivering affordable workspace.
- 8.17 A number of respondents argued that the 10% proportion of affordable workspace is only considered on the net increase in floorspace as opposed to overall (gross) increase of floorspace. Where development comprises an extension to provide additional business floorspace, and the development includes refurbishment/improvement to the existing business floorspace, it is considered that requiring 10% affordable workspace from the overall gross business floorspace is appropriate as the whole floorspace will attract an increased rental rate. Where development comprises of an extension only, 10% affordable workspace from the additional workspace would be required, where the total additional floorspace exceeds 1,000sqm.

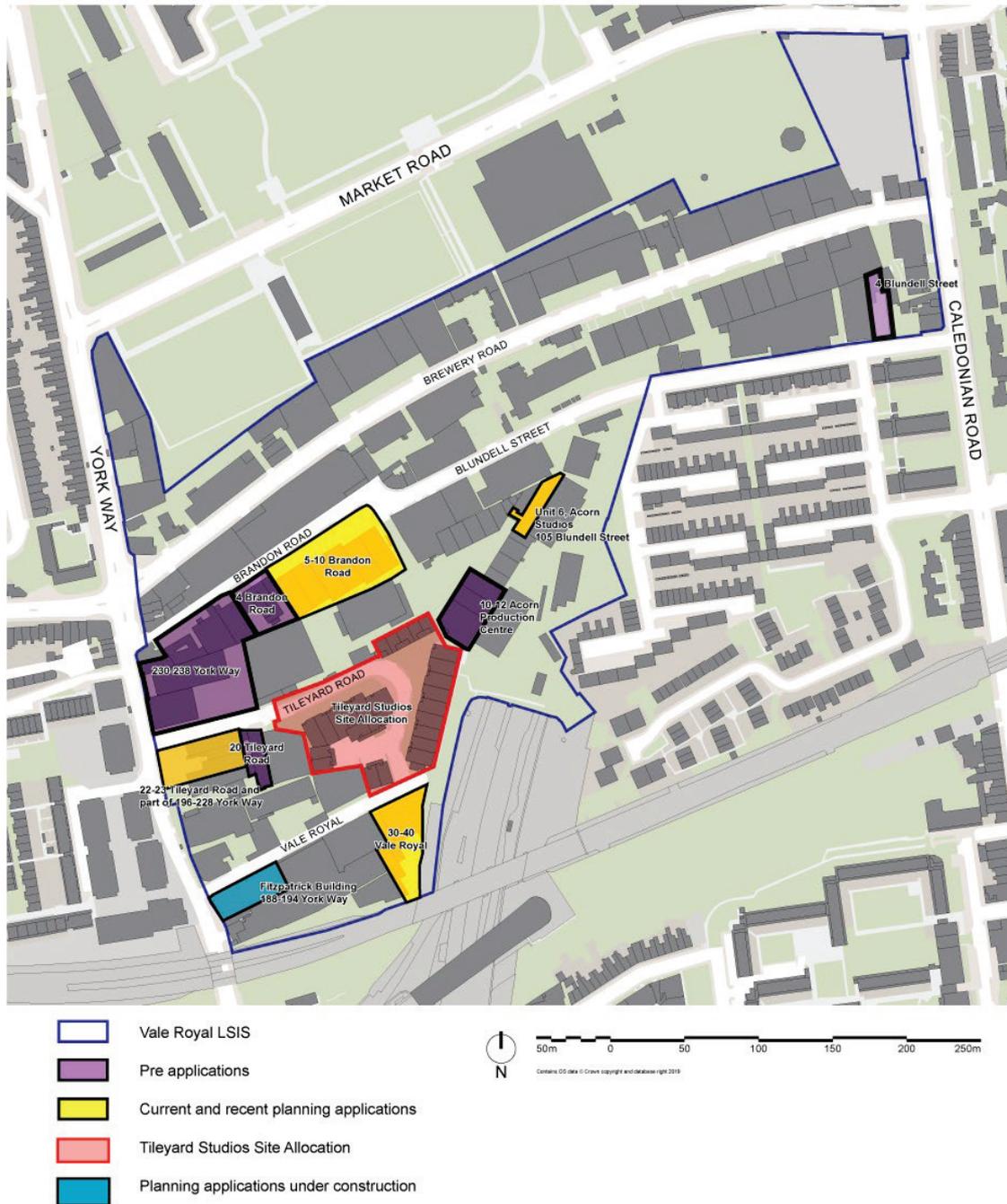
Safeguarding and Intensifying Industrial Uses

- 8.18 There is extensive evidence in support of the proposed policy approach which seeks to safeguard and intensify the designated LSIS for industrial uses, namely B1c, B2 and B8 and sui generis uses akin to industrial uses. Not only is it considered necessary to strengthen the protection of the only existing LSIS (Vale Royal/Brewery Road), but further smaller LSISs have also been designated. The introduction of non-industrial uses in the designated LSISs is not supported. The arguments in favour of this approach are based on the existing local and regional policy and evidence; the changes to the existing stock of industrial uses in London and Islington; the shift away from traditional industrial uses to those which support a more serviced based economy; and the very significant and rapidly increasing development pressures from non-industrial uses. Retaining the Vale Royal and Brewery Road Locally Significant Industrial Site (LSIS) for industrial purposes is currently embedded in Policy CS13 (employment) and CS6 (King's Cross Spatial Strategy) of the Core Strategy (2011). It recognises that the LSIS is the Borough's largest concentration of industrial uses and retains it as industrial / warehousing / employment land. Vale Royal LSIS was included in the wider Kings Cross spatial area rather than having a standalone spatial area policy.

- 8.19 Policy DM5.3 of the Development Management Policies (2013) adds further detail and sets out that the Council supports the retention and intensification of uses appropriate to the role of the LSIS (i.e. B1c, B2 and B8). It goes on to state that proposals that would result in a loss or reduction of floorspace in the B1c, B2 or B8 Use Classes will be refused unless exceptional circumstances can be demonstrated, including through the submission of marketing evidence for a period of at least two years. Part C states that the loss or reduction of business floorspace will be resisted where the proposal would have a detrimental individual or cumulative impact on the area's primary economic function (including by constraining future growth). To ensure the LSIS's primary economic function is retained, Part D states that planning permission will be refused for the introduction of non-business uses (i.e. which fall outside the B Use Classes) except for services and facilities that are clearly ancillary to, and support, the economic and employment function of the LSIS.
- 8.20 The Vale Royal/Brewery Road LSIS accommodates many of the type of uses suggested in the Mayor's evidence for the London Plan, including 'clean' activities that provide for the expanding Central London business market. As identified in the ELS, this area comprises a mix of traditional industrial activities and storage facilities that coexist with emerging industrial uses, including a significant concentration of creative production businesses which are based primarily in industrial units and support Islington's wider creative sector.
- 8.21 At the time of preparing Core Strategy and Development Management policies the principal threat to the industrial function of the designated LSIS was housing and other non-business uses which is why policy strongly resists those uses. Office uses were seen as uses which could potentially complement and support the LSIS provided there is no impact on its primary economic function (see policy DM5.3 and its supporting text). However, over the recent years, encroachment of office proposals with significant quantum of floorspace has become another major threat to the continuation of the LSIS. In order to ensure long term future of the designated area/s and safeguard their industrial function, it is necessary to have a rigorous approach in the future which firmly resists offices, as well as all other non-industrial uses
- 8.22 The proposed Strategic and Development Management Policies DPD identifies a standalone Area Spatial Strategy for the Vale Royal and Brewery Road LSIS (SP3) as opposed to being part of the wider King's Cross spatial area; strengthens the existing policies which seek to retain and intensify industrial uses (B1c, B2 and B8); and ensures that the areas primary economic is not eroded through the introduction of non-industrial uses over time.
- 8.23 The protection and intensification of industrial uses continues to be sought in Locally Significant Industrial Sites (LSIS), with some former Employment Growth Areas now being recognised as smaller LSIS (Offord Road, Melody Lane, Pemberton Gardens, Station Road and part of North Road).
- 8.24 The pressure to redevelop sites within the Vale Royal/Brewery Road LSIS for non-industrial uses, particularly B1a (office), has intensified dramatically over the last couple of years. Large office-led development proposals are now evidently the main threat to the continued operation of the LSIS, particularly in the southern half of the LSIS. These proposals involve demolition of the existing predominantly or exclusive industrial sites/buildings, and redevelopment for large scale development schemes with the vast majority of the proposed floorspace in each case being open B1/office space. The map included in Figure 10, below, illustrates these development pressures in the southern part of the LSIS. If some or all of these, or other similar B1 office-led proposals, were to come forward the individual and cumulative impacts would be so

detrimental to the primary role of the LSIS that, before long, there would be little left of the LSIS to protect.

Figure 8 - Sites in the LSIS subject to recent pre-application and planning application proposals involving significant B1 office-led development (2017-2019)



8.25 Findings from a recent office property search⁷¹ in the Vale Royal/Brewery Road LSIS, between October and November 2019, indicate that there are office premises

⁷¹ EGI, Radius Data Exchange
<https://www.egi.co.uk/>

emerging in the area that could significantly drive up rental values in the LSIS. Recent evidence shows examples of office lettings. There were two office lettings available on York Way and on Brewery Road that reached asking values of £65psf and £47psf respectively (£65psf are values which are on the par with some new-build offices in the Islington's CAZ). There is a financial incentive for landowners in the LSIS to seek to develop office space rather than industrial space, putting the long-term future of industrial occupiers at risk of being driven out.

- 8.26 It should also be noted that the potential damage caused by office development in the LSIS is not limited to reducing potential sites or opportunities for the intensification of industrial uses. If office uses begin to predominate or crowd out industrial uses, the resulting change in the character of the area is itself likely to act as a disincentive to industrial occupiers and investors (both those who are already in the LSIS or are looking to locate there), who will no longer see the LSIS as a place where they can have a longer term future.
- 8.27 In light of this, it is considered necessary to have a rigorous approach to protection of the industrial function of the designated LSIS over the plan period. Whilst previously some offices existed in the area, the pressures and scale of new office proposals would erode the borough's industrial capacity.

Regulation 19 Consultation

- 8.28 The approach to industrial land and floorspace in Islington is fully consistent with the London Plan. A restrictive approach is needed to safeguard the most significant remaining industrial area in the borough. The GLA has expressed support for the Council's policy approach to industrial land; confirmed by the Mayor in his response and clarification letter to the November 2018 Regulation 18 consultation, and to the October 2019 Regulation 19 consultation. The Mayor's responses specifically support Islington's policy to resist non- industrial uses, including offices, in the LSIS. Further the response states that new offices development should only be located in the CAZ, town centres and within established office clusters outside of these areas.
- 8.29 The Mayor's Regulation 19 consultation response also recommended that B2 and B8 uses are prioritised over B1c in the Vale Royal/Brewery Road LSIS. This is to support the provision of 'last mile' distribution/logistics, 'just in time servicing', waste management and recycling as well as land to support transport functions; considering the area's strategic position in relation to the CAZ. The Council considers that prioritising B2 and B8 uses over B1c is not appropriate, particularly given the need to accommodate the growing creative production sector in the borough, which the council strongly supports. Mayor's own evidence and policies are supportive of the creative production sector and of the so called "maker space". The policy approach set out in the draft Local Plan is a balanced approach and is appropriate for Islington's circumstances. The council specifically notes the Mayor's strategic evidence which notes the importance of these particular uses, given the scale of losses across London in recent years.
- 8.30 One of the significant businesses in the LSIS is Tileyard Studios, established in 2011 and owned by City and Provincial Property Investment Ltd (CPP), which is home to a large number of music industry related companies. The existing Tileyard Studios occupies around 10,000sqm of floorspace. Whilst Tileyard has a number of recording studios, the majority of businesses located within the Tileyard cluster are office occupiers. With an aim to expand its operations, CPP have acquired several large sites in the LSIS and have pursued a number of planning proposals in recent years to

redevelop the southern and central parts of the Vale Royal/Brewery Road LSIS. There are several live applications by CPP, and either companies owned by or linked to CPP, in the LSIS. All of these proposals are office-led schemes aimed at office occupiers, each proposing a large proportion of open B1 office space and a small proportion of light industrial space. During the early stages of the Local Plan review, Tileyard (also represented as CPP) as well as many other businesses and individuals linked to the music industry and with an interest in the area, have objected to policies restricting general B1 uses in the Vale Royal/Brewery Road LSIS.

- 8.31 However, the council considers that, in practice, such open B1 use proposals represent significant encroachment of offices into the LSIS. This is considered to be the principal threat to the continued industrial function of the LSIS.
- 8.32 The proposed spatial policy SP3 for the Vale Royal/Brewery Road LSIS recognises the contribution of businesses related to the music and entertainment industry in the area, including Tileyard Studios, and seeks to support this successful economic cluster through protecting existing uses. However, it makes clear that new proposals to expand music and entertainment industry uses/cluster must be in line with the land policy in the new Local Plan.
- 8.33 This policy focusing on the protection and intensification of industrial uses in LSIS is supported by the evidence set out in the ELS and other evidence produced by the council, and evidence and policies produced by the Mayor of London. Ensuring that the LSIS is safeguarded for businesses who need some form of genuinely industrial floorspace not only supports the local economy and sustains local jobs, but also supports the Central London economy.
- 8.34 It is widely acknowledged that the manufacturing sector has declined and will continue to do so in the coming years. However, the demand for industrial space remains high. The shift to a service-based economy has meant that there are many industries which operate in support of the central London economy. Such services rely upon being located close to the business and residential communities they serve. There is also a growing creative production sector, who are located and wish to expand in the Vale Royal/Brewery Road LSIS, and genuinely need some form of industrial premises rather than offices. Some of these businesses are internationally renowned and are competing on the international stage. For such businesses, it is critical to remain in this area, given its location at the edge of the CAZ and its easy access to several airports. Some of these businesses have struggled to find suitable premises in the LSIS to expand and grow.
- 8.35 NPPF paragraph 82 requires planning policies and decisions to recognise and address the specific locational requirements of different sectors. The Vale Royal/Brewery Road LSIS is itself a cluster of predominantly industrial sites and businesses, which have specific location requirements, including the need to be located geographically close to the main area they serve, which is the CAZ. It is worth noting that the Vale Royal/Brewery Road LSIS accommodates a cluster of creative production businesses that need industrial premises, many of which are running at capacity and are looking to expand in the LSIS. The further encroachment of office space in this area would affect the ability of the existing cluster of industrial businesses to expand.
- 8.36 NPPF paragraph 82 also makes a specific reference to the provision for storage and distribution operations at a variety of scales and in suitably accessible locations. The protection of LSIS from further incursion of office uses ensures the availability of sites for storage and distribution operations, which have experienced increasing demand for a range of reasons, including growth in e-commerce.

- 8.37 In addition to the landowner, CPP/Tileyard Studio, during Islington's Local Plan Regulation 19 consultation the Council received 1,067 set responses, received through the campaign platform startafire.co (<https://startafire.co/tileyard/localplan/dont-let-islington-council-stop-the-future-growth-of-creative-industries>)⁷². The content of the set response expressed concern about the impact that proposed Local Plan policies will have on the expansion of creative industries along with Tileyard London within the Vale Royal/Brewery Road LSIS. The responses argue that proposed spatial policy SP3 is too restrictive towards non-industrial uses and would not allow the expansion of creative businesses. They propose that a Creative Enterprise Zone is established in the southern area of the Vale Royal/Brewery Road, to reflect the cluster of creative businesses in present in this part of the LSIS. The Council also received 398 set responses as part of the Regulation 19 consultation which raised air quality concerns linked to the protection and promotion of industrial uses in the Vale Royal/Brewery Road LSIS. Concerns raised by this set of responses are addressed in the Sustainability Topic Paper.
- 8.38 One of the objections received for policy SP3 made reference to the sustainability appraisal and criticised the council for not considering other alternative policy approaches to the LSIS. These are addressed in the Sustainability Topic Paper and the Legal Compliance Statement.
- 8.39 During the Regulation 19 consultation stage of the Local Plan, the Council also received responses from businesses located in the LSIS who genuinely need industrial premises, including those who are looking to expand their operations in this location. They support council's land use policy approach to this LSIS. One such group is N7 Collective, a group of creative production companies based in the LSIS. The N7 collective's representation raised concerns about the encroachment of office buildings, and the presence of new development that is changing the industrial character and function of the area.
- 8.40 In conclusion, in the past residential uses (and other non-B uses) were seen as a main threat to the LSIS, and in recent years the intense pressure from office-led proposals has become as much of, if not greater, threat to the LSIS in the long term. Therefore, it was considered that the co-location approach, either involving residential or offices, would erode the industrial function of the LSIS over time and lead to its loss longer term. Given the nature and intensity of the current pressures on the Vale Royal/Brewery Road LSIS from non-industrial uses, the council faces a stark choice here: the council can either protect and intensify the primary function of the LSIS and there can be no effective protection without a rigorous policy explicitly resisting offices; or the council can allow the loss of the LSIS over time, which would not be appropriate and cannot be justified in planning terms. This area represents less than 1% of the borough's territory and should be safeguarded in line with the new Local Plan policies which are fully justified. Office and open B1 proposals can be located in many other locations throughout the borough.
- 8.41 The Council also received a few objections in relation to the Local Plan definition of hybrid space which is criticised for being too restrictive.
- 8.42 The Council's view is that, given the development pressures facing Islington, and in particular the pressures on the limited amount of industrial land in the borough, it is necessary to give a clear definition of "hybrid" space/use, in terms of the Use Class Order. Hybrid space is a new concept in development terms, which has emerged in recent years. There is no clear definition of "hybrid" space/use, and there can be a

⁷² This campaign was heavily promoted on social media, including through targeted adverts on Facebook.

broad range of workspace typologies which are described as “hybrid space”, and a range of occupiers who claim they are in “hybrid use”. Further, the term “flexible” business floorspace and “hybrid” floorspace are sometimes used interchangeably. Hybrid spaces can be designed and configured in many different ways, but it is the activities that take place at the premises which define the legal use of these spaces. The emerging Local Plan includes a definition of hybrid as follows: “The main feature of hybrid space is that it straddles different B-use classes. It is often created in older industrial building stock which has been repurposed for more modern industrial uses, but can also be provided in newly developed space. Hybrid space is space suitable for industrial activities/occupiers that ‘serve the services’, meaning that they provide services which support the expanding central London business market, and the wider London economy. Hybrid space must have a predominantly industrial function, which could combine features of light industrial, studio and production space, as well as storage and logistics; however, it can include supporting/complementary elements of office provided they are ancillary. As such, hybrid space is likely to be considered a Sui Generis use. Fundamentally, hybrid space must be conducive to occupation by a range of industrial and light industrial users due to its flexible design”. It is also worth noting that the new London Plan policies related to industrial uses (Policies E4, E6) also talk about hybrid or flexible space as being B1c/B2/B8 floorspace. Open B1 use floorspace is not hybrid space.

- 8.43 Several representations also raised objections to the borough-wide restrictions on building height of 30m, and particularly to the recommendations of building heights below 30m in some parts of the LSIS. A few of these respondents also objected to the local landmark views protection of the Market Clock Tower from Randell’s Road Bridge. These points are addressed below.
- 8.44 The proposed height of development can generally be up to a maximum of five commercial storeys. It is noted that five storeys still give significant opportunity for intensification of uses, given that the prevailing heights in the area are generally lower than this. Development which exceeds these height parameters could create an adverse canyon effect (due to narrow street profiles) and could weaken the industrial character of the area. Other policies in the plan including those related to relation to appearance, character, and townscape of the area, as well as policies related to protection of residential amenity (e.g. impact on daylight) will also apply to this area. These issues were key considerations in a recent planning appeal in relation to 22-23 Tileyard and 196-228 York Way (APP/V5570/W/19/3224373), which dismissed the proposed development on these grounds
- 8.45 The Clock Tower on Market Road (north of the LSIS), is an important local landmark. Its views are a key element of the local townscape and add to local distinctiveness. The Council therefore considers that the height restrictions are justified on this basis, as they will ensure design and land use benefits and the viewing corridor from Randell’s Road Bridge, located south of the LSIS. This is supported by evidence in the area’s height study⁷³.
- 8.46 Furthermore, proposed policy SP3 and related design/height policies do not preclude the consideration of individual townscape assessments included in development proposals.

⁷³ Chapter 3, section 3.1 (from page 25), Vale Royal / Brewery Road LSIS height study, Urban Studio Initiatives on behalf of LB Islington, 2018
<https://www.islington.gov.uk/~media/sharepoint-lists/public-records/planningandbuildingcontrol/publicity/publicconsultation/20162017/20170303valeroyalbreweryroadlsisstudy.pdf>

- 8.47 In relation to new LSIS designations, there was an objection to the designation of Melody Lane LSIS and proposed boundary from landowner. Objection is that: (say what they say). The concern is expressed over potential intensification of industrial area. The area is already occupied by business floorspace uses, and any applications for consideration of business floorspace would have to consider the impact of residential properties nearby.
- 8.48 London Plan policies place a mandate for local development plans to ensure that there is sufficient industrial capacity to accommodate demand, through the protection of existing industrial land. Islington is in the 'retain' category due to the marked losses of industrial land experienced in the last years. London Plan policy E7 encourages the intensification of industrial capacity through proactive identification of additional industrial land where possible. The proposed Local Plan identifies five new LSIS, which are smaller but important concentrations of industrial activity and part of the network of production activity that support the CAZ.

9 Employment Designations

- 9.1 The Development Management Policies (2013) designate Employment Growth Areas (EGAs). These are areas of the borough designated for local or strategic economic potential or value. These locations accommodate a diverse range of businesses and enterprises and are generally focused in the Key Areas identified in the Core Strategy (2011).
- 9.2 As part of the ELS, consultants undertook an employment site assessment of existing EGAs. This involved a review of each site with the objective of identifying significant changes in their use, condition, occupier mix, for example, in comparison to previous assessments. These assessments were then used to assess whether any changes were needed to the existing boundaries. The results of these assessments can be found in chapter 6 of the ELS⁷⁴.
- 9.3 The assessment found that some of the existing EGAs did not necessarily show growth potential but were considered valuable in their existing form.

Outcomes of the Employment Site Assessment

- 9.4 To inform the preparation of the new Local Plan we undertook a review of the existing designated employment areas to assess potential changes that have taken place since last adopted plan was prepared in 2013, and to review whether any boundaries need to be refined. Please also note that EGAs have been renamed to Priority Employment Locations (PELs).
- 9.5 A number of changes are proposed to the boundaries of the PELs. These changes involve the addition or removal of premises and/or land to reflect changes in the designated area since the adoption of the Development Management Policies. In some cases, boundaries have been adjusted and several large designated employment areas have been split into smaller ones to provide more precise boundaries of employment clusters. In some cases, parts of EGAs have been removed completely as there is no longer any business use present within the boundary.
- 9.6 Several previously designated EGAs are now proposed to be Locally Significant Industrial Sites (LSIS). These include employment areas at Offord Road, Melody Lane, Station Road and part of North Road. Several boundaries have been amended to improve boundary accuracy.
- 9.7 Table 14, below, sets out a summary of the proposed boundary changes, including maps of the existing and proposed boundaries.

⁷⁴ Chapter 6, Employment Land Study, Ramidus Consulting on behalf on LB Islington, 2016
<https://www.ramidus.co.uk/wp-content/uploads/2017/03/LB-Islington-ELS-Report-16-01-26.pdf>

Table 14 - Employment Designation Boundary Changes

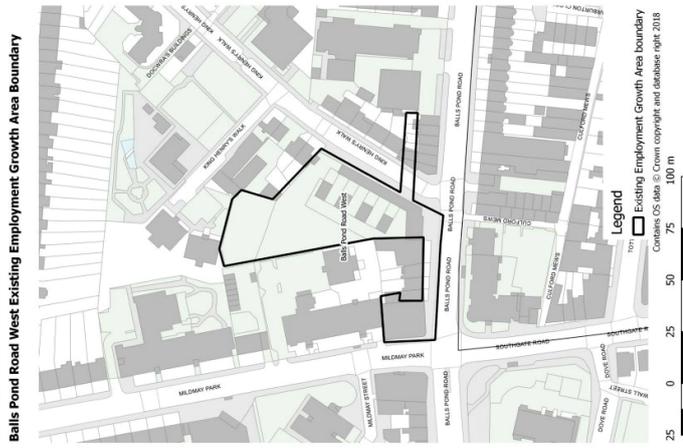
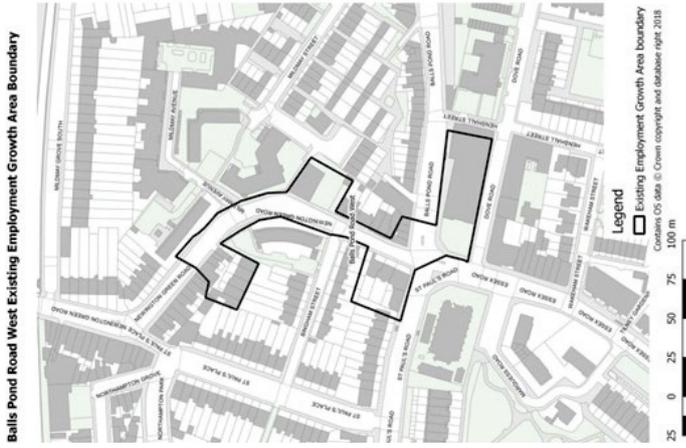
Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
Aberdeen Lane EGA	Aberdeen Lane PEL	Decreased in size to account for residential development to the north east of the site.		

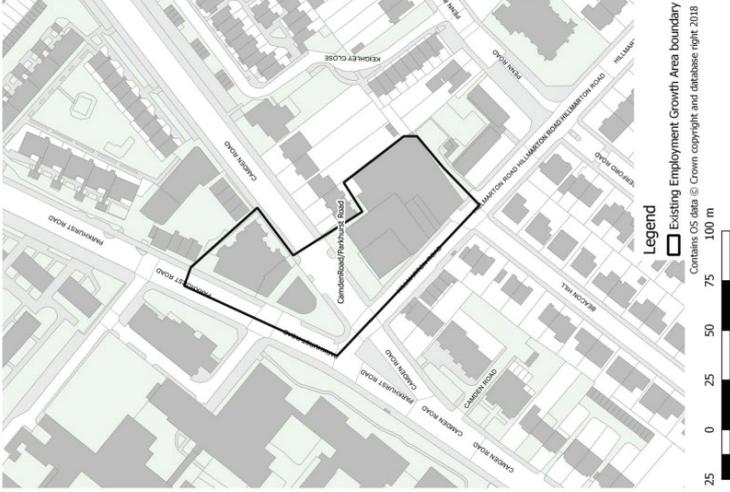
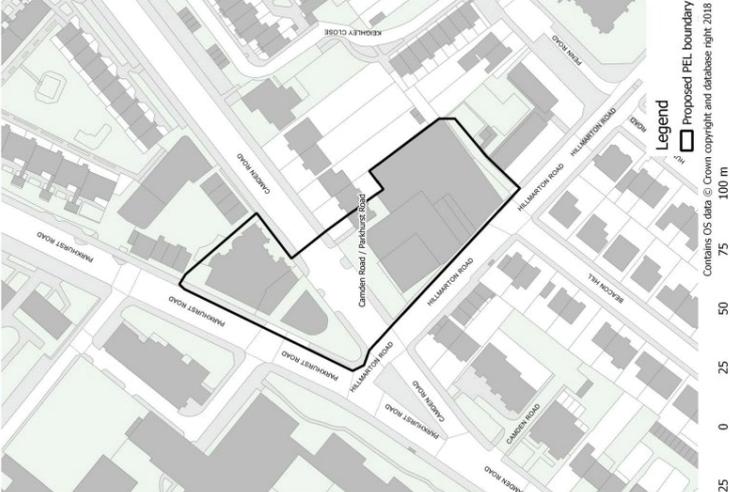
Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
Balls Pond Road East EGA	Balls Pond Road East PEL	Decreased in size. Retail and residential use from Balls Pond Road removed.		

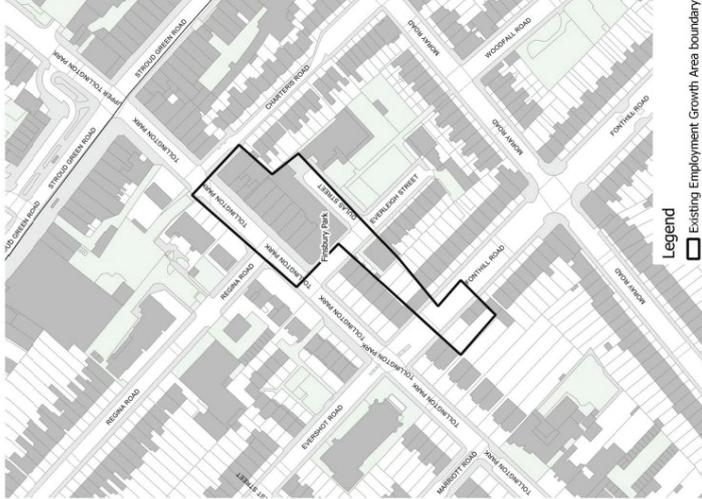
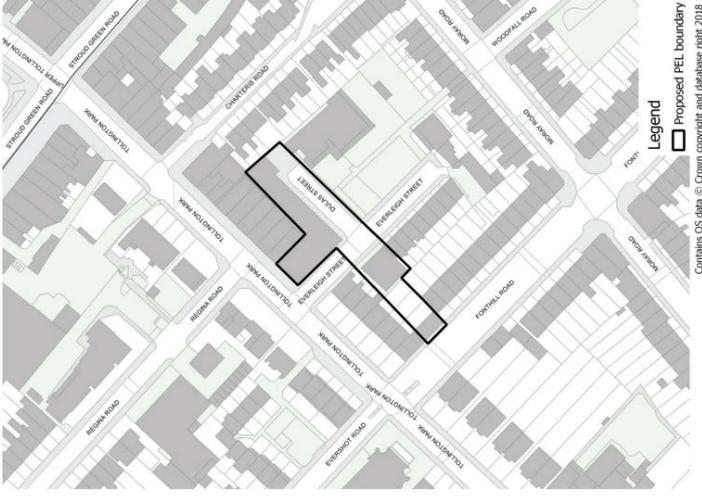
Balls Pond Road West EGA – comprised two areas (1) around Newington Green Road and (2) around King Henry's Walk

Balls Pond Road West PEL

Area (2) deleted as no business use on site. Area (1) decreased in size.



Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
Camden Road / Parkhurst Road EGA	Camden Road / Parkhurst Road PEL	Slight boundary changes to improve accuracy. Slight expansion to include business use at 394 Camden Road.		
Baron Street EGA	Baron Street PEL	No boundary change.	n/a	n/a

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
Finsbury Park EGA	Finsbury Park PEL	Decreased in size. Retail and residential use fronting on Tollington Park removed. Site on the south of Fonthill Road removed as redeveloped for housing.	<p>Finsbury Park Existing Employment Growth Area Boundary</p> 	<p>Finsbury Park Proposed PEL Boundary</p> 

Existing Designation

Highbury Corner EGA

Proposed Designation

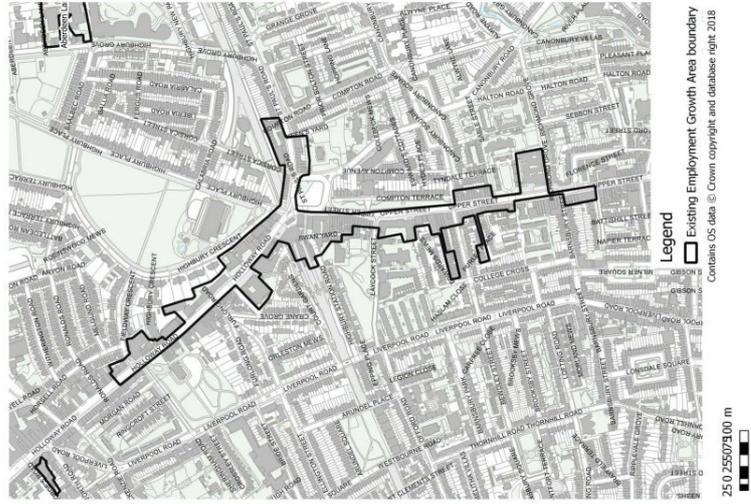
Highbury Corner PEL

Boundary Change

Decreased in size. Predominantly retail with residential above.

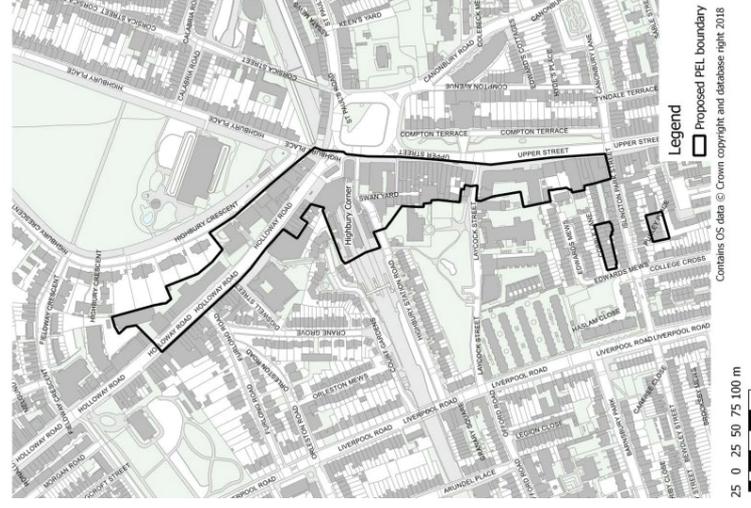
Existing Boundary

Highbury Corner Existing Employment Growth Area Boundary



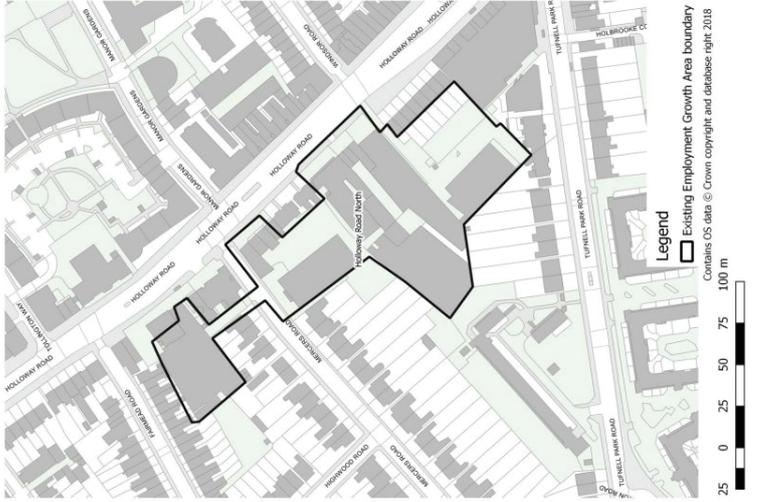
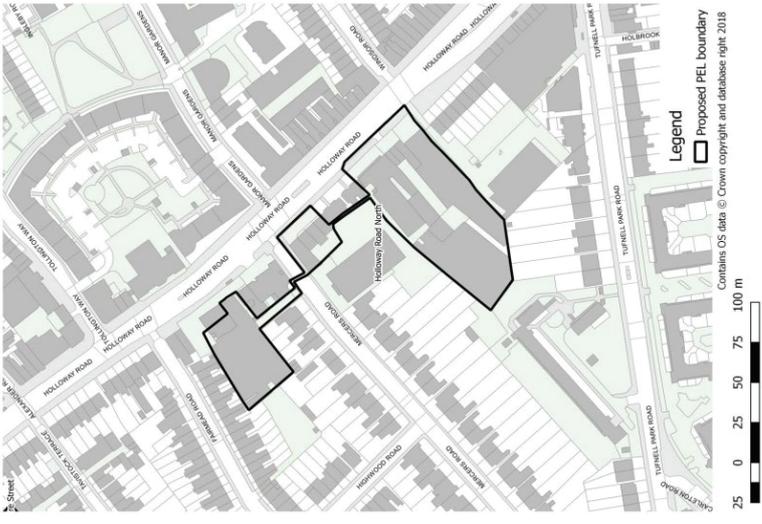
Proposed Boundary

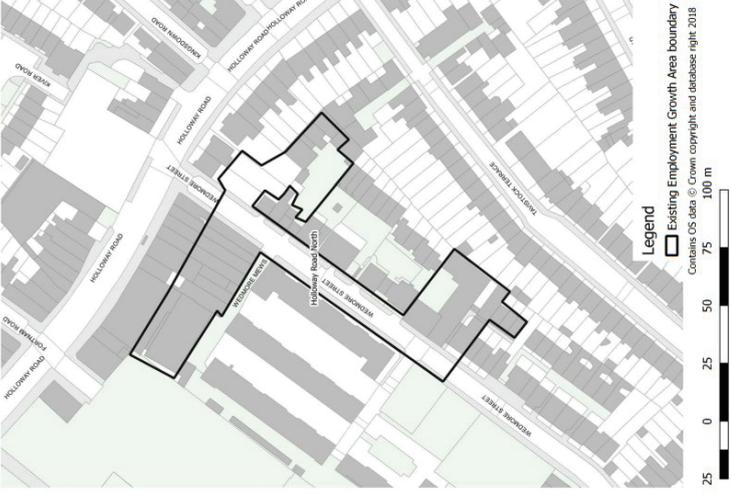
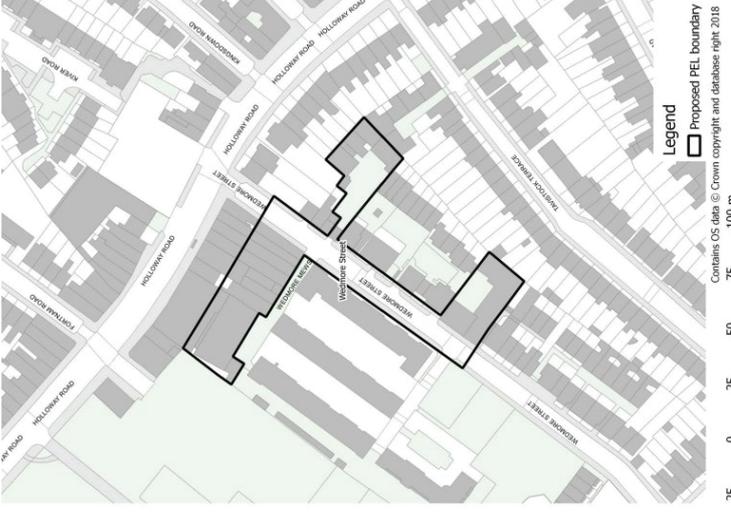
Highbury Corner Proposed PEL Boundary

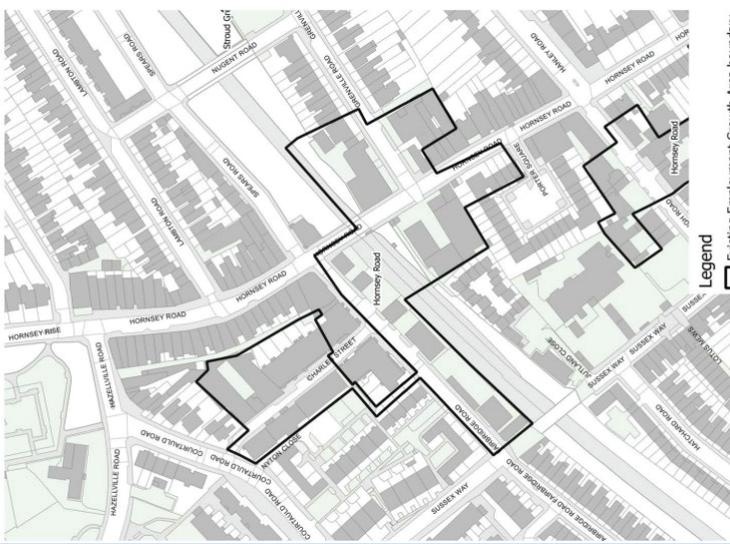
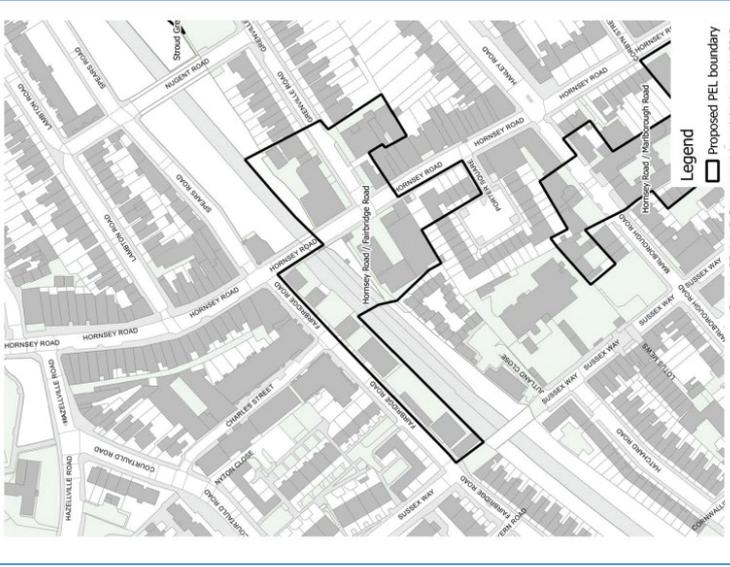


Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
<p>Highbury Corner EGA</p>	<p>Cobble Lane PEL and Purley Place PEL formerly part of Highbury Corner (located to the south-west)</p>	<p>Cobble Lane and Purley Place now separate PELs.</p>	<p>As above</p>	 <p>Cobble Lane Proposed PEL Boundary</p> <p>Legend  Proposed PEL boundary <small>Contains OS data © Crown copyright and database right 2018</small></p>

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
<p>Highbury Corner EGA</p>	<p>Cobble Lane PEL and Purley Place PEL formerly part of Highbury Corner (located to the south-west)</p>	<p>Cobble Lane and Purley Place now separate PELs.</p>	<p>As above</p>	 <p>The map shows a street layout with two areas highlighted by black boxes. The first box is labeled 'Cobble Lane' and the second is labeled 'Purley Place'. The map includes street names such as 'COLLEGE CROSS', 'PURLEY PLACE', 'EDWARDS WALK', 'WINDSOR CLOSE', 'STONEMASERS STREET', 'BARNWOODS WALK', and 'Highbury Corner'. A scale bar at the bottom indicates distances from 0 to 100 meters. A legend identifies the black boxes as 'Proposed FEL boundary'. A copyright notice at the bottom right reads 'Contains OS data © Crown copyright and database right 2018'.</p>

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
<p>Holloway Road North EGA – comprised two areas (1) along Holloway Road and</p>	<p>Split into two PELs: Holloway Road Priority Employment Location</p>	<p>Holloway Road PEL decreased in size – residential uses removed.</p>		

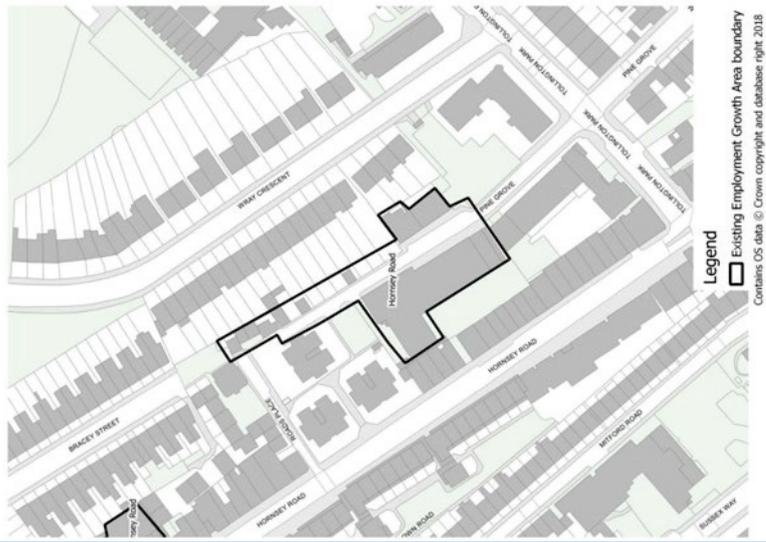
Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
(2) along Wedmore Street	Wedmore Street PEL.	Wedmore Street PEL decreased in size – residential use and gardens removed	<p>Holloway Road North Existing Employment Growth Area Boundary</p> 	<p>Wedmore Street Proposed PEL Boundary</p> 

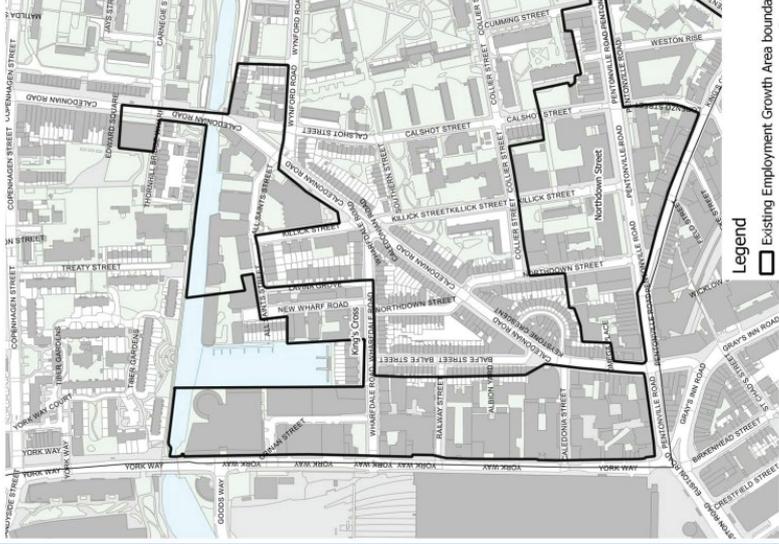
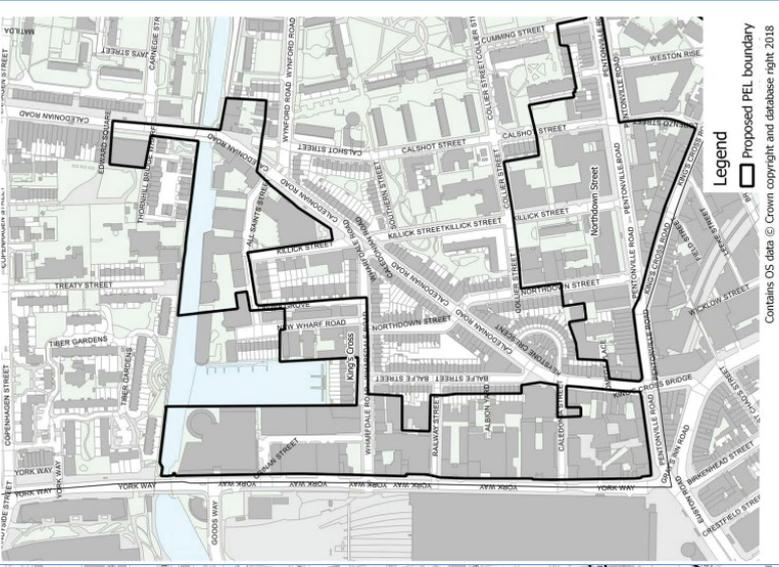
Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
<p>Hornsey Road EGA – comprised three areas:</p> <p>(1) around Hornsey Road / Fairbridge Road</p>	<p>Split into three PELs:</p> <p>(1) Hornsey Road / Fairbridge Road PEL,</p>	<p>Hornsey Road / Fairbridge Road PEL – decreased in size – residential use on Charles Street removed.</p>		

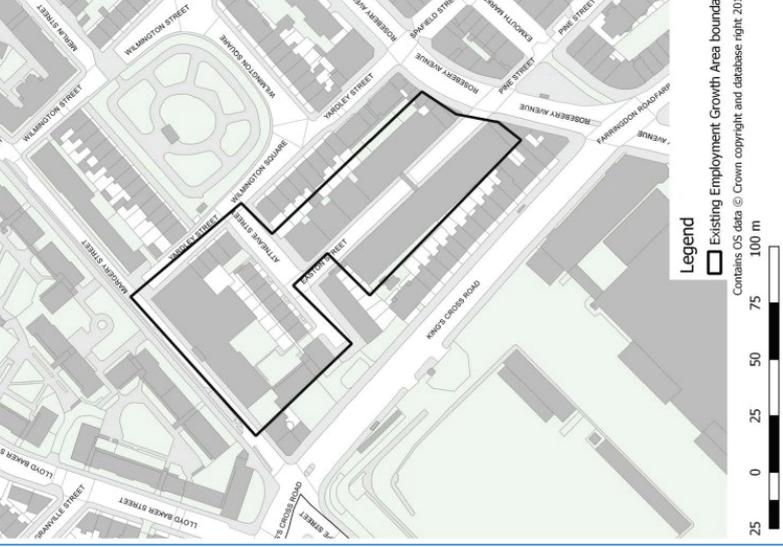
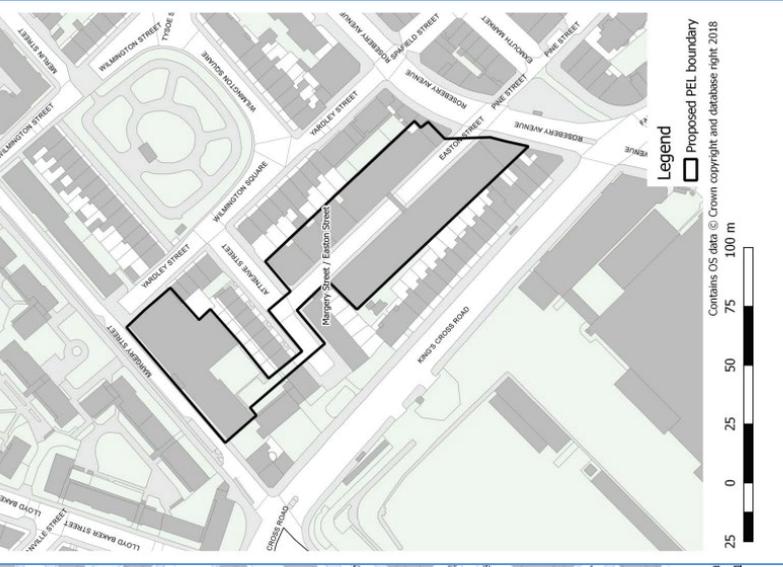
Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary

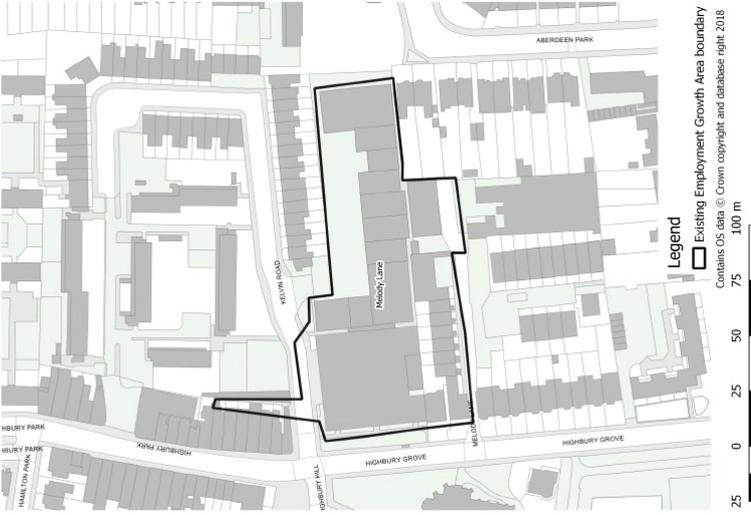
Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary

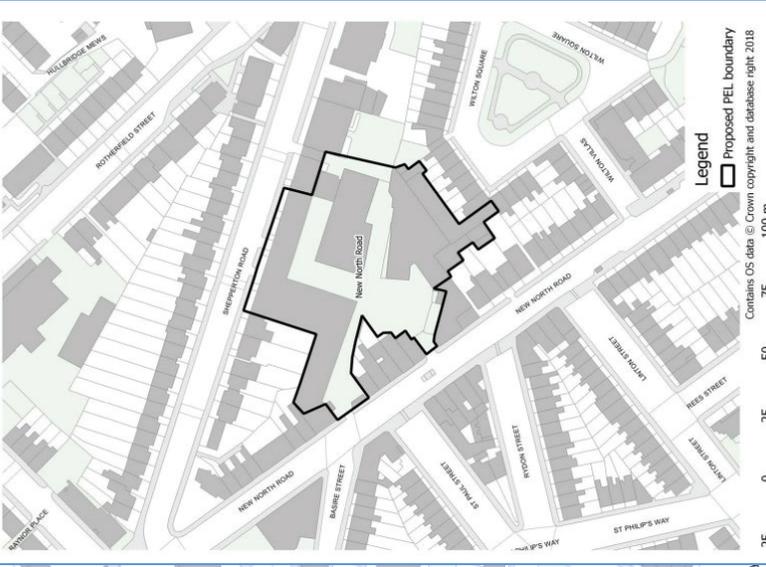
Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
(2) around Hornsey Road / Marlborough Road	(2) Hornsey Road / Marlborough Road PEL	Hornsey Road / Marlborough Road PEL – boundary tidied.		

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
(3) along Pine Grove	(3) Pine Grove PEL	Pine Grove PEL – boundary slightly extended to include yard space and tidied.	 <p>Hornsey Road Existing Employment Growth Area Boundary</p>	 <p>Pine Grove Proposed PEL Boundary</p>

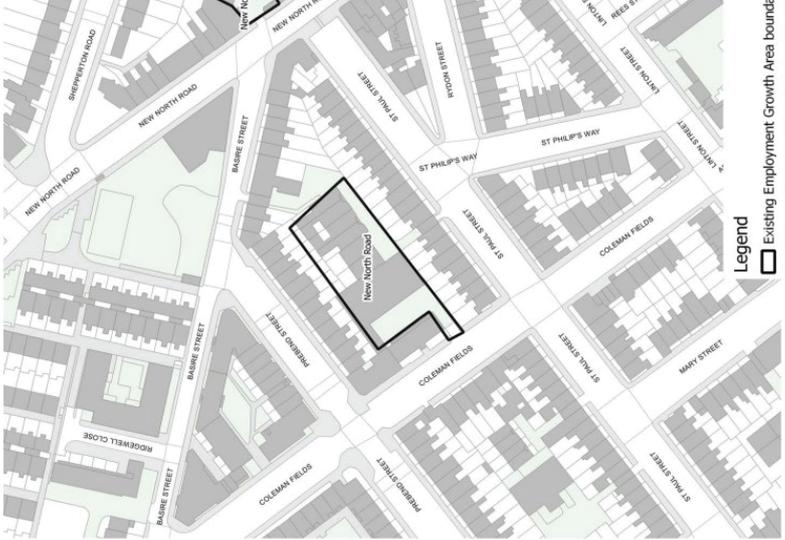
Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
King's Cross EGA	King's Cross PEL	Decreased in size slightly – residential uses removed.	<p>King's Cross Existing Employment Growth Area Boundary</p> 	<p>King's Cross Proposed PEL Boundary</p> 

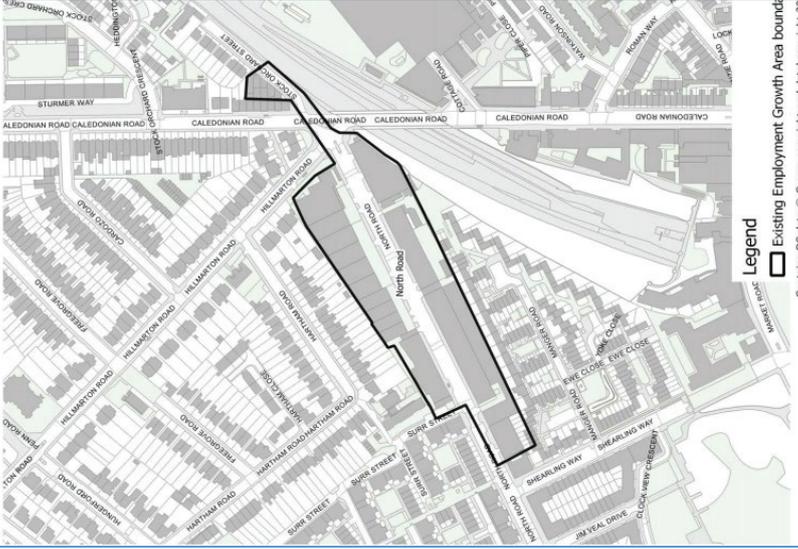
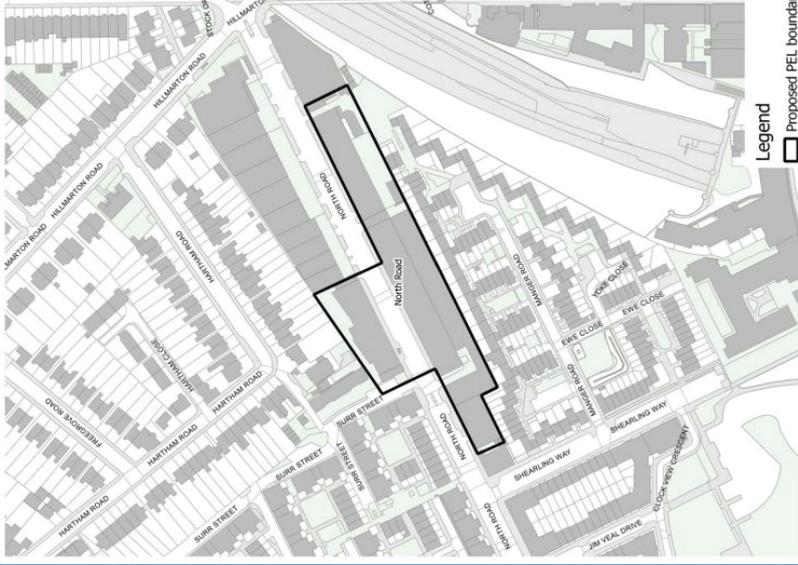
Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
Margery Street / Easton Street EGA	Margery Street / Easton Street PEL	Decreased in size – residential uses removed.	 <p>Margery Street / Easton Street Existing Employment Growth Area Boundary</p>	 <p>Margery Street / Easton Street Proposed PEL Boundary</p>

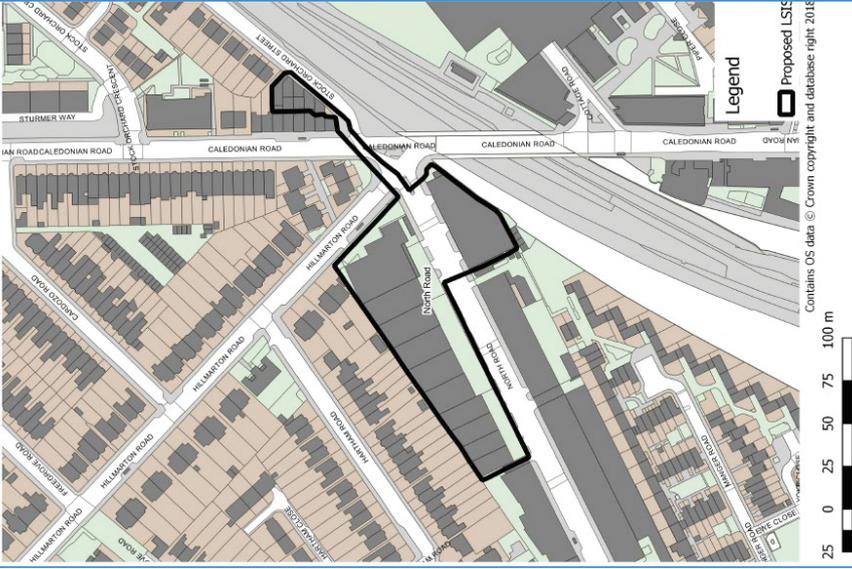
Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
Melody Lane EGA	Melody Lane Locally Significant Industrial Site	New LSIS designation. Boundary amended to remove education facility and extended to include self-storage facility.	<p>Melody Lane Existing Employment Growth Area Boundary</p> 	<p>Melody Lane Proposed LSIS Boundary</p> 

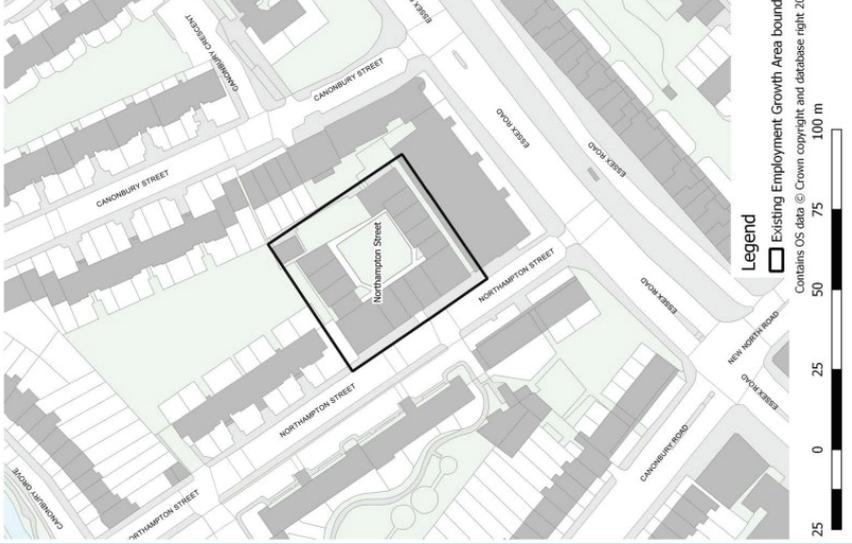
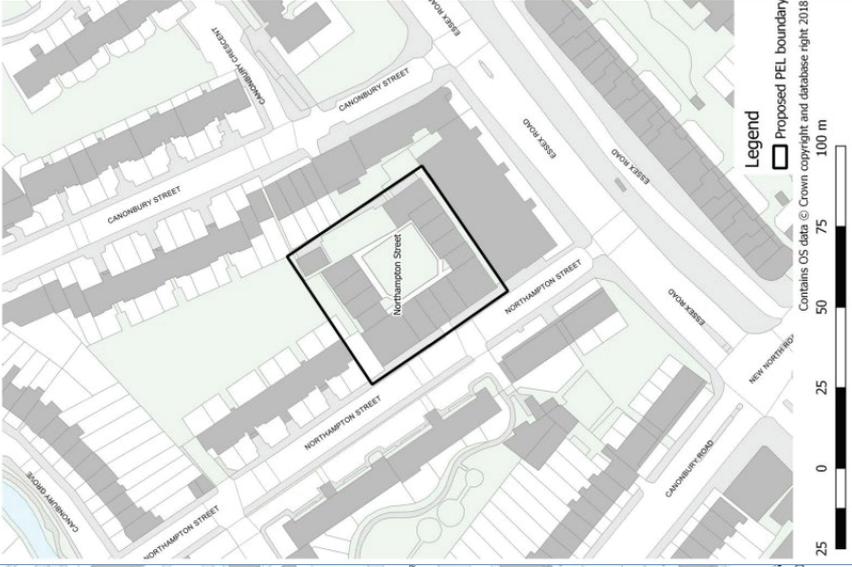
Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
<p>New North Road EGA – comprised three sites:</p> <p>(1) bound by New North Road and Shepperton Road</p>	<p>New North Road PEL</p>	<p>Boundary for part (1) of site bound by Shepperton Road extended to include adjoining business use.</p>		

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
New North Road EGA – (2) around Elizabeth Avenue	Removed	Part (2) of employment area removed as no business use on site.	<p>New North Road Existing Employment Growth Area Boundary</p> 	Removed

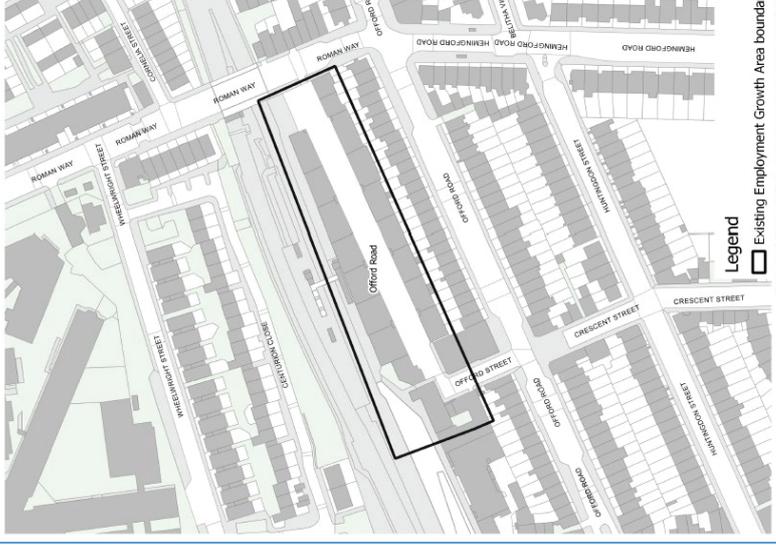
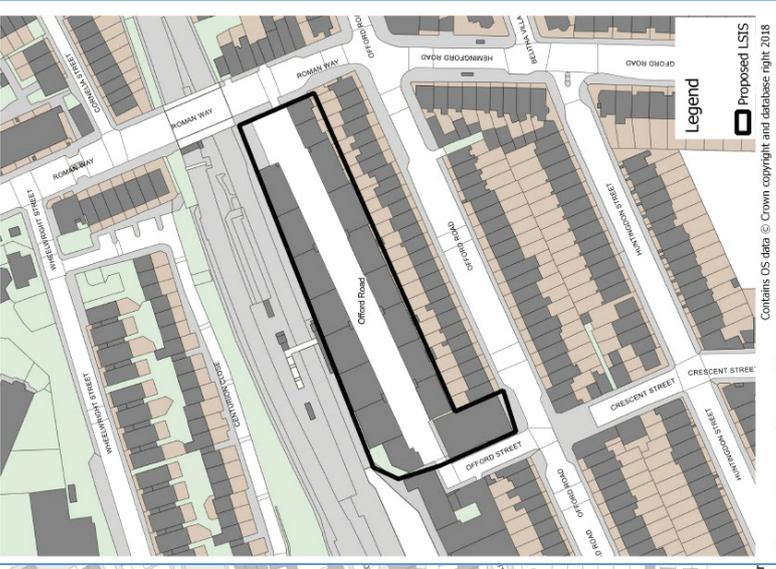
Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
New North Road EGA – (3) on Coleman Fields	Removed	Part (3) of employment area removed as no business use on site.	<p data-bbox="240 752 260 1236">New North Road Existing Employment Growth Area Boundary</p> 	Removed

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
North Road EGA	North Road PEL	Part of site removed and re-designated as Locally Significant Industrial Site.	<p>North Road Existing Employment Growth Area Boundary</p> 	<p>North Road Proposed PEL Boundary</p> 

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
North Road EGA	North Road Locally Significant Industrial Site	As above	As above	 <p>North Road Proposed LSIIS Boundary</p> <p>Legend</p> <p>Proposed LSIIS</p> <p>Contains OS data © Crown copyright and database right 2015</p> <p>25 0 25 50 75 100 m</p>

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
Northampton Street EGA	Northampton Street PEL	Slight boundary changes to improve accuracy.		

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
North down Street EGA	Northdown Street PEL	Slight boundary changes to improve accuracy.		

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
Offord Road EGA	Offord Road Locally Significant Industrial Site	New Locally Significant Industrial Site designation. Boundary amended to remove residential use and extended slightly to include business use.		

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
Seven Sisters Road EGA	Seven Sisters Road PEL	Decreased in size. Retail and residential uses removed and boundary tidied.		

Existing Designation

Station Road EGA

Proposed Designation

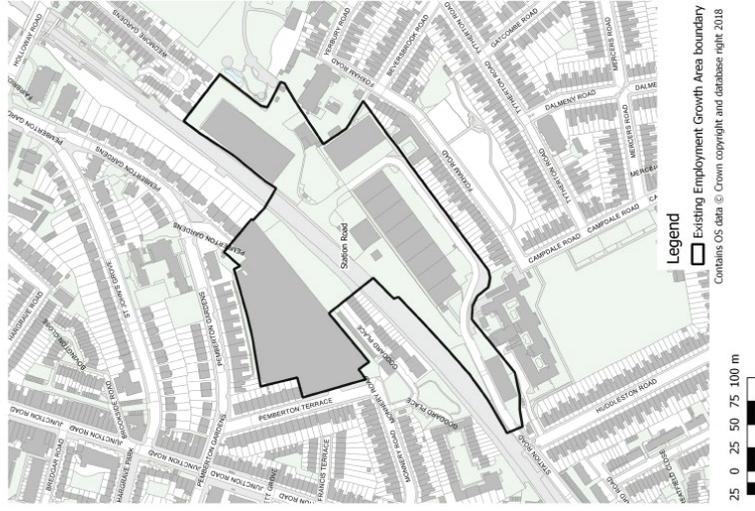
Split into two Locally Significant Industrial Sites:
(1) Station Road LSIS

Boundary Change

New LSIS designation. Slight boundary changes to improve accuracy.

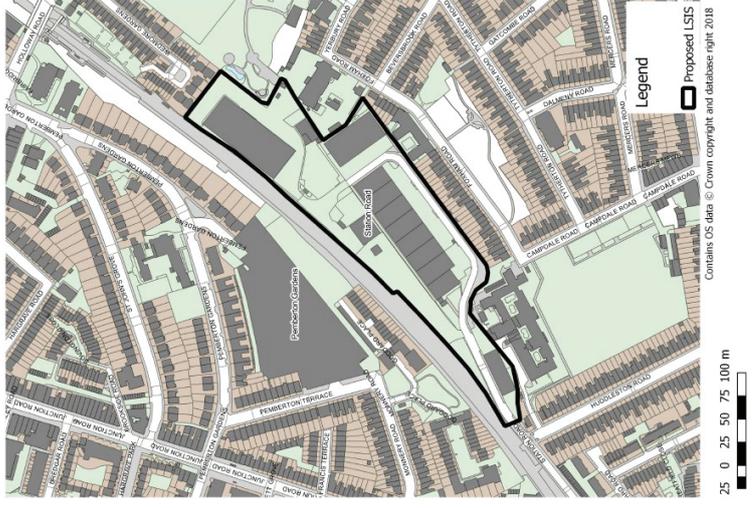
Existing Boundary

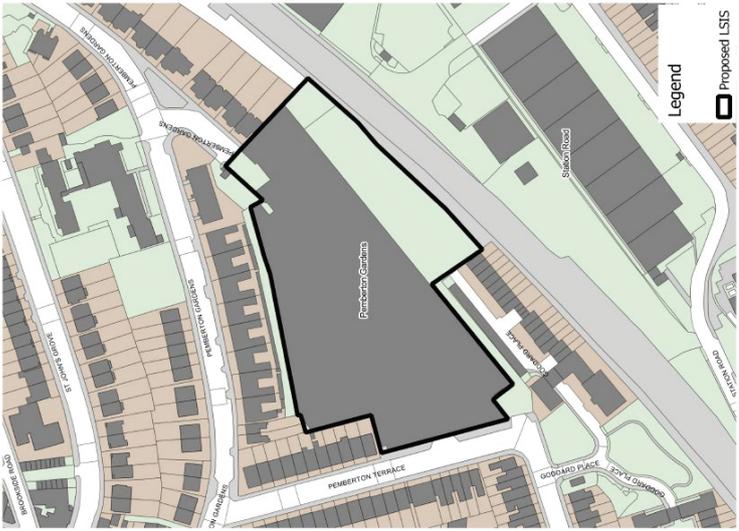
Station Road Existing Employment Growth Area Boundary

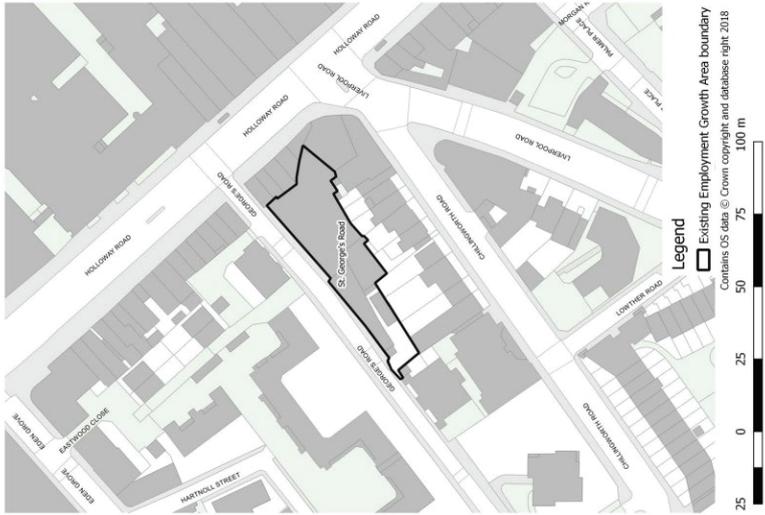
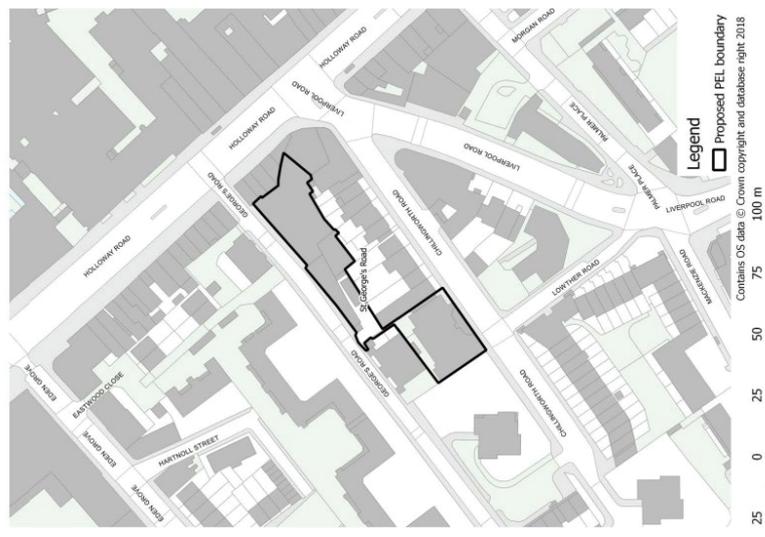


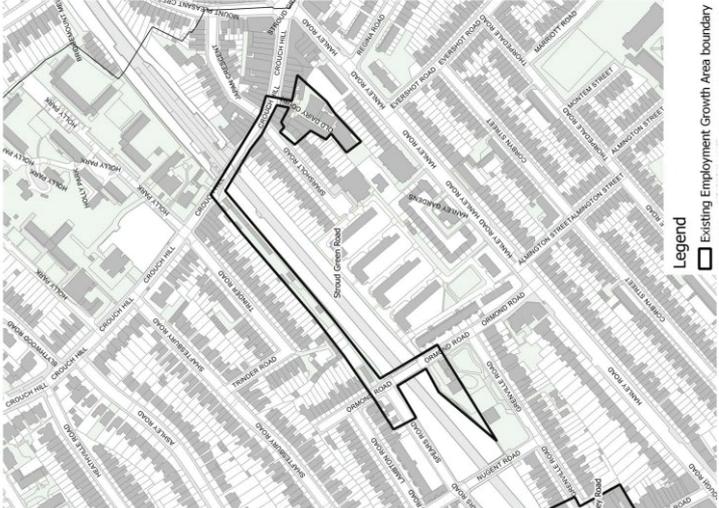
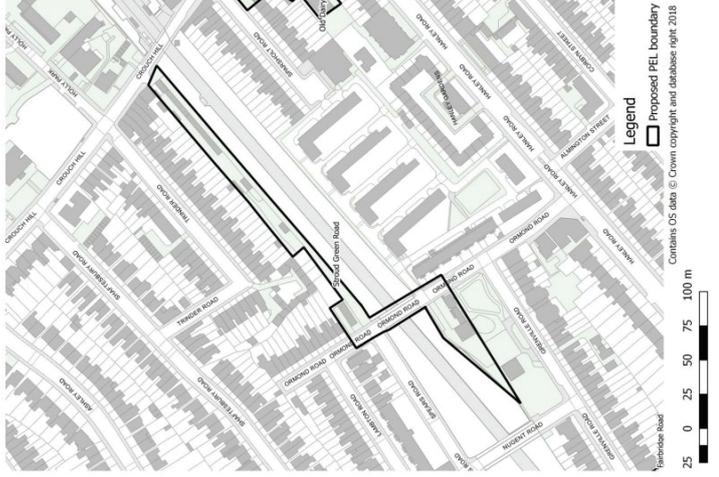
Proposed Boundary

Station Road Proposed LSIS Boundary



Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
Station Road EGA	(2) Pemberton Gardens LSIS	As above	As above	

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
St George's Road EGA	St George's Road PEL	Boundary extended to include recent workspace development.	<p>St. George's Road Existing Employment Growth Area Boundary</p> 	<p>St. George's Road Proposed PEL Boundary</p> 

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
<p>Stroud Green Road EGA</p>	<p>Split into two PELs: (1) Stroud Green Road, and</p>	<p>Decreased in size slightly – residential use removed. Boundary tidied.</p>		

Existing Designation	Proposed Designation	Boundary Change	Existing Boundary	Proposed Boundary
Stroud Green EGA	(2) Old Dairy Court PEL	As above	As above	