

24th October 2011

LDF Team
London Borough of Haringey
River Park House (6th Floor)
Wood Green
N22 8HQ

BY EMAIL (ldf@haringey.gov.uk)

Dear Sir,

LONDON BOROUGH OF HARINGEY: CORE STRATEGY FUNDAMENTAL CHANGES

ON BEHALF OF WORKSPACE GROUP PLC

We act on behalf of Workspace Group, who owns the following sites within the borough:

- Chocolate Factory, 5 Clarendon Road, London, N22 6XJ;
- Mallard Place, 1 Mallard Place, London, N22 6TS; and
- Parma House, Clarendon Road, London, N22 6XJ.

Workspace Group is a specialised property based business that provides office, studio and light industrial workspace for predominantly small and medium sized enterprises. Workspace provides good value, small unit employment accommodation for rent in London and the South East and manages 5.7 million sq ft of accommodation across 100 estates across London with more than 4,000 tenants. As such, Workspace provides a significant contribution to London's economy and has first hand experience of the changes in property market conditions.

Workspace has increased the range of units on offer and tenant diversity, whilst providing economies of scale in terms of management and marketing. The result is a substantial and diverse portfolio, able to meet the needs of London's dynamic small business community.

SP2 - Housing

Secure high quality affordable housing

Workspace considers that requirement for 50% housing delivered on sites of 10 dwellings or more to be affordable is unsound as it lacks flexibility. PPS3 states in paragraph 29 that affordable housing targets should take into account the risks to delivery.

The viability of the scheme should not just be considered on the delivery of housing but on the overall viability of a scheme and the potential regeneration opportunities provided. This policy is therefore, not based on sound evidence. A greater degree of flexibility is required within the policy to ensure delivery of regeneration schemes. This approach accords with

the Ministerial Statement dated 23rd March, which states that *“in determining planning applications, local planning authorities are required to ensure that they give appropriate weight to the need to support economic recovery and that applications that secure sustainable growth are treated favourably”*.

Affordable housing provision should be considered on a site-by-site basis and should take into account a scheme’s viability, site constraints and the overall regeneration benefits a scheme could provide. The text should be reworded to state:

“Affordable housing provision will be considered on a site by site basis and will be achieved by:

5. Where viable, requiring sites capable of delivering ten or more units to meet a borough wide affordable housing target of 50%, based on habitable rooms”

SP8 – Employment

Workspace does not support the Council’s rigid protectionist policy towards employment land and considers it to be unsound.

Workspace has experienced changes in the types of business activities and the demand for floorspace from the occupants of its property portfolio and has noticed a shift away from the requirement for traditional Class B floorspace. There has been a long and well-established trend of decline in the demand for industrial accommodation throughout London. Workspace considers that the protection of existing employment sites for such uses in Haringey will not reverse this ongoing industrial decline.

The Council’s approach to protecting employment land does not sit comfortably alongside the Government’s emerging policy direction set out in the draft National Planning Policy Framework, which seeks to promote economic prosperity.

Paragraph 13 of the draft National Planning Policy framework states *“The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. A positive planning system is essential because, without growth, a sustainable future cannot be achieved. Planning must operate to encourage growth and not act as an impediment”*. A restricted use of land could prevent important economic development opportunities from materialising and effectively sterilising land for under-performing and declining industries.

Paragraph 14 of the draft National Planning Policy framework states *“At the heart of the planning system is a presumption in favour of sustainable development”*. A key element of the government’s definition of sustainable development as set in paragraph 10 is ‘planning for prosperity (an economic role)’. The definition further states that the planning system should build a strong, responsive and competitive economy, by ensuring that sufficient land of the right type, and in the right places, is available to allow growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure.

Paragraph 75 of the draft National Planning Policy framework states *“Planning policies should avoid the long term protection of employment land or floorspace, and applications for alternative uses of designated land or buildings should be treated on their merits having*

regard to market signals and the relative need for different land uses". It is important that no undue restrictions are placed upon employment land that could restrict their economic potential.

There are several economic buildings and areas within the employment areas that have either reached or within the lifetime of the plan will have reached the end of their economic lifespan. It is essential that such locations are renewed to maintain and increase their economic competitiveness and pass on the benefits locally.

Over recent years Workspace has increased the range and diversity of units across its portfolio on offer to small and medium sized enterprises by redeveloping existing underperforming sites. In order to fund this privately, a high-value economic driver such as a residential use has been necessary to enable redevelopment and ensure the overall viability of providing modern and flexible economic floorspace. It is Workspace's view that the Council should adopt a similar approach to enable the renewal of underperforming economic sites in Haringey. The benefits of this are:

- The creation of modern business units, which can continue to be provided as good value rental accommodation;
- The more efficient use of urban land;
- The retention of the same, if not higher levels, of employment on existing sites;
- The provision of sustainable mixed-use development;
- The development of land to assist in meeting the housing targets and needs of the sub-region;
- Avoidance of reliance on public funding; and
- The continued support of small and medium enterprises through the provision of modern, good value rental accommodation.

Without the incorporation of a higher value use into redevelopment schemes, existing employment land can become sterilised and the opportunity to harness and develop strong small and medium sized businesses will be lost.

Employment Land Designation

Workspace considers that the 'Employment Land' designation should include greater flexibility within the policy content. Workspace considers that this is specifically necessary to ensure that areas such as Wood Green (northern area) which includes the Chocolate Factory and Parma House remain economically competitive.

Workspace also considers that these areas should move towards promoting more intensive types of employment uses including providing space for creative industries and small and medium enterprises. Small and medium sized enterprises provide an important and significant contribution to the London-wide economy, including Haringey. The potential economic and social benefits of promoting the development of small and medium enterprises include:

- The creation of jobs at low cost of capital;
- Contribution to the Gross Domestic Product (GDP);
- Expansion of the entrepreneurial base;
- Flexibility to adapt to market changes;
- Provision of support for large scale enterprises.

All the above may never be fully realised without an adequate and encouraging environment and suitable available property in which to develop.

Workspace considers that this policy should allow employment-led mixed-use development at the Employment Land sites where this will deliver high quality, modern floorspace. Alternatively Wood Green (northern area), should be re-designated as a specific mixed-use area.

The change of designation is required because The Chocolate factory and Parma House provide poor quality employment space that restricts their economic potential and contribution to the wider economy. Their key characteristics can be described as:

- Low-grade employment space;
- Poor internal layout;
- Lack of flexibility;
- Poor internal lightening;
- Poor energy efficiency.

The building quality of these sites has made it become increasingly difficult to achieve a satisfactory level of occupancy. Furthermore the cost of maintaining the site has risen over the past years, which has resulted in an increased service cost being passed onto tenants.

The long-term potential of these sites is limited and will require significant investment to bring them to a standard that meets the needs of the modern and emerging economy.

Workspace is committed to replacing the existing accommodation with a new building that provides suitable and flexible space for tenants to secure the future employment use of the site. There is an opportunity to reconfigure both sites to create high quality and flexible employment space that will raise the profile of the area and make an important contribution to the local and London economy.

The designation of Wood Green (northern area) and specifically The Chocolate factory and Parma House as Employment Land would result in the sterilisation of this land to detriment of the local economy. Given that these buildings experience decay and will need to be replaced in the short to medium term, there is a real chance that this site will visual blight and impede economic growth within this area, which could hinder future regeneration opportunities in the wider area.

The redevelopment of The Chocolate factory and Parma House for a mixed-use development has the potential to increase the employment capacity of the site, increase locally generated Gross Domestic Product (GDP), expand the entrepreneurial base, and adapt to market changes. All the above may never be fully realised if the land is sterilised by a rigid employment land designation.

This approach is compliant with the draft National Planning Policy framework which states:

- The planning system should support and encourage sustainable economic growth;
- Promote sustainable development;
- Build a strong, responsive and competitive economy;

- Planning policies should avoid the long term protection of employment land or floorspace, and applications for alternative uses of designated land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses.

Workspace has successfully achieved the redevelopment of an existing industrial area with a mixed-use development that increases the level and quality of employment. Planning permission was granted at appeal on 11th May 2007 for the redevelopment of the Aberdeen Centre, 22-24 Highbury Grove which is located within the borough of Islington. The planning permission was for a mixed-use development that comprises 72 net additional dwellings and 8,297m² of commercial B1 uses for small and medium sized enterprises. This represented a net increase in floorspace, job potential and number of dwellings.

The re-designation of this site for an employment-led mixed-use or amendment to the policy designation will secure increased employment opportunities and economic output from this site. This approach would accord with the Government's proposed definition of sustainable development which includes building a strong, responsive and competitive economy.

Workspace considers that housing could be promoted as part of a mixed-use development that includes employment space for small and medium sized businesses. A mixed-use development that incorporates a higher value use such as housing is essential to enable the renewal of the site. If this site is not considered for mixed-use development, then the land may become sterilised and potential regeneration benefits lost.

Without the incorporation of a higher value mixed-use, the existing under-used and vacant sites may become sterilised and potential regeneration benefits lost.

Conclusion

I trust that the comments, made on behalf of Workspace, to the Core Strategy: Fundamental Changes will be considered. However, should you require clarification on any matters raised above, please do not hesitate to contact me.

Yours faithfully,

Andrew Ransome MRTPI

Director

cc Ian Dubber – Workspace Group Plc