

ORGANISATION	LONDON FIRST
ID	1588
MATTER	M59 OFFICES

M59. Is Policy E1 justified and would it be effective in ensuring that identified needs for additional office floorspace are met in appropriate locations in accordance with national policy? In particular:

a) Are the figures in Table 6.1 for projected office employment growth and office floorspace demand 2016-2041 in different parts of London justified?

1. The office floorspace demand projections show a much lower rate of increase than the projected growth in the additional number of jobs. This is due to a number of assumptions regarding occupational density and more flexible working practices in the *London Office Policy Review* (Ramidus Consulting Limited, 2017).
2. To factor in contingency for these assumptions, London First submits that Policy E1 should make an explicit reference to the floorspace targets set out in Table 6.1 and the fact that these targets should be treated as a minimum threshold and that boroughs may set higher targets where they can demonstrate additional capacity. Vacancy rates are currently low, especially in the West End, and it is vital to the future economic success of London that office supply is not constrained.

b) Would the locations identified in parts C and D have sufficient capacity and be likely to deliver the amount of additional floorspace required such that needs in all parts of London can be met?

1. London First is not aware of any evidence to suggest that the identified locations do not have sufficient capacity to meet, and exceed, projected demand.

c) Are the “office guidelines” set out in Figure A1.4 justified, and is the way in which they are intended to be used in the implementation of part D2 clear?

1. No comment.

d) Would policies E1D4 and SD7A1 provide an effective approach for office development in town centres that are not identified as having potential for speculative and/or mixed use office development in Figure A1.4?

1. In principle, London First supports the provision of *“locally-oriented, town centre office provision to meet local needs”* (E1D4) whilst *“applying the sequential test to applications for main town centre uses”* (SD7A1).

e) Is the proposed use of Article 4 Directions set out in parts E and F clear and is it justified having regard to national policy, bearing in mind the minor suggested change to paragraph 6.1.6?

1. London First supports the approach to Article 4 Directions set out in E1E and E1F in the draft Plan. Where deemed appropriate by the boroughs, these should be consulted upon and introduced for viable strategic and local office clusters.

f) How would Policy E1 affect the implementation of Policy GG4 “delivering the homes Londoners need”?

1. Parts E and F of Policy E1 in the draft Plan are relevant to the implementation of GG4. Permitted development rights that allow B1 office to C3 residential change of use have provided a net additional supply of new homes to the housing market in London by providing a beneficial new use for some low-grade, redundant office buildings. However, delivery from this source has been slowing because the number of suitable properties is a relatively finite resource.
2. London First supports the safeguards set out in E1E and E1F to encourage the boroughs to put Article 4 Directions in place to protect office clusters of strategic and local importance. Where conversions do come forward in unprotected areas, these should be regarded as windfall units. They represent small-scale net additional supply that is not accounted for in the housing supply strategy set out in the draft Plan.
3. Also relevant to GG4 is the fact that homes brought forward under office-to-residential permitted development rights are under no obligation to provide any affordable housing. Furthermore, some poor-quality schemes have been delivered, particularly conversions of low-grade buildings in marginal locations in outer London, because they are under no obligation to meet residential design standards. These two factors can undermine the implementation of GG4B and GG4C.

g) Would policy E1(G) be effective in ensuring the availability of an adequate supply of low cost and affordable office space?

1. Policy E1G (1) simply cross-refers to draft Plan Policies E2: Low-cost business space and E3: Affordable workspace. As a standalone policy, E1G is not effective because it is wholly dependent upon the effectiveness of separate policies E2 and E3, and therefore its effectiveness cannot be assessed in isolation.
2. London First has concerns that Policies E2 and E3 will result in significant unintended consequences. There is a significant risk that there will be a distortion of the office market that would disadvantage the very occupiers that the policies are seeking to support. These issues are addressed in our written statement in respect of M60.