

PLANNING SERVICES

**TOWN & COUNTRY PLANNING (DETERMINATION BY INSPECTORS)
(INQUIRIES PROCEDURE) (ENGLAND) RULES 2000**

PROOF OF EVIDENCE

Jonathon McClue BPlan (Hons)

**FOR PUBLIC INQUIRY COMMENCING ON
21st November 2017**

APPEAL SITE

Bangor Wharf, Georgiana Street, London, NW1 0QS

APPELLANT

One Housing Group

SUBJECT OF APPEAL

Appeal against London Borough of Camden's refusal of Planning Permission for the 'Demolition of all buildings on-site and new buildings of 1-6 storeys in height to include 46 residential (C3) units (18 x 1 bed, 19 x 2 bed and 9 x 3 bed) of which 30 would be market units and 16 affordable, new office (B1a) floorspace (604sqm) and associated works to highways and landscaping.'

COUNCIL REFERENCE: 2016/1117/P

PLANNING INSPECTORATE REFERENCE: APP/X5210/W/16/3165200

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INTRODUCTION

- i. I, Jonathon McClue, have prepared this proof of evidence for presentation at the Public Inquiry into the appeal. I hold a Bachelor of Planning with Honours from the University of Auckland in New Zealand.
- ii. I have over seven years' experience working as a Development Management Planning Officer, including over five and half years in the United Kingdom. I was formerly a Principal Planning Officer at the London Borough of Redbridge. Since September 2014 I have been working in Camden Council's Local Planning Authority and I was promoted to a Principal Planning Officer (previously a Senior Planning Officer) in May 2016. During my professional career as a planning officer I have dealt with a wide range of planning applications including strategic, major, minor and householder development proposals.
- iii. I am familiar with the appeal site. The evidence that I have provided for this appeal is accurate to the best of my ability and I confirm that any professional opinions expressed are my own.

STRUCTURE OF EVIDENCE

- iv. In my evidence, I provide a summary of the application which is the subject of the appeal and the process undertaken leading to the refusal. I identify and summarise the policy framework under which the Council's decisions were made. I deal with the Council's main reasons for refusal before addressing the Appellant's grounds of appeal.
- v. My evidence will be divided into seven sections:

Section 1: (Site and Surroundings) I will describe the appeal site and surrounding area.

Section 2: (Planning History) I shall provide a summary of the planning history relating to the site.

Section 3: (Planning Policy) I shall identify national, regional and local planning policies and guidance relevant to the reasons for refusal and the issues discussed in my proof.

Section 4: (The Application the Subject of this Appeal) I shall provide a summary of the planning application and the reasons for refusal.

Section 5: (Assessment of the Proposals) I will assess how the appeal proposal results in demonstrable harm.

Section 6: (Comments on Appellant's Statement of Case) I will respond to any arguments made by the Appellant in their submitted documents to date.

Section 7: (Section 106 Planning Obligation) I will summarise the reasons for securing the planning obligations, which if the appeal is to be allowed will be essential to make the development more acceptable.

Section 9: (Planning Balance) I will balance the benefits provided by the scheme against the demonstrated harm.

Section 9: (Conclusions and Summary) I will summarise the arguments made in this proof of evidence.

Section 10: (List of Appendices)

vi. In addition to myself, the Council will call three witnesses:

- Sarah Freeman, Inspector of Historic Buildings and Areas from Historic England (formerly Camden Council), who will provide further evidence regarding the impact of the design of the appeal proposal on the character and appearance of the Regent's Canal Conservation Area.

- Frances Madders, Senior Planning Officer (Urban Design) with Camden Council, who will provide further evidence regarding the detailed design of the appeal proposal; its height, scale and massing and impact on the local streetscape.
- Kyle Gellatly, Associate Director of BPS Chartered Surveyors, who will provide further evidence regarding viability and affordable housing matters.

1.0 SITE AND SURROUNDINGS

- 1.1 Refer to section 3 (Description of the Appeal site and Surrounding Area) of the Statement of Common Ground (SoCG) for a full description of the appeal site and the surrounding area.

2.0 PLANNING HISTORY

- 2.1 Refer to section 4 (Planning History) of the SoCG for the full planning history. In addition, it is noted that with regard to 2017/1230/P that the affordable housing offer is yet to be confirmed and there are ongoing disputes regarding the viability of the development, particularly around the benchmark land value. The scheme is a revision of the appeal proposal under 2016/1117/P following an extensive pre-application process, where the refused scheme was significantly modified to address the reasons for refusal (in particular the design led reasons). A recommendation is yet to be made on the revised scheme. Appendix 2 includes the latest computer generated images (CGIs) and visualisations of the proposal.

3.0 PLANNING POLICY

- 3.1 Copies of all the Council's Core Strategy and Development Policies that formed part of the original reasons for refusal were sent as part of the Questionnaire; however, these documents have been superseded by the Camden Local Plan adopted in July 2017. An electronic copy of the Local Plan was sent to the Planning Inspectorate and the Appellant on 20 July 2017. The Council's Statement of Case, submitted on 18 August 2017, sets out the relevant Local Plan policies and updates the reasons for refusal on the decision notice with the relevant newly adopted ones.
- 3.2 In determining the planning application, the Council had regard to relevant legislation, national planning policy and practice guidance, development plan policies, supplementary planning guidance and the particular circumstances of the case. Set out below are the Local Plan policies against which the proposals have primarily been assessed. In making any decisions as part of the planning process, account must be taken of all relevant statutory duties including section 38(6) of the Planning and Compulsory Purchase Act 2004

and section 72 of the Planning (Listed Buildings and Conservation Areas) Act 1990.

- 3.3 Please refer to section 5 (Relevant Planning Policy) within the SoCG for the relevant policies and guidance that are applicable to the appeal. Further comments on the Intermediate Housing Strategy are included in the paragraph below.

Intermediate Housing Strategy (HASC/2016/08)

- 3.4 The Intermediate Housing Strategy provides a framework by identifying actions that the Council will take. One of the four key areas includes influencing supply by providers – mainly through encouraging developers and Registered Providers (RPs) to provide intermediate rent rather than shared ownership units. With the increase in property values across central London, shared ownership is becoming unaffordable and there is a need to consider alternatives. In December 2015, the government announced that it was relaxing the eligibility criteria for shared ownership. Since April 2016, the only criteria in London is that households should have an income of no greater than £90,000, and local authorities are no longer able to restrict shared ownership to key workers or those on lower incomes. The high capital value of housing in Camden means that it is no longer possible to deliver shared ownership homes that are affordable to the Council's target income groups earning £30,000 to £40,000 per year. The only way Londoners are able to qualify and remain within the income caps for shared ownership units is for purchasers with significant savings to buy a larger share and/or pay a greater deposit. The incomes and savings required to purchase them are far in excess of those households that the Camden Equality Taskforce identified as needing to be assisted.

4.0 THE APPLICATION THE SUBJECT OF THIS APPEAL

- 4.1 Refer to section 6 (The Application the Subject of this Appeal) of the SoCG for a brief summary of the proposal and a timeline of the planning application.

5.0 ASSESSMENT OF THE PROPOSALS

- 5.1 The original decision notice included 18 reasons for refusal. My evidence deals primarily with reasons for refusal 1 (employment space), 2 (number of family sized units), 3 (quality of residential accommodation), 8 (cycle parking) and 9 (residential amenity). Reason for refusal 5 (affordable housing and viability) will be covered in the proof of Kyle Gellatly, Associate Director of BPS Chartered Surveyors. I have provided some background evidence from the Mayor's Affordable Housing and Viability SPG below. The proofs of Sarah Freeman, Inspector of Historic Buildings and Areas, and Frances Madders, Senior Planning Officer (Urban Design), from Historic England and Camden Council, will deal with reason for refusal 6 (design and heritage).
- 5.2 Reasons for refusal 4 (wheelchair housing), 7 (active frontage and gates) 10 (willow tree), 13 (travel plan) and 18 (enhancement of canal and prioritising of waterspace) have been agreed through further exchanges of information and agreed as per paragraphs 1.5-1.6 of the SoCG.
- 5.4 Reasons for refusal 11 (Construction Management Plan), 12 (financial contributions to highways works and public realm), 14 (car-free), 15 (sustainability, energy and SUDS), 16 (energy efficiency and renewable energy) and 17 (local employment and apprenticeships agreement) are likely to be overcome by the completion of a section 106 legal agreement. These matters are addressed in further detail within paragraph 1.7 of the SoCG.

Loss Employment Space and Quality of Provision (Reason for Refusal 1)

- 5.5 Reason for refusal 1 states, as per the updated version of the Council's Statement of Case which includes the Camden Local Plan 2017 policies (**in bold and underlined**):

*'The proposed development, due to loss of employment space and the quality and type of space provided, would fail to support growth in economic activity in Camden and result in the loss of employment opportunities within the borough contrary to **policies E1 (Economic development) and E2 (Employment premises and sites) of the Camden Local Plan 2017, Policies 2.15 and 4.2 of the London Plan***

- 5.6 The reason for refusal alleges that the loss of employment space and the quality and type of space provided would be harmful to the economic objectives of the Borough.
- 5.7 The appeal site provides approximately 884sqm of Class B1a office accommodation, 253sqm of B8 storage/warehouse floorspace, a large servicing yard of over 750sqm and was occupied by EDF Energy as a depot for storage of materials with ancillary workshop and offices until October 2015. The Appellant has had vacant possession of the site since shortly after this period. The site accommodates low level office and storage buildings and vehicle parking. It is considered that the site is suitable for continued employment use given its good access to the strategic road network and the canal, and has the capacity to accommodate delivery vehicles.
- 5.8 The appeal site is located close to the Kings Cross development area, as well as Camden Town and Camley Street, and is considered suitable for continued business use due to its location and accessibility. This is made clear in the Site Allocations Document. Supporting evidence has been submitted by the Appellant, through an Existing Use Valuation by Savills, that an existing employment use remains feasible and viable subject to refurbishment. EDF Energy relocated from the site recently and the Council has no evidence in front of them to demonstrate that it would not be suitable for a similar occupier to use the space as a depot for storage with an ancillary workshop and offices or for an alternative employment use. The Appellant has claimed through the Planning Statement submitted at the application stage, that due to the age, construction, fit-out, inefficiencies, thermal conditions and ventilation of the building, it no longer meets modern occupier requirements. These statements are not supported by a conditions survey or a detailed analysis of the current facilities. While such factors may limit the scope of finding a commercial tenant, the building could be refurbished to meet modern needs and this fallback position is demonstrated by the Appellant through their Existing Use Valuation by Savills (Report & Valuation dated May 2016 (Appendix 1 of Viability Assessment Addendum by BNP Paribas dated 18 May 2016)) where it is stated that *'the offices would benefit*

from refurbishment prior to any re-letting and the yard may require some work (paragraph 2.5.1)'.

- 5.9 The appeal site is subject to an article 4 direction, which means that permitted development rights to convert the B1a (office) element of the employment space to residential have been withdrawn. The Secretary of the State agreed the Council's non-immediate article 4 direction, which included the appeal site and other parts of the Borough, on 05/11/2016. It is noted that the Secretary of State modified the Council's application for the article 4 to reduce the land covered in the direction. The appeal site continues to remain protected after the modification which indicates that the Secretary of State considers it worthy of protection.
- 5.10 The Council's supporting evidence for the article 4 direction includes 'Office to Residential Permitted Development Rights Impact Study' prepared by TBR's Economic Research Team dated 22 July 2014 which is attached as Appendix 10 to the Council's Statement of Case. The study makes it clear that any extension of the prior approval process would reduce the stock of office (B1a) premises available to businesses across the Borough. The consequence of this would be a reduction in supply and an increase in rents, especially as the demand for business premises in the area is so great. This would result in a fall in firm numbers, employment and output as firms move out of Camden or close. The article 4 direction, which includes the appeal site, provides significant justification that employment space in the Borough (including the appeal site) is worthy from protection and exempt from the Secretary of the State's desire to convert surplus space into a residential use without requiring planning permission.
- 5.11 As outlined in the Council's Statement of Case and Officer Report, the Appellant has submitted contradictory evidence (within the 'Planning Statement' prepared by Spenthorpe Limited dated February 2016 (including page 27 and paragraphs 6.11 and 7.3) and the 'Report & Valuation' prepared by Savills in May 2016 (including paragraphs 2.5.1 and 4.1.2) regarding the quality of the employment space and its suitability for continued use. As stated above robust information on the appeal site's condition, by way of a conditions survey, has not been submitted.

- 5.12 The appeal proposal would provide 686sqm (GEA) or 604sqm (GIA) of dedicated office floorspace B1a and there is no re-provision of storage/warehouse B8 proposed. Overall, this would result in a loss of 533sqm of employment space, including the loss of 226sqm of B8 floorspace which is in very short supply within the Borough. A sufficient justification for this loss has not been given by the Appellant. The appeal proposal takes no account of the existing service yard area when calculating the quantum of workspace lost. The Council considers that the service yard (in this particular instance) is an asset which currently assures the viability of an ongoing employment use, so its loss would be detrimental to the site (reducing the viability of ongoing employment use) and no justification or alternative has been provided. In addition, as part of the justification for the reduction in quantum of employment floorspace, the Appellant has not outlined costed scenarios (for example on continued employment use (in the current condition), refurbishment and the proposed scheme) to support their position.
- 5.13 The Camden Local Plan states that Camden has one of the most successful economies in the country. Policy E2 encourages provision of employment premises and protects premises/sites that are suitable for continued business use. It states that the Council will consider higher intensity redevelopment of premises/sites suitable for continued business use provided that the level of employment floorspace is increased or at least maintained. Redevelopment should retain existing businesses on site as far as possible, in particular industry, light industry and warehouse/logistic uses. The appeal proposal is contrary to the requirements of policy E2, as the site is suitable for continued business use and the floorspace is not being increased or maintained. The significant reduction in employment floorspace, 533sqm (including the loss of 226sqm of B8 floorspace), would therefore fail to support growth in economic activity and result in the loss of employment opportunities within the Borough.
- 5.14 In addition to the above, paragraph 5.28 of the Local Plan states that Camden has a limited industrial and warehousing stock, which is proposed to be lost as part of the appeal proposal. It notes that once an industrial or warehousing use is developed for an alternative use it is unlikely that it will be returned to such use. Paragraph 5.31 mentions that *"the Council will continue to protect*

industrial and warehousing sites and premises that are suitable and viable for continued use". Therefore, the loss of the industrial use of the land, in addition to the loss of quantum and the servicing yard, is of concern as these uses are limited in the Borough.

5.15 The appeal proposal includes office accommodation that would be spread across three open-plan units. The Appellant has not included detailed information around the affordability and suitability of the space for start-ups or small and medium-sized enterprises (SMEs). The Council expects details of an employment marketing strategy and employment space requirements to be submitted as part of a proposal. This marketing plan would give details of and secure flexible office space, with a range of unit sizes and tenancy/license terms and a commitment to marketing the space locally. It could include short-term and flexible leases to local companies and all-inclusive charges including rent, rates, insurance and service charges. The failure to include any details of affordability and use of the employment space means that it is impossible to know whether the appeal proposal would support business growth, attract mid-and small-scale organisations, reduce inequality and help achieve the vision and objectives of the Local Plan by providing for the jobs and training opportunities needed to support Camden's growing population.

5.16 Policy E1 of the Local Plan explains that the Council will secure a successful and inclusive economy by creating conditions for economic growth and harnessing the benefits for local residents and businesses, including a wide variety of employment sectors. The policy supports businesses of all sizes, but in particular start-ups and SMEs. It seeks to create and maintain a stock of premises suitable for a variety of business activities, for firms of differing sizes, and available on a range of terms and conditions for firms with differing resources. The Appellant has not adequately demonstrated whether the proposed employment space would provide a suitable variety and quantum of affordable provision as part of the appeal proposal.

5.17 The Council does not consider that the loss of employment space is outweighed by the delivery of other priorities, including the proposed residential provision.

Conclusion – Reason for Refusal 1

- 5.18 The above paragraphs demonstrate that the employment space on the appeal site is of suitable quality and in a location that should be retained or increased as part of any redevelopment proposal. The appeal proposal includes a reduction in employment floorspace that is unacceptable given its recent use (before it was bought and held in vacant possession by the Appellant); proximity to Kings Cross, Camden Town and Camley Street; protection through an article 4 Direction and ability to be refurbished and used as employment space. Furthermore, the appeal proposal has not demonstrated the affordability and suitability of the proposed space for start-ups and/or SMEs meaning it would not adequately support business growth, attract mid-and small-scale organisations, reduce inequality and help achieve the vision and objectives of the Local Plan by providing for the jobs and training opportunities needed to support Camden’s growing population. Therefore, the appeal proposal is contrary to Local Plan policies E1 and E2, which seek to secure a successful and inclusive economy by creating conditions for economic growth, harnessing benefits for local residents and businesses, a wide variety of employment sectors and protection of sites that are suitable for continued business use.

Small Proportion of Family Sized Units (Reason for Refusal 2)

- 5.19 Reason for refusal 2 states, as per the updated version of the Council’s Statement of Case which includes the Camden Local Plan 2017 policies (**in bold and underlined**):

*‘The proposed development, by reason of the small proportion of family sized units in the residential mix, would fail to contribute to the creation of mixed and inclusive communities, contrary to **policies H7 (Large and small homes) of the Camden Local Plan 2017** and policy 3.8 of the London Plan 2016.’*

- 5.20 The reason for refusal alleges that the appeal proposal provides a small proportion of family sized units, which would not contribute to the creation of mixed, inclusive and sustainable communities. Mismatches between housing needs and existing supply would not be reduced.

- 5.21 The appeal proposal includes 46 residential units (18 x 1-bedroom, 19 x 2-bedroom and 9 x 3-bedroom), this is made up of 30 market units and 16 affordable flats (7 affordable rent, 2 social rent and 7 shared ownership units). A new build residential scheme of this size should meet the Council's priorities for dwelling sizes and provide a sufficient amount of family sized units.
- 5.22 Policy H7 of the Local Plan aims to secure a range of homes of different sizes. All housing development must contribute to meeting the priorities in the Dwelling Size Priorities Table (found within policy H7) and include a mix of large and small homes. Large homes are defined by the Local Plan as homes with 3-bedrooms or more and small homes are studios, 1-bedroom and 2-bedroom homes.
- 5.23 Camden's existing stock of homes is made up largely of relatively small dwellings. According to the 2011 Census, 70% of Camden households live in homes with 2-bedrooms or fewer. The Camden Strategic Housing Market Assessment (SHMA) indicates that the greatest requirement for market housing is for 2- and 3-bedroom homes, followed by 1-bedroom homes/studios. The greatest requirement in the affordable sector is for 2 and 3-bedroom homes followed by homes with 4 bedrooms or more.
- 5.24 The proposed market housing is heavily dominated by small homes, with 23 out of 30 (76.7%) being 1- or 2-bedroom units. 11 x 1-bedroom units are proposed (36.7%), which have a low priority according to the Dwelling Size Priorities table. Only 7 x 3-bedroom units (23.3%) are proposed (high priority) and there are no 4-bedroom units (lower priority). The dominance of small homes (particularly 1-bedroom) and low provision of large homes (including 3-bedroom, which have a high priority) is not in accordance with the housing needs of the Borough and would fail to provide an adequate mixture of unit sizes. The character of the development, the site and the area is considered to be appropriate for larger homes. This is due to the appeal site's location on the canal and near other areas of open space. The Appellant has not put forward any compelling justification as to whether there is any justification for providing a scheme that is heavily balanced in favour of small homes.

- 5.25 For the social and affordable rent units the Council considers 2 and 3-bedroom units to be high priority, 4-bedroom (or more) medium priority and 1-bedroom/studio lower priority. The appeal proposal would provide a mix of 9 affordable/social rent units, with 7 being 1- or 2-bedroom (small homes), 2 being 3-bedroom and no 4-bedroom. The small proportion of this tenure (affordable/social rent) within the larger homes category fails to accord with the tenure mix required by the development plan policy.

Conclusion – Reason for Refusal 2

- 5.26 The appeal proposal includes a small proportion of family sized units in market and private tenures and is heavily dominated by small homes, including a large proportion of 1-bedroom units which have a low priority according to the Borough's Dwelling Size Priorities Table. The character of the development, site and area is appropriate for larger homes, given its proximity to the canal and local amenities/town centres, and insufficient justification has been put forward by the Appellant to justify a scheme heavily balanced in favour of small homes. The appeal scheme would therefore be contrary to Local Plan policy H7 by failing to contribute to mixed, inclusive and sustainable community and the reduction of current mismatches between housing needs and supply.

Substandard Residential Accommodation (Reason for Refusal 3)

- 5.27 Reason for refusal 3 states, as per the updated version of the Council's Statement of Case which includes the Camden Local Plan 2017 policies (**in bold and underlined**):

*A number of the proposed residential units by reason of the poor quality of their access to outlook, light, external amenity space and due to overlooking and privacy issues, would result in sub-standard accommodation, which would be harmful to the amenities of future occupiers, contrary to **policies A1 (Managing the impact of development) and D1 (Design) of the Camden Local Plan 2017** and policy 3.5 of the London Plan 2016.*

5.28 The reason for refusal alleges that the proposed residential units would provide sub-standard accommodation for the prospective occupiers of the development. This is through poor provision of outlook, light and amenity space and overlooking and privacy issues.

External amenity space

5.29 The appeal proposal does not include any details as to whether the ground floor units within Block C, flats C001 and C002, would have any external amenity space. Unit C002 only has a small strip of external space between it and the canal edge. The outdoor area would be open to public view at the ground level of the canal frontage so would be overlooked and provide no privacy. Due to the space's location on the canal edge, boundary treatment to screen any amenity space would not be supported. Therefore, the quality of amenity space that could be afforded to this unit would be unacceptable.

5.30 The private terraces of two of the affordable rent units on the first floors, A101 and A102, would require high levels of screening resulting in a poor level of outlook as the spaces would be enclosed on all sides. The private terrace to unit A101 is surrounded by a communal roof garden and a private terrace serving unit B104. To prevent mutual overlooking between the terraces, screening would be required on all sides. The rear terrace serving unit A102 lies adjacent to the rear gardens of 54 Georgiana Street and 122-124 Royal College Street; the private garden of unit A001 on the ground floor and the communal roof garden. To prevent mutual overlooking, screening would be required on all sides. Therefore, while private amenity spaces are proposed for units A101 and A102, the level of screening required would make them significantly enclosed and the quality of the spaces would be poor for prospective occupiers.

5.31 Paragraph 7.32 of the Local Plan seeks to incorporate outdoor amenity space for residential development. The above demonstrates that a number of units would have a poor provision of external space, which would not lead to the creation of high quality homes as per the requirement of policy D1.

Outlook/natural light

5.32 A number of the proposed units would provide an inadequate level of outlook

for prospective occupiers. The most applicable units are explained in the paragraphs and images below.

5.33 Figure 1 (below) is taken from drawing no. PL05 Rev P3 and relates to unit A001 on the ground floor. The wheelchair accessible unit would have a north-eastern aspect facing the public courtyard to the front. Its front openings would look directly onto an access ramp and mature tree. The rear aspect on the unit would be enclosed on all sides, with a setback of only 3.2m (maximum) to a rear boundary wall. This unit would have a poor level of outlook, with the rear enclosed and overshadowed by surrounding built form and the front restricted to narrow openings looking onto a public space at ground level. The internal analysis results in Appendix C of the Appellant's Daylight and Sunlight Report indicates that the bedroom (R8) would have an ADF of only 0.84, which is below the BRE recommendations of 1.

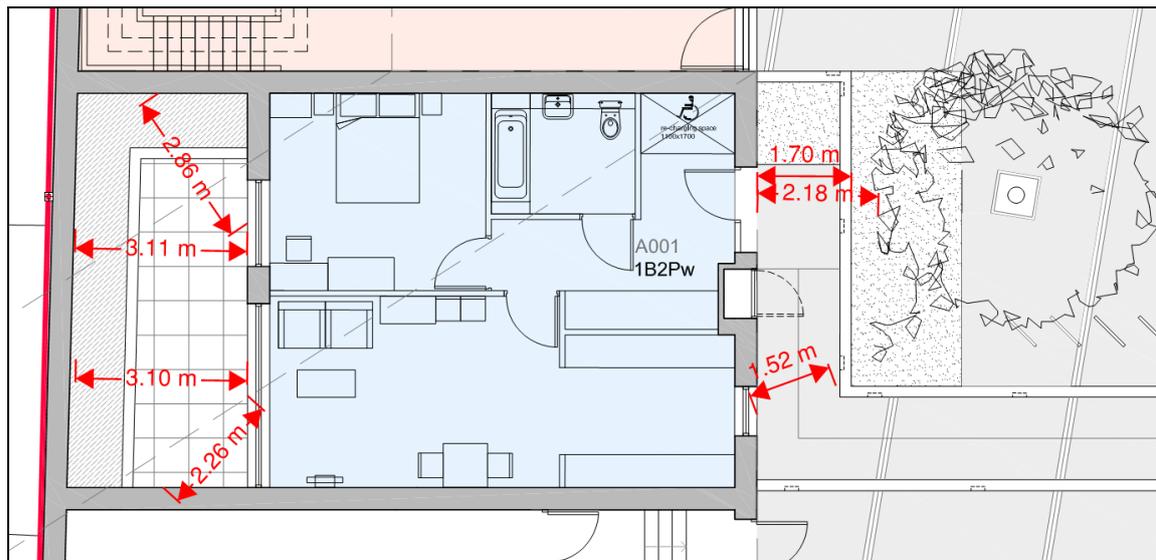


Figure 1 (above): Floor plan of unit A001) showing setbacks from obstructions.

5.34 Unit A102, located on the first floor of the affordable housing block, would require screening around its rear terrace to prevent mutual overlooking with the adjacent amenity spaces and residential units. Screening would also be required for the adjacent first floor communal garden, to prevent users of this space looking directly onto the rear terrace and habitable windows of A102. The screening required for the private and communal terraces would significantly restrict the outlook from the rear facing habitable windows (including a living/dining room and a bedroom), as they would be enclosed by

screening treatment situated immediately adjacent to it. The likely setbacks of the screening, shown as the best-case scenario, is shown in Figure 2 (below).

5.35 Screening would also be required around the private terrace of unit A101, to prevent mutual overlooking with the communal terrace and the private terrace of B104. The setback of the screening would be approximately 2m and result in a poor outlook to the rear facing bedroom and living room windows as they would look into an obstruction. Figure 2 (below) shows this relationship.



Figure 2 (above) (from drawing no. PL06 Rev P3): Unit A101 (right of image) would require screening around the terrace to prevent mutual overlooking with the adjacent private and communal terraces. Screening would also be required around the private terrace for unit A102 (left of image), to prevent mutual overlooking with the communal terrace and overlooking of the neighbouring occupiers on Royal College Street. This screening would lead to a poor level of outlook for both units.

Overlooking/privacy

- 5.36 The appeal proposal would result in an unacceptably detrimental impact on the living conditions of the prospective occupiers caused by mutual overlooking between a number of the proposed units. This would result in an inadequate degree of privacy for prospective occupiers. The most applicable units are explained in the paragraphs and images below.
- 5.37 The communal roof garden on the first floor of the affordable housing block (Block A) would be immediately adjacent to private terraces and habitable windows of surrounding units. The proximity, siting and size of this terrace would lead to high levels of overlooking, noise and general disturbance, as well as poor levels of privacy to the prospective occupiers of the scheme. The amenity space would be well overlooked and would provide opportunities for overlooking into a number of the proposed units as part of the development.
- 5.38 The balconies and windows of the units within the northwest facing elevation of Blocks A and B would have overlooking issues with balconies and windows on the southeast facing elevation of Block C. The balconies of units A202, A302 and A402 would be within 18m of the balconies at C203, C303 and C403; the balconies serving A201, A301 and A401 would be within 18m of bedroom windows at C203, C303 and C403; the living room windows and balconies of B204, B304 and B404 would be within 18m of bedroom windows at C202, C302 and C402; the bedroom windows of B204, B304 and B404 would be within 18m of living room windows at C202, C302 and C402 and the bedroom windows of B201, B301 and B401 would be within 18m of balconies at C202, C302 and C402. The relationship and setback distances are demonstrated in Figure 3 below.

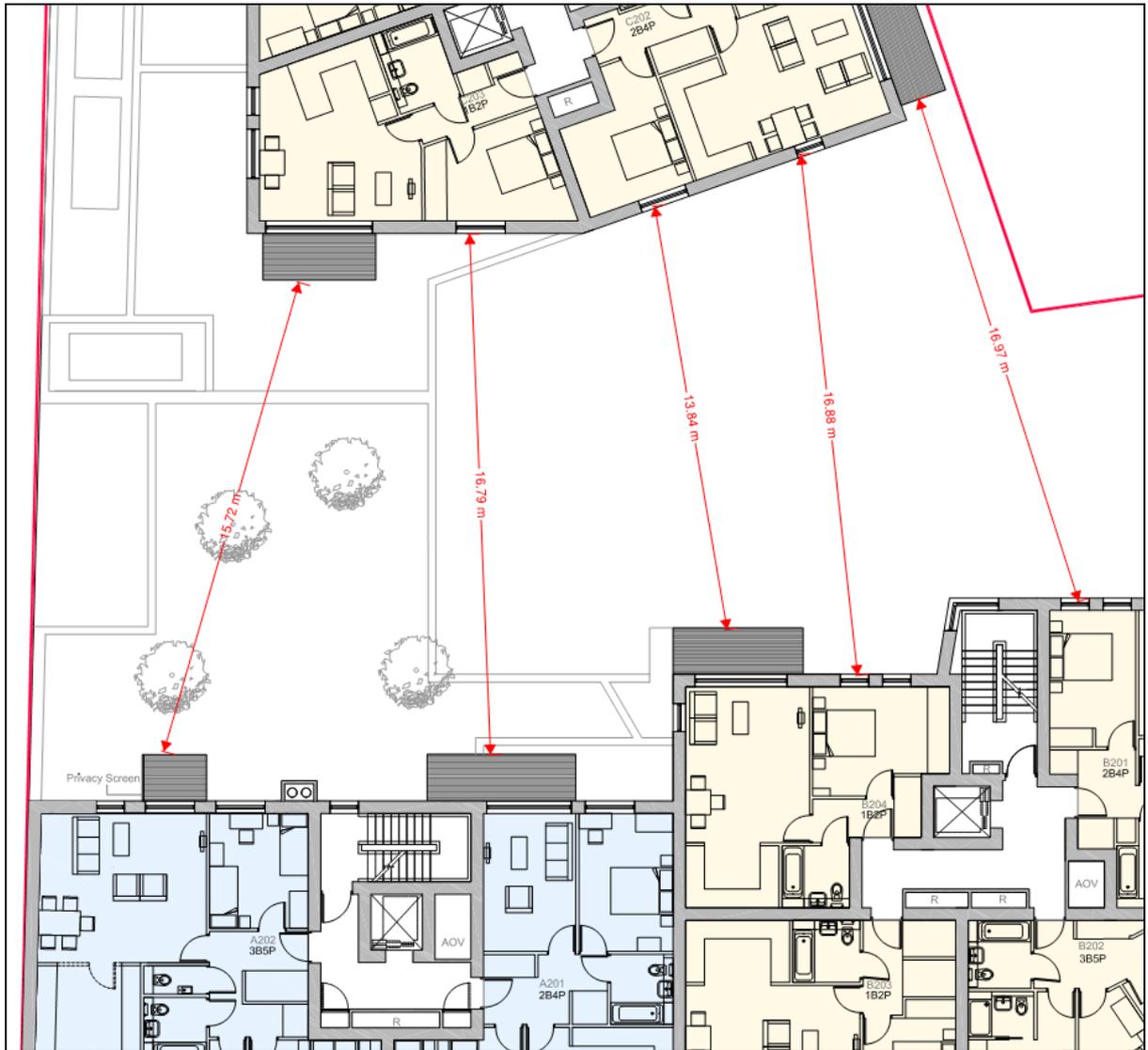


Figure 3 above (from drawing no. PL07 Rev P3): The above image shows the relationship between units within Blocks A and B with Block C.

5.39 Camden Planning Guidance 6 – Amenity (CPG6) states in paragraph 7.4, that to ensure privacy there should be a minimum distance of 18m between the windows of habitable rooms of different units that face each other. The minimum requirement is the distance between the closest points on each building and includes balconies. The Council contends that given the appeal proposal is a new build scheme, it should be possible to design windows and balconies so that they maintain the minimum separation distances and where this is not possible ensure sufficient design features are incorporated to prevent direct overlooking.

5.40 Unit C002 has aspects fronting the public courtyard within the scheme and the canal towpath at ground floor level. This includes a single aspect bedroom adjacent to the entrance and core of Block C, a living room fronting the courtyard and canal and a bedroom fronting the canal. As stated in paragraph 5.26, any external space would be open to views from the public canal towpath. Due to the location of unit C002 and its proximity and openness to the surrounding public spaces at ground level, it would be significantly overlooked and would not provide prospective occupiers with sufficient privacy to maintain an adequate quality of life.

Conclusion – Reason for Refusal 3

5.41 A number of the proposed residential units would result in sub-standard living accommodation for prospective occupiers. This includes the ground floor flat C002, which would be overlooked and have a poor level of privacy due to its windows and outdoor space being open to the courtyard and canal at ground level. The two affordable units on the first floor (A101 and A102) would provide poor quality external amenity space as well as inadequate outlook from the rear facing habitable windows. This is due to the need for screening to the terraces to prevent overlooking with/into neighbouring properties/terraces. The wheelchair unit (A001) would have poor outlook from both of its aspects. Overlooking and privacy issues would result from a large communal roof garden (at first floor level) and a number of windows and balconies being in close proximity to each other. The appeal scheme has been poorly designed and given that it is a new build development it should be possible to design out the unacceptable elements. On this basis, the appeal proposal is contrary to Local Plan policies A1 and D1, which seek to ensure that all residential developments are designed to create high quality homes with good natural light, be dual aspect and incorporate outdoor amenity space.

Failure to Maximise Affordable Housing Contribution (Reason for Refusal 5)

5.42 Reason for refusal 5 states, as per the updated version of the Council's Statement of Case which includes the Camden Local Plan 2017 policies (**in bold and underlined**):

*The proposed development, by reason of the quantum, tenure and quality of the affordable housing proposed, would fail to maximise the contribution of the site to the supply of affordable housing in the borough, contrary to **policies H4 (Maximising the supply of affordable housing) and DM1 (Delivery and monitoring) of the Camden Local Plan 2017**, policies 3.8, 3.10, 3.11 and 3.12 of the London Plan 2016 and paragraphs 47, 50 and 173 of the NPPF 2012.*

- 5.43 I have read the proof of Kyle Gellatly, Associate Director of BPS Chartered Surveyors, who has provide detailed evidence regarding viability and affordable housing matters. I agree with his conclusions and that the overall quantum of affordable housing is inadequate in the context of the scheme. Below I have included information on the Council's position on shared ownership. The Mayor's Affordable Housing and Viability SPG (August 2017) provides useful information on affordability, benchmark land values and viability best practice. This document is part of the Core Documents Index and relevant information from it is referenced below.

Shared ownership

- 5.44 The Council has been fairly consistent over a long period of time that it does not support shared ownership as an affordable tenure. This approach pre-dates the Intermediate Housing Strategy and the Appellant was requested to provide intermediate rent from an early stage of the design. The background information on the reasoning behind the Council's move away from shared ownership is contained within the Intermediate Housing Strategy. This is summarised within paragraph 3.4 (above) and is largely because shared ownership properties are becoming increasingly unaffordable in the Borough as property prices are extremely high and rising. Paragraph 3.103 from the Intermediate Housing Strategy states the following:

'Provision of intermediate housing (between the cost of social rented housing and market housing) has some potential to retain middle income households in Camden and lessen social polarisation. However, high values in many parts Camden mean that the intermediate housing can be more expensive than the market rents available in cheaper areas within the borough or nearby.'

5.45 Camden's Local Plan makes specific reference to concerns around the affordability of shared ownership. This includes paragraph 3.104, which states:

'Intermediate housing for shared-ownership can help households into owner occupation, but in Camden it is rarely possible for providers to deliver shared ownership housing that would be affordable for households with incomes close to the median household income in Camden, and highly challenging to deliver schemes meeting the income thresholds set out in the London Plan. Given these constraints, we will strongly encourage provision of homes for intermediate rent rather than shared ownership, subject to maximising overall affordable housing output in the context of the resources available and development viability. We will also encourage the development of innovative intermediate housing products that can be made affordable to a wider range of groups in Camden.'

5.46 CPG2 (Housing) was drafted to support the now superseded Local Development Framework. A new housing CPG is being produced to support the policies in the Local Plan. The currently adopted CPG2 document predates the Intermediate Housing Strategy; however, an updated version was published in May 2016 to make reference to the presence of this document. Paragraph 2.18 of CPG2 defines intermediate housing and the subsequent footnotes make reference to the Intermediate Housing Strategy. The subsequent paragraph (2.19) references benchmark incomes used by the GLA to measure intermediate affordability. The Mayor's Housing Supplementary Planning Guidance (November 2012) noted that the London Plan eligibility figures are expressed in terms of gross household income. It also advised that Councils should seek intermediate homes that are affordable to households within the full range of incomes below the upper limit. Paragraph 2.49 of CPG2 states that the Council will seek intermediate rented housing over shared ownership as it is now rarely possible to develop homes for shared ownership within incomes below the Mayor's eligibility caps.

5.47 The Intermediate Housing Strategy was developed following recommendations from the Camden Equality Taskforce, who were established in 2012 to explore the Council's role in tackling inequality on the Borough. The Equality Taskforce published its final report in May 2013 (see Appendix 4). They see intermediate housing as meeting *'the needs of low and middle income groups'* who are *'very unlikely to secure'* social housing (paragraph 1.2 of the Intermediate Housing Strategy). Some key points from the Intermediate Housing Strategy are included below:

- Paragraph 1.4 states: *'Until relatively recently, the needs of low and middle income groups in Camden who could not access either social or market housing have been met to an extent by the most common IH product, which is called shared ownership (see 2.2 below). Unfortunately, with the increase in property values across central London, this product is becoming unaffordable and there is a need to consider alternatives.'*
- Paragraph 5.7 states: *'The median gross full-time pay for people resident in Camden is £39,601, which is above the central London average (£37,554), and above the Greater London average of £32,781. Median equivalised household income in Camden in 2015 is estimated to be £32,695, and 24.5% of households in Camden have a household income of less than £20,000 a year.'*
- Paragraph 5.12 states: *'Evidence (see box below) suggests that while there is still a demand for Shared Ownership homes in the borough, and that they are still sold very quickly, the incomes and savings required to purchase them are far in excess of those households that the Equality Taskforce identified as needing to be assisted.'*
- A case study is included under paragraph 5.12: *'The sale of five two-bedroomed shared ownership homes in Fitzrovia completed in June 2015. The market value of these units averaged £902,500. The average income of purchasers was £52,300 and average savings were £54,300. Whilst property values in the borough vary depending on whether they are broadly north or south of the Euston Road, even*

units elsewhere in the borough valued in the region of £550,000 will be unaffordable to Camden's target groups of residents with limited savings.'

5.48 The Mayor's Affordable Housing and Viability SPG (August 2017) sets out the Mayor's preferred approach to implementing the London Plan. It is also a precursor to the likely content of the London Plan revision, which should happen in mid-2018. Although not specifically referring to shared ownership, the London Living Rent (LLR) section from 2.43 (page 25) provides some useful indications of how the Mayor views intermediate housing provision:

- Paragraph 2.44 states that LLR should be restricted to households with a maximum income of £60,000. Currently the income cap for shared ownership in London is £90,000, and it is only possible for people at this end of the income scale to access shared ownership in Camden. When applying the Mayor's maximum income threshold for LLR to shared ownership, this product would not be viable in Camden.
- Paragraph 2.49 states that *'generally shared ownership is not appropriate where unrestricted market values of a home exceed £600,000'*. Applying this position to Camden, the majority of new build units in and around Bangor Wharf are in excess of £600,000 in terms of open market value. Kyle Gellatly, expert witness from BPS, will be able to provide more evidence on open market values.
- Paragraph 2.50 states that the Mayor expects a range of incomes below the upper limit to be able to access intermediate housing. If the only incomes that can access shared ownership in Camden are at the top of the £90,000 income cap, then this is contrary to the aims of this guidance.

5.49 Attached as Appendix 3 is an affordability schedule for the Tapestry, Kings Cross, which is a scheme including shared ownership units at 1 Canal Reach in Kings Cross - <https://www.kingscross.co.uk/tapestry>. The table shows the values of the flats are £530,000 - £910,000; the total cost per month are £1,377 - £2,425; the minimum net income (based on 40% of net income) is

£52,574 - £93,260 and the savings required are £22,875 - £37,125. This recent case study shows that due to the amount of up front capital required and the level of income needed to sustain living in the units, that the shared ownership tenure is unlikely to meet the needs of low and middle income groups as per the criteria of intermediate housing.

Viability

5.50 As stated above, viability matters are covered within the proof of Kyle Gellatly. The evidence given below is intended to be background information for the Inspector on viability matters.

5.51 The Mayor's Affordable Housing and Viability SPG contains useful information on viability best practice, notably within part three (from page 33). This guidance is considered to be a material consideration for this appeal. Paras 3.37-3.52 of the SPG provide useful guidance of how the Mayor views Benchmark Land Value and Existing Use Value Plus Premium:

- Paragraph 3.41 states that the costs of meeting planning requirements must be factored in, otherwise the site will be over-valued. This is emphasised by paragraph 3.42: *'It is for this reason that the Mayor does not consider it appropriate within a development appraisal to apply a fixed land value as an input which is based on price paid for land or a purely aspirational sum sought by a landowner. Land transactions reflect the specific circumstances of the developer whereas planning viability assessments are typically undertaken on a standardised basis.'*
- Paragraph 3.47 states: *'The Mayor considers that the 'Existing Use Value plus' (EUV+) approach is usually the most appropriate approach for planning purposes. It can be used to address the need to ensure that development is sustainable in terms of the NPPF and Development Plan requirements, and in most circumstances the Mayor will expect this approach to be used.'*
- Further to the above, paragraph 3.48 states: *'An alternative approach will only be considered in exceptional circumstances which must be*

robustly justified by the applicant. One alternative approach determines the benchmark land value using the market value of land having regard to Development Plan policies and material considerations. However, research published by RICS found that the 'market value' approach is not being applied correctly and "if market value is based on comparable evidence without proper adjustment to reflect policy compliant planning obligations, this introduces a circularity, which encourages developers to overpay for site and try to recover some or all of this overpayment via reductions in planning obligations" (RICS 2015 p26). Thus, a market value approach will generally not be accepted by the Mayor.'

- 5.52 The above quoted paragraphs are useful as they clearly indicate that the Mayor prefers the EUV+ approach and the benchmark land value should not be determined by how much was paid for the land.

Conclusion – affordability of shared ownership

- 5.53 The Council has provided sufficient evidence that the shared ownership tenure is not affordable in the Borough due to high property prices, the wages needed to afford the monthly costs (mortgage payments, rent on unowned equity and service charges) and the sizeable deposits needed to secure them. Intermediate housing is required by the Borough to be affordable to households with incomes between £30,000 and £40,000 and evidence has been put forward by the Council to demonstrate that shared ownership properties in the Borough are not affordable for these income groups. Therefore, the appeal proposal is contrary to Local Plan policy H4, which aims to maximise the supply of affordable homes in the Borough and provide an appropriate mix of affordable housing types to meet the needs of households unable to access market housing.

Harm to the Streetscene, Canal Setting, Character and Appearance of Wider Area and Conservation Area (Reason for Refusal 6)

- 5.54 Reason for refusal 6 states, as per the updated version of the Council's Statement of Case which includes the Camden Local Plan 2017 policies (**in bold and underlined**):

*'The proposed development, by virtue of its height, mass, scale and detailed design, would be detrimental to the streetscene, canalside setting and the character and appearance of the wider area while failing to either preserve or enhance the character and appearance of the Regent's Canal Conservation Area, contrary to **policies G1 (Delivery and location of growth), D1 (Design) and D2 (Heritage) of the Camden Local Plan 2017.***

- 5.55 I have read the proofs of Sarah Freeman and Frances Madders, who have provided detailed evidence regarding the appeal proposal's impact on the streetscene, canalside setting and character and appearance of the wider area and the Regent's Canal Conservation Area. I agree with Sarah's conclusions that the height, scale, mass and detailed design of the appeal proposal fails to respond to local character and to preserve the character and appearance of the Regents Canal Conservation Area. I also agree with Frances' conclusions that the detailed design of the appeal proposal reinforces the appearance of excessive bulk and overbearing scale and fails to develop a clear architectural concept, language and architectural expression. Furthermore, I agree with Frances' conclusions regarding the failure of the scheme to create an active frontage.

Inadequate Cycle Parking Layout and Type (Reason for Refusal 8)

- 5.56 Reason for refusal 8 states, as per the updated version of the Council's Statement of Case which includes the Camden Local Plan 2017 policies (**in bold and underlined**):

'The proposed development, by reason of the type of cycle parking and its layout and location, would discourage the ownership and use

*of cycles as a sustainable form of transport, contrary to **policies T1 (Prioritising walking, cycling and public transport), T3 (Transport Infrastructure) of the Camden Local Plan 2017.***

- 5.57 The reason for refusal alleges that the appeal proposal does not sufficiently promote cycling in the Borough and ensure accessible, secure and convenient cycle parking facilities to prioritise this sustainable form of transport.
- 5.58 Policy T1 of the Local Plan promotes sustainable transport by prioritising walking, cycling and public transport. To promote cycling the Council seeks accessible, convenient and secure cycle parking facilities and high quality facilities such as changing rooms, showers, dryers and lockers. Users of a development should be encouraged to use cycles to travel to and from a site.
- 5.59 Camden Planning Guidance (CPG) 7 – Transport provides guidance for cycling facilities in section 9, including the design and layout of cycle parking. It states that *‘Cycle parking needs to be accessible (in that everyone that uses a bike can easily store and remove a bike from the cycle parking) and secure (in that both wheels and the frame can easily be locked to the stand).’* The general guidance states that cycle parking should be step free and that parking for residents should be within the building. The use of either ‘Camden’ or Sheffield stands are recommended for off-street cycle parking, as they meet the Council’s requirements in terms of safety and security (provided they are laid out correctly). Within the guidance it is stated that *‘designs that require cycles be lifted into place or provide insufficient opportunity to lock the cycle will not be acceptable.’*
- 5.60 London Plan policy 6.9 states that developments should *‘provide secure, integrated, convenient and accessible cycle parking facilities’.*

Vertical hanging stands

- 5.61 The appeal proposal includes 13 semi-vertical (hanging) stands in one of the Block ‘A’ bike stores and 44 semi-vertical stands in the tunnel bike store (the Fleet Trunk Sewer in the south-eastern part of the site, located under Gray’s Inn Bridge). Semi-vertical stands are not supported by the Council and are

contrary to CPG7 – Transport, which states that cycle parking needs to be used by everyone and users should be able to lock both wheels and the frame easily to the stand. Hanging stands are not accessible to all users. They usually require the lifting of the cycle so that the one of the wheels (ordinarily the front) can be locked. This is not suitable for those with mobility issues (e.g. upper body (arm/shoulder) injuries or disabilities) or those with heavier cycles (e.g. Pashley bikes) who lack the strength to lift their bike into place. In addition, certain types of bikes do not fit in semi-vertical stands. This includes folding/fold up bikes such as Brompton Bicycles. Cyclists of all abilities and cycle types should be able to use the cycle storage facilities and semi-vertical stands are a major barrier to this. Therefore, semi-vertical stands are not sufficiently accessible.

- 5.62 Pashley bikes are a very popular and common brand of cycles. The lightest model is a Poppy, which weights approximately 17kg. Cycles with this much weight are very difficult to lift for people with average strength and the use of semi-vertical stands is extremely challenging.
- 5.63 CPG7 states that both wheels and the frame should be easily locked to the stand. This is not the case with vertical handing stands, which is why Camden prefers either 'Camden' or Sheffield stands as the dimensions of them allow this to be done simply. Therefore, semi-vertical stands are not secure.
- 5.64 The semi-vertical stands comprise 57 out of the 75 residential cycle parking stands. This represents 76% of the total quantum, which is the vast majority. It is noted that the remainder of the cycle parking spaces are 'Josta' Two-tier stands and that there is no provision for 'Camden' or Sheffield stands in accordance with Camden's guidance. While Josta stands are considered to meet Camden's guidance, they are usually provided in combination with 'Camden'/Sheffield stands as a compromise (Josta stands take up less space so more cycle parking can be created) to provide a choice for cyclists. Josta stands are on a two-tier system, with stands on a lower and upper level. The upper tier requires users to pull down the ramp, lock their bike onto the stand and then push the ramp back into place. While not objectionable in their own right, the provision is not balanced with providing more accessible 'Camden'/Sheffield stands and the only available alternative is the

inaccessible semi-vertical storage. Based on there being 18 Josta stands, 9 bikes would need to be stored on the upper tier requiring a degree of lifting.

Accessibility of affordable housing cycle parking

5.65 Cycle storage for the affordable housing tenants in Block A would be provided within an internal ground floor area. 18 spaces are included. The cycle storage would be cramped for room, with the constraints making it difficult to manoeuvre cycles in and out, particularly when the door serving the storage areas is open (the door is inward opening, further reducing the space within the storage area and creating an obstacle). The storage area would be located immediately adjacent to an outward opening door (to the communal stair core serving the building), that would restrict access to those entering and leaving the cycle storage area and lead to conflicts between users of the cycle store and those entering the adjacent door. The adjacent communal door serves 8 residential units above so would be frequently used. Furthermore, users of the affordable cycle storage would be required to take their cycle through four doors and navigate a right-angled turn in a narrow internal corridor to reach the internal cycle store. This is not reasonable or practical. An image below (Figure 4) highlights the number of doors and the nature of the corridor that would need to be navigated:

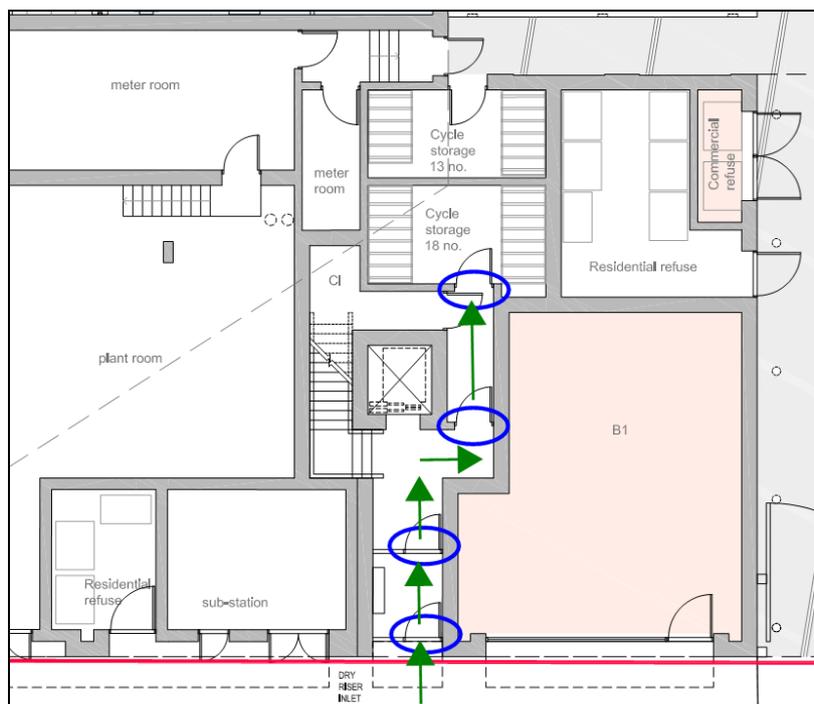


Figure 4 (above): Number of doors and corridor navigation to reach the

affordable cycle store from the affordable entrance.

- 5.66 Based on the above, the affordable cycle storage would not provide accessible and convenient cycle parking facilities. Prospective occupiers of the development would not be encouraged to use cycles to travel to and from the site.
- 5.67 Cycle parking for the market units is provided through 13 spaces on the ground floor. This storage is accessed from the rear courtyard. The cycle storage is similarly cramped for room, especially when the inward opening door is open, and lies adjacent to an outward opening door.

Accessibility of cycle parking in below-ground tunnel

- 5.68 The majority of the residential cycle storage (44 spaces or 58.7%) would be provided within a below-ground tunnel at the corner of the site. Access to these spaces would require manoeuvring a cycle through the undercroft, around the courtyard, along a narrow path between the building and the canal (which includes piers to narrow this passage even further) and down a flight of stairs. CPG7 states that all cycle parking from street level should be step free. The stairs would act as an obstacle making it difficult for residents to use the facility which would discourage its use. Furthermore, CPG7 states that cycle parking for residents should be within the building. The spaces within the tunnel are proposed for residents in Block B and C. The residential entrances to Block B and C are located approximately 43.5m and 49.2m away respectively. Due to the distance of the cycle parking from the residential units, the stairs between the canal edge and the tunnel, and the semi-vertical stands, these spaces do not sufficiently promote cycling and ensure accessible, secure and convenient cycle parking facilities to prioritise this sustainable form of transport.

Conclusion – Reason for Refusal 8

- 5.69 The above paragraphs demonstrate that the cycle parking is neither accessible, convenient nor secure and would discourage cycle ownership and use. The majority of the stands (57 out of 75) are semi-vertical, which require bikes to be lifted to be locked and it is possible to lock both wheels and the

frame will most types of locks. The cycle storage for the affordable units is within a cramped space that is difficult to access through multiple doors around a tight internal corridor with sharp corners. Furthermore, the majority of the residential cycle stands (44 out of 75) are within a below-ground tunnel, accessed at the bottom of stairs a large distance from the residential entrances. These factors, both individually and collectively, would result in the cycle parking not being accessible, convenient or secure. The appeal proposal would discourage the ownership and use of cycles, contrary to policy T1 of the Local Plan which seeks to promote sustainable transport by prioritising cycling along with walking and public transport.

Harm to the Residential Amenities of 118-142 Royal College Street (Reason for Refusal 9)

- 5.70 Reason for refusal 9 states, as per the updated version of the Council's Statement of Case which includes the Camden Local Plan 2017 policies (**in bold and underlined**):

*'The proposed development, due to its height, massing, positioning of windows and balconies/terraces and proximity and relationship with the western boundary, would result in a material loss of outlook, privacy and daylight as well as having an overbearing impact and an increased sense of enclosure on the occupiers at 54 Georgiana Street and 118-142 Royal College Street, contrary to **policies G1 (Delivery and location of growth) and A1 (Managing the impact of development) of the Camden Local Plan 2017.***

- 5.71 The reason for refusal alleges that a material level of harm would result to the living conditions of neighbouring occupiers, particularly those at 54 Georgiana Street and 118-142 Royal College Street. The significant level of harm would be to outlook, privacy and daylight as well as overbearing impacts and an increased sense of enclosure.

Loss of outlook/overbearing/sense of enclosure

- 5.72 The existing building includes a two-storey element that runs along the western boundary shared with the rear gardens of 54 Georgiana Street and the rear of the properties at 118-134 Royal College Street. A photograph from

the rear garden of 126 Royal College Street below (Figure 5) shows the oppressive nature of the existing structure and its impact on the rear garden space. More photographs of the building along the western boundary are included in Appendix 1.



Figure 5 (above): Image of two storey appeal building from rear garden of 126 Royal College Street.

5.73 According to the 'Courtyard North West Elevation and Section as Existing' view on drawing no. PL03 Rev P2, which was submitted as part of the original application, the existing building on-site measures up to 5.05m above the garden/ground level of the properties to the rear (at 118-134 Royal College Street) and to a maximum height of 6.08m above the ground level within the site. Any increase to this height would be unacceptable, as it would further impact on the outlook and amenity of the adjacent occupiers.

5.74 The proposed building would run along the western boundary of the appeal site, from the Georgiana Street frontage up to 132 Royal College Street. There would be a small break in the building line to accommodate the rear garden of the wheelchair accessible unit (A001); however, a boundary wall would conceal this area and a two-storey building lies behind it. The proposed building along the boundary would have a height of three storeys (11.42m) adjacent to the blank gable at 54 Georgiana Street before stepping down to a part two storey part single storey element with a raised parapet to conceal

upper level terraces and roof lights behind it. The 'South West facing Elevation' on drawing no. PL14 Rev P3 shows the building would be between 6.95-7.92m high. This elevation is taken from the rear gardens of the adjacent Royal College Street properties. The proposed building along the boundary would materially increase the height of the existing structure by up to 2.87m. This significant increase to the built form along the boundary would result in a material loss of outlook and impact by way of overbearing and increased sense of enclosure to the occupiers at 54 Georgiana Street and 118-132 Royal College Street. This is due to the material increase in height located immediately on the boundary of those properties, with the increase of building form imposing on the adjacent properties rear gardens and lower level windows.

- 5.75 The proposed building fronting Georgiana Street (Block A) would be constructed against the blank gable of 54 Georgiana Street at a height of three storeys before stepping up to five storeys. Adjacent to the proposed three storey blank elevation are residential properties at 118-120 Royal College Street. No. 118 lies within close proximity to the new building and has rear windows at first and second floor level, which serve bedrooms. These windows would be directly impacted by the proposed three storey gable wall, which steps up to five storeys. According to the 'Georgiana Street Elevation' on drawing no. PL12 Rev P3 the second floor rear habitable windows of no. 118 would have a setback of only 7.64m from the three storey element. This would result in a loss of outlook and create a material sense of enclosure for the occupiers of the upper floor unit.

Loss of privacy

- 5.76 The appeal proposal includes first floor private terraces located near the western boundary, which would overlook the adjoining properties at 54 Georgiana Street and 122-136 Royal College Street. These terraces serve units A102, C103 and C104. It is noted that screening could be included to reduce overlooking; however, the introduction of further built form on the boundary would result in further amenity impacts by way of loss of outlook and an overbearing impact. Even with the introduction of screening, overlooking would be possible into the upper level windows of the above mentioned properties. The terrace at A102 lies adjacent to the rear garden

and elevation of no. 54 and within 11.2m of the rear elevation at no. 122 (which it directly faces); the shared roof garden serving the affordable housing block (Block A) is within 14.3m of the opposite rear elevation at no. 124; the terrace at C103 is within 11.8m of the rear elevations at nos. 128 and 130 and the terrace at C104 is within 11.81m of the rear elevations at nos. 130 and 132. Furthermore, these terraces are extremely large (A102 = 12.39sqm; communal terrace = 95.74sqm; C103 = 62.5sqm and C104 = 30.42sqm) leading to a significant amount of activity and opportunities for overlooking and noise and general disturbance impacts to occur.

5.77 The southwest elevation of the five-storey block (Block C) includes windows serving habitable rooms that would face the rear elevations and gardens of the properties at 1118-134 Royal College Street. This includes windows on floors 2-4 serving living rooms and bedrooms. Overall, there would be 15 habitable windows on this elevation on the second to fourth floors. Four windows would also be located at first floor, behind the first floor terraces. The windows would be between 14.19m away from the rear elevation of no. 132 and 15.26m away from the rear elevation of nos. 128 and 130. Overall, 19 windows would be introduced over floors 1-4 serving 12 rooms and 8 units (C103, C104, C203, C204, C303, S304, C403 and C404). The adjacent windows and gardens are currently not significantly overlooked by the existing building, which serves a commercial use. It is considered that due to the location, proximity and volume of residential use proposed that the development would introduce a material level of overlooking and result in a significant loss of privacy for the adjacent occupiers at 128-132 Royal College Street. The number of residential units, habitable windows and terraces would create both a perception of overlooking and materially increase opportunities for overlooking well beyond the existing situation.

5.78 Paragraph 7.4 of CPG6 (Amenity) requires a minimum distance of 18m between the windows of habitable rooms of different units that directly face each other. This guidance is regularly infringed throughout the appeal proposal.

Loss of daylight

5.79 The Daylight and Sunlight Report submitted by the Appellant indicates that 13

windows on Royal College Street would fail to achieve a Vertical Sky Component (VSC) of at least 27% or 0.8 times the existing (as required by Building Research Establishment's (BRE) 'Site Layout Planning for Daylight and Sunlight: A Good Practice Guide'). These windows are summarised below:

- W13 and W14: These windows are on the ground floor of a residential unit at 128 Royal College Street. The transgressions are reductions of 26% and 27.1% respectively. The resulting VSC values would be 17.9 and 18.6.
- W9: First floor level window at 122 Royal College Street. This window serves a kitchen and the reduction of the existing VSC level by 24% would result in a material loss of light to the habitable room. Furthermore, the ADF is only 1.7, which is below the minimum recommendation of 2 within the BRE for kitchens.
- W10: First floor level window at 124 Royal College Street. This window serves a rear facing single aspect kitchen (as per no. 122) and would have a reduction of the existing VSC by 25.3%. Furthermore, the ADF is only 1.2, which is below the minimum recommendation within the BRE for kitchens (2). Living rooms require a minimum ADF of 1.5, so if the room were to be converted to this use in the future it would still fail.
- W11: First floor window at 126 Royal College Street. The use is unknown but presumed to be a habitable room. The resulting VSC would be a reduction of 26.9%.
- W15: First floor window at 130 Royal College Street serving a single aspect habitable room. The reduction in VSC is 27.4%. The ADF is 1.3, which is below the minimum requirements for a kitchen (2) and living room (1.5).
- W16: First floor window at 134 Royal College Street serving a single aspect habitable room. The reduction of VSC is 23.2% and the resulting VSC is only 17.2. The ADF value is only 0.9, which is

below the minimum requirements for kitchens (2), living rooms (1.5) and bedrooms (1).

- W17 and W36: These windows serve single aspect bedrooms on the first and second floor within 118 Royal College Street. W17 (first floor) would have a reduction in VSC of 31.9% and a resulting VSC of 14.1. The ADF of 0.8 is below the minimum requirements for a bedroom. W36 (second floors) would have a reduction of 31.9% and a resulting VSC of 19.8. These bedrooms would also have a significant loss of outlook as outlined in paragraph 5.75 above.
- W19: Second floor window serving a kitchen at 120 Royal College Street. The window would experience a reduction of 25.3% in VSC.
- W21: Second floor window serving a kitchen at 122 Royal College Street. The window would experience a reduction of 26.4% in VSC.
- W34 and W35: These windows serve a first floor level rear projection that leads onto an informal terrace of 136 Royal College Street. Both windows would have reductions of over 20% in VSC.

5.80 As stated in the paragraph above, 5 of the rooms assessed would fail to achieve the minimum Average Daylight Factor (ADF) levels (as set by BRE). It is noted that ADF analysis is predominantly used to assess proposed units of a scheme, not existing ones. This is because the exact layout of the room is needed for an accurate assessment. The submitted ADF values have relied on assumptions from the Appellant, so cannot be verified. The 5 rooms that fail in terms of ADF all have windows that fail VSC.

5.81 All of the windows that fail VSC guidance serve habitable rooms and are, in most cases, the sole source of light and outlook for the rooms they serve.

5.82 No Sky Line (NSL), as per BRE guidance, is the area at desk level inside a room that will have a direct view of the sky. The NSL figure can be reduced

by up to 20% before the daylight loss is noticeable. The NSL results within Appendix C of the Appellant's Daylight and Sunlight Report, do not provide a full table of results showing the reduction in NSL. For the majority of the rooms assessed, it shows the existing and proposed NSL as being less than 80%. It is therefore not possible to assess the reduction in NSL for a number of the rooms, which is of significance for the properties at 118-138 Royal College Street as a number fail other daylight tests (VSC and ADF). Therefore, a full and thorough analysis has not been undertaken and daylight impacts cannot be properly assessed.

- 5.83 In addition to the above matters, 54 Georgiana Street has not been surveyed. No justification for its exclusion has been given.
- 5.84 Based on the above, I consider the appeal proposal would result in a material loss of daylight to occupiers of nos. 118-130 and 134-136 Royal College Street and when this harm is combined with the significant loss of outlook to those units, the appeal proposal would lead to an unacceptably detrimental impact on their living conditions.

Conclusion – Reason for Refusal 9

- 5.85 The above demonstrates that the appeal proposal would lead to a materially harmful impact on neighbouring occupiers by way of overbearing, increased sense of enclosure and loss of outlook, privacy and daylight. This would be caused through the height, massing and location of the appeal proposal as well as the positioning, proximity and relationship of the proposed windows and balconies/terraces to the western boundary of the appeal site (shared with properties at 118-142 Royal College Street). Therefore, the appeal proposal is contrary to Local Plan Policy A1, which seeks to ensure the amenity of communities, occupiers and neighbours is protected. This includes their visual privacy, outlook, sunlight, daylight, overshadowing, artificial lighting levels (light pollution), noise and vibration, odour and fumes.

6.0 RESPONSE TO APPELLANT'S GROUNDS OF APPEAL

6.1 Notwithstanding the comments already made in the paragraphs above in relation to the reasons for refusal, a response has been made below to the Appellant's grounds of appeal. The grounds of appeal are made within the 'Statement of Case' dated December 2016. The document addresses each reason for refusal, to which the Council has made a response within the following paragraphs.

The Council address these grounds of appeal as set out below:

General comments

- 6.2 Paragraph 1.5 of the Appellant's 'Statement of Case' claims that the Council did not determine the planning application in a 'positive and proactive manner' in accordance with the NPPF. The Appellant was made aware before they submitted their planning application that a significant amount of work was needed to develop the proposal. Further pre-application meetings and a Planning Performance Agreement (PPA) were offered by the Council. These requests were made as part of the brief and insufficient pre-application process (including the pre-application letter dated December 2015) and via email on the 1st of February 2016, prior to submission of the application under 2016/1117/P.
- 6.3 NPPF paragraph 188 encourages early engagement in the planning process and good quality pre-application discussions. The Council considers that there was a lack of pre-application discussions and that a longer and more effective process could have led to a significantly improved scheme. The Appellant was encouraged to undertake further pre-application advice, as per paragraph 189 of the NPPF. A number of issues were not resolved during the pre-application stage, as is clear in the formal pre-application letters and early feedback to the appeal proposal shortly after its formal submission. Paragraph 190 of the NPPF states that the more issues that can be resolved at pre-application stage, the greater the benefits.
- 6.4 The choice of whether to enter into a PPA was the Appellant's discretion; however, the Appellant refused to enter into a PPA before they submitted the

planning application. The Council determined early on in the process that the submission required a significant amount of work to get it anywhere near an acceptable scheme. Due to the failure of the Appellant to engage in the pre-application process effectively and their refusal to enter a PPA, the Council was initially unwilling to accept revisions to the scheme to attempt to overcome the overwhelming concerns. The Appellant attempted to enter into a PPA following this feedback; however, a PPA cannot be entered after the submission of an application. This is made clear in the Planning Practice Guidance, which states that they are to be entered prior to the application being submitted. Please refer to the guidance here: <http://planningguidance.communities.gov.uk/blog/guidance/before-submitting-an-application/planning-performance-agreements/>

- 6.5 Despite all of the above, the Council did offer written feedback to the scheme throughout the application and formal revisions were accepted to amend the design of the scheme. The Council worked positively and proactively throughout the determination process with the Appellant. For example, the Appellant initially submitted an Alternative Use Value (AUV) to establish their benchmark viability position. This was deemed inappropriate (as neither AUV position put forward was policy compliant, nor where they an alternative type of development to the proposal – only an alternative quantum) and the Council allowed the Appellant to revise their submission to include an Existing Use Value (EUV). The Mayor’s Affordable Housing and Viability SPG, in paragraph 3.51, makes it clear than any AUV approach must fully reflect policy requirements. It states that:

‘Generally the Mayor will only accept the use of AUV where there is an existing implementable permission for that use. Where there is no existing implementable permission, the approach should only be used if the alternative use would fully comply with development plan policies, and if it can be demonstrated that the alternative use could be implemented on the site in question and there is market demand for that use.’

- 6.6 It is noted that following the refusal of the appeal scheme, the Appellant entered into an extensive pre-application process and a PPA with the Council

to work on a revised scheme that was eventually submitted under 2017/1230/P. Through this process, the scheme has improved dramatically although agreement is yet to be reached (primarily on viability and affordable housing grounds).

- 6.7 The Council considers that it made the decision relating to the appeal proposal in accordance with paragraphs 186 to 207 (decision-taking) of the NPPF) and that the Appellant failed to collaborate sufficiently.

Reason for refusal 1 – Loss of Employment

- 6.8 The Appellant, in paragraph 5.3, states that national policy highlights that the long-term protection of employment sites should be avoided. The London Plan is also mentioned. No details of the specific documents, paragraph numbers or sections is mentioned by the Appellant. Paragraph 22 of the NPPF states that policies should avoid the long-term protection of sites allocated for employment use only *‘where there is no reasonable prospect of a site being used for that purpose’*. In the case of the appeal proposal, a sustained marketing exercise has not been undertaken nor has it been demonstrated that a continued business use is not feasible. In fact, the Appellant’s EUV seems to support that there is a reasonable prospect of the appeal site being used for an employment use, by claiming that the site could be suitably refurbished to provide a competitive yield. As mentioned above, the appeal site is subject to an article 4 direction protecting the conversion of the employment space into residential under permitted development rights. This inclusion within the article 4, which was approved by the Secretary of State, is clear evidence that the appeal site has a reasonable prospect of being used for continued business use. Similarly, it is not considered the appeal site is performing poorly and no market evidence has been submitted by the Appellant to indicate that this is the case.

- 6.9 Paragraph 5.7 of the ‘Statement of Case’ has quoted a sentence from written feedback given by a previous case officer and taken it out of context. The case officer was stating that the principle of the employment space is welcomed (i.e. providing employment space on the site would be supported generally). The actual quantum put forward was not supported and is not in accordance with the pre-application advice, which stated that the existing

floorspace on-site should be maintained or increased. It is clear that during pre-application discussions that the provision of 815m² was generally supported and that 537m² and 515m² were not. Notwithstanding the above, pre-application advice is an officer's opinion and is not a formal decision by the Council or a material consideration in future decisions. Any opinions expressed by the case officer were theirs' alone and the letter has a disclaimer at the bottom to this effect. The formal position of the Council is contained in this proof of evidence, the Council's Statement of Case and the Officer Report and Decision Notice for the refused scheme.

- 6.10 In response to paragraph 5.10, the policy does have some flexibility subject to the policy requirements being adequately addressed. The appeal proposal does not demonstrate that the lower quantum is acceptable and is a reason to justify the dismissal of the appeal proposal.
- 6.11 The Appellant contends in paragraph 5.11 that the floorspace is designed to meet the needs of start-up businesses and SMEs, and that the appeal proposal of 686m² represents the maximum provision possible. The appeal proposal lacks any details of affordable workspace, there is no indication of how the leases would operate nor is there any commitment to marketing the space locally. In addition, the Appellant justifies their insufficient provision due to the need to provide market and affordable housing. It is apparent from with the Council's Statement of Case, this proof of evidence and the proof of evidence from Kyle Gellatly (BPS) that the quality, type, tenure and quantum of affordable housing is inadequate and that there are issues with the market housing and the wider scheme. Therefore, the Appellant has not provided sufficient justification for the quantum of employment space proposed.
- 6.12 Paragraphs 5.13 and 5.14 of the 'Statement of Case' reference out of date documents 'Employment Land Review (2008)' and 'Annual Monitoring Report (2013/2014)'. The 'LB Camden Employment Land Study – Final Report' dated August 2014 by URS (Appendix 5), concludes that:

'From a borough wide perspective, demand and supply (through redevelopment and new development of sites) is found to be broadly in balance, which means the council should consider protecting

employment land. However, in the context of changing business needs, not all sites are fit for purpose for modern occupiers. There is also evidence of strong competition for space from other non-employment uses, in particular housing, which the council must also plan for and accommodate.'

The information quoted by the Appellant is inaccurate, there is no oversupply of office space. More accurate and up to date information is provided in the LB Camden Employment Land Study – Final Report, attached as Appendix 5.

6.13 Furthermore, the information put forward by the Appellant fails to recognise the impact of the prior approval process on converting office into residential. This has led to a significant reduction in office stock and premises available to businesses across the Borough. Attached as Appendix 10 to the Council's Statement of Case, is a document titled 'Office to Residential Permitted Development Rights Impact Study' prepared by TBR's Economic Research Team dated 22 July 2014. The document makes it clear that a significant amount of office space has been lost and has the potential to be lost through the prior approval process, which was introduced by the government in May 2013 and allows the change of use of B1a premises to C3 residential without the need for formal planning permission. The appeal site is subject to an article 4 direction that has removed these permitted development rights. This provides further evidence that the appeal site is of value to the Borough as employment space, as an article 4 was accepted by the Secretary of State.

6.14 Within paragraph 5.15 the Appellant states that the appeal proposal would better meet modern needs of businesses (than the existing premises). Although this may be true against the current situation, this needs to be considered against the fallback position of refurbishing the existing property. As demonstrated within the Appellant's benchmark analysis, it would be possible to refurbish the buildings on-site to better meet the needs of tenants. The Appellant further claims that the site provides 'zero employment opportunities as it is vacant'. The Council contends that this is because the Appellant has vacant possession of the appeal site and is holding it for development. No evidence has been submitted to suggest that there have been any attempts to provide a continued business use. Furthermore, the

appeal site is occupied by live-in guardians, which is a form of an employment opportunity in itself.

- 6.15 The Council strongly opposes 5.16, which claims that the appeal proposal is a high quality scheme.

Reason for refusal 2 – Housing Mix

- 6.16 The Appellant states in paragraph 5.21 that the appeal proposal provides a good mix of units that balances policy requirements against site constraints and viability. No details of the relevant site constraints nor viability considerations have been put forward. The appeal proposal is a new build development on the canal, with good access to transport and local amenities/facilities. Therefore, a policy compliant mix would be desired and there are no known constraints against meeting the policy requirements. The Appellant states that the Council's AMR is showing that development is not being secured in accordance with policy, which is all the more reason for the appeal proposal to address the policy requirements to overcome these concerns. The data quoted is outdated and does not provide sufficient justification for the appeal scheme to not address an appropriate housing mix. The figures also only provide details of large units in the affordable tenures (social and intermediate) and not market provision. The shortfall of larger units in the market tenure is a key area of concern with the proposed mix. It is not known how the appeal proposal performs against these historic figures in terms of the overall housing mix as detailed figures have not been provided by the Appellant.

Reason for refusal 3 – Quality of Residential Accommodation

- 6.17 Paragraph 5.25 incorrectly claims that all apartments will have views of the canal. A number of the units do not have any views at all and others only benefit from oblique views, from their external spaces only. The Appellant also claims the appeal site is constrained, which is not true as it benefits from a canal frontage and a street frontage with relatively low buildings on the adjacent sites, including to the south. Figure 6 (below) shows the units within the second floor with no canal views or restrictions to their view. The below applies to many of the other floors as they share a similar layout.

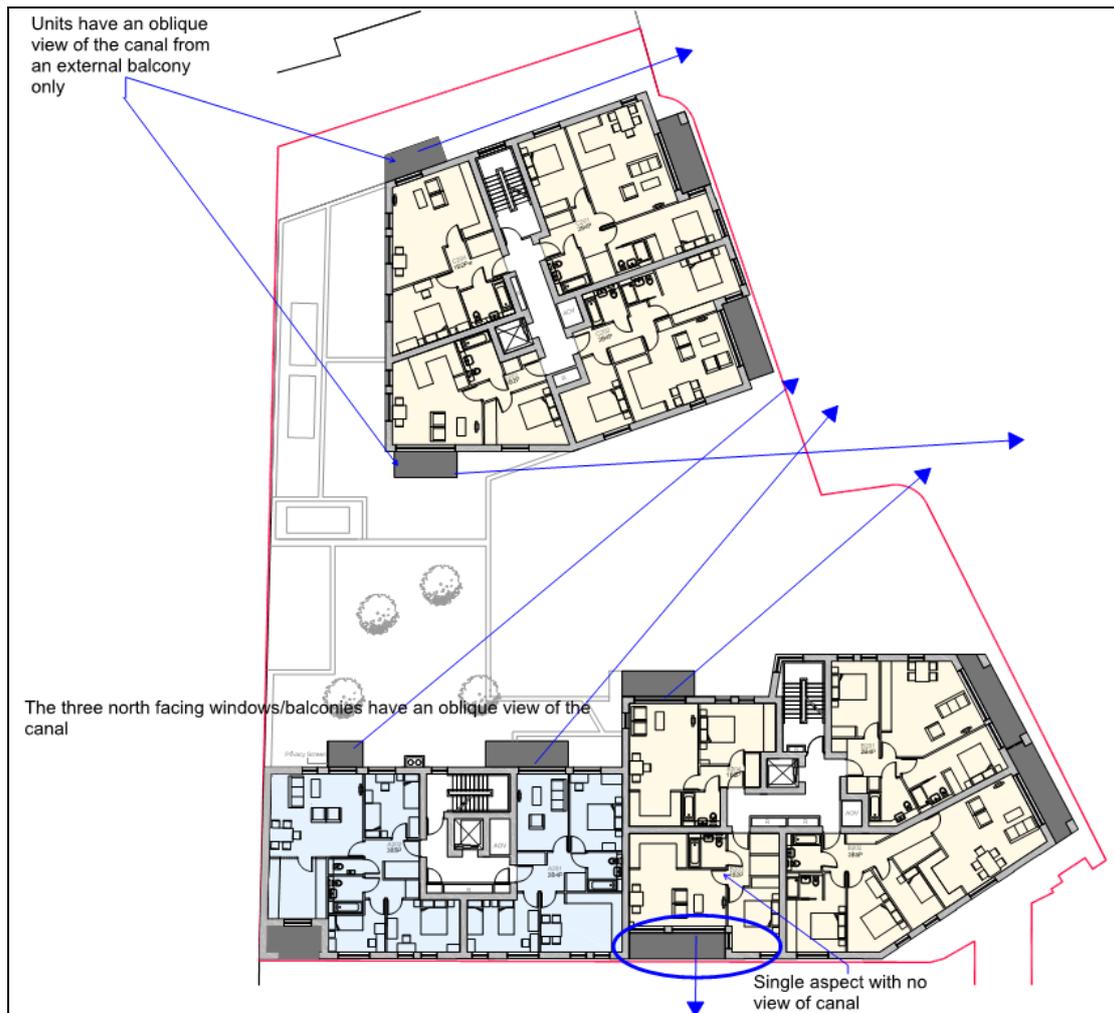


Figure 6 (above): Views of canal from the second floor of the appeal scheme.

6.18 The Appellant, in paragraph 5.27, states that all apartments have private balconies/roof terraces and that the appeal proposal includes on-site shared amenity space. Units C001 and C002 do not have any indicated private amenity space and it is noted that the amenity space within the courtyard is public open space.

Reason for refusal 6 – Height, Mass, Scale and Detailed Design

6.19 The appellant mentions that deep reveals are a benefit to the ground floor of the street frontage; however, no details are submitted to confirm the specific depth of the reveals. The Council is therefore unable to determine whether this design feature is of any quality or merit.

Reason for refusal 7 – Active Frontage to Georgiana Street

- 6.20 The Appellant erroneously states that all parts of the development are designed to be legible and step-free. The cycle parking within the tunnel would be located below a set of stairs in a discrete location. This not only fails to be step-free, it is also not legible as it is hidden in the corner of the appeal site and cannot be read from anywhere within the property.

Reason for refusal 8 – Type and Layout of Cycle Parking

- 6.21 The third cycle parking area as described in paragraph 5.54 is inconvenient in its location and due to it having a flight of stairs and gate. Paragraph 5.56 mentions that four potential options for cycle parking were put forward to the Council. All of these options were unacceptable and made compromises either to the quantum or type of spaces. The Council expects cycle parking to meet the necessary policy requirements in quantum, accessibility, security and convenience. A failure in meeting the policy objectives means a refusal and the Council should not be expected to compromise any of its criteria due to the Appellant's inability to put forward an acceptable option as part of the appeal proposal.

7.0 SECTION 106 PLANNING OBLIGATION

- 7.1 The Council and the Appellant are working together to agree a section 106 legal agreement to address the relevant reasons for refusal (11-14 and 16-17) and to ensure the development is acceptable subject to an approval being upheld by the Inspector. It is hoped these matters can be resolved before the public inquiry to allow an agreed position to be presented to the Inspector.
- 7.2 Evidence has been provided within the Council's Statement of Case to demonstrate that the Heads of Term secured as part of the S106 are justified against relevant planning policy and meet the tests laid out in the Community Infrastructure Levy (CIL) Regulations 2010, in particular Regulation 122(2), which require that for a planning obligation to constitute a reason for granting planning permission it must be (a) necessary to make the development acceptable in planning terms, (b) directly related to the development, and (c) fairly and reasonably related in scale and kind to the development, and the National Planning Policy Framework (particularly paragraphs 203-206).

8.0 PLANNING BALANCE

8.1 I have identified and substantiated that the appeal proposal does not accord with the development plan, including Local Plan policies E1, E2, H7, A1, D1, D2 H4, C5, C6, T1, T3 and G1. My proof deals with the harm arising to the economic activity and employment opportunities in the Borough; the failure to contribute to the creation of mixed and inclusive communities; substandard living accommodation for prospective occupiers; lack of affordability for the shared ownership tenure; discouraging of cycle ownership and use as a sustainable form of transport and the material harm to the living conditions of surrounding occupiers. These matters have been attributed substantial weight.

8.2 My colleagues Sarah Freeman and Frances Madders have identified the harm arising to the Regent's Canal Conservation Area, local streetscape and canalside character from the detailed design of the appeal proposal and its height, scale and massing. I agree with their analysis and give the identified harm "*considerable importance and weight*" in line with the Court of Appeal decision in *Barnwell Manor*.¹ Also, I note conflict with development plan policies identified by Ms Freeman and Madders (such as Camden Local Plan policies D1 and D2). Therefore, I have attributed substantial weight to this harm.

8.3 I have also considered the evidence provided by Kyle Gellatly, from BPS Chartered Surveyors, in respect of the quantum and quality of affordable housing failing to maximise the contribution of the site to the Borough. I concur with his views and have allocated significant weight to the harm outlined in his proof. The quantum of affordable housing as part of the appeal proposal conflicts with development plan policies, including Camden Local Plan policy H4.

8.4 Each of the reasons for refusal are considered to be sufficient to justify the refusal of the appeal proposal in their own right. The appeal proposal does not

¹ *East Northants DC v SSCLG* [2014] EWCA Civ 137; [2015] 1 WLR 45

accord with the development plan (for the reasons addressed within the Council's case) and the other benefits, which are summarised below, when taken together as other material planning considerations do not indicate that planning permission should be granted.

- 8.5 The merits of the appeal proposal are recognised and include that the development would create a number of additional homes, which is a priority of the development plan. It would also lead to the creation of new build office space and the development of a site that is recognised as an opportunity for enhancement.
- 8.6 The appeal scheme would provide 604sqm of employment space to partially re-provide the existing space on-site, 46 residential units and 16 affordable housing units (33% by total floor area). The provision of housing is welcomed in general terms and a positive factor in support of the application. While I have given substantial weight to the provision of 46 new residential units, it is noted that this quantum leads to harmful impacts (including loss of employment space, design and heritage implications and harm to neighbouring residential amenity) and the quality of living accommodation for prospective occupiers in a number of the units is substandard. Additional housing (16 out of the 46 units) available for tenants below market rents/costs is welcomed in principle and a benefit of the scheme; however, the quantum and affordability of the affordable offer has not been maximised. Furthermore, the affordability of the seven shared ownership units is disputed, as they would not be affordable for those within target intermediate tenure incomes. Therefore, limited weight is given to the provision of affordable housing.
- 8.7 The provision of some office space is welcomed in principle and would provide some benefit as part of the appeal proposal. However, the appeal proposal would result in a reduction of employment floorspace and a loss of industrial provision and therefore limited weight would be attributed to it.
- 8.8 Public open space is offered in the form of a courtyard, which is a welcome provision. Despite this, the quality and accessibility of the space and its resulting public benefit is disputed. Appendix B of the Appellant's Daylight and Sunlight Report indicates that the courtyard would be largely overshadowed throughout the day. The shadow diagrams show that the space would be

significantly overshadowed on 21 March between daylight hours 0800-1700h. On 21 June, the majority of the courtyard would be overshadowed between 0800-1300h and 1600-1700h with overshadowing to parts of it evident between 1400-1600h. Overall, the space would be dark and cold throughout the year and given its limited accessibility through a single undercroft, it would not have the appearance of accessible public open space and would largely be used by residents, office workers and visitors to those uses. Therefore, only limited benefit is given to the public open space.

8.9 The allocation of the site clearly envisages a mixed-use redevelopment of the site and anticipates new housing and flexible employment space. In the case of this particular proposal there is no objection to the principle of development but the matters outlined within this proof of evidence and the Council's Statement of Case, along with the height, scale, massing and detailed design of the scheme, would create conflict with other matters of acknowledged planning importance, including the creation of housing.

8.10 On this basis the harm arising from the scheme is substantial. It would impact on public interest and while the merits of the application are recognised, I do not consider the harm to be outweighed by the benefits of the scheme, including bring forth new housing and a portion of affordable housing. As such, I conclude that planning permission should be withheld and I invite the Inspector to dismiss the appeal.

9.0 CONCLUSIONS AND SUMMARY

9.1 In conclusion, I have demonstrated that the appeal proposal fails to accord with the development plan policies identified in the reasons for refusal (as updated), the Site Allocation Document, national policy, and regional and local policy guidance. Each of the reasons for refusal (that have not otherwise been agreed or overcome through the SoCG or the completion of a section 106 legal agreement) are considered to be sufficient to justify the refusal of the appeal proposal in their own right, and together represent an appeal scheme that would not represent sustainable development as defined within paragraph 7 of the NPPF.

9.2 I aim to conclude and summarise my evidence by addressing each reason for refusal that has not otherwise been agreed through the SoCG or S106.

Suitability of continued use of the appeal site for employment use, loss of employment space and the quality and type provided (Reason 1)

9.3 The appeal site is of suitable quality for continued employment use and in a sustainable location for this to be a feasible prospect. It has been recently occupied by EDF Energy and has only been made vacant following the purchasing of the site by the Appellant, who is holding it vacant for development. Insufficient evidence has been put forward that it would not be suitable for continued business use. The site is within close proximity to a number of town centres and business/industrial areas, including Kings Cross, Camden Town and Camley Street and is considered to be high quality employment space, as evidenced by an article 4 Direction protecting its conversion into residential use through the prior approval process. The Appellant has attempted to demonstrate through an existing use valuation that the appeal site is in a fair condition and could be suitably refurbished and used as employment space.

9.4 Given the above the employment space on-site should be retained or increased as part of any redevelopment proposal. The appeal proposal results in a significant reduction in employment floorspace, contrary to Local Plan policy E2 as it seeks to protect sites that are suitable for continued business use.

9.5 Furthermore, the Appellant has not demonstrated that the appeal proposal would adequately support business growth, attract mid-and small-scale organisations, reduce inequality and help achieve the vision and objectives of the Local Plan by providing for the jobs and training opportunities needed to support Camden's growing population. No provision of affordable space has been offered nor has it been demonstrated whether the proposed space would be suitable for start-ups and/or SMEs. Therefore, the appeal proposal is contrary to Local Plan policies E1, which seeks to secure a successful and inclusive economy by creating conditions for economic growth, harnessing benefits for local residents and businesses and a wide variety of employment sectors.

Small proportion of family sized units (Reason 2)

9.6 The appeal scheme would result in a small proportion of family sized units in market and private tenures and be heavily dominated by small homes, including a large proportion of 1-bedroom units which have a low priority according to the Borough's Dwelling Size Priorities Table. The character of the development, site and area is appropriate for larger homes, given its proximity to the canal and local amenities/town centres, and insufficient justification has been put forward as part of the appeal scheme to justify a development heavily balanced in favour of small homes. The appeal proposal is therefore contrary to Local Plan policy H7 by failing to contribute to mixed, inclusive and sustainable communities and the reduction of current mismatches between housing needs and supply.

Quality of residential accommodation (Reason 3)

9.7 A number of the proposed residential units would result in sub-standard living accommodation for prospective occupiers, by way of the quality of the external amenity space, provision of outlook and through overlooking and privacy issues.

9.8 The sub-standard units include ground floor flat C002, which would be overlooked and have a poor level of privacy due to its windows and outdoor space being open to the courtyard and canal at ground level. The two

affordable units on the first floor (A101 and A102) would provide poor quality external amenity space as well as inadequate outlook from the rear facing habitable windows (due to the need for screening to the terraces to prevent mutual overlooking issues). The wheelchair unit (A001) would have poor outlook from both of its aspects. Overlooking and privacy issues would result from a large communal roof garden (at first floor level) and a number of windows and balconies being in close proximity to each other.

- 9.9 The appeal proposal is contrary to Local Plan policies A1 and D1, which seek to ensure that all residential developments are designed to create high quality homes with good natural light, be dual aspect and incorporate outdoor amenity space.

Quantum and quality of affordable housing provision (Reason 5)

- 9.10 Kyle Gellatly, Associate Director of BPS Chartered Surveyors, has considered viability and affordable housing matters and come to the conclusion that the appeal scheme shows a substantial surplus from which further affordable housing contributions could be made. His proof analyses the areas of dispute, including over the Benchmark Land Value. I agree with his conclusions that the overall quantum of affordable housing is inadequate in the context of the scheme.
- 9.11 The Council does not support the shared ownership tenure, as indicated in Local Plan policy and other guidance, and has provided sufficient evidence that it is not affordable in the Borough due to high property prices, the wages needed to afford the monthly costs (mortgage payments, rent on unowned equity and service charges) and sizeable deposits needed to secure them. Intermediate housing is required by the Local Plan to be affordable to households with incomes between £30,000 and £40,000 and evidence has been put forward by the Council to demonstrate that shared ownership properties in the Borough are not affordable for these income groups. Therefore, the incorporation of this tenure does not lead to an appropriate mix of affordable housing types to meet the needs of households unable to access market housing.

- 9.12 The appeal proposal is therefore contrary to Local Plan policy H4, due to the quantum, tenure and quality of affordable housing proposed failing to maximise the scheme's contribution to such housing types in the Borough.

Height, mass, scale and detailed design and impact on streetscene, character and appearance and the Regent's Canal Conservation Area (Reason 6)

- 9.13 My colleagues Sarah Freeman and Frances Madders have addressed this reason for refusal and concluded that the appeal proposal would result in an unacceptably detrimental impact on the streetscene, canalside setting and character and appearance of the wider area and the Regent's Canal Conservation Area.

- 9.14 The proof of Ms Freeman provides an assessment of the significance of the Conservation Area, with a particular focus on Sub Area Two, and the impact of the appeal proposals on its character and appearance. She concludes that the height, scale, mass and detailed design of the appeal proposal fails to respond to local character and to preserve the character and appearance of the Regents Canal Conservation Area.

- 9.15 The proof of Ms Madders focuses on the detailed design of the appeal proposal, and concludes that this reinforces the appearance of excessive bulk and overbearing scale. She concludes that the detailed design fails to develop a clear architectural concept, language and architectural expression.

- 9.16 I concur with the analysis of my colleagues and agree that the appeal proposal conflicts Local Plan policies D1 and D2.

Type, layout and location of cycle parking (Reason 8)

- 9.17 The appeal proposal provides cycle parking that is neither accessible, convenient nor secure and would discourage cycle ownership and use. The majority of the stands (57 out of 75) are semi-vertical, which require lifting (inconvenient and inaccessible) and it is not possible to lock them by both wheels and the frame (insecure). The cycle storage for the affordable units is within a cramped space that is difficult to access through multiple doors around a tight internal corridor with sharp corners (inconvenient and

inaccessible). The majority of the residential cycle storage (44 out of 75) are within a below-ground tunnel, accessed at the bottom of stairs a large distance from the residential entrances (inconvenient and inaccessible).

- 9.18 The above factors, both individually and collectively, result in inaccessible, inconvenient and insecure cycle parking. Therefore, the appeal proposal is contrary to policy T1 of the Local Plan which seeks to promote sustainable transport by prioritising cycling along with walking and public transport.

Outlook, privacy, daylight and overbearing impacts for existing residents at 54 Georgiana Street and Royal College Street (Reason 9)

- 9.19 The appeal proposal would lead to a materially harmful impact on neighbouring occupiers by way of overbearing, increased sense of enclosure and loss of outlook, privacy and daylight. This would be caused through the height, massing and location of the appeal proposal as well as the positioning, proximity and relationship of the proposed windows and balconies/terraces to the western boundary of the appeal site (shared with properties at 118-142 Royal College Street). Therefore, the appeal proposal is contrary to Local Plan Policy A1, which seeks to ensure the amenity of communities, occupiers and neighbours is protected. This includes their visual privacy, outlook, sunlight, daylight, overshadowing, artificial lighting levels (light pollution), noise and vibration, odour and fumes.

Planning balance and conclusion

- 9.20 The merits of the appeal proposal are recognised and include that the development would create a number of additional homes, which is a priority of the development plan. It would also lead to the creation of new build office space and the development of a site that is recognised as an opportunity for enhancement. However, the benefits of the scheme would not outweigh the harm caused through the loss of employment space and quality provided; standard of living accommodation for prospective occupiers; failure to maximise affordable housing; inappropriate design proposals; impact to the surrounding area and conservation area; living conditions of neighbouring occupiers and provision of inadequate cycle parking.

- 9.21 Paragraph 14 of the NPPF concerns the presumption in favour of sustainable development and the benefits of the scheme have been weighed against the economic, social and environmental dimensions as specified in paragraph 7 of the NPPF. The appeal proposal does not accord with the development plan (for the reasons addressed within the Council's case) and there are no other material planning considerations (i.e. planning benefits) that indicate that planning permission should be granted, as required under Section 38(6) of the Planning and Compulsory Purchase Act (PCPA) 2004.
- 9.3 For the reasons set out above and in the Council's evidence taken as a whole, the Inspector is respectfully invited to dismiss this appeal.

10.0 LIST OF APPENDICES

Appendix 1 - Photographs from habitable rooms and gardens of 118-134 Royal College Street

Appendix 2 – CGIs of revised scheme under 2017/1230/P

Appendix 3 – Affordability Schedule for Tapestry Kings Cross

Appendix 4 - Camden Equality Taskforce - Final report dated May 2013

Appendix 5 - LB Camden Employment Land Study – Final Report' dated August 2014 by URS

Appendix 1 - Photographs from habitable rooms and gardens of 118-134 Royal College Street



Above (Photo 1): View from upper floor rear window at 134 Royal College Street



Above (Photo 2) and below (Photo 3): Images of two storey appeal building from rear garden of 126 Royal College Street.



Above (Photo 4) and below (Photo 5): View from upper floor rear window at 124 Royal College Street



Above (Photo 6): View from upper floor rear window at 128 Royal College Street



Above (Photo 7): View from upper ground floor rear window at 134 Royal College Street

Appendix 2 – CGIs of revised scheme under 2017/1230/P

The below images are taken from the revised application under 2017/1230/P. They are included for reference and are not a material consideration for this appeal, as they do not form part of the appeal proposal. The full documents can be viewed here: <http://camdocs.camden.gov.uk/HPRMWebDrawer/PlanRec?q=recContainer:2017/1230/P>



Above (Image 1): Photomontage of 2017/1230/P scheme, looking south from the towpath



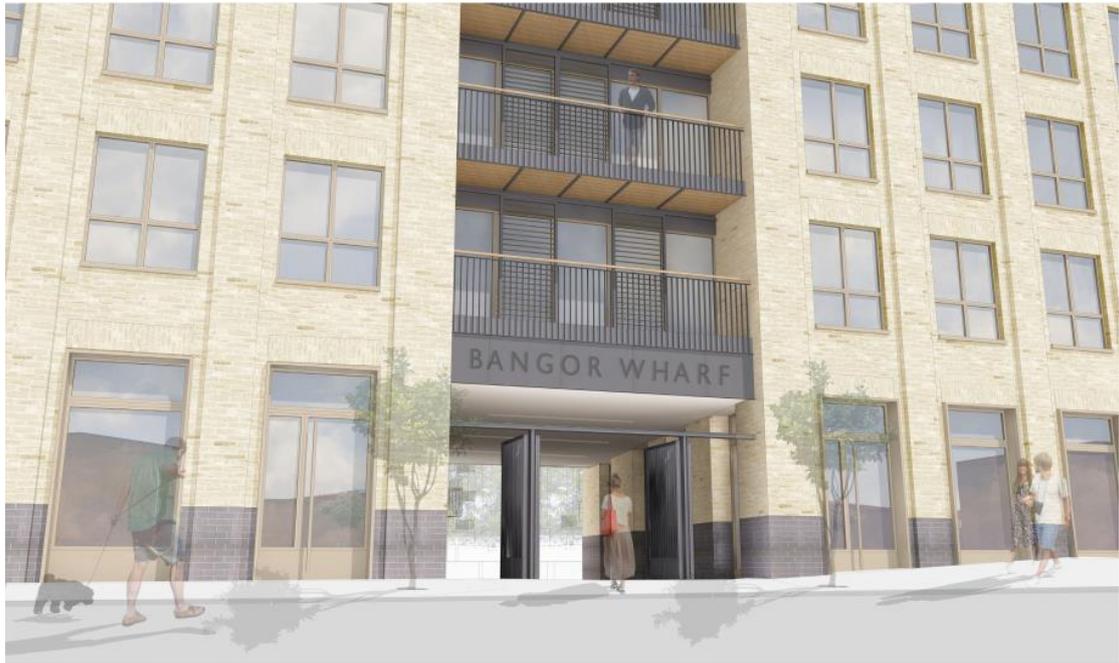
Above (Image 2): Photomontage of 2017/1230/P scheme, looking from St Pancras Way



Above (Image 3): Photomontage of 2017/1230/P scheme, looking from Grays Inn Bridge



Above (Image 4): Photomontage of 2017/1230/P scheme, view of courtyard from Reachview Close (opposite side of canal)



Above (Image 5): Photomontage of 2017/1230/P scheme, view of main entrance on Georgiana Street



Above (Image 6): Photomontage of 2017/1230/P scheme, looking east up Georgiana Street from the corner with Royal College Street



Above (Image 7): Photomontage of 2017/1230/P scheme, looking west along Georgiana Street from the corner with St Pancras Way

Ap# No	Postal No.	Unit Type	No. Bedroom	Level	As built apn schedule 6-5-16 M/Hide	As built apn schedule 6-5-16 M/Hide	Price	Min. Share (%)	Min. Share (£)	Min. Deposit %	Min. Deposit £	Mortg. Required	Est. Mortgage ¹⁾ Repayment	Est. Rent (Unowned Equity) based on 2%	Est. Service Charge (£)	Total Est. Amount PPM (£)	Min Income Based on 40% Savings Approach	Total Est. Savings Required	
AT 8	1 Tapestry Apartments	AT-A05	2	2	94.8	1020	£910,000	25%	£227,500	15%	£34,125	£193,375	£830	£1,138	£457	£2,425	£93,260	£37,125	
AT 9	2 Tapestry Apartments	AT-A06	2	2	88.8	956	£890,000	25%	£222,500	15%	£33,375	£189,125	£812	£1,113	£434	£2,359	£90,712	£36,375	
AT 17	3 Tapestry Apartments	AT-A05	2	3	94.8	1020	£910,000	25%	£227,500	15%	£34,125	£193,375	£830	£1,138	£457	£2,425	£93,260	£37,125	
AT 18	4 Tapestry Apartments	AT-A06	2	3	88.8	956	£890,000	25%	£222,500	15%	£33,375	£189,125	£812	£1,113	£434	£2,359	£90,712	£36,375	
AT 30	5 Tapestry Apartments	AT-A10	1	4	60.6	652	£610,000	25%	£152,500	15%	£22,875	£129,625	£557	£763	£302	£1,621	£62,348	£25,875	
AT 31	6 Tapestry Apartments	AT-A11	2	4	89.2	960	£905,000	25%	£226,250	15%	£33,938	£192,313	£826	£1,131	£436	£2,393	£92,036	£36,938	
AT 43	7 Tapestry Apartments	AT-A10	1	5	60.6	652	£610,000	25%	£152,500	15%	£22,875	£129,625	£557	£763	£302	£1,621	£62,348	£25,875	
AT 44	8 Tapestry Apartments	AT-A11	2	5	89.2	960	£905,000	25%	£226,250	15%	£33,938	£192,313	£826	£1,131	£436	£2,393	£92,036	£36,938	
AT 55	9 Tapestry Apartments	AT-A12	1	6	45.7	492	£530,000	25%	£132,500	15%	£19,875	£112,625	£484	£663	£231	£1,377	£52,964	£22,875	
AT 56	10 Tapestry Apartments	AT-A13	1	6	51.7	556	£560,000	25%	£140,000	15%	£21,000	£119,000	£511	£700	£260	£1,471	£56,574	£24,000	
AT 57	11 Tapestry Apartments	AT-A14	1	6	59	635	£610,000	25%	£152,500	15%	£22,875	£129,625	£557	£763	£294	£1,613	£62,040	£25,875	
AT 58	12 Tapestry Apartments	AT-A15	1	6	63.3	681	£640,000	25%	£160,000	15%	£24,000	£136,000	£584	£800	£314	£1,698	£65,304	£27,000	
Key Variables																			
Rent Per Annum (%)				2.50%	1) A subsidised rent is payable on the unowned equity at 2.0% per annum. Rent will be reviewed annually.														
Est. Mortgage IR (%)				2.05%	ii) Estimated mortgage payments based on a 2.05% rate on a 25 year repayment basis. Actual interest rate payable will vary depending on the "type" of mortgage and the level of "deposit" available. For further information please liaise with the recommended F&A.														
Mortgage Term (Yrs)				25	iii) Mortgage costs are based on 85% (LTV) capital and interest "repayment" mortgage and the term of the mortgage is assumed to be 25 years.														
Minimum Income				50%	Minimum income based on the principle that you can should spend no more than 50% of your net income to pay the mortgage, rent and service charge														
Income Tax Rate				22%	Above minimum income assume an average income tax rate of 22%														
Maximum Share				40%	vi) Although the minimum share available to purchase is 40% applicants are required to buy the maximum share they can afford, and not exceeding 75%.														
Min. Savings				75%	vii) Although the initial maximum share available to purchase is 75% applicants can purchase an additional share at a later date to increase their ownership to 100%. Certain Conditions apply, please enquire with Sales														
Stamp Duty				TBC	viii) Minimum savings includes deposit for mortgage purposes and extra £3,000 to cover legal fees, mortgage arrangement, survey and brokerage fees.														
Est. Service Charge				as shown	ix) Please note that the service charge quoted is only an estimate and may vary, final service charge figures will be provided to buyers and their solicitors as part of the purchase process.														

Appendix 3 – Affordability Schedule for Tapestry Kings Cross

Appendix 4 - Camden Equality Taskforce - Final report dated May 2013

Camden Equality Taskforce - Final report



Aims and approach of the Taskforce

Equality Taskforce members

The Camden Equality Taskforce was set up in July 2012. The Taskforce is an independent body and appointed an external Chair, Naomi Eisenstadt, to lead its work. The Camden Equality Taskforce produced an interim report in December 2012. This report set out the four key aims of the Taskforce:

- ▶ Explore structural and systemic reasons for inequality in Camden;
- ▶ Consider the future role of the Council and its partners in tackling inequality through the design, delivery and funding of local public services;
- ▶ Recommend solutions to the identified issues, providing insight to inform the Council's future role in tackling inequality; and
- ▶ Make a strong contribution to national debates on tackling inequality and the role of local public services.

Naomi Eisenstadt CB (Chair)	Senior Research Fellow, University of Oxford
Cllr Sarah Hayward	Leader, Camden Council (Labour)
Cllr Sally Gimson	Equality Champion, Camden Council (Labour)
Cllr Georgia Gould	Young People's Champion, Camden Council (Labour)
Cllr Lorraine Revah	Older People's Champion, Camden Council (Labour)
Cllr Keith Moffitt	Camden Council (Liberal Democrat)
Cllr Gillian Rizzo-Gill	Camden Council (Liberal Democrat)
Cllr Andrew Mennear	Camden Council (Conservative)
Dr Jessica Allen	Deputy Director, Institute of Health Equity, University College London
Alison Garnham	Chief Executive, Child Poverty Action Group
Paul Johnson	Director, Institute for Fiscal Studies
Donna Liburd	Centre Director, Kingsgate Community Centre
Deborah Lincoln	Senior Vice President, Corporate Communications and Public Affairs, International, Warner Brothers Entertainment
Dr Caroline Sayer	Camden GP and Chair, Camden Clinical Commissioning Board

Camden Equality Taskforce – Final report

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3. Recommendations	8



Section 1:

Chair foreword



Naomi Eisenstadt, CB
Chair, Camden Equality Taskforce

I was delighted to be asked to chair the Camden Equality Taskforce and have learned a tremendous amount working with Camden colleagues.

Although we have examined some challenging problems, chairing the Taskforce has been a positive experience. The strong leadership shown by the Leader of the Council in taking forward this work, together with the cross-party support and buy-in of local partners, has enabled us to achieve a real consensus on the issues and the ways in which to tackle them. It has been challenging to decide the issues that we would not concentrate on as well as those that we would establish as key priorities, ensuring that we could come up with a small number of recommendations that really could make a difference.

The unique ability of the Taskforce to bring together a diverse set of partners, including representatives from across political parties, has allowed the exploration of inequality in Camden in a way which would not be possible for an individual organisation to do on their own.

The leadership and collaboration must continue as the Council and its partners take forward the recommendations in this report. The process which the Taskforce have gone through with the Council and local partners, as well as a whole host of national experts, will be as valuable as the recommendations themselves in changing the way in which inequality is tackled in the borough.

The level of change taking place in local government and the wider public sector is huge. In my time spent in Camden I have seen how the impact of national policy changes and local savings programmes will affect a wide range of people.

What the Taskforce have demonstrated is that action at a local level can make a difference. Developing an evidence-led, long-term and partnership approach to tackling inequality is fundamental to making this happen.

The Taskforce adopted a life cycle approach, looking at barriers to equality at all stages of life while acknowledging the interrelationship between the different areas such as health, education and employment, which can affect an individual's opportunities.

The six recommendations which the Taskforce have made aim to tackle the inequality that exists in Camden today, addressing the structural and systemic issues which contribute to the entrenched social problems that Camden and many other communities face.

By addressing these issues with a focus on prevention across each stage of life and increasing social mobility by building the capabilities of Camden residents I believe real and lasting progress can be achieved, as well as mitigating the impact of recent policy and funding changes.

I would like to thank all those who have contributed to the Taskforce and I wish Camden all the best for the future in taking forward the recommendations set out in this report.

Leader foreword



Cllr Sarah Hayward
Leader, Camden Council

Positive news is difficult to come by these days. Decline, reduction, withdrawal or defeat has gradually come to frame most national debates. Services are too expensive. It's too difficult to make employment flexible enough to fit round families and it's fine for housing to continue to rapidly increase in cost while more and more families suffer the consequences of overcrowding.

It would be easy for local authorities, already the most efficient part of the public sector, to concentrate on managed decline while government suffers an austerity of ambition. But I believe the value of local government lies in the fact that we are in the heart of communities and accountable to them in a way no other part of the public sector, or government, is. And therefore we will not sit back and let people struggle.

Since 2010, government reforms have changed local government for at least a generation. We have increased burdens with a lot less money. But government also intends less democratic accountability in areas like education.

The level of change is unprecedented as is the scale of the financial challenge. In Camden we want to meet this challenge head on. We have taken a root and branch look at what we control, how we can influence our partners and where we can lobby for change using our data and our experience of delivering for one of the most unequal boroughs in the country.

Local councils have a unique position of power and responsibility. We can get the right people around the table to make a difference in a way that no other organisation can. Businesses can meet head teachers to create apprenticeship schemes. Health and housing providers can work together to tackle long term issues. This is the thinking behind the flagship recommendation from the Taskforce; to create a 'no wrong door borough'.

Working together, organisations that operate in our borough can have a greater positive impact on the lives of residents. Nothing radical there, but by publically challenging ourselves and our partners to improve services, we raise the standard for local government.

The Equality Taskforce has involved key partners – from all sectors – ensuring we can robustly challenge ourselves and others to deliver better services and make intelligent interventions where needed. Make no mistake: this ground breaking work has been conducted at a time of tumultuous change. £83 million has been cut from our budget. We have a massive programme for change to deliver but the margin for error has never been so slim.

The Taskforce has agreed six recommendations which are detailed in this report. This is a call to action that will affect the lives of all Camden residents, council tenant or home owner, family or single, young person starting out or long standing professional.

The hard work starts now. We must consider the report and act on its recommendations with all our partners. Where we can influence the national debate and call for change we will, but again our partners must use their voice too.

The conversations we have had over the last year have been fascinating and I would like to thank all members of the Taskforce, and especially Naomi, for their effort and ideas.

We have the evidence, we have the ideas, we have the will to make this work for Camden and we hope you join us to deliver real change that tackles inequality.

Section 2:

Local government's role in tackling inequality

The Taskforce is clear that income and wealth are unarguably central factors in an individual's life chances and experiences of inequality. Large scale structural factors influence income inequality both through the tax and benefit system but also in the operation of an increasingly global capital and labour market.

While local public services have limited influence over income distribution within a place, they do have the power to influence inequality viewed through a broader lens. The Taskforce has therefore adopted a definition of inequality that covers a range of areas of life and groups, such as those with disabilities or older people, and not just the distribution of income and wealth. The Taskforce has explored the evidence through a 'triple lens' examining issues of inequality using four key life stages, seven domains of life and the nine protected characteristics as set out in the Equality Act 2010. This framework is outlined in Annex A which can be found at camden.gov.uk/equalitytaskforce

At the sharp end of this global economic system, the point of delivery for many people and the services they rely on is local government. This position is unique, as are the responsibilities. No other organisation has as wide a remit or is expected to touch upon people's lives in so many ways. The tough choices that have been made in town halls up and down the country will be judged in a way no other organisation in our community faces: by public vote.

Camden is a diverse borough. And an unequal borough. The average house price is over £600,000, while the waiting list for social housing in the borough is nearly 26,000. Unemployment is 4.9% despite over 300,000 jobs being located in the borough. The Taskforce was set up to consider the factors affecting inequality in Camden in July 2012, in a period when £83 million has been cut from the Council's budget and put serious pressure on service delivery.

The levers that the Council can pull make progress and change possible. But without a strong joined-up evidence-based approach to managing budgets, building relationships and making interventions, local authorities can become passive in the face of change, self-focused and protective.

The challenge from the Taskforce to Camden Council and its partners in all sectors is to use the evidence to build on the existing good work in the borough.

The Taskforce has pursued its work from evidence that illustrates that high quality public services, such as an excellent school or an accessible and effective children's centre, can have a transformative impact on an individual's life chances despite stark differentials in income within a place such as Camden.

Through its evidence and engagement with the community and local partners, the Taskforce has identified a key strategic role for the Council in tackling inequality which plays out in the following ways:

Power of leadership

During the work of the Taskforce the positive impact of the Council in harnessing local resources and influencing a broad range of organisations has been evident.

It is unlikely that any other local organisation could have brought together the range of expertise that sits on the Taskforce or enabled engagement with local partners as diverse as local business, residents, councillors, voluntary sector and public sector bodies.

But this leadership must not be at the expense of real collaboration with residents and the wider community. The proximity of the Council and more importantly councillors to residents has the potential to build relationships and partnerships ensuring potential solutions are relevant to people's lives.

Power of services

Councils deliver a phenomenal range of services. From social work to schools, planning to public health, libraries to leisure centres, the services which the Council delivers or has an influence over are wide and reach into nearly every part of a person's life.

This role provides the Council with a unique opportunity to engage, support and work with residents in ways which have a positive impact on their lives. This interaction will of course vary depending on the person, yet for some, and often this is the most vulnerable people, this can represent a significant involvement in their lives.

The Taskforce believes that through public services the Council and its partners can tackle inequality in the way people are treated, the opportunities that are available to them, but also in terms of the capabilities they possess in order to take advantage of these opportunities. This is discussed further in Annex B of this report which can be found at camden.gov.uk/equalitytaskforce

Power of an investor

The Taskforce believes that the Council must maximise its investments wherever it can, ensuring the impact of its recruitment practices and purchasing power is felt in as many ways and for as many people as possible. And it must use its power of leadership to encourage other local public sector bodies, voluntary sector and business to maximise the value they can get from their investment in Camden.

The Taskforce hopes that the recommendations set out in this report will help realise the full impact of this investment in improving the lives of Camden's residents.

The Taskforce has made six recommendations to the Council, local partners and government to address the issues of inequality it has identified:

- 1. Ensure the right housing for Camden's diverse communities**
- 2. Increase participation in work, education and training for 14-19 year olds from low attaining groups**
- 3. Work with all employers to increase job opportunities for mothers**
- 4. The Council and partners should use their buying power and role as employers to tackle inequality**
- 5. Test new ways of financing and delivering services which help make every Camden pound count**
- 6. Camden should become a 'no wrong door' borough**

Section 3:

Recommendations

The Taskforce's interim report set out the evidence in relation to inequality in Camden, including what residents and partners had told the Taskforce were the real issues affecting people's lives in the borough. The Taskforce has focused on the underlying factors that lead to inequality, and agreed on three key priorities which represented critical factors in determining outcomes for residents and their life chances:

- ▶ Suitable and affordable housing;
- ▶ Educational attainment;
- ▶ Employment.

The recommendations presented in this report are sometimes focused on groups that the Taskforce felt were facing particular issues of inequality and existing activity was not necessarily addressing this need. However the Taskforce acknowledges that there are a range of groups, for example those with disabilities, who face particular challenges that the Council and its partners must continue to address. The Taskforce has highlighted in Annex C existing activity currently taking place in Camden to meet the needs of these other groups and the evidence which underpins the focus for the recommendations in this report. Annex C can be found at camden.gov.uk/equalitytaskforce

Issues directly related to health inequality have not been adopted as a focus for the Taskforce. However the Taskforce recognises the interrelatedness of the priority areas, as many elements of these have a causal relationship with health inequality and health partners have been involved in the work of the Taskforce. Good health is more likely if people have decent homes, gain qualifications and are in satisfying jobs.

However the vast changes in the health system, as a result of the introduction of the Health and Social Care Act, has meant that there has been considerable turbulence with a range of new health bodies being formed. Therefore any solutions developed by the Taskforce could have quickly become obsolete.

In addition the significant work on health inequality being taken forward by the Camden Health and Wellbeing Board is acknowledged.

The Taskforce's recommendations will in some cases lead to better health outcomes, and moreover the recommendations focused on cross-cutting and systemic issues, such as prevention, will be particularly relevant for health services in the borough. Further information on the work of the Camden Health and Wellbeing Board can be found at: camden.gov.uk/health

A set of cross-cutting and systemic issues were also explored. These issues relate to the way in which the Council and other local organisations work to provide services, and the key principles which guide this provision. They cut across the priority areas, exploring wider issues. The three key issues the Taskforce explored further were:

- ▶ The way in which the Council uses its 'investment cycle' to improve outcomes and maximise investment;
- ▶ A focus on prevention in the design, delivery and funding of local public services; and
- ▶ How services can build the capacity and capabilities of residents to help achieve better outcomes, particularly the potential creation of networks between people from all walks of life.

Additional information on these cross-cutting issues is provided in Annex C as detailed above.

The Taskforce's recommendations concentrate on action to be taken forward by the Council, local partners and government. In developing recommendations the Taskforce was guided by the need to add value and identify achievable actions.



CAMDENLOCK



The average house price in Camden is £625,249, 19 times the median annual household income in Camden



A family of four would need a household income of £70k to live in the private rented sector in Camden

Ensure the right housing for Camden's diverse communities

The Taskforce's work has identified that the Council is committed to delivering a high standard of social housing and increasing the supply where possible, for example through the Community Investment Programme¹. But the demand for housing in Camden is very high and without the opportunity to build thousands more houses in the borough there are limits to what can be achieved.

Although Camden has one of the highest proportions of social housing in London, just over a third of all housing², there is still a large proportion of the population with significant housing need. Individuals and families on low and middle incomes who are very unlikely to be eligible for social housing and cannot afford the high prices in the private market are likely to be most affected. The average house price in Camden is £625,249, 19 times the median annual household income in Camden³.

Maintaining the social mix of Camden is an explicit aim of the Council – and the Taskforce supports this, as it builds community cohesion and enhances individual life chances. Increasing the supply of intermediate types of housing⁴,

which could include solutions such as shared ownership and housing at lower rents, would support individuals and families on low to middle incomes who are important to the social mix of the borough.

The failure of the housing market in London to meet the needs of Camden's residents does mean issues such as overcrowding are more common. The number of overcrowded households on the housing register in Camden is over 4,500⁵ and has increased significantly since 2010. The impact of overcrowding on individuals' well-being is well documented and can lead to poorer outcomes in relation to health, educational attainment and employment.

The Taskforce's work has also identified the need to better understand the choices that residents make in relation to housing in the borough. It is often assumed that people make choices based on their economic circumstances. However there is evidence that people's decisions can be influenced by aspirations and strong social and cultural factors as well as the way in which the Council delivers its services⁶.



The Taskforce's work has identified that the Council is committed to delivering a high standard of social housing

Camden has one of the highest proportions of social housing in London



1

Ensure the right housing for Camden's diverse communities

Local partners should

- **Work with other London boroughs to find new affordable housing solutions for Camden residents.**
- **Work with public sector partners and registered housing providers to explore the opportunity for the development of homes at lower rents on public sector land.**

Government should

- **Take steps to develop a London living rent.**
- **Take steps to ensure newly developed homes do not stand empty.**
- **Support affordable house building through,**
for example:
 - ▶ Increasing the level of grant for affordable housing schemes.
 - ▶ Relaxing borrowing rules for local authorities investing in new homes.
 - ▶ Recalibrate the planning system to achieve meaningful regional targets for the provision of social and intermediate housing.

Camden Council should

- **Develop the intermediate housing sector in Camden**

For example:

- ▶ Explore options for developing homes for those on low and middle incomes via the Community Investment Programme.
- ▶ Consider a new policy in terms of the development of social and intermediate housing in the new Local Development Framework.

The Taskforce is clear that a new focus on housing to meet the needs of people on low and middle incomes, the intermediate sector, must not be to the detriment of social housing in the borough which supports Camden's most vulnerable residents.

- **Address overcrowding and its effects in Camden**

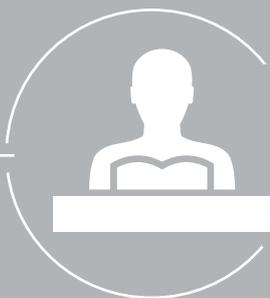
For example:

- ▶ The Council and partners should find ways to make better use of public sector assets in order to support those in overcrowded accommodation.
- ▶ Use the development of the Council's private rented sector strategy to tackle overcrowding and criminal landlords.

- **Increase understanding of housing choices made by residents**

For example:

- ▶ Commission a research project exploring housing behaviour across residents' life stages and types of tenure.



Attainment at GCSE of low attaining groups has been improving steadily

Increase participation in work, education and training for 14-19 year olds from low attaining groups

The Taskforce has seen how much Camden has to be proud of in terms of the attainment and achievement of schools, children and young people in the borough. Primary schools in Camden top national league tables in terms of their quality and all secondary schools are now either good or outstanding. The attainment of low-achieving groups has been improving steadily in recent years. For example results for Bangladeshi children in Camden schools are in line with the national average despite high levels of deprivation.

The Taskforce recognises the work done by the Education Commission and the subsequent Camden Partnership for Educational Excellence (CPEE) in helping the Council, schools and partners negotiate a changing education landscape whilst retaining a clear focus on school improvement and strengthening attainment.

However attainment is a priority for the Taskforce because the data shows that there are persistent attainment gaps for some groups of children attending Camden schools (such as White British children eligible for free school meals, Black African children and looked after children) at all stages. These differences in attainment highlight the complex

interaction of social and economic factors with education provision in the borough.

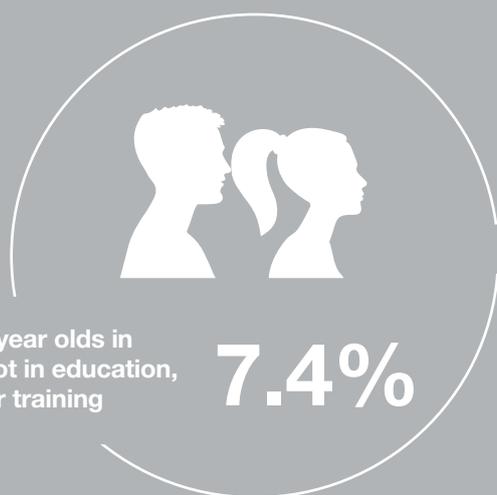
The data also shows that 7.4% of 16-19 year olds in Camden in March 2013 are not in education, employment or training (NEET)⁷. This group is mostly made up of Year 14 (18-19 year olds).

The Camden plan contains an objective to increase the number of young people in employment, education and training and the Council is doing a range of work to tackle this problem. For example it continues to provide a Connexions service for NEETs, an apprenticeships campaign led by Camden's Business Board as well as conducting a recent scrutiny review exploring 16-19 provision. The Council is also developing a 14-19 strategy and the CPEE has adopted this issue as a priority.

A Council Scrutiny Panel recently looked specifically at the provision of 16-19 education in Camden. The Taskforce fully supports the recommendations, including the creation of pre-apprenticeships and traineeships, of that body and recommends that the Council implements them to complement the work of the Taskforce.



Persistent attainment gaps remain for some groups of children



2

Increase participation in work, education and training for 14-19 year olds from low attaining groups

The Council should

- Explore actions to build employability and entrepreneurship skills and particularly at a younger age range

For example:

- ▶ Promote opportunities for staff to mentor and provide work experience for young people from lower attaining groups.
- ▶ Collate, share and build on good practice in careers education and entrepreneurial activity in primary schools including the Careers Week format used at Netley/Torriano Junior School and Dreamcatchers project used by School Improvement Service.
- ▶ Better promote the current one day a week vocational offer to schools and pupils, particularly those with low take-up.
- Promote the exchange of good practice between schools in the borough in relation to the use of the Pupil Premium.
- Work with schools and other education providers to ensure a continued focus on Maths and English regardless of the pathway followed.

Local partners should

- Work together to improve the pathways and options for NEET young people making sure that they are tailored and focus on the changing needs of employers and build upon young people's prior learning, aspirations and opportunities

For example:

- ▶ Businesses, schools, FE providers and the Council develop a youth 'record of achievement' for Camden residents which recognises skills and experience outside of traditional academic areas.
- ▶ Businesses, local FE providers and the Council develop a curriculum for young entrepreneurs which promotes the skills needed for enterprise.
- ▶ Employers to work with schools to raise awareness of employment opportunities.
- ▶ Develop a 'Camden Challenge' where businesses set a problem and work with primary and secondary school children to solve it together.

Government should

- Ensure the Maths and English curriculum is fit for 21st century, focused on needs of employers and emerging job markets.
- Promote closer working between schools and the FE sector to provide integrated vocational and technical pathways, including through the design of the education and adult learning funding systems.
- Ensure the proposals for a gold standard Technical Baccalaureate announced in April 2013 fully meet the need for alternative options to get young people into education, employment and training.

45%



Amongst women aged 25-44 unemployment has increased by 45% since 2005 and for women aged 45-59 the figure is 61%

Job growth is forecast for the borough of between 18,000 – 21,000 jobs between 2012-22



Work with all employers to increase job opportunities for mothers

The Taskforce believes that one of the key structural issues driving inequality for families is the low rates of maternal employment in London. As the Taskforce's interim report has highlighted unemployment for women in Camden has risen considerably since 2005 - for those aged 25-44 and 45-59 this has increased by 45% and 61% respectively.

Rates of child poverty in London are considerably higher than the national average with 37% (592,000) of children living in poor households, and the risk of child poverty is closely linked to the household employment characteristics. In Camden 35.3%, or around 13,300, of children and young people live in poverty⁸.

The 2008 London Child Poverty Commission's analysis of the causes of London's exceptional levels of child poverty suggests the low levels of maternal employment is driven by two main factors: the lack of supply of quality, part-time and flexible jobs in London⁹ and London's exceptionally high childcare costs, imposing a significant barrier to work.

Camden has demonstrated a strong commitment to early years provision, including providing an integrated

children's centre offer including employment services, universal 25 hour childcare in maintained settings for 3 and 4 year olds and commissioning borough wide play provision and drop-in services.

However there are limits to what the Council can do to increase the supply of childcare, especially within the context of current public spending constraints. The Government is proposing a change to the way in which local authorities can use the Direct Schools Grant (DSG), limiting Councils' flexibility to invest in early years services. If implemented, this restriction would have a significant impact on Camden's high quality early years service and could put current services at threat.

By focusing on maternal employment and childcare, especially for those groups such as Bangladeshi and Somali women with particularly low rates of employment, the Taskforce has prioritised an issue which drives inequality for families but also impacts on the transition into early adulthood and working life, supporting school readiness and the pathway from the reception year at primary school to a vocational or academic qualification.



In Camden a third or around 13,000 children and young people live in poverty

The proportion of economically active women working part-time in Camden (9.9%) is lower than London (15%) and England and Wales (21.2%)



3

Work with all employers to increase job opportunities for mothers

Local partners should

- Work with the Council to develop a community 'signposters' pilot which would involve local people, businesses and public sector employees providing advice and assistance for parents in accessing employment.

Government should

- Increase supply-side funding of childcare in the long-term, quality of provision in the short-term, and design Universal Credit to support maternal employment. The Council should lead a campaign on these issues.

The Council should

- Develop a targeted package of employment support to mothers, especially for those groups such as Bangladeshi and Somali women with particularly low rates of employment, combining advice on childcare, training, volunteering, and employment options.
- Use its economic growth fund to deliver an employment project focused on maternal employment.

Unemployment for people from ethnic minorities is high in the borough, with BME groups making up 42% of JSA claimants but only 29% of the working age population



The Council and partners should use their buying power and role as employers to tackle inequality

The Council, the NHS and other public agencies play a major role in the Camden economy. Tens of thousands of people in Camden are employed in the local public sector with the expenditure of the Council and other local agencies at billions of pounds a year. If this indirect economic influence was harnessed with the aim of reducing inequality, complementing direct investment, the impact could be considerable.

On its own, the Council employs 4,257¹⁰ people and spends over £878 million¹¹ on goods and services. But working alongside other agencies to support economic growth, the Council has a significant opportunity to influence local employers in the private sector and to lead those public sector organisations which see the benefits of utilising their economic power to achieve improved social outcomes.

Organisations in the public sector can do this in a number of ways, for example by acting as an exemplar of good practice in terms of flexible job opportunities, by asking contractors to show how they will deliver additional social value through contracts and in particular how they can support access to employment for disadvantaged groups or by using relationships with the private sector to make the business case for flexible working in terms of retention, productivity and employee engagement.

By stimulating a wider change in employment practices, the Council can help to increase the opportunities for disadvantaged groups to move into work that fits around possible childcare commitments. This complements activity on the supply-side of the labour market, with training and qualification interventions aimed at giving residents the skills and confidence they need to take advantage of those opportunities.



Council employs over 4,000 people and spends nearly £900 million on goods and services

£900 million

4

The Council and partners should use their buying power and role as employers to tackle inequality

The Council should

- Explore ways to ensure the Council's procurement and recruitment powers are fully exploited

For example:

- ▶ The adoption of a 'part-time pledge' ensuring opportunities for parents to find work on a flexible basis are provided whenever possible.
- ▶ Amending the Council's Workforce Standards to require contractors to offer a range of flexible employment options and to demonstrate that they have a training offer suitable to support progression opportunities for Camden residents.
- ▶ Develop a social return on investment methodology, ensuring appropriate weighting of social value considerations within procurement exercises.
- ▶ Development of guidance for commissioners that requires them to demonstrate whether they have considered community benefit clauses that support local employment.

Local partners should

- Sign up to the Council's 'part-time pledge'.
- Work with the Council to develop a way to match jobs in Camden with the flexible supply of labour associated with priority groups such as lone parents, mothers and specific BME groups.

Government should

- Ensure its procurement and recruitment powers are fully exploited to tackle issues of inequality.

New finance models are important



Test new ways of financing and delivering services which help make every Camden pound count

This recommendation relates to the way in which services for the public good in Camden are invested in and delivered.

The Taskforce has been given examples of a wide range of services, delivered by the Council, voluntary sector, business and other public bodies, which can help tackle inequality. With the current state of the public finances the Taskforce believes that this plurality of provision, drawing on all of the great resources, assets and innovation in Camden is essential.

As the Taskforce has shown the Council and its public sector partners are still significant investors in Camden. However the pressures on this investment will only grow and ways of collaborating and bringing in new forms of investment will be important over the coming years.

The Taskforce therefore believes that the Council should work with its partners to discover and test new ways of investing and delivering services for the public good which work for Camden.

Need to draw on all of the great resources, assets and innovation in Camden is essential



Make every Camden pound count



5

Test new ways of financing and delivering services which help make every Camden pound count

Local partners should

- Join and align budgets on a greater scale and with a wider range of partners.
- Adopt an approach to involving residents in identifying outcomes and designing services which is meaningful, inclusive and embedded across Camden's public services.

Government should

- Increase the opportunity for local community budgets with devolved central government funding streams.
- Support the development of an approach to public services which builds capabilities and resilience through changes to the way it designs, funds and evaluates all public services.

The Council should

- Explore new community finance models, for example a possible Camden Impact Bond, which would draw on local investment to tackle inequality.
- Explore opportunities to create and support new models of social enterprises, cooperative and mutual forms of service delivery where appropriate.
- Explore options for residents to deliver public services.



A person always gets the right service

Camden should become a ‘no wrong door’ borough

The theme of prevention has been raised by a range of people as the Taskforce’s work has progressed. Preventative activity was identified as essential for averting vulnerable residents from sliding into crisis across the life cycle and to reducing costs associated with dealing with individuals at the most expensive point of their service use.

The Council and local partners are already focusing on prevention in a number of ways, for example in adult social care, public health, early help in children’s services and through work to reduce the number of families in the borough with complex needs.

The Taskforce’s emphasis is on the need to focus preventative activity across each stage of life, and not just in early years. This approach can help maximise effective service investment and more importantly improve outcomes for a greater number of people.

The Taskforce’s recommendation focuses on the ‘no wrong door’ concept which aims to ensure that no matter where a person accesses a public service their problem will be identified and assessed and will receive the right response, either directly or through appropriate referral.

To make this a reality it is essential that everyone who delivers a public service in Camden adopts this ethos and embeds the key principles behind this within their organisation. This way of working is already happening in some parts of Camden’s public services but the Taskforce hopes that it will become universal. Even greater collaboration between partners is essential to make this a reality and the recommendation aims to help make this happen.



Preventative activity was identified as essential for averting vulnerable residents from sliding into crisis and to reducing costs associated with dealing with individuals at the most expensive point of their service use



Focus preventative activity across each stage of life, and not just in early years

6

Camden should become a 'no wrong door' borough

The Council should

- Build on existing work to review barriers residents face when accessing services and ensure that when redesigning services the 'no wrong door' ethos is adopted.
- Continue to develop work on data sharing and management across the Council to support an integrated view of need.
- Address the issue of digital exclusion, focusing on those groups and areas where concentration is greatest.
- Support staff to develop the right behaviours for a 'no wrong door' approach.

Local partners should

- Work with the Council to join up and utilise data that is held in order to better identify need and understand inequality in Camden.

For example:

- ▶ Initiate a 'data bridge' pilot to develop a mechanism for a better two way information flow between communities and the Council.
- ▶ Encourage greater collaboration and interaction between staff across all local partners.
- Develop an induction programme for all public sector staff which promotes the 'no wrong door' ethos.

Government should

- Make it easier to share data between the Council and locally based government bodies.
- Commit to breaking down silos across Whitehall, looking to develop a common approach to supporting local areas to better join up services.
- Apply learning from exploring the barriers to working with complex families to new areas of public services.
- Devolve central government funding streams, bringing together budgets from across Whitehall and reinvesting efficiencies in local areas (as outlined in Recommendation 5).

The Taskforce is presenting this report and its recommendations to the Council and its partners for consideration. The Taskforce hopes that they will take forward all of the recommendations and continue to work together to tackle the inequality that persists in Camden.

The Taskforce would like to thank all those who have contributed to the work.



References

1. The Camden Community Investment Programme (CIP) is a 15 year plan to invest money in schools, homes and community facilities. We may sell or redevelop properties that are out of date, expensive to maintain, or underused and difficult to access. This will help us generate funds that are not otherwise available to reinvest into improving other services and facilities.

For more information on the CIP please visit camden.gov.uk/cip
2. Census 2011.
3. Valuation agency 2012.
4. Intermediate housing predominantly currently refers to the following products but could include new products which meet the needs of low and middle income groups.
 - ▶ **Shared ownership** – which allows a purchaser to purchase a percentage of the equity in a property, usually financed by a mortgage loan, and pay a rent and service charge on the remaining equity that is retained by the provider.
 - ▶ **Homes for intermediate rent (IR)** – intermediate rent provides a property on an assured shorthold tenancy at a rent up to 80% of market for working people not in receipt of benefits. New supply of this product is no longer funded by the GLA in the 2011-15 programme.
 - ▶ **Affordable rent (AR) product** – the new product introduced in the 2011-15 National Affordable Housing Programme, where rents are set at up to 80% of market rents.
5. London Borough of Camden January 2013.
6. Ferrari et al (2011), Behavioural change approach to the housing sector.
7. Central London Connexions Data 2013.
8. The most common measure of child poverty used by government is an income measure. This means that a child (0-19years) is defined as poor if his or her household income is below 60% of median national income (around £20k) (Source: HMRC 2010).
9. The proportion of economically active women working part-time (9.9%) is far lower in Camden than London (15.0%) and England and Wales (21.2%) (Source: Census 2011).
10. As of March 2013. This figure includes permanent and fixed term contracts.
11. Camden budget book 2013/14.

The full report and other information can be downloaded from camden.gov.uk/equalitytaskforce

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Appendix 5 - LB Camden Employment Land Study – Final Report’ dated August 2014 by URS



LB Camden Employment Land Study Final Report

Prepared for:
London Borough of Camden

August 2014

UNITED
KINGDOM &
IRELAND



REVISION SCHEDULE					
Rev	Date	Details	Prepared by	Reviewed by	Approved by
1	28 Feb 2014	Working Draft Report	Simon Thurley Consultant Katherine Brommage Consultant Rob Harris, Ramidus Consulting	Gregory Openshaw Project Manager	George Whalley Project Director
2	28 Mar 2014	Draft Report	Simon Thurley Consultant Katherine Brommage Consultant Rob Harris, Ramidus Consulting	Gregory Openshaw Project Manager	George Whalley Project Director
3	6 April 2014	Draft Report with section 8	Gregory Openshaw	George Whalley Project Director	
4	June 2014	Final Draft Report	Rob Harris, Ramidus Consulting Gregory Openshaw	George Whalley Project Director	
5	August 2014	Final Report	Rob Harris, Ramidus Consulting Gregory Openshaw	George Whalley Project Director	

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1 INTRODUCTION

1.1 Context

URS Infrastructure and Environment UK Ltd (URS), with Ramidus Consulting, was commissioned by London Borough of Camden to update their 2008 employment land review.

The Employment Land Study (ELR) assesses the quantity, quality and viability of the borough's employment land. The review forms an integral part of the evidence base needed to update information contained within the adopted Core Strategy (2010-2025) and Development Policies (2010-2025). It advises on the appropriateness of existing Core Strategy policy and Development Policies and makes recommendations on the portfolio of employment land regarding the provision, protection, management and enhancement of employment land and premises required to meet the needs of businesses over the Local Plan period to 2031.

The National Planning Policy Framework (NPPF)¹ outlines the principles that Local Planning Authorities should follow in preparing their evidence base to inform employment land policies. The Greater London Authority's (GLA) Land for Industry and Transport Supplementary Planning Guidance (SPG) provides more London specific directions on provision requirements. The need for Local Planning Authorities to produce an up to date Employment Land Study and the suggested format is outlined in National Planning Practice Guidance (NPPG) published on the 6th March 2014. The methodology applied in this review is in line with NPPF, NPPG and GLA Land for Industry and Transport SPG.

Prospects for Growth

The significant growth of London in recent years is well documented. Population growth in London has accelerated over the past decade and projections indicate that by 2031 the capital's population will exceed 10 million (Census 2011). Consequently, demand for housing and employment, amongst other land uses and services, will increase leading to economic growth.

Economic growth in LB Camden is expected to be much faster than London as a whole. The draft Further Alterations to the London Plan (2014) estimates that by 2036 employment in LB Camden will have grown by 22.4%, almost 5% higher than the London wide rate. This is perhaps unsurprisingly since some of London's most important development proposals, including Crossrail, and growth areas such as King's Cross and Euston Station, are located in LB Camden. Recent confirmation that Google Inc. are to develop their UK Headquarters at King's Cross is testament to the borough's locational advantages and attractiveness to multi-national companies, and indicates the potential for a step change in employment space growth.

The aim of this ELR is to evidence what the potential scale of employment growth could be for B uses in LB Camden and how this growth could be accommodated. The scale of demand will vary over the economic cycle of the Local Plan period and will be intrinsically linked to the delivery and completion of major development projects. It is important therefore that this ELR and planning policy recommendations is focused and encouraging balanced growth over the long term.

¹ NPPF, paragraphs 160 to 161

LB Camden Employment Land Review, 2008

The 2008 Employment Land Review (2008 ELR) was commissioned by LB Camden to assess the future demand for employment land versus supply. The review forms part of the evidence base to the Core Strategy 2010 – 2025 and Development Policies DPD.

The 2008 ELR identified that areas of LB Camden, such as Midtown, had succeeded in attracting a stronger base of diverse corporate occupiers, although there were very few large buildings for single occupiers. Most of the available supply of premises was medium sized and multi-let. It was recognised that the single greatest threat to office supply was the pressure of conversion to residential uses which was occurring on a piecemeal basis even in areas of high value for commercial offices.

The review identified that there was a growing occupier and investor demand for office floorspace, particularly in the central London area. If LB Camden were to meet demand then it would need to provide a continuing supply of small and refurbished space, as well as large new developments such as those proposed at King's Cross and Euston.

With regard to industrial floorspace, the 2008 ELR found that Camden had the lowest stocks of industrial and warehousing space in London, where only Kensington & Chelsea, Westminster and the City of London had less (as at 2008). The 2008 ELR concluded that if more industrial/warehousing was provided in LB Camden then it would be readily taken up at comparatively high rents. Low stocks were considered to be prevalent as a result of constrained supply, rather than lack of demand. The 2008 ELR highlights one major reason for the lack of industrial floorspace: competition from higher value land uses (the most obvious being residential) and lack of industrial stock renewal.

Overall the 2008 ELR concluded that planning for employment in LB Camden will always raise difficult issues due to the prevailing physical and other land use constraints. The review also recognised that, inevitably, housing will have a strong claim, both in terms of market demand and policy targets.

The 2008 ELR's recommendations centred on:

- Continued use of restrictive policies, safeguarding all existing industrial/warehousing land which is still suitable and viable for these uses.
- Creation of opportunities for small-scale industrial development.
- Stock renewal through development and redevelopment growth opportunities in clean industries to serve the expanding central London business market. Such markets included building services, catering, cleaning, courier services, design, hospitality services, IT back-up services, printing and others.
- Monitoring of the implementation of employment policies with regard to the take up and loss of employment land.

LB Camden Core Strategy and Development Planning Policies

The Core Strategy and Development Policies DPD were adopted on the 8th November 2010. The Core Strategy sets out the key elements of LB Camden Council's planning vision and strategy for the period 2010 – 2025. The economic strategy contained within the Core Strategy, and supported by detailed policies contained in the Development Policies DPD, was in part based upon the findings of the 2008 ELR.

With regard to LB Camden's economic strategy, Policy CS8 confirms that the Council will promote the provision of 444,000 sqm of permitted office floorspace at King's Cross

and approximately 70,000 sqm of office provision at Euston. This equates to over 80% of projected employment demand in LB Camden. The Core Strategy promotes further provision in the other growth areas and central London to meet the total forecast demand of 615,000 sqm to 2026.

Policy CS8 states that the Council will support industries by:

- safeguarding existing employment sites and premises in the borough that meet the needs of modern industry and other employers;
- safeguarding the borough's main Industry Area; and
- promoting and protecting the jewellery industry in Hatton Garden.

Policy CS8 also expects the delivery of a mix of employment facilities and types (including the provision of facilities suitable for small and medium sized enterprises) and recognises the importance of other employment generating uses such as retail, leisure and education. Policy CS8 seeks to protect areas of specialist activity such as Museum Street and Hatton Garden. Policy CS9 confirms the Council's intention to allocate sites within central London for appropriate uses, including offices and housing.

The Development Policies DPD sets out detailed planning policies to support the implementation of the Core Strategy. The Development Policies DPD generally encourages a mix of uses within new developments. In particular, contributions towards housing supply is sought in the central London Areas (except Hatton Garden) and the town centres. In these locations up to 50% of all additional floorspace is to be housing (if proposals are over 200 sqm of gross floorspace).

Policy DP13 is particularly relevant to the provision of employment premises and sites. The overall thrust of Policy DP13 is to retain buildings that are suitable for continued business use and resist change to non-business uses. Where changes of use can be justified then Policy DP13 requires some business use to be retained on site; there is a preference for flexible space that it is suitable for a variety of business uses. When it can be demonstrated that a site is not suitable for any business use, other than B1(a) offices, Policy DP13 confirms that the Council may allow a change to permanent residential or community uses. However, in Hatton Garden the Council expects mixed use developments to include light industrial premises, suitable for use as jewellery workshops.

1.2 Scope of the 2014 Employment Land Study and Objectives

The scope of this employment land study focuses on the B use class orders, that is: B1a (Offices), B1b (Research and Development) and B1c (Light Industry); B2 (General Industrial); and B8 (Storage or Distribution). Wider employment users of employment land, such as utilities, land for transport, waste management and retail, are also taken into account as per NPPF and GLA Land for Industry and Transport SPG guidance.

In addition this ELR touches upon the role of industrial (B1c, B2 and B8) uses in supporting the Central Activities Zone (CAZ), and whether some of these functions could be met in other parts of inner London, as well as the potential demand for provision of premises to support the growth of small and medium sized enterprises (SME) such as workspace hubs.

The area of assessment is the whole borough of Camden. Within the borough we have surveyed clusters of employment land identified using the LB Camden Core Strategy Proposals Map, which indicated where designated employment land and growth areas were located, the 2010 GLA Industrial Land Baseline and officer and consultants' knowledge of the borough. The review includes all clusters surveyed as part of the 2008 ELR in addition to a number of clusters comprising non-designated employment land.

The specific objectives of this review as agreed with the LB and in accordance with relevant national and regional guidance are as follows:

- To consider the statutory and strategic policy context for employment provision in the borough, with particular consideration given to how the policy approach can harness the benefits of economic growth, as outlined in the Camden plan;
- To review the supply of employment space in the borough;
- To review monitoring data relating to the loss and/or creation of employment uses;
- To identify current and projected local need for employment space;
- To develop options on how to meet the overall quantitative and qualitative needs for employment space in the borough to 2031 by maintaining existing employment space where appropriate, and securing the delivery of additional employment space where necessary;
- To advise on the appropriateness of our existing Core Strategy policy and Development Policies approach;
- To advise on the extent to which non-office space (B1c, B2 and B8) employment space is needed in LB Camden to support central London functions and the Central Activities Zone, and the extent to which these functions could effectively be supported by premises in other parts of Inner London;
- To gauge the role of SME's within LB Camden and develop options to meet any demand for such space in terms of scale, form and location, and how space can meet the needs of growing businesses;
- To gauge the scale and nature of demand for workspace hubs within the borough; and
- To consider all of the above within the LB Camden context, particularly with regard to the wider strategic objectives of the Council as outlined in the Camden Plan.

1.3 Report Structure

Following this introduction, this report is structured as follows:

Section 2: Details of our approach to the review of employment land.

Section 3: A summary review of national, regional and local policy context.

Section 4: An analysis of socio-economic baseline conditions in LB Camden.

Section 5: Key findings of LB Camden's employment land.

Section 6: Analysis of the employment land market defining the regional and local property markets and any trends in the commercial and industrial property sectors.

Section 7: A projection of employment land demand over the planning period to 2031.

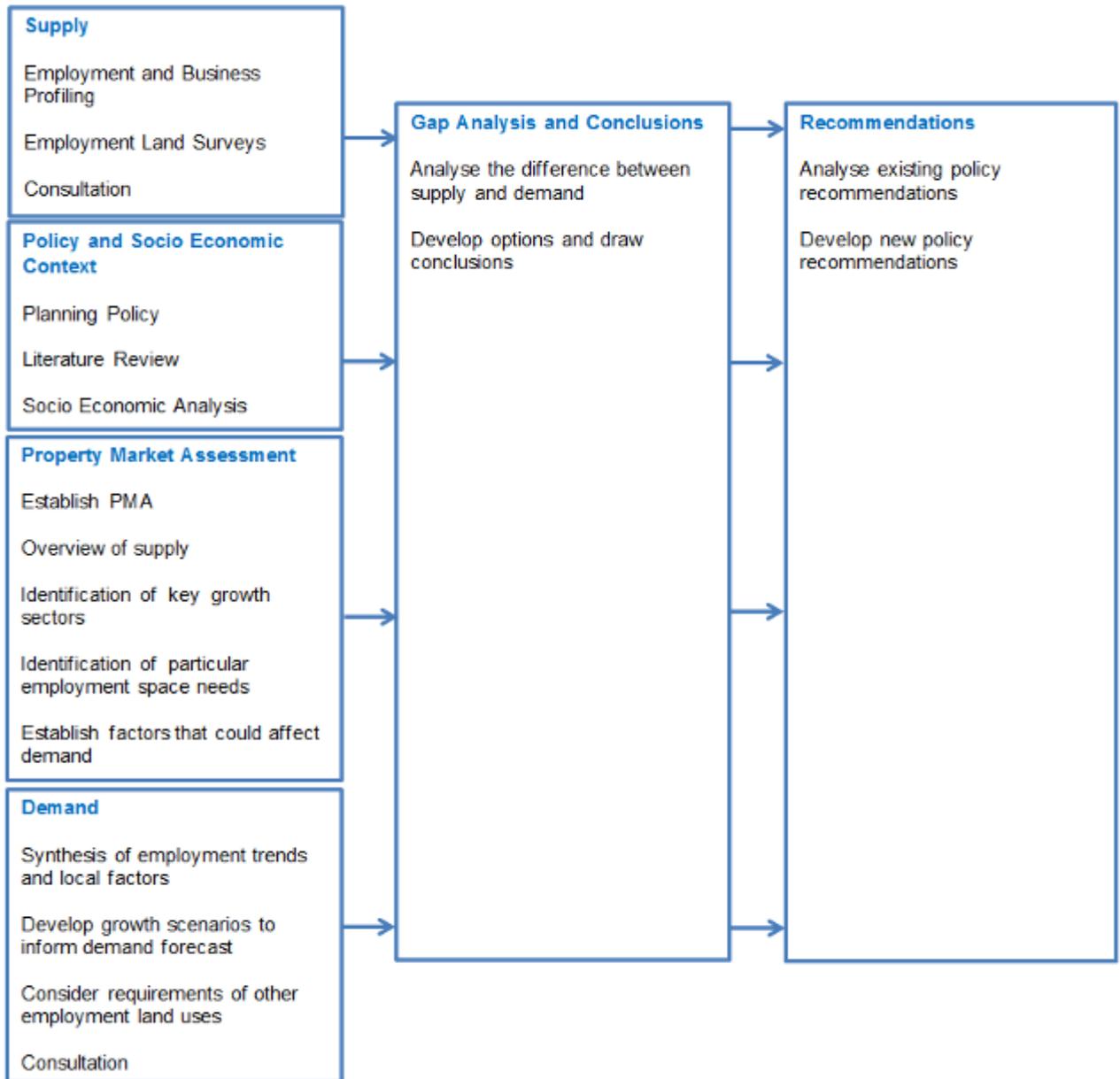
Section 8: Conclusions and proposed recommendations on the employment land strategy.

2 APPROACH

2.1 Introduction

This section sets out the main research elements of this employment land study as illustrated in Figure 2.1. Each element is summarised in the following sub-sections.

Figure 2.1 Component Parts of the Employment Land Study



Source: URS

2.2 Policy Context and Socio-Economic Profile

In order to understand the drivers of demand and supply of employment sites and premises across LB Camden, and the potential constraints and opportunities, we first investigate the policy context and framework and the socio-economic context.

The policy review takes account of relevant national, regional and local policies and strategies as these have the potential to influence future supply and demand for employment land. The socio-economic analysis is undertaken for LB Camden set within the context of the North London sub-region in order to provide an in-depth understanding of the current population and socio-economic make-up of the borough. A number of information sources are reviewed including ONS data.

In addition a baseline assessment of the existing economic structure and key trends in employment related development was completed. This work involves:

- A review of historical employment information for the borough, including information on workforce characteristics, unemployment, occupation, earnings and travel to work information; and
- Relevant literature providing information on the local economy and business trends within the borough.

2.3 Survey of Employment Sites and Premises

A survey of employment land in LB Camden was carried out to assess its suitability for continued employment use. Clusters were selected and agreed in consultation with the Council. They consist of designated employment areas described in LB Camden Core Strategy (2010) and LB Camden's Site Specific Allocations document (2013), and other significant non-designated employment areas in the borough as identified from the GLA Industrial Land Baseline (2010) and the previous Employment Study (2008).

The survey covered the use classes:

- B1a and B1b (Office);
- B1c and B2 (General Industry);
- B8 (Storage and Distribution);
- Sui generis uses which display similar characteristics.

Each cluster was visited and appraised against an agreed set of economic, planning and property market criteria to assess their fitness for purpose. The survey methodology and criteria are based on factors and issues set out in NPPG notes, the GLA Land for Industry and Transport SPG (2012) and the NPPF.

Surveyors used a structured questionnaire, a survey manual and a map of each employment area. The questionnaire included a series of tick-box style and open-ended questions to capture qualitative and quantitative information. Site surveys were undertaken week commencing 17th February 2014.

2.4 Employment Market Analysis

To help enhance the understanding of the supply and demand characteristics of the local employment land market, the views of local property market agents were sought. It was considered more effective and efficient to speak to a group of commercial property agents rather than speaking only to one commercial agent in order to broaden and moderate the response compared to that which would have been received by contacting just one commercial agent. Discussions were held with four locally-based firms of chartered surveyors.

The exercise supplemented desk-based research and survey findings, and sought to test the emerging findings and conclusions relating to the demand and provision of office and industrial sites and premises in LB Camden. Consultation with local property

agents took the form of a semi-structured interview by telephone around topics including: LB Camden employment property market area; the demand and supply of sites and premises, the characteristics of sites and their suitability for employment uses; opportunities and constraints to growth; and inward investment and regeneration. The outputs of the consultation exercise are an important piece of evidence that provides real market intelligence from professionals working day to day with commercial property in LB Camden.

2.5 Employment Land Forecast

Our forecasting approach involves a synthesis of trends over an economic cycle:

- Sub-regional floorspace (Valuations Office Agency data);
- Historic and forecast employment based on regional economic forecasting (Office of National Statistics and GLA Economics data); and
- Assessment of other local factors not reflected within recent historic trend data such as major regeneration or transport investment commitments leading to a step change in local economic activity. Consideration here is also given to findings from the commercial market assessment and consultations.

Trends were assessed against a property market area (PMA) for office and industrial uses which is discussed in more detail in Section 7.3.

High, medium and low growth rates were developed and tested to present different potential growth scenarios.

2.6 Gap Analysis, Conclusions and Policy Recommendations

The gap analysis involves an assessment of the balance between supply and demand, and informs the position of whether there should be retention or release of employment land. This analysis and the preceding sections inform the proposed recommendations.

3 POLICY AND LITERATURE REVIEW

3.1 Introduction

This section provides an overview of the policies and strategies relevant to employment and employment land in LB Camden. The review frames the context to the research in terms of national, regional and local policy.

A more detail assessment of relevant planning policy and literature is set out in **Appendix A**.

3.2 Summary of Planning Policy and Literature

At the national level, the National Planning Policy Framework (NPPF) replaced the Planning Policy Statements and Planning Policy Guidance from March 27th 2012, with the aim to make the planning system less complex and to promote sustainable growth. The NPPF recognises that the planning system plays an important role in promoting economic growth and building a strong, competitive economy. The NPPF sets guidelines for the preparation of local plans which includes setting out a clear economic vision and strategy; identifying strategic sites for investment; supporting existing businesses; and planning positively for the location, promotion and expansion of economic clusters. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances. The NPPF is supplemented by new National Planning Practice Guidance (NPPG) published on the 6th March 2014. A summary of which is contained in Appendix A.

The recent adoption of new permitted development rights, which came into force on 30th May 2013, allows the change of use from B1(a) office to residential (C3) without the need for planning permission. Local authorities were given an opportunity to seek an exemption from office to residential uses for specific geographies. LB Camden was successful in their application to exempt the part of the borough located within the Central Activities Zone (CAZ).

Key regional policy on employment land-use is contained in the London Plan (Mayor of London, 2011) and the Land for Industry and Transport SPG (GLA, 2012). The London Plan sets out its vision for the Inner London policy area which centres on sustaining and enhancing economic and demographic growth while improving the environment, quality of life and addressing unique concentrations of deprivation. The London Plan also requires borough Council's to support the unique international, national and London-wide role of the Central Activities Zone (CAZ) (which includes parts of LB Camden). In addition, the London Plan seeks to optimise development within identified Opportunity Areas (which include Euston, King's Cross, Tottenham Court Road and Holborn). LB Camden is identified as being a 'Restricted Transfer' borough where limited loss of industrial land is advised (a 'Restricted Transfer' borough is considered to 'typically have low levels of industrial land relative to demand').

The Draft Further Alterations to the London Plan (FALP) published on the 15th January 2014, which sets out development goals up to 2036, identifies that LB Camden's ten year housing target is to increase by approximately 30% to 889 homes per annum. This increase is in line with proposals to increase the overall London housing target, in response to the 2011 Census. The FALP expects that additional homes will be provided through higher housing densities on previously developed land and on sites within and around transport hubs, such as Crossrail. Opportunity Areas and Areas of Intensification are expected to make a significant contribution. To ensure that housing output is optimised the FALP requires employment capacities to be reviewed, if necessary, in the light of strategic and local employment projections. Regarding employment the FALP includes a requirement to ensure that within Inner London appropriate workspaces for the area's changing economy is made available. With regard to the Central Activities

Zone (CAZ) the FALP reinforces the need to ensure continued availability of workspaces appropriate for the technology, media and telecommunications and other emerging sectors within and on the fringe of the CAZ.

Demand for industrial land also arises from the transport sector and waste transfer. The Land for Industry and Transport SPG provides guidance on the release of industrial land for the period 2011-2031, which for LB Camden is -5ha or -0.3ha pa. The net additional indicative land requirement for waste apportioned to 2031 set by the SPG for LB Camden is 1.1 ha.

At the local policy level, the LB Camden Core Strategy 2010 – 2025 sets out the borough's planning vision and strategic objectives. Policy CS1 confirms that the Council will promote the development of the growth areas of King's Cross, Euston, Tottenham Court Road, Holborn and West Hampstead Interchange, with more limited change occurring elsewhere in the borough. Policy CS3 states that the Council will promote appropriate development in the highly accessible areas of central London (outside of the growth areas) and the town centres of Camden Town, Finchley Road / Swiss Cottage, Kentish Town, Kilburn High Road and West Hampstead, including appropriate edge of centre locations. In terms of employment up to 2025 the Core Strategy identifies a set of measures to protect employment land and boost economic growth in the borough. With regard to the borough's economic strategy Policy CS8 confirms that the Council will promote the provision of 444,000 sqm of permitted office floorspace at King's Cross, approximately 70,000 sqm of office provision at Euston and further provision in the other growth areas and central London to meet the forecast demand of 615,000 sqm to 2026. In terms of industry, the Council will provide support by:

- safeguarding existing employment sites and premises in the borough that meet the needs of modern industry and other employers
- safeguarding the borough's main Industry Area; and
- promoting and protecting the jewellery industry in Hatton Garden.

The Camden Core Strategy and Development Policies DPD were adopted concurrently on the 8th November 2010. LB Camden's Development Policies form part of the Council's adopted local development framework. The Development Policies DPD encourage a mix of uses within new developments and requires, in particular, contributions towards the supply of housing. In the central London Area (except Hatton Garden) and the town centres of Camden Town, Finchley Road/ Swiss Cottage and Kilburn High Road, where more than 200 sqm (gross) additional floorspace is provided, the Council requires up to 50% of all additional floorspace to be housing. Policy DP13 is particularly relevant to the provision of employment premises and sites. The overall intention of Policy DP13 is to retain buildings that are suitable for continued business use and resist change to non-business uses. Where changes of use can be justified Policy DP13 requires that some business use is retained on site; there is a preference for the provision of flexible space that it is suitable for a variety of business uses. When it can be demonstrated that a site is not suitable for any business use other than B1(a) offices, Policy DP13 confirms that the Council may allow a change to permanent residential use or community uses, except in Hatton Garden where the Council will expect mixed use developments that include light industrial premises suitable for use as jewellery workshops.

Policy LU1 'Schedule of Land Use Proposals' of the LB Camden Unitary Development Plan (UDP 2006) remained extant until recently but has been replaced by the Site Allocations DPD that the Council resolved to adopt in September 2013.

Area Action Plans have been prepared (or are in the process of being prepared) for the Fitzrovia and Euston areas. The Fitzrovia AAP is expected to be adopted imminently. The Euston AAP which is being jointly prepared with the GLA and is expected to be examined in 2014. Euston AAP seeks to ensure that strategic and local issues for the

area are planned for in a coordinated way and are balanced with community aspirations in light of proposals for High Speed 2 rail network (HS2).

LB Camden Planning Guidance for central London (CPG5) provides information with regard to the Council's approach to retail uses, town centres, central London local areas, central London frontages, neighbourhood centres and pertinent to this study, employment sites and business premises. The guidance recognises that LB Camden has a very restricted supply of sites and premises suitable for light industrial, storage and distribution uses. The guidance reiterates the Council's position with regard to the protection of existing employment sites and premises that meet the needs of businesses and employers. Specifically, it explains the circumstances where the Council will consider alternative uses for an employment site. It also provides information on marketing requirements and the Council's approach to Hatton Garden, the Industry Area and mixed use development.

Demand for employment land in LB Camden comes not only from industrial and office uses but also other use classes, in particular residential (use class C3) and retail (A use classes). The GLA London Office Policy Review 2012 recognises that boroughs, such as LB Camden, have large numbers of B1 to C3 conversions. This is a trend that is likely to continue given the viability and commercial returns of C3. As identified in Camden's Retail Study Update 2013 there is also competition for employment land from additional convenience and comparison retail floorspace. The Retail Study concludes that the focus for new growth should be within the central London frontages (particularly Tottenham Court Road), the Growth Areas (particularly Euston) and other town centres (particularly Camden Town) although, Hampstead and West Hampstead is in greatest need of new food store provision.

4 SOCIO-ECONOMIC CONTEXT

4.1 Introduction

This section profiles LB Camden using key socio-economic indicators. The analysis informs an understanding of the local socio-economic strengths and weaknesses that may impact upon employment land demand, and the opportunities that local people may have to access jobs. Key indicators profiled include:

- Population;
- Labour market structure;
- Company size and registration; and
- Industrial structure.

The most up-to-date and relevant data sources have been used, including Office for National Statistics (ONS) data and Greater London Authority (GLA) data. Data for LB Camden is benchmarked against the North London region as identified within the London Plan (2011)² and the regional level for comparison.

4.2 Population

Demand for housing, retail, community facilities and employment sites and premises will be driven in part by population. Between 2001 and 2011 LB Camden's population increased by approximately 11% to 220,338. This growth rate is somewhat less than that recorded within North London and slightly less than that within Greater London which over the same period saw increases of 16%, and 14% respectively. Latest population forecasts released by the GLA indicate that LB Camden's population is expected to be 11.2% higher in 2031 than in 2014. The implication is a likely growth in demand for land for housing, community facilities, infrastructure and employment land over the Local Plan period.

In 2001, 143,937 people in the LB Camden (equivalent to 73% of the population) were of working age³ compared with 69% in North London, 67% in Greater London and 64% in England. In 2011 the working age population remained stable at 73% of the total population, however within North London, Greater London and nationally a slight increase in the working age population was experienced to 70%, 69% and 65% respectively.

In 2012 approximately 125,500 (71.3%) of the working age population were economically active which is slightly less than observed within both London and Great Britain as a whole (76.9% and 75.8% respectively). In 2012 the unemployment rate in LB Camden was 8% (126,500 population), which is slightly less than that within London (9.1%) and in line with that within Great Britain (8%).

LB Camden's population is currently experiencing below average increases in population but the number of residents are expected to increase significantly during the planning period to 2031. The borough also benefits from an above average working age population and a below average unemployment rate suggesting that LB Camden has the potential to support continued employment growth over the planning period.

² Comprising Barnet, Camden, Enfield, Hackney, Haringey, Islington and the City of Westminster.

³ The working-age population refers to men aged 16 to 64 and women aged 16 to 59.

4.3 Labour Market Structure

Business investment decisions are typically based on the availability of land/sites, capital and labour. Below we consider the labour market by profiling the broad occupational breakdown earnings and qualifications of residents.

Occupational Structure

In terms of occupational structure, statistics indicate that approximately 70% of the resident population in LB Camden are employed in managerial, professional and associate professional occupations, which is somewhat greater than North London at 63% and significantly greater than both the rest of London at 54% and Great Britain as a whole at 44%. This is presented in **Table 4.1** below.

Table 4.1: Employment by Occupation- Residents

	LB Camden (actual)	LB Camden (%)	North London (%)	Grtr London (%)
Managers and senior officials	14,000	11.6	13.2	11.5
Professional occupations	42,900	35.4	29.8	24.8
Associate professional & techn	28,300	23.3	20.1	18.0
Administrative & secretarial	5,800	4.8	7.7	10.9
Skilled trades occupations	3,000	2.5	5.2	7.2
Personal service occupations	6,800	5.6	6.5	7.2
Sales and customer service	5,900	4.9	5.1	6.4
Process plant & machine operatives	4,900	4.0	3.5	4.2
Elementary occupations	9,600	7.9	8.4	9.1

Source: ONS (2014) Annual Population Survey, 2012

Earnings by Resident and Workers

In 2013 the average gross weekly earnings for residents within the LB Camden were £718.70 which is approximately £105.40 higher than both the North London and Greater London averages of £613.30 and £200.6 higher than the rest of Great Britain (£518.10). Residents of LB Camden earn a slightly higher wage to those people who work in LB Camden by £28.80.

Both residents and workers within the LB Camden have seen a similar increase in wages over the 2008-2013 period of £22.80 and £20.80 respectively. This is show in **Table 4.2** below.

Table 4.2: Average Gross Weekly Earnings

	Average Gross Weekly Earnings: Residents (£)		Average Gross Weekly Earnings: Workforce (£)	
	2008	2013	2008	2013
	LB Camden	695.90	718.70	669.10
North London	588.80	613.30	614.50	613.3
Greater London	581.50	613.30	613.30	657.70

Source: ONS (2014) Annual Survey of Hours and Earnings

Resident Qualifications

ONS data record a higher proportion of residents with qualifications in LB Camden compared with North London average and the Greater London average, with 93.1% of individuals holding a qualification compared to 91.5% in North London and 90.3% in Greater London. The LB Camden has a higher proportion of residents with a degree or higher degree (NVQ4+) (59.7%) compared to other areas comparators.

Table 4.3: Qualifications

	LB Camden (actual)	LB Camden (%)	North London (%)	London (%)	Great Britain (%)
NVQ4 and above	105,900	59.7	52.0	47.6	34.4
NVQ3 and above	132,800	74.9	65.1	63.2	55.1
NVQ2 and above	148,200	83.6	75.2	75.1	71.8
NVQ1 and above	157,700	88.9	83.6	83.6	84.0
Other qualifications	7,400	4.2	7.8	8.0	6.3
No qualifications	12,200	6.9	8.5	8.4	9.7

Source: ONS (2014) Annual Population Survey

Tables 4.1, 4.2 and 4.3 indicate that residents of LB Camden are relatively better qualified and occupy more senior positions and earn a higher salaries compared to residents elsewhere within Greater London and Great Britain.

4.4 Industrial Structure

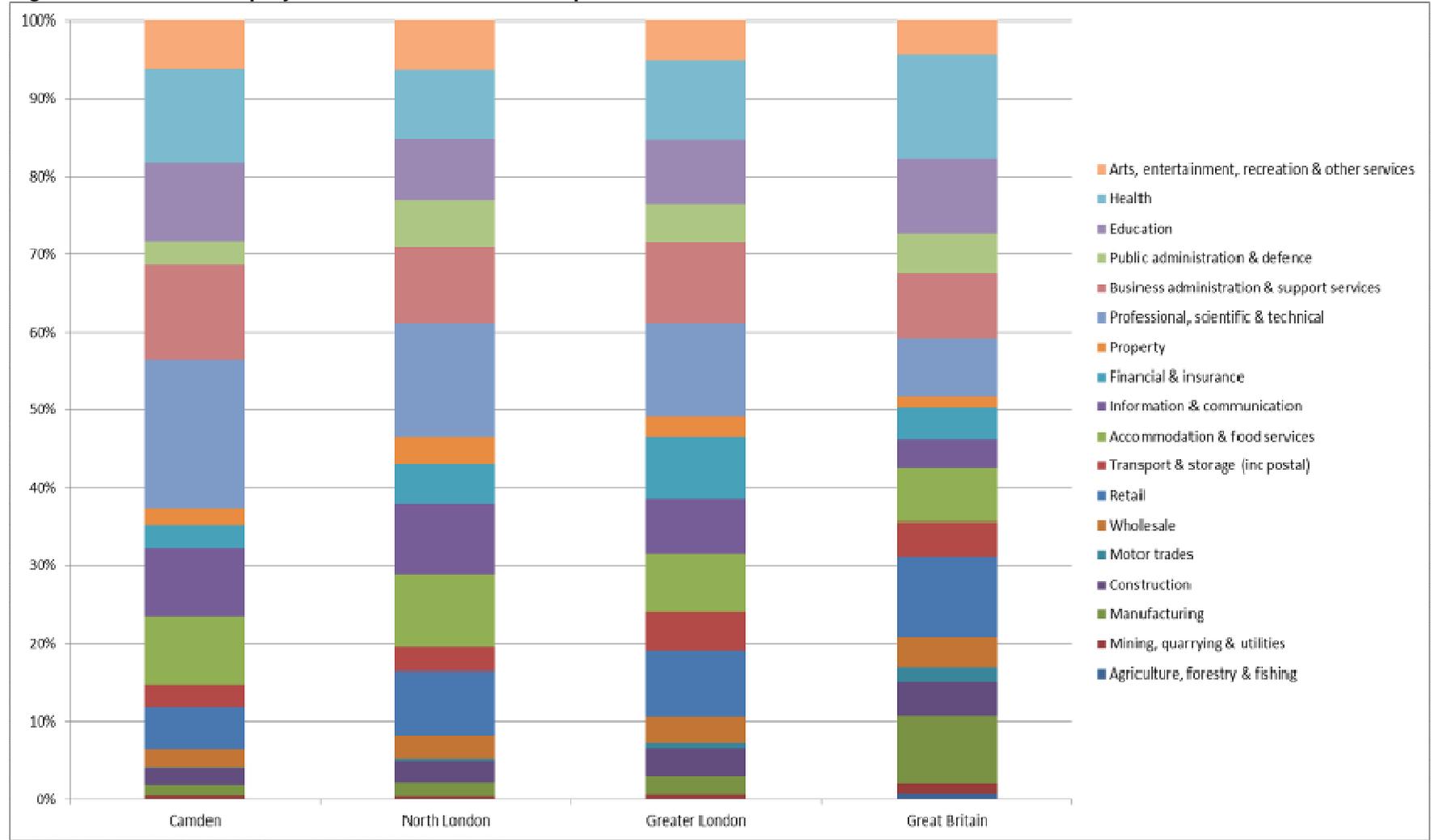
Below we set out the profile of the industrial structure of the borough and key sectors (**Figure 4.4**). The Business Register and Employment Survey (BRES) shows that employment in LB Camden increased from 280,293 in 2009 to 303,874 in 2012, an increase of 8.4%. This is a somewhat greater increase in employment compared to North London which saw a rise in employment of 5%, a slightly greater increase in employment compared to Greater London (7.3%) and a significantly greater increase compared to Great Britain as a whole which saw an increase in employment of 0.3%. **Table 4.4** below sets out the industrial structure of LB Camden by broad industrial group.

Table 4.4: Employment in LB Camden by Broad Industrial Groups

Industry	2009	2009	2012	2012	Change (Actual)	Change (pa. %)
	Actual	%	Actual	%		
Agriculture and fishing	<20	0.0	<20	0.0	<-20	<-15%
Mining, quarrying and utilities	2,304	0.8	1,892	0.6	-412	-4.5
Manufacturing	4,908	1.8	3,770	1.2	-1,138	-5.8
Construction	6,115	2.2	6,173	2.0	58	+0.2
Motor Trades	651	0.2	515	0.2	-136	-5.2
Wholesale	7,786	2.8	7,177	2.4	-609	-1.6
Retail	17,377	6.2	16,290	5.4	-1,087	-1.6
Transport & storage	16,087	5.7	9,057	3.0	-7,030	-10.9
Accommodation & food	21,578	7.7	26,255	8.6	4,677	+5.4
Information & comms	27,509	9.8	27,005	8.9	-504	-0.5
Financial & insurance	6,998	2.5	9,140	3.0	2,142	+7.7
Property	6,442	2.3	5,981	2.0	-461	-1.8
Professional, scientific & technical	60,528	21.6	58,159	19.1	-2,369	-1.0
Business administration	22,135	7.9	37,219	12.2	15,084	+17.0
Public administration	10,158	3.6	9,182	3.0	-976	-2.4
Education	27,172	9.7	30,608	10.1	3,436	+3.2
Health	24,732	8.8	36,354	12.0	11,622	+11.8
Arts, entertainment, recreation	17,809	6.4	19,095	6.3	1,286	+1.8
Total	280,300	-	303,900	-	23,600	2.1

Source: ONS (2014), Business Register and Employment Survey. These figures do not include self-employed individuals. Note that figures do not always sum due to rounding.

Figure 4.1 Profile of Employment at LB Camden’s Workplaces



Professional, Scientific and Technical

The most significant sector in terms of employment within the borough is the Professional, Scientific and Technical sector which accounts for 19.1% of employment within the borough. Employment within this sector is somewhat greater than within North London (14.7%) but significantly greater than the proportion within both Greater London (12.1%) and Great Britain as a whole (7.5%). Within LB Camden however, this sector has seen a slight decrease in the proportion of employment of 3.9% based on levels recorded in 2009. This is in line with the trend for North London (-3.4%) but is contrasted by slight growth within both Greater London (+5.6%) and Great Britain as a whole (+4.8%).

Business Administration and Support

The business administration and support sector within LB Camden has seen one of the largest increases in the proportion of employment compared to that recorded in 2009. In 2012 approximately 12% of employment within the borough was attributed to this sector compared to 7.9% in 2009, a growth of 68.1% compared to employment numbers recorded in 2009. This level of growth is significantly greater than that recorded within North London, Greater London and Great Britain as a whole which saw increases of 17.4%, 13% and 8.4% respectively in the business administration and support sector.

Health

The Health sector has experienced similar levels of growth to the business, administration and support sector. In 2012 the health sector represented 12% of all employment within LB Camden, somewhat greater than that recorded in North London (8.9%) but comparable to that recorded within Greater London and Great Britain (10.1% and 13.4% respectively). Within LB Camden this sector has seen a 47% increase in employment within this sector compared to levels recorded in 2009. This is a significantly greater increase than that recorded within North London (10.6%), Greater London (7.8%) and Great Britain as a whole (4.3%).

Manufacturing and Transport and Storage

In LB Camden, the manufacturing and the transport and storage sectors experienced the greatest proportionate decreases in jobs of any other sectors (-23.2% and -43.7% respectively). In particular the loss of manufacturing jobs was felt at a significantly greater rate than that recorded within North London (-4.4%) and at both regional (-2.3%) and national levels (-3.5%). In addition a total of 7,030 jobs were lost in the transport and storage sector, a proportionate decrease at a rate significantly greater than that felt for both Greater London and Great Britain (-0.7% and -1.0% respectively) over the same period. However, North London experienced similarly significant decreases in employment within the transport and storage sector with recorded employment levels 20% less than those recorded in 2009.

The LB Camden has a significant proportion of employment within the professional, scientific and technical, business administration and support and health sectors. However, employment levels within both the manufacturing and transport and storage sectors is in decline, albeit at a far greater rate within LB Camden than national and regional trends.

4.5 Evidence of Competitive Advantage

Location quotients measure the specialisms of the local economy. The location quotients below measure the relative size of the broad industrial sectors in Camden relative to the Greater London economy using the latest available data. A location quotient greater than 1.0 indicates some degree of specialisation, and the higher the location quotient the greater the specialisation. Industry sectors with high location

quotients often indicate those sectors which make the local economy unique and thus attract investment.

Table 4.5 shows those sectors and sub-sectors within LB Camden which are particularly concentrated compared to the regional (Greater London) average. As **Table 4.5** shows, professional, scientific and technical activities are highly represented within LB Camden, as are information and communication, other service activities, education and accommodation and food service activities.

In particular LB Camden has a particularly strong concentration of businesses engaged in advertising and market research and publishing activities. Higher education and educational support activities within LB Camden are also highly represented in comparison to the Greater London average.

Table 4.5: Location Quotients

Sectors	LB Camden
Professional, scientific and technical activities	1.73
<i>Scientific research & development</i>	2.80
<i>Advertising & market research</i>	3.05
Information and communication	1.34
<i>Publishing activities</i>	2.48
Other service activities	1.32
<i>Activities of membership organisations</i>	1.72
Education	1.21
<i>Higher education</i>	3.44
<i>Educational support activities</i>	6.68
Accommodation and food service activities	1.20
<i>Accommodation</i>	1.55

Source: ONS, BRES 2011

Our work for Camden Council in 2011 found that the creative and cultural (CCI) sector is particularly important to LB Camden in terms of employment and wealth creation.⁴ The borough is home to 4,090 CCI enterprises, which form 17% of all Camden businesses by number, or approximately 7.5% of all CCIs in Greater London. The largest CCI sector is Music and Visual Performing Arts of which there are around 1,010 businesses. Other key sub-sectors include: software & electronic publishing; video, film & photography; advertising; publishing; and radio and TV, which collectively account for around two thirds of all CCIs enterprises in LB Camden.

In term of workplace employment the CCI in LB Camden support around 42,000 jobs or in the region of 15% of the borough's workplace employment, and generate a further 17,000 to 33,000 jobs through supply chain linkages and induced effects (e.g. income multipliers). ONS data suggests also that the employment in LB Camden's CCI businesses is growing and the sector strengthening.

⁴ Creative and Cultural Industries in Camden: An Evaluation (URS for LB Camden Council, 2011)

4.6 Workplace Economy- Business Size and Stock

VAT registration and de-registration rates for LB Camden provide an indication of the entrepreneurial characteristics of the Borough. Published data indicates that in 2012 there were 3,140 registrations whilst there were 3,010 de-registrations resulting in a slight net gain in LB Camden’s stock of 130 businesses. Comparatively in 2008 there were 3,035 business registrations compared to 2,205 business deaths resulting in a net gain in LB Camden’s stock of 830 businesses.

Business size provides a useful indication of the make-up of firms operating in LB Camden. Small businesses contribute significantly to employment within the borough with 21,050 businesses employing between one and nine employees, comprising 83% of the 25,495 companies registered within the borough. The proportion of SMEs⁵ in the economy is similar to that of Greater London, with SMEs accounting for 99.4% and 99.5% of businesses respectively. There are 145 businesses employing more than 250 employees in the borough, which represents 0.5% of businesses. **Table 4.6** presents a size band analysis of work places in the borough. The size band refers to the number of employees at each workplace (not the size of the parent company).

Table 4.6: Business by Size Band

Number of employees	LB Camden		Greater London	
	Number	% of total	Number	% of total
0-9	21,050	82.6	366,610	84.8
10-49	3,470	13.6	51,945	12.0
50-249	830	3.3	11,480	2.7
250+	145	0.6	2,065	0.5
Total	25,495	-	432,100	-

Source: ONS (2014), UK Business: Activity, Size and Location 2012 (may not sum due to rounding).

New business growth within LB Camden could currently be described as stable with a significantly smaller degree of growth in business numbers in 2012 compared to 2008. In regards to business size the profile within LB Camden is broadly similar to that within Greater London.

Table 4.7 shows the proportion of employment by workplace size band within LB Camden. It indicates that approximately 63% of the workforce within LB Camden is employed within medium and large workplaces. This figure is slightly higher than that observed within North London (58%) and Greater London (60%) and somewhat higher than that recorded within Great Britain as a whole (56%). In comparison, LB Camden’s micro businesses⁶ support slightly less of the workforce population (14%) than within North London, Greater London (both 17%) and Great Britain as a whole (16%).

⁵ SMEs are defined as enterprises which employ fewer than 250 people.

⁶ Defined as those businesses which employ 5 or less employees

Table 4.7: Employment by size band, 2012

Employment Size	LB Camden		North London	Greater London	Great Britain
	No. of employees	%	%	%	%
Micro (0-9)	41,787	13.8	16.6	16.5	16.2
Small (10-49)	70,990	23.4	25.1	23.7	27.8
Medium (50-249)	84,438	27.8	27.1	26.3	28.0
Large (250+)	106,660	35.1	31.2	33.5	28.0
Total	303,900	-	-	-	-

Source: ONS (2014), Business Register and Employment Survey - Workplace-based employment size band (2012).

4.7 Summary

The main points of note from the socio-economic analysis are that LB Camden will be experiencing a high degree of population growth to 2031. Currently the borough has a higher proportion of working age population than both North London and Greater London averages and a lower than average unemployment rates when considered across similar geographies.

A greater number of residents within the borough are employed within managerial, professional and associate professional occupations compared to both North London and Greater London. Residents of the borough also earn a higher wage and a greater number of residents hold a degree or higher than their comparatives within North London and Greater London.

The analysis shows that employment within the borough grew on average by 2.1% between 2009 and 2012 indicating a strong recovery from the effects of the global recession. In particular the Business Administration, Health, Financial and Insurance and Accommodation and Food sectors have been driving this growth whilst sectors such as Manufacturing and Transport and Storage have experienced significant losses in employment numbers. LB Camden is shown to have a particular concentration of businesses engaged in advertising and market research and publishing activities as well as higher education and educational support activities.

5 SUPPLY OF EMPLOYMENT LAND

5.1 Introduction

This section provides a summary of the key findings of the survey and desk research and identifies the prominent typologies of LB Camden's employment land. Our analysis considers which employment sites are currently successfully supporting various types of occupiers as well as identifying those employment clusters which are both unsuitable for different use types and those which could potentially be redeveloped or intensified to improve the offer of employment land within the borough.

5.2 Employment Land Surveyed

Based on the adopted LB Camden Core Strategy (2010), the GLA's Industrial Baseline (2010) and the Council and consultancy team's knowledge, 26 employment clusters throughout LB Camden were identified see **Figure 5.1**, which includes both designated and undesignated employment land. Undesignated employment land constitutes the vast majority of employment land within the borough.

Table 5.1 below lists the 26 employment clusters and four growth areas within LB Camden that were surveyed against the site appraisal criteria set by URS and subsequently agreed with the Council. The location of the employment clusters surveyed is shown in **Figure 5.1**. The employment land surveyed covers the key areas of provision and gives a representative basis from which to draw conclusions but does not include all provision within the borough.

The survey found that aside from a few key employment sites there is little in the way of employment 'clusters'; the majority of LB Camden's employment land being provided as individual employment sites situated within town centre and town centre fringe locations.

The majority of employment land within clusters was found to be functioning well. Observed levels of occupied premises within the borough are high with the majority of floorspace occupied by active businesses. Within the employment clusters surveyed there were few advertised vacancies for B1 (a,b,c), B2 or B8 premises. The low vacancy level observed point towards a continued demand for industrial and warehousing premises within LB Camden, a trend which was outlined within the previous ELR (2008) and which continues to remain relevant..

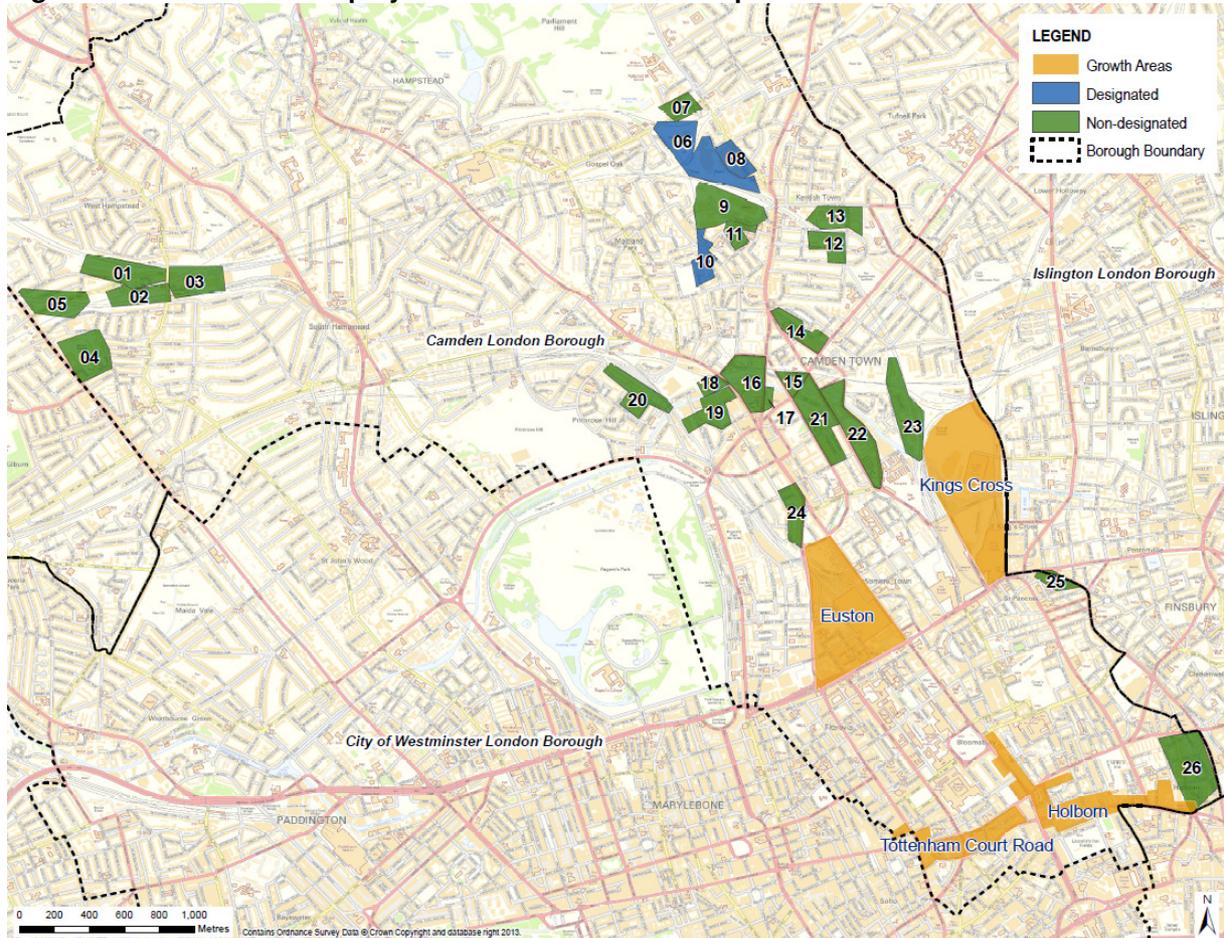
Although low vacancy levels were observed the survey found that there has been an apparent erosion of employment land by residential uses, notably student accommodation, the majority of which look to have been built within the past five or six years. Conversion to residential uses was found to have occurred mostly in areas of proximity to key transport links and local town centres. With residential uses becoming interspersed within some employment clusters, the implication is some clusters have become more fragmented. This is discussed further in **Section 5.6**.

Table 5.1: Employment Land Clusters Surveyed

Cluster Number	Cluster Name	Policy Designation
C1	Liddell Road / Iverson Road	Non-designated
C2	187-189 West End Lane	Non-designated
C3	Blackburn Road	Non-designated
C4	Webheath / Kingsgate Workshops	Non-designated
C5	Iverson Road West / Loveridge Road	Non-designated
C6	Kentish Town Industry Area- Sanderson Close	Industry Area
C7	Kentish Town Industry Area- Gordon House Rd	Industry Area
C8	Kentish Town Industry Area- Carkers Lane / Greenwood Place	Industry Area
C9	Kentish Town Industry Area- Regis Road	Industry Area
C10	Grafton Road / Wilkins Street	Non-designated
C11	Holmes Road / Cathcart Street	Non-designated
C12	Caversham Road / Gaisford Street	Non-designated
C13	Bartholomew Road	Non-designated
C14	Rochester Place	Non-designated
C15	Bonny Street	Non-designated
C16	Hawley Crescent / Leybourne Road	Non-designated
C17	Kentish Town Road	Non-designated
C18	Gilbey's Yard	Non-designated
C19	Jamestown Road / Oval Road / Centric Close	Non-designated
C20	Gloucester Avenue / Chalcot Road	Non-designated
C21	Lyme Street / Royal College Street / Camden St	Non-designated
C22	St Pancras Way	Non-designated
C23	Camley Street	Non-designated
C24	Carreras Cigarette Factory / Carlow Bakery	Non-designated
C25	Field St / Leeke St/ Britannia St / Wicklow St	Non-designated
C26	Hatton Garden	Non-designated
Holborn GA	Holborn Growth Area	Growth Area
Tottenham Court Road GA	Tottenham Court Road Opportunity Area	Opportunity Area
Euston GA	Euston Opportunity Area	Opportunity Area
King's Cross GA	King's Cross Opportunity Area	Opportunity Area

Source: URS

Figure 5.1: LB Camden Employment Clusters Context Map



Source: URS

5.3 Types of Employment Premises

For the purposes of this review and analysis we have identified four broad types employment premises found on employment clusters:

1. Local office (use classes B1a/b): Defined as including either purpose built offices or office space within new mixed use development less than 500 sqm in size. This employment land is often located in secondary office locations such as town centre locations outside of the CAZ.
2. Large high grade office (use classes B1a/b): Defined as purpose built office space typically more than 500sqm and often located within prime or secondary town centre locations often finished with modern specifications. This space is predominantly located in areas of prime accessibility within the CAZ.
3. Industrial and warehousing (use classes B1c, B2 & B8): These are primarily purpose built sheds with high ceilings, loadings bays and ground floor access. These can typically be found within marginal locations such as railway arches and in small, compact industrial estates.
4. Start-up and small business workspace (use classes B1a/b/c & B2): Typically these are located within converted industrial properties which have been subdivided for multiple occupancy or coworking formats and facilities.

Images of these types of uses are depicted in **Figure 5.2**. For presentational purposes we have identified the predominant employment premises types found in each cluster in **Figure 5.3**.

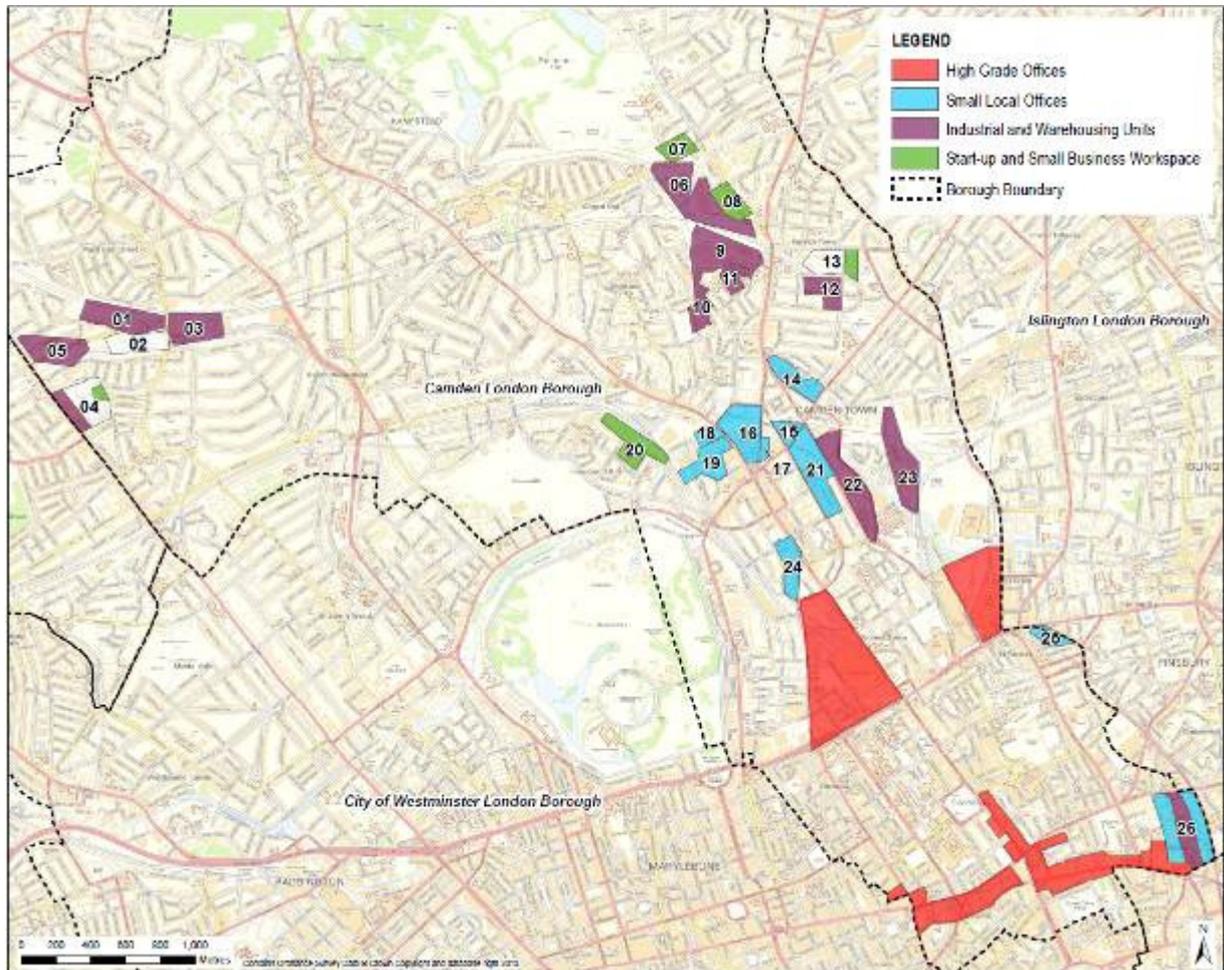
The following section examines the provision of employment land for these four types of premises and how well they are functioning, those clusters which are successful and whether any clusters are particularly unsuited for continued use as employment land.

Figure 5.2: Key Types of Employment Premises Observed in LB Camden



Source: URS

Figure 5.3: Distribution of Employment Premises Types Observed in LB Camden



Source: URS

5.4 Local Office Supply

Local B1 office uses (those whose occupiers are largely serving the needs of local businesses and residents) within LB Camden are predominantly provided within traditional older office stock or within new mixed use developments typically incorporating B1 uses on the lower floors. Based on their reliance on proximity to public transport these uses are often located close to transport hubs and local centres. Drawing upon our survey the majority of local office provision is located within both LB Camden Town and in the Outer Borough area particularly Kentish Town although there are several other areas in the borough that contain small quantities of local office floorspace such as on West End Lane in West Hampstead.

A number of new mixed use developments providing B1 space at ground and first floor levels suitable for accommodating local office provision were recorded within a number of local centres including Camden Town, Kentish Town and West Hampstead. This floorspace was typically utilised by a small number of businesses occupying single or multiple floors and is a clear example of LB Camden’s mixed use policy in force. **Figure 5.4** below provides some examples of developments observed during the survey.

Figure 5.4- Examples of Mixed Use Developments Providing Local Office Space



Source: URS

During our survey and desk-based research, we reviewed and assessed all employment clusters for their suitability for office uses based upon relevant criteria such as access to public transport, access to facilities and amenities and the environmental quality of employment clusters. As a consequence of the relatively supply constrained nature of employment land within LB Camden all clusters of local office provision observed appeared to be functioning well with high active occupancy rates in locations with good quality building stock and surrounding environment, located close to public transport connections and in close proximity to adequate public amenities. Levels of office vacancy were assessed to be low throughout the borough. In Hatton Garden (C26) a limited amount of vacant office floorspace was observed, located within older premises away from the main frontages of Hatton Garden and Leather Lane. Compared to Camden Town and Hatton Garden, some outer borough locations were observed to have higher levels of vacancy, at rates considered to be potentially in excess of frictional rates⁷.

5.5 Larger New High Grade Office Supply

Throughout our site surveys, large and headquarter (HQ) type office provision was recorded within the central London area and in particular within the Growth and Opportunity Areas of King’s Cross, Euston, Tottenham Court Road and Holborn. Outside of the central London area there is limited provision of large office floorspace suitable for occupiers seeking high grade office floorspace with the exception of the recently completed VIACOM building in LB Camden (see **Figure 5.5**).

Within the CAZ, recent completions as well as the refurbishment of existing older office stock provide high quality floorspace within centrally located locations. Within the designated Growth and Opportunity areas this provision is perhaps best typified by the recently completed St Giles development close to Tottenham Court Road (see **Figure 5.5**).

⁷ To allow optimal operation of the market, it is suitable that a small proportion of the market is vacant at any one time. This allows businesses to take up larger space or contract in response to economic conditions.

Figure 5.5: Examples of Large Office Provision (the St. Giles development in Tottenham Court Road and VIACOM Inc. building in Camden Town)



Source: URS

Opportunities for Redevelopment and Intensification

Opportunities for growth for Large Office provision were primarily identified within the central London area, specifically within the designated Opportunity and Growth areas of King’s Cross, Euston, Holborn and Tottenham Court Road. In the King’s Cross Opportunity Area (OA) there will be more than 20 new and refurbished office buildings providing approximately 440,000 sqm of Grade A floorspace, some of which is currently under construction. The Euston OA will accommodate between 180,000 sqm and 280,000 sqm of commercial floorspace, with a proportion being non-B uses such as retail. This includes redevelopment of a number of large derelict buildings and former office sites within Euston.

There are also a number of vacant and derelict sites designated within LB Camden’s Site Specific Allocations document which display significant potential to accommodate change and growth particularly within the Tottenham Court Road and Holborn Growth Areas. These sites include the former Royal Mail Post Office sorting office and an adjacent mixed use site both fronting New Oxford Street as well as a building previously occupied by Central St Martins College and Westminster University within Holborn. All sites are located within close proximity to centres of growth and could appropriately be utilised for future high grade office provision. Based on site area, the surrounding building heights and plot ratio we estimate that the potential net additional B1 floorspace provided through the redevelopment or intensification of the Royal Mail Post Office and mixed use site fronting New Oxford Street could be 36,000 sqm; however planning applications for these two sites (pending and consented) indicate the provision of office space would be around 10,000 sqm. At the site previously owned by Central St Martins College and Westminster University we estimate the potential for 50,000 sqm (planning application not identified).

5.6 Industrial and Warehousing Land Supply

Prime industrial and warehousing land providing high quality units within LB Camden is limited in supply and is almost wholly located within the Camden Town and Outer Borough areas in sites such as St Pancras Commercial Centre, Centric Close, Camley Street and Regis Road. Outside of these locations employment land supporting lower grade industrial and warehousing activities can be found in marginal locations and in informal niches in the urban fabric such as within railway arches, yards and land close to land for transport.

An assessment of all the clusters surveyed for B1c, B2 and B8 uses has been conducted based on different criteria than that to access cluster suitability for B1 uses. These criteria correspond to the comprehensive criteria contained in Annex 3 of the GLA Land for Industry and Transport SPG. Notably, they include accessibility to

strategic road access, provision of adequate servicing and parking facilities as well as impacts upon surrounding amenity and bad neighbour uses.

A key finding from the study of industrial and warehousing land within borough was that the majority was within B1c use, offering small workshop and warehouse space to occupiers engaged in clean, light industrial processes. A very limited amount and concentration of B2 and B8 uses were observed within the Camden Town area.

Typically industrial sites are located close to strategic roads within the borough and comprise B1c uses rather than B2 and B8 uses. Broadly, they are well maintained and functional. The majority of the clusters have adequate servicing and parking facilities, appropriate to their function within an inner London context. New provision of industrial and warehousing units within recent years has been limited but sites are currently operating to a good standard and no bad neighbour issues or impacts on the surrounding amenity were noted for any clusters surveyed.

Given the constrained availability of land for industrial and warehouse uses within LB Camden the majority of provision is within older stock, divided into small individual units. There are some exceptions however, such as the purpose built UPS and Royal Mail depots on Regis Road (C9) and the Parcel Force depot on St Pancras Way (C22). There are also a number of larger distribution units on Camley Street (C23) providing food wholesale and distribution functions.

In addition, as a consequence of the rail infrastructure which cuts through the borough, there are a large number of business occupying informal niches along rail lines. Examples include a concentration of car repair uses along Iverson and Loveridge Road (C5) close to Kilburn and a collection of builders' merchants along Caversham Road (C12) close to Kentish Town. These spaces provide invaluable provision for businesses servicing local needs and functions such as builders' merchants and car repair services. These forms of provision are show in **Figure 5.6** below and demonstrate the diversity of Camden's industrial land offer.

Figure 5.6: Industrial and Warehousing Uses in LB Camden (prime and fringe locations: a dedicated site and under rail arches)



Source: URS

Opportunities for Redevelopment and Intensification

The majority of industrial and warehouse employment land within the borough is performing well, perhaps a reflection of the supply constraints and high demand for units close to central London. One notable exception is the Liddell Road Industrial Workshops (C1). This employment site provides B1c industrial space for small local businesses but is of particularly poor quality, characterised by high vacancy rates and poor building and environmental quality (**Figure 5.7**). Some building subsidence was recorded and there was evidence that the site was poorly maintained. Access to the site is also constrained through residential roads and the site is located close to potentially sensitive residential receptors.

Figure 5.7: Examples of Poor Public Realm and Vacant Units (Liddell Road)



Source: URS

Support for CAZ functions

Industrial and warehousing premises supporting CAZ functions within LB Camden are predominantly located in marginal employment clusters within Camden Town and north of King’s Cross benefiting from their close proximity to central London.

During the surveys businesses supporting CAZ functions were recorded at the St Pancras Commercial Centre (C22), Camley Street (C23) and Centric Close (C19). These employment sites are typically characterised by good strategic access into central London, with good quality units providing both office and warehousing or industrial space, with adequate servicing and parking provision. In addition, with the exception of Centric Close, they are all located away from residential and sensitive uses allowing potential for 24 hour access and operation.

The businesses recorded support CAZ functions in a variety of roles, but predominantly, of those recorded there were high proportion which support the service industry providing functions such as dry cleaning and food distribution as well as a number of trade counter uses servicing the central London construction industry.

Loss of Industrial and Warehousing Land to Residential

A number of clusters appear to have lost industrial and warehousing land to residential development, in particular student housing. Within clusters C3, C11 and C22 there were recorded developments which have been constructed between existing industrial and warehousing uses resulting in a fragmentation of employment land. Notable examples include Holmes Road (C11) where former B2 and B8 land has been lost to new residential and student housing developments along either side of the road. Registration of intent to construct a 7 storey student accommodation block on a site current used by Magnet (manufacturer and supplier of trade kitchens and joinery) is also noted. Within C3, the recently completed Independent Student Living development on Blackburn Road has replaced commercial office space.

5.7 Workspace Hubs and Small Business Space

Through the surveys we recorded a number of premises set up specifically to provide space for start-up, micro and small businesses. Providers of these premises include commercial operators, charitable trusts and social enterprises. The providers identified during the survey are outlined below in **Table 5.2** and is therefore not a definitive list of all small business space providers within LB Camden.

Table 5.2: Workspace Providers

Employment Cluster	Workspace Provider	Typical Business Activity of Occupiers	Capacity
C4	Kingsgate Workshop	Artists and craft-workers	Information not available
C7	Spectrum House	Artistic studios, media production, technology, charities, architecture, consulting and design	40 units
C8	Deane House Studios	Media, charities, retail & fashion, architecture	22 units
C8	Highgate Studios	Media, communications, manufacturing, technology, consultancy, fashion & retail and marketing	64 units
C8	Highgate Business Centre	Architectural, design, advertising, marketing and technology	Information not available
C13	The Dove Centre	Creative & cultural, manufacturing, design, architecture and media	18 units
C16	Camden Collective	Creative and cultural small businesses	200 desks
C17	Utopia Village	Creative, architecture, media, film, consultancy	27 units
C20	Techtopia	Digital media & technology start-ups	32 desks
C20	Primrose Hill Business Centre	Charities, technology, media, communications, artistic studios, design, film & radio and consulting	30 units
C22	London Bioscience Innovation Centre	Life science, veterinary and biomedical research	Information not available
C26	White Bear Yard	Technology, media, and innovation	123 desks
Euston GA	@Work Hubs	Start-ups, small businesses and coworking spaces	75 desks
North of Holborn GA	Cockpit Arts	Designers, craft-workers and artists	400 desks

Source: URS

These premises provide office space mainly, which typically meets the needs of digital tech, communication, media and consultancy businesses. But there is a range of other types of space which is set up for artists, designers and makers and specialists such as life sciences. Aside from individual sites, such as Cockpit Arts and the Kingsgate Workshops, the vast majority of workspace provision is located within the Outer Borough area, particularly Kentish Town and also Camden Town. Typically these sites are located within peripheral areas which may have more of a residential character but within walking distance to public transport connections. All of the workspace surveyed

was functioning well, in good quality building stock with minimal advertised vacancy noted. Outside of specialist hubs such as the artistic, designer and fashion community of Cockpit Arts and life sciences at London Bioscience Innovation Centre, occupiers tend to be working within creative and cultural industries with a particular emphasis on new media, communication and digital technology sectors, engaged in activities such as web and app design.

The providers listed in **Table 5.2** are typically situated within old refurbished former industrial buildings providing large shared floor plates or small individual workspace for start-ups, and micro-businesses. As discussed, within LB Camden some of the best examples of successful workspace provision exist within the Kentish Town area. Highgate Studios, Highgate Business Centre and Deane House Studios are a particularly good example of a flourishing hub of activity providing modernised shared units for SMEs within converted former industrial warehouse space. There was evidence that the Highgate Business Centre had recently been modernised and converted to accommodate this type of occupier.

There are however, other well occupied smaller sites within the borough which also provide small workspace for start-ups, micro and artistic occupiers such as the Dove Centre in Kentish Town and the Primrose Hill Business Centre close to Camden Town. These premises typically offer limited parking and servicing provision but are suitable for occupiers requiring individual, small units, and at the time of the survey all appeared to be well occupied.

5.8 Summary

URS' qualitative survey of employment land within LB Camden comprised a visit of 26 clusters, one Growth Area and three Opportunity Area locations combined with elements of desk research. This assessment was conducted with a set of agreed site appraisal criteria from which detailed analysis was carried out to identify the typologies of employment land within the borough. Our survey identifies that employment land within LB Camden predominantly consists of disparate individual employment sites contrasted by a smaller number of larger established business locations. As a consequence traditional 'clustering' of employment uses was not typically observed.

Our assessment concludes that those employment areas surveyed are well functioning, have high occupancy rates and support a diverse range of business types. However, there is evidence of some recent loss of employment sites to residential and student housing accommodation developments, in particular at locations close to town centre high streets and public transport hubs. The survey found limited opportunities for intensifying sites for industrial uses and, in the context of a limited supply, points to the need to support areas which currently serve a strategic role for industrial uses and limit the loss of other sites in more fringe locations within the borough. Our demand assessment in Section 7 will help to clarify the extent to which land could be released or protected.

Similarly the local office provision remains stable and there have been a significant number of new mixed use residential developments close to Camden Town which continue to provide suitable space. In contrast, the opportunity and growth areas of King's Cross, Euston, Tottenham Court Road and Holborn all present significant prospects for accommodating growth of new high grade office provision which will be attractive to head quarter businesses. Equally, Kentish Town is emerging as a hub providing workspace for start-up, micro and small business and there is evidence that former industrial buildings have recently been converted to accommodate these types of occupiers.

6 PROPERTY MARKET ASSESSMENT

6.1 Introduction

This section examines LB Camden's office and industrial land by considering property market characteristics and how they differ across LB Camden. The assessment has been developed through a consultation exercise with local property market agents and key stakeholders, and draws upon desk based research also.⁸

This section provides:

- An overview of office, industrial/warehousing markets across the borough and how they vary geographically.
- The role of employment land in supporting CAZ functions.
- Key sectors with the potential for growth and any particular commercial occupier needs required to support and encourage this growth
- Analysis of the trends in the development pipeline and conversion of office to residential uses as a consequence of new permitted development rights.

The findings inform our demand projections and conclusions which follow.

6.2 LB Camden's Office Markets

LB Camden comprises three office market areas, which perform different functions and work in different ways: the central London Area, Camden Town and the Outer LB Camden. We provide a brief overview of the geography of each market before looking at the supply and demand characteristics of each in more detail.

Central London Office Market

The southern part of LB Camden overlaps with London's Central Activities Zone (CAZ), which stretches southwards from Euston Road. At its northern extent, the part of CAZ that lies within LB Camden extends from British Land's Regent's Place in the west to King's Cross and St Pancras in the east; while at its southern extent it runs from Cambridge Circus in the west, to Kingsway Holborn Viaduct in the east. As might be expected, the central London area contains the great bulk of LB Camden's office stock including as it does the well-established London sub-market of Midtown. The area is highly accessible. Obviously, Euston, King's Cross and St Pancras are key central London termini; there are at least eleven Tube stations within the area; St Pancras provides access to Europe via Eurostar, and all of London's airports lie within one hour by public transport from High Holborn.

Camden Town Office Market

Camden Town is the largest and most vibrant commercial centre of the borough. Its office market is relatively small but nevertheless important. The town centre continues to evolve, and land values are marginalising some activities. The centre is very popular with tourists, particularly for Camden Market, and the area around Camden Tube Station, at the junction of High Street, Kentish Town Road, Parkway and Camden Road has a flourishing retail offer, with a broad offering of bars and restaurants. Camden Town sits adjacent to the central London market area and, to some degree, benefits from the expansion and increasing land values in that area, as occupiers relocate from

⁸ URS contacted the commercial property agents, developers and property management companies that are most active in Camden and asked them to contribute to this study via an informal set of questions.

higher to lower cost premises. This is particularly the case with creative and lower margin businesses.

Outer LB Camden Office Market

The Outer LB Camden area is characterised by the predominantly residential areas of Kentish Town, Finchley Road/Swiss Cottage, Hampstead, West Hampstead and Kilburn. These areas are served by busy town centres. As well as their retail and leisure offerings, these centres provide accommodation office occupiers, the majority of which are professional businesses (legal, accounting, property and consulting) serving local markets. Many are located on the upper floors of high street retail properties. There is relatively little 'corporate' office activity, and little evidence of a functional relationship with the central London area. As with other parts of London, rising residential prices are putting pressure on the office markets as owners seek to capitalise on their assets.

6.3 Central London Office Market

Supply Overview

The central London market area corresponds very closely to the area referred to by commercial property agents as Midtown. The main difference is that whereas LB Camden's southern boundary goes no further than Shelton Street and Lincoln's Inn Fields, Midtown in commercial property terms extends to the Thames. The overlap is such that we have used Midtown here as a surrogate to describe the main trends in the central London market area.

Midtown is an established central London sub-market and one that has undergone a great deal of change in recent years. For example, the quality of its stock has improved greatly, and the area is now much less a gap between the West End and City markets, and more of a continuum between the two. Residential activity and retailing have also expanded rapidly, bringing a more diverse set of uses to the area.

During the 1990s, Midtown lost a number of large office occupiers, and several large buildings were converted to hotel and residential use. As these broader uses became established so other amenities such as restaurants, bars and retail expanded. Between 1995 and the 2008, 11 new hotels opened in Midtown. As the office market generally began to recover in the late-1990s, new developments and occupiers were attracted to Midtown. The completion of MidCity place on High Holborn in 2001 was a signature development for the area. The outcome is that Midtown has matured into an office location in its own right, competing for occupiers with both the West End and City

. Midtown, as defined by Farebrother, now contains a stock of c3.8 million sqm of office accommodation. It is also important to emphasise the scale of potential supply in Midtown, as the area is home to two very large railway lands schemes. The first of these is the King's Cross development. Now well underway, with major pre-lets to Google and BNP Paribas, this large scheme has a further 300,000 sqm of potential speculative development. The second scheme is at Euston. The precise size and timing of this scheme are unknown and subject to decisions being made on the terminus of HS2. However, the important point here is that there is the potential for upwards of 300,000 sqm of speculative development. The King's Cross and Euston schemes suggest that LB Camden will continue to consolidate its role at the centre of London's global city office market.

The importance of Midtown in terms of London Global City role is underlined by the presence of world-renowned institutions such as London University, University College London, the London School of Economics, King's College, University College Hospital, Great Ormond Street Hospital for Sick Children and the British Museum. Midtown is also home to tourist hotspots such as parts of 'theatre land' and Covent Garden, and

well known business districts such as Hatton Garden, Holborn and Tottenham Court Road.

Occupiers and Demand

During the past five years, annual take-up in Midtown has been around 176,000 sqm. The growing stock of modern offices in Midtown has succeeded in attracting a stronger base of diverse corporate occupiers. The list below shows a selection of the larger 2013 lettings in order to illustrate the diversity of demand and also the demand for relatively large amounts of corporate space. The legal sector remains strong in the area, but in recent times the creative sector has been a mainstay of demand.

Table 6.1: Selected B1 take-up in Midtown, 2013

Business	Sector	Sq m
Bird & Bird	Legal	13,200
British American Tobacco	Manufacturing	1,500
Davenport Lyons	Legal	2,900
Hachette	Publishing	12,500
King.com	Online games	2,300
Macfarlanes	Legal	4,500
Orega	Serviced offices	1,950
Publicis	Advertising and PR	9,000
Quilter Cheviot	Investment management	2,500
Sport England	Leisure	7,250
Tesco	Retail	2,000
Whaleshark Media	Marketing	1,200
WEVE	Marketing	1,950

Source: Various Press Reports

The diversity of the occupiers in this sample is noteworthy. They range from legal, to media to finance. They also represent the area's traditional strength in professional services and its growing important for creative industries. This diversity is an important strength of the area and one that should be encouraged.

It is worth mentioning here that the central London area of LB Camden's office market has the potential to create a knowledge hub. Specifically, this could be one focused on medical and life sciences. Such a hub does not currently exist within London, yet medical and life sciences are key strengths of London. The established presence of University College London; the more recent consolidation and upgrade of facilities at University College Hospital, the presence of Great Ormond Street Hospital and the current delivery of the Francis Crick Institute next to the British Library, all point to a growing density of scientific activity in the area. These large facilities are complimented by the presence of a large number of centres of excellence including the Royal College of General Practitioners (Euston), Royal College of Physicians ((Regent's Park) and Royal College of Surgeons (Lincoln's Inn Fields).

The delivery of the Francis Crick Institute is a pivotal development. This £650 million medical research centre funded by the Medical Research Council, Cancer Research

UK, the Wellcome Trust as well as Imperial College London, University College London and King's College London, is due to open in 2015. The institute will have 1,500 staff, including 1,250 scientists, and an annual budget of about £120 million. The net effect could be that it will be the focus of a medical and life science hub within LB Camden.

Rent, Availability and New Development

New development in Midtown has been restrained for some time, a fact that has conspired with good levels of demand to push rents higher. Recent leasing transactions have seen rents pass through the £645 per sqm barrier. The increasing popularity of the area with corporate occupiers seeking good quality new space is having a knock-on effect for the secondhand market, as rents there increase also, placing pressure on occupiers who are more sensitive to property costs.

Midtown has traditionally provided a lower cost alternative to both the City and West End. However, persistently low levels of availability, together with relatively low levels of development activity, have resulted in strong upward pressure on rents. New Grade A space in Midtown now commands rents in excess of £645 per sqm (according to market reports, 6 Agar Street, WC2 recently secured £645 per sqm). While second hand Grade A space can achieve £625 per sqm (as reported in a recent letting at MidCity Place), more normal levels are around £430 per sqm. These rent levels still represent a significant discount on the even more tightly constrained West End market, and are competitive with the City.

As a result of strong demand, and despite the effects of the Credit Crunch, availability has been gradually reducing over some time. Midtown's availability was reported at a little under 4% just before the Credit Crunch, rising to 10% in 2011, before turning and falling to its current rate, at around 4.5%. Moreover, the development pipeline is not keeping pace with demand, suggesting further prospective falls in availability (and increases in rent).

Midtown currently has just 100,000 sqm of speculative schemes under construction. There is around 150,000 sqm of available space, only one-third of which is in new or newly refurbished accommodation. These supply dynamics (i.e. a relatively thin pipeline and relatively large amounts of second-hand space suggest that occupiers will find it more difficult in the short-term to satisfy requirements for good quality space. This situation should be monitored in terms of establishing whether it is a short-term supply-demand dynamic (more likely) or a longer-term structural issue (less likely).

In terms of the new development pipeline, the table below shows planning permissions granted during 2013 to illustrate the pattern of development within the whole of LB Camden. The table contains all planning consents larger than 1,000 sqm, of which there are 19 schemes, totalling 307,000 sqm (net). Two points are immediately apparent.

Table 6.2: B1 Planning permissions granted in LB Camden 2013

Site Address	Sq m
King's Cross Central, York Way, Pancras Road, London, NW1 1UR	132,085
King's Cross Central, The Boulevard, London, NW1 1UR	64,711
Euston House, 132-142, Hampstead Road, London, NW1 2PS	23,226
80-84 Charlotte Street, London, W1T 4QP	22,297
King's Cross Central, 4 Pancras Square, London, NW1 1UR	16,258
150 Holborn, London, EC1N 2NS	9,107
Universal House, 251, Tottenham Court Road, London, W1T 7AB	7,358
Camden Lock, Hawley Road, London, NW1 8RR	6,343
81 Chancery Lane, London, WC2A 1DD	4,412
262 High Holborn, London, WC1V 7NA	3,887
Walkden House, 3-10 Melton Street, London, NW1 2EB	3,766
6 Erskine Road, London, NW3 3AJ	2,898
Black Bull Yard, 20-28a, Hatton Wall, London, EC1N 8JH	2,246
Outside Regents Park Barracks, Albany Street, London, NW1 4AZ	2,041
294-295 High Holborn, London, WC1V 7JG	1,830
St Giles Circus, Denmark Place, Denmark Street, London, WC2H 8LB	1,241
Fox Court, 14 Gray's Inn Road, London, WC1X 8HN	9,877
Whittington House, 19-30 Alfred Place, London, WC1E 7EA	1,100
Middlesex House, 34-42 Cleveland Street, London, W1T 4JE	1,036

Source: EGi

First, almost two-thirds (64%) this space is accounted for by the largest two schemes, at King's Cross. It can thus be seen that apart from the mega scheme that is King's Cross, development in LB Camden is typically quite small scale. Secondly, the schemes are overwhelmingly concentrated in the south of the borough. Only three schemes (Albany Street, Camden Lock and Erskine Road) lie north of Euston Station.

The spatial pattern of planning consents is reinforced by the pattern of schemes under construction (below). The chart shows just five schemes under construction during 2013, totalling 91,654 sqm (net).

Table 6.3: B1 schemes under construction, LB Camden 2013

Site Address	Sq m
1, 2, 5 & 6 Pancras Square, N1C 4AG	75,607
1 Mabledon Place, Euston Road, London, WC1H 9AJ	8,110
Central Cross, 18-30, Tottenham Court Road, London, W1T 1LN	4,088
The Lighthouse (block A), Pentonville Road, London, WC1H 8BG	2,019
King's Cross Central, 7 Pancras Square, Pancras Rd, NW1 1UR	1,830

Source: EGi

This summary of new development in the central London area would not be complete without a little further commentary on the impact of King's Cross and, in the longer term, Euston. Both schemes, including large amounts of office space, will help to underpin LB Camden's role as a strategic office centre in the wider London, world city context. In 2013 the King's Cross scheme secured one of London's largest ever occupational deals, to Google, who committed to occupying c800,000 sq ft (c80,000 sqm), in a new, state-of-the-art European headquarters.

The King's Cross scheme includes the potential for around 730,000 sqm of mixed-use development, including business and employment space; 2,000 new homes; student housing; hotels and serviced apartments; retail, food and drink, and visitor, cultural, leisure and community uses. Over 40% of the area will be public realm, including three new parks, five squares and 20 streets. The scheme will underpin the Midtown office market by providing a greater critical mass and a wider choice of premises.

Beyond King's Cross, and dependent upon the outcome of deliberations over HS2, there is the development of Euston where in excess of three million square feet of offices could be built. These two schemes illustrate the large development capacity that exists within LB Camden.

Central London Office Summary

LB Camden's central London Area provides the Borough's key opportunity to contribute to London's global city role. As described above, this area has changed very significantly in recent years: it has consolidated its position as a key London office market and succeeded in attracting a broader base of corporate office occupiers. Accessibility has improved and is set to continue to do so (especially due to Crossrail); the range of support services (hotels, restaurants, cafes, supplies) has expanded a great deal; and its centrality between the City and the West End and the remaining cost differential have all contributed to its new found attractiveness .

The Midtown market has a number of larger older, institutional buildings, and a few modern, 'signature' buildings. It is, however, dominated by smaller stock, accommodating a wide variety of occupiers involved in professional and business support services. There are relatively few large, single occupier buildings: most are medium-sized and multi-let.

Market perception is that one factor constraining supply is LB Camden's mixed-use policy, due to its impact on the viability of schemes. How far this is correct is not clear from the evidence. Clearly the policy does not choke off development as many office schemes have started since it has been in force. But it may reduce supply below what it would otherwise be. To see if this is the case, and to estimate the size of any effect, would require a close study of the policy, using detailed case studies and development appraisals.

In summary, recent history suggests that there is growing occupier and investor demand for office floorspace in LB Camden's central London area. At present and for the next few years, market signals suggest that the forthcoming supply falls short of this demand. The reasons for this market imbalance are not clear and may or may not relate to planning policy. We will reconsider the balance of demand and supply in Chapter 7 below, taking a longer-term view. But first we need to look at market conditions in other parts of LB Camden.

6.4 Camden Town Office Market

Overview

Camden Town is something of an enigma in office property terms. While it might be expected to benefit greatly from its proximity to the enormous concentration of offices in the central London area (in terms of demand from occupiers and developers), it has remained in essence a secondary office market location. There is relatively little large, modern corporate office space and the bulk of the office market comprises converted light industrial buildings.

One consequence of this supply-demand dynamic is that the area has a vibrant and thriving market catering for smaller businesses, with concentrations of creative and media occupiers looking for more cost effective, simpler buildings and flexible buildings. While providing easy access to the West End, the area's stock of space is very varied, in terms of condition, age, unit size and leasing terms, and this provides for a wide range of occupier requirements.

Those businesses that have moved to the area are mostly creative types, including: Getty Images, H Bauer Publishers, Jim Henson Organisation, MCI WorldCom, MTV and Viacom Outdoor. Indeed, a strong broadcast media cluster has developed in Camden Town.

Supply and Demand for Office Space

Large new offices in Camden Town are unusual in modern times, and little has changed since the 2008 ELR (unsurprising given the intervention of the credit crisis). The two most recent large office buildings were both finished in 2005: Camden Point (35,000 sq ft in Camden Road and the Centro Scheme (85,000 sq ft in Camden Street). Significantly, both of these were refurbishments rather than new developments. The former was leased to British Transport Police, while the latter has been let to Hugo Boss (UK headquarters). Beyond these schemes there is a lack of supply of larger, good quality office buildings in Camden Town.

The lack of new supply in Camden Town is, at least in part, a symptom of a broader trend across London, and that is the increasing value (and demand for) residential property relative to commercial use. But there is also a demonstrable lack of demand from corporate occupiers and, perhaps, a lack of large sites. One of the most significant and high profile sites is the redevelopment of the tube station in the central London area. The office element of this is tied into the operational refurbishment of the station itself, which adds major complications. The scheme is inching forward, but not likely to be completed for several years.

Another high profile site is the Hawley Road regeneration, but the Council's own guidance for this site⁹ states that while office uses '*are a significant element of businesses and employment in Camden*', such uses on this site will '*need to be balanced with other uses to encourage a broad economic base*'. It suggests that the development should include '*a mix of studios, workshops and other light industrial*

⁹ LB Camden *Hawley Wharf Area Planning Framework SPD* February 2009

floorspace (Class B1), industrial (B2) uses of service to the local area, and offices'. There is, in other words, little encouragement for mainstream offices.

Discussions with local agents suggest that while there is a lack of supply for larger offices, there is also little demand, with significant enquiries being few and far between. Whether one follows the other is a moot point. Whatever the cause, the effect is that Camden remains a secondary office market. This is not a negative conclusion. It is simply to recognise that, given the enormous concentration of offices in the central London area (discussed above), and the ready availability of large corporate offices from Regent's Place, along Euston Road, to King's Cross, Camden Town forms a different kind of market. Thus, at one level, it could be argued that supply and demand are in rough balance – there is certainly no evidence of great vacancy of larger offices, and enquiries are low.

In terms of the market for smaller, local offices, there is strong demand for studios, start-up space and for micro businesses. A very good example of such premises is Belmont Yard, Belmont Street. Located off Chalk Farm Road, opposite the prominent music venue The Roundhouse and within a short walk from Camden Market, this building is a former piano factory that has been refurbished and converted to provide small B1a space. It is close to Chalk Farm (Northern line) and Camden Underground Stations. Recent local tenants include Models One and young fashion companies.

Demand for such premises is currently generally being satisfied, although pressure for residential development is reported to be placing growing numbers of small commercial properties under pressure of redevelopment. At the same time, demand, at least anecdotally, is rising. The market for this space is very important not just for Camden, but for London generally. If Camden Town performs a role of nurturing small businesses in economic and flexible space, then it is performing a critical role.

Office property costs in Camden offer a very significant discount on comparable properties in the West End, reported to be in the order of 30-40%, and so it could continue to be successful in absorbing businesses seeking to exploit such a differential.

Camden Town Summary

Given the limited availability and comparatively high costs of office space in Midtown, we might expect mainstream office occupiers from the area to spill over into Camden Town, generating demand for larger, higher-quality, higher-value properties. However, this would be to ignore the major opportunities for large-scale, high-quality office developments at Euston and King's Cross mentioned above. We expect that in future these sites will absorb much of the larger, corporate overspill demand from central London and that Camden Town will continue to fulfil the important but 'secondary' role of providing less expensive space.

The key point here is that Camden Town provides a focus for specific sectors of demand which are important to LB Camden overall. Its attraction to creative industries and start-ups is a defining feature of the Camden Town market. Providing the kind of space to nurture these kinds of businesses will be more important than competing with schemes providing larger corporate buildings in the central London market area.

Encouraging bespoke and targeted schemes will be important in this respect. The example of Camden Collective is instructive. This is a building on Camden High Street providing coworking space and an accelerator programme for start-up businesses. Significantly, this example also illustrates the regeneration potential of such initiatives. Camden Collective is part of a £3.3m MRF funded project for the south of Camden Town aimed at transforming the public realm; and is funded by the Mayor of London's Regeneration Fund, Camden Council and Camden Town Unlimited, the Business Improvement District for Camden Town. If the Council wishes to meet the demand for office space, so that lack of land does not constrain economic activity, it should consider

protecting office sites against transfer to higher-value uses. But such a policy, if applied indiscriminately, risks safeguarding sites which will never be re-used for offices, perhaps because they are poorly located or certain market segments are over-supplied. Therefore the Council should monitor floorspace change and the take-up and availability of space so that it can assess market conditions over time. Moreover, any safeguarding policy should be subject to a market test so that sites can be transferred to other uses if applicants can demonstrate that they are no longer suitable or required for offices.

6.5 Outer LB Camden Office Market

Finchley Road/Swiss Cottage

The Finchley Road is a busy thoroughfare running all the way from Golders Green in the north to St John's Wood in the south. Along its long stretch to road changes character significantly. The northern part is mostly residential and secondary retail with very little office activity. The area to the east of West Hampstead has more retail, although vacancy is relatively high and the area shows signs of decline. The one dedicated office building is Lithos House, at 307 Finchley Road. Otherwise office activity is minimal.

By contrast, the southern part of Finchley Road is more commercial. The stretch of road from around Finchley Road & Frognal station to Swiss Cottage has a much broader mix of both retail and office activity. Although there is little evidence of recent development activity, the stock of largely 1970s and 1980s office buildings provides a good base to accommodate demand from a range of large and smaller office occupiers. The Jubilee Line connection through to the West End and Canary Wharf provides the area with important connectivity. This feature is particularly important for office occupiers looking for easy access to the central London area, while not paying central London rents.

At the same time, this older office stock is subject to growing pressure for conversion to residential property. For example, Essential Living, a company specialising in developing residential property for the private rental sector, has an application to convert 100 Avenue Road, NW8 into 184 flats plus community uses and possible improvements to tube access. It is not hard to see why. But LB Camden must be aware of the impact that this will have on its ability to accommodate larger occupiers throughout the Outer LB Camden area.

Hampstead

Hampstead is a busy and congested centre lying to the south west of Hampstead Heath. The area is very prosperous, and this is reflected in the retail offer in the area. The town centre is focused on the junction of the High Street, Heath Street and Fitzjohns Avenue. The centre is served by Hampstead Tube station, on the Northern Line. The town centre is a vibrant retail centre, combining a range of independent and specialist stores with a selection of chains – particularly in the bars and restaurants. Vacancy and signs of dereliction are minimal.

In terms of office activity, there is plentiful first- and second-floor office activity, providing local services (accounting, consultancy, legal, property and so on), but no evidence of larger office occupiers. The centre is clearly not a significant office centre in a wider sense.

Kentish Town

Kentish Town lies to the north of Camden Town. The area has a much lower concentration of office activity, and that which exists is generally older and spread more thinly. Most offices contain businesses that cater for local needs. The most imposing building is Linton House on Highgate Road, a converted light industrial structure that now provides serviced office accommodation. However, this building has now obtained

prior approval for conversion into residential. The area is clearly growing as a residential area, with much building activity and evidence of a growing retail offer, including bars and restaurants.

The 2008 ELR noted the dearth of office buildings in the area, and the apparent lack of demand for new office space, particularly from the larger, corporate sector. Little has changed in this respect, although pressure for residential development is reported to have increased sharply.

Kilburn High Road

Sitting just to the west of West Hampstead is the A5 Kilburn High Road, a busy arterial road running from Maida Vale and St John's Wood to the south, out through Cricklewood and to the M1 in the north. At the northern end, the area is linked to the Jubilee Line at Kilburn, and to London Overground at Brondesbury station; while in the south it is connected to London Overground at Kilburn High Road station.

Between these stations the road is a busy retail centre, with a range of local shops and services, together with several national chains. Along the high street, many upper floors of retail units provide residential accommodation, as well as small office units serving local needs. Several buildings along the high street are showing signs of dereliction.

The High Road is not a significant office location. Its main function is to cater for local businesses such as solicitors and other professional firms. We reiterate the finding from the 2008 ELR, that while the area should continue to provide small offices to satisfy local demand, the area does not have the potential to attract larger, footloose corporate occupiers from other parts of London. Pressure for conversion from commercial to residential use is evident along the High Road, with several new developments having recently taken place.

West Hampstead

West Hampstead sits between Finchley Road and Kilburn High Road. The commercial part of the area is focused on West End Lane. The area is well serviced with transport. West Hampstead on London Overground connects the area to Willesden Junction and Richmond in the west, and Barking in the east; while West Hampstead underground provides rapid access to the West End on the Jubilee Line.

The commercial hub around West Hampstead Tube station is mainly retail, but there is close by a relatively large amount of secondary and tertiary industrial activity. Office use in the area is low key. One of the few larger, modern office developments is Hampstead West, on Iverson Lane. This comprises an office development of six self-contained buildings accommodating a range of mainly local businesses. Another modern building is that occupied by watchmaker Accurist in Blackburn Road, which has a distinctly modern and 'high-tech' design. At West End Lane, LB Camden has an office presence, with its Social Services department.

Apart from these few examples, the office market in West Hampstead is very thin. Beyond the commercial core, the area quickly becomes dominated by residential activity. The area is bisected by rail lines and these, to some extent, dictate the attractiveness of the area, both for commercial and residential use.

Outer LB Camden Office Market Summary

The descriptions of the Outer LB Camden sub-markets given above serves to demonstrate that they are not strategic office centres. Most provide premises for businesses serving local demand, and there is no evidence that they compete with each other for occupiers. They do not generally provide an alternative to corporate occupiers looking to move away from central London to a lower cost location. Much of the stock in

this area is characterised by small units on first and second floor units above shops and other commercial uses. Judging by the number of letting boards and advice from local agents, there is more supply than demand for these units. The growing pressure for conversion from commercial to residential uses that is evident in many areas from new developments presents the greatest threat to office provision.

6.6 Office Market Conclusions

The office market in Camden is formed by three quite distinctive sub-markets: the central London area, Camden Town and the Outer LB Camden area. Our foregoing discussion shows how the property markets vary: the central London area with its focus on larger CAZ businesses, dominated by professional and business services, with an increasingly important creative services sector; Camden Town with its focus on small creative businesses and start-ups; and the Outer LB Camden area with its focus on smaller professional firms serving local businesses' needs.

The office supply market is continuing to evolve rapidly, with trends observed in the 2008 ELR being evident today. Notably, there is much thinner demand for large corporate offices away from the central London area. Swiss Cottage will be vulnerable in this respect, as will larger isolated office buildings across the borough.

The central London area performs a vital role in supporting London's world city functionality. The area has changed enormously for the better of the past 15 years or so, and has become a critical business cluster in London's economy. It now boasts a broad base of occupiers and shows signs of continuing to grow in importance. Its position between the City and West End is one of its greatest strengths. This Midtown role is being further reinforced by large scale development at Regent's Place, King's Cross and, potentially, Euston. The gradation of property offers from large corporate in the south, through smaller, start-up and creative in and around Camden Town, to offices serving largely local needs in the Outer Borough works well in principle.

Within this menu of offers, perhaps the most critical issue in policy terms is to nurture growth of small, dynamic businesses, and this means having a ready stock of suitable premises available. This will be most important around the fringe of the central London area and in Camden Town.

6.7 Industry and Warehousing

Overview

The 2008 ELR noted that LB Camden's stock of industrial/warehousing space is '*small, shrinking, scattered and ageing*'. Demand is strong particularly among occupiers who are looking for economical and simply-specified premises from which to service the central London business market. LB Camden is a good location for such activities. The report noted that the '*take-up of space is restricted by lack of supply, and especially modern supply, as industrial/warehousing sites are under intense pressure from competing land uses*'.

Due to this competition from higher-value land uses, LB Camden is losing more industrial/warehouse space than it would do otherwise and its floorspace stock is not being renewed. Industrial and warehouse occupiers who would like to locate in LB Camden, and if it were not for competing land uses could afford to do so, are going elsewhere.

Industrial Supply

The 2008 ELR noted that LB Camden has one of the lowest stocks of industrial and warehousing space in London. Only Kensington & Chelsea, Westminster and the City of London have less. The stock of industrial space, in common with other boroughs, has

been falling sharply for many years, and reflects the wider restructuring of the wider London economy. Moreover, the 2008 ELR noted the lack of renewal of industrial stock. At this point, almost two-thirds of LB Camden's industrial stock dated from before the last war; with three-quarters dating from before 1970. In other words it is an old, increasingly obsolete and rapidly dwindling part of LB Camden's commercial property market. Without necessary investment, a growing proportion of space will become unfit for continued use.

As also noted in the 2008 ELR, because LB Camden's industrial market is so small and fragmented, there is little quantitative evidence available. Deals are typically very small and are rarely recorded, leading to a lack of robust information on the quantity or qualitative mix of industrial floorspace demand and supply in the borough. The 2008 ELR noted that *'virtually no new industrial property has been built since 1991'* and that *'this situation had not changed for some time, with just one building being completed in the previous five years'*.

There is no evidence suggesting that the position has materially changed since 2008. Indeed since 2008, further significant losses of industrial/warehouse space have been witnessed in the south of the borough, in the area to the north of King's Cross. Perhaps reflecting the rapidly dwindling quantity of industrial stock very little of the borough's industrial stock stands empty for any length of time.

The 2008 ELR was stark: *'LB Camden's industrial property market is small, shrinking, scattered and aging'*. It was suggested that most sites would be hard to defend. Nowhere is this more starkly shown than in West Hampstead.

In the centre of West Hampstead lies 187-189 West End Lane. The UDP identifies the site's preferred use as 'mixed use, predominantly employment'. Although this is clearly a development opportunity, it is questionable whether it is appropriate for industrial or distribution use. The mixed-use policy statement is sound, but the 'predominantly employment' rider is interesting: this site could be a residential/retail-led scheme with provision for smaller, light industrial, starter units towards the rear portion of the site.

Nearby, at 148-152 West End Lane, a ground rent investment in West Hampstead was sold in 2009 on behalf of Network Rail for £2,060,000, well above the £1.5 million guide price representing a 3.39% yield. Such a yield is highly unlikely to be accepted by a buyer with plans to develop for non-residential use. .

Such cases highlight the continuing precarious position of much industrial activity in the borough. They will reinforce the very low availability of industrial stock in the borough and over time, that which remains will likely become more and more obsolete as it ages.

Quality of Industrial Stock

LB Camden's stock of industrial and warehousing property ranges widely in quality and character. For example there are some concentrations of reasonable quality space (such as Regis Road, while other concentrations are showing signs of visible decline (For example, Liddell Road). The stock also ranges between quite large, distribution space (for example, St Pancras Way), and very small, marginal units (such as West End Land and the railway arches at Iverson Road).

Apart from the few examples of concentrated stock (such as Regis Road), the borough's stock of space is much dispersed, which is one of its greatest threats. There are several examples (such as Holmes Road) where isolated industrial stock is rapidly being converted to residential use.

Two sites – at Liddell Road and Blackburn Road – illustrate the complex issues involved. The 2008 ELR noted Liddell Road Industrial Estate as a badly maintained example of potentially good quality industrial stock. While the site provides employment

land, the site's owner – LB Camden – is currently considering a residential led mixed use development with a new primary school and employment opportunities on the site. While there is likely to be some re-provision of employment space, the site will lose its critical mass (see comments on concentration of industrial activity in Section 6.8 below) as an employment location.

The other site, the Mercedes dealership at 14 Blackburn Road, is also heading for a residential future – this time for students – following a successful planning appeal to convert to B1 on the ground floor and student accommodation on up to seven floors above. This is perhaps not too surprising. The 2008 ELR stated:

'This is an isolated industrial site, but clearly one that suits the sitting occupier. If this occupier should, for any reason, cease to operate, there will be a significant question mark over whether the location or soon-to-be purpose built premises will be attractive to other light industrial businesses....'

'...In summary, already subject to an imminent mixed-use proposal, this is unlikely to be a site that would be selected proactively as one to protect for industrial use.'

With this in mind, comments by local agents are unsurprising, with one saying pointedly that there is little demand in West Hampstead; another that there was very little happening in industrial generally and a third that there are very few enquiries.

The overall pattern suggests that the pressures being felt before the credit crunch were, indeed, only temporarily alleviated by that fiscal shock. Residential values continue to place enormous pressure on the remaining vestiges of industrial space and the quality of that remaining is continuing to decline.

Industrial Occupiers

Many of LB Camden's industrial premises are occupied by businesses providing low margin services to the local area. These include local builders, suppliers of DIY and household goods and the motor trades. Such businesses require cheap premises and, in an area where competition for land is so intense, they often end up in highly marginal and physically poor properties. Railway arches typify such uses.

These local businesses are matched by others that service the wider London economy, particularly the central London area. Such businesses might be providing a wide range of services including design, electrical and mechanical equipment, food production, joinery, media production, office supplies and paper and print. These businesses need to be close or accessible to their customers, while at the same time operating out of cost effective premises. Good examples of such businesses in LB Camden include Howden's Joinery, Murphy, Parceline, Travis Perkins and UPS.

It is also worth emphasising a point from the 2008 ELR, in terms of considering what types of industrial premises will be in demand. This is that occupiers of industrial space are by no means all undertaking 'industrial' activities. Often such businesses are undertaking activities that were once 'dirty' but which are now 'clean', such as printing which previously was '*a dirty industry, using noisy and polluting equipment*', but which '*in many instances is now very clean*'. Other clean industries noted in the earlier 2008 ELR include communications, design, environmental technology, media production, medical equipment and many others. These businesses require clean, economical buildings of simple specification in a fringe location.

The 2008 ELR observed that clean industries in industrial premises in LB Camden stand to gain from the growth opportunities resulting from the continuing expansion of the central London economy. At the same time, they are the most likely to be driven away by LB Camden's ageing and deteriorating stock of business space. They will only stay and grow in the borough if there are sites and premises of adequate quality.

Industrial Vacancy and Rents

While reliable statistics on industrial vacancy in LB Camden are not available, site visits suggest that vacancy is very low. The great majority of (the few remaining) industrial premises are either occupied or being actively marketed. A recent Business Premises Study¹⁰ noted that at the time of writing in 2011, there were just four industrial properties being actively marketed in the whole of LB Camden. These ranged in size from 405 sqm to 3,019 sqm and totalled 6,777 sqm, representing 2% of stock.

Such low levels of availability have forced rents to rise in the borough. Rents for good quality space generally range between £150 per sqm and £183 per sqm. For space of a lower quality and poorer condition, these rents more than halve to £75-£86 per sqm. Nevertheless LB Camden's industrial rents are high by comparison to comparable areas around the CAZ fringe. This is in part because of its excellent access into both the West End and City. Access is not as good for companies located south of the river or east of the City or west of the West End. Many companies in these types of premises must guarantee delivery times and so reliable routes and journey times are key. In this sense, and despite on-going losses, LB Camden industrial commands something of a premium in rent terms.

6.8 Industrial Market Conclusions

It is clear that LB Camden is losing industrial stock rapidly while, at the same time, demand remains strong. The key reason for the positive and sustained level of demand is LB Camden's strategic position with respect to CAZ. It is ideally placed to accommodate businesses that need to service central London occupiers (such as offices, universities, hospitals, restaurants and hotels) with a plethora of goods and services, from premises that are within a simple and reliable drive time. Demand for such support services is very unlikely to wane, and more likely to grow. Demand will also grow as businesses are displaced from higher cost locations within the CAZ as they undergo redevelopment for higher value uses.

This analysis suggests that LB Camden should be seeking to protect industrial land and properties, particularly where the businesses are viable and sustainable. In this context, viable and sustainable will translate into sites that are in locations where industrial activities are in some sense concentrated, and where the properties are purpose built and/or renewable. Industrial properties in residential areas, properties isolated in minor streets and properties that are clearly obsolete should be looked at differently.

A relevant question here is whether the central London economy would suffer if LB Camden allowed further degradation of industrial property-based activities in central London that service central London businesses. The answer is not a simple one. If LB Camden took such action on its own, then the answer is probably negative. The central economy is large with an enormously complex web of commercial relationships and, like most complex systems, is able to withstand changes that are limited in scope. However, if a number of central London boroughs took similar action to plan against the provision of employment land allowing industrial activities to service the CAZ, then the cumulative impact could be significant. This is not to suggest that the central London economy would materially change, but there would be increased inefficiency in, for example, logistics; costs would be likely to increase and reliability issues would be likely to arise.

In terms of the premises typologies discussed elsewhere in this report, industrial property in LB Camden comprises three generic types, namely: industry (B1c, B2 and *sui generis*), warehousing (B8) and start-up space (B1c and B2). These all feature in the LB Camden industrial market, performing different functions for different types of

10 Roger Tym & Partners and Grant Mills Wood (2001) *Business Premises Study* LB Camden

occupiers. As LB Camden begins to consider policies for retention of industrial property, it will be important that policies are sensitive to all these different types of 'industrial' property, rather than applying a single definition of industrial uses. For example, as noted in the 2008 ELR, there are growth opportunities in clean industries that serve the expanding central London business market, such as building services, catering, cleaning, courier services, design, hospitality services, IT back-up services, marketing services, media production, office supplies, printing, security, training and many others. These activities require clean, functional space, of a higher standard than many traditional local industries. Some of them might currently have a low profile in the borough but they could be attracted in greater numbers if they could find the right kind of space – 'clean industrial' units on well-managed estates. Moreover, these uses will make different demands on the three types of industrial property described above, and their sub-sets.

Because of their attractiveness to growth sectors and SMEs, it is such properties that LB Camden could be looking to re-provide within the borough. As noted elsewhere, Kentish Town has been successful in attracting SMEs and micro-businesses to converted industrial buildings, and such conversions should be encouraged.

6.9 Workspace for Start-up and Small Businesses

Despite the economic downturn, the last few years have seen a significant increase in London in the number of workspaces available to start ups and small-enterprises.

The London Plan (Chapter 4) indicates that overall there is adequate provision but that there may be some shortfalls and issues with affordability in some parts of London - as opposed to it being an issue across the whole capital.

Circumstantial evidence also suggests that certain sectors prefer to cluster in areas where there is a combination of accessibility, flexible building stock and amenities, for instance Tech City (the western area of which includes Clerkenwell and Angel, which border LB Camden's eastern boundary). This causes supply issues and rent increases, when other areas of London have similar strengths and indicators and could be nurtured to provide additional capacity. Much building stock accommodating SME's is earmarked or being converted to mixed-use housing displacing businesses which puts additional pressure on supply.

There is no question that start-ups are an important component of LB Camden's economy, and the real issue is in ensuring that the type of property is provided that will appeal to start-ups and SMEs in terms of scale, form and location. Such space is normally provided in 'managed space', 'incubators' and 'coworking' spaces', among others. Such spaces have spread widely across London in recent years. They are most well known in East London (around Tech City), but are widespread elsewhere within the CAZ boroughs and CAZ fringe locations.

Collectively referred to here as SME spaces, such buildings support a wide range of business sectors, although the most common ones are ICT, science, technology, creative industries and social enterprises. They offer affordable and flexible options for start-ups to rent space to initiate and sustain entrepreneurial activity. SME spaces can also provide not only the physical space in which to undertake their work, but also support infrastructure including business advice and mentoring. More informally, but critically, they can also provide networking and collaboration opportunities to early stage enterprises. One of the well-recognised benefits of shared workspaces is the opportunity for micros and start-ups to network, allowing exchange of ideas and experiences, encouraging many of them to enter into business partnerships, develop innovative concepts, supporting and unknowingly mentoring each other which in turn can develop into the growing and strengthening of the SMEs.

SME workspaces are created and managed by a wide range of organisations, from private to public (Local Authorities, Universities), to not-for profit. Their degree of success also varies according to financial models, the type of SMEs they support or type of services they provide.

Anecdotally, the shortage of affordable and readily useable workspace is hindering the growth of SMEs. There seems to be a general belief that these spaces will become more common in the next few years as the market response to demand and start up and small businesses realise that these spaces can offer an affordable way for entrepreneurs to test their ideas.

The term 'affordability' is a little imprecise but, of course, it refers to space that, particularly, SMEs find they can occupy within the context of their business plans. A question that arises is whether there could be some form of 'cap' on rents for this segment of demand. There is no strong evidence or precedent for such a step, and it is not at all clear how it could work in practice. There is some evidence for local authorities (although very few in London) providing subsidised space in regeneration areas, but this tends to be because demand is low, rather than because segments of demand are being priced out of markets. Given the recent growth in coworking and managed space solutions, which is a response to the growing recognition of the strength and vibrancy of the SME sector, it is likely that the market is finding a means of providing affordable space to occupiers not otherwise able to enter the more traditional market (deterred by the upfront deposits on rent, fixed term leasing periods and inflexible break clauses, for example).

There is enormous variability in the quality and characteristics of SME workspace environments. They range from high specification, purpose-built facilities to converted industrial buildings with very basic interior design and fittings.

The needs of businesses within SME workspaces vary widely in terms of the layout of the work environment. Generally speaking, coworking spaces are open in order to encourage interaction and collaboration between those working there. There is a requirement for enclosed meeting/project areas in order to provide discrete space for group discussions; but most of the space is open plan. Within this, the workspace provision includes a range of options, including individual drop-in desks (first-come-first-served), dedicated desks, group tables, soft furnishing and meeting areas.

SME workspaces are generally designed to encourage interaction (and creativity and collaboration) between occupiers and to create the sense of a community. The role of the provider/manager varies, but often this will include encouraging the community aspects of the centre, including orchestrating events and networking opportunities within the space.

6.10 Growth Sectors

As set out in Section 4.5 there is evidence that LB Camden is home to a comparatively large proportion of creative and cultural industries (CCIs). The CCI sector includes a wide range of business activities from traditional craft and design to high technology computer gaming and app development, music, fashion and media. Many of these businesses are drawn to LB Camden through the benefits of being co-located and with access to a young and entrepreneurial qualified population amongst other factors, such as the diverse residential and retail environment offered by LB Camden.

A key growth sector for LB Camden is the technology, media and telecommunications (TMT) sector. Evidence is emerging which supports the idea of a growing TMT sector which is driving demand for office space in London. There are at present around 24,000 ICT and software companies based in London, the highest in any European City¹¹. The

¹¹ GLA (2013) Jobs and Growth Plan for London

Deloitte London Crane Survey found that the TMT sector represents 38% of leasing activity on space under construction in central London, or around 192,000 sqm of office floorspace.

Evidence suggests that the demand for office floorspace by TMT activities has increased significantly throughout 2013. Estates Gazette cites this step change in demand: 'TMT deals accounting for 2.6m sqft of space so far [3rd quarter] in 2013 – more than the previous two years combined'¹². The same source reported increased floorspace take up by the TMT sector within the City of London to the extent that it outweighed demand from the financial sector.

Estates Gazette highlights opportunities for London to attract international business. The tech sector is driving a boom in San Francisco and south through Silicon Valley Bay area real estate¹³. The size of the floorspace leased or owned by technology businesses in Bay area dwarves that of London: the top 20 tech business occupancies comprise in excess of 37m sqm of space; the top three being Google with 8.5m sqm, Cisco with 7.9m sqm and Hewlett-Packard/Snapfish with 4.6m sqm leased or owned.

As the technology sector continues to grow and globalise, US businesses are looking to expand abroad. London is considered a highly suitable and sought after location for expansion by US tech companies. Cushman and Wakefield's Bay Area President said: *'I have been to London, Paris, Tokyo, Sydney, Melbourne, Tel Aviv, Stockholm and Munich. Out of all of them London, wins hands down, is the most dynamic international city for tech. In terms of cities outside of the US, it is the one with the most tech, innovation and creativity to lure these Bay Area start-ups.'*¹⁴

Some of the large technology companies require warehouse-style industrial spaces (which Silicon Valley can provide for) but there is recognition that city centre life and tech firms are more aligned than ever before: *'People get pulled here because of the lifestyle, the risk capital, the culture – they want to be in a 24-hour city'*. Of locations in the UK, US tech clients want *'without doubt or exception only the centre will do ... [and] they want to get into Noho, King's Cross or Shoreditch'*. Technology giants have begun investing in London, seen for example by the new 860,000sqft (80,000 sqm) King's Cross Google HQ. Shoreditch is picked out as a location which could deliver buildings with larger floorplates of up to 27,000 sqft (2,500 sqm).

Inner London locations such as King's Cross and Euston (and in particular the City Fringe/Tech City area) have the potential to benefit significantly from US capital investment as technology companies expand globally. Though hard to quantify, demand from foreign investment could lead to a step change in demand for office floorspace in LB Camden's growth areas.

A second key, potential growth sector for LB Camden is the medical and life sciences sector. As noted, such a hub does not currently exist within London, but there is a nascent cluster of activity in the Euston area. The delivery of the Francis Crick Institute in 2015 could be catalytic in this respect. The Institute is a large purpose-built facility with specialist design aspects. However, for a cluster to develop and grow significantly it is likely that the provision of more generic and less specialist space will be required.

In locational terms, a cluster of such activity around Euston is advantageous in terms of links to, for example, Cambridge, where life science research is very well established and growing (Astra Zeneca's recent decision to build a European HQ there reinforcing

¹² 12th October 2013 edition

¹³ Bay Area Tech Sector US Special; Estates Gazette, 23 November 2013.

¹⁴ Estates Gazette, 23 November 2013.

the city's cluster strength). The proximity to University College Hospital and University College London (UCL) is also critical.

Speculating on the precise type of premises that will be required by such a cluster is problematic, simply because of its novelty. However, it is likely that premises requirements will be for lower rise buildings than high rise, for highly flexible space, for buildings with public realm and space that can be serviced easily by supply vehicles. Buildings are likely to need to support research activities which will mean provision of, for example, lab space as well as teaching facilities such as lecture theatres. Collaborative working among space users will be key, suggesting the need for open floorplates that can be configured in different ways. In masterplanning terms there will be advantages to creating a campus, with local shared areas and high quality public realm.

6.11 Blurring of Office and Industrial Uses

Mention is made elsewhere in this report of the rapidly changing nature of the central London economy, and its impact on demand within the commercial property market. Overall, activities which are traditionally defined and recognised as industrial are in decline; while the City/West End/Midtown offering of high quality Grade A office space is expanding. However, in large parts of London there has emerged demand from companies requiring a third generic building type. As noted elsewhere, many industrial buildings are now occupied by 'industrial' occupiers whose business processes and products are 'clean'; while others are occupied by office occupiers looking for affordable space.

The actual physical differences in the buildings required by these different occupiers can be quite marginal and revolve around fit out rather than basic building typology. In other words, there has been a blurring of demand between certain types of office occupiers and 'industrial' occupiers and, to a certain degree, it is no longer helpful to refer to 'industrial' and 'office' uses.

As LB Camden considers its approach the B-class premises it will be important to address this. The implication is that spatial planning might consider functionality of space rather than separate use classes (this would also assist in consideration of the various types of mixed use development). To assist in this, the development of a 'typology' of premises, which identifies physical characteristics associated with different types of occupier activity, would be a helpful start.

6.12 Development Pipeline

The London Development Database (LDD) records planning permissions of more than 1,000 sqm of floor space in the Greater London area as part of the process of monitoring the Mayor's London Plan.

LDD data for LB Camden records changes in floorspace by use class based on planning applications consented. The LDD data selected covers the period from April 2004 to September 2013 and includes all consents which have yet to be completed. **Table 6.4** shows that during this time period circa 370,000 sqm of net additional office floorspace has been granted planning permission, but yet to be completed. Over the same period a net loss of circa 86,600 sqm of industrial floorspace was granted planning permission. In the majority of cases the loss of B use class floorspace can be attributed to redevelopment for residential use or other mixed use development (retail).

However, when studying planning consents between April 2004 and September 2013, B1 use class floorspace completions have actually been low - contracting at a rate of around 3,800 sqm per annum during this period. This may in part be due to the recession impacting on of construction rates and deliverability post 2008 so that while some sites are recorded as 'started' they could have stalled. There is also a tendency,

in order to protect the life of a planning permission, to implement (i.e. make a start on site) even if there is no intention to complete the development. The amount of floorspace under construction should therefore be treated somewhat cautiously. Inevitably the larger, more complex the scheme the longer it will take to develop. We also recognise that the LDD includes sites with outline planning permission, as well as sites with full planning permission, which has the potential to skew direct comparisons between net approved and net completed floorspace due to the longer lead times associated with developments with outline planning permission.

Despite these caveats, the LDD data indicates that the expected demand in LB Camden for B1a/B1b uses is high and a reflection of anticipated demand in the short and medium term (i.e. less than say 7 years).

Table 6.4: Net Floorspace Approved by LB Camden Ward (Sqm)

	Office	Industry		Other use classes		Total
	B1a/B1b	B1C	B2/B8	A	SG	
Belsize	-720	0	-80	-419	-5	-1,224
Bloomsbury	-43,735	0	-2,810	1,375	-1,160	-46,330
Camden Town	-3,915	2,385	-5,336	11,362	115	4,611
Cantelowes	-2,621	1,763	-4,334	-341	-1,054	-6,587
Fortune Green	-4,395	-660	-760	1,275	-3,406	-7,946
Frognaal	-1,424	-140	0	100	-12,987	-14,451
Gospel Oak	-2,386	-606	-10	66	-170	-3,106
Hampstead Town	306	0	-28	-785	-289	-796
Haverstock	-759	-98	1,857	-2,095	-4,945	-6,040
Highgate	-1,018	0	0	-484	-197	-1,699
Holborn & Covent Gdn	-83,849	1,059	-4,378	10,184	-7,520	-84,504
Kentish Town	520	118	-7,144	-1,877	2,817	-5,566
Kilburn	-9,130	-125	-1,455	-950	-15,206	-26,866
King's Cross	-26,381	-1,021	-7,860	-1,545	26	-36,781
Regent' Park	48,800	-122	-10,841	254	7,215	45,306
St. Pancras	499,323	-1,022	-40,561	56,011	110,674	624,425
Swiss Cottage	-47	0	-22	-1,574	1,238	-405
West Hampstead	1,543	-1,525	-2,869	3,454	-3,594	-2,991
Net Approved	370,112	<100	-86,631	74,011	71,552	429,050
Average Per Annum	38,959	<100	-9,119	7,791	7,532	45,163

Source: LDD, URS calculations

6.13 Change to Permitted Development Rights (offices to dwelling houses)

The recent adoption of new permitted development rights, which came into force on 30th May 2013, allows the change of use from B1(a) office to residential (C3) without the need for planning permission.

From data provided by the LB Camden Council for the twelve month period since the new permitted development rights came into force record 135 prior approval applications were made, equating to an average of around 11 applications per month.

It is possible to break down the number of applications received by ward (Bloomsbury, Holborn and Covent Garden, and King's Cross are exempt). Conversions proposed in Kentish Town have been particularly high - representing almost a quarter of submitted prior approval applications. Camden Town within Primrose Hill and Kilburn make up another quarter of all prior approval applications. Of the applications that have been determined (96) it is apparent from the Council's data that approximately 70% of applications have been approved and 30% have been refused. The approvals equate to an approximate net gain of 476 residential units.

Specific data with regard to the total loss of B1 floorspace has not been provided but the Council estimates approximately 40,000 sqm of B1 floorspace would be lost if the schemes are implemented. The largest conversion rates have been seen in Kentish Town and Camden Town where approximately an additional 206 residential units and loss of approximately 17,000 sqm of B1(a) office floorspace have been approved.

While loss of B1 floorspace is a concern bearing in mind the prevalent office demand and the fact that LB Camden is a 'restrictive transfer' borough, it does appear from the data provided that generally, the pattern of approvals and applications are in line with the extant planning policy position. It should be noted that the London Office Policy Review 2012 supports the promotion of Camden Town and Kentish Town as residential/non-office led mixed use areas.

It is too early to tell whether the rate of prior approval applications will decline. It appears from the data that rates of prior approval application submission have remained fairly constant.

From a five year housing land supply perspective the Council is currently able to demonstrate a deliverable five year housing land supply in excess of 12 years (when assessed against the housing target set out in the London Plan 2011). This may reduce following adoption of the FALP but, even then, it is unlikely to fall below the five year housing requirement + 5% buffer (as required by the NPPF). There does not therefore appear to be any immediate pressure for the Council to release employment sites for housing but this does not mean that developers will not seek conversion if residential values remain favourable in comparison to lower commercial/employment land values, particularly if the development plan supports this.

The housing market is expected to remain buoyant over the short to medium term and, given the relative and absolute commercial viability of housing in LB Camden over other use classes, it is anticipated that the market's appetite to utilise permitted development rights will continue. Based on new permitted development rates experienced in the first twelve months, LB Camden could gain approximately 960 additional residential units for the period May 2013 to May 2016 (when permitted development rights stop), but lose 79,680 sqm of B1 use class floorspace, assuming an average residential unit size of 83 sqm.

6.14 Demand from Retail

The Camden Retail and Town Centre Study (2013) provides a comprehensive borough-wide review of retail provision within Camden's town centres and central London

frontages. The study sets out a recommended strategy for the borough in terms of retail and sets out retail floorspace projections for both convenience and comparison goods.

Table 7.8 below sets out a summary of the baseline retail capacity forecasts contained in the 2013 study.

Table 7.8: Baseline Retail Capacity Forecasts

Capacity (sq m)	2018	2023	2028	2031
Convenience Goods	9,405	9,455	10,591	11,619
Comparison Goods Capacity	-1,278	2,922	13,789	20,724

Source: Camden Retail and Town Centre Study (2013)

With regard to convenience goods the 2013 study concludes that, by virtue of forecast growth in population and expenditure and the current overtrading of existing stores, there is expected to be a surplus of available expenditure over the period up to 2031. This translates to an increase in floorspace capacity from 9,405 sqm (net) at 2018 to 11,619 sqm (net) by 2031.

With regard to comparison goods there is expected to be negligible capacity arising to support additional comparison goods floorspace up to 2018. However, by virtue of growth in population and expenditure, there is likely to be a surplus of capacity for additional comparison floorspace by 2023 that is set to increase by 2031. By 2031 it is anticipated that surplus capacity for additional comparison goods floorspace will reach 20,724 sqm. This capacity is in addition to major committed development at King's Cross Central and Hawley Wharf in Camden Town.

6.15 Conclusion

We have examined LB Camden's office and industrial markets sequentially, but there are a number of observations to be made that are applicable to both. Overall LB Camden is making good provision for CAZ functions and it is making good provision for local services. Its weakest part is provision for functions that are in the borough because they are serving CAZ functions.

Property type: To a certain degree, it is no longer helpful to refer to 'industrial' and 'office' uses. There is a large blurred area between the two as the nature of many businesses has changed in recent years – often due to the impact of technology on business processes. As LB Camden considers its approach the B-class premises it will be important to address this. As is mentioned above, one means of achieving this might be through a premises typology that is related to functionality rather than simply Use Classes.

Wider demand factors: Camden's position, partly within and partly on the fringe of CAZ, and midway between the City and West End places in an enviable position in terms of its ability to attract 'B-class' employment. It can benefit from the growth of CAZ by attracting CAZ occupiers into its southern area. But it can also benefit by providing a diverse range of properties for businesses servicing CAZ functions. In this sense, LB Camden needs to provide a diverse range of properties in different parts of the borough. It is also important to recognise that many occupiers in the borough are functionally inter-related to the CAZ.

Growth sectors: There are a number of growth sectors which might be attracted to LB Camden in greater numbers. There has been great publicity surrounding the growth of tech companies around Old Street in Hackney, but creative clusters exist elsewhere,

and LB Camden is a successful example. Property costs are advantageous in LB Camden, and suitable premises for such companies should be protected.

Growth companies: As well as growth sectors, there is the issue of growth companies. The question here is whether sufficient 'move-on' space is available to accommodate businesses once they move beyond the incubation space. Of course obsolete industrial space and older office stock performs a key function here by providing affordable space, often on terms that are flexible and short-term. Move-on space is rarely provided in new buildings because valuations require stronger covenants. Clearly, as more and more industrial and older office stock comes under pressure for redevelopment as residential, then move-on space becomes scarcer. There are, however, no data on the precise availability and trends in move-on space.

There is also a potential health sector hub around University College Hospital. The Francis Crick Institute will be opening next year, and there is great opportunity to provide premises for support businesses and spin-offs alike. LB Camden also has a good track record in the media sector which is undergoing rapid change. A better understanding of the requirements of the health-related businesses and the media sector would benefit consideration of spatial policies with respect to property.

Coworking space: There is a major impetus in London behind start-up businesses and micro-businesses generally. Partly, this is driven by the enormous interest in a tech and creative sectors. Partly it is driven by changes to the broader economy, in which smaller companies are playing a more important role. Partly it is due to other factors. Whatever the reason, there is a structural increase in small businesses in the UK economy. This is being reflected in the growth of coworking spaces, serviced offices, managed space and, to a lesser degree, incubators. There is already evidence of such premises in LB Camden, but there is great potential to respond to these dynamics and provide more such space.

7 DEMAND ASSESSMENT

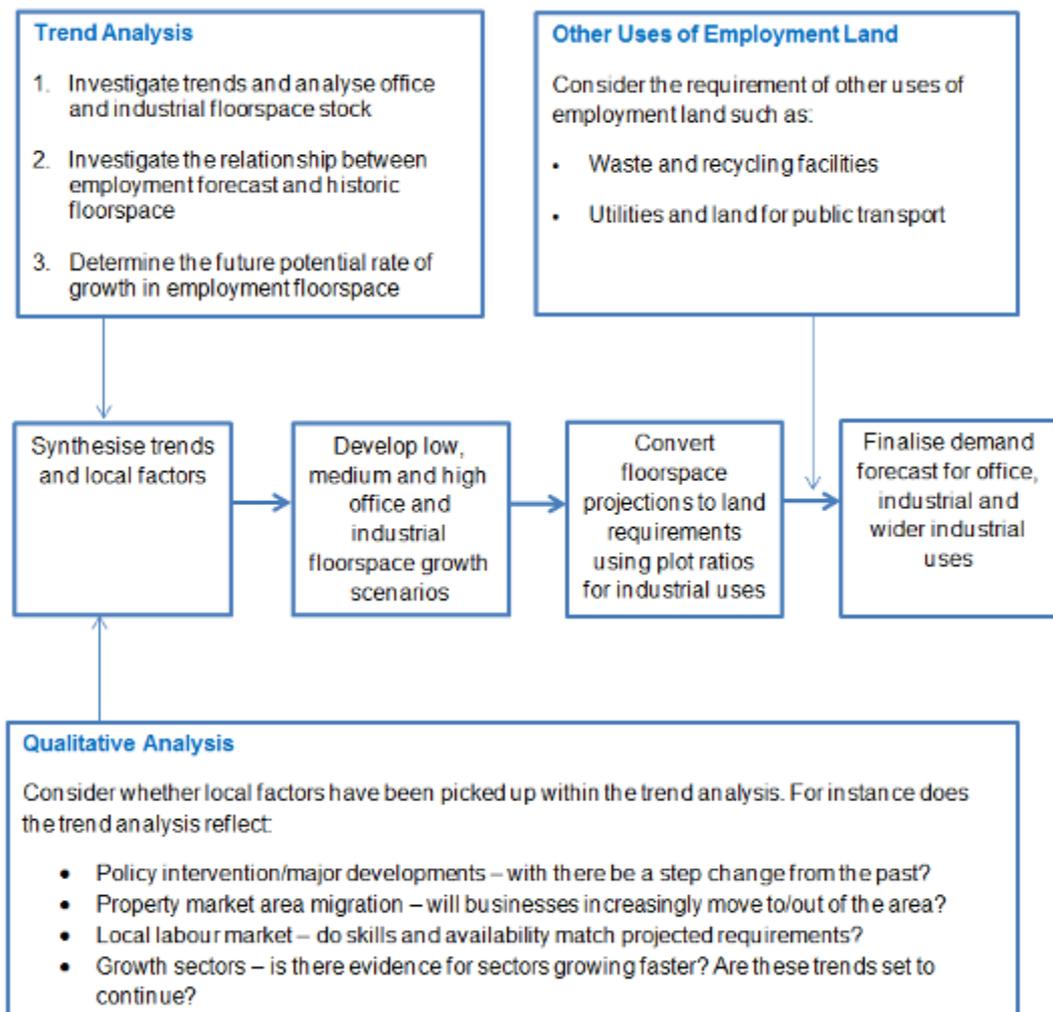
7.1 Introduction and Approach

This section projects the future demand for industrial and office land in LB Camden for the period 2013 and 2031.

Our approach to estimating demand for industrial land and office space is compliant with the National Planning Policy Framework (NPPF), Employment Land Reviews: Guidance Note (2004) and the GLA Land for Industry and Transport SPG (Sept 2012). It is also compliant with the recently published National Planning Practice Guidance (NPPG).

Our approach synthesises published employment projections with historic floorspace trends and local economic drivers of the property market area (PMA) in which LB Camden’s industrial and office markets operate, to provide a borough wide projection of employment floorspace. For industrial uses projected floorspace is converted to land demand using plot ratios. We do not convert the floorspace requirement for office space into land as plot ratios for office vary significantly, in particular storey heights, meaning that the conversion to land can be unreliable. Our methodology is set out below:

Figure 7.1 Industrial and Office Land Demand Forecasting Methodology



Source: URS (2014)

7.2 Property Market Area

Our forecast takes account of demand for employment land and premises occurring across a wider associated geography – the functional property market area. Businesses searching for sites or premises will typically consider a number of similar locations in the vicinity. These competing locations within the area of search will often have similar characteristics such as connectivity and transport reliability, access to labour markets, clients, the supply chain and property (rental values, size and grade), which are influential in their choice of location. The area of search for property is typically larger than any one district - unless the market is localised - and can be termed the property market area (PMA).

Office PMA Market

LB Camden’s office market, in terms of its scale and prospect for change, is dominated by demand for large office space by corporate businesses with regional, national or international association and reach. The office PMA applied in our projections therefore draws on the trends based data from boroughs which are in geographic proximity to LB Camden and offer similarities, particularly in terms of their accessibility and linkages with the Central Activities Zone, premises and labour force. LB Camden office PMA market is considered to comprise borough: Camden, City of London, Hackney, Islington, Lambeth, Southwark, Wandsworth, Kensington and Chelsea, and Tower Hamlets. The constrained supply environment of LB Westminster is not considered to be reflective of LB Camden’s growth prospects and is not included.

Industrial and Warehousing PMA Market

Comparatively, the scale and nature of industrial businesses operating within LB Camden are smaller in part due to the high cost of space in central London. Most enquiries received by agents for industrial premises are driven by the desire to be close to central London and the Central Services Circle and popular North London commercial areas such as Angel, Camden Town, Hampstead/Finchley Road and Stoke Newington. Based on the connectivity, comparable premises and the area of search of industrial businesses locating in LB Camden, the industrial PMA is thought to cover the London boroughs of: Camden, Islington, Brent, Hackney and Haringey. CAZ boroughs are not thought to be representative of the industrial PMA given the dominant provision and demand for office space and retail.

7.3 Historic Trends

Floorspace

The Valuation Office Agency (VOA) records the amount of floorspace in an area for tax purposes (the assessment of business rates) by building type. The historic office and industrial floorspace trends across the PMA and LB Camden are shown in **Table 7.1**.

Table 7.1 Change in Industrial and Office Floorspace 2000 to 2012

	Business Type	2000 Sqm	2012 Sqm	Diff (%)	CAGR
<i>LB Camden</i>	Office	1,894,000	2,137,000	+12.8%	+1.0%
	Industrial	582,000	334,000	- 42.6%	-4.5%
<i>PMA</i>	Office	11,637,000	14,294,000	+22.8%	+1.7%
	Industrial	4,813,000	3,214,000	-33.2%	-3.3%

Source: URS; VOA Business Floorspace (Experimental Statistics) 2012.

Note: CAGR: Compound Annual Growth Rate. Figures may not sum due to rounding.

Analysis of VOA floorspace data finds that there has been a growth in office floorspace of 1.7% per annum (pa) but a contraction in industrial floorspace of -3.3% pa across the PMAs since the year 2000. Analysis shows that since 2000 there has been a higher rate of contraction in industrial floorspace in LB Camden than in the industrial PMA and a lower rate of growth between office floorspace in LB Camden than in the PMA. This implies that compared with the PMA, LB Camden has historically failed to match the wider rate of floorspace growth. However, major regeneration programmes such as that occurring at King’s Cross could enable the borough to attract a larger share of growth from the PMA than it has managed historically.

Employment

The second component of our demand analysis is employment. Historic employment data is drawn from the Annual Business Inquiry (ABI) (pre 2008) and the Business Register and Employment Survey (BRES) (post 2008). Both datasets are compiled by the Office for National Statistics (ONS) and are expressed by Standard Industrial Classifications (SIC), not by use class. To translate employment by use class (office, industry and warehousing uses) we have identified those business activities that typically operate from B1, B2 and B8 use class premises. Historic employment by use class is set out in **Table 7.2**.

Table 7.2 Historic Employment (2000 - 2012)

	Business Type	2000	2012	Diff (%)	Weighted CAGR
<i>LB Camden</i>	Office	107,205	131,381	+22.6%	+1.7%
	Industrial	23,451	30,482	+30.0%	+2.2%
<i>PMA</i>	Office	713,948	914,072	+ 28.0 %	+2.1%
	Industrial	109,183	88,131	-19.3%	-1.8%

Source: ONS data and URS calculations.

Note: Takes account of SIC discontinuities between ABI and BRES. Figures may not sum due to rounding.

LB Camden demonstrates a positive rate of CAGR office employment growth of 1.7% but office growth in the PMA was higher at 2.1%. The PMA shows a contraction in industrial employment but LB Camden records growth.¹⁵

7.4 Employment Projections

The geography of the PMAs are wholly located within Greater London. We therefore draw upon employment projections published by GLA Economics in April 2013. Being published recently, the forecasts provide a relatively up to date picture of employment change across London which takes into account the impact of the recent economic downturn.

The GLA Economics employment projection is based on the triangulation of:

- Long term trend analysis of the employment by sector, to capture period of economic contraction and growth;
- Transport improvements planned; and

¹⁵ Growth in industrial employment in LB Camden seems to be contrary to the floorspace contraction and wider long term industrial restructuring occurring in the economy. This figure could be affected by historic industrial employment which includes people employed in office functions by business activities which are defined under industrial SIC codes e.g. headquarter locations of a mining company. The structure and confidentiality of ONS data does not allow for further investigation on this matter.

- The availability of land for the development of new office employment sites in each borough (the forecasts assume that vacant industrial sites become residential over the time period).

Employment in London overall is expected to grow at a compound annual growth rate (CAGR) of 0.7% over the Local Plan period, with the net additional 581,000 jobs generated equating to a 12% growth in employment. **Table 7.3** below provides an overview of future employment trends by broad sector grouping in London. Those sectors with the strongest growth are office users and those contracting are those using industrial space.

Table 7.3 Employment Projections Trends for London by Sector Grouping

Employment Sector	CAGR 2014 to 2031
Primary & utilities	-3.3%
Manufacturing	-5.2%
Construction	-0.1%
Wholesale	-1.8%
Retail	0.2%
Transportation & Storage	-1.1%
Accommodation & Food service activities	1.5%
Information & Communication	1.6%
Financial & insurance activities	-0.2%
Professional, Real Estate, Scientific & Technical activities	2.0%
Administrative & support service activities	1.5%
Public Administration & Defence	-0.9%
Education	0.6%
Health	0.5%
Arts, Entertainment & Recreation	0.9%
London average growth rate	1.4%

Source: GLA

The GLA Economics forecast does not provide a breakdown of projected employment by sector or by use class for LB Camden but it does identify the projected employment in total employment in the borough. Employment in LB Camden is forecast to increase from 286,000 to 375,000 between 2011 and 2031 equivalent to a compound annual growth rate of 1.4%, which is in line with the London-wide average.

To estimate future employment trends by land use class (office, industry and warehousing uses) we have aligned business activities with B1, B2 and B8 use class premises. **Table 7.4** presents the employment forecasts for LB Camden and the office and industrial PMAs on this basis.

Table 7.4 Employment Projections LB Camden and PMA (2013-2031)

	Business Type	2013	2031	CAGR 2013-31
<i>LB Camden</i>	Office	141,238	178,720	+1.3%
	Industrial	23,722	23,587	-0.03%
<i>PMA</i>	Office	868,602	1,070,222	+1.2%
	Industrial	89,834	86,812	-0.2%

Source: URS; GLA Borough Employment Projections (2013). Note: Figures may not sum due to rounding.

The table shows that employment in the PMA is projected to grow at a rate of 1.2% per annum for office which is in line with the LB Camden specific projection. Industrial employment is also expected to contract at a lower rate in LB Camden than the PMA.

7.5 Synthesis of Historical Trends and Projections

Our forecasting approach calculates the relationship between the compound annual growth rate (CAGR) of historic floorspace and historic employment, and applies this to the projected employment to establish a potential adjusted CAGR for floorspace. The results are shown in **Table 7.5**, drawing on data from **Table 72** and **Table 7.4**.

Table 7.5 Synthesis Forecast for Employment Floorspace

	Floorspace CAGR	Employment CAGR		Synthesis CAGR
	2000-2012	2000-2012	2013-2031	
Office (PMA)	+1.7 %	+2.1%	+1.2%	+1.0%
Industrial (PMA)	-3.3%	-1.8%	-0.2%	-0.4%

Source: URS calculations 2013. Figures may not sum due to rounding.

The table shows that demand for office space is projected to grow at a rate of +1.0% a year and for industrial space reduce at a rate of -0.4% a year.

7.6 Local Factor Adjustment

The synthesised CAGR, though derived from long term trends in floorspace and employment, does not take account of any potential change occurring within LB Camden which could result in a deviation of growth. We therefore consider how local factors could bring about a step change in growth.

The local factor adjustment is derived from combination of market intelligence gained through the literature review, local research and consultation with local property market agents and key stakeholders. Factors considered include the following:

- The impact of any major new developments and infrastructure plans, resulting in a significant change away from the historic context
- Change in the economic context which could create a step change in demand from businesses and commercial agents; and
- Property market trends within the PMA, which differ to historic trends.

We summarise below the comparative advantages or disadvantages of LB Camden in relation to the wider PMA, to illustrate the degree to which LB Camden could compete for economic growth and the inward investment arising across the PMA.

Local Factors

Following the above, three local factors are considered:

- Regeneration of key areas, in particular the growth areas of King’s Cross and Euston:

As identified in the property market assessment regeneration schemes proposed at King’s Cross and, in the longer term, Euston includes large amounts of office space that will help to underpin LB Camden’s role as a strategic office centre in the wider London context. The Camden Core Strategy expects regeneration at King’s Cross and Euston to provide 80% of the projected 615,000 sqm of demand for office space.

The property market assessment identifies that current proposals at King’s Cross include nearly eight million square feet (c 730,000 sqm) of mixed-use development, including business and employment space; 2,000 new homes; student housing; hotels and serviced apartments; retail, food and drink, and visitor, cultural, leisure and community uses. Over 40% of the area will be public realm, including three new parks, five squares and 20 streets. The scheme will underpin the Midtown office market by providing a greater critical mass and a wider choice of premises. It is notable that King’s Cross recently secured a large pre-let with Google confirming their lease of c. 800,000 sq ft NIA. The nature and scale of change arising is likely to act as a significant catalyst and leverage additional investment.

While dependent upon the outcome of deliberations over HS2 the property market assessment identifies that in addition to King’s Cross, development at Euston could achieve levels of development in excess of 278,000 sqm of offices - c. 200,000 sqm more than currently provided for in the Core Strategy.

It is considered likely that growth in these key areas will have knock on positive impacts on demand across all sectors, in particularly the office, but also across industries that supply support to these sectors.

- Expansion of growth sectors:

The property market assessment identifies the technology, media and telecommunications (TMT) as a key growth sectors for LB Camden. The TMT sector overlaps with and is supported by creative and cultural enterprises as well as a diverse residential and retail environment. Evidence is emerging which supports the idea of a growing TMT sector driving demand in London. There are at present around 24,000 ICT and software companies based in London, the highest in any European City¹⁶.

As the technology sector continues to grow and globalise it is apparent that US businesses have been looking to expand abroad. London is a considered a highly suitable and sought after location for expansion by US tech companies. Technology giants have begun investing in London, seen for example by the new 860,000sqft King’s Cross Google HQ. Inner London locations such as King’s Cross and Euston (and in particular the City Fringe/Tech City area) have

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the potential to benefit significantly from US capital investment as technology companies expand globally.

With regard to the creative and cultural enterprises that support these sectors it is acknowledged in the property market assessment that traditionally such enterprises have moved to area such as Camden Town, including Getty Images, H Bauer Publishers, Jim Henson Organisation, MCI WorldCom, MTV and Viacom Outdoor. Accordingly Camden Town have begun to develop a strong broadcast media cluster which is likely to continue to develop.

Though hard to quantify, demand from foreign investment could lead to a step change in demand for office floorspace in LB Camden's growth areas as well as creative and cultural enterprises – particularly in the less 'corporate' areas within the borough.

It is notable that with regard to industrial land the evidence suggests that, if more industrial/warehousing space was provided in LB Camden, it would be readily taken up and at comparatively high rents, which at normal industrial land values would easily support viable development. The 2004 ELR reached the same conclusion, based on evidence which included a survey of business occupiers as well as property market analysis. However, the survey found that a high proportion of occupiers considered it difficult to find suitable space in LB Camden, with many having to compromise their requirement. The property market assessment infers that LB Camden may be reaching a market floor with regard to industrial land supply due to continued pressure from residential uses. The assessment acknowledges that at a certain point policies to safeguard or revise industrial/warehousing will likely become ineffective.

- Strengthening demand from revised population growth estimates:

The 2011 Census data indicates that there is to be a substantial increase in the capital's population. London's population is expected to increase by 87,000 per annum and is expected to reach 10.11 million by 2036 (FALP 2014). This is 5,000 more people per annum than previously thought.

Accordingly, the FALP proposes significant alterations to housing targets across London. For London the Mayor proposes increasing the overall housing target to 42,000 net additional homes per annum an increase of approximately 30% on the figure stated in the 2011 London Plan. In Camden the Mayor proposes increasing the ten year housing target to 889 net additional homes per annum, an increase of 34%.

While the increase in housing targets is significant, and is likely to exacerbate issues relating to high residential land values and restrictions on employment land supply, the increase in London's population is also likely to increase demand for jobs across all sectors.

Summary

Table 7.6 presents the combined effects of local factors which have the potential to generate a step change in demand. This is presented in the form of either a positive impact on demand (↑), a negative impact on forecasts (↓) or no overall impact (↔). Each factor is given an indicative weighting of +/-10% of the synthesis CAGR, depending on the direction of the arrow. The result of this exercise produces an adjusted CAGR forecast for floorspace change.

Table 7.6 Local Factors and Impact on Synthesis Forecast

	Office	Industrial
Synthesis CAGR Forecast	1.0%	-0.4
King's Cross and Euston regeneration effects	↑↑	↑
Growth sector expansion	↑↑	↑
London population growth	↑	↑
Adjustment %	50%	30%
Adjusted CAGR	+1.5%	-0.2%

Source: URS (2014)

Note: Figures in table above may not add up due to rounding

7.7 Growth Scenarios

To account for potential variations in our synthesis of projections based on employment, floorspace and local factors we introduce high and low growth scenarios to our demand projections +/-10% either side of our best estimates (the medium growth scenario).

Our low to high growth scenarios also provide some flexibility to any potential changes in demand (up or down). The impact of some or a combination of these development proposals could provide changes in demand in either direction and it is therefore recommended that the council monitor employment land demand and supply to account for this. We provide a specific recommendation to the monitoring of employment land in Section 8.

The three growth scenarios, including the impact of local factors, are presented in **Table 7.7**.

Table 7.7 Growth Projections with Local Factors and Sensitivity

	Adjusted CAGR	
	Office	Industrial
Low Growth Scenario	1.31%	-0.22%
Medium Growth Scenario	1.45%	-0.25%
High Growth Scenario	1.60%	-0.27%

Source: URS (2014)

7.8 Other Users of Industrial or Office Land

Sui Generis

Analysis of the LDD suggests that planning applications for uses with similar characteristics to B1C/B2/B8 (industrial) land uses represent only 2% (approx.) of net approved sui generis floorspace. While a relatively small percentage the fact that the figure is positive infers that there is demand for such land in the borough. Other 'general employment' including uses with similar characteristics to office and retail represents +27% of net approved floorspace; this is in addition to employment uses approved within residential mixed used developments. However, the majority of net additional sui generis floorspace (85,864 sqm) approved related to 'other', including uses such as

hostels, health facilities, education facilities and community uses. Where sui generis floorspace was lost this appeared to have been lost mainly to residential uses.

Waste Management and Recycling

Based on the borough waste apportionment outputs in the London Plan and making allowance for re-use of surplus waste transfer capacity. The SPG on Land for Industry and Transport estimates the likely future land requirement for new waste facilities in each borough 2011-2031¹⁷. Land requirements depend on a number of factors including, the number, type, scale and location of waste treatment and recycling facilities selected to manage the apportionment in collaboration with neighbouring boroughs where appropriate.

Annex 2 of the SPG gives indicative land demand for waste management and recycling. For Camden the waste apportionment to 2031 (London Plan 2011) is 264,000 tonnes per annum (pa); however the waste transfer station capacity is 170,810 tonnes pa which is well under demand. The net additional indicative land requirement for waste apportioned to 2031 is therefore 1.1 ha (11,000 sqm)¹⁸. This estimate is an approximate and indicative land requirement only and Boroughs, waste authorities and other partners, in collaboration with the GLA, should determine the actual requirements of industrial land needed to manage waste apportioned in the London Plan.

Utilities & Land for Public Transport

The GLA London's Industrial Land Baseline (2010) measured 6.8ha of land for utilities and public transport, which comprised 0.1ha for rail and 6.8ha for utilities. Our observations did not identify any new land allocated for utilities or public transport since the 2008 ELR.

7.9 The Forecast for Office Floorspace

The London Office Policy Review (LOPR) projects demand for office employment by borough over the twenty year period 2011 to 2031. For Camden the LOPR identifies that office employment will grow by approximately 33.6 %. The LOPR does not project demand for office floorspace for the period 2011 – 2031.

Based on VOA data there was 2,137,000 sqm of actual office floorspace in Camden in 2012. By applying the adjusted CAGRs set out in **Table 7.7** to actual floorspace per annum it is possible to conclude that demand for additional (gross) office floorspace is likely to be between 570,654 sqm and 717,511 sqm to 2031.

Taking into account a frictional allowance (8%)¹⁹ results in a net office floorspace demand of between 616,307sq m and 774,912 sqm to 2031 as summarised in **Table 7.8**.

¹⁷ GLA, Land for Transport and Industry SPG (2012) Annex 2

¹⁸ To convert this figure to floorspace and an appropriate plot ratio for waste and recycling would need to be applied.

¹⁹ An allowance for frictional floorspace has been included in our assessment. To operate efficiently a property market requires a small proportion of total floorspace to be readily available for take-up to allow businesses expanding or contracting to more to suitable premises. This available space is called frictional floorspace, the optimal rate of which we assume to be currently around 8% of total office stock as per the GLA Land for Industry and Transport SPG (paragraph 3.7). We anticipate that overtime as the market tightens (supply falls relative to demand) frictional floorspace will fall.

Table 7.8 Office Floorspace Demand 2013-2031

Floorspace	Low Growth	Medium Growth	High Growth
Actual Supply 2012	2,137,000	2,137,000	2,137,000
Net Additional Demand 2013 - 2031	616,307	694,543	774,912
Total Supply 2031	2,753,307	2,831,543	2,911,912

Source: URS (2014)

The medium growth scenario is considered to be the most likely outcome of all three scenarios. The medium scenario concludes that there is demand for 694,500 sqm of net office floorspace in the period 2013 – 2031.

7.10 The Forecast for Industrial Floorspace

Based on VOA data there was 334,000 sqm of actual industrial floorspace in Camden in 2012. By applying the adjusted CAGRs set out in **Table 7.7** to actual floorspace per annum we conclude that demand for additional (gross) industrial floorspace is likely to be between -13,173 sqm and -16,025 sqm to 2031. Taking into account a frictional allowance (5%)²⁰ and the additional land required for waste and utilities, results in a net industrial floorspace demand of between -8,665 sqm and -11,374 sqm as summarised in the **Table 7.9** below. The medium scenario of -10,023 sqm of net industrial floorspace for the period 2013 – 2031 is considered to be the most likely scenario.

Table 7.9 Industrial Floorspace Demand 2013-2031

Floorspace	Low Growth	Medium Growth	High Growth
Actual Supply 2012	334,000	334,000	334,000
Net Additional Demand 2013 - 2031	-8,665	-10,023	-11,374
Total Supply 2031	325,335	323,977	322,626

Source: URS (2014)

The NPPG states that employment floorspace should be converted to employment land using plot ratios. Development density (plot ratio and storey height) tends to be static for industry and warehousing premises, unlike office uses, and a suitable plot ratio of 1:0.45 (land to premises, over one storey) could be applied to estimate the potential contraction in industrial land demand. Using this ratio we calculate that the additional demand for industrial floorspace is the equivalent of -1.9 ha, -2.2 ha and -2.5 ha (low, medium and high growth scenarios respectively). This scale of potential employment land loss is not dissimilar to the scale of restricted transfer set out in the GLA's Land for Industry and Transport SPG of -5ha between 2011 and 2031.

²⁰ As per GLA Land for Industry and Transport SPG (paragraph 3.7).

7.11 Summary of Employment Land Forecast

The demand forecast exercise in this chapter considers a range of economic factors, including historic trends in floorspace and employment and GLA employment forecasts across the relevant functional property market area for industrial and office uses, to draw conclusions with regard to likely future rates of employment growth. The review compares this synthesis with local market intelligence based on the findings of the property market consultation exercise. Adjustments are made accordingly, ensuring that demand projections relate specifically to Camden and its functional market area. The forecast also considers the implications of demand for other, but similar land uses, such as land for waste and utilities, and the need to retain a buffer of vacant land (frictional allowance). Retaining this buffer will enable the functional market to operate effectively. A sensitivity test has been performed utilising a range of growth scenarios (low, medium and high).

The forecast concludes that the most likely scenario to occur is the medium scenario. In terms of net demand it is concluded that there is a requirement for 694,543 sqm of net additional office floorspace to 2031. The forecast also concludes that there could be a contraction in demand of approximately 10,023 sqm for industrial floorspace, or approximately -2.2ha of land.

8 CONCLUSIONS

8.1 Introduction

This section concludes our assessment by reviewing the balance of projected demand and existing supply and, drawing on the findings from preceding sections, provides options for the policy direction regarding employment land in LB Camden.

From a borough wide perspective, demand and supply (through redevelopment and new development of sites) is found to be broadly in balance, which means the council should consider protecting employment land. However, in the context of changing business needs, not all sites are fit for purpose for modern occupiers. There is also evidence of strong competition for space from other non-employment uses, in particular housing, which the council must also plan for and accommodate. This means that it is more complex than just suggesting that employment land and premises be offered maximum protection. Instead it may be more suitable to consider offering protection where sites are important in meeting demand, generating employment and economic wealth; release some sites where the benefits of the existing employment use are limited and would be outweighed by the benefits of the proposed alternative use(s); and allow the release of some sites in specific locations where there is a long term over supply or which are no longer fit for purpose.

We recommend therefore that a selective protection of employment land and premises to ensure that those sites and premises that have little prospect of coming forward for employment use during the Local Plan period are not left vacant. Pursuing this approach, would ensure that there would not be:

- Over protection of sites: For example, a policy of maximum protection, with no release, across all sites would see sites which are no longer suitable for employment use protected. This could result in underutilised economic potential, inefficient use of assets and blight, which could impact negatively on the surrounding property market and deter or limit investment; or
- Under protection of sites: The property market generally responds to shorter term indicators of demand. By allowing the market to intervene, without limitation, would impact negatively on the long term provision of employment land and premises and have implications economic wealth creation and employment, not only for LB Camden but also potentially for the CAZ.

When forming employment land policies the council should also:

- Meet the scale and nature of demand for existing and new business activities arising across LB Camden, recognising that demand will vary by type of space and will therefore be geographically varied;
- Encourage and support employment activities across business sizes, from start-up to large headquarters;
- Encourage and support employment activities which create economic wealth and provide local employment opportunities; and
- Recognise the role LB Camden has in supporting the growth aspirations for central London, and London as a whole.

The implications of not following a balanced approach which is sensitive to the direction and changing needs of business in terms of premises, location and formats is that economic growth for LB Camden could be impaired.

More details on our recommended employment land policy direction are set out below.

8.2 The Balance of Demand and Supply, and Policy Options

Large, Grade A Office Space

The **central London (Midtown) office market** plays a key role in supporting London's status as a global city and has presence of world-renowned institutions and businesses. The area provides the majority of LB Camden's office space and caters for a range of corporate occupiers such as legal, media and finance sectors. It provides large Grade A accommodation as well as some smaller and lower grade office space. There is evidence of growing demand from high value added sectors such as digital, tech and media businesses, which is symptomatic of the sectors' growth in the wider London economy. Whereas previously there was a gap in the quality of stock between LB Camden's Midtown market and the West End and City markets, the area has in recent years undergone significant transformation and the provision of new quality stock has strengthened its offer as a corporate office location. Alongside the growth of new prime office space has been the growth of residential and retailing provision, which has expanded rapidly in the Midtown market area over recent years.

Our demand forecasting exercise found that LB Camden is expected to experience demand for approximately 695,000 sqm of office floorspace for the period 2014-2031. The majority of office space demand is expected to be for large, high quality offices in Midtown area, in and around King's Cross, Euston, Tottenham Court Road and Holborn, as the expectation is that central London office market will continue to grow in importance. The Midtown office property market has relatively few large, single occupier buildings (most are medium-sized and multi-let) and low vacancy, so any new demand will need to be met by the provision of new office space in the OA and growth areas. The borough's OAs and growth areas offer the potential to accommodate a large quantity of new high quality space, which is expected to arise through economic growth, relocations and corporate overspill demand from other central London areas.

The capacity in the OA and growth areas to accommodate growth is as follows:

- King's Cross OA has the capacity to deliver new and refurbished office buildings providing approximately 440,000 sqm of Grade A floorspace. A large proportion of this space is already under construction - around 300,000sqm is already being built speculatively. In absence of information, for the purposes of this assessment it is assumed that the majority of this space would be new additional floorspace or floorspace brought back into use i.e. derelict or unmarketable. Floorspace which is under construction or has been pre-let is considered to represent anticipated demand arising within the assessment period.
- Euston Area Plan indicates the potential for between 180,000 and 280,000 sqm of employment and economic floorspace in the Euston OA. A proportion of this space will be for non-B uses such as retail. The proportion of employment generating space is unknown and will be determined through viability testing of development plans, and negotiation between developers and the council. Again, for the purposes of this assessment it is assumed that this figure of potential provision is net additional new floorspace.
- Tottenham Court Road Growth Area is a densely developed area compared with King's Cross OA and Euston growth area. Our survey identified two derelict sites with a net capacity of 36,000 sqm, though planning applications for these sites indicate that provision of office space would be much lower at 10,000 sqm. More significantly though are the opportunities that Crossrail will bring. The transformation of Tottenham Court Road station and enhanced connectivity will bring economic benefits for business, through journey time savings and

agglomeration effects, and raise demand for property in the vicinity. Improvements in development viability will lead to further intensification of existing sites. The scale of net gain will be subject to storey height allowed as most existing buildings already fully utilise their plot footprint. Indications from a recent report are that the commercial floorspace pipeline at Tottenham Court road is 277,805sqm with a further 77,454sqm of retail space coming forward (the report does not specify whether these figures are gross or net).²¹

- The Holborn Growth Area is another densely built out urban location with few vacant or derelict sites of significant size allowing redevelopment. The sites previously owned by Central St Martins College and Westminster University have a potential net capacity of around 50,000 sqm. It is anticipated that a large proportion of this capacity would be office. The St. Giles development provides an example of how relatively underutilised sites can be intensified to deliver prime office space. Given the central London location of the Holborn Growth Area and in light of the intensification anticipated around Tottenham Court Road it is anticipated that Holborn could see net gain in office floorspace through higher density development.

Following the above, the large, grade A office floorspace capacity of the two OAs and two growth areas is estimated to be the region of 680,000 sqm to 780,000 sqm (assuming those sites with redevelopment potential identified in survey provide up to 60,000sqm). In addition there is expected to be net gain arising through the development pipeline in the vicinity of Tottenham Court Road.

Policy options: These estimates illustrate that though there is significant capacity in the Midtown OAs and growth areas to accommodate activities, demand over the Local Plan period is strong and so provision needs to be planned for. In the OAs and growth areas the Council could look to:

- Encourage new provision of high quality office space in the Midtown area and protect existing office provision from loss to other uses; typically higher value uses such as residential.
- Ensure that during planning application process for the redevelopment of OA and growth areas, the provision of office space is not eroded by other uses such that the provision of new Grade A office space in terms of quantity, location and format is impacted upon negatively.
- Support refurbishment and intensification of sites where there is a net gain of prime office space and proposals are in keeping with other development planning policies.

The Council should monitor the existing mixed use policy (DP1) in the Midtown to determine how it affects the provision of office floorspace.

Local Office Space

Outside the Central London market are significant secondary and local office markets of Camden Town and the town centres of the Outer Borough office market including Kentish Town, Finchley Road/Swiss Cottage, Hampstead, West Hampstead and Kilburn²². These locations provide small business workspace. Overall, demand for local

²¹ Future of London, Crossrail as Catalyst (April 2014). It is not clear from the report what the specific geography of the Tottenham Court Road area is, though it being located on the edge of two boroughs the development pipeline is likely to include new development occurring within LB Westminster.

²² Although it should be noted that the Central London area also provides smaller and lower grade office accommodation.

office units in these locations is anticipated to form a small proportion of the total borough wide office floorspace demand projected over the Local Plan period (expected to be less than 10%), and this is likely to occur within Camden Town and Kentish Town.

The **Camden Town** office market varies significantly in regards to age, condition and size, though provision can be said to be characterised by small offices of lower rental values compared with the Midtown prime office market, and so caters for smaller businesses looking for a more cost effective location. Reflecting the type of demand, the market lacks a supply of larger, good quality office premises, reflecting demand, though there have been some larger developments and refurbishments in recent years such as the Viacom and Centro premises. The market caters for a very broad range of occupiers and sectors, including start-up and small businesses and concentrations of digital media, technology and other creative and cultural small business activities. These are important growth businesses and the council should look to support their accommodation requirements and encourage the provision of suitable forms of start-up and SME workspace and grow-on space.

In Camden Town supply can be said to be meeting demand: new local office provision is being provided as part of residential schemes, reflecting LB Camden's mixed-use policy, and there are relatively low levels of vacancy. There is considered to be capacity on some sites to expand to meet demand arising for local office provision through a process of redevelopment of derelict sites and premises stock and intensification. There is evidence from the survey that office and industrial sites have been lost in recent years to non-B uses and information on prior consents that residential land values are displacing employment uses. This trend could threaten provision of local office floorspace in Camden Town.

Policy options: So that the lack of sites and premises does not constrain economic activity the council in Camden Town could look to;

- Encourage additional new local office provision, including provision of space for start-up and small businesses;
- Improve the quality of provision of existing stock by encouraging refurbishment and redevelopment of older stock;
- Protect office sites against transfer to higher-value uses. Should the Council take this approach, any safeguarding policy could be subject to a market test so that sites can be transferred to other uses if applicants can demonstrate that they are no longer suitable or required for offices; and
- poorer condition and not fit for purpose stock to be transferred to other uses subject to the market test;

The Council should monitor the floorspace change in Camden Town to ensure such policies are having the desired effect.

The **Outer Borough** local office market centres comprise Kentish Town, Finchley Road/Swiss Cottage, Hampstead, West Hampstead and Kilburn. These locations provide premises for occupiers largely serving the needs of local businesses and residents. This may include business activities such as legal, accounting, property and consultancy activities. There is no evidence that the town centres compete with each other for occupiers and there is little to differentiate centres in terms of meeting local office market needs. Premises are typically small office units located above retail space. These spaces do not generally provide an alternative location for corporate occupiers looking to move away from Central London for a lower cost location. There currently appears to be a surplus in supply of office premises in the Outer Borough market, however rising house prices and new permitted development rights are likely to see any supply excess cut in the short term which could restore the supply-demand balance.

The council should monitor the loss of any employment land and floorspace carefully over the short to medium term.

Policy options: In Outer Borough areas the council could look to:

- Support loss of poor condition and no longer fit for purpose office floorspace, when it can be demonstrated that there is insufficient market interest:
- Resist the loss of good quality functioning stock in town centres; and
- Maintain a good understanding of the balance of demand through market insight of local agents and monitoring change in employment floorspace in the Outer Borough market town centres area.

Space for Start-ups and Small Business

There is a format of start-up and small business space which is in demand, which LB Council should encourage. These include: incubator, accelerators and coworking spaces (IAC). Whereas incubators and accelerators tend to be focused on fast growing businesses and provide tailored business support, coworking spaces provide flexible membership options with minimal contractual obligations and allow entrepreneurs, freelancers and micro businesses to co-locate. The benefits to the occupier are more than financial: the format of space is devised such that interaction between users can be maximised, allowing users to benefit from networking, the exchange of ideas and collaborative working which are particularly important for early stage business growth. Many coworking spaces also offer business support services.

Recent work carried out by URS examining the provision of IACs in London found that they are concentrated in CAZ boroughs around existing clusters of digital technology, media/communication and other creative and cultural activities. These activities have a higher incidence of start-up and entrepreneurship. Our employment land survey reinforced this view and recorded a number of premises in LB Camden set up with a specific aim of supporting start-up and small business growth with coworking arrangements.

However, there is some caution to exercise: The provision of coworking space has grown rapidly in the past three years with the commercial property market responding well to demand without public sector intervention. The rapid growth in provision also raises the question of whether provision is sustainable. On this basis we suggest the council supports the concept but does not intervene unless there is clear evidence of local market failure preventing the private sector from providing space. Furthermore, though there is plenty of anecdotal evidence of coworking space generating economic benefits for occupiers and local economies, there is a lack of monitoring (and therefore data available) which tracks the success and progress of businesses working out of IACs. The success of an IAC is also likely to be tied to the management skills and expertise in business support to help businesses in their growth.

Were the council to provide support to a new IAC (and we acknowledge that Camden Collective is financially supported by the council) it is questionable whether the council support a thematic / sector focused IAC, aligned with the growth sectors or sectors which the borough has a competitive advantage, or supports one with no sector focus and broadly promotes local entrepreneurship and local economic growth. What the council should consider is how potential future trends in IAC provision could see the market covering a broader range of sectors, including those with workspace requirements beyond desk space working, such as shared specialist equipment such as 3D printers and space markers. This could be beneficial to small and start-up businesses who require access to specialist equipment to test and develop their ideas.

Policy options:

- The Council could monitor the demand for IAC provision in the borough and more broadly across the CAZ with a view to understanding how best to support this form of provision as a way of encouraging start-up and small business growth. This should include considering the demand for different forms of beyond desk space working, such as shared specialist equipment and designer-marker spaces.
- The Council could support the retention of existing premises which would allow the SMEs to cohabit space/building in Outer Borough locations, the Kentish Town and the Camden Town.

Industry and Warehousing

Our demand forecasting exercise for the period 2014-2031 found that LB Camden is expected to see a contraction in demand for industrial and warehousing in the region of 10,000 sqm or 2.2ha. Over the Local Plan period this implies a tight market with little scale of loss and points to the need to carefully manage existing provision.

The large majority of industrial sites lie scattered within the Camden Town and across the Outer Borough market area. There are some larger areas of provision such as Kentish Town Industrial Estate (comprising Regis Road, Sanderson Close and Gordon House Rd sites), Camley Street and St. Pancras Way. South of Camden Town, Hatton Garden provides a significant workspace cluster.

Broadly, the quantity of industrial sites and premises has undergone long term decline and their provision has not been renewed. The long term decline is exacerbated by the pressure from competing land uses, in particular higher value uses such as residential. This was observed at Holmes Road close to Kentish Town and has fragmented the industrial sites. The issue is that without necessary investment, a growing proportion of space will become unfit for continued use which will result in further loss; however these locations are unlikely to see new industrial premises built given high competing land values.

Industrial space in Camden Town is typified by small compact industrial estates providing predominantly B1c and B8 floorspace for a range of businesses, some of which have a particular preference for locating close to Central London to support CAZ functions. Despite the borough wide forecast contraction in demand, demand for good sites and premises in proximity to the CAZ remains strong and is sustained. There is a particular concentration of industrial sites providing distribution and light industrial premises within St Pancras Way, Centric Close and Camley Street. The designated Industry Area provides the largest concentration of good quality industrial stock within the borough and includes occupiers requiring large warehouse type space within close proximity to Central London such as UPS and Royal Mail.

Demand for CAZ support services is more likely to grow than wane as the CAZ grows in the future. In such locations where industrial activities are in some sense concentrated, and where the properties are purpose built and/or renewable, the council should consider protecting industrial land and properties. Failure to protect sites which provide locations for businesses to support the functioning of businesses in the CAZ, could result in increased inefficiency and costs for businesses operating in the CAZ. However, on the other hand it should be acknowledged that the current erosion of industrial floorspace is generally market driven and could be seen to respond to the needs of the growing economy. The Council could consider intensification of such uses in order to make most of the limited land available for development where those uses can be re-provided elsewhere in Camden or outside of Camden and still service the CAZ effectively.

There is demand from 'clean' industries, that serve the expanding central London business market, such as building services, catering, cleaning, courier services, design, hospitality services, IT back-up services, marketing services, media production, office supplies, printing, security, training and many others. These activities require clean, economical buildings of simple specification in locations with good access to the central London economy. LB Camden could attract greater numbers of these types of businesses if the right type of space was available on well-managed estates.

The historic jewellery quarter of Hatton Garden is considered to be functioning well with demand strong and relatively low levels of vacancy. With the coming of Crossrail at Farringdon station the council should continue to provide special protection to Hatton Garden: without continued protection the cluster is likely to see significant redevelopment with large scale redevelopment and intensification of sites, which would change the provision of small office and industrial workspace at the quarter (the redevelopment of Tottenham Court Road, which we discuss briefly on page 71 provides an indication of the potential scale of change which is being leveraged). The council should investigate the prospect of setting up a business improvement district (BID) to improve management of the area, utilisation of premises, public realm and promote the quarter.

More widely across London there is anecdotal evidence of the need for industrial workspaces for start-up and small businesses which allow the sharing of capital-expensive assets. Accommodation could include designer-maker workspace, shared tool sheds and kitchens. Given the high incidence of creative sector activities and entrepreneurship in the borough, LB Camden could lead the way on these accommodation formats which are considered underprovided across Greater London. There may be opportunities within Hatton Garden to promote specialist coworking space focused on designer-maker space and equipment sharing – a concept explained above under 'space for start-ups and small business'.

Elsewhere in Outer Borough locations, industrial sites and premises are typically found in highly marginal locations and physically poor properties such as under railway arches. These sites provide low cost for locations for local businesses serving local markets and due to their locations are unlikely to be desirable for other uses.

Policy options: The projected balance of demand and supply over the Local Plan period is tight and the long term trend of industrial land contraction represents a challenge for the council. In developing their policies the council could look to:

- Protect existing industrial sites and premises which are fit for purpose broadly, not just for the 'modern occupier' as described in the current planning policy (Policy CS8). In particular the council should protect sites where industrial activities are concentrated (e.g. Kentish Town Industrial Area and Hatton Garden), and where the properties are purpose built and/or renewable. The council should also seek to protect industrial land and properties, particularly where the businesses are viable and sustainable.
- The Council could consider proposals for intensification and/or redevelopment of such sites and areas if the proposals would maintain or increase the existing level of industry and/or warehousing space, increase employment opportunities (including training and apprenticeships) and bring additional benefits to the area. Industrial properties in residential areas, properties isolated in minor streets and properties that are clearly obsolete should be looked at differently. These properties could be redeveloped to provide additional employment initiatives (such as apprenticeships and training) alongside new housing.
- Continue recognising the importance of industrial sites and premises in supporting LB Camden's economy and the wider role that some play in

supporting the CAZ. As part of this, the council should look to support ‘clean’ industries that serve the expanding central London business market.

- The council could investigate the prospect of setting up a business improvement district (BID) for Hatton Garden.

The demand for ‘industrial’ property can be broken into three groups: industry (B1c, B2 and sui generis), warehousing (B8) and start-up space (B1c and B2). Policies should be sensitive to all these different types of ‘industrial’ property, rather than applying a single definition of industrial uses.

Retain Employment Uses - Flexible Space

Policy DP13 retains buildings that are suitable for continued business use and resists change to non-business uses. Where changes of use are justified some business use should be retained on the site; flexible space that it is suitable for a variety of business uses is preferred. If a site is not suitable for any business use other than B1(a) offices, permanent residential use or community uses may be permitted, except in Hatton Garden where the Council expects mixed use developments include light industrial premises suitable for jewellery workshops.

As described throughout the study there is significant pressure on employment uses in Camden Town and the Outer Borough from higher value residential uses. In general this has led to a loss of employment uses and in some areas remaining employment is restricted to marginal areas and buildings that are unattractive to residential uses. For example railway arches. Although this represents a market reality the implication if this trend continues is that the borough might not contain sufficient employment land and premises to meet local employment needs. This is especially relevant in areas where there are competing demands for land from high value residential and high value employment uses such as Camden Town. The risk is that high value employment sectors such as the cultural and creative industries could be relatively restricted by the lack of available and affordable premises.

Based on the field surveys, consultation with market agents and demand forecasting exercise the continued protection of light industrial and workshop space within Hatton Garden is appropriate. The Hatton Garden area was observed to be functioning well and the unique historic jewellery quarter is an asset to Camden and London and so should be preserved through the provision of suitable employment space including B1c.

Policy options:

- The Council could look to maintain the policy direction as set in the existing Policy DP13 which requires flexible employment space. This requirement corresponds to the needs of modern businesses as evidenced by the consultation exercise.
- DP13 is an appropriate policy to protect employment land in Hatton Garden. The policy could be enhanced by providing cultural and creative businesses around Camden Town a similar level of protection to that afforded the jewellery industry in Hatton Garden. This is due to the intense market pressure from higher value residential uses that could restrict the supply of employment premises to meet this type of demand in Camden Town.

Mixed Use

Policy DP1 of The Core Strategy (November 2010) requires a mix of uses in new developments including a contribution towards the supply of housing. In central London Area (except Hatton Garden) and the town centres of Camden Town, Finchley Road/ Swiss Cottage and Kilburn High Road, the Council requires up to 50% of all additional

floorspace to be housing. The Council also requires any secondary uses to be provided on site, particularly where 1,000 sqm (gross) of additional floorspace or more is proposed.

As was found in the 2008 ELR, the issue of compatibility of employment uses with residential uses has placed significant restraints on the form that mixed use space can take. Typically this excludes businesses which require 24-hour access, space servicing and access and those which are associated with dirty or noisy activity. Therefore, policy DP1 has mainly resulted in the provision of office space, rather than industrial type uses in new mixed use employment developments. This has sometimes resulted in the loss of less viable light industrial and SME space capacity in parts of the borough. This has occurred particularly around Camden Town, and the Outer Borough which traditionally provided premises for companies supporting CAZ functions and SME premises linked to cultural and creative industries.

In the central London market there is a perception that one factor constraining central London office supply is Camden's mixed-use policy. This is due to its impact on the viability of schemes. How far this is correct is not clear from the evidence. Many office schemes in central London have started since the policy has been in force however the policy could limit supply below what it would otherwise be. To see if this is the case, and to estimate the size of any effect, would require a further research including case studies and development appraisals. On balance however Policy DP1 is not considered to create a significant impact on employment uses in central London.

In Camden Town and Outer Borough, the office space element of new mixed use developments is often provided at the ground floor level (and sometimes the first floor) with residential uses above. The ground floor office uses are often developed in a way that makes them unsuitable and unviable for office occupiers. This means that the office element of the new development often remains unoccupied. It is assumed that if this continues for a length of time there is potential for the office element to be converted to residential as per the two year marketing rule. This issue was observed in the field surveys, mainly in Camden Town and the Outer Borough, and is confirmed through the literature review and by market agents in the consultation exercise. This could suggest that the policy is being used primarily by developers to gain residential planning permission and overall it is not proving effective in encouraging active and appropriate employment uses in many parts of the borough.

Because Policy DP1 has led to some vacant and inappropriate office space in the borough it appears to go against the principles of Policy CS1 which aims to promote the most efficient use of land and buildings in the borough. Therefore, it would seem appropriate to review and refine the policy to put in place more effective policies to encourage new appropriate employment space.

Policy option:

- The mixed use policy (DP1) could be refined to place more emphasis on the requirement to provide appropriate and good quality employment space. This is mainly relevant in areas such as Camden Town and Kentish Town where there is significant pressure from higher value residential uses..

The Council should monitor the floorspace change resulting from the DP1 to ensure such that the policy is having the desired effect.

Blurring of Types of Space

Policy direction:

- We have remarked on the blurring of demand between certain types of office occupiers and 'industrial' occupiers and, to a certain degree, it is no longer

helpful to refer to 'industrial' and 'office' uses. The council should, in developing their spatial planning, consider functionality of space rather than separate use classes (this would also assist in consideration of the various types of mixed use development). To assist in this, the council could develop a 'typology' of premises, which identifies physical characteristics associated with different types of occupier activity.

APPENDIX A: POLICY AND LITERATURE REVIEW

Introduction

This section provides an overview of the national, regional and local planning policy and strategy relevant to employment and employment land in LB Camden.

National Policy

National Planning Policy Framework (NPPF) 2012

The NPPF condenses all planning policy statements (PPSs) into a single all-encompassing planning framework with the intention of making the planning system less complex and more accessible. The NPPF was published and came into effect on 27th March 2012.

The NPPF describes the Government's vision for building a strong, competitive economy. It sets out a presumption in favour of sustainable development in the absence of a local plan or where the plan is out of date, silent or indeterminate. The presumption should be reflected by the emerging local plan and be informed by robust evidence to support clearly defined allocations for land for employment. In relation to economic and employment land it states the following:

- A competitive economy requires a planning system which operates to encourage (and not impede) sustainable growth, and the NPPF places weight on the need to support economic growth through the planning system. As such planning policies should recognise and seek to address potential barriers to investment.

The NPPF provides guidance for local planning authorities, when drawing up Local Plans, who should:

- Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
- Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries; Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

Planning Practice Guidance (March 2014)

On the 6th March 2014 the Government published new National Planning Practice Guidance (NPPG) on 'Housing and Economic Development Needs Assessments' and 'Housing and Economic Land Availability Assessments' amongst others. This guidance replaces the ODPM Employment Land Reviews: Guidance Note (2004).

In economic development terms 'need' relates to the amount of economic development floorspace required based on quantitative assessment and an understanding of the qualitative requirements market segments. The NPPG requires need assessment to be based on an objective assessment of the facts and should not be biased or influenced

by constraints to the overall assessment or limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. Although it is recognised that such evidence will need to be addressed when identifying specific policies within development plans.

It is recognised that there is no one methodological approach for the assessment of need. However, the NPPG advises that in understanding the current market in relation to economic uses plan makers should liaise closely with the business community to understand their current and potential future requirements.

To provide an understanding of the underlying requirements for office, general business and warehousing sites the NPPG emphasises the importance of considering projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses. The NPPG requires plan makers to consider sectoral and employment forecasts and projections, demographically derived assessments of future employment needs, past take-up of employment land and property and/or future property market requirements, consultation and studies of business trends and statistics.

Analysing supply and demand concurrently enables conclusions to be drawn on whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This in turn enables an understanding of which market segments are over-supplied to be derived and those which are undersupplied. By comparing availability of stock with particular requirements 'gaps' in local employment land provision can be identified.

The NPPG identifies that when translating employment and output forecasts into land requirements there are four key relationships that need to be quantified including:

- Standard Industrial Classification sectors to use classes;
- Standard Industrial Classification sectors to type of property;
- employment to floorspace (employment density); and
- floorspace to site area (plot ratio based on industry proxies).

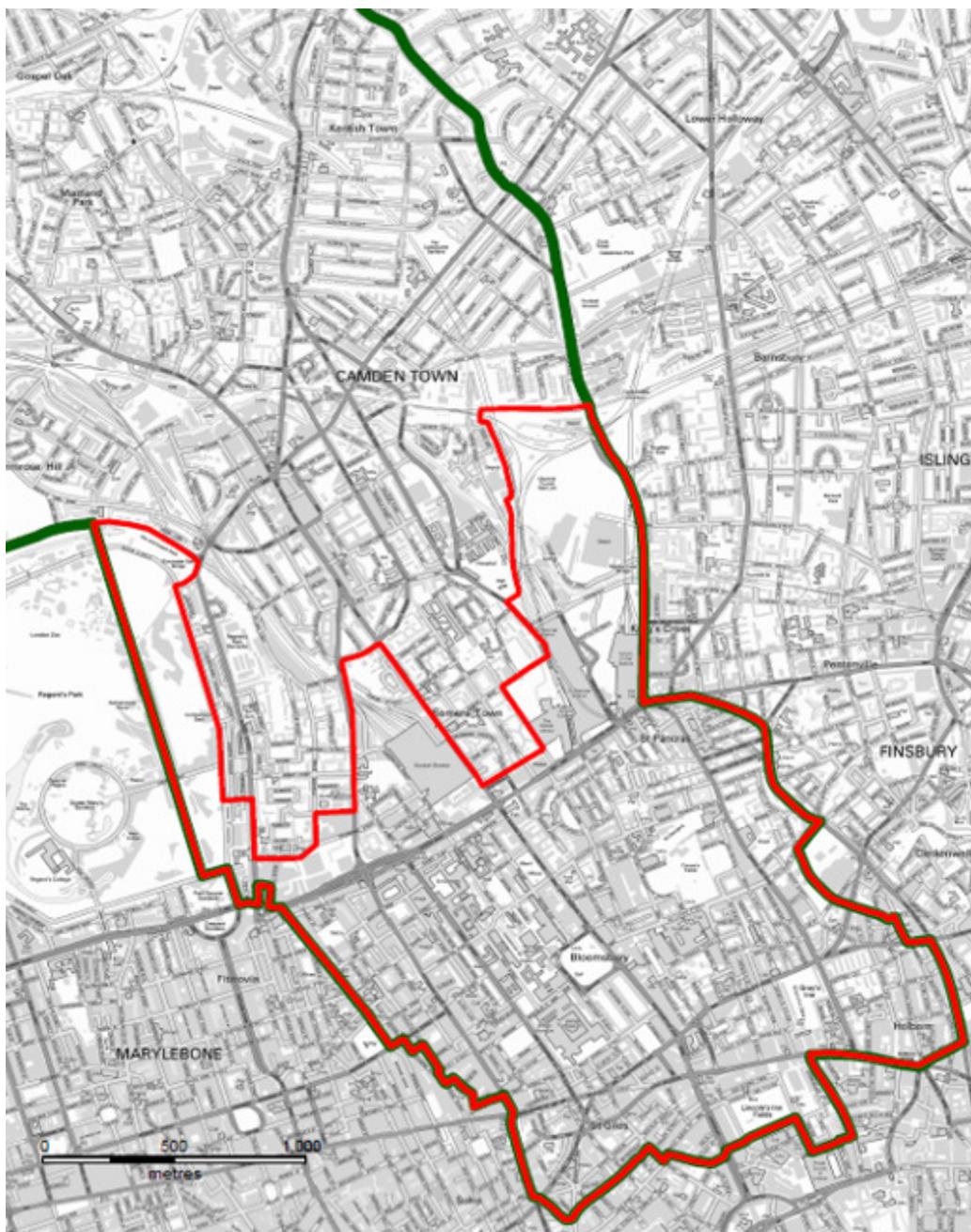
The NPPG guidance on 'Housing and Economic Land Availability Assessment' sets out a general methodology for assessing land availability but focuses primarily on the assessment of housing rather than employment land.

With relevance to this study the NPPG requires local planning authorities to work with other local authorities within the functional economic market area when assessing availability of land in line with the duty to cooperate. The NPPG also requires plan makers to be proactive in identifying as wide a range of sites as possible, including existing sites that could be improved, intensified or changed. Sites which have particular policy constraints should be included in assessments however constraints should be set out clearly and tested with conclusions drawn on whether constraints can be overcome.

The assessment of the suitability of sites for development should be guided by the development plan, emerging plan policy and national policy, as well as market and industry requirements. The NPPG notes that when assessing sites against the adopted development plan, regard should be had to how up to date the plan policies are. Sites in existing development plans, or with planning permission, will generally be considered suitable for development although it may be necessary to assess whether circumstances have changed which would alter their suitability, in addition to the other factors identified in the NPPG.

New Permitted Development Rights

Supporting the Government’s effort to increase housing supply is an amendment to permitted development rights, which allows the change of use from B1(a) office to residential (C3) without the need for planning permission. These rights came into force in spring 2013 and have the purpose of supporting and enabling growth. The new permitted development rights will initially be time-limited for three years. Local authorities were given an opportunity to seek an exemption from office to residential uses for specific geographic areas where there is evidence to suggest that there could be a ‘loss of a nationally significant area of economic activity’ or ‘substantial adverse economic consequences at the local authority level which are not offset by the positive benefits the new rights would bring’. LB Camden were successful in their application for an exemption, which applies to the part of the borough that falls within the Central Activities Zone – as shown below.



Source: LB Camden Council Website

Regional Policy

Further Alterations to the London Plan 2013

On 15 January 2014, the Mayor published Draft Further Alterations to the London Plan (FALP) for a twelve week period of public consultation. The FALP sets out development goals up to 2036 and has been prepared primarily to address key housing and employment issues emerging from an analysis of the 2011 Census. The census data indicates that there is to be a substantial increase in the capital's population. London's population is expected to increase by 87,000 per annum and by 2036 London's total population is expected reach 10.11 million.

The most significant alteration proposed is to housing targets. The Mayor proposes increasing the overall housing target set out in the 2011 London Plan (32,210) to 42,000 net additional homes per annum- an increase of approximately 30%. Higher housing targets are also proposed for the majority of the London Boroughs. In Camden the Mayor proposes increasing the ten year housing target to 889 net additional homes per annum – an increase of 34%.

It is expected that additional homes will be provided through higher housing densities on previously developed land and on sites within and around transport hubs – such as Crossrail. In particular, the identified Opportunity Areas and Areas of Intensification are expected to make a significant contribution. To ensure that housing output is optimised the FALP states that employment capacities should, if necessary, be reviewed in the light of strategic and local employment projections.

From an employment perspective the FALP recognises that the Inner London area is increasingly becoming the home of new and emerging sectors of the economy. This leads to particular clustering and accommodation requirements. Accordingly, Policy 2.9 has been amended to include a requirement to ensure that appropriate workspaces for the area's changing economy are made available.

With regard to the Central Activities Zone (CAZ) the FALP seeks to reinforce the need to ensure continued availability of workspaces appropriate for the technology, media and telecommunications and other emerging sectors within and on the fringe of the CAZ.

London Plan 2011

The London Plan (July 2011) along with the revised early minor alterations published by the Mayor in October 2013, is the spatial strategy for Greater London spanning the next twenty years to 2031. It replaces the previous London Plan (2004). It sets out an integrated social, economic and environmental framework for the future development of London. The relevant policies are stated below. An overall strategic policy of the Plan is contained within six detailed objectives. Those relevant to guide the Council's in the development of their employment policies within their local development plan include the following:

- Objective 1 - A city that meets the challenges of economic and population growth in ways that ensure a sustainable, good and improving quality of life and sufficient high quality homes and neighbourhoods for all Londoners, and help tackle the huge issue of deprivation and inequality among Londoners, including inequality in health outcomes;
- Objective 2 - An internationally competitive and successful city with a strong and diverse economy and an entrepreneurial spirit that benefit all Londoners and all parts of London; a city which is at the leading edge of innovation and research and which is comfortable with – and makes the most of – its rich heritage and cultural resources; and

- Objective 5 - A city that becomes a world leader in improving the environment locally and globally, taking the lead in tackling climate change, reducing pollution, developing a low carbon economy, consuming fewer resources and using them more effectively.

Map 2.1 identifies that the LB Camden is located within the 'central London' sub-region. Policy 2.5 requires the Mayor, boroughs and other stakeholders to develop the most effective cross working arrangements and groupings to address specific issues. This sub-regional structure is also the way by which the implementation of the London Plan is monitored.

In addition to the sub-regions, the London Plan identifies three key policy areas; outer London, inner London and the Central Activities Zone (CAZ). LB Camden falls within both inner London and the CAZ. Policy 2.9 sets out the overall vision for Inner London. It identifies inner London as an area where stakeholders should work to realise the potential of inner London in ways that sustain and enhance its recent economic and demographic growth while also improving its environment, neighbourhoods and public realm, addressing its unique concentrations of deprivation, and improving quality of life and health for those living, working, studying or visiting the area. Policy 2.9 requires boroughs with all, or part of, their area in inner London to take account of the above principles in developing detailed policies and proposals.

The CAZ covers London's geographic, economic and administrative core. It brings together the largest concentration of London's financial and globally-oriented business services and, together with Canary Wharf, has historically experienced the highest rate of growth in London. Policy 2.10 sets out a series of strategic priorities relevant to the CAZ.

Policy 2.11 confirms the strategic functions of the CAZ and states that the Mayor, boroughs and other relevant agencies should, amongst other things, ensure that development proposals increase office floorspace within CAZ, seek solutions to constraints on office provision and other commercial development, identify, enhance and expand retail capacity to meet strategic and local need and focus this on the CAZ frontages and ensure that development complements and supports the clusters of other strategically important, specialised CAZ uses including legal, health, academic, state and 'special' uses while also recognising the 'mixed' nature of much of the CAZ.

Policy 2.12: 'Predominately Local Activities' states that the Mayor, boroughs and other relevant agencies should work together to identify, protect and enhance predominantly residential neighbourhoods within CAZ. Elsewhere, sensitive mixed use policies should be developed to ensure that housing does not compromise CAZ strategic functions in the zone.

Policy 2.13: 'Opportunity Areas and Areas for Intensification' states that development proposals within opportunity areas and intensification areas should:

- Support the strategic policy directions for the opportunity areas and intensification areas set out in Annex 1, and where relevant, in adopted opportunity area planning frameworks
- Seek to optimise residential and non-residential output and densities, provide necessary social and other infrastructure to sustain growth, and, where appropriate, contain a mix of uses; and
- Contribute towards meeting (or where appropriate, exceeding) the minimum guidelines for housing and/or indicative estimates for employment capacity set out in Annex 1, tested as appropriate through opportunity area planning frameworks and/or local development frameworks.'

It states that; 'Planning frameworks, investment plans and other spatial interventions for these areas (opportunity areas) should focus on implementation, identifying both the

opportunities and challenges that need resolving such as land use, infrastructure, access, energy requirements, spatial integration, regeneration, investment, land assembly and phasing’.

Integral to Policy 2.13 is Annex 1, which outlines how broad principles of the London Plan should be applied to specific Opportunity and Intensification Areas including indicative estimates of employment capacity and minimum guidelines for new homes to 2031. Annex 1 identifies that growth within Euston, King’s Cross, Tottenham Court Road and Holborn has the potential to accommodate a total of 37,000 new jobs and 3,520 new homes.

In London there are five broad types of town centre which perform different but complementary roles. They are classified as international centres, metropolitan centres, major centres, district centres, neighbourhood and more local centres or as CAZ Frontages. CAZ Frontages are mixed use areas that are located within the CAZ and have a predominant retail function. Table A2.1 of the London Plan defines the following as being located, either in whole or in part, in Camden:

- International Centres; West End
- Major Centres; Kilburn and Camden Town.
- District Centres; Cricklewood, Hampstead, Kentish Town, Swiss Cottage/Finchley Road and West Hampstead.
- CAZ Frontages; Euston Road, High Holborn, Tottenham Court Road and Charing Cross.

Table A2.1 also provides strategic guidance on the broad future direction for the town centres including their potential growth and regeneration, rated as high, medium or low. Of the above, Cricklewood (located across LB Barnet, Brent and Camden) is the only centre identified as having a high potential for growth, the rest are identified as having medium potential. Notably the future growth categorisations set out in Table A2.1 are indicative, and should be refined by boroughs, in collaboration with the Mayor, through the plan making process. They refer to the whole centre and not individual sites within it.

At Policy 2.17 and Annex 3, the London Plan identifies a number of Strategic Industrial Locations (SILs) of which there are two types: Preferred Industrial Locations (PILs) and/or Industrial Business Parks (IBPs). Policy 2.17 outlines its policy with regard to SILs. It states that the Mayor, boroughs and other stakeholders should promote, manage and, where appropriate, protect strategic industrial locations. However, it is clear from Annex 3 that Camden contains no such sites.

In terms of office development Policy 4.2 ‘Offices’ provides policy guidance on the management, consolidation, renewal of office stock as well as the managed conversion of surplus capacity to more viable and complementary uses, where this is relevant

Policy 4.4, ‘Managing Industrial Land and Premises’, provides policy guidance on the approach to industrial land management to ensure a sufficient stock of land and premises to meet the future needs of different types of industrial and related uses in different part of London.

Map 4.1 refers to Camden as a ‘Restricted Transfer’ Borough; that is a borough which is considered to be between managed (i.e. boroughs with a greater supply of vacant sites relative to demand) and restricted (i.e. boroughs with low levels of industrial land relative to demand).

A key evidence base document for the London Plan is the 2010 GLA London Industrial Land Baseline Study, undertaken by URS/DTZ.

Supplementary Planning Guidance (SPG) Land for Industry and Transport 2012

The SPG was published in September 2012 and adds to the 2008 SPG's two key objectives with the aim of ensuring the provision of sufficient land, suitably located, for the development of an expanded transport system. Key policies from the London Plan that form the basis for the SPG are Policies 2.17 Strategic Industrial Locations, 4.4 Managing Industrial Land and Premises and 6.2 Providing Public Transport Capacity and Safeguarding Land for Transport.

The SPG has a number of relevant themes for this ELR, including:

- Managing release in the context of demand arising from non-industry uses;
- There is increasing demand for industrial land from a range of other important industrial type functions. The distribution of release must take full account of other land use priorities and be managed carefully to ensure that a balance is struck between retaining sufficient industrial land in appropriate locations and releasing land to other uses;
- Strategic Industrial Locations and Locally Significant Industrial Sites should in general be protected, and release of industrial land through development management should generally be focussed on smaller sites outside of the SIL framework;
- The requirements for utilities also represent established uses of industrial land and their land requirement should be planned for to accommodate growth;
- Need for an integrated/partnership approach to employment land provision;
- A partnership approach and strategic perspective is required in order to keep inner London sustained and to meet the demands of the Central Activities Zone and Canary Wharf for locally accessible, industrial type activities, e.g. including food and drink preparation, printing, publishing, local distribution activities and 'just-in-time' services;
- Central and inner London boroughs face strong competition from other higher value land uses, particularly commercial offices, residential and retailing. Boroughs around the Central Activities Zone (CAZ) should consider industrial uses servicing the needs of central London; and

Annex 1 of the SPG sets out the indicative industrial land release benchmarks for 2011-2031, the benchmark for Camden is – 5 ha for 2011-2031 (- 0.3 ha per annum).

Annex 2 of the SPG gives indicative land demand for waste management and recycling. For Camden the waste apportionment to 2031 (London Plan 2011) is 264,000 tonnes per annum (pa); however the waste transfer station capacity is 170,810 tonnes pa which is well under demand. The net additional indicative land requirement for waste apportioned to 2031 is therefore 1.1 ha. This estimate is an approximate and indicative land requirement only and Boroughs, waste authorities and other partners, in collaboration with the GLA, should determine the actual requirements of industrial land needed to manage waste apportioned in the London Plan.

London's Industrial Land Baseline 2010

Prepared by URS in association with DTZ, this report provides a comprehensive analysis of London's supply of land in industrial and related uses such as warehousing for logistics, waste management, utilities, wholesale markets and vacant land including times series data 2001-2006-2010. Backed by field surveys and Geographic Information System (GIS) mapping, the study provides a valuable input into related studies on industrial land demand and the London Plan's Examination in Public. The study assists the GLA, LDA, TfL, boroughs and other partners to implement a rigorous strategy for industrial land management and investment, and to plan, monitor and manage release of surplus land to contribute to strategic and local planning objectives.

The study found that in 2010 in Camden:

- There was 61.3 hectares of industrial land
- Of the total, 32 hectares was occupied by industry
- Of the total, 21.2 hectares was occupied by warehouses
- Of the total, 7.8 hectares was occupied by wider industrial land uses (such as utilities and waste facilities)
- Of the total, 0.3 hectares was vacant
- LB Camden gained 4.1 hectares of industrial land from other uses from 2006 to 2010.

Central London Sub-regional Development Framework May 2006

The Central London Sub-regional Development Framework (SRDF) was published in May 2006. It was produced to provide guidance on the implementation of policies contained in the London Plan for the central London sub-region. The sub-region comprises the boroughs of Camden, City of Westminster, Islington, Kensington and Chelsea, Lambeth, Southwark and Wandsworth. The SRDF is in two parts: Part one highlights the key challenges facing the sub-region and sets the direction for central London and part two deals with the implementation of the development strategies set out in the London Plan.

Part one identifies three key ingredients for future success in the sub-region which are centred on the sub-region's strong identity, the scale and intensity of activities within the sub-regional boundary and its unparalleled connections. Part one confirms that the vision for the central London sub-region is to build on its current strengths as one of the world's pre-eminent urban centres, with a vital mix of international business and finance, government, culture, leisure, retail and tourism and unmatched diversity of people, activities and buildings. To this end, it is envisaged that central London will increase its capacity to accommodate economic and population growth, recognising the overall strategy to promote development to the east.

Part one identifies a number of key projects that will help central London to achieve these overarching objectives, including the implementation of key public sector transport infrastructure projects, such as Crossrail, that will transform connections to and from the sub-region. It is estimated that central London will experience exceptional growth over the London Plan period 2011 – 2031. One of the key challenges faced by the central London sub-region is therefore the co-ordination of the implementation of policies and strategies to ensure that the vision of sustainable growth is achieved.

The SRDF actions set out for employment and offices are:

- In partnership with the LDA, boroughs are asked to facilitate the implementation of the Mayor's Economic Development Strategy through the central London Sub-Regional Economic Development Implementation Plan (SREDIP).
- The Mayor will work with the LDA, boroughs and other stakeholders to encourage the market to provide and enhance viable, affordable provision for SMEs in appropriate locations and through the Sub-Regional Economic Development Implementation Plan, to meet their specific needs for business support and training (see also Section 3).
- The central London office market must continue to be monitored rigorously at local and strategic levels, by the Mayor, boroughs and other stakeholders including the London Office Review Panel.
- Beyond the CAZ, and in light of strategic and local monitoring and demand assessments, boroughs are encouraged in their LDFs to promote the consolidation and re-positioning of the sub-regional office market in appropriate,

viable locations to complement wider planning objectives including town centre renewal and increased housing provision (see also Section 5).

- Boroughs, in collaboration with the Mayor and Central London Partnership at the sub-regional level, are invited to take into account the industrial land monitoring benchmark proposed for the sub-region and suggest how it might be refined for application in LDFs to ensure the efficient use of land including capacity for waste management, recycling, utilities, transport functions and other industrial type activities.
- Through the Industrial Land Availability Study (conducted every 4 years), boroughs, CLP and the GLA group are asked monitor the stock and release of industrial land within the sub-region.
- In their LDFs, boroughs are asked to develop a positive and proactive approach to accommodating warehouse provision in appropriate locations. This should be taken into account in assessing future industrial demand.
- Stakeholders are asked for their views on the proposition that, in the medium to long-term, London's wholesale market functions could be consolidated on multipurpose markets located at New Spitalfields, New Covent Garden and Western International.

The SRDF also provides guidance with regard to the Opportunity Areas and Areas for Intensification located within the central sub-region, including those located in Camden.

North London Joint Waste Strategy February 2009 and the emerging North London Joint Waste Plan 2012 - 2027

The North London Joint Waste Strategy sets out the issues and objectives to be met in waste management within North London between 2004 and 2020. It was produced by seven partner authorities - Barnet, Camden, Enfield, Haringey, Islington and Waltham Forest - and it sets out the partner authorities' long-term vision and strategy for the sustainable management of waste over the plan period up to 2020. Policy 3.E of the strategy confirms that the seven partner authorities will work together to prepare a Joint North London Waste Plan (NLWP).

Preparation of a Joint Waste Plan has been underway for some time. The current draft NLWP for the period 2012 - 2027 presents a second attempt at a joint plan following an Inspector's decision in 2012 to recommend non-adoption of the previously prepared NLWP. Camden is acting as the lead borough for the preparation of the new plan; its launch was publicly consulted on between April and June 2013.

Mayor's Economic Development Strategy for Greater London 2010

In May 2010, the Mayor of London published a new Economic Development Strategy (EDS). The purpose of the Strategy is to provide relevant stakeholders, public authorities and interested parties, with a vision for London's future, an analysis of the economy and policy directions for achieving its ambitions; and to clarify roles and responsibilities with other partners who make a major contribution to developing London's economy.

The Economic Development Strategy (EDS) is framed around five central economic objectives, which are:

- 'Promote London as a city that excels as a world capital of business, the world's top international visitor destination, and the world's leading international centre of learning and creativity;
- Ensure that it has the most competitive business environment in the world;

- To make London one of the world’s leading low carbon capitals by 2025 and a global leader in carbon finance;
- Give all Londoners the opportunity to take part in London’s economic success, access sustainable employment and progress in their careers; and
- To attract the investment in infrastructure and regeneration which London needs, to maximise the benefits from this investment and in particular from the opportunity created by the 2012 Olympic and Paralympic Games and their legacy’.

The Strategy states that the Mayor wants to maximise London’s share of the Carbon Trading global market: if London captured even 1 per cent of this new market it would be worth about £3.7 billion per annum. In order to do this, the Mayor considers that London should play to its existing strengths in financial services; business services – including consulting, engineering, architectural and legal services, research, design and product development.

Local Policy

Camden Core Strategy 2010 - 2025

The Core Strategy was adopted on the 8th November 2010. It sets out the key elements of the LB Camden’s planning vision and strategy for the period 2010 – 2025. The Core Strategy is central to Camden’s Local Development Framework (LDF) which replaces the majority of the previous Unitary Development Plan (UDP) for the borough. The vision behind the Core Strategy is focussed on making Camden a ‘borough of opportunity’.

Policy CS1 states that the focus of Camden’s growth will be managed to ensure that the borough delivers its opportunities and benefits and achieves sustainable development while continuing to preserve and enhance the features that make Camden an attractive place to live, work and visit. Policy CS1 confirms that the Council will promote the development of the growth areas of King’s Cross, Euston, Tottenham Court Road, Holborn and West Hampstead Interchange and more limited change elsewhere. According to Policy CS2 these areas are expected to provide in the range of 4,700 new homes and a substantial majority of new business floorspace in the period to 2024/25. Overall the Council expects that in the order of 12,250 homes will be provided in Camden between 2010/11 and 2024/25.

Policy CS3 states that the Council will promote appropriate development in the highly accessible areas of central London (outside of the growth areas) and the town centres of Camden Town, Finchley Road / Swiss Cottage, Kentish Town, Kilburn High Road and West Hampstead, including appropriate edge of centre locations. These areas are considered to be suitable locations for the provision of homes, shops, food, drink and entertainment uses, offices, community facilities and are particularly suitable for uses that are likely to significantly increase the demand for travel.

Policy CS4 states that parts of the borough outside of the growth areas and other highly accessible areas will experience more limited development and change. The Council will expect major development to bring benefits to these areas.

With regard to Camden’s economic strategy Policy CS8 confirms that the Council will promote the provision of 444,000 sqm of permitted office floorspace at King’s Cross, approximately 70,000 sqm of office provision at Euston as well as further provision in the other growth areas and central London to meet the forecast demand of 615,000 sqm to 2026.

Policy CS8 states that the Council will support industries by:

- safeguarding existing employment sites and premises in the borough that meet the needs of modern industry and other employers
- safeguarding the borough's main Industry Area; and
- promoting and protecting the jewellery industry in Hatton Garden

Policy CS8 expects the delivery of a mix of employment facilities and types, including the provision of facilities suitable for small and medium sized enterprises. This includes managed, affordable workspace. Policy CS8 also recognises the importance of other employment generating uses such as retail, leisure and education.

Policy CS9 sets out measures to ensure a successful central London. This includes ensuring that new development (particularly within the growth areas) contributes to London's social, economic and cultural role and promotes and protects areas of specialist activity such as Museum Street and Hatton Garden. Policy CS9 confirms that the Council will allocate sites within central London for appropriate uses, including offices and housing, in the Camden Site Allocations.

Camden Development Policies 2010 – 2025

The Camden Core Strategy and Development Policies Plan were adopted concurrently on the 8th November 2010. The Development Policies Plan forms part of the Council's adopted local development framework. It sets out detailed planning policies that the Council will use when determining applications for planning permission in the borough to achieve the vision and objectives of the Core Strategy.

Policy DP1 states that the Council will require a mix of uses in new developments including a contribution towards the supply of housing. In the Central London Area (except Hatton Garden) and the town centres of Camden Town, Finchley Road/ Swiss Cottage and Kilburn High Road, where more than 200 sqm (gross) additional floorspace is provided, the Council will require up to 50% of all additional floorspace to be housing. The Council will also require any secondary uses to be provided on site, particularly where 1,000 sqm (gross) of additional floorspace or more is proposed. Where inclusion of a secondary use cannot practically be achieved on the site, the Council may accept a contribution to the mix of uses elsewhere in the area, or exceptionally a payment-in-lieu. Policy DP2 – SP10 provides further policy guidance with regard to the provision of housing.

Policy DP13 is pertinent to the provision of employment premises and sites. The overall thrust of Policy DP13 is to retain buildings that are suitable for continued business use and resist change to non-business uses. Where changes of use can be justified then Policy DP13 requires that some business use is retained on the site; there is a preference for the provision of flexible space that it is suitable for a variety of business uses. When it can be demonstrated that a site is not suitable for any business use other than B1(a) offices, Policy DP13 confirms that the Council may allow a change to permanent residential use or community uses, except in Hatton Garden where the Council will expect mixed use developments that include light industrial premises suitable for use as jewellery workshops.

Camden Unitary Development Plan 2006

Camden Unitary Development Plan (UDP 2006), prior to being replaced by the Local Development Framework (LDF) set out the overall planning strategy for managing growth and development in the Camden borough. Policy LU1 'Schedule of Land Use Proposals' remained extant until recently where it was replaced by the final version of the Site Allocations DPD, which the Council resolved to adopt on the 9th September 2013. Policy LU1 will also be replaced by the Site Allocations Plan and the Fitzrovia Area Action Plan (discussed below) when adopted, which is imminent.

Site Allocations 2013

Camden Council resolved to adopt the Site Allocations Plan on the 9th September 2013. The period for challenge has now expired and it is anticipated that the redesigned version of the Site Allocations and accompanying Policies Map will be published by Camden Council imminently. Upon adoption the document replaced Policy LU1 'Schedule of Land Use Proposals' of the UDP. The Site Allocations Plan sets out guidelines for the future development of significant sites that have been or are likely to be subject to major development proposals over the plan period. The Site Allocations plan applies to sites across the whole borough. It identifies the following sites for either employment or mixed-use including office space:

Fitzrovia Area Action Plan Proposed Submission December 2012

The Fitzrovia Area Action Plan (AAP) (December 2012) has been prepared by LB Camden Council to help deal with the impact of continued development pressure on Fitzrovia, fuelled by nearby growth areas based around the redevelopment of Euston and Tottenham Court Road tube station. Fitzrovia is located between Marylebone and Bloomsbury and straddles the boundary between of the City of Westminster and the London Borough of Camden. The AAP covers the part of Fitzrovia that lies within Camden. For consistency with the Camden Core Strategy the AAP covers the period up to 2025.

The purpose of the AAP is to help to shape the future of the Fitzrovia by:

- developing a vision for the area shared by the Council, key community groups and key landowners;
- ensuring that growth takes place in a way that balances the need for residential, institutional and commercial uses and minimises harm to residential amenity;
- coordinating development proposals across a number of significant sites; and
- ensuring that growth delivers the maximum benefits to the area.

In respect to office development the AAP identifies that around 10,000 sqm of new office floorspace could be provided in Fitzrovia, particularly at the Network Building (95 Tottenham Court Road) and 80 Charlotte Street.

The Proposed Submission version of the plan has been examined by an independent Planning Inspector who recommended approval of the AAP subject to modifications. It is understood that the Council intends to take the AAP to committee in February and March 2014 to seek the relevant approval(s) for adoption by the Council. Upon adoption the AAP will comprise part of the Camden development plan.

Euston Area Plan Proposed Submission Draft January 2014

A Proposed Submission Draft of the Euston Area Plan was published in January 2014. The plan sets out the long term planning framework that will guide the transformational changes proposed in the area and in particular, those focussed around the redevelopment of Euston Station. The Euston Area Plan is being jointly prepared by Camden Council, the Greater London Authority (GLA) and Transport for London (TfL), and will guide development up until 2031. The plan seeks to ensure that strategic and local issues for the Euston area are planned for in a coordinated way and are balanced with community aspirations.

It is understood that the Government's current proposals to terminate the High Speed Two (HS2) line at Euston Station is opposed by Camden Council. The Euston Area Plan has therefore been prepared to be flexible in order to allow for different station designs to come forward and to enable updates where necessary to reflect significant changes in circumstances to the HS2 project.

The overall vision set out in the Euston Area Plan is that of a rejuvenated Euston area, as both a local hub of activity and a gateway to London through the provision of a world class transport interchange at Euston Station. In terms of housing and employment growth the Area Plan states that the changes planned for the area should deliver between 2,800 and 3,000 new homes in addition to between 180,000 and 280,000 sqm of employment/economic floorspace, providing between approximately 7,700 and 14,100 jobs. The plan encourages the development of knowledge based, research and creative uses to strengthen Euston's existing role as a knowledge and research hub. It sets out key principles for seven identified character areas: Euston Station, Euston Road, North Euston Cutting, Drummond Street and Hampstead Road, Regents Park Estate, Amptill and Mornington Crescent Station and West Somers Town.

The Euston Area Plan will be adopted by Camden Council as part of its development plan and will also be adopted by the GLA as supplementary planning guidance to the London Plan. Public consultation on the Proposed Submission Draft ended on the 5th March 2014, the Area Plan is expected to proceed to examination with adoption proposed in Autumn/Winter 2014.

Camden Planning Guidance for Central London – Town Centres, Retail and Employment September 2013 (GPG5 Revised)

The Camden Planning Guidance for Town Centres, Retail and Employment (CPG5) has been prepared by Camden Council to support the policies contained in the Local Development Framework. The guidance contained within CPG5 is consistent with the Camden Core Strategy and Camden Development Policies and forms a Supplementary Planning Document (SPD) to these documents. CPG5 is a 'material consideration' in planning decisions. The original CPG5 was adopted by the Council on 7th September 2011 following statutory consultation as part of a suite of documents (CPG1 to CPG8) that replaced the Camden Planning Practice Guidance 2006. This document was updated and replaced by the current CPG5 (dated September 2013).

CPG5 provides information with regard to the Council's approach to retail uses, town centres, central London local areas, central London frontages, neighbourhood centres and pertinent to this study, employment sites and business premises. In this regard the guidance recognises that Camden has a very restricted supply of sites and premises suitable for light industrial, storage and distribution uses. The guidance reiterates the Council's position with regard to the protection of existing employment sites and premises that meet the needs of businesses and employers. Specifically, it explains the circumstances where the Council will consider alternative uses for an employment site. It also provides more information on marketing requirements and the Council's approach to Hatton Garden, the Industry Area and mixed use developments.

Other Key Documents

GLA London Office Policy Review 2012

The purpose of the London Office Policy Review (LOPR) is to provide planning policy makers with up to date information on the supply and demand for offices in London, including a review of office-based employment projections and office floor space need estimates, and consideration of the potential for conversion of surplus office space to other uses, especially residential, in different parts of London.

The main findings of the report were that despite the difficult post-2008 period, London's future as a World City and global financial centre is secure for the reasonably foreseeable future. The employment forecasts indicate a dynamic metropolitan area. There will be demand for new space, and for new types and formats of office space and related employment space, but in terms of quantity, forecasts suggest there is little need for expansion beyond that already in the pipeline. The rate of growth in office jobs, 2011-2036, is forecast to be half that which prevailed over the past two decades. The key policy task will be to monitor both the quantity and quality of space emerging,

balancing new proposals with others that fall out of the pipeline, so that the pipeline is responsive to changes in demand.

The report highlights many options beyond the obvious conversion to residential, requiring spatial planning to be more creative and responsive to local market conditions. Encouraging the supply of space in the new office economy, on high streets, for flexible work patterns and small businesses with new needs could be a key role for spatial policy.

The report indicates that Camden's gross employment floorspace in 2012 (727,762 sqm) represents 117% of its 2009 gross employment floorspace (621,694 sqm).

At the local level the report notes that there is significant variation with regard to the scale of B1 conversions and recognises Westminster as having the largest number of completed conversion. Other boroughs, such as Camden, also have a large number of conversions. The report identifies that the distribution of developments under construction with B1 losses and residential gains also exhibits similar trends. The majority of sites with such losses are located in Camden, Islington and Westminster. The report concludes that to an extent the pipeline shows a continuation of this trend; the implications of which will need to be considered as part of this review.

Camden Employment Land Review 2008

The 2008 Employment Land Review (2008 ELR) was commissioned by Camden Council to assess the future demand for employment land versus supply. The study formed part of the evidence base to the Core Strategy 2010 – 2025 and Development Policies subsequently adopted in November 2010.

The 2008 ELR identified that areas of Camden, such as Midtown, had succeeded in attracting a stronger base of diverse corporate occupiers although there were very few large, single occupier buildings, most were medium sized and multi-let premises available. The 2008 ELR recognised that the single greatest threat to office supply was pressure for residential conversion and, in particular, the possibility of piecemeal conversion in areas of high value. However, the review confirmed that there was not enough evidence on supply and demand to support firm recommendations for the retention or otherwise of small local offices.

Regarding demand the 2008 ELR identified that there was a growing occupier and investor demand for office floorspace in the central London area. If Camden were to meet demand then it would need to provide a continuing supply of small and refurbished space, as well as large new developments such as those proposed at King's Cross and Euston.

The conclusions drawn regarding the supply and demand of industrial floorspace in the 2008 ELR were particularly stark. The review found that Camden had the lowest stocks of industrial and warehousing space in London, where only Kensington & Chelsea, Westminster and the City of London had less (as at 2008). Although, the 2008 ELR did conclude that if more industrial/warehousing was provided in Camden then it would be readily taken up at comparatively high rents. Low stocks were therefore considered to be prevalent as a result of constrained supply rather than lack of demand. The 2008 ELR highlights one major reason for the lack of industrial floorspace; the competition from higher value land uses (the most obvious being residential) and lack of industrial stock renewal.

Overall the 2008 ELR concluded that planning for employment in Camden will always raise difficult issues due to the prevalent physical and other land uses constraints. The review also recognised that, inevitably, housing will have a strong claim both in terms of market demand and policy targets. It was acknowledged that Camden should not necessarily aim to meet all of its demand within its own boundaries and proposed recommendations centred on:

- Continued use of restrictive policies, safeguarding all existing industrial/warehousing land which is still suitable and viable for these uses.
- Creation of opportunities for small-scale industrial development.
- Stock renewal through development and redevelopment growth opportunities in clean industries to serve the expanding central London business market. Such markets included building services, catering, cleaning, courier services, design, hospitality services, IT back-up services, printing and others.
- Monitoring of the implementation of employment policies with regard to the take up and loss of employment land.

Camden Business Premises Study (2011)

In March 2011 LB Camden published their Business and Premises Study, prepared by Roger Tyms. The purpose of this study was to explore the features of employment sites and buildings that should be provided to support a flourishing and diverse local economy. The report concluded, based on the analysis of businesses premises in Camden, market conditions and trends, that there appeared to be no compelling argument for requiring developers to provide office space as part of residential-led mixed-use schemes. This conclusion centred on three reasons:

- Building offices does nothing to relieve the shortage of industrial space or replace industrial space which is lost in mixed-use redevelopment.
- Offices provided on the ground floor of residential are generally compromised in terms of quality and hence they are hard to let, except in prime office locations.
- If there was a shortage of offices in the borough generally, it might be right to require developers to provide these kinds of offices. But this is not the case: as the Business and Premises Study noted, there appears to be no shortage of office space or office development opportunities in Camden, either now or in prospect for the long term.

Camden Retail Study Update 2013

The Camden Retail and Town Centre Study (2013) provides a comprehensive borough-wide review of retail provision within Camden’s town centres and central London frontages. The study sets out a recommended strategy for the borough in terms of retail and sets out retail floorspace projections for both convenience and comparison goods.

Table 7.7 below sets out a summary of the baseline retail capacity forecasts contained in the 2013 study.

Table 7.7: Baseline Retail Capacity Forecasts

Capacity (sq m)	2018	2023	2028	2031
Convenience Goods	9,405	9,455	10,591	11,619
Comparison Goods Capacity	-1,278	2,922	13,789	20,724

Source: Camden Retail and Town Centre Study (2013)

With regard to convenience goods the 2013 study concludes that, by virtue of forecast growth in population and expenditure and the current overtrading of existing stores, there is expected to be a surplus of available expenditure over the period up to 2031.

This translates to an increase in floorspace capacity from 9,045 sqm (net) at 2018 to 11,619 sqm (net) by 2031.

With regard to comparison goods there is expected to be negligible capacity arising to support additional comparison goods floorspace up to 2018. However, by virtue of growth in population and expenditure, there is likely to be a surplus of capacity for additional comparison floorspace by 2023 that is set to increase by 2031. By 2031 it is anticipated that surplus capacity for additional comparison goods floorspace will reach 20,724 sqm. This capacity is in addition to major committed development at King's Cross Central and Hawley Wharf in Camden Town.

Overall, the study concludes that the focus for new growth should be within the central London frontages (particularly Tottenham Court Road), the Growth Areas (particularly Euston) and other town centres (particularly Camden Town).

The report goes on to make various recommendations with regard to the Council's retail hierarchy, town centre boundaries and content of current planning policies in terms of their consistency with the NPPF. In terms of the retail hierarchy and town centre boundaries GVA recommended no change. However, it was recommended that following implementation of the Crossrail development in 2018, the central London frontage in this location is reviewed. GVA also recommended that the Council monitors the proportion of uses within primary and secondary areas and where appropriate allow greater flexibility of uses to encourage social activity in peripheral retail areas.

Camden Local Economic Assessment

The Camden Local Economic Assessment (LEA) was published by Camden Council in May 2011. In summary the LEA confirms that:

- Camden has a growing and diverse population. As with many Inner London boroughs there is a high degree of population churn with many residents arriving and leaving each year. Projections show continued to growth over the next two decades of +15.9% (+33,600) between 2011- 2031.
- Camden is the second least affordable borough in terms of house price to income ratios.
- In the 2007 Index of Deprivation Camden was ranked the 42nd most deprived local authority in the country. Over a third (36%) of households in Camden are in the social rented sector, compared to just a quarter across London as a whole. Levels of economic activity are much lower amongst social housing tenants.
- The employment rate in Camden is low at 64.5%, below the London and national average but this is partly due to the high number of economically inactive students.
- Many of Camden's residents are highly skilled but the total number of people with no qualifications has increased.
- The LEA states that over half (53%) of the local working age population in Camden was educated to degree level in 2009, higher than the London (40%) and national (30%) averages. 16,100 residents in Camden have no qualifications which equates to 9% of the working age population. While this proportion is below the national and regional averages (12%) the number has risen in contrast to declines across the region and UK as a whole.