Matter 4 - Economic Development, Retail and Town Centre Uses

4.1 Building a strong, competitive economy:

(i) Do policies ED1-15 positively contribute to building a strong, competitive economy in accordance with the requirements of the Framework?

Policies ED1-15 contribute positively towards building a strong, competitive economy in accordance with paragraphs 80 to 82, and 85 to 90 of the NPPF.

NPPF Paragraph 80 requires policies to help create the conditions in which businesses can invest, expand and adapt, with significant weight placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach should build on local strengths, counter any weaknesses and address the challenges of the future. Paragraph 81 adds that policies should (a) set a clear economic vision and strategy; (b) meet anticipated economic development needs over the plan period; (c) address potential barriers to investment; and (d) be flexible enough to accommodate unanticipated needs, allow for new working practices and enable rapid response to changes in economic circumstances. Paragraph 82 requires planning policies to recognise and address the specific locational requirements of different sectors, including making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations.

Analysis of Lambeth's economic strengths, weaknesses and opportunities is set out in Section 2 of the Plan, with reference to supporting evidence and strategies (paras 2.18 to 2.29; and paras 2.80 to 2.95). The Council's intention to support economic growth and investment, including in relation to specific sectors such as creative and digital industries, is clearly expressed in Section 3 of the Plan, in the Spatial Vision and in Strategic Objectives 2, 3, 13, 18 and 19. This is followed through in policies ED1-ED15 in Section 6 of the Plan, which address the full range of types of commercial development expected to come forward in the borough during the plan period, with an emphasis on supporting growth, adaptation and flexibility.

These policies have been formulated in the context of the strategic framework provided by the London Plan, as well as Lambeth's own strategies for economic development and regeneration. In accordance with paragraph 81 (a), the economic strategy supports economic growth through new office floor-space in line with SD5 of the London Plan; industrial floor-space retention and intensification with respect to London Plan Policies E4 to E7, Lambeth's relationship with the Central Services Area and the requirement to meet the London Plan waste apportionment; a focus for consolidation and renewal of town centres in accordance with London Plan Policy SD6 to SD9; and particular support for growth in the Central Activities Zone (CAZ) (London Plan Policy SD4).

In particular, Policy ED1 aims to protect and direct new office floor-space to within town centres, Opportunity Areas and the CAZ to provide for new office floor-space requirements identified for Lambeth within the <u>London Office Policy</u>

Review (EB20) (see Figure 9.8), including demand for small offices as identified within Small offices and mixed use in the CAZ (EB21). ED2 allows for new and flexible forms of working practices by setting out the circumstances when affordable workspace will be required through development, having regard to evidence of clusters and strategies such as the Brixton Creative Enterprise Zone (see also response to 4.1 ii below). Policies ED3 and ED4 aim to maintain an appropriate supply of industrial floor-space capacity within the borough, taking account of trends in industrial supply and demand, and barriers highlighted within the London Industrial Land Demand Study (EB19). This approach also reflects the locational requirements of industrial uses by directing such uses towards the Key Industrial and Business Areas (KIBAs). Other policies set out the locations where work-live development may be acceptable (ED5); encourage economic development uses in railway arches, with a differentiation between arches within and outside town centres (ED6); support growth in the visitor economy in appropriate parts of the borough (ED13 and ED14); and specify requirements for employment, skills and training (ED15) in accordance with policy E11 of the London Plan.

NPPF paragraphs 85 to 90 specifically address the vitality of town centres. These requirements are addressed in policies ED7 to ED12 of the Plan. Policy ED7 applies the town centre first principle from NPPF paragraph 86 to direct main town centre uses to the CAZ and identified centres, through the sequential approach and the impacts tests (at paragraph 89). The policies also meets the requirements of NPPF paragraph 85 (a) by setting out a clear town centre hierarchy; (b) by setting out town centre boundaries and primary shopping area on the Policies Map, and making clear the range of uses permitted in such locations as part of a positive strategy (ED7, ED8, ED9, ED10, ED11, centrespecific policy in the PN policies and relevant site allocations); (c) by supporting markets (ED12); (d) by planning to meet identified needs to main town centre uses (ED1, ED7, ED14); and (f) by supporting residential development within suitable sites in the town centres.

Further detail and justification of this strategy is also set out within <u>Topic Paper 3</u>: <u>Workspace (TP03)</u>, the <u>Lambeth Review of KIBAs (EB24)</u>, <u>Topic Paper 4</u>: <u>Town Centres (TP04)</u> and <u>Topic Paper 5</u>: <u>Visitor Accommodation (TP05)</u>. These topic papers refer to other supporting evidence documents and strategies, all included within the examination library.

(ii) Is the Plan flexible enough to encourage new and innovative forms of workspace in response to a fast-changing industrial context?

The Plan is flexible enough to encourage and support new and innovative forms of workspace in response to a fast-changing industrial context.

Section 6 of the <u>Lambeth Creative & Digital Industries Study 2017 (EB26)</u> highlights the importance of affordable and flexible workspace to the borough, therefore Policy ED2 allows for the provision of affordable workspace within industrial use classes (see supporting paragraph 6.15 in the Plan) and Policy ED4 (d) sets out that new business floor-space greater than 2,500 m² should consider the provision of a proportion of flexible workspace or small units suitable for micro, small and medium-sized enterprises.

Policies in the Plan promote new forms of business floor-space, through designation of the Creative Business Cluster at West Norwood in support of flexible workspace (see PN7 (f) iii)) upon removal from the town centre boundary, and the Creative Enterprise Zone designation at Brixton (see Policy PN3 (e)) which also encourages workspace suitable for creative and digital industries, a range of workspace typologies, and shared networking opportunities. Work-live development is also supported in these locations (Policy ED5).

The approach within policies E2 to E7 of the London Plan seeks to respond effectively to the London-wide trend of a loss of industrial floor-space whilst meeting other key strategic requirements, including housing. Policies ED3 and ED4 in the Plan reflect this position by specifically protecting industrial floor-space capacity within the borough's locally significant industrial sites (Key Industrial Business Areas - KIBAs) and on non-designated industrial sites, whilst under particular circumstances allowing for new and innovative forms of workspace through the co-location of industrial with other uses (see ED3(c) – supported in a small number of KIBAs) and in relation to non-designated industrial sites (see ED4(b)). The approach in KIBAs also takes account of the need to accommodate additional waste management capacity to meet the London Plan waste apportionment for Lambeth, which supports growth and innovation in this sector of the green economy. See EB24 for further explanation and justification of the approach to designated industrial land.

Policies for industrial land also have sufficient flexibility within them to respond to changing circumstances. For example, reflecting Lambeth's Central Services Area location and the definition of industrial uses within the London Plan, Policy ED3 at paragraph 6.29 (as proposed to be amended by PC026 in SD17a and page 24 of Statement of Common Ground with the Mayor of London (SCG01)) particularly encourages B2 and B8 industrial uses, but does also allow for reprovision within flexible hybrid spaces; low-cost industrial space for micro, small and medium-sized enterprises; and research and development of industrial and related products and processes.

Please note that the Council has proposed some potential changes to the wording of Policy ED6 and its supporting text, in response to comments from the Arch Company. See PC029 to PC033 in <u>SD17a</u>. There is also a proposed clarification to supporting paragraph 6.91-6.92 under Policy ED13 (see PC036 in <u>SD17a</u>). Other proposed changes to ED policies are referred to in the responses below.

4.2 Offices:

(i) Should policy ED1 be more flexible in relation to allowing development proposals involving a complete loss of floor-space, for example to enable the delivery of improved healthcare facilities?

The protection of existing office floor-space is a key strategic priority to support economic development and growth in Lambeth. See the answers to (ii) and (iii) below for further explanation of the justification for this approach.

Nevertheless, Policy ED1 includes flexibility to allow for changes in market conditions, where this is justified through evidence. Part (c) of the policy sets out a criteria-based approach which allows, under certain circumstances, the loss of office accommodation or floor-space. Part (d) allows for partial replacement of offices in a mixed-use redevelopment in certain circumstances, where justified. This is considered to be an appropriate level of flexibility given the over-arching strategic objective of protecting and growing Lambeth's office base.

It is not considered appropriate or justified to single out in the Plan any particular sector for exceptional treatment where the requirements of the policy, including these tests, would not need to be met. Development proposals will be considered against all relevant policies in the Plan, and there is sufficient support for new healthcare facilities and for the strategies of key partners and healthcare providers within other Plan policies and site allocations (see Site 1, Policies S1 and S2 and supporting Infrastructure Delivery Plan (EB99), and Policy PN1(m)). If particular site-specific issues arise with a specific development proposal, these can be considered through the pre-application and development management process – including where other material consideration may need to be taken into account alongside development plan policy.

(ii) Is the marketing requirement to demonstrate that there is no demand for offices over a period of at least two years justified and in line with national policy? Why has this been increased from one year?

Paragraph 81 of the NPPF requires planning policies to proactively encourage sustainable economic growth on the one hand and to be flexible enough to respond to changing circumstances on the other. Paragraph 120 of the Framework requires planning policies and decision to reflect changes in the demand for land. The primary objective of Policy ED1 is to protect office floorspace in the borough, based on Lambeth's strategy for economic growth and evidence of future need for this type of accommodation in the borough (see the response to (iii) below for further information about the justification for this approach). However, the marketing requirement is included within ED1 (c) (i) to allow a local assessment of demand for the office floor-space to be made where the space is vacant and the applicant considers an alternative use would be more appropriate. The marketing provision is therefore necessary to demonstrate that there is no reasonable prospect of future office use in such cases, through the decision-making process.

This approach is consistent with Policy E1 of the London Plan, which supports and promotes office developments, setting out at part I that only surplus office floor-space should be suitable for redevelopment, intensification or changes of use. Paragraph 6.1.7 of the London Plan sets out that evidence of 'surplus office space' is required to demonstrate that there is no reasonable prospect of the site being used for business purposes, which should include evidence of vacancy and "marketing suitable for the type, use and size for at least 12 months or greater if required by a local Development Plan Document".

The approach within ED1 responds to this direction. The marketing requirement has been increased from one year to two years because, notwithstanding the adopted policy position and two Article 4 directions for changes of use from B1a

to C3 covering various parts of the borough, Lambeth has experienced a loss of office floor-space in recent years and this is undermining the Council's strategy for economic growth and development. Evidence of this loss is set out in the Commercial Development Pipeline Report 2018/19 (<u>SD14</u>, pages 3-9) and confirmed in JLL's Commercial Office Baseline Report 2020 (<u>EB110</u> section 6.1).

When compared to other central and inner London planning authorities, the one year marketing requirement is short. The two year marketing period brings Lambeth in line with other authorities, including neighbouring Southwark. See the table below for a list of those London authorities that have a marketing period for offices of 18 months or more.

Planning Authority	Document and status	Policy number	Marketing period for offices
Haringey	Development Management DPD (adopted July 2017)	DM40	3 years
Camden	Camden Local Plan (adopted 2017)	E2 (supporting text)	2 years
Greenwich	Local Plan (adopted 2014)	EA(a)	2 years
Hackney	Local Plan (adopted 2020)	LP27	2 years
Islington	Strategic and Development Management Policies (at examination) (also in adopted Plan)	B3	2 years
LLDC	Local Plan (adopted July 2020)	B1	2 years
Southwark	Core Strategy (adopted 2011) (also in Local Plan at examination)	Policy 1.4	2 years
Tower	Tower Hamlets Local Plan	D.EMP3	2 years
Hamlets	(adopted January 2020)		
City of London	City Plan (adopted 2015)	O2	18 months
Westminster	City Plan (at examination)	Policy 14	18 months

(iii) Is the 'no net loss' stance critical to Lambeth's local economy or is it unduly restrictive which could get in the way of economic progress in the Borough?

The lack of supply within the office market in Lambeth is identified within the London Office Policy Review (EB20) and confirmed in section 6.1 of the Commercial Office Baseline Report 2020 (EB110). The need to respond to the historic loss of office space as also identified within paragraph 2.3 of Topic Paper 3: Workspace (TP03).

As stated in policies SD4 (B) and E1 (C) of the London Plan, offices are nationally and internationally significant functions of the CAZ, which require protection and support through the provision of new office floor-space to meet identified requirements. Figure 9.8 of the London Office Policy Review (EB20)

identifies demand for 160,000m² of new office floor-space within the borough between 2016 and 2041. This is reflected in paragraph 3.4 of the Plan. Recent research by JLL within the Commercial Office Baseline Report 2020 (EB110) has confirmed that demand for office floor-space remains high within the borough despite the current pandemic, confirming at paragraph 6.3.18 that is it still vital that Lambeth provides appropriate office stock which will appeal to occupiers moving into the area. Page 6 within the Executive Summary finds that Lambeth is "well placed to attract a wide range of companies in the longer term, provided a range of office stock is available but that in particular there should be a focus on life sciences, tech and media companies to build on key location strengths" adding "To realise the borough's long term potential and to draw companies in from elsewhere, it is essential LB Lambeth has the right kind of stewardship, policies and strategic direction." Page 12 within the Executive Summary highlights the potential of Waterloo to significantly expand office provision capitalising on its central London location and as a major transport hub, to attract investment (migration) from other office locations (see also paragraphs 6.3.12 and 9.1.1). Paragraph 6.3.13 identifies the potential for smaller premises within Clapham and Brixton, and paragraph 6.3.15 highlights Streatham and Norwood as being most likely to attract occupiers seeking flexible space in lieu of working from home. Therefore the loss of office accommodation should continue to be resisted to meet the potential for growth in this sector of the local economy.

Paragraph 6.5 of the Local Plan reflects the evidence of unmet need for office space by advocating a strategic 'no loss' approach to office floor-space, but does allow for some loss under certain circumstances, so does not go as far as setting out a completely inflexible 'no net loss' approach. A criteria-based approach is set out in Policy ED1 (c), which allows for the loss of office floor-space under particular circumstances as set out within clauses (i) to (iv). Paragraphs 6.6 and 6.7 provide more detail in relation to consideration of building upgrades, and other smaller workspace formats ahead of the loss. This reflects the approach as set out within London Plan Policy E1 parts G, H and I.

Policy ED1 (d) provides further flexibility for proposals outside of the CAZ by allowing for some loss of office floor-space through mixed use development, where justified. Paragraph 6.8 provides additional guidance by explaining that partial replacement may be acceptable where at least 50 per cent of existing office floor-space is re-provided and the maximum feasible amount is demonstrated.

ED1 (f) also sets out appropriate flexibility in the form of provision of new office floor-space, encouraging proposals over 2,000m² to consider provision of flexible workspace suitable for micro, small and medium-sized enterprises, which can include a variety of types of space including serviced offices and co-working space. This will allow for appropriate diversity within the office market, and part (g) seeks to ensure appropriate fit out of this space whilst allowing for other agreements to be made prior to occupation.

Please note that the Council has proposed a change to the wording of Policy ED1(b) in response to comments from the Mayor, to clarify that offices are supported in town centres and the CAZ and that elsewhere the sequential test will apply. See PC024 in SD17a, supported by the Mayor in SCG01.

4.3 Affordable workspace:

(i) Is policy ED2, which seeks to promote affordable workspaces, sufficiently responsive to sensitive viability considerations, or are there soundness issues with its application, for example in relation to applications for redevelopment and refurbishment of office space?

The approach to affordable workspace is supported by viability evidence within the Local Plan and CIL Viability Review 2019 (EB97) and the Brixton CEZ Affordable Workspace Analysis 2018 (EB98). Affordable workspace will only be required under ED2 for developments of over 1,000sqm (GIA) of office floorspace in locations across the borough (as identified in part (a) of the policy) where the above viability testing has proven that this can generally be achieved. However as highlighted within the council's response (LBL01) to the Inspector's initial question 6.1 in INS01, there is an appropriate level of flexibility built into the policy to allow for particular site-specific circumstances through the viability clause at part (f) and within part (e) which allows for a payment in lieu under certain circumstances. Paragraph 6.15 also allows, under certain circumstances, some flexibility in the form of provision (i.e. as office, light industrial, or research and development floor-space) which is an appropriate level of flexibility considering the definition of affordable workspace and overall aims of the policy approach, as identified within paragraph 6.11 of the Plan and London Plan paragraph 6.3.2.

LBL01 also highlights that Policy ED2 would apply to all qualifying developments meeting the size and location criteria within part (a), including applications for refurbishment "where this would result in an increase in the quality and rental value of the space" (see paragraph 6.14 of PD01). Therefore should the development proposal not increase the quality and rental value of the office space then the scheme would not be required to provide affordable workspace on the whole of the floor-space, and would only apply to the uplift (where above the threshold).

Paragraph 4.13 of the viability report <u>EB97</u> sets out the assumed build costs which includes £2,082psqm for office floor-space. This did not distinguish between refurbishment or rebuild, however it can be assumed that a scheme consisting of a greater proportion of refurbishment would generally have lower build costs, which would have positive impacts on viability. Should site-specific factors affecting build costs be identified (for example, costs associated with refurbishment and extension of listed buildings), as above, the viability-tested approach under part (f) would be available. Therefore the approach is appropriately responsive to viability considerations.

(ii) What is the justification for the proposed rent levels?

As highlighted in <u>LBL01</u>, paragraphs 6.2 to 6.7 of the <u>Local Plan and CIL Viability Review 2019 (EB97)</u> set out the results of viability testing of three different discounts on 10 per cent of office floor-space within qualifying developments across the three CIL charging zones. Table 6.3.1 sets out the results of this testing, demonstrating that for Zones A and B a discount of 20 per cent from market rent for a 15 year period has a low viability impact, but it may be

possible to increase the discount to 50 per cent in the highest value parts of the borough. These results have been directly reflected within the rent levels set out within Part (a) (i) and (ii) of ED2. Market rents are also defined within the Plan at paragraph 6.16, and section 6 of the <u>Draft Affordable Workspace SPD (SD19)</u> provides further guidance on market rents.

Table 6.1.7 of the <u>Brixton CEZ Affordable Workspace Analysis 2018 (EB98)</u> shows the results of some further viability testing within Brixton. This shows the maximum viable discount on forms of office developments likely to come forward across the Major Centre and the CEZ. These levels of discount have been directly reflected in part (a) (iii) of the policy as a percentage of market rent. Market rents are defined within this policy at paragraph 6.16 and within Section 6 of the <u>Draft Affordable Workspace SPD (SD19)</u>

(iii) Is there a case for amending the policy to make it clear that office floor-space associated with or ancillary to health facilities would form an exception to the policy requirements?

It is not considered appropriate or justified to exempt office floor-space associated with or ancillary to health facilities from the requirements of policy ED2 as there is already appropriate flexibility within the policy to allow for site-specific factors (see above answer to 4.3i for areas of flexibility). This would mean that any applications for office floor-space associated with or ancillary to health facilities would be able to present a viability case through part (f).

The arguments presented under 4.2(i) above in relation to policy ED1 also apply to this policy.

4.4 Key Industrial and Business Areas (KIBAs):

(i) Given the issues of stock availability and higher rents for small and medium enterprise (SME) uses, and the evidence pointing to some SMEs failing in the Borough, what is the justification to delete the business use element from policy ED3?

On reflection, the Council considers that deletion of the word 'business' from the wording in part (a) of policy ED3 is not fully warranted. The intention behind the deletion was to signal that offices (specifically) would no longer be permitted in KIBAs, as explained in the supporting text (as proposed to be amended, see PC026 in SD17a). However, the old Use Classes Order describes all B1 uses as 'business' uses, and this includes not just offices but also research and development (R&D) and B1c light industrial. R&D and light industrial uses fall within the definition of industrial uses in London Plan policy E4 and therefore are supported and encouraged in KIBAs. The Council therefore proposes to reverse the deletion of the word 'business' in part (a) of the policy.

However, the principle of the restriction on further office space within KIBAs remains justified in the view of the Council, and necessary to achieve general conformity with the London Plan. In response to Regulation 18 public consultation on the Draft Revised Lambeth Local Plan, the Mayor advised the Council to make clear that proposals for additional B1a uses in KIBAs would be

resisted. The Council revised the policy accordingly, which resulted in the deletion of the word 'business' form part (a) of the policy and inclusion of additional supporting text (paragraph 6.30 in the submitted Plan). In his opinion on general conformity dated 13 March 2020 (R054), the Mayor welcomed and supported Lambeth's clear intention to resist new office development proposals in the borough's LSIS (KIBAs) at paragraph 6.30 of the draft Plan.

This is consistent with London Plan policy E4, which lists the uses appropriate in London's industrial areas and excludes offices. It is also consistent with national policy, London Plan policy E1 and Lambeth Local Plan policy ED1, which direct new office development to town centre locations (because offices are a main town centre use). None of Lambeth's KIBAs is located in a town centre.

By reinstating the word 'business' (but retaining the supporting text about offices) the policy will provide appropriate support for new investment to provide space for SMEs of all types in KIBAs, other than for SMEs needing new office space or other indeed forms of accommodation only supported in town centres.

(ii) What is the intention in KIBAs where the majority use is B1? Will further B1 extensions/improvements be acceptable under the new policy?

This is explained in paragraphs 6.28 to 6.30 of the Plan (paras 6.28 and 6.29 as proposed to be amended, with the agreement of the Mayor – see PC026 in $\underline{SD17a}$ and $\underline{SCG01}$).

The key point is that, given the level of industrial floor-space capacity lost in Lambeth in recent years, in combination with the boundary changes arising from the review of KIBAs (see Section 1 of the Lambeth Review of KIBAs 2020 update, EB24), any scope for intensification within KIBAs must be prioritised going forward for industrial floor-space capacity rather than to allow space for non-industrial uses. KIBA land must be prioritised to meet the requirements of Lambeth's Central Services Area location and the London Plan waste apportionment to achieve general conformity with the London Plan.

Paragraph 6.30 in the Plan acknowledges that some KIBAs include existing B1a office space, usually in the form of small business units and/or as part of a permission for flexible B1 space. The paragraph also acknowledges that these business units are important to the Lambeth economy and in some cases are protected by an Article 4 direction removing permitted development rights for change of use from B1a office to C3 residential. However, going forward any potential for intensification within KIBAs should be for industrial uses that meet the definition in London Plan policy E4.

The paragraph goes on to explain that proposals for intensification in KIBAs that affect existing B1a floor-space should therefore ensure that the *uplift* in floor-space is provided in the form of space that falls within that London Plan definition. Proposals for additional B1a office floor-space in KIBAs will not generally be permitted. Proposals for flexible B1 floor-space, where the intention is to include the option for B1a office space as part of the mix, would not be acceptable in these locations.

There is no intention, or indeed power available to the Council, to force businesses occupying existing office floor-space in KIBAs to relocate. The provisions of the policy only apply where redevelopment is proposed, and only to the uplift in floor-space.

(iii) How does this policy square with the MHCLG letter of 12 March 2020, which warns against the London Plan's industrial land policies taking an over-restrictive stance to hinder Boroughs' abilities to choose more optimal uses for industrial sites where housing is in high demand?

The Secretary of States (SoS) direction to the Mayor of 13 March 2020 (SD03a and in particular DR4 in the annex to the letter) has the effect of deleting the borough categorisations of industrial land and removing the 'no net loss' requirement. Lambeth was previously identified as a 'retain capacity' borough but this is no longer the case. However, direction DR4 adds supporting text to the London Plan to state that all boroughs in the Central Services Areas should recognise the need to provide essential services to the CAZ and in particular sustainable 'last mile' distribution/logisitics, 'just-in-time' servicing, waste management and land to support transport functions. The new text adds that this should be taken into account when assessing whether substitution is appropriate.

By coincidence, Lambeth's closing date for Regulation 20 representations – and therefore also for the Mayor's opinion on general conformity – was also the 13 March 2020. The Mayor had had sight of the direction by the time he issued his opinion to Lambeth on 13 March (R054). Subsequent discussion between Lambeth and the Mayor about the Mayor's comments on Lambeth's Plan resulted in a Statement of Common Ground dated 21 May 2020 (SCG01). In this SCG, it was agreed that Lambeth would amend the supporting text of ED3 to address the Mayor's comments about industrial land in a way that also addressed the implications of the SoS direction. Potential change PC026 in SD17a is therefore proposed to address both the Mayor's comments and the implications of the SoS direction.

Lambeth KIBA review evidence base document as also updated in May 2020 (EB24) to take account of the implications of the SoS direction.

In addition to the individual directions on the content of the London Plan themselves, the SoS adds the following comment on industrial on the third page of his covering letter to the Mayor:

"Planning clearly requires a judgement to be made about how to use land most efficiently, enabling sufficient provision for housing, employment and amenity. The Inspectors considered your industrial land policies to be unrealistic; taking an over-restrictive stance to hinder Boroughs' abilities to choose more optimal uses for industrial sites where housing is in high demand. I am directing you to take a more proportionate stance - removing the 'no net loss' requirement on existing industrial land sites whilst ensuring Boroughs bring new industrial land into the supply."

Having regard to the implications of the SoS direction, the Mayor's comments, the evidence (EB24) and this commentary from the SoS, the position in Lambeth can be summarised as follows:

- Housing is in high demand in Lambeth but Lambeth can meet and exceed its London Plan housing target without further encroachment on industrial land (see Topic Paper 10a <u>TP10a</u> and the responses to Matter 3).
- The review of industrial land in Lambeth has taken place in parallel with the assessment of housing land availability, as required by national planning practice guidance see section 1 of <u>EB24</u>.
- Whilst Lambeth is no longer classified as a 'retain capacity' borough, it is
 in the Central Services Area and this means Lambeth cannot afford to lose
 any more industrial floor-space capacity than it already has having
 regard to the text about this inserted in the London Plan by the SoS (see
 above and section 1.4 of EB24).
- Lambeth also needs to retain industrial floor-space capacity in order to meet its London Plan waste apportionment (see section 1.4 of <u>EB24</u> and <u>EB55</u> Waste Evidence Base 2020 update)
- Therefore, Lambeth's remaining KIBAs and proposed new KIBAs are protected for industrial use only, with strong encouragement for industrial intensification, apart from in three cases where sites are identified as appropriate for industrial intensification alongside other uses including residential (see pages 25-27 of <u>EB24</u> and the Proposed Changes to the Policies Map <u>PD02</u>, page 23).

Lambeth is therefore taken a proportionate, evidence-based approach to protection of industrial land and industrial intensification to address London Plan requirements for the Central Services Area and waste, whilst also planning effectively to meet its London Plan housing target. There is no tension or conflict between the two strategic objectives in Lambeth.

(iv) Is the policy unduly restrictive to the principle of mixed use development and co-location, which is promoted in national policy?

The Plan is very supportive of mixed use development in many circumstances in accordance with national policy (see policies ED1, ED4, ED7, ED14, H7 for example). However, mixed use development that includes residential is not justified in designated industrial land in Lambeth apart from in a small number of cases as explained in part (c) of the policy ED3 (see also pages 25-27 of EB24 and the Proposed Changes to the Policies Map PD02, page 23).

Section 1.2 of <u>EB24</u> explains the problems historically and currently with allowing mixed use development in KIBAs in Lambeth. Section 1.3 of <u>EB24</u> explains the historical loss of industrial floor-space in the borough. Sections 1.4 and 1.5 explain the rationale for the approach in this Plan, having regard to the strategic policies in the London Plan and to the evidence on KIBAs in Lambeth. This justification is reflected in supporting paragraphs 6.28 to 6.31 in the Plan (as proposed to be amended by PC026 in <u>SD17a</u>).

For these reasons, policy ED3 is not unduly restrictive to the principle of mixed use development and co-location. It is supported in particular circumstances

and sites, but elsewhere the priority must be for intensification in KIBAs for industrial uses as explained in the supporting text of the policy.

4.5 Non-designated industrial sites;

(i) Given that many of these industrial uses are located in close proximity to housing uses, should there be a reference in policy ED4 to the Agent of Change principle in the interests of safeguarding neighbouring residential living conditions?

Yes, the Council agrees that this would be a useful addition to the supporting text of policy ED4. This can be added.

However, please note the policy states in part (c) that B2 and B8 uses should generally locate in KIBAs away from neighbouring residential uses, as does policy EN7 in relation to waste uses. These tend to be the uses most likely to cause 'bad neighbour' issues. Light industrial and R&D uses (formerly B1b and B1c uses) are in principle more suited to location within or close to residential uses.

(ii) On the other hand, how does the policy work where recently introduced residential development is located next door to an existing industrial use, which then wishes to expand/improve/redevelop?

Please see the answer to (i) above.

In addition, London Plan policy D13 (B) states that development should be designed to ensure that established noise and other nuisance-generating uses remain viable and can continue or grow without unreasonable restrictions being placed on them. Supporting text to the policy (paragraph 3.12.2) further states that the Agent of Change principle places the responsibility for mitigating the impact of noise and other nuisances firmly on the new development. This means that where new developments are proposed close to existing noise generating uses, for example, applicants will need to design them in a more sensitive way to protect the new occupiers, such as residents, businesses, schools and religious institutions, from noise and other impacts. This could include paying for soundproofing for an existing use, for example. The Agent of Change principle works both ways. For example, if a new noise-generating use is proposed close to existing noise-sensitive uses, such as residential development or businesses, the onus is on the new use to ensure its building or activity is designed to protect existing users or residents from noise impacts.

Therefore, where a recently introduced residential development (the agent of change) is located next door to an existing industrial use, the residential development should be designed to ensure that established noise and other nuisance-generating uses remain viable and can continue or grow without unreasonable restrictions being placed on them.

Draft London Plan paragraph 3.13.7 states that housing and other noisesensitive development proposed near to an existing noise-generating use should include necessary acoustic design measures, for example, site layout, building orientation, uses and materials. This will ensure new development has effective measures in place to mitigate and minimise potential noise impacts or neighbour amenity issues. Mitigation measures should be explored at an early stage in the design process, with necessary and appropriate provisions secured through planning obligations.

(iii) What is the justification in policy ED5 for not permitting 'work-live' development in KIBAs?

The rationale for this approach is explained in the supporting text of the policy, particularly paragraphs 6.46 to 6.48. Further issues associated with allowing residential uses in KIBAs are explained in sections 1.2 and 1.3 of <u>EB24</u>.

'Work-live' units do not meet the definition of an industrial use as set out in London Plan policy E4 because they include residential accommodation.

The policy and the Plan encourage work-live development in other appropriate locations, including for example in the proposed West Norwood Creative Business Cluster.

4.6 Town centres:

(i) In policy ED7 (c), what is meant by appropriate scale for development which is supported in town centres?

ED7(c) (i) states development in town centres will be supported if it is of a scale and form appropriate to the size, role and function of the centre and its catchment and is a retention the adopted Local Plan policy ED6(c)(i). Please note proposed change PC034 of <u>SD17a</u>, to make clear in part (c) of the policy that CAZ retail clusters are also included in the locations where town centre development will be supported.

Scale remains a consideration in the NPPF: as set out in paragraphs 85-90 of the NPPF, planning policies should allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed and when applying the sequential test, applicants and local planning authorities should demonstrate flexibility on issues such as format and scale, when exploring opportunities to utilise suitable town centre or edge of sites. The scale of a scheme is also assessed when an impact assessment is required. See also paragraph 004 Reference ID: 2b-004-20190722, paragraph: 011 Reference ID: 2b-011-20190722 and paragraph: 015 Reference ID: 2b-015-20190722 of the Planning Practice Guidance.

When considering whether a development is of an appropriate scale, consideration will be given to factors such as the size and amount of town centre floor-space being provided and whether this is appropriate when considering the size, role and function of the centre and its catchment in relation to the town centre network set out in Annex 1 of the London Plan and Annex 3 of the Local

Plan. The Council would be happy to add further clarification of this approach into the supporting text of the policy if that would be considered helpful.

Depending on the nature of the use, other development plan policies will apply. For example, when considering proposals for visitor accommodation in major and district centres, other development plan policies such as ED14 will apply. In these cases regard will also be hard to the location of the site and local circumstances to ensure the scale of visitor accommodation is appropriate to the centre and the site.

(ii) Is the limit of up to 800 sqm of net additional comparison retail floorspace within town centres across the Borough by 2020 unnecessarily restrictive?

Paragraph 20 of the NPPF requires strategic policies to make sufficient provision for retail and paragraph 85 of the NPPF requires planning policies and decisions to support the role that town centres play at the heart of local communities, by taking a positive approach to their growth, management and adaptation.

London Plan policy E9B requires development plans to identify future requirements and locations for new retail development, having regard to the town centre policies in the London Plan and strategic and local evidence of demand and supply. Paragraph 6.9.2 of the London Plan states that taking into account projected growth in household, commuter and tourist spending in London, retailers making more efficient use of existing space and special forms of trading (which includes internet-related spend), it is estimated that London could have a baseline need for additional comparison goods retailing of around 1.6 million sqm over the period 2016 – 2041 or 1.2 million sqm when current schemes in the planning pipeline are taking into account. This need is identified in the GLA's Consumer Expenditure and Comparison Goods Floorspace Need in London (Experian, October 2017) (EB33).

As set out in section 1 of <u>Topic Paper 4: Town Centres (TP04)</u>, the GLA's <u>Consumer Expenditure and Comparison Goods Floorspace Need in London</u> (<u>Experian</u>, <u>October 2017</u>) (<u>EB33</u>) identifies the baseline scenario (if no major changes take place to the patterns of retail supply and none of the developments in the current pipeline were constructed and it is assumed that current trends of improving retail efficiency continue) and the pipeline scenario (if known developments in the pipeline are built by 2041. These scenarios are reflected in paragraph 6.9.2 of the London Plan. These scenarios also provide projected comparison floor-space for each London Borough. Under the baseline scenario, figure 98 of <u>EB33</u> identifies a net floor-space requirement of 742m² for Lambeth. Under the pipeline scenario figure 99 of <u>EB33</u> identifies a net floorspace requirement of – 15,090m² for Lambeth.

In accordance with London Plan policy E9B, the Local Plan uses the same strategic evidence for future comparison retail floor-space underpinning the London Plan and the figure in ED7(b) therefore reflects the evidence of the projected need for net additional floor-space in the borough under the baseline scenario (noting that this figure has been rounded up from the figure identified in figure 98 of EB33). The policy does not seek to limit or restrict new retail uses

in town centres but seeks to ensure that the provision of comparison floor-space across the borough is not overprovided for, potentially at the expense of other objectively assessed needs.

4.7 Evening economy and food and drink uses: Does policy ED8 strike the right balance between supporting the evening economy and safeguarding public amenity and the living conditions of neighbouring residential areas?

Yes. Growth in the evening economy is supported in town centres and CAZ retail clusters in line with the requirements set out in the PN policies in Section 11 of the Plan, in accordance with the town centre first principle of the NPPF and policies SD6, SD7 and HC6 of the London Plan. The strategic night-time economy classifications set out in Annex 1 of the London Plan for Lambeth's town centre network are reflected in the policies in Section 11 of the Local Plan.

At the same time, public amenity and the living conditions of neighbouring residential areas are safeguarded through ED8(b), which does not permit evening and food and drink uses where they cause unacceptable harm to community safety or the amenity of neighbouring residential areas and sensitive uses. The policy requires proposals for evening and food and drink uses to be accompanied by a management plan and a customer plan, including mitigation measures for any negative impacts identified. The use of outdoor areas, rooftops, forecourts and pavements in association with food and drink uses will only be supported where they do not cause unacceptable harm to the amenity of adjoining residential and the area generally and the impact on footways and pedestrian flow, particularly for people with disabilities, older people and families with small children. The impact of food and drink uses where home delivery of food is proposed is managed through ED8(f) and the requirement for Delivery and Servicing Plans, recognising the recent growth in these uses as part of the evening economy and the potential impact on areas of high footfall, highway safety and amenity issues.

The justification for the approach to managing the evening economy in Brixton is set out in section 4 of <u>Topic Paper 4: Town Centres (TP4)</u> which supports the growth and diversification of the evening and night-time economy whilst managing its impact on local residents and the local environment. This policy has been developed taking into account concerns raised by local residents during the Issues consultation as set out in section 3.14 (page 195) of the Issues Consultation Report (<u>SD15</u>).

The boundary of the evening economy management zone on Acre Lane, Coldharbour Lane and Atlantic Road manages the recent growth in the concentration of these uses in Brixton town centre and the potential impact on local residents and the environment. Outside of the evening economy management zone, these uses will be managed through the application of policy PN3 sections (a), (b) and (d). Outside of the town centre the uses will be managed through the town centre first principle set out in policies ED7 and ED8.

See proposed change PC034 of <u>SD17a</u> to include a specific reference in ED7 to the CAZ retail clusters.

4.8 Hotels and other visitor accommodation:

(i) Is the total restriction on new additional new-build visitor accommodation in the Waterloo CAZ justified?

The justification for this policy approach is set out in the supporting text of policy ED14 and in paragraphs 4.15 – 4.20 of Topic 5: Visitor accommodation (TP05).

In summary, Lambeth fully recognises the economic benefits of new visitor accommodation and the need to contribute to London's overall projected demand for this type of use, which is summarised in paragraphs 3.1 – 3.5 of Topic 5: Visitor accommodation (TPO5). Lambeth's strong record of delivery, which consists of a wide range of visitor accommodation at a range of price points, is demonstrated in Table 1 and paragraph 3.8 of Topic 5: Visitor accommodation (TPO5).

However, there has been a particularly rapid increase in new hotels and visitor accommodation in Waterloo in recent years and there is a further strong planning pipeline of additional visitor accommodation in that part of the borough (see Hotels and Other Visitor Accommodation Pipeline 2018/19 (SD13) and as updated in paragraphs 3.11 – 3.13 and maps 1 and 2 of Topic 5: Visitor accommodation (TP05).)

As demonstrated in paragraphs 4.15 – 4.20 of <u>Topic 5: Visitor accommodation</u> (<u>TP05</u>) and as set out PN1 of the Local Plan, Waterloo has a number of strategic functions given its location in the CAZ and is also a long-standing residential area. It is therefore important to ensure an appropriate mix and balance of uses in each neighbourhood, to meet the full range of land use needs in that part of the borough (including for offices and residential), and to avoid significant concentrations of one type of use at the expense of others, as required by paragraphs 8, 11 and 20 of the NPPF. This is also consistent with London Plan policy E10F and paragraph 6.10.3 of the London Plan which state that concentrations of serviced accommodation within parts of the CAZ that might constrain other important strategic activities and land uses (for example offices and other commercial, cultural and leisure uses) and erode the mixed-use character of the area should be avoided. As a strategic policy, London Plan policy E10 applies to both development plans and development proposals.

Concerns about the impact of the increase of visitor accommodation on Waterloo's residential communities is long-standing and is summarised in paragraph 4.18 and section 5 of <u>Topic 5</u>: <u>Visitor accommodation (TP05)</u>. See also section 3.10 of the <u>Issues consultation report (SD15)</u>.

Given the existing quantum and concentration of visitor accommodation in Waterloo, Lambeth wishes to restrict further growth in hotels in this part of the borough and instead support growth in hotels in Vauxhall and other town centres, spreading the benefits of the visitor economy to other locations in the borough. This is consistent with London Plan policy E10 and paragraph 6.10.3 which encourages boroughs in inner London beyond the CAZ to plan proactively for new serviced accommodation in town centres to help spread the benefits of

tourism to the whole of the capital; and it is consistent with the town centre first principle set out in paragraph 85 -90 of the NPFF.

As set out in Local Plan policy PN1(d), the Council particularly wishes to support growth in offices and workspace in Waterloo, to fulfil its untapped potential for this type of business and employment and to support its role as a major location for offices that can provide space for major employers as well as smaller businesses in the creative and digital industries as well as Medtech and life sciences businesses. Whilst it is acknowledged that visitor accommodation provides valuable jobs in the hospitality sector in Waterloo, the Council wants to ensure that remaining sites in Waterloo are available for other key economic sectors to grow, thereby providing a wider range of employment opportunities and types of job. This is consistent with paragraphs 80-82 of the NPPF.

The untapped potential for new offices in Waterloo is further demonstrated in JLL's Commercial Office Baseline Report October 2020 (EB110), which find that:

- There is significant opportunity for key office locations at Vauxhall and Waterloo, with Waterloo providing the greatest opportunity given its location and relative affordability compared to other areas of central London (p6).
- The area's role as a key transport hub provides an opportunity, particularly in light of Covid-19, as companies seek premises in and around core transport hubs (paragraph 8.5.3).
- Waterloo also shares many of the characteristics that have supported the growth of office markets around railway stations such as King's Cross and Paddington (p12):
 - Waterloo has strong connectivity to other major office locations
 - Waterloo ranks 4th of 36 Central London sub-markets, behind City Eastern, Canary Wharf and Southbank for potential supply deliverable over the next five years.
 - o Potential developments which can accommodate an occupier requiring in excess of 500,000 sq ft are rare in Central London.
 - The area benefits from being close to the river and its cultural and food and drink offer.
- Waterloo's shortage of office space has hindered occupier activity to date but has the strongest potential for growth of any of the office markets in Lambeth and could follow similar growth trajectories to other transport focussed areas (p12).
- There is considerable potential for the technology sector to grow in and around Waterloo alongside improvements to the station and public realm (p9)
- Life sciences firms have proved highly resilient to the impact of the pandemic and policies to support the sector are likely to take on a greater strategic urgency in the aftermath of Covid-19 (p10).

(ii) What is the justification for the limit of 100 rooms within parts of Vauxhall which lie outside the Opportunity Area?

The justification for the threshold of up to 100 rooms for visitor accommodation for the areas Vauxhall Opportunity Area outside of the CAZ and the areas of the CAZ outside of the Opportunity Area is set out in paragraphs 4.10 – 4.20 of Topic 5: Visitor accommodation (TP05). It seeks to provide a locally-specific definition of smaller scale for Vauxhall in the context of London Plan policy E10 and to ensure that visitor accommodation can come forward alongside other much needed uses in Vauxhall, including offices, workspace and homes in the context of the demand for office space set out in Topic Paper 3: Workspace (TP3) and the London Plan and targets for jobs and new homes in the VNEB Opportunity Area. The London Plan only provides a definition of strategically important visitor accommodation (more than 20,000sqm) and does not provide a definition of smaller scale.

The threshold has been informed by analysis of the median size of existing hotels and the pipeline of hotels coming forward in Vauxhall set out in section 3 of Topic Paper 5 (TP05). The purpose of the threshold is not to limit the size of visitor accommodation on the basis of amenity but to acknowledge that operators require a minimum quantum of hotel rooms for operational reasons whilst balancing the provision of new hotel rooms alongside other uses as part of a mixed-use scheme. The impact of visitor accommodation on local amenity is a separate consideration and is managed through ED14 sections (f) and (g).

The threshold also ensures that larger and strategically important hotels are directed towards the parts of the Opportunity Area that are in the CAZ, in accordance with London Plan policy E10.

(iii) Is the proposal not to permit additional visitor accommodation outside town centres justified?

The approach to visitor accommodation outside of town centres is justified in accordance with the town centre first principle set out in paragraphs 85 – 90 of the NPPF and London Plan policies SD7 and E10. The approach is also consistent with the London Plan policy E10, which states that in those parts of inner London outside the CAZ, serviced accommodation should be promoted in town centres and within Opportunity Areas (in accordance with the sequential test as set out in Policy ED7). Paragraph 6.10.3 of the London Plan encourages boroughs in inner London beyond the CAZ to plan proactively for new serviced accommodation in town centres to help spread the benefits of tourism to the whole of the capital. ED14 is in conformity with this approach. Any exception to this policy requirement would need to be demonstrated through the application of the town centre first approach and sequential test set out in paragraphs 85 – 90 of the NPPF, London Plan policy SD7 and Local Plan policy ED7. See also paragraphs 4.4 – 4.9 of Topic 5: Visitor accommodation (TP05).

Please note proposed changes to the wording of ED14 and its supporting text in response to comments received, set out in PC038 to PC040 of <u>SD17a.</u>

4.9 Employment and training: Policy E15 seeks to maximise local employment opportunities through a number of measures, including a requirement for a minimum of 25% of all jobs created by a development proposal (in both the construction phase and for the first two years of enduse occupation of the development) to be secured for local residents. Is this policy justified, is it in accord with the London Plan and national policy and is it enforceable, i.e. effective?

Please see the response to question 6.3 on pages 26 to 28 of LBL01.

The Council wishes to add that, whilst neither section 6 of the Framework nor London Plan policy E11 makes reference to inclusion of specific targets for local employment, neither of these documents precludes this approach.

NPPF 81(a) requires planning policies to set a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration. As explained in the response already provided in LBL01, the Local Plan policy does have regard to the Council's other policies for economic development regeneration, and these provide the justification for setting a minimum target for local jobs for local people. In addition, the Council has published an Economic Resilience Strategy (SD27), which sets out the post-Covid recovery framework for growing the local economy, increasing investment into the borough and creating more jobs to support Lambeth residents. The strategy highlights the importance of providing employment and training opportunities for local residents. One of the strategic goals (page 11) states:

"All our residents able to find and stay in employment and providing those directly impacted by COVID with opportunities to up-skill or reskill so they can meet their core economic needs now and in the future, including those who face systemic inequalities — our black, young and disabled population."

Policy ED15 will have a positive impact on achieving this goal through providing greater access to local job opportunities created by new major developments in the borough for local residents, including those from identified priority groups. The Council is also in the process of developing a new Employment and Skills Strategy.

London Plan policy E11B requires development proposals to support employment, skill development, apprenticeship and other education and training opportunities in both the construction and end-use phase, including through s106 obligations where appropriate. It adds that boroughs should ensure these are implemented in ways that "ensure the greatest possible level of take-up by Londoners of the training, apprenticeship and employment opportunities created". In the Council's view, setting a local labour target is one way to ensure this.

The London Plan policy also encourages boroughs to consider cross-borough working to open up opportunities on a reciprocal basis to residents from adjacent boroughs and across London. Lambeth supports this approach and actively

participates in cross-border working and sharing of opportunities. Examples of this flexibility in approach include:

Central London Forward 'Construction Careers' programme (2018–2020)

The Construction Careers pilot is joint funded through a pooled 'topslice' of eight boroughs' New Homes Bonus funding, testing the concept of securing better outcomes across a sub-region through sharing of S106 vacancies. Through this programme, S106 vacancies have been shared and residents put forward for opportunities 'without borders' across the boroughs of Lambeth, Southwark, Wandsworth, Westminster, City, Camden, Islington, and Kensington & Chelsea. The Construction Careers programme, now in the final stages of delivery and evaluation, is overseen centrally by Central London Forward with strategic and operational support from participating borough officers.

Vauxhall Nine Elms - Joint Co-Ordination Unit (2015-2017)

As the Vauxhall Nine Elms Opportunity Area spans the boroughs of Lambeth and Wandsworth, S106 agreements for those developments are agreed and overseen by the borough in which a site is located, but all include clauses that enable both Lambeth and Wandsworth residents to count as 'local' in the context of S106 employment and training outcomes. The Joint Co-Ordination Unit (JCU) was joint funded by Lambeth and Wandsworth boroughs through S106 contributions to work across the VNEB area, creating route-ways into opportunities generated by developments and securing employment for residents across the borough boundaries.

Take-up of opportunities through cross-border initiatives is therefore already considered to count towards the local labour target, which means that not all those eligible for the local labour roles need to be Lambeth residents. The Council proposes to add clarification of this point to the supporting text of ED15, to make clear this additional flexibility in the approach.

Lambeth is one of several London boroughs that uses a local labour target approach to planning obligations. Others that use this approach are listed in Appendix 1 of this statement and include both Croydon and Newham with a local labour target policy adopted in their local plans in 2018 (with targets of 20% and 30-50% respectively). Havering's local plan is at the main modifications stage and includes a local labour target of 20%, which is not proposed to be modified following the examination hearing. Other boroughs include local targets in supplementary planning documents.

As explained in <u>LBL01</u>, Lambeth has been applying the 25% local labour target since it adopted its Employment and Skills SPD in 2018 (<u>SD23</u>). Appendix 2 of this statement includes examples of major developments with signed s106 agreements that include this provision, along with the number of local jobs, apprenticeships and work experience placements secured. This demonstrates that the approach is reasonable and effective, because developers – including those of large commercial, residential and mixed-use schemes - are regularly agreeing to the obligation.

Appendix 3 of this statement includes a recent briefing to Lambeth's Cabinet Member for Jobs and Skills that provides a summary of the outcomes achieved over the past two years as a result of this approach, more evidence of its effectiveness.

The approach is enforceable because it is secured through s106 planning obligations. The Council uses a model s106 agreement (SD30a) and has a template for the Employment and Skills Plan (SD30b).

As set out in the model s106 agreement, the Council pro-actively monitors the implementation of the obligations using an online platform opportunity.lambeth.gov.uk to enable construction developers, including their supply chain, to record outcomes achieved in a given month. Evidence can be attached for Lambeth officers to view and verify reported outcomes. Targets are clearly visible for transparency of progress with each agreed ESP. A monthly monitoring schedule means under-achievement is noted when it is consistent for 3 months or if progress with the plan indicates likely under-delivery at the end of the project (e.g. 8 months from completion only 20% of targets are met). The gap between the agreed target and actual delivery is brought up with the agreed contact to establish whether the labour forecast on which the 25% target was based has been realised, or whether the developer needs support with recruiting locally.

There are three triggers to initiating the breach process:

- 1) The site does not make opportunities available to Lambeth residents (i.e. using the Online Portal)
- 2) The developer does not engage with the Council (i.e. does not respond to emails or link up with any infrastructure to support delivery)
- 3) The site does not supply monthly reporting figures over a defined period of time

In these situations, the main contractor and developer will be notified and the breach process may ensue, depending on the outcome of any subsequent meetings.

The negotiation and monitoring process is undertaken by the Council's specialist Economic Inclusion team, which comprises four officers. This team works closely with the planning service to negotiate planning obligations for employment and skills throughout the pre-application and application process for major developments, as well as liaising with service providers, apprenticeship programmes and the Mayor around London-wide initiatives. The size of the team demonstrates the Council's commitment to economic inclusion and the priority it places on working in partnership with the development sector on local employment and skills.

Appendix 1 – Other London Borough approaches to local labour targets in planning policy

London Borough	Planning policy document	Extract from policies indicating levels of Local Labour percentages sought (local labour targets highlighted in red text)
London Borough of Newham	Local Plan 2018	Policy J3 Skills and Access to Employment Proposals that address the following strategic principles, spatial strategy and design and technical criteria will be supported: 1. Strategic Principles: More Newham residents will share in the increasing wealth associated with the expanding local and Londonwide economy through: [] 3. Design and Technical Criteria: [] b. All Major Developments will be required to help ensure that more Newham residents access work through seeking to secure that they occupy: i. 35% of all construction phase jobs; and ii. 50% of all post construction (end user) phase jobs; typically through a tariff-based contribution and an Employment Strategy (as per Policy J1), cognisant of proposed construction methods and sectoral specialisms and subject to viability; All Major Developments should demonstrate an understanding of, and commitment to, the desirability of supplying the construction and operational needs from within Newham; and c. All Major Developments should demonstrate an understanding of, and commitment to, the desirability of supplying the construction and operational needs from within Newham; and d. Where post 16-year-old education or training is proposed, it should be demonstrated that the facility directly responds to the Borough's identified growth sectors set out within policy J1, provides recognised and accredited qualifications, and demonstrates support from links with local employers, including reference to the relevance of the proposed qualifications offer, noting the particular work of NCFE in this area. Justification [] The targets are based on experience of presently informally negotiated figures, and viability testing of a proposed associated tariff to support Workplace's work, which demonstrates that it will need to be applied flexibly so as not to excessively affect viability, particularly on schemes with significant amounts of floorspace. It has also been pointed out that other circumstances including construction methods may require sensitive app

London Borough	Planning policy document	Extract from policies indicating levels of Local Labour percentages sought (local labour targets highlighted in red text)
London Borough of Croydon	Local Plan 2018	Policy SP3.14 Opportunities for employment and skills training will be considered by means of section 106 agreements for major developments (residential developments of 10 units or more or non-residential developments exceeding 1,000m2). The Council will seek to secure a minimum of 20% of the total jobs created by the construction of new development above the set threshold to be advertised exclusively to local residents through the Council's Job Brokerage Service for a specified minimum period. It is expected that best endeavours be used and that the developer will work with the Council to ensure that the target of 20% employment of local residents is achieved in both construction and end user phase of new qualifying development. Justification 5.3 The Council is committed to training, work placements and apprenticeships and views them as being a sustainable way to improve employment prospects for local people. The Council is determined to ensure that S106 obligations secure placements for local people during the construction phase of building projects and the provision of skills training.
London Borough of Havering	Local Plan 2016- 2031 (at examination, main modifications have been published for consultation. No modifications proposed to this policy.)	Policy 22 Skills and training The Council will promote employment and skills development opportunities for local residents by supporting major development proposals that commit to: A minimum local labour target of 20% during construction and end user phase for major commercial or mixed use developments including a proportion of apprenticeships where the length of construction phase allows; A minimum local labour target of 20% during construction for major residential developments; The notification of all vacancies associated with the development and its end use through the Council's employment service; and Offer opportunities to local businesses within their supply chains. Where local labour targets cannot be achieved and it can be demonstrated that all opportunities to meet this target have been explored a commuted sum payable to the Council will be required.

London Borough	Planning policy	Extract from policies indicating levels of Local Labour percentages sought (local labour targets highlighted in
London Borougn	document	red text)
		Justification 9.4.1 Promoting employment, skills development and training opportunities for local people will contribute to sustainable economic development, the health, well being and quality of life of residents. The availability of the right skills in the borough will mean that there will be less need for people with these skills to travel into London, reducing both congestion on Havering's transport networks (roads and public transport) and carbon emissions.
		9.4.2 Havering has a high proportion of residents of working age and although employment rates are stable there is a lower proportion of Havering residents in high skilled jobs compared to other outer London boroughs. This is reflected in the average gross household income which is £44,430 compared to the London average of £51,770. This places Havering within the lowest third of all London boroughs. It is important that the borough has a strong economy and that local people have the opportunity to benefit from new developments, particularly where these offer the scope for jobs, skills development and training opportunities. Although Havering has good schools, academic qualifications are low; 35% aged 16 years of age and over have no qualifications in the most deprived areas and 35% have qualifications at Level 1 or 2 (Level 2 is equivalent to a GCSE grade A*-C). This could be attributed to the high numbers of residents leaving full-time education aged 16 years or under (more than 50%) compared to the London average of 24%.
		9.4.3 The Council is keen that Havering residents are able to enjoy the same opportunities as those in other parts of London and currently supports a number of initiatives, including Job Clubs, employability and training support through Havering Adult College, the Troubled Families programme and other externally funded projects. A pilot employment service is currently being funded through European Social Fund (ESF) provision to support those furthest from the labour market. Moving forward, future projections for the London job market are heavily skewed towards higher level qualifications and there is a need, therefore, to support Havering residents to access skills development and training opportunities that will enhance their skills levels and earning capacity.
		9.4.4 Havering is well-placed to support a 20% local labour target, which is considered reasonable given its demographics. As well as an established base of construction businesses, the borough is also home to the Havering College Construction Campus which can support the training needs of local residents.

London Porough	Planning policy	Extract from policies indicating levels of Local Labour percentages sought (local labour targets highlighted in
London Borough	document	red text)
		The ESP will, as a minimum, address how the developer intends to deliver the following requirements: Measures to ensure that a minimum percentage of the total number of jobs created by the development (as
	Supplementary Planning Document	calculated by the employee yield calculation in Table 4) will be filled by Wandsworth residents. This minimum percentage is determined by the current percentage of Wandsworth residents working in the borough, which is 27% (based on the 2011 Census);
London Borough of	Planning Obligations	Justification
Wandsworth	2020	Paragraph 81 of the National Planning Policy Framework states that 'planning policies should set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having
	Draft Consultation Version	regard to Local Industrial Strategies and other local policies for economic development and regeneration.'
		Maximising employment and employability amongst Wandsworth's population is another key priority for the planning obligations alongside promoting key training and skills opportunities and expanding and coordinating job brokerage.

Landon Paraugh	Planning policy	Extract from policies indicating levels of Local Labour percentages sought (local labour targets highlighted in
London Borough	document	red text)
London Borough of Southwark	Section 106 Planning Obligations and Community Infrastructure Levy (CIL) Supplementary Planning Document (SPD) 2015	For business use (B class) floorspace a target for the number of jobs lasting a minimum of 26 weeks for unemployed Southwark residents will be calculated at 10% of the estimated Full Time Employee (FTE) employment on site according to Homes and Community Agency (HCA) employment densities (see page 21) or an alternative measure agreed by the council. For retail use (A class) floorspace and hotels a target for the number of jobs lasting a minimum of 26 weeks for unemployed Southwark residents will be calculated at 20% of the estimated FTE employment on site according to HCA employment densities or another measure agreed by the council. Justification One of Southwark Council's Economic Wellbeing Strategy objectives is for regeneration and development to provide lasting jobs for residents in both construction and related industries and jobs in completed developments. This can be supported through the funding of skills and training programmes for unemployed residents. Reducing the level of deprivation is an important part of developing socially sustainable communities, especially in growing communities. Providing for training facilities in new developments which create high levels of jobs will help to improve the skills of local people to match the needs of London's growing economy.
London Borough of Hackney	S106 Planning Contributions Supplementary Planning Document July 2020	The Council will seek to ensure all reasonable endeavours are used to secure a minimum of 25% of the workforce as Local Labour during the construction and demolition phase and during the first 5 years of operation from the first occupation of the development. During construction this may include, for example, labour for onsite security, facilities management and administration. Quarterly local labour and apprenticeship returns must be provided by the owner/developer — and will be secured through S106 - to demonstrate that local labour commitments are being met. Justification Local Plan policy LP31: Local Jobs, Skills and Training

London Borough	Planning policy	Extract from policies indicating levels of Local Labour percentages sought (local labour targets highlighted in
London Borougn	document	red text)
		New development should provide a broad range of employment opportunities across a variety of sectors available to local residents, including in both the construction and operation of new developments.
		All new major development will be required to:
City of London	Planning Obligations Supplementary	Demonstrate how the new development offers employment opportunities to residents. In addition to any financial contribution, developers of qualifying commercial and residential development will be required to submit a local training, skills and job brokerage strategy to the City Corporation for approval. This requires the developer to work collaboratively with the City Corporation and use reasonable endeavours to meet the aims of the City Corporation's Employment Charter for Construction: [] Undertaking to meet a target of 20% of the total workforce on site being resident in the City or neighbouring boroughs; Justification
	Planning Document 2014	The City Corporation's Corporate Plan aims to maximise the opportunities and benefits afforded by the City's international role in supporting London's communities, including working with partners and neighbouring boroughs to promote employability and provide jobs and growth. This is reflected in development plan Policy CS4 and the City Corporation will, therefore, continue to seek s106 planning obligations towards the provision of local training, skills and job brokerage activity to help address some of the issues relating to unemployment, employability and skills both within neighbouring boroughs and within the City itself.
London Borough of Haringey	Planning Obligations Supplementary Planning Document 2018	All developments of 10 residential units or more, or 1,000m2 or more of non-residential floorspace, will be required to comply with planning obligations relating to: [] Local Labour: The period of exclusivity is designed to maximise the supply of job ready local labour into the vacancies arising. A minimum of 20% of the onsite workforce during construction shall comprise local Haringey residents, including local trainees. The proportion of local trainees should be agreed in advance. Candidates for work based learning and training opportunities will be nominated by Haringey Council (or another agency as agreed by the Council). Justification: The 2011/12 Annual Monitoring Report highlighted the difficulty in enforcing on-site local employment
		schemes in the construction phase, compared to the relative success of collecting agreed financial contributions. It is therefore logical that this practice is standardised.

London Borough	Planning policy document	Extract from policies indicating levels of Local Labour percentages sought (local labour targets highlighted in red text)
Tower Hamlets	Planning Obligations Supplementary Planning Document	Employment and Skills Training The Council will seek to secure a minimum of 20% of the total jobs, created by the construction and end-user phases of new development above the set threshold, to be advertised exclusively to local residents through the Council's job-brokerage services for a specified minimum period. It is expected that all reasonable endeavors be used to ensure that a target of 20% employment of local residents is achieved in both the construction and end-user phases. Justification
	2016	Tower Hamlets currently has an overall 68% employment rate from which 15% are working within the borough. An aspirational target of 20% local labour has been set in order to create an achievable uplift in these figures.
London Borough of Barnet	Supplementary Planning Document: Delivering Skills, Employment, Enterprise and Training from Development through S106	Components of Local Employment Agreements In the LEA the developer is expected to set out its approach to: [] Local labour target: developer should agree that 30% of construction vacancies are filled by local residents. As part of this contribution the Council expects the developer to demonstrate how it is supporting the skills development and progression of local residents who already have construction industry experience. This is inclusive of targets as calculated through benchmarks for development schemes as set out in Appendix B. Local labour targets for end-use jobs will be agreed on a case-by-case basis dependent on the type of employment. Where there are skills gaps or a lack of work ready candidates we will accept other forms of support. This may include a lower number of local jobs in return for a higher level of support for candidates to access the jobs market.
	2014	

Appendix 2 – Examples of consented sites in Lambeth with local labour target in signed s106 agreement

Site	Planning Ref	Development description	Agreed local labour target	Local jobs	Apprenticeships	Work experience
St Thomas' Hospital 249 Westminster Bridge Road London SE1 7EH	19/01397/FUL	Demolition of existing single storey hospital building and erection of a new six storey (including plant level) hospital building (C2 use), alterations to existing access arrangements and associated public realm works.	25%	150	3	14
17 Bellefields Road SW9 9UH	18/04311/FUL	Redevelopment of the site, involving the demolition of the existing building and erection of a five storey building plus basement to provide a flexible use (Class A3 and/or A4) at part basement and part ground floors and office floorspace (Class B1) at part basement, part ground and first to fourth floor levels, together with the provision of cycle store and the installation of a green roof and plant on roof.	25%	50	2	3
44 Clapham Common Southside, SW4 9BU	17/00605/FUL	Demolition of the existing buildings and the redevelopment of the site incorporating the erection of six buildings comprised of basement and lower ground floor levels, ranging from four to 10 storeys above ground, landscaped gardens, public square (587sqm), car parking and associated works; for a mixed use scheme comprised of a waste transfer facility (1,164 sqm GIA) at basement level, B1 office accommodation (3,696sqm GIA) and A3 café (117sqm GIA); and the provision of up to 297 residential units.	25%	10	29	17

Site	Planning Ref	Development description	Agreed local labour target	Local jobs	Apprenticeships	Work experience
Clapham Park (Metropolitan Housing Association) - PHASE 1	17/03733/FUL	Full phased planning permission for the residential-led, mixed use regeneration of approximately 33 hectares of land comprising the demolition of buildings (864 residential units and 614 sq.m (GIA) of non-residential floorspace) and the construction of new buildings comprising 2,532 new residential units (Class C3); 2,537 sq.m (GIA) of non-residential floorspace providing retail floorspace (Class A1/A2/A3/A4), community facilities (Class D1/D2) including a new community resource centre, and office floorspace (Class B1); specified accesses and highway improvements (including new accesses on to the local road network and new estate roads), demolition of existing and provision of new bus driver facility; car and cycle parking; the provision of areas of public open space, play facilities, hard and soft landscaping and public realm works; and an energy centre and district heating.	25%	20	253	15
Aytoun Road and Aytoun Court	18/01713/FUL	Demolition of 1-7 Aytoun Road and Aytoun Court. Redevelopment of the site involving erection of part 4, part 5 and part 6 storeys building to provide 31 residential units (100% affordable housing) with shared amenity space at 5th floor, together with provision of 3 disabled car parking spaces, refuse & cycle stores and landscaping. Removal of the walkway at Aytoun Place and installation of an external lift to Crowhurst House, plus realignment of metal stair access to 41 and 42 Norton House.	25%	56	3	8

Site	Planning Ref	Development description	Agreed local labour target	Local jobs	Apprenticeships	Work experience
22-29 Albert Embankment SE1	13/02347/FUL	30 storey residential led mixed-use building with ground floor café/retail unit, office space & 47 residential units	25%	11	15	26
Keybridge House, 80 South Lambeth Road SW8 – Phase 1	13/03935/OU T	Mixed use development comprising 5 blocks including 415 dwellings (Class C3), 2,652 sqm GIA employment floorspace (Class B1), 802 sqm GIA retail (Class A1-A5) associated basement car parking, storage and servicing, new public realm and open space; and outline planning permission for a two form of entry primary school (Class D1) 8,600 sqm GEA (maximum)	25%	42	40	52
Keybridge House, 80 South Lambeth Road SW8 – Phase 1	17/05311/EIA FU	Retention of double basement and erection of a ground plus 18 storey building to provide a mixed use development comprising 125 residential units (Use Class C3); school campus (Use Class D1); residential car parking and servicing at basement level -2; associated means of access; and all associated and ancillary works and structures for affordable housing, school provisions, energy centre and financial contributions.	25%	Tbc	39	23

Site	Planning Ref	Development description	Agreed local labour target	Local jobs	Apprenticeships	Work experience
Knights Walk, South Lambeth Road SW8 (Homes for Lambeth)	17/05992/RG3	Full planning application for the demolition of 18 homes (Use Class C3) and a garage block and the construction of a building to provide 16 residential flats (Use Class C3) comprising a part 4, part 5 storey northern block and a part 5, part 6, part 7 storey southern block, and a community room (Use Class D1), with associated parking, landscaping, access and ancillary works. Knight's Walk Estate, Renfrew Road London SE11 4PA	25%	7	1	8
Oval Cricket Ground, Kennington Oval SE11	18/05425/FUL	Demolition of the existing Lock Laker Stand and other existing buildings, including a ticket office, a security office, storage facilities and offices, and the erection of a three tier spectator stand (to increase the overall seating capacity by 2,303 seats); a linked four storey building to accommodate a ground floor covered concourse, reception/club shop, ticket office and hospitality and conferencing facilities; new mesh cladding at the northern end of the Bedser Stand street elevation to match the new three tier stand; and a minor re-alignment of the boundary railings adjacent to the Hobbs entrance gate.	25%	31	3	9
Rudolph Place (Miles Street) SW8	16/03954/FUL	Erection of a building comprising part basement, 37 storeys and part basement, part 6 storeys for student accommodation comprising 841 bed spaces, 3,583sqm of B1 office accommodation, cafe/restaurant, amenity space, a rooftop multi-use games area (MUGA), parking.	25%	34	17	1

Site	Planning Ref	Development description	Agreed local	Local jobs	Apprenticeships	Work
			labour target			experience
Tesco Stores,	18/02597/EIA	Demolition of existing building and redevelopment of the	25%	80	83	
Kennington Lane	FUL	site to provide a mixed-use development comprising the				
		erection of 3 new buildings (Plot A,B,C) ranging from 4-17				
		storeys to provide 571 residential units (Class C3), a				
		replacement Tesco store of 4,655sqm (including sales				
		area/back of house and car parking), 2,638sqm of Class B1				
		office, 1,159sqm of flexible commercial floor-space (Class				
		A1-A3, B1), 62 retail and 24 disabled residential car parking				
		spaces; with associated cycle parking and				
		landscaping/public realm improvements along Cutlers Way				
		and Phoenix Street.				

Appendix 3



Cabinet Member Briefing

Report title: Outcomes from Section 106 Agreements 2019-20

Wards: All

Portfolio: Cllr Jacqui Dyer, Cabinet Member for Jobs & Skills

Report author: Jacqueline Faulkner Employment & Skills Lead

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Report summary

The Economic Inclusion team play a key role in the negotiation and monitoring of employment and training clauses in S106 agreements relating to major developments in the borough, using the Lambeth Employment & Skills Supplementary Planning Document (agreed by Cabinet in February 2018) as the basis for all agreements.

This report summarises the employment outcomes achieved through Lambeth development sites in 2019/20 for local people.

Finance summary

There are no direct financial implications of this report.

Recommendations

1. To note the employment and training outcomes achieved through Lambeth development sites in 2019/20.

1. Context

- 1.1. On all major developments in the borough, the Council enters into a Section 106 agreement with the landowner. This generally includes a requirement to undertake activities that will positively contribute to local employment and training activities.
- 1.2. In February 2018 Cabinet approved the adoption of an Employment and Skills Supplementary Planning Document (SPD). This policy has been applied to any major development seeking planning permission from February 2018. The Supplementary Planning Document sets out the council's policy towards these employment and training obligations and requires landowners (or their developers) to commit to the following:
 - a. A target of 25% of employment opportunities created during the construction and occupation phases for Lambeth residents, achieved through:
 - Apprenticeships, with a requirement to demonstrably target
 Lambeth residents aged 25 or under
 - ii. Supported employment opportunities for long-term unemployed residents during the end-use phase
 - iii. Notification to the council of job vacancies
 - iv. Bespoke pre-employment and skills activities
 - b. Engagement with local young people and schools/colleges
 - c. A financial contribution towards the costs of employment and training activities for local people
- 1.3. These high-level commitments are set out in the S106 Heads of Terms, including the requirement to agree a more detailed Employment & Skills Plan. The Employment & Skills Plan provides a more detailed breakdown of targets, and methodology for how outcomes will be achieved through the development site and are agreed:
 - at least three months before implementing on site (construction phase)
 - at least six months before occupation (occupation phase).

2. Status of Lambeth Development Sites

- 2.1. There are currently 22 sites currently operational in Lambeth: 20 in the construction phase, and 2 sites in the 'end use' or occupation phase.
- 2.2. Employment & Skills officers are currently working with Planning officers on a further 43 development sites at various stages of the process
 - 14 sites with signed S106 agreements pending implementation
 - 11 sites approved by Planning Application Committee subject to agreement of \$106
 - 18 sites awaiting planning approval

3. Site monitoring

- 3.1. Site monitoring is undertaken to assess progress towards Employment & Skills Plan targets and identify sites where remedial action is required. Each site is then required to produce a final report detailing activity undertaken, and progress towards targets to inform a decision as to whether S106 obligations can be discharged.
- 3.2. A new, online process has been developed for site monitoring in 2020-21. This will enable more efficient data collection and analysis of outcomes, and monitoring of 'reasonable endeavours' undertaken by contractors to recruit local people across Lambeth development sites.
- 3.3. As part of demonstrating reasonable endeavours to recruit local people, all opportunities arising from Lambeth developments are required to be advertised on the Opportunity Lambeth website (as well as more broadly through JobcentrePlus and other referral partners). This enables residents to access all new employment and training opportunities created through Lambeth sites during construction and development phases in one place.

4. 2019-20 outcomes

% of local labour (average)	Job starts for Lambeth residents	Apprenticeships	Work Placements	Vacancies advertised on Opportunity Lambeth website					
Outcomes from April 2018 – March 2019									
10.5%	268	38	64	94					
Outcomes from April 2019 – March 2020									
18.5%	135	4	16	129					

- 4.1. Data reported above includes quarter 4 monitoring (Jan Mar 2020) although it should be noted that as this data was requested in April 2020, the number of returns received from sites were low. Many individuals responsible for the delivery and reporting of S106 outcomes were furloughed, or in some cases made redundant as a result of Covid-19. The whole year data does therefore not fully reflect what may have been achieved, due to under-reporting in Q4.
- 4.2. In 2019-20 the percentage of local labour on site has increased, demonstrating that overall, more Lambeth residents are employed on Lambeth developments than in the previous year.

This number includes new job starts, and the number of residents working on site who were already employed by a contractor or sub-contractor.

- 4.3. The number of new job starts has decreased from 2018-19 figures. This is in part due to several significant sites with large workforces and a positive record of recruiting local people completing their construction phase in 19-20; including the Shell Centre (on which construction is now complete), and Keybridge House Phase 1, and the Dumont building (due to complete in August 2020).
- 4.4. In 2018-19, 38 apprenticeship starts were achieved from Lambeth sites but in 2019-20 only 16 apprenticeships were advertised; with 4 of those subsequently filled by local people.
- 4.5. In response to the decrease in apprenticeships advertised, Construction Youth Trust have been commissioned to engage live sites in mapping of their apprenticeship commitments, to better understand the type of opportunities and timelines for those coming forward. This intelligence will then support better co-ordination of recruitment activity, and timely preparation of young people for forthcoming apprenticeships. Construction Youth Trust are also working with Lambeth sites to map and increase the number of work experience placements offered and taken up through Lambeth schools, where they have existing construction careers education programmes.
- 4.6. The number of vacancies advertised on Opportunity Lambeth through development sites has increased, which is a positive indicator that requirements to advertise all roles at all levels arising from Lambeth developments are being met. The increase has however typically been in the higher skilled roles and hard to fill roles (e.g. Quantity Surveyor, Project Manager) rather than those at entry level, or apprenticeships.

5. Partnerships and Future Plans

- 5.1. A Lambeth Construction Forum was held to inform the development of the Lambeth Skills & Employment strategy in November 2019, attended by a range of stakeholders including construction contractors, employment and training partners, FE, HE and Department for Work & Pensions. The purpose of the forum was to bring together partners to identify challenges, share best practise, and to understand the role of Lambeth in maximising S106 outcomes for local people.
- 5.2. It was agreed that this forum should be held on a quarterly basis, to support the improved alignment of training and employment preparation activity with the construction employment pipeline. A further date has yet to be agreed in light of Covid-19 but is planned for Autumn 2020.