

## Examination of Draft Revised Lambeth Local Plan 2020-2035

### **Statement in response to Matter 4 – Economic Development, Retail and Town Centre Uses**

On behalf of Workspace Management Limited R051

1. We write on behalf of Workspace Management Limited (herein referred to as Workspace), in response to the Matters, Issues and Questions (MIQ), principally in relation to Matter 4- Economic Development, Retail and Town Centre Uses. This response letter should be read in conjunction with our submitted representations made on the Draft Revised Lambeth Local Plan, dated 13th March 2020.
2. Workspace Management Limited has significant land interests within the borough, with sites including; Cargo Works, China Works, Edinburgh House, Vox Studios (Durham Street), Kennington Business Park, Havelock Terrace and Parkhall Business Centre. There are a number of recent successful examples of refurbishments and redevelopments of Workspace schemes in the borough. These include the recently completed Vox Studios, which received planning permission for the redevelopment and partial remodelling of the site to deliver a new business centre and Edinburgh House, located in Kennington, has been recently refurbished to a high quality standard and provides stylish offices with large co-working spaces.
3. Workspace therefore has a large reservoir of employment floorspace in Lambeth and has already invested heavily into providing new or enhanced workspace. The Draft Revised Lambeth Local Plan (DRLLP) will directly influence and impact the future development, improvement and operation of these sites and other KIBAs in the borough.

#### **Matter 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?*
4. In our view, the employment policies within the Plan do not contribute to building a strong, competitive economy in accordance with the NPPF for the reasons set out below.
- (ii) Is the Plan flexible enough to encourage new and innovative forms of workspace in response to a fast-changing industrial context?*
5. The Workspace regeneration model seeks to replace premises which are no longer environmentally or physically viable with more modern business accommodation. The regeneration of their sites located within KIBAs going forward would be subject to Policy ED3 which states that proposals for additional B1a office floorspace in KIBAs will not generally be permitted, proposals for flexible B1 floorspace, where the intention is to include the option for B1a office space as part of the mix, would not be acceptable in these locations.
6. The Workspace model offers flexible leases which are targeted specifically to SMEs which avoid long term financial commitments, provide business support and flexible work and desk space within their sites. This model has become increasingly popular, particularly with SMES, as demonstrated by the number of Workspace premises and of new 'flexible workspace' style offers around the borough. To allow Workspace to accommodate new and changing business demands, they operate the majority of their sites in the borough under a 'flexible

B1' permission. The demand for types of business space is changing frequently and rapidly and workspaces, such as those within Kennington Park Business Centre, must have the flexibility to respond to this ever changing needs and desires of Workspace. Lambeth's Plan, in particular Policy ED3, is restricting employment floorspace in KIBAs so that flexible B1 uses are no longer permitted. This will restrict Workspace from providing space for new and emerging business sectors and to respond to changing business models through flexible floorspace going forward.

7. It must be acknowledged that the impact of the Covid-19 pandemic has resulted in significant changes to how people are using business, offices, workshops, places of work. In order to get the economy moving again and preserve and create jobs, the planning system needs to accommodate greater flexibility in its approach to land use. The introduction of Class E within the Use Classes Order allows greater flexibility to change occupiers and uses of commercial premises without the need to obtain planning permission. It specifically categorises both offices and light industrial uses within the same use class. Lambeth's Plan would not even be flexible enough to accommodate the new flexibilities of the Use Classes Order.
8. Furthermore, Policy ED3 does not allow for the co-location of industrial uses alongside other uses in KIBAs (unless otherwise stated within the Policies Map). This is an oversight of the Council not to acknowledge that in order to unlock potential for development of new employment land; uses such as office uses frequently act as an 'enabler' use to either replace modernise, or intensify industrial floorspace. Without complementary uses such as offices, proposals for new or upgraded employment land could be restricted. In our view, these policies will not deliver more B1c floorspace in the borough.

#### **Matter 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?*

9. The only site allocations in relation to employment land in Lambeth are KIBAs which are considered to be the equivalent of Locally Significant Industrial Sites (LSIS). DRLLP Paragraph 6.30 acknowledges that some KIBAs include existing B1a office space but going forward proposals for additional B1a office floorspace or flexible B1 floorspace in KIBAs will not generally be permitted.
10. Since the consultation on the DRLLP Lambeth have undertaken a Review of KIBAs (2020). The analysis of completions in the borough 2018/2019 confirms that there has been a net loss of 41,502sqm of employment floorspace, the majority of which (38,311sqm) was B1a Office floorspace. Approvals in 2018/2019 would suggest a net gain of B1a and a net gain of B1c floorspace. The analysis confirms that historically, a significant proportion of new floorspace permitted in KIBAs has been flexible B1 and B1a office space. Lambeth's evidence suggests that there has been a loss of industrial land between 2010-2015, but the majority of this has been outside of KIBAs. In our view, this highlights the actual make up of the existing KIBAs, of which many contain very little, if any, industrial floorspace and are predominantly made up of business uses.
11. The LPITP categorises Lambeth at a 'Retain Capacity' for industrial uses. Lambeth should therefore ensure that in overall terms across London there is 'no net loss' of industrial

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floorspace capacity (and operation yard space capacity) within designated SIL and LSIS (Policy E4). It must be noted that this policy seeks no net loss of industrial floorspace capacity across SIL/LSIS, not across individual site areas. It is also of importance to note the direction within MHCLG letter (dated 13 March 2020) to remove the 'no net loss' requirement on existing industrial land sites within the LPITP due to the industrial land policies being considered over-restrictive.

12. Lambeth's restrictive policy, only allowing an uplift in industrial floorspace and not permitting additional B1a floorspace or flexible B1 floorspace would not be consistent with the requirements of the LPITP or in line with the direction of the MHCLG letter. Furthermore, if the 'review of the KIBAs 2020' confirms that approvals granted 2018/2019 under the current Local Plan would result in no net loss of B1c in the borough, restricting uses in KIBAs going forward to industrial uses only, is not justified.

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

13. In our view, this policy would prejudice the delivery of employment floorspace in the borough. This over-restrictive policy provides no incentive for businesses and developers of employment space to invest in sites in Lambeth.
14. Since the consultation on the DRLLP Lambeth have undertaken a Review of KIBAs (2020). Lambeth are of the opinion that the strong policy protection will 'make a significant contribution to intensifying industrial floorspace in KIBAs.' In our view, their policies will not result in the delivery of more industrial floorspace.
15. As highlighted within the Review of KIBAs (2020) there are KIBAs in the borough which comprise of majority or completely Class B1a uses (now Class E), these are protected by Article 4 directions to prevent the use of PD rights to residential and the review specifically references those sites operated by Workspace. Durham Street (Vox Studios) and Kennington Park Business Centre KIBAs both have a blanket Article 4 direction from B1a to C3, highlighting the use of these sites as B1a, not B1c.
16. The review of existing KIBAs states that the information on the types of businesses and occupation of the units located within each KIBA have been taken from the Valuation Office Agency. Furthermore, the review is assessed on the level of 'B class' floorspace and does not break down the specific uses-B1a/B1b/B1c classes. We consider that this does not reflect either an accurate or an up to date review of how these KIBAs are being occupied. It is clear that Lambeth's review does not properly assess the uses within KIBAs. This can be evidenced by Workspace sites; Durham Street which is occupied by solely B1a uses and Kennington Park which is predominantly B1a uses, but both of which have been assessed as Class 'B1'.
17. As evidence of this, both Durham Street and Kennington Park KIBAs are recommended within the 'Review of KIBAs 2020' to be retained as KIBAs, but these would no longer meet the proposed DRLLP definition of a KIBA. These sites were designated as KIBAs on the basis that they provide a significant amount of business floorspace (B Class), but the policy now removes 'business' from its definition and allows for no additional business uses on these sites. The methodology used to review the existing KIBAs in light of this significant policy change to remove 'business' is unsound.
18. According to Policy ED3, sites such as the Durham Street KIBA would no longer be able to expand its existing use (offices) and would only be able to expand if the use proposed was

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an industrial use. This would not be in keeping with the existing operation of the site and does not easily allow for the ability to extend buildings and allow for existing businesses on site to take additional floorspace. In our view, this significantly inhibits the ability for these sites to extend or expand, further inhibiting job creation in these areas. It should be noted that given the uncertainty of the economy at the current time, piecemeal extensions and improvements to modernise existing sites could become increasingly relied upon for job creation.

19. Lambeth do not distinguish LSIS from local employment areas as should be required by LPITP Policy E6 and as per our recommendation (b) below, if this inflexible policy is to be retained, Lambeth must review the existing KIBAs properly and effectively in order to distinguish between those which are industrial in character and those which are business in character.
20. Workspace acknowledges the need for industrial floorspace in Lambeth, but restricting other uses which are compatible with and complementary to B1c uses in KIBAs is unjust. The policy would not be in accordance with Paragraph 81 of the NPPF in that it is not flexible enough to accommodate needs not anticipated in the plan, it would restrict new and flexible working practices (such as live-work accommodation) and it would not enable a rapid respond to changes in economic circumstances.

Our recommendation for alterations to Policy ED3 is to either;

- a. Redraft Policy ED3: KIBAS, to allow for employment uses within KIBAs. We recommend that this policy is redrafted to state that B1a uses will be supported providing there is no net loss of industrial floorspace capacity across the LSIS.

Or

- b. Redefine all industrial sites to properly categorise and distinguish them between those that meet the definition of an LSIS (as per Policy E6 (a) of the LPITP) and those that would more appropriately be designated as other employment land/business areas which can accommodate a wide range of business uses.

*(ii) 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?*

21. Firstly, Policy ED3 is not considered to be in accordance with the LPITP. The Plan disregards the 'no net loss' principle of the LPITP and requires any uplift of floorspace in KIBAs to be industrial/storage/waste management uses, permitting no uplift of business (B1a) floorspace. The proposed Policy ED3 would suggest that Lambeth is required to 'provide capacity' of industrial floorspace as opposed to 'retain capacity', which would be incorrect.
22. The MHCLG considers that the 'no net loss' principle was an over-restrictive stance to industrial land and directs its removal. Lambeth's Policy ED3 takes an even further restrictive stance than the London Plan policy, by requiring any uplift to be in line with the new KIBA appropriate industrial uses. Lambeth's policy does therefore not conform with the LPITP, or the MHCLG letter dated 12 March.

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

23. Mixed-use and co-location is encouraged within LSIS at regional level (Policy E6 and Policy E7) providing 'no net loss' of industrial. The NPPF Paragraph 81 also encourages planning policies to be flexible enough to allow for new and flexible working practices and enable a rapid response to changes in economic circumstances. Lambeth's policy is overly restrictive of the co-location of any other uses than those specified in KIBAs, other than 3 KIBAs in which they have identified by co-location with residential. Workspace are supportive of designating KIBAs for business and employment uses in accordance with national policy, but what is not in accordance is overly restrictive policy designations, particularly given office is an employment generating use and a business use and KIBAs were created in 2007 on the premise of being 'business and industrial areas'.
24. The proposed changes to existing KIBAs as part of this Local Plan review removes parts of KIBAs which are predominantly residential or retail. The review does not remove parts of the KIBA which are predominantly business uses, even though they are no longer industrial in character. Furthermore, Lambeth have reviewed areas with the potential for industrial intensification and co-location with residential development. If business uses are no longer permitted within KIBAs, it should be a requirement for Lambeth to review its evidence base and identify those KIBAs which would be suitable for co-location with other uses, such as business uses.