

Written statement on Matter 58**Central Activities Zone including Isle of Dogs**

Would policies SD4 and SD5 be effective in ensuring an appropriate mix of housing, offices [footnote says Table 6.1 of the Plan indicates 367,700 additional office jobs in the CAZ 2016-2041] and other development in different parts of, and outside, the CAZ to support:

- a) the “strategic functions” of the CAZ (paragraph 2.4.4);**
- b) “locally orientated uses” in the CAZ (paragraph 2.4.5) and Policy GG1 “building strong and inclusive communities”;**
- c) Policy GG4 “delivering the homes Londoners need”; and**
- d) Policy GG5 “growing a good economy”?**

In the debate on earlier Matters we reminded the Panel of the weight of evidence on the negative consequences of agglomeration economies which are the price London pays for the positive consequences. On the positive side, employers in specialist sectors gain from proximity and interaction with similar and complementary enterprises, from sharing access to London’s uniquely diverse labour pool and so on – and these benefits are substantially reflected and harvested as rents and capital values in property markets. On the negative side, however, agglomeration brings with it bad air quality, congestion in transport systems and very high costs for housing, travel and many services. This is particularly the case with the real estate and property development agglomeration in the CAZ. There is no mechanism to tell us when enough is enough and massive public investment in radial transport and other infrastructure continues to underpin CAZ growth.

We spell this out because we consider that the London Plan has become the uncritical support for continued growth of CAZ “strategic functions” as they are currently defined and that it should do more to strengthen the low cost workspaces needed by SMEs and the locality-serving and residential functions of the CAZ and its fringes. The strategic functions of the CAZ should not compromise the rest of London.

Whatever the outcome of Brexit it seems likely that London will need to maximise the diversity and robustness of its economy and further specialisation in corporate financial and business-service sectors will be counter-productive and not likely to lead to Good Growth.

There is a need to need to extract social gains from the CAZ in order to address the severe inequalities exacerbated by decades of a problematic growth agenda. The question of balancing global and local needs (social infrastructure, but also jobs and protecting existing communities) requires procedural guidance – this should be linked to the requirement on Boroughs to develop locally sensitive policies in SD4 N 2). Social Impact Assessments should be required to

understand the implications for existing diverse low income communities in the CAZ and also in terms of extending the CAZ.

We are very pleased to see that the Panel has framed its questions “...within and outside the CAZ” since there are distinctive challenges to current planning practices just inside and just outside the Zone, notably the displacement of industrial and other business activity. Some examples include

- The Camley Street/Cedar Way industrial estate located just north of King’s Cross station. ‘The businesses on the industrial estate currently employ some 500 people. Most of these skilled jobs are involved with the production, processing and distribution of food (fish, meat, cereals, groceries and drinks). There are also other businesses: for example, an industrial laundry and an architectural model-making firm.’ ‘The existing businesses on the industrial estate already do an important job in supplying the needs of local schools, hospitals and restaurants’¹. Despite the thriving business and interconnections with Central London economies, the industrial estate has been in a vulnerable position to increasing land values from the large scale regeneration of King’s Cross and plans to redevelop the site.
- The research carried out by Ramidus for City of London concerning the challenges facing SMEs² found that ‘Many SMEs actively prefer ‘secondary space’ and are content with basic specification at a low rent and no add-on services. As new developments come into play, the diminishing supply of secondary stock makes it increasingly difficult for the City to meet the needs of a growing SME sector.’
- The extension of CAZ in Southwark to Elephant and Castle and the Old Kent Road has already had negative impacts on well established economies including Migrant and Ethnic businesses and particularly the Latin Quarter³ and SMEs operating in industrial accommodation that is rapidly eroding⁴. These impacts are more widely reaching on the whole of the area’s diverse communities, their livelihoods and future opportunities to thrive.

We would caution against exemptions given in SD5 to Vauxhall, Nine Elms, Elephant and Castle Opportunity Areas in terms of facilitating large-scale intensive development.

We propose two ways in which these issues could begin to be explored and addressed more adequately by the London Plan given the scale of the challenge.

¹ Camley Street Neighbourhood Forum, <http://camleystreet.org.uk/>

² Clusters and Connectivity, The City as a place for SMEs, 2016
<https://www.cityoflondon.gov.uk/business/economic-research-and-information/research-publications/Documents/research-2016/Clusters-and-connectivity-finalV2.pdf>

³ Socio-economic value at the Elephant and Castle, 2018 https://dspace.lboro.ac.uk/dspace-jspui/bitstream/2134/34681/3/Latin%20Elephant_SocioEconomicValue_ISSUE_Final_Rev.pdf

⁴ <https://www.vitalokr.com/threat/>

One is to expand the list at § 2.4.4 of ‘strategic functions’ of the CAZ to give recognition, protection and support to a range of other functions of London’s economy which are of high significance to its diversity and robustness, such as:

- the concentration of built environment professional services, construction and development which accounts for so much of the work done in the CAZ
- industrial functions to support last mile delivery and servicing, given the emphasis placed on this in SD4 M.
- Clusters of Migrant and Ethnic businesses, as well as street and covered markets

The provisions of SD4 N around Boroughs designating Special Policy Areas and specialist clusters should make strong references to these functions.

The CAZ policies should also reinforce the protection of low cost and affordable workspace, recognising the needs of SMEs, voluntary sectors organisations and social enterprises.

The second approach is for the policies to state explicitly that new development in the CAZ should contribute to social, economic and environmental sustainability, particularly through long term benefits to existing communities.

This would be a step towards achieving objectives around good growth, particularly GG1 and GG5. A good economy prioritises social sustainability, health and environmental benefits. This requires a significant rebalancing of the economic growth and development model. More emphasis should be placed on the relationships with the everyday economy and how it can support growth in job quality, wages etc in sectors that serve London’s population as well as the strategic functions.

The policies should recognise and protect the whole range of local communities in the CAZ with an emphasis on working class communities and low income workers sustaining the CAZ economy.

We suggest an addition to Policy SD5A: ‘Developments in the CAZ should seek to benefit existing residential communities and where new residential developments are brought forward they should be fully provided for in terms of social infrastructure and the wider planning obligations outlined in this London Plan, including higher s106 and CIL contributions.’

The Plan needs to make stronger commitments to the string of social levers in policy at end of Economy Chapter (E11) and how these link to development in the CAZ, as well as Opportunity Areas. We note the consultation response from the London Regional TUC in relation to E11: ‘the potential employment and skills uplift from regeneration schemes and infrastructure investments has consistently been largely wasted’ and support the proposal ‘that the skills and employment outcomes should be regarded to be main outcomes and part of the

tender process, and not ancillary 'bolt-on' or supplementary outcomes, that are generally lost and forgotten about. The commitment made in point B is welcome, but it should be made mandatory to developments whenever possible, especially larger projects.'