

Indicative Matters and Issues for Examination

Hearing 3

Matter 5

Does the CS provide the most appropriate strategy towards jobs and business given the context of the Borough? Is the approach in general conformity with the London Plan and evidenced adequately, particularly with regard to the content of PPS4? Will the approach be effective, particularly with regard to flexibility?

- i The Core Strategy approach towards jobs and business is based on the principles of sustainable economic development as set out in PPS4 and local spatial planning set out in PPS12. The Core Strategy provides a clear economic vision and strategy for Haringey which positively and proactively encourages sustainable economic growth.
- ii The Core Strategy policies for employment and training are in general conformity with the London Plan, and they do provide the most appropriate strategy towards jobs and business in the borough.
- iii Core Strategy policies, SP8 and SP9, are important in achieving the vision and objectives of the Sustainable Community Strategy, the Regeneration Strategy by protecting the borough's hierarchy of employment land, providing more jobs and training opportunities needed to support Haringey's growing population and by securing land and premises for the borough's businesses. The approach to employment is considered to be effective for meeting the current employment needs of the borough and flexible enough to respond to changing economic circumstances.

1 Issue 5.1

To what is the Core Strategy and SP8 in general conformity with the London Plan, its draft replacement and PPS4? Do areas of discord remain?

- 1.1 It is considered that the Core Strategy and SP8 is in general conformity with the London Plan and its draft replacement. The London Plan is the spatial development strategy for Greater London setting out an integrated social, economic and environmental framework for future development over the next 15-20 years. The relevant policies are stated below:

The London Plan, Consolidated with Alterations (2008)

- 1.2 Policy 3B.4 **Industrial Locations** of the London Plan (2008) sets out guidance on the promotion, management and protection of Strategic Industrial Locations (SILs) around London. Boroughs should identify SILs in DPDs, and develop local policies and criteria to manage Locally Significant and other, smaller industrial site outside the SILs having regard to an assessment of supply and demand and the potential to redevelop redundant employment land for alternative uses. SP8 seeks to protect the borough's hierarchy of employment land from SILs to Locally Significant Industrial Sites and Local Employment Areas.
- 1.3 Policy 3B.11 **Improving employment opportunities for Londoners** states that the Mayor, working with strategic partners, will use a range of initiatives to remove barriers to employment and tackle low participation in the labour market. SP9 of the Core Strategy aims to address unemployment by facilitating training opportunities for the local population, increasing the employment offered in the borough and allocating land for employment purposes.
- 1.4 The London Plan divides London into sub-regions to facilitate the implementation of its strategic policies. The London Borough of Haringey forms part of north London.
- 1.5 Policy 5B.1 sets out a number of strategic priorities for north London and those particular to Haringey and the sub-region. The employment and town centre related priorities include the need to take advantage of the sub-region's exceptional access to the Central Activities Zone (CAZ) and to other growth and development areas, promote the contribution of the sub-region to London's world city role including that of the West End as an international shopping and leisure destination, optimise the development of Opportunity Areas and Areas for Intensification, address problems of social exclusion with particular emphasis upon tackling barriers to work and better access to childcare, manage the re-use of surplus industrial land, enhance the attractiveness of town centres and ensure that the optimum social, economic and accessibility benefits are derived from improvements in public transport capacity.
- 1.6 Policy 5B.2 identifies the Upper Lea Valley (including Tottenham Hale) as an Opportunity Area and Haringey Heartlands/Wood Green an Area for Intensification. It estimates that 15,000 jobs will be created in the Upper Lea Valley and 1,500 at Haringey Heartlands.

The Draft Replacement London Plan, (2009)

- 1.7 The DRLP sets out planning policies for London from 2011 – 2031. Core Strategy SP8 reflects the policy approach set out in the draft

replacement London Plan Policy 2.17 **Strategic Industrial Locations**. To provide clarity on the borough's hierarchy of employment land, as part of the additional Regulation 27 consultation on employment land, the Council proposed amendments to SP8 reflecting the correct industrial land designations and to respond to a general conformity issue from the Greater London Authority. In light of this it is considered that amended SP8 is in general conformity with the draft replacement London Plan.

- 1.8 A further change proposed by the Council, as part of the additional Regulation 27 consultation, to the supporting text of SP8, paragraph 5.1.4 is now in general conformity with Policy 4.4 **Managing Industrial land and premises** and the Mayor's Industrial Capacity SPG. Where local employment areas are no longer suitable for industrial or other employment generating uses a progressive release of the industrial land will be carried out, in accordance with the criteria set out in the Mayor's Industrial Capacity SPG.
- 1.9 The Council's approach to employment within the Core Strategy therefore is in general conformity with the draft replacement London Plan.
- 1.10 Please see the Council's Factual Statement on PPS4 to see how the Core Strategy complies with national guidance.

2. *Issue 5.2*

Is the evidence base robust and up to date? Including employment land survey, vacancy rates, employment profiles (inc self employed/home based/voluntary) etc ... (see PPS4). How has the policy been considered against alternatives? What implication does the Government's 'Planning for Growth' publication have for the Core Strategy?

- 2.1 Haringey's Employment Study (2004) and Update (2008) provide the main evidence guiding the Council's decisions regarding the provision of and demand for employment land and premises in the borough for the period up to 2026. Although the Employment Study Update (2009) predates the published PPS4, it is considered that the evidence base does meet the requirements of PPS4
- 2.2 Evidence in PPS12 paragraph 4.37 and PPS4 Policy EC1.1b indicates that evidence gathered should be proportionate to the importance of the issue and is up to date as practical having regard to what may have changed since the evidence was collected. The Council's approach accords with the above guidance for the reasons discussed below.

- 2.3 The 2009 Study highlighted the key changes to the employment supply side situation in Haringey. This has enabled a review of policy recommendations in light of policy changes, property market trends and updated projections of future employment floorspace need.
- 2.4 There are currently (2009) 58,425 employee jobs in Haringey of which 36,879 (63%) are full-time and 21,547 (37%) are part-time. In addition there are 18,300 self employed people operating within the borough taking the total number of jobs in Haringey to 80,603. Although not consistent with the data provided above, the 2001 Census found 8,416 home workers in Haringey, 13% of the jobs in the borough at the time of the Census. More information about jobs in the borough is provided in paragraph 7.1.

SP8 – the preferred approach

- 2.5 Having selected the overall spatial strategy for Haringey up to 2026, policy options were grouped into 12 policy themes; with SP5 Employment encouraging the expansion of employment and business opportunities to create a more diversified economy. In total, there were 27 policy options, consisting of preferred and alternative options for each policy. An appraisal of the policy options was undertaken against the Sustainability Appraisal (SA) Objectives and the findings of the Issues and Options consultation.
- 2.6 One alternative policy option was put forward for Employment at the Preferred Options stage of the Core Strategy (May/June 2009). This option was to *promote greater flexibility of land uses within employment areas including Strategic Industrial Locations*. This option was rejected as it did not support local employment and assumed a London scenario whereby growth will occur in business and financial sectors. This is not the reality of the Haringey local economy. In turn, this option would have an overall adverse effect on SA Objective 7 (sustainable economic growth). Inappropriate development in SILs can compromise the offer of sites as competitive locations for industry, transport, logistics, utilities or waste management. There would have also been an issue of non-conformity with the London Plan with this approach. Furthermore, the findings of the Issues and Options consultation highlighted support for the creation of employment and training plans and strong support to protect SILs, smaller industrial sites and locally significant employment sites for employment use. In addition, a mix of employment uses which would increase the range and number of jobs was strongly supported.
- 2.7 The preferred employment policy option was found to be the most sustainable as it performed well against SA Objectives 7 (sustainable economic growth) and, indirectly, 8 (skills and training) and 9 (economic inclusion). This option was also supported by the Employment Land Study. The policy option focused on facilitating the

restructuring of the borough's employment land portfolio to allow an increase in B1 floorspace whilst enabling the modernisation of old stock and managed transfer of obsolete industrial sites to alternative uses. The need for an increase in the provision of good quality, flexible office space, particularly for small businesses is supported by the views of commercial property agents active in Haringey (a survey carried out as part of the Employment Study). SMEs are also an important part of Haringey's economy and the London Plan highlights the need for local authorities to ensure adequate provision is made for SMEs, given the anticipated role of these businesses in accommodating future growth of employment outside Central London. Finally, training has a pivotal role in reducing unemployment and providing greater flexibility in the local economy. The preferred option also aimed to address this.

- 2.8 Following the Preferred Options consultation SP5 Employment was split into two policies for the Proposed Submission Core Strategy – SP8 *Employment* and SP9 *Improving skills and training to support access to jobs and community cohesion and inclusion*. It was considered that these two policies would properly address the policy aims of the Preferred Options policy SP5.

Planning for Growth

- 2.9 Haringey's Core Strategy was submitted before the Government published their proposals around *Planning for Growth, March 2011*.
- 2.10 The Treasury's 'Plan for Growth' seeks to make the UK the best place to do business in the G20. This is to be achieved by implementing a very competitive corporate tax regime, further removing regulatory burdens, promoting and investing in export and inward investment.
- 2.11 Haringey's Core Strategy will support the ambitions of Plan for Growth by delivering high quality employment sites for business growth and inward investment. We have already begun working with key partners such as North London Business, to increase the export capacity of our well established manufacturing and production base.
- 2.12 The Core Strategy also seeks to support the creation of a skilled and flexible local workforce that can support high growth. All major sites projects, including the proposed Upper Lee Valley Enterprise Zone will put the economic wellbeing and prosperity of local communities as a core objective.
- 2.13 The Government's top priority in reforming the planning system is to promote sustainable economic growth and jobs. The Government's clear expectation is that the answer to development and growth should wherever possible be 'yes', except where this would

compromise the key sustainable development principles set out in national planning policy.

- 2.14 Planning authorities should make every effort to identify and meet the housing, business and other development needs of their areas, and respond positively to wider opportunities for growth, taking full account of relevant economic signals such as land prices. Authorities should work together to ensure that needs and opportunities that extend beyond (or cannot be met within) their own boundaries are identified and accommodated in a sustainable way, such as housing market requirements that cover a number of areas, and the strategic infrastructure necessary to support growth. It is considered that Core Strategy SP1 *Managing Growth*, SP2 *Housing and* SP8 *Employment* strongly encourage and support growth, and the opportunities for growth in the borough are set out here.
- 2.15 One of the key implications of the Paper is that local authorities need to be sensitive to the fact that local economies are subject to change and so take a positive approach to development where new economic data suggest that prior assessments of needs are no longer up-to-date; An example of this being put into practice will be through the sub-regional local economic assessment produced by the North London Strategic Alliance; this provides the most up-to-date data about local economic need and will be a key component of the evidence base for the proposal to create an Upper Lee Valley Enterprise Zone; this will be further informed by the production of a Haringey Local Economic Assessment by September 2011.
- 2.16 *In addition*, the Government will introduce a package of measures to support town centres. It will work with local agencies and retailers to identify examples of what currently works well at local level, including examples of how to create vibrant towns, and disseminate this information through a single portal for local authorities. This will provide best practice guidance to local authorities and businesses on the potential benefits of Business Improvement Districts (BIDs) and how Local Authorities can use Compulsory Purchase Orders to help re-invigorate town centres. The proposed wider review of how change of use is managed within the planning system, set out in the Planning Review, will consider the scope for removing unnecessary barriers to innovation and diversification in retail.

3. *Issue 5.3*

How has the detailed need for land and floor space for economic development (including all main town centre uses) been assessed for the plan period (Policy EC1 PPS4)

- 3.1 Haringey's Employment Study provides estimates of the future demand for employment floorspace and employment land, derived

from employment forecasts. The Study sets out quantitative estimates of future floorspace need for the period 2006 – 2026. An estimated floorspace requirement of approximately 137,000sqm for the period 2006 – 2026 has been identified. This includes a net reduction in demand for industrial/B2 floorspace of around 65,000sqm as well as a modest net increase in B8 of 35,000sqm.

- 3.2 The Study looked at three sets of forecasts to provide a range of potential employment growth paths for Haringey, based on three different scenarios which allowed for an exploration of different influencing factors. Scenario 1 provided the most constrained forecasts and is closely linked to historical employment trends. Scenario 2 allows for a higher rate of employment growth and assumes a degree of success in economic development policy implementation at both the local and regional level, most notably allowing the business and professional services sector to grow at above its trend rate. A third final scenario provides an unweighted average of scenarios 1 and 2, thereby providing a basic central forecast which takes into consideration recent trends and policy implementation.
- 3.3 The scenarios indicate that demand for industrial land in the borough is likely to continue declining which will facilitate the managed release of economically obsolete sites to alternative uses. However, at the same time, there is significant scope for economic diversification to take place in Haringey which is supported by a range of policy measures. This will require the upgrading and improvement of significant parcels of employment land in the borough to facilitate the provision of good quality premises which can accommodate business and related services as well as some light industrial activities. Therefore, this will require the provision of a range of good quality B1 premises suitable for a range of business sizes and types.
- 3.4 The Study recommended that the Core Strategy policy focuses on facilitating the restructuring of the borough's employment land portfolio to allow an increase in B1 floorspace whilst enabling the managed transfer of obsolete industrial sites to alternative uses. To this end, Scenario 2 most closely reflects this approach. This approach is more likely to assist in stimulating sustainable economic growth compared to an approach which focused on a significant net increase or decrease in the total supply of employment land in the borough. This scenario is the most appropriate for Haringey, given measures being taken to diversify the local economy and to introduce more higher-value activities to the borough.
- 3.5 The appraisal of town centre employment sites focused upon the assessment of areas of opportunity for redevelopment sites, vacant premises with potential for re-use for employment use and an audit of

existing employment use sites not identified in the individual employment site appraisals.

- 3.6 It is considered that SP8 complies with PPS4 Policy EC1 for the reasons set out above.

4. Issue 5.4

Does the policy cater adequately for all forms of employment generation? Is it unduly skewed towards industrial land?

- 4.1 It is considered that Strategic Policy 8 promotes a proactive and positive approach to planning for economic development, and that it is not skewed towards industrial land.
- 4.2 In line with the London Plan and PPS4, Haringey has established a hierarchy of Employment Land. This states that the Council will safeguard Strategic Industrial Land and Locally Significant Industrial Sites for a range of industrial uses (B1 (b), (c), B2 and B8). A third category Local Employment Areas (LEAs) are employment sites that offer a more flexible approach to the uses on them which could include residential, employment (creative and cultural) and community facilities.
- 4.3 The categories above also reflect the findings of the Employment Study.
- 4.4 It is important to note that Core Strategy policies should be flexible enough to accommodate sectors not anticipated in the plan and allow a quick response to changes in economic circumstances, PPS4 Policy EC2: *Planning for Sustainable Economic Growth*. It is considered that SP8 and Local Employment Areas would be flexible to accommodate specific sectors not anticipated in the Core Strategy.
- 4.5 Furthermore, to respond to an objection received from the GLA on the hierarchy of employment land, the Council proposed some amendments to SP8 to clarify the employment categories. This change can be found in the Council's **Schedule of Focused Changes**.

5. Issue 5.5

Is the release of employment land (principle and quantum) justified and consistent with the London Plan and its draft replacement?

- 5.1 Yes, the release of employment land is justified and consistent with the London Plan and its draft replacement. Strategic Policy 8 Employment (paragraph 5.1.4) states that where local employment areas are no longer suitable for industrial or other employment

generating uses a progressive release of the industrial land will be carried out, in order to facilitate urban regeneration. However, to provide further clarity, as part of the additional Regulation 27 consultation on employment land, the Council proposed amendments to paragraph 5.1.4 reflecting the industrial land release criteria set out in paragraphs 4.11 – 4.13 of the Mayor’s Industrial Capacity SPG.

- 5.2 In terms of industrial land release across London, Haringey is placed in the ‘limited transfer’ category which is the middle of the three transfer classifications. This classification aims to encourage local authorities (including Haringey) to manage, and where possible, reconfigure their portfolios of industrial land, safeguarding the best sites and phasing the release of industrial land to reduce vacancy rates towards the London-wide frictional rate of around 5%.
- 5.3 The London Industrial Land Release Baseline Study (2010) provides a robust estimate of land in industrial and related uses in all boroughs across London. Within the north London sub-region the quantum of release has been significantly less than the Benchmark Study (2007) as only around 12 ha has been released compared with a Benchmarks figure of 43 hectare release.
- 5.4 Therefore, it is considered that the release of employment land is justified and consistent with the London Plan and its draft replacement.

6. Issue 5.6

Should Locally Significant Industrial Sites be enabled for a range of B uses and uses that share strong similarities to these classes?

- 6.1 It is considered that those sites identified as *Locally Significant Industrial Sites* should only allow uses within the B Use Classes, in line with London Plan policies and the Mayor’s Industrial Capacity SPG. The Council considers the other category within the hierarchy of employment land – *Local Employment Areas* to accommodate other uses than B uses in order to create a diversified economy.
- 6.2 In light of this, with the Inspector’s agreement, the Council is proposing to delete the following words “***or uses that share strong similarities to this use class***” from the first sentence of paragraph 5.1.10.

7. Issue 5.7

How many jobs exist in the Borough? How will Haringey contribute effectively (principle and quantum) to the north London sub region target?

- 7.1 Since the Core Strategy was published, we have obtained a more up to date figure for the number of jobs in the borough. Figures taken from the 2009 Business Register and Employment Survey (ONS)

Total Haringey Employees	58,425
<i>Full-time employees</i>	36,879 (63%)
<i>Part-time employees</i>	21,547 (37%)
Total Haringey Employment	62,303
Total Self Employed	18,300
Total Borough Jobs 2009	80,603

- 7.2 Since the GLA evidence base was produced – and projections for employment growth were set – total jobs in the borough have actually fallen by nearly 5%. The projection for 2011 was for in excess of 2% growth; an additional 6,000 jobs will need to be created to fall in back in line with this projection by the next release of data (2011 data) and pre CS implementation. To hit the next target in 2016 a further 2,000 jobs need to be created – 8,000 in total since 2007. If the 137k m2 fig for retail growth is realised, that will equate to roughly 7,200 jobs (using OffPat/HCA employment density ratios).
- 7.3 Bringing forward an Enterprise Zone for the Upper Lee Valley and intensifying the development and occupation of high quality B1 land could yield anywhere between 8,000 and 40,000 jobs, providing a significant contribution to the north London sub-region target.

8. Issue 5.8

Where is the evidence which indicates that the anticipated need for 137,000m2 of floorspace will be accommodated adequately?

- 8.1 Haringey’s Employment Land Study indicates a total floorspace requirement of approximately 137,000 sqm for the period 2006 – 2026. This scenario represents an increase of around 15% in the stock of B use class floorspace in the borough during that period. It is considered that this scenario is the most appropriate for Haringey, given measures taken to diversify the local economy and to introduce more higher-value activities to the borough. Whilst it allows for the transfer of obsolete industrial sites made available through contraction in the manufacturing sector, it also embraces a growth in demand for businesses which will require good quality office and light industrial premises.
- 8.2 The business survey reinforced the findings of the assessment of future employment floorspace demand. It highlighted that a significant

proportion of businesses in Haringey are well established in the borough and typically employment workers want to live locally. Around 25% of existing businesses are intending to expand their use of floorspace.

- 8.3 In facilitating this restructuring/economic diversification approach, SP8 aims to strongly protect all existing employment sites which encourage the intensification and improvement of employment areas. It is considered that this future demand in floorspace of 137,000 sqm can be met through diversification and intensification of employment areas. SP1 *Managing Growth* and SP8 *Employment set* out the quantum of growth over the life of the Core Strategy.
- 8.4 Whilst there is a relatively small quantitative shortfall in supply relative to projected demand, it is not considered necessary to allocate additional employment sites. Of particular importance, however, will be the effect of economic restructuring which is likely to see the re-use and redevelopment of land at higher densities relative to declining activities in the manufacturing sector.
- 8.5 As stated above, it is considered that the borough's existing designated employment sites, through the necessary restructuring and intensification, will meet the increased employment floorspace requirement

9. Issue 5.9

Should there be a jobs target for the plan period? (PPS4)

- 9.1 To accord with policy EC2.1 (g) of PPS4, employment growth projections for the north London sub-region are included in the Core Strategy. Haringey has a key role in contributing to this target
- 9.2 A jobs 'target' at a borough level can be very uncertain as urban economies are very open and strongly integrated with those of surrounding areas. In other words, conditions which will determine employment growth in any one borough will be determined in many ways by forces external to that area. The Council believes that targets are much more appropriate at the sub-regional and regional levels.

10. Issue 5.10

How will land be secured for necessary transport functions? Para 5.1.20. Evidence?

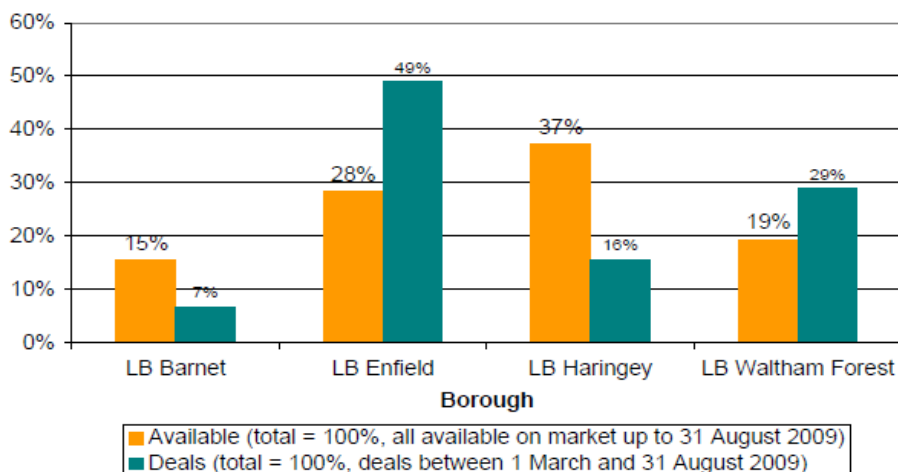
- 10.1 Transport for London will take a lead role in identifying rail freight locations in London. The Council believes the last sentence in paragraph 5.1.20 is not necessary and with the Inspector's agreement, suggests deleting it.

11. Issue 5.11

What relevance has para 5.1.25 to the wording of SP9? What is meant? Does the policy/CS cater adequately for micro SMEs?

- 11.1 The London Plan highlights the need for local authorities to ensure adequate provision is made for SMEs given the anticipated role of these businesses in accommodating future growth of employment outside Central London.
- 11.2 In line with PPS4 Policy EC2: *Planning for Sustainable Economic Growth* Strategic Policy 9 promotes the diversification of the borough's economy and support new and expanding employment sectors such as green industries and small and medium sized enterprises.
- 11.3 Research carried out by North London Business in collaboration with private sector partners such as CB Richard Ellis and GVA Grimley, they cite the following evidence using information from the research and their own property search service.
- 11.4 The graph below shows that, whilst Haringey has the highest percentage of available industrial units they are behind Enfield and Waltham Forest in terms of the number of deals done. This suggests a number of issues:
- that the units are of poor quality
 - that they are poorly marketed.
 - That they are overpriced or the terms are not favourable.

Figure 5 - Percentage of All Industrial Unit Properties to 31 August 2009 - By Borough



- 11.5 The four North London boroughs provide significant levels of office accommodation, but some 30% were built before 1980 and 40%

before 1940 representing older stock than some other parts of London. The economic recession has clearly driven down office rental values and increased the short-term supply of floorspace (some 34,000 sq m is currently available). However while the supply is there now, it is clear that the quality, choice and mix of office accommodation needs improving if it is to work in the longer term. The graphs below show that the availability of leasehold office space is weighted towards the small end of the market and that Haringey has a small offer (fig 3), but fig 6 shows that for those smaller units, demand outstrips supply.

Fig. 3 No of Leasehold Offices Available by Size Band & Borough (Jan 2010)

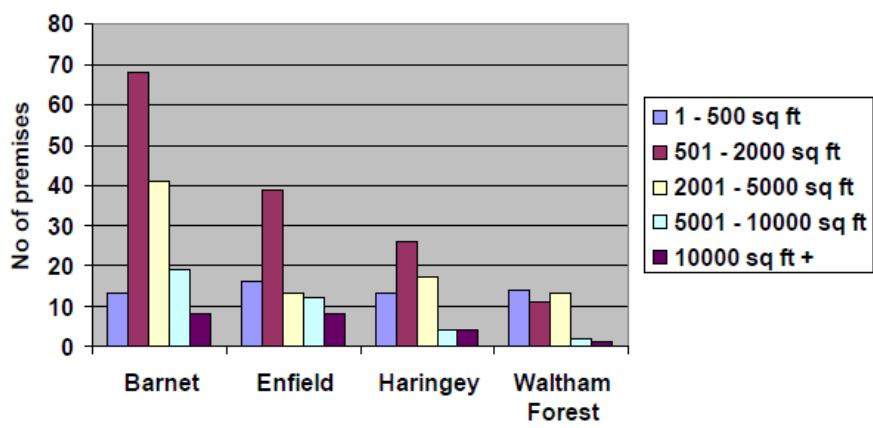
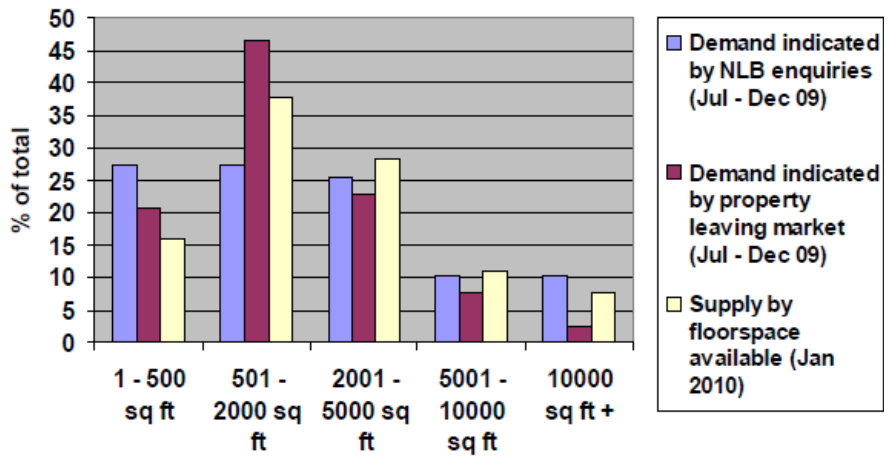


Fig 6 Comparison of Demand & Supply by Size Band



11.6 Further to this, the Council has worked closely with managed workspace providers such as the London Youth Support Trust who have continually pressed for investment in more and better quality move-on space for SMEs. Our problem being, not only supply for start-ups, but also for those SMEs looking to expand or being forced to move out of incubator space.

12. Issue 5.12

How will the aims of SP 9 be secured and monitored?

- 12.1 At the end of each chapter of the Core Strategy, there is a list of indicators to monitor the delivery of each strategic policy. The indicators have been specifically selected to address every policy as far as possible. 'Haringey's Monitoring Framework' sets out further detail on national, core and local indicators. The Framework will be the basis upon which the Core Strategy will be monitored and reviewed. All indicators and targets will be subject to periodic review through the Annual Monitoring process.
- 12.2 The monitoring framework is flexible and will be reviewed and amended to reflect the changes in performance management, monitoring guidance and the data collection responsibilities all of which are currently being reviewed, revised and streamlined at national, regional and local level. Where necessary, new indicators will be created and obsolete ones will be deleted to meet changing circumstances.
- 12.3 The aims of SP9 will be monitored the following way:
1. **level of unemployment;** - measured by the proportion of the population aged 16-64 in the borough claiming out of work benefits;
 2. **level of new qualifications achieved by Haringey residents;** - it is proposed to include an indicator based on the proportion of residents aged 16-64 with low (NVQ level 1) or no qualifications. Data for the originally proposed indicator was provided by the Learning and Skills Council (LSC). With the LSC abolition it has become increasingly difficult to measure this indicator with data providing full borough coverage. It is therefore proposed to switch to an indicator based "on low or no qualifications", with the data coming from the Annual Population Survey which will allow regional and national comparisons to be made.
 3. **number of long term unemployed entering back into sustained work.** - this can be measured through the Haringey Guarantee, subject to members approving funding, and possibly in the longer term also through DWP procured programmes operating in the borough, such as the Work Programme.
- 12.4 With the Inspector's agreement, the Council is suggesting that the list of indicators on page 123 of the Core Strategy and the existing 'Haringey's Monitoring Framework' is updated to reflect the change set out in bullet 2 above.