

# Barnet Local Plan EIP – Note on Office Space and Policy ECY01

## Reason for producing this note

On Day 4 (Tuesday 4<sup>th</sup> October) at the hearing session's, consideration of Matter 4 – Economy, Employment, Retail and Town Centres, Inspector Wildgoose requested provision of a note covering

- Any justification for the “up to” 67,000 m<sup>2</sup> office space wording in BSS01(iii);
- Consideration whether that figure should alternatively be expressed as a range;
- Update and reflect on policy ECY01(a), in particular whether a prefix of “where possible” is needed in light of changes made to the UCO;
- Considering consistency between ECY01(a) and (h);
- The time period set out in policy ECY01(i).
- Review the approach to office safeguarding generally following the expiry of the Article 4 direction and UCO changes.

## Background

As acknowledged in both the London Office Policy Review 2017 (LOPR) [EB\_E\_05] and the Barnet Employment Land Review (BELR) [EB\_E\_04] the delivery and retention of office space across London has been challenging. For Barnet, as an outer London Borough with no commercial focal point and a small office market with stock that is ageing and dispersed across the Borough, the challenge is heightened. This is especially the case as the grant of permitted development rights for office to residential has meant that Barnet has lost significant levels of office stock.

The BELR has assessed these challenges. As part of this assessment, it has considered the scenarios and sensitivity tests undertaken as part of the LOPR. These are set out in the BELR at figure 7.4 (page 99) providing a range of forecasts for additional office space demand in Barnet until 2036 (Local Plan period) and 2041 (London Plan period).

The Local Plan currently cites a figure of up to 67,000m<sup>2</sup> of additional office floor space. This figure is in addition to the consented office floorspace at Brent Cross. The 67,000 m<sup>2</sup> is the composite forecast for the Barnet Local Plan period. It represents the average of the delivery trend and the central based employment projections (i.e. the density of staff per square metre of office space). The BELR also sets out a forecast range for new office floorspace provision of 67,000 to 106,000m<sup>2</sup> (para 7.3.6) by 2036.

At least 40,000m<sup>2</sup> of office space was lost between the time that the permitted development rights were introduced through the changes to the Use Classes Order (May 2013) and March 2017. In order to manage that loss more effectively the Council introduced an Article 4 Direction in October 2019. This safeguarded sites which were important to the economic sustainability of Barnet. As a consequence of the introduction of Use Class E – Commercial, Business and Service Uses the Article 4 Direction expired in July 2022 and this is reflected in Main Modifications (MM212 to MM215).

The Council is considering planning and non-planning options in terms of more effectively managing Use Class E. It will be informed by the publication in 2023 of the West London

Alliance Use Class E Town Centre Study. However, within the Local Plan the Council acknowledges that it has to set policy within the parameters of the Use Classes Order.

Given the loss of stock and the general fragility of the office market in the Borough this projected level of supply of 67,000m<sup>2</sup> seemed realistic for the Local Plan period at the time of drafting. The Council therefore chose to take a cautious approach in relation to the provision of new office space due to the level of attrition it had experienced from the first change to the permitted development rights in 2015. The COVID-19 pandemic has exacerbated this by increasing the amount of time employees work from home and therefore in some instances encouraging employers to decrease the amount of office space that they occupy. However, placing a range of 67,000m<sup>2</sup> to 106,000m<sup>2</sup>, as set out in the evidence, for the delivery of office space in Barnet in the Local Plan demonstrates that the Council welcomes this use in Town Centres across the Borough and supports the economic sustainability objective of the NPPF.

## Consideration

- **Policy BSS01 (i)** There is now an increased likelihood that development at Brent Cross will deliver a reasonable proportion of the permitted 395,297sqm of office floor space. Accordingly, the BELR forecast range of 67,000 to 106,000m<sup>2</sup> for office space outside of Brent Cross can be incorporated into Policy BSS01 and Policy ECY01 over the Plan period.

Proposed change to BSS01(i) is as follows :

~~iii. Up to 67,000 m<sup>2</sup> of additional office space across Barnet's town centres, including the provision of affordable workspace to meet Policy ECY02;~~

ii Delivering between 67,000m<sup>2</sup> and 106,000m<sup>2</sup> of new office space in Barnet's town centres, including the provision of affordable workspace to meet Policy ECY02.

- **Policy ECY01(a)** The Council considers that the following wording better reflects the removal of the Article 4 Direction

Where possible, seeking to retain office space in Town Centres and edge of centre locations and encouraging new offices into these locations. Any proposals for redevelopment of office uses outside these locations must demonstrate that the site is no longer suitable and viable and that an alternative business use including affordable workspace solutions has been considered and that a suitable period of active marketing of 12 months has been undertaken. Where this can be demonstrated the proposal will be expected to provide an appropriate mixed use redevelopment ~~including~~ such as residential and community use and/or retail (on an active frontage location) as well as re-provision of employment use.

- **Policy ECY01(h) and (MM223)** The Council considers the following wording will improve consistency between ECY01 (a) and (h) :

Where possible seeking to protect existing office accommodation and light industrial uses in the Borough especially those in Town Centres and LSIS areas covered by Article 4 Direction. The loss of employment accommodation in these areas will not be supported.

- **Policy ECY01(i)** The requirement for applicants to provide marketing evidence to demonstrate vacancy is a long standing standard approach across London. The London Plan paras 6.1.7 and 6.7.5 requires marketing evidence of at least 12 months

for loss of office and industrial space respectively and provides for Development Plans to require a greater timeframe; for instance both Brent and Southwark Local Plans require marketing evidence for 24 months.

The use of a 12 month marketing period for town centre and employment uses has proved to be extremely effective within Barnet. This reflects the current Local Plan para 15.2.4 and Policy DM14 of the Development Management Policies Document [Core\_Gen\_15]. The continuation of the 12 month requirement is therefore consistent with the London Plan and a pragmatic approach for the Borough as there is no evidence to require a longer than 12 month period of marketing.

- **Amend Para 9.9.4** Outside LSIS all employment spaces will be protected where viable to enhance Barnet's local economy and support enterprise potential. ~~Effective marketing is where a site has been continuously actively marketed both for sale and rent for a period of 12 months at an appropriate price which can be agreed in advance with the Council (at pre-application stage if appropriate) for re-use or redevelopment for employment use and no interest has been expressed.~~
- Additional para on marketing

To demonstrate a lack of market demand for the for an employment use an applicant should submit transparent and robust marketing evidence that the site has been vacant and that a thorough continuous marketing exercise has been undertaken and sustained for a 12 month period, immediately prior to any planning application. Marketing must be through a commercial agent that sets out the competitive price that genuinely reflects the market value of the property in relation to its use, condition, quality and location. It must be demonstrated that consideration has been given to alternative layouts and business uses, including smaller premises with short term flexible leases appropriate for SMEs.

## Conclusion

The above suggested modifications have been produced in order to provide further clarify and ensure internal consistency throughout the draft Barnet Local Plan and its evidence base.

- i) Any justification for the "up to" 67,000 m<sup>2</sup> office space wording in BSS01(iii); *There is a proposed amendment to BSS01 and related text throughout the Plan to reflect the evidence base which provides a projected office floorspace provision of 67,000m2 to 106,000m2.*
- ii) Consideration whether that figure should alternatively be expressed as a range; *This is reflected in the proposed modifications to better reflect the evidence base.*
- iii) Update and reflect on policy ECY01(a), in particular whether a prefix of "where possible" is needed in light of changes made to the UCO;
- iv) Considering consistency between ECY01(a) and (h);
- v) The time period set out in policy ECY01(i). *A proposed modification to the proposed policy and additional supporting text provide clarification on this matter.*
- vi) Review the approach to office safeguarding generally following the expiry of the Article 4 direction and UCO changes.

*Modifications to ECY01 and the supporting text have been suggested to better reflect the expiry of the Article 4 and the how the Plan policies should be changed to respond to this.*