

London Borough of Barnet Local Plan – Examination

Inspectors' Matters, Issues and Questions for Hearing Sessions - Autumn 2022

Matter 4: Planning for the Borough's economy, including employment, retail and other main town centre uses

Issue 1:

Whether the Plan has been positively prepared and whether it is justified, effective, consistent with national policy and in general conformity with the London Plan in relation to the Borough's economy and employment?

Questions:

- 1) What is the evidence in relation to jobs growth and the need for employment land/floorspace in the Borough over the Plan period? Is the employment land evidence base sufficiently up to date taking account of market signals and if so, to what extent are the policies in the Plan informed by it?

The Local Plan is supported by the Barnet Employment Land Review [EB_E_q04], West London Employment Land Review (WLELR) [EB_E_09] and the London Industrial Land Demand Study (LILDS) [EB_E_06]. These were completed before 2020. COVID19 has greatly impacted the economy with the full long-term effects upon business and employment, remaining relatively unknown over 2 years after the outbreak of the pandemic. Added to this complication is the impact of the UK's exit from the European Union together with the implications for energy prices arising from the war in Ukraine. Market signals indicate that in relation to industrial land there is still a strong market across London and that industrial land uses are likely to recover faster than other employment uses across London, due to the combination of scarcity of space and also the need for employees to attend the place of work. The policies are informed by the evidence. The uncertainties arising from impacts arising from COVID, Brexit and the international situation with regards to Ukraine are beyond the influence of the Council. The longer-term impacts of these uncertainties will need to be considered post adoption in next iteration of the local plan. In these difficult circumstances the Local Plan takes a pragmatic and realistic view to employment growth.

- 2) What is the overall amount of employment development envisaged by type in the Plan (in terms of employment land/floorspace) and is it sufficient to meet the range of identified needs?

The Local Plan's approach is to ensure no net loss of employment land with additional space created in appropriate locations. This approach is supported by Tables 13.3 and para 15.1 of the LILDS [EB_E_06] and Table 68 of the WLELR

[EB_E_09]. Both the LILDS and the WLELR show that Barnet would need a moderate gain in industrial land to meet demand. It is not a requirement of the NPPF or the London Plan that Barnet identify where this gain should occur. By having policies that encourage retention of employment land and economic growth in the Borough the draft policies are compliant with the intent of the NPPF and London Plan.

- 3) Is the Plan sufficiently clear as to the amounts and location of office and general industrial floorspace (and those otherwise falling within Classes B1(b), B1(c) and B8) that it intends to allocate or identify?

Yes. Table 14 in the Local Plan provides a comprehensive list of the sites and their area in hectares that have clustered industrial and business uses across the Borough. These are the Borough's Local Strategic Industrial Sites (LSISs) and Business Locations and are clearly mapped on the Local Plan Policies Map. There will continue to be non-designated industrial uses across the Borough, these tend not to be clustered with other similar uses. Where considered to enhance Barnet's local economy and in accordance with other local plan policies, including the agent of change principle, the Council will support non-designated industrial uses across the Borough, including in locations where they are not necessarily clustered with other similar uses.

- 4) Have any alternative options for the distribution of new employment development been considered? If so, what were they?

No. The Council refers to the Green Belt / MOL Study (EB_GI_16) which ruled out releasing designated land to meet the Borough's growth needs. The existing Local Strategic Industrial Sites (LSISs) and Business Locations are distributed across the Borough as are the Town Centres where light industrial and commercial employment is also based.

- 5) Should the Plan be clearer as to the requirements (if any) for employment floorspace within specific designations or locations identified in the Plan such as Growth Areas; District Town Centres; areas of Existing and Major New Public Transport Infrastructure; areas of Estate Renewal and Infill; Major thoroughfares, or elsewhere?

No. There are no requirements in the NPPF or London Plan for Barnet to deliver proscribed levels of employment floorspace. The policies encourage employment floorspace into town centres, LSISs and the Growth Areas as these are the most appropriate locations for place making and sustainability. The Council highlights within the Summary Table of Annex 1 where commercial uses should form an element of mixed-use development.

- 6) What effects, if any, have recent changes to the Use Classes Order had on the employment policies in the Plan, taking account of the presence of a (soon to expire) Article 4 direction implemented to protect existing office accommodation and what are the intentions of the Council's proposed modifications in respect of the Article 4 direction?

The changes to the Use Class Order have meant that the B1(a) and B1(c) use class terms have been replaced by E (g)i and E (g)iii respectively, while the terminology has changed the purpose of each of these classes has not, the policies therefore remain relevant. The Council's Proposed Modifications (EXAM 4) remove references to the Article 4 Directions as they expired on July 31st. The Council continues to assess its options in relation to bringing forward new Article 4 Directions in relation to employment uses. This will be supported by the forthcoming evidence from the West London Alliance study referred to at Matter 2 Q21.

- 7) Is the Plan approach to the identification in Table 14 of employment locations classified as Locally Significant Industrial Sites (LSIS) and Business Locations, justified by evidence and would the related approaches in Policy ECY01 to development of those sites/locations, be effective, consistent with national policy and in general conformity with Policy E6 of the London Plan?

Yes. The Barnet Employment Land Review [EB_E_04] provides information on each of the employment areas in Barnet and their importance to the economic sustainability of Barnet. NPPF [Core_Gen_33] Paras 7 and 8 requires the planning system to assist in achieving sustainable development, this includes delivery of the economic objective. Para 81 requires that planning policies should enable businesses to invest, expand and adapt. London Plan [Core_Gen_16] Policy E6 requires boroughs to designate and define the Locally Significant Industrial Sites [LSIS] which the Plan does as part of Policy ECY01 The Mayor of London (Core_Gen_06) confirms that the draft Plan is in conformity with the London Plan. By designating LSIS and Business Locations in the Borough the Plan is therefore consistent with meeting the NPPF economic objective and providing opportunities for businesses in the Borough.

- 8) Is the approach of Policy ECY01 with respect to the employment-led focus upon co-location of industrial premises with new homes in LSIS justified and in general conformity with Policy E7 of the London Plan? Does the Plan appropriately account for circumstances where co-location of existing employment land may be proposed and there would be no net loss of employment floorspace?

Yes, Policy ECY01 is in general conformity with London Plan [Core_Gen_16] Policy E7. ECY01 is ensuring that the designated employment area (LSIS), continues to be dominated by employment uses. Barnet's LSIS can contain a variety of industrial uses. The presence of residential uses can impact on the ability of the businesses to operate, negate its purpose and undermine the economic sustainability of Barnet. However, as detailed in ECY01g), in circumstances where the co-location of residential uses is proposed within an LSIS any development should be employment led and the agent of change principle applied in favour of any existing and proposed employment uses. The LILDS and WLELR [EB_E_09] both recommended that Barnet should be seeking to provide employment space

and that a no net loss approach would not achieve this nor would it ensure that the employment areas continued to be dominated by employment uses.

9) Is the proposed location-based approach of and associated requirements in Policy ECY02 with respect to affordable workspace, including the provision of 10% of proposed gross employment floorspace for such purposes (or equivalent cash-in lieu payment for off-site provision); justified, effective, consistent with national policy and in general conformity with the London Plan? Responses should specifically address:

a) Whether there is sufficient evidence of the amount of affordable workspace that would be provided and whether it is viable in the locations identified in part a) of Policy ECY02?

WLELR [EB_E_09] paras 4.14, 4.21 and 4.38 highlight that the industrial stock in Barnet is aging, dominated by small units and at rents which are cheaper than other West London boroughs. The workspace is not therefore affordable in terms of being formally rented at below market rent but could be considered low cost business space as defined by the London Plan in para 6.2.4. London Plan Policy E2 and supporting text recommends that Local Plan policies should aim to protect such space. Rents in the Borough are lower than other boroughs due to the ageing stock. If the existing stock was redeveloped the only way in which the Council can ensure provision of a sufficient supply and variety of affordable business space is to secure affordable workspace. Barnet's Local Plan Viability Assessment [Core_Gen_01] highlights that the viability will differ depending on the scheme, but that overall the impact on development viability will be minimal.

b) How payments in lieu for offsite affordable workspace would be calculated and whether such detail should be included in the Plan?

Para 9.10.5 of the Local Plan sets out the Council's approach to payments in lieu. This is considered to be an industry standard method of calculating the cost of delivering business space. Further detail will be set out in the forthcoming Planning Contributions SPD which will replace existing SPDs on Planning Obligations (2013) and Skills Employment Enterprise & Training (2014).

c) How eligibility for affordable workspace would be considered and secured?

The Council, as set out in para 9.10.5, encourages developers to liaise with workspace providers who would manage the space and identify appropriate tenants.

d) How existing affordable workspace would be retained in the Borough?

At present there is no existing affordable workspace in the Borough that has been secured through a s106 agreement. In most cases the likelihood is that low cost workspace would probably be lost if a site containing low cost space were to be redeveloped.

- e) Whether the policy intends to require affordable workspace as part of employment refurbishment proposals or any net new employment floorspace (such as extensions to existing premises in single or multiple occupancy) and if so whether it is justified in that respect?

Policy ECY02 (a) states ‘new workspace’ would not be expected for a business that was expanding or extending its existing space to provide affordable workspace unless it was part of an intensification development and the new floorspace created was creating additional units to be used by different business enterprises.

- f) Whether the proposed modifications to Policy ECY02 in terms of consistency with Policy TOW1 and to include a Cat A requirement are necessary for soundness?

Proposed Modifications (EXAM 4) (MM225) provides clarification on Category A fit out. This is the standard that all new employment space is expected to be delivered to. This also helps ensure that the space is ready to be occupied by prospective tenants without the tenants having to invest in basic amenities such as lighting and toilets. There is no inconsistency with TOW01.

- g) Whether criteria a) to d) are sufficiently flexible to account for site specific circumstances and deliverability considerations?

Yes, criteria a) to d) are flexible enough to take into account site specific matters.

- h) Whether any other modifications to Policy ECY02 are necessary for soundness?

No modifications are required for soundness.

- 10) Are the requirements of Policy ECY03 in terms of local jobs, skills and training for qualifying development, seeking to deliver construction phase training in conjunction with Council recognised providers and requiring compliance with guidance in future SPDs; justified, effective, consistent with national policy and in general conformity with the London Plan? Responses should specifically address:

- a) How eligibility as ‘qualifying development’ would be defined?

Para 9.11.4 of the Plan defines the majority of major developments as being able to provide opportunities for apprenticeships, and work experience for residents and local suppliers during construction and developments creating 20 or more full time end use jobs as being able to provide opportunities for residents. These thresholds are considered to define a qualifying development.

Whether there is sufficient evidence that the skills, employment and training opportunities to be delivered from development would be viable and are the Council’s proposed modifications necessary for soundness in terms of how contributions would be secured?

It is standard operating practice in London for developers to provide for the improvement of skills on construction sites. The Council's Business, Employment and Skills Team engages with developers to determine the level of skills, employment and training opportunities that are appropriate for the development to provide. As the Barnet Local Plan Viability report states this is a matter that is addressed by on-site solutions. The Council's Proposed Modifications (EXAM 4) (MM228) remove reference to the term Local Employment Agreement (LEA) which is no longer a relevant term. Removal of the term LEA does not impact on the soundness to the policy or how the contributions are secured.

- b) What would be considered exceptional circumstances for financial contributions to offset unfilled deliverables, how such contributions would be calculated and whether such detail should be included in the Plan?

The Council considers that this is a level of detail more appropriate to a SPD. At present exceptional circumstances are explained and calculations provided within para 2.8 of the SEET SPD [EB_E_01]. This information would be expanded in the forthcoming Planning Contributions SPD which will replace the SEET SPD.

- c) How eligibility as a Council recognised construction-phase training provider would be defined and/or identified for applicants?

The forthcoming Planning Contributions SPD will provide the opportunity for the Council's Business, Employment and Skills Team to set out appropriate definitions.

- d) Whether the policy can reasonably seek compliance with requirements to be set in future SPDs and whether proposals should alternatively 'have regard to' those SPDs instead?

The SPD will provide detailed guidance for Policy ECY03. As highlighted in the Local Development Scheme the Council expects to produce the Planning Contributions SPD soon after Local Plan adoption. The Council accepts that it is unreasonable for Local Plan policies to require compliance with requirements to be set out in future SPDs. Therefore, the Council would support a further modification to the wording of part c) of the policy deleting the word 'requiring' and making clear that if proposals are to 'have regard' to the requirements to be set out in forthcoming SPD.

- e) Whether criteria a) to c) are sufficiently flexible to account for site specific circumstances and deliverability considerations?

Yes, the Council considers that these policies, with the proposed modification, will allow for site specific matters to be taken into account.

- f) Whether any other modifications to Policy ECY03 are necessary for soundness?

No further modifications are required for soundness.

Issue 2:

Whether the Plan has been positively prepared and whether it is justified, effective, consistent with national policy and in general conformity with the London Plan in ensuring the vitality of the Borough's town centres and local/neighbourhood centres?

Questions:

- 1) Has the Plan approach been informed by adequate and proportionate evidence in relation to Barnet's town centres and local/neighbourhood centres? Responses should specifically address:
 - a) Whether the evidence reflects the level of population being planned for in the Borough?

Although the Local Plan looks ahead to 2036, it will be reviewed, as recommended by the NPPF within five years in order to reflect changing circumstances locally or changes to national policy. The Town Centre Floorspace Needs Assessment (TCFNA) (EB_E_02) was underpinned by the Local Plan's initial expectations of growth. Evidence of the long-term impact of Brexit and COVID19 on Barnet and London, in particular on demographic projections, will feed into the review of the Local Plan as well as the London Plan. Added to the evidence mix will be further assessment on the global implications of the war in Ukraine and the cost of living crisis.

- b) Whether the evidence is relevant, up-to-date and takes appropriate account of market signals, when having regard to recent changes to the Use Classes Order?

The Technical Paper on Town Centres and Retail (EXAM 11) at Section 3 highlights the relevance of the TCFNA to the Plan with the caveat that it was produced on the basis of the pre-2020 Use Classes Order and before COVID19. Whilst acknowledging a movement away from more traditional town centre studies such as the TCFNA, this evidence remains relevant as COVID19 has amplified trends such as the impact on town centres of e-tailing (online shopping) and m-tailing (mobile app shopping). The Technical Paper explains how the Council has commissioned as part of the West London Alliance a Use Class E Town Centre Study. This Study is expected to help improve our understanding of town centres, rather than simply replace the TCFNA. It is expected to provide a reality check on what can and cannot be done through the planning system as well as the scope for a wider focus that goes beyond planning responses on managing land uses.

- c) If not, what is the Plan seeking to achieve relative to the requirements for and distribution of main town centre uses?

The Council as set out above considers the evidence to still be relevant and capable of underpinning the Local Plan's approach to managing town centres. In response to the changes to the Use Classes Order the Council's role remains proactive in helping to create the conditions and provide opportunities for place shaping role for town centres going forward. This is reflected in paras 7.2.3 – 7.2.4 of the Local Plan which highlights the opportunities presented by Barnet's diverse town centres, providing a unique and potentially specialist offer which is the result of good growth.

- d) Whether the Plan is positively prepared, justified, effective and consistent with national policy with respect to the approach to the Borough's town centres and local/neighbourhood centres when having regard to responses to parts 1 a) to c) of this question and if not, how could soundness be achieved?

Yes. The Local Plan is positively prepared and consistent with national policy, detail is provided in the Technical Paper on Retail/Town Centre Uses April 2022 [EXAM_11].

- 2) Are there sufficient allocations/permissions to meet the identified needs of each type of main town centre use set out in the Barnet Town Centre Floorspace Needs Assessment 2017 (EB_E_02)? If not, is the approach of the Plan justified and consistent with national policy insofar as it is required to look forward at least 10 years, or is there a net requirement still to be identified for each type of main town centre use?

As outlined above the world has moved on some way since the TCFNA was published and considerable uncertainties remain. The Plan has been required to adopt a more flexible, realistic and pragmatic approach to main town centre uses, moving away from top down targets and allocations of floorspace. The proportions and design of the space would be subject to discussions with the Council at the time of planning application.

- 3) Is the Plan sufficiently clear, including when taking Policies GSS08 and TOW1 together, as to the overall amount of each type of main town centre use being planned for during the Plan period and would the approach of the relevant policies be effective for the purposes of decision making on future development proposals?

The Council considers its approach as expressed through the Local Plan with regards to town centres is sufficiently clear. The Local Plan sets out how these locations will remain the focus for inward investment, vitality and viability despite retail change. The Local Plan through GSS08 and TOW01 emphasises how the Council will promote vitality and viability of town centres and enable their economic recovery by managing them as the priority location for commercial, business and service uses with retail functions safeguarded in primary frontages.

- 4) Would Policy TOW01 be effective, justified and consistent with national policy in all other respects, including with regard to the sequential test and the 500 square metres locally set threshold for impact assessments?

Yes. TOW01 aims to reduce car trips and is consistent with the Mayor's Healthy Streets Approach (EB_T_12). With regards to the sequential test and impact assessment requirements these are still supported by the NPPF. The Council refers to NPPF (paras 87 and 88) with regards to the application of the sequential test while NPPF (para 90) allows for locally set thresholds. TOW01 also reflects the Agent of Change Principle set out in London Plan Policy D13 and NPPF (para 187). It is consistent with NPPF paras 122 and 123 which advocate taking a positive approach to alternative uses of land in response to changing demand. The requirement for an impact assessment for commercial developments over 500 square metres is well-established in Barnet. The threshold as set out in the Local Plan Development Management Policies DPD para 12.3.2 (Core_Gen_15) has been successfully applied since 2012.

- 5) Are any changes to Policy TOW01 or its supporting text, including the proposed modifications suggested by the Council, necessary to achieve soundness?

No.

- 6) Is the approach of Policy TOW02 in setting out development principles for the Borough's town centres, local centres and parades; positively prepared, effective, justified and consistent with national policy and in general conformity with the London Plan?

Yes, it is in general conformity with the London Plan. The identification and definition of primary shopping areas in town centres is required by the NPPF (Annex 2). It is also a requirement of London Plan Policy SD7 Town centres: development principles and development plan documents.

Responses should address the following:

- a) If recent changes to the Use Classes Order resulting in a range of uses falling under Class E have any implications for the effectiveness of primary frontages and any safeguarding of the retail functions referred to in Policy TOW02 part a), and if so, whether modifications are required to the policy or other parts of the Plan?

Changes to the Use Classes Order have meant that it is easier to change between some town centre uses. The Council have taken a practical and pragmatic approach to the fundamental overhaul of the Use Classes Order made between Reg 18 and Reg 19 stages in that all Use Class E uses would be supported by the policy. Further modifications would not be able to change how the Use Class Order functions. In terms of the impact of the Use Classes Order on effectively planning in the future for commercial uses in the Borough the Council refers to its response at Matter 2 - Q21.

- b) Whether the Council's proposed modifications to Policy TOW02 part h) and the related supporting text, to reflect recent changes to the Use Classes Order and permitted development rights, is necessary for soundness and is it sufficiently clear to be effective?

Proposed Modifications (EXAM 4) MM191 and MM194 have been advocated to keep up to date with changes made to the Use Classes Order. To ensure effective delivery of this policy these have been made for clarity and soundness.

- c) Taking account of those recent changes, would the associated policy approaches in terms of retail uses, function and facilities in parts a) to g) and i) to n), taking account of the Council's proposed modifications to the detailed wording of some criteria, now be justified, effective and consistent with national policy?

Yes, the policy is focused on ensuring the Town Centres, Local Centres and Parades continue to be vital and viable. Yes, it is consistent with NPPF (para 86) in helping to ensure the long term vitality and viability of town centres.

- d) Would any further changes to the policy or its supporting text be necessary to achieve soundness?

No further modifications are required for soundness.

- 7) Is Policy TOW03 positively prepared, justified and effective with respect to its approach of seeking to manage and restrict future proposals for hot food takeaways, adult gaming centres, amusement arcades, betting shops, payday loan shops, pawnbrokers and shisha bars, including the requirements:

- a) To be located more than 400 metres from the boundary of an existing school and youth centre?

Yes, the policy is positively planned and justified. The approach with regards to hot food takeaways in TOW03a reflects concerns about increasing levels of childhood obesity and health inequality. It is consistent with London Plan Policy E9 (D) which states that development proposals containing A5 hot food takeaway uses should not be permitted where these are within 400 metres walking distance from the entrances and exits of an existing or proposed primary or secondary school.

With regards to the other uses, the Council also flags their impact on health inequality and adopts a similar approach to managing them. Whilst young people attending schools or youth centres should not have access to such uses the Council considers that there are merits in a consistency of approach with the measures on managing hot food takeaways. The EQIA element of the IIA highlights that for TOW03 restrictions on uses that are sometimes associated

with anti-social behaviour (e.g. shisha bars) or adverse impacts on mental health (e.g. betting shops) should have a positive impact on equalities groups.

- b) For applications to be accompanied by Health Impact Assessments and in compliance with the Council's Healthier Catering Commitment?

The uses listed in TOW03 have the potential for negative impacts on health and wellbeing in the community. These shops and uses also tend to cluster in areas with higher deprivation. The policy aims to resist proliferation of these uses. By requiring developers to submit HIAs as part of their proposal, further health harms can be mitigated.

Policy GG3 of the London Plan recommends that development proposals should be assessed for the potential impacts on the mental and physical health and wellbeing of communities, the uses listed in this policy have been recognised as having possible impacts. Therefore applications should be accompanied by a HIA when this is requested. The Council is currently producing guidance on assessing the impact of development proposals on health.

The Healthier Catering Commitment (EB_S_22) is a London-wide scheme which publicly recognises and rewards catering businesses that demonstrate a commitment to providing healthier food choices and healthier cooking techniques. London Plan Policy E9 highlights that where justified, boroughs should ensure compliance with the Healthier Catering Commitment through use of a condition with regards to proposals for hot food takeaways.

- 8) Notwithstanding the previous question, are any changes to Policy TOW03 or its supporting text, including the Council's proposed modifications, necessary to achieve soundness?

No further modifications are required for soundness.

- 9) Is the approach of Policy TOW04 in so far as it seeks to set criteria where support will be given to proposals for night-time economy uses; effective and consistent with national policy? Is it justified that part e) of the policy would seemingly apply a different approach than national policy relating to conserving and enhancing the historic environment?

Yes, it is consistent with NPPF (para 86) in helping to ensure the long term vitality and viability of town centres. Policy TOW04 enables the Council to effectively ensure that this growing sector of the economy contributes to safer and more welcoming town centres for visitors as well as residents.

The Council considers that TOW04(e) is consistent with national policy on the historic environment. NPPF (para 190) highlights that Plans should set out a positive strategy for the conservation and enjoyment of the historic environment. Further the Council highlights that this has not been raised as an issue through representations at Reg 18 (Core_Gen_27) and Reg 19 (Core_03) stages, including responses from Historic England. Policy TOW04 generated no objections at Reg 19 stage.