

LB Barnet Employment Land Review



LB Barnet Employment Land Review

London Borough of Barnet

Employment Land Review

A report by Ramidus Consulting Limited

In association with CAG Consultants

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Ramidus Consulting Limited

Founded in 2003, Ramidus is a specialist, independent built environment research and advisory business. Our focus is on land and property markets: how they are changing; their relationship to the wider economy and their role in economic development. We undertake our work for both private sector clients and public sector policy makers, helping them to understand the impact of economic change on locations and markets. Ramidus is a modern business, comprising a network of skilled and experienced individuals. We assemble teams for specific tasks, ensuring that clients receive first class support.

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Executive Summary

Planning policy This Employment Land Review provides a detailed analysis of employment land and buildings in London Borough of Barnet, and assesses the future level of demand in order to recommend policy responses to existing stock. The Review's conclusions, and recommendations for Article 4 Directions, endorse the Borough's current adopted Local Plan core strategy of consolidating growth in two Opportunity Areas (Brent Cross Cricklewood and Colindale) and the Intensification Area (Mill Hill East).

The Review also supports the overall aim of identifying opportunities to support the provision of affordable and flexible workspace in the light of the changing economy. This will help ensure that the Borough retains sufficient, affordable (secondary) space, especially for its growing stock of small and micro-businesses. Mixed use development will have a role to play in providing new space, but its limitations in terms of providing 'affordable' (or economic) space must be recognised.

The Borough's commercial property market could be transformed by the delivery of the Brent Cross Cricklewood scheme, and it will be critical to manage the existing stock of space in this context. It should also be recognised that the delivery of the scheme will be subject to major uncertainties in terms of creating a new market and the vagaries of economic cycles. Such schemes also take considerable time to deliver, even when successful, as can be seen in major schemes such as Chiswick Park, King's Cross and Paddington.

Jobs and the economy Barnet's economy today is largely service-based and driven mainly by small businesses, many of which serve local markets rather than London-wide markets. However, the Borough does not have a particularly strong office market, and is relatively underrepresented in Information & Communications and Professional & Scientific jobs. This is critically important because these are the two sectors that are growing most strongly across London. The number of jobs in Barnet is forecast to increase by 7,600 (or 22%) over the next two decades.

Despite the positive forecasts, this Review highlights a danger that the Borough could lose jobs as a result of constraints within its commercial property market. Reducing stock, leading to rising rents, together with a lack of new investment, could encourage businesses to move away. The situation is compounded by competition between the residential and commercial property markets.

Occupier demand Barnet does not have a particularly strong office market, and there are relatively few large, private sector employers. It is dominated by small firms: in recent years, the number of firms with no employees grew by 45%, which far outstrips growth in other size bands. For many of the smallest businesses, of one or zero employees, there may be no demand for commercial floorspace. Many of these self-employed, single person businesses will be operating from their own homes.

Beyond this, there are distinctive changes taking place in the way in which occupiers use built stock. For offices in particular, a key outcome of the adoption of technology and new business processes is that firms are far more footloose than they ever were. In this context, it cannot be assumed that large occupiers will remain loyal to the area.

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Equally, smaller occupiers are also evolving in terms of their occupation of space. Many are no longer satisfied with isolated, dated office buildings, with ageing services and sterile environments. They are looking to be a part of a 'business community', where they can interact with other businesses and enjoy flexible terms. Many are turning to the rapidly expanding flexible space market. Such trends suggest that there might be a case for protecting larger, out-of-centre offices, particularly those offering flexible serviced or managed space.

Site assessment The Borough's stock of office space has been shrinking in recent years, due mainly to losses to residential development. The combination of shrinking stock and low levels of new supply will denude Barnet's already marginal role as an office location capable of attracting investors. This Review assessed 43 employment sites, concluding that best efforts should be made to defend employment land. Across the sites assessed, there was little sign of vacancy or obsolescence and, in most locations, the stock is in a generally good condition. Even most poor quality space is filling an economic niche by providing economic space for lower margin businesses.

This presents a policy challenge when owners decide to redevelop or convert. At the moment nearly every financial scenario would favour residential conversion, so it is important to defend losses to ensure that stock is not lost by attrition without careful consideration.

Barnet lacks a single strong centre, which is something of a challenge in terms of creating critical mass for job generation. Broadly, Barnet itself – New and Chipping – is characterised by small-scale professional service firms most likely serving local or sub-regional markets. This is the area with lowest evident vacancy, and should be protected from further attrition or this small business base is at risk of being, effectively, driven out. East and North Finchley and Finchley Church End offices are typically larger in scale, but overall the stock should be considered at high risk from PDR conversion. The occupational character is similar to New and Chipping Barnet, with a high preponderance of professional firms, but also some general corporate activity.

The overall picture is of a small-scale market meeting largely local demand, a small number of freestanding corporate HQs notwithstanding. The market is very vulnerable to pressure for residential conversion and, even without PDR, is prone to attrition and gradual loss of employment land. Such vulnerability suggests that the biggest risk to supply is gradual loss, so each application should be fully considered in line with Local Plan policy.

Future requirements As noted above, forecasts suggest that Barnet employment in Barnet will grow by 22%, from 34,400 to 42,000 by 2036. This suggests a net additional demand for office floorspace in Barnet of 67,000–106,000 sq m over the period 2016–36. In reality, the speed with which the proposed major office development at Brent Cross (potentially 400,000 sq m when complete) is delivered will determine whether total office floorspace growth is above or below this range.

Barnet's baseline release figure for industrial land is a small net positive increase of 7.3 ha. But, more importantly, Barnet is categorised as a borough that should retain its industrial land. In seeking to achieve this, it will need to seek to intensify economic activity, which might involve mixed use development.

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Policy responses Office centres that might be considered as high priorities for encouragement of offices and Article 4 designation could include: Edgware, East Finchley, Finchley Church End, Brent Street Hendon and North Finchley. Areas within Chipping Barnet and New Barnet might also be considered for more selective protection, as might Granard Business Centre, North London Business Park and the Bunns Lane cluster.

It will be important for the Borough to retain a range of employment stock – new and old, poorer quality and better quality – to suit the different levels at which firms find premises ‘affordable’. As noted, occupier preferences are changing the ways in which they use built stock, with implications for markets across London. For example, the rapid growth in serviced, managed and collaborative spaces is evidence of major economic change.

The Borough should continue to provide buildings and land from which ‘industrial’ type businesses can service the needs of the wider London economy. Such firms require higher specification, flexible space, often with office content. New stock, if provided, is likely to use land more intensively and to provide more flexible space that is appropriate to modern business processes.

Site recommendations Policy recommendations for each of the 43 sites assessed in this Review are provided. The assessments take cognisance of the balance of market pressure in light of key policy instruments and especially PDR. In total, ten of the smaller, more isolated and lower quality sites are recommended for release; 19 are recommended for protection ‘as they are’ and the remainder are recommended to promote the provision of smaller units (with one requiring no action).

Acronyms

BRES	Business Register Employment Survey
CAZ	Central Activities Zone
EiP	Examination in Public
ELR	Employment Land Review
GIA	Gross Internal Area
GPDO	General Permitted Development Order
GVA	Gross Value Added
IDBR	Inter Departmental Business Register
LOPR	London Office Policy Review
LPA	Local Planning Authority
NIA	Net Internal Area
NNDR	National Non-Domestic Rates
NPPF	National Planning Policy Framework
NVQ	National Vocation Qualification
OAPF	Opportunity Area Planning Framework
PDR	Permitted Development Rights
PPG	Planning Practice Guidance
SIC	Standard Industrial Classification
SME	Small- and medium-sized Enterprise
SPG	Supplementary Planning Guidance

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1.0 Introduction

1.0.1 This Employment Land Review (ELR) was commissioned by Regional Enterprise Ltd (Re) on behalf of London Borough of Barnet (the Council) to update the previous, 2009, ELR and to support the Council's review of its Local Plan. The latter is due for consultation in the summer of 2018.

1.1 The Council's priorities

1.0.2 Barnet is a rapidly growing borough and the Brief points out that projections indicate that there will be 194,461 households by 2036 (compared with 149,000 in 2016). Already the most populous London borough, Barnet is projected to reach 456,790 by 2036 compared with 385,100 in 2016.

1.0.3 In light of these growth dynamics, the Council's *Corporate Plan* states that "*Barnet is a successful, thriving borough, part of a successful, thriving London. Economic growth will drive prosperity and bring opportunities to residents; businesses; and the Council...*"¹ The Brief highlights three distinct commitments within the Corporate Plan which have relevance to the ELR.

- *The Council will capitalise on the opportunities of a growing economy by prioritising regeneration, growth and maximising income.*
- *Implement its Entrepreneurial Barnet Strategy which aims to make Barnet the best place in London to be a small business.*
- *Continue to work with business and local communities to ensure that Barnet's town centres benefit from growth, with a tailored package of support to help them adapt successfully to a changing world with a strong offer to local people and businesses.*

1.0.4 The Corporate Plan considers employment growth to be an indicator of success, and commits the Council to working with its partners to ensure that the Borough is a place of "*opportunity, where people can further their quality of life... we will deliver our regeneration programme, creating 30,000 jobs and 20,000 new homes by 2025.*"

1.0.5 The Council's *Entrepreneurial Barnet 2015-2020*², sets out its broad approach to realising this vision, emphasising the criticality of town centre investment in making Barnet "*a great place to live, work and invest*". The levels of self-employment and entrepreneurship in Barnet are high and the Council wishes to better understand the needs of small businesses and their requirements for local business support.

1.0.6 The Brief also draws attention to the loss of office stock in Barnet in recent times. This is now a common feature of, particularly, Outer London boroughs. Barnet has already lost a large amount of office space -some of which was clearly obsolete: the Borough's office market today is driven mainly by small firms rather than large occupiers. As well as structural change in demand, the rate of office conversions is also being driven by the extension of Permitted Development Rights

¹ LB Barnet (2015) *Corporate Plan 2015-2020*

² LB Barnet (2015) *The Public Sector Contribution to Barnet's Economy, 2015-2020*

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(PDR) in 2013. The ELR will provide a robust evidence base to support any future designation of Article 4 Directions removing PDR in certain areas.

1.0.7 *Entrepreneurial Barnet 2015-2020* also places a focus on building and sustaining the confidence of the Borough's business community; and it identifies seven town centres³ which have a larger scale and economic gravity than other town and local centres, and which act as "employment hubs". This ELR has taken place in parallel with a Town Centre Floorspace Needs Assessment (TCFNA) study.

1.0.8 The TCFNA focuses on employment development in town centre areas and the need for greater diversification of the economic base of the Borough's town centres. This will be particularly the case with provision of small and affordable workspaces through flexible workspace provision. There are obvious overlaps with the ELR, and we have worked with Peter Brett Associates, the TCFNA consultant team, to ensure there is cross-over between the two projects.

1.2 Objectives

1.2.1 The Brief sets out a number of objectives for the ELR, including providing the following elements.

- An up-to-date employment evidence base which assesses needs, demand, challenges and opportunities across Barnet.
- Evidence on the impact of PDR on the supply of employment space of B1(a), B1(b), B1(c), B2 and B8 use classes.
- Evidence on the local property market and types of spaces available for business including homeworkers, start-ups and SMEs.
- Evidence on serviced office accommodation/business space within Barnet including identifying opportunities for new provision.
- Evidence on how other space including residential is being utilised for employment purposes.
- Evidence based support for an appropriate planning response to delivering affordable workspace.
- Evidence based support for an appropriate planning response including Article 4 Directions to better manage permitted development rights.
- Evidence based support for an appropriate planning response to the displacement of businesses through housing development including town centre renewal and area regeneration such as Brent Cross Cricklewood.

1.2.2 We have reflected these priorities in our methodology and report structure.

1.3 Method statement

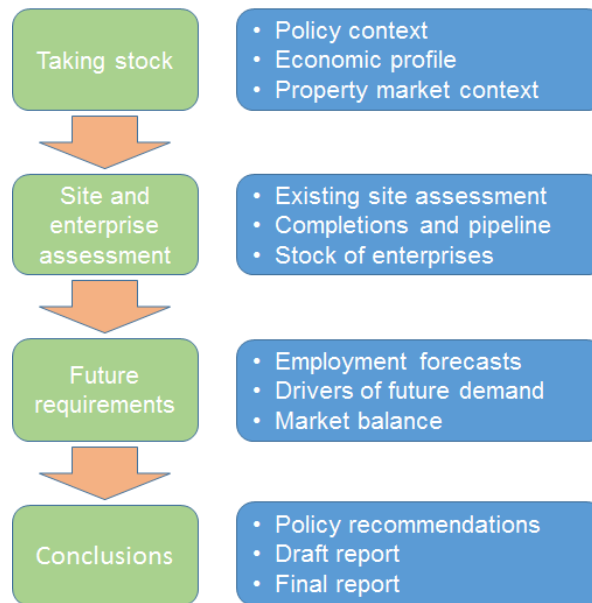
1.3.1 Our methodology is based on an established ELR template which is adapted to address specific local circumstances. This template is fully compliant with NPPF guidelines and the methodology set out in Planning Practice Guidance on Housing and Economic Needs Assessment (ID2a). Our method ensures that the key deliverables and outputs in the Brief are transparent and easily understood, particularly by an EiP Inspector and commentators.

³ Edgware, Burnt Oak, Chipping Barnet, Church End Finchley, Cricklewood, Finchley, Golders Green and North Finchley

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1.3.2 We have set out a summary of the full range of steps for an ELR in Figure 1.1 to demonstrate how our approach meets NPPF guidance. Each stage is explained in the following paragraphs.

Figure 1.1 Employment Land Review methodology



1.3.3 **Taking stock** This involves a review of current and emerging planning policy at borough, London and national level, including the Borough's existing Core Strategy (2012), Development Management Policies (2012) and Colindale and Mill Hill East Area Action Plans (various). The review includes a survey of planning policy in Barnet's neighbouring authorities.

1.3.4 The next stage of taking stock involves the preparation of an economic profile of Barnet. This work draws on existing sources, supplemented with further data collection and research to provide a borough profile based on: employment growth to date; enterprise levels and dynamics and the sectoral structure of the economy. The economic profile work includes an assessment of data sources to evaluate the importance of small businesses and growth sectors.

1.3.5 The final step here involves a review of the local commercial property market. We interview local property agents and review secondary sources to understand recent take-up, current supply, vacancy rates, rentals and land values.

1.3.6 We analyse LB Barnet data on recent completions and outstanding planning permissions and allocations in order to quantify the level of change taking place and, in particular, assess the impact of PDR. We supplement this more quantitative analysis with a qualitative assessment to explain what occupiers are looking for. In this sense we seek to provide a description of the real drivers of demand. London's 'B-use' market is undergoing fundamental cyclical and structural change at the moment with implications for Outer London boroughs such as Barnet.

1.3.7 **Employment site and enterprise stock assessment** This workstream involves a survey of existing and planned employment land and floorspace in terms

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of character, type and quality. Each site is visited and evaluated in terms site and building characteristics and occupation.

1.3.8 Future requirements The final main workstream assesses overall employment forecasts for all economic sectors in Barnet. This includes a breakdown of projected employment by B-use class. We also review drivers of future demand for space. We generate an employment forecast for Barnet, consistent with the GLA forecasts for sectors. We translate employment growth into floorspace requirements by applying plot and job density ratios, drawing from Housing & Communities Agency guidance and our own experience. This approach provides a central scenario for land and property demand in Barnet to 2036.

1.3.9 Finally, we compare the forecast demand with land and property supply. This involves two aspects. First, a quantitative analysis to provide the broad framework, comparing total occupier demand with total planned supply for each type of use to see whether current provision is in line with expected demand. Secondly, a qualitative analysis to fill in the necessary detail, considering not only the quality of different sites and areas, but also development constraints, the mix of sizes, the character of sites, particular market segments such as micro-business accommodation, the spatial distribution of supply, sustainability and policy fit against planning and regeneration objectives, including the provision of affordable workspace.

2.0 Planning policy context

2.0.1 In this chapter, we review current and emerging spatial planning policy at national, London and borough level. We begin with a summary of relevant Government policy, before examining the relevant London-wide policies. This is followed by a review of LB Barnet's main policy documents including the current and emerging Local Plan. The chapter finishes with a brief review of planning policy in neighbouring boroughs.

2.1 National planning context

2.1.1 There are two pieces of national planning policy of particular relevance to this work – the National Planning Policy Framework (NPPF) and the extension of Permitted Development Rights (PDR).

2.1.2 **National Planning Policy Framework** The NPPF requires a pro-active approach to development, as expressed in the general presumption in favour of sustainable development, and states that Local Planning Authorities (LPAs) must:

positively seek opportunities to meet the development needs of their area and meet objectively assessed needs [with] sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF.

2.1.3 This proactive approach also includes a requirement to recognise and seek to address any potential barriers to investment, which might include mitigating the environmental impacts of development. In order to build a strong, competitive economy, the NPPF requires LPAs to do the following.

- Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth.
- Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period.
- Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan, allowing rapid response to changing economic circumstances.
- Plan positively for the location, promotion and expansion of clusters or networks of knowledge-driven, creative or high technology industries.
- Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement.
- Facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.
- Avoid the long-term protection of sites allocated for employment if there is no realistic prospect of these sites being used for that purpose.

2.1.4 Such requirements are to be delivered, at least in part, through LPAs carrying out assessments of economic development needs and of employment land availability. The Government's Planning Practice Guidance (PPG) sets out the

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approach, stating that needs must be objectively assessed, through liaising closely with the business community, and taking into account factors such as the following.

- The recent pattern of employment land supply and loss to other uses (based on extant planning permissions and planning applications). This can be generated through a simple assessment of employment land by sub-areas and market segment where there are distinct property market areas.
- Market intelligence (from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums).
- Market signals, such as levels and changes in rental values, and differentials between land values in different uses.
- Public information on employment land and premises required.
- Information held by other public sector bodies and utilities in relation to infrastructure constraints.
- The existing stock of employment land. This will indicate the demand for and supply of employment land and determine the likely business needs and future market requirements (though it is important to recognise that existing stock may not reflect the future needs of business). Recent statistics on take-up of sites should be consulted at this stage, along with other primary and secondary data sources to gain an understanding of the spatial implications of 'revealed demand' for employment land.
- The locational and premises requirements of particular types of business.
- Identification of oversupply and evidence of market failure (e.g. physical or ownership constraints that prevent a site being used effectively, which could be evidenced by unfulfilled requirements from business, yet developers are not prepared to build premises at the prevailing market rents).

2.1.5 Through conducting land availability assessments LPAs are then required to identify sites and broad locations with potential for development, assess their development potential, and assess their suitability for development together with the likelihood of development coming forward (the availability and achievability).

2.1.6 In addition to the NPPF and PPG, there are also wider influences in the national planning context. For example, the Government has sought to address the question of economic productivity which, it describes as "*the single most important determinant of average living standards*", but which has "*persistently lagged behind other major economies and although it grew in the decades before the financial crisis, it has stalled sharply in the wake of the crisis*".⁴ The Government's framework for raising productivity is built around two pillars:

- encouraging long-term investment in economic capital, including infrastructure, skills and knowledge, and
- promoting a dynamic economy that encourages innovation and helps resources flow to their most productive use.

2.1.7 The relationship of these goals to the NPPF is clear. And they have been supported by measures to encourage property development through relaxing the planning rules surrounding changes of use, as summarised below.

⁴ HM Treasury (2015) *Fixing the Foundations: Creating a More Prosperous Nation*

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2.1.8 Extension of PDR In May 2013, the Government amended the General Permitted Development Order (GPDO) to allow the conversion of B1(a) offices to C3 dwellings subject to 'prior approval' (Figure 2.1). The underlying motive was to encourage residential development, particularly in those areas suffering from structural vacancy in office stock.

2.1.9 These amendments to the GPDO were time-limited, for three years, up to the end of May 2016. Following a consultation exercise in the run up to their introduction, 33 areas within 17 LPAs were made exempt from these Permitted Development Rights (PDR), largely on the grounds that their office markets performed a nationally significant function.

Figure 2.1 Permitted Development Rights timeline

April 2011	The Government consulted on a proposal to grant Permitted Development Rights to change the use of buildings from commercial to residential use.
July 2012	In its response to the consultation, in July 2012, the Government stated that it would include a new policy in the NPPF to direct local planning authorities to normally approve a planning application for change from commercial to residential use.
January 2013	The Government announced that it would introduce new PDR to allow change of use from B1(a) office to C3 residential. In a letter to planning authorities, it said that the measure would run for a period of 3 years from the date of coming into force.
January 2013	Local authorities were invited to apply for exemption from the new PDR before it came into force, and 17 local authorities were granted exemption.
May 2013	The GPDO amended to extend Permitted Development Rights and allow conversion of B1(a) offices to residential, subject to Prior Approval. Time-limited to three years.
July 2014	The Government consulted again on extending the PDR for a further 3 years to 2019.
April 2015	PDR extended, allowing up to 500 sq m of B8 to be converted. Time limited to three years.
October 2015	Extension of PDR made permanent. Those who already had permission were given three years to complete the change of use; laundrettes and light industrial units were also be included.
October 2015	Government also announced that those areas which were currently exempt from the PDR extension would have until May 2019 to adopt an Article 4 Direction.

2.1.10 An Article 4 Direction is an order made by a local planning authority to restrict and remove permitted development rights such as these. In the absence of any Article 4 Directions pertinent to B-uses in Barnet this means that in all areas of the Borough, the change of use from offices to dwellings does not require planning permission.

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2.1.11 In April 2015, PDR pertinent to B-uses were extended further. A new PDR was introduced, for a three-year period, allowing the conversion of up to 500 sq m of storage or distribution buildings (B8) to residential use. The right is also subject to a prior approval process covering transport and highways, air quality, impact on intended occupiers, noise impact of the development, risk of contamination, flooding, and the impact the change would have on existing industrial uses and or storage or distribution uses.

2.1.12 The right only applies to buildings that were last used or were in use as storage or distribution (B8) on or before 19th March 2014. This would include former businesses in an office use (B1) or general industrial (B2) buildings that have changed use to storage or distribution (B8) use under existing PDR, provided that they were in such uses on 19th March 2014. However, there is an additional requirement that the building must have been in B8 use for a period of at least four years before the date development begins.

2.1.13 The PDR amendments have had a major unintended consequence for the office market – particularly in London. As residential land values have risen sharply against a background of rising demand, so many owners have begun to realise the potential uplift in value from an office-to-residential conversion. Moreover, owners have begun to vacate occupied buildings to allow conversion, thereby displacing economic activity.⁵ As stated in the Invitation to Quote (ITQ) for this study, the Council estimates that around 10% of the office stock in Barnet has been lost between 2013 and 2015 as a consequence of the introduction of the new PDR.

2.1.14 London-wide, the *London Office Policy Review 2017* suggests that “*despite good intentions, they [PDR] have led to swathes of office stock, often occupied and useful, being lost to housing*”.⁶ The review utilises data from the London Development Database to quantify approvals and completions, borough-by-borough. The data show that Barnet witnessed the ninth-largest amount of permitted development approvals between 2013 and 2015 (c70,000 sq m), losing around 12,000 sq m over this period in completions. Figure 2.2 provides an extract.

2.1.15 In October 2015, Government announced that the extension of PDR for office-to-residential use would be made permanent. In addition:

- those who already have permission will have three years to complete the change of use; and
- laundrettes and light industrial units will also be included.

2.1.16 The Government also announced that those areas which are currently exempt from the PDR extension will have until May 2019 to adopt an Article 4 Direction to allow them to continue to determine planning applications for the changes of use. The Mayor has recognised the challenge that this poses for London boroughs and has stated a commitment to ensuring that London’s key business locations are safeguarded. A cross-borough, co-ordinated approach to introducing

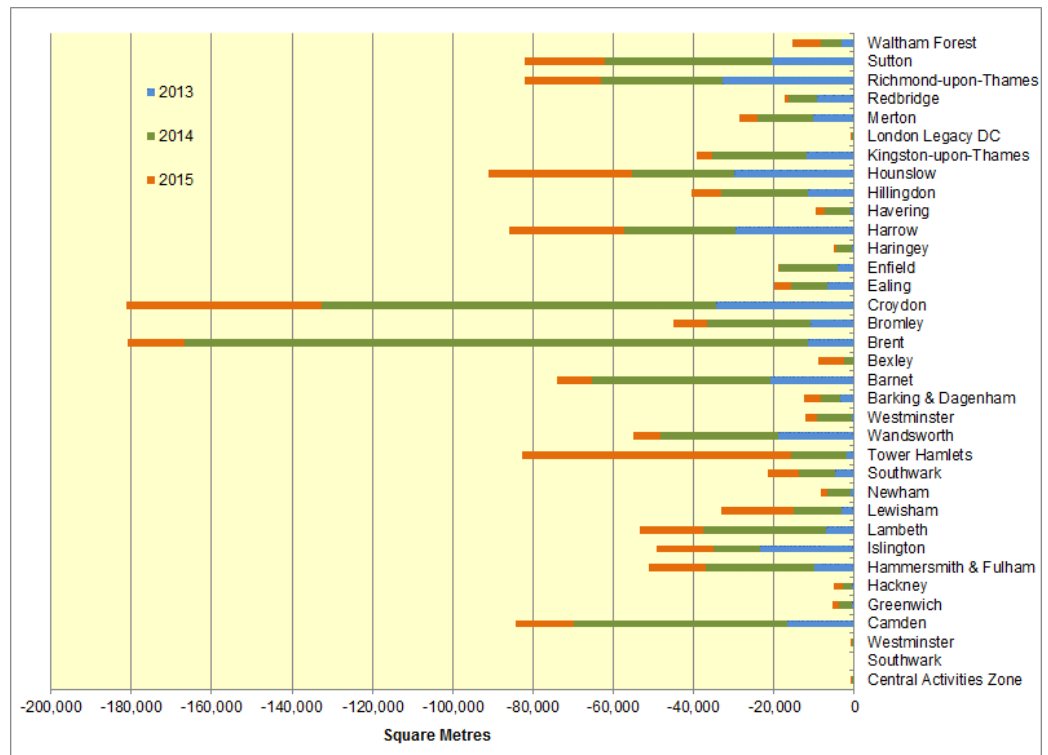
⁵ British Council for Offices (2015) *Office-to-Residential Conversion*

⁶ Ramidus Consulting (2017) *London Office Policy Review 2017*

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Article 4 Directions is promoted, with the Mayor aiming to provide strategic support to help the boroughs achieve this.⁷

Figure 2.2 Permitted development approvals, office-to-residential, 2013-15



Source: Ramidus (2017)

2.1.17 The ITQ makes clear that a critical element of this study will be highlighting those areas where Article 4 Directions might be justified and providing evidence to support potential future Article 4 Directions. The GLA has issued guidance on the issue⁸ and previous Government rulings on Article 4 Directions provide useful precedents. The quantitative impact of PDR specifically in the London Borough of Barnet is examined in chapter 4.0.

2.2 Planning policy in London

2.2.1 **The London Plan** This 2016 document incorporates the alterations to the 2011 London Plan. This includes the *Further Alterations to the London Plan* (FALP) in March 2015, which was developed in response to population growth and projections emerging from the 2011 Census that were higher than had been anticipated. The introduction to the Plan concludes that, “*the only prudent course is to plan for continued growth*” (para 1.47) and providing the basis for the continued growth and economic development of all parts of London is a key theme of the Plan. This approach forms the context for much of the work for this ELR.

⁷ Mayor of London web page on Article 4 Directions.

⁸ Annex 2: Strategic context for London borough exemption applications

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2.2.2 In strategic terms, Barnet forms part of Outer London and it also forms part of the North London sub-region, and “*particular emphasis is placed [in the Plan] on supporting the greater contribution outer London can make to the capital’s economic success*” (para 4.4). Policy 2.6 on Outer London states that:

The Mayor will, and boroughs and other stakeholders should, work to realise the potential of outer London, recognising and building upon its great diversity and varied strengths by providing locally sensitive approaches through LDFs and other development frameworks to enhance and promote its distinct existing and emerging strategic and local economic opportunities, and transport requirements.

2.2.3 Policy 4.1 on *Developing London’s Economy* includes specific reference to Outer London, stating that the Mayor will work with partners to:

support and promote outer London as an attractive location for national government as well as businesses, giving access to the highly-skilled London workforce, relatively affordable work space and the competitive advantages of the wider London economy.

2.2.4 Other key themes in the economic policies in the Plan include:

- building the conditions for new sectors to emerge, such as the technology, media and telecommunications sectors, through seeking “*to ensure there are the workspaces, environments, skilled workforces and infrastructures that enterprises of all kinds and sizes need to develop and innovate*”;
- driving a fundamental shift in London’s economy towards a low carbon future, and
- ensuring prosperity is spread across the capital, addressing areas of deprivation across the city.

2.2.5 The London Plan includes two designated Opportunity Areas in Barnet – Colindale/Burnt Oak and Cricklewood/Brent Cross. Opportunity Areas are “*the capital’s major reservoir of brownfield land with significant capacity to accommodate new housing, commercial and other development linked to existing or potential improvements to public transport accessibility*”. In addition, Mill Hill East is designated as an Intensification Area. Intensification areas are “*typically built-up areas with good existing or potential public transport accessibility which can support redevelopment at higher densities. They have significant capacity for new jobs and homes but at a level below that which can be achieved in the opportunity areas*”.

2.2.6 Figures are provided for housing and employment potential in these locations, as shown in Figure 2.3.

Figure 2.3 Housing and employment potential in selected locations

Location	Indicative employment capacity	Minimum new homes
Colindale/Burnt Oak	2,000	12,500
Cricklewood/Brent Cross	20,000	10,000
Mill Hill East	500	2,000

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2.2.7 Within the economic policies of the London Plan, specific requirements are set for Local Plans within London. In summary, these include the following.

- **Office stock** Ensuring that policies for mixed use development and redevelopment supports consolidation and enhancements to the quality of the remaining office stock in strategically specified locations. These types of locations include Strategic Outer London Development Centres (which include Brent Cross/Cricklewood), business parks and town centre based office quarters. These are considered to be the most viable locations for the renewal and modernisation of the office stock in outer London and the Plan suggests that “*local plans and strategies should support the conversion of surplus offices to other uses and promote mixed use development in the light of integrated strategic and local studies of office demand*”.
- **Industrial land and premises** Ensuring that borough stock of industrial land and premises in strategic industrial locations (of which there is one in Barnet – North London Business Park), locally significant industrial sites and other industrial sites is carefully managed so that there is a sufficient stock of land and premises to meet the future needs of different types of industrial and related uses. The Plan also recognises that surplus industrial land could be used to meet the need for other strategically important uses and suggests that release of surplus industrial land should, as far as possible, be focused around public transport nodes to enable higher density redevelopment, especially for housing.

2.2.8 **London Plan Review** A full review of the London Plan has now commenced and the Mayor has published his vision statement, *A City for All Londoners*, which outlines the capital’s top challenges and opportunities across priority policy areas, as well as the changes that City Hall wants to deliver over the next four years. This reaffirms the commitment to accommodating growth and “*to protect land used for employment across the city*”. There is a clear emphasis on encouraging growth beyond the central area:

I want to foster a fairer, more accessible city by encouraging development in non-central locations with good public transport. Across the city, I will make provision for industrial and retail activity, and I will promote viable strategic locations for office space, including in Outer London.

2.2.9 An economic evidence base has been produced to inform the review of the London Plan.⁹ The report highlights “*the spatial concentration of particular (and many) functions of London’s economy... in certain areas of London – primarily central London*”. This results in a significant concentration of employment in central London, particularly employment in businesses seeking to serve an international market. Other sectors are more geographically spread, particularly those serving local markets such as retail, health, education and local government. These provide more local employment opportunities for London’s residents and significant population growth (which is projected to continue) is driving increasing demand for such businesses:

This population drives a significant level of demand for a wide range of locally delivered goods and services: retailers to supply the food and goods

⁹ GLA Economics (2016) *Economic Evidence Base for London 2016*

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required to live; teachers to teach London's schoolchildren; health care professionals to run London's hospitals, GP surgeries and care services for example.

2.2.10 The evidence base highlights a number of risks to London's economy which the new London Plan will need to seek to address. These include the following.

- Brexit – the report concludes that “*the nature and scale of any long-term impact from the vote to leave the EU is unknown at the moment and will depend to a large extent on factors like the trade deals that are negotiated with the EU and non-EU countries and any change to the UK's existing migration system (including the free movement of labour within the EU)*”.
- High and increasing housing costs, which could lead to “*the affordability of London reducing to such an extent that London loses its attractiveness as a place to live and businesses find it increasingly difficult to fill the vacancies they have*”.
- High demand for housing, which risks crowding out commercial (including industrial) uses of land, a risk which has been exacerbated by the extension of PDR described above.
- Increasing costs of business premises may make it unprofitable for businesses to locate or remain in London.
- ‘Congestion costs’, such as those deriving from pressures on London's transport and infrastructure networks, which, the report suggests, “*if left unchecked or unmanaged, could risk London's future attractiveness to both business and people*”.

2.2.11 The GLA has recently published its latest version of the *London Office Policy Review*¹⁰ (LOPR) which takes a long-term perspective of the London office market in order to assess whether there is sufficient capacity to accommodate expected change in office-based activities. The LOPR series provides a regular monitor to ensure that London Plan policies are focused on achieving the Mayor's objectives in this area. LOPR provides an independent review of market trends and associated time series data to illustrate key themes and their bearing on policy. LOPR 2017 will inform a full review of the London Plan and the preparation of Local Plans/Opportunity Area Planning Frameworks.

2.3 Planning policy in Barnet

2.3.1 **Local Plan Core Strategy** The current Core Strategy DPD was adopted in September 2012. It is underpinned by a ‘Three Strands Approach’.

- Strand 1. Absolute protection of the Green Belt, Metropolitan Open Land and other valued open space from inappropriate development
- Strand 2. Enhancement and protection of Barnet's suburbs, town centres and historic areas
- Strand 3. Consolidated growth in areas in need of renewal and investment.

2.3.2 The consolidated growth is focused on the Colindale/Burnt Oak and Brent Cross/Cricklewood Opportunity Areas, and the Intensification Area (Mill Hill East).

¹⁰ Ramidus Consulting *London Office Policy Review 2017* Greater London Authority

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2.3.3 In the Core Strategy, Barnet's future economic growth is projected to be *"increasingly in service-orientated employment and high level knowledge-based jobs with growing numbers of higher skilled workers in financial, retail, business and professional services"*. The Plan recognises that *"the availability of commercial land and buildings together with investment in transport and housing which allows workers, suppliers and customers to access and be accessed by Barnet's businesses is crucial to economic growth"*.

2.3.4 Understandably given its scale, development at Brent Cross/Cricklewood, is the major feature of the Core Strategy's economic policies. It will include approximately 370,000 sq m of office space, which would provide accommodation for an estimated 17,000 employees. It is envisaged that this will meet much of the demand for new office space in the Borough but the Plan proposes that Barnet's town centres will continue to play a role in supplying flexible and affordable office space to smaller businesses.

2.3.5 The proposals for Brent Cross/Cricklewood will involve the displacement of existing industrial uses and distribution and warehouse uses, including the Claremont Way Industrial Estate. Overall, the Plan makes very limited provision for the release of employment land for alternative uses. This reflected the previous Employment Land Review findings that only 3% of land was considered worthy of release for alternative uses. These were mainly constrained sites in predominantly residential areas.

2.3.6 The Plan makes reference to the provision of affordable and flexible workspace (for example in paras 13.2.4 and 13.6.5 and Policy CS8) to help small to medium businesses, particularly home-workers in the knowledge economy and those engaged in creative industries. As well as safeguarding existing employment sites, the Plan encourages the provision of employment floorspace, particularly in town centres, to meet the changing needs of modern business. Through S106 on new development, the Plan seeks to ensure the provision of affordable premises such as enterprise hubs/innovation centres that are flexible and attractive to homeworkers and small businesses.

2.3.7 The Plan also seeks to establish Barnet as an important centre for further and higher education, with clear policy provision for the development and improvement of facilities for education institutions.

2.3.8 **Local Plan Development Management Policies** The Development Management Policies DPD, like the Core Strategy, was adopted in September 2012. It sets out the policy framework for decision-making on planning applications, in line with the strategic vision set out in the Core Strategy.

2.3.9 Policy DM14 addresses new and existing employment space. In relation to existing employment space, the policy rules out change of use to a use class other than B-use on Locally Significant Industrial Sites, Industrial Business Parks and Business Locations, and also resists such change in town centre and edge of centre locations, except where they can be shown to be no longer viable. Similarly, in other locations, the policy only permits the loss of B-uses where it can be demonstrated they are no longer viable. In such cases, the Plan states that the priority for re-use will be a mixture of small business units with residential use.

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2.3.10 It should be noted that the extensions to permitted development rights described above, have a direct impact on these policy provisions. Currently, the council would be unable to resist the loss of B1 (office) and B8 (storage and distribution) uses for residential development.

2.3.11 In relation to new employment space, the policy provides some spatial principles, suggesting that all proposals for new office space should follow a sequential approach which considers town centre sites before edge of centre sites. In addition, new industrial/warehousing space is expected to locate in Locally Significant Industrial sites and warehousing uses or uses which generate high levels of movement should be located in proximity to tier one and two roads.

2.3.12 Finally, seven North London boroughs (Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest) are jointly preparing the North London Waste Plan (NLWP). This will set out a planning framework for waste management in the North London boroughs for the next 15 years; and will identify sites for waste management use and set out policies for determining waste planning applications.

2.3.13 Consultation on the NLWP took place between July and September 2015. The plan's publication programme has been delayed to allow the boroughs to consider the proposed Crossrail 2 scheme whose route down the Lee Valley has potential implications for existing and proposed waste sites.

2.3.14 Local Plan Area Action Plans

2.3.15 **Mill Hill East Area AAP** The Mill Hill East AAP was adopted in January 2009. The AAP area covers 48 ha of land, of which 31 ha is proposed residential development. Mill Hill East is seen to represent a major regeneration opportunity and the AAP sets out a vision of establishing one of the highest quality sustainable developments in North London. Development is planned to comprise:

- a total of around 2,660 residential units;
- a minimum of 500 jobs (replacement of existing jobs and creation of new jobs) with a focus on the provision of small-medium sized workspace and support for local businesses and designation of an additional 1 hectare of adjacent land for employment use;
- additional community facilities, such as public open space, a new mixed use high street, primary school, healthcare facility; and
- transport improvements, including new roads and improved junctions, public transport enhancements and facilities for pedestrians and cyclists.

2.3.16 Progress on the regeneration includes the following milestones.¹¹

- 2011: Works on site commenced.
- 2013: Millbrook Park Primary School completed.
- Jul 14: Junction improvement works at Pursley Road, Sanders and Frith Lanes, Bittacy Rise and Bittacy Hill completed.
- Jul 14: East West link road completed.
- Aug 14: Rail station forecourt completed.

¹¹ LB Barnet (2017) *Annual Growth and Regeneration Programme Report*

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- 2015: Central Park, Eastern Park, Barracks Park, and Officers Mess Gardens completed.
- 394 homes have been delivered: 344 private and 50 affordable.
- The scheme is 15% complete.

2.3.17 Colindale AAP The Colindale AAP was adopted in March 2010 and covers 200 hectares. The AAP's vision is that Colindale will, by 2021, be "*a vibrant successful and diverse neighbourhood where people will want to live, work and visit*". It will accommodate high quality, sustainable developments within four 'Corridors of Change' and a new neighbourhood centre. The focus of development is new housing but it does incorporate a mix of uses, and the AAP envisages the creation of up to 1,000 jobs by 2021.

2.3.18 Progress on the regeneration includes the following milestones.¹²

- 2013: Orion school delivered.
- 2014: Energy study completed and final proposals for the decentralised energy options commenced development with the GLA.
- Dec 14: Former Lanacre Avenue main road diverted and rebuilt.
- 2014: Masterplans for Montrose, Silkstream, Colindale and Rushgrove parks.
- 2016: Planning permission obtained for the new Barnet Council offices.
- 2016: Construction of the new Barnet Council offices commenced.
- 2016: Community Hub with health facilities concept design completed.
- Mar 17: Detailed planning permission submitted for Montrose Park.
- A total of 3,453 homes have been delivered through the programme.

2.3.19 Brent Cross/Cricklewood Regeneration The vision for Brent Cross/Cricklewood is captured within the Cricklewood, Brent Cross and West Hendon Regeneration Area Development Framework, which was previously adopted by the council and the Mayor of London as Supplementary Planning Guidance in 2005. The related Unitary Development Plan policies were saved by a Direction of the Secretary of State so still form part of the Local Plan. In 2010, the council approved a hybrid planning application to establish a masterplan and framework area in accordance with the development plan policies.

2.3.20 The proposals represent the largest and most important development in Barnet and one of London's most important strategic proposals. The development includes the creation of a sustainable new mixed use town centre for Barnet and North London including residential (c7,550 units), commercial and retail uses.

2.3.21 The Brent Cross Shopping Centre will be transformed into an outward-facing town centre with approximately double the current amount of floorspace. This will be focused on a new High Street which will bridge the North Circular Road.

2.3.22 In the later phases of the development a new office quarter is proposed to the north west of the area (south east of the existing Staples Corner) which will be served by a new railway station in the later phases of the development. Overall, the proposals are expected to deliver 20,000 new jobs by 2026/27.

¹² LB Barnet (2017) *Annual Growth and Regeneration Programme Report*

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2.3.23 Progress on the regeneration includes the following milestones.¹³

- Oct 10: Outline Planning Consent.
- Jul 14: Section 73 Planning Consent and Section 106 agreed.
- Mar 15: Selected Argent Related as preferred partner for Brent Cross South.
- Mar 15: Government announced £97m grant for Brent Cross Thameslink.
- Apr 15: The making of Compulsory Purchase Orders 1 and 2.
- Mar 16: Regeneration Full Business Case Approved by HM Government.
- Jul 16: Completion of the legal documentation between Barnet Council and Argent Related and formation of the JV to deliver Brent Cross South.
- Jul 16 Variation to the Property Development Agreement between Barnet Council, Hammerson and Standard Life to deliver Brent Cross North.
- May to Jul 16: Public Inquiry for Compulsory Purchase Order 1 and 2.

2.3.24 **Barnet New Local Plan** The Council plans to publish its Regulation 18 *Local Plan* in Summer 2018. The new Local Plan will need to accommodate very significant growth, with household projections from the GLA suggesting that by 2036 there will be 45,000 more households than in 2016.

2.3.25 The Council's *Corporate Plan* highlights some of the key priorities which will need to be reflected in the new Local Plan, including:

- prioritising regeneration, growth and maximising income;
- making Barnet the best place in London to be a small business; and
- ensuring that Barnet's town centres benefit from growth.

2.3.26 The *Corporate Plan* commits to creating 30,000 jobs and 20,000 new homes by 2025. *Entrepreneurial Barnet* incorporates an ambitious programme of town centre investment and identifies seven main town centres, which are intended to be employment hubs.

2.3.27 **Recent Planning Briefs** The Council has recently issued a number of planning briefs providing frameworks for mixed use development on sites. These illustrate the council's approach to securing mixed use development which assists in delivering housing growth targets whilst also delivering employment floorspace, particularly for small businesses. The planning briefs include the following.

- **The National Institute of Medical Research (NIMR) site in Mill Hill** The site was vacated in 2017 and the Planning Brief (adopted in March 2016) seeks to transform the site into a residential-led, mixed use development. A key focus of the Brief is providing "*opportunities for employment creation, ensuring the continued contribution to innovation and growth through provision of workspace for small to medium enterprises*". Subject to the findings of an Employment Study, the Brief expects that the development will provide at least 2,000 sq m of employment space for B1(a) office and B1(b) research and development uses.
- **North London Business Park** The Planning Brief envisages the transformation of the site through a residential-led scheme which also

¹³ LB Barnet (2017) *Annual Growth and Regeneration Programme Report*

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includes provision of affordable and flexible employment floorspace for Small to Medium Enterprises (SMEs). Despite its designation as a Strategic Employment Location within the London Plan, the Brief suggests that the persistent vacancy rate demonstrates that the site is no longer viable given the type and quality of accommodation on offer and may not be sustainable in the longer term. The Brief requires the production of an Employment Study to determine the type and quantity of employment generating uses that should be provided on the site.

- **Pentavia Retail Park in Mill Hill** The Brief seeks to capitalise on an opportunity to create *“a sustainable mixed use development on a physically constrained site of low environmental quality in an outmoded out of town centre location”*. The objectives for the site include the provision of *“new employment space to serve the needs of modern businesses, in particular small to medium enterprises”*. Alongside new housing, the Brief states that *“the Council will support provision of a range of new business spaces that are both flexible and affordable, providing the conditions for start-ups to grow and to enable existing small to medium enterprises to prosper”*.
- **Brake Shear House, High Barnet** The Planning Brief for Brake Shear house sets out the Council’s vision for a residential-led mixed use development. The Brief seeks to secure a high quality residential-led mixed used development comprising a range of housing types and tenures, including family homes. It seeks to preserve and enhance its contribution to the character and appearance of the historic Chipping Barnet Town Centre. Significantly, it also seeks to provide opportunities for employment creation, ensuring the continued contribution to innovation and growth through provision of workspace for small- to medium-sized enterprises.

2.4 Planning policy in neighbouring boroughs

2.4.1 **Harrow’s** Core Strategy was adopted in February 2012. This sets relatively modest targets for growth, relative to other more recent Local Plans in neighbouring boroughs. By 2026, the Core Strategy envisages that 6,050 new homes will have been provided and 4,000 new jobs added. Much of this growth is focused on the Harrow & Wealdstone Intensification Area which is expected to deliver at least 2,800 new homes and 3,000 jobs. The vision involves the renewal of the Northolt Road business area, providing a secondary location for economic activity, as part of mixed use development, beyond the Intensification Area.

2.4.2 The policies include a sequential approach to the release of surplus business and industrial premises and clear support for mixed use development where this secures employment generating development and diversification of the economy. The Core Strategy also supports improvements to Burnt Oak district centre, in support of the significant growth proposed for the Burnt Oak and Colindale Opportunity Area, which straddles the border with Barnet and Brent.

2.4.3 **Brent’s** Core Strategy was adopted in July 2010. It sets out a vision based on growth being focused on five main areas of growth, each of which will accommodate mixed use development. Wembley is the largest of these and the Core Strategy anticipates 10,000 new jobs being created within the Wembley area over 20 years.

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2.4.4 The policies in the Core Strategy include support for the renewal of industrial and commercial accommodation at the Park Royal Opportunity Area and specific support for and promotion of the arts and creative industries, including through increasing the supply of modern subsidised workplace developments in the growth areas.

2.4.5 **Camden's** Local Plan was adopted in July 2017. Euston, Holborn, King's Cross, Tottenham Court Road, Kentish Town Regis Road and West Hampstead Interchange are identified as growth areas where there will be a concentration of development. The most significant of these is King's Cross, which is expected to deliver 25,000 jobs between 2011 and 2031. A number of other 'highly accessible locations' are also identified as growth poles, including: Central London and the town centres of Camden Town, Finchley Road/Swiss Cottage, Kentish Town, Kilburn High Road and West Hampstead.

2.4.6 The need for a total of 695,000 sq m of new office floorspace is identified in the Plan and retaining suitable business premises for businesses of different types and sizes is identified as a key priority. Specific policy provision is made for intensification of business premises or sites where this includes floorspace suitable for start-ups or SMEs, such as managed affordable workspace. There is explicit recognition that the provision of premises suitable for SMEs is under pressure from rising land values, limited land availability and PDR. Other priorities identified are: making the most of limited land, encouraging high density developments and encouraging mixed use developments. Policy provision is also made for the intensification of employment sites.

2.4.7 In response to the impact of PDR, the Council has introduced Article 4 Directions which will remove PDR for office-to-residential for large parts of the Borough. Following revisions by the Secretary of State which reduced the area covered, the 'non-immediate' Directions came into force on 5th November 2015.

2.4.8 Industrial and warehousing floorspace is in short supply and under pressure from competing uses so the Local Plan seeks to protect industrial and warehousing sites and premises that are suitable and viable for continued use and to safeguard the identified Kentish Town Industry Area.

2.4.9 **Haringey** Haringey's Local Plan: Strategic Policies was adopted in 2013. The spatial strategy involves focusing growth on places that can support higher density development. Haringey Heartlands and Tottenham Hale are identified as the key locations for the largest amount of Haringey's future growth. A policy seeks to protect B-use premises including light industry, logistics, warehousing and storage facilities.

2.4.10 A pre-submission version of a set of alterations to the Local Plan was issued in January 2016. Part of the rationale behind the alterations was the extension of PDR, as well as new evidence from an updated Employment Land Study and the revisions to the London Plan. The alterations clarify that the Plan will seek an additional 23,000 sq m of employment floorspace up to 2031. A further Growth Area is also identified at North Tottenham (which includes Northumberland Park, the redevelopment of White Hart Lane Football Stadium and High Road West). An Inspector's Report on the Alterations was issued in April 2017. The Plan was adopted on 24th July 2017.

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2.4.11 The Inspector concluded that the alterations provide an appropriate basis for the planning of Haringey, subject to a number of modifications. This included clarifying the approach to delivering the increased employment floorspace. The modifications suggest that this will be through the reconfiguration and re-use of surplus employment designated land; the intensification of the use of existing employment sites (where possible); the provision of B1a/b floorspace as part of mixed-use development on suitable sites, including town centre sites; and the protection of existing viable B Class Uses on designated and non-designated sites.

2.4.12 In June 2016, Haringey adopted an Article 4 Direction to rescind PDR for changes of use from warehousing (B8) to residential use in the Borough's designated employment areas. There are no similar directions to protect office (B1) uses.

2.4.13 **Enfield** Enfield's current Core Strategy was adopted in November 2010. A consultation document regarding a new Local Plan, issued in November 2015, provides some indication of the key changes which will be reflected in new policy.

2.4.14 The current Core Strategy sets out plans for growth based around four strategic growth areas and provides for 560 new homes per year and 6,000 new jobs. The consultation on a new Plan recognises that far higher growth will need to be achieved, given significant increases in the projections for population growth in London and higher requirements for job growth in the London Plan. The consultation suggested the need for at least 13,000 new jobs in the Plan period, and outlined the following priorities:

- targeting more service based sectors which offer the highest possible jobs densities. This includes sectors such as Professional, Scientific and Technical, ICT, Life Sciences, Retail, Healthcare and Biomedical, the Arts, Entertainment, Recreation and Hospitality and Green Industries;
- encouraging expansion in existing sectors by making the most of the Borough's connections and capturing the move of industrial uses from Central London; and
- nurturing the small- and medium-sized enterprise (SME) base (15% of employees in Enfield are self-employed and 95% of business are SMEs).

2.4.15 **Hertsmere's** Core Strategy was adopted in 2013, and highlights the overall strength of the local economy but also that only 41% of the resident workforce actually work in the Borough. The Core Strategy seeks to ensure an adequate employment land supply, to enable a proportion of the resident workforce to be able to work locally, but also refers to the significant pressures to develop employment land for other uses, particularly residential. An ELR which informed the Core Strategy forecasted a shortfall of office space of 21,338 sq m by 2028, and an oversupply of industrial/warehousing space amounting to 12,652 sq m.

2.4.16 In spite of the shortage of business accommodation, the Core Strategy allows for the release of some sites because of their poor quality, with additional floorspace being secured mostly through greenfield extensions to existing designated Employment Areas and Sites. Although the Core Strategy offers protection for good quality employment sites, this is undermined by the subsequent changes to PDR. There is a recognition that surplus demand for office accommodation could migrate to neighbouring areas such as Barnet.

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2.4.17 The Core Strategy provides specific support for high-tech service sectors, including computing, communications and film/television.

2.5 Summary

2.5.1 The following paragraphs summarise the principal implications of the current planning policy documents reviewed above for the Barnet ELR.

2.5.2 National Planning Policy Framework

- Objectively assess development needs in the Local Plan.
- Identify potential barriers to investment.
- Provide a detailed understanding of business sectors needed so that growing and new sectors can be supported.
- Identify opportunities to support clusters of knowledge-driven, creative or high-tech industries.
- Identify priority areas for economic regeneration.
- Identify and justify any need for re-allocation of employment sites.

2.5.3 General Permitted Development Order

- Highlight those areas where Article 4 Directions can be justified, and provide the supporting evidence.

2.5.4 London Plan (consolidated with alterations since 2011) March 2016

- Recognise the need for continued significant growth in employment.
- Recognise the requirements for high levels of employment growth in specified locations – Opportunity Areas and Intensification Areas.
- Identify the workspaces, environments and other conditions needed to support the growth of new sectors.
- Highlight opportunities to shift the economy towards a low-carbon future.
- Identify opportunities to consolidate and enhance the office stock in specified strategic locations.
- Identify opportunities to support conversion of surplus offices to other uses.
- Help to ensure a sufficient stock of industrial land and premises, including identifying surplus industrial land.

2.5.5 London Plan Review

- Recognise the need for Outer London to provide an increasing contribution to London's economic growth.

2.5.6 Barnet's Core Strategy

- Recognise the need to consolidate growth in two Opportunity Areas (Colindale/Burnt Oak and Brent Cross/Cricklewood) and the Intensification Area (Mill Hill East).
- Identify opportunities to support the provision of affordable and flexible workspace, recognising the changing structure of the economy.

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- Identify opportunities to support the Borough as a centre for further and higher education.

2.5.7 Barnet's Development Management Policies

- Identify ways in which policy protections for existing employment space can be carried forward in the context of the extensions to PDR.
- Recognise need for a sequential approach to supply of employment space.

2.5.8 Area Action Plans and Brent Cross/Cricklewood Development Framework

- Recognise the need to support very significant employment growth in Mill Hill East, Colindale and Brent Cross/Cricklewood.
- Provide insights into the impact of this growth on the economy of the rest of the Borough.

2.5.9 Focus of Barnet's Local Plan Review

- Identify opportunities to support small business growth.
- Highlight mechanisms which will help to ensure that Barnet's town centres benefit from growth.

2.5.10 Barnet Planning Briefs

- Recognise that mixed use development will have a significant role to play in meeting housing and employment growth targets.
- Understand the impact of the significant change planned for key locations such as the North London Business Park.

2.5.11 Neighbouring Boroughs

- **Harrow** Recognise that the currently limited planned growth and the absence of Article 4 Directions may heighten demand for employment space
- **Brent** Understand the impact of significant growth and change at Wembley and Park Royal. Respond to the strong promotion of arts and creative industries and affordable workspace in this borough.
- **Camden** Understand the impact of significant growth and change at King's Cross and potential loss of office space in other parts of the borough. Understand impact of potential de-designation Kentish Town industrial land.
- **Haringey** Understand the impact of significant growth and change at North Tottenham and Haringey Heartlands.
- **Enfield** Understand the impact of the promotion of service-based sectors in the borough, and the particular focus on small business.
- **Hertsmere** Recognise that surplus demand for office space in the district may spill over to Barnet.

3.0 Economic profile

3.0.1 In this chapter, we review the economic profile of Barnet in order that we can place the Borough's requirements for commercial property into a demand context. The chapter examines population change, the labour market, economic performance and competitiveness. The analysis describes the Borough's strengths and weaknesses as a business location. To place Barnet into a wider context, some of our analysis compares Barnet data with the neighbouring Outer London boroughs of Brent, Camden, Enfield, Haringey and Harrow.

3.1 Overview

3.1.1 Barnet sits within the Outer sub-region of London. Like many boroughs in this region, its economy has been changing rapidly in recent decades, and has seen a major structural shift from manufacturing activity to service-based activity. Barnet was also home to a number of large office occupiers, although their numbers have also shrunk in more recent times. Barnet's economy is today driven largely by small businesses, many of which serve local markets rather than London-wide markets.

3.1.2 In common with the rest of London, Barnet has also been experiencing rapid population growth over the past decade or so. This has brought with it particular pressures on land resources, manifested most clearly in rising land values and growing competition between the residential and commercial property markets.

3.1.3 Employment space is not evenly distributed through the Borough, but neither is there a single dominant centre within Barnet. Smaller concentrations are spread on land around the A1 and M1. To the East, the main artery is the A1000 which runs from Barnet itself, through Whetstone and North Finchley to the North Circular. A string of small town centres runs along the A1000, with the largest concentration of offices at North Finchley as well as at Finchley Church End.

3.1.4 The Borough's main retail centre is Brent Cross shopping centre with most other locales having, at most, small town centres with one or two of the major supermarket chains present. These are assessed in detail in the accompanying Town Centre Floorspace Needs Assessment study.

3.1.5 The 2009 ELR observed that "*Barnet's economic performance over time has shown signs of slow-down*", and that the Borough had grown at a modest 0.3% per year over the most recent economic cycle, compared to 0.8% over the period 1986-1997. The same study noted that most of the Borough's large employers "*are public sector institutions leaving the market-based sectors characterised by small enterprises ...*", which are dominated by retail and wholesale, hospitality, financial and business services and public sector.

3.2 Population change

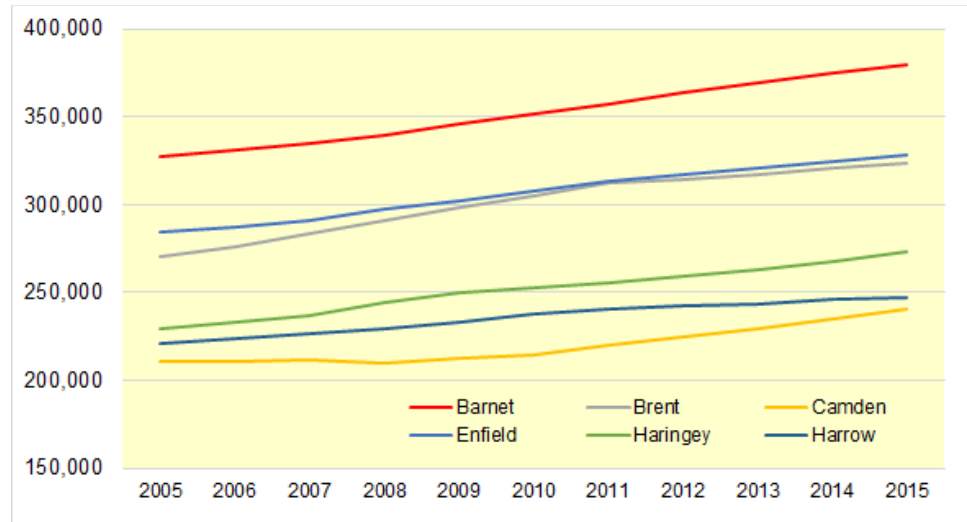
3.2.1 **Historic change** The population of Barnet was estimated at 379,691 in 2015.¹⁴ This had grown by 15.9% between 2005 and 2015 (Figure 3.1), marginally above the London average of 15.4%. It is around the mid-point of nearby boroughs such as Brent (19.6%), Camden (14.2%), Enfield (15.3%), Haringey (19.0%) and

¹⁴ ONS (2016) *Mid-year Population Estimates 2015*

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Harrow (11.8%). Almost two-thirds are aged 16-64, well below the London average of 68.1%, and reflecting the high proportion of residents of pensionable age.

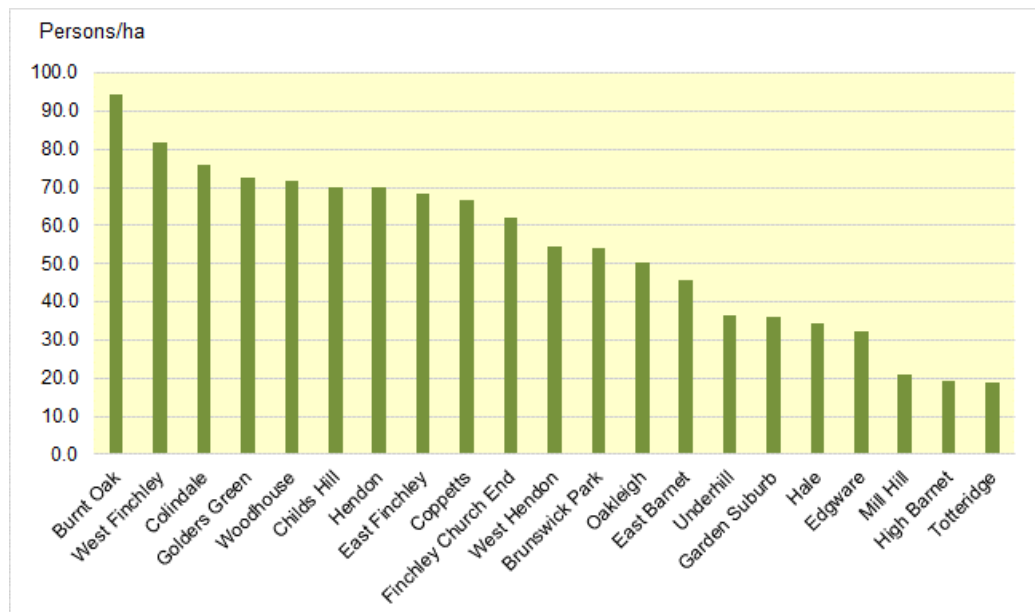
Figure 3.1 Population change, selected London boroughs, 2005 to 2015



Source: ONS (2016)

3.2.2 Population density Figure 3.2 shows Barnet's population density by ward.¹⁵ Density ranges widely between lows in High Barnet, Mill Hill and Totteridge (all less than 20 persons per hectare), to highs in Burnt Oak and West Finchley (over 80).

Figure 3.2 Population density by ward, 2011



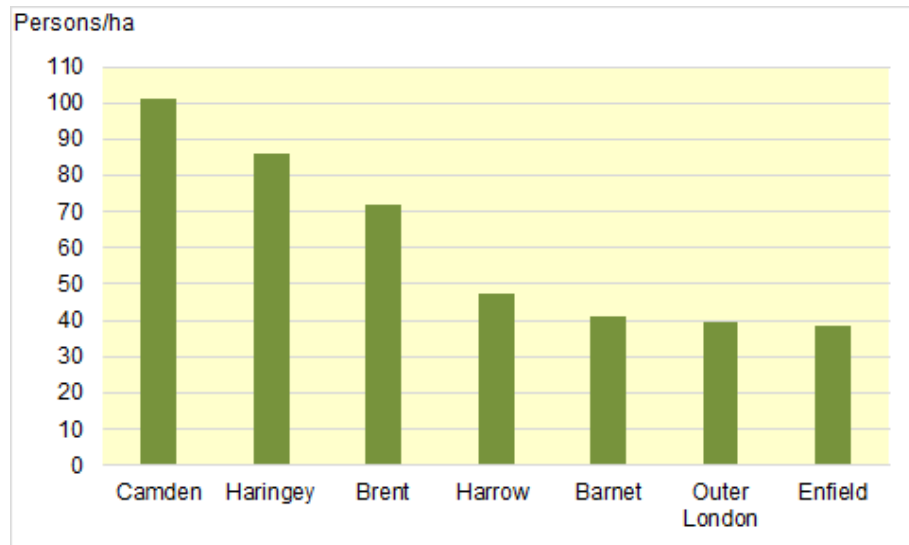
Source: GLA (2015)

¹⁵ GLA (2015) *Land Area and Population Density*

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3.2.3 When we compare Barnet with other boroughs and Outer London (Figure 3.3), we see that Barnet's overall population density of 41.1 persons per hectare compares with 39.4 for Outer London.¹⁶

Figure 3.3 Population density by borough, 2011



Source: GLA (2015)

3.2.4 **Forecast change** Figure 3.4 shows the latest population forecasts for Barnet and its neighbouring boroughs.¹⁷ Barnet is forecast to grow by 27% (or by 104,333 people) through to 2047, to a total of 494,167 people. This is more rapid growth than the London average of 23%. Enfield is set to grow by the same amount, while the other five boroughs will all grow by between 18% (Camden) and 25% (Hillingdon).

3.2.5 The recent growth in population underlines the growing pressure on Barnet's land markets from the residential sector. This is a recurring theme in this ELR, and one with very significant implications for the Borough's stock of commercial space.

3.3 Labour market

3.3.1 The economic activity rate (the employed and unemployed combined) in Barnet stands at 72.6 (compared to 78.3 for London). Barnet's claimant count stood at 1.5% in March 2017; compared to 2% for both London and the UK.¹⁸

3.3.2 Barnet's economic activity rate is below the London and UK averages and the employment rate is lower than for London. However, Barnet has a strong culture of self-employment, with close to 15% of those in employment being self-employed compared to around 11% across London and 9% nationally.

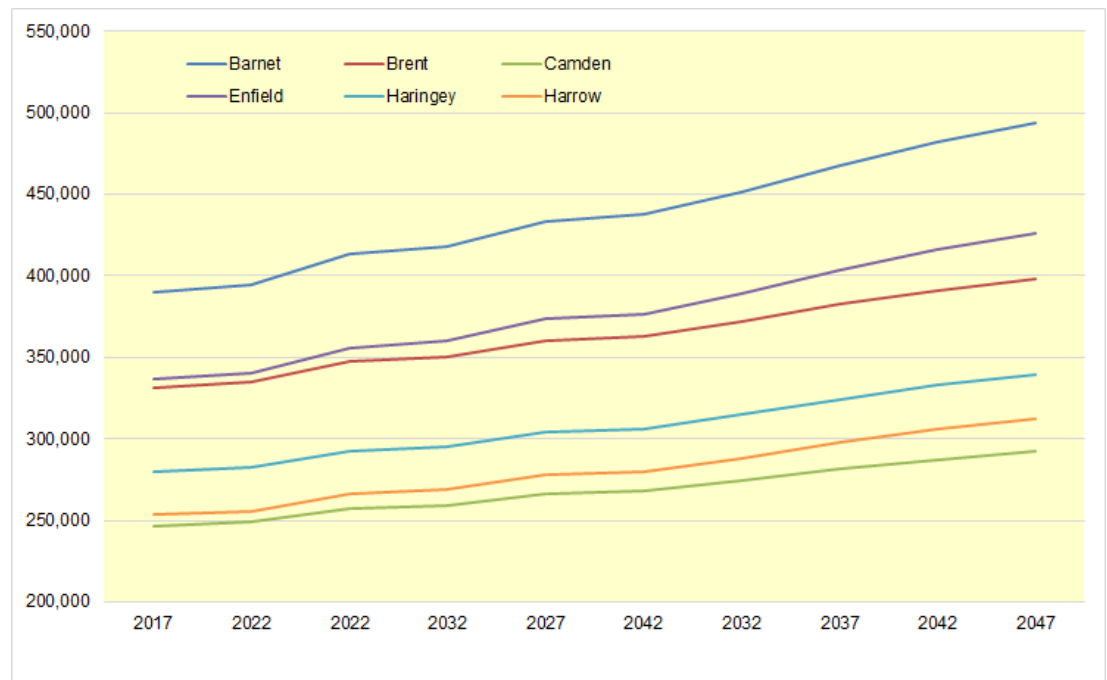
¹⁶ GLA (2015) *Land Area and Population Density*

¹⁷ Greater London Authority (2017) *2015-based Trend Population Projections*

¹⁸ ONS Nomis *Official Labour Market Statistics* Accessed 11th July 2017

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Figure 3.4 Population projections, 2017 to 2047



Source: GLA (2017)

3.3.3 The self-employment rate in Barnet, 15.4%, is larger than London (13.4%) and the UK (10.6%). The Borough's residents are also relatively well-qualified, with 55.4% having NVQ4 and above, compared to 52% across London and 38.2% across the UK.

3.3.4 **Number of jobs** Figure 3.5 shows recent employment growth in selected boroughs (for clarity in presentation, Camden is excluded from this chart: Camden jobs grew from 278,000 to 381,000 over the period).¹⁹ Barnet has shown strong growth, with a 23% rise in jobs. Its nearest competitors in this sense were Enfield (at 20.0%) and Haringey (at 17.9%).

3.3.5 The level of growth in employment should be seen alongside the population data presented above, and further underscores the point made there about growing pressure on Barnet's land markets. With both more residents and more jobs, there is an inevitable competition for space which planning policy has to address.

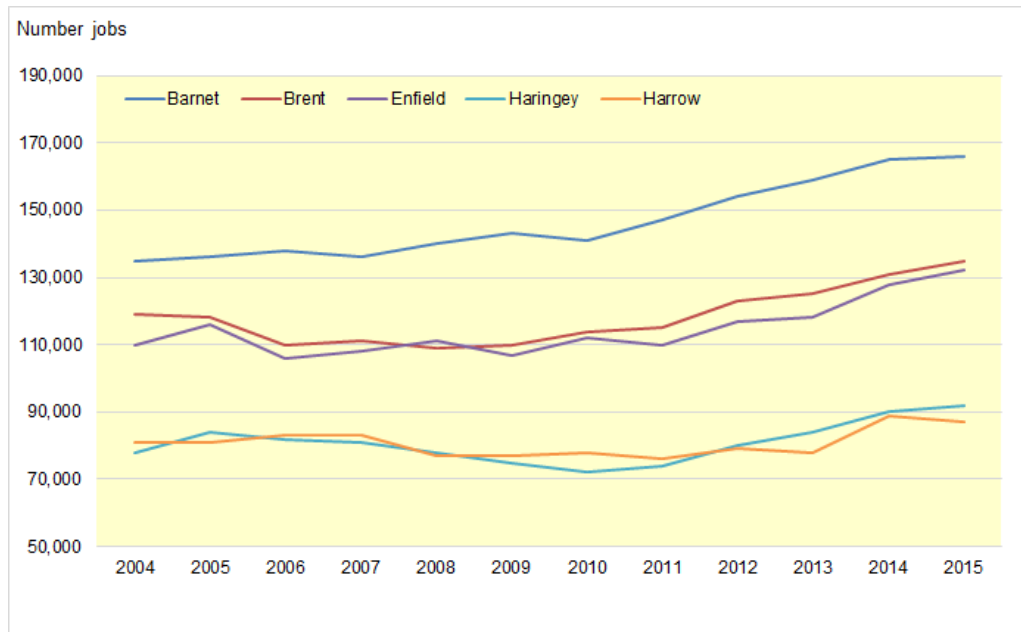
3.3.6 The ratio of the number of jobs to the working-age population is relatively high in Barnet, compared to nearby Outer London boroughs, but quite low compared Inner London. In 2015, the 'job density' ratio for Barnet was 0.67, while Enfield's job density was 0.62, both lower than the London average (0.95).²⁰

¹⁹ ONS (2017) *Jobs and Job Density*

²⁰ NOMIS *Job Density 2015*

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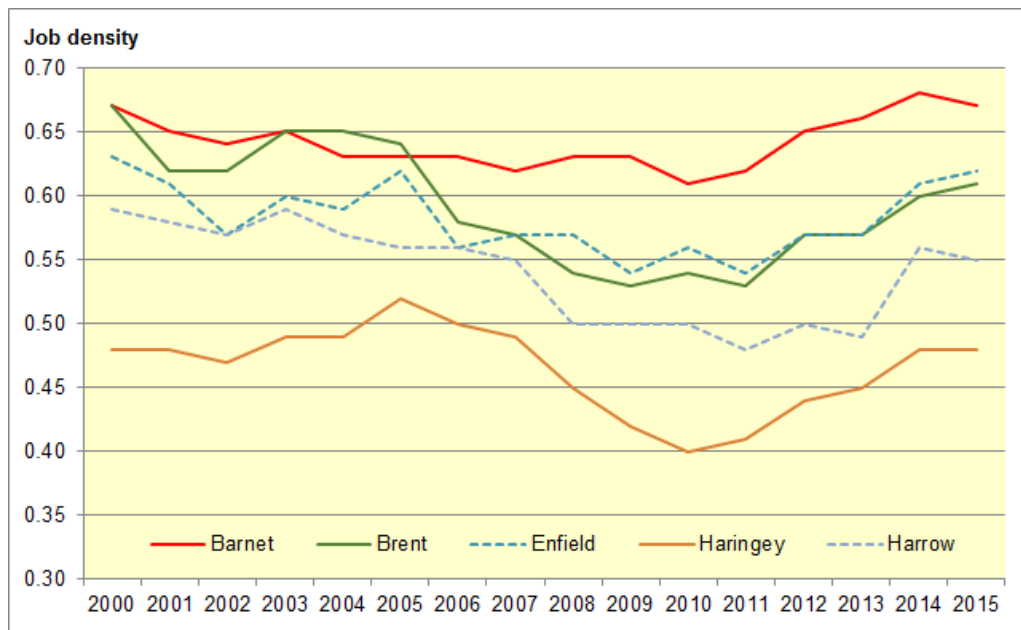
Figure 3.5 Growth in jobs, selected boroughs, 2014-2015



Source: ONS (2017)

3.3.7 Figure 3.6 shows the changes in job density (the number of jobs per resident of working age) for nearby boroughs since 2000 (As with Figure 3.5 Camden is excluded for reasons of presentation: in 2015 Camden’s job density was 2.23).²¹

Figure 3.6 Job density in Barnet and nearby boroughs



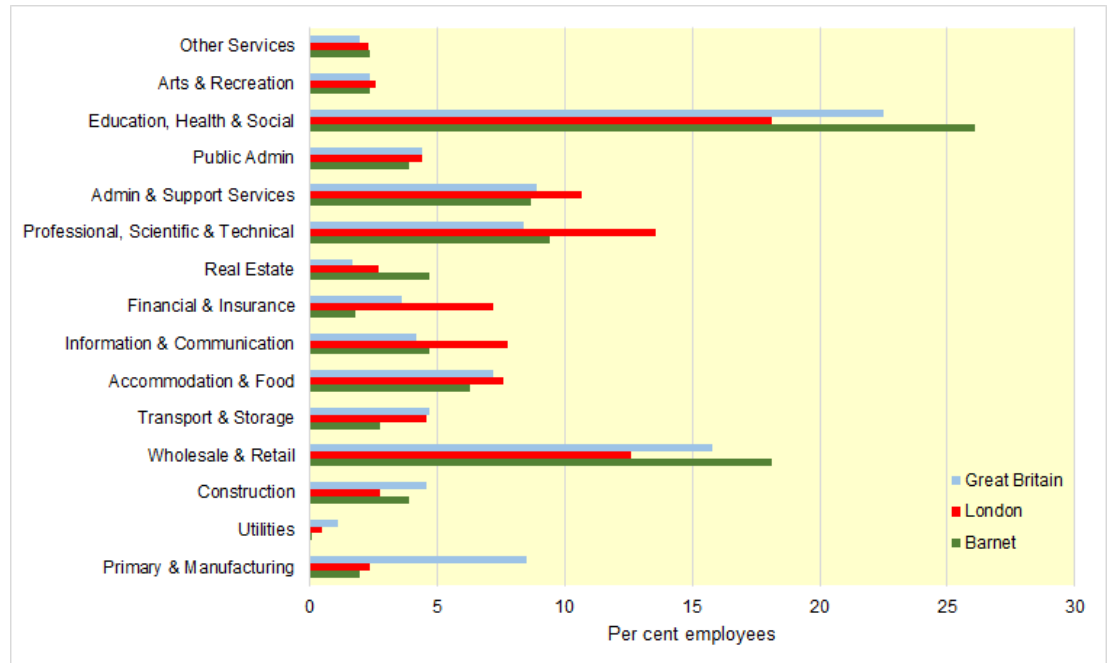
Source: ONS (2017)

²¹ ONS (2017) *Jobs and Job Density*

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3.3.8 Jobs by sector Figure 3.7 shows a breakdown of Barnet's employment, by sector, compared to London and nationally.²² The higher proportions of jobs in Wholesale & Retail and in Education, Health and Social (public sector) are very clear. The Borough's Health employment was reduced recently with the move of the National Institute for Medical Research to King's Cross.

Figure 3.7 Employment by sector, 2016



Source: NOMIS

3.3.9 At the same time, the Borough is underweight in Information & Communications and Professional & Scientific jobs. This is critically important because these are the two sectors that are growing most strongly across London. Barnet is also under-represented in Financial & Insurance, although this sector is consolidating in London.

3.3.10 Occupations Official data show that Barnet has 18.4% of its workers in Manager, Director and Senior Official occupations, compared to just 12.3% across London and 10.6% in the UK (Figure 3.8).²³ When the Manager category is combined with Professional occupations, 45.8% of Barnet's workforce falls into this combined group (compared to 37.5% across London, and 30.9% across the UK).

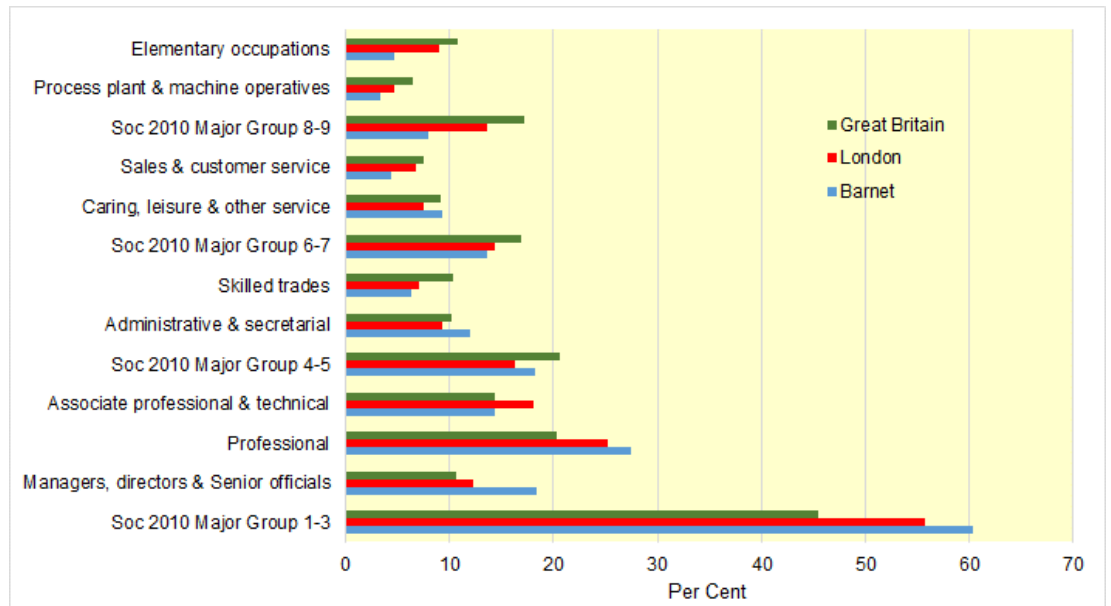
3.3.11 Barnet has a lower representation of Associate, Professional & Technical occupations, and higher representations in Administrative & Secretarial and Skilled Trades. The Borough's higher level of senior occupations is linked to higher levels of educational attainment, and is generally in line with other Outer London boroughs.

²² ONS Nomis *Official Labour Market Statistics* Accessed 11th July 2017

²³ Ditto

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Figure 3.8 Occupational structure of Barnet residents, 2016

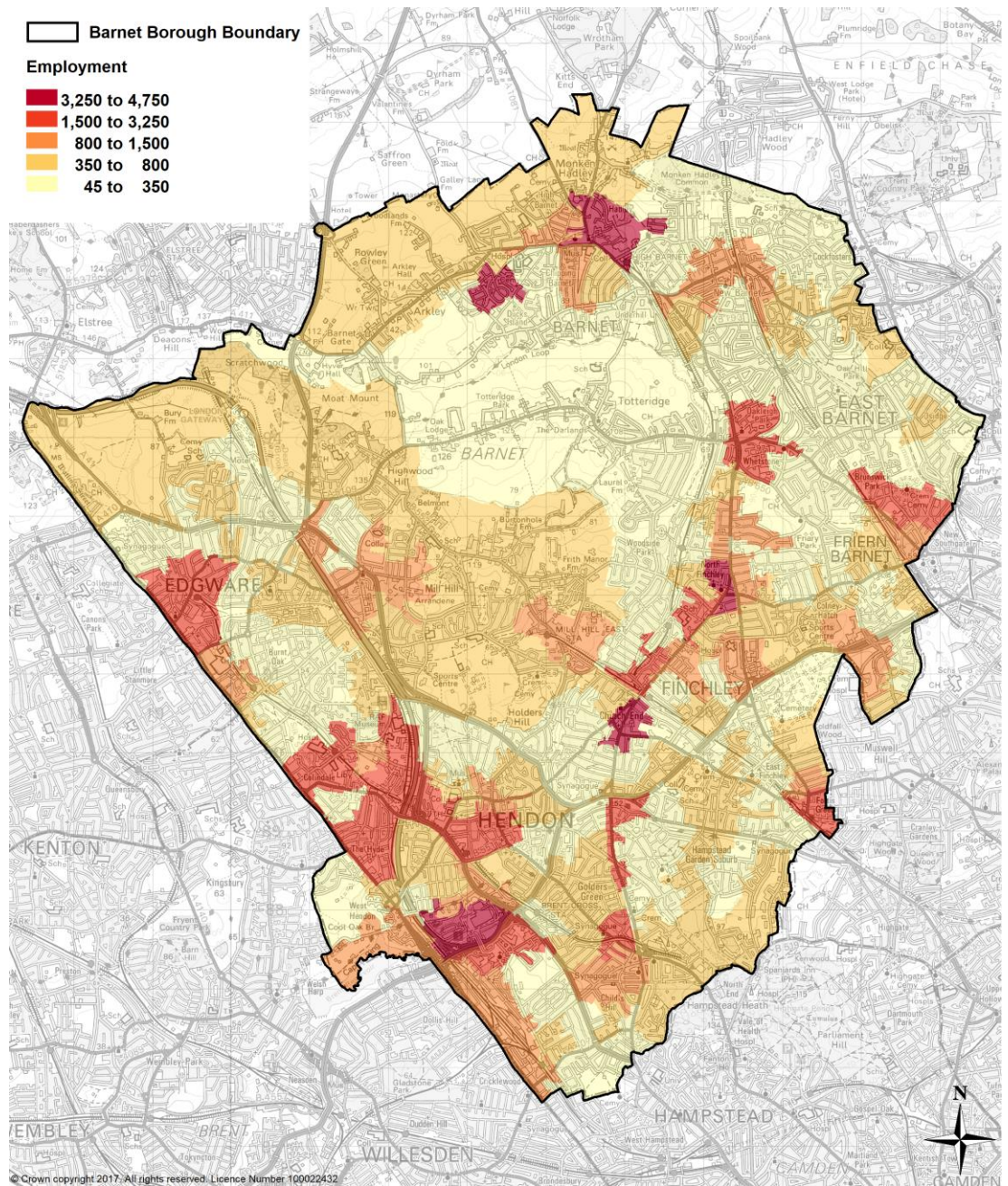


Source: NOMIS

Job Density Figure 3.9 shows job density across the Borough. As noted elsewhere, Barnet lacks a single strong centre, so firms are distributed among a series of small town centres along the A1000, the North Circular and the A1/M1 corridor, with the A1000 centres mainly, although not exclusively, office-based in character, the North Circular largely occupied by distribution firms. The more significant centres, in job density terms include: Edgware, East Finchley, Finchley Church End, Brent Street Hendon and North Finchley, with secondary centres in Chipping Barnet and New Barnet.

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Figure 3.9 Job density in London Borough of Barnet



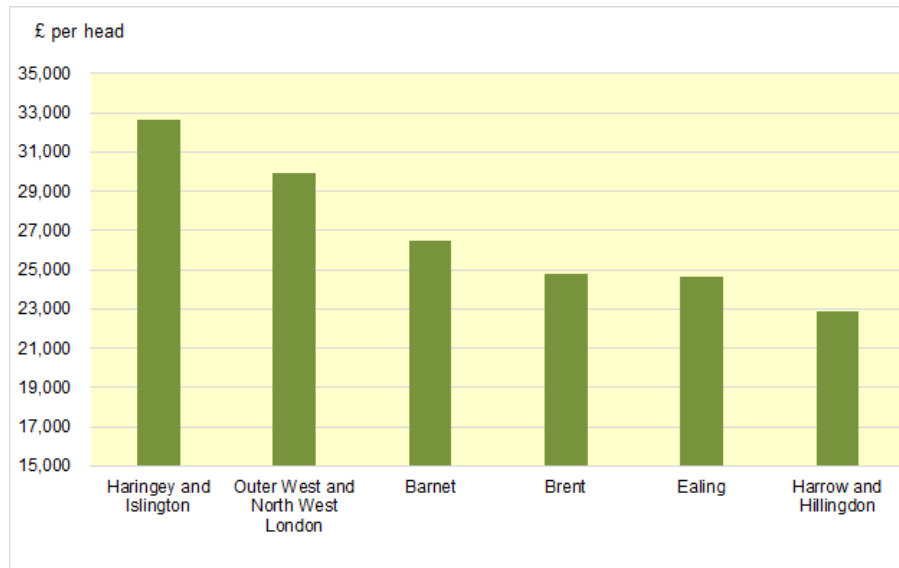
3.4 Economic performance

3.4.1 Figure 3.10 shows Gross Value Added (GVA) per head of population in a selection of boroughs in 2015.²⁴ The base data link Haringey with Islington and Harrow with Hillingdon.

²⁴ ONS (2016) *Regional Gross Value Added (Income Approach) Reference Tables*

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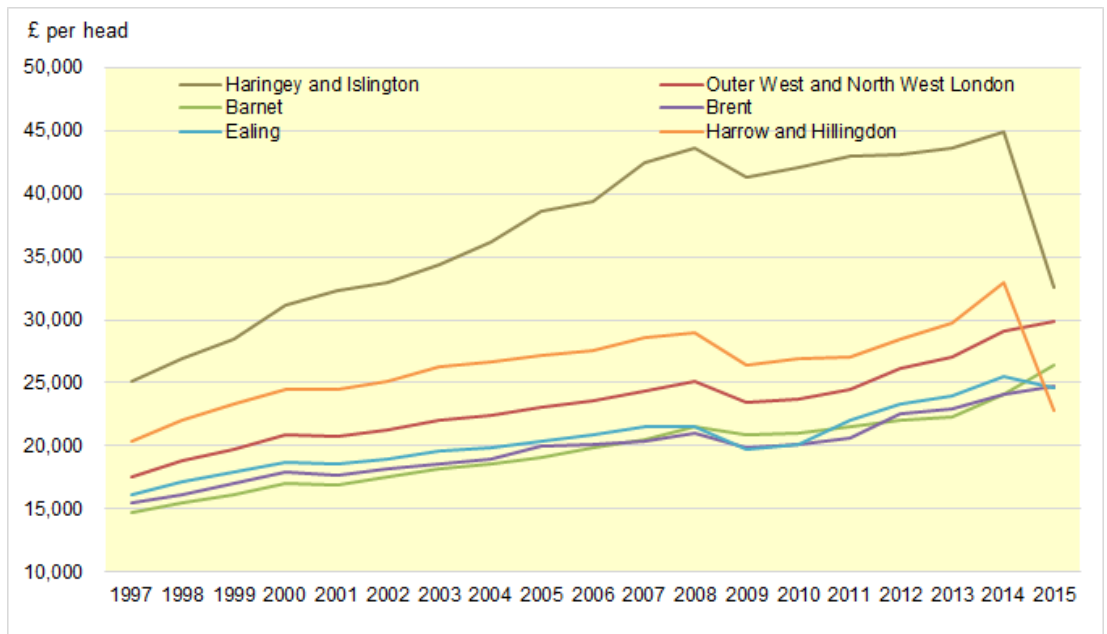
Figure 3.10 Gross value added, selected London boroughs, 2015



Source: ONS (2016)

3.4.2 At c£26,500 per head, Barnet outperforms Brent, Ealing and Harrow, but lags Haringey and Islington and the broader Outer West and North West London region. Figure 3.11 shows how Barnet has performed, in terms of GVA per head, between 1997 and 2015.²⁵ The GVA data measure workplace GVA divided by resident population and therefore reflect out-commuting.

Figure 3.11 Change in GVA per head, selected boroughs, 1997-2015



Source: ONS (2016)

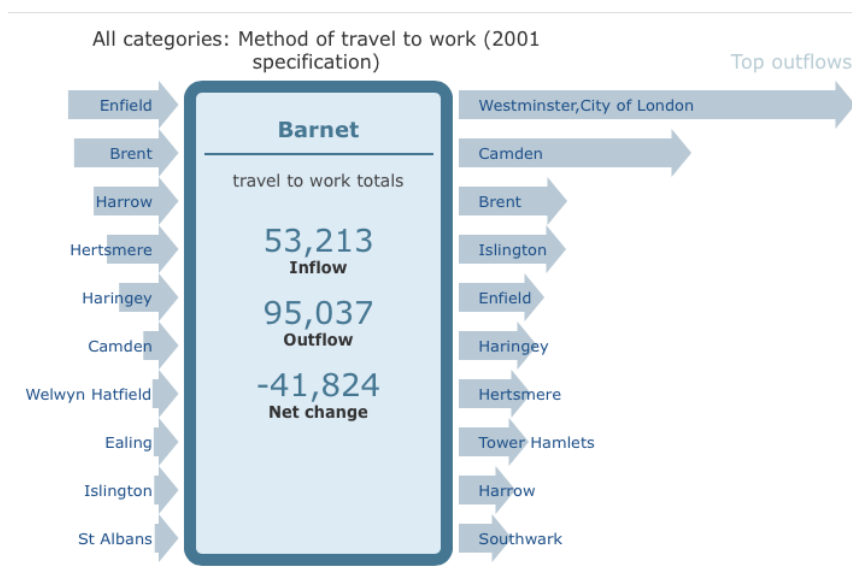
²⁵ ONS (2016) *Regional Gross Value Added (Income Approach) Reference Tables*

3.5 Labour market and travel-to-work

3.5.1 Over 36,031 of Barnet's 130,415 workers (as recorded in the 2011 census) live in the Borough, with Brent, Enfield and Harrow each providing more than 5,000 workers to Barnet (Figure 3.12). Haringey and Hertsmere provide c4,200 and 3,400, respectively.

3.5.2 More than 24,000 of Barnet's residents work in Westminster or the City of London, with another 14,000 in Camden, meaning that around 30% of Barnet's working population works in Central London. Brent, Enfield and Islington each attract between c4,500 and c6,000 of the Borough's residents. Beyond the centres listed in Figure 3.12, there is a straightforward distance decay, with no nearby locations supplying or receiving more than a few hundred workers.

Figure 3.12 Net inflow of employees to Barnet



Source: Census (2011)

3.5.3 Figure 3.13 compares net flows with adjacent boroughs. Other than Camden – which obviously has very high inflows, being partially in Central London – Barnet is in the mid-range in terms of the proportion of inflows to outflows.

Figure 3.13 Net flows of workforce, selected boroughs

Borough	(a) In-flow	(b) Out-flow	(c) Net flow	In as a % of out
Barnet	53,213	95,037	-41,824	56.0
Brent	54,394	86,694	-32,300	62.7
Camden	227,464	63,402	164,062	358.8
Enfield	41,401	73,555	-32,154	56.3
Haringey	37,306	80,627	-43,321	46.3
Harrow	28,708	68,962	-40,254	41.6

Source: Census 2011

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3.5.4 In 2011, the average daily number of people travelling into Barnet for work was 53,213; while the number travelling elsewhere was 95,037; yielding a net inflow of -41,824 (Figure 3.12).²⁶ The net outflow should probably not be a surprise from an Outer London borough, nor should the weight towards central London.

3.6 Competitiveness

3.6.1 The latest edition of the UK Competitiveness Index ranks Barnet as the 51st most productive locality in the UK, a fall from 42nd in 2013 (Figure 3.14).²⁷

Figure 3.14 UK Competitiveness Index, Inner London, 2013 and 2016

Borough	2013 score	2013 rank	2016 score	2016 rank	Score change	Rank change
City of London	752.5	1	732.1	1	-20.4	0
Westminster	214.4	2	212.7	2	-1.7	0
Camden	168.8	3	167.9	3	-0.9	0
Islington	146.4	4	147.8	4	1.4	0
Hammersmith & Fulham	143.7	5	145.3	5	1.6	0
Tower Hamlets	141.2	7	142.4	6	1.2	1
Kensington & Chelsea	141.4	6	142.2	7	0.8	-1
Lambeth	130.5	8	132.5	8	2	0
Southwark	128.2	9	131.3	9	3.1	0
Wandsworth	127.6	10	127.9	11	0.3	-1
Richmond	121.9	15	122.4	14	0.5	1
Hackney	116.6	24	120.7	18	4.1	6
Hounslow	114.7	28	117.8	22	3.1	6
Hillingdon	113.5	32	114.1	32	0.6	0
Merton	108	52	109.5	47	1.5	5
Barnet	110.7	42	109.2	51	-1.5	-9
Kingston	107.5	56	109.1	52	1.6	4
Ealing	106.5	62	108.2	53	1.7	9
Harrow	104.9	70	107.8	56	2.9	14
Haringey	107.4	57	107.2	59	-0.2	-2
Lewisham	105.6	65	106.1	65	0.5	0
Brent	103.4	79	105.2	68	1.8	11
Bromley	101.2	92	101.7	90	0.5	2
Newham	99.3	107	101.2	94	1.9	13
Sutton	99.9	104	99.5	109	-0.4	-5
Redbridge	100.6	99	98.8	113	-1.8	-14
Croydon	98.9	111	97.3	121	-1.6	-10
Greenwich	95.7	133	97.2	125	1.5	8
Enfield	94.1	149	96	135	1.9	14
Waltham Forest	93.5	152	95.4	139	1.9	13
Bexley	92.1	166	94.2	152	2.1	14
Havering	92.6	159	93.1	160	0.5	-1
Barking & Dagenham	90	196	90.6	187	0.6	9

Source: Huggins & Thompson (2016)

²⁶ ONS (2014) *Location of Usual Residence and Place of Work*

²⁷ Huggins R & Thompson P (2016) *UK Competitiveness Index 2016* Centre for International Competitiveness

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3.6.2 The UK Index benchmarks the competitiveness of UK localities. The benchmark uses a bundle of indicators including the following.

- **Input** Proportion of knowledge-based businesses; working age qualified to NVQ4; business registrations per 10,000 inhabitants; businesses per 1,000 inhabitants and economic activity rate.
- **Output** Working age employment rate; GVA per capita and productivity.
- **Outcome** Full-time weekly median pay and unemployment claimant rate.

3.6.3 As can be seen, the nine most competitive locations in the UK are all Inner London boroughs. Barnet ranks 16th in London, but higher than all adjoining boroughs except Camden. Despite this slight fall, Barnet remains the most high-scoring North London borough and the 5th highest Outer London borough.

3.7 Summary

3.7.1 Like many boroughs in Outer London, Barnet's economy has been changing rapidly in recent decades, and has seen a major structural shift from manufacturing activity to service-based activity (albeit, Barnet never had a major manufacturing role).

3.7.2 In common with the rest of London, Barnet has also been experiencing rapid population growth, which has brought with it particular pressures on land resources, manifested in competition between the residential and commercial property markets. The latest population forecasts suggest that Barnet will grow by 104,333, to around 495,000 by 2047.

3.7.3 Economic activity rates are below the London and UK averages and the employment rate is lower than for London. However, Barnet has a strong culture of self-employment, with close to 15% of those in employment being self-employed, compared to around 11% across London.

3.7.4 Employment in the Borough shows large numbers in Wholesale & Retail and in Education, Health and Social (public sector). At the same time, it is underweighted in Information & Communications and Professional & Scientific jobs. This is critically important because these are the two sectors that are growing most strongly across London.

4.0 Firm structure and distribution

4.0.1 This section examines, first, the size structure of firms in Barnet and then, secondly, their spatial distribution across the Borough, first by firm size band and then by sector. Barnet's economy is today driven largely by small businesses, many of which serve local markets rather than London-wide markets.

4.1 Firm structure

4.1.1 At the start of 2016 London had almost 800,000 businesses with no employees (Figure 4.1) and almost 220,000 with between one and 249 employees.²⁸ Within this overall number, there has been significant growth in the 0-4 person size group.²⁹ SMEs³⁰ make up 99.8% of all London's private sector businesses; and employment in SMEs represents 49.8% of all London employment (including employee jobs and self-employment). SMEs account for 47.7% of business turnover (excluding the financial and insurance industry), equal to £430bn.

Figure 4.1 Firm size breakdown, London, 2016

Firm size band	Businesses		All employment	
	Number	% of total	Number	% of total
No employees	791,015	78.2	844,000	16.2
Micro (1-4)	140,820	13.9	373,000	7.2
Micro (5-9)	39,960	4.0	269,000	5.2
Small (10-49)	32,540	3.2	625,000	12.0
Medium (50-249)	5,740	0.6	568,000	10.9
Large (250+)	1,520	0.2	2,521,000	48.5
Total	1,011,595	100.0	5,200,000	100.0

Source: Department for Business, Energy and Industrial Strategy (2016)

4.1.2 In terms of enterprise size, Barnet is:

predominantly small business economy, with a particularly high and growing proportion of self-employment. The local economy is vibrant with Barnet having the third highest business base in London and collecting nearly £100m annually through business rates.³¹

4.1.3 This is certainly supported by the most recent data. Figure 4.2 shows the share of enterprises by enterprise size, compared to other London boroughs, while Figure 4.3 looks specifically at business below 10 staff (microbusinesses).

4.1.4 The Outer London boroughs examined are all characterised by a level of SME formation higher than the London average (which is 79.5% for 0-4 staff and

²⁸ Department for Business, Energy & Industrial Strategy (2016) *Business Population Estimates for the UK and Regions 2016*

²⁹ ONS (2014) *UK Business: Activity, Size and Location*

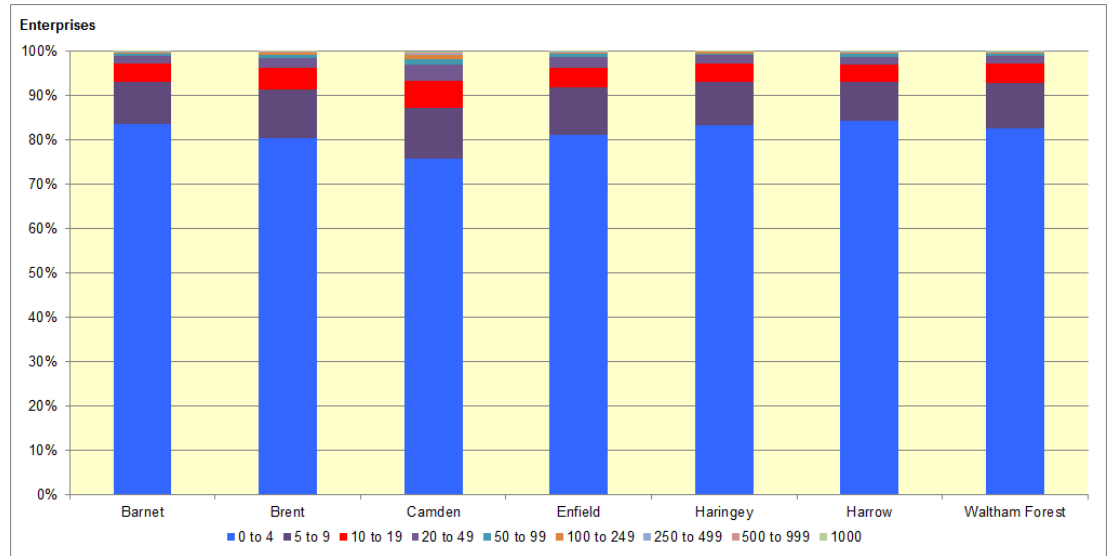
³⁰ SMEs comprise firms of fewer than 250 employees and micro-businesses, referred to elsewhere, comprise firms with nine or fewer employees.

³¹ CEEDR (2014) *Developing Barnet's Economic Strategy* Middlesex University Business School

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90.1% for 0-9 staff). That Camden has proportionately fewer SMEs is probably a function of it partially laying with the CAZ. In fact, the 2016 level of micro-businesses in Barnet is higher than that reported by CEEDR in 2014 (89.7%).

Figure 4.2 Share of enterprises by enterprise size in selected London boroughs, 2016



Source: IDBR (2016)

Figure 4.3 Percent of business that are micro-businesses in selected London boroughs, 2016

Borough	0-4 staff	0-9 staff
Barnet	83.6	93.2
Brent	80.4	91.5
Camden	75.7	87.2
Enfield	81.1	92.0
Haringey	83.5	93.1
Harrow	84.3	93.1
Waltham Forest	82.6	92.9

Source: IDBR (2016)

4.1.5 It should be noted here that IDBR data do have certain limitations. The dataset is based on businesses operating in March of a particular year and is based on employer PAYE records. The combination of being based on a date snapshot and PAYE records means that the dataset is smaller than the ONS business demography, but key trends remain consistent between the two sources. Also, businesses without PAYE (such as single person entities without premises) are not accounted for within the dataset. The dataset contains information on each business which could be linked to council National Non-Domestic Rates data.

4.1.6 Barnet has a larger proportion of micro businesses (0-4) than London, reflecting the birth rate referred to above, and significantly small proportions in each of the other size bands (Figure 4.4).

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4.1.7 Within the overall SME picture, there has been a significant growth in the number of self-employed people. Self-employed people are defined as those who run their own businesses and take responsibility for success or failure; have several customers at the same time; can decide how, when and where they do their work, and are free to hire people to do the work for them.

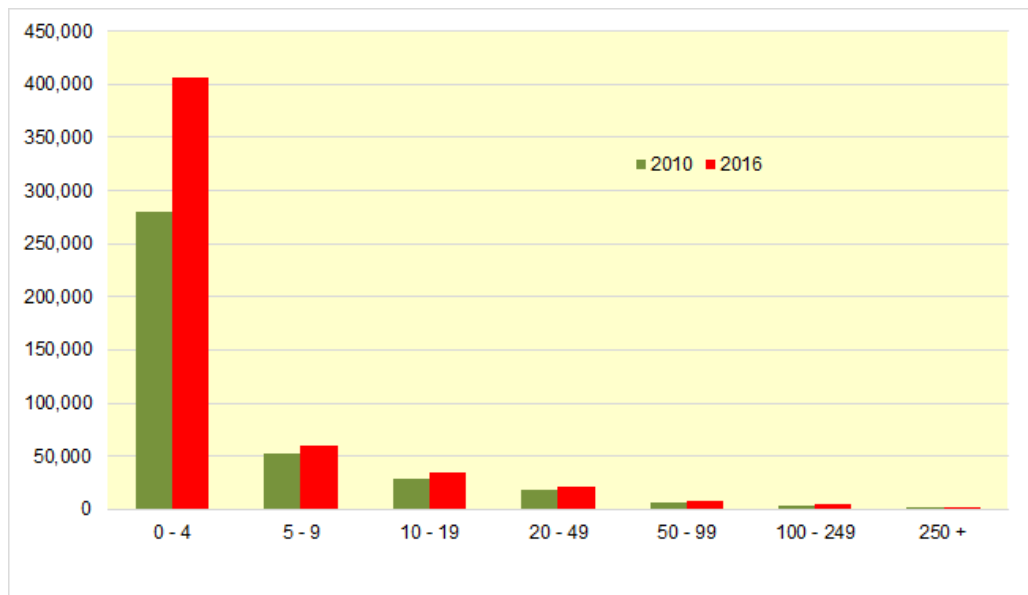
Figure 4.4 Size structure of enterprises, Barnet

Firm size band	Barnet		London	
	Number	%	Number	%
Micro 0-9	21,525	91.1	466,430	86.8
Small 10-49	1730	7.3	56,265	10.5
Medium 50-249	355	1.5	12,260	2.3
Large >250	30	0.1	2190	0.4
Total	23,640	100	537,145	100

Source: IDBR (2016)

4.1.8 Between 2010 and 2016, the number of firms across London with between none and four employees grew from 280,450 to 406,595 or by 45%. This far outstrips the growth in other size bands, with firms of 5-9 employees growing by 14%; 10-19 employees by 16% and 20-49 employees by 18% (Figure 4.5). Firms larger than this experienced much slower growth.

Figure 4.5 Change in firm size structure, London, 2010-2016



Source: ONS³²

4.1.9 As implied by the data, there has been a major growth in self-employment in London over recent years. In fact, the number of self-employed rose from 621,000 in 2004 to 975,000 in 2016 (or from 15.6% to 18.7% of all jobs).³³ Similarly, in Barnet

³² ONS (2016) *Local Units by Employment*

³³ ONS (2017) *Annual Population Survey*

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the number of self-employed has grown from 28,500 to 38,700 (from 19.3% of the total to 22.0% of all jobs).

4.1.10 One of the outcomes of this process has been rising demand for space (and flexibility) that cannot be satisfied in the conventional leasing market. The rise of the flexible space market, largely a response to this growth dynamic, is explored more fully in section 5.5.

4.1.11 A recent report from the Centre for Cities³⁴ examined the role that small firms play “*in the city with the highest start-up rate in the UK and the most high growth firms – London*”. The report outlined a number of specific findings.

- Business density in London is highest in the city’s core because of the benefits firms derive from being located close together.
- Small firms that need to be near local consumers (small business-to-consumer firms) are spread across London matching the geography of their customer base. These firms account for 82% of London’s small firm base.
- Small firms trading with other firms in London, nationally and internationally (small business to business firms), are concentrated in two areas: London’s core and to the west, near Heathrow and national motorway links. These firms account for just 18% of all London’s small firms but have the greatest potential to make a significant contribution to future jobs growth (because they are comparatively productive and they have access to large national and international markets).
- The popularity of the central core of the city has grown, leading to the city centre expanding into former ‘fringe’ areas. There is also pressure to convert commercial space into high value residential space in these areas.

4.1.12 The final point highlights the potentially transformative role of the proposed commercial development at Brent Cross. A development on this scale would be a good example of the central area leaking into a former ‘fringe’ area.

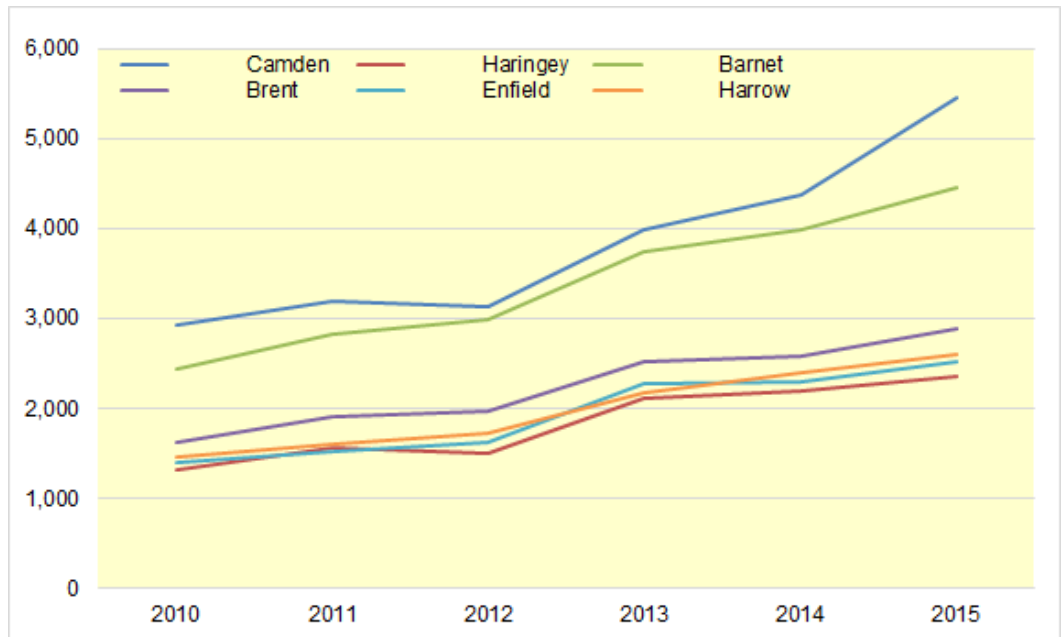
4.1.13 **Entrepreneurship and survival** Barnet is an entrepreneurial borough, underpinning the Council’s efforts to encourage small businesses. Figure 4.6 shows the number of new businesses created each year in selected boroughs, between 2004 and 2015. In absolute terms, Barnet and Camden stand out among the sample of six boroughs examined here. There is a clear gap between these two and the other four boroughs in the sample. Furthermore, it seems that the pace of growth in Barnet and Camden has increased in recent years.

4.1.14 Figure 4.7 shows the five-year survival rate for enterprises in London’s boroughs. Barnet appears, on this measure, to be more akin to East London than north or west and is ranked 28 out of the 33 London boroughs, although it is worth observing that Westminster and Hammersmith fall either side of Barnet’s ranking.

³⁴ Centre for Cities (2012) *Size Matters: the Importance of Small Firms in London’s Economy*

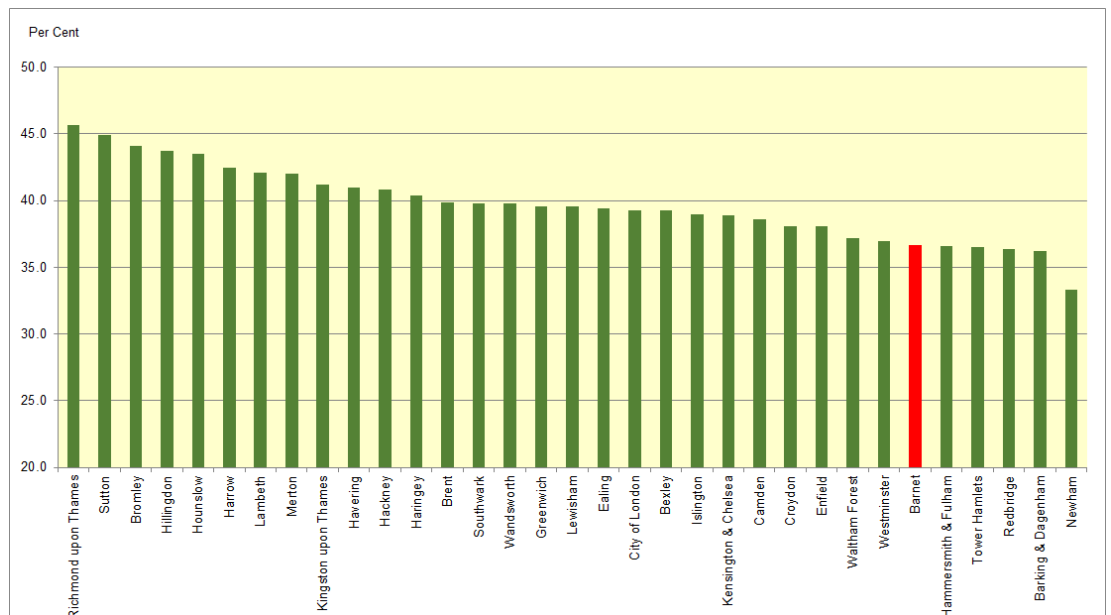
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Figure 4.6 Numbers of firms created, annually, 2010-2015



Source: ONS³⁵

Figure 4.7 Five-year survival rates of new firms



Source: ONS Business Demographics (2016)

It is not clear from the data alone what accounts for the disparity in firm survival rate. On the one hand there might be negative reasons (for example, poor business support in some areas), while on the other hand, there could be more positive

³⁵ ONS (2015) *Business Demography Enterprise Births, Deaths and Survivals*

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reasons, such as higher levels of entrepreneurship with more businesses being created, folded, sold or merged.

4.2 Firm distribution

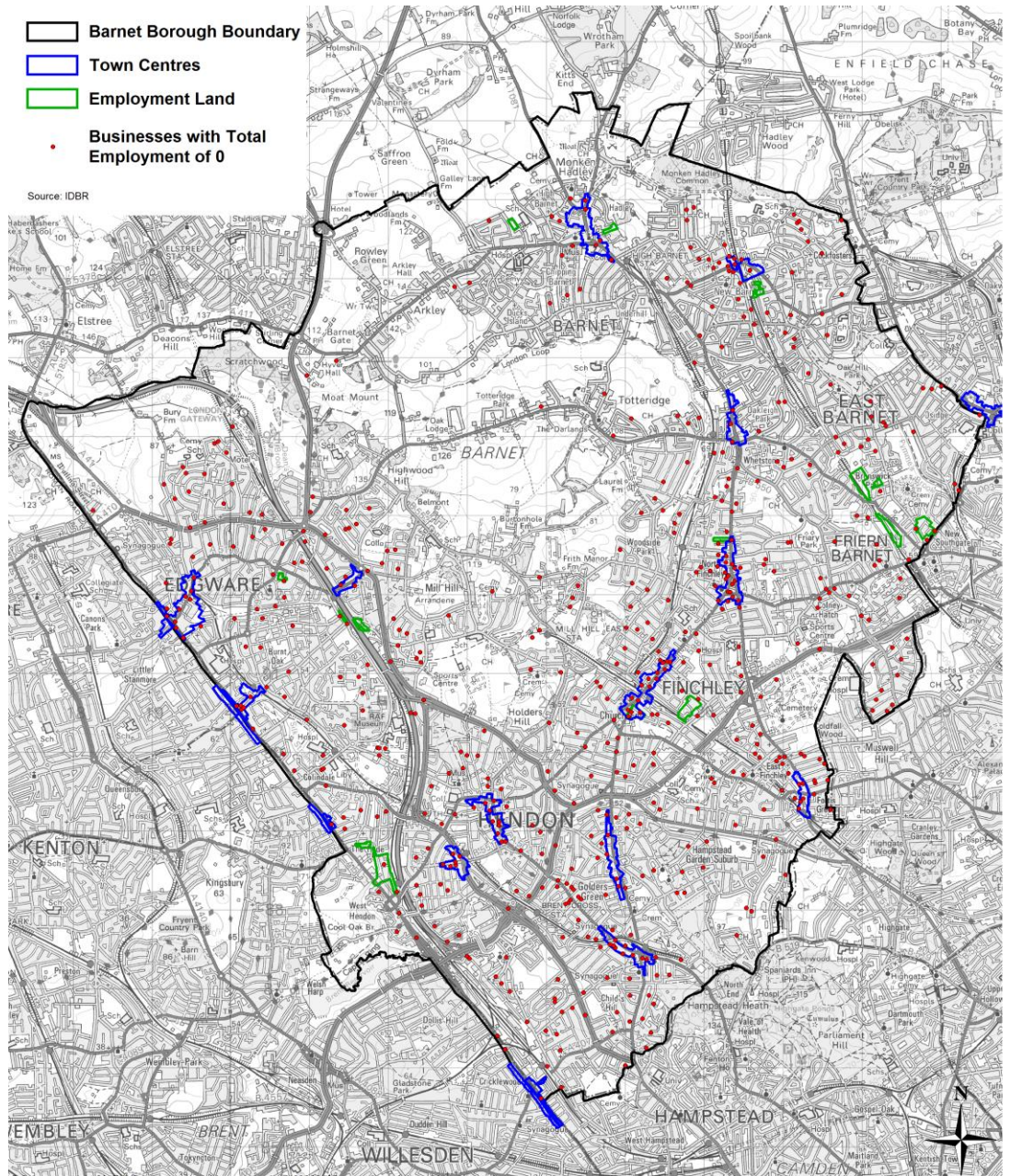
4.2.1 Overall, Barnet lacks a single strong centre, so firms are distributed among a series of small town centres along a "U" formed by the A1000, the North Circular and the A1/M1 corridor, with the A1000 town centres mainly (Chipping Barnet, East Finchley, North Finchley and Whetstone), although not exclusively, office-based in character, the North Circular largely occupied by distribution units and a somewhat more mixed character along the A1/M1 route. This lack of a strong town centre is something of a challenge in terms of creating critical mass for job generation and sustaining.

4.2.2 **Nought and one employee firms** Figures 4.8 and 4.9 show the distribution of enterprises with 0 and 1 employees, covering the self-employed and other forms of 'one-man-band' operations. These include incorporated entities, with working directors but no staff, or merely sub-contracted staff. Unsurprisingly there is no obvious spatial pattern, with many – and possibly the majority – working from home. The 'zero employee' map shows small clusters around the town centres, which might well be 'brass plate' companies using accountants' and lawyers' offices as registered offices.

4.2.3 **Two-to-four and five-to-nine employee firms** Figure 4.10 shows enterprises with between two and four employees. It is no surprise to see the clusters around Barnet's town centres intensify as they accommodate companies which have reached the stage of needing the agglomeration benefits of business property rather than working from home, such as offices over shops, small suites in older office buildings or small workshop or light industrial units. These are still small businesses, however, and the number of home-based businesses remains high. Of course, some of these may be businesses nominally based at home but largely carried out away from home.

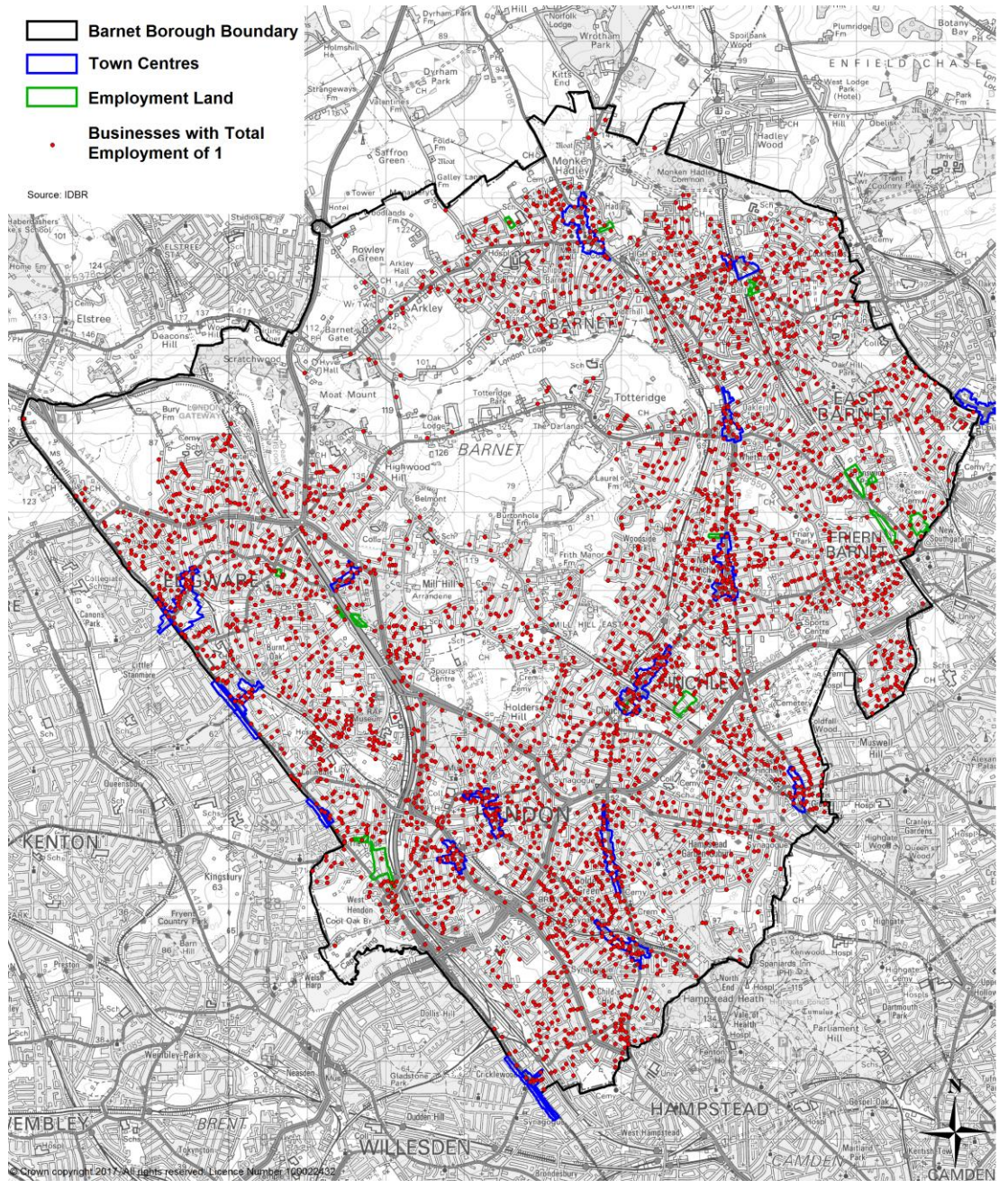
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Figure 4.8 Firms with zero employees



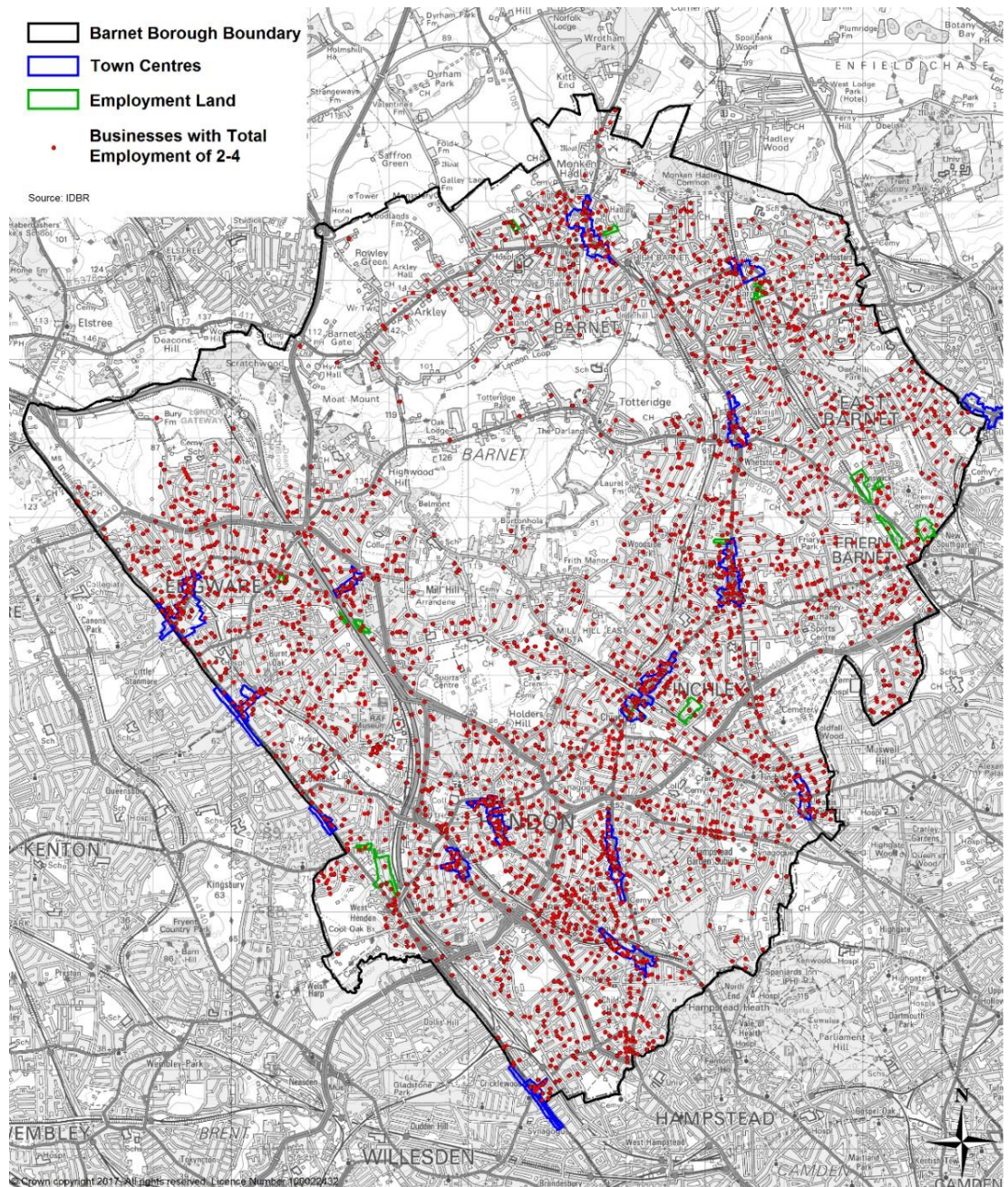
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Figure 4.9 Firms with one employee



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Figure 4.10 Firms with two to four employees



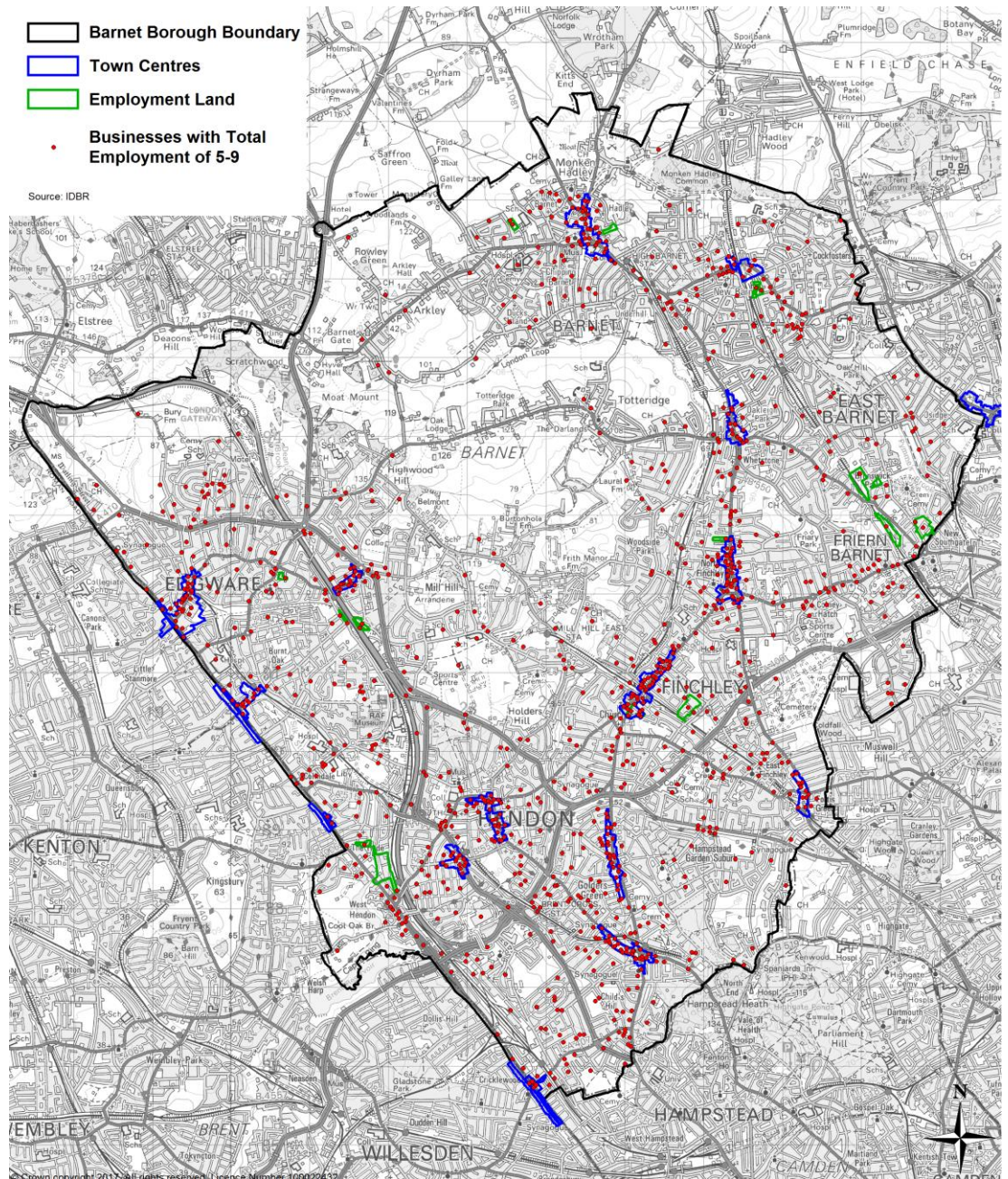
4.2.4 Figure 4.11 shows a relatively modest shift up the enterprise size scale has a dramatic impact on patterns, with clustering much more evident - but by no means the only choice. Such clustering is to be expected as larger enterprises occupy business property in order to be able to serve their customers more effectively and efficiently.

4.2.5 **10-50 employee firms** Figure 4.12 shows the distribution of businesses with 10 to 50 staff and, although clustering in the town centres is now strongly evident, other locations are still registering and not all of these are accounted for by the employment sites visited for this report. However, there remain businesses outside

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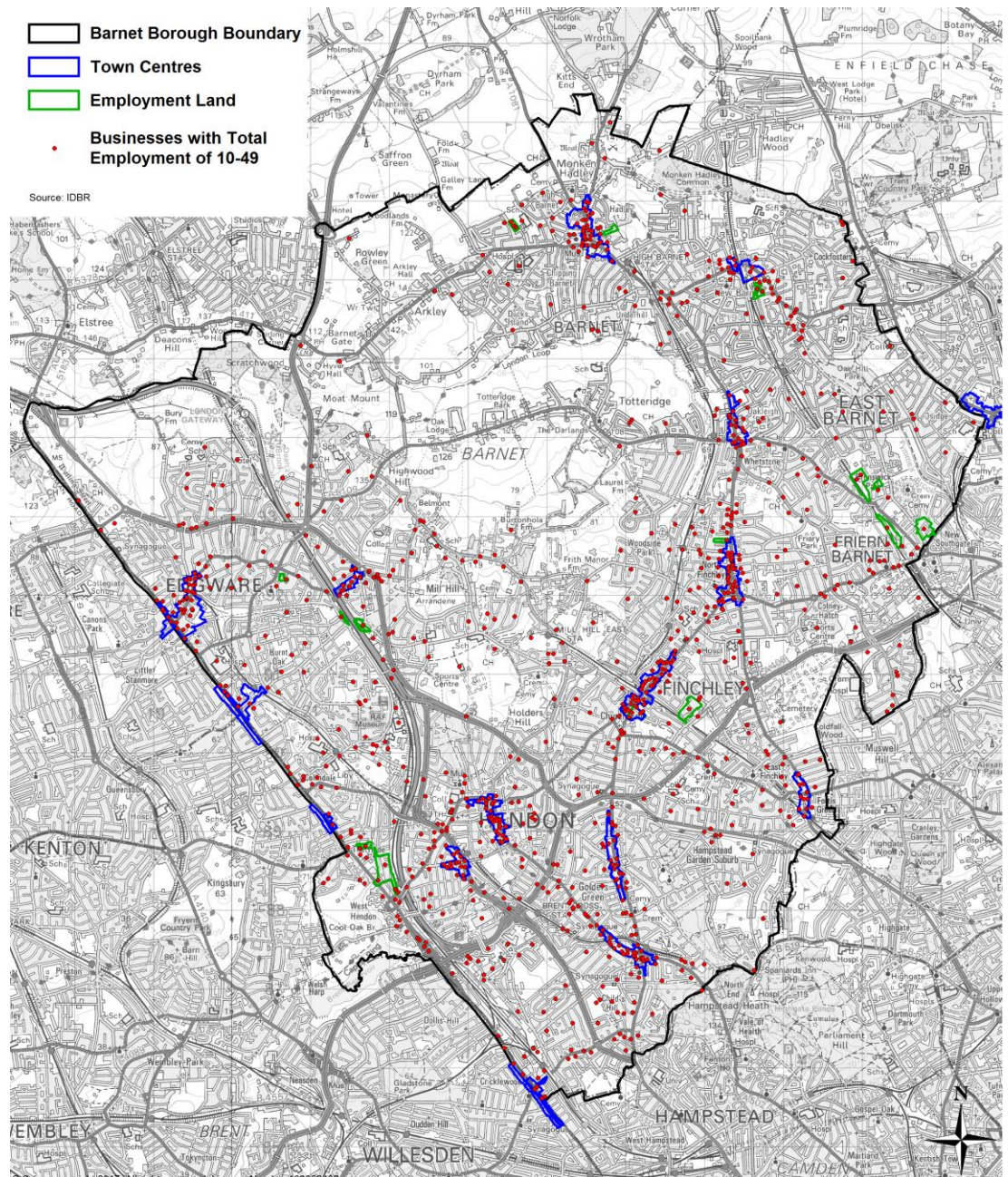
town centres and employment site locales which needs further explanation (see below).

Figure 4.11 Firms with five to nine employees



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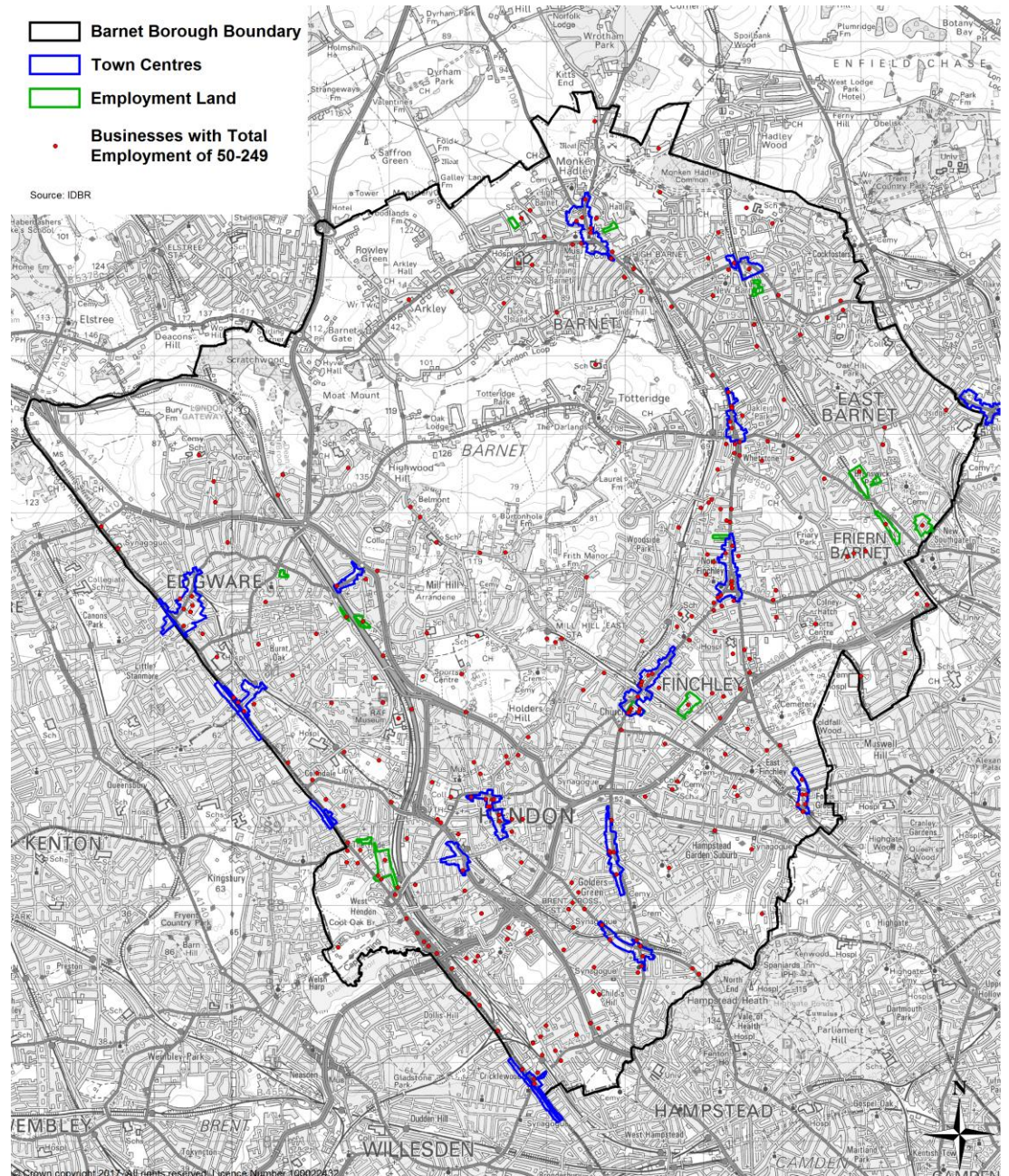
Figure 4.12 Firms with 10 to 50 employees



4.2.6 50-249 and 250+ employee firms Figures 4.13 and 4.14 show larger enterprises, 50-249 and 250+ employees, respectively. Clustering is now more obvious than in previous maps. There are still outliers, however. Within the largest size band are the small number of corporate HQs in the Borough, as well as various public sector employers. Within the smaller size band, there is a wide variety of businesses, ranging from local stores to community activities.

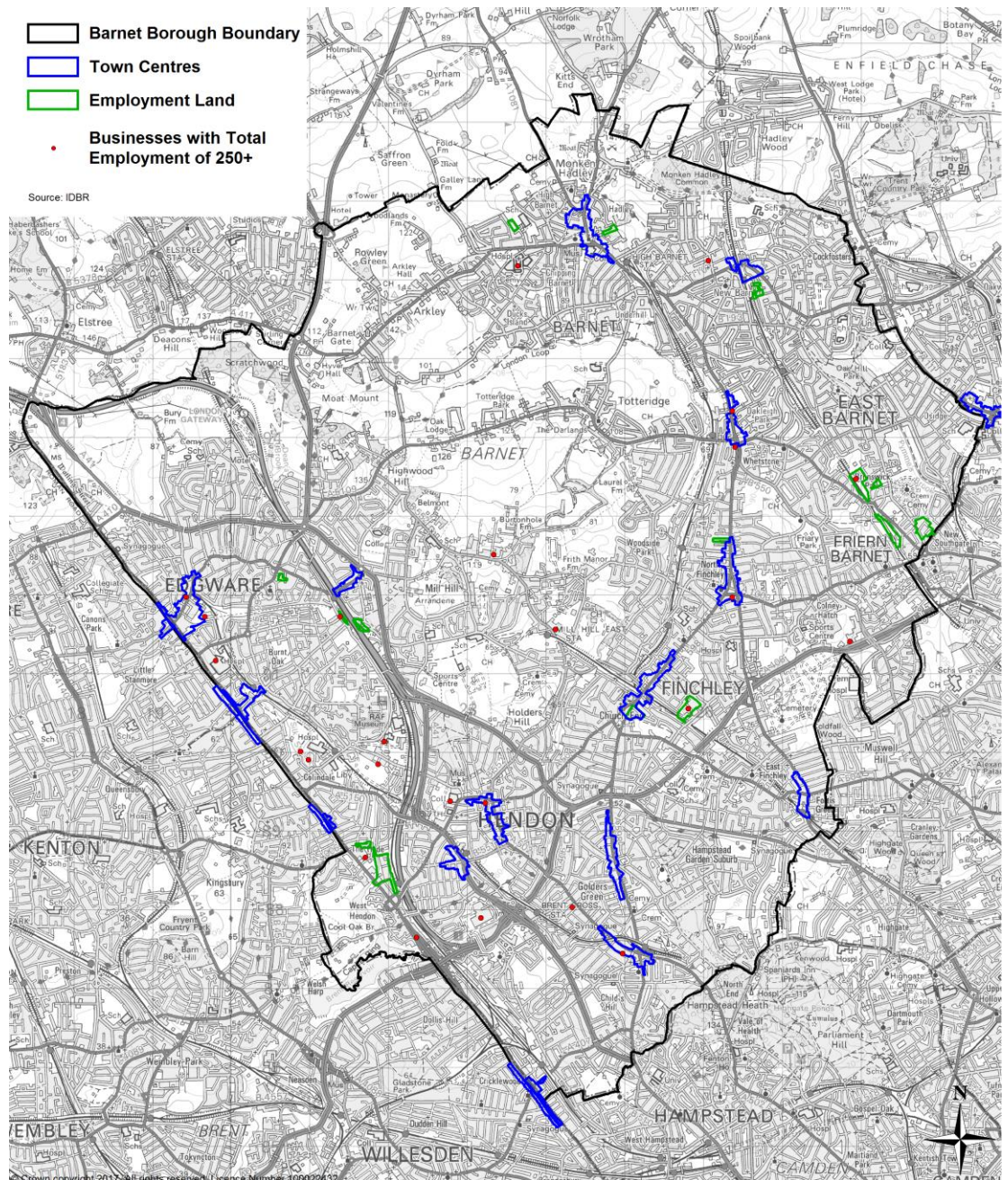
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Figure 4.13 Firms with 50-249 employees



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Figure 4.14 Firms with 250+ employees



4.3 Firms by sector

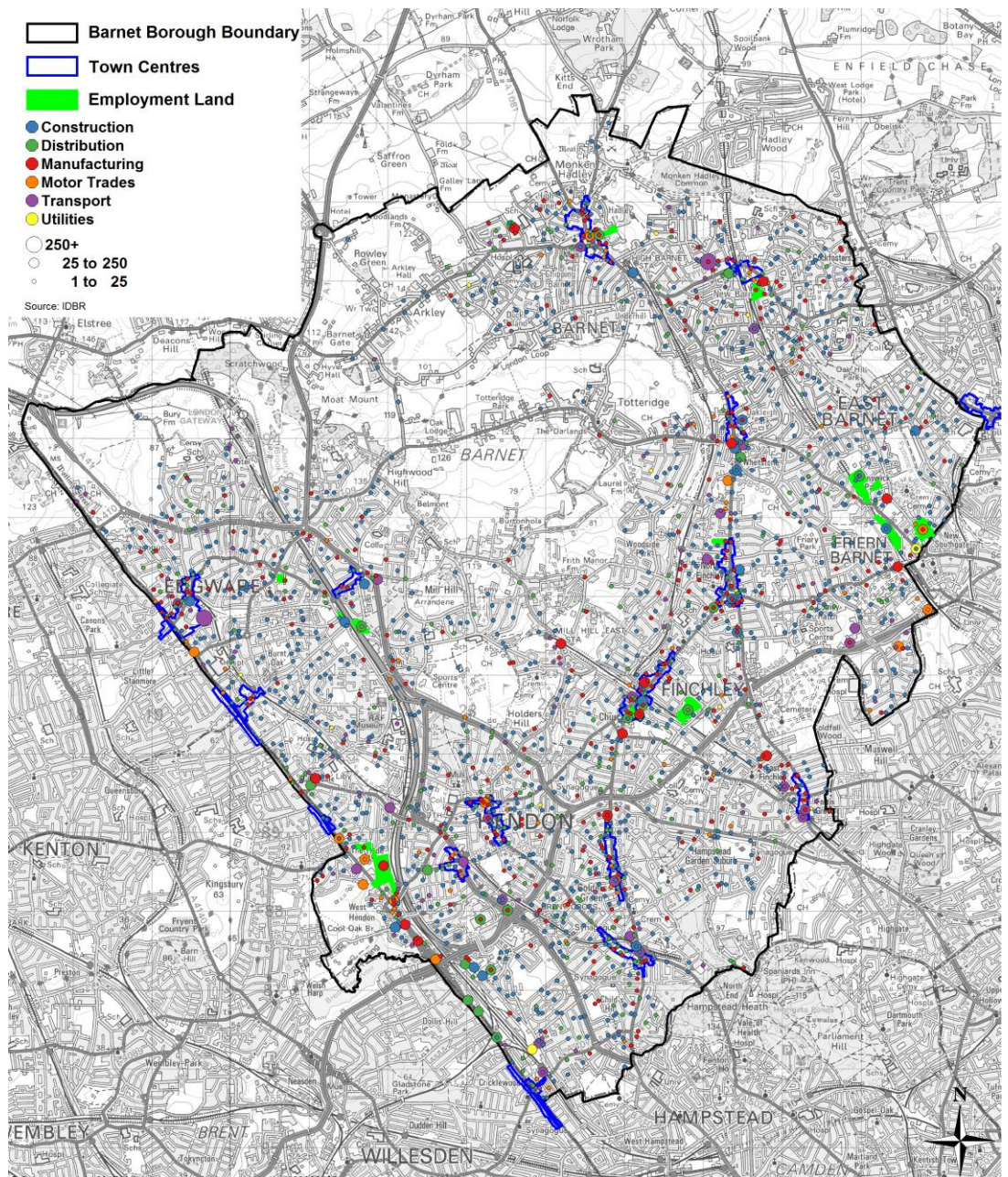
4.3.1 Figures 4.15 to 4.18 show the spatial distribution of enterprises by sector and size. The top-level sectors are Industrial & Distribution, Office, Public Sector and Accommodation, Arts & Retail. Unsurprisingly, the public sector is heavily clustered, with larger operations, given the nature of both local and national public sector work. However, it is striking that both industrial and distribution and office occupations shows significant un-clustered activity.

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4.3.2 Undoubtedly part of this is accounted by the construction sector, with many home-based construction and allied trades but the office map (Figure 4.16) shows a clear spread of professional and ICT business. This indicates that the high level of self-employment noted elsewhere in this report is reflected in the employment geography of Barnet.

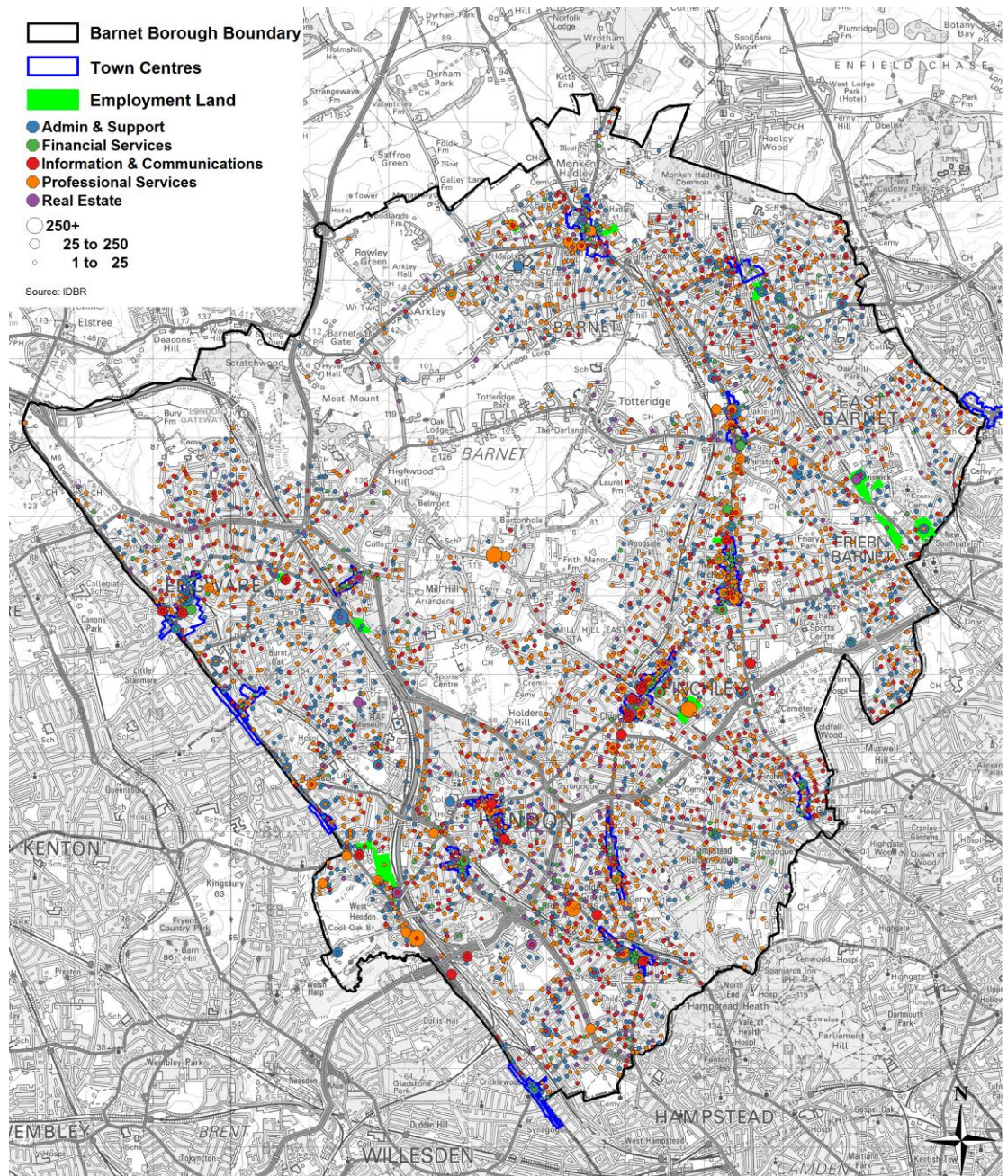
4.3.3 Figure 4.18 shows the distribution of retail, arts and leisure and accommodation and food enterprises. Unsurprisingly there are strong clusters at the town centres, but also some substantial retail locations away from town centres. Again, this is to be expected given more than 30 years of out-of-town and edge-of-town development. Other uses are similarly clustered although with some outliers.

Figure 4.15 Industrial and distribution firms by size and sector



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Figure 4.16 Office-based firms by size and sector

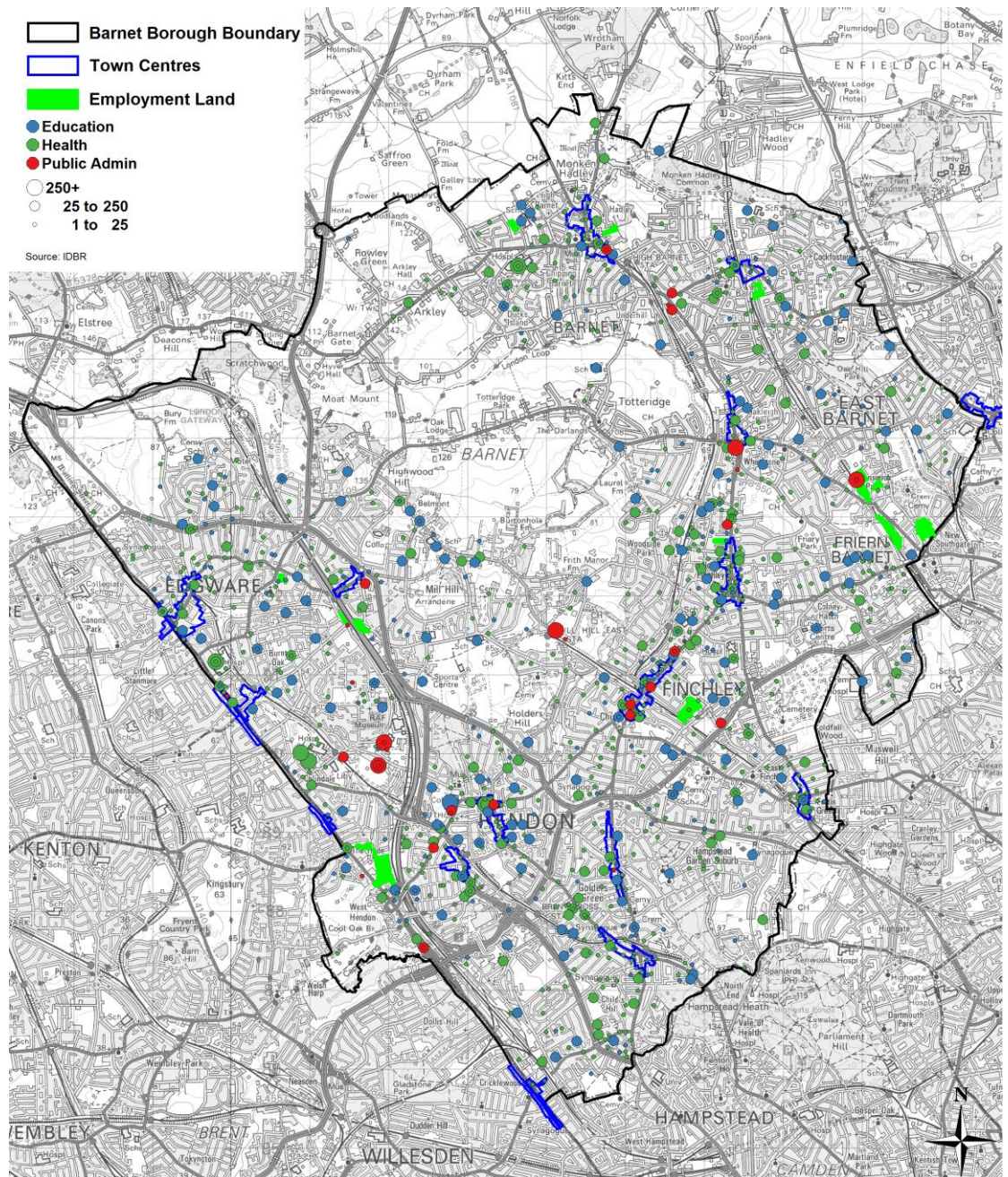


4.4 Summary

4.4.1 Barnet is, predominantly, a small business economy, with a particularly high and growing proportion of self-employment. The local economy is vibrant with Barnet having the third highest business base in London, collecting nearly £100m annually through business rates. Barnet has a larger proportion of micro businesses (0-4) than London. Within the overall SME picture, there has been a significant growth in the number of self-employed people. Barnet is an entrepreneurial borough, underpinning the Council's efforts to encourage small businesses.

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Figure 4.17 Public sector enterprises by size and sector



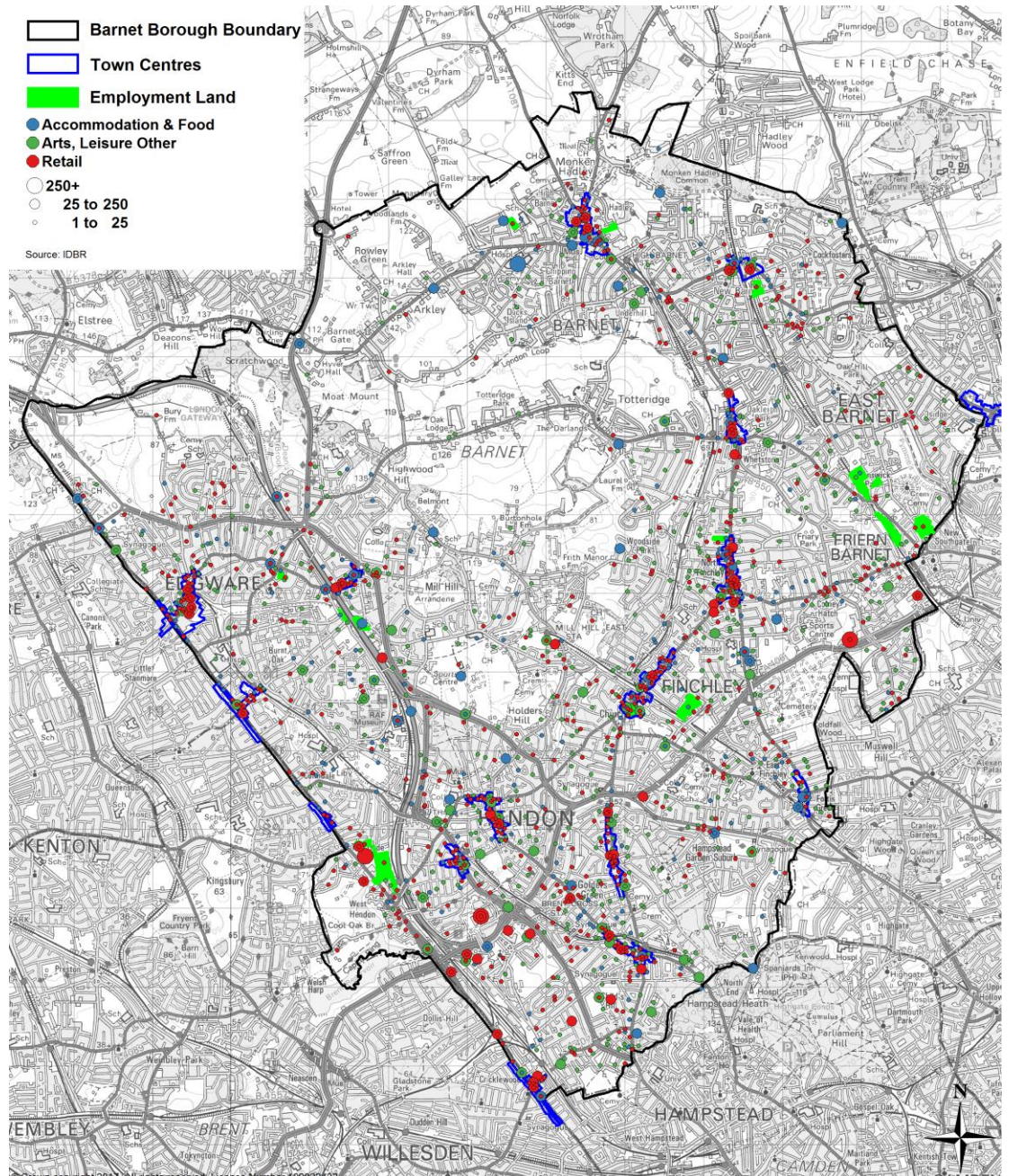
4.4.2 Barnet lacks a single strong centre, so firms are distributed among a series of small town centres, with the A1000 town centres mainly office-based in character; the North Circular largely occupied by distribution units and a somewhat more mixed character along the A1/M1 route. This lack of a strong town centre is something of a challenge in terms of creating critical mass for job generation and sustaining.

4.4.3 The maps shown in this section illustrate the distribution of businesses by size and sector across the Borough. Enterprises with 0 and 1 employees show no obvious spatial pattern. Firms between two and four employees see clusters around Barnet's town centres, as they accommodate companies which have reached the

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stage of needing the agglomeration benefits of business property rather than working from home, such as offices over shops, small suites in older office buildings or small workshop or light industrial units. Larger firms of ten or more employees are clearly more clustered.

Figure 4.18 Accommodation, Arts & Retail firms, by size and sector



4.4.4 Unsurprisingly, the public sector is heavily clustered, with larger operations, given the nature of both local and national public sector work. However, it is striking that both industrial and distribution and office occupations shows significant un-clustered activity.

5.0 Commercial property market

5.0.1 In this section, we assess the dynamics of Barnet's commercial property markets. It should be noted from the outset that Barnet is not, on any reasonable measure, a major commercial property market and nor does it have a single strong centre. Furthermore, there is evidence that the Borough is 'falling behind' in so far as stock is being lost faster than it is being replaced. This is not an isolated problem: it is one common across Outer London over the past decade.

5.0.2 In preparing this section, we have confronted the problem, also identified in the 2009 Review, that Barnet is not a 'recognised' (in market terms) office or industrial location. This means that there is very little published data on the workings of the market. Furthermore, the great majority of leasing transactions fall below 500 sq m, and are not therefore recorded in market commentaries.

5.1 Commercial stock

5.1.1 The 2009 Review identified 101 ha of Barnet land designated as employment land; which reduced to 42 ha when open space, roads and so forth were excluded. Within this total around 6 ha was dedicated to each of B1, B2 and B8; 17 ha was not in B-uses and a further 5 ha was either under redevelopment or vacant.

5.1.2 The same ELR estimated that around two-thirds of the building stock dated from the 1950s to the 1990s; with just 2% pre-dating this, and the remaining 29% post-dating the 1990s. These overall numbers suggest a comparatively modern stock of space (albeit generally ageing in the context of very limited new supply); reinforced by the fact that the ELR rated 47% of stock as 'average' and 37% as 'good' quality.

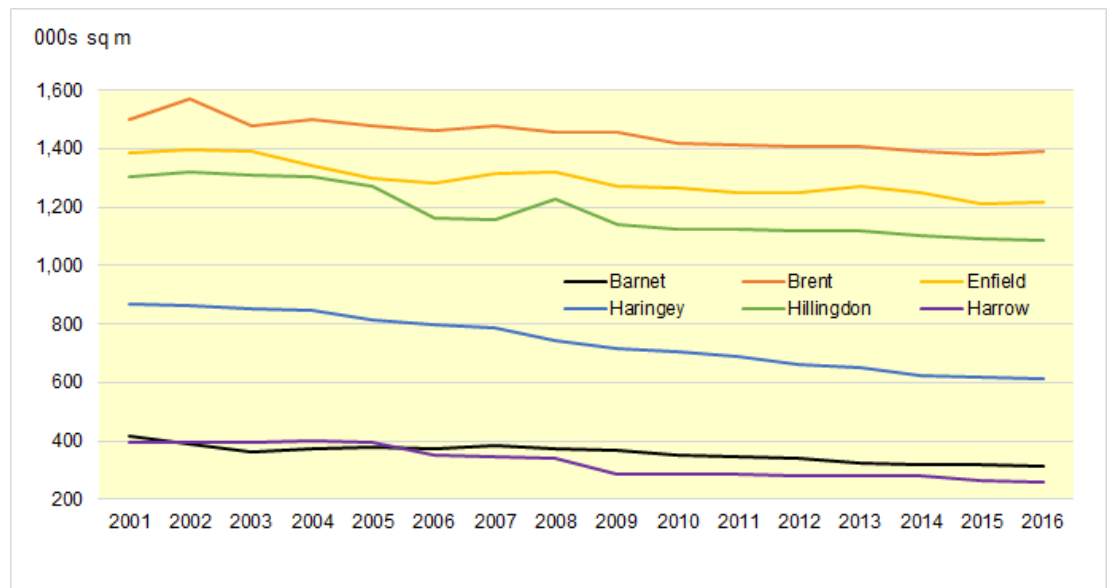
5.1.3 The most recent floorspace stock data from the VOA relate to 2016, and Figures 5.1 and 5.2 illustrate how the Borough's stock of commercial space has changed since 2001. Figure 5.1 reinforces the foregoing discussion, showing a consistent decline in industrial stock over the period, falling from 417,000 sq m in 2001 to just 312,000 sq m in 2016 – a fall of 25%. The VOA data also suggest that Barnet has not only been experiencing a trend common to other boroughs, but that its stock (along with that in Harrow) is small scale in comparison to neighbouring Outer London boroughs. Across Outer London, industrial stock fell by 9% over the same period.

5.1.4 Figure 5.2 shows corresponding data for office stock, and the picture is a little more complex. Overall, office stock in Barnet has risen from 322,000 sq m to 343,000 sq m (up by 6%) over the period.³⁶ But this occurred following an unexplained, large rise in 2003, when stock jumped 23% on the previous year. Since 2004, stock has actually fallen by 13%. By comparison the neighbouring Outer London boroughs, Barnet is seen to have a relatively large stock of office space. Across Outer London, office stock fell by 9% over the same period.

³⁶ Valuation Office Agency (2016) *Business Floorspace Statistics*

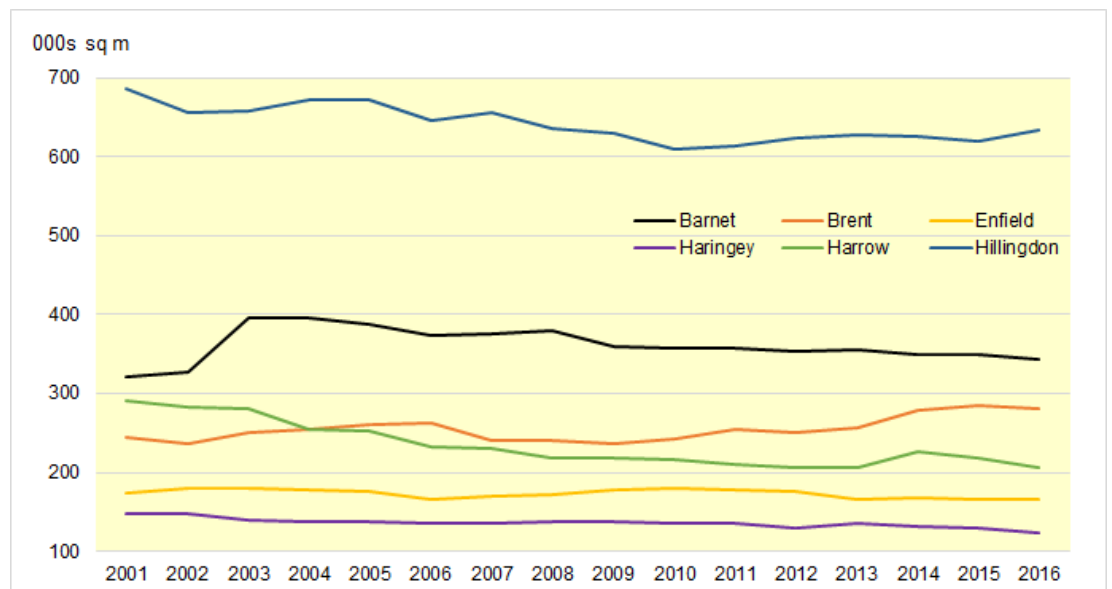
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Figure 5.1 Industrial property stock (sq m), 2001-2016



Source: Valuation Office Agency (2016)

Figure 5.2 Office property stock (sq m), 2001-2016



Source: Valuation Office Agency (2016)

5.1.5 Our site assessment exercise and discussions with local agents confirmed that, while Barnet has a relatively large stock of offices, the quantum has been shrinking in the past decade (due mainly to losses to residential development) and there has been very little renewal. The stock is also relatively dispersed.

5.1.6 The combination of low new supply and shrinking stock will have the effect of denuding Barnet's already marginal role as an office location capable of attracting inward investors (developers and occupiers).

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5.1.7 A similar process is underway with the Borough's stock of light industrial space, which is home to a whole range of companies that would not describe themselves as 'industrial' businesses (because they are service-based). There are clear ramifications for the continuing availability of suitable stock at an affordable price.

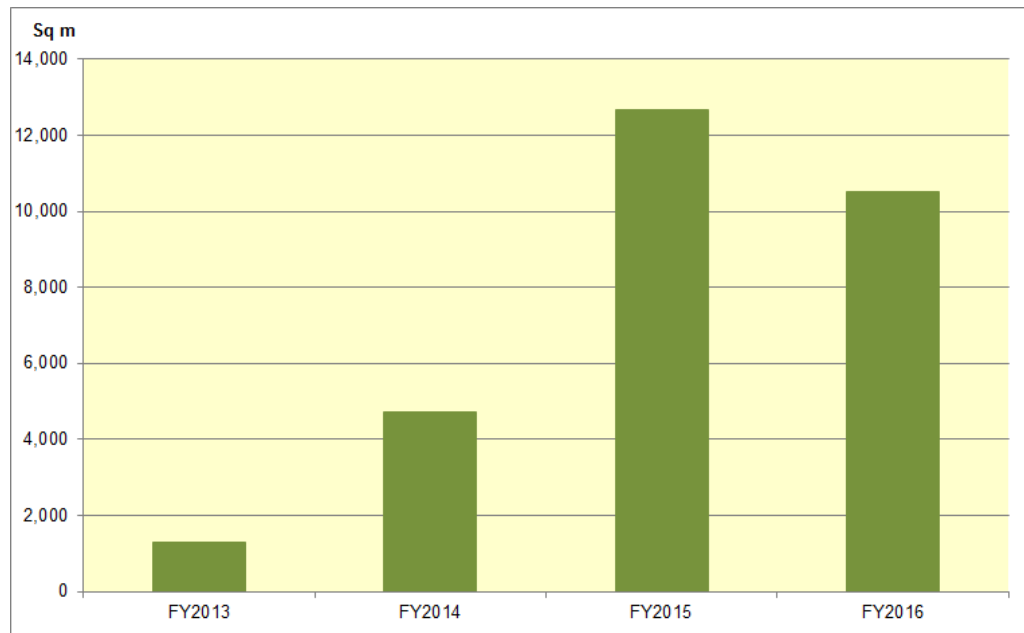
5.2 The impact of Permitted Development Rights

5.2.1 Chapter 2.0 highlighted Permitted Developments Rights (PDR) as part of the national planning policy context to this report. In this chapter, we set out in a little more detail its specific impact within the Borough of Barnet.

5.2.2 As stated above, PDR were extended, temporarily, in May 2013, to allow office-to-residential conversions without the need for formal planning consent. The Government granted exemptions for London's nationally significant office markets in the CAZ, northern Isle of Dogs, Tech City, the Royal Borough of Kensington & Chelsea and the Royal Docks Enterprise Zones. The PDR extensions have now been made permanent and the current exemptions will cease at the end of May 2019. No exemptions covered any part of Barnet.

5.2.3 LB Barnet supplied data for office to residential conversion approvals and completions from when PDR was extended though to 2016 (Figure 5.3). In this period Barnet saw just over 29,000 sq m of office space converted to residential (plus one unit partially converted to hotel use). This represents just over 8% of the 2012-13 office stock in Barnet, as measured by the Valuation Office Agency for rating purposes.

Figure 5.3 Office floorspace lost to residential, Barnet, 2013-16 (completions)

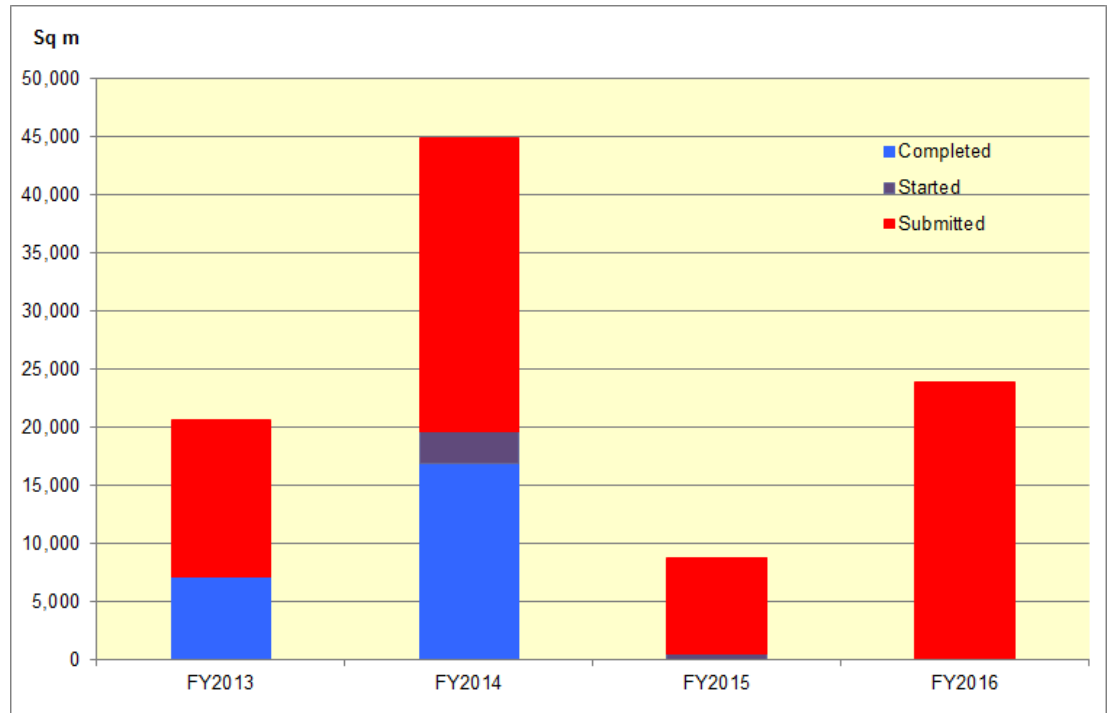


5.2.4 However, the picture changes significantly when approvals are counted (Figure 5.4). Since FY2013, 98,292 sq m have been approved, creating a net change of 97,252 sq m, of which 24,073 sq m have been completed (the numbers

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do not quite tally with Figure 5.3 because it includes consents from before PDR were extended.

Figure 5.4 Office floorspace lost to residential, 2013-16 (approvals)



5.2.5 This represents a net loss of nearly 28% of the 2012/13 office stock recorded by the VOA. It should be noted that this completion level suggests a fall in office stock of just under 7%, but that VOA office stock data records a loss of stock for Barnet of 3.7%.

5.2.6 It should be no surprise that a sharp jump in approvals happened in FY2014, as this would be the first full year that PDR was extended and it could be viewed as releasing "pent up" demand. Of note, however is that FY2016 has seen a significant rise in approvals after FY2015 was quite subdued. This suggest that demand for PDR is not going away and that the current approximate implementation rate of 30% may well increase.

5.2.7 One final issue of note comes from research of the 2017 London Office Policy Review. This found that, where occupancy status of PDR applications could be determined, around 65% of approvals in Barnet were non-vacant (which may be fully or partially occupied). Using industry standard density ratios of 10 sq m per worker this represents around 2,550 jobs being displaced. If anything, we believe this to be a conservative estimate.

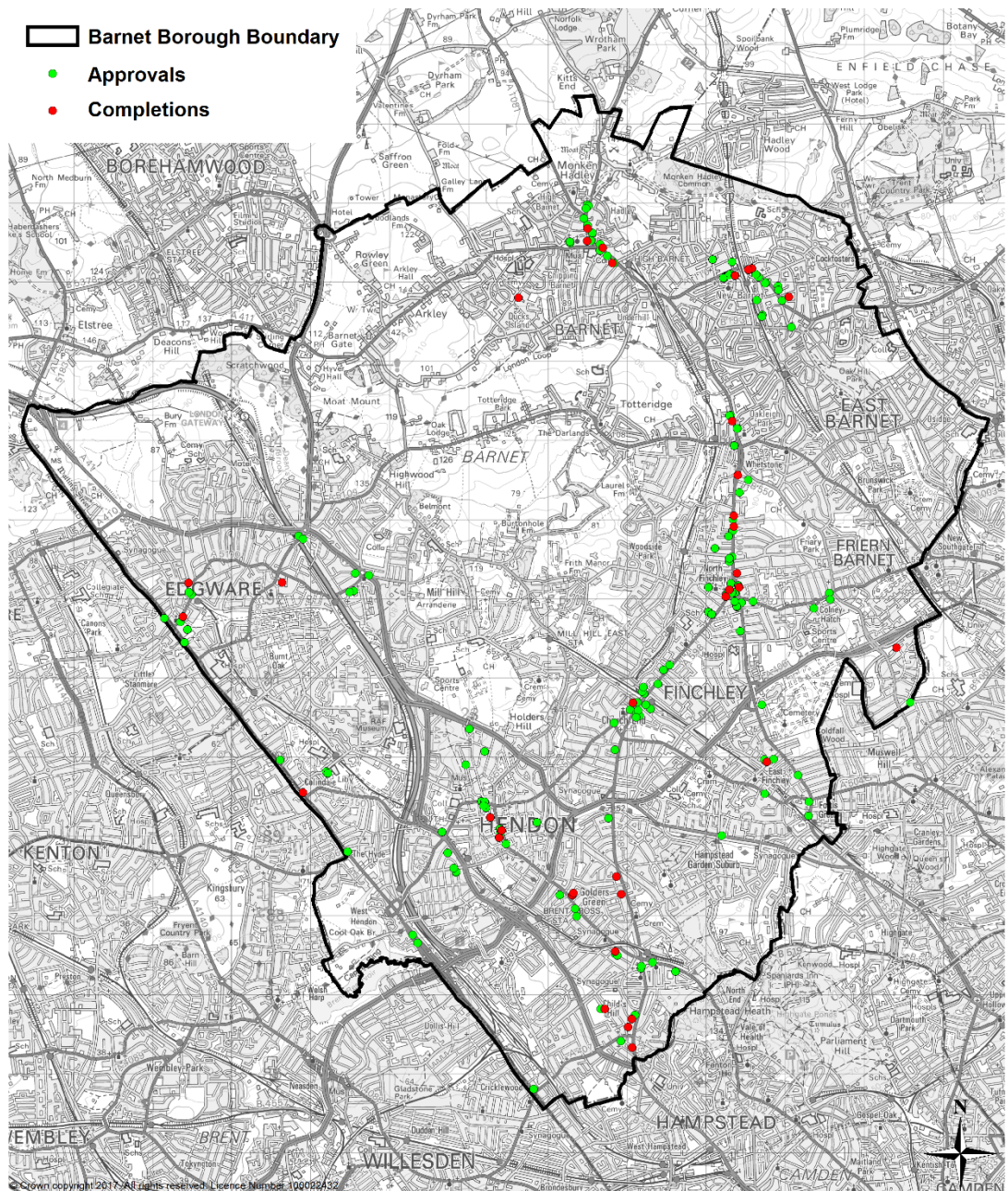
5.2.8 PDR presents a particular problem for boroughs such as Barnet, which do not have a strongly defined employment centre. This is true of several Outer London boroughs, but Barnet seems particularly susceptible to loss of stock because no single centre offers critical mass for a self-sustaining office market (that is to say, a market with sufficient critical mass and diversity of stock quality to survive without

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policy support). But Barnet is also very dependent on its SME economy and this degree of disruption to jobs is a significant challenge.

5.2.9 Figure 5.5 maps the approvals and completions for FY2013-16. It is no surprise to see them clustered in the main town centres, for the obvious reason that this is where most opportunities for PDR are found. But that approvals have spread significantly wider than schemes so far completed should be a cause for concern. The 27% loss of office stock is happening everywhere and some of the town centres could well become unsustainable as employment locales.

Figure 5.5 Map of PDR approvals and completions



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5.2.10 This has potential knock-on for infrastructure use as workers have to travel further afield. But it also has significant implications for town centre vitality, since most small town centres are somewhat dependent on their local employment base for their viability.

5.2.11 It must be asked where PDR creates more problems for Barnet than it solves and whether an Article 4 Direction is needed to protect the future vitality of the Borough's employment base. This is especially important in town centres, although free-standing buildings remote from business clusters are probably best left to the market.

5.3 Market overview

5.3.1 The 2009 ELR was completed just one year after the Global Financial Crisis began to be felt in commercial property markets. This section summarises some of the main themes, and provides an updated overview

5.3.2 **The office market** The 2009 Review began by observing that Barnet is not regarded in market terms as a strategic office location, albeit important within its North London sub-region context. Importantly, the Review noted that the *“local market place is not prepared to pay rent which is adequate to finance the build cost of new offices”*. In other words – new development was not viable in 2009. This situation has not changed materially since 2009. Barnet lacks major concentrations of offices that are capable of acting as magnets for further development. Of course, this could all change with the planned development at Brent Cross which will provide such a concentration.

5.3.3 The 2009 Employment Land Review noted that demand for office space in the Borough was essentially local in nature and that, despite its relative proximity to central London and connectivity via the Underground, the area had not *“built a reputation as a prime office location and does not tend to attract significant numbers of large scale occupiers”*. Most of the larger employers are public sector bodies. Our research and discussions with local agents failed to provide evidence of significant (i.e. large) in-movers. The market continues to be dominated local, service-based firms (accountants, solicitors, IT consultants, financial advisors, and so on).

5.3.4 Most office space is concentrated in the town centres of Edgware, North Finchley and Finchley Church End, Golders Green and Hendon, and the out-of-centre Granard Business Centre and North London Business Park. The out-of-centre sites provide the most attractive real estate to corporate occupiers, with larger, newer buildings. But even these are now looking a little dated in terms of modern occupier requirements (see below).

5.3.5 Annual take-up between 2002 and 2009 averaged just 10,700 sq m, which is relatively small market. Take-up is dominated by transactions of less than 250 sq m, with 89% of all demand being for units of less than 500 sq m. The 2009 Review described a pattern of take-up that confirmed the Borough's role as, *“in essence a relatively localised market”* with the profile of demand being dominated by insurance companies, solicitors, building firms and publishers. Our discussions with local agents suggested that the annual level of take-up had been shrinking in more recent times, and that this is probably due less to economic conditions than to structural changes in the Outer London office market generally, and Barnet in particular.

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5.3.6 It should also be noted that a shrinking stock will have an inevitably depressing impact on the potential level of take-up. And this becomes particularly important in the renewal and replacement process.

5.3.7 The 2009 Review recorded that almost two-thirds of the Borough's office floorspace "*is pre 1970s, which is inappropriate for large-scale modern occupiers*". There has been negligible new development since 2009, with very little in the pipeline (excepting Brent Cross), and so it will not be long before two-thirds of the stock will be at least fifty years old, rather than forty years old.

5.3.8 Another concern is that the dynamics of stock shrinkage and aging described above is becoming a self-reinforcing process. The 2009 Review recorded availability running at around 44,000 sq m, equivalent to 4.8 years' worth of supply. At the time of the Review, two-thirds of available units were less than 250 sq m, and there were no units available over 5,000 sq m. However, our sites assessments and feedback from local agents have confirmed that availability is now reducing and leading to a tightening in the market.

5.3.9 The overall picture of the Barnet office market is of one that has been moderately successful, but is now suffering from a lack of new investment – in common with many Outer London boroughs – coupled with losses through PDR. Occupier requirements are changing (see below), and it is important that local markets should be able to respond with appropriate stock.

5.3.10 Those centres that might be considered as high priorities for encouragement of offices and Article 4 designation could include: Edgware, East Finchley, Finchley Church End, Brent Street Hendon and North Finchley. Areas within Chipping Barnet and New Barnet might also be considered for more selective protection, as might Granard Business Centre, North London Business Park and the Bunns Lane cluster.

5.3.11 **The industrial market** With regard to the industrial market, the 2009 Review concluded that Barnet "*is not a prime industrial location due to its suburban nature and relatively poor road links*". It observed that much of the Borough's stock serviced largely local needs rather than attracting in-movers. Stock was observed to be dominated by units of less than 500 sq m. This remains the case today, and there has been very little new investment (new building) since 2009.

5.3.12 The 2009 Review did not comment on the average age of industrial stock, but our own site assessments suggested that there had been very little new stock added since the 1990s. Overall the stock is scattered and aging, albeit in strong demand given the relatively small number of letting boards in evidence.

5.3.13 The 2009 Review noted that take-up had averaged just 4,300 sq m in the previous four years; and over the same period, 39% of transactions were for units of less than 250 sq, with a further 25% comprising units of 1,000-1,500 sq m. At the time of the Review, availability was running at the equivalent of 4.1 years' worth of supply. Almost two-thirds of available units were less than 250 sq m. Our discussions with local agents suggested that the situation had changed very little in recent years. The discussions suggested that take-up had been faltering, but that the level of availability had been shrinking. This apparent contradiction is explained by the net loss of stock.

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5.3.14 The logistics sector has not developed in Barnet, largely because the M1 provides direct access to lower cost locations beyond the Borough and London. Further, the only access to the M1 is at the North Circular and there is minimal logistics activity there. There is also the A1 which provides a direct link to the M25 and more favoured logistics locations beyond the area. Thus, there are no compelling accessibility reasons for developing logistics property in the Borough (even if land costs permitted).

5.3.15 **Summary of employment space** The 2009 Review found that the Borough's stock of employment space was, overall, in a generally "good or average" condition. The study concluded that 36% of the employment land stock should be safeguarded; 61% was viable "*but the need for intervention in the future is likely*", and just 3% (Falkland Road and Pricklers Hill) was recommended for release for alternative uses.

5.3.16 The Review concluded that there appeared to be "*little room for the release of employment sites*" although some poorer quality sites could be released, provided "*they are replaced by better quality employment sites*". It is difficult to see how this can be achieved given comments elsewhere in the report that alluded to the non-viability of new development. The report's 'business as usual' growth scenario suggested that there was no need for additional employment land allocations; but that a high growth scenario might require an additional 11ha by 2026.

5.3.17 We concur with the overall findings of the 2009 Review. It will be important for the Borough to retain a range of employment stock – new and old, poorer quality and better quality – to suit the different levels at which different employers find premises 'affordable'. At the same time, we recognise the real pressure to provide new housing, with the inevitable competition between land uses.

5.3.18 **Brent Cross Cricklewood** Of course, the potential 'game changer' for Barnet's office market, is the delivery of the long-awaited proposals for Brent Cross Cricklewood. This could bring a new level of activity to the area. While Hammerson and Standard Life will refurbish and expand the shopping centre, Argent Related (a joint venture company between King's Cross developer Argent and US developer Related) will develop the Brent Cross South area, which has a substantial commitment to office space in an existing planning permission.

5.3.19 With regard to the industrial market, we understand that some light industrial space will be provided in the planned Brent Cross development. It will be important that the nature of this space is targeted at the demand profile. The overriding point here is that while manufacturing and other industrial activity is in decline, there continues to be strong demand from companies wishing to occupy what the property industry calls 'industrial' buildings. It will be critical for the Borough to find a way of accommodating the needs of this diverse group of occupiers.

5.4 Agent feedback

5.4.1 As already noted, Barnet's commercial property market is not, on any measure, a major market, at least as far as office and industrial/ distribution space is concerned. As discussed above, it is under pressure for conversion to residential even though, as one local agent said:

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The market bears no resemblance to the high-end residential of central London.

5.4.2 In fact, in our experience, relatively marginal markets are more vulnerable to pressure from residential because it is harder to make the development and investment numbers stack up against residential options. One impact of the pressure from residential is that:

There is a tremendous shortage of freehold stock because of conversion.

5.4.3 This, we were told, was true of both office and industrial property, such that rents are being driven up. Examples given for offices were North Finchley, where office rents are over £20 per sq ft and Hendon, where at rent review units have seen rises from £11 per sq ft to £22 per sq ft. Despite these increases, rents remain low in comparison to nearby markets, with one agent reporting rents of £40 per sq ft in Kentish Town.

5.4.4 For industrial the shortage of space in Colindale had seen rents rise from £11 per sq ft to £14 per sq ft over the past five years.

5.4.5 Some agents noted that there are still vacant offices available. While this is borne out by our site visits, it is worth noting that there were conspicuously fewer agent's boards than in other boroughs within our experience. With the exception of North Finchley, and some space in Whetstone, markets for conventional office space (as opposed to serviced or managed space) do not seem well supplied. An agent whose focus is more on Finchley than the west of the Borough said:

Rents have gone up a bit, but not by much.

5.4.6 Rents in Finchley Church End, we were told, were in the mid-£20s per sq ft.

5.4.7 One agent expressed the view that a turning point had been reached at that office values were now going above residential values, but still expressed concern that the lack of stock and its implications for Barnet as a viable business location, that has already had disruption from PDR, saying simply:

Where do these businesses go?

5.4.8 As might be expected, agents practicing in different sub-markets have subtly different views on the state of the market. The general view of the agents is that pressure from residential is putting a squeeze on supply in some areas, but the upward pressure this has put on rents may be bringing the market into a self-correcting equilibrium. The main concern is that it is difficult to accommodate potential occupiers when stock is being lost, especially office stock.

5.5 The changing nature of demand

5.5.1 In this section, we address the evolving nature of demand for commercial property, including a discussion about the need for affordable space.

5.5.2 **Office occupiers** There are distinctive trends emerging in the way in which occupiers use built stock, with implications for markets across London, including in

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Barnet. For offices in particular, there is a distinct change in the ways that firms occupy their buildings.

5.5.3 The corporate landscape is changing dramatically, and workplaces are increasingly being designed and managed so that they can react quickly to new business priorities. The role of the workplace in supporting business agility and connectivity cannot be overstated with workplaces themselves becoming more team-based and collaborative.

5.5.4 Workplace design and management is increasingly allowing occupiers to continuously adapt to changing economic and market circumstances. The workplace should also deliver experience and amenities, while embracing the opportunities of agile working, allowing organisations to both attract the right talent and manage their real estate with increased flexibility and adaptability. Emerging office needs focus consistently on addressing the following issues.

- Space being a medium for expressing firm culture and values.
- Design for continuous adaptability and diverse usage patterns.
- Activity-based workspaces providing for collaboration, concentration, communication, creativity, confidentiality and contemplation.
- Use of shared spaces as a means to facilitate collaboration.
- Provision of amenities and services (food, wellbeing, events etc.).
- Creating and managing memorable experiences to attract talent.

5.5.5 It is also clear that the role of the office is evolving rapidly. For example, there has been an increase in agile working, whereby companies and workers adopt technology-enabled workstyles which involve greater mobility and a lessening dependence on a fixed workstation. Despite this, there appears to be a general recognition that offices provide a place to bring people together and so, despite higher mobility, or agility, demand for corporate offices remains strong.

5.5.6 Meeting face-to-face, and tacit knowledge sharing via co-location of colleagues, are still key aspects for businesses, to encourage innovation and mentoring. The workplace is also recognised as a social hub for colleagues, particularly new joiners who need to become connected to the organisation. There is a growing importance attached to the 'spaces between buildings' – the public realm. Many occupiers now expect locations with environmental attraction, local services, retail and leisure.

5.5.7 With respect to Barnet's stock of office space, there are major implications, both for large and small occupiers. The changes described above refer most directly to 'corporate' occupiers. These are generally larger organisations, taking larger buildings and seeking to adopt agile working. The key point here is that these organisations are far more footloose than they ever were. It cannot be assumed that a large occupier will remain loyal to its ties in the area. For example, there are a few international businesses located in the Borough which could very suddenly decide to relocate to another area in central London where they might, for example, find a campus scheme with all the attendant support services.

5.5.8 Small occupiers are also evolving in terms of their occupation of space. Like other boroughs, Barnet has a growing stock of SMEs that are adopting agile working styles and seeking different accommodation models. Many are no longer satisfied

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with isolated, dated office buildings, with aging services and sterile environments. They are increasingly looking to be a part of a 'business community', where they can interact with other businesses and enjoy flexible terms. Many are turning to the rapidly expanding flexible space market. Such trends suggest that there might be a case for protecting larger, out-of-centre offices, particularly those offering flexible serviced or managed space.

5.5.9 Industrial occupiers If the Borough wishes to continue to provide buildings and land from which 'industrial' type businesses can service the needs of the wider London economy, then it will need to bring greater certainty to land and sites. This is necessary to provide investors with confidence that their activities will be rewarded in the medium- to long-term. It is particularly important if the area's stock is to be upgraded for modern occupiers. The existing industrial stock is changing only very slowly and much of it is more likely to become obsolete than be occupied by new industrial users.

5.5.10 As noted, the nature of 'industrial' occupiers has changed fundamentally – they require higher specification, flexible space, often with office content. The fundamental point therefore is whether there is a case for attracting new investment in buildings, or whether such uses should be allowed to diminish and find premises elsewhere.

5.5.11 New stock, if provided, is likely to use land more intensively and to provide more flexible space that is appropriate to modern business processes. It will be necessary to identify where best these uses might be encouraged, and then to afford those areas protection in order to provide potential investors some certainty over their future.

5.5.12 One specific approach which is rooted in the way space is being used in a changing market is to encourage the development of hybrid space (or the hybridisation of existing space). In several locales space is being used in a way that is inconsistent with its nominal intended use (where from a market or planning use class point of view). For example, light industrial space is being used as cost effective office space, while industrial and warehouse space is being used for a variety of creative industry uses.

5.5.13 There is a very good case for encouraging such an approach since it could be the most effective way of ensuring that at least some employment land stays in employment uses, rather than rigidly sticking to use class-based conventions the value for which will not support redevelopment in a reasonably foreseeable time frame. However, the relaxation of PDR complicates the encouragement of greater flexibility in responding to market change.

5.5.14 Flexible space market For both office occupiers and businesses engaged in the wider range of activities that we refer to as servicing the services, it is evident that there is a growing demand for more flexible space. The term 'flexible space' has two dimensions. First, it refers to the contractual arrangements under which space is occupied. Generally, this means shorter terms, and 'easy-in, easy-out' arrangements. The second dimension refers to the physical nature of the space and its ability to be easily and economically reconfigured to meet changing business needs. Figure 5.6 provides a listing of Barnet's main flexible spaces.

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Figure 5.6 Flexible workspace provision in Barnet

Building and address	Features
Allianz Park, Greenlands Lanes, NW4	Office. Short-term license agreements within a sports complex.
Balfour House, High Road, North Finchley, N12	Managed office centre of 33,000 over three floors. Not for profit supplier.
Brentano Suite (with centres in Brent Cross, Finchley and Whetstone)	Small chain of serviced offices. The centres are branded as being of a high quality.
Central House, Ballards Lane, N3	Office. Large, 1970s, eight storey office building. Renewable licenses.
Churchill House, Bunns Lane, Mill Hill, NW7	Recently renovated, 1950s office building. High quality office units.
Churchill House, Brent Street, NW4	Recently refurbished large, old industrial building. Serviced offices.
Comer Business and Innovation Centre, North London Business Park	Flexible serviced office suites from 10 sq m, with on-site office managers, 24-hor security and immediate occupation available.
Daws Lane Business Centre, Daws Lane, NW7	Office. 19 suites in period building, from 2 to 10 persons.
Dollis Park, Finchley, N3	Managed, 3,500 sq m building on eight floors. Units 12-850 sq m.
Galley House, Moon Lane, EN5	Modern, recently refurbished three-storey office. Fully-serviced units.
Granard Business Centre, 7 Bunns Land, Mill Hill, NW7	Modern, 1990s small office building, Units 12-20 sq m.
High Road, 707, North Finchley, N12	Recently refurbished, nine storey office building. Fully-serviced units.
Highstone House, 165 High Street, Chipping Barnet	Small, fairly modern office building.
Ocean House Business Centre, Bentley Way, EN5	Managed offices. Up to 40 suites of 220 to 800 sq m. New build.
Pearl House, Finchley Road, NW11	Small self-contained office building.
Princes Avenue, Finchley Central, N3	Small converted office building with serviced suites.
Prospect House, 2 Athenaeum Road, N20	33 serviced office suites in modern, 1980s office building. Units up to 20 sq m.
Stirling House, Burroughs Gardens, Hendon, NW4	New development of high quality serviced offices. Units of 1-6 persons.
The Exchange, Brent Cross, NW4	33-unit business centre in modern office.
Winston House, Regents Park Road, N3	Serviced offices. Part of larger refurbishment including a hotel.
Wohl Enterprise Hub, Rebourne Ave, N3	Membership-based business hub.

5.5.15 Trends in the nature of business and in workstyles have led to a rapid increase in the provision of flexible workspace. The flexible space market encompasses serviced offices, managed offices, incubators, co-working spaces, hybrid spaces and maker spaces. In the office market, co-working and other forms of on-demand space are increasingly available and sought after by small firms, reflecting, in part, a rise in self-employed or freelance workers. Self-employed workers currently account for around 15% of the workforce and the proportion has

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been rising. Growing numbers of micro and small firms are underpinning the growth of the flexible space market.

5.5.16 The flexible space market provides a range of products, including serviced offices, 'hybrid' space which combines features of office, light industrial, studio and production space, and co-working spaces. These sub-markets appeal both to micro and small companies, and to larger corporate organisations looking for temporary space to house, for example, project teams.

5.5.17 Serviced offices provide a particular type of space which typically mirrors more traditional space in terms of design and layout. The growth of 'hybrid' space has reflected growing demand from more traditional firms looking for 'less industrial' premises, to reflect their 'clean' processes, as well as from digital and creative firms looking for space with a 'less corporate' feel. Often such spaces are provided within refurbished industrial buildings which have plentiful natural light and high ceilings. They provide basic, 'no frills' working environments. Those that cater more for the digital and creative sectors place a strong emphasis on collaboration and social space, as well as good building management.

5.5.18 As indicated, the occupiers of such premises are very broad. They are typically SMEs, with an emphasis on the 'S', and many are micro-sized (less than nine workers). Some centres cater for 'light industrial' uses where equipment is required and catered for. These often require good parking and circulation space, extended hours delivery patterns and good power and other utilities supply (for example gas). Such businesses can be involved in a wide range of activities including arts and crafts, catering supplies, engineering and building activities, office supplies, printing, production and repair and wholesaling. The common thread is that the accommodation reflects 'service-based' activities rather than traditional industrial uses. And service-based activities often serve the 24-hour economy, so need to operate outside normal working hours.

5.5.19 As well as these light industrial uses, hybrid space is also popular with occupier businesses working in the digital economy of software and graphics, through creative businesses operating in media, advertising and music, to more traditional businesses, offering professional services, including management consulting, recruitment and built environment. These occupiers are service-based organisations, including start-up and stable businesses that in the main are providing services for larger firms in the central London economy and beyond.

5.5.20 Alongside serviced offices and the managed space market, there has recently been the emergence of co-working spaces. These provide a 'less corporate' style of space than serviced offices, and respond to "*technology enablement, the growth of the tech, online and creative industries ... and an increase in micro businesses and independent workers*".³⁷ And they provide "*clubs where members can work alone or interact with like-minded people*".³⁸

5.5.21 The serviced office, hybrid and co-working business models are providing an important supplement to the traditional corporate office market. They are providing choice and flexibility for growing numbers of small businesses seeking to have a

³⁷ DTZ (2014) *The Co-working Revolution* DTZ, London

³⁸ Aecom (2014) *See Further: the Next Generation* Aecom, London

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presence in the central London property market, on terms that suit their business models. At the same time, they are providing further agility and flexibility for larger corporate organisations. The key to their sustainability will be their resilience to property markets cycles. Clearly, the sector has grown rapidly in recent times.

5.5.22 **Affordable space** The discussion about the flexible space market is linked to the question of the affordability of space, and whether the growth of micro and small businesses is being hindered by lack of available start-up and move-on premises in terms of affordability.

5.5.23 Before proceeding, it is helpful to distinguish two definitions of affordable space. The first is space which the market makes available in the normal course of events, and where the rental levels are affordable for firms. The second definition refers to space which is made available, largely by developers, or through funding by the local authority, where market rents are, in some sense, subsidised.

5.5.24 The first definition is often a supply issue, where a shortage of product leads to rental increases – which has been happening in Barnet of late. This is not a problem unique to Barnet: it is an issue that is seen in many local markets in Outer London, and the signs are most easily evidenced in rising rents. The agents suggest that pricing is not yet a problem, given prevailing rent levels; we found no evidence that the cost of space in the Borough is pricing out particular types of firms, yet.

5.5.25 However, there is a perception that pricing could emerge as a problem if the supply situation is not eased with the protection of some older stock and the delivery of new space. Such observations underscore the need to protect older space for possible conversion to modern uses, including hybrid space. Affordability is, to a large degree, a function of availability: prices will rise when supply is low. With increasing competition from the residential sector, coupled with low levels of new supply, then accommodation will become less affordable in the Borough.

5.5.26 One of the contemporary issues is that secondary (affordable)³⁹ stock is often situated on employment land which is increasingly less protected from redevelopment. This means that large amounts of stock are being lost on employment land which has traditionally made available a reservoir of affordable workspace for exactly the types of firms which need it the most. In this sense delivery of affordable space means protecting existing stock.

5.5.27 So, what are the appropriate planning responses to ensuring the availability of affordable workspace? Especially given that policies targeted at the provision of 'affordable' space are often seeking to correct a perceived imbalance in local provision: broadly that there is a lack of space that can be afforded by lower margin businesses and start-ups.

5.5.28 One obvious answer, is to resist the loss of suitable employment space, thereby maintaining a level of supply (as referred to above). Another is to encourage the intensification of older industrial stock to meet growing demand for flexible space, because signs of shortage of space are emerging.

³⁹ Affordable in policy terms means 'subsidised' through reduced rents; affordable as used here refers to economic space, priced at a level to reflect its lower quality.

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5.5.29 With respect to affordable space made available through the planning process, there is evidence that affordable workspace policies mostly benefit higher-value, established, creative industries, rather than start-ups, low-value, maker firms and service firms. This is because unless a workspace provider is focused specifically on the latter, they have no incentive to cater for those businesses that, by their nature, offer a much less secure income stream. Planning responses to the provision of affordable space to encourage economic regeneration thus need to be very clear about their objectives.

5.5.30 Policies could be sharpened to specifically provide studios for artists and creative businesses, for example, although the benefits and rationale for supporting artists and creative businesses must be clear. The language of 'affordable workspace' itself is something of an issue, and there should be a specific description of the typology of space and who it is intended for.

5.5.31 Intervention is often also not sufficient to create the critical mass required to transform a location or create a cluster that will have a natural life. Using affordable workspace policy to encourage the location of new businesses to one area over another is a challenge. Furthermore, there are severe limitations to the S106 system in terms of delivering affordable space. For example, affordable workspace is usually low in the priority list of a S106 agreement. It also depends to a large extent on a healthy development climate to deliver. As we have seen, the development climate in Barnet and Outer London generally is structurally weak.

5.5.32 Despite such limitations, we note LB Barnet's SPD for delivering skills, employment and enterprise through S106 agreements.⁴⁰ The guidance seeks to encourage the provision of affordable workspace via S106 where there is mixed use redevelopment of existing employment floorspace. It is intended to be in addition to training contributions. The SPD applies to development that generates new jobs through construction and/or end use as well as developments that involve the loss of employment space and require planning permission. The SPD sets out the mechanisms and benchmarks for ensuring that development positively contributes to Barnet's economy. Brake Shear House in Chipping Barnet is an example of a development consent with such arrangements.

5.5.33 The success or otherwise of affordable workspace is dependent to a large degree on the perspectives of developers: do they feel compelled to do something in return for a gain elsewhere? Or do they see an opportunity in terms of wider benefits to their schemes? If it is the former, then they often take advantage of 'opt out' clauses in S106 agreements and changed circumstances to avoid commitments.

5.5.34 A consistent message from those active in and monitoring the affordable market is that the public authorities need to work with the market and the current and foreseeable development trends and seek to harness and nurture these. For example, local authorities such as Barnet could acknowledge the limited expertise of residential-led developers in commercial space provision, and provide the support required in order to establish partnerships with workspace providers. Similarly, they could acknowledge the existing expertise and business models of workspace

⁴⁰ LB Barnet (2014) *Delivering Skills, Employment, Enterprise and Training from Development through S106* Local Plan Supplementary Planning Document

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providers, working with them to deliver flexible workspace according to their established models, rather than requiring subsidised workspace to be delivered.

5.5.35 Efforts could turn to encouraging effective and early partnerships between developers and workspace providers. Workspace providers themselves are best placed and motivated to instigate positive relationships with developers. Workspace providers could take the lead on deciding 'what works' for them and selling that concept to developers as part of a positive proposal for development, rather than being reactive and waiting to be approached by developers or relying on local authorities to 'get their policies right'.

5.6 Summary

5.6.1 The Borough's stock of office space has been shrinking in recent years, due mainly to losses to residential development and to low levels of new supply. The combination of shrinking stock and low new supply will, inevitably, denude Barnet's already marginal role as an office location capable of attracting investors.

5.6.2 Barnet's industrial stock of space has shrunk by 25% since 2001. Yet, it is home to a whole range of companies that would not describe themselves as 'industrial' businesses (because they are service-based). There are clear ramifications for the continuing availability of suitable stock at an affordable price.

5.6.3 LB Barnet data show that between 2013 and 2016, just over 29,000 sq m of office space was converted to residential: just over 8% of the office stock in Barnet. When approvals are counted, the situation worsens. Since 2013, 98,292 sq m have been approved. This would represent a net loss of nearly 28% of the office stock.

5.6.4 Office centres that might be considered as high priorities for encouragement of offices and Article 4 designation could include: Edgware, East Finchley, Finchley Church End, Brent Street Hendon and North Finchley. Areas within Chipping Barnet and New Barnet might also be considered for more selective protection, as might Granard Business Centre, North London Business Park and the Bunns Lane cluster.

5.6.5 It will be important for the Borough to retain a range of employment stock – new and old, poorer quality and better quality – to suit the different levels at which firms find premises 'affordable'. At the same time, we recognise the real pressure to provide new housing, with the inevitable competition between land uses.

5.6.6 There are distinctive trends emerging in the way in which occupiers use built stock, with implications for markets across London, including in Barnet. For offices in particular, there is a distinct change in the ways that firms occupy their buildings.

5.6.7 The Borough should continue to provide buildings and land from which 'industrial' type businesses can service the needs of the wider London economy. Such firms require higher specification, flexible space, often with office content. New stock, if provided, is likely to use land more intensively and to provide more flexible space that is appropriate to modern business processes.

6.0 Employment site assessment

6.0.1 In this chapter, we update the site assessment of employment land clusters identified in the 2009 Review, together with any new clusters that have been subsequently identified. Figure 6.1, extracted from the ITQ, shows currently designated employment land in the Local Plan. The North London Business Park was subject to a Planning Brief in spring 2016, promoting a residential-led, mixed use scheme.

Figure 6.1 Barnet Local Plan Designated Employment Land

Employment Site	Local Designation	Size (Ha)
Garrick Industrial Centre	LSIS	2.3
Connaught Business Centre	LSIS	0.5
Squire's Lane	Business Location	0.5
Regents Park Road	Business Location	0.7
Bunns Lane	LSIS	0.5
Mill Hill Industrial Estate	LSIS	0.4
Granard Business Centre	LSIS	0.2
Brunswick Business Park	LSIS	1.8
Finchley Industrial Estate	LSIS	0.6
Grenville Place	LSIS	1.8
Hadley Manor Trading Estate	LSIS	0.4
Lancaster Road Industrial Estate	LSIS	0.7
Redrose Trading Centre	LSIS	0.1
North London Business Park	Industrial Business Park	2.6
Queen's Road Industrial Estate	LSIS	0.4
Oakleigh Road South	LSIS	1.7

6.0.2 The ITQ also states that there are a number of areas of employment land within the Borough which were not identified in the 2009 ELR. These include the National Institute for Medical Research in Mill Hill (which has also been subject to a recent Planning Brief), as well as employment land around town centres such as Whetstone and along the A5 corridor, A1000 and A598.

6.0.3 We visited all clusters previously identified and any others suggested by LB Barnet, and noted any additional locations we found. The site assessment template used in this exercise is included as Appendix 1.

6.0.4 Figure 6.2 provides a map, numbering all of the sites assessed and Figure 6.3 provides a corresponding list of each site's address and post code. The numbering on both of these is used in the site-by-site assessment, which follows, for ease of cross-referencing.

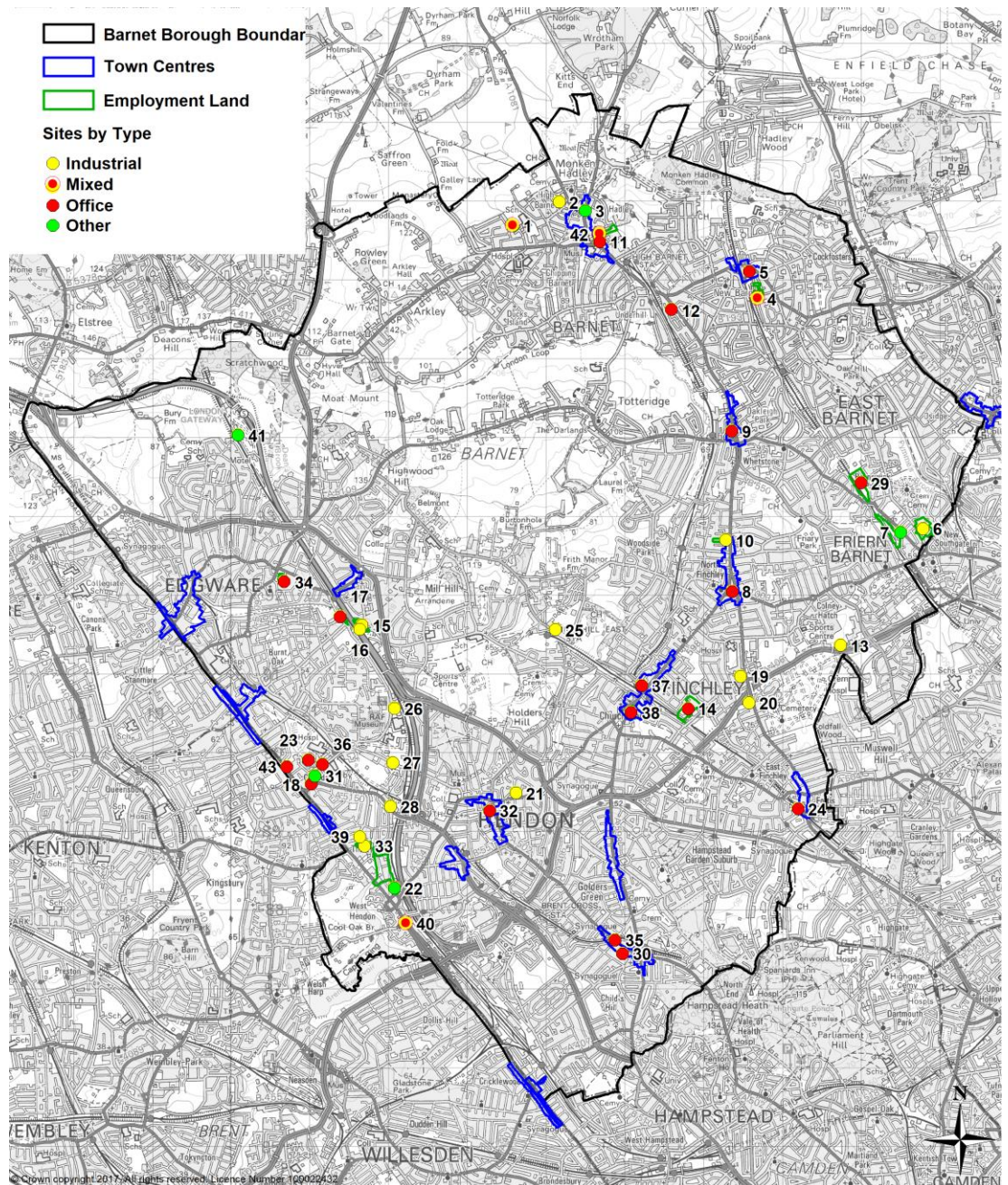
6.0.5 In addition to those sites surveyed, there are many smaller sites across the Borough which meet a local need, including small offices, garages, workshops and storage/warehouse units, that provide a contribution to the employment land stock and should continue to be protected.

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6.1 Overall assessment

6.1.1 We visited and assessed 43 sites, which ranged from freestanding buildings of varying quality, to town centres with a variety of urban forms. The aim was to provide a qualitative assessment of the various employment locations and, where appropriate a recommendation is made as to the viability or case for protecting a site. However, our general view is that in the context of PDR and extreme pressure for residential conversion, best efforts should be made to defend employment land.

Figure 6.2 Barnet's Employment Sites



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Figure 6.3 List of Barnet's Employment Site addresses

1	Queen's Road Industrial Estate, Queen's Road, EN5 5SL
2	Falkland Road (Alston Works), Falkland Road, EN5 4LG
3	242-248 High Street, Chipping Barnet, EN5 5TD
4	Lancaster Road (including Redrose Trading Centre), EN4 8BZ
5	New Barnet Town Centre, EN4 and EN5
6	Brunswick Industrial Park, Brunswick Way, N11 1LJ
7	Oakleigh Road South (Railway Yard), N11 1HL
8	Ballards Lane and Tally Ho Corner, N12
9	Whetstone Town Centre, High Road, N20
10	Finchley Industrial Centre, High Road, North Finchley, N12 8QA
11	Victors Way, High Street Barnet, EN5
12	Raydean House, Western Parade, EN5 1AH
13	Coppetts Centre, Colney Hatch, N12 0SH
14	Pentland Centre, Squires Lane, Finchley, N3 2QL
15	Mill Hill Industrial Estate, Flowers Lane, Mill Hill, NW7 2HU
16	Bunns Lane Works, Bunns Lane, Mill Hill, NW7 2AJ
17	Granard Business Centre & Churchill House, Bunns Lane, NW7 2AJ
18	Colindale Technology Park, Colindeep Lane, NW9 6BX
19	Big Yellow Self Storage, High Road, Finchley North, N2 0AF
20	Big Yellow Self Storage, High Road, Finchley North, N2 8HS
21	Garrick Industrial Centre, Irving Way, NW9 6AQ
22	Arbiter House, Wilberforce Road, NW9 6AX
23	61 Colindale Avenue, NW9 5HT (Public Health England)
24	11-59 High Road, East Finchley, N2 8AW (McDonald's HQ)
25	Bittacy Hill Business Centre, Bittacy Hill, NW7 1BA
26	Hurricane Industrial Park, Grahame Park Way, Avion Crescent, NW9 5QW
27	Propeller Way, NW9 5LW
28	100 (30-120) Colindeep Lane, NW9 6HB
29	North London Business Park, N11 1GN
30	Accommodation Road, NW11 8ED
31	Cecil Road, NW9 5EL
32	Churchill House, Brent Street, NW4 4DJ
33	Connaught Business Centre, Hyde Estate, NW9 6JL
34	Grenville Place, NW7 3SF
35	Hoop Lane, NW11 8BU
36	Colindale Business Centre, 126 Colindale Avenue, NW9 5HD
37	Popes Drive and Albert Place, Ballards Lane, N3 1QF
38	Regent Office Park, Regents Park Road, N3 2JX
39	Rushgrove Avenue, NW9 6RG
40	Staples Corner to 124 West Hendon Broadway, NW9 7AQ
41	London Gateway Services, NW7 3HU
42	Hadley Manor Industrial Estate, EN5 5TS
43	508 Edgware Road, NW9 5AB

6.1.2 Across the Borough as a whole, we saw little sign of wholesale commercial property vacancy, other than in small units in office buildings and some vacancy on Mill Hill industrial property and Hadley Manor Trading Estate. In both cases it would be more accurate to characterise space as underutilised, rather than redundant and

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with light industrial/workshop-style space rather than on the ground we would be cautious of releasing any property for residential. Even the poorest 'scruffy' space fills an economic niche, including railway arches and obsolescent industrial space.

6.1.3 In most locations, the property was in good condition, and this is especially true of office stock. Other than some units over shops in North Finchley and isolated examples elsewhere, office stock has been well maintained and the condition of space would rarely be an impediment to marketability, notwithstanding other factors that might.

6.1.4 Industrial stock is more varied and, at least in part, this reflects the fact that some of it is very old and is not in its original use. This is not to say that the space has no value – even the most rudimentary property has the potential to fill an economic niche – but it presents a challenge if owners need to decide whether to "refurbish, redevelop or convert". At the moment, nearly every financial scenario would favour residential conversion, so it is important to ensure that stock is not lost by attrition without careful consideration.

6.1.5 Broadly, New and Chipping Barnet are characterised by small scale professional service firms most likely serving local or sub-regional markets. This is the area with lowest evident vacancy so should be protected from further attrition or this small business base is at risk of being, effectively, driven out.

6.1.6 In terms of East Finchley, Finchley Church End and North Finchley, these are somewhat larger in scale, but still smaller than would be expected to create self-sustaining property markets, and should be considered at high risk of PDR conversion. The occupational character is similar to Barnet, with a high preponderance of professional firms, but also some general corporate activity.

6.1.7 From Staples Corner and along the A1/M1 corridor the character is much more varied both in terms of occupier base and the types of property in use. This is the area where most of the things that would be expected of a diverse urban centre can be found. However, it is still small and somewhat fragmented compared to other parts of London. As noted, there are some signs of vacancy in light industrial stock.

6.1.8 The overall picture is of a small-scale market that is likely to fill largely local demand, a small number of freestanding corporate HQs notwithstanding. A market of this nature is very vulnerable to pressure for residential conversion and, even without PDR, is prone to attrition and gradual loss of employment land. Such vulnerability suggests that biggest risk to supply is gradual loss, so each application should be fully considered in line with Local Plan policy.

6.2 Site assessment



1. Queen's Road

6.2.1 This site is a small industrial area of pre- and post-War buildings accessed via residential streets. A mixture of the various B1 sub classes and B2, this site appears well occupied with a mix of light industrial, distribution and associated office uses, mainly in professional and business services, including advanced technology.

6.2.2 There were no obvious signs of vacancy and the on-site parking was well used, but not overcrowded. At the time of the site visit, a delivery driver was having difficulty finding his customer, suggesting on-site signage could be improved.

6.2.3 This site would, in all likelihood be very attractive for residential conversion should it become available, but such low-cost utility space is valuable to local economies and we would recommend protecting it.

2. Falkland Road (Alston Works)



6.2.4 This is a very congested site, again in a mainly residential area. On-site parking is extremely congested, thanks in part to the BMW/Mercedes body shop.

6.2.5 Alston Works, a 4 floor Victoria-era industrial building, accommodates a range of small businesses, from furniture restoration to design firms.

6.2.6 At the time of the visit the on-site parking was completely full, making deliveries difficult and

possibly adding to local congestions.

6.2.7 The site has a 2013 consent for use as live-work space, although it was impossible to judge if this is being exploited. That said, a recent consent explicitly acknowledges employment use is encouraging for what is otherwise an unprepossessing site.

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3. 242-248 High Street, Chipping Barnet

6.2.8 This site is a car wash and valeting service at the north end of Chipping Barnet High Street, on the junction with Hadley Green Road. It is adjacent to a row of shops and restaurants to the south, and residential streets to the north and behind.



6.2.9 In terms of future uses, should it become available, proximity to the High Street suggests some commercial uses might be viable, but it is also the sort of location that would be very attractive to apartment developers.

6.2.10 Since it is a small, essentially free-standing, site it would be difficult to defend for employment use.

4. Various sites on Lancaster Road, including Redrose Trading Centre

6.2.11 Lancaster Road comprises a series of small trading estates, mainly of B2-style space but with some B1. Lancaster Road itself is rather narrow, and permitted parking uses part of the pavement to prevent the road becoming impassable. There was little obvious sign of vacancy, but one building had a board stating that it had been sold to investors.



6.2.12 Occupiers range from small-scale distribution through to car repair centres. There are also several martial arts centres, and experience suggest that this use is an indicator of an area that is not finding more conventional users.



Nevertheless, the area is fairly well occupied, although its linear nature leaves it vulnerable to piecemeal attrition from residential development. Given signs of investment sales, an Article 4 in this area would be prudent, as well as continued Local Plan protection.

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5. New Barnet

6.2.13 The A110 in New Barnet gives a stark illustration of the challenges facing employment property in the Borough. There are several substantial office buildings – including space above Sainsbury's, Kingmaker House (pictured) Ocean House, Bevatone House and Battle House. All are at least partially occupied, although Kingmaker House has an agent board suggesting around 1,400 sq m is available.

6.2.14 Most occupation is professional in character, with a language school in the offices above Sainsbury. However, directly across from Kingmaker House is Endeavour House, a building of similar size which has been converted to residential, while Groupama House on the other side of Kingmaker is being converted. Such prominent buildings are very difficult to protect in the face of PDR and LB Barnet should consider closely if further action is needed, possibly via an Article 4 Direction on the most modern properties.



6. Brunswick Industrial Park



6.2.15 This estate forms a T-shape, lined with B2 units mainly catering to the trade counter and trade showroom market. Except for a single unit the estate appears to be fully occupied and thriving. We understand that the owner of the vacant unit wants to bring this forward for residential conversion (even its parking is blocked off). This is exactly the kind of attrition to which such estates are vulnerable and LB Barnet is correct to resist it.

6.2.16 A curious feature is that the roads within the estate are all marked with double yellow lines, but there appears to be no enforcement of this. On balance this is probably for the best. Estates such as this rely heavily of visitor traffic for their business and while there were signs that it could become easily congested, the positives probably outweigh the negatives. This is a successful estate and the parking restrictions could usefully be reviewed, perhaps to apply a time limit rather than an unenforced blanket ban.

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7. Oakleigh Road South Railway Yard

6.2.17 This is a somewhat unkempt site on the A109 in New Southgate. It comprises two sub-sites, both of which are used for services to the building industry, one a builders' merchant and equipment hire centre.

6.2.18 The sites back onto the railway line, but despite the name do not appear to be used in relation to the railway. It should be noted that inspection was curtailed by restricted site access.

6.2.19 Notwithstanding this, although the site is far from attractive, it fills a niche that is typical of rail back lands, and that is easy to undervalue: supplying construction activity in the nearby markets. We understand that part of the site is safeguarded in relation to Crossrail 2; and it has significance in terms of *sui generis* uses.



8. Ballards Lane and Tally Ho Corner

6.2.20 Ballards Lane and Tally Ho corner form part of North Finchley town centre and comprises a range of office buildings of various ages, from post-war to the 1980s.



6.2.21 There is little sign of wholesale vacancy. Although some buildings are serviced offices, several are headquarters-type buildings for a range of professional and corporate occupiers.

6.2.22 North of the town centre on High Street, there are a couple of developments which appear to be office to residential conversions. There is some vacancy in this area with one property offering up to 1,600 sq m of space and another around 350 sq m. Obviously, with a snapshot visit, it is impossible to judge how typical this is, but the loss of stock nearby is a source for concern. However, the space that is

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being marketed suggests a viable locale. We suggest an Article 4 Direction for the whole town centre is suitable.

9. Whetstone

6.2.23 The high street here is a busy town centre with several self-contained office buildings of varying age. It is not as big as North Finchley. A large residential scheme is under construction on the site of a former B&Q store and another in what looks like a former office building.



6.2.24 Other than Barnet House – LB Barnet council offices – the most prominent buildings are Barclays Bank at 1250 High Road and the adjacent Edelman House.



6.2.25 Both properties will be viable as long as the occupiers want them, but equally both will be difficult to defend in office use in the event that they become available. Other buildings nearby are in a similar position. Given that the weight of development in the locale is residential this is probably best left to the market, although we would recommend an Article 4 Direction on the best buildings in order to manage any change more effectively. Note that an A1 Self Storage facility is

also likely to be vulnerable, although the success of this sector provides some inherent protection.

10. Finchley Industrial Centre

6.2.26 The 2009 Review noted that the Finchley Industrial Centre (referred to there as Finchley Industrial Estate) had low occupancy and suggested that its location was poor.

However, the Centre now seems well occupied, almost exclusively by trade counter and cash and carry.

6.2.27 Although not large, it is quite well positioned to service trades operating in and around Finchley and as such should be reasonably well placed to



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resist pressure for residential development – although it should be noted that some quite high class residential properties back onto it.

11. Victors Way

6.2.28 Victors Way is a small street behind High Street Barnet, close to the now redeveloped Barnet Trading Estate. There is only one commercial building, a courtyard B1 office building.

6.2.29 This is occupied by various professional service firms and a small Paddy Power unit, presumably associated with the betting shop fronting the High Street.

6.2.30 The building is in good condition and well maintained, with gated vehicular access, and there were no signs of vacancy. However, the building immediately to the south is residential and appears to date from around the same time that Barnet Trading Estate was redeveloped. Although individually this building is too small to be worth Article 4 protection, the town centre as a whole is showing sufficient signs of residential conversion to merit considering an Article 4 Direction to manage future change, possibly on a case-by-case basis.



12. Raydean House

6.2.31 Raydean House, on Western Parade New Barnet, is a freestanding low-rise office building, probably built in the late-1960s or early-1970s.

6.2.32 It appears well maintained and fully occupied by the local driving test centre and a Job Centre. Access via the service road is awkward due to parking along one side narrowing the road,

but otherwise access is reasonable, with parking to the rear.

6.2.33 This type of building is the sort that would be very attractive to residential conversion or redevelopment should it become available and it may be difficult to defend continued office use, given that the building is somewhat remote from other town centres.

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13. Coppetts Centre, Colney Hatch

6.2.34 Coppetts Centre sits alongside the North Circular at Colney Hatch close to a large Tesco Store.

6.2.35 Although not especially attractive, the site is well used and busy, in use as a car valet service, distribution and self-storage. It is not especially accessible to public transport, although this is not generally an issue for this kind of property.



6.2.36 As a distribution or self-storage site it is well located, with direct access to the North Circular, although it is perhaps a little remote from the major radial roads.

6.2.37 Notwithstanding this, the site appears to function well and is remote enough from residential areas to not present any issues of conflict.

14. Pentland Squires Lane



6.2.38 Pentland is a large, freestanding office complex, set back from Squires Lane in Finchley.

6.2.39 It is occupied by Pentland Group, a privately-owned brand management group. It is a large building, apparently built in the 1960s or early-1970s, with gated, controlled, access and plentiful on-site car parking.

6.2.40 It is well maintained and we would assume it is adequate for the occupier's needs. Should Pentland ever vacate, however, it is difficult to envisage a commercial buyer (although not impossible). As far as we know there is no suggestion that the building is due to be vacated, but if it does it can be released for residential.

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15. Mill Hill Industrial Estate

6.2.41 Mill Hill Industrial Estate is a small B1c/B2 development off Flowers Lane, Mill Hill, adjacent to the M1 and not far from Mill Hill Broadway.



6.2.42 It is a very standard configuration for this type of property, with a service road lined by a series of double-height units. Unusually among the sites we have visited, there were apparent signs of vacancy, although this was problematic to confirm because several units were shuttered. at the back of the site and there is no obvious explanation for this. The quality of the stock is at best adequate and visibility is limited, and is reasonably remote from residential. Access is somewhat restricted from Mill Hill by a very low bridge. However, it is a site that may benefit from refurbishment or redevelopment, particularly if considered in conjunction with the adjacent Bunns Lane works.

16. Bunns Lane Works

6.2.43 Bunns Lane Works is adjacent to Mill Hill Industrial Estate, although accessed directly from Bunns Lane.

6.2.44 It is not, on any measure, an attractive site, with poor quality stock – some in the form of cargo containers – and unmade service roads. However, this should not in itself be viewed as a criticism. All property markets need a stock of such



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"utilitarian" space and Bunns Lane Works is busy and well-used and clearly filling an economic niche. It includes a drive-through car wash, self-storage units and the Mill Hill Music Complex, which contains 17 studios for recording, rehearsal and photography.

6.2.45 This site fills a niche that would often be filled by railway arches, and it is important not to understate the social value of property such as this. If considered in conjunction with the adjacent industrial estate, this area could benefit from refurbishment.

17. Churchill House, Bunns Lane

6.2.46 Churchill House and the adjacent Granard Business Centre are two substantial office buildings on Bunns Lane, next to Mill Broadway Station car park.



6.2.47 Churchill House is a c1970s building that may have undergone a substantial refurbishment since it was constructed. It is occupied by a serviced office operator and the on-site car park was well used, suggesting that the business is successful.

6.2.48 Granard Business Centre is a more modern, 1980s property of similar size to Churchill House and also has on-site parking. It is occupied by a range of enterprises as well as a driving test centre. It is well occupied and, although there are vacant units being marketed, there was no sign of stress, with the immediate environment well maintained and attractive. These properties are well worth protecting.

18. Colindale Technology Park

6.2.49 A neat site with good quality office buildings, one of several small employment clusters in the vicinity (PHE and Colindale Business Centre). The site was constrained by surrounding residential property, but had little vacancy and adequate parking and access, also being within close access of bus and underground routes. This site is worth protecting.



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19 & 20. Access self-storage units, North Finchley

6.2.50 The two Access self-storage Units on the A406, close to North Finchley Leisure Centre are very typical of the type and seem well used. The larger of the two is south of the A406, but both are hemmed in by residential areas. With this in mind, although the sites will remain viable as long as the operator needs them, should they come to the market they will be hard to defend for non-residential use.



21. Garrick Industrial Centre

6.2.51 A small stand-alone office, light industrial and retail site behind the A5 consisting of 24 two-storey units, some with loading bays and reception areas. Access is good but parking appears inadequate as the access road is fully parked along one side. The site is bounded on one side by the railway line. Of the 24 units, there are 2 major occupiers: Angels (costumes) occupies 5 units at the entrance to the site and The Bread Factory occupies six units, spread about the site. This site should be retained for employment use.



6.2.52 There is an older storage building at the southern edge of the site, on the corner of Wilberforce and Garrick roads which is to let. The neighbouring building (Arbiter House) has already been redeveloped and is now a school.

22. Arbiter House

6.2.53 Arbiter House is the home to the Beis Soroh Scheeirer Independent Girls School for primary school children. It has excellent access and has CCTV along the outside of the building and a security guard at the entrance.



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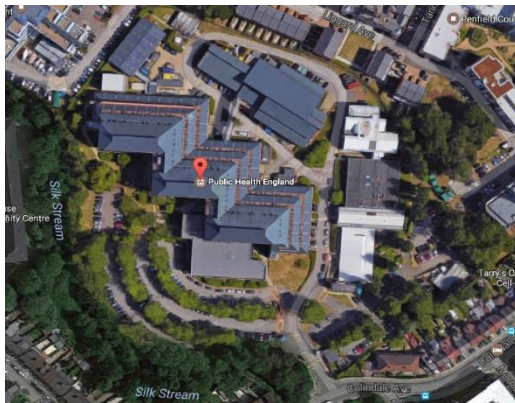
6.2.54 The neighbouring building, (mentioned above) on the corner of Wilberforce Road and Garrick Road appears to be currently used for storage but is currently to let. This building is on the corner of Garrick Road, leading into Garrick Way Industrial Park and Wilberforce Road, which is residential.

6.2.55 Given this is a small site in non-conforming use, there seems little point in maintaining it as part of the LSIS.

23. 61 Colindale Avenue (Public Health England)

6.2.56 Modern building with security guard and gate. No public access. Image from google maps shows the extent of the site. There is adequate car parking and access is good for all vehicles. It is on a bus route and near to Colindale Underground station.

6.2.57 The site hosts an education and training unit and facilitates the identification of rare pathogens and specialist tests. This site is of good quality and has critical mass. It should be protected. Moreover, given that the site is likely to be coming vacant in the medium-term, there is potential for a bespoke policy solution here.



24. 11–59 High Road

6.2.58 HQ for McDonald's This Head Office building is located close to East Finchley underground station in East Finchley town centre. McDonald's now share the building with the following organisations: The Hospitality Guild, People First and the National Skills Academy – Retail – all training and regulatory or information bodies.

6.2.59 There does not appear to be any vacancy at the site, which is well maintained and cared for. The building is relatively modern and should be retained for similar use.



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25. Bittacy Hill Business Centre

6.2.60 A neat business park opposite to Mill Hill East Underground station. There are six units on the park. It has a good level of parking and is a well-laid out site with two entrances – one to Bittacy Hill and the other to Frith Lane. This site should be retained.

6.2.61 One of the major occupiers, Barry M Cosmetics, has planning permission to build on a site adjacent to the Business Centre.

6.2.62 It should be noted that there is a major housing development under construction adjacent to the site which may impact on neighbourliness.



26. Grahame Park Way – Hurricane Industrial Park

6.2.63 This site is located between Grahame Park Way and the railway line and narrows towards the northern end. There are 10 units, five of which are at a right-angle to the road – these five and Halt garage share 16 parking spaces, so there are additional vehicles in the service road. The service road is congested but does not impact on the flow of through traffic on the parallel road. The buildings are two-storey and the area is well kept. The main activities are motor servicing, retail DIY, electronics and modelling – either side of the site is a religious building. There is substantial residential development taking place nearby. The site works in the location and can be retained.



27. Propeller Way

6.2.64 Modern site built in-between the confluence of railway lines – small, with only eight units, six of which are occupied. There is good vehicle access off Aerodrome Way. The site is crossed by a public footpath.

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6.2.65 The site is owned by Network Rail and is a good use of the available space – it could be used for little else. Each unit has roller doors and 2-3 parking spaces. It could be retained in this use.

6.2.66 Nearby, in Aerodrome Road, the new Peel Building (Police training headquarters) was completed in 2016; and there is a major residential building programme, also incorporating c8,500 sq m commercial space (photos below).



28. 100 (30-120) Colindeep Lane

6.2.67 The site is located on the A5150 and is the last property before its flyover across the M1. Access is very good and the site hosts a variety of different trades, including vehicle diagnostics, a warehouse for an interiors company and a medical treatment centre.



6.2.68 There is plentiful space for vehicles to park and there were a number of lorries parked at the rear of the building at the time of the visit. The site is located next to the North London Grammar School, which may produce issues at school starting and finishing times.

6.2.69 The exteriors of the buildings were not well cared for – there was ivy growing up against the windows at the rear of the building and the car park surface was in need of repair. There was no evidence that any of the site was vacant. The site was used and there is no reason why it should not be retained for commercial use.



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29. North London Business Park

6.2.70 A pleasant business park set in an area of parkland with a pond and wildfowl, adjacent to the A109. There is abundant paid-for parking and walking space between the buildings. The primary occupiers of the space are the LB Barnet, St Andrew the Apostle School and Middlesex University.



6.2.71 The site is not located near to an underground station, but is accessible by bus. LB Barnet is planning to move out of this site to a new headquarter office in Colindale.

30. Accommodation Road

6.2.72 Accommodation Road is a narrow, cobbled mews located behind Golders Green Road. The road is two-way and parking showed that vehicles entered from either end. The primary business was the financial sector with accountants occupying the majority of the units, but other sectors were represented. There was only one vacant unit. This had no obvious signs of attempt to let, and had not been refurbished. Some units had permanent storage units on the opposite side of the mews.

6.2.73 There was little parking and much of it was protected, either physically (with chains) or by various enforcement companies – some parking spaces were also filled with waste bins.

6.2.74 Apart from the single vacant unit, all units had been refurbished to a high



quality and were well maintained. This was a popular location and can be retained.

31. Cecil Road

6.2.75 Of the two sites in Cecil Road, one appears to have been demolished and has the board from a construction company on the surrounding hoarding. There is no information on the hoarding regarding the type of premises to be constructed,

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however the site is immediately adjacent to the Jain Centre, which fronts onto Colindale Avenue, but stretches back into Cecil Road. The centre advertises on its website that planning permission has been obtained for improvements. However, the building hosting the Jain centre is in a dilapidated state and there was no evidence of current occupation

6.2.76 The second site, immediately adjacent to the construction site is still used for car maintenance. The warehouse was very busy at the time of the visit but it is in a dilapidated state. Access to this site is directly off the road and there is very little off-street parking. This site is adjacent to residential properties and it is unlikely that it can be retained once it is no longer required for its current use.



6.2.77 Around the corner numbers 17 and 19 Colindale Avenue are warehouses with a yard, both advertised to let and had been for some time. Both were closed and had fallen into disuse.

32. Churchill House, Brent Street

6.2.78 Churchill House in Brent Street is a large property offering serviced offices. It appears to be newly refurbished and there is no evidence of the amount of vacancy. It is located in a vibrant area, with shops and public transport nearby.



6.2.79 There is some parking at the rear of the property (off Lodge Road), but it is not clear if this is available as part of the office facility, or whether the parking is allocated to the studio flats, also advertised as being at Churchill House, Brent Street; or has alternative ownership. The adjacent and attached building is used by Brampton College and can be accessed from Chapel Walk and Lodge Road.

33. Connaught Business Centre

6.2.80 This site comprises 20 single-storey units, with roller shutter access to each unit. There is good access to the site, however there is not a great deal of parking on the site and the front section was very congested at the visit, which would have made it difficult for any vehicles to get further onto the site.



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There appeared to be only one unit vacant at the time of the visit. Main activities on the site are retail sale via mail order, back office and storage use for caterers and specialist technical sales. Located in a primarily commercial area, this site is worth maintaining. The site immediately adjacent appears to be used for the storage of equipment, behind a standing wall.



6.2.81 Adjacent to the site is the rear of the old Colindale Telephone Exchange, and what appeared to be an ex-Homebase carpark – a large area of empty concrete hard-standing. There were a few BT vehicles parked on the hard-standing but it was primarily empty. This was a large, underused area, with the old telecoms exchange fronting the main road also appearing to be underused. This could be incorporated into the employment area, although the telecoms building itself may be attractive to residential developers and should be released.

34. Grenville Place

6.2.82 This site consists of two office buildings, located in a primarily residential area, with evidence of new building about to take place adjacent to The Lofts (the left-hand picture above).



6.2.83 There was limited parking at the site, and nowhere beyond for overspill, however the site was in walking distance of Mill Hill Broadway with its bus hub and rail station. It was unclear whether the buildings were fully occupied. These buildings may be at risk once no longer needed by their current occupiers.



6.2.84 We do not believe that this site merits further protection.

35. Hoop Lane



6.2.85 This is a long, narrow site located alongside and under the railway arches at Hoop Lane, near Golders Green Underground and Bus hub. There appears to be a single occupant: CB Motors.

6.2.86 The access is narrow, immediately beyond the railway arch and near to a bend. There is limited on-street parking allowed

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under the railway arch. During the visit delivery vehicles had to back out from the site onto the road. There is a wall dividing the site from a pay and display car park adjacent.

6.2.87 There is little that could be done with the site as it is, although it could be amalgamated with the land providing the Pay and Display car park. Consideration should also be given to the current access.

36. Colindale Business Centre, 126 Colindale Avenue

6.2.88 Located off Colindale Avenue, near Public Health England, this is a modern office complex containing four, two-storey buildings which are available to let either as single units, or by floor. The site currently has five occupiers, and the level of vacancy is unclear. However, the board listing the occupiers suggests that there is space available.

6.2.89 There is good access for cars and vans, and appeared to be adequate parking for the needs of the occupiers – the site advertises 12 parking spaces per building. There is a nearby underground station and buses. This is a self-contained site which could be retained. The site has consent for a mixed-use, residential scheme with some replacement floorspace (Ref H/05833/14).



37. Popes Drive and Albert Place



6.2.90 Located just off Ballards Lane and near to Finchley Central underground station the site consists of several buildings of differing ages, quality and state of repair and of occupation. Access by public transport is good and there is parking with each of the buildings. The roads are not wide, and are one-way restricting access, but are adequate for B1 stock.

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6.2.91 Sovereign House, overlooking Ballards Lane does not appear to have any vacancy, but all the buildings further back into the site, off Popes Drive and



Shakespeare Road have some level of vacancy and the lettings boards appear to have been there some time, even at Lawford House, which appears relatively recently refurbished. There is also a recently demolished site at the Nether Street corner of Albert Place.

6.2.92 Central House (pictured left), on the corner of Nether Street and Ballards Lane is also offering serviced office letting.

6.2.93 We suggest an Article 4 Direction for this area.

38. Regent Office Park

6.2.94 This cluster of modern, purpose-built office buildings, is situated around a central square where there is parking available. There seemed to be some space available at the visit.



6.2.95 The site is close to Finchley Central underground and on bus routes and has a busy retail area nearby. There is a supermarket being built adjacent to the site at the base of a new residential scheme, and there is a new Travelodge at Winston House (pictured right), further along Regents Park Road. Winston House is also advertising offices to let and the availability of serviced offices.



6.2.96 The site has a variety of occupiers: multiple small professional firms such as lawyers, solicitors, accountants and media agencies. Berkley House is Arts oriented and Supreme House has a doctor's surgery.

6.2.97 The vacancy rate appeared low, with a single board being evident, advertising 160 sq m to let. This site should be retained.

39. Rushgrove Avenue

6.2.98 The Rushgrove is a large residential development which is taking place adjacent to the site.

Of the two warehouses at the southern end of Rushgrove



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Avenue, one has already been demolished and the second appeared to be no longer in use, although there were no boards suggesting sale or demolition.

The remaining area is residential, so these are likely to become residential particularly in light of the Rushgrove development.



40. Staples Corner to 124 West Hendon Broadway

6.2.99 Premises are located on either side of the busy A5 which has a central barrier lined with 1.5m chain link fencing. There is a variety of premises including retail and garages, occupied and empty office buildings. Access depends on direction of approach and parking is limited and needs to be off-road. The site leads into a residential area and protection of the unoccupied buildings may be difficult. There is evidence of recent residential building on the corner of Stuart's Avenue on the western side of the road. An office building has been consented for a school, underlining the vulnerability of commercial stock here.



41. London Gateway Services

6.2.100 LB Barnet asked Ramidus to investigate the potential for using London Gateway Services as a location for employment land. We should note that



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parts of the service area are not accessible without trespassing, or stopping illegally.

6.2.101 London Gateway is a very low-density use, as would be expected of a motorway service station, most of this is due to extensive parking areas for trucks and coaches. A travel business appears to operate from the services. Although at the time of the visit the truck parking area was only about one-third occupied, we do not know what is the pattern of normal or peak loading.

6.2.102 There is also a service road running from behind the hotel to a building yard underneath the motorway, with access out of the motorway area. This area seems too constricted to offer much scope, but at a wider level it may be worth a more detailed study to see if use here can be intensified.

42. Hadley Manor Trading Estate

6.2.103 This is a small industrial area that adjoined the now substantially redeveloped Barnet Trading Estate, located at the east end of Moxon Street in Chipping Barnet. It is an LSIS. The main occupier on the site is Hadley Wood Hospital, a private hospital. There is a Howden's Joinery but other than these all other units are empty



6.2.104 One of these is a former car dealer that has relocated nearby and which was in the process of being cleared out. Another was the B8 space of a clothes maker which has relocated to Bounds Green. This site has a planning consent for reconfiguration as offices.

6.2.105 Given the sites current status as an LSIS we were surprised to see the level of vacant space, but this may reflect a time of transition. The presence of the hospital provides a strong anchor occupier so it should retain LSIS, and as a minimum small units should be promoted.

43. 508 Edgware Road

6.2.106 This is a substantial office building, by appearances of 1960s/70s construction that was fully refurbished recently and re-clad more recently. It is the HQ of Utility Warehouse, is in good condition with on-site parking.

6.2.107 This building is in good condition and is clearly suitable for its main occupier. However, in the longer term this is the kind of building that will be vulnerable to PDR and, with residential development already happening nearby,



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there is probably little to be gained from protecting this building should it be vacated.

6.3 Summary

6.3.1 Barnet has a wide range of employment sites, but typically they are small compared to sites elsewhere in London and somewhat scattered, leaving the Borough without a single strong centre.

6.3.2 Our summary assessments can be found in Figure 6.4. It should be noted that these are our assessments based on how we see the balance of market pressure in the light of key policy instruments and especially PDR. They should not, however, be viewed as "set in stone", and are intended to inform the Local Plan.

6.3.3 We fully accept that there may be compelling policy reasons for varying from this recommendation. But we also note that even the promotion of small units is challenging in the face of PDR and that Article 4 Directions may be needed to provide protection, even at relatively modest scales.

6.3.4 The assessment and recommended actions are explained below.

6.3.5 **Leave to market** Should the site become vacant it may be considered for a mix of uses including non-employment. This does not necessarily mean that the site is non-viable for continued employment use, but based on the site survey at the time of this study, its protection for employment use alone in its current form cannot be justified. For these sites the market should decide the outcome and the strength of evidence usually required to justify release of employment land such as marketing may be forgone.

6.3.6 **Promote small units** These are sites where employment use is considered viable in the longer term and where small units should be promoted. Protection should be considered either in the form of LSIS status or other policy designation in the emerging Local Plan. In addition, Article 4 Directions should be considered. Policy should encourage investment in these sites as a source of supply of small units with intensification and a mix of commercial uses encouraged. Policy should not resist development of larger units where proposals come forward.

6.3.7 **Protect** These are good sites which should be protected with Article 4 Directions and/or with LSIS status or other policy designation in the emerging Local Plan for longer term employment use. They may not be the most attractive or modern properties, but they fill an economic niche, especially for small businesses, but potentially for medium enterprises.

6.3.8 The site, London Gateway Services, has no action. Further work will be necessary to consider the opportunities and challenges that need to be addressed before this site can be exploited.

6.3.9 To provide further context for our evaluations, Figure 6.5 illustrates our view by class of property. It should be noted that physical condition of the property is less significant than might be supposed because secondary – and even tertiary – properties have the potential to fill an economic niche.

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Figure 6.4 Assessment of Barnet employment sites




Site	Site name	Action	Location
1	Queen's Road	Promote Small Units	Suburban
2	Falkland Road	Promote Small Units	Edge of centre
3	242-248 High Street	Leave to market	Town centre
4	Lancaster Road & Redrose Trading Centre	Promote Small Units	Edge of centre
5	New Barnet Town Centre	Promote Small units	Town centre
6	Brunswick Industrial Estate	Protect	Suburban
7	Oakleigh Road South	Leave to market	Suburban
8	Ballards Lane/Tally Ho Corner	Promote Small Units	Town centre
9	Whetstone Town Centre	Promote Small Units	Town centre
10	Finchley Industrial Centre	Protect	Edge of centre
11	Victors Way	Promote Small Units	Town centre
12	Raydean House, Western Parade	Leave to market	Suburban
13	Coppets Centre, Colney Hatch	Protect	Suburban
14	Pentland Squires Lane	Leave to market	Suburban
15	Mill Hill Industrial Estate	Protect	Suburban
16	Bunns Lane Works	Promote Small Units	Suburban
17	Churchill House & Granard Business Centre	Protect	Suburban
18	Colindale Technology Park	Protect	Suburban
19	Big Yellow self-storage units, North Finchley	Leave to market	Suburban
20	Big Yellow self-storage units, North Finchley	Leave to market	Suburban
21	Garrick Industrial Centre	Protect	Suburban
22	Arbiter House	Promote Small Units	Suburban
23	61 Colindale Avenue	Protect	Suburban
24	11-59 High Road (McDonald's HQ)	Protect	Town centre
25	Bittacy Hill	Protect	Suburban
26	Grahame Park Way	Protect	Suburban
27	Propeller Way	Protect	Suburban
28	100 Colindeep Lane	Protect	Suburban
29	North London Business Park	Protect	Suburban
30	Accommodation Road	Protect	Town centre
31	Cecil Road	Leave to market	Suburban
32	Churchill House, Brent Street	Protect	Town centre
33	Connaught Business Centre	Protect	Suburban
34	Grenville Place	Leave to market	Suburban
35	Hoop Lane	Promote Small Units	Town centre
36	Colindale Business Centre	Protect	Suburban
37	Pope's Drive and Albert Place	Promote Small Units	Town centre
38	Regent Office Park	Protect	Town centre
39	Rushgrove Avenue	Leave to market	Suburban
40	Staples Corner	Promote Small Units	Suburban
41	London Gateway Services		Suburban
42	Hadley Manor Industrial Estate	Promote small units	Edge of centre
43	508 Edgware Road	Leave to market	Suburban

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Figure 6.5 Key conclusions by property type

Activity type	Image	Features
Informal		<p>Arches; builders' yards and 'back land'. Providing local services.</p> <p>Untidy but necessary. Where possible look after it.</p>
Industrial		<p>Very little of this. Reducing demand</p>
Light Industrial		<p>Strong demand that is being constrained by lack of supply. Rents are beginning to rise.</p> <p>Resist change of use. Especially where there are clusters of activity.</p> <p>Opportunities for intensification.</p> <p>Encourage workshop type space in new residential development.</p> <p>Some of this would go at Brent Cross, so perhaps look to re-provide.</p> <p>Need to improve supply to keep costs (rents) down.</p>
Warehouse		<p>Storage – intensification and co-location.</p> <p>Strategic distribution can be serviced form further up M1. Don't need to provide for this.</p>

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<p>Office</p>		<p>Large Corporate Retain what is there. Very scattered at present. Stock is ageing. Improve public realm. Engage with large corporate occupiers. They could move. What happens if they relocate. Buildings are difficult to get re-occupied. If Brent Cross happens, then let them go. Brent Cross could absorb a lot of this.</p> <p>Multi-Let Offices Medium-sized businesses. Mainly town centre locations. Some converted to serviced offices. Mostly local services – accountants, lawyers, etc. Mostly small units: 200-300 sq m. If maintained stock, the outlook should be fairly positive. A lot of it is quite old. As buildings age, they need investment. Rents would need to rise a lot so not really viable.</p>
<p>Hybrid</p>		<p>Rising demand for this type of space especially that which is highly adaptable. Encourage new. Look at intensification. Opportunities for jobs growth. Target providers. Land ownership. Development briefs.</p>
<p>Flexible</p>		<p>Flexible/serviced space. Strong demand. Fits with entrepreneurial Barnet. Should be provided in town centres. Need to have range of premises types.</p>

7.0 Future requirements

7.0.1 This chapter presents forecasts of the demand for employment land and premises in Barnet for the period 2016-2036. The starting point is recent work published by the GLA to inform the London Plan.

7.1 Approach and method

7.1.1 In presenting the demand forecasts, we consider three categories of employment land:

- Offices (B1a) – for which the starting point is LOPR 2017.
- Industrial (B1b⁴¹, B1c, B8) – for which the starting point is the London Industrial Land Demand Study (2017).
- All other (non-‘B’ Use Class) employment – this is not directly an output for this study but is considered alongside the complementary Town Centres and Floorspace Needs Assessment (TCFNA) study which is being undertaken in parallel with this ELR.

7.1.2 The projections of office and industrial demand produced to inform the London Plan are not the only possible outcomes and LB Barnet does not need to be bound by these projections when determining its employment land policies. But it does need to demonstrate it has taken these projections into account and needs to provide a justification for the projections that the Borough decides to adopt.

7.1.3 We use the GLA projections as our starting point but also undertake sensitivity tests and reality check the projections against what we know about the Barnet economy from the assessment set out in earlier chapters of this report. We also consider the projected outcomes against what we understand to be LB Barnet’s policy objectives. We consider in turn the forecast demand for office premises and for industrial premises. We then also comment on demand for non-‘B’ Use Class employment. We first set out employment forecasts for Barnet, by sector, drawing on employment projections prepared by GLA Economics to inform the London Plan.

7.1.4 These employment forecasts are then translated into forecasts of demand for premises by application of employment density ratios, and then into a forecast of the demand for employment land by application of plot ratios. The approach is summarised in Figure 7.1.

Figure 7.1 Approach to floorspace projections



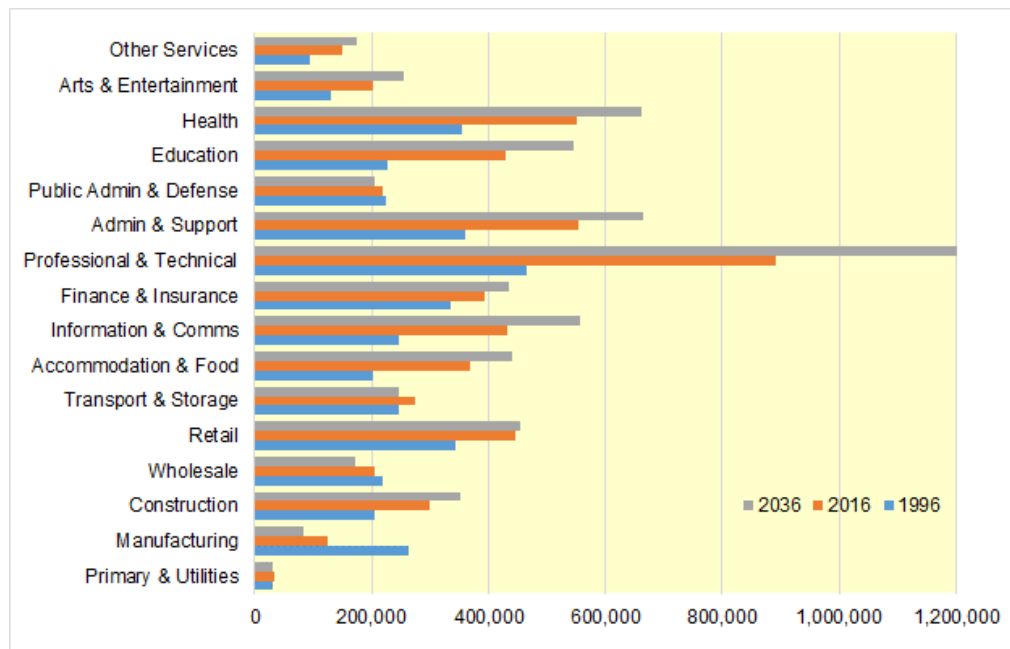
⁴¹ B1b premises can be either office or industrial in character depending on the nature of activity that they accommodate.

7.2 Employment forecasts

7.2.1 GLA employment projections In June 2016, GLA Economics published employment projections at sector level for London, and for total employment at borough level.⁴² There were no sectoral breakdowns of the borough projections. These projections in turn were used to inform the forecast of office floorspace set out in LOPR 2017⁴³, and in part were an input to the forecast of industrial land demand set out in the London Industrial Land Demand (LILD) study 2017.⁴⁴

7.2.2 The GLA projected growth of 917,000 jobs over the period 2016-36, an increase of 16.4%. This compares with a growth of 1.6m jobs over the preceding 20-year period. Projected employment change by sector for the period 2016-36 is set out in Figure 7.2, which also shows change from 1996 by way of comparison. The largest growth is projected to occur in the professional scientific and technical services sector with an increase of 319,000 jobs (36%).

Figure 7.2 Employment change by sector, London, 1996-2036



Source: GLA Economics

7.2.3 Information and communication services; administrative and support services; education; and health, are all sectors that are projected to increase by more than 100,000 jobs over the period 2016-36.

7.2.4 The projected pattern of growth is broadly similar to that seen in the preceding 20-years. The principal differences are in the manufacturing sector, where the projected rate of decline is much slower than in the past, and in the retail, where future growth is projected to be relatively static.

⁴² GLA Economics (2016) *London Labour Market Projections 2016*

⁴³ Ramidus Consulting (2017) *London Office Policy Review 2017*

⁴⁴ CAG Consultants (2017) *London Industrial Land Demand Study 2017*

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7.2.5 As a sensitivity test the GLA also publish a High and Low variant of its central projection.

7.2.6 **Borough employment projections** GLA Economics also published a set of borough-level employment projections using a revised version of their previous 'Triangulated' method.⁴⁵ These projections are generated by developing a set of rules to integrate three separate projections for borough jobs, including:

- continued historic trends, prepared by GLA Economics;
- transport accessibility, based on a relationship for each borough between employment density and transport accessibility, and
- workplace capacity, using data from the London Employment Sites Database.

7.2.7 As the transport accessibility analysis will inform future investment decisions by TfL, the transport accessibility projections do not feature in the rules to allocate employee jobs across boroughs for this round of borough projections.

7.2.8 The 2016 GLA projections for Barnet show employment increasing from 155,500 in 2016 to 173,900 in 2036, an increase of 14,400 jobs or 11.9%. This is slower than the projected growth for London as a whole, where growth is anticipated to be faster in Central London.

7.2.9 **Borough-level sector forecasts** The GLA do not produce sector forecasts at borough level. We therefore generate borough sector forecasts by initially assuming that each sector grows at the same rate as the London sector forecasts. The London sector growth rates are applied to the 2014⁴⁶ borough sector data (for the 16 sectors at which GLA Economics produce their London forecasts). The input data for this is BRES 2014 employment data which are grossed up to the GLA 2014 borough employment totals to account for self-employed.

7.2.10 These initial borough-level sector forecasts are calibrated to ensure consistency with both the GLA's London sector-level forecasts and with the GLA's borough-level forecasts through a process of reiterations to these dual constraints.

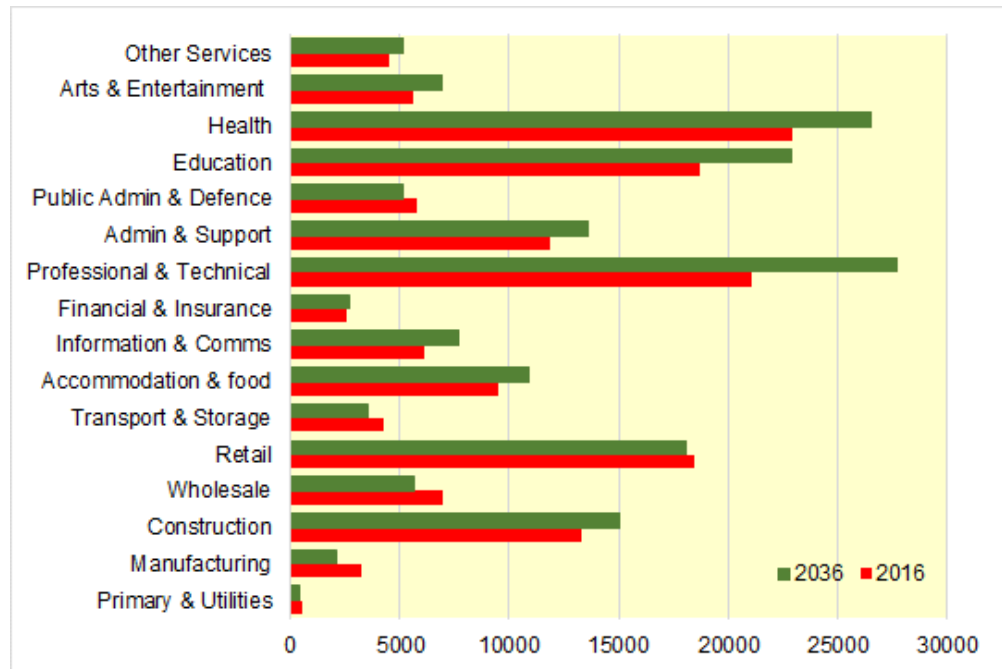
7.2.11 Sector-level forecasts for Barnet are illustrated in Figure 7.3.

7.2.12 In line with the London projections the largest forecast growth is in the professional, scientific and technical services sector which is projected to grow by 6,600 jobs. The next largest growth sectors are projected to be education which grows by 4,100 jobs, and health, which grows by 3,600 jobs.

⁴⁵ GLA Economics (2016) *London Labour Market Projections*

⁴⁶ 2015 BRES data is the latest available, but 2014 is used as it is consistent with the base data for the GLA Economics projections.

Figure 7.3 Sector-level forecasts, Barnet, 2036



7.3 Offices

7.3.1 Office employment forecasts published in LOPR (2017) showed office employment in Barnet increasing from 34,400 in 2016 to 42,000 in 2036, an increase of 7,600 or 22% over twenty years. This compares with a projected increase of 24% for London as a whole over this period.

7.3.2 LOPR shows forecast demand for the period 2016-41 for Barnet of 10,900 office jobs and 122,800 sq m of office floorspace. After making some adjustment for vacancy the forecast demand for net additional office space is calculated at 132,600 sq m (GIA)⁴⁷ for the period 2016-41. On a pro rata basis, this would represent 106,000 sq m for the period 2016-36.⁴⁸

7.3.3 LOPR sets out a range of sensitivity tests. This enables boroughs to adopt a projection that best represents the circumstances and characteristics of their local economy. The forecast net additional demand for floorspace under each of these sensitivity tests is summarised in Figure 7.4.

⁴⁷ GIA = Gross Internal Area

⁴⁸ This assumes equal distribution over the forecast period. The GLA projections in fact show higher rates of growth in the earlier years, but we believe pro rata is the best way of apportioning the LOPR targets.

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Figure 7.4 Forecast additional office floorspace demand for Barnet – LOPR scenarios and sensitivity tests

Forecast	2016-41	2016-36
Trend projection	35,000	28,000
Composite projection	83,800	67,100
Employment-based Central	132,600	106,100
Employment-based High	163,700	130,900
Employment-based Low	102,400	81,900
Hybrid	92,800	74,300
Homeworking	116,000	92,800
Density ratio 13 sqm non-CAZ	152,600	122,100
Density ratio 1.25 desk share	126,800	101,400
Intensity all stock 11.3 sq m	209,100	167,300

Source: LOPR (2017)

7.3.4 The basis of the sensitivity tests in the LOPR projections are as follows.

- Trend projection – is based on past change in office floorspace stock in Barnet.
- Composite projection – is the average of the trend and Central Employment-based projections.
- Employment-based Central – converts projections of employment by sector to floorspace by application of an employment density ratio.
- Employment-based High – uses the GLA’s higher employment projection.
- Employment-based Low – uses the GLA’s lower employment projection.
- Hybrid – assumes some activity in sectors that have traditionally been considered as office sectors is accommodated in hybrid industrial premises
- Homeworking – assumes a higher proportion of future employment growth will be homeworkers who do not require office space.
- Density ratio 13 sq m non-CAZ – assumes a higher average floorspace to worker ratio than the central projection, hence increasing the overall demand for floorspace.
- Density ratio 1.25 desk share – assumes a higher rate of desk-sharing, hence reducing the overall demand for floorspace.
- Intensity all stock 11.3 sq m – assumes that all office stock is occupied at the benchmark ratio of 11.3 sq m per worker in 2041.

7.3.5 The central range lies between the Composite projection and the Central Employment-based projection. The latter assumes that Barnet’s office floorspace growth reflects its economic structure, whilst the Composite projection dampens this down based on actual floorspace growth seen in Barnet in recent years.

7.3.6 This gives a range of 83,800–132,600 sq m over the period 2016-41. On a pro rata basis, this would represent a range of 67,000-106,000 sq m for the period 2016-36.⁴⁹

⁴⁹ Employment growth is not actually evenly paced throughout this period but this is the most transparent way of ensuring consistency with the LOPR projections

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7.3.7 **Brent Cross** For Barnet, the biggest uncertainty is the proposed development at Brent Cross. This has planning permission for 400,000 sq m of B1 office floorspace. This is a very large proposal for what is an untested office market.

7.3.8 In order to plan employment land provision in the Borough it is worth considering alternative outcomes for this proposal, as follows.

- **400,000 sq m developed in full** Even if the full office development proposal does come forward, we believe it unlikely that it would be fully developed and occupied before 2036. But to the extent that it is developed it would represent an increase over and above the baseline projections set out above. This should not be seen as a problem, and LB Barnet should not seek to regulate the amount of office development coming forward at Brent Cross. The market will not build out substantially in advance of demand in such an untested office location.
- A new office campus of 400,000 sq m will also have implications for other forms of economic activity in the Borough. In addition to the benefits of the construction phase, once developed the office campus will create supply chain opportunities for other SMEs in Barnet. This will include both existing firms in Barnet and those that will be established to take advantage of the new locally generated demand for goods and services. As such it is likely to have a positive impact on the demand for office floorspace elsewhere in the Borough.
- **Zero office development comes forward** If zero office floorspace is developed at Brent Cross then this will depress the overall demand projections for Barnet. It is unlikely there would be demand for a similar quantum of development elsewhere in the Borough. The GLA Economics projections of Barnet in part factor in a 200,000 sq m office proposal at Brent Cross. In the absence of any office development at the site, then the office demand projections are likely to be closer to the trend projection of 28,000 sq m of net additional floorspace over the period 2016-36.
- **The office proposal is partially built** This would still represent the largest single office development in Barnet. It is also likely that a development of this scale could take beyond the 2036 plan period to come forward and be occupied in its entirety. 200,000 sq m is higher than the baseline projection for Barnet, but it is not necessarily inconsistent with it. As noted not all the 200,000 sq m will come forward by 2036. In addition, there may be some consolidation of the office market in Barnet with additions at Brent Cross being partially offset by losses in office stock elsewhere in the Borough.

7.3.9 In the event that no employment floorspace is developed at Brent Cross, the foregone office development will need to come forward at other sites in the Borough in order to meet the trend demand forecast. This is most likely to be within existing town centre office locations such as Edgware, East Finchley, Finchley Church End, Brent Street Hendon and North Finchley. Although, it must be recognised that the type of market that is currently being served in these locations is different to the type of occupiers that might be attracted to a new office campus at Brent Cross.

7.3.10 **Reality checks and benchmarks** As noted previously the GLA employment forecasts are not the only potential outcomes. Forecasts of this nature are in any event subject to a degree of uncertainty. We therefore undertake sensitivity tests by

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reviewing other forecasts for London to check if an alternative view would suggest any significantly different outcome.

7.3.11 A research report produced for the City of London Corporation in 2015⁵⁰ forecast employment growth for London over the period 2015-2025 averaging 0.6% p.a., from 5,584,000 in 2015 to 5,955,00 in 2025. This is an increase of 371,000 over ten years and represents a lower rate of growth than the GLA Economics projections, which show employment growth averaging 0.8% p.a. over the period 2016-36.

7.3.12 The City of London report was suggested that growth in Central London would be faster, with employment averaging a 0.7% p.a. increase over this period, so correspondingly growth in the rest of London would be projected to be slightly lower than the London average. The forecast for London as whole shows GVA averaging 2.5% p.a. growth between 2015-25 and productivity growing by 1.8% p.a. over this period. Another forecast is provided by Working Futures. This projects employment growth for London averaging 0.7% p.a. over the period 2014-24⁵¹, with GVA growth averaging 2.5% pa. over this period.

7.3.13 A third alternative forecast of the London economy is provided by Experian. Employment forecasts produced by Experian cited in the Tower Hamlets ELR show employment projections for London as similar to the GLA, with both growing at “around 15% over the period 2015-31”.⁵² This is equivalent to 0.9% p.a.

7.3.14 So whilst the pace of growth varies from one body to another, all have broadly the same outlook for the future growth of the London economy with employment growth averaging in the range of 0.6% p.a. – 0.8% p.a. Whilst the GLA projections are at the upper end of the range of published forecasts they are in line with the consensus view.

7.3.15 This suggests that any sensitivity test on the employment based projections would consider a slight downside view. But in planning for employment floorspace it is prudent to add a margin for uncertainty and to allow for some choice. Hence these two factors balance each other out, and suggest that adopting the GLA-based projections is reasonable, especially given there is a range around their central floorspace projection.

7.4 Industrial

7.4.1 The LILD study 2017⁵³ sets benchmarks for the release of industrial land by borough. The projections published in this study are noted to be treated with caution at the borough-level as much demand is effectively sub-regional. There is likely to be some adjustment to the borough-level release totals prior to publication of the updated Land for Industry and Transport SPG, as part of the London Plan Review.

⁵⁰ Centre for Cities and Cambridge Econometrics (2015) *The Future of the City of London's Economy*

⁵¹ UKCES (2016) *Working Futures 2014-24*

⁵² Peter Brett Associates (2016) *London Borough of Tower Hamlets Employment Land Review*

⁵³ CAG, Colliers, Ramidus & PBA (2017) *London Industrial Land Demand Study*

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7.4.2 The LILD study assesses demand by sub-region and by Industrial Property Market Area. Barnet is classified in the north sub-region and in the Park Royal/Heathrow Property Market Area.

7.4.3 The baseline projection is for a net addition of 7.3 ha on industrial land for Barnet over the period 2016-41. This is derived from an estimate of a reduction of -2.2 ha of land for general industrial purposes; an increase of 9.3 ha of land for warehousing; and an increase of 0.2 ha of land for utilities. This represents an increase of 7% on Barnet's 2015 industrial land stock of 102.3 ha.

7.4.4 **Alternative scenarios** The LILD study also published a number of alternative scenarios.

- **Trend supply** Where industrial land continues to be released at the same rate as in the recent past. This produces a net release of -29.1 ha of industrial land for Barnet over the period 2016-41 (-23.2 ha pro rata to 2036).
- **Planning pipeline** Which looks at how much industrial land would be released under current plans including the existing development pipeline and areas earmarked in Opportunity Area Planning Frameworks, Local Plans and in Housing Zones. This produces a net release of -1.8 ha of industrial land for Barnet over the period 2016-41 (-1.4 ha pro rata to 2036).
- **Planning and infrastructure** This adds to the planning pipeline scenario additional industrial land releases related to the development of Crossrail 2 and the Bakerloo Line Extension. This produces a net release of -12.3 ha of industrial land for Barnet over the period 2016-41 (-9.8 ha pro rata to 2036).
- **Intensification and substitution** Which looks at potential additional releases enabled through intensification of existing industrial area and further releases that might be achieved through meeting more of London's demand for warehousing form outside of its borders. This produces a net release of -5.1 ha of industrial land for Barnet over the period 2016-41 (-4.1 ha pro rata to 2036).

7.4.5 Under the suggested new categorisations set out in the LILD study, Barnet is identified as a borough that should retain its industrial land. Whilst the baseline industrial land release figure suggests that Barnet should provide an additional 7.3 ha of industrial land, this figure can be reduced in two ways.

- **Reallocation** of demand within the property market area. Effectively this means that some of the positive demand for land for warehousing will be provided elsewhere in the Park Royal/Heathrow property market area.
- **Intensification** of existing industrial land. Such that Barnet is able to demonstrate it has increased capacity for industrial floorspace on existing industrial land.

7.5 Non-'B' Use Class employment

7.5.1 As shown in the forecasts of employment change by sector for Barnet, a significant amount of employment growth is expected to come from sectors that do not predominantly occupy 'B' Use Class floorspace.

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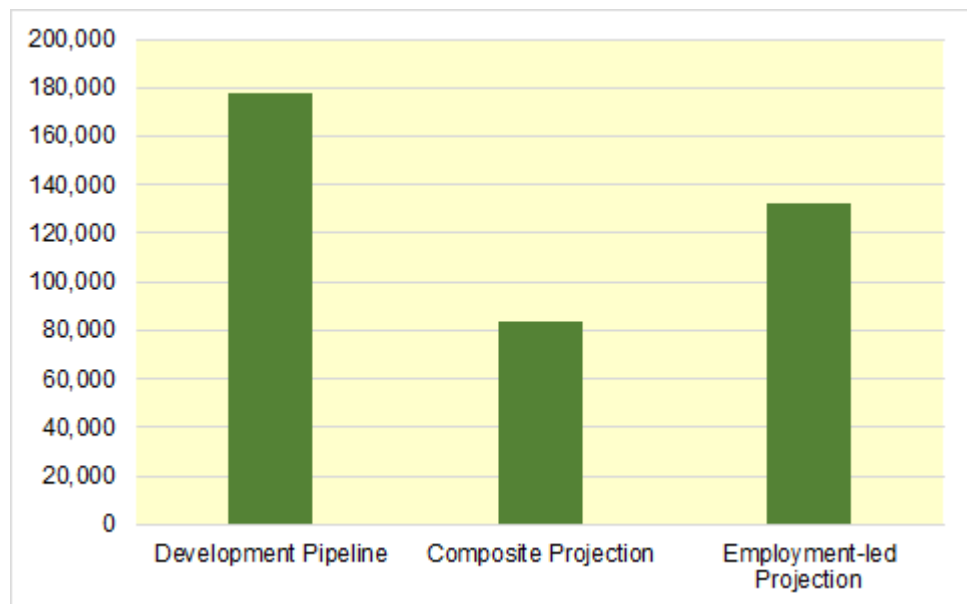
7.5.2 The two most notable sectors are education and health. This will range from local health centres and schools to larger hospitals and universities, which may have a sub-regional or even national catchment. Land for schools, health centres and other similar facilities are planned for in a different way and do not form part of this study.

7.5.3 But these sectors do create demand for land and in some cases, this might be competing with demand for 'B' Use Class employment land and also with demand for residential development. Therefore, intensification of economic activity through integrating different land use types on the same site or same development area is an increasingly important consideration for land use planning in London.

7.6 Development pipeline

7.6.1 The office development pipeline is dominated by the Brent Cross Development. Data from the London Employment Sites Database indicated a capacity to accommodate 15,800 office jobs. This is based on the mid-range assumption for Brent Cross as set out earlier. The balance of demand between the development pipeline and the forecast demand for office floorspace is illustrated in Figure 7.5.

Figure 7.5 Office supply pipeline and demand projections



7.6.2 In terms of industrial floorspace there is an identified pipeline of 1,800 sq m split fairly evenly between B2, and B8 development.

7.7 Summary

7.7.1 We have analysed the forecast demand for office floorspace for Barnet set out in the LOPR (2017) and projections of industrial land demand for Barnet set out in the LILD study (2017).

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7.7.2 The central scenarios set out in LOPR suggest demand for net additional office floorspace in Barnet of 67,000 – 106,000 sq m over the period 2016-36.

7.7.3 In quantitative terms the outcome of the proposed office development at Brent Cross will determine whether total office floorspace is above or below this range. LB Barnet should not seek to unduly influence how much of this comes forward at Brent Cross as ultimately this will be determined by the market.

7.7.4 More important are to address the qualitative issues around the demand for office floorspace addressed elsewhere in this report.

7.7.5 The baseline release figure for industrial land for Barnet from the LILD study suggests a small net positive increase of 7.3 ha. But more importantly Barnet's categorisation is as a borough that should retain its industrial land. But in retaining land where possible it should also seek intensify economic activity.

8.0 Conclusions and recommendations

8.0.1 This chapter summarises the overall findings of the research and sets out our recommendations relevant to planning policy in Barnet.

8.1 Planning policy

8.1.1 At the NPPF level we have provided a detailed understanding of business sectors so that growing and new sectors can be supported. Barnet does not have a particularly prominent, or even nascent, cluster of knowledge-driven, creative or high-tech industries, but it does have a stock of businesses that require nurturing through regeneration and protection, including through Article 4 Directions.

8.1.2 In the London Plan context, there is a need to identify opportunities to consolidate and enhance the office stock in specified locations, and to help ensure a sufficient stock of 'industrial' land and premises.

8.1.3 The Borough's core strategy recognises the need to consolidate growth in two Opportunity Areas and the Intensification Area. We support this within the context of our recommendations for Article 4 Directions described below. We also support the Core Strategy's aim to identify opportunities to support the provision of affordable and flexible workspace, recognising the changing economy.

8.1.4 The Borough's commercial property market could be transformed by the delivery of the Brent Cross scheme, and it will be critical to manage the existing stock of space in this context. Brent Cross could, for example, provide a high-quality office campus into which existing occupiers might relocate. This would then release space for alternative uses. But until office floorspace and other floorspace is completed as part of the Brent Cross scheme, there could be no possibility of releasing space for alternative uses elsewhere in the Borough.

8.1.5 Any transition must be managed so that there remains adequate stock throughout the regeneration process. There may be a need to reconsider the LB Barnet employment land evidence base depending on when and what employment floorspace is delivered as part of Brent Cross.

8.1.6 Mixed use development will have a role to play in providing new space, but its limitations in terms of providing 'affordable' (or economic) space must be recognised. The Borough needs to retain affordable (secondary) space, especially for its growing stock of small and micro-businesses (which will not be a primary target for the Brent Cross scheme).

8.1.7 Figure 8.1 summarises out how the policy evidence reviewed in this report complies with the Guidance set out by the NPPF.

8.2 Jobs and the economy

8.2.1 In common with many Outer London boroughs, Barnet's commercial property market has been changing rapidly in recent decades. Its economy today is largely service-based and driven mainly by small businesses, many of which serve local markets rather than London-wide markets. However, there is a good stock of businesses servicing the central London economy, and these should be nurtured.

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Figure 8.1 Planning for Economic Development

NPPF Guidance	Local Plan Response
<p>Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth.</p>	<p>The Barnet Corporate Plan states, “<i>we will deliver our regeneration programme, creating 30,000 jobs and 20,000 new homes by 2025.</i>”</p> <p>This is an ambitious rate of employment growth compared with past trends and is dependent to a large extent on the delivery of employment development at Brent Cross/Cricklewood, which may take beyond 2025 to be fully realised.</p> <p>The Council’s Entrepreneurial Barnet 2015-2020, sets out its broad approach to realising its vision, emphasising the criticality of town centre investment in making Barnet “<i>a great place to live, work and invest</i>”.</p>
<p>Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period.</p>	<p>The Opportunity Area at Brent Cross/Cricklewood is the principal strategic site for new investment. The development proposals approved for this site would add substantially to the stock and quality of employment floorspace in Barnet.</p>
<p>Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances.</p>	<p>Entrepreneurial Barnet 2015-2020 places a focus on building and sustaining the confidence of the Borough’s business community; and it identifies seven town centres which have a larger scale and economic gravity than other town and local centres, and which act as “employment hubs”.</p>
<p>Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries.</p>	<p>In the Core Strategy, Barnet’s future economic growth is projected to be “<i>increasingly in service-orientated employment and high level knowledge-based jobs with growing numbers of higher skilled workers in financial, retail, business and professional services</i>”. The potential development of Brent Cross is particularly pertinent in this respect.</p>
<p>Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement.</p>	<p>There are designated Areas of Intensification at Mill Hill East and Colindale, both of which are subject to Area Action Plans. Brent Cross/Cricklewood is a designated Opportunity Area identified to bring forward major investment.</p>
<p>Facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.</p>	<p>The Council has recently issued a number of planning briefs which provide frameworks for mixed use development on sites including: the National Institute of Medical Research (NIMR) site in Mill Hill; North London Business Park; Pentavia Retail Park in Mill Hill; Brake Shear House, High Barnet.</p>

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8.2.2 Economic activity rates are below the London and UK averages and the employment rate is lower than for London. At the same time, the Borough is underweighted in Information & Communications and Professional & Scientific jobs. This is critically important because these are the two sectors that are growing most strongly across London.

8.2.3 **Forecasts** Office employment forecasts published in LOPR (2017) suggest the number of jobs in Barnet will increase by 7,600 or 22% over twenty years (see below). As already stated, the Brent Cross development could be transformative, but it is unlikely to have a major impact within the short-term.

8.2.4 Despite the positive forecasts, there is a danger, as outlined below, that the Borough could lose jobs as a result of constraints within its commercial property market. Reducing stock, leading to rising rents, together with a lack of new investment, could encourage businesses to move away. These tensions are heightened at a time when Barnet is experiencing rapid population growth, which has brought with it particular pressures on land resources, manifested in competition between the residential and commercial property markets.

8.2.5 **Occupier demand** The UK economy generally is dominated by SMEs. This is a well-known fact. But this is particularly important in Barnet, where there are relatively few large (private sector) employers. Further, between 2010 and 2016, the number of firms with no employees grew by 45%, which far outstrips growth in other size bands. The number of large firms, more than 250 employees, saw the most sluggish growth, at just 15.4%.

8.2.6 There are distinctive trends emerging in the way in which occupiers use built stock, with implications for markets across London, including in Barnet. For offices in particular, there is a distinct change in the ways that firms occupy their buildings. A key outcome of the adoption of technology and new business processes is that firms are far more footloose than they ever were. In this context, it cannot be assumed that large occupiers will remain loyal to the area.

Equally, smaller occupiers are also evolving in terms of their occupation of space. Like other boroughs, Barnet has a growing stock of SMEs that are adopting agile working styles and seeking different accommodation models. Many are no longer satisfied with isolated, dated office buildings, with aging services and sterile environments. They are looking to be a part of a 'business community', where they can interact with other businesses and enjoy flexible terms. Many are turning to the rapidly expanding flexible space market. Such trends suggest that there might be a case for protecting larger, out-of-centre offices, particularly those offering flexible serviced or managed space.

But for many of the smallest businesses, of one or zero employees, there may be no demand for commercial floorspace. Many of these self-employed, single person businesses will be operating from their own homes.

8.3 Stock and occupier distribution

8.3.1 **Shrinking stock** The Borough's stock of office space has been shrinking in recent years, due mainly to losses to residential development. The combination of shrinking stock and low levels of new supply will denude Barnet's already marginal

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role as an office location capable of attracting investors. LB Barnet data show that between 2013 and 2016, just over 29,000 sq m of office space was converted to residential: just over 8% of the office stock in Barnet. When approvals are counted, the situation worsens. Since 2013, 98,292 sq m have been approved. This represents a potential net loss of nearly 28% of stock.

8.3.2 Barnet's industrial stock of space has shrunk by 25% since 2001. Yet, it is home to a whole range of companies that would not describe themselves as 'industrial' businesses (because they are service-based). There are clear ramifications for the continuing availability of suitable stock at an affordable price.

8.3.3 **Quality of stock** This ELR involved visiting and assessing 43 employment sites. Our overall view is that, in the context of PDR and extreme pressure for residential conversion, best efforts should be made to defend employment land. Across the sites assessed, there was little sign of vacancy and obsolescence.

8.3.4 In most locations, the stock is in a generally good condition, and this is especially true of office stock. Other than some units over shops in North Finchley and isolated examples elsewhere, office stock has been well maintained and its condition would rarely be an impediment to marketability.

8.3.5 Industrial stock is more varied and, at least in part, this reflects the fact that some of it is very old and is not in its original use. This is not to say that the space has no value. Even most of the poor quality space is filling an economic niche by providing economic space for lower margin businesses. This presents a policy challenge when owners decide to redevelop or convert. At the moment nearly every financial scenario would favour residential conversion, so it is important to ensure that stock is not lost by attrition without careful consideration.

8.3.6 **Occupier distribution and characteristics** Barnet lacks a single strong centre, so firms are distributed among a series of small town centres along a "U" formed by the A1000, the North Circular and the A1/M1 corridor, with the A1000 centres mainly, although not exclusively, office-based in character, the North Circular largely occupied by distribution units and a somewhat more mixed character along the A1/M1 route. This lack of a strong centre is something of a challenge in terms of creating critical mass for job generation.

8.3.7 Broadly, Barnet itself – High, New and Chipping – is characterised by small-scale professional service firms most likely serving local or sub-regional markets. This is the area with lowest evident vacancy, and should be protected from further attrition or this small business base is at risk of being, effectively, driven out.

8.3.8 Finchley offices are typically larger in scale, but overall the stock should be considered at high risk from PDR conversion. The occupational character is similar to Barnet, with a high preponderance of professional firms, but also some general corporate activity.

8.3.9 From Staples Corner and along the A1/M1 corridor the character is much more varied both in terms of occupier base and the types of property in use. This is the area where most of the things that would be expected of a diverse urban centre can be found. However, it is still small and somewhat fragmented compared to other parts of London. There are some signs of vacancy in light industrial stock.

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8.3.10 The overall picture is of a small-scale market meeting largely local demand, a small number of freestanding corporate HQs notwithstanding. The market is very vulnerable to pressure for residential conversion and, even without PDR, is prone to attrition and gradual loss of employment land. Such vulnerability suggests that biggest risk to supply is gradual loss, so each application should be fully considered in line with Local Plan policy.

8.3.11 **Strategic employment locations** In considering the potential for a major new office campus at Brent Cross, it is important to be aware that even successful large-scale schemes in London have taken many years to come to fruition. Other examples of similar scale of development that have come forward in London have been on and around the CAZ boundary, and include Chiswick Park, King's Cross, More London, Paddington and Regent's Place.⁵⁴ The situation of Brent Cross in Outer London could add further to its realistic development timescale. Nevertheless, these previous schemes do provide some lessons to draw on.

8.3.12 A recent study for TfL⁵⁵ identified critical success factors for the delivery of major development schemes. Drawing on case studies of past schemes such as Canary Wharf, the Olympics site and King's Cross, the study noted nine critical success factors. As summarised below.

- **Existing heritage/iconic features** Existing features which can be creatively enveloped into the scheme can help create a cache, attracting interest and sense of place.
- **Public realm** High quality public realm and effective estate management are key place making ingredients
- **Transport infrastructure** Existing infrastructure ensures speed and cost efficiency of delivery. Accessibility is key to a scheme's success.
- **Vision** A strong vision and effective masterplanning are key, along with a clear economic rationale and ability to build on strengths/clusters. Critical mass/themes form part of the vision for delivery.
- **Social infrastructure** While not acting as value drivers, these elements act as destination creators and footfall generators. Social infrastructure provides activity and a catalyst for other uses such as retail and leisure.
- **Single ownership** Ability to control development and avoid time consuming purchase and planning negotiations. Cohesive approach to whole scheme.
- **Initial value** Large new locations take 20 years plus to deliver – investors, developers and occupiers will need to take a long-term view.
- **Scale** Sufficient scale is required in order to balance non-value generating infrastructure/public realm/open space with value generating uses. Establishing critical mass and clusters is restricted without sufficient scope.
- **Government intervention** In the majority of large-scale quarters of new cities, support by Government either in the form of financial incentives or infrastructure delivery has been apparent.

⁵⁴ The geography of these 'mega-schemes' is set out in the *London Office Policy Review 2017* (Ramidus/CAG, 2017)

⁵⁵ Jones Lang LaSalle/PBA (February 2014) *Heathrow Redevelopment Scenarios*

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These features can serve as a broad guideline to help identify the types of conditions Brent Cross will need to have in place in order to secure its future success.

8.4 Future requirements

8.4.1 As noted above, the latest GLA Economics forecasts suggest that employment in Barnet will grow from 34,400 in 2016 to 42,000 in 2036, an increase of 7,600 or 22% over twenty years. This compares with a projected increase of 24% for London as a whole over this period. The central scenario set out in LOPR then suggests net additional demand for office floorspace in Barnet of 67,000–106,000 sq m over the period 2016-36.

8.4.2 In reality, the speed with which the proposed major office development at Brent Cross (potentially 400,000 sq m when complete) is delivered will determine whether total office floorspace growth is above or below this range. LB Barnet should not seek to unduly influence the quantum of space coming forward at Brent Cross as ultimately this will be determined by the market. More important is the need to address the qualitative issues around the supply and demand of office floorspace addressed elsewhere in this report.

8.4.3 Barnet's baseline release figure for industrial land from the LILD study is a small net positive increase of 7.3 ha. But, more importantly, Barnet is categorised as a borough that should retain its industrial land. In seeking to achieve this, it will need to seek to intensify economic activity.

8.5 Policy responses

8.5.1 Office centres that might be considered as high priorities for encouragement of offices and Article 4 designation could include: Edgware, East Finchley, Finchley Church End, Brent Street Hendon and North Finchley. Areas within Chipping Barnet and New Barnet might also be considered for more selective protection, as might Granard Business Centre, North London Business Park and the Bunns Lane cluster.

8.5.2 It will be important for the Borough to retain a range of employment stock – new and old, poorer quality and better quality – to suit the different levels at which firms find premises 'affordable'. At the same time, we recognise the real pressure to provide new housing, with the inevitable competition between land uses.

8.5.3 As noted, occupier preferences are changing the ways in which they use built stock, with implications for markets across London, including in Barnet. For example, this is driving rapid growth in serviced, managed and collaborative spaces.

8.5.4 The Borough should continue to provide buildings and land from which 'industrial' type businesses can service the needs of the wider London economy. Such firms require higher specification, flexible space, often with office content. New stock, if provided, is likely to use land more intensively and to provide more flexible space that is appropriate to modern business processes.

8.5.5 As noted in Section 6.0, in addition to those sites surveyed, there are many smaller sites across the Borough which meet a local need, including small offices,

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garages, workshops and storage/warehouse units, that provide a contribution to the employment land stock and should continue to be protected.

8.5.6 Site recommendations Our summary assessments for the 43 sites assessed are summarised in Figure 6.4. We emphasise that the assessments take cognisance of the balance of market pressure in light of key policy instruments and especially PDR. To provide further context for our evaluations, we provide in Figure 6.5 a typology of building types, and descriptions of the key features of each type.

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Appendix 1: Site Assessment Template

LB Barnet Site Assessment Template										
Record	Site reference									
	Location/address									
	Number of units									
	Premises type	B1a	B1b	B1c	B2	B8	Other			%
	Estimated total area									Sq ft
Location	Situation									Describe
	Vehicle access									Describe
	Public transport									Bus/tube
Site	Operational constraints									Describe
	Car parking & servicing	Good	Average	Poor						Comments
		Good	Average	Poor						Comments
Environment										
	Good	Average	Poor						Comments	
Redevelopment potential	Good	Average	Poor						Comments	
Buildings	Age	Pre-war	50s-60s	70s-80s	80s-90s	Post 00				%
	Quality of care	High	Medium	Low						Comments
			x							
		High	Medium	Low						Comments
Marketability		x								
Occupation	Main activities									Describe
	Neighbourliness	High	Medium	Low						Comments
Vacancy	High	Medium	Low						Comments	
Overall	Overall rating for:	B1a	B1b	B1c	B2	B8	Other			Rating
	Location									-1 = poor
	Site									0 = fair
	Buildings									+1
	Occupation									
Other comments										