

The London Plan – Examination in Public 2018 - 2019

Matters for Consideration at the Examination in Public

Matter 60 – Low Cost and Affordable Business Space

Reference ID: 2572/Canary Wharf Group Plc

29 January 2019

Written Statement on behalf of Canary Wharf Group Plc ("CWG")

CENTRAL ACTIVITIES ZONE, OFFICES, INDUSTRY AND FREIGHT

Matter 60: Low Cost and Affordable Business Space

Are Policies E2 and E3 justified and would they be effective? In particular:

- a) Are they necessary to address the strategic priorities of London, or do they extend to detailed matters that would be more appropriately dealt with through local plans or neighbourhood plans?
- b) Would they be effective in helping to ensure that the accommodation needs of all micro, small and medium sized businesses, including those wishing to start up or expands could be met in all parts of London?
- c) Or would that objective be better achieved by market forces in the context of other policies in the Plan, including E1A, E4A, E4H, E5C and E6, as well as any relevant policies in local plans and neighbourhood plans?
- d) How would policies E2 and E3 affect the implementation of policy GG5 “growing a good economy”?

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- 1. Further to our representations made on the consultation draft of the New Draft London Plan 2017 (letter dated 2nd March 2018) we have set out our Written Statement on Matter 60 below.
 - 2. CWG recognises how affordable workspace can accommodate new and growing business and enterprise. Despite the Isle of Dogs North (IoDN) being primarily dominated by large multinationals, the office space within this area is also home to many small companies, start-ups and new enterprises. As an office developer and asset manager, CWG recognises the benefits of affordable workspace in the right circumstances.
 - 3. Level 39, managed by CWG and located within One Canada Square, offers accommodation to small companies/ enterprises on affordable and flexible terms. Level 39 is Europe's most influential financial technology accelerator and the most connected community for finance, cybersecurity, retail and smart city technology business. This office space offers co-working space, hot-desking, and flexible units that allow companies to expand and grow. In addition, it offers wider support to start ups such as networking opportunities, mentoring etc.

4. This type of accommodation brings smaller companies close to their customers and the range of sectors located in the IoDN. This type of agglomeration has a direct economic benefit for small businesses and therefore CWG does value this type of accommodation, however policy support for low cost and affordable workspace must be practical and deliverable.
5. Draft Policy E2 ‘Low cost business space’ Part C requires that all office developments over 2,500 sqm should consider the scope to provide a proportion of flexible workspace suitable for small and medium sized enterprises. The suggested minor changes to the Draft New London Plan (NLP/CD/08) adds text to allow this threshold to be locally determined in a local development plan document. However it states that only a lower threshold can be determined locally.
6. The wording of this policy should be amended to allow for the consideration of specific circumstances for individual developments. Large scale office development such as those within IoDN are often delivered for specific occupiers, tailoring buildings to their specific needs. This type of restriction could result in issues around design and management of the office developments. This type of restriction on office space over 2,500 sqm could detract occupiers into key office locations such as the IoDN. We would therefore suggest the following amendments to Part C so that it is justified (additional text in red, deleted text struck through):

“Development proposals for new B1 business floorspace greater than 2,500 sqm (gross external area), or a locally determined lower threshold in a local development plan document, should where it would not undermine the delivery of the development consider the scope to provide a proportion of flexible workspace suitable for micro, small and medium-sized enterprises.”

7. Draft Policy E3 ‘Low cost business space’ part F places significant and unnecessary burdens on mixed use development by requiring any affordable workspace to be operational or have agreed finalised terms prior to any residential elements being occupied. Whilst the inclusion of the clause “or have agreed finalised terms” has been inserted with the minor suggested changes to the Draft New London Plan (NLP/CD/08) it is our view that this suggested change does not alter this policy sufficiently in order to make it practical or effective.
8. This is neither positively prepared nor justified and could stall housing delivery on mixed use developments. The site-specific phasing strategy could be significantly hampered by the implications of this policy. In addition, the development could be held up if an operator could not be found to agree to terms for space that could be delivered in a much latter phase.
9. Draft Policy E3 part F should therefore be deleted.