

**MATTER 7: FOSTERING VITALITY: POLICY CF5: LOCATION OF BUSINESS USES AND MATTER 8: BETTER TRANSPORT CHOICES**

**KENSINGTON SOCIETY**

**CF5 (k) Resist large-scale office uses [in Employment Zones]**

**The Kensington Society supports the policy in the Submission Core Strategy, but strongly objects to proposed Post submission change**

Our objection is based on:

- conflict with national policy (PPG13 and PPS4), the London Plan and the UDP; and
- misrepresentation of evidence which supports the proportion of jobs taken by local people, so reducing commuting; and
- there would be no size limit on the quantity of development.

**1. Conflict with national policy, London Plan, the UDP and the Core Strategy:**

**See additional paper on location of development**

**2. Do small businesses in North Kensington employ more local people than large businesses?**

This was the question that Roger Tym and Partners tried to answer in 2007 using the travel-to-work data in the 2001 Census.

This showed that in North Kensington the proportion of local people working in firms of different sizes was:

<b>Firm size</b>	<b>% of employees local</b>
0-9 employees	46%
10-24 employees	19%
25-499 employees	17%
500 + employees	21%

The bottom line is that the benefits of higher proportion of local employment apply strongly to very small firms (1-4 employees) and, maybe, applies to small firms up to 9 employees, but for firms with 10 or more employees the proportion who live locally drops immediately to less than 20%.

Thus, the validity of the assumption that small firms employ a higher proportion of local people only applies up to 9 employees (premises up to 108-132 sqm (net) - depending on the assumption used), especially to very small firms (although data does not show information for this).

It would, therefore, be appropriate to make the assumption that very small and small firms up to 100 sqm would employ a large proportion of their staff locally, but to extend this assumption to premises up to 300sqm, let alone 1,000sqm would be a complete misreading of the evidence – even if it could be applied to new business space in 2010!

**The evidence:**

Roger Tym and Partners Kensington and Chelsea Employment Land Study, January 2007 analysed the 2001 Census- Travel-to-work information for existing firms by size by area, and specifically the northern wards of North Kensington, to test the assumption that small businesses employed a higher proportion of local people than medium-sized and larger businesses. The results are above.

However, there are limitations in using these Census results for small firms in North Kensington in 2001 and applying them to new businesses in 2010, because:

- existing small businesses in 2001 were probably started by local people, and with just the owner and one other living locally it would be 2 out of 5 people - 40% - would have lived locally;
- many were owner-occupiers rather than renting;
- a large number of these businesses have closed since 2001 and the premises sold for housing as the original principals of the firms retired; and
- the 2001 Census was a snapshot, and although the results may reflect the historic circumstances in terms of use of the total stock in 2001, it cannot be assumed that new businesses in North Kensington will replicate this.

Nevertheless, it is probably still true that the smallest units – up to 9 employees – would have significantly higher proportions of local employees, than firms with 10 or more employees and that the highest proportion of employees living locally would be in firms with less than 5 employees, with a significant proportion (?) in firms with up to 9 employees, but with no particular local “benefit” with firms with 10 employees or more.

This evidence strongly supports the Council’s Employment Zone policy of focussing small business units, but does not really support the development of “medium-sized’ offices there.

### 3. Lack of a size limit:

The proposed change to the policy suggests that large-scale office developments (over 1,000sqm), which would otherwise be resisted in Employment Zones, would be acceptable if it were to consist entirely or very small, small or medium-sized units. A single large business unit of 1,000sqm or more would be resisted, but ten units each of 999sqm or of smaller units would be acceptable.

Employment Zones are all in areas of low public transport accessibility (PTAL 2 or below) and low land values which make low-cost premises for small businesses viable. Building large-scale office developments in such locations is contrary to policy, and even the higher proportion of jobs going to local people who therefore do not have to commute does not apply to units larger than 100sqm.

There are no grounds for making an exception to the Borough-wide policy, as office developments over 1,000sqm would generate a large number of trips, both employees and servicing, unless limited to very small units (less than 100sqm) and a maximum of 2,000sqm.

#### **Proposed Policy Change: CF5 (k)**

The Council, in its “Schedule of Changes – Post Submission”, proposes to change the policy from (K) resist large-scale offices” to

“Permit large-scale office developments where consisting entirely of very small, small or medium units. Large scale offices will be resisted”

The Society **objects** strongly to this proposal as it;

- explicitly encourages large-scale office developments – without any size limit – with the limited provision that, in effect, no unit should be larger than 1,000sqm;
- this is in direct conflict with national policy for the location of high trip-generating uses, such as offices, in town centres or within 500m of a major public transport interchange (PPG13 and PPS4), London Plan (2008) policy and the UDP; and
- contrary to the Council’s assumption, units above 100sqm do not attract a high proportion of employees from the local area, so there should be no special dispensation for large-scale office developments in Employment Zones, but instead a limit to the size of offices developments.

**Proposed Change:**

**k) resist large-scale office development (ie over 1,000sqm), unless they consist entirely of very small business units (ie less than 100sqm) and subject to a maximum of 2,000sqm**

This would limit the development to very small and small business units which employ a larger proportion of local people, whilst setting a limit to the size of the development. Otherwise the policy would permit any size of development.