

Public Examination of Lewisham Core Strategy Development Plan Document

London Borough of Lewisham Statement on Matter 7 Employment Growth

Question: Whether the plan makes appropriate provision for employment growth?

Introduction

- 7.1 The Core Strategy (**CSD1.1**) makes appropriate provision for employment growth and has been evidenced through an Employment Land Study (ELS) (**CSD3.6**). The plan provides an appropriate policy framework which will increase the variety and availability of jobs in the borough in the context of a small local economy reliant on out commuting for most of the economically active residents.
- 7.2 The Lewisham Employment Land Study (ELS) (**CSD3.6**, Chapters 3 and 8) confirms that Lewisham has a small economy and that most employed Lewisham residents commute to work within Greater London (69%). Employment floorspace in the borough has not increased in recent years and even in the height of the recent boom floorspace has been lost. New office development in the banking and finance sector, or in the high value knowledge based sectors such as computer and related activities and research and development, have not been attracted to locate within Lewisham despite the promotion of this over many years. The local labour market is reliant on the public sector (38% of jobs in 2006) while businesses employing more than 10 people represent just 12% of total businesses. However, Lewisham has strengths in the provision of goods and services to central London markets while the creative sector in Lewisham is identified as small but with potential for growth.
- 7.3 The ELS (**CSD 3.6**, Chapter 7 Site Assessments) evidences the under-use of many of the industrial sites located within the Regeneration and Growth Areas and in particular the low job density offered by many of the sites. There is also extensive evidence that in recent years the amount of industrial land in the borough has been shrinking in line with general trends in the economy for reduction in manufacturing capability (ELS, paragraph 4.15).

Employment strategy

- 7.4 In responding to the evidence base and to support employment growth the Core Strategy (**CSD1.1**) makes appropriate land use designations. The employment strategy is to designate and safeguard Strategic Industrial Locations, Local Employment Locations, Mixed Use Employment Locations and other employment locations.
- 7.5 Spatial Policies 2 and 5 and Core Strategy Policy 3 (CSP3) protect a core of strategic industrial locations at Surrey Canal Road and Bromley Road which is in conformity with London Plan Policy 3B.4 (**CSD4.1**) and Draft London Plan Replacement Policy 2.17 (**CSD4.2**). These industrial areas are protected largely for the function they

perform in the London infrastructure and economy providing sites for such uses as transport depots and other facilities such as waste transfer and processing sites, firms that do not require a high quality environment, and which offer the potential for 24 hour functioning. Although the emphasis of policy is the function these sites perform they do nevertheless provide a further reservoir of employment possibilities for local people (**CSD3.6** pages 89 to 94).

- 7.6 Spatial Policies 2, 3, 4 and 5 and CSP3 protect local employment locations (LELs) throughout the borough which provide good quality relatively modern industrial/warehousing units (**CSD 1.1**). The ELS (**CSD3.6**) found that although overall vacancy rates for commercial and industrial space in the borough were relatively high at 13% of stock, there was a 'tight' market for units in better quality developments offering purpose built accommodation (paragraphs 4.16, 4.19 and 4.60 and the Site Assessments in Chapter 7). These units will offer industrial and warehousing jobs which are suitable for those people of Lewisham who have relatively low qualifications, and are therefore excluded from the wider labour market or cannot travel to jobs elsewhere in Greater London. The Core Strategy protects the Lower Creekside LEL for particular reasons as it provides popular low cost premises enabling the growth of a creative sector associated with the cultural activities at Goldsmiths College and the Laban Dance Centre which has been identified as a potential growth sector in the borough (Spatial Policy 2, Section 6). The Creekside LEL is also located in a London Plan Opportunity Area which promotes regeneration, including employment growth and housing delivery. These growth targets will be delivered by development at Convoys Wharf and the proposed Mixed Use Allocations on Sun Wharf, Kent Wharf and Thanet Wharf.
- 7.7 The Core Strategy further designates Mixed Use Employment Locations (MELs) (formally defined employment areas in the UDP) in the Regeneration and Growth Areas of Deptford, New Cross and Lewisham town centre. The purpose of this designation is to build on the strengths that Lewisham has in terms of its position in relation to the central London market. By directing new employment growth into modern flexible space it is intended that the variety and vitality of the local economy will be improved and the number of locally available jobs increased (**CSD3.6**, paragraphs 4.51 to 4.54 and 5.34). The physical and environmental improvements associated with these new developments are intended to provide a more attractive environment for new businesses and to improve Lewisham's image and profile as a place for business (**CSD1.1**, Section 4, Vision for Lewisham and Chapter 6, Spatial Policies 1 and 2).
- 7.8 The final employment category is that of other employment locations. This is detailed in Core Strategy Policy 5. These are the scattering of employment locations outside the other designated areas. A more flexible position is taken in the Core Strategy with respect to these smaller scattered office, warehousing/workshop buildings dependent on their location and whether they can be considered to have the potential to contribute to a centre of commercial and business uses. Another consideration is if they could possibly provide local employment opportunities in association, for example, with other town centre uses. A positive stance towards change of use to

other types of employment use or residential is taken when the site is considered to present issues for adjacent residential uses.

Retail employment growth and other employment sectors

- 7.9 Retail employment in the Lewisham economy is a significant sector. In 2006 22% of jobs were in the Distribution, Hotels and Restaurants sector and in Lewisham this is largely comprised within the retail sector (**CSD3.6**, paragraph 3.7 and Figure 3.2). Core Strategy (**CSD1.1**) Spatial Policy 2 and Strategic Site Allocation 6 proposes retail growth at Lewisham Gateway. The current outline planning application proposes a mix of retail uses, leisure uses and a hotel to contribute to job growth in this sector. This development will provide a variety of job opportunities for those people in Lewisham who have few qualifications and also the potential to provide opportunities to reduce the necessity for out of borough commuting. The development will improve the image of Lewisham Town Centre with the aim of attracting further new development which should enhance local employment provision in the retail and leisure sectors.
- 7.10 The strategy for retail development in the rest of the borough is to rely on enhancing the Catford Town Centre and the other District Centres as a focus for retail growth. However, opportunities for growth at some District Town Centres are limited due to their small scale and the fact that many of them (Forest Hill, Sydenham, Blackheath, New Cross and New Cross Gate) are also conservation areas.
- 7.11 The Core Strategy also supports the public sector job providers within the health service, higher education and other public utilities which is a significant job provider within Lewisham. However, a weakness of the local labour market is its heavy reliance on the public sector. Whilst most employed people will continue to commute elsewhere in Greater London for employment in line with Lewisham's role identified in the ELS (**CSD3.6**, paragraph 4.4) as a largely residential borough, the Core Strategy will act to increase the variety and number of jobs available and seek to increase jobs in sectors outside the public services to reduce the reliance on this sector that is subject to potentially serious cuts in the numbers of jobs in the next few years.

Employment growth and floorspace provision

- 7.12 The London Plan (**CSD4.1**) and the ELS (**CSD3.6**) forecast that employment will continue to rise to 2026 and that the majority of demand for new employment floorspace will be in the office market. In the Lewisham context the ELS identifies that this provision will not be in 'traditional' office position but in more flexible buildings that can accommodate a range of uses within Use Class B1 (Offices and light industry). The latest employment projections from the GLA Economics dated 2009 (Borough Employment Projections to 2031) (**CSD4.37c**) estimate that employment will increase by 7,000 jobs between 2007 and 2026.
- 7.13 The ELS estimates (based on the 2006 forecasts by the GLA) that between 2006 and 2026 the demand for new office style B1 floorspace in Lewisham will increase by up to 117,000 square metres (**CSD3.6**, page 74, Table 6.1). The majority of this will be met by development on the Core Strategy Strategic Site Allocations (SSA) (**CSD1.1**,

Section 8) and in particular Convoys Wharf (SSA2). Various scenarios of office supply are proposed by the ELS dependent on which strategic sites were delivered for mixed use developments (**CSD3.6**, Chapter 6).

- 7.14 The Core Strategy policy for replacement of Business uses on Strategic Site Allocations makes a requirement for 20% of the built floorspace in new mixed use development to be delivered for a mix of B Use Class occupiers. The 20% requirement is closely comparable to the assumption made in the GLA Economic Working Paper 39: Borough employment projections to 2031 (**CSD4.37c**, page 4) that 25% of the a total site area for a proposed mixed use development is devoted to employment and of this 67% would be office and industrial. This figure was based on case studies in Hackney which performs a city fringe function not dissimilar to the position of Lewisham in London's economy. This percentage is therefore considered to be a reasonable requirement based on the detailed examination of the local economy and employment projections provided by the ELS.

Conclusion

- 7.15 The provision for employment growth set out in the Core Strategy allows for a comprehensive approach to the local economy. The contribution to protecting the London wide function of industrial jobs is provided by protecting two Strategic Industrial Locations. The better quality local employment locations are also protected. The majority of new jobs in modern sectors of the economy is to be provided on the substantial mixed use locations.
- 7.16 In the context of the reduction in the amount of industrial land in the borough in manufacturing/industrial use in line with recent trends in the wider economy (**CSD3.6** paragraphs 4.11 and 4.15), and the lack of suitable new stock for occupiers (**CSD3.6** paragraph 4.19) the Core Strategy seeks to create suitable new stock for businesses by the mixed use redevelopment of under-used industrial sites and thereby to increase the numbers of jobs provided within the borough. The Strategy also supports job creation in Lewisham Town Centre, and in other smaller commercial and retail centres throughout the borough.
- 7.17 The strategy to provide for a range of new premises to attract new businesses is aimed to make sure that there are jobs available that can be filled by local people, reduce inequality and ensure that the local economy is revitalised and is more sustainable. The strategy will make better use of sites that have seen limited investment in terms of new employment development and environmental improvements. Additionally there is a strong emphasis on employment and training in the Core Strategy Vision (**CSD 1.1**, Section 4) and in the strategic objectives (Objective 4, Section 5) to enable local people to take up job opportunities and support for Lewisham College which provides vocational training.