

## **Appendix 1**

### **Evidence to support the making of an Article 4 Direction to remove the Class MA permitted development right in the CAZ and the CAZ Fringe in Kings Cross**

#### **Introduction and background**

1. The London Borough of Islington intends to use an Article 4 Direction to remove permitted development rights for the change of use from Class E to residential use (Class MA) in the CAZ and a small area of the CAZ Fringe in the Kings Cross area.
2. As set out in Section 9 of the Main Report and in the attached Directions, the A4D would apply to specific sites within the CAZ where valuable Class E floorspace would be vulnerable to PD change of use. These sites have been identified by a detailed mapping process and area surveys. Those sites where loss of Class E use would result in a wholly unacceptable adverse impact on the economic development, employment and amenity of residents of the Borough have been included in the proposed Direction area.
3. With its dense concentration of employment uses the CAZ makes a critical contribution to the prosperity not only of the Borough but also of London and the UK as a whole. The Class MA Permitted Development Right would allow change of use from Class E to residential use without consideration of the economic impact on the CAZ. If unrestricted, the Class MA PD right would cause significant harm to the Islington economy and to the wider London and UK economy.
4. Detailed individual assessments were carried out for each of the sub-areas in the CAZ and the CAZ Fringe. These examined the employment profile as well as key land use and heritage designations in the area against Class MA criteria. The assessments were standardised to enable consistent assessment across all sub areas; the area templates are included at the end of this appendix.
5. In addition to the mapping and survey work, there are numerous studies and papers which have shown the critical role of Class E employment accommodation in the CAZ. A list of varied and up-to-date studies, some of which were published this year, demonstrate the importance of Class E employment accommodation in Islington's part of the CAZ. They include:
  - Islington Employment Land Study, 2016
  - Review of B-use Premises and Permitted Development Rights 2016
  - London Office Policy Review 2017
  - Small Offices and Mixed Use in the CAZ 2015
  - Understanding permitted development for commercial-to-residential change of use in Islington, UCL, 2022
  - Remixing Central London, Centre for London, 2022
  - LB Islington Local Plan Topic Paper Employment 2020
6. In relation to office floorspace, its protection in the CAZ is essential to support economic growth and employment in the Borough and to safeguard the nationally and internationally significant role of the CAZ. The Council has policies in place to protect office floorspace in order to achieve these aims. Conversion of this accommodation to residential via permitted development rights would represent a threat to numerous jobs in the Borough, both in the

short term from closure or relocation of individual businesses, and in the longer term from the impact of introducing residential use into commercial areas thereby hindering the efficient use of land.

7. One of the fundamental objectives of Islington's Core Strategy is to maintain growth in employment by ensuring a broad range of opportunities exist for all types and sizes of businesses across the Borough. Policy CS13 of the Core Strategy encourages the development of new employment floor space in the CAZ and in town centres and resists the loss of employment floor space across the Borough, particularly in the CAZ, unless exceptional circumstances can be demonstrated. Key objectives of the emerging Local Plan and the London Plan include delivering an inclusive economy that benefits the community as a whole, and maximising delivery of new business floorspace in the CAZ and other employment locations. Unrestricted Class MA would make these plan-led objectives very difficult if not impossible to deliver and would have an unacceptable adverse impact on the Borough in terms of economic development, employment, and CAZ functions.
8. While office use (Class E(g)(i)) is the most prevalent Class E use in Islington's part of the CAZ, other commercial uses would be impacted including retail, financial and professional services, medical and health services and light industrial uses.
9. The Council therefore seeks an Article 4 Direction to protect selected Class E floorspace which, in terms of economic value, employment uses and CAZ functions is strategically important. This has been
10. The consistency of this Direction with local, London-wide and national planning policy is also set out later in this appendix.

### **Economic and Employment Role of the CAZ**

11. The CAZ dominates Islington's economy with 70% of the Borough's jobs located there<sup>1</sup>. The office market of the CAZ has been robust since the 2009/ 08 financial crisis, and whilst there have been fluctuations, take-up of office floorspace has been strong since 2012. High demand for offices due to high employment growth projections, low supply due a lack of available land, and ongoing losses to existing supply have created a severely constrained supply demand balance, where demand far outstrips supply. This could be detrimental to sustaining a successful economy and accommodating further economic growth in Islington.
12. Islington's Employment Land Study was commissioned by the Council to inform the employment policies of the emerging Local Plan and was published in 2016. It provides employment projections by sector; considers the impact of permitted development rights and reflects on the contribution of B class uses to the economic development of the Borough. The ELS builds an economic profile of Islington and highlights the importance of the CAZ in this regard. Since the financial crisis, the office market in the CAZ has been robust and whilst there have been fluctuations, take-up of office floorspace has been strong since 2012. During this time, new development has been relatively constrained. This has led to falling availability and relative shortages in some sub-markets, particularly shortages of new space, as reflected in high levels of pre-letting<sup>2</sup>. This dynamic of strong take-up and relatively constrained supply has led to rising rents and is putting upward pressure on rental levels in the CAZ and also in CAZ fringe areas<sup>3</sup>. If an A4D is not

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<sup>1</sup> Paragraph 8.1.4, Islington Employment Land Study, 2016

<sup>2</sup> Paragraph 5.1.10, Islington Employment Land Study, 2016

<sup>3</sup> Paragraph 5.1.10, Islington Employment Land Study, 2016

introduced and the supply of office floorspace in the CAZ is depleted, it is likely that the rental value of the remaining office stock would increase, due to there being an even more constrained supply.

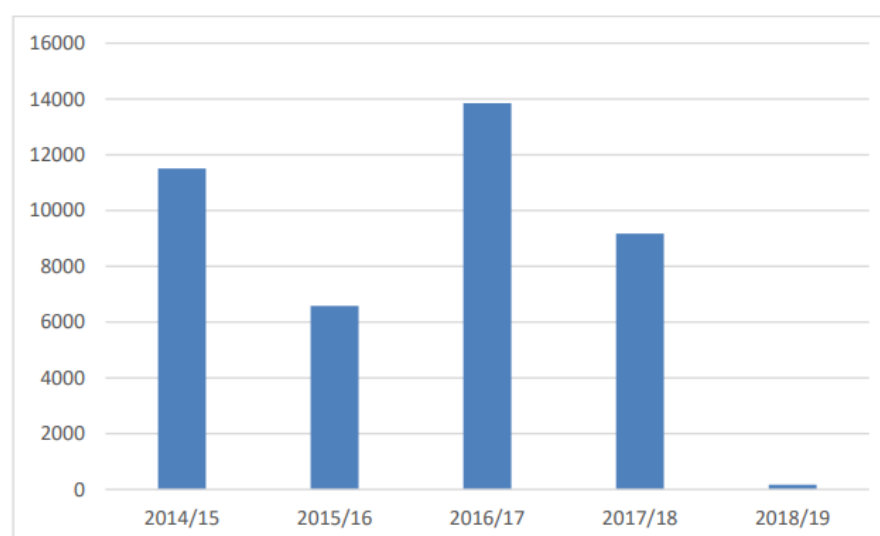
13. It is important to note that outside the CAZ, the conversion of office floorspace to residential use through PDR has had a significant impact on Islington's economy. The ELS analyses the losses of office floorspace in Islington through the planning application process and through the prior approval process. The analysis shows that although the CAZ - the Borough's highest density business location - has historically been protected from permitted development, losses elsewhere in the Borough have significantly impacted the overall supply of office floorspace.

### *Impact of Office to Residential PD Right (Part O)*

14. The Employment Land Study assessed some of the impacts of the office to residential PD Right over the period 2013-15; this was also covered in Islington's 2018/19 Annual Monitoring Report and the Employment Topic Paper (2020) for the Borough's Local Plan Examination. As of the 2018/19 monitoring year, 69 prior approval schemes had been completed, resulting in a loss of 41,977sqm of office floorspace.<sup>4</sup> These losses are broken down by financial year in the table below.

*Figure 1 Class B1a losses by year, from LB Islington Annual Monitoring Report 2018/19*

**Figure 5.1 B1(a) losses by completion year for Office to Residential PD right**



15. Prior to the introduction of the PD Right, there had been a healthy supply of new office floorspace being delivered through the planning application process; the overall total provision has been substantially reduced as a result of the PD right. From 2005 to 2015, the supply of new office floorspace from planning applications which were either completed, under construction or in the pipeline, totalled approximately 39,000 sqm, however, the overall losses from the PD right (completed and pipeline) totalled around 55,000 sqm. This is demonstrated in Table 1 below.

<sup>4</sup> LB Islington Annual Monitoring Report 2018-19, para 5.17.

Table 1- Overview of Change in B1 Floorspace, 2005- 2015<sup>5</sup>

Time Period	Process	Net B1 change (sqm)
2005 - 2015	Full planning process (completions and pipeline)	+39,118
2013 - 2015	Prior approval (completions and pipeline)	-55,462
<b>Total</b>		<b>-16,344</b>

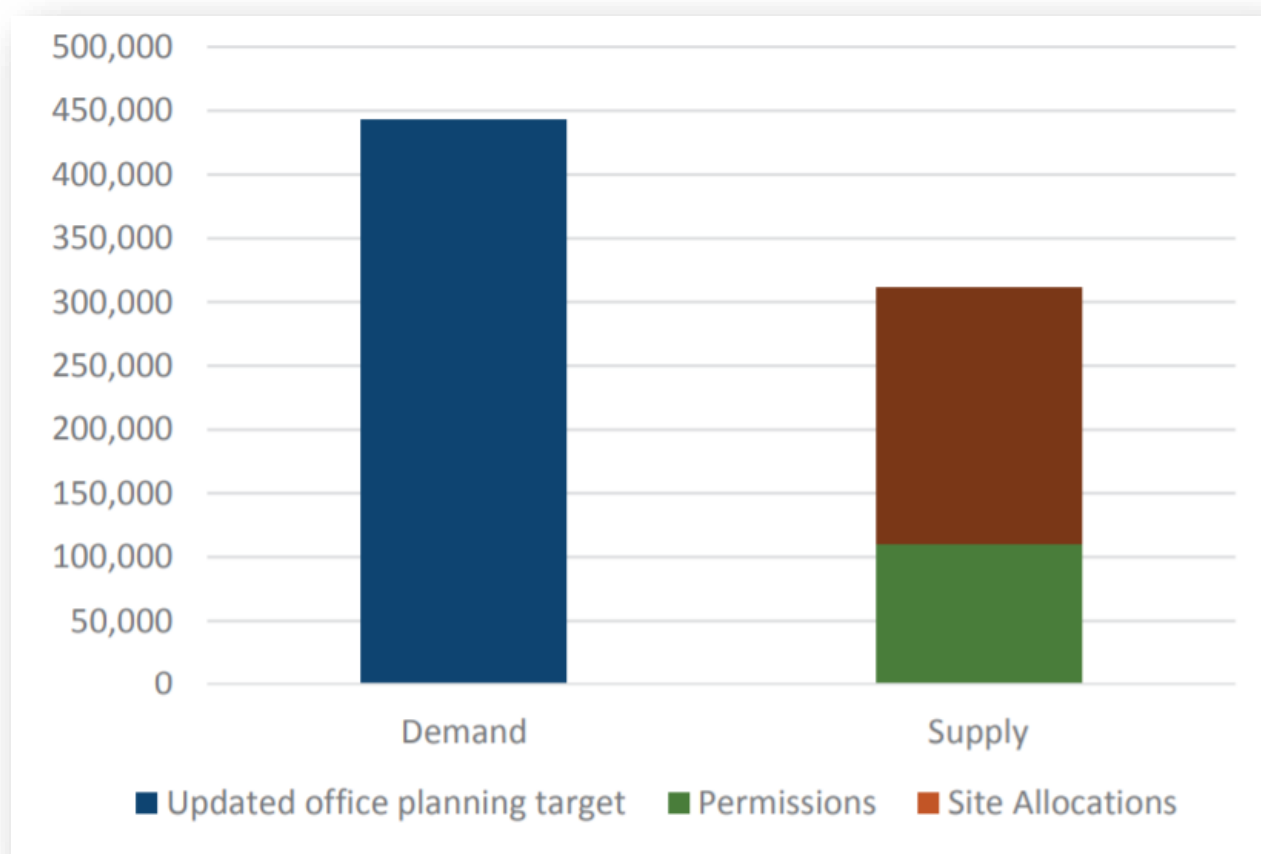
16. The ELS sets out that for the period 2014 to 2036, employment in Islington is set to grow by 50,500<sup>6</sup>. This employment growth is largely expected in the professional and technical services sectors, which generates the most demand for office space. To meet this demand, the ELS identified an estimated need for 400,000 sqm of office space, up to the year 2036. These figures have since been reviewed and updated as part of the Local Plan process. The Local Plan Employment Topic Paper (2020) sets out that approximately 43,000m<sup>2</sup> of office space was lost between 2015-18 (most of which was due to the implementation of PDR) which needs to be added to the overall requirement figures, meaning that the total figure for additional office floorspace which is needed to accommodate the projected office-based job growth over the plan period is 443,000. Figure 2 below sets out the demand and supply of office floorspace in Islington.

<sup>5</sup> Adapted from Figure 4.1, Islington Employment Land Study.

<sup>6</sup> Employment projections from the GLA forecast a slightly higher of an additional 56,000 jobs between 2016 and 2036, notably within the Professional and Technical service sector.



Figure 2 Demand and supply of office floorspace in Islington, 2011-2036<sup>7</sup>



17. As can be seen from Figure 2, the supply / demand balance is highly constrained, which has implications for the CAZ as the key office location in the Borough. In order to address this, the Council must find ways of accommodating projected growth to ensure economic development and deliver the objectives of the emerging and adopted plan.
18. To meet the office floorspace demand, the Council has put in place policies to retain existing floorspace and require new developments in key areas to be office led, with a focus on office development in the CAZ.<sup>8</sup> The total office pipeline in the borough via existing permissions is 138,163m<sup>2</sup>. Projecting a completion rate of 80% of these permissions, the estimated office supply is 110,530m<sup>2</sup>.<sup>9</sup> The Council has allocated a large number of sites for office development as set out in draft Local Plan Site Allocations and Bunhill and Clerkenwell Area Action Plan documents, which are estimated to provide 337,500sqm of office floorspace. A number of these have planning permission and are included in the above office pipeline. When existing permissions are excluded, the overall remaining capacity for site allocations is reduced to 201,071m<sup>2</sup>.<sup>10</sup>
19. Overall, the ELS makes a strong case for the ongoing protection of office floorspace in the CAZ. The shortfall in supply against the projected demand, coupled with the likely

<sup>7</sup> Figure 9, LB Islington Local Plan Topic Paper Employment (2020) p.48.

<sup>8</sup> Local Plan (2013) Policies CS13 and DM5.1. Draft Local Plan policies: B1, B2 and B3, and BC1 of Bunhill and Clerkenwell Area Action Plan.

<sup>9</sup> LB Islington Local Plan Topic Paper Employment (2020) para. 7.35.

<sup>10</sup> LB Islington Local Plan Topic Paper Employment (2020) para. 7.38.

further losses to residential as a result of unrestricted Class E, heighten the need for an A4D to ensure that planning policies can be applied in proposals involving loss of selected Class E employment sites in the CAZ.

## **Profile of Businesses in the CAZ**

### *Review of B-use Premises and Permitted Development Rights (2016)*

20. A separate study was commissioned as part of the ELS to analyse the businesses occupying business-use premises in Islington to gain a thorough understanding of their contribution to the local economy, and to understand the likelihood of their conversion to residential use through permitted development.<sup>11</sup> The study also investigates the possible impacts of a set of scenarios regarding possible changes to the PD rights affecting business use premises.
21. Businesses based in business-use premises represent the largest single group within the Islington economy. Over 41% of firms, 40% of employment and 42% of Gross Value Added (GVA) is generated by firms occupying business-use premises.<sup>12</sup> Businesses in office premises are the most numerous of all the individual uses and deliver the greatest level of employment and GVA with 34% of the borough's employment coming from businesses who operate under the new E(g) use class<sup>13</sup>. Professional services and technology, media and telecoms stand out as key drivers of the Islington economy. Not only are they important within the Borough, but they are vital to London as a whole and feature prominently within the CAZ<sup>14</sup>. Any major reduction in suitable premises, in terms of type and location, could have an impact on the health and competitiveness of the capital.
22. In late 2015 an assessment was carried out of 9,930 sqm of office floorspace which had been converted to residential through the prior approval process. It is estimated that this resulted in a loss of 660 jobs, £138.3m in turnover, £1.13m in business rates and £56.7m in GVA.<sup>15</sup> It is important to note that since the PD right was only introduced in 2013, and the ELS was produced in 2015 /16, the significant impacts reflected in the study reflect just two years of activity.
23. As noted in paragraph 14 above, by the time of the 2018/19 monitoring year, 69 prior approval schemes had been completed, resulting in a loss of 41,977sqm of office floorspace, over 4 times the late 2015 figure.

## **Potential of PD Conversion to Residential**

24. The Class B-uses study sought to explore the potential scale of conversion to residential in specified locations across the Borough if there was no planning control. In assessing this, the study considered building characteristics, original purpose, building effectiveness and efficiency, lease duration, location and neighbouring activities. A four-point score was developed based on the likelihood of premises being converted. The study grouped properties by location: inside the CAZ, or outside. Potential risk of conversion was identified as either:

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<sup>11</sup> Islington Employment Land Study – Review of B-use Premises and Permitted Development Rights (2016)

<sup>12</sup> Review of B-use Premises and Permitted Development Rights, 2016, paragraph 31, GVA (Gross Value Added) is a measure of the output of businesses

<sup>13</sup> Table 4.2, Review of B-use Premises and Permitted Development Rights, 2016

<sup>14</sup> Review of B-use Premises and Permitted Development Rights, 2016 paragraph 36

<sup>15</sup> Review of B-use Premises and Permitted Development Rights, 2016 paragraph 54

- Severe – extremely likely that premises will be converted.
  - High – very likely that premises will be converted.
  - Medium – likely that premises will be converted.
  - Low – unlikely that premises will be converted.
25. In Islington's portion of the CAZ, the percentage of jobs which are unlikely to be lost by conversion to C3, namely that scored 'low' risk is 20%.<sup>16</sup> This means that a total of 80% of Class B employment in the CAZ, or 64,510 jobs, are located in premises which would be either likely, very likely or extremely likely to be converted. Similarly, the number of firms occupying premises which are unlikely to be at risk of conversion to C3, or scored 'low', is just 17%, meaning that 83% of firms in Islington's CAZ are located in premises which are either likely, very likely, or extremely likely to be at risk of conversion.<sup>17</sup>
26. This research provides a guide to the likely impact of Class E, however in reality the impact may potentially be greater because the new Class E use has absorbed not only the entirety of Class B1, but also Class A1 retail, A2 professional services, A3 restaurant/ cafe, and parts of D1 non-residential institutions and D2 assembly and leisure. It is therefore more wide-ranging than the B uses subject to the study, some of which are less prevalent in the CAZ, such as Class B2 General Industrial or B8 Storage and Distribution.
27. The above findings with regard to the scale of the impact on jobs and businesses broadly align with the estimates contained in the Report into the Impact of Commercial to Residential PD rights by University College London (2022), as discussed in paragraphs 43-45 below.
28. In Islington as a whole, over 41% of firms, 40% of employment and 42% of Gross Value Added (GVA) is generated by firms occupying business-use premises.<sup>18</sup> Businesses in office premises are the most numerous of all the individual uses and deliver the greatest level of employment and GVA with 34% of the borough's employment coming from businesses who operate under the new E(g) use class<sup>19</sup>. Professional services and technology, media and telecoms stand out as key drivers of the Islington economy. Not only are they important within the Borough, but they are vital to London as a whole and feature prominently within the CAZ.<sup>20</sup> Any major reduction in suitable premises, in terms of type and location, could have an impact on the health and competitiveness of the capital.
29. To understand the potential impact that would result if the office to residential PDR was made permanent the B-use study analysed extant consents in the pipeline. This yielded a rate of loss of 11% per annum from prior approvals. Table 2 below shows that if the 11% loss rate is assumed, over a nine year period from 2016, 70% or over 900,000 sqm of all office space would be lost<sup>21</sup>. Further, approximately 62,000 jobs, £5.3bn in GVA and £12.9bn in turnover would be lost.

<sup>16</sup> Table 8.3 Review of B-use Premises and Permitted Development Rights, 2016

<sup>17</sup> Table 8.2 Review of B-use Premises and Permitted Development Rights, 2016

<sup>18</sup> GVA is a measure of the output of businesses

<sup>19</sup> Table 4.2, Review of B-use Premises and Permitted Development Rights, 2016

<sup>20</sup> Paragraph 36, Review of B-use Premises and Permitted Development Rights, 2016

<sup>21</sup> A nine year period is used as the study was carried out in 2015 and uses the period 2016-2024, however, the annual rate still applies.

Table 2 - Scenario 2, PD Right with No Exemptions, over a nine year period<sup>22</sup>

Use Class	Space (sqm)	Employment	GVA (£bn)	Turnover (£bn)
B1 (E(g))	-929,040	-61,980	-5,3	-12,9

30. It is also worth noting that whilst the 11% loss rate is highly realistic, it is also potentially conservative. The 11% loss rate was based on pipeline prior approvals outside the CAZ and given that residential sales and rental values are much higher in the CAZ, it is likely that the rate of take up of conversions would, in practice, be greater in the CAZ than elsewhere in the Borough.

31. The Review of B-use Premises and Permitted Development Rights study highlights a number of serious issues relating to the impact of the office to residential PD right, most of which would apply to the Class MA PD Right. The conversion of office floorspace outside the CAZ as a result of the PD right has already reduced the Borough's overall supply of office floorspace, displaced a significant number of jobs and businesses, and negatively impacted the economy in terms of lost GVA and turnover. As noted in paragraph 24 above, the wider range of uses in new Class E would make its impact on the economy, jobs and GVA even greater than Class O. If an A4D for selected sites in the CAZ is not introduced Islington's economy would be further weakened and its ability to accommodate projected economic growth seriously undermined.

### Size of Units

32. Data from the Office for National Statistics show that 98.7% of businesses in Islington had less than 100 employees.<sup>23</sup>

Table 3 Size of Enterprises in Central London (2015 ONS data)

Size band	Camden	Hackney	Islington	Lambeth	Southwark
0-4	75.4	83.4	76.1	86.3	75.0
5-9	11.3	9.6	11.3	6.7	11.0
10-19	6.4	4.4	6.4	3.9	6.9
20-49	3.9	1.7	3.7	1.9	3.9
50-99	1.4	0.5	1.2	0.7	1.6
100-249	0.9	0.3	0.7	0.3	0.9
>250	0.6	0.1	0.6	0.3	0.7

33. For office premises, if one assumes an employment density of 10m<sup>2</sup> per office desk, an area of 1500m<sup>2</sup> would provide space for around 120 employees (allowing 20% of size for circulation space). Table 4 shows the breakdown of firms in the Borough by staff number.<sup>24</sup> the vast majority of office-type enterprises have less than 100 workers, indicating that they are less than 1500m<sup>2</sup>. Most office businesses in Islington would therefore be likely to be impacted by Class MA. Class E includes a wide range of other uses including retail, light industrial and financial and professional services, the majority of which also have less than 100 staff, indicating that they are also likely to be impacted by Class MA.

Table 4 Number of Enterprises in Islington by Size and Sector (2015 ONS Data)

<sup>22</sup> Figures from table 11.3, Review of B-use Premises and Permitted Development Rights, 2016

<sup>23</sup> Figure 3.14 Islington Employment Land Study 2016

<sup>24</sup> Figure 3.13 Islington Employment Land Study 2016

Sector	0-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000+
Agriculture, forestry & fishing	20	0	0	0	0	0	0	0	0
Mining, quarrying & utilities	20	0	0	0	0	0	0	0	0
Manufacturing	315	55	35	25	10	0	0	0	0
Construction	590	50	25	10	0	0	0	0	0
Motor trades	55	15	5	0	0	0	0	0	0
Wholesale	365	70	55	20	10	0	0	0	0
Retail	820	170	45	25	10	0	0	0	0
Transport & storage	115	20	10	0	0	0	0	0	0
Accommodation & food services	425	185	95	70	20	10	0	0	0
Information & communication	2,080	190	115	85	20	15	0	0	0
Financial & insurance	260	40	20	15	0	10	0	0	0
Property	420	80	40	5	0	0	0	0	0
Professional, scientific & technical	3,410	380	215	140	45	20	5	0	5
Business admin & support services	850	130	95	45	20	15	5	5	0
Public administration & defence	0	0	0	0	0	0	0	0	0
Education	145	30	20	20	5	5	0	0	0
Health	305	100	95	55	15	10	0	5	10
Arts, entertainment & other services	1,065	150	80	40	10	0	0	0	0
<b>Total</b>	<b>11,260</b>	<b>1,665</b>	<b>950</b>	<b>555</b>	<b>165</b>	<b>85</b>	<b>10</b>	<b>10</b>	<b>15</b>

34. Based on ONS data, the vast majority of Class E uses in the borough and CAZ are likely to be occupying premises of less than 1,500m<sup>2</sup>. In the absence of an Article 4 Direction, these units would be in danger of being lost under Class MA PR rights.

### Role of Offices in the CAZ

#### *London Office Policy Review (2017)*

35. The GLA commissioned the London Office Policy Review (LOPR) (2017) to understand office market trends, assess supply/ demand dynamics, examine the impact of the office to residential PD right, and provide office employment and floorspace projections in order to inform the review of the London Plan.
36. The LOPR notes that Islington has been significantly impacted by the office to residential PD right and reinforces the conclusions of the ELS, in particular the need to continue to safeguard existing business floorspace in order to mitigate the impact of continued prior approval losses.
37. As with the ELS, the LOPR forecasts high employment growth in the Borough. Using data from ONS Census Advisory Groups and GLA Economics, the LOPR sets out that the number of jobs is expected to increase by 48,134 by 2050<sup>25</sup>. The GLA forecasts a demand of 372,966 sqm net additional office floorspace for 2016-2041 for Islington<sup>26</sup>, which is a similar figure to that of the ELS. Again, this demonstrates a constrained supply demand balance, when considering Islington's limited supply. To accommodate projected employment growth and meet the demand of office floorspace, the Council needs to put in place an A4D to ensure that there are no further substantial losses to overall supply, and to ensure that the gap between supply and demand does not widen even further.
38. The LOPR also notes that there is a strong market perception that occupation of Central London offices is becoming increasingly difficult for some businesses, and in particular smaller businesses looking to occupy secondary (less expensive) space. Rental hikes

<sup>25</sup> Figure 9.3, London Office Policy Review, 2017

<sup>26</sup> Figure 9.8, London Office Policy Review, 2017

and the rapid loss of secondary office space are widely considered to be displacing some businesses out of the CAZ <sup>27</sup>.

39. The office to residential permitted development right introduced in 2013 had no requirement for floorspace to be vacant meaning that the PD right could lead to the eviction of successful businesses. This impact was explored in the LOPR. It found that for London as a whole, 55% of office to residential prior approvals for 2013 to 2015, for which the occupancy status was known, were occupied<sup>28</sup>. Using a ratio of 10 sqm per worker – this represents around 31,000 to 36,000 jobs being disrupted<sup>29</sup>. Even if businesses that were evicted were able to find alternative accommodation, the diminishing office supply means that there is likely to be more demand for existing space, which often has a knock-on effect of increased rents; this acts as a further 'push' factor for businesses, which prevents them locating in the CAZ. Without the Article 4 Direction that was in place in the CAZ it is likely that even more businesses would have been pushed out, in particular small and medium sized enterprises (SMEs), who form a vital part of London's economy.
40. As stated previously, residential sales and rental vales are very high in central London and almost always likely to be more lucrative and will compete favourably against office floorspace. Furthermore, because permitted development can occur without having to be in line with existing planning policies and standards, such schemes are likely to be more desirable to landowners and developers. The three month vacancy requirement, which is included under the new Class MA pd rights, is simply too short to make any meaningful impact in terms of guarding against the eviction and displacement of viable existing businesses which occupy premises that can now utilise the new Class MA pd rights. Therefore, without an Article 4 Direction in place, the negative impacts on the CAZ are likely to be very significant.

## **The Role of Small Offices and Mixed Use**

### *Small Offices and Mixed Use in the CAZ (2015)*

41. The Small Offices And Mixed Use In The CAZ study was commissioned by the GLA to form an evidence base for the CAZ Supplementary Planning Guidance. It examined the supply and demand for small offices and mixed-use development and focussed on the balance between office and residential development. The basis for the study was anecdotal evidence which stated that small firms are being squeezed out the CAZ by rising rents. Furthermore, that small firms were finding it more difficult to operate within the CAZ because older office buildings were being lost to residential use.
42. This study, which looked at all CAZ boroughs found that spatial planning affords limited protection specifically for small offices although they make up a large proportion of the offices in the CAZ, over 60%.<sup>30</sup> In the years prior to the study, implementation of mixed use policies to encourage the delivery of small units had a limited impact, however the study does state that growing numbers of small businesses are being accommodated in modern high quality buildings not initially earmarked for subdivision. In the past institutional owners tended to focus entirely on large single occupiers however there is growing recognition of the critical role small occupiers

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<sup>27</sup> Paragraph 3.2.43, London Office Policy, 2017

<sup>28</sup> Paragraph 7.5.8, London Office Policy Review, 2017

<sup>29</sup> Paragraph 7.5.9, London Office Policy Review, 2017

<sup>30</sup> Small Offices And Mixed Use In The CAZ, 2015 p. 69 – at the time of the study small units of less than 500m<sup>2</sup> occupied 62% of the units in the CAZ.

play in the wider business ecosystem, and as a seed-bed for larger occupational units.<sup>31</sup> Both large buildings and small offices in the CAZ are important to accommodate SMEs. If Class MA was unrestricted, the office stock of both large and small offices would be likely to be reduced, causing harm to the economy and reducing the amount of employment and GVA.

## **Research by University College London**

### *Understanding permitted development for commercial-to-residential change of use in Islington (2022)*

43. Islington planning department commissioned research from Bartlett School of Planning University College London on the impact of PD Rights on the Borough and their report was issued in April 2022. This sought to establish how many properties Class MA would apply to and was based on OS Point of Interest classification. This OS service retains information on properties (points) in 621 different classes.<sup>32</sup> The UCL research used this information to identify how many non-residential units were located in the borough, how many were rateable and how many would be PD eligible, i.e. in Class E use and with a floorspace less than 1,500m<sup>2</sup>.
44. The Class MA criteria include assessment of flood risk, natural light to habitable rooms and impact of noise from commercial uses on future residents. Given the complexity of these site-specific criteria it was not realistic to attempt to build a model that would take all of them into consideration, so the research sought instead to identify properties eligible for Class MA based on land use and size.
45. Over 70% of Islington's jobs are located in the CAZ<sup>33</sup> and while the UCL Study related to the borough as a whole rather than solely the CAZ, given the commercial and employment concentration of the CAZ, this would be the place most affected by unrestricted Class MA. As a result, the findings of the study are included in this appendix as they indicate how susceptible the CAZ would be without an A4D.
46. The research, summarised in the table 3 below found that there were 4,789 units in the borough, located in 3,040 buildings. Of these 4,369 units, or 91.2% of the total would be eligible for Class MA. There are 2,646 buildings which could potentially avail of Class MA, representing a floor space of 1,128,002m<sup>2</sup> or 87% of the borough's non-residential buildings. This is a large increase from the previous Class O PD change of use (office to residential) which expired in July 2021, and which applied to 66.1% of properties and 860,655m<sup>2</sup> floor space. The increase is due mainly to the wider range of uses in Class E and changes in maximum floorspace to 1,500m<sup>2</sup> (e.g. in the case of Class A1 retail the maximum floorspace under the previous Class M PDR was 150m<sup>2</sup>). With the introduction of Class MA very few buildings in commercial use (including business and service) are now ineligible for conversion to residential via PD, indicating that the borough is particularly susceptible to Class MA.<sup>34</sup>

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<sup>31</sup> Small Offices And Mixed Use In The CAZ, 2015 p. 69

<sup>32</sup> Points of Interest Classification Scheme' at <https://www.ordnancesurvey.co.uk/documents/product-support/support/points-of-interest-classification-scheme.pdf>

<sup>33</sup> Paragraph 8.1.4, Islington Employment Land Study, 2016

<sup>34</sup> Understanding permitted development for commercial-to-residential change of use in Islington, Bartlett School of Planning University College London, April 2022, Table 3, p. 11.

Table 5 Summary results from POI based analysis for Islington - from UCL study (2022)

	Islington
Total number of commercial / service units and buildings with floorspace information	4,789 units 3,040 buildings
Number of commercial units and buildings potentially eligible for conversion to residential under old PDR policy	3,318 units 2,009 buildings
Percentage of commercial & service units / buildings which could potentially be converted to residential under old PDR policy	69.3% (units) 66.1% (buildings)
Number of commercial units and buildings potentially eligible for conversion to residential under new PDR policy	4,369 units 2,646 buildings
Percentage of commercial & service units / buildings which could potentially be converted to residential under new PDR policy	91.2% (units) 87.0% (buildings)
Total commercial floorspace that could potentially be converted to residential under old PDR (m <sup>2</sup> )	860,655
Total commercial floorspace that could potentially be converted to residential under new PDR (m <sup>2</sup> )	1,128,002

## City Fringe Opportunity Area

### *Opportunity Area Planning Framework (2015)*

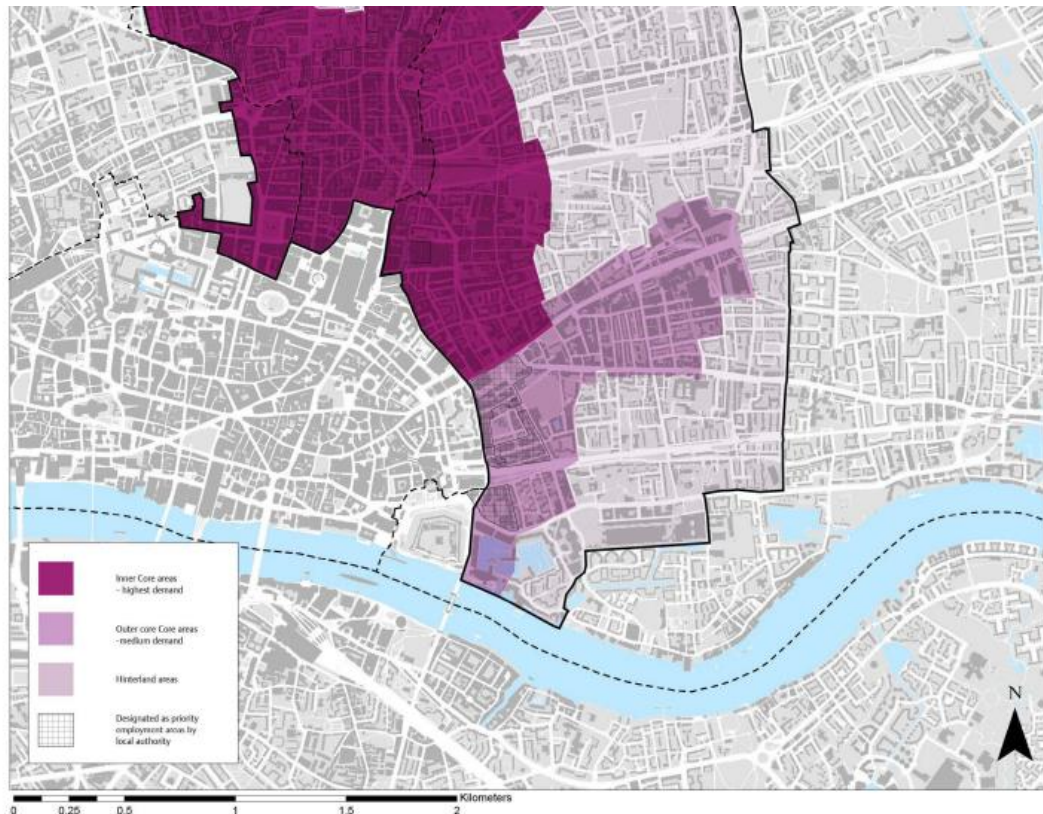
47. The area around and to the south of the Old Street roundabout falls within the City Fringe Opportunity Area. A Planning Framework (OAPF) was jointly prepared by the Council, LB Hackney, LB Tower Hamlets and the GLA, with input from TfL, in order to guide development in the area, and was adopted in 2015. The OAPF designates Islington's area as within the 'Inner Core' of this large concentration of tech, finance and digital-creative businesses which is recognised as strategically important to the economy of London and the UK.<sup>35</sup> The Inner Core of the Opportunity Area is where there is greatest demand for commercial floorspace. In this location, employment-led development proposals are encouraged, and sites are expected to provide the maximum viable amount of employment floor space possible (see map below).<sup>36</sup> Other key objectives of the OAPF are: balancing commercial and residential development; supporting a diverse mix of uses; identifying key strategic development sites; and connecting the City Fringe.

*Map 1 Inner Core of Opportunity Area includes part of LB Islington – from OAPF (2015)*

<sup>35</sup> City Fringe Opportunity Area Planning Framework (2015) p. vi.

<sup>36</sup> City Fringe Opportunity Area Planning Framework (2015) para. 3.9, p.29.





**Figure 3.1** .Likely future demand map of areas where an ongoing supply of employment floorspace is needed

48. A recent study of the CAZ by the Centre for London entitled “Remixing Central London” highlighted that there is a significant amount of subprime/ secondary office stock located in the City Fringe, estimated at 1,115,000m<sup>2</sup>.<sup>37</sup> As noted in research for the local plan, notably the ELS, in Islington demand for office space will outstrip supply, particularly in the medium to longer term and there needs to be a mix of prime and more affordable space and scope to develop sub-prime space into prime office space. This is a particularly relevant in the Inner Core of the Opportunity Area where demand is highest and where development is expected to provide the maximum viable amount of employment space.
49. The Opportunity Area is one of the few areas in the Islington’s part of the CAZ where whole blocks rather than individual buildings are proposed for A4D. This will ensure planning policies can be applied in the Opportunity Area, which is necessary given its wider strategic and economic importance.

### **Retail and Angel Town Centre**

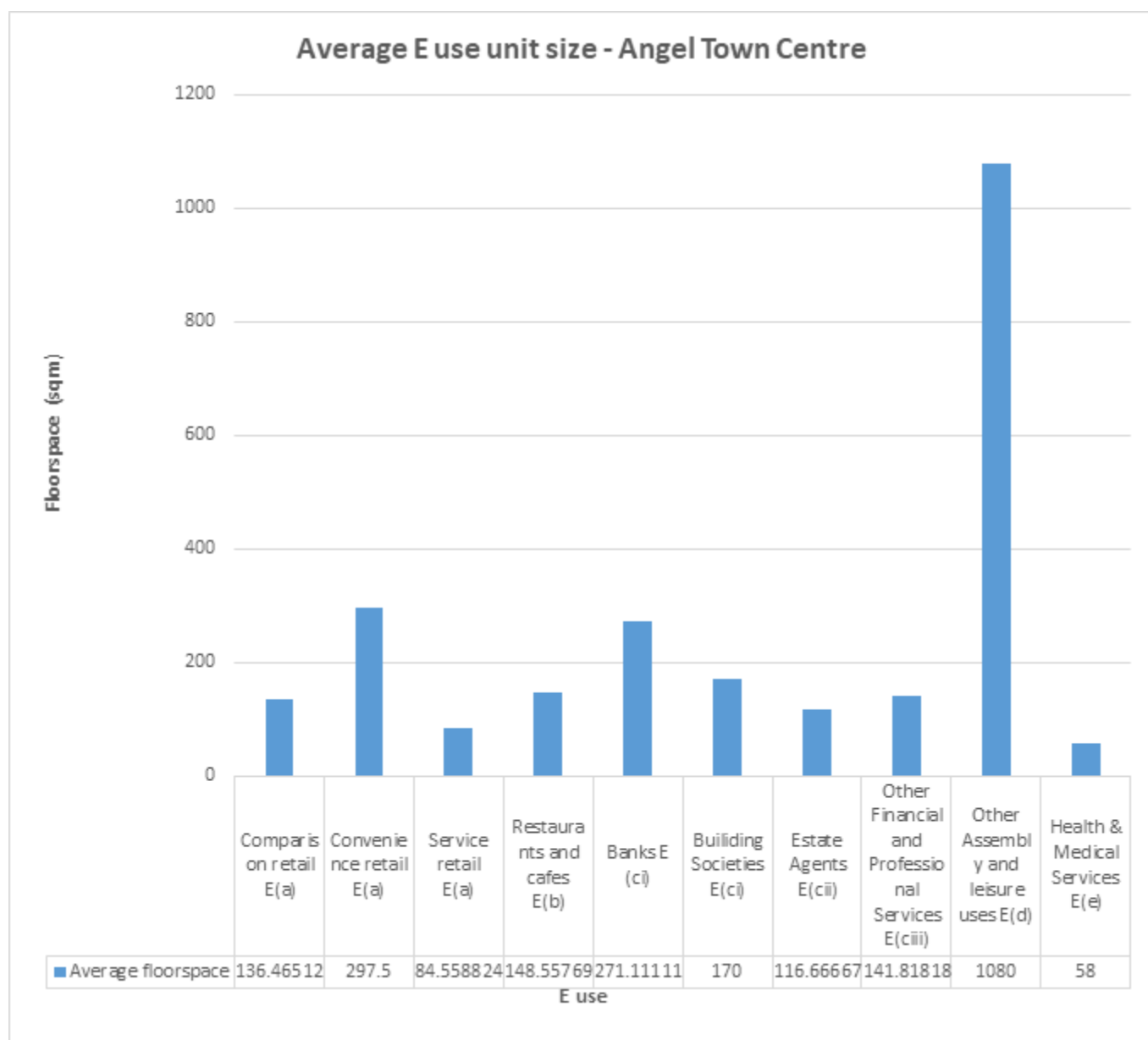
50. The CAZ Fringe in Angel hosts a range of main town centre uses in a range of unit sizes, which is crucial to meeting the operational needs of different Class E activities. Following a sustained period of growth over almost 20 years, which was principally driven by new store openings, the focus for the main grocery operators (i.e. Tesco, Sainsbury’s, Asda, Waitrose and Morrisons) has now shifted to growing market share through new smaller convenience store formats (such as Tesco Express, Sainsbury’s Local and Little Waitrose) and online sales. The dynamic growth in smaller convenience stores operated by the major grocers can lead to varying unit size requirements from location-to-location, but generally the main grocers are seeking new convenience stores with a minimum gross floorspace of

<sup>37</sup> Remixing Central London (2022), Centre for London, p.16. The amount of secondary/ subprime office space referred to is 12,000,000sqft which has been converted to m<sup>2</sup>. The study also states that, of this, 2,000,000sqft (185,806m<sup>2</sup>) was available to let at the time of research, December 2021 (p.16).

circa 372 sqm gross floorspace. Islington requires 11,323sqm of convenience retail floorspace by 2036 if this small supermarket format is accelerated, following pandemic trends seen with a shift to local convenience and access to goods and businesses.

51. Table 6 below shows the average Class E use unit size within Angel Town Centre is 250sqm(excluding offices), 469sqm (including offices).

Table 6 Unit sizes in Angel Town Centre<sup>38</sup>



52. In preparing the evidence base for the Draft Local Plan, a Retail and Leisure Study (2017) was undertaken by Carter Jonas. This sets out a range of projections for convenience and comparison retail floorspace capacity over the plan period up until 2036. The RLS shows an average growth rate of +2% per annum over the next two decades. The study included capacity forecasts based on a range of assumptions,

<sup>38</sup> Data from GLA Town Centre Health Check 2017, Table 1

including different assumptions on the growth of Special Forms of Trading <sup>39</sup> (SFT). Despite the pandemic and an increase in SFT, primarily internet shopping, even with growth in SFT, there is still projected growth in both convenience and comparison retail floorspace across the borough. This is estimated to equate to 11,336sqm of additional retail floorspace by 2036.

53. As set out in the GLA strategic evidence, the Angel Town Centre is identified as a significant CAZ retail cluster. Evidence from the 2017 Town Centre Health check illustrates that such clusters are healthy and include a diverse range of Class E uses including retail, financial and professional services, cafes and restaurants, offices and night-time economy uses, with such centres serving residents, workers as well as visitors to the CAZ. Analysis of the 2017 Health Check shows that the average size of a Class E unit in Angel Town Centre is 210sqm. This poses a significant vulnerability to the MA PD right that introduces a threshold of 1,500sqm for conversion from Class E to residential use. Angel Town Centre has experienced significant residential development through historic permitted development but also through the planning application process where Local Plan policies have been successful in delivering well designed and cohesive dwellings, whilst retaining a successful commercial and cultural town centre function. GLA data shows for the rough area that Angel Town Centre and the CAZ intersect, 139 dwellings have been completed between 2013 and 2020<sup>40</sup>. The Draft Local Plan projects an additional 80 dwellings would be achievable within the Angel and Upper Street Spatial Strategy Area over the plan period. Further residential development of Class E uses jeopardises this harmony gained through the full planning application process.
54. Angel Town Centre is designated as a Main Town Centre in the London Plan and Islington Local Plan, enjoying a high level of accessibility with a strong PTAL rating due to 17 bus routes into the CAZ and access to the Northern Line from Angel Underground Station. This accessibility contributes to Angel being an attractive place for the location of employment uses in the CAZ fringe as well as offering access to a strong night time economy and retail and leisure uses.
55. As a Major Town Centre, the London Plan considers such a town centre to generally contain over 50,000 sqm of retail, leisure and service floorspace with a relatively high proportion of comparison goods relative to convenience goods. They may also have significant employment, leisure, service and civic functions. Angel is also classified in the London Plan as having a NT2 night time economy which acknowledges its regional and sub-regional importance. The diverse offering in Angel has a symbiotic relationship between employment uses supporting other strategic CAZ and Town Centre functions and vice versa (including retailing, arts, culture, leisure and entertainment uses) as noted in the CAZ SPG (2016). The CAZ fringe in Angel in fact covers a greater area of the town centre than the Primary Shopping Area. This overlap has allowed Angel to develop a concentration of employment, retail, leisure and cultural uses that support each other's viability. The benefits of agglomeration of Class E and other main town centre uses along with active frontages should not be underestimated. The introduction of residential uses at ground floor through PD individually and cumulatively diminish the economic benefits of commercial agglomeration, negatively impacting on the viability and character of Angel and the CAZ Fringe.

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<sup>39</sup> Special Forms of Trading (SFT) comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales.

<sup>40</sup> Planning London Datahub ([Planning London Datahub - Dashboard | Tableau Public](#))

56. The health of Angel Town Centre has been consistently strong with vacancy levels near optimum levels for market churn on a par with the equilibrium benchmark (frictional vacancy rate) of 8%<sup>41</sup>. Table 7 demonstrates historically sound vacancy rates in Angel Town Centre's Primary Shopping Area.

*Table 7 Vacancy rates in Angel Town Centre*

<b>Vacant units within Primary Shopping Areas</b>				
<b>Town Centre</b>	<b>Total number of Vacant Units (2017)</b>	<b>% Mix of vacant units (2017)</b>	<b>Total number of Vacant Units (2019)</b>	<b>% of vacant units (2019)</b>
Angel	11	4%	19	7%

57. Table 8 demonstrates the consistency of a strong retail mix within Angel Town Centres PSA from 2015-2019. The fluctuations from year to year can be expected however demonstrate a consistently viable area for retail businesses to locate within.

*Table 8 Proportion of retail in Angel Town Centre*

	<b>2015 Retail Survey results – Retail use</b>	<b>2016 Retail Survey results – Retail use</b>	<b>2017 Retail Survey results – Retail use</b>	<b>2019 Retail Survey results – Retail use</b>
<b>Angel Town Centre</b>	44.14%	45.19%	55.94%	50%

58. Expansion of Angel boundary in the Draft Local Plan demonstrates strong commercial performance and an opportunity to support the economic growth where the town centre converges with the Kings Cross Spatial Strategy Area. Angel has a very strong service provision, with leisure services being the best represented. The large proportion of cafes, restaurants and bars/pubs complement the retail offer and encourage a strong night-time economy. Leisure service provision is above the national average; this is common in many town centres however it is the quality of this provision, which is important and Angel demonstrates a high quality leisure, financial and retail service provision<sup>42</sup>.
59. Inappropriately located and poorly designed residential development does not only impact on the provision of viable Class E uses but adversely impacts other main town centre uses by limiting these uses ability to operate successfully. Residential uses are inherently sensitive to leisure and cultural uses that generate noise either through noise emitted from the use itself or ingress and egress of people attending the use. Such uses include pubs, bars, nightclubs amongst others, which contribute significantly to the character and offer of town centres and the CAZ. Angel Town Centres strong cultural and Night Time Economy contributes to the attractiveness of the centre for residents, workers and visitors. It would be counterproductive and premature to not seek an Article 4 Direction in the CAZ Fringe/Angel PSA where a demonstrably viable and varied mix of main town centre uses has remained even after the unprecedented shock of the pandemic.

<sup>41</sup> Town Centre Health Check 2019, paragraph 3.7.6.

<sup>42</sup> Retail and Leisure Study, 2017, paragraph 6.18

60. There are four LSAs in Islington's portion of the CAZ. Two of these have been newly designated through the Draft Local Plan – Farringdon and Old Street, demonstrating how Class E uses as well as other main town centre uses have sought the benefits of agglomeration. LSAs borough wide are vital in ensuring residents and workers have access to essential daily goods and services, however they contribute significantly to the character and functioning of the CAZ's employment function. Whitecross Street is very popular with workers in the Finsbury portion of the CAZ for lunch, whilst the Farringdon LSA animates the link between the Farringdon Station entrance to Smithfield Market in the City of London. The Old Street LSA complements the ongoing Old Street roundabout redevelopment, including removal of the gyratory, public realm improvements, new public open space, improvements to station access and facilities including enhanced retail provision.
61. The protection of retail and leisure Class E uses in each sub-area has been assessed against the Class MA criteria. The core shopping area of Angel Town Centre is the only area where retail Class E is proposed for blanket protection (apart from the listed buildings in that area). Elsewhere, as a general approach, Class E retail is proposed for protected via A4D only if businesses above are also in Class E use, for example as offices. As part of the Council's approach retail units, restaurants and cafes have generally been excluded from the proposed A4D area, partly because many are in conservation areas which provides a degree of protection against Class MA. The Council's approach is based on the requirements of paragraph 53 of the NPPF which states that Directions should be limited to situations where they avoid wholly unacceptable adverse impacts (this could include the loss of the essential core of a primary shopping area) and should apply to the smallest geographical area possible.

#### **GLA Strategic Evidence to Support Article 4 Directions (July 2021)**

62. Updated evidence from the GLA was published in July 2021 to support London Boroughs with Article 4 Directions. The evidence reiterates the agglomeration benefits of the CAZ stemming from its unique density, scale and mix of business functions. This includes the significant contribution that the CAZ boroughs make to the UK economy – with their combined GVA output estimated to be £293 billion in 2019, with Islington's having an output of nearly £20 billion<sup>43</sup>. Estimates of GVA for the CAZ alone indicate a GVA of over £197 billion, representing nearly half of all of London's output and around 11% of total UK output. The top five sectors are professional, scientific and technical; financial and insurance; information and communication; business administration and support services; and accommodation and food services with employment in these sectors typically within Class E.
63. The GLA's evidence continues to support the status of the CAZ as an internationally significant office location. The ten CAZ boroughs contained more than £20million m<sup>2</sup> of office floorspace in 2020, more than 75% of London's total stock. The evidence highlights that important economic sectors in the CAZ including tech, media, architecture, creative and life sciences can require complex and high specification offices, studios and lab space which can take longer to build. The need for this space therefore will not necessarily be met in other locations if it is lost. The GLA evidence concludes that it is imperative to protect such space from ad hoc permitted development conversions.<sup>44</sup>

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<sup>43</sup> GLA Strategic Evidence (2021) Figure 3.2.

<sup>44</sup> GLA Strategic Evidence (2021) para. 3.3.3

64. Consistent with Islington's local evidence, the GLA evidence highlights continued strong demand for office floorspace going forward, indicated a demand for around 3.5 million m<sup>2</sup> of office space in the CAZ and Northern Isle of Dogs between 2016-2041.<sup>45</sup> This work took into account a range of sensitivity tests including in relation to home working. It is recognised that whilst there may be emerging trends, such as those associated with the Covid-19 pandemic that could affect the nature of office work in London, this has yet to emerge and evidence has looked at the different implications of this.
65. The GLA evidence highlights the importance of other uses in the CAZ apart from offices including leisure, entertainment, retail and tourism and specialist creative industries for example clothing, fashion, jewellery, printing, antiques, musical instruments, art and culture – these also fall within Use Class E and could be impacted by Class MA PDR.
66. The GLA evidence highlights a number of clusters of CAZ strategic functions or specialisms. Specialist clusters identified of relevance to Islington include Tech City, the arts cultural and creative clusters in Smithfield, Farringdon, King's Cross and Angel.<sup>46</sup> It is identified that the erosion of capacity in Class E would undermine the evolution and development of these clusters, which require careful management to balance between employment uses, residential uses and CAZ strategic functions.

### **Impact of COVID 19 on London and Islington**

67. The GLA evidence notes that care must be taken when interpreting data relating to how Covid-19 has affected the property market indicators given the uncertainty associated with the impacts of the pandemic. However, it is noted that in the context of the past two decades the decline in office rents is not significant, particularly when compared with the aftermath of the 2008 global financial crisis. The GLA evidence also cites reports from central London agents on more positive signs for the central London office market<sup>47</sup>. Vacancy rates whilst increased since the onset of the pandemic, seen in their historical context do not appear to be excessive, only marginally above the long-term average and on a par with the equilibrium benchmark (frictional vacancy rate) of 8%<sup>48</sup>.
68. The GLA published some research looking at the different economic futures facing the CAZ to help with understanding the nature and extent of the impact medium and long-term. The interim report highlighted the significant impact of the pandemic, with the hospitality and accommodation sectors particularly impacted, and arts and cultural sectors being at risk. It was estimated that almost £11 billion was lost in tourism expenditure in the CAZ, with a further £1.9 billion lost from commuters.<sup>49</sup> The second phase of the GLA's economic futures work looked at three scenarios over the medium and long terms and concluded that if the right action is taken in the long term central London can recover strongly.
69. COVID19 has impacted the office market in Islington, however despite the rise of hybrid working, the resulting impact on overall demand for office floorspace is a picture more of adjustments rather than radical change.

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<sup>45</sup> GLA Strategic Evidence (2021) paragraph 3.3.4.

<sup>46</sup> GLA Strategic Evidence (2021) paragraph 3.4.7.

<sup>47</sup> GLA Strategic Evidence (2021) figure 3.8 and paragraph 3.7.4.

<sup>48</sup> GLA Strategic Evidence (2021) paragraph 3.7.6.

<sup>49</sup> GLA Strategic Evidence (2021) paragraph 3.8.3



70. Figures from Knight Frank show that vacancy rate for offices across Central London (West End) was 8.1% in Q1 2021.<sup>50</sup> This is slightly above the long run average, however the overall level of availability across London remains well below the peak of the global financial crisis where the vacancy rate reached just over 11%.
71. Analysis by JLL showed that in the City submarket (which includes Clerkenwell and Farringdon) active demand increased 31% during Q2 2021 from the previous quarter to 7.1 million sq ft, which is back to pre-pandemic levels and 11% higher than the 10-year quarterly average of 6.4million sq ft. The rise in demand was evident across all size bands.<sup>51</sup>
72. GLA economics modelled economic scenarios for London's economy under fast, gradual and slow rates of recovery. Drawing on CSO data, it estimated that London's GVA reached pre-crisis levels in Q4 2021 while workforce jobs are estimated to reach pre-crisis levels in mid-2023.<sup>52</sup> In relation to further growth thereafter, in the slow growth scenario it notes that wider economic challenges may result in a slowdown in late 2022, however in all three scenarios growth in GVA and jobs is expected from late 2023 into 2024 and beyond.
73. London also remains attractive to international investors, according to one global investment tracker, with an estimated figure of up to £45bn deployed in 2021, the highest figure since tracking began in 2012, despite the impacts of Brexit and the Covid19 pandemic.<sup>53</sup> In London, the shortage of supply, combined with expected growth in new businesses resulted in yields of 3.5% in core markets of Mayfair and St James in late 2020, with indications of similarly robust yields in the City.

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### **Consistency with local, London and national planning policy**

74. The introduction of an Article 4 Direction to remove Class MA permitted development rights in the CAZ is consistent with, and necessary to achieve the objectives of local, London-wide and national planning policy.

#### National Policy

75. Paragraph 80 of the National Planning Policy Framework (NPPF) sets out that significant weight should be placed on the need to support economic growth and productivity, taking into account both local businesses needs and wider opportunity for development. The approach to each area should build on its strengths, counter any weaknesses and address the challenges of the future, this being particularly important in areas where Britain can be a global leader in driving innovation and in areas with high levels of productivity. In terms of its critical mass of skills, productivity and expertise the CAZ is the most economically successful part of the UK and the location of many key globally significant companies that add significantly to the UK economy and the attractiveness of London.

<sup>50</sup> London Offices Spotlight Q1 2021, Knight Frank, p.3.

<sup>51</sup> JLL Central London Office Market Report Q2 2021

<sup>52</sup> London's Economy Today (Issue 238 June 2022) GLA Economics, table A1 and A2, pp. 15-16.

<sup>53</sup> CBRE [£45m of global equity targeting London office market \(cbre.co.uk\)](https://www.cbre.co.uk/insights/press-releases/2021/04/06/cbre-45m-of-global-equity-targeting-london-office-market) 6 April 2021

76. Paragraph 81 requires planning policies to do the following:

- Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration.
- Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and
- Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices, and to enable a rapid response to changes in economic circumstances.

77. NPPF paragraph 83 requires planning policies to recognise and address the specific locational requirements of different sectors.

78. The PPG requires local planning authorities to assess economic development needs within their areas to ascertain the levels of quantitative and qualitative predicted employment need. Islington has done this for the existing adopted Local Plan policies and an Employment Land Study and a Retail and Leisure needs assessment have informed the draft new Local Plan.

#### London Plan Policy

79. The new London Plan has policies which place a greater weight on the importance of office functions over residential functions in the CAZ when compared with the existing London Plan.

- Policy GG5 (Growing a good economy) states: “To conserve and enhance London’s global economic competitiveness and ensure that economic success is shared amongst all Londoners, those involved in planning and development must.” ... “(C) plan for sufficient employment and industrial space in the right locations to support economic development and regeneration.
- Policy E1 sets out that increases in the current office stock should be supported in the CAZ. Part C of Policy E1 highlights the importance of the CAZ. It sets out that the unique agglomerations and dynamic clusters of world city businesses and other specialist functions of the Central London office market, including the CAZ, should be developed and promoted.
- Policy E1 and Policy SD5 states that boroughs should consult upon and introduce A4Ds to ensure that town centres and other viable business locations, such as the CAZ, are not undermined by the office to residential PD right. Support is provided for the introduction of A4Ds for the areas currently exempt from the PD right.
- Policy SD4 (Central Activities Zone) states that:

“A The unique international, national and London-wide roles of the CAZ, based on an agglomeration and rich mix of strategic functions and local uses, should be promoted and enhanced.” and

“B The nationally and internationally significant office functions of the CAZ should be supported and enhanced by all stakeholders, including the intensification and provision of sufficient space to meet demand for a range of types and sizes of occupier and rental values.”



Policy SD5 (Offices, other strategic functions and residential development in the CAZ) states:

“A New residential development should not compromise the strategic functions of the CAZ”,

“C: Offices and other CAZ strategic functions are to be given greater weight relative to new residential development in all other areas of the CAZ ...”,

“H: Local approaches to mixed-use development of offices with housing should sustain strategically-important clusters of commercial activities within the CAZ”,

“I: Local approaches to mixed-use development of offices with housing should sustain strategically-important clusters of commercial activities within the CAZ...” and

“The CAZ is an internationally and nationally significant office location, complemented by the Northern Isle of Dogs and Tech City.” (paragraph 2.5.1)

SD5 also give specific support for use of Article 4 Directions, stating:

“E: The Mayor will work with boroughs and support them to introduce Article 4 Directions to remove office to residential permitted development rights across the whole of the CAZ and the Northern Isle of Dogs (and those parts of Tech City and Kensington & Chelsea lying outside the CAZ).”

The London Plan also prioritises the development of office floorspace above residential in the CAZ, stating:

“Given their strategic importance, as a general principle, offices and other CAZ strategic functions are given greater weight relative to new residential development in the Zone (with exceptions set out in policy). The principle of greater weight is designed to ensure that the agglomerations of offices and other CAZ strategic functions are not compromised by new residential development. The principle should inform Local Plan preparation and development management.” (paragraph 2.5.3)

- Policy E8 sets out support for the capital's economic clusters and refers to the importance of ensuring the availability of suitable workspaces.

80. The London Plan identifies the CAZ as a nationally and internationally significant office location<sup>54</sup>. Maintaining and strengthening London's role as a competitive and dynamic office location is at the forefront of the London Plan. The document raises concerns about the office to residential PD right and states that outside exemption areas, more than 1.9 million sqm of office floorspace had received prior approval to change to residential in London by March 2018 with disproportionate impacts on occupied office space and SMEs<sup>55</sup>. The London Plan also highlights that a significant amount of this office was occupied, meaning that businesses are being displaced. It also sets out that the potential to deliver significantly more housing through more intensive forms of mixed-use development is undermined, as buildings that would likely be redeveloped for mixed use, with a residential component, are being converted to residential only.

### Local Policy

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<sup>54</sup> Paragraph 3.3.1

<sup>55</sup> Paragraph, 6.1.6

81. Islington's Local Plan<sup>56</sup> proactively encourages economic growth in the Borough in line with NPPF and London Plan policy in a way that builds on the areas strengths. Employment policies promote the development of new business floorspace (especially in the south of the borough in the CAZ), and seek to protect much needed floorspace<sup>57</sup>. The Local Plan policies play an important role in delivering the economic strategy for the borough of which a key objective is to tackle inequality and exclusion. Islington's planning policies also help to providing for a range of opportunities for different types and sizes of businesses. The employment policies are flexible in order to allow response to changes in market conditions.
82. Policy CS13 of Islington's Core Strategy encourages the development of new employment floorspace in the CAZ, and resists the loss of employment floorspace across the Borough, particularly in the CAZ, unless exceptional circumstances can be demonstrated. The Local Plan has detailed policies which resist the loss of business use floorspace (including offices) across the Borough, as set out in the Development Management Policies and the Finsbury Local Plan. These policies are used to determine applications for planning permission and can help deliver the vision and objectives set out in the Core Strategy, to bring forward sustainable development. These policies resist the loss of business floorspace and provide heightened protection for business floorspace in designated employment areas, including in the CAZ. The need to protect and maximise office uses in Islington's part of the CAZ is also reflected in Islington's Draft Local Plan in Strategic and Development Management Policies B1 and B2 and Bunhill and Clerkenwell Area Action Plan policy BC1.
83. Policy CS14 of Islington's Core Strategy seeks to support healthy cultural and community provision through a good range of retail, service and cultural uses across the retail hierarchy. This provision supports the borough's economic growth and access to goods, services and leisure uses for residents, workers and visitors. The strategic policy also seeks to support independent retail through the supply of smaller units, supporting and protecting the boroughs Specialist Shopping Areas (SSAs) and comprehensive spread of Local Shopping Areas.
84. The Local Plan has a series of Development Management Policies to manage retail and other main town centre uses in the CAZ, Town Centres, Local Shopping Areas and Dispersed Locations. These policies together work to uphold the retail hierarchy which in turn supports sustainable development of main town centre uses. In order to achieve sustainable development these policies require the consideration of a number of criteria, not least the impact on the viability, vitality and character of these locations as well as the impact on amenity to surrounding uses which include residential uses.
85. The Draft Local Plan is an evolution of the above approach which has successfully maintained viable and vibrant town centres and local shopping areas since its adoption in 2013. The Draft Local Plan has recognised the changing demand and requirements of the borough's retail designations, stemming from a shift away from these centres as providing a wholly traditional retail function to a more mixed range of uses that cater for a demand in leisure and experiential activities<sup>58</sup>. This is demonstrated through shorter vacancy and marketing requirements for change of use which allows a more

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<sup>56</sup> Islington's Local Plan is made up of several documents which provide the basis for assessing planning applications in the Borough; this includes the Core Strategy (adopted February 2011), Development Management Policies, Finsbury Local Plan and Site Allocations (all adopted June 2013).

<sup>57</sup> For example, Core Strategy Policy CS13, Finsbury Local Plan Policy BC8, and Development Management Policies DM5.1, DM5.2 and DM5.4.

<sup>58</sup> Retail and Leisure Study, 2017, paragraph 11.5

fluid transition between main town centre uses, whilst ensuring that viable premises are able to continue contributing to the retail and leisure needs of the borough and ensuring economic growth across all sectors is supported.

86. Policy R3 acknowledges the CAZ as the primary office location in the borough but supports other E and main town centre uses where this would complement the overarching business floorspace focus within the CAZ. In order for the CAZ to thrive, a dynamic and varied retail, leisure and cultural offer is paramount in order to retain and promote the attractiveness of the CAZ for business. Evolving ways of working as accelerated by the pandemic indicate that access to a mix of such uses is going to be even more important going forward. Contrary to the idea that an increase in 'home working' requires less demand for employment and supporting uses - if people continue to work remotely, the daily swell of commuters to central London could be replaced by an overall increase in the number of workers visiting the CAZ for in-person meetings, reinforcing its position as a social, as well as an economic, cultural and commercial core<sup>59</sup>. An unmanaged loss of Class E uses in the CAZ and CAZ Fringe would limit the ability for this future need to take place.
87. Policy R2 and R3 are also relevant to town centres, and is therefore applicable to Angel Town Centre. Policy R2 seeks to retain the primacy of Class E uses at ground floor because of the contribution Class E uses make to the retail and other supporting use offer, notably cafes and restaurants. Policy R3 requires all development in the town centre to ensure that any adverse impacts on the viability, vibrancy, vitality and character of the town centre is fully mitigated. The light-touch Class MA prior approval process does not allow these matters to be considered.
88. Policy R4 is concerned with Local Shopping Areas. The borough's LSAs primary function is to meet the retail and service needs of communities whether that be residential or business communities in the CAZ. LSAs rely on a critical mass of main town centre uses and continuous active frontages to support the centres viability and can be vulnerable to the introduction of residential uses through permitted development.<sup>60</sup>
89. Policy R5 addresses Class E uses outside of the retail hierarchy, specifically E(a) and E(b) uses. These dispersed uses in the CAZ are prevalent and contribute to meeting the day to day needs of communities and workers. Access to essential daily goods is vital for ensuring people do not suffer from food deserts, especially for people with reduced mobility and those living in estates within the CAZ.
90. Policy R10 addresses cultural and Night Time Economy (NTE) uses in the borough. These uses are encouraged in Town Centres and the CAZ. While some cultural and NTE uses fall outside of Class E, the agent of change principle has recently forced the cessation of cultural/NTE activity, often due to noise complaints, demonstrating the challenges associated with commercial to residential pd rights in locations with cultural/ NTE uses. With a quarter of nightclubs closing in London since the pandemic,<sup>61</sup> there is a more pressing need than ever to support the uses that contribute to the cultural capital of Islington. The MA PD right poses a significant barrier

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<sup>59</sup> Cross River Partnership, 2021, page 15 ([Town-Centre-Futures\\_CRP-FINAL.pdf](https://www.crossriverpartnership.org/Town-Centre-Futures_CRP-FINAL.pdf))

<sup>60</sup> High Streets for All Report, GLA (2017), page 18:

[https://www.london.gov.uk/sites/default/files/high\\_streets\\_for\\_all\\_report\\_web\\_final.pdf](https://www.london.gov.uk/sites/default/files/high_streets_for_all_report_web_final.pdf)

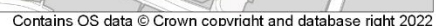
<sup>61</sup> NTIA, 2021 (A quarter of London's clubs lost since Covid pandemic began | Evening Standard)

to this support and the contribution cultural and NTE uses make to the CAZ, CAZ Fringe and Angel Town Centre.

91. Policy BC2 of the Bunhill and Clerkwenwell AAP, which covers the majority of Islington's part of the CAZ encourages retail and leisure development in the four Local Shopping Areas within the CAZ. These LSAs support the CAZ's business function as well as the daily needs of local residents within the CAZ, are employment generating and contribute to economic growth, although in the context of the area, they are considered to be supporting uses for the primary office function. Policy BC1 ensures office development is appropriately maximised but importantly recognises the benefit of permitting a supporting element of retail, service, leisure and cultural uses to sustain the attractiveness and day to day effective functioning of the CAZ and its users.

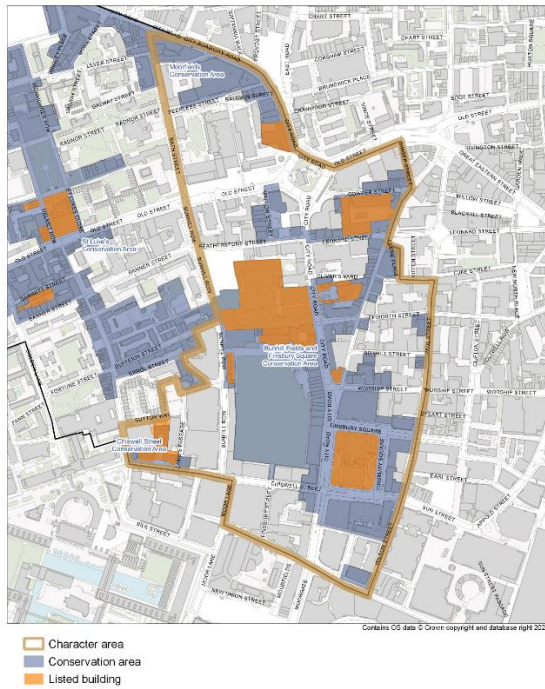
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## City Fringe Opportunity Area

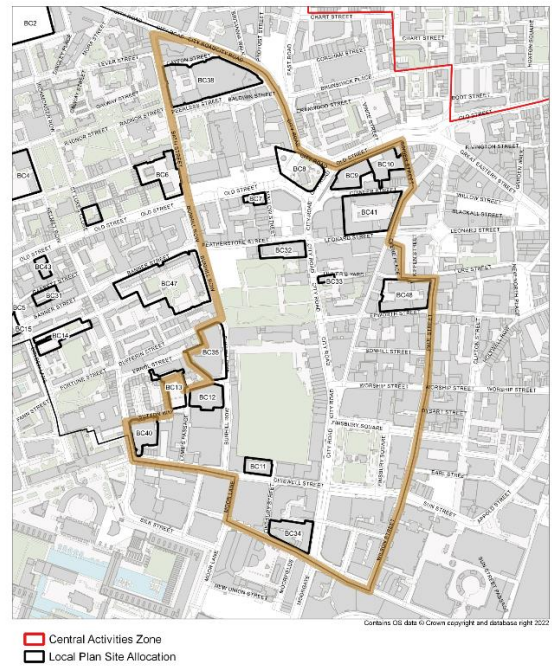




Map 1: Heritage

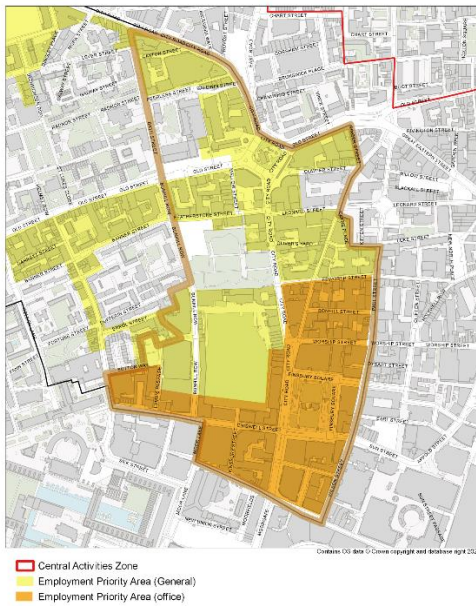


Map 2: Site Allocations\*

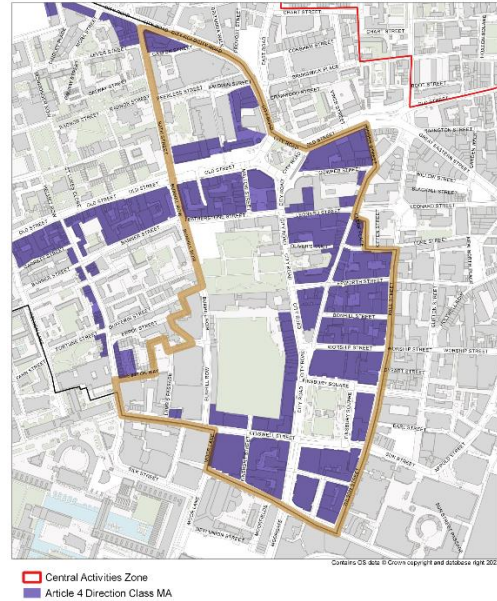


\* From emerging Local Plan

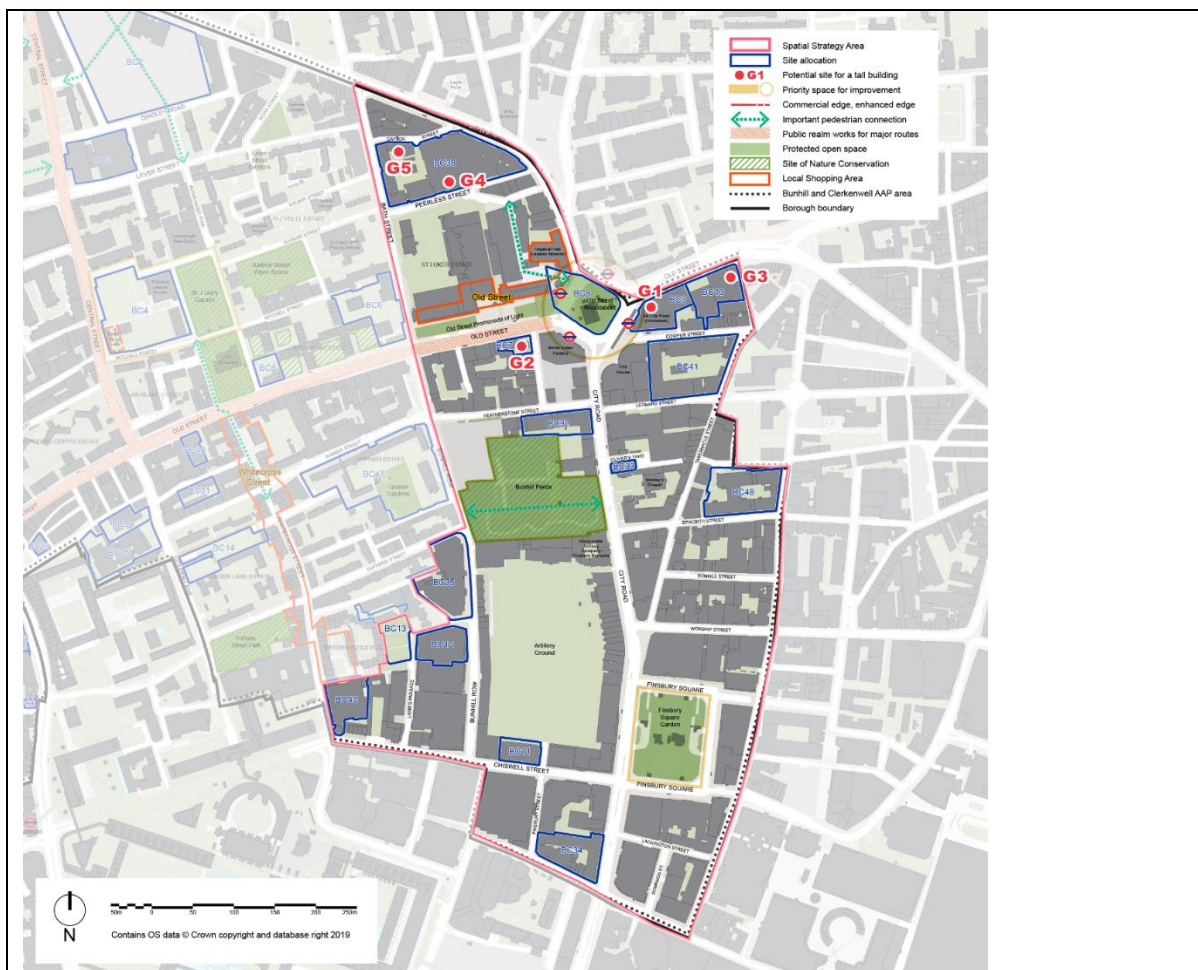
Map 3: Employment priority areas



Map 4: Proposed Article 4 Direction Area



Map is for information only. Direction with red line map is included in next section of this appendix.



Map 5: Character area map from the Bunhill and Clerkenwell Area Action Plan

**Description:** The City Fringe Opportunity Area is that part of the borough that adjoins the City of London's financial district and is one of the most important areas of employment growth in the capital. It stretches from just north of Old Street Roundabout at Moorfields Eye Hospital southwards to the City of London/Islington boundary at Moorgate. The City Fringe area also extends outside of Islington and into parts of Hackney and Tower Hamlets. The City Fringe Opportunity Area includes the Old Street roundabout which is the centre of the East London Tech City cluster. The area is predominantly commercial in character with a focus on offices across a range of scales serving from large scale grade A appealing to larger corporate tenants to smaller premises attractive to SMEs. The area is also home to the open spaces of Finsbury Square, Bunhill Fields Burial Ground and the private Royal Artillery Company Grounds.

<b>Area</b>	City Fringe Opportunity Area
<b>Employment Characteristics</b>	<p>This densely developed area is arguably the most important employment location in Islington, with the highest employment density in the borough and being home to 26% of Islington's jobs.</p> <p>As highlighted in the OAPF, the City Fringe is among the most significant areas for the capitals growth, with a specific opportunity in relation to London's role as a centre for tech. The specific challenges facing this area were also highlighted by the then Mayor - Boris Johnson - in the document:</p> <p><i>"Financial and business services expanded from the City into the City Fringe and the high values commanded by residential development are creating significant challenges. Rising rents, a lack of space and dwindling supply of</i></p>

	<p><i>affordable workspace are problems which, if not tackled, threaten the vision of Tech City being the hub driving innovation and growth [of] the UK's digital economy."</i></p> <ul style="list-style-type: none"> <li>• In recognition of the importance of the City Fringe the Mayor of London prepared an Opportunity Area Planning Framework to promote new business floorspace and facilitate the significant projected jobs growth. The area contains significant development capacity to support financial and businesses services but also the digital and creative industrials that are part of Tech City.</li> <li>• Islington's part of the City Fringe is identified as being a strategically important employment growth area both within the current and draft Local Plan.</li> <li>• The south of Islington in the CAZ is the most important employment location in the borough, with the majority of employment floorspace and future employment growth anticipated to come from there, within that the City Fringe Opportunity Area is prioritised specifically for the development of new office floorspace.</li> <li>• The City Fringe Opportunity Area is the highest priority for commercial development with Policy BC1 of the draft Local Plan requiring 90% of the uplift of major developments provided as office floorspace.</li> </ul> <p>The GLA strategic evidence recognises the City Fringe, of which Tech City is part as one of the nationally significant office locations. It also notes:</p> <ul style="list-style-type: none"> <li>• The tech city area (which includes Islington's part of the City Fringe) contributed almost £15 billion to London's GVA output in 2019. The Tech City area is estimated to contain more than 190,000 workforce jobs in 2019, approximately 25 per cent of total employment in the three boroughs.</li> <li>• In the City Fringe/Tech City Opportunity Area there is estimated capacity for an additional 50,000 jobs over the period 2016 to 2041.</li> <li>• The increasing attractiveness of the City Fringe and the arrival of Crossrail mean that higher value residential can often outbid and displace lower value office and light industrial uses when new sites become available. Over time unfettered Class E to residential permitted development rights could contribute to the weakening and dissipation of the digital-creative cluster. This would be detrimental to London's wider knowledge economy and the ambition of the framework to support a world leading digital creative business hub based around Tech City.</li> </ul> <p>Specialist Clusters:</p> <ul style="list-style-type: none"> <li>• The OAPF recognises the role of the City Fringe as home to new and emerging sectors of the economy "with particular clustering and accommodation requirements". It is recognised that there are financial and business services that are seeking to locate within this area as well as businesses linked to the tech/digital and creative sectors.</li> <li>• The GLAs strategic evidence for article 4 directions notes the City Fringe area is increasingly the home of</li> </ul>
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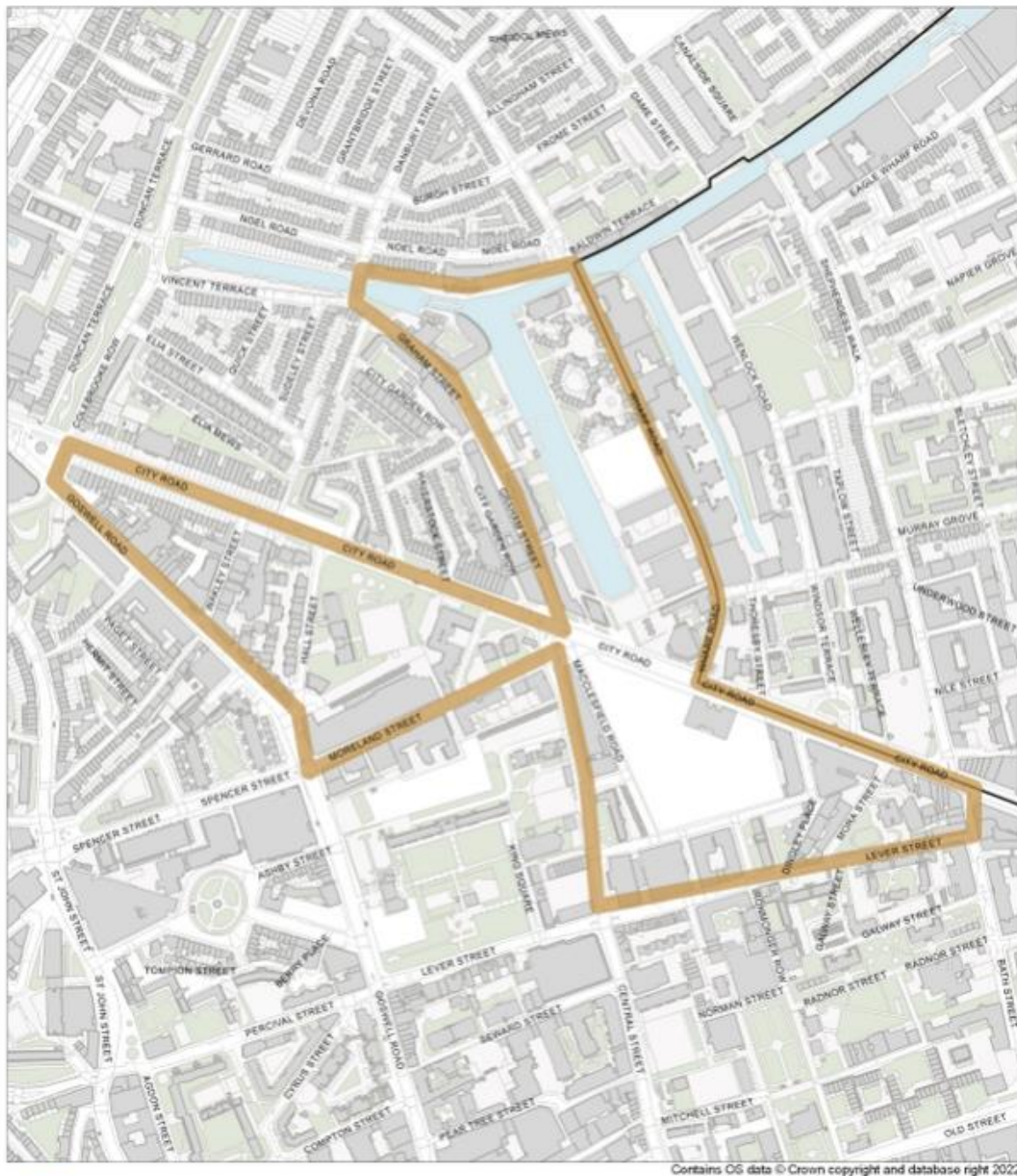
	<p>new and emerging sectors of the economy with particular clustering and accommodation requirements, including co-working, start-up and grow-on space, artist studio space and corporate office space.</p> <p>Key businesses in the area include:</p> <p>Finance and banking</p> <ul style="list-style-type: none"> <li>• Macquarie Group (bank)</li> <li>• JP Morgan</li> <li>• S&amp;P</li> <li>• WarnerMedia, 160 Old Street</li> <li>• MUFG Securities (finance)</li> <li>• Liberum (investment banking)</li> <li>• Centor Insurance &amp; Risk Management</li> <li>• Capital One, White Collar Factory</li> <li>• First Bank</li> <li>• Runpath, White Collar Factory</li> </ul> <p>Tech:</p> <ul style="list-style-type: none"> <li>• Inmarsat (satellite communications)</li> <li>• Adobe, White Collar Factory</li> <li>• Delta Way (investment banking)</li> <li>• Credit Benchmark</li> <li>• Zinc Media</li> <li>• ThinkFolio</li> <li>• Egress, White Collar Factory</li> <li>• Box.com, White Collar Factory</li> <li>• BGL, White Collar Factory</li> </ul> <p>Media and advertising:</p> <ul style="list-style-type: none"> <li>• Viacom, The Bower</li> <li>• CBS interactive, The Bower</li> <li>• Spark44, White Collar Factory</li> </ul> <p>Other:</p> <ul style="list-style-type: none"> <li>• AKTII engineering, White Collar Factory</li> <li>• Madigan Gill recruitment</li> <li>• Opus Recruitment</li> <li>• Allegis staffing, The Bower</li> <li>• Farfetch fashion, The Bower</li> </ul>
<b>Retail and Other Town Centre Uses</b>	<ul style="list-style-type: none"> <li>• In the emerging Local Plan the Old Street Local Shopping Area falls within the City Fringe opportunity area. This designation covers a range of ground floor retail units including at the Bower and Imperial Hall / Leysian Mission.</li> </ul>
<b>Key Sites and Allocations</b>	<p>The emerging Bunhill and Clerkenwell Area Action Plan contains 15 site allocations which are in this area:</p> <ul style="list-style-type: none"> <li>• BC7 198-208 Old Street (petrol station), EC1V 9FR</li> <li>• BC8 Old Street roundabout area, EC1V 9NR</li> <li>• BC9 Inmarsat, 99 City Road (east of roundabout), EC1Y 1BJ</li> <li>• BC10 254-262 Old Street (east of roundabout), EC1Y 1BJ</li> <li>• BC11 Longbow House, 14-20 Chiswell Street, EC1Y 4TW</li> <li>• BC12 Cass Business School, 106 Bunhill Row, EC1Y 8TZ</li> </ul>

	<ul style="list-style-type: none"> <li>• BC13 Car park at 11 Shire House, Whitbread Centre, Lamb's Passage, EC1Y 8TE</li> <li>• BC32 Monmouth House, 58-64 City Road, EC1Y 2AE</li> <li>• BC33 Oliver House</li> <li>• BC34 20 Ropemaker Street, 101-117 Finsbury Pavement, 10-12 Finsbury Street, EC2Y 9AR</li> <li>• BC35 Finsbury Tower, 103-105 Bunhill Row</li> <li>• BC38 Moorfields Eye Hospital, City Road, EC1V 2PD</li> <li>• BC40 The Pentagon, 48 Chiswell Street</li> <li>• BC41 Central Foundation School, 15 Cowper Street, 63-67 Tabernacle Street and 19 [Shoreditch County Court] &amp; 21-23 Leonard Street, EC2</li> <li>• BC48 Fitzroy House and Castle House</li> </ul> <p>A number of site allocations which have existing Class E uses have not been included in the article 4 direction areas as they are above the 1,500sqm threshold for permitted development change of use to residential. These are:</p> <ul style="list-style-type: none"> <li>• BC12 Cass Business School, 106 Bunhill Row, EC1Y 8TZ</li> <li>• BC13 Car park at 11 Shire House, Whitbread Centre, Lamb's Passage, EC1Y 8TE</li> <li>• BC33 Oliver House</li> <li>• BC35 Finsbury Tower, 103-105 Bunhill Row</li> <li>• BC40 The Pentagon, 48 Chiswell Street</li> </ul> <p>The majority of the sites are for office use and office intensification.</p> <p>Whilst the overwhelming majority of the area is commercial in nature there are some notable open spaces including Bunhill Fields Burial Ground, Royal Artillery Company grounds and Finsbury Square.</p>
<b>Heritage Designations</b>	<ul style="list-style-type: none"> <li>• A large part of the area is covered by the Bunhill Fields and Finsbury Square conservation area.</li> <li>• There are several listed buildings/structures/spaces. This includes the Bunhill Fields Burial Ground, Finsbury Square, 15 Cowper Street and 19 Leonard Street, 11 City Road and listed buildings along Bunhill Road and Chiswell Street and City Road. The most notable listed buildings are the Grade II* listed Armory House and Grade I listed Wesley's Chapel.</li> </ul>
<b>Social Value Considerations</b>	<ul style="list-style-type: none"> <li>• As the most significant office location in the borough, with the greatest potential for employment growth the protection of office space in this location will help to ensure that viable office space is not lost and that more employment opportunities can be generated over the next 15 years to help meet identified economic development needs. Through the provision of significant employment opportunities for local residents are generated, including through the council's training and employment services and affordable workspace programme. This can add significant social value benefits. This is also important given the proximity of a number of areas of deprivation in the south of the borough.</li> <li>• The loss of premises to residential would also impact on the areas ability to support existing tech clusters and new and emerging creative clusters which can impact on the wider agglomeration benefits of the area and impact</li> </ul>

	on other businesses and employment growth opportunities.
<b>Class MA Considerations</b>	<ul style="list-style-type: none"> <li>• A large number of buildings within the area are considered to be potentially at risk of PDR conversion under class MA. This is because of the concentration of class E premises, in particular offices, in this area. There are a number of smaller premises that are less than 1500m<sup>2</sup> in size, whilst some of the medium and larger office buildings are also considered to be potentially at risk of subdivision to enable them to be converted to residential which would undermine both the economic function and growth potential of individual buildings but also the cumulative growth potential of the wider area.</li> <li>• Listed buildings have been removed.</li> <li>• Whilst part of the area is within conservation areas this element of the Class MA criteria is not considered to offer sufficient protection as class E uses are focused above ground floor.</li> </ul>
<b>NPPF Considerations</b>	<p>To ensure the smallest geographical area possible the following have been excluded in this area:</p> <ul style="list-style-type: none"> <li>• Listed buildings</li> <li>• Open spaces</li> <li>• Key large scale sites not in Class E use including residential developments</li> <li>• Public highway and infrastructure.</li> </ul>
<b>How is it necessary to avoid wholly unacceptable adverse impacts?</b>	<p>Following the review of strategic and local evidence, an assessment of the area in relation to the class MA criteria and an area and site analysis, an Article 4 direction is considered to be required to avoid wholly unacceptable for the following reasons:</p> <ul style="list-style-type: none"> <li>• The City Fringe opportunity area is the most important employment area in Islington. Along with the other CAZ areas in this report, the functions served by the agglomeration of offices in this area are of national and international importance, supporting the economy of Islington, London, and the UK. This area includes a dense network on offices and other class E uses which form a classic economic cluster, with links to other London office submarkets (the City, the West End, King's Cross and Canary Wharf). Loss of class E uses in this area, due to its economic and employment importance, would be wholly unacceptable, and would cause significant and lasting harm to the economy, productivity, and growth potential of the borough and nation.</li> <li>• The loss of employment floorspace in the borough's most important and productive location would fail to meet NPPF objectives for supporting business and employment and supporting areas' strengths and driving innovation.</li> <li>• Introduction of the permitted development right would mean the Council is unable to implement London Plan Policies GG5, SD4 and SD5. Policy GG5 requires councils to conserve and enhance London's global economic competitiveness planning for sufficient employment and industrial space in the right locations to support economic development and regeneration. Policy SD4 requires councils to protect the nationally and internationally significant agglomeration of offices in the</li> </ul>

	<p>CAZ. Policy SD5 states that residential development proposals should not lead to a net loss of office floorspace in any part the CAZ unless there is no reasonable and demonstrable prospect of the site being used for offices.</p> <ul style="list-style-type: none"> <li>• This being a key location for employment growth for the borough (and of London-wide and national significance). As identified in the OAPF the City Fringe is among the most significant areas for the capitals growth, with a specific opportunity in relation to London's role as a centre for tech.</li> <li>• The area already faces key challenges in providing for growth because of rising rents, a lack of space and dwindling supply of affordable workspace which could threaten its growth. The conversion of whole buildings/parts of buildings into residential will further exacerbate the challenges the area faces.</li> <li>• The area would be potentially at risk of the use of permitted development rights because of the concentration of Class E premises and the building typology, which would be compounded by the high levels of residential rents and the desirability of the area. Combined, it is considered that this could lead to the risk of the conversion of a significant number of Class E premises, which is most likely to impact on the provision of affordable workspaces and workspaces suitable for small/medium businesses.</li> <li>• The loss of premises to residential in this location will have impacts not only on the borough meeting it's identified need for office jobs as the most significant office location in the borough, but will also have a wholly unacceptable impact on the clusters of businesses which support the City of London economy as well as the wider growth of Tech City.</li> </ul>
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**City Road**

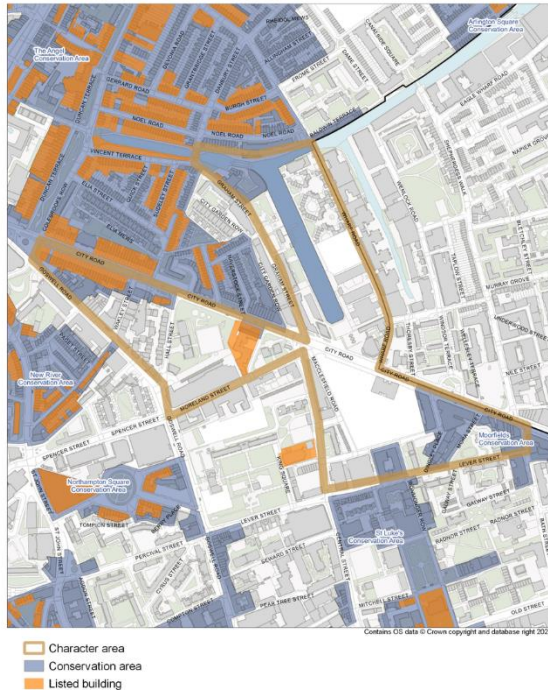


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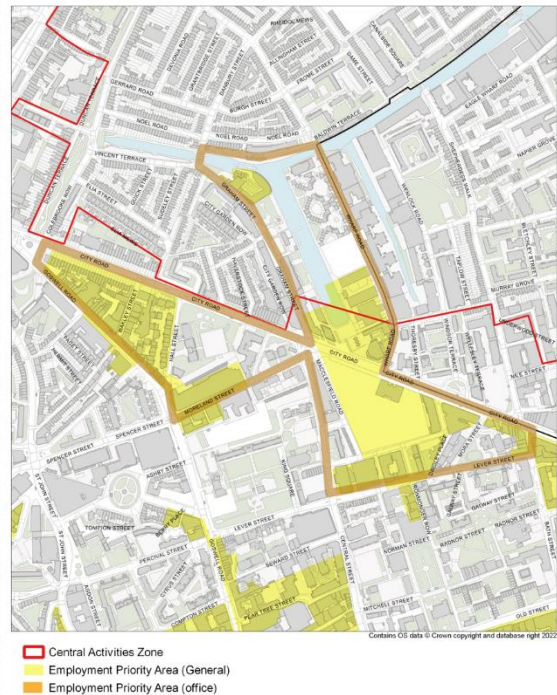
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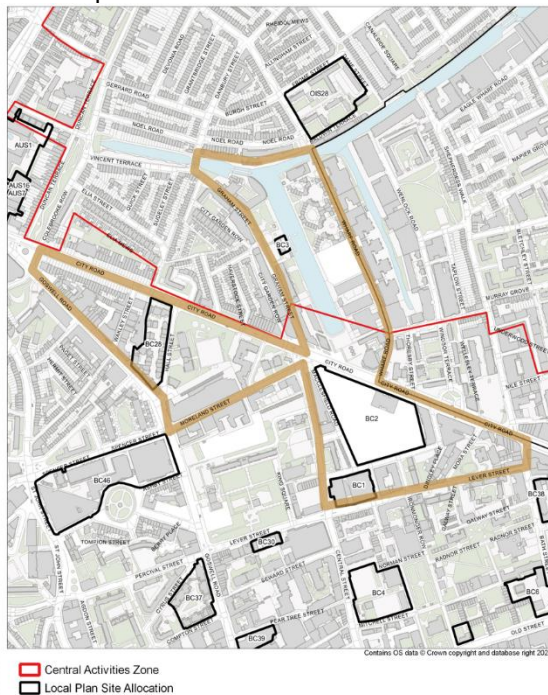
Area Map 1: Heritage



Area Map 2: Employment

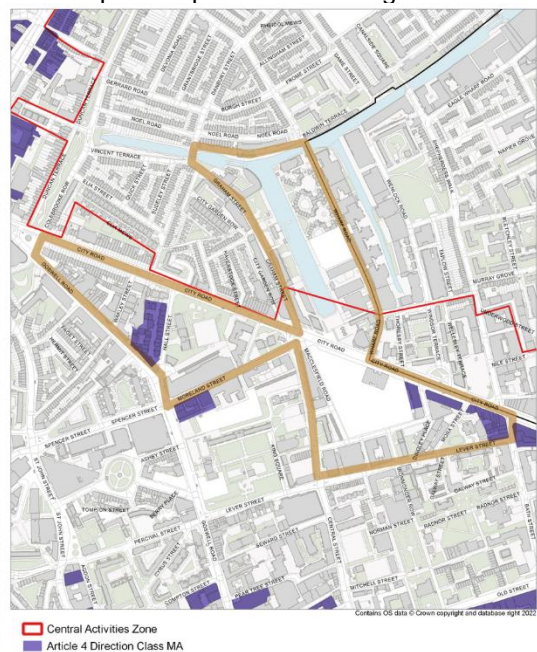


Area Map 3: Allocations\*



\*From emerging Local Plan

Area Map 4: Proposed A4D designated sites



Map is for information only. Direction with red line map is included in next section of this appendix.

**Description:** City Road is a major road which connects Kings Cross in the west to Old Street in the east. The City North area extends along the linear route. It is home to significant residential and commercial development, with concentrations of business uses at either end. The road provides the most direct link between Kings Cross and the City Fringe opportunity area and beyond that the City of London.

The northern end of City Road features fine-grained residential and commercial terraces. As the road extends southwards, there are a number of warehouse converted to offices as well as some 1960s residential blocks. However, the majority of development consists of contemporary, purpose-built office and residential towers, particularly around the City Road Basin area.

The area extends along City Road from the Bath Street junction to the Goswell Road junction. It is contained by Goswell Road, Moreland Street, Central Street and Lever Street to the south; and by Wharf Road, Regents Canal and Graham Street to the north.

<b>Employment Characteristics</b>	<ul style="list-style-type: none"> <li>• The area contains significant concentrations of residential and commercial development, and has been subject to intensive and high quality regeneration in recent years;</li> <li>• There have been a number of major residential-led developments in the City Road Basin area, which have recently completed or are due to complete within the next five years, these include: <ul style="list-style-type: none"> <li>• 250 City Road;</li> <li>• 259 City Road;</li> <li>• 261 City Road.</li> </ul> </li> <li>• Emerging Bunhill and Clerkenwell Area Action Plan identifies the area as a Spatial Strategy Area that can contribute to meeting projected jobs growth by protection and intensification of employment and business use;</li> <li>• The area is identified as having significant potential for a commercial corridor along City Road/Pentonville Road to support the City Fringe Opportunity Area;</li> <li>• A range of workspace typologies are supported from small stand-alone offices, at the northern part of City Road, to large floorplate Grade A offices, in the southern part;</li> <li>• Area includes Priority Employment Locations;</li> <li>• Employment Land Study (2016); identifies City Road as a significant employment location, which is already under intense pressure from residential development. It states that site assembly for Grade A office space should be a priority, in order to maintain and enhance the area's role in supporting London's strategic business role. However, additional, lower specification office space should also be supported;</li> <li>• Specialist clusters: <ul style="list-style-type: none"> <li>• <u>Knowledge and Research</u>: Faculty of Pharmaceutical Medicine, British Pharmacological Society, and Juvenile Diabetes Research Foundation - all of which are located within Angel Gate;</li> <li>• <u>Charities</u>: Sarcoma UK at 17-18 Angel Gate; The Care Workers Charity at 29 Angel Gate; Target Ovarian Cancer at 30 Angel Gate; The Stroke Association at 340 City Road; Dogs Trust at 17 Wakley Street; and HOPE worldwide UK, 360 City Road.</li> </ul> </li> </ul> <p>Main types of class E in area:</p> <ul style="list-style-type: none"> <li>• E(g)(i) - Offices</li> <li>• E(a) - Limited retail</li> </ul> <p>Other uses in area: Residential (C3), Hotels (C1) and Energy Centre (B2).</p> <p>Main building types:</p> <ul style="list-style-type: none"> <li>• Warehouse conversions, used as offices - including: 338 City Road; 338 Goswell Road; 17 Wakley Street;</li> </ul>
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	<ul style="list-style-type: none"> <li>Contemporary purpose-built, residential-led developments - including 250 City Road, Lexicon, Carrara Tower and Canaletto Tower;</li> <li>1960s high-rise residential blocks - Peregrine House and Kestrel House;</li> <li>Fine grained period terraces - concentrated at northern end of City Road.</li> </ul>
<b>Retail and Other Town Centre Uses</b>	<ul style="list-style-type: none"> <li>Uses are almost entirely limited to employment and residential, with no concentrations of retail or other town centre uses;</li> <li>The area has undergone comprehensive redevelopment in recent years, with several major residential-led developments.</li> </ul>
<b>Key Sites and Allocations</b>	<p>Canaletto Tower, 259 City Road: 31 storey residential tower; with a spa, swimming pool, gym, cinema and restaurant; and commercial floorspace at ground floor.</p> <p>Lexicon, 261 City Road: 36 storey mixed-use residential-led tower, with residential use and commercial floorspace.</p> <p>4 sites in emerging allocations:</p> <ul style="list-style-type: none"> <li>250 City Road: under construction as mixed-use residential-led development with residential and office uses, as well as commercial floorspace at ground floor (P2013/1089/FUL) (BC1);</li> <li>City Barbican Thistle Hotel, Central Street: in use as C1, allocated for office-led mixed use redevelopment (BC2);</li> <li>Islington Boat Club, 16-34 Graham Street: in use as F.2, allocated for refurbishment of boat club (F.2) facilities and C3 use (BC3);</li> <li>Angel Gate, Goswell Road: in use as E(g)(i), allocated for intensification of business floorspace with commercial units at ground floor (BC28).</li> </ul> <p>Key aim across allocations is intensification of employment and residential floorspace.</p>
<b>Heritage Designations</b>	<p>Conservation Areas: Duncan Terrace/Colebrooke Row; Moorfields.</p> <p>Numerous Grade II listed buildings within the area, including:</p> <ul style="list-style-type: none"> <li>St Mark's Hospital;</li> <li>320-324 City Road;</li> <li>326 City Road;</li> <li>340-390 (even) City Road;</li> <li>Dalby House, 396-398 City Road.</li> </ul>
<b>Social Value Considerations</b>	<ul style="list-style-type: none"> <li>Broad range of employment uses across knowledge, creative, charity and IT in area provide range of employment, apprenticeship and other opportunities.</li> <li>Concentration of charity uses (particularly medical charities) is of great social value to local communities and wider London/ UK population. Loss of lower specification office space which accommodates these charities would disrupt the cluster and lead to a loss of social value.</li> </ul>
<b>Class MA Considerations</b>	<ul style="list-style-type: none"> <li>The floorspace of most Class E units in the City Road North sub-area is below 1,500 square metres, meaning they are potentially at risk of conversion via Class MA.</li> <li>Cumulative floorspace of some purpose-built office units exceeds 1,500 square metres. Some large sites, such as Angel Gate are potentially at risk of being subdivided into smaller units to seek to take advantage of Class MA.</li> </ul>



	<ul style="list-style-type: none"> <li>• Class MA (1)(1)(d) prevents the use of permitted development rights for listed buildings. All listed buildings have been identified and removed from the Direction. The majority are fine grained period terraces at the northern end of City Road which house a mix of office and residential uses.</li> <li>• Class MA (2)(2)(d) enables consideration of potential impacts from existing commercial premises on the intended occupiers of new developments, under the Prior Approval process. However, the nature of Class E uses in the City Road North area - mainly office uses - are unlikely to create negative amenity impacts (e.g. noise) to justify refusal of a nearby Class MA change of use.</li> <li>• Class MA (2)(2)(e) requires Prior Approval for permitted development in a conservation area to consider the impact on the CA when the development involves a change of use of whole or part of the ground floor. A number of sites within the Moorfields Conservation Area have been included in the Direction - including 230 City Road and 240 City Road - due to upper floor Class E uses (mainly office). The Prior Approval process does not take upper floor uses into consideration, so it is necessary to protect them through the Direction.</li> </ul> <p><u>Conclusion –</u> The floorspace of the majority of Class E units in the City Road North area is below the 1,500sqm threshold and there would potentially be a risk of conversion under Class MA. A small number of buildings exceed 1,500sqm e.g. Angel Gate and, while any prior approval application would be subject to public consultation and full assessment against Class MA conditions, larger buildings would also potentially be at risk of being converted under Class MA if subdivided.</p> <p>All of the listed buildings within the area have been excluded from the Direction, as the Prior Approval process is sufficient to prevent residential conversion of these buildings.</p> <p>Some of the potential impacts on future occupiers can be considered under Prior Approval process. The office Class E uses in the area do not, in most cases, cause enough amenity impact to justify refusal of a nearby Class MA change of use.</p> <p>Conversion of ground floor Class E premises in a conservation area needs to be assessed in terms of its impact on the CA. However, it is necessary to include a number of sites within the Moorfields Conservation Area in the Direction. This is due to office and other Class E uses at upper floors, which would not be considered under the Prior Approval process.</p>
<b>How is this the smallest geographical area possible?</b>	<p>All buildings outside Class E have been identified and excluded, including:</p> <ul style="list-style-type: none"> <li>• Hotels - including Thistle City Barbican; Hotel nhow; Smart City Apartments;</li> <li>• Residential - including Lexicon; Canaletto Tower; 37-47 Wharf Road; Peregrine House; Kestrel House;</li> <li>• Bunhill 2 Energy Centre.</li> </ul> <p>All listed buildings have been identified and excluded:</p> <ul style="list-style-type: none"> <li>• St Mark's Hospital;</li> <li>• 320-324 City Road;</li> <li>• 326 City Road;</li> <li>• 340-392 City Road;</li> </ul>

	<ul style="list-style-type: none"> <li>• Dalby House, 398 City Road.</li> </ul> <p>Open spaces - including Graham Street, Vincent Terrace, Regent's Canal, City Road Basin - have been identified and excluded.</p> <p>In addition, numerous buildings in Class E have been excluded from the Direction. These include:</p> <ul style="list-style-type: none"> <li>• iBasin at 250 City Road;</li> <li>• 338 City Road;</li> <li>• 338 Goswell Road;</li> <li>• 17 Wakley Street.</li> </ul> <p>All of the above sites are in Class E office use on all floors, despite this, they have been excluded from the Direction. It was determined that they were not capable of subdivision for a number of reasons, including insufficient natural light and layouts/designs which do not lend themselves to subdivision for residential purposes.</p> <p>The Direction Area has been reduced to the smallest geographical area possible in accordance with NPPF paragraph 53.</p>
<b>How is it necessary to avoid wholly unacceptable adverse impacts?</b>	<p>Class MA conditions are insufficient to ensure a wholly unacceptable loss of jobs, economic activity, and social value, with the resultant harm to the charity and medical research clusters and the communities that depend on them.</p> <p>The concentration of charity and research uses, particularly in the medical sector, provides City Road with significant social and economic value, on a London-wide, national and international scale. The area is home to a number of life science and research uses, which include the British Pharmacological Society, the Faculty of Pharmaceutical Medicine, the Juvenile Diabetes Research Foundation and Moorfields Eye Hospital. Loss of office space is likely to have a negative impact on these life science/research uses and could disrupt the entire cluster, stifling further growth and potentially preventing further innovation within the sector.</p> <p>Alongside the life science and research uses are a concentration of charities, who actively fund and coordinate medical and life science research programmes; these include Sarcoma UK, ICAN, The Stroke Association and Target Ovarian Cancer. Loss of lower specification office space which accommodates these organisations would disrupt this cluster. It would result in a loss of knowledge and skilled-based employment as well as a loss of social value.</p>

# Farringdon



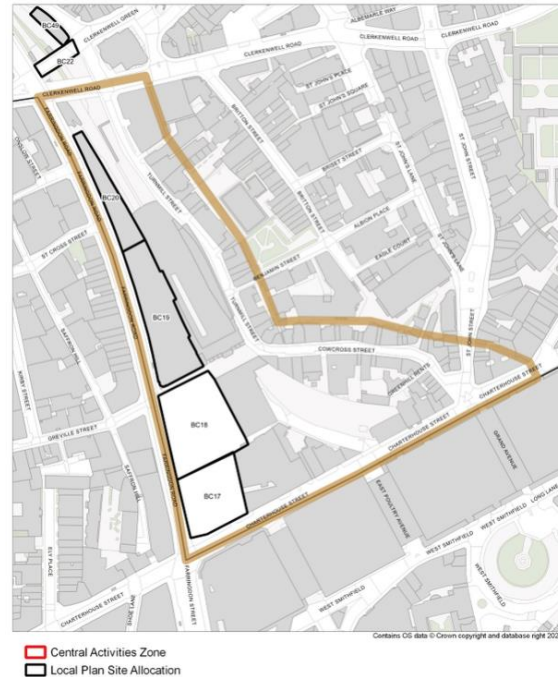
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 Character area

Area map 1: Heritage

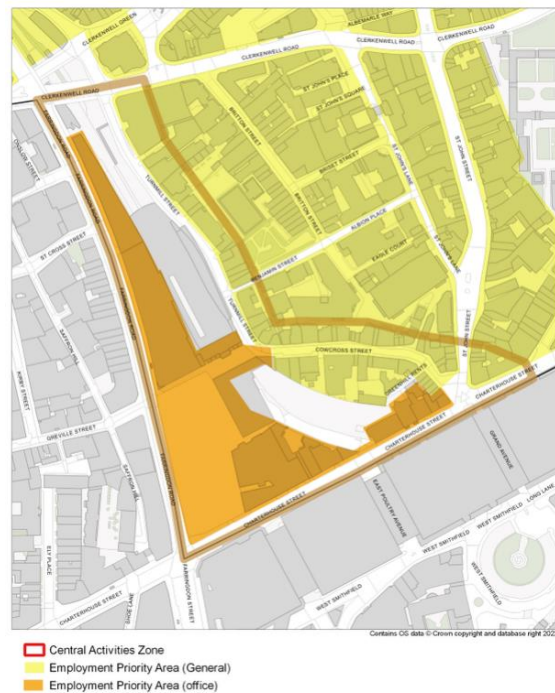


Area Map 2: Site Allocations\*



\*From emerging Local Plan

Area Map 3: Employment Growth Areas



Area Map 4: A4D Designated area



Map is for information only. Direction with red line map is included in next section of this appendix.

**Description:** a highly-connected central location at the boundary of LB Camden and City of London. The historic use of this land in the area is commercial. The Victorian construction of Farringdon Road and the railway created much of the district that stands today with large commercial warehouses and manufacturing buildings developed along the major roads. Off these roads a finer grain historical urban street pattern has been retained.

<p>The area is small and physically contrasting. Fine-grained commercial terraces to the east of the railway and contemporary commercial buildings to the west. Conservation area coverage is restricted to the fine-grained parts of the area.</p> <p>Area defined by Clerkenwell Road to the north, Charterhouse Street to the south, Turnmill Street and Cowcross Street to the east and Farringdon Road to the west.</p>	
Employment characteristics	<ul style="list-style-type: none"> <li>The area is within the CAZ and the Finsbury Local Plan. The plan designates the whole of the area as either employment priority area (general) or employment priority area (office). The office priority areas are to the east along Farringdon Road, between the railway and to the west of the area along Goswell Road.</li> <li>The area is considered in the Employment Land Review (ELR). The description recognises that the variety of building stock provides solutions for an equally varied range of businesses. The review also recognises the vibrant street scene with many cafés and restaurants.</li> <li>The area is internationally recognised for the creative sector emblematic of the wider Clerkenwell area, with a concentration of architectural practices, designers and related professional services. There are a number of showrooms. A number of significant tech sector companies are also located in the area. There's a concentration of night time economy venues including nightclubs, restaurants and pubs/bars.</li> <li>Specialist Clusters: <ul style="list-style-type: none"> <li>Creative industries including; Architecture and related built environment consultancies, various design industries and showrooms</li> <li>Professional services, including legal, business management, media, communications and PR</li> <li>Technology, eCommerce and software companies</li> <li>Cultural; Museum of the Order of St John, Charterhouse Museum, night time economy including 1 nightclub, 17 restaurants including two with Michelin stars, 14 pubs and bars</li> </ul> </li> </ul> <p>Types of class E in area:</p> <ul style="list-style-type: none"> <li>E (a) Display and sale of goods</li> <li>E (b) Sale of food and drink</li> <li>E (c) (i) Financial Services</li> <li>E (g) (i): Offices.</li> </ul> <p>Other uses in area: Residential (C3), Public Houses (Sui Generis), Hotel (C1), B2 (General Industry).</p> <p>Main building types:</p> <ul style="list-style-type: none"> <li>Contemporary office space;</li> <li>Warehouse conversions – used as offices;</li> <li>Fine grained period terraces – used as offices, some with ground floor commercial and residential above.</li> <li>Historic buildings including chapel, almshouses</li> </ul>
Retail and other town centre uses	<ul style="list-style-type: none"> <li>Cowcross Street is designated as a Local Shopping Area and serves the local office market with a predominance of food and</li> </ul>

	beverage outlets. Also a concentration of restaurants, bars and pubs which extends along St John Street and Charterhouse Street
Key sites and Allocations	<p>The emerging Bunhill and Clerkenwell Area Action Plan contains four site allocations in the area; a significant allocation for non-business floorspace and four allocations for business use all along Farringdon Road:</p> <ul style="list-style-type: none"> <li>BC17: Caxton House, BC18: Cardinal Tower, BC19: Farringdon Place and BC 20: 50 Farringdon Road are allocated in the draft BCAAP allocated for office development. BC17 and BC18 also allocated for ground floor retail and leisure uses and are both under construction with significant commercial office buildings with high profile tenants. They are all existing allocations in the Finsbury area action plan.</li> </ul> <p>In addition to the site allocations the following are key sites:</p> <ul style="list-style-type: none"> <li>Farringdon Station, Elizabeth line now open and will become London's busiest station</li> <li>Turnmill, 63 Clerkenwell Road, tenanted by Publicis Groupe</li> </ul>
Heritage Designations	<ul style="list-style-type: none"> <li>The area has some conservation area coverage with Charterhouse Square and Clerkenwell Green.</li> </ul>
Social Value Considerations	<ul style="list-style-type: none"> <li>The buildings along Farringdon Road present a different corporate scale to historic Clerkwenwell with a concentration of tech companies, Linkedin, Debop and Indeed with more reported to be considering moves to the area including Snapchat and Tiktok. These businesses represents tech sector and provide a significant employment concentration with apprenticeship and other opportunities available.</li> </ul>
Class MA Considerations	<p>There is a significant range of office buildings in this sub-area. Whilst there are purpose built office blocks in Farringdon there are also historic Victorian buildings, both warehouse, workshops and townhouse buildings along Cowcross Street. Turnmill Street has been largely regenerated with either newbuild or renovated office stock. Whilst a large part of the area is Conservation Area this would not provide adequate protection to the upper floors. Many of the historic buildings have relatively shallow floorplates and, while any prior approval application would be subject to public consultation and full assessment against Class MA conditions, nevertheless there is a risk at some sites of potential conversion via Class MA.</p> <p>All the listed buildings in the area have been excluded. The area has extensive conservation area coverage with Charterhouse Square and Clerkenwell Green covering much of the area except for the station and land to the west as well as properties along Goswell Road. The historic piecemeal renewal of the area, perpetuated by fragmented land ownership, has ensured a varied and small scale built form. The buildings which line the streets, alleys and spaces in the area generally have narrow frontages. Many of the buildings are small scale and below the 1,500m threshold. The conservation area design guidance identifies that very few buildings are larger than 3,000 square metres in the area.</p>
NPPF considerations:	<p>To ensure the smallest geographical area possible the following have been excluded in this area:</p> <ul style="list-style-type: none"> <li>Listed buildings – the analysis included reviewing listings where newer additions to listed buildings were identified to ensure that any new floorspace susceptible to conversion is included otherwise all listed buildings were excluded</li> <li>Farringdon station and railway land, Citigen CHP energy centre</li> <li>Hotels including; the Rookery,</li> <li>Contemporary purpose built residential and historic residential, a number of recent purpose-built residential blocks built in the last 20</li> </ul>

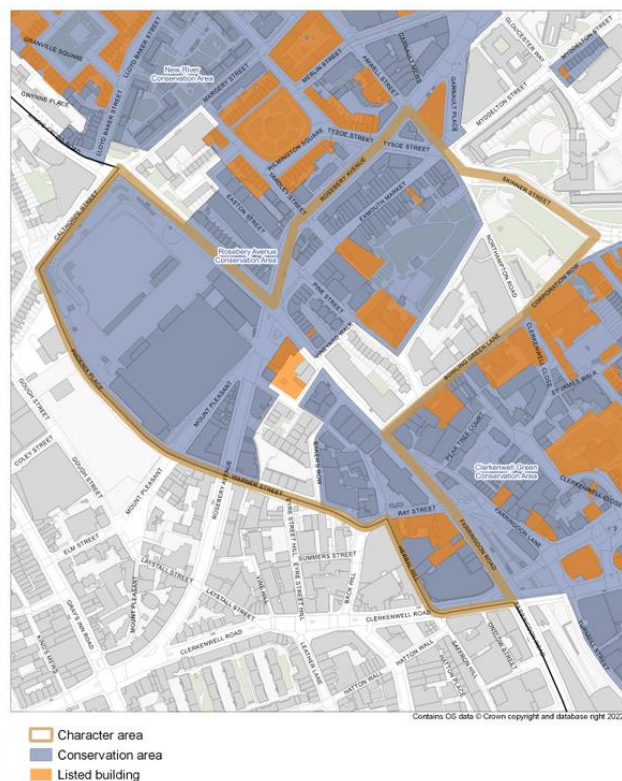


	years were excluded as entirely in C3 use. In addition traditional terrace houses in C3 use were excluded.
How is it necessary to avoid wholly unacceptable adverse impacts?	<p>Any reduction of space through Class MA, in particular the range of smaller spaces and historic warehouse and industrial spaces will have a particularly significant effect on the cluster of design studios and the creative community that is concentrated in Farringdon and Clerkenwell. This is a significant cluster which is growing, as demonstrated by the continued expansion of the annual Clerkenwell Design festival. The fragmented land ownership in the area is already an impediment for development so the possibility of removing existing sites through residential conversion reduces the possibilities for development through reducing space. Any reduction in space will constrain the future growth potential for this business community and affect the continued attraction of London as a location for this industry. Despite the land ownership constraints the location of Farringdon with its proximity to the City and its unparalleled accessibility support significant future growth potential which conversion to residential would nullify and is considered a wholly unacceptable impact both on the local business community and the wider London economy.</p> <p>The site allocations and key sites identified present a scale of building unusual in this area whose loss could have an effect on the wider business community. The site allocations along Farringdon Road are important given the floorspace they provide for corporate tenants. These buildings are providing space for significant companies within the tech sector, and cement London's position as the destination for these businesses. Any loss of floorspace in these buildings will have a considerable effect on the wider economy and is considered to be a wholly unacceptable impact on the wider economy.</p>

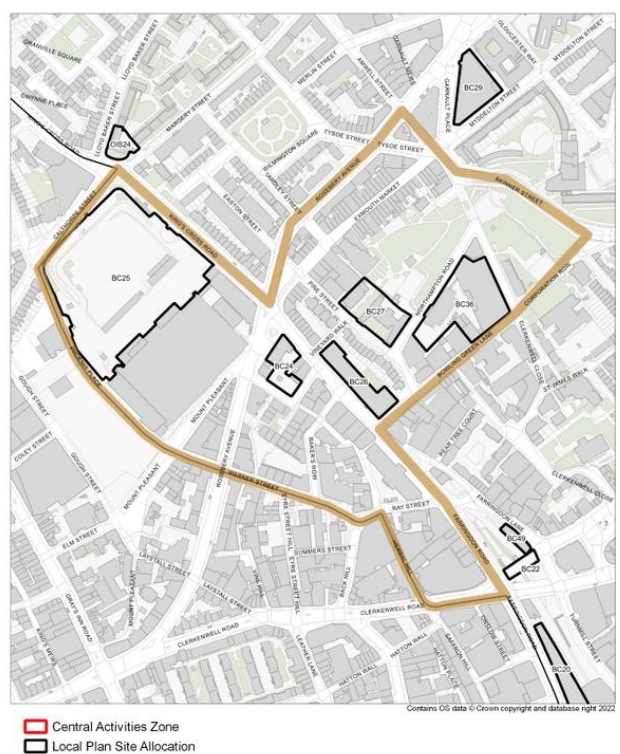
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Area Map 1: Heritage

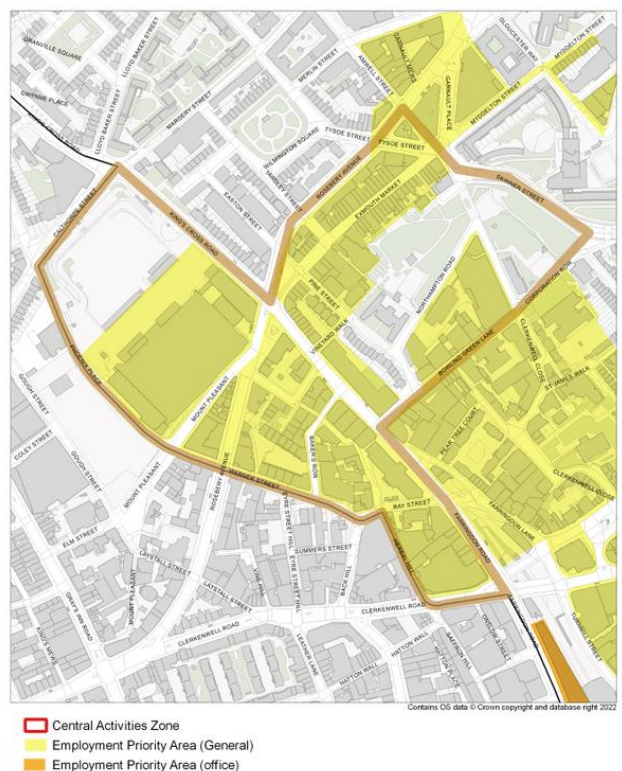


Area Map 2: Allocations\*

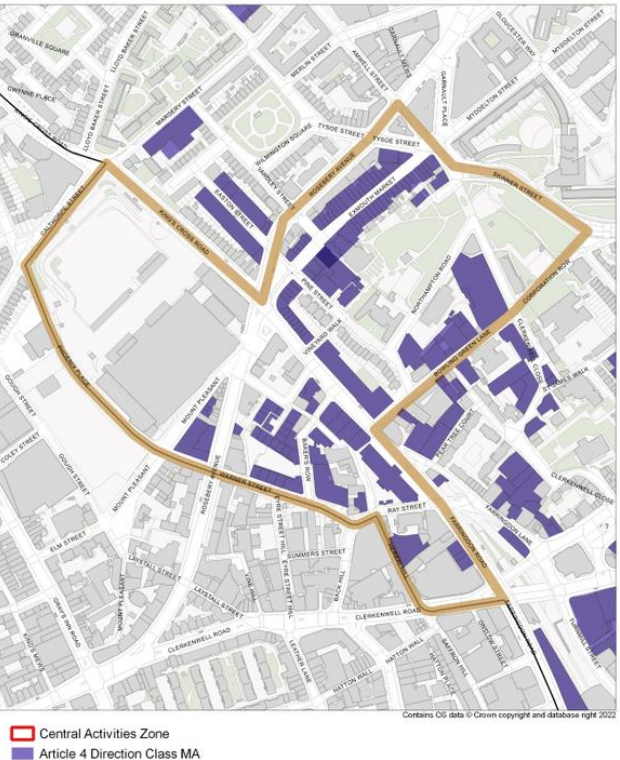


\*From emerging Local Plan

Area Map 3: Employment Priority Areas



Area Map 4: Article 4 Direction area



Map is for information only. Direction with red line map is included in next section of this appendix.

### Description:

The Mount Pleasant and Exmouth Market Spatial Strategy Area is located in the west of Islington's portion of the CAZ and bounds Camden to the west. Kings Cross is located to the north accessible along Grays Inn Road and Kings Cross Road. The area is to undergo significant change through the approved permission for

300 new homes on the Royal Mail sorting office site whilst also introducing new office, retail and community space whilst still retaining the mail sorting function. The area offer is punctuated by Exmouth Market that specialises in food and drink through a range of eateries. There is a mix of business and residential uses here complemented by a range of supporting retail and service uses along Rosebery Avenue, Mount Pleasant and Farringdon Road. Business uses here range from E use offices, some light industrial functions and specialist retail uses, taking advantage of the printing and mailing services that have agglomerated around the sorting office over the decades and contributing towards the creative/design cluster in Clerkenwell.

Employment characteristics	<ul style="list-style-type: none"> <li>• The two LSOAs that cover the spatial strategy area provide 40,000 jobs combined. This is second only to Bunhill in the south east corner of the CAZ with 46,000 jobs.</li> <li>• The area is designated as an Employment Priority Area (General) in the adopted Local Plan. The identified need for additional offices coupled with the loss of offices through the office to residential PD right has required all CAZ locations to be priority employment locations in the emerging Local Plan.</li> <li>• The Spatial Strategy Area has a variety of printing services and production companies which fall under Eg(i) and Eg(iii) uses.</li> <li>• Exmouth Market is known for its quality cuisine and has a 4.8% vacancy rate, well below the national average.</li> <li>• Significant employment site allocations complementing the existing business cluster - Site allocations expect to deliver c.12,088sqm of net additional office space and 931 jobs by 2036.</li> <li>• The area is a long-established employment area</li> <li>• Wide range of businesses present: film/ TV production, charities and social enterprises, architecture firms, tech, food and drink, retail, specialist retail (e.g. printing services), showrooms, self-storage, photographic studios, prop hire, workspaces, medical providers</li> </ul> <p>Specialist clusters:</p> <ul style="list-style-type: none"> <li>• Offices along Farringdon Road accommodating dozens of businesses, including tech and marketing firms. Proximity to Farringdon station is a pull factor for many of these companies and office space is marketed citing this proximity</li> <li>• Exmouth Market Local Shopping Area hosts a concentration of good quality cafes and restaurants. This has benefits for local residents, business meetings, local workers lunches and tourism.</li> <li>• The land in between the two conservation areas in the strategic area have a particular concentration of Class E(g) uses, including Baker's Yard which contains purpose built loading areas for the effective operation of office and light industrial uses that require deliveries and exports. This is surrounded by offices</li> </ul> <p>Types of class E in :</p> <ul style="list-style-type: none"> <li>• E(a) Sale of Goods: this includes specialist retailers, notably commercial printing shops</li> <li>• E(b): Cafes and restaurants</li> <li>• E(g)(i): Offices;</li> <li>• E(g)(ii): Research and development; and</li> <li>• E(g)(iii): Industrial processes.</li> </ul> <p>Main building types:</p>
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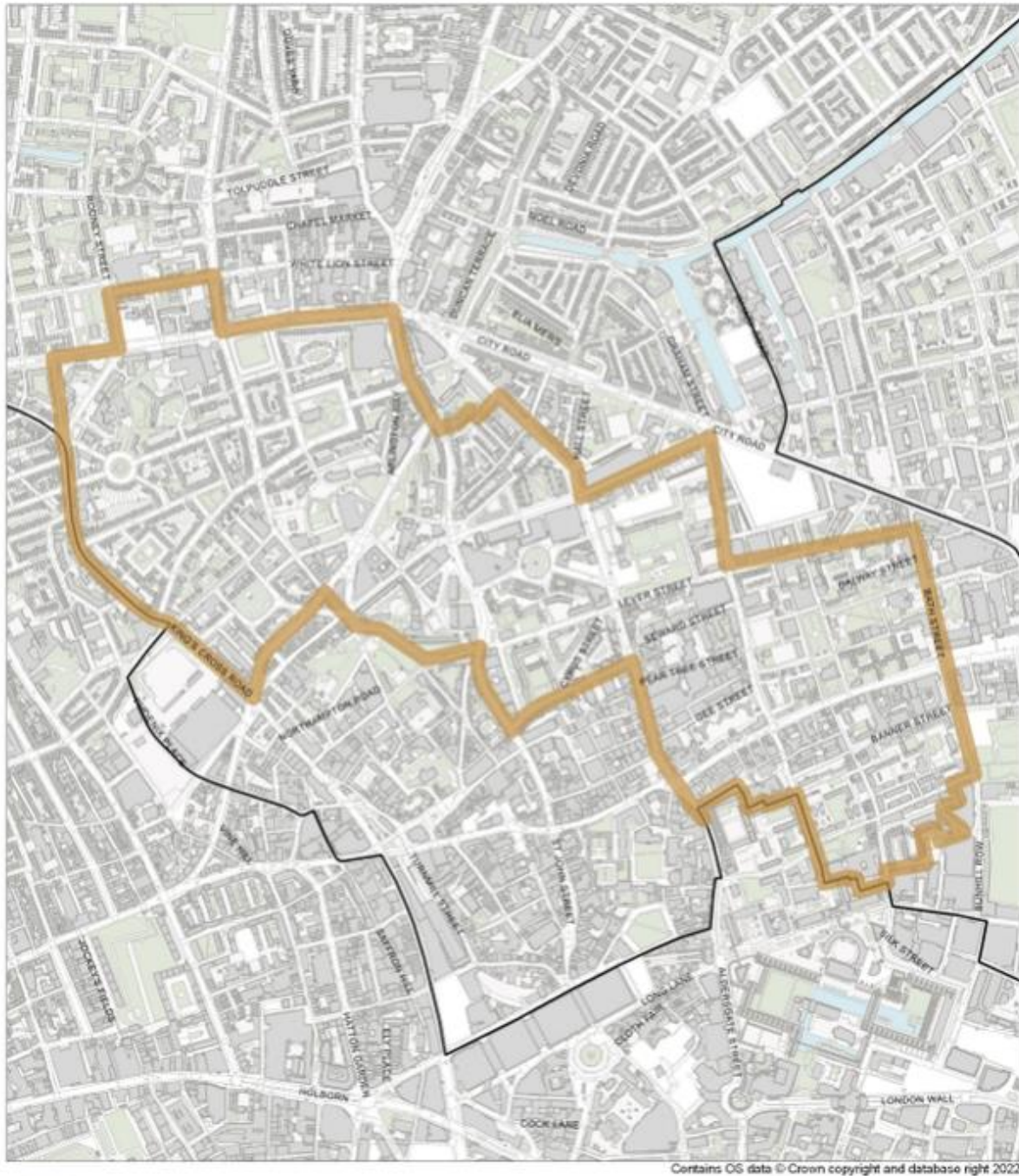
	<ul style="list-style-type: none"> <li>• Contemporary Grade A office space ;</li> <li>• Small unit secondary office space for SMEs;</li> <li>• Low rise office/workshop buildings.</li> <li>• Commercial ground floor of early and late 20<sup>th</sup> century residential blocks</li> <li>• Purpose built low rise units suitable for light industrial uses and E uses requiring loading bays.</li> </ul>
Retail and other town centre uses	<ul style="list-style-type: none"> <li>• Exmouth Market Local Shopping Area (LSA) is a historic retail area and has hosted a market since the 1890s. Both the 'bricks and mortar' buildings and demountable market stalls focus on food and drink and as such the LSA has become a food and drink destination. Other retail and service uses also occupy sites within the LSA, contributing towards a vibrant retail and leisure destination.</li> </ul>
Key sites and Allocations	<p>Location is within the west portion of the CAZ in Islington. King's Cross Station is located north of the area whilst Farringdon Station is located to the south.</p> <p>Seven sites in emerging Allocations. Key sites:</p> <ul style="list-style-type: none"> <li>• (BC25) Land to the north of the Mount Pleasant Mail Sorting Office. The site has an implemented planning permission for 336 residential units, 4,260sqm of office floorspace and 1,428sqm of flexible retail and community floorspace.</li> <li>• (BC49) Building adjacent to railway lines and opposite 18-20 Farringdon Lane. Intensification for business use, particularly E(g)(iii) light industrial uses.</li> <li>• (BC26) 60-86 Farringdon Road. The site has planning permission for the demolition of the existing building and redevelopment to provide 4,242sqm of office floorspace E(g)(i), a hotel (C1) with up to 171 bedrooms and 527sqm retail floorspace E(a).</li> </ul>
Heritage Designations	<ul style="list-style-type: none"> <li>• Much of the Mount Pleasant and Exmouth Market Spatial Strategy Area is covered by the Rosebery Avenue Conservation Area to the north and the Clerkenwell Green Conservation Area to the south.</li> <li>• There are ten listed buildings in the area and an array of locally listed buildings, concentrated around Rosebery Avenue. These are not included in the Article 4 Direction.</li> </ul>
Social Value Considerations	<p>The businesses in the area provide employment across a broad range of sectors including light industrial, design, tech and hospitality. Loss of key Class E accommodation would have a harmful effect on the diverse range of employment available.</p>
Class MA Considerations	<ul style="list-style-type: none"> <li>• The floorspace of many buildings exceeds 1,500 square metres, however in large sites the office/ light industrial element there is potential risk of part of the site being separated off and converted via Class MA, especially where floorplates allow for dual aspect;</li> <li>• Class MA(2)(2)(d) - Impacts of noise from commercial development on residential occupiers – this would be part of Prior Approval Assessment.</li> <li>• Class MA(2)(2)(f) Adequate natural light requirement to all rooms of the dwellinghouse – this would be part of Prior Approval Assessment.</li> <li>• Class MA(2)(2)(g)the impact on intended occupiers of the impact of introduction of residential use in an area the authority considers to be important for general or heavy industry, waste</li> </ul>

	<p>management, storage and distribution or a mix of such uses – this would be considered as part of a Prior Approval Application.</p> <p><u>Conclusion</u> – some of the potential impacts on future occupiers can be considered under Prior Approval process, however in some sites limited external alterations would be required and, while any prior approval application would be subject to public consultation and full assessment against Class MA conditions, nevertheless there is a risk of some sites being converted to residential.</p> <p>The offices in this part of the CAZ and other Class E uses would not, in most cases, cause enough amenity harm to justify refusal of a nearby Class MA change of use. The resultant loss of class E uses especially offices and supporting retail and leisure uses would negatively impact on jobs, economic activity and overall attractiveness that would result in wholly unacceptable impacts on the important employment clusters in the Mount Pleasant and Exmouth Market Spatial Strategy Area and the businesses and residents that depend on them.</p>
NPPF considerations:	<p>How is this the smallest geographical area possible?</p> <p>All buildings outside Class E have been identified and excluded.</p> <p>In addition, numerous building in Class E have been excluded from the Direction. These include:</p> <ul style="list-style-type: none"> <li>• 11 Mount Pleasant – E(b)</li> <li>• 15 Mount Pleasant – E(a)</li> <li>• 25 Mount Pleasant (next unit to the south of Process Supplies Ltd) – E(b)</li> <li>• 17-27; 33-41 Rosebery Avenue – a range of E(a) and E(b) uses.</li> <li>• 43 Rosebery Avenue – E(a)</li> <li>• 1-2 and 3-4 Rosebery Avenue – E(a) and E(b)</li> <li>• 6 Topham Street – E(a)</li> <li>• 167-169 Farringdon Road – E(b)</li> <li>• 171 Farringdon Road – E(b)</li> <li>• 122 Clerkenwell Road – E(d) and E(b)</li> <li>• 42 Northampton Road – E(b)</li> </ul> <p>Assessment of the area has been conducted at a granular level by assessing every site.</p> <p>The Direction Area has been reduced to the smallest geographical area possible in accordance with NPPF paragraph 53.</p>
How is it necessary to avoid wholly unacceptable adverse impacts?	<p>Unrestricted Class MA would represent a risk to workspaces of creative and design SMEs, including specialist workshops and combined retail/ workshop units which are numerous in the area. This would harm the creative/ design cluster that is developing in this sub-area as a spill over from Farringdon/ Historic Clerkenwell. The southern part of the Mountpleasant/ Exmouth Market sub-area has recently been included in the Central District Alliance and it has hosted events as part of the Clerkenwell Design Week. Unrestricted Class MA would be likely to lead to a wholly unacceptable loss of jobs and economic activity in this sector in the sub-area which would have an unacceptable impact on the communities that depend on it.</p> <p>The sub-area is located in close proximity to large concentrations of office employment in Kings Cross, Farringdon and Clerkenwell in</p>



	<p>sectors including tech, marketing and media. Office users and office-based design and printing/ graphics companies would be harmed by reduction in the amount of Class E space, resulting in higher office rent prices (due to less supply) and migration of similar and supporting firms. Loss of access to local printing and mailing services would negatively impact the operation of a variety of organisations requiring these services, such as architecture firms, design consultancies and restaurants. Loss of employment and erosion of the established cluster of businesses in the printing/ mailing/ graphics sector would harm communities and would have a wholly unacceptable impact on economic growth in the area.</p>
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## Central Finsbury

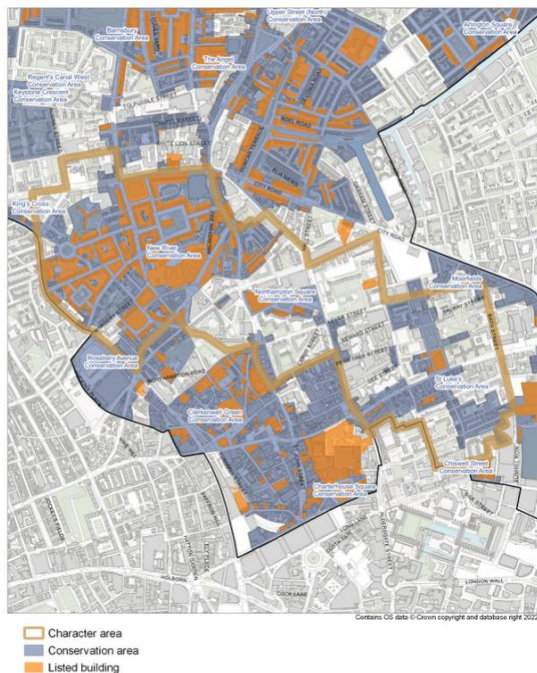


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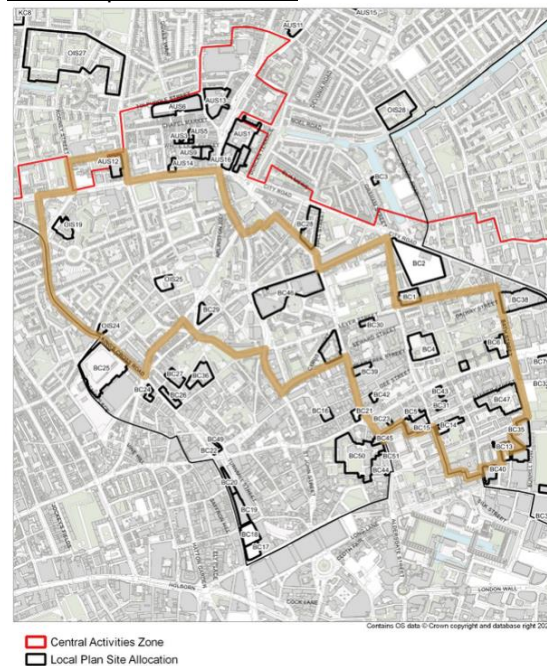
 Character area



Area map 1: Heritage

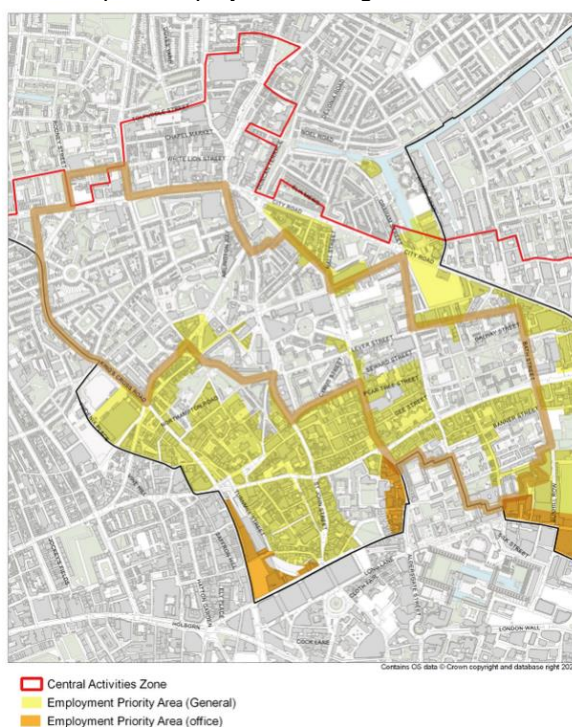


Area Map 2: Allocations\*

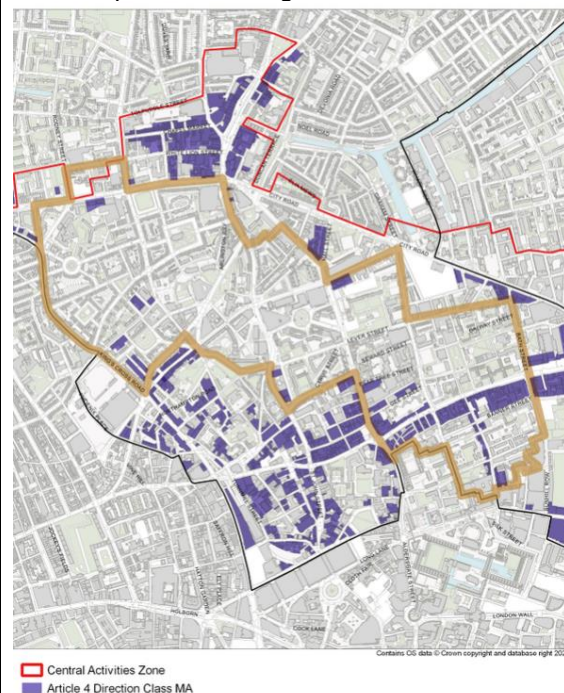


\*From emerging Local Plan

Area Map 3: Employment designations



Area Map 4: A4D Designated sites



Map is for information only. Direction with red line map is included in next section of this appendix.

### Description:

The Central Finsbury Spatial Strategy Area stretches from Rosebery Avenue in the northwest of the Bunhill Clerkenwell Action Plan Area to the Honourable Artillery Ground in the south east. This is a mixed area with a range of land uses from residential to commercial, cultural and educational. There is evidence of specialised clustering of organisations around the 'Old Street corridor' and in dispersed locations between King's Cross, Angel and Clerkenwell.

In the centre and north of the area there are a number of post-war housing estates comprising open layouts with tall buildings, linear blocks, generous planting and green space. Commercial streets with ground floor retail uses include St John Street, Old Street, Goswell Road and Whitecross Street. Other major routes include Central Street, Percival Street and Spencer Street. The area around Goswell Road marks the start of dense business clustering which continues to Islington's southern boundary with the City of London. In terms of built form, the building stock in this area is of broadly similar character to that of Clerkenwell – up to five storeys and a high proportion of period buildings with generous floor to ceiling heights. The Central Finsbury Spatial Strategy Area includes the following Conservation Areas: St Luke; Moorfields; Hat and Feathers; Northampton Square; New River.

#### Employment characteristics

- The whole of the Bunhill and Clerkenwell Area Action Plan Area is a priority location for employment in the Local Plan. 80% of the uplift of new major development must be provided as office floorspace in accordance with Policy BC1 in the Bunhill and Clerkenwell Area Action Plan. A key objective of the emerging spatial strategy for Central Finsbury is to balance protection of the mixed use character here with high quality development with increased permeability. There is significant opportunity to increase to enhance the office function here, principally along the main commercial corridors to support the creative use clustering and demand in adjoining Historic Clerkenwell.
- Some parts of the area is designated as an Employment Priority Area (General) in the adopted Local Plan. The identified need for additional offices coupled with the loss of offices through the office to residential PD right has required all CAZ locations to be priority employment locations in the emerging Local Plan.
- Central Finsbury contains the second highest tier of job density on the BRES Job Density map at LSOA level.
- The central area of Central Finsbury contains the City, University of London around Northampton Square. This is a site allocation for the refurbishment and redevelopment of the university. The university acts as an educational anchor to which resources and knowledge is shared with surrounding clusters such as the tech sector.
- Site allocations expect to deliver c.7,621sqm of net additional office space and 587 jobs by 2036. 3,093sqm of additional retail floorspace is also expected to be delivered.
- There is a wide range of businesses present, including: media, advertising, design, software development, finance, fashion, architectural services, charities
- Specialist clusters include:
  - Cluster of office floorspace at eastern end of Old Street providing space for the tech, media and financial services companies. Finance businesses include CapitalOne in White Collar Factory, Northstar 196 Old Street. Tech companies include software developers such as Adobe, Box, Egress, in the White Collar Factory. Media companies include WarnerMedia at 160 Old Street and advertising agencies Red Badger, BGL, at the White Collar Factory.
  - Cluster of office floorspace at western end of Old Street providing space for creative cluster

	<p>including. The 'Old Street corridor' provides a commercial link for organisations in the City Fringe Opportunity Area and Historic Clerkenwell. This provides commercial spill over space allowing more organisations to benefit from the sectoral clusters to the east and west of Old Street.</p> <ul style="list-style-type: none"> <li>- Cluster of software and design companies at 1 and 23-28 Easton Street, comprising most of the street. These include Codat (software company), Unmade (software company), Binary Vision Ltd (web designer), Lighthouse (design agency), Goose Design (design agency), Curtains.com (curtain shop), Sandwichman (caterer).</li> <li>- 1 Easton Street, opposite 23-28 Easton Street hosts a range of organisations too, including Amnesty International Secretariat (NGO research), Accountable Now (civil society organisation), Cream Projects (design agency), Bespoke Careers (job agency).</li> <li>- There is a range of architecture firms, media companies, property developers, charities and NGOs dispersed throughout Central Finsbury on Pentonville Road, Margery Street, Naoraji Street, Fernsbury Street, Goswell Road, Moreland Street.</li> </ul> <p>Types of class E in :</p> <ul style="list-style-type: none"> <li>- E(a) Retail, including showrooms</li> <li>- E(b): Cafes and restaurants</li> <li>- E(g)(i): Offices;</li> <li>- E(g)(ii): Research and development; and</li> </ul> <p>Main building types:</p> <ul style="list-style-type: none"> <li>• Contemporary Grade A office space ;</li> <li>• Small unit secondary office space for SMEs;</li> <li>• Low rise office/workshop buildings.</li> <li>• Commercial ground floor of early and late 20<sup>th</sup> century residential blocks</li> </ul>
Retail and other town centre uses	<ul style="list-style-type: none"> <li>• Amwell Street LSA to the north of Central Finsbury is a characterful street where the commercial uses contribute to the fundamental service and goods function local shopping areas provide to residents. This includes a vets; dry cleaners; hairdressers; clothes shop; art shop; pharmacy.</li> <li>• Whitecross Street LSA is a key street for the servicing of workers and tourists, providing a range of cafes, restaurants and shops. The street also hosts a busy street food market.</li> </ul>
Key sites and Allocations	<p>Location is within the west portion of the CAZ in Islington. King's Cross Station is located north of the area whilst Farringdon Station is located to the south.</p> <p>16 sites in emerging Allocations. Key sites:</p> <ul style="list-style-type: none"> <li>• (BC5) London College of Fashion is expected to deliver 1,479sqm of net additional office floorspace</li> <li>• (BC4) Finsbury Leisure Centre is expected to deliver 2,462sqm of leisure floorspace</li> </ul>

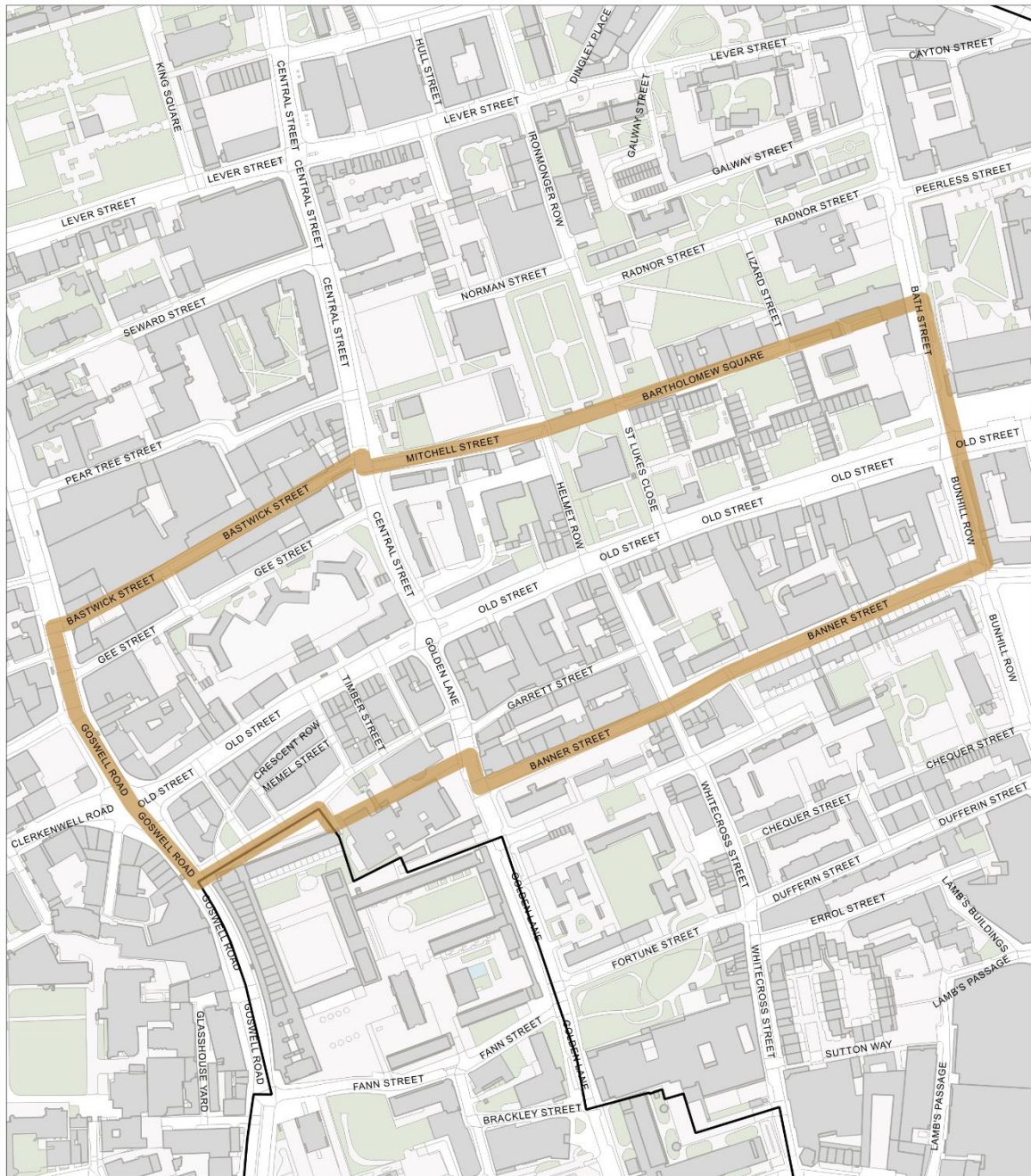
	<ul style="list-style-type: none"> <li>• (BC39) Laser House is expected to deliver 1,426sqm of office floorspace.</li> <li>• (BC42) Site of electricity substation opposite 15- 27 Gee Street and car park spaces at 90-98 Goswell Road is expected to deliver 3,956sqm of office floorspace.</li> </ul>
Heritage Designations	<p>Central Finsbury includes a range of conservation areas, including: St Luke's; Moorfields; Hat and Feathers; Northampton Square; and New River. The New River CA is the most extensive to the north west and includes mainly residential uses.</p> <p>There is over 100 listed buildings in the Central Finsbury Area, with the vast majority located in the New River CA. East of Northampton Square sees considerably fewer listed buildings. All listed buildings have been excluded from the Article 4 Direction.</p>
Social Value Considerations	<ul style="list-style-type: none"> <li>• The range of educational organisations including City, University of London; London College of Fashion and Italia Conti Academy of Theatre Arts have a strong presence in Central Finsbury. The symbiotic relationship between higher education and industry is key for the success of each. Agglomeration of these uses allow for London and the UK at large to conduct quality research, create new technologies and allow for retention of graduates to transition into surrounding industries.</li> </ul>
Class MA Considerations	<ul style="list-style-type: none"> <li>• The site surveys identified many buildings under the 1,500sqm threshold. The surveys also assessed buildings with floorspace that cumulatively exceeded 1,500 square metres. These sites were assessed to determine whether it would be possible to disaggregate part of the building for residential conversion, based on existing access, dual aspect, depth of floorplates, and if this would unreasonably affect the economic function of the site.</li> </ul> <p><u>Conclusion</u> – some of the potential impacts on future occupiers can be considered under the Prior Approval process, however at numerous premises limited or no external alterations would be required. Any prior approval application would be subject to public consultation and full assessment against Class MA conditions, nevertheless there is a risk that some of these could be converted to residential.</p> <p>The offices in this part of the CAZ that host creative and other Class E uses would not, in most cases, cause enough amenity harm to justify refusal of a nearby Class MA change of use. All listed buildings have been excluded and the vast majority of the Central Finsbury Spatial Strategy Area has been excluded from the Article 4 Direction. This is due to a lack of clear economic Class E clusters compared to other areas within the CAZ and five conservation areas covering large swathes of the area. Due to small nature of micro clusters in this sub area where NGOs, architecture firms and media companies are based, PD change to residential use would harm the ability for SME businesses to benefit from the agglomeration of similar organisations in these locations. Furthermore, Class</p>



	<p>E uses outside of Historic Clerkenwell and the City Fringe Opportunity Area where rents are higher, allow organisations to establish in locations with lower rent and thus remain viable. This supports the important contribution SMEs make to the local and national economy.</p>
NPPF considerations:	<p>How is this the smallest geographical area possible?</p> <p>Assessment of the area has been conducted at a granular level by excluding primarily residential areas, listed buildings and then assessing all commercial sites against the MA PD criteria and their contributing economic value.</p> <p>All buildings outside Class E have been identified and excluded. Primarily residential areas have been excluded as well as individual residential buildings too. Dispersed Class E uses notably in E(a) and E(b) uses have been excluded. These uses although desirable to retain for amenity of residents, workers and tourists were considered not to constitute a wholly unacceptable loss if they were to convert to residential use.</p> <p>In addition, numerous building in Class E have been excluded from the Direction. These include most dispersed shops and café/restaurant uses north of Old Street in the Central Finsbury area. These include:</p> <ul style="list-style-type: none"> <li>- 100-120 (even) Pentonville Road and 1-5 Hermes Street. (retail, services, cafes)</li> <li>- 1 Bastwick Street (civil engineering offices)</li> <li>- 30-36 Bastwick Street (video production)</li> <li>- 116-120 Goswell Road (co-working offices)</li> </ul> <p>The Direction Area has been reduced to the smallest geographical area possible in accordance with NPPF paragraph 53.</p>
How is it necessary to avoid wholly unacceptable adverse impacts?	<p>As set out above, the Class MA conditions are insufficient to ensure a wholly unacceptable loss of jobs and economic activity, with the resultant harm to clusters and the businesses and communities that depend on them.</p> <p>The resultant loss of class E uses especially offices and supporting retail and leisure uses would negatively impact on jobs and economic activity that would result in wholly unacceptable impacts on the important employment clusters in the Central Finsbury Spatial Strategy Area and the businesses and residents that depend on them. Large areas have been excluded from the Article 4 Direction, where the predominant use is in residential or educational use. There are a select few areas that seek inclusion based on their important supporting role to the major clusters in Historic Clerkenwell and the City Fringe Opportunity Area. These two areas alone cannot absorb the demand for the range of Class E uses, especially offices. Central Finsbury supports this spill over and provides cheaper rents that in turn supports micro and SME businesses. The inclusion of micro clusters to the north west of the Central Finsbury area have been included as it is apparent that a media/software cluster and a NGO/charity cluster has established. Such self-curated</p>

	clusters take time to establish as well as detailed professional knowledge provided by supporting organisations like the Central District Alliance. This economic efficiency and excellence should be supported by an A4D to consolidate its established critical mass and assist future growth.
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## Old Street Corridor

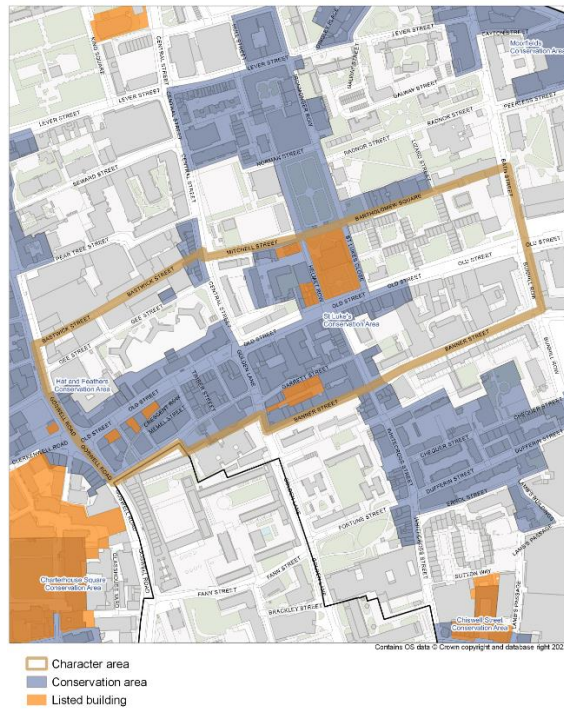


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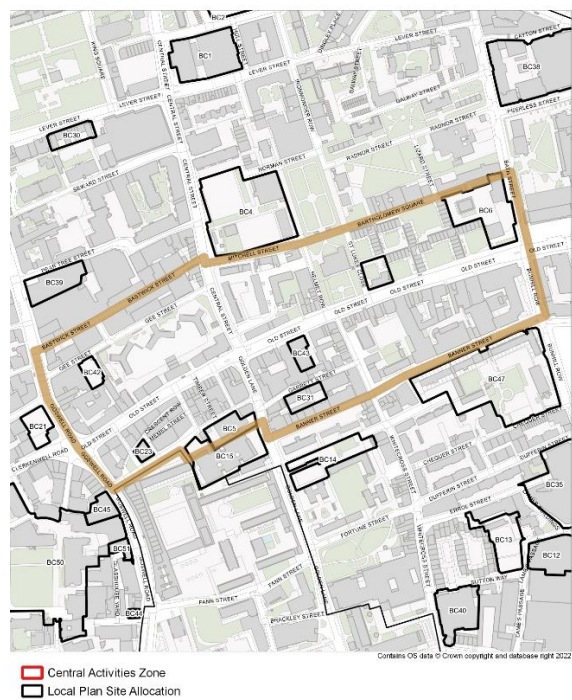
 Character area



Map 1: Heritage

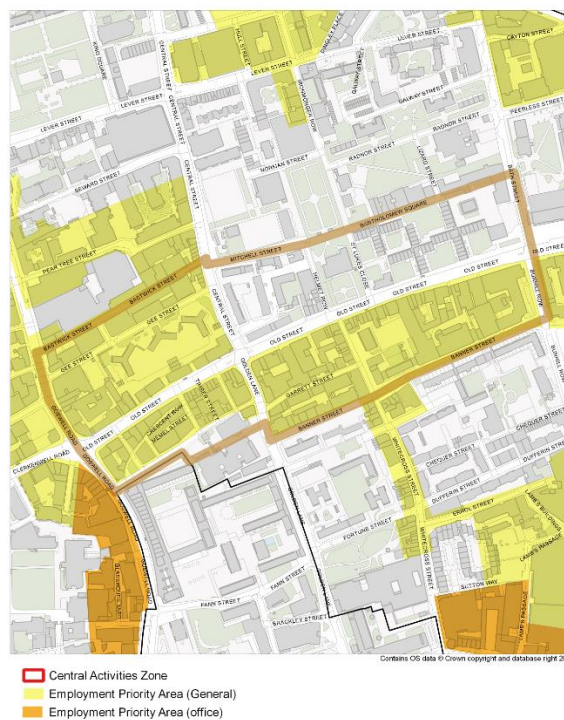


Map 2: Site Allocations\*



\*From emerging Local Plan

Map 3: Employment priority areas

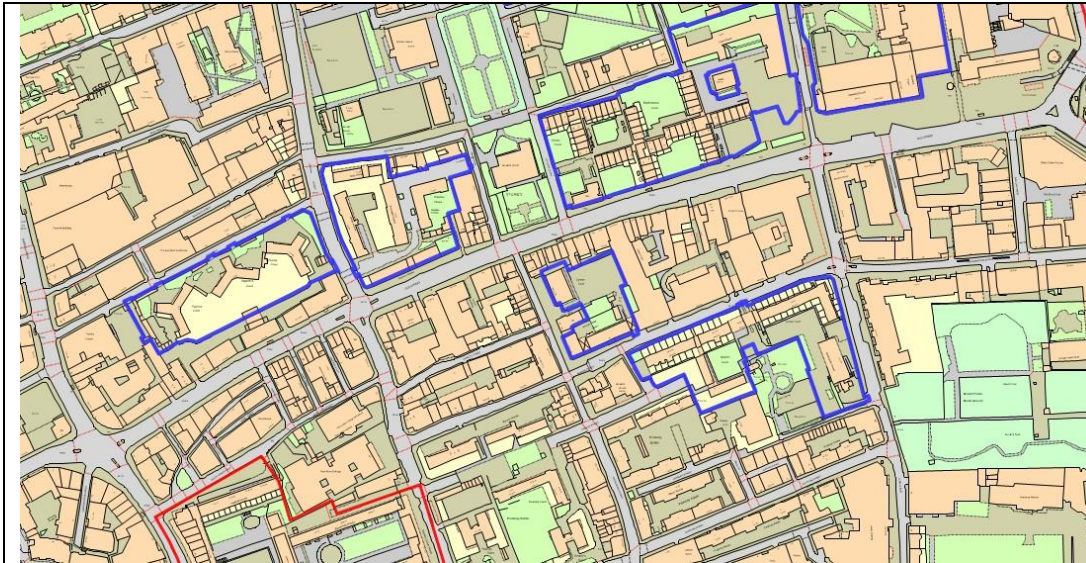


Map 4: Proposed Article 4 Direction Area



Map is for information only. Direction with red line map is included in next section of this appendix.





Map 5: London Borough of Islington Housing Estates

**Description:**

The Old Street Corridor refers to the area north and south of Old Street between Goswell Road and Bath Street / Bunhill Row. Old Street is a busy road connecting Central London and East London with multiple bus routes that and a high volume of commuter traffic. The area has a dense and fine-grained pattern of development with a mix of uses with a commercial focus.

**Area**

Old Street Corridor

**Employment Characteristics**

- The area is within the CAZ and the Finsbury Local Plan area. The plan designates the area to the south of Old Street as employment priority area (general). A small portion to the north Old Street is designated at the west of the area.
- The area is considered in the Employment Land Review (ELR). There are four sub-areas identified as the employment priority areas and described together in the ELR from west to east; Baltic Street, Old Street/Whitecross Street, Featherstone Street and Epworth Street/Old Street. The description recognises three sections with buildings of character in the west through a lower rise more residential section in the middle to a visibly more dramatic and active cluster at the eastern end of the corridor.
- The area represents a transition from the creative cluster in west to a tech cluster in the east. The main thoroughfare also has a variety of retail at ground floor level serving both local needs and the business community with a concentration of takeaways.
- The areas is home to a large number of small and medium enterprises with a particular focus on marketing, design and furniture, and a range of other businesses including architecture, music, and construction.

Businesses in the area include:

Advertising and marketing

- Free the Birds (branding), Moorlands 5, 23 Old Street
- Stink digital (advertising) Moorlands 5, 23 Old Street
- All Response Media, 65 Goswell Road
- Creating Noise marketing, 69 Old Street
- BD Network, Moorlands 5, 23 Old Street
- Krow London, 80 Goswell Road

Design

- OCEE design, 20-24 Old Street
- MHA design (architecture), 14-18 Old Street

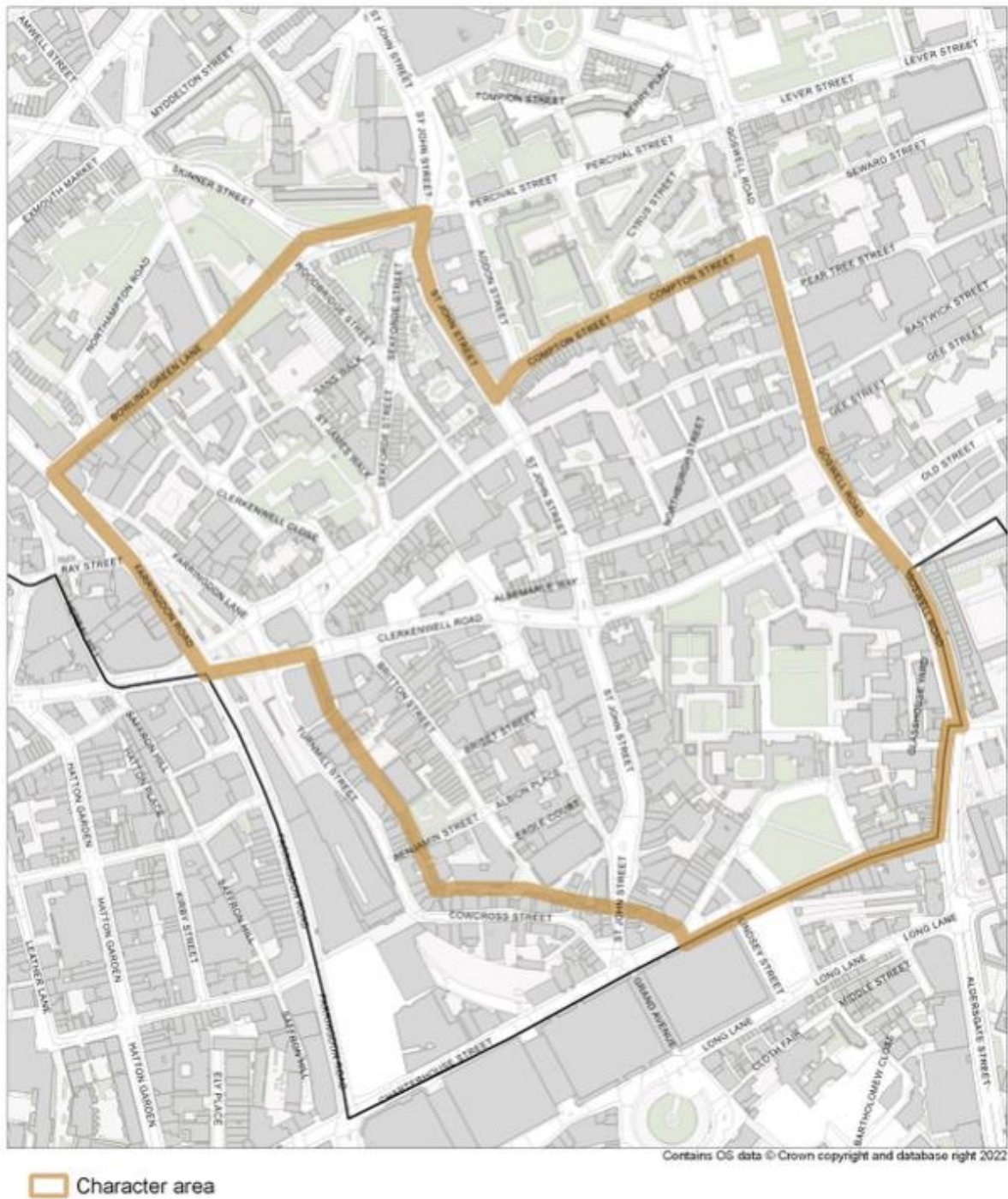
	<ul style="list-style-type: none"> <li>• Cosentino furniture 28-32 Old Street</li> <li>• Froy furniture, 5 Sycamore Street</li> <li>• Iris Ceramica furniture showroom, 61-67 Old Street</li> <li>• Table Place Chairs furniture, The Banking Hall, 74 Goswell Road</li> </ul> <p>Architects</p> <ul style="list-style-type: none"> <li>• AHMM architects, Moorlands 5, 23 Old Street</li> <li>• Eric Parry Architects, Discovery House, 28-42 Banner Street</li> <li>• Anomaly architecture, Moorlands, 5, 23 Old Street</li> </ul> <p>Music</p> <ul style="list-style-type: none"> <li>• Enhanced Music, 20-24 Old Street</li> <li>• Timber Street Studios recording studio, 6-9 Timber Street</li> </ul> <p>Other</p> <ul style="list-style-type: none"> <li>• GFP Lewis construction, Twenty Baltic, 16-22 Baltic Street</li> <li>• Thirdway construction, Moorlands 5, 23 Old Street</li> <li>• Mencap learning disability charity, 123 Golden Lane</li> <li>• Opus Sterling recruiter, 16-26 Banner Street</li> <li>• Seedrs microinvestment, 142-146 Old Street</li> </ul>
<b>Retail and Other Town Centre Uses</b>	<ul style="list-style-type: none"> <li>• There are two designated Local Shopping Areas; Whitecross Street and Old Street. Whitecross Street is the larger of the two with a large concentration of food and beverage outlets. A Waitrose supermarket serving local needs is located at the southern end. There is a vibrant daily Whitecross street food market held to service the local office workforce. The Old Street LSA contains a smaller number of larger units including an Argos and two convenience supermarkets.</li> </ul>
<b>Key Sites and Allocations</b>	<p>The emerging Bunhill and Clerkenwell Area Action Plan contains six site allocations in the area:</p> <ul style="list-style-type: none"> <li>• BC43 Easy Hotel, 80-86 Old Street</li> <li>• BC42 Site of electricity substation opposite 15-27 Gee Street</li> <li>• BC31 Travis Perkins, 7 Garrett Street</li> <li>• BC23 Sycamore House, 5 Sycamore Street</li> <li>• BC6 Redbrick Estate: Vibast Centre, garages and car park, Old Street, EC1V 9NH</li> <li>• BC5 London College of Fashion Golden Lane</li> </ul>
<b>Heritage Designations</b>	<ul style="list-style-type: none"> <li>• The area has a historic street pattern and character and is covered by the St Luke's Conservation Area to the west</li> <li>• There are relatively few listed buildings – 7 in total, and most are Grade II. The most significant building is the former church of St Luke's which is Grade I listed and now a music centre for the LSO.</li> </ul>
<b>Social Value Considerations</b>	<ul style="list-style-type: none"> <li>• The area is a focus for creative industries, with a history stretching back to the Industrial Revolution, with craft workshops, printmakers, clockmakers and jewellers locating the Bunhill and Clerkenwell Area. The annual Clerkenwell Design Week celebrates this and promotes the contemporary creative community, with over 30,000 visitors coming to see the concentration of showrooms that open their doors across the Clerkenwell area. There are over 100 design brands including Arper, Bolon, Bulthaup, Haworth and Cappelini, USM and Vitra all with showrooms in the wider area. The agglomeration benefits of this cluster will benefit both local businesses and wider business in London. These studios cite the historic architecture as one of the reasons for the concentration in this area. On a different corporate scale are the concentration of tech companies including Amazon, LinkedIn, DeBop and Indeed with more reported to be considering moves to the area including</li> </ul>



	<p>Snapchat and Tiktok. These businesses represents a broad range of employment across the knowledge, IT, creative and hospitality in the area and provide a significant employment concentration with apprenticeship and other opportunities available. Any reduction of space, in particular the historic space will have a significant effect on the cluster of design studios.</p>
<b>Class MA Considerations</b>	<ul style="list-style-type: none"> <li>• A large number of buildings within the area are considered to be potentially at risk of PDR conversion under class MA. This is because of the concentration of Class E premises, in particular offices, in this area. There are a number of smaller premises that are less than 1500sqm in size, whilst some of the more medium and larger office buildings are also considered to potentially at risk due to their size/layout. This would undermine both the economic function and growth potential of individual buildings but also cumulatively impact the wider area.</li> <li>• Listed buildings have been removed.</li> <li>• Whilst part of the area is within the conservation area this element of the Class MA criteria is not considered to offer sufficient protection as class E uses are focused above ground floor.</li> </ul>
<b>NPPF Considerations</b>	<p>To ensure the smallest geographical area possible the following have been excluded in this area:</p> <ul style="list-style-type: none"> <li>• Listed buildings</li> <li>• Residential housing estates</li> <li>• Public highway and infrastructure</li> <li>• Former St Luke's Church and gardens</li> <li>• Student accommodation at Canto Court</li> </ul>
<b>How is it necessary to avoid wholly unacceptable adverse impacts?</b>	<p>Following the review of strategic and local evidence, an assessment of the area in relation to the class MA criteria and an area and site analysis, an Article 4 direction is considered to be required to avoid wholly unacceptable for the following reasons:</p> <ul style="list-style-type: none"> <li>• This corridor has a dense network of offices that contribute to CAZ functions. Together with the rest of the CAZ the functions served by the agglomeration of offices in this area are of national and international importance, supporting the economy of Islington, London, and the UK. Loss of class E uses in this area, due to its economic and employment importance, would be wholly unacceptable, and would cause significant and lasting harm to the economy, productivity, and growth potential of the borough and nation.</li> <li>• The loss of employment floorspace in one of the borough's most important and productive location would fail to meet NPPF objectives for supporting business and employment and supporting areas' strengths and driving innovation.</li> <li>• Introduction of the permitted development right would mean the Council is unable to implement London Plan Policies GG5, SD4 and SD5. Policy GG5 requires councils to conserve and enhance London's global economic competitiveness planning for sufficient employment and industrial space in the right locations to support economic development and regeneration. Policy SD4 requires councils to protect the nationally and internationally significant agglomeration of offices in the CAZ. Policy SD5 states that residential development proposals should not lead to a net loss of office floorspace in any part the CAZ unless there is no reasonable and demonstrable prospect of the site being used for offices.</li> <li>• The area already faces key challenges in providing for growth because of rising rents, a lack of space and dwindling supply of affordable workspace which could threaten its growth. The conversion of whole buildings/parts of buildings into residential will further exacerbate the challenges the area faces.</li> </ul>

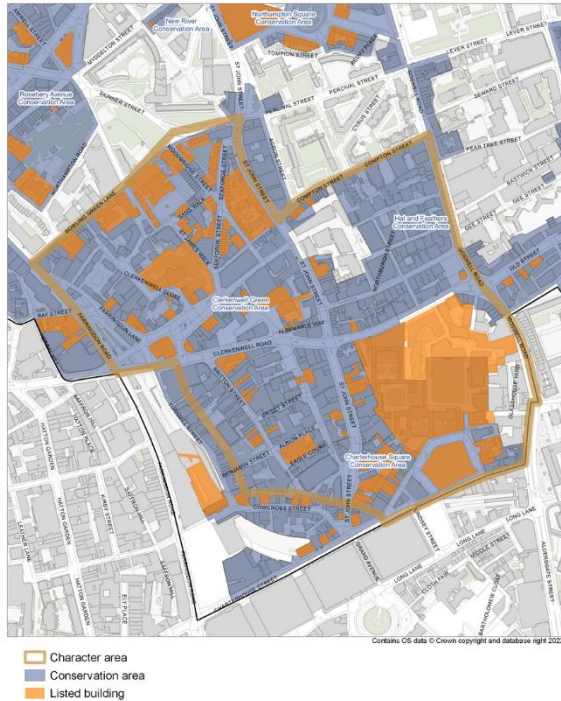
	<ul style="list-style-type: none"> <li>• The area will be particularly susceptible to the use of permitted development rights because of the concentration of Class E premises, their size and typology, this will be compounded by the high levels of residential rents and desirability of the area. Combined, it is considered that this will lead to the conversion of a significant number of Class E premises, this is most likely to impact on the provision of more affordable workspaces, workspaces suitable for small/medium businesses.</li> <li>• The loss of premises to residential in this location will have impacts not only on the borough meeting its identified need for office jobs as the most significant office location in the borough, but will also have a wholly unacceptable impact on the clusters of businesses which support the City of London economy as well as the wider growth of Tech City.</li> </ul>
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## Historic Clerkenwell

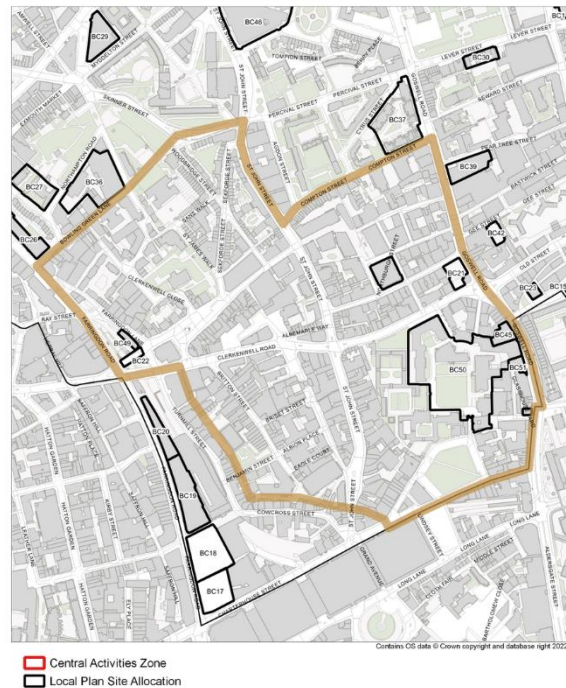




Area Map 1: Heritage

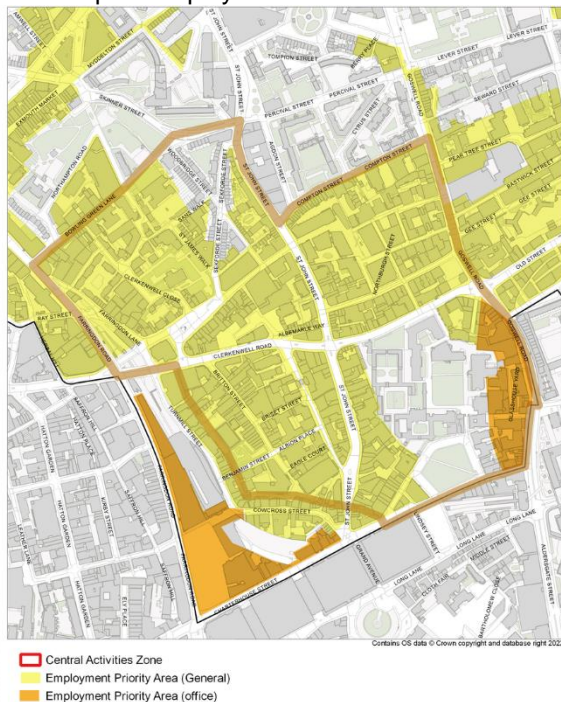


Area Map 2: Allocations\*

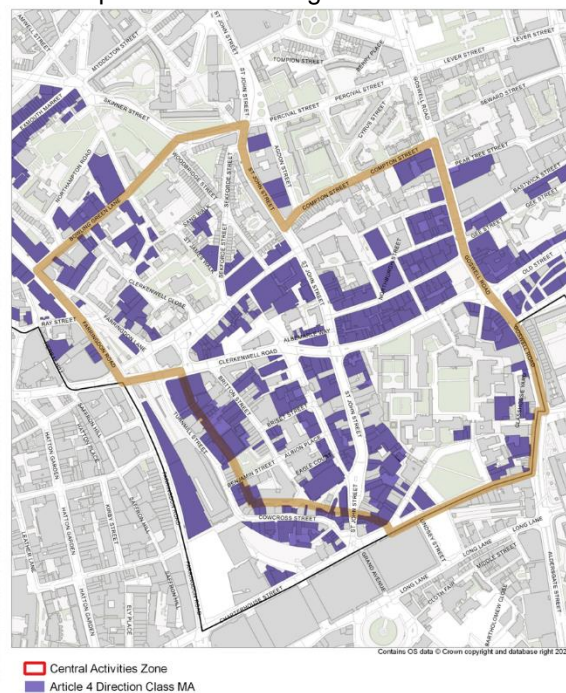


\*From emerging Local Plan

Area Map 3: Employment



Area Map 4: Article 4 Designated area



Map is for information only. Direction with red line map is included in next section of this appendix.

**Description:** Clerkenwell is a highly connected location with the longest history of any part of the borough. Its urban fabric derives from incremental development from Norman times to the present day with significant development remaining from Georgian and Victoria era. The area recognised for its cultural value, heritage assets and a concentration of creative industries. It features a mix of commercial, business and residential uses. In particular, it attracts small-scale creative and design businesses which are an intrinsic part of the character of the area.

The piecemeal development of Clerkenwell has resulted in the survival of a largely medieval street pattern, which includes narrow side streets, courtyards and pedestrian alleyways. The typically

narrow frontages of its buildings have created a varied and small scale built form. Business space is largely in the form of warehouse and workshop conversions to create modern office space. The area features extensive conservation area coverage, as well as a significant number of listed buildings.

Area defined by Bowling Green Lane and Compton Street to the north, Charterhouse Street to the south, Goswell Road to the east and Farringdon Road to the west.

<b>Employment Characteristics</b>	<ul style="list-style-type: none"> <li>- Internationally significant location for specialist industries in the creative and design sector;</li> <li>- Commercial and small-scale employment uses (e.g. design and light manufacturing) are an intrinsic part of the character of the area;</li> <li>- Emerging Bunhill and Clerkenwell Area Action Plan identifies the area as a Spatial Strategy Area suitable for limited commercial development, particularly business workspaces suitable for SMEs and/or specialist industries, and small-scale retail and leisure uses;</li> <li>- Emerging Local Plan supports a range of workspace typologies including Grade A offices, serviced offices, co-working spaces, hybrid workspace and other types of flexible workspace and lower specification office space suitable SMEs and business services. Residential use is not supported;</li> <li>- Employment Land Study (2016); notes that Clerkenwell is accommodating growing numbers of start-up businesses and businesses operating in the creative and digital sectors. Development pressure for these types of businesses is likely to increase, but care should be taken not to overwhelm Clerkenwell's character - which is an important element in its success, especially with creative businesses;</li> <li>- Wide range of predominately-creative businesses: furniture design, lighting design, interior design, graphic design, product design, architecture, digital marketing, music promotion, film production, and co-working spaces. The third sector is also represented.</li> <li>- Specialist clusters: <ul style="list-style-type: none"> <li>o Creative and design: <ul style="list-style-type: none"> <li>- <u>Creative industries</u>: Alexander McQueen Headquarters at 1-7 Aylesbury Street; Kurt Geiger Head Office at 24 Britton Street; Goldsmiths Institute, 42 Britton Street.</li> <li>- <u>Furniture, lighting &amp; interior design</u>: Fremgroup Showroom; Staverton Showroom; Teknion; by Bailey Furniture; Fritz Fryer Lighting; Whitecroft Lighting; Casca Interiors; MagScapes.</li> <li>- <u>Architecture</u>: Zaha Hadid; Grimshaw, Terra Firma, David Quigley, Alinson Hainey; Sergison Bates Architects; Design ID; Carden &amp; Godfrey; Virtual Planit.</li> <li>- <u>Digital marketing</u>: 4media-group; Atomik Research; One More Music Company; Amazon development centre; Hatch London; Deloitte Digital; Kinetic UK; Sho Design; North Design; Design Bridge.</li> <li>- <u>Music Promotion</u>: Live Nation, Farmiloe Building 30 St John Street.</li> </ul> </li> </ul> </li> </ul> <p>Main types of Class E in area:</p> <ul style="list-style-type: none"> <li>o E(a) - Display and sale of goods</li> <li>o E(b) - Sale of food and drink</li> <li>o E(g)(i) - Offices</li> </ul> <p>Other uses in area: Residential (C3), Public Houses (Sui Generis), and Education (F1).</p>
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	<p>Main building types:</p> <ul style="list-style-type: none"> <li>○ Contemporary office space - including a number of flexible/co-working spaces;</li> <li>○ Warehouse conversions used as offices;</li> <li>○ Fine grained period terraces - with ground floor commercial and upper floor office or residential;</li> <li>○ Historic buildings - including churches, The Charterhouse and St John's Gate;</li> <li>○ Purpose built residential - including Peabody Estate.</li> </ul>
<b>Retail and Other Town Centre Uses</b>	<ul style="list-style-type: none"> <li>• Concentrations of pubs, bars and restaurants - particularly around Charterhouse Street and Charterhouse Square; Turnmill Street and Cowcross Street; as well as, Clerkenwell Green and Clerkenwell Close;</li> <li>• A small number of individual retail units are dispersed throughout Clerkenwell, however there are no particular concentrations of retail use.</li> </ul>
<b>Key Sites and Allocations</b>	<p>1-7 Aylesbury Street: large converted warehouse office building; global headquarters of Alexander McQueen occupies all 6 floors.</p> <p>The Old Sessions House, 22 Clerkenwell Green: refurbished 18<sup>th</sup> Century former courthouse building; contains office floorspace across 4 floors; as well as, a restaurant, events space, rooftop bar, and swimming pool.</p> <p>Buckley Building, 49 Clerkenwell Green: large refurbished warehouse office building; contains offices across 4 floors; and restaurant at ground floor.</p> <p>3 sites in emerging Allocations:</p> <ul style="list-style-type: none"> <li>• 36-43 Great Sutton Street (Berry Street): in Sui Generis use, allocated for intensification of business floorspace (BC16);</li> <li>• 2, 4-10 Clerkenwell Road, 29-39 Goswell Road &amp; 1-4 Great Sutton Street: in use as E(g)(i), allocated for intensification of business floorspace (with units suitable for SMEs) and commercial units at ground floor (BC21);</li> <li>• Building adjacent to railway lines and opposite 18-20 Farringdon Lane: vacant (previously in E(g)(iii) use) allocated for intensification of business floorspace (BC49).</li> <li>• Queen Mary University, Charterhouse Square Campus is allocated in the draft BCAAP for Higher education and medical and research uses BC50;</li> <li>• The following four sites are small and all allocated in the draft BCAAP for office intensification; BC44: Crown House, 108 Aldersgate Street, BC45: 27 Goswell Road and BC51: Italia Conti School.</li> </ul> <p>Key aim across Allocations is intensification of employment space, particularly to accommodate SMEs.</p>

<b>Heritage Designations</b>	<p>Conservation Areas: Clerkenwell Green; Hat and Feathers; Charterhouse Square;</p> <p>The area has a special historic character, with surviving examples of buildings from nine different centuries, including monastic precincts; Significant number of listed buildings within the area:</p> <ul style="list-style-type: none"> <li>• Grade I listed buildings, dating as far back as Norman times: Clerk's Well, 16 Farringdon Lane; The Charterhouse; Priory Church of St John of Jerusalem; St John's Gate;</li> <li>• Two Grade II* listed buildings: St James' Church; The Old Sessions House;</li> <li>• Significant concentrations of Grade II buildings: terraces on Sekeforde Street, Woodbridge Street and St John Street dating from 18<sup>th</sup> and 19<sup>th</sup> century; numerous buildings around Clerkenwell Green and St John Square dating from 18<sup>th</sup> century; buildings around Charterhouse Square, including Florin Court an art deco residential block built in 20<sup>th</sup> century; a number of former warehouses along St John Street, including the Farmiloe building; Holborn Union Offices on Clerkenwell Road which are converted to residential; numerous traditional early Georgian terraced houses on Britton Street;</li> <li>• Islington's only scheduled ancient monument: the Benedictine Nunnery of St Mary.</li> </ul>
<b>Social Value Considerations</b>	<ul style="list-style-type: none"> <li>• Internationally significant creative cluster for design and other creative businesses - exemplified by the annual Clerkenwell Design Week, a festival which showcases these companies via a series of showroom events, exhibitions and special installations - providing social value to local communities and wider London/ UK population.</li> <li>• Over 30,000 visitors come to the design week. Clerkenwell has been a home to creative industries stretching back to the Industrial Revolution, with craft workshops, printmakers, clockmakers and jewellers originally concentrated here.</li> <li>• The agglomeration benefits of this cluster benefit both local businesses and wider business in London. These studios cite the historic architecture as one of the reasons for the concentration in this area and any reduction of space, in particular the historic space will have a particularly significant effect on the cluster of design studios.</li> <li>• Broad range of employment uses across the area including knowledge, creative, manufacturing and hospitality, as well as a number of training providers - such as The Goldsmiths Institute which provides training to the jewellery industry and Elemis Training Academy - providing a range of employment and training opportunities.</li> </ul>
<b>Class MA Considerations</b>	<ul style="list-style-type: none"> <li>• The majority of premises within Historic Clerkenwell are buildings under 1,500 square metres, meaning they are potentially at risk of residential conversion under Class MA. These units play a key role in housing SMEs and their loss would disrupt the area's creative and design cluster.</li> <li>• There are a smaller number of buildings which have a cumulative floorspace which exceeds 1,500 square metres. These are mainly in the form of larger purpose-built office buildings and refurbished former warehouses in office use. In terms of their size and layout these larger office buildings are considered to be potentially at risk of being subdivided and converted to residential under Class MA. This would undermine both the economic function and growth potential of individual buildings but also have a cumulative impact across the wider area.</li> </ul>

	<ul style="list-style-type: none"> <li>• Class MA (1)(1)(d) prevents the use of permitted development rights for listed buildings. Listed buildings have been identified and removed from the Direction.</li> <li>• Class MA (2)(2)(d) enables consideration of potential impacts from existing commercial premises on the intended occupiers of new developments, under the Prior Approval process. However, the nature of Class E uses in the Historic Clerkenwell area - mainly office and retail uses - are unlikely to create negative amenity impacts (e.g. noise) to justify refusal of a nearby Class MA change of use.</li> <li>• Class MA (2)(2)(e) requires the impact on the Conservation Area to be taken into consideration in Class MA Prior Approval applications in CAs when the development involves a change of use of whole or part of the ground floor. A number of sites within conservation areas have been included in the Direction - including 15-18 Clerkenwell Green, 17-18 Hayward's Place, and 1 Sans Walk - due to upper floor Class E uses (mainly office). The Prior Approval process does not take upper floor uses into consideration, so it is necessary to protect them through the Direction.</li> </ul> <p><u>Conclusion</u> – The cumulative floorspace of the majority of Class E units within Historic Clerkenwell are significantly below the 1,500sqm threshold and would be at risk of conversion under Class MA. A number of buildings which exceed 1,500sqm are also at risk of being subdivided and converted under Class MA.</p> <p>Some of the potential impacts on future occupiers can be considered under Prior Approval process, however numerous sites have accommodation that could potentially be converted to residential. Retail and office uses in Historic Clerkenwell are unlikely to create negative amenity impacts to justify refusal of a nearby Class MA change of use.</p> <p>Conversion of ground floor Class E premises in a conservation area requires an assessment of the impact on the CA under the Prior Approval process. However, it is necessary to include numerous conservation area sites within the Direction, due to office and other Class E uses at upper floors where the impact on the CA would not be considered as part of the Prior Approval process.</p> <p>The loss of small-to-medium sized office and studio spaces due to Class MA would hinder future expansion of Historic Clerkenwell's creative and design cluster. It would also reduce the amount of space available for other SMEs, which are attracted to Clerkenwell due to its offer of smaller, affordable office spaces and its close proximity to the City Fringe Opportunity Area and the City of London.</p>
<p><b>How is this the smallest geographical area possible?</b></p>	<p>Buildings outside of Class E have been identified and excluded:</p> <ul style="list-style-type: none"> <li>• Hotels - including Malmaison, YOTEL; The Zetter; Blueprint Living Apartments and Citadines;</li> <li>• Student accommodation - Unite students Romano Court, Yugo Therese House, Karmen House;</li> <li>• Residential - including Peabody Estate and Kingsway Place;</li> <li>• Churches - St John Priory Church; St James Church; and GraceLife;</li> <li>• Research and education - Queen Mary University; John Vane Science Centre; Urdang Academy; and York St John University (London Campus).</li> </ul> <p>All listed buildings have been identified and excluded, including:</p> <ul style="list-style-type: none"> <li>• The Charterhouse;</li> <li>• Charterhouse Square;</li> </ul>

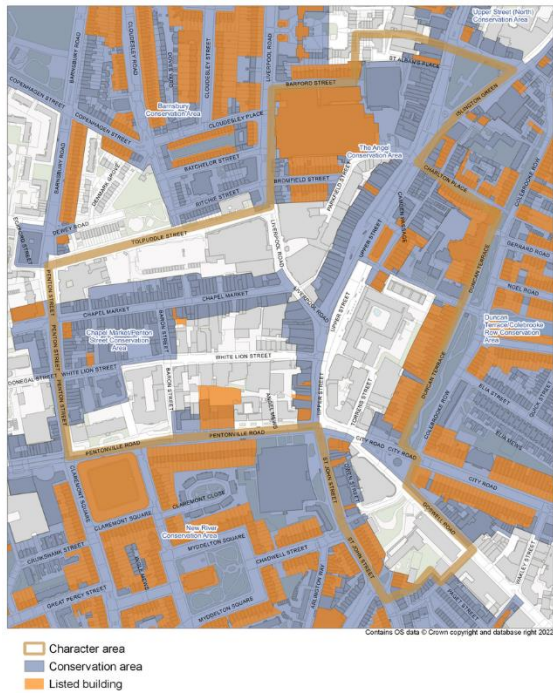
	<ul style="list-style-type: none"> <li>• Old Sessions House;</li> <li>• St John's Gate;</li> <li>• Marx Memorial Library and Workers School.</li> </ul> <p>Open spaces - including St James Park, Clerkenwell Green, St John's Square and St John's Gardens - have been identified and excluded.</p> <p>In addition, numerous buildings in Class E have been excluded from the Direction. These include:</p> <ul style="list-style-type: none"> <li>○ 33-35 Clerkenwell Green;</li> <li>○ 128-126 Aldersgate Street;</li> <li>○ 1 Britton Street;</li> <li>○ 33 Britton Street;</li> <li>○ 182-185 St John Street.</li> </ul> <p>All of the above sites are mixed-use buildings with Class E use at ground floor and residential uses on upper floors. They were excluded from the Direction due to their location within the Clerkenwell Green Conservation Area. It was determined that the Prior Approval process would offer sufficient protection against the conversion of the ground floor retail and office units to residential use under Class MA.</p> <p>The Direction Area has been reduced to the smallest geographical area possible in accordance with NPPF paragraph 53.</p>
<b>How is it necessary to avoid wholly unacceptable adverse impacts?</b>	<p>Any loss of space through Class MA would have a resultant harm on Historic Clerkenwell's creative and design clusters and the communities that depend on them, leading to a wholly unacceptable loss of jobs and economic activity. In particular, there is a risk of loss of spaces suitable for creative and design SMEs, including specialist workshops and studio space. The majority of creative and design businesses within Historic Clerkenwell occupy relatively small premises, which are typically attractive to SMEs. Any reduction in space will constrain the future growth potential for this business community and affect the continued attraction of London as a location for this industry.</p> <p>Clerkenwell Design Week is an internationally significant annual design festival, which showcases over 150 resident showrooms within the area. This event demonstrates the continued and growing importance of Historic Clerkenwell's creative and design cluster. A direction is required to protect these spaces from conversion under Class MA, which would undermine the existing cluster and prevent further growth of the sector.</p> <p>Historic Clerkenwell is also in close proximity of the City Fringe Opportunity Area. This area adjoins the City of London's financial district and is one of the most important areas of employment growth in the capital, particularly in relation to London's role as a centre for tech. Alongside Historic Clerkenwell's creative and design cluster, there is a much smaller but significant cluster of tech and other professional services businesses which overspill from the City Fringe Opportunity Area. These businesses are housed in small premises, suitable for SMEs including tech start-ups, as well as within some larger purpose-built and recently refurbished office buildings with much larger floorplates. The Direction is necessary to protect the spaces which accommodate these businesses in order to secure future growth.</p>

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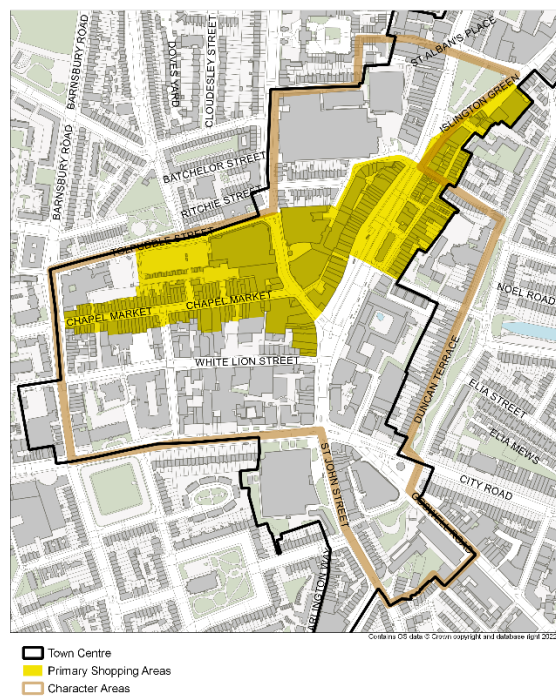
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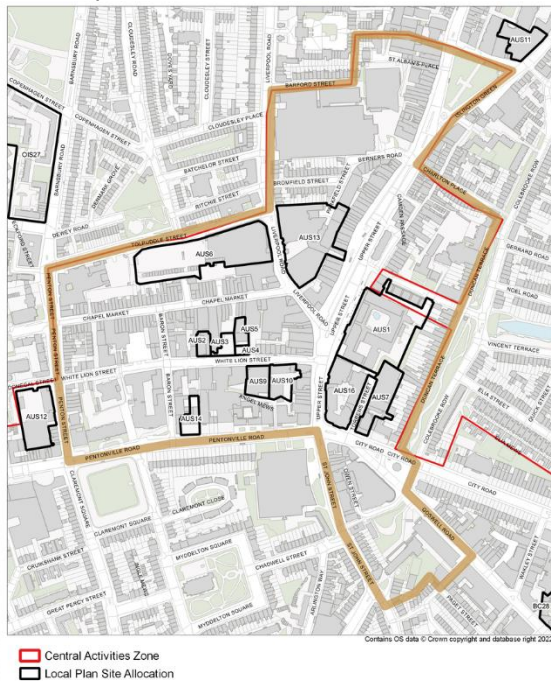
Area Map 1: Heritage



Area Map 2: Retail

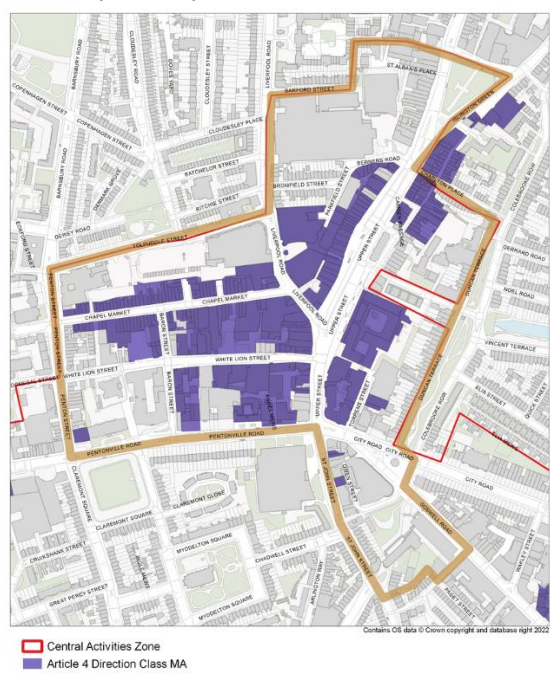


Area Map 3: Allocations\*

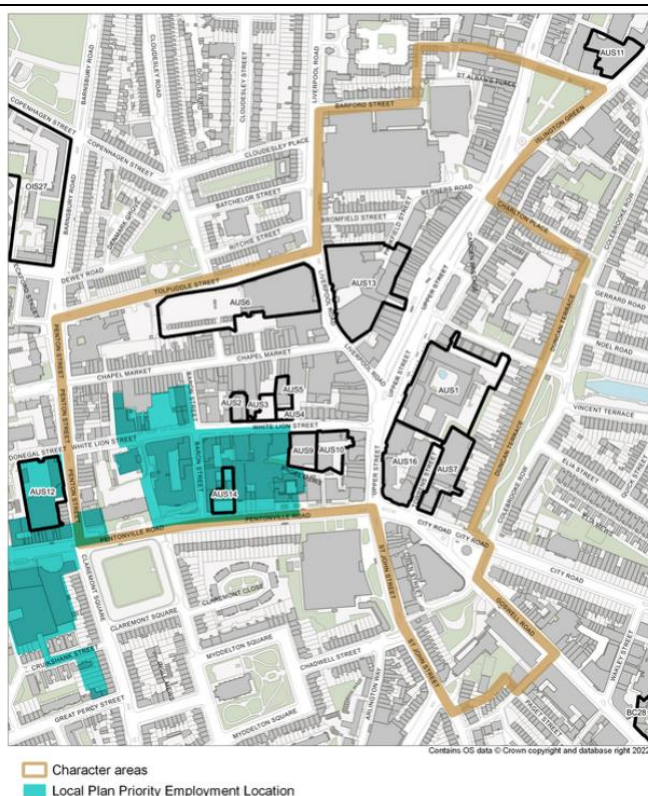


\*From emerging Local Plan

Area Map 4: Proposed A4D area



Map is for information only. Direction with red line map is included in next section of this appendix.



Map 5: Priority Employment Areas (from emerging Local Plan)

**Description:** Angel is Islington's largest town centre, clustered around a number of main streets, including Islington High Street, Pentonville Road, Essex Road and Upper Street. It offers a range of town centre uses including retail, service, office, and leisure.

The area is dominated by a mix of Victorian and Georgian high street buildings with ground floor retail uses, but also features a number of more recent mid-rise developments. The public realm around Islington Green and Islington High Street provides wide pavements and street furniture to reflect the commercial function of the area.

#### Employment Characteristics

- Angel is a Major Town Centre designated by the London Plan and Local Plan with significant retail, service, leisure and office-based employment concentrations.
- The majority of the Primary Shopping Area in the town centre falls within the CAZ, making the area a major centre for employment and economic growth.
- Angel is designated as a having an NT2 night time economy in the London Plan denoting a regional influence. Angel Town Centre is also designated as a Cultural Quarter in the emerging Local Plan, requiring development to contribute to the cultural function of Angel. Unrestricted residential uses would unacceptably jeopardise the realisation of these designations, not least through the inability to require adherence to the agent of change principle.
- Emerging Local Plan has expanded the town centre boundary to the south west along Pentonville Road to reflect the expanded main town centre uses in Angel Town Centre, reflecting the current Employment Growth Area Designation.
- Angel is the most diverse of Islington's town centres in providing multiple functions, including as a CAZ Fringe employment location, providing comparison goods retail as well as major supermarkets, a strong cultural offer supported by a strong food and drink offer.

	<ul style="list-style-type: none"> <li>• Employment Land Study (2016); identifies Angel as a main retail centre with an important role in the evening and night-time economy. It also highlights the importance of Angel's office stock. The area has seen significant 'overspill' in recent times from traditional core markets in the City and West End as they have expanded, supporting London's strategic business role. The ELS states that residential development under PDR is a significant risk to Angel's office and retail uses. Pressure for intensification of businesses use is likely and the provision of office space should be prioritised.</li> <li>• The allocations in the emerging Local Plan prioritise business and commercial floorspace, in line with the recommendations of the ELS. The majority of sites are already in business and commercial use. The allocations propose the intensification of these uses, for example at 40-42 Islington High Street and 94 White Lion Street, demonstrating the importance of office and retail uses within the area.</li> <li>• Specialist clusters: <ul style="list-style-type: none"> <li>- <u>Cultural</u>: Theatres - Sadler Wells Theatre, Rosebery Avenue; Old Red Lion Theatre Pub, St John Street; Almedia Theatre; Kings Head Theatre; Angel Comedy @ Camden Head Pub. Venues - O2 Academy at Angel Central; Electrowerkz Venue and Club at 7 Torrens Street. Studios and Galleries- Candid Arts Trust at 3 Torrens Street; Crafts Council Gallery; Jess Koppel Photography Studio at 71 White Lion Street. Film -Vue Cinema; Everyman on the Green; Little Lion Entertainment (film production) at 10-14 White Lion Street.</li> <li>- Camden Passage also represents a significant cluster of specialist antique shops, however this is dealt with in a separate Camden Passage Area Assessment.</li> </ul> </li> <li>• Main types of Class E uses in area: <ul style="list-style-type: none"> <li>• E(a) - Retail (supermarkets; local convenience; specialist shops)</li> <li>• E(b) - Food and drink (cafes; restaurants; delis)</li> <li>• E(c) - Services (banks; post office)</li> <li>• E(d) - Indoor sport and recreation</li> <li>• E(g)(i) - Offices</li> </ul> </li> <li>• Other uses in area: Residential (C3); Hotels (C1); Public Houses (Sui Generis); Music Venues (Sui Generis); Education (F1), Community Centres (F2); Nightclubs (Sui Generis); Cinema (Sui Generis); Art Galleries (F1b).</li> </ul>
<b>Retail and Other Town Centre Uses</b>	<ul style="list-style-type: none"> <li>• Significant retail cluster with a range of unit types and sizes including small and independent units, which predominantly occupy ground floor retail frontage; a number of large supermarkets; a shopping centre; and a range of market stalls at Chapel Market;</li> <li>• Average size of a Class E unit (excluding office uses) is 250sqm;</li> <li>• Average size of all Class E uses (including offices) is 469sqm;</li> <li>• Camden Passage is a designated Specialist Shopping Area in the adopted and emerging Local Plan (Policy SP4 and R7) with concentrations of antique and vintage stores. Many of the units</li> </ul>



	<p>in the SSA are compact and utilise upper floors for storage, back office functions or additional operational trading floorspace;</p> <ul style="list-style-type: none"> <li>• Office and residential uses occupy upper floors above retail units, as well as within larger purpose-built blocks across the town centre;</li> <li>• The emerging Local Plan directs retail uses to the PSA (Policy SP4) and sets a minimum target requirement of 60% retail use within Angel Town Centre PSA (Policy R2);</li> <li>• To enable the growth and intensification of the SME sector, the emerging Local Plan identifies business use as a priority land use in the PEL and on upper floors in the rest of the town centre (Policy B2).</li> </ul>
<b>Key Sites and Allocations</b>	<p>Location is in the CAZ. Designated Town Centre in adopted and emerging Local Plan.</p> <p>13 sites in emerging allocations:</p> <ul style="list-style-type: none"> <li>○ Royal Bank of Scotland, 40-42 Islington High Street: in E(g)(i) use, allocated for intensification of business floorspace with commercial uses at ground floor level (AUS1);</li> <li>○ Pride Court, 80-82 White Lion Street: in E(g)(i) and C3 use, with planning permission (P2018/3351/FUL) for intensification of business floorspace (AUS2);</li> <li>○ 84-89 White Lion Street: in use as an Electricity Substation, allocated for provision of business floorspace (AUS3);</li> <li>○ 90-92 White Lion Street: previously vacant site, currently being developed as a mixed-use scheme (P2016/0197/FUL) to provide business, commercial and residential floorspace (AUS4);</li> <li>○ 94 White Lion Street: in E(g)(i) use, allocated for intensification of business floorspace (AUS5);</li> <li>○ Sainsbury's, 31-41 Liverpool Road: in E(a) use, allocated for retention and re-provision of commercial uses alongside provision of business floorspace (AUS6);</li> <li>○ 1-7 Torrens Street: in E(g)(i) and Sui Generis uses, allocated for provision of commercial, business, cultural and community floorspace (AUS7);</li> <li>○ 10-14 White Lion Street: currently being developed (P2017/0297/FUL) for intensification of business floorspace (AUS9);</li> <li>○ 1-9 White Lion Street: in E(b), E(g)(i), and E(g)(ii) use, allocated for intensification of business floorspace (AUS10);</li> <li>○ Public Carriage Office, 15 Penton Street: in E(g)(i) use, allocated for retention and intensification of business floorspace with some residential uses (AUS12);</li> <li>○ N1 Centre, Parkfield Street: in E(a) use, allocated for retention and intensification of commercial floorspace with enhancement of open space (AUS13);</li> <li>○ 46-52 Pentonville Road: in E(g)(i) use, with planning permission (P2017/3100/FUL) for intensification of business floorspace (AUS14);</li> <li>○ Angel Square: in E(g)(i) use, allocated for retention and intensification of business floorspace (AUS16).</li> </ul> <p>The key aim across allocations is intensification of employment space, including business/office, retail and leisure, with some elements of residential floorspace. The emerging Local Plan is also supportive of residential uses in town centres, with the need to</p>

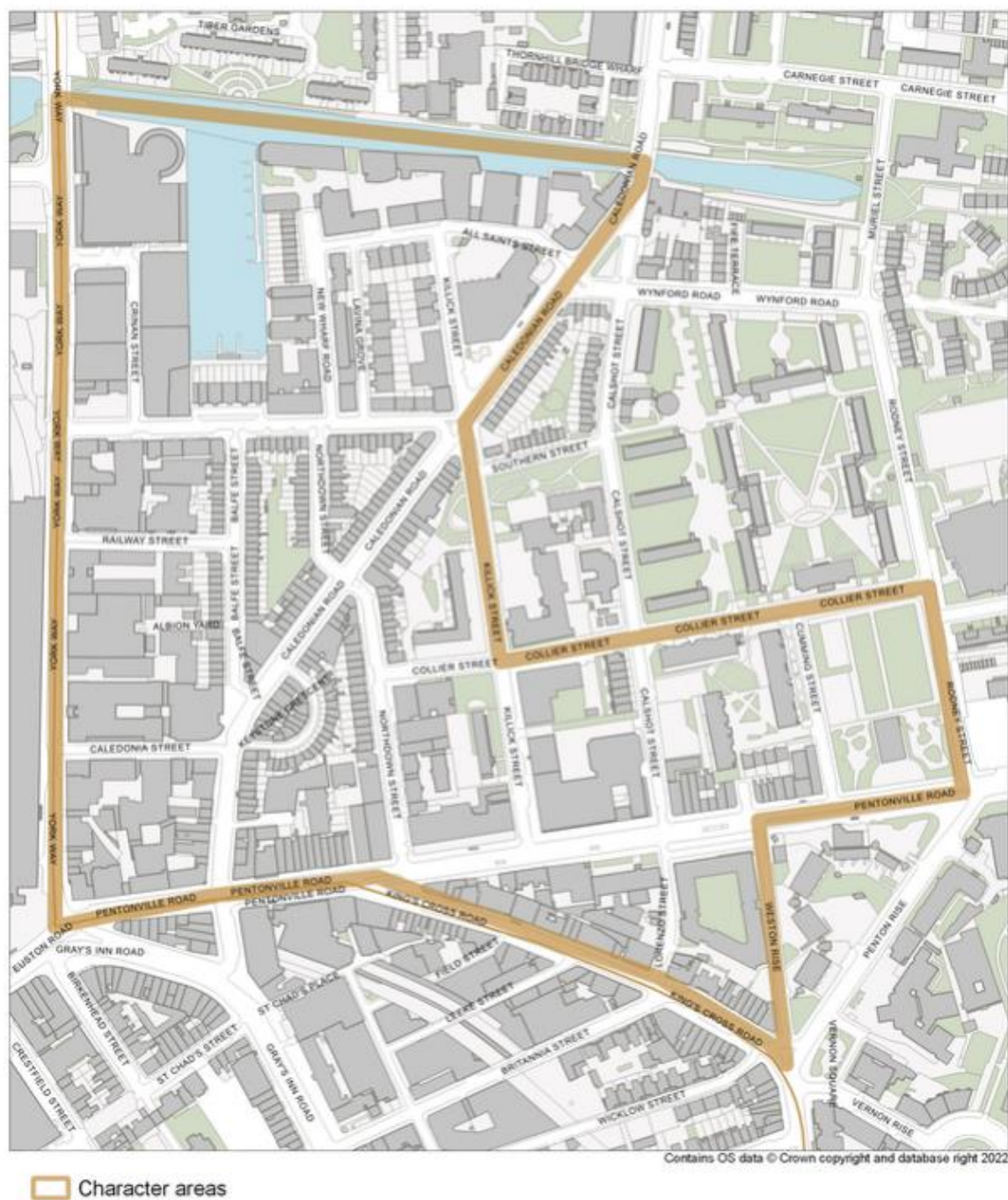
	carefully balance the needs of competing land uses to produce successful and sustainable town centres.
<b>Heritage Designations</b>	<ul style="list-style-type: none"> <li>• Conservation Areas: Angel; Chapel Market; New River; Duncan Terrace/ Colebrook Row;</li> <li>• Significant number of Grade II listed buildings. Concentration around Camden Passage including: 31-45 Camden Passage; 80-104 Islington High Street; 359 Upper Street;</li> <li>• A number of listed buildings are dispersed along Pentonville Road, Islington High Street and Upper Street. There are also a small concentration at the junction of St John Street and Goswell Road.</li> </ul>
<b>Social Value Considerations</b>	<ul style="list-style-type: none"> <li>• Provides essential town centre retail and services to local and wider communities;</li> <li>• Chapel Market - a historic, traditional street market - hosts a large concentration of small businesses and is a key asset for the local community and businesses;</li> <li>• Concentration of specialist shops and broad range of important cultural venues, such as theatres and music venues, of great social value to local communities and wider London/ UK population;</li> <li>• Loss of retail, leisure and office-based employment would reduce employment opportunities, especially for local residents.</li> </ul>
<b>Class MA Considerations</b>	<ul style="list-style-type: none"> <li>• The cumulative floorspace of many Class E units is below the Class MA threshold of 1,500 square metres. The average size of a Class E unit in Angel Town Centre is 469sqm. When considering Class E main town centre uses, excluding office floorspace, this falls to just 250sqm. The majority of Class E units are small ground floor retail units with office floorspace above. While any prior approval application would be subject to public consultation and full assessment against Class MA conditions, nevertheless there is a potential risk of conversion of units under Class MA which would result in loss of retail and office-based employment and harm to the strategic retail cluster;</li> <li>• Cumulative floorspace of some purpose-built office blocks and retail units exceeds 1,500 square metres. In large office sites, there is a potential risk that some of the space could be separated off and converted via a Class MA prior approval application;</li> <li>• Class MA (1)(1)(d) prevents the use of permitted development rights for listed buildings. The majority of listed buildings have been identified and removed from the Direction. Within Angel, there are also a significant number of unlisted historic buildings in Class E use. Whilst unlisted, these buildings are still important historic assets that contribute to the character of the area, and should be protected.</li> <li>• Class MA (2)(2)(d) enables consideration of potential impacts from existing commercial premises on the intended occupiers of new developments, under the Prior Approval process. However, the nature of Class E uses in Angel - mainly retail and office uses - are unlikely to create negative amenity impacts (e.g. noise) to justify refusal of a nearby Class MA change of use.</li> <li>• Class MA (2)(2)(e) requires Prior Approval for permitted development within a conservation area to consider the impact on the CA, when the development involves a change of use of whole or part of the ground floor. The area has extensive conservation area coverage. Numerous conservation area sites have been included in the Direction due to upper floor Class E uses (mainly office). It is particularly necessary to protect upper</li> </ul>



	<p>floor office uses in Angel because this typology makes up a significant proportion of the area's overall office stock.</p> <p><u>Conclusion</u> –</p> <p>The cumulative floorspace of the majority of Class E units within Angel Town Centre is significantly below the 1,500sqm threshold and the units would potentially be at risk of conversion under Class MA. A number of buildings which exceed 1,500sqm would also potentially be at risk of being subdivided and converted under Class MA.</p> <p>Some of the potential impacts on future occupiers can be considered under the Prior Approval process, however retail and office uses in Angel are unlikely to create negative amenity impacts that would justify refusal of a nearby Class MA change of use.</p> <p>It is necessary to include numerous conservation area sites within the direction due to office and other Class E uses at upper floors, which would not be considered as part of the Prior Approval process.</p>
<b>How is this the smallest geographical area possible?</b>	<p>All buildings outside Class E have been identified and excluded, including:</p> <ul style="list-style-type: none"> <li>• Pubs - including The Angel; Brewhouse &amp; Kitchen, Islington; The Harequin; Pearl and Feather; The Three Johns; Steam Passage; The Castle;</li> <li>• Hotels - including Hilton; Premier Inn; DoubleTree by Hilton;</li> <li>• Education - City and Islington College; Islington Centre for English; Vamos Let's Learn Spanish Language School;</li> <li>• Community centres - Lift; The Claremont Project;</li> <li>• Cultural venues - Sadler Wells Theatre; Old Red Lion Theatre; Electrowerkz; Crafts Council Gallery.</li> </ul> <p>The majority of listed buildings have been identified and excluded, including:</p> <ul style="list-style-type: none"> <li>• Business Design Centre;</li> <li>• 24 and 44 Pentonville Road;</li> <li>• 1 Islington High Street.</li> </ul> <p>Open spaces - including Islington Green, N1 Centre Open Space and the Business Design Centre forecourt - have been identified and excluded.</p> <p>In addition, numerous buildings in Class E have been excluded from the Direction. These include:</p> <ul style="list-style-type: none"> <li>• A number of large Class E sites including: Sainsbury's, 31-41 Liverpool Road (retail-led emerging site allocation) and 333 Goswell Road (occupied by Virgin Active Gym at ground floor level). Excluded because cumulative floorspace exceeds 1,500 square metres and determined that they could not be easily subdivided into smaller units;</li> <li>• 56-79 Upper Street: parade of restaurants and cafes - condition MA.2(1)(e) allows impact of change of use on CA to be considered. Excluded because most business uses on upper floors are ancillary to the ground floor Class E uses. The majority of the other upper floor uses are residential. Given the nature of the upper floor uses, the conditions in the regulations are considered sufficient.</li> </ul>

	<p>The Direction Area has been reduced to the smallest geographical area possible in accordance with NPPF paragraph 53.</p>
<p><b>How is it necessary to avoid wholly unacceptable adverse impacts?</b></p>	<p>The Class MA conditions are insufficient to ensure a wholly unacceptable loss of jobs and economic activity in one of Islington's main town centres.</p> <p>Angel Town Centre provides a range of key retail, service, leisure and employment functions to its immediate and wider populations. It contains a Primary Shopping Area, as well as an Employment Growth Area. The Primary Shopping Area represents the irreducible core of the town centre. It is a key cultural destination, particularly for evening and night-time activities, and contains a specialist cluster, in the form of Camden Passage antiques market. In addition to this, the area is a key location for future office growth, representing an employment cluster, which is vital for the continued growth of Islington and London's economies.</p> <p>The types of premises in Angel are largely ground floor retail units with office and residential uses at upper floors. These types of units are potentially at risk of conversion under Class MA due to the existing mix of business, commercial and residential floorspace. This irreducible core must be protected against potential residential conversion under Class MA. Without protection, the business and commercial elements are at risk of PD conversion to residential, which is likely to cause a wholly unacceptable impact on Angel's strategic retail and employment clusters.</p>

## Kings Cross CAZ Fringe

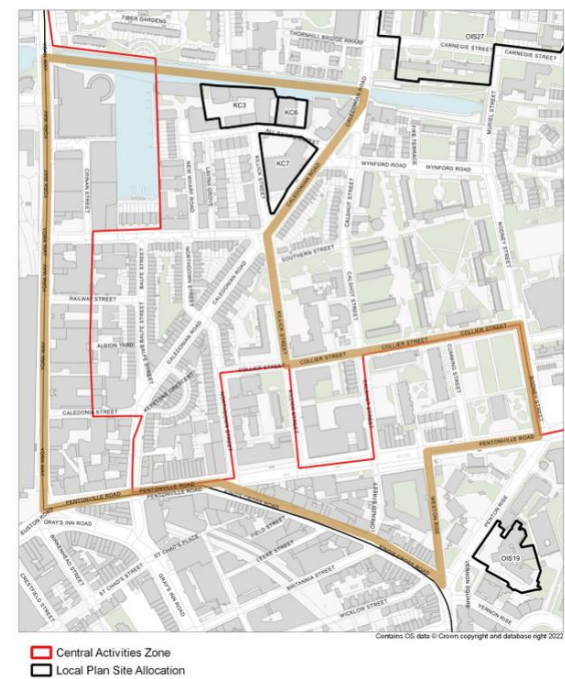




Area map 1: Heritage

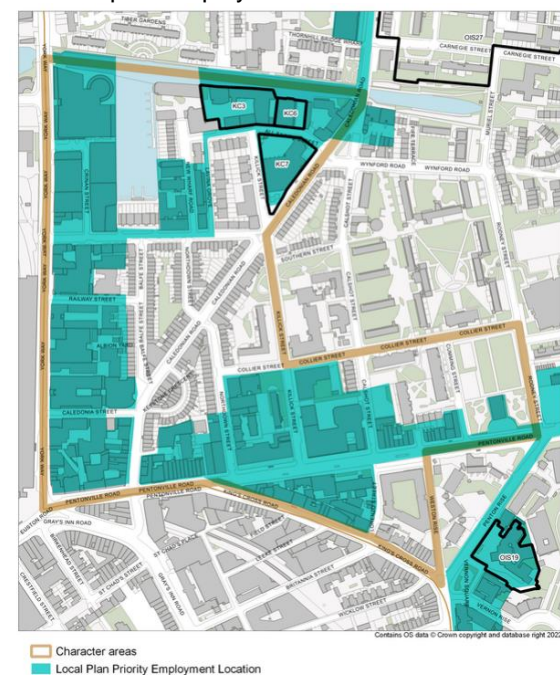


Area Map 2: Allocations\*



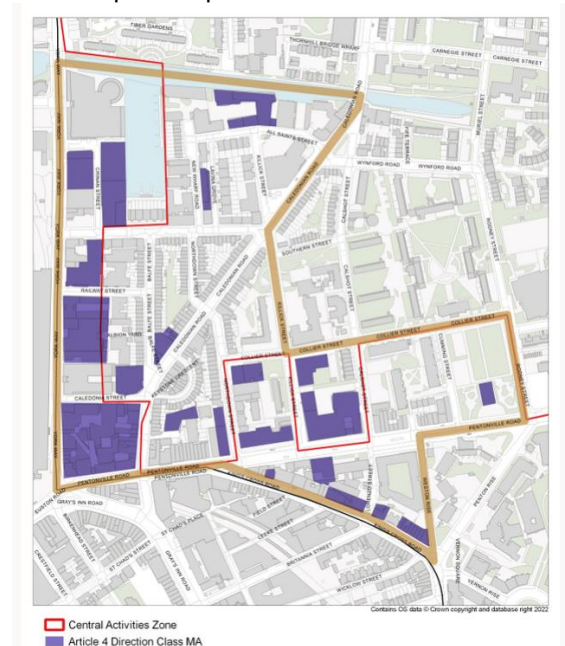
\* From emerging Local Plan

Area Map 3: Employment Growth Areas\*



\*From emerging Local Plan

Area Map 4: Proposed A4D area



Map is for information only. Direction with red line map is included in next section of this appendix.

**Description:** a highly-connected central location on the boundary with LB Camden. The historic development of this land was shaped by proximity to rail and canal infrastructure. Over the last 20 years Kings Cross has been subject to significant regeneration. Most of the Kings Cross Central area is located in LB Camden but there has been significant commercial and employment intensification in Islington.

The area is made up of a mix of fine-grained residential and commercial terraces with light industrial and storage uses. Conservation area coverage is extensive and listed buildings in the area are mainly in form of residential terraces.

#### Employment characteristics

- In recent years, the area has been subject to intensive and high quality regeneration with high profile commercial tenants;
- Developments that have supported this include:
  - Kings Cross Central development - significant commercial, education and residential regeneration
  - Opening of Francis Crick Institute biomedical research centre in 2016
  - Relocation of Eurostar terminal to St Pancras Station
  - Launch of Knowledge Quarter in 2014
- Emerging Local Plan identifies area as Spatial Strategy Area that can contribute to meeting projected jobs growth by protection of existing employment and intensification of business use;
- Area includes Priority Employment Locations;
- Employment Land Study (2016); identifies the KX CAZ Fringe as being home to some of Islington's larger employers e.g. Gratte Brothers (construction) at 2 Regents Wharf with 196 jobs, Pan Macmillan at 20 Wharf Road with 250 jobs. ELS states that rental discounts relative to the CAZ have acted as a strong incentive to cost-conscious creative companies.
- Wide range of businesses: finance, software, hotels, publishing, research, digital marketing, web design, photographic studio, co-working, online and in-person education;
- Specialist clusters:
  - Cultural – Kings Place music and exhibition venue; Big Sky Photography Studio at 2 Omega Place; London Canal Museum. The British Library, University of the Arts, Scala and major cultural businesses including Universal Music and Louis Vuitton UK are nearby in LB Camden. Eurostar terminal at nearby St Pancras Station;
  - Knowledge uses include Institute of Physics at 33-45 Caledonian Road; Society for Research into Higher Education at 73 Collier Street; Springer Science Publishers, Symplectic software (supporting digital science research) and Macmillan Web-based Education at 4-6 Crican Street. Major institutions nearby include British Library and Francis Crick Institute (in LB Camden).
  - Media and digital marketing, including software –The Guardian and The Observer at Kings Place; Greenlight Digital Marketing, Brave Bison Media Co at Regents Place 1; CPB



	<p>Advertising, Megatron IT support and Mills Fabrica Software at Regent Place 2; Hope and Glory PR/ Digital Marketing and Kin + Karta Software at 61-71 Collier Place.</p> <p>Types of class E in area:</p> <ul style="list-style-type: none"> <li>- E(a) Sale of Food.</li> <li>- E Food and Drink</li> <li>- E(g)(i): Offices.</li> </ul> <p>Other uses in area: Residential (C3), Public Houses (Sui Generis), Hotel (C1), B2 (General Industry).</p> <p>Main building types:</p> <ul style="list-style-type: none"> <li>• Contemporary office space;</li> <li>• Warehouse conversions – used as photography studios, offices;</li> <li>• Fine grained period terraces - with ground floor commercial in Caledonian Road.</li> </ul>
Retail and other town centre uses	<ul style="list-style-type: none"> <li>• Concentration of retail and food and drink and other town centre uses on York Way, Pentonville Road and Caledonian Road;</li> <li>• Caledonian Road is designated as a Local Shopping Area.</li> </ul>
Key sites and Allocations	<p>Location is in the CAZ and the Knowledge Quarter. Spatial Strategy Area in emerging Local Plan. In King Cross Priority Employment Location</p> <p>Kings Place: large building containing offices of The Guardian and The Observer as well; two concert halls and exhibition space.</p> <p>Regents Place Block 1 and 2: at south of York Way near entrance to Kings Cross Station; dense employment blocks located in mix of refurbished industrial buildings and modern infill.</p> <p>Sites located nearby in LB Camden: Kings Cross/ St Pancras Station major international transport hub including Eurostar terminal; University of the Arts, the Google building (under construction), British Library, Francis Crick Institute.</p> <p>Three sites in emerging Allocations:</p> <ul style="list-style-type: none"> <li>• Regents Wharf, 10-18 All Saints Street: in B1 use, allocated for retention and re-provision of business floorspace with commercial uses at ground floor level (KC3).</li> <li>• All Saints Triangle, Caledonian Road: currently in B2 use, allocated for Business use (KC7);</li> <li>• 8 All Saints Street: Class E Office – allocated for intensification of business use, with small scale commercial uses at ground level (KC6).</li> </ul> <p>Key aim across Allocations is intensification of employment space.</p>
Heritage Designations	<ul style="list-style-type: none"> <li>• Conservation Areas: Kings Cross; Keystone Crescent; Regents Canal West;</li> </ul>

	<ul style="list-style-type: none"> <li>Listed buildings: residential terraces on Caledonian Road, Keystone Crescent and Balfe Street dating from 18<sup>th</sup> and 19<sup>th</sup> century terraces.</li> <li>Regents Canal Site of Importance for Nature Conservation.</li> </ul>
Social Value Considerations	<ul style="list-style-type: none"> <li>Cultural cluster including music, art venues and supporting employment companies of great social value to local communities and wider London/ UK population.</li> <li>Broad range of employment uses across knowledge, IT, creative, hospitality and industrial sites in area provide range of employment, apprenticeship and other opportunities.</li> <li>Knowledge-based and IT companies are at cutting-edge with significant growth potential.</li> </ul>
Class MA Considerations	<ul style="list-style-type: none"> <li>Mapping and survey work indicates a wide range of unit sizes, from retail units of ca. 100sqm to purpose-built office blocks over 25,000 sqm. Many of the buildings in this sub-area are occupied by a number of companies rather than a single occupier with many units potentially under 1,500sqm. Examples of blocks which are subdivided and occupied by a number of companies area: <ul style="list-style-type: none"> <li>Regent Quarter 1 and 2</li> <li>4-6 Crianan Street:</li> <li>Kings Place, 90 York Way:</li> </ul> </li> <li>There are no buildings where noise would represent a constraint on using Class MA;</li> <li>There are a small number of listed buildings, but most of these are in residential use so already excluded from the A4D.</li> </ul> <p><u>Conclusion</u> – In this area Class MA criteria represent a limited constraint on the Class MA PDR. While any prior approval application would be subject to public consultation and full assessment against Class MA conditions, nevertheless there is a risk that numerous sites with Class E accommodation could be converted to residential via Class MA.</p>
NPPF considerations:	<p>How is this the smallest geographical area possible?</p> <p>All buildings outside Class E have been identified and excluded. This includes residential buildings, hotels (Premier Inn York Way and Hub by Premier Inn also on York Way) and a hostel at 2-4 Caledonian Road (Keystone House).</p> <p>In addition, numerous building in Class E have been excluded from the Direction. These include:</p> <ul style="list-style-type: none"> <li>10-26 Caledonian Road: parade of shops and cafes - condition MA.2(1)(e) allows impact of change of use on CA to be considered. <ul style="list-style-type: none"> <li>Upstairs are in residential use rather than Class E, so A4D is not required.</li> </ul> </li> <li>The following parades excluded for same reason: <ul style="list-style-type: none"> <li>28-46 Caledonian Road;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- 48-68 Caledonian Road;</li> <li>- 70-104 Caledonian Road;</li> <li>- 47-59 Caledonian Road.</li> <li>• Kings Place, 90 York Way: excluded as 2008 development of Grade A offices housing established companies (The Guardian, The Observer) and concert and exhibition spaces, low risk of Class MA Change of Use. <ul style="list-style-type: none"> <li>○ Deep floorplan would not provide acceptable daylight; subdividing large footprint block would be impractical; and grade A spec would make it uneconomical to convert.</li> </ul> </li> </ul> <p>The Direction Area has been reduced to the smallest geographical area possible in accordance with NPPF paragraph 53.</p>
How is it necessary to avoid wholly unacceptable adverse impacts?	<p>The Class MA criteria represent a limited constraint on the PD Right. If availed of in this area it would result in a loss of Class E space and higher rent costs. This would cause harm to specialist clusters and the communities that depend on them.</p> <p>There are three established specialist clusters in the area, each with significant critical mass and prestigious organisations that contribute to the attractiveness of London. The lack of available employment space or its increased cost would undermine these clusters. Significant national/ international institutions like Institute of Physics and Society for Research into Higher Education would be impacted by loss of space or greater cost of space.</p> <p>The potential for residential conversion at one-off sites would make such properties more valuable and hinder site assembly. It would also create an amenity expectation and hinder the efficient use of land.</p>

## **ARTICLE 4 DIRECTIONS**

### **CAZ and CAZ Fringe**

#### **LONDON BOROUGH OF ISLINGTON**

#### **TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT) (ENGLAND) ORDER 2015**

#### **DIRECTION MADE UNDER ARTICLE 4(1) WITHOUT IMMEDIATE EFFECT**

**WHEREAS THE LONDON BOROUGH OF ISLINGTON** being the appropriate local planning authority within the meaning of Article 4(5) of the Town and Country Planning (General Permitted Development) (England) Order 2015 (“the GPDO”), is satisfied that it is expedient that development of the description(s) set out in the First Schedule below should not be carried out on the land described in the Second Schedule below, unless planning permission is granted on an application made under Part III of the Town and Country Planning Act 1990 (as amended).

**NOW THEREFORE** the said Council in pursuance of the power conferred on them by Article 4(1) of the Town and Country Planning (General Permitted Development) (England) Order 2015 hereby directs that the permission granted by Article 3 of the GPDO shall not apply to development specified in the First Schedule hereof in respect of the land shown shaded red on the attached plan and described in the Second Schedule hereof:

#### **FIRST SCHEDULE**

In respect of land described in the Second Schedule

Being development comprised within Schedule 2 Part 3 Class MA of the GPDO namely:

“Development consisting of a change of use of a building and any land within its curtilage from a use falling within Class E (*commercial, business and service*) of Schedule 2 to the Town and Country Planning (Use Classes) Order 1987 to a use falling within Class C3 (dwellinghouses) of Schedule 1 to that Order”

and not being development comprised within any other class.

#### **SECOND SCHEDULE**

Land shown only shaded red on the attached plan and being parts of the Central Activities Zone and Central Activities Zone Fringe in the King's Cross area within the London Borough of Islington.

**THE DIRECTION** is made under Article 4(1) of the said Order and in accordance with Article 4(4) and Schedule 3 of the said Order.

Made under the Common Seal of London Borough of Islington this ... day of ... 2022.

The common Seal of the Council was affixed to this Direction in the presence of

.....

London Borough of Islington Authorised Signatory

Confirmed under the Common Seal of London Borough of Islington

this ..... day of ..... 20.....

The Common Seal of the Council was affixed to this Direction in the presence of

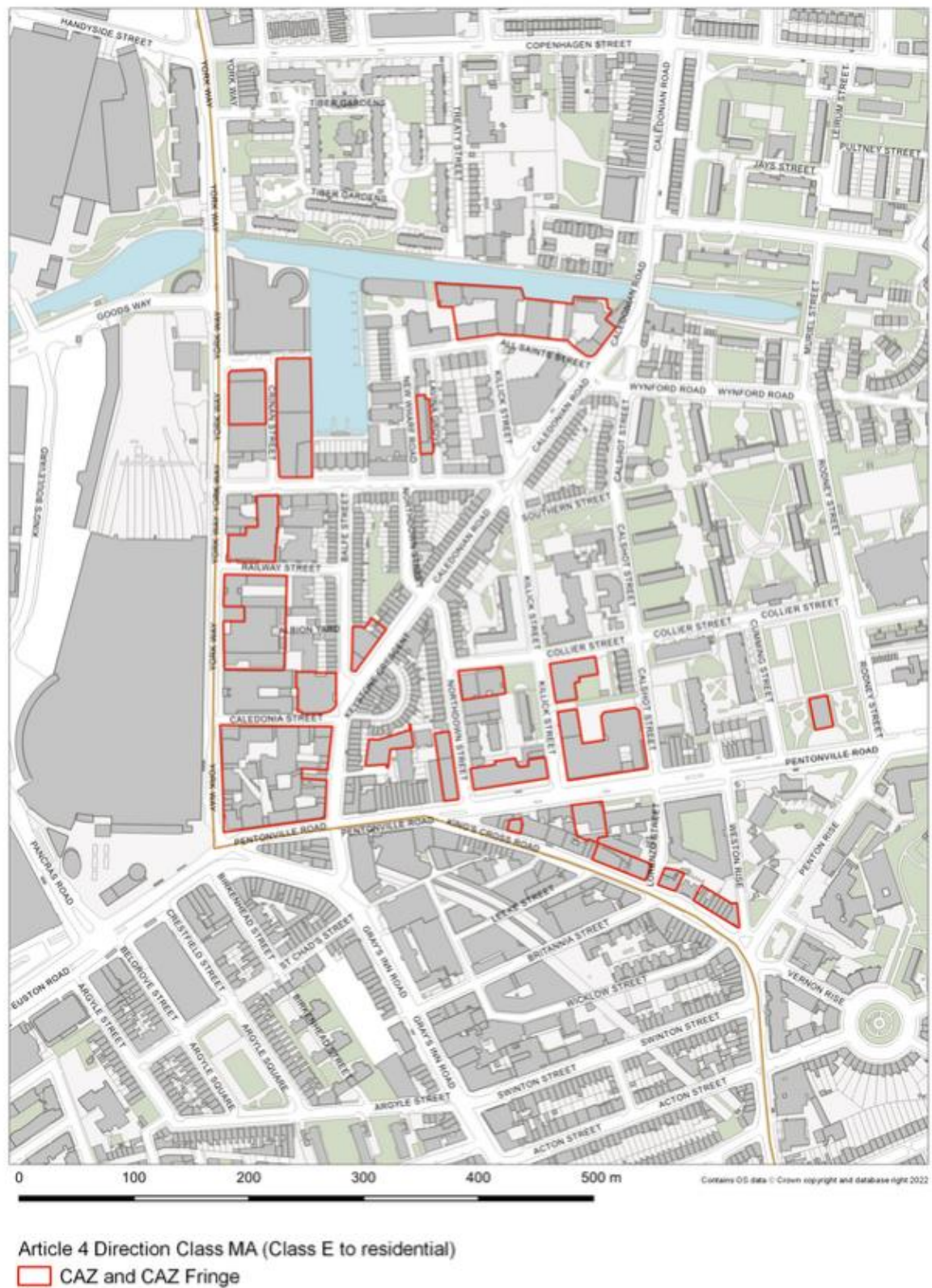
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London Borough of Islington Authorised Signatory

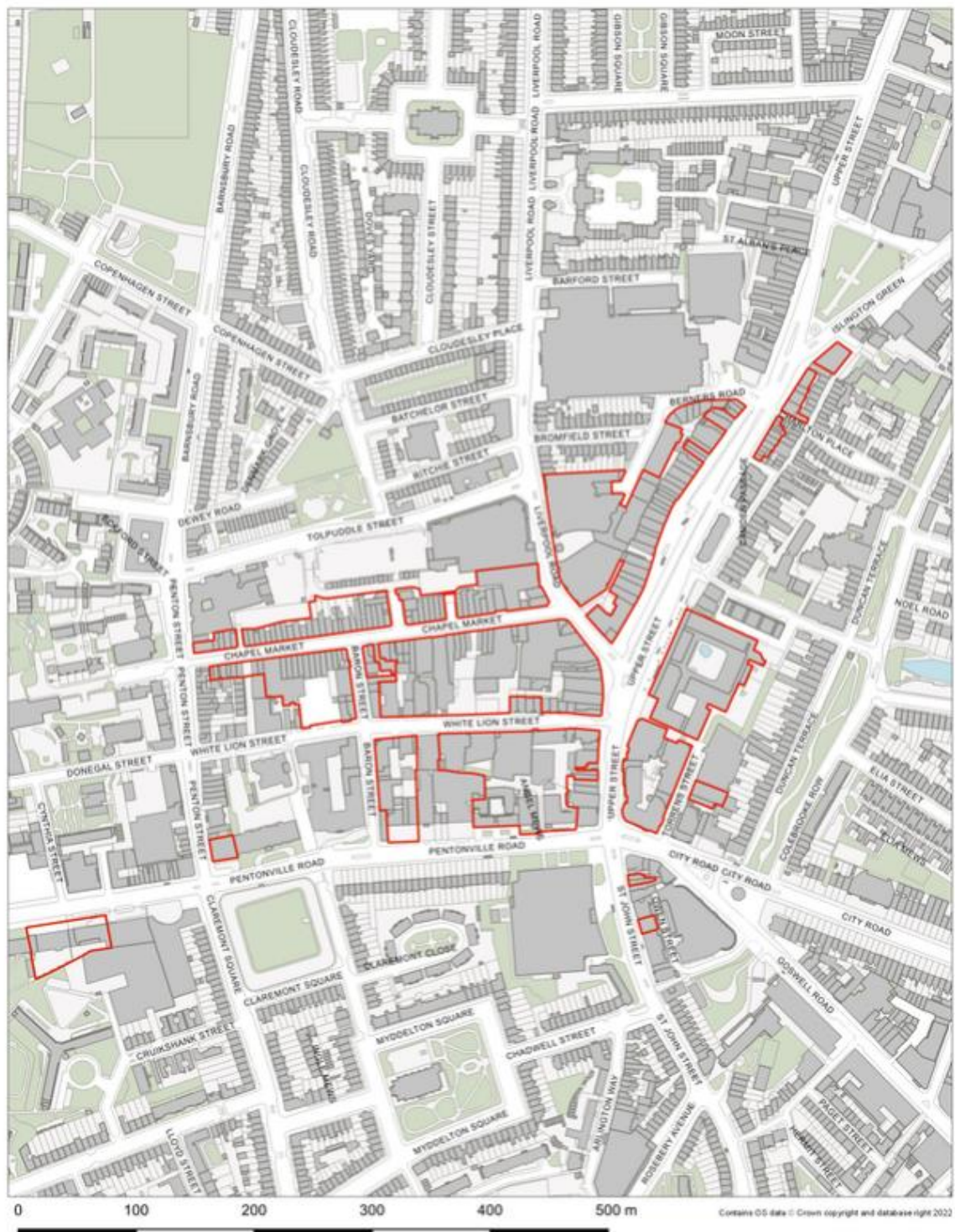


Second Schedule:

Map 1 of 4 north-west:



Map 2 of 4 north-east:

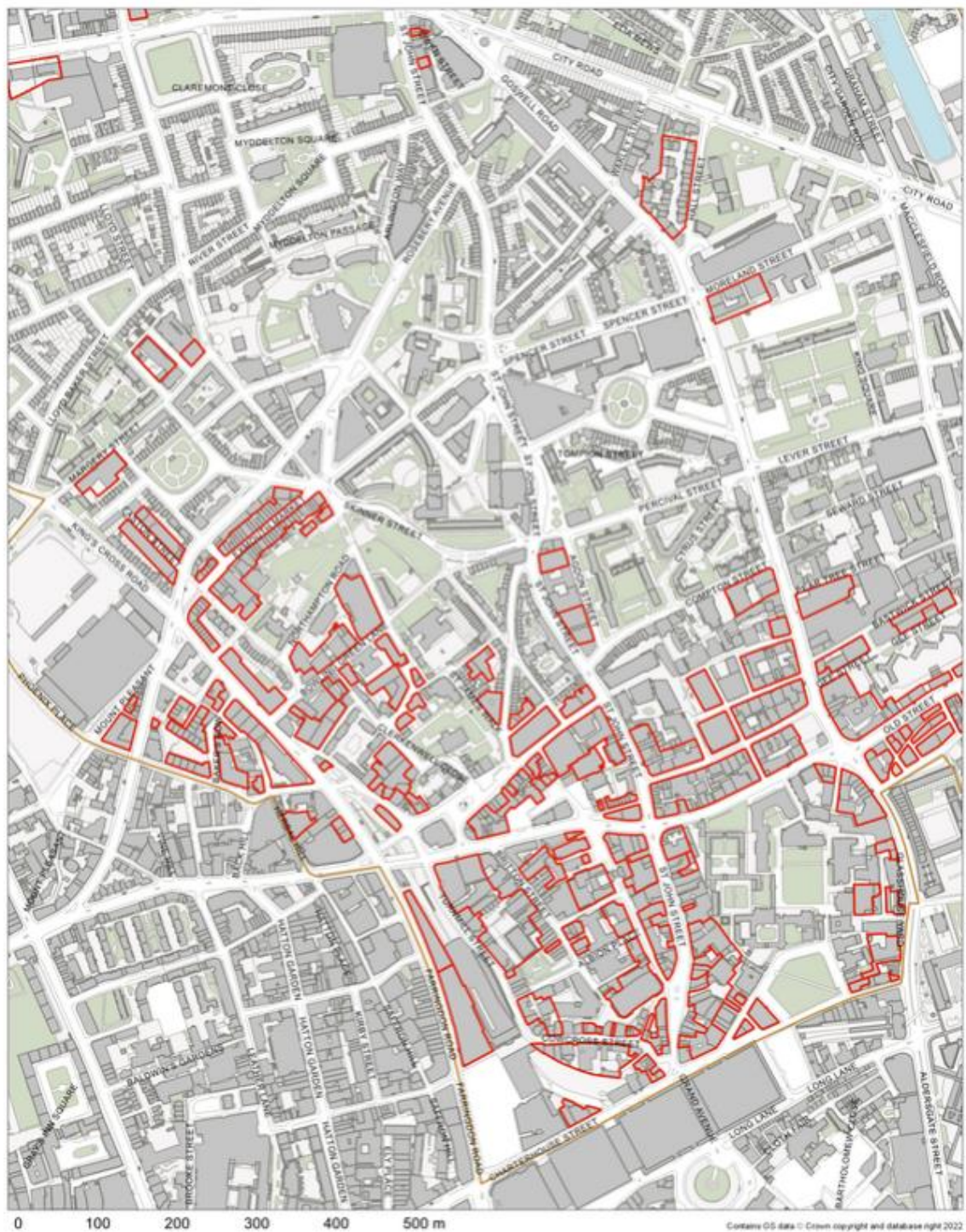


Article 4 Direction Class MA (Class E to residential)

☐ CAZ and CAZ Fringe



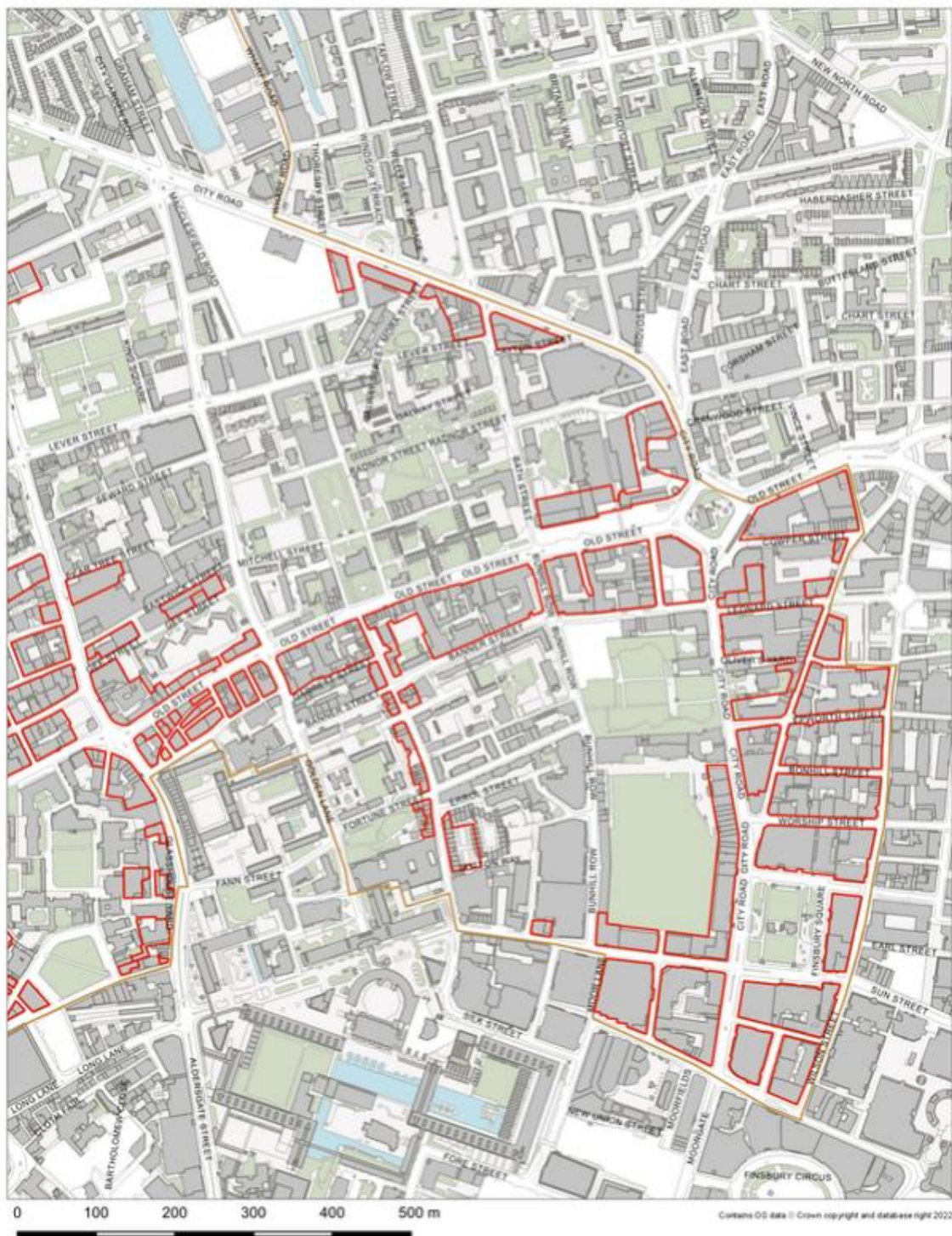
Map 3 of 4 south-west:



Article 4 Direction Class MA (Class E to residential)  
CAZ and CAZ Fringe



Map 4 of 4 south-east:



Article 4 Direction Class MA (Class E to residential)

CAZ and CAZ Fringe

**Vale Royal/ Brewery Road LSIS**

**LONDON BOROUGH OF ISLINGTON**

**TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT)  
(ENGLAND) ORDER 2015**

**DIRECTION MADE UNDER ARTICLE 4(1) WITHOUT IMMEDIATE EFFECT**

**WHEREAS THE LONDON BOROUGH OF ISLINGTON** being the appropriate local planning authority within the meaning of Article 4(5) of the Town and Country Planning (General Permitted Development) (England) Order 2015 ("the GPDO"), is satisfied that it is expedient that development of the description(s) set out in the First Schedule below should not be carried out on the land described in the Second Schedule below, unless planning permission is granted on an application made under Part III of the Town and Country Planning Act 1990 (as amended).

**NOW THEREFORE** the said Council in pursuance of the power conferred on them by Article 4(1) of the Town and Country Planning (General Permitted Development) (England) Order 2015 hereby directs that the permission granted by Article 3 of the GPDO shall not apply to development specified in the First Schedule hereof in respect of the land shown shaded red on the attached plan and described in the Second Schedule hereof:

**FIRST SCHEDULE**

In respect of land described in the Second Schedule

Being development comprised within Schedule 2 Part 3 Class MA of the said Order namely:

"Development consisting of a change of use of a building and any land within its curtilage from a use falling within Class E (*commercial, business and service*) of Schedule 2 to the Town and Country Planning (Use Classes) Order 1987 to a use falling within Class C3 (dwellinghouses) of Schedule 1 to that Order"

and not being development comprised within any other class.

**SECOND SCHEDULE**

Land shown only shaded red on the attached plan and being the Vale Royal/Brewery Road Locally Significant Industrial Site.

**THE DIRECTION** is made under Article 4(1) of the said Order and in accordance with Article 4(4) and Schedule 3 of the said Order.

Made under the Common Seal of London Borough of Islington this ... day of ... 2022.

The common Seal of the Council was affixed to this Direction in the presence of

.....

London Borough of Islington Authorised Signatory



Confirmed under the Common Seal of London Borough of Islington

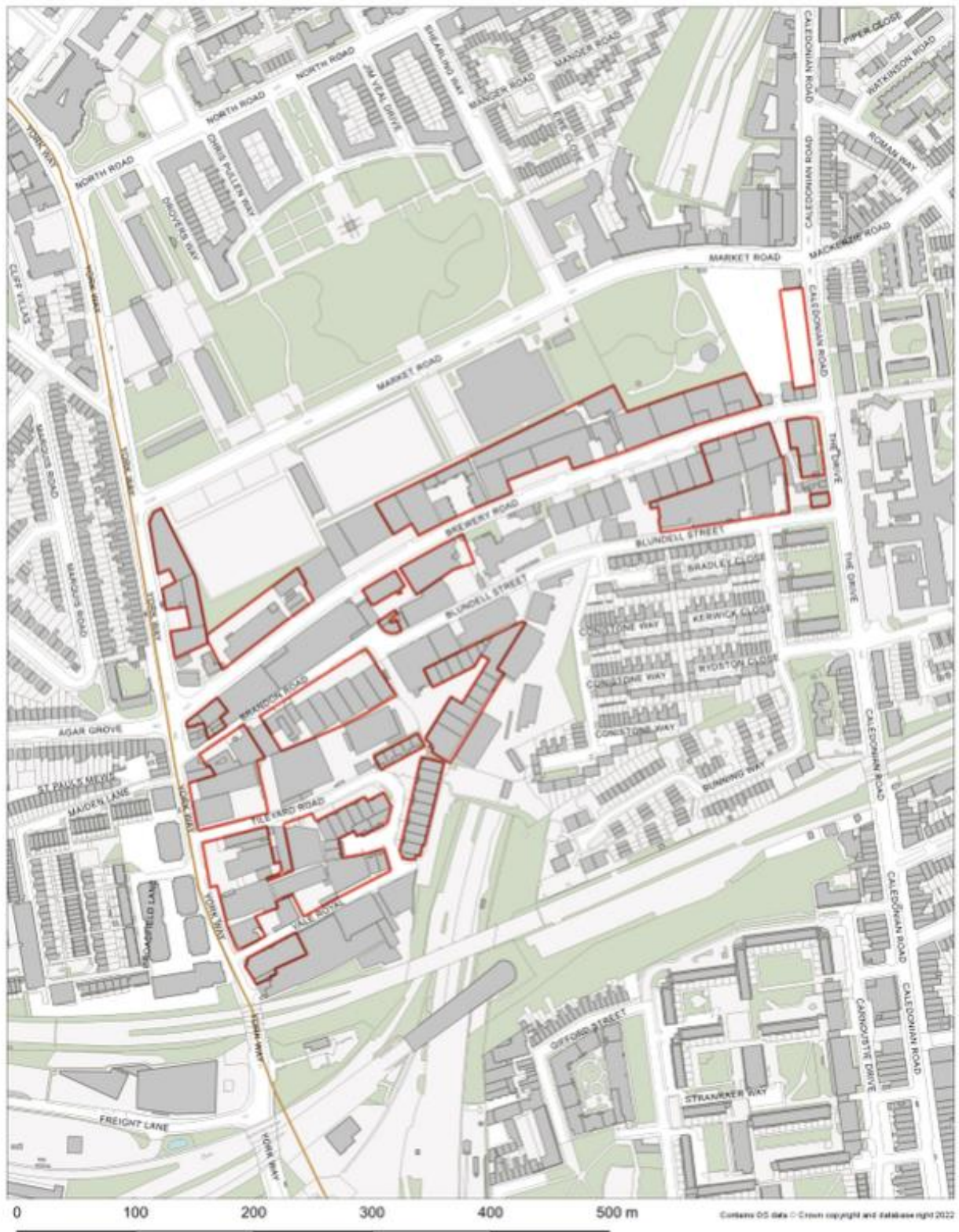
this ..... day of ..... 20.....

The Common Seal of the Council was affixed to this Direction in the presence of

.....

London Borough of Islington Authorised Signatory

Second Schedule:



**Camden Passage Specialist Shopping Area**

**LONDON BOROUGH OF ISLINGTON**

**TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT)  
(ENGLAND) ORDER 2015**

**DIRECTION MADE UNDER ARTICLE 4(1) WITHOUT IMMEDIATE EFFECT**

**WHEREAS THE LONDON BOROUGH OF ISLINGTON** being the appropriate local planning authority within the meaning of Article 4(5) of the Town and Country Planning (General Permitted Development) (England) Order 2015 ("the GPDO"), is satisfied that it is expedient that development of the description(s) set out in the First Schedule below should not be carried out on the land described in the Second Schedule below, unless planning permission is granted on an application made under Part III of the Town and Country Planning Act 1990 (as amended).

**NOW THEREFORE** the said Council in pursuance of the power conferred on them by Article 4(1) of the Town and Country Planning (General Permitted Development) (England) Order 2015 hereby directs that the permission granted by Article 3 of the GPDO shall not apply to development specified in the First Schedule hereof in respect of the land shown shaded red on the attached plan and described in the Second Schedule hereof:

**FIRST SCHEDULE**

In respect of land described in the Second Schedule

Being development comprised within Schedule 2 Part 3 Class MA of the said Order namely:

"Development consisting of a change of use of a building and any land within its curtilage from a use falling within Class E (*commercial, business and service*) of Schedule 2 to the Town and Country Planning (Use Classes) Order 1987 to a use falling within Class C3 (dwellinghouses) of Schedule 1 to that Order"

and not being development comprised within any other class.

**SECOND SCHEDULE**

Land shown shaded red on the attached plan and being that part of Camden Passage Specialist Shopping Area that does not fall within the Central Activities Zone (CAZ).

**THE DIRECTION** is made under Article 4(1) of the said Order and in accordance with Article 4(4) and Schedule 3 of the said Order.

Made under the Common Seal of London Borough of Islington this ... day of ... 2022.

The common Seal of the Council was affixed to this Direction in the presence of

.....

London Borough of Islington Authorised Signatory

Confirmed under the Common Seal of London Borough of Islington

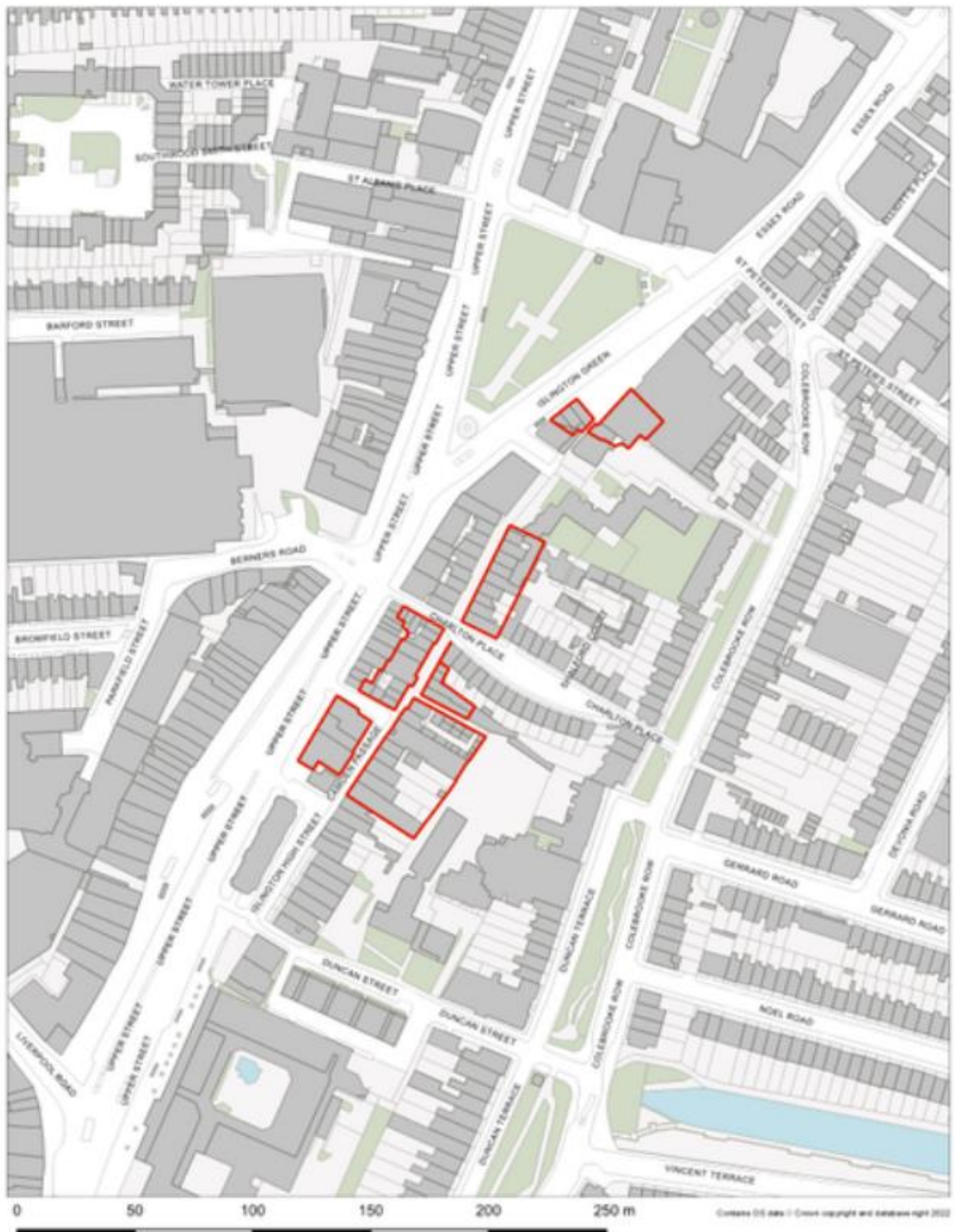
this ..... day of ..... 20.....

The Common Seal of the Council was affixed to this Direction in the presence of

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London Borough of Islington Authorised Signatory

Second Schedule:





**Fonthill Road Specialist Shopping Area**

**LONDON BOROUGH OF ISLINGTON**

**TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT)  
(ENGLAND) ORDER 2015**

**DIRECTION MADE UNDER ARTICLE 4(1) WITHOUT IMMEDIATE EFFECT**

**WHEREAS THE LONDON BOROUGH OF ISLINGTON** being the appropriate local planning authority within the meaning of Article 4(5) of the Town and Country Planning (General Permitted Development) (England) Order 2015 ("the GPDO"), is satisfied that it is expedient that development of the description(s) set out in the First Schedule below should not be carried out on the land described in the Second Schedule below, unless planning permission is granted on an application made under Part III of the Town and Country Planning Act 1990 (as amended).

**NOW THEREFORE** the said Council in pursuance of the power conferred on them by Article 4(1) of the Town and Country Planning (General Permitted Development) (England) Order 2015 hereby directs that the permission granted by Article 3 of the GPDO shall not apply to development specified in the First Schedule hereof in respect of the land shown shaded red on the attached plan and described in the Second Schedule hereof:

**FIRST SCHEDULE**

In respect of land described in the Second Schedule

Being development comprised within Schedule 2 Part 3 Class MA of the said Order namely:

"Development consisting of a change of use of a building and any land within its curtilage from a use falling within Class E (*commercial, business and service*) of Schedule 2 to the Town and Country Planning (Use Classes) Order 1987 to a use falling within Class C3 (dwellinghouses) of Schedule 1 to that Order"

and not being development comprised within any other class.

**SECOND SCHEDULE**

Land shown only shaded red on the attached plan and being the Fonthill Road Specialist Shopping Area.

**THE DIRECTION** is made under Article 4(1) of the said Order and in accordance with Article 4(4) and Schedule 3 of the said Order.

Made under the Common Seal of London Borough of Islington this ... day of ... 2022.

The common Seal of the Council was affixed to this Direction in the presence of

.....

London Borough of Islington Authorised Signatory

Confirmed under the Common Seal of London Borough of Islington

this ..... day of ..... 20.....

The Common Seal of the Council was affixed to this Direction in the presence of

.....

London Borough of Islington Authorised Signatory

[illegible]

# **Report to Corporate Management Board**

Community Wealth Building

Town Hall, Upper Street, N1 2UD

Report of: Corporate Director of Community Wealth Building

Date: 2 August 2022

Ward(s): All

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## Subject: Class E to residential Permitted Development Rights –Introduction of Article 4 Directions

### 1. Synopsis

- 1.1** This report asks CMB to note that the Director of Community Wealth Building will shortly make a decision to consult and notify potentially impacted landowners of the council's intention to introduce a first tranche of Article 4 Directions. These Directions will remove Class MA (commercial to residential) permitted development rights in many parts of the borough's strategically important business and retail areas. This report explains why these Directions are considered necessary to support the economic functioning of the borough and the council's commitment to delivering an inclusive local economy and supporting local employment .
- 1.2** Permitted development rights (PDR) allow a landowner to change the use of land without first obtaining planning permission. The Government has recently significantly broadened the scope of these rights. It has for example introduced the right to change from land uses within Class E (a broad category of commercial and business uses - see below) to residential uses without planning permission.
- 1.3** This right (termed Class MA) will potentially apply to all business and commercial premises across the borough and could potentially lead to many of these premises being converted to residential uses. There are concerns that this right could undermine the economic and social functioning of the borough particularly in its town centres and specialist retail areas and in strategic employment locations including the Central Activities Zone and the area around Kings Cross.

- 1.4 Furthermore, any new homes delivered in this manner won't have to comply with the council's planning policies, including those relating to affordable housing provision, space standards and net zero carbon.
- 1.5 These rights can be removed via a legal order known as an Article 4 Direction. Whilst there has hitherto been an Article 4 Direction in place to protect office uses in the Central Activities Zone the Government has ordered the Central London Boroughs to withdraw this Direction as of 1 August 2022.
- 1.6 It is therefore proposed that a first tranche of Article 4 Directions to remove the class MA permitted development right is introduced in parts of the following areas:
- The Central Activities Zone (CAZ);
  - The CAZ Fringe including the Kings Cross Area;
  - The Vale Royal/Brewery Road Locally Significant Industrial Site;
  - The Fonthill Road Specialist Shopping Area; and
  - The Camden Passage Specialist Shopping Area.
- 1.7 The Secretary of State has the power to intervene to require local authorities to withdraw or amend Article 4 Directions and has very recently sought to limit the extent of these Directions in other Central London Boroughs (and historically in Islington). The proposed Directions have therefore been drawn up with careful regard to the national planning policy requirement that the case for their introduction is well evidenced and that the Directions must apply to the smallest area necessary to avoid wholly unacceptable impacts. For example, the Secretary of State has said that they will not agree to a blanket Article 4 Direction in the Central Activities Zone. The extent of the proposed areas within Tranche One of the Directions in Islington is shown in Appendix One.
- 1.8 The decision to notify and consult potentially impacted landowners will be made by the Director of Community Wealth Building. To avoid the payment of compensation, landowners will be given one year's notice of the council's intention to introduce these Directions. The Executive is required to take the formal decision on the introduction of the Directions.
- 1.9 Further Article 4 Directions are in preparation to protect other areas of the borough including its town centres, shopping parades and local employment areas. CMB will be consulted on any proposal to introduce further Directions,

## 2. Recommendations

- 2.1 CMB is asked to note that the Director of Community Wealth Building will be asked to agree to publish non - immediate Article 4 Directions as proposed in this report and as shown in Appendix One so that the notification and consultation process can commence.
- 2.2 CMB is asked to note that the Executive will make the decision to introduce the Directions following consultation and notification of any impacted landowners. To avoid the payment of compensation the Directions will be introduced no earlier than one year after the notification period begins.



### 3. Background

#### The introduction of the Class MA permitted development right

- 3.1 In September 2020, the Government introduced a new use class known as Class E (Commercial, Business and Services). This brought together a number of existing use classes including: shops; cafes and restaurants; financial and professional services; indoor sport, recreation, or fitness; crèches, day nurseries or day centres; and offices, research & development, and industrial processes.
- 3.2 Following the introduction of the new E Use Class, planning permission is no longer needed to change from one of these uses to another use within the same use class.
- 3.3 Following earlier consultation, the Government announced on 31 March 2021 that it intended to introduce a new permitted development right. As of 1 August 2021, planning permission is no longer needed to go from any of the uses in Class E to a residential use. This new right is known as Class MA. Rather than submitting a planning application for a change of use, applicants will have to go through a process called 'prior approval'.
- 3.4 In determining an application for prior approval the council may only consider the following matters:
  - Flooding, transport, and contamination.
  - Impact of noise from commercial premises.
  - The provision of adequate light in all habitable rooms.
  - The impact of the loss of ground floor uses on the character and sustainability of conservation areas.
  - Impact on future residents from the introduction of residential uses into an area that the council considers important for heavy industry, waste management or storage and distribution.
  - Impact of the loss of health centres and registered children's nurseries.
- 3.5 The council's planning policies cannot be applied to an application for prior approval (including policies on affordable housing and net zero carbon) and decision makers may only consider the matters listed above.
- 3.6 Under this permitted development right, all or part of a building up to an area of 1,500 square metres in Use Class E can be converted to a residential use subject to the 'prior approval' process. This floor space is roughly the equivalent of 15 or more two - bedroom flats.

- 3.7 To benefit from this right, buildings must be vacant for a period of 3 months and must have been in Use Class E (or a preceding use class) for a period of more than two years.
- 3.8 The permitted development right does not apply to Listed Buildings or Scheduled Monuments or land within their curtilage.
- 3.9 Planning permission will still be required for many of the alterations to buildings that may be needed to convert Use Class E buildings to residential uses e.g. to convert a shop front to a residential frontage.
- 3.10 Any new homes must meet the national space standards for housing and building control regulations for energy efficiency. In both cases these policies are less stringent than the council's planning policies.
- 3.11 There are a number of concerns about the impact of these changes. They include:
- Existing and successful businesses including small and micro businesses will be evicted from their premises to enable them to be converted to homes. Landlords will wish to capitalise on higher land values for residential uses particularly in the light of no requirement to deliver affordable housing or meet planning standards. Evidence suggests that over 50% of the office space in Islington that was lost to the permitted development right for office to residential use was occupied.
  - A scarcity of commercial property could lead to increased rents.
  - Businesses risk being evicted from their buildings in order to manufacture the three - month vacancy period. Given the levels of debt being carried by businesses as the borough continues to adjust to the impacts of the pandemic, this is considered to be a significant risk. There is a risk that this change will have a perverse impact leading to more rather than fewer vacant premises in the borough with a consequent impact on business confidence. A large number of vacant commercial units will make shopping and business areas less attractive to customers and employers further undermining their viability.
  - A loss of commercial and business uses will erode the character, economic and social functioning, agglomeration and fine - grained nature of the borough's employment and retail areas and business clusters including the Central Activities Zone, town centres and shopping streets. This will have consequences for the number of jobs and levels of economic activity in the borough.
  - The council will be unable to secure small sites contributions towards affordable housing or on-site provision on major sites with 10 homes or more.

- The council cannot apply its planning policies to applications for prior approval e.g. in relation to energy and sustainability thus undermining our ability to work towards net zero carbon by 2030.

#### The introduction of Article 4 Directions

- 3.12 The council is able to withdraw permitted development rights through Article 4 Directions. This does not mean that the proposed development cannot take place but rather that planning permission will be needed, and the council's planning policies can be applied.
- 3.13 In recognition of some of the additional conditions/restrictions associated with the new PDR, the government has set a higher bar for the introduction of Article 4 Directions. This is reflected in the National Planning Policy Framework (NPPF), which states that:
- where they relate to change from non-residential use to residential use, be limited to situations where an Article 4 direction is necessary to avoid wholly unacceptable adverse impacts; and
  - in all cases, be based on robust evidence, and apply to the smallest geographical area possible.
- 3.14 It is clear that the Government is strictly applying this policy to the Directions that are being brought forward by the other Central London boroughs with significant changes being required at the last minute. In response to this, in addition to considering strategic evidence, officers have undertaken more detailed area based and site-specific analyses to help evidence and justify the proposed Article 4 Directions.
- 3.15 The proposed areas have also been drawn up having regard to the clear direction from the Government that they need to apply to the smallest geographical area possible. Based on the evidence gathered in this extensive mapping and survey work, officers identified the sites and blocks where the loss of Class E would have a wholly unacceptable adverse impact and where PDR exclusions/restrictions do not already apply (for example listed buildings).
- 3.16 Phase One of the Article 4 Directions to be introduced in August 2022 includes the following areas and applies to Class MA in its entirety:
- Central Activities Zone (CAZ) and CAZ Fringe in Kings Cross Area;
  - Vale Royal/Brewery Road Locally Significant Industrial Site;
  - Fonthill Road Specialist Shopping Area;
  - Camden Passage Specialist Shopping Areas.
- 3.17 Subject to any views expressed by CMB in August 2022 the Director of Community Wealth Building will make a delegated decision to make Article 4 directions for these areas without immediate effect. Officers will then proceed to notify and consult

interested parties of the council's intention to introduce new Article 4 Directions and publish draft Orders etc. This notification would begin after the call-in period expires.

- 3.18 A decision to confirm the Article 4 Directions would be considered by the Executive following the consultation and notification following feedback from Civil Servants representing the Secretary of State. The exact timing of the Executive decision will depend on the timing of the Civil Servants' feedback and its content. An early meeting with Civil Servants has been sought and agreed. The Directions would come into effect after the necessary period to make them non- immediate i.e. in August 2023 (provided that they are not amended or revoked by the Secretary of State in the meantime).

### **A second tranche of Article 4 Directions**

- 3.19 If Article 4 Directions are pursued as recommended above this would still leave large parts of the borough including retail and employment areas vulnerable to change following the introduction of Class MA.

- 3.20 In particular the following areas would be vulnerable to Class MA:

- Parts of the Angel Town Centre that sit outside the CAZ;
- Nags Head Town Centre;
- Finsbury Park Town Centre;
- Archway Town Centre; and
- the borough's Local Shopping Areas. There are 40 of these in the borough. They include places such as the Caledonian Road, Seven Sisters Road, Brecknock Road and Highbury Barn.
- There are also a number of small Primary Employment Locations that sit outside the areas protected by Phase One. This includes places such as Highbury Corner, Seven Sisters Road, Finsbury Park, Balls Pond Road and Aberdeen Lane.

- 3.21 Detailed surveys of all areas are being undertaken to inform a second phase of Article 4 directions to ensure that any Article 4 Directions are supported by a solid evidence base. Surveys are gathering up to date information about which buildings are vacant and data on the mix and nature of uses within these areas. It is considered unlikely that extensive Article 4 Directions could succeed without this evidence and without the council being able to demonstrate wholly unacceptable adverse impacts.

## **4. Implications**

### **Financial Implications**

- 4.1 If a local planning authority makes an A4D, it may be liable to pay compensation to those whose permitted development rights have been withdrawn in the event that planning permission is refused for such development.
- 4.2 However, no compensation is payable if the following procedure is followed, as set out in section 108 of the Town and Country Planning Act:

- 4.3 If a local planning authority makes an A4D, it may be liable to pay compensation to those whose permitted development rights have been withdrawn in the event that planning permission is refused for such development.
- 4.4 However, no compensation is payable if the following procedure is followed, as set out in section 108 of the Town and Country Planning Act:
- The withdrawn permitted development right is of a prescribed description as set out in the Town and Country Planning (Compensation) (England) Regulations 2015 (as amended).
  - The permitted development right is withdrawn in the prescribed manner.
  - Notice of withdrawal is given in the prescribed manner i.e. not less than 12 months and no more than two years before it takes effect.
- 4.5 It is proposed that the non-immediate procedure is followed with regard to the Directions proposed. This will remove the council's liability to compensate landowners.
- 4.6 The costs associated with publishing and consulting on the A4D together with associated legal costs will be met from the Planning and Development budget allocation for the Local Plan.

### **Legal Implications**

- 4.7 An A4D removes the specified permitted right and means that an express grant of planning permission will be required for the change of use. If the non-immediate procedure is followed then the A4D would, if confirmed, come into force one year from the date of the publication of the notice, so that the council would not be liable to pay compensation should planning permission be refused or granted subject to conditions after the direction has taken effect.
- 4.8 Legal Services will advise on the form of the notice and linked procedures which are specified in the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended). The Secretary of State has extensive powers to withdraw or modify the geographic coverage of the Direction at any time. The council has power to cancel the Direction by subsequent Direction.
- 4.9 Once approved under delegated authority, the A4Ds will be publicised via the press (local advertisement) and site notices. The GPDO requires the local planning authority to serve notice on the owner and occupier of every part of the land within the area or site to which the Directions relate, unless they consider that individual service on that owner or occupier is impracticable because it is difficult to identify or locate that person; or the number of owners or occupiers within the area to which the Direction relates makes individual service impracticable. In this case, it is considered that it would be impracticable for the council to identify and individually notify all parties potentially affected by the proposed A4Ds.
- 4.10 The Council will give at least six weeks for interested parties to make representations on the Directions, which exceeds the minimum requirements set out in legislation.
- 4.11 Following the consideration of all representations received, the A4Ds will then be reported to the Council's Executive, to determine whether to confirm the Directions and confirm their geographical coverage.



## **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

- 4.12 The A4D is likely to have a positive environmental impact as, by re-introducing the need for planning permission for certain proposals, they will allow relevant planning policies to be applied – in particular those relating to sustainability of residential development.

### **Equalities Impact Assessment**

- 4.13 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 4.14 An Equalities Impact Assessment is not required in relation to this report, because a screening exercise identified no negative impacts which may arise following introduction of the proposed Article 4 Directions.

## **5. Conclusion and reasons for the decision**

- 5.1 The introduction of the Class MA permitted development rights, which will allow eligible properties to change use from Class E to residential without planning permission is likely to have significant negative impacts on parts of the borough and the local economy. The first phase of Article 4 Directions is intended to help mitigate these impacts in some of the key employment locations and specialist shopping areas in the borough.

Signed by:

**Corporate Director of Community Wealth Building**

Date: Thursday, 28 July 2022

### **Appendices:**

- Appendix 1 – Map of proposed Article 4 Direction areas

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Financial Implications

Author: Steve Abbott (Head of Finance)

Tel: 020 7527 2369

Email: steve.abbott@islington.gov.uk

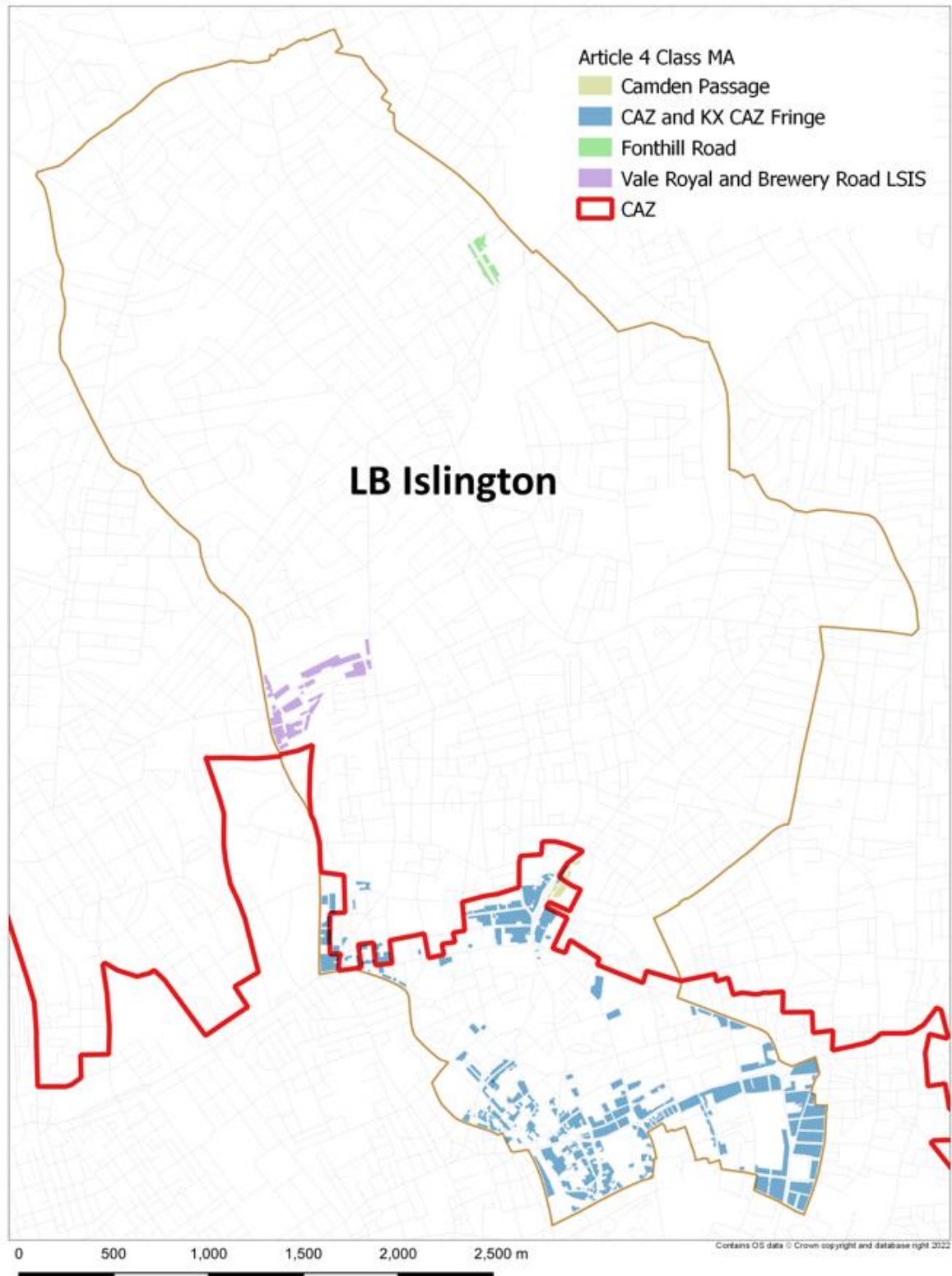
Legal Implications

Author: Penny Parkinson (Principal Planning Lawyer)

Tel: 020 7527 3362

Email: Penelope.Parkinson@islington.gov.uk

## Appendix 1: Map of proposed Article 4 Direction areas



## Background papers:

- The Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended), available from: <http://www.legislation.gov.uk/ukxi/2015/596/contents/made>
- The Town and Country Planning (General Permitted Development) (England) (Amendment) Order 2016, available from: <http://www.legislation.gov.uk/ukxi/2016/332/contents/made>
- National Planning Policy Framework, available from: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6077/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf)
  1. *The London Plan (2021)*, available from:
  2. [The London Plan 2021 | London City Hall](#)
- Central Activities Zone Supplementary Planning Guidance (March 2016), available from: [https://www.london.gov.uk/sites/default/files/caz\\_spg\\_final\\_v4.pdf](https://www.london.gov.uk/sites/default/files/caz_spg_final_v4.pdf)
- City Fringe Opportunity Area Planning Framework 2015, (OAPF), available from: [https://www.london.gov.uk/sites/default/files/city\\_fringe\\_oapf\\_adopted\\_dec\\_2015.pdf](https://www.london.gov.uk/sites/default/files/city_fringe_oapf_adopted_dec_2015.pdf)
- Core Strategy, available from: <https://www.islington.gov.uk/~media/sharepoint-lists/public-records/environmentalprotection/qualityandperformance/reporting/20112012/20120303corestrategyfebruary2011.pdf>
- Development Management Policies, available from: <https://www.islington.gov.uk/~media/sharepoint-lists/public-records/planningandbuildingcontrol/publicity/publicconsultation/20132014/20131211developmentmanagementpoliciesadoptedjune2013.pdf>
- LB Islington Employment Land Study (January 2016), available from: <https://www.islington.gov.uk/~media/sharepoint-lists/public-records/planningandbuildingcontrol/publicity/publicconsultation/20162017/20160512lbislingtonelsreport160126.pdf?la=en>
- LB Islington Employment Land Study Review of B-Use Premises and Permitted Development Rights (January 2016), available from: [islington.gov.uk](http://islington.gov.uk)
- London Office Policy Review (2017), available from: [https://www.london.gov.uk/sites/default/files/london\\_office\\_policy\\_review\\_2017\\_final\\_17\\_06\\_07.pdf](https://www.london.gov.uk/sites/default/files/london_office_policy_review_2017_final_17_06_07.pdf)
- Small Offices and Mixed Use in the CAZ (2015), available from [https://www.london.gov.uk/sites/default/files/caz\\_spg\\_final\\_v4.pdf](https://www.london.gov.uk/sites/default/files/caz_spg_final_v4.pdf)
- Understanding permitted development for commercial-to-residential change of use in Islington (2022), University College London, available from [islington.gov.uk](http://islington.gov.uk)
- Remixing Central London (2022) Centre for London, available from [Centre for London | Remixing Central London](#)
- Strategic Evidence to support London Borough Article 4 Directions in London's Nationally Significant Office Locations (February 2018), available from: [https://www.london.gov.uk/sites/default/files/strategic\\_evidence\\_to\\_support\\_london\\_nationally\\_significant\\_office\\_locations\\_final.pdf](https://www.london.gov.uk/sites/default/files/strategic_evidence_to_support_london_nationally_significant_office_locations_final.pdf)

Report Authors: Jonathan Gibb/ Sakiba Gurda/ John Sheehy/ James Delamere/ Gavin Polkinghorn/ Lydia Brown  
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