

Community Wealth Building
Islington Town Hall, Upper Street, N1 2UD

Officer Key Decision report of: Corporate Director of Community Wealth Building

Date: 22nd of August 2022

Wards: All

Subject: Article 4 Directions: Notification to withdraw Permitted Development Right for Change of Use from Class E to Dwellinghouses (Class MA)

1. Synopsis

- 1.1 This report recommends that the Corporate Director of Community Wealth Building make a decision to introduce four non-immediate Article 4 Directions (A4Ds) to remove Class MA permitted development rights in parts of the following areas, as shown on Maps 7-17 of this report:
- 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 Area.
- 1.2 The Council plans to carry out the following steps:
- 1 The decision in principle to make the Directions will be made in response to the recommendations;
 - 2 The Directions are made when sealed shortly thereafter;
 - 3 Consultation: the Directions will be publicised as set out at paragraph 7.1 below as soon as practicable after they are made. The Council will specify a period of 6 weeks within which representations concerning the Directions can be made;
 - 4 Final decision: subject to the responses to the consultation, the Council's Executive will be asked to confirm the A4Ds including their geographical coverage. The formal decision will be made at the end of the 12-month period. This will be publicised in the same way as the initial Notification of the A4D;

- 5 Subject to confirmation, the Directions will come into force approximately 12 months after the decision in principle.
- 1.3 In preparing these A4Ds the Council has followed a proportionate and evidence-based approach, the sole focus of which is to avoid wholly unacceptable adverse impacts. Key Council and government objectives including housing delivery will not be adversely impacted by the A4Ds, and will in fact be supported as unrestricted Class MA would risk causing a reduction in housing delivery in Islington. The A4Ds will also support economic activity and employment in the Borough by protecting some of Islington's most productive and important Class E floorspace. The area covered by the A4Ds represents 3.2% of the overall land area of the Borough so, should the A4Ds be confirmed, Class MA will nevertheless operate in full in the vast majority of Islington.
- 1.4 The Council's Corporate Management Board was consulted on the decision to introduce the A4Ds at its meeting on 2 August 2022. A copy of the report that was presented to CMB is attached at Appendix 1.

2. New Planning Use Class

- 2.1 On 1 September 2020, an amendment to the Use Classes Order came into effect creating the new Use Class E (Commercial, Business and Service) which incorporates the following former uses:
- B1 (business),
 - A1 (shops),
 - A2 (financial and professional services),
 - A3 (restaurants and cafes)
 - Uses from the previous D1 and D2 use classes (indoor sport, recreation, fitness, medical, health, nursery, crèche and day centre).
- Planning permission is no longer normally required to change from one Class E use to another use within the same use class.
- 2.2 Following this, the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 introduced a new permitted development right known as Class MA. This right, which came into effect on 1 August 2021, permits any land or building in Use Class E to be converted to a residential use (Class C3) through the prior approval process. Permitted Development rights can be withdrawn through the introduction of A4Ds. The Secretary of State has powers to revoke or amend these Directions if they do not comply with national planning policy or guidance.
- 2.3 The National Planning Policy Framework (NPPF) was amended on 20 July 2021 to set out new guidance on the introduction of A4Ds.
- 2.4 Para 53 of the NPPF now states that:

“The use of Article 4 directions to remove national permitted development rights should:

- 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 (this could include the loss of the essential core of a primary shopping area which would seriously undermine its vitality and viability, but would be very unlikely to extend to the whole of a town centre)
- in other cases, be limited to situations where an Article 4 direction is necessary to protect local amenity or the well-being of the area (this could include the use of Article 4 directions to require planning permission for the demolition of local facilities)
- in all cases, be based on robust evidence, and apply to the smallest geographical area possible.”

3. Date Direction will come into Force

- 3.1 To avoid liability to pay compensation the A4Ds will be non-immediate and will not come into force until the expiry of a year following the making of the Directions. Prior to this, the Executive will be asked to confirm that the A4Ds will come into effect on that date and to confirm the geographic coverage of the Directions.
- 3.2 The Corporate Director of Community Wealth Building is, therefore, asked to agree to the recommendations set out below.

4. Recommendations

- 4.1 The Director of Community Wealth Building is asked to:
- 4.2 Decide to make four non-immediate Article 4 Directions to withdraw the permitted development right granted by Class MA, Part 3 of Schedule 2 to the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 for the change of use of a building or any land within its curtilage from Use Class E to residential (Use Class C3). The areas to which the non-immediate Article 4 Directions will apply are shown on Map 1 below and on Plans attached in Appendix One.
- 4.3 To note that the Secretary of State will be notified of the council’s intention to introduce Article 4 Directions in the areas shown on Map 1 below and on Plans attached in Appendix One.
- 4.4 To note that the council will notify potentially impacted landowners and other interested parties of its intention to introduce the Article 4 Directions by the means set out in paragraph 7.1.

- 4.5 To note that the Executive will be asked to consider any comments received during the notification period including comments from the Secretary of State and to confirm the A4Ds including their geographical coverage.

Map 1: Overview showing location of A4D areas



5. Date the decision is to be taken

- 5.1 22nd of August 2022.

6. How Class MA works

6.1 The new Class MA PD Right is subject to a number of restrictions including:

- that the building has been vacant for a continuous period of at least 3 months;
- the floorspace of the building changing use does not exceed 1500 square metres;
- the building must have been within class E (or equivalent previous use class) for 2 years prior to a prior approval application;
- the permitted development right does not apply to listed buildings.

6.2 There are also a number of conditions to be considered under the prior approval process, including in relation to transport impacts, contamination risks, flooding, noise impacts, the impact on the change of use of the ground floor on the character or sustainability of conservation areas, the provision of adequate natural light, the impact of the introduction of residential use in an areas important for general or heavy industry, waste management, storage and distribution or a mix of such uses. Where the proposal involves a nursery or health centre, the impact on local provision of services can also be considered.

Role of Article 4 Directions

6.3 A4Ds allow local planning authorities to remove permitted development rights that would otherwise apply by virtue of the General Permitted Development Order. An A4D does not prohibit the development to which it applies, but instead requires that planning permission is obtained from the local planning authority. The Class MA PD right requires prior approval but this determination is limited and does not allow for full consideration against adopted Development Plan policies.

6.4 As set out in the National Planning Policy Framework (NPPF) and Planning Policy Guidance (PPG), the use of A4Ds should be limited to situations where they are necessary to avoid wholly unacceptable adverse impacts on an area, or to protect local amenity and / or the wellbeing of the area. These criteria are not further defined in the NPPF or the PPG. The PPG notes that the potential harm that the A4D is intended to address should be clearly identified. The PPG further advises that an A4D removing PD rights where prior approval powers are available to control permitted development should have particularly strong justification.

6.5 A4Ds can be made with immediate effect or following a defined period of notice (non-immediate). This report recommends that the Council makes non-immediate A4Ds with a 12-month notice period. This will remove the Council's liability to compensate landowners affected by the removal of their permitted development rights. This matter is discussed further in the legal implications section at the end of this report.

- 6.6 Prior to coming into force, the Council must confirm whether it intends to proceed with the Directions, based on consideration of representations received. The decision on whether or not to confirm the Directions and their geographical coverage will be taken by the Executive.
- 6.7 In deciding whether this A4D is expedient, regard has been had to various national, London-wide and local planning policies and considerations.

7. Notification of the Secretary of State and other Interested Parties

- 7.1 The Council will give notice of its intention to introduce the Directions by:
- A. erecting site notices in numerous locations;
 - B. placing advertisements in the press;
 - C. writing to every individual and organisation on the Council's planning consultations database. Given the extent of the A4Ds it is not practicable to notify all those directly affected due to the difficulty of identifying the owners or occupiers of individual properties and units. This approach has been followed by other London Boroughs.
- 7.2 The Council will notify the Secretary of State that it has made the non-immediate Directions.
- 7.3 Officers will allow six weeks for receipt of representations and will consider representations received before reporting to Executive to make a final decision whether or not to confirm the A4D.
- 7.4 If a decision is made to confirm the A4D, the council will give notice, following the same process as set out in paragraph 7.1 above.

8. Reasons for seeking Directions

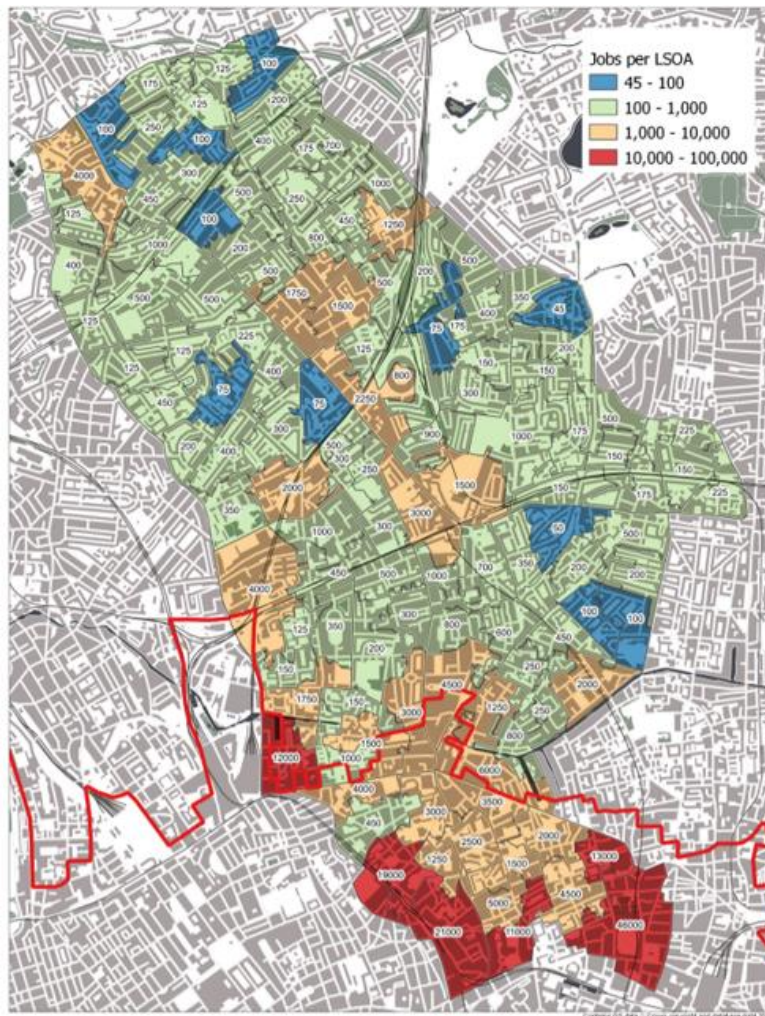
- 8.1 The Class MA Permitted Development Right is a major legislative change which could transform areas which have significant concentrations of employment. The London Borough of Islington has numerous such areas, and when Class MA was introduced the planning department started to consider its potential impact and the options for restricting it via an A4D.
- 8.2 The Class MA PD Right is subject to limitations, conditions and a prior approval process. As these provide a degree of control, an A4D needs to be justified by robust evidence and limited to the smallest geographic area possible.

- 8.3 Since Class MA was introduced, neighbouring boroughs have applied for A4Ds and in July 2021 a non-immediate A4D was approved for the entire area of the City of London in relation to Class E(g)(i) (office use). In preparing this proposal we have considered the strategic consequences in relation to the CAZ, the Vale Royal/ Brewery Road LSIS and the two Specialist Shopping Areas, Camden Passage and Fonthill Road. Our proposals do not involve blanket A4D coverage; they are similar to and, in some cases, smaller in scale and scope than those of neighbouring boroughs.
- 8.4 The proposed A4Ds relate to all Class E uses. This follows the same approach as the neighbouring CAZ boroughs, apart from the City of London, and includes Class E(a) retail, Class E(b) food and drink, Class E(c) financial and professional services and Class E(g) employment uses that can be carried out in a residential area, all of which are prevalent in the Borough.
- 8.5 The rich mix of retail, employment, dining and night-time uses draws employers to Islington as this mixture contributes to the attractiveness of the Borough and helps businesses attract and retain highly skilled staff. The entire range of Class E uses needs to be included in the A4D to support this vibrant business ecosystem. In addition, the broad range of Class E uses and social opportunities contributes to the amenity and quality of life of residents.
- 8.6 In preparing these Directions, officers have carried out a detailed map-based survey and assessment of the areas involved. Officers have gathered extensive evidence on specialist employment clusters and the communities that sustain them, and have been guided by NPPF objectives, PPG guidance, and the Council's adopted and emerging plan.
- 8.7 In assessing the evidence gathered, officers have identified sites where the change of Class E uses to residential would have wholly unacceptable adverse impacts.
- 8.8 It is for these areas and where Class MA criteria would be insufficient to protect key Class E uses that Directions have been proposed. In most cases, these are individual sites however in the most dense employment locations, such as the south of the Borough, entire blocks are subject to proposed Directions.
- 8.9 As a result of the survey work and assessments, the Class MA PD right will continue to apply in the vast majority of the Borough. Sites and blocks are only subject to A4D where their inclusion is justified by robust evidence.
- 8.10 Because Class MA could impact heavily on specialist employment clusters and communities in the CAZ, the proposed A4Ds are mostly located in this area.
- 8.11 The Council is considering applying for a second tranche of Class MA A4Ds for other parts of the Borough later this year or next year.

9. Mapping and Area Surveys

- 9.1 As noted above, the Class MA A4D needs to apply to the smallest geographical area possible. In order to comply with this requirement, the Council's approach has been informed by advice provided by the Department of Housing, Communities and Local Government in meetings with CAZ boroughs including Islington.
- 9.2 While the Class MA criteria provide some protection for Class E use, the revisions to the NPPF set a high bar in relation to the justification for A4Ds where they relate to change from non-residential to residential use. Not only does the area need to be the smallest geographical area possible, but A4Ds need to be limited to situations where they are necessary to avoid 'wholly unacceptable adverse impacts' as well as being based on robust evidence.
- 9.3 The Council has carried out detailed mapping and surveys of the areas covered by the report and has gathered evidence on the uses taking place down to block and/ or site level.
- 9.4 A combination of evidence has been used, this is summarised below with further detail set out in a separate appendix for each area.
- 9.5 A range of primary and secondary evidence has been utilised. This includes:
 - Local evidence studies that have informed the draft Local Plan which is currently going through the examination process, for example the Employment Land Study;
 - Strategic evidence produced by the Greater London Authority;
 - Data sources to provide further context and background – for example employment concentrations by census sub-area on Business Register and Employment Survey/Annual Business Inquiry (BRES) available at <https://www.nomisweb.co.uk/datasets/newbres6pub#>;
 - Research on land values in different parts of the borough and therefore the incentive to convert to residential;
 - Research commissioned from University College London (UCL) to help identify the number and type of potential eligible buildings to PDR.

Map 2: Employee Jobs by Lower Super Output Area – Business Register and Employment Survey 2020



9.6 In order to complement this, officers undertook further fine grain area analysis. This involved detailed area assessments, tailored as relevant for each area. This was done as a mapping exercise utilising satellite and internet searches and site surveys, including:

- Additional checking of the use of buildings, their size and type. This utilised data sets such as the London Building Stock model to identify areas/buildings that are predominantly commercial/residential as well as mapping data sets, satellite and Google Streetview, internet searches and site surveys;
- Where buildings or groups of buildings were identified as being within Class E use judgements were made about the extent to which conversion in full/part would be likely to take place based on considerations such as the current occupiers of buildings, their layout and design, if the building is subdivided or if there is a reason why it couldn't be, if the building is occupied by a single tenant/multiple tenants, and if external alterations would be needed for the building to be converted to residential use. Allocation sites in Class E use were assessed - while the Council can control development that comes forward not all

such sites will be developed. This analysis helped to determine the extent to which Class MA is applicable, as well as inform judgements about the extent to which it would be likely to be used and the potential impacts of this;

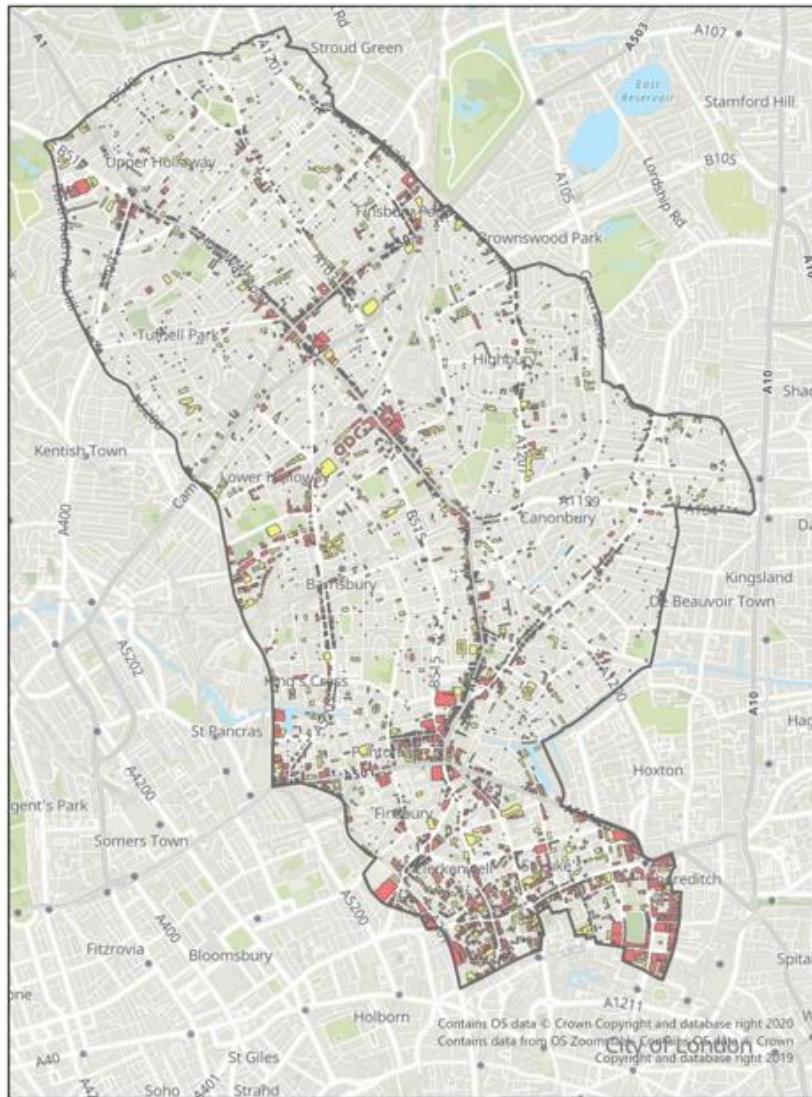
- Analysis of Class MA considerations was also undertaken, this involved identifying and removing listed buildings and considering the extent to which impacts on the change of use of the ground floor within conservation areas could be considered and address some of the impacts;
- Analysis and exclusion of buildings/areas not within Class E;
- The exclusion of buildings that are within Class E and where the Class MA criteria/building type, characteristics and/or ownership meant that the building could be excluded either because the use of PDR would not have wholly unacceptable impacts or because they were unlikely to be utilised in the first place;
- Finally the area assessments sought to look at in more detail why A4Ds are needed to avoid 'wholly unacceptable adverse impacts'.

9.7 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 on well-being and amenity and where the land is not protected by Class MA conditions or other exclusions.

9.8 As a result of the Council's detailed work, the Directions cover the smallest possible geographic area; the overwhelming majority of the land in Islington, 96.8%, has been excluded from A4D.¹

¹ The A4Ds cover a combined total of 477,434sqm out of a total land area in Islington of 14,865,387sqm.

Map 3: properties in Islington which are commercially rateable, colour-coded by eligibility for Class MA – research by University College London (2022)



Islington Borough

- Islington_LA
- Rateable PDR non-eligible
- Rateable PDR eligible

9.9 The evidence presented in the following section provides a summary of the justification for each A4D. As the CAZ is a large diverse area although this is covered in section 1, this section has been split into sub-areas. The sub-areas approach follows the emerging Local Plan where two CAZ wards, Bunhill and Clerkenwell are subject to a specific Area Action Plan dividing them into the same sub-areas.

9.10 Sections dealing with the employment areas outside the CAZ are covered later in this report.

9.11 The complete evidence in relation each A4D area is set out in appendices.

10 AREA 1: Central Activities Zone (CAZ) and CAZ Fringe in the Kings Cross Area

Introduction

- 10.1 The CAZ is a critically important business location that includes parts of several central London boroughs including Islington. Given its immense scale it has a significant impact on the national economy. In Islington, 70% of the jobs in the Borough are located in the CAZ. All of the other Central London Boroughs are in the process of applying for A4Ds for their portion of the CAZ and the City of London has already been successful in securing an A4D in relation to Class E(g)(i) for the entire area of the Borough.
- 10.2 There is a significant need for office accommodation in the CAZ. In addition, Class E financial and professional services (Ec) and Research and Development (Egii) are also integral to the functioning of its diverse and successful business eco-system. Class E retail, leisure and night time uses in the CAZ also make significant contributions to the Borough's economy.
- 10.3 Rather than supporting economic growth and innovation, unrestricted Class MA would result in a loss of Class E use. This would weaken the CAZ and reduce its critical mass as a nationally and internationally important business hub, and would run counter to long-standing planning policies through which the CAZ has played a strategic role as the motor of the Borough, London and national economy.
- 10.4 In this section of the report we set out the strategic arguments in favour of A4Ds in the CAZ; then we deal with the sub-areas one by one, setting out local impacts.
- 10.5 Part of the Kings Cross Area is located outside the boundary of the CAZ. This is a small area and is similar to the nearby CAZ area of Kings Cross in terms of employment, heritage, land use and built form. As a result the area is included with the Kings Cross Area and within the overall CAZ/ CAZ Fringe assessment, see paragraphs 11.86-11.105 below and Map 14, p 46.
- 10.6 Further evidence including details on the sub-areas is contained in Appendix 1.

Why is an Article 4 Direction Justified?

Summary of evidence

- 10.7 Islington's part of the CAZ includes numerous dense employment clusters including the finance-related concentration bordering the City and the London Borough of Hackney, the science and research cluster in King's Cross and the creative and design cluster in South Clerkenwell.

- 10.8 The specialist clusters in Islington's CAZ are easily accessible from the West End and Canary Wharf, with enhanced connectivity provided by the new Elizabeth Line. Office development in Islington's part of the CAZ is linked with some or all of these centres of London wide and national importance, and with the organisations and services located there.
- 10.9 Evidence from the Employment Land Study (2016), the London Office Policy Review (2017), the Small Offices and Mixed Use in the CAZ study (2015) sets out projected employment growth for the Borough. In Islington's part of the CAZ, employment is forecast to grow by 50,500 jobs by 2036. Many of the projected jobs will be office-based, including those in the strongest growing sectors of the economy such as the professional and technical sector. In order to meet this projected growth, an additional 443,000m² of office floorspace is required in the Borough over the Plan period, the majority of which is expected to be in the CAZ.²
- 10.10 Under the London Plan, the Core Strategy and the emerging Local Plan significant increases in office space are required in the CAZ as part of the plan-led approach.

Impact on office supply

- 10.11 The introduction of the office to residential PDR impacted on the Borough's overall supply of office floorspace. Prior to this, the provision of office stock in Islington was on an upward trajectory as a result of schemes coming through the planning process, however the PD right eradicated these gains.³
- 10.12 Without a Class MA Direction, there would be likely to be further harmful losses of office floorspace. Existing businesses would lose the benefit of being close to other businesses in the same sector and could find their future operations curtailed due to the introduction of potentially incompatible residential uses.
- 10.13 Loss of employment space would affect the ability of businesses to expand and grow; this could force businesses to look outside the Borough for space to develop their activities. In fast-moving mobile sectors such as financial services and tech, up and coming firms could decide to relocate outside the UK.
- 10.14 Through its development management policies and processes, the Council supports the delivery of housing in the CAZ. As a whole, the Borough of Islington aims to exceed its housing targets and has a robust trajectory to meet its targets over the plan period. Unrestricted Class MA would make high-density development much more difficult to deliver. This would jeopardise the delivery of employment space and also threaten the housing trajectory.

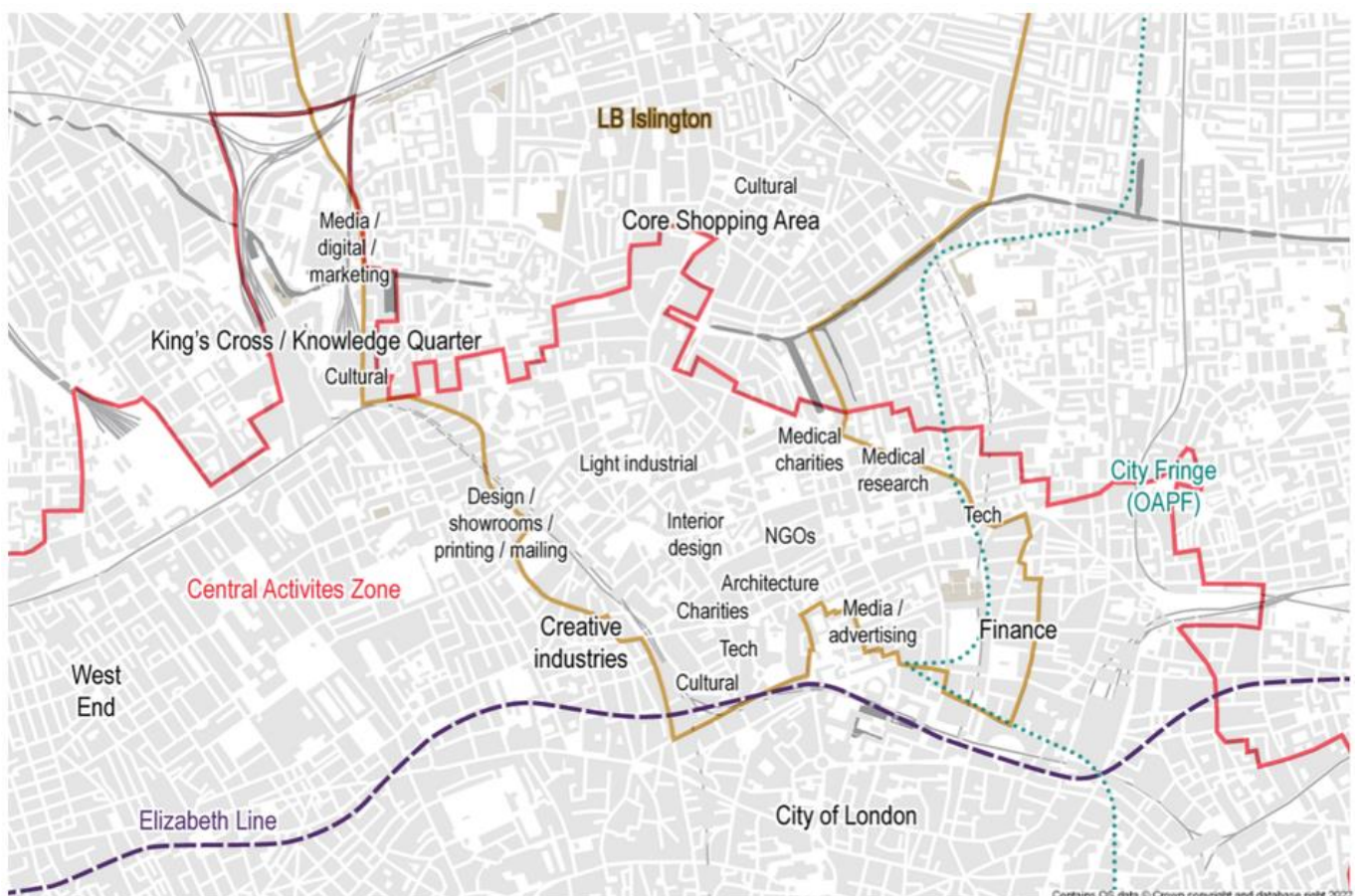
² Local Plan Topic Paper Employment (2020) para 7.30, p.45.

³ Islington Employment Land Study (2016) shows net loss of 9,931sqm B1a through 33 completed prior approval schemes from 2013 to 2015 (Figure 4.8). The prior approval pipeline showed a net loss of 45,531sqm of B1a through 47 schemes (Figure 4.9). Overall, the additional space achieved through the planning process in 2014 was offset by the combined losses, resulting in no overall gain (para. 4.4.1). LB Islington Annual Monitoring Report 2018-19, para 5.17 reports that as of the 2018/19 monitoring year, 69 prior approval schemes had been completed, resulting in a loss of 41,977sqm of office floorspace.

Impacts on Specialist Clusters

10.15 Specialist clusters emerge in particular locations due to similar companies being located near each other and the presence of a favourable business eco-system supported by infrastructure and skills. Without suitable accommodation, existing businesses will not be able to expand nor will new companies be able to settle in the location. The lack of suitable and affordable floorspace undermines agglomeration benefits and threatens the existence and emergence of specialist clusters. This is a particularly important issue in Islington as a number of clusters are located in Islington's part of the CAZ such as the concentration of finance and tech companies in Old Street and the City Fringe Opportunity Area or the creative and design concentration in Clerkenwell and Farringdon, however the supply of land in the Borough is constrained and there is a need for employment space to facilitate growth.

Map 4: Specialist clusters in the south of Islington, many of these are cross-borough – from evidence gathered by Islington Planning Department for this report (2022).



10.16 The presence of world class businesses contributes to the overall attractiveness of London at an international level. A reduction in the amount of affordable space in favourable locations would detract from the critical mass of established concentrations and would make

them less attractive to locate to, with a knock-on impact on London as a whole. Further detail on impacts on specialist clusters is provided in subsequent area summaries where appropriate.

Small and Medium-sized businesses

10.17 Small and Medium Sized Entities (“SMEs”) play a crucial role in Islington’s economy and that of the wider CAZ. Because of the 1500sqm limit, the Class MA PD right would affect a very high proportion of Class E businesses in the CAZ, the majority of which are SMEs occupying office or light industrial units less than 1500sqm⁴. For office uses, if one assumes an employment density of 10m² per desk, then for premises of 1500m² you would be looking at around 120 employees (allowing 20% of size for circulation space). Co-working space is assumed to have a density range of 10-15sqm per worker, so 1,500sqm would accommodate a range of between 80 and 100 workers. In light industrial uses (B1c) density is assumed at 47sqm per worker, which would equate to 26 workers for 1,500sqm, however the density varies depending on the nature of the light industrial activity and is likely to be higher in central London.⁵

10.18 SMEs are essential to Islington’s and London’s economy. Islington’s ELS shows that 98.7% of businesses have less than 100 employees, illustrating the amount of premises that could be in danger of being lost.⁶ Within Islington, the latest NOMIS data shows 99.5% of businesses in the borough are SMEs.⁷ In relation to retail, the average unit size of town centre units within Class E in Angel is around 210m², significantly below the 1500m² threshold to which the PD Right applies.

10.19 As part of the Council’s mapping exercise, officers have established that even where a building is over 1,500sqm in floorspace, in many cases the property can be subdivided to create units under 1,500sqm. This is verified by the UCL study which looked into the number and type of buildings potentially eligible to PDR.⁸

Socio-economic context

10.20 While Islington’s part of the CAZ is an area with high incomes and land values, the Bunhill and Clerkenwell Area Action Plan notes that these wards also have high levels of deprivation with three lower super output areas (LSOAs) in the 20% most deprived in England and Wales.⁹ This is an important factor in terms of the importance of jobs growth in the CAZ which provides training and employment opportunities for residents, including internships

⁴ Islington Employment Land Study (2016) states that 98.7% of Islington’s businesses have less than 100 employees. For office premises, if one assumes an employment density of 10m² per office desk, an area of 1500m² would provide space for around 120 employees (allowing 20% of size for circulation space).

⁵ Homes and Community Agency (HCA) Employment Density Guidelines, 3rd edition (2015), p. 29.

⁶ Islington Employment Land Study (2016), table 3.14.

⁷ Data from December 2021: [Labour Market Profile - Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](https://www.nomisweb.co.uk/)

⁸ UCL Report “Understanding permitted development for commercial-to-residential change of use in Islington” dated April 2022, relating to the entire Borough, states that 4,369 commercial units are potentially eligible for conversion, in 2,646 different buildings, and with a total floorspace eligible for conversion of 1,128,002m², table 3, p.11.

⁹ [Index of Multiple Deprivation \(December 2019\) Lookup in England | Open Geography Portal \(statistics.gov.uk\)](https://www.statistics.gov.uk/) these LSOAs contain a number of Council housing estates.

and apprenticeships for younger residents. Such benefits would be lost if employment space was converted to residential.

Retail and other Uses in the CAZ

10.21 There are significant areas of retail, light industrial, food and drink, medical and other Class E uses in the CAZ. Local shopping areas are situated in Amwell Street, Exmouth Market, Old Street, Whitecross Street, Kings Cross and at the north in Angel, a District Centre. In addition to these designated areas, Class E uses are dispersed around the CAZ in one-off locations.

10.22 Main town centre uses are integral to the functioning and success of the CAZ; retail surveys have shown there is very limited vacancy in local shopping areas and in the Angel Town Centre there is a pipeline of permissions for active uses at ground floor.¹⁰ The emerging allocations anticipate the delivery of c. 7,943sqm net additional retail and leisure floorspace in Angel Town Centre.¹¹ In CAs ground floor shopping units have an element of protection under Class MA so in most cases do not require additional control via an A4D. In areas like Old Street, ground floor Class E uses are designated for inclusion in A4Ds long with the offices on the upper floors.

Land Values

10.23 Central London has highest residential property prices in the country with the GLA’s strategic evidence indicating that average capital values for residential use in the CAZ exceed average values for offices and other commercial uses¹². The Council has undertaken research around capital values to compare retail and office floorspace against residential sales values. A summary of values is provided below in Table 1. This evidence highlights that there would be a particularly strong incentive to utilise the PDR.

Table 1: *Capitalised office and retail values per square foot compared against residential sales values per square foot*¹³

	Office	Retail	Residential	Office value vs Residential value % increase
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¹⁰ Recent developments granted in Angel Town Centre with active uses at ground floor include P2020/3120/FUL (96 Chapel Market, extension to provide additional retail space and ancillary office space); P2019/0949/FUL (113 Upper Street D1 gallery and office to retail), 2018/3639/FUL (69 Essex Road, A2 to A1/ sui generis tattoo parlour). In the emerging Local Plan there are sites allocated for intensification of retail/ ground floor active uses at 40-42 Islington High St (RBS), 1-7 Torrens Street, 31-41 Liverpool Road (Sainsbury’s), and at the N1 Centre Liverpool Road.

¹¹ Local Plan Topic Paper Site Allocations (2020) Appendix 1.

¹² GLA Strategic Evidence to Support Article 4 Directions, July 2021, paragraph 3.9.6

¹³ These figures are based on research by the Council’s Viability Team in 2021 who used the CoStar database to gather evidence on sales and lease transactions for properties in which the PD change of use was most likely to occur, namely 2nd hand offices, as well as on transactions involving retail units in the Borough. The average figures differs from GLA figures as they are more targeted to Islington.

	(Capitalised Value per sqft)	(Capitalised Value per sqft)	(Capitalised Value per sqft)	
CAZ	£900	£900	£1,250	39%

UCL Study

10.24 The planning department commissioned research from Bartlett School of Planning University College London on the impact of PD Rights on the Borough who issued their report in April 2022. This investigated the amount of properties where Class MA could be used and found that 87% of non-residential buildings could potentially avail of Class MA, representing a floor space of 1,128,002sqm. This is a large increase from the previous Class O PD change of use from office to residential which expired in July 2021, and which applied to 66.1% of properties and 860,655sqm floor space. With 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.¹⁴

Overarching impacts of Class MA on the CAZ – conclusion

10.25 Given the unique nature of the CAZ, careful land use management is required to balance the mix of employment uses alongside residential use.¹⁵ This will help deliver the plan-led approach and avoid wholly unacceptable impacts as a result of loss of key employment uses.

10.26 As GLA evidence highlights, the absence of an A4D for specific sites could threaten the future sustainability of the CAZ, causing wholly unacceptable harm to its role as an internationally significant office location, with resultant damage to the attractiveness of London.

10.27 Development values for residential use in Central London create a strong financial incentive to convert to residential but would make development of an appropriate scale for the CAZ much more challenging and in some cases impossible.

10.28 There are a number of related and combined reasons why Islington's part of the CAZ would be particularly impacted by the Class MA Permitted Development Right. These are: the prevalence of clusters; the need for office space; the predominance of SMEs; and high land values. A balance between employment uses and residential can only be achieved through an A4D, applied to the smallest possible geographic area, to enable relevant planning policies to be applied.

¹⁴ 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.

¹⁵ GLA strategic evidence to support Article 4 Directions, paragraph 3.10.2.

Wholly unacceptable adverse impacts in the CAZ

10.29 The following wholly unacceptable adverse impacts apply in Islington's part of the CAZ:

- Existing office users would be unable to expand, they may be forced to leave the area and new companies would be unable to locate there due to space being unavailable or unaffordable due to scarcity;
- Lack of space or higher cost of space would obstruct the emergence of specialist clusters and the growth of those already in existence;
- The opportunity for small individual commercial units to be changed to residential would raise their value and hinder site assembly. Islington is a densely developed borough and many of its building plots are relatively small due to their historic nature. Unrestricted Class MA would make it difficult to make the most efficient use of scarce land and deliver development at scale. This would harm employment intensification and housing delivery.

10.30 In relation to the individual sub-areas of the CAZ, the wholly unacceptable adverse impacts are set out in the respective areas below.

Why this is the smallest area possible

10.31 The mapping and survey work has identified the Class E sites in the individual sub areas of the CAZ whose loss would cause a wholly unacceptable impact. This is set out in detail below and in Appendix 1.

10.32 As an indicator of the limited extent of the proposed A4D, the area covers 14% of Islington's part of the CAZ leaving the vast majority of the zone with unrestricted Class MA.

10.33 As this is the Borough's primary employment area with 70% of its jobs, the designation of this small proportion of its land as A4D demonstrates, in addition to the evidence set out below and in detail in Appendix 1, that the Council has reduced the direction area to the smallest possible geographic area.

11. Areas in the CAZ and CAZ Fringe

11.1 As highlighted in the GLA's strategic evidence Islington's part of the CAZ is made up of core strategic functions as well as specialist clusters which are spread throughout the zone.

11.2 As this a large area, for this analysis we have split discussion of this part of the CAZ into three sections:

- AAP Areas (Bunhill and Clerkenwell AAP)
- Angel
- Kings Cross and CAZ Fringe

AAP Areas

11.3 The Bunhill and Clerkenwell Area Action Plan identifies six distinct areas within these two CAZ wards and sets out spatial strategies for them:

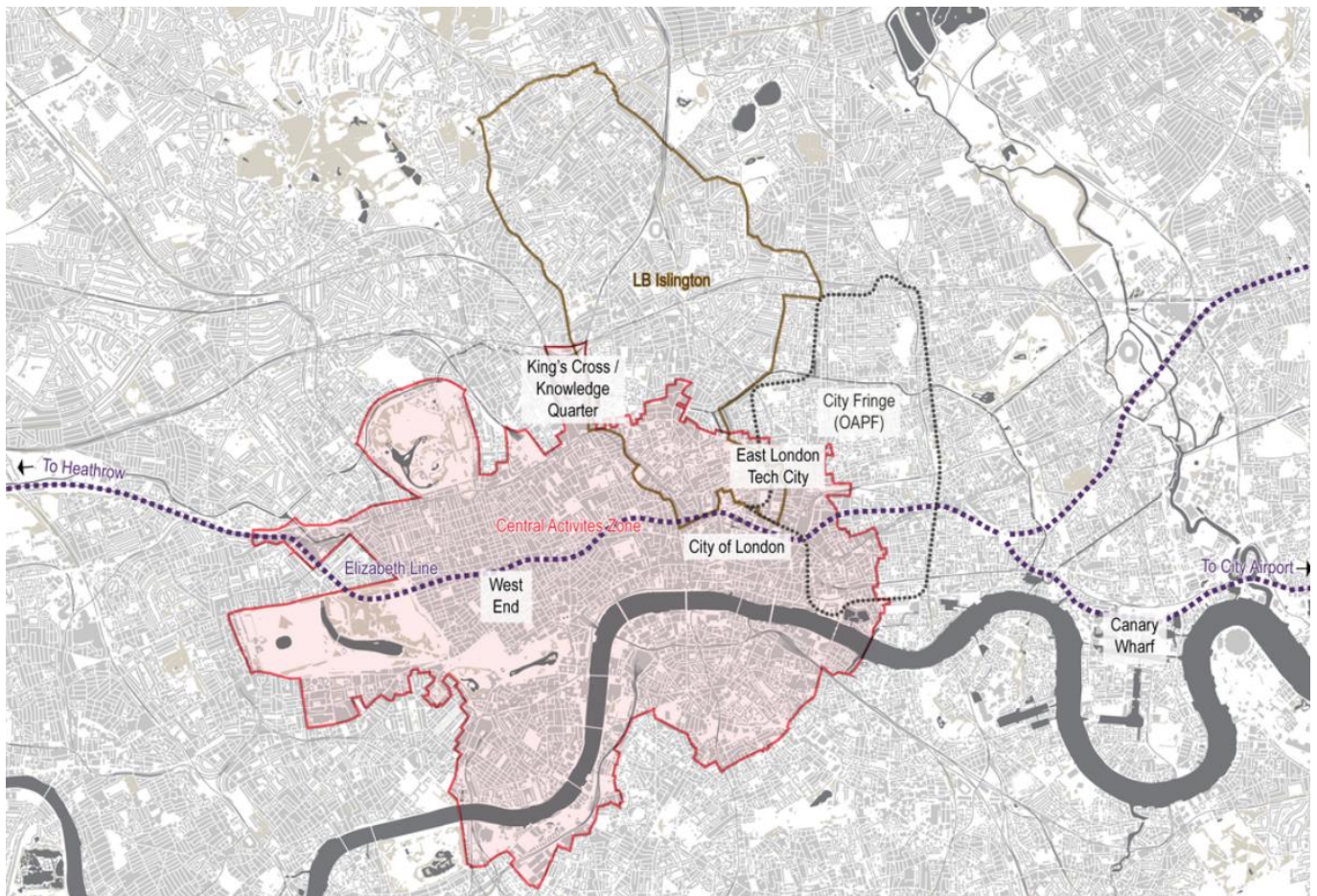
- City Fringe Opportunity Area;
- City Road;
- Farringdon;
- Mount Pleasant and Exmouth Market;
- Central Finsbury;
- Historic Clerkenwell.

Other CAZ/ CAZ Fringe Areas

11.4 The two further areas are:

- Angel, including Angel Town Centre which is within the CAZ;
- Kings Cross – which is a large employment area, part of this wider area which borders the CAZ falls outside the CAZ boundary.

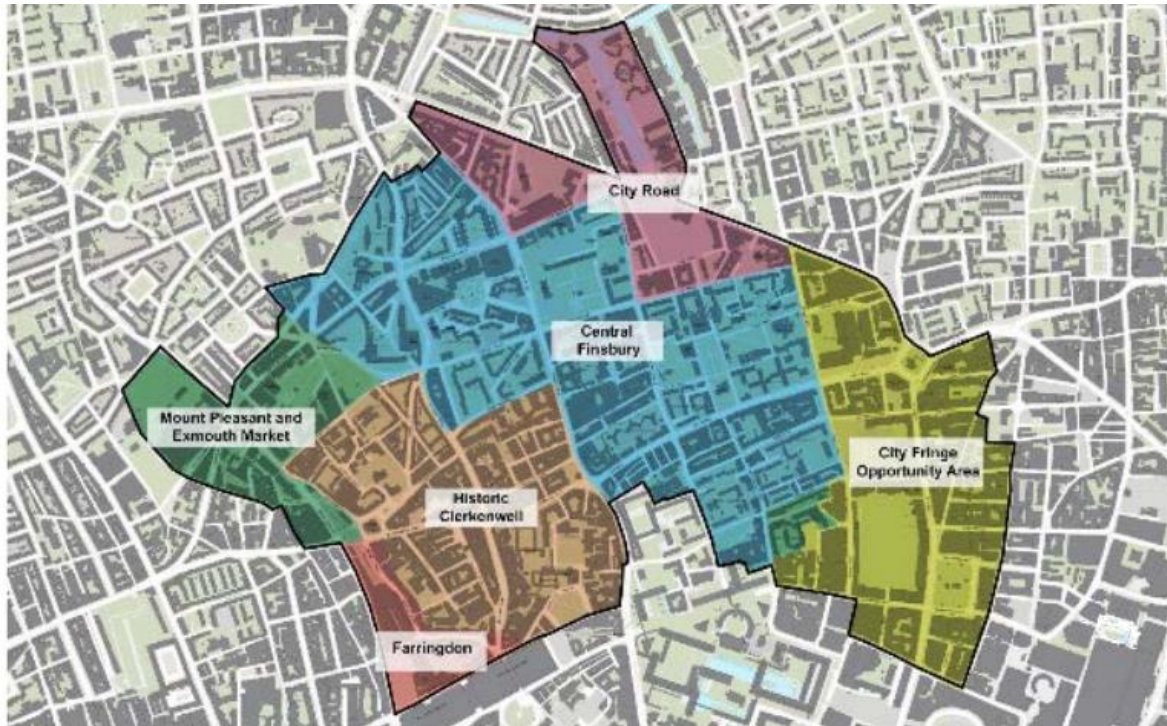
Map 5 Overview of Borough, CAZ in red:



AAP Sub-areas

- Bunhill and Clerkenwell wards

Map 6: Spatial Strategy sub-areas:



11.5 In the following section we consider the Area Action Plan areas one by one.

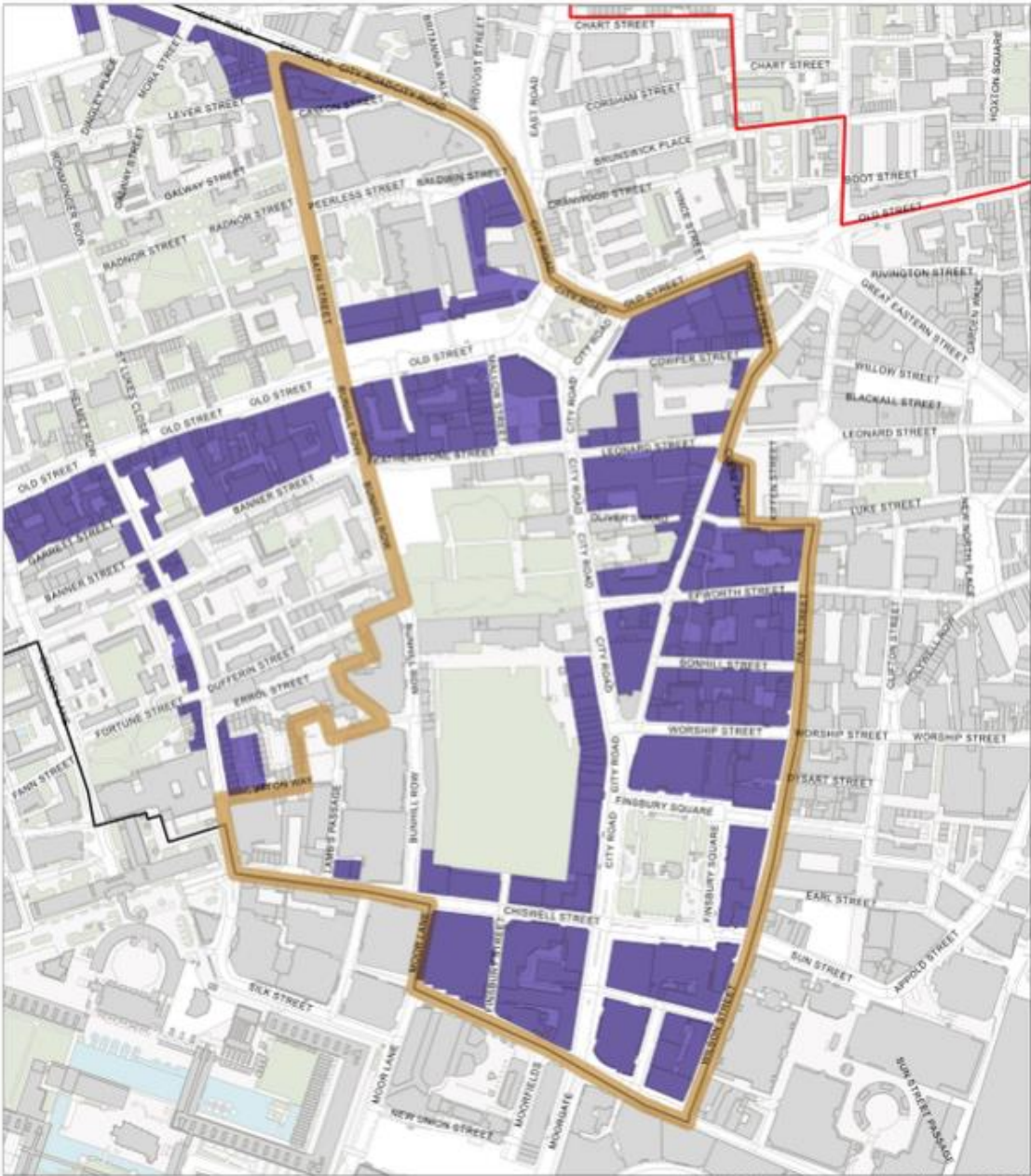
City Fringe Opportunity Area

Introduction

- 11.6 This area stretches from north of the Old Street Roundabout southwards to the City of London boundary at Moorgate. It benefits from a strategic location near the City and is characterised by key concentrations of offices hosting companies in financial services. The City Fringe Opportunity Area is overwhelmingly commercial in character with a mix of small, medium and larger office buildings as well as some ancillary retail and leisure uses. Due to rising rents, a lack of space and dwindling supply of affordable workspace, the area faces key challenges in accommodating growth.
- 11.7 The area is highly accessible by Underground via Old Street, Barbican and Moorgate Stations, with Moorgate also served by Great Northern Rail. The wider City Fringe Opportunity Area includes parts of Hackney and Tower Hamlets.
- 11.8 In terms of building form, the area is characterised by large commercial blocks onto major roads like Old Street and City Road. Buildings on back streets are generally smaller with less ground floor retail and include some fine-grain nineteenth century development. The pattern is interspersed with open spaces including Finsbury Square, Bunhill Fields Burial Ground and the private Royal Artillery Company Grounds.

11.9 A large part of the area is covered by the Bunhill Fields and Finsbury Square Conservation Area.

Map 7 City Fringe Opportunity Area sub-area



- Central Activities Zone
- Article 4 Direction Class MA

To note: the above map is provided for information only. Copies of the Directions are available in Appendix 1. In case of any deviation please refer to the maps in Appendix 1.

11.10 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. It contains 14 allocation sites in the emerging Local Plan, the majority of which are for office use and office intensification. It is one of the most important areas of employment growth in London.

11.11 London Plan Policy GG5 requires councils to conserve and enhance London's global economic competitiveness by planning for sufficient employment and industrial space in the right locations. 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. These are in accordance with NPPF objectives for supporting business and employment, supporting an area's strengths and driving innovation. The area has fourteen site allocations in the emerging Local Plan which are expected to deliver c.141, 859sqm of net additional office space and 10,661 jobs by 2036.¹⁶

11.12 The Old Street roundabout is the centre of the East London Tech City cluster. A Planning Framework for the area was adopted in 2015, the aim of which is to consolidate Tech City's position, and that of London as a whole, as the tech capital of Europe.¹⁷

Why an A4D is necessary in this area

11.13 The majority of buildings in 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 and while there are Conservation Areas this only provides a degree of protection to ground floor commercial use. The mapping and survey work has shown that the majority of blocks are potentially at risk of subdivision to provide units less than 1,500sqm. Any prior approval application would be subject to public consultation and full assessment against Class MA conditions, nevertheless there is a risk that Class MA could undermine both the economic function and development potential of individual buildings and also have a cumulative impact across the wider area.

Specialist Clusters

The area contains the following specialist clusters:

- Finance and banking: Macquarie Group (bank); JP Morgan; S&P; WarnerMedia, 160 Old Street; MUFG Securities (finance); Liberum (investment banking); Centor Insurance & Risk Management; Capital One; First Bank; Runpath;
- Tech: Inmarsat (satellite communications); Adobe; Delta Way (investment banking); Credit Benchmark; Zinc Media; ThinkFolio; Egress, White Collar Factory; Box.com; BGL;
- Media and advertising: Viacom; CBS interactive; Spark44.

¹⁶ Local Plan Topic Paper Site Allocations (2020) Appendix 1, Site Capacity Assumptions.

¹⁷ City Fringe Opportunity Area Planning Framework, GLA, December 2015

Wholly unacceptable impact of Class MA

11.14 These area-specific impacts are in addition to the wider CAZ impacts set out in para 10.29 above:

- As the most significant office location in the borough with the greatest potential for employment growth, the loss of Class E space would significantly harm economic development;
- The clusters of businesses which support the City of London economy as well as Tech City depend on the availability of suitable affordable space. Lack of space would undermine the critical mass of these business concentrations, making them less attractive to locate in and harming the wider attractiveness of London;
- The change of premises to residential would impact on economic activity and employment growth opportunities. This would impact particularly on this area and on social and economic objectives to tackle worklessness and inequality.

Why this is the smallest area possible

11.15 Listed buildings have been removed from the A4D area and whilst part of the sub-area is in a conservation area this element of the Class MA criteria does not offer sufficient protection as Class E uses here are focused above ground floor.

11.16 The evidence gathered in the mapping and survey work indicates that there are a number of smaller premises with a floorspace of less than 1500sqm, in particular fine-grained back street properties. Many of these medium and larger office buildings are potentially at risk of being subdivided and converted to residential.

City Road

Introduction

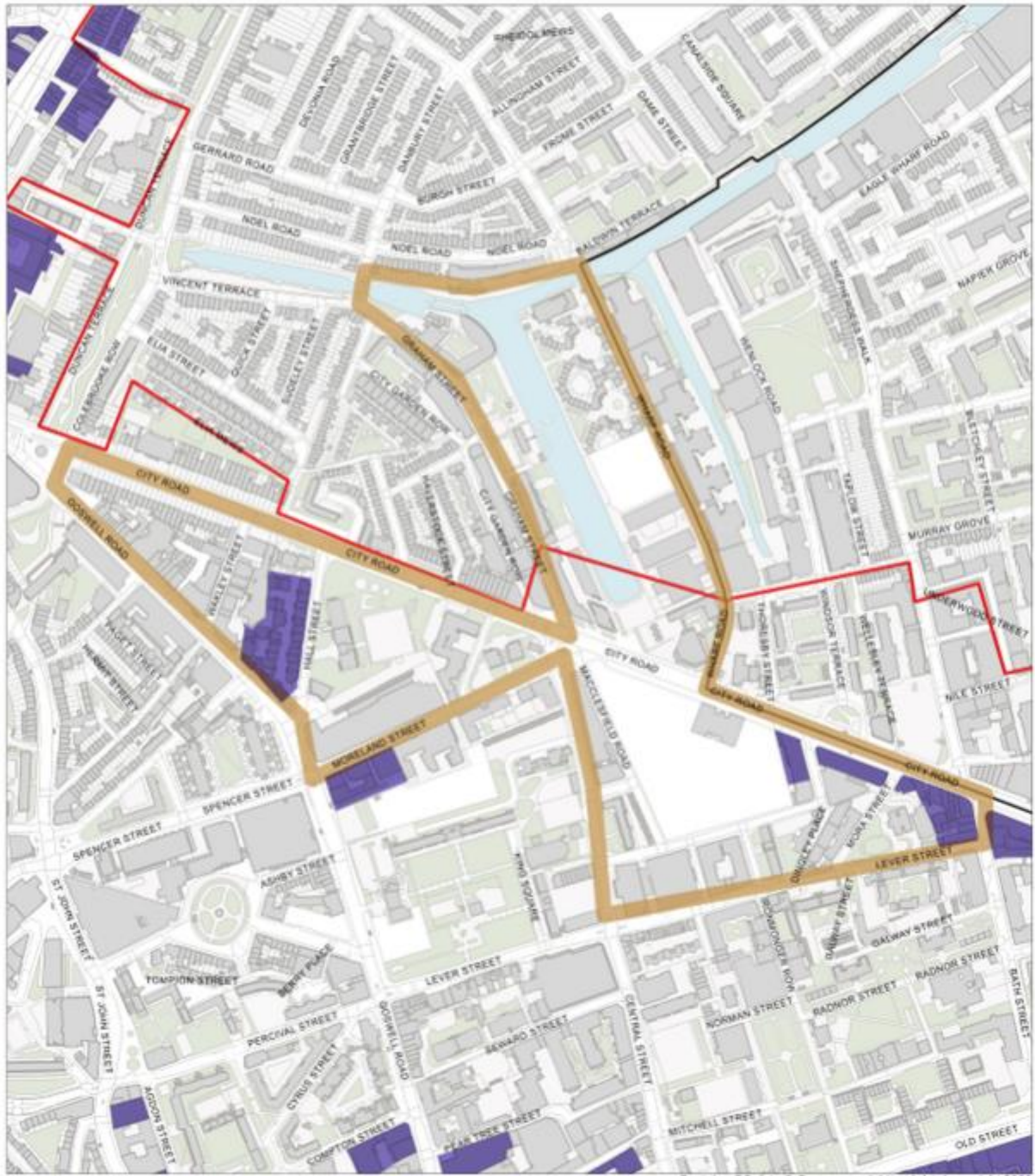
11.17 The City Road sub-area extends along the linear route of City Road, which connects Angel in the west to Old Street in the east. The sub-area is home to significant residential and commercial development, with concentrations of business uses at either end, including a number of hotels.



11.18 The sub-area extends from the Bath Street junction of City Road 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. The nearest London Underground stations are Angel and Old Street, both of which are outside the sub-area. Moorfields Eye Hospital is located just outside the sub-area on the eastern side.

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

towers – this part of the sub-area has been subject to intensive and high quality regeneration in recent years.

Map 8 City Road sub-area



-  Central Activities Zone
-  Article 4 Direction Class MA

To note: the above map is provided for information only. Copies of the Directions are available in Appendix 1. In case of any deviation please refer to the maps in Appendix 1.

11.20 The draft Local Plan Spatial Strategy states that the sub-area will be crucial as a location for future commercial development, particularly offices, with significant potential along the commercial corridor of City Road/Pentonville Road to support the City Fringe Opportunity Area. The area has four site allocations in the emerging Local Plan which are expected to deliver c.23,933sqm of net additional office space and 1,841 jobs by 2036. The allocated sites in City Road are also expected to deliver c. 648 housing units by 2036, demonstrating that even in a relatively small sub-area the planning process is effective in delivering large volumes of housing alongside significant amounts of new employment floorspace.¹⁸

11.21 A small part of the sub-area is covered by Conservation Area - Duncan Terrace/ Colebrooke Row, and there are 5 listed buildings in the area, all Grade II.

Why an A4D is necessary

11.22 In this area there is a variety of offices and other workspace typologies, from small stand-alone offices in fine-grained period buildings at the northern part of City Road, to large floorplate Grade A offices in the southern part.

11.23 There is a risk of valuable Class E space in the area being lost as the only form of Class MA restriction on upper floor accommodation is statutory listing and there are few listed buildings in the sub-area.

11.24 The Employment Land Study (2016) identifies City Road as a significant employment location, which is already under intense pressure from residential development. Site assembly for Grade A office development should be, the Study says, a priority in order to maintain and assist the role of the area in supporting London's strategic business role; in this context the retention of lower specification office space should also be supported. An A4D is necessary to avoid a wholly unacceptable loss of Class E space.

Specialist Clusters

- Knowledge and research uses: Faculty of Pharmaceutical Medicine, British Pharmacological Society, and Juvenile Diabetes Research Foundation - all of which are located within Angel Gate;
- Charities: Sarcoma UK at 17-18 Angel Gate; The Care Workers Charity at 29 Angel Gate; Target Ovarian Cancer at 30 Angel Gate; ICAN Children's Communication Charity, 2 Angel Gate; The Stroke Association at 340 City Road; Dogs Trust at 17 Wakley Street; and HOPE worldwide UK, 360 City Road.

Wholly unacceptable impact of Class MA

11.25 The area is largely residential, however in addition to the wider CAZ impacts set out in para 10.29 above, the following wholly unacceptable impacts would result from unrestricted Class MA:

¹⁸ Local Plan Topic Paper Site Allocations (2020) Appendix 1.

- The concentration of charity and research uses, particularly in the medical sector, is greatly valued (socially and economically). In addition, there is a strong presence of charities that 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;
- Loss of office space, constraints on site assembly and difficulties in delivering high density development could have a particularly harmful impact on life science/ research uses in this sub-area. This sector has an established presence in the sub-area in the form of the British Pharmacological Society, the Faculty of Pharmaceutical Medicine, the Juvenile Diabetes Research Foundation and the outstanding Moorfields Eye Hospital located on the edge of the sub-area. The life science/ research sector is attracting significant investment as a consequence of the COVID19 pandemic and has strong growth potential.¹⁹ Unrestricted Class MA would have a wholly unacceptable adverse impact on innovation/ growth of a sector of importance not only at a borough level but also at London and national level.

Why this is the smallest area possible

11.26 The A4D area excludes listed buildings, non-Class E units and ground floor retail/ café units in Conservation Areas. Given the presence of residential and hotel accommodation in the sub-area, large parts of the area are not proposed to be included. Buildings with Class E on the upper floors have been excluded where they are unsuitable for conversion (e.g. due to insufficient natural light) or, in the case of larger blocks, if they are not capable of subdivision.

Farringdon

Introduction

11.27 This is a highly-connected location in the southwest of the Borough at the boundary with the London Borough of Camden and the City of London. The area is centred on the major transport hub of Farringdon Station which serves Thameslink, London Underground and the new Elizabeth Line.

11.28 The historic use of the land in this area is commercial; the Victorian construction of Farringdon Road and the railway created much of the district with large commercial warehouses and manufacturing buildings developed along the major roads. Off these, a finer grain historical urban street pattern has been retained.

¹⁹ GLA Strategic Evidence to Support London Borough Article 4 Directions, July 2021 highlights Centres of Medical Excellence and Life Sciences Research as a major specialist cluster at London-wide level (alongside Tech City, Arts/ Cultural/ Creative sector, Academic Clusters linked to major Universities, and Legal Cluster) para. 3.4.7. p. 23-4. Central for London, Greater London Futures report, November 2021 highlights life sciences as a sector which makes a notable contribution to London's success (alongside global financial services, law, consultancy, education, cultural production, hospitality and entertainment), p.46.

11.29 Conservation area coverage is extensive and listed buildings in the area represent a variety of commercial and residential properties.

Map 9 Farringdon sub-area



To note: the above map is provided for information only. Copies of the Directions are available in Appendix 1. In case of any deviation please refer to the maps in Appendix 1.

11.30 The current Local Plan designates the whole of this sub-area as either employment priority area (general) or employment priority area (office) in recognition of its importance as an employment location. The office priority areas are between Farringdon Road and the Underground Station; and an area along the west side of Goswell Road. The draft Bunhill Clerkenwell Area Action Plan states that proposals in the area should consider the impact on the nearby South Clerkenwell area with which Farringdon has a particularly strong relationship. The area has four site allocations in the emerging Local Plan which are expected to deliver c.24,265sqm of net additional office space and 1,867 jobs by 2036.²⁰

11.31 In 2016 Farringdon and Clerkenwell Business Improvement District was created to improve the trading and commercial environment, particularly in the creative/ design sector which has a strong presence in the area. This has evolved to become the Central District Alliance, a Business Improvement District comprising Clerkenwell and Farringdon in LB Islington, and Holborn, Bloomsbury and St Giles in LB Camden. In all, the Central District Alliance now represents over 400 organisations; in addition to creative/ design, it also represents businesses in the educational, legal, medical, professional, scientific and technological sectors.

Why an A4D is necessary in this area

11.32 There is a significant range of office buildings in the area, both purpose built blocks and Victorian warehouses, workshops and townhouses. Whilst a large part of the area is covered by Conservation Areas this would not provide adequate protection to the upper or basement floors. There is a risk that Class MA could undermine the economic function and development potential of buildings in this sub-area.

11.33 In relation to the creative and design cluster, the Farringdon/ Clerkenwell area has been home to creative industries stretching back to at least the Victorian period, with craft workshops, printmakers, clockmakers and jewellers originally concentrated here. The annual Clerkenwell Design Week, which includes venues in Farringdon, celebrates this and promotes the contemporary creative community, with over 30,000 visitors coming to showrooms and temporary exhibitions in Class E premises as well as taking part in a varied programme of events.²¹

11.34 In addition, tech companies including Amazon, LinkedIn, DeBop and Indeed are located in the area with more reported to be considering moving in, including Snapchat and TikTok. These businesses represent a broad range of employment across the knowledge, IT, creative and hospitality sectors and provide a significant employment concentration with apprenticeship and other opportunities available.

11.35 In the absence of an A4D targeted to important Class E sites, there would be widespread loss of office and other Class E employment uses which would impact on both emerging clusters of specialism and long-established high-skilled concentrations and communities.

²⁰ Local Plan Topic Paper Site Allocations (2020) Appendix 1.

²¹ Information on the programme of events and locations at www.clerkenwelldesignweek.com

This would result in a loss of economic value, skills and knowledge which would cause a wholly unacceptable impact on the wellbeing of the area.

Specialist Clusters

- Creative industries including; Architecture (70 plus professional architects listed in the EC1M postcode), Urban Design, Town Planning, Engineering, Fashion, Watchmaking, Jewellery;
- Third sector, charities, unions, Save the Children – charity for children, ASLEF, Goldsmiths Centre (training centre for goldsmiths/jewellery);
- Technology, indeed.com, depop, software companies;
- Cultural; Museum of the Order of St John, Charterhouse Museum, Fabric nightclub, 17 restaurants including two with Michelin stars, 14 pubs and bars.
- Professional services including legal, business management, media, communications and PR.

Wholly unacceptable impact of Class MA

11.36 In addition to the wider CAZ impacts set out in para 10.29 above, unrestricted Class MA would have the following wholly unacceptable impacts on this sub-area:

- A reduction of employment space, in particular smaller units, historic warehouses and industrial spaces would have a particularly significant effect on the design and creative cluster concentrated in Farringdon and Clerkenwell. This cluster is growing, as demonstrated by the continued expansion of the annual Clerkenwell Design Festival. Reduction in space will constrain growth potential for this business community and affect the continued attraction of London as a location for this industry which would have a wholly unacceptable impact on this community;
- The loss of Class E use from large buildings along Farringdon Road area would have an effect on the wider business community. Allocated sites and key large sites are important given the floorspace they provide for corporate tenants. These buildings provide space for significant companies within the tech sector, and cement London's position as a destination for these businesses. Loss of floorspace in these buildings would have a wholly unacceptable impact on the wider economy;
- The new Elizabeth Line makes Farringdon Station one of the best-connected and busiest in the UK. Delivery of employment space at scale is a strategic priority in this location and substantial infrastructure investments have been made to support this objective. Given the strategic advantages of the area in terms of transport connectivity it is important to make the most of the capacity of existing buildings to contribute to employment growth. Given

this background, loss of important Class E floorspace in this location would have a wholly unacceptable impact.

Why this is the smallest area possible

11.37 The A4D for this area is carefully targeted to protect important Class E units. As part of the mapping and survey work, officers have identified and excluded listed buildings, non-Class E units and ground floor retail/ café units in Conservation Areas as they have a degree of protection by the prior approval criteria. The A4D is restricted to sites where the Council's mapping has indicated that there is upper floor Class E accommodation whose loss would be wholly unacceptable.

Mount Pleasant and Exmouth Market

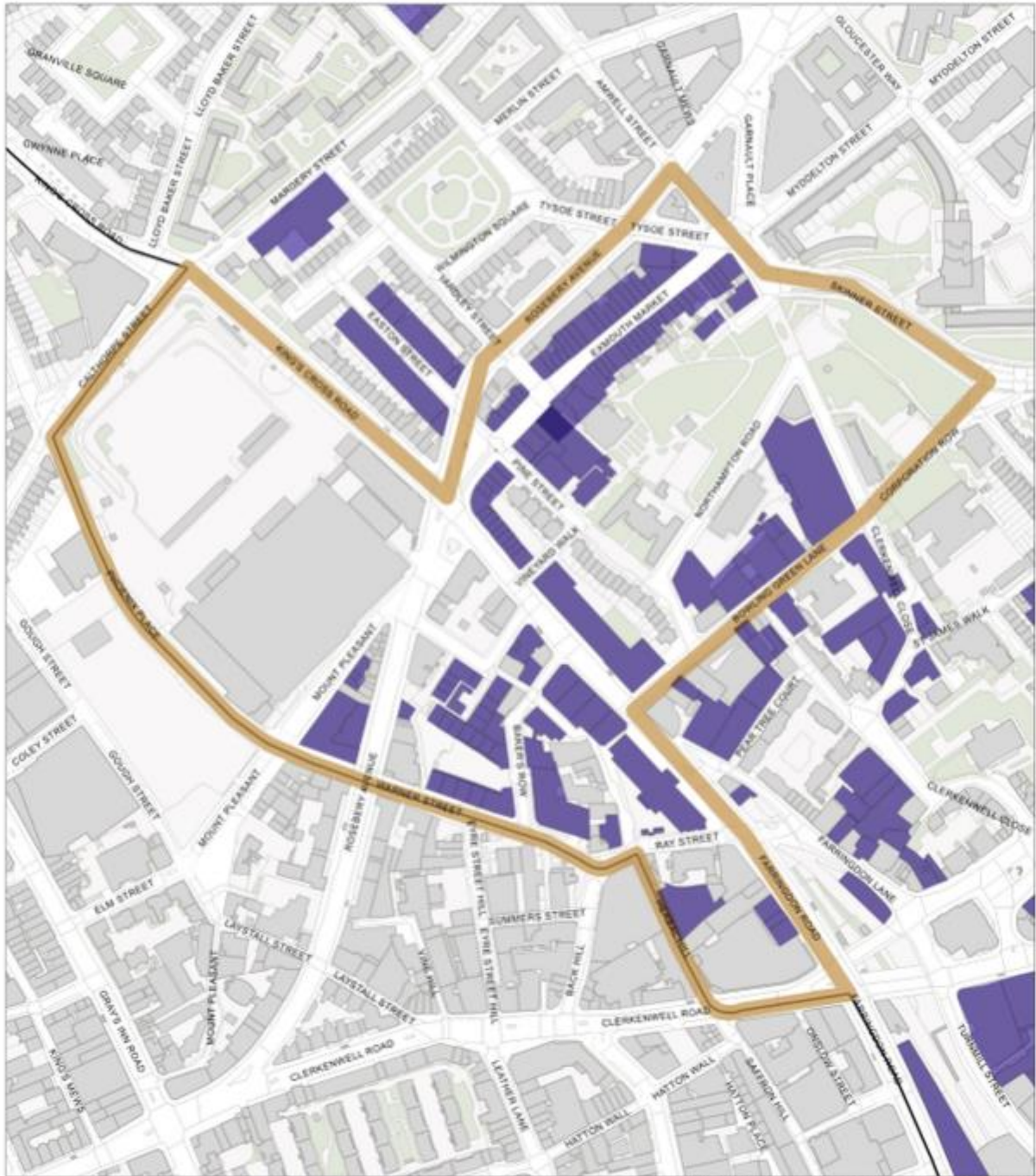
Introduction

11.38 This area is located in the west of Islington's portion of the CAZ along the boundary with LB Camden. A short distance to the north is the Kings Cross/ St Pancras transport hub with the Eurostar terminal; to the south is Farringdon station with London Underground, Thameslink and the Elizabeth Line. The area has a mix of business and residential uses with a range of supporting retail and services along Rosebery Avenue, Mount Pleasant and Farringdon Road.

11.39 The area is to undergo significant change through the approval of 300 new homes on the Royal Mail sorting office site whilst also introducing new office, retail and community space and retaining the mail sorting function. Near this site is Exmouth Market which specialises in food and drink through a range of eateries.

11.40 Apart from contemporary Grade A office space, of which there are a number of blocks including 119 Farringdon Road (The Ray) and 38 Northampton Road, the area also includes more historic but successful office blocks such as 33 Bowling Green and 143-155 Farringdon Road (River House) that accommodate dozens of organisations and businesses. The area also caters for small secondary office units for SMEs such as Warner House, Coldbath Square and 40 Bowling Green, as well as low rise office/workshop buildings and purpose built units with loading bays suitable for Class E light industrial uses or specialist retail uses involving dispatching of delicate goods such as in Baker's Row and Baker's Yard.

Map 10 Mountpleasant and Exmouth Market sub-area



- Central Activities Zone
- Article 4 Direction Class MA

To note: the above map is provided for information only. Copies of the Directions are available in Appendix 1. In case of any deviation please refer to the maps in Appendix 1.

11.41 Much of the Mount Pleasant and Exmouth Market sub-area is covered by the Rosebery Avenue Conservation Area to the north and the Clerkenwell Green Conservation Area to the south. The area also contains a small number of listed buildings.

11.42 Apart from Mount Pleasant Royal Mail site, the area has seven site allocations in the emerging Local Plan which are expected to deliver c.12,088sqm of net additional office space and 931 jobs by 2036.²² The Farringdon and Clerkenwell Business Improvement District created in 2016 to improve the commercial environment, particularly in the creative/design cluster, also includes the southern part of the Mount Pleasant and Exmouth Market sub-area which has a range of emerging and established businesses in this sector – as noted above the BID has recently been expanded and renamed the Central District Alliance.

Why an A4D is necessary in this area

11.43 The variety of offices in this location in terms size, layout and grade allows the area to cater for a range of organisations including large multinational companies and organisations seeking lower rents than nearby purely commercial areas.

11.44 While some Class E uses here are located at ground floor level in Conservation Areas, this is not the case everywhere and many of the valuable Class E uses are on upper floors. There is a risk that Class MA could undermine the economic function of this sub-area and the development potential of buildings within it.

Specialist clusters:

- Offices along Farringdon Road near Farringdon station accommodating dozens of businesses, including tech, advertising and marketing – firms include LinkedIn, Yoke Network (influencer consultancy), Richmond and Towers Communications (PR firm);
- Printing and mailing sector, reflecting the agglomeration of these uses that have established around the Royal Mail Sorting Office. Companies include: Process Supplies Ltd, WCS Digital Print, Heron Dawson and Sawyer. Printing shops provide services for local creative and design businesses as well as providing easy access for leisure uses like restaurants to print menus;
- Showrooms and design firms around Rosebery Avenue/Mount Pleasant. Companies include global British fashion brand Fred Perry; Jack Trench Bespoke Kitchens & Furniture, and Morosso (furniture designer);
- High quality restaurants and cafes: concentrated in Exmouth Market, these draw customers from a wide area;
- Office and light industrial uses, including Baker's Yard with purpose built loading areas for the effective operation of office and light industrial uses that require deliveries. The

²² Local Plan Topic Paper Site Allocations (2020) Appendix 1.

Cuckooznest on Ray Street provides unique hybrid office/nursery workspace for parents with young children.

Wholly unacceptable impacts of Class MA

11.45 These area-specific impacts are in addition to the wider CAZ impacts set out in para. 10.29 above:

- Unrestricted Class MA would harm the creative/ design cluster that is developing in this sub-area as a spill over from Farringdon/ Historic Clerkenwell. Reduction in suitable Class E space would constrain this growing cluster and harm the attractiveness of London as a location for this industry;
- 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.

Why this is the smallest area possible

11.46 The Council has used the evidence from the mapping and survey work to carefully target the A4D area to sites where the loss of Class E accommodation would be wholly unacceptable. Some of the area is covered by Conservation Area where ground floor premises benefit from an element of protection under Class MA criteria and, while a prior approval application would be subject to public consultation and full assessment against Class MA conditions some valuable employment floorspace may potentially be at risk of loss. Listed buildings have been excluded, as have non-Class E units and ground floor retail/ café units in Conservation Areas.

Central Finsbury

Introduction

11.47 This large sub-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.

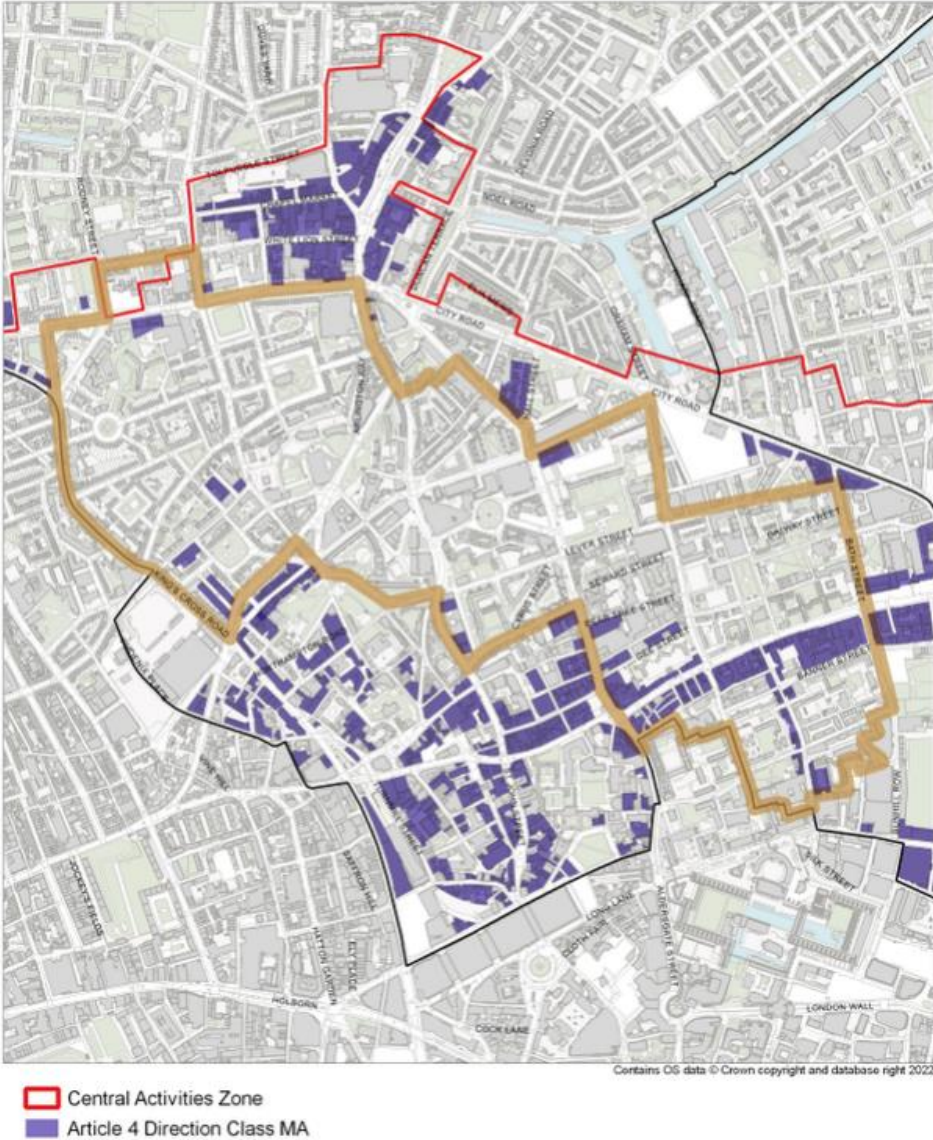
11.48 In the centre and north of the area there are a number of post-war housing estates comprising open layouts with tall buildings, linear blocks, generous planting and amenity space. Commercial streets with ground floor retail include St John Street, Old Street, Goswell Road and Whitechapel Street.

11.49 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. The Central Finsbury sub-area

includes the following Conservation Areas: St Luke; Moorfields; Hat and Feathers; Northampton Square; New River.

11.50 Central Finsbury contains a number of listed buildings but comparatively few compared to elsewhere in Islington's part of the CAZ. Northampton Square is the most significant concentration of listed buildings. This area has been excluded from the A4D.

Map 11 Central Finsbury sub-area



To note: the above map is provided for information only. Copies of the Directions are available in Appendix 1. In case of any deviation please refer to the maps in Appendix 1.

11.51 The commercial accommodation around Goswell Road and Old Street provides a useful home to several organisations that either need or want to be close to central London.

11.52 The Spatial Strategy aims to balance protection of the mixed use character of the area with quality new development (Draft Bunhill and Clerkenwell Area Action Plan Policy BC7a). The enhancement of the office function along the commercial corridors is identified as a priority, as is space for SMEs to link with the creative cluster at Clerkenwell. The area has thirteen site allocations in the emerging Local Plan, many for uses outside Class E. These allocations are expected to deliver c.6,195sqm of net additional office floorspace and 477 jobs by 2036.

Why an A4D is necessary

11.53 Evidence from the Council's Mapping and Area Surveys indicates that the area around Old Street and to the south have strong creative, tech and media clusters. Old Street serves as a corridor linking significant economic concentrations, Historic Clerkenwell to the west with its strong presence of creative enterprises, and the City Fringe Opportunity Area in the east with its range of financial and tech companies, including those that support commercial concentrations in the City of London and LB Hackney.

11.54 In terms of the size of businesses in Old Street these range from small and medium enterprises and there is also a range of other businesses in the corridor including firms working in architecture, music, and construction.

11.55 The current Local Plan designates the area to the south of Old Street as an employment priority area (general). A small portion to the north of Old Street is designated at the west of the area. The Employment Land Review (ELR) 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.

11.56 Three buildings (254-258 Goswell Road; 39 Moreland Street; 33-37 Moreland Street) are included in the A4D in the Central Finsbury area because they host significant office floorspace including Unite Union and non-profit Humanist UK. These significant national organisations located in the CAZ are not part of specific sectoral clusters such as design or tech, but still need significant office space. Their location outside of areas such as Historic Clerkenwell, Old Street Corridor or the City Fringe Opportunity Area allows more competitive rents whilst freeing up office floorspace in the areas that benefit from agglomeration. An A4D is necessary to protect this key Class E accommodation.

Specialist Clusters

- Financial services companies including Capitalone, Northstar;
- Tech companies including Adobe, Box, Egress;
- Media/ Creative/ Cultural WarnerMedia, Red Badger Advertising, BGL Advertising, Music Production including Enhanced Music, St Luke's Church home to London Symphony Orchestra; Timber Street Studios recording studio;
- Architects including AHMM architects, Eric Parry Architects, Anomaly architecture.
- Human rights organisations at 1 Easton Street, including Amnesty International Secretariat (NGO research), Accountable Now (civil society organisation).

Wholly unacceptable impact of Class MA

11.57 In addition to the CAZ impacts set out in paragraph 10.29 above, the following are the wholly unacceptable impacts that would result from unrestricted Class MA in this sub-area:

- Loss of employment floorspace in the media/ creative/ cultural cluster would have a wholly unacceptable impact on concentration of high-quality employment in knowledge-based professions, IT and hospitality;
- Loss of human rights / civil society organisations (because of the impact on availability of office space or increased rent prices) may harm functioning of these organisations which would have a significant adverse impact on community wellbeing at local and national level.

Why this is the smallest area possible

11.58 Large parts of the sub-area are excluded as they are already in residential use, protected by listed status, or have conservation area coverage which allows change of use at ground floor to be assessed. The A4D is carefully targeted to protect Class E accommodation on upper floors where its loss would be wholly unacceptable.

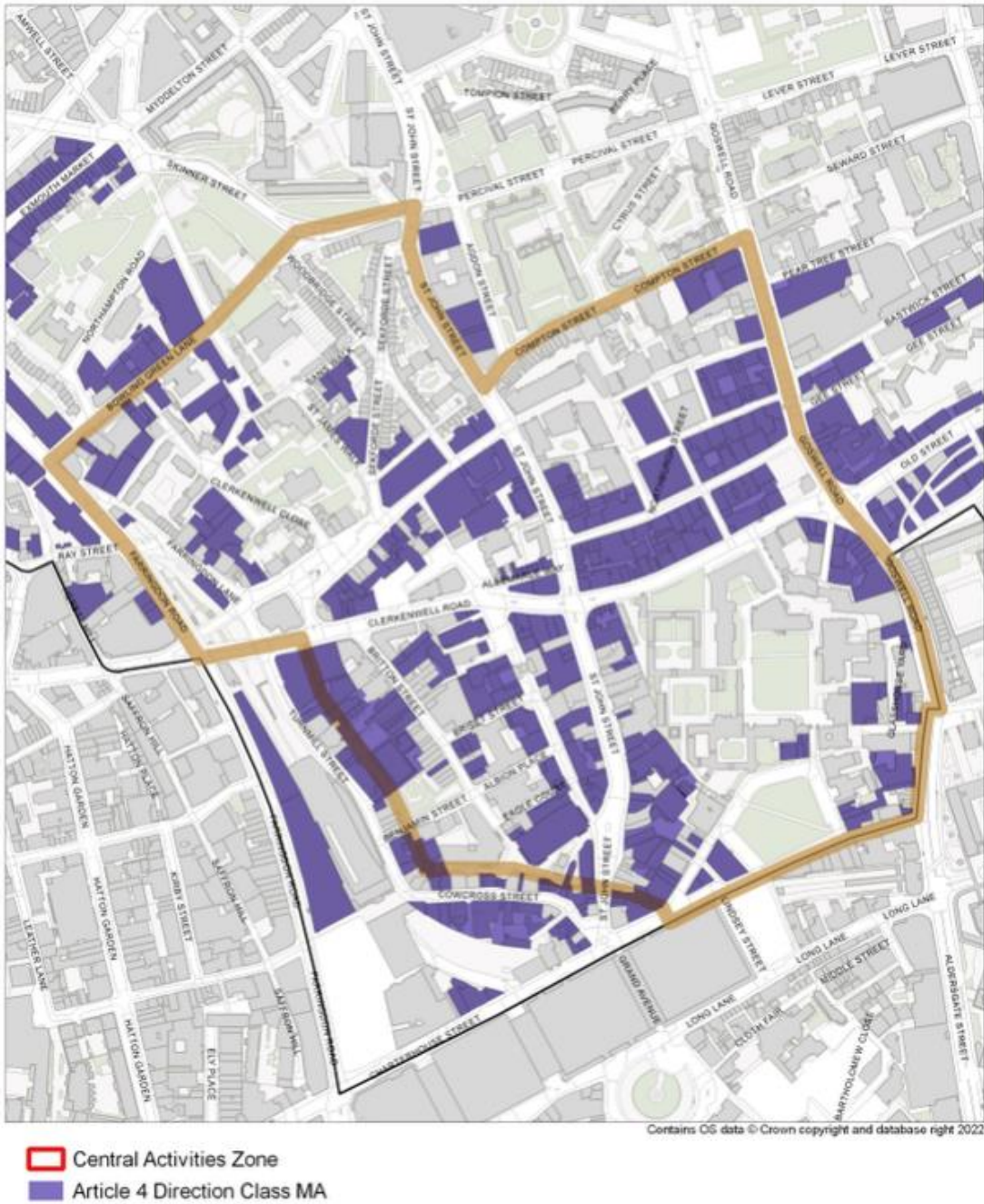
Historic Clerkenwell

Introduction

11.59 The Historic Clerkenwell area is located at the southern edge of the Borough to the east of Farringdon. It is a highly connected central area on the border with the City of London and served by numerous underground and overground lines by means of Barbican and Farringdon stations. Historic Clerkenwell has the longest history of any part of the borough and its largely medieval street pattern, which includes narrow side streets, courtyards and pedestrian alleyways derives from incremental development from Norman times to the present day with significant growth in the Georgian and Victoria eras.

11.60 The area is recognised for its cultural value, heritage assets and concentration of creative industries. It has 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, and which overlaps with the Farringdon area.

Map 12 Historic Clerkenwell sub area



To note: the above map is provided for information only. Copies of the Directions are available in Appendix 1. In case of any deviation please refer to the maps in Appendix 1.

11.61 The fine grain street pattern and the number of heritage assets limits the potential for site assembly and development at scale in this sub-area. In the emerging Bunhill and Clerkenwell Area Action Plan business space is promoted, in particular for SMEs. The 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 business is likely to increase, but care should be taken not to overwhelm Clerkenwell's character. The area has six site allocations in the emerging Local Plan which are expected to deliver c.5,421sqm of net additional office space and 417 jobs by 2036.²³

Why an A4D is necessary in this area

- 11.62 Whilst Conservation Areas cover a good proportion of the area, this would not prevent a large loss of jobs and economic activity in the area as many upper floors and basements are in Class E use.
- 11.63 The creative and design cluster in Historic Clerkenwell overlaps with Farringdon and has a rich history of craft, design and creative production stretching back to at least the Industrial Revolution with numerous world class companies in fashion, design and architecture.
- 11.64 In addition, digital marketing companies including 4media-group, Atomik Research, One More Music Company, Hatch London, Deloitte Digital, Kinetic UK, Sho Design, North Design and Design Bridge are located in the area, providing employment in IT, creative professions and the business support sector. This provides significant agglomeration benefits.
- 11.65 In the absence of an A4D targeted to important Class E sites, there would be widespread loss of Class E employment uses which would impact on established clusters and communities. The loss of economic value, skills and knowledge would cause a wholly unacceptable adverse impact. An A4D carefully targeted to protect key Class E sites is therefore necessary. This would exclude uses protected by prior approval criteria such as listed buildings, non-Class E units and land outside employment use.

Specialist clusters

- Furniture, lighting and interior design, and architecture: numerous companies including Fremgroup, Fritz Fryer Lighting, Whitecroft Lighting, Casca Interiors and MagScapes.
- Architecture firms include Zaha Hadid; Sergison Bates Architects; Design ID;
- Fashion: Alexander McQueen HQ at 1-7 Aylesbury Street;
- Digital marketing: companies include 4media-group; Atomik Research; One More Music Company; Hatch London; Deloitte Digital; Kinetic UK; Sho Design; North Design; Design Bridge.

Wholly unacceptable impact of Class MA

- 11.66 In addition to the CAZ impacts set out in paragraph 10.29 above, the following are the wholly unacceptable impacts that would result from unrestricted Class MA in this sub-area:

²³ Local Plan Topic Paper Site Allocations (2020) Appendix 1.

- Office based uses like interior design, architecture and marketing would be harmed by the reduction in the amount of Class E space. As noted above in relation to Farringdon area, the reduction in space would constrain the growth potential of the design/ creative cluster, reducing the continued attraction of London as a location for this industry which would have a wholly unacceptable impact on this community;
- The headquarters of Alexander McQueen Fashion and Zaha Hadid Architects are located in the Historic Clerkenwell sub-area. The presence of world-leading creative organisations contributes to the attractiveness of London as a whole and Clerkenwell in particular. With unrestricted Class MA there would be likely to be a substantial loss of Class E floorspace, leading to higher rents and ultimately less space for creative enterprises. Such businesses would be likely to leave the area as it would be too expensive to remain and expand, and may relocate to other centres outside the UK;
- Given the strong business clusters comprising mainly SMEs, and the constraints on growth because of the fine grain street pattern and the number of heritage assets, the protection of existing Class E premises is particularly important to prevent a wholly unacceptable loss of key employment uses.

Why this is the smallest area possible

11.67 Listed buildings have been excluded from the Direction and all buildings outside Class E have been identified and excluded. In addition, numerous buildings in Class E have been excluded. These include 33-35 Clerkenwell Green, 1 Britton Street, 33 Britton Street and 182-185 St John Street. Open spaces have been excluded as have institutions, including educational institutions, which would fall outside Use Class E. In dense employment areas of the sub-area, whole blocks have been included in the Direction as the entire blocks are in Class E use, with minimal/ nil floorspace in other uses.

Angel

Introduction

11.68 Angel Town Centre is Islington's largest town centre and is a designated District Centre. Clustered around a number of main streets, including Islington High Street, Pentonville Road and Upper Street, it offers a wide range of town centre uses including retail, service, office, and leisure.

11.69 The area is characterised by a mix of Victorian and Georgian high street buildings with ground floor retail and commercial uses, but also features a number of more recent mid-rise developments built on large footprints.

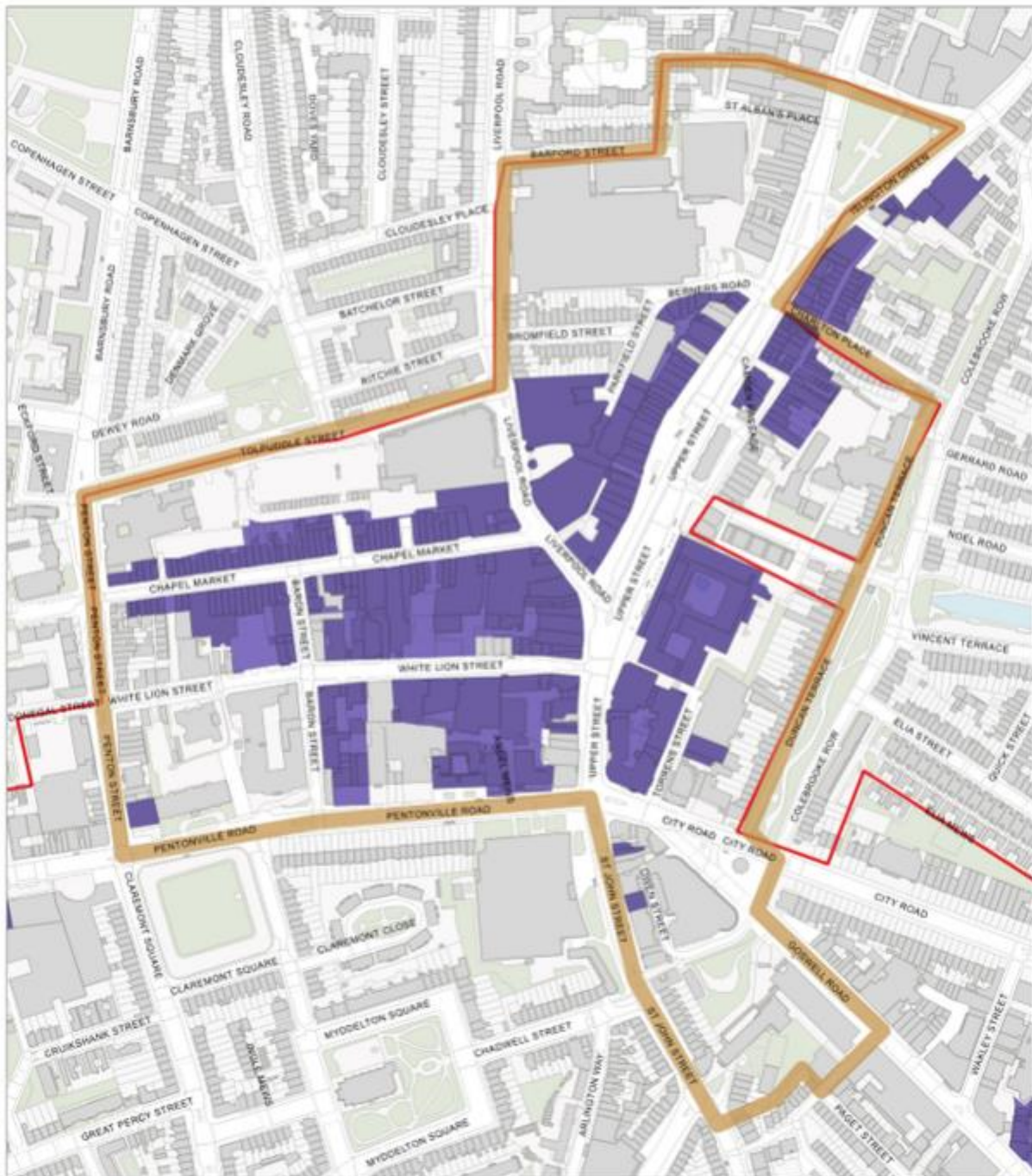
11.70 There are three distinct parts of the Angel sub-area: the high street buildings with town centre uses along Upper Street; the Priority Employment Locations to the west of Upper Street, on White Lion Street, Baron Street and Pentonville Road; and Camden Passage which runs roughly parallel to Upper Street and is one of two Specialist Shopping Areas in

the borough – part of Camden Passage is outside the CAZ and is subject to a separate A4D, this is covered in section 3 of this report.

11.71 The area is well connected by Angel Underground Station, the nearby Highbury and Islington underground and overground station and Essex Road Thameslink Station. Kings Cross/ St Pancras hub with Eurostar terminal is one stop away from Angel on the Northern Line.

11.72 Angel Town Centre has a vibrant cultural sector and night-time economy which play a critical economic and community role. In addition to the range of employment night-time uses provide, they also contribute to the attractiveness of the centre for residents, workers and visitors.

Map 13 Angel/ Upper Street Town Centre Spatial Strategy Area. Core Area of District Centre in yellow, CAZ boundary in red



- Central Activities Zone
- Article 4 Direction Class MA

To note: the above map is provided for information only. Copies of the Directions are available in Appendix 1. In case of any deviation please refer to the maps in Appendix 1.

11.73 Angel Town Centre is covered by a number of conservation areas: Chapel Market/Penton Street CA; The Angel CA; New River CA and Chapel Market CA.

Why an A4D is necessary in this area

11.74 Angel is an established town centre and area of employment concentration whose strategic importance has been protected by successive development plans. In the emerging Local Plan it is recognised as one of the most important areas for employment and economic growth in the Borough. Angel Town Centre enjoys a high level of accessibility with a strong PTAL rating due to 17 bus routes into the CAZ and access via the Northern Line. It is an attractive location for employment and a range of other town centre uses.

11.75 London Plan Policy “Offices” E1(d) states that the diverse office markets in outer and inner London should be consolidated and – where viable – extended, focussing new development in town centres and other existing office clusters, supported by transport and accessibility enhancements. Angel is identified as a centre with the capacity, demand and viability to accommodate both new speculative office development, and new office development as part of mixed-use development.²⁴

11.76 The GLA Strategic Evidence categorises Angel as a Strategically Significant Town Centre Office Location, because of its suitability for new office development, new mixed use development, and also because it is partly within the CAZ.²⁵ The centre’s combination of accessibility, growth potential and existing critical mass make it a significant employment concentration on a London level.

11.77 In the emerging Local Plan Angel and Upper Street is subject to an Area Spatial Strategy. The overarching aim of Policy SP4 is to ensure Angel builds on its significance, vibrancy and vitality, offering a unique mix of shops, services, cultural activities and other Town Centre uses alongside employment opportunities and an accessible, pedestrian-friendly environment. Sixteen allocation sites are identified in the emerging Local Plan Allocations. Most of these are for intensification of business uses, including office intensification, highlighting the importance of employment intensification alongside continued provision of retail, cultural and residential uses as part of a distinctive and attractive mix. These are expected to deliver c. 26,332sqm of net additional office space and 2,026 jobs by 2036. In terms of retail and leisure use, the emerging allocations expect the delivery of c. 7,943sqm net additional floorspace.²⁶ The Spatial Strategy states that business use is a priority land use in Angel Town Centre, and business floorspace must be maximised particularly in White Lion Street, Pentonville Road and upper floors across the Town Centre.

11.78 To the west of Upper Street are Priority Employment Locations - on White Lion Street, Baron Street and Pentonville Road which provide a range of offices and other employment spaces

²⁴ Table A1.1 of London Plan 2021, p.476.

²⁵ Figure 4.2 of “Strategic Evidence to support London borough Article 4 Directions (commercial to residential)” published by Greater London Authority July 2021, p. 42.

²⁶ Local Plan Topic Paper Site Allocations (2020) Appendix 1. Job estimates are not provided for retail and leisure use.

which contribute to economic growth. These PELs provide retail uses within purpose built office blocks such as the recently-developed 6 floors of office floorspace at Spaces Islington, 70 Pentonville Road, 12-20 Baron Street and 2-10 Baron Street. Pentonville Road 100-116 is a recent development of ground floor commercial/retail with upper floor offices.

11.79 The PELs provide a cluster of art galleries, studios and events space, this includes: Crafts Council Headquarters at 44A Pentonville Road; Cubitt Artists (art gallery and studios) at 8 Angel Mews; Pentonville Studios (art studio venue) at 34 Pentonville Road; TS Studios London (photography studio) at 15-18 White Lion Street; Anomalous Space (events space) at 38 Pentonville Road.

11.80 Although there are a significant number of listed buildings in Angel, there are also a relatively large number of unlisted historic buildings in Class E use. The Conservation Area coverage would allow the Council to assess loss of ground floor retail in a large part of the area, however other than statutory listing, employment uses on the upper floors of buildings are not protected by any Class MA conditions. Many of the historic and modern buildings have access to good levels of natural light with relatively shallow floorplates so could be converted to residential without external alterations. The majority of units are less than 1,500sqm in area, although some larger purpose-built office and retail units exceed the 1,500sqm Class MA threshold.

Specialist clusters:

- Core Shopping Area: Angel Town Centre is a key location of retail, night time and leisure uses. The Islington Retail Study (2017) ranked the centre as 'Regional' in scale and in the 2016 town centre survey it was made up of 694 outlets.²⁷ Convenience and comparison retail amounted to 39.34% and the centre was noted as having high quality comparison goods provision.²⁸ Services comprised 54.04% or 375 outlets (87 retail services, 55 financial services and 233 leisure service outlets). The vacancy rate was 6.48%, which was lower than the UK average of 11.18%.²⁹
- Cultural venues including theatre and dance, notably Sadler Wells Theatre, Almedia Theatre; Music Venues including O2 Academy at Angel Central and Electrowerks at 7 Torrens Street. Studios and Galleries including Candid Arts Trust; Pentonville Studios; Crafts Council Gallery; Jess Koppel Photography Studio;

²⁷ London Borough of Islington Retail and Leisure Study by Carter Jonas (2017) Table 6.1, p. 39. 'Regional' scale is the same as Camden Town Centre and Brent Cross. Above this, Major Regional Centres are West End (Covent Garden) and Westfield Stratford City. Further above, a Major City Centre would be West End (Oxford Street). At a lower level than Regional Centres are Sub-Regional Centres, which includes Kings Cross/ St Pancras and Hackney.

²⁸ Retail Study para. 6.13, p. 42, major retailers in the centre as defined by Experian Goad Category Report as among 30 national retailers that are likely to improve the consumer appeal of a centre include Marks and Spencer, Argos, Boots, H&M, Waterstones and Superdrug. Paragraph 6.14 notes that there are also a high number of independent stores which complement the high street and help diversify the comparison offer.

²⁹ Retail Study Table 6.2, p. 41.

- Cluster of office floorspace around Angel underground station including large, purpose-built offices such as Royal Bank of Scotland building at 40-42 Islington High Street and Angel Square at 1 Torrens Street; upper floor office space above ground floor commercial between 1 and 25 Islington High Street e.g. at 1 Islington High Street, 3-5 Islington High Street, 15-17 Islington High Street, 100-116 Pentonville Road and majority of upper floors of 1-49 Upper Street.

Wholly unacceptable impact of Class MA

11.81 In addition to the CAZ-wide wholly unacceptable impacts from unrestricted Class MA set out in para. 10.29 the following would be the wholly unacceptable impacts in this sub-area:

- Widespread loss of office and other Class E employment uses from the town centre. This would result in a loss of economic value and an erosion of the status of the Town Centre where the majority of units are occupied by SMEs. The loss of space would harm local business clusters and cause a wholly unacceptable impact on the wellbeing of the area;
- The loss of premises in the core shopping area to residential could remove a range of key services that are necessary for day to day community life. This includes banks, post offices, grocery shops etc. The restaurants and cafes in the core area serve local residents and those from further afield, contributing to the prosperity of the town centre and the communities that depend on it both in terms of the range of employment opportunities and its overall vitality and viability;
- Loss of cultural uses such as cafes, art galleries, studios and office-based cultural uses such as film production would have a particularly damaging impact on local communities, local businesses and the diversity of the town centre, resulting a wholly unacceptable loss of wellbeing and amenity.

Why this is the smallest area possible

11.82 The A4D area is carefully targeted to protect important Class E units. Through the mapping and survey work officers have identified and excluded listed buildings, non-Class E units and ground floor retail/ café units in Conservation Areas as such changes of use can be assessed under the prior approval criteria. As an exception to this general approach all buildings in the retail core of the Town Centre (the Primary Shopping Area) are subject to A4D (apart from listed buildings). This will ensure that the core area of the town centre, with its key concentration of retail, night time and leisure uses is protected from erosion/ loss of character.

11.83 With the Direction, Angel Town Centre will retain the ability to provide a range of functions including a range of convenience and comparison retail, which is of acknowledged high

quality and will retain the ability to provide retail, financial and leisure services which contributes to the diverse range of goods and services on offer. This is in keeping with the Plan-led approach to safeguard the status of the centre as a Regional Centre at London level.

11.84 The allocation site Sainsbury's, Liverpool Road (AUS6) has been excluded due to building form and long term single ownership. Numbers 56-79 Upper Street form a retail/ cafe parade outside the town centre core, however these units are in a Conservation Area where the change of use at ground floor can be assessed; as a result this terrace has been excluded from the Direction.

11.85 The proposed A4D area covers 25% of the overall area of the Town Centre. Class MA will therefore apply without restriction in the remainder. Given the critical employment, retail, business and leisure nature of the town centre this small proportion of coverage, in addition to the evidence above and the further detailed evidence in Appendix 1 demonstrates that the proposed Direction relates to the smallest possible geographic area.

Kings Cross and Kings Cross CAZ Fringe

Introduction

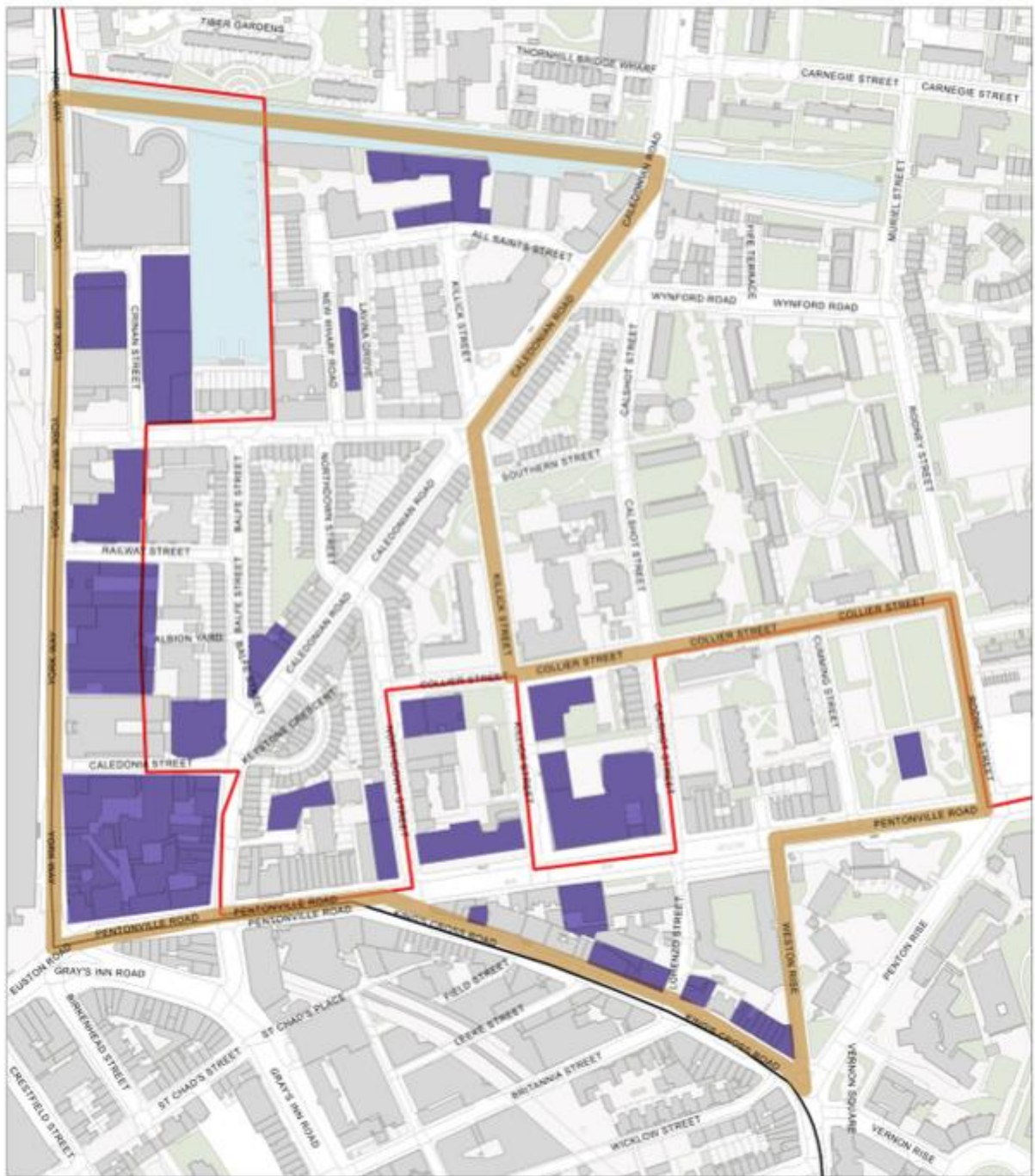
11.86 An A4D is recommended for the Kings Cross area, most of which is inside the CAZ. In this area change of use would yield high residential values. As a result, unrestricted Class MA could lead to the loss of a large amount of Class E accommodation. This would undermine existing specialist clusters and restrict the development of emerging clusters, some of which have strong growth potential.

11.87 The historic development of this area was shaped by the presence of rail and canal infrastructure. In the nineteenth century Kings Cross was an important industrial and transport hub where grain, potatoes, manufactured goods and various commodities arrived from industrial cities in the north of England via the Regents Canal, Kings Cross Station and St Pancras Station before being transferred on. The area's strategic importance continued through the 19th and early 20th centuries up until WW2, after which it fell into decline. Since the late 1990s, there has been significant regeneration in the wider Kings Cross area. This has attracted many companies to the area and created a positive dynamic which has led to the formation of new concentrations of uses including cultural uses, knowledge-based uses and media/ digital marketing and software uses (specialist clusters are listed below).

11.88 Kings Cross Central is a large regeneration project located mostly on former railway land in LB Camden, with a small amount in LB Islington. As a result of the regeneration of the area, there has been significant commercial and employment intensification in this part of Islington.

11.89 In terms of built form, the area is made up of a mix of fine-grained residential and commercial terraces which historically had light industrial and storage uses to the rear and in the interior of blocks. On the Camden side there was some heavy industry, the remnants of which include three large gasholders near the Regents Canal which have been redeveloped as part of Kings Cross Central. Conservation area coverage is extensive, including along the canal, and listed buildings in the area are mainly in form of residential terraces.

Map 14 Kings Cross Area



- Central Activities Zone
- Article 4 Direction Class MA

To note: the above map is provided for information only. Copies of the Directions are available in Appendix 1. In case of any deviation please refer to the maps in Appendix 1.

11.90 The Kings Cross Spatial Strategy Area and the Priority Employment Locations (PELs) in this area are located partly within and partly outside the CAZ, and there is a small Local

Shopping Area on Caledonian Road surrounded by the PELs. Spatial Strategy Policy SP2 seeks to maximise B1 floorspace in the area and encourages the intensification, modernisation and renewal of existing business floorspace to support the expansion of the “Knowledge Quarter” in Islington. Policy SP2c supports the provision of a broad range of floorspace typologies including Grade A offices, hybrid space and co-working space; SP2d seeks to maintain and enhance the retail and service function of the Local Shopping Areas of Kings Cross and Caledonian Road. The area has seven site allocations in the emerging Local Plan which are expected to deliver c.18,713sqm of net additional office space and 1,605 jobs by 2036.³⁰

Reason for seeking an A4D

- 11.91 The protection of employment space in this area is essential to support economic growth and employment in Islington. Class E commercial uses, including a range of office and light industrial are integral to the functioning of the diverse and successful business eco-system of the CAZ. The area outside the CAZ which forms the CAZ Fringe has an important role in supporting the CAZ by meeting the significant need for office accommodation and providing space to expand.
- 11.92 In the Kings Cross area, the CAZ Fringe is the land to the east of Kings Cross Station and to the north of Pentonville Road. This area does not merely support the CAZ; together with the nearby areas inside the CAZ, it forms a significant combined employment area with specialist clusters, both established and emerging.
- 11.93 Class MA would create a strong financial incentive to convert and would result in a loss of employment space, reducing the possibilities for companies to expand and new companies to move into the area. The increase in land value due to the change to higher-value residential would hinder site assembly and make development of an appropriate scale for this central location much more challenging and in some cases impossible. As noted elsewhere, an amenity expectation would be created which the Council would have a duty to consider in subsequent planning decisions. This would represent a substantial constraint on high-density mixed-use development that is otherwise encouraged by policies.

Why is an A4D Justified?

- 11.94 There is tight interdependence between the CAZ and many of Islington’s specialist clusters, most notably clusters of Class E SME businesses that either trade with other nearby businesses or hold a competitive advantage due to their proximity to the CAZ. Many SME businesses depend on their Inner London ‘fringe’ location in order to thrive.
- 11.95 Islington’s Employment Land study identifies the need for a significant quantum of office floorspace over the plan period. Business clusters, including those in proximity to the CAZ Fringe will play a key role in helping to achieve this. The ELS states that from a wider London economy perspective it will be important to ensure that CAZ activities are able to expand into the area north of Pentonville Road and east of King’s Cross/Regent’s Quarter.

³⁰ Local Plan Topic Paper Site Allocations (2020) Appendix 1.

11.96 In relation to the CAZ Fringe, the ELS notes the following:³¹

- As the King's Cross Central scheme continues to mature, it is likely to anchor a substantial sub-market popular with office occupiers due to the central location and direct access to the City and West End;
- The area to the north of Wharfedale Road has been attractive to the publishing and related creative industries;
- The area along York Way, is benefiting from a 'halo' effect from the regeneration of the King's Cross railway lands and given the adjacency to King's Cross and the catalytic effect this is having there is clearly scope to intensify business use in this area;
- For the area along Pentonville Road, there is a good case for protecting the employment growth area (PEL) given the impact of the King's Cross Central development whilst noting the pressure from the wider housing market indicating strong competition for uses.

The Economic Contribution of the CAZ Fringe

11.97 The GLA's strategic evidence (July 2021) highlights the significant additional value that the CAZ Fringe can have, with the substantial amount of commercial activity that takes place just beyond the CAZ boundary. The CAZ plus 1km within the CAZ fringe generated £236.5 billion in GVA in 2019, with the CAZ Fringe adding over £40 billion, nearly another 10% to London's GVA and 2% to UK GVA. GLA evidence highlights the substantial amount of commercial activity that takes place just beyond the CAZ boundary.³²

Specialist Clusters in Kings Cross Area

- Cultural – including Kings Place music and exhibition venue; Big Sky Photography Studio at 2 Omega Place; London Canal Museum, New Wharf Road. The University of the Arts (St Martins), Scala and major cultural businesses including Universal Music and Louis Vuitton UK are nearby in LB Camden.
- Knowledge uses – including Institute of Physics at 33-45 Caledonian Road; Society for Research into Higher Education at 73 Collier Street; International Lead Association at Bravington House Regents Quarter; Springer Science Publishers, Symplectic software (supporting digital science research) and Macmillan Web-based Education at 4-6 Crican Street. Major knowledge uses nearby include British Library and Francis Crick Institute (in LB Camden).
- Media and digital marketing, including software – The Guardian/ Observer; Greenlight Digital Marketing and Brave Bison Media Co at Regents Place 1; CPB 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.

³¹ Islington Employment Land Study (2016) sections 6.5, 6.1. 6.5 and 5.3

³² Strategic Evidence to Support London borough Article 4 Directions (commercial to residential), GLA July 2021, figure 3.3 p.17

Why is an A4D necessary to avoid wholly unacceptable impacts?

- 11.98 The King's Cross office market is set to expand, and the knowledge, digital marketing and software sectors are likely to be particularly boosted by the completion of the Google HQ on Kings Boulevard (in LB Camden). Adequate affordable space will be needed to support the growth of these sectors in the wider area. To prevent a harmful loss of office space it is necessary to protect existing Class E uses that have been identified by the Council's mapping and survey work as being vulnerable to Class MA. Additional office space is envisaged to be delivered via planning applications and there are seven allocation sites in Kings Cross in the emerging Local Plan, mostly for business-led redevelopment.
- 11.99 The ELS notes that there is pressure on employment locations around King's Cross including from housing given the locational advantages of the area. It is evidenced that Central London has the highest residential property prices in the country with the GLA's strategic evidence indicating that average capital values for residential use in the CAZ exceed average values for offices and other commercial uses. Given the location within and immediately adjacent to the CAZ it is likely that similar values to the CAZ will apply. This demonstrates there will be a strong incentive to utilise the Class E PD Right in this location and that a significant loss of employment premises is likely without an A4D.
- 11.100 Not only is Kings Cross and the CAZ Fringe economically important in its own right, it also provides a supporting role to the CAZ – in terms of the interdependence between businesses but also in providing space for the CAZ and CAZ activities to grow into in the future to facilitate its further economic development. The loss of key business locations and supporting commercial and service premises would lead to wholly unacceptable impacts in terms of limiting future growth around King's Cross area which would impact on the CAZ Fringe and the CAZ itself.

Wholly unacceptable impact of Class MA

- 11.101 In addition to the CAZ-wide wholly unacceptable impacts set out in para 10.29 the following would be the wholly unacceptable impacts in Kings Cross:
- The lack of Class E accommodation would make it difficult for world-class businesses and media organisations to expand or remain in the area. If these companies relocated to centres outside the UK, this would have a wholly unacceptable adverse impact on the attractiveness of London;
 - Lack of office space and/ or higher rent costs would harm institutions of national and international scale like the Institute of Physics, the International Lead Association or the Society for Research into Higher Education, who may have to relocate, downsize or close. This would have a wholly unacceptable adverse impact on wellbeing at local and national level.

Why this is the smallest area possible

11.102 The detailed mapping and survey work has revealed a wide range of unit sizes, from shops of 100sqm to large purpose-built office blocks. Officers assessed all sites in the area against Class MA criteria. The A4D would exclude listed buildings, non-Class E units and ground floor retail/ café units in Conservation Areas as they have a degree of protection via the prior approval criteria.

11.103 The vast majority of shops on Caledonian Road have been excluded as Class MA.2(1.e) allows the impact of change of use of ground floor on the Conservation Area to be considered. Other sites have been excluded despite being valuable Class E uses, for example Kings Place which includes The Guardian/ Observer offices as well as cultural uses (art gallery, music venues). While these are world-class media organisations and contribute strongly to the attractiveness of London, the building is unlikely to be subject to Class MA change of use for the following reasons:

- The footprint is ca. 80m x 60m and the overall floorspace is 26,000 sqm, well above the 1,500sqm Class E limit. Given the large footprint it would be difficult to envisage a subdivision that would create sub-units of less than 1,500sqm;
- These high-specification Grade A offices completed in 2008 are unlikely to be converted on economic grounds;
- The deep floorplates would result in single-aspect units in breach of Class MA.2 (1)(f) which requires natural light to habitable rooms. Works to form lightwells or a courtyard would need planning permission;
- The site includes concert halls and underground spaces which would be unusable because of the natural light requirement;
- Changes to circulation would require wide-ranging and possibly expensive/ impractical works to the building's interior.

11.104 Class E employment uses on upper floors of non-listed buildings do not benefit from protection against Class MA, and in Conservation Areas there is an element of protection at ground floor only. Buildings with upper floor Class E which are potentially at risk of Class MA change of use have been identified and included in the proposed A4D area.

11.105 The proposed A4D area covers 18% of the Kings Cross Area, which is a small proportion of coverage for an employment area of this significance and critical mass. Together with the evidence above and in Appendix 1 this level of coverage demonstrates that the proposed Direction relates to the smallest possible geographic area.

12 AREA 2: Vale Royal/Brewery Road LSIS

Introduction

12.1 The Vale Royal/Brewery Road LSIS is located in the west of the borough near the boundary with the London Borough of Camden and in close proximity to Kings Cross, Central London

and the CAZ. It is Islington's last significant concentration of industrial land and is by far the largest non-CAZ accumulation of employment land in the Borough.

12.2 The tightly-drawn boundary of the LSIS has been established in successive Local Plans. Class E uses in the form of light industrial premises and offices are interspersed throughout the area. There are very limited and localised residential sites located on Brandon Road and Blundell Road.

12.3 Because of its central location, the LSIS has evolved to support and service the CAZ, as evidenced by the cluster of live event and music orientated businesses as well as catering operations located there. The LSIS contains a significant amount of light industrial uses and services including machine hire, cleaning equipment hire and commercial vehicle repair that support the wider borough economy. Whilst there are a number of B2 and B8 uses within the area and these would not be able to utilise Class MA, many premises including offices and light industrial uses would be able to do so.

12.4 The buildings in this area generally range in height from two to four storeys. Apart from the one-off residential properties and a small number of retail/ café units, the remainder of the sites are in industrial or other employment use. Evidence from the Council's mapping and survey work has revealed that the properties in the LSIS comprise a range of units including small light-industrial premises with floorspace of ca. 500sqm, builders yards with open sheds and portacabins, and mixed-use blocks. In many cases office accommodation in larger blocks could potentially be at risk of being subject to a Class MA prior approval application.

Map 15 Vale Royal Brewery Road LSIS Spatial Strategy Area



- Central Activities Zone
- Article 4 Direction Class MA

To note: the above map is provided for information only. Copies of the Directions are available in Appendix 1. In case of any deviation please refer to the maps in Appendix 1.

- 12.5 The area surrounded the LSIS is mixed-use in nature, with a large amount of residential, sports facilities and the former Pentonville Prison. At the southern boundary is the wide London Overground cutting. There are no listed buildings or Conservation Areas in this area.
- 12.6 In the emerging Local Plan the area is identified as an important industrial location to be retained and strengthened, and is subject to an Area Spatial Strategy to guide development. The area has ten site allocations in the emerging Local Plan which are expected to deliver c.4,876sqm of net additional office space and 375 jobs by 2036. The key aim across LSIS Allocations is intensification of employment space with a priority for the delivery of hybrid space with light industrial features rather than E(g)(i) offices. Delivery of industrial use is anticipated to be c.14,188sqm net additional floorspace.³³

Reasons for seeking an A4D

- 12.7 Given the location near Central London, residential values in this location would be particularly high compared to offices/ light industrial uses. As a result, there is significant incentive for change of employment space to residential use.
- 12.8 This would significantly weaken the employment focus and function of the LSIS, reducing its attractiveness to commercial occupiers, its wider role supporting the CAZ and its ability to continue providing employment to residents of the borough.
- 12.9 It is essential that the industrial function of the area is retained. At a strategic level, the LSIS contributes to the economic success of the borough and central London, and therefore supports businesses elsewhere in the borough, and residents, who benefit from concentrations of industrial uses being located outside residential areas.
- 12.10 The GLA's Land for Industry and Transport SPG notes that land used for industrial purposes outside but close to the CAZ has an important role in serving businesses and activities within the Zone.³⁴ Demand is driven by businesses that need to be close to their customers including food and drink preparation, printing, publishing and local distribution activities such as couriers.
- 12.11 In addition to the presence of more traditional industrial operators, new 'industries' are now also locating in the LSIS. This is particularly evidenced by the cluster of live event and music oriented businesses (such as recording studios), and the emerging life science cluster, benefitting from the Knowledge Quarter location.
- 12.12 To intensify and modernise the industrial space in the LSIS, the provision of 'hybrid space' is an aim of policy SP3b of the emerging Local Plan as this will support the current operation of the area and allow for flexibility and future intensification, specifically to support existing and emerging specialist clusters.

Class MA Criteria

³³ Local Plan Topic Paper Site Allocations (2020) Appendix 1. Job estimates are not provided for industrial use.

³⁴ Land for Industry and Transport, GLA September 2012, paragraph 3.12, p.33.

12.13 Some potential impacts of Class MA can be considered under the Prior Approval process:

- Impacts of noise from commercial development on residential occupiers - Class MA(2)(2)(d);
- Adequate natural light requirement to all rooms of the dwellinghouse - Class MA(2)(2)(f);
- Introduction of residential use in an area the authority considers to be important for general or heavy industry, waste management, storage and distribution or a mix of such uses - Class MA(2)(2)(g).

12.14 In relation to Class MA(2)(2)(g), as stated above, there is no heavy industry in the LSIS. There are also no waste management sites. There are storage/ distribution sites, specifically Abbott Datastore at 184 York Way which stores company documents, files, legal / medical records, computer, media, film, audio and video tape and at 24-8 Vale Royal there is an Islington Council Salt and Skip store. There is general industry in the form of commercial food production (Carnevale, Pasta and Pasta) and catering butchers (Hensons, Billfields, TSJ Woodhouse). If change of use to residential was allowed at a site in the LSIS this would impinge on these types of uses.

12.15 In the LSIS uses of a more industrial nature are becoming less and less common and there is considerable developer interest in the LSIS for hybrid lab/ office space in the life science sector. This is in accordance with its Knowledge Quarter location and growing interest in this sector as a consequence of the COVID-19 pandemic. The emerging life-science cluster includes the Kadans block on Brandon Road, with manufacturing, laboratory and office space, currently in site preparation (10,500sqm). Such office-based hybrid units would not fall under the criteria for Class MA(2)(2)(g) so the degree to which introducing residential use nearby would impinge on their operation cannot be taken into consideration in assessing a Class MA prior approval application.

12.16 While there are some B2 and B8 uses the area is made up of a mix of uses including light industrial and office which would mean that the industrial character of the area is not defined by the uses/ mix in the Class MA criteria.

12.17 The change of use of units to residential could have far-reaching implications in this area and cause wholly unacceptable adverse impacts to specialist clusters and communities. The simplified prior approval process would not be appropriate to assess changes of use in such a strategic importance. It is therefore necessary that such changes of use are considered under full planning applications.

Why is an A4D Justified?

12.18 The Islington Employment Land Study 2016 (ELS) highlights large losses of industrial land in recent years and the low vacancy rate in the LSIS. The London Industrial Land Supply &

Economy Study 2015 identifies a vacancy rate of 0.9% industrial land in the LSIS demonstrating high demand from businesses in the Borough for premises in this location.³⁵

- 12.19 The light industrial uses in the LSIS provide services needed by businesses in the CAZ but which, because of higher land values in the CAZ would be uneconomical to locate inside the CAZ. These uses are essential to the functioning of the borough's economy and that of the CAZ.
- 12.20 The LSIS is home to a numerous businesses in the wider creative industries supply chain. These make a key contribution to the local, London-wide and national economy. A key element of this vibrant and valuable supply chain would be vulnerable to loss if Class MA PD rights were available to enable change to residential use.
- 12.21 The Employment Land Study (ELS) acknowledges that, in terms of function the LSIS is an increasingly rare entity in Inner London, which provides space that is crucial to accommodate businesses servicing both in the wider borough and central London.³⁶
- 12.22 The Class MA PD right poses a real risk to the LSIS as there are many premises which accommodate uses that now fall within Class E – such as offices and a range of light industrial premises – which could potentially utilise the new pd rights. This could have very significant detrimental impacts on maintaining the provision of light industrial and other supporting commercial uses in the LSIS that could severely undermine the function of the area over time.
- 12.23 The GLA evidence notes that light industrial premises provide relatively low-cost accommodation supporting SMEs and that, despite the size limit of 1,500m², class E PDR will have a direct disproportionate impact on industrial SMEs as well as indirect impacts on premises located in proximity to PDR conversions. A recent analysis of premises and use classes carried out in February 2020, in the Vale Royal and Brewery Road LSIS, showed that there are almost 10,000sqm of light industrial floorspace most of which is located along Brewery Road, Brandon Road and Blundell Street; this is a significant amount of space that could fall within class E.
- 12.24 The Vale Royal/Brewery Road LSIS also includes some sites which provide solely Class E(g)(i) office uses. These include, for example the offices of the publishing company Quarto Group at 6 Blundell Street or the premises of the survey organisation Survation at 1 Brandon Road. The GLA's evidence shows that within two years of the office to residential PDR being introduced, 83,000m² of office space within London's industrial areas were subject to prior approval for conversion to residential.³⁷
- 12.25 As noted in appendix 2, the Vale Royal/Brewery Road LSIS includes a mix of 'clean' and more traditional industrial activities and so it may not be possible to use the prior approval

³⁵ London Industrial Land Supply & Economy Study 2015, table 2.2.

³⁶ LB Islington Employment Land Study (2016), para. 6.2.40.

³⁷ Strategic Evidence to Support London borough Article 4 Directions (commercial to residential), GLA July 2021, p.63, para. 6.2.13.

criteria Class MA(2)(2)(g) in every instance. The primary concern of officers in this regard is avoiding wholly unacceptable impacts on areas of specialism and the wider borough economy given the potential harm to emerging concentrations of business activity, many of which are hybrid in nature such as life sciences, and which involve significant office elements.

12.26 The LSIS has seen pressure from both residential use and offices given its proximity to the CAZ and the effects of the wider King's Cross Central regeneration scheme. As identified in the GLA evidence, residential values are typically greater than average industrial values in inner and outer London and there would be a significant incentive to avail of Class MA PD rights for properties in the LSIS.

12.27 The growth of Kings Cross Central is generating additional pressures for residential use, which will be further increased by the opening in 2024 of Google's large London Headquarters on Kings Boulevard, LB Camden, providing space for 4,500 employees. The LSIS is a short walk from Kings Cross Central and, combined with the greater value of residential use, the area could be a particularly attractive location for Class MA change of use now and in the future.

12.28 In order to preserve the economic function of this important industrial location and the services it provides for the CAZ it is important that an A4D is made to protect key Class E sites. Many of the sites in the LSIS are Class B2 (General Industrial) or B8 (Storage) so are not subject to Class MA. The Direction Area has been reduced to the smallest possible geographical area.

12.29 Further evidence justifying an A4D in the LSIS is set out in Appendix 2.

Specialist Clusters in the LSIS

- Services to the music and entertainment industries including Tileyard Studios which comprises ca. 10,000sqm of writing and office space dedicated to the music industry, also Bandicoot Recording Studios, John Henry Retail and Rehearsal venues, and the Music Business School;
- Catering operations and food-related businesses including Catering Butchers (Hensons, Billfields, TSJ Woodhouse), Food Production and Warehouse (Carnevale, Pasta and Pasta, Two Tribes Brewers); and
- Emerging life-science cluster benefitting from proximity to Knowledge Quarter. Includes Kadans block on Brandon Road, with manufacturing, laboratory and office, currently in site preparation (10,500sqm).

Wholly unacceptable impact of Class MA.

- Existing Class E users would be unable to expand because of lack of space or higher cost of space, they may be forced to leave the area and new companies would be unable to locate there due to space being unavailable or unaffordable;
- Unrestricted Class MA would make small individual Class E plots more valuable. Site assembly, development at scale and the ability to make efficient use of land would be more difficult. This would limit the possibilities of businesses to expand. The emerging Local Plan objective to retain and strengthen the LSIS would be threatened;
- Lack of space or higher cost of space would obstruct the emergence of specialist clusters and the growth of those already in existence. The music and entertainment industry contributes strongly to the attractiveness of London. Class MA would be likely to undermine the important cluster of music/ entertainment uses in the LSIS which may have to relocate, scale down or close;
- As existing the LSIS has minimal residential development. If change to residential was allowed at one-off sites an amenity expectation would be established. This would greatly hinder the efficient use of land in the LSIS, resulting in a loss of jobs and economic activity;
- Ultimately, the introduction of residential uses into the LSIS could erode its function and the community benefits from a range of employment located in a dedicated zone outside of residential areas.

Why this is the smallest area possible

- 12.30 There is no statutory listing or Conservation Area coverage in the LSIS which would provide a degree of protection for employment floorspace. Following the methodology used in the CAZ, the Council has researched the planning use of individual buildings and sites. Those in Class B2 and B8 have been excluded from the A4D.
- 12.31 Buildings in class E use which would need external alterations to be used as residential have also been excluded, as such alterations would need planning permission.
- 12.32 Many blocks in the LSIS have elements of class E(g)(i) (office), B2 (general industrial) and B8 (storage and distribution) use and some blocks could be subdivided with the office element being subject to a Class MA prior approval application. Where the Council has identified the risk of subdivision and Class MA change of use the site has been included in the A4D. This is because the office element forms an integral part of the industrial sites they belong to and the introduction of residential use in their place would be incompatible with the operation of the site, in addition to limiting its redevelopment potential, both wholly unacceptable impacts in a strategically important industrial area.
- 12.33 The proposed A4D area covers 42% of the LSIS, considerably less than half the area, which is a small proportion of coverage for an employment area, particularly one with a large proportion of Class E floorspace. In accordance with paragraph 53 the A4D relates to the smallest geographic area possible.

13. AREA 3: Fonthill and Camden Passage

Introduction

13.1 Islington has a mix of town centres which range from District Centres (Angel and Nag's Head) to Local Shopping Areas and Specialist Shopping Areas, of which there are two in the Borough, Fonthill Road and Camden Passage. These are historic street within larger centres whose identity has evolved over time.

- Camden Passage is located in Angel Town Centre and is renowned for its antique, curio and vintage shops.
- Fonthill Road is in Finsbury Park Town Centre. It has a rich history of fashion manufacturing and wholesale commerce.

13.2 If Specialist Shopping Areas lose critical mass, the retail service they provide will be unavailable to residents of the Borough and London as a whole. The economic output of these centres and attractiveness as a business environment will be greatly reduced. As part of the Local Plan Examination in Public hearings which took place in 2021 the Inspector found the SSA boundaries to be reasonable.

Policy context

13.3 The Local Plan seeks to give additional protection to these uniquely important areas. As identified in the Strategic and Development Management Policies document, Specialist Shopping Areas provide a significant benefit to their local areas, with the ability to draw shoppers from outside the borough due to the more bespoke nature of the goods on offer, as well as adding significant value to the character and vitality of their respective areas. Specialist Shopping Areas in Islington –the antique/curio shops at Camden Passage in Angel and the clothing shops at Fonthill Road in Finsbury Park – have a high level of units in retail use and provide a major contribution toward a healthy retail offer in these centres. The retention of at least 75% retail use in these areas will maintain the specialist character and function of these areas.

Camden Passage – nature of the cluster

13.4 Camden Passage greatly contributes to the diversity of the retail offer and the character of Angel Town Centre. Draft Local Plan spatial policy SP4 part E states that the unique function of this area, which is home to a significant concentration of antique, curio and vintage stores, will be strongly protected.

Map 16 Camden Passage Specialist Shopping Area



To note: the above map is provided for information only. Copies of the Directions are available in Appendix 1. In case of any deviation please refer to the maps in Appendix 1.

13.5 Camden Passage is located towards the eastern edge of the Angel Town Centre. Its antique, curio and vintage shops make a significant contribution to a healthy and diverse retail offer of Angel. A large part of the Town Centre falls with the CAZ but not all of it. The southern portion of Camden Passage falls within the CAZ boundary. The remaining part of Camden Passage falls outside the CAZ boundary.

Camden Passage – nature of cluster

13.6 Islington Council’s Town Centres Review and Healthcheck for Camden Passage SSA revealed that it has approximately 70% of its total units in E(a) retail use. The minimum target level of 75% retail for both SSAs is important because this threshold works to address the unique needs of both SSAs.

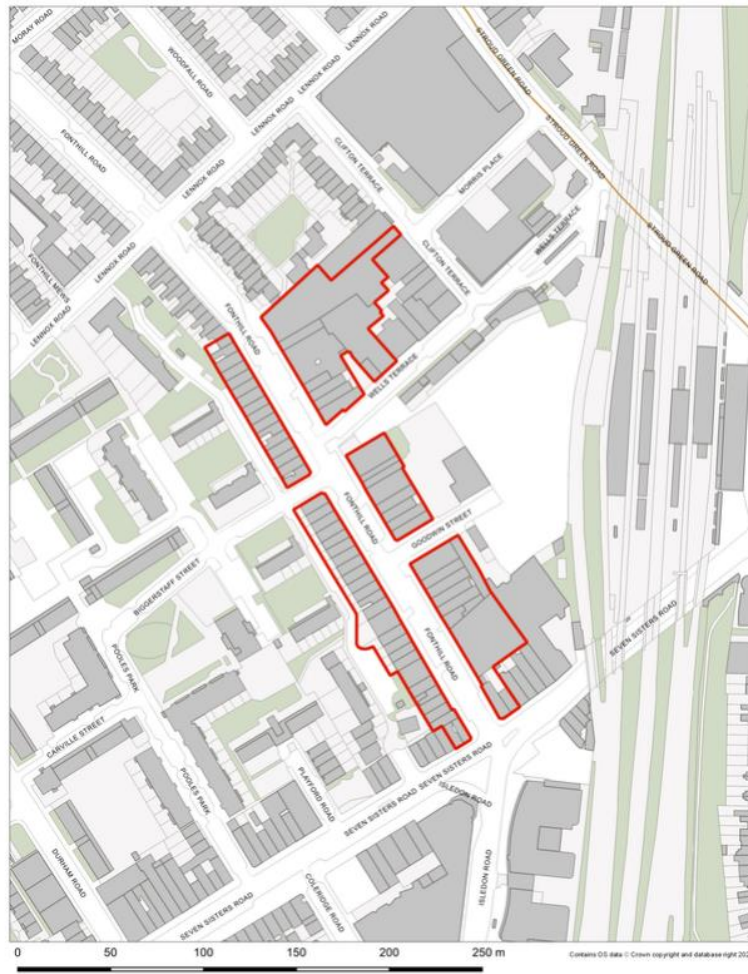
- 13.7 Given its located in Angel Town Centre Camden Passage itself and the surrounding area has a strong competition from leisure food and drink offers, making the preservation of the retail function paramount in sustaining the unique nature of Camden Passage and supporting the retail specialisation which draws customers from a wide distance to the area. Class MA could lead to a loss of a significant concentration of antique, curio and vintage stores, with the specialist retail and craft-based employment that goes with it.
- 13.8 For Camden Passage the emerging Local Plan spatial policy SP4 part E states that the unique function of this area, which is home to a significant concentration of antique, curio and vintage stores, will be strongly protected. Unit sizes in Camden Passage are generally similar to Fonthill Road although smaller units predominate. There are also specialist markets held on Camden Passage.
- 13.9 The Employment Land Study (2016) recognised that Fonthill Road is an important and widely recognised fashion clothing cluster, which is visibly successful. It was emphasised that this cluster should not be put in jeopardy. It is of the strongest performing retail areas in the borough and its agglomeration of businesses leads to it being a destination that attracts customers from across London and beyond.

Fonthill Road

- 13.10 Fonthill Road is situated on the western boundary of Finsbury Park Town Centre. It has a rich history of fashion manufacturing and wholesale commerce. A specialist shopping area for clothing, the area is a major draw for people from surrounding areas and beyond. The SSA is a key element in Finsbury Park Town Centre, it provides local employment and skills opportunities as well as clothing popular with the area's ethnically diverse population.³⁸
- 13.11 There are around 100 fashion businesses on a 250m stretch of Fonthill Road demonstrating the small unit sizes here. The retail units on Fonthill Road often span basement, ground floor and upper ground floor levels catering for fashion manufacturing and wholesale commerce.
- 13.12 The Retail and Leisure Study 2017 identifies Fonthill Road as having the strongest identity of all the shopping streets within Finsbury Park town centre, providing a specialist clothing retail offer including a large number of party and bridal dress shops. It was noted that all units along the street are occupied by independent retailers. Unlike the rest of the centre, it was noted that provision here is specifically retail, with very few service or leisure occupiers. The study identified that the unique offer attracts visitors from across and outside the borough. It is deemed to be an example of a quality specialist retail area supporting local economies.

³⁸ Finsbury Park SPD

Map 17 Fonthill Road Specialist Shopping Area



Article 4 Direction Class MA (Class E to residential)
 Fonthill Road Specialist Shopping Area

To note: the above map is provided for information only. Copies of the Directions are available in Appendix 1. In case of any deviation please refer to the maps in Appendix 1.

13.13 The emerging Local Plan Spatial Strategy for Finsbury Park (Policy SP6) seeks to protect and enhance the specialist retail function of Fonthill Road. In order to protect this function, emerging Policy R7 places heightened considerations on proposals to change use from Class E or main town centre uses to residential uses across all floors. This approach is required in order for economic initiatives to be realised. The Council’s Inclusive Economy Team are working to create a fairer Finsbury Park – a sustainable, socially just, and locally-rooted economy, where wealth is fairly shared; people are supported into, and progress in well-paid, secure jobs; and assets and resources within the local economy create prosperity and opportunity for all. This involves a range of programmes including: local incubation space to nurture new businesses; securing showcase products from trainees, tenant businesses and local makers; and setting up a regular market. These measures are further discussed in Appendix 3 (paragraph 22).

13.14 Both areas are fine-grained streets with period buildings over 2 or 3 levels with supporting commercial accommodation above in the form of workshops and studios.

Reasons for seeking an A4D

13.15 In Fonthill Road the units are predominantly small to medium in size; the average unit size for class E uses estimated to be 125m² ³⁹ and so there would be a potential risk of change of use via Class MA PDR with its threshold of 1500m².

Fonthill Road – nature of Specialist Shopping cluster and social value considerations

13.16 Fonthill Road is being enhanced by the Council to support local people into employment. This includes the Council securing affordable workspace and retail units for incubator space for start-up businesses and retail space for the showcasing of local designers and makers.

13.17 The whole of Fonthill Road SSA is an established and improving retail cluster, being complemented by surrounding public realm improvements, the implementation of affordable workspace linked to the fashion industry and heightened protection through emerging Local Plan planning policy. Accessibility has been enhanced by the public realm and access improvements from the adjacent City North development.

Class MA Criteria

13.18 Some potential impacts of Class MA can be considered under the Prior Approval process, in particular:

- Impacts of noise from commercial development on residential occupiers - Class MA(2)(2)(d);
- Adequate natural light requirement to all rooms of the dwellinghouse - Class MA(2)(2)(f).

13.19 An A4D is necessary in both Specialist Shopping Areas to protect valuable Class E use and prevent wholly unacceptable adverse impacts.

Wholly unacceptable adverse impacts of Class MA

13.20 Unrestricted Class MA would have the following impacts:

- The retail clusters in both SSAs are among the strongest performing retail areas in the borough and have particular benefits in terms of agglomeration of businesses which lead to them being destinations that attracts customers from beyond the local area;
- Loss of retail space would harm the community in terms of loss of skilled knowledge-based employment and there would be a loss of valuable shopping offer that would affect London as a whole;

³⁹ Based on data from GLA Town Centre Health Checks 2017.

- In the north of the borough, residential values far exceed those of offices and retail, being greater by between 90% and 106%. Combined with the unit sizes, the significant difference in values is likely to lead to the significant loss of units which in turn will have wholly unacceptable impacts on the role and function of the specialist shopping area and the benefits that this provides to the local economy as well as its importance for the character and vitality of the area.

Why is this the smallest possible area

- 13.21 Assessment of the SSAs has been conducted at granular level and every site in the two areas has been investigated. All Class E buildings within the Fonthill Road and Camden Passage Specialist Shopping Area are included in the A4D, in addition to two buildings at the main entrance to Fonthill Road at the junction with Seven Sisters Road as these form the entrance to the SSA and their loss to residential would undermine the visibility of the specialist area.
- 13.22 In the SSAs nearly all ground floor units that are in active use are within Class E and predominantly Class E(a). Any conversion to residential use would cause wholly unacceptable harm to the economic nature and functioning of the SSA.
- 13.23 There are a number of sites in Camden Passage which the Council's mapping and survey work has identified as being in residential use – these have been excluded from the A4D. The Direction relates to the smallest possible geographic area.

14 Housing Delivery

- 14.1 Historic housing delivery in the borough has greatly exceeded housing targets. The borough over-delivered on its housing targets by a third between 2008-2018 (15,841 units compared to a housing target of 11,952). For many years Islington had exceptionally high housing delivery, in some years being one of the highest delivering authorities in the country despite the small size of the borough. As a consequence, the land available for housing has reduced. In recent years it is acknowledged that housing delivery has slowed as evidenced in the Housing Delivery Test figures for the borough. However, it is important to note that over the last couple of years the borough has been in a transition from the London Plan housing target of 1264 dwellings per annum, to a new housing target of 775 dwellings per annum, the lower housing target reflecting a more constrained land supply. In terms of the Housing Delivery Test, the Council has delivered in excess of its targets in the current 3-year period, and with the new London Plan target of 775 homes per annum (reflecting the land constraints that now exist within the borough), Islington can demonstrate a 5 year housing land supply and meet and exceed its housing targets over the Draft Local Plan period. The borough can therefore continue to balance meeting housing needs alongside other development needs.

15 House Prices and affordability

- 15.1 Over the ten-year period from the year ending June 2009 to the year ending June 2019 (the most recently published figure from July 2020), median house prices in Islington rose by

£260,000 or 76%. Average prices across England and Wales rose by 42% over the same period. The average price of a property in Islington as at May 2021 was £648, 263.⁴⁰ The Islington Strategic Housing Market Assessment identifies a need for 12,300 affordable dwellings, which would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need. Close to a third of Islington households have incomes of less than £20,000 per year, a higher proportion than the London average, and more than 8,000 Islington residents have a total annual income, including all benefits, of less than £10,000. Housing affordability is one of the most significant issues in Islington, with the cost of renting and purchasing housing being significantly above the national average, and often out of reach of the majority of residents. The additional units created through Class MA will not contribute towards affordable housing provision as would be required for many planning applications even of a smaller scale.

16 Financial Implications

16.1 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.

16.2 However, no compensation is payable if the following procedure is followed, as set out in section 108 of the Town and Country Planning Act:

- 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.

16.3 It is proposed that the non-immediate procedure is followed with regard to the Directions proposed in this report. This will remove the council's liability to compensate land owners.

16.4 The costs associated with publishing and consulting on the A4D together with associated legal costs will be met from the Planning and Development budget. These costs are not currently included in the Planning and Development budget and will lead to a pressure of around £30,000.

17 Legal Implications:

17.1 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

⁴⁰ Land Registry UK House Price Index

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.

- 17.2 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.
- 17.3 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.
- 17.4 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.
- 17.5 Following the consideration of all representations received, the A4Ds will then be reported to the Council's Executive committee.

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

- 18.1 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 the Core Strategy, Development Management Policies and Finsbury Local Plan, which set out policies relating to sustainability of residential development, which will be replaced by the new Local Plan in due course. Rather than the light-touch prior approval process, developers would need to comply fully with the Council's sustainability policies to secure planning permission. This would help the Council achieve its target of net zero by 2030.

19 Equalities Impact Assessment

- 19.1 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.

19.2 An Equalities Impact screening exercise was carried out with input from the Council's Fairness and Equality Team. No negative impacts were identified in the screening and a full Equalities Impact Assessment Report is not required in relation to this proposal.

20 **Conclusion and reasons for the decision**

20.1 The Class MA prior approval process is light-touch in nature and in the absence of A4Ds the Council would have minimal control of changes of use from Class E to residential. As a result, significant amounts of viable, attractive Class E floorspace would potentially be at risk of being lost.

20.2 The proposed A4Ds would enable the Council to assess proposals for change of use from Class E to residential against adopted planning policies in four important employment locations in the borough. The evidence presented above and in appendices 1-3 demonstrates that this is necessary to avoid a wholly unacceptable adverse impact on the borough in terms of loss of jobs and economic activity, particularly in high-value clusters, and to make efficient use of land.

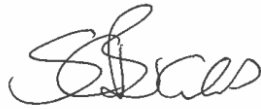
20.3 The proposed A4Ds are limited to situations where it is necessary to avoid wholly unacceptable adverse impacts and to protect local amenity and the well-being of the area. The A4Ds cover the smallest geographic area possible and, as set out above and in appendices 1-3 are based on robust evidence. As a result, the making of the proposed A4Ds is fully in accordance with paragraph 53 of the NPPF.

21 **Details of any alternative options considered and rejected**

21.1 No conflict of interest declared by any Executive Member.

1. Record of the decision

1.1 I have today decided to take the decision set out in section 4 of this report for the reasons set out above.



Signed by:

Stephen Biggs, Corporate Director of Community Wealth Building

Date: 22 August 2022

Appendices:

- Appendix 1: Evidence to support an A4D in the CAZ and CAZ Fringe
- Appendix 2: Evidence to support an A4D in the Vale Royal/ Brewery Road Locally Significant Industrial Site
- Appendix 3: Evidence to support an A4D in the Camden Passage Specialist Shopping Area and the Fonthill Road Specialist Shopping Area

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