

Enfield Council

Enfield Employment Land Review 2012



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Appendix 1 - Consultation

1 INTRODUCTION

The Study

- 1.1 This study was commissioned by LB Enfield to assess the future demand and future supply of employment floorspace, whilst assessing the suitability of existing and proposed employment floorspace in terms of its ability to meet future demand. Also delivering future planning guidance to inform Enfield's Local Plan and improve systems for monitoring outcomes and reviewing employment policies and programmes.
- 1.2 In terms of informing the Local Plan, specifically the review is to inform the emerging Development Management Document, and the Area Action Plans and masterplan (SPDs) as well as the Regeneration Strategy the Council is preparing.
- 1.3 It deals with two broad land uses, industry/warehousing and offices . It suggests how far existing employment sites should be safeguarded from redevelopment for other uses, whether more land should be identified for employment uses, or whether land should be released from employment use.
- 1.4 This study will form part of the Council's evidence base for the emerging Local Plan policies as required by the recently published National Planning Policy Framework (NPPF) and, of importance is the GLA's Industrial Capacity SPG, which benchmarks for the overall quantum of industrial land release in London boroughs up to 2026.
- 1.5 The study also makes recommendations about the type of employment land which will be needed for the future as the economy continues to evolve and restructure.

The Method

- 1.6 In reviewing employment land, the approach taken is in line with guidance originally supporting the former PPS4 (Planning for Economic Development). PPS 4 has now been replaced by the new National Planning Policy Framework although the guidance has not been withdrawn. . Government policy and guidance indicates that the role of employment land reviews (ELR) is to provide sound evidence to inform local planning authorities in planning for employment land uses. To inform these decisions, ELRs need to:
 - Audit the supply of land already identified for employment;
 - Assess how much land will be required for employment during the plan period, based on market conditions and policy objectives;
 - Compare requirement with supply both quantitatively and qualitatively;
 - Consequently make recommendations about:
 - Any further land that should be identified for employment;
 - Any existing or committed employment sites that should be released for other uses, having regard to their realistic prospects of coming forward for delivery;
 - Other planning policies relating to employment land as appropriate; and
 - Economic development and regeneration policies that bear on employment land.

- 1.7 Our specific method for this study has been to use the GLA employment projections to inform our demand forecasts. Our preliminary findings were tested with an audience of commercial property stakeholders at a workshop held in November 2011.
- 1.8 The Study is a borough-wide review. The land and premises contained in Core Policies 14 and 15 of the adopted Core Strategy were surveyed as part of this review.

Report Structure

- 1.9 Chapters 2 to 4 describe the current position, providing the baseline and starting point for the future analysis that is to follow:
 - Chapter 2 briefly reviews the strategic policies to which Enfield's employment land policies need to conform and the current local policies of the Council.
 - Chapters 3 and 4 analyse the present condition of the local economy and property markets, establishing the baseline for future change and informs the objectives for the study.
 - Chapters 5 to 9 take forward the analysis to the planning period 2011-26:
 - Chapter 5 assesses the quality of Enfield's employment areas for meeting future demand.
 - Chapter 6 quantifies the baseline projection for office and industrial land.
 - Chapter 7 looks at the impact of the recession on the baseline projections
 - Chapter 9 assesses the future market balance for employment land by comparing forecast demand for space with the supply currently identified and proposed;
- 1.10 Finally, Chapter 10 sets out the overall conclusions and recommendations on future employment land allocations and policies for Enfield.

2 LB ENFIELD'S ECONOMIC DEVELOPMENT AND EMPLOYMENT LAND POLICIES

Introduction

- 2.1 In this section we set out our understanding of the current policy context for Enfield. This provides the framework in which the ELR will need to operate.
- 2.2 The London Borough of Enfield is currently in the process of preparing its Local Plan to replace the Unitary Development Plan (UDP). The first document to have been prepared is the Core Strategy (CS) which was adopted in November 2010. This replaced many of the policies in the UDP; however some policies are still extant and will eventually be replaced by forthcoming Local Plan documents.

National Planning Policy

The National Planning Policy Framework

- 2.3 In July 2011 the Government published a draft of the National Planning Policy Framework (NPPF). Following consultation this was published in March 2012. This new document replaces all the former Planning Policy Statements (PPSs) and Planning Policy Guidance (PPGs).
- 2.4 The main changes proposed relate to the removal of the regional tier of planning. For most of England this is a significant change. The removal of the Regional tier provides more flexibility for local authorities and communities to set their own planning agenda, revising former regional targets for new homes, jobs or other deliverables. But at the same time the removal of the regional tier brings increased responsibility and a new requirement for local authorities to fully evidence their own planning policies.
- 2.5 However this change does not apply in London. In London the two tier system of development plans, with the London Plan and Borough level plans remains. So targets and the strategic planning direction will continue to be set, or at least guided, by the GLA.
- 2.6 Besides the removal of the regions most of the policy amendments relate to housing. The Governments main objective is to significantly increase the delivery of new homes. To help achieve this some policies protecting Greenfield development sites have been weakened and councils are required to proactively allocate more land for development than previously.
- 2.7 For employment land the NPPF proposes very limited changes to the agenda already set out in the former PPS4. Securing economic growth is emphasised as a priority and to this end employment sites will continue to be protected where evidence suggests that they are not surplus. As with PPS4 local authorities are required to review their employment land portfolio to ensure that it remains fit for purpose. For development sites authorities should satisfy themselves that sites are likely to be taken up.
- 2.8 Plans should also try to respond to market requirements by making proactive land allocations for business. However in London, where new land is limited there is limited

scope to do this and most of the emphasis will remain of managing the stock of land and not constraining its development where the market would like to invest.

- 2.9 The main implication of the NPPF for Enfield could be a weakening of the Councils planning control over the type and scale of employment space provision on the allocated sites. The NPPF strongly encourages authorities to meet the market demand for new employment sites and not over burden business with planning policy expectations:
 "Investment in business should not be over-burdened by the combined requirements of planning policy expectations" (Paragraph 21)
- 2.10 This, together with the presumption in favour of sustainable development introduced by the NPPF could make it harder for the Council to manage the stock of land in the same level of detail as previously.
- 2.11 We don't know how the NPPF will be interpreted in practice but one risk for Enfield is that the scope to refuse one type of employment space in favour of another is now more limited. For example the Councils ability to refuse additional warehousing on policy grounds space because the Council may in favour of an alternative type of employment space.
- 2.12 Relaxation of planning rules for change of use from commercial to residential
- 2.13 In 2011 Government consulted on proposals to remove the requirement for developers to seek planning permission when changing the use of some office land and property to residential.
- 2.14 However the final NPPF did not adopt this blanket approach. Instead it suggests authorities should keep their evidence based approach to controlling losses, allowing the loss of property where there is local evidence of a surplus of space but otherwise continuing to protect them.
- 2.15 As we discuss elsewhere in this report roughly 20% of the Boroughs jobs are in office sectors and we expect this to remain broadly stable over the plan period. Most of these jobs are not on protected employment sites. Enfield has very little large office development and so many of these jobs are provided in the town and district centres, in secondary space above shops for example.
- 2.16 It is this supply of secondary office space which would have been the most vulnerable if development control was removed.
- 2.17 This analysis would suggest that the Council needs to aim for no net loss of office space, so any loss (however it is consented) needs to be measured and additional replacement space maybe needed.

London Plan

- 2.18 The London Plan sets out the Mayor's spatial strategy, to which individual Boroughs' planning policies are required to be in broad conformity.
- 2.19 Recent population and employment growth in London is seen as a structural trend and the Plan concludes that, "the only prudent course is to plan for continued growth". This means planning for:

- a growing population;
- an ever more diverse population;
- a growing and ever changing economy;
- substantial progress in tackling persistent problems of poverty and deprivation;
- making real progress in addressing climate change;
- careful and efficient management and use of the resources available to London;
- improving quality of life for all Londoners and all of London; and
- joint approaches by London Planning authorities and those in neighbouring regions.

2.20 The Mayor's Vision for the Plan is then set out as:

"Over the years to 2031, and beyond, London should:

Excel among global cities - expanding opportunities for all its people and enterprises, achieving the highest environmental standards and quality of life and leading the world in its approach to tackling the urban challenges of the 21st century, particularly that of climate change. Achieving this vision will mean making sure London makes the most of the benefits of the energy, dynamism and diversity that characterise the city and its people; embraces change while promoting its heritage, neighbourhoods and identity; and values responsibility, compassion and citizenship."

2.21 The vision is to be supported through six detailed objectives which Borough DPDs and development decisions should aim to realise, so that London should be:

- a city that meets the challenges of economic and population growth;
- an internationally competitive and successful city;
- a city of diverse, strong, secure and accessible neighbourhoods;
- a city that delights the senses;
- a city that becomes a world leader in improving the environment;
- a city where it is easy, safe and convenient for everyone to access jobs, opportunities and facilities.

2.22 Chapter 4 of the Plan deals with London's economy. The overall strategic policy is set by Policy 4.1. This policy states that the Mayor will work with partners to:

- promote and enable the continued development of a strong, sustainable and increasingly diverse economy across all parts of London, ensuring the availability of sufficient and suitable workspaces in terms of type, size and cost, supporting infrastructure and suitable environments for larger employers and small and medium sized enterprise;
- drive London's transition to a low carbon economy and to secure the range of benefits this will bring;
- support and promote outer London as an attractive location for national Government as well as businesses, giving access to the highly-skilled London workforce, relatively affordable work space and the competitive advantages of the wider London economy;

- support and promote the distinctive and crucial contribution to London's economic success made by central London and its specialist clusters of economic activity;
- sustain the continued regeneration of inner London and redress its persistent concentrations of deprivation;
- emphasis the need for greater recognition of the importance of enterprise and innovation;
- promote London as a suitable location for European and other international agencies and businesses.

2.23 For the purposes of this study we concentrate on policy related to the office and industrial sectors.

Office Policy

2.24 Policy 4.2 of the London Plan sets the policy for offices and states that with regard to LDF preparation, LDF's should:

- enhance the environment and offer of London's office locations in terms of physical attractiveness, amenities, ancillary and supporting activities as well as services, accessibility, safety and security;
- provide the basis for work with the GLA Group, investors, developers, land owners and potential occupiers to bring forward and renew development capacity as efficiently as possible, co-ordinating their activities and interests to avoid planning delays and facilitating site assembly, if necessary, through the compulsory purchase process and especially beyond the central London office market;
- work with sub-regional partners to develop co-ordinated, phased strategies to manage long term, structural changes in the office market, focusing new capacity where there is strategic as well as local evidence of demand, encouraging renewal and modernisation in viable locations and supporting changes of surplus office space to other uses; and
- examine the scope for re-use of otherwise surplus large office spaces for smaller units.

2.25 The Plan notes that the Outer London Commission and the London Office Review Panel agree that the most viable locations for the renewal and modernisation of office stock in outer London include the Strategic Outer London Development Centres, of which part of Enfield is one as is Upper Lee Valley - part of which is in Enfield. But para 4.11 goes on to name a number of specific locations, none of which are in Enfield.

2.26 Para 4.13 notes that

"Local plans and strategies should support the conversion of surplus offices to other uses and promote mixed use development in the light of integrated strategic and local studies of office demand. Informed by the independent London Office Review Panel a 'plan, monitor and manage' approach will be used to reconcile office demand and supply across the development cycles likely to be encountered over the years to 2031. This may well provide scope for changes from surplus office to other uses, especially housing, providing overall capacity is sustained to meet London's long-term office needs. The scope for re-use of otherwise surplus large office space for smaller units suitable for SMEs should also be considered".

- 2.27 The London Office Policy Review published by the GLA in 2009 has a table showing demand forecasts for each London Borough. This showed a projected addition to office floorspace stock for Enfield of 41,505 sq m gross over the period 2011-31. Whilst these figures are a guide they are not binding targets.
- 2.28 The London Office Policy Review also reviews principal outer London centres as office locations and noted that high levels of office development is unlikely in Enfield stating that "all centres except Edmonton - where we concur with LOPR 04 that there is no purpose in promoting office development - should continue to be monitored, at least until progress or otherwise at Brent Cross/Cricklewood becomes clearer. However we do not anticipate high levels of office development anywhere in the Borough".

Industrial Land

- 2.29 There are four areas within Enfield that are designated in the London Plan as either Preferred Industrial Locations (PIL) or Industrial Business Parks (IBP). These sites are subject to Policy 2.17 Strategic Industrial Locations in the London Plan which states that SILs should be protected as London's main reservoirs of industrial and related capacity, including general and light industrial uses, logistics, waste management and environmental industries, utilities, wholesale markets and some transport functions.
- 2.30 In terms of LDF preparation the policy states that within their LDFs, boroughs should identify SILs on proposals maps and develop local policies based on clear and robust assessments of need to protect their function, to enhance their attractiveness and competitiveness for industrial type activities including access improvements.
- 2.31 Policy 4.4 of the London Plan is concerned with managing industrial land and premises. It states that, in terms of LDF preparation, LDFs should demonstrate how the boroughs stock of industrial land and premises in strategic industrial locations, locally significant industrial sites and other industrial sites will be planned and managed in local circumstance in line with this strategic policy and the location strategy in Chapter 2, taking account of:
- the need to identify and protect locally significant industrial sites where justified by evidence of demand;
 - strategic and local criteria to manage these and other industrial sites;
 - the borough level groupings for transfer of industrial land to other uses and strategic monitoring benchmarks for industrial land release in SPG;
 - the need for strategic and local provision for waste management, transport facilities (including inter-modal freight interchanges), logistics and wholesale markets within London and the wider city region; and to accommodate demand for workspace for small and medium sized enterprises and for new and emerging industrial sectors including the need to identify sufficient capacity for renewable energy generation;
 - quality and fitness for purpose of sites;
 - accessibility to the strategic road network and potential for transport of goods by rail and/ or water transport;
 - accessibility to the local workforce by public transport, walking and cycling;

- integrated strategic and local assessments of industrial demand to justify retention and inform release of industrial capacity in order to achieve efficient use of land;
- the potential for surplus industrial land to help meet strategic and local requirements for a mix of other uses such as housing and, in appropriate locations, to provide social infrastructure and to contribute to town centre renewal.

2.32 The Mayor's Supplementary Planning Guidance (SPG) on Industrial Capacity was adopted in March 2008. It was currently based on estimates from the 2007 London Industrial Land Release Benchmarks study. A new Supplementary Planning Guidance is currently out at consultation based on estimates from the 2011 London Industrial Land Release Benchmarks study. In both version of the SPG Enfield is designated in the 'Limited Transfer' category which is defined as "intermediate between the managed and restricted categories above. Taking account of local variations of demand boroughs are encouraged to manage and where possible, reconfigure their portfolios of industrial land, safeguarding the best quality sites and phasing release to reduce vacancy rates for land and premises towards the frictional rates set out".

Upper Lee Valley Opportunity Area Planning Framework

2.33 The GLA in partnership with the ULV boroughs of Enfield, Haringey and Waltham Forest and its partners published the draft Upper Lee Valley Opportunity Area Planning Framework in November 2011 for consultation and is therefore a shared vision between these parties.

2.34 The Framework sets out the vision for the area which is as follows:

"The Upper Lee Valley will be an exemplar green valley, supporting sustainable communities - there will be:

- a fully accessible network of green and blue space and networks between them will be improved;
- growth at Tottenham Hale, Blackhorse Lane, Central Leeside and Ponders End;
- development and redevelopment opportunities along the A1010 corridor will be optimised;
- over 15,000 new jobs by 2031 across a range of industries and a green industrial hub creating greater learning and employment opportunities;
- over 15,700 new well designed eco homes by 2031 served by renewable and/or low carbon energy;
- high quality sustainable neighbourhoods with a range of housing, shops and supporting facilities to meet the needs of local people;
- significant investments and improvements to transport infrastructure and improvements to help people move more easily through the area by walking or cycling;
- full integration between the existing communities and the opportunities of jobs, homes and services provided as part of the new developments."

2.35 The Framework also sets out five main development principles for the Upper Lee Valley which are:

- opening up the Lee Valley Regional Park;
 - a new industrial geography encouraging the growth of green industries;
 - housing and mixed use development in the growth areas;
 - new sustainable low carbon mixed-use communities;
 - connecting the existing communities to opportunities.
- 2.36 Not all of the Upper Lee Valley lies within Enfield, however some parts do, namely part of Central Leeside, which includes Meridian Water, Ponders End and Edmonton Green.
- 2.37 The Framework states that Meridian Water is one of the key redevelopment opportunities in north London with the opportunity to create a new mixed-use neighbourhood of 5,000 new homes and at least 3,000 new jobs, along with new schools, a new health centre and other associated uses.
- 2.38 In terms of industrial land, the Framework states that the creation of a new industrial geography at Central Leeside will provide opportunities to diversify the type of employment uses, offering a unique location for green industry clusters, emerging technologies and other cleaner industries.
- 2.39 The Framework also states that the safeguarded strategic industrial land at Eley, Lee Valley Trading Estate and Brantwood Road will be protected for the long term, along with the strategic waste facility at Edmonton Eco Park. These areas are to continue to concentrate on industrial activity within the opportunity area, attracting new occupiers and accommodating on-going requirements of existing businesses operating within it.
- 2.40 The Framework suggests that developers should consider moving away from the traditional industrial models within the Lee Valley to look at emerging economies and growth sectors such as knowledge based industries, recycling and support industries. New employment generating development should seek to achieve a mix of economic and business activities including:
- industrial development;
 - small scale office and retail development, particularly to support the needs of an expanded population; and
 - green, creative and cultural industries.
- 2.41 The Framework sets out the amount of industrial land for Central Leeside as follows:
- Strategic industrial locations - 126.3ha
 - Locally significant industrial locations (including 10.7 ha to be released - 13.4ha
 - Total industrial land - 139.7 ha
 - Indicative job capacity - 2,500
- 2.42 Ponders End is also located in Enfield, in the north east of the Borough. The Framework states that Enfield Council's vision for Ponders End is for it to become a truly balanced and sustainable community, embracing the concept of a lifetime neighbourhood. The catalyst for this is to reinstate the Middlesex University site as the heart of the town to create a

continuous and vibrant high street. Better use of land around the Tesco store and the redevelopment of vacant sites along the high street should also be encouraged.

- 2.43 The Framework states that unlike the other growth areas within Lee Valley, the regeneration of Ponders End is not as heavily reliant upon the redistribution of strategic industrial land. Whilst the de-designation of 3ha of strategic industrial land along the boundary of the Lee Valley Regional Park in Brimsdown will help to improve access to the park for existing and future residents, it is the redevelopment of the former Middlesex University Campus which will provide the impetus for regeneration of the area. This along with decommissioning of the gas holders and the redevelopment of South Street to provide a new academy for Enfield will provide the catalyst for regeneration.
- 2.44 The Framework also states that existing industrial uses within Ponders End should continue to be protected and the range of industrial businesses expanded to continue to provide new employment opportunities.
- 2.45 The amount of industrial land for Ponders End is set out in the Framework as follows:
 - Strategic industrial locations - 18ha
 - Locally significant industrial locations - 8ha
 - Total industrial land - 26ha
 - Indicative job capacity - 700

Local Planning Policy

- 2.46 The London Borough of Enfield is currently in the process of preparing its Local Plan to replace the UDP. The first document to have been prepared is the Core Strategy which was adopted in November 2010. This replaced many of the policies in the UDP; however some policies are still extant and will eventually be replaced by forthcoming Local Plan documents - these extant policies are not relevant to this study.

Core Strategy

- 2.47 The CS has a number of core policies relating to the economy and employment land as well as some place specific policies, some of which include economic and employment land proposals.

Core Policy 13 Promoting Economic Prosperity

- 2.48 Core Policy 13 states that the council will protect and improve Enfield's employment offer helping to facilitate the creation of a minimum of 6,000 new jobs from 2010-2026, focusing new growth in the Upper Lee Valley and Enfield's town centres. The policy also states that a minimum of 4,000 new jobs are expected to be created in the Upper Lee Valley with the remainder concentrated in Enfield's main town centres and in other place shaping priority areas.
- 2.49 The spatial distribution of the new jobs by 2026 is set out below:
 - Upper Lee Valley - 4,000
 - Other town centres and Place Shaping Priority Areas - 2,000

- 2.50 The Council also states that they will seek to maintain the competitiveness of employment sectors that are well established and successful in Enfield, providing support and investment to existing companies, in order that they stay in the Borough, and to new companies to encourage them to invest. This could include developing more proactive liaison with local companies, establishing more formalised management structures such as Business Improvement Districts (if and where there is support from businesses) and providing more coordinated public realm and infrastructure improvements in business locations. Examples include the logistics and distribution, advanced manufacturing, transport and communications and wholesale, construction and repair sectors in North East Enfield and retail in Enfield Town.
- 2.51 The Council will also seek to diversify Enfield's economy, intervening proactively where necessary to facilitate the establishment of growth sectors that are currently under-represented in Enfield as follows:
- In North East Enfield, there is scope to develop low carbon industries in Brimsdown which include renewable energy production, low carbon technology and manufacturing and recycling. In the longer-term, there could also be an opportunity to reposition North East Enfield as a location for internationally oriented businesses, taking advantage of its location in relative proximity to Stansted Airport and the economic growth predicted in the London-Stansted-Cambridge-Peterborough growth corridor. There are also opportunities to generate employment in sport, leisure and recreation, with a new water-based leisure facility at Columbia Wharf and an extended sports and leisure offer at Pickett's Lock in accordance with Core Policy 40;
 - In Central Leeside, if the continuing decline in employment is to be reversed, significant policy intervention to achieve transformational change is required in order to position the area as somewhere attractive to growth sectors such as business services, creative industries, hospitality and retail. When considering the balance of services and facilities in the new centre, attention will need to be paid to the needs of incoming businesses as well as new residents in accordance with Core Policy 38; and
 - In Enfield's main town centres, there is scope to diversify the range of town centre uses to include more leisure, cultural and evening economy activities, business services and creative industries in accordance with Core Policy 17.

Core Policy 14 - Safeguarding Strategic Industrial Locations (SIL)

Core Policy 15 - Locally Significant Industrial Sites (LSIS)

- 2.52 These two policies identify a core of industrial land to protect for ongoing industrial use in the Borough. Policy 14 echoes strategic London Plan policies to protect a core of the land stock for strategic industrial uses. 309 ha of land is protected in this way, a small reduction on previous plans to reflect some losses of stock and some planned future losses justified to secure wider regeneration including Meridian Water and Ponders End.
- 2.53 Policy 15 protects the non-strategic, local, industrial land supply. The policy protects 9 areas for ongoing industrial use. But unlike the SIL where no net loss of land is permitted further losses of local supply maybe justified providing evidence can be supplied which shows the site is no longer in demand and not viable for ongoing employment use.

2.54 We look at these sites in detail in our site review chapter.

Core Policy 16 Taking Part in Economic success and improving skills

2.55 This policy states that the council are committed to tackling worklessness, creating new jobs in the Borough and working to ensure that local residents are able to access existing and new jobs. To complement Core Policy 8, the Council will work with its partners to:

- encourage the Borough's colleges and work-based learning providers to deliver vocational lines of learning, supporting the target growth sectors in particular;
- explore the possibility of establishing a new higher education/further education campus within the Upper Lee Valley with a new or existing education partner, developing clear links between education and training and the growth sectors of the economy, such as media or green technologies;
- develop local employment partnerships as vehicles to strengthen links between educational establishments and the private sector;
- concentrate available resources into the Borough's place shaping priority areas in order to reach hard-to-serve populations and target the most disadvantaged areas;
- in the neighbourhoods with the lowest employment levels, integrate multiple interventions and mainstream services to deliver an integrated service through Enfield's Jobsnet and develop new outreach services such as the economic and community development trusts and partnerships in Ponder End and Edmonton;
- promote good employment practices, such as the provision of flexible working opportunities to make jobs more accessible, combined with access to affordable childcare;
- continue to work with employers to promote advancement opportunities and to tackle inequalities in progression in employment leads to women, black and minority ethnic groups and disable people being significantly under-represented in leadership roles and better paid occupations; and
- undertake a Local Economic Assessment to inform the preparation of an Enfield Economic Development Strategy.

Core Policy 19 Offices

2.56 The policy states that the council will:

- protect and enhance Enfield Town as the main location in the Borough for new office development with particular emphasis on accommodating office floorspace around Enfield Town station, as well as the renewal and modernisation of existing offices. The Enfield Town Area Action Plan will provide more detail on the proposed mix of uses around Enfield Town station, including the amount of office floorspace;
- protect office uses in Southgate town centre, encouraging renewal and modernisation of existing premises and the development of new premises, where there is evidence of demand;
- support the conversion of surplus offices in other centres to other uses, where it can be demonstrated that there is no demand for offices in this location;

- promote mixed use development with office uses in town centres or sites within strategic growth areas that are subject to a comprehensive master plan, where it is demonstrated that higher value uses, such as residential, are not required in order to make office development viable;
- support proposals for the provision of suitable space for small businesses, such as small managed workspace, with flexible lease terms and fixed costs for an all-inclusive service.

Examples of Place Specific Policies

- 2.57 The Core Strategy also contains some place specific policies in relation to employment land. For example **Core Policy 37** is concerned with the Central Leeside area and states that the majority of the Central Leeside area will retain its industrial and employment character.
- 2.58 The policy also states that the Strategic Industrial Locations of Eley, Aztec, Montagu (the northern part), Kenninghall and Harbet Road estates, as well as the Locally Significant Industrial Sites; The Claverings Estate and the southern part of the Montagu Industrial Area, will be retained and intensified.
- 2.59 Waste management will also be supported at the Edmonton Eco-Park site in accordance with **Core Policy 22**. The policy goes on to state that where opportunities arise, the commercial stock will be renewed and modernised and transport accessibility improved.
- 2.60 The Council's aim is to strengthen the role of those industrial estates in active and beneficial employment use and extend their employment offer to support new and emerging businesses in sectors that are projected to expand in the long-term.
- 2.61 Another place specific policy is **Core Policy 38 Meridian Water** which states that, in terms of employment land, new development proposed here will be integrated with the immediately adjacent employment areas, in particular Harbet Road Estate, where there is an opportunity to upgrade employment uses on the western fringe to complete transformation in the Meridian Water area.
- 2.62 The policy sets out the aims of the Meridian Water Masterplan which plans to create 5,000 new homes and 3,000 new jobs by 2045.
- 2.63 The Meridian Masterplan Lists a number of sectors that are cited as having "massive potential for growth in Enfield". These are:
- green and carbon reduction sectors;
 - advanced manufacturing;
 - business support advice;
 - research and development;
 - start up businesses;
 - digital media and software sectors;
 - food and drink technologies;
 - knowledge transfer sectors.

- 2.64 It is not clear how much detailed demand analysis underpins this LSIS and one of the objectives of the study will be to test this proposition.
- 2.65 Edmonton is one of the Boroughs main regeneration areas (**Core Policy 39**). While not a employment area it includes some isolated employment units and some office space. The plan seeks to retain and enhance the employment provision to help deliver a sustainable community.
- 2.66 **Core Policy 41** is concerned with Ponders End which, in terms of employment land, states that a new mixed use, employment, leisure and residential community at Ponders End Waterfront of exceptional quality will be created, including sites at the southern part of Brimsdown and Columbia Wharf, helping to reconnect the Ponders End community with its waterfront and contributing to the chain of attractions along the Lee Valley Regional Park.
- 2.67 **Core Policy 44** and **45** deal with the area around the North Circular and New Southgate. For many years the North Circular area was blighted by a proposed road widening scheme which has now been cancelled and this has encouraged the regeneration of the wider area. Policy 45 deals with the New Southgate Place Shaping area which includes one of the Boroughs few employment areas in the west of the authority area. As part of the wider regeneration the policy proposes a comprehensive redevelopment of much of the employment portfolio. The proposals remove industrial style stock although make an allowance for replacement office employment space.

Evidence Base

- 2.68 LB Enfield also has a number of employment land and economic related background studies to help inform the Local Plan documents. These are summarised below.

Enfield Employment Land Study 2006

- 2.69 The Enfield Employment Land Study was undertaken in 2006 by Halcrow Group Ltd and concluded that:
- In the period 2001-2016 the demand for net Employment Land in the Borough is estimated to increase by 13ha.
 - The main reason for the increase in employment demand is due to the continued structural change in employment, moving away from traditional manufacturing and industrial uses (B1/B2) towards warehousing/distribution type uses (B8), which are associated with lower employment densities. Therefore, forecast employment uses employ lower densities and hence require more land.
 - In the period 2005-2016, this change in demand is increased to 28ha owing to the fact that the main decline in manufacturing employment takes place between 2001 and 2005, thus providing less counter balance to the growth in warehousing related employment.
 - Demand sensitivity to plot ratio assumptions is considered limited with the testing providing a range of land demand change for the period 2001 to 2016 of between 12ha and 14ha.

- 2.70 However, demand is highly sensitive to employment forecasting demand used, as demonstrated by the variation between the NLELS and GLA demand estimates. This is further illustrated by the fact that the three land demand scenarios - Policy-led, Market-led and Olympic - indicate that the impact on land demand would be significant in Enfield. The assumptions behind the scenarios build upon the fact that Enfield is the main employment concentration in the sub-region and therefore would benefit most from positive changes in the market or policy context, and would benefit the most from potential business relocation from the Olympics site.
- 2.71 The 2006 study reported findings from the Enfield Business Survey which showed businesses were satisfied with their premises with two-thirds rating them as good or very good. More surprisingly 32% were reported as saying they expected to change their premises in the next three years. Clearly the demand conditions are now very different and the outlook is probably far less positive. But this also serves to highlight the positive survey bias which appears in many such business surveys and illustrates why they are not a good indicator of effective demand.

Enfield Employment Land Study Update 2009

- 2.72 The Employment Land Study Update 2009 was undertaken by Halcrow Group Ltd in order to provide an up-to-date assessment of Enfield's employment land (B1, B2 and B8) need over the Local Plan period up to 2026. It is not a full Employment Land Review but an interim study aiming to reflect the changes that have taken place since the 2006 Enfield Employment Land Study and the effects of the current economic recession and its short and medium term impacts on the demand for employment land and premises.
- 2.73 As the update was prepared at a time of economic uncertainty, the consultants who undertook the report state that making accurate forecasts for the Borough's demand for employment land and premises over the Local Plan period was extremely difficult and therefore the study examined three different scenarios of employment growth and employment land demand over the period to 2026.
- 2.74 Under the base scenario the report concluded that the demand is forecast to decline in the short term before starting to recover over the medium and longer term. Demand in 2026 is forecast to be at a similar level to than in 2006 (225ha compared to 257ha) but with significantly less demand for B2 land (-19ha) and greater demand for B1 and B8 (6ha and 11ha respectively).
- 2.75 Under the lower growth scenario, Enfield's employment land requirements are expected to decline by some 20ha between 2006 and 2026. Demand for B1 and B8 land is forecast to remain largely constant but demand for B2 land is forecast to decline by 21ha.
- 2.76 Under the more optimistic higher growth scenario, Enfield's employment land requirements are expected to decline between 2006 and 2016 but increase considerably over the period to 2026 (by 17ha). The increased demand will come from the B1 and B8 sectors (11ha and 19ha respectively) while demand for manufacturing land will decline by 14ha.
- 2.77 Starting from the 2006 baseline projection that Enfield would have a small oversupply of 1ha to 6ha over the period to 2016, taking into account the 4ha of employment land that have been lost (or are in the process of being lost) since then and considering the base

scenario forecasts that show a decrease in demand of 5ha between 2006 and 2016, Enfield appears to have a small oversupply of 2ha to 7ha over the period 2006-2016.

- 2.78 Under the higher growth scenario this oversupply is smaller and Enfield's employment land will be near equilibrium to 2016 (-1ha to 4ha) while under the lower growth scenario there is a significant oversupply of employment land (17ha to 22ha).
- 2.79 The conclusion drawn from the ELR was that under all scenarios, Enfield will have too much employment land over the short and medium term (to 2016). It was therefore recommended that employment sites that are not fit for purpose (including occupancy, location, conflicts with adjacent land uses, quality and accessibility considerations) are considered for improvement and/or partial or complete redevelopment as part of more detailed masterplanning exercises or release for alternative uses.

Enfield Skills and Employment Strategy

- 2.80 This strategy sets out the Council's vision for the future and their commitment to improving the skills and life chances of all their citizens. The initiatives and training programmes highlighted in the strategy are an opportunity for the Council to support the residents of Enfield through tough times ahead and build a sustainable and prosperous future for Enfield.

Enfield Local Economic Assessment

- 2.81 The Enfield Local Economic Assessment (LEA) provides a detailed analysis and assessment of the local economy of Enfield and of key sectors that will shape the future growth of the borough. This analysis forms the framework to inform the ELR.

Conclusions

- 2.82 Consistent with the London Plan that states Strategic Industrial Locations should be protected, the Core Strategy sets out policies to maintain the existing employment areas and diversify Enfield's economy.
- 2.83 The Council also want to provide for 6,000 new jobs by 2026 and the majority (4,000) are to be located in the Upper Lee Valley and 2,000 in other town centres and place shaping priority areas.
- 2.84 The Upper Lee Valley is a focus for Enfield's employment land and the Council want to create a new industrial geography at Upper Lee Valley by strengthening the role of the existing industrial estates in the area in active and beneficial employment use and extend the employment offer to support new and emerging business in sectors that are projected to expand in the long terms.
- 2.85 Meridian Water along with the other regeneration areas plays a large part in the Council's plans for Upper Lee Valley with the creation of 3,000 new jobs in the area by 2045.
- 2.86 In terms of offices, the London Office Policy Review states that there is not much office growth expected in Enfield and the CS strategy suggests renewal and modernisation of the existing office stock rather than any large increases in floorspace. The Core Strategy also states that in centres other than Enfield and Southgate, surplus offices should be converted

to other uses. Therefore it is very unlikely that there will be much new office development in the Borough in the near future.

- 2.87 The planning system is in flux and moment with new recently published. For most local authorities the new planning agenda returns powers to the districts to make policies which were formally dictated by the regions. The general shape of employment land policies, including amount of land to be provided / protected was one such area. But in London the strategic direction continues to be set by the GLA. However the Borough still has a large role in shaping its stock of land and the regeneration of neighbourhoods and local industrial estates. Outside of SIL the London Plan allows the release of industrial land if the Council and developers can justify this; for example to facilitate wider generation as the Council is proactively promoting in several parts of the Borough.
- 2.88 How to manage this process is not easy. There is likely to be continuing demand from occupiers for employment space in Enfield, how much we explore this later in this report. But for the Council this is only part of the planning story. There is limited supply of land and many competing uses and the Council has to weigh up the relative need to secure employment space with the need for new homes, retail space, open space and any other demand for land.

3 THE LOCAL ECONOMY

Introduction

- 3.1 In this section we profile the economy of Enfield. We do not set out this profile in detail as this is thoroughly covered in the Enfield Local Economic Assessment, but we refer to this document and other sources to highlight the key strengths and weaknesses of the Enfield economy, focusing in particular on those sectors that occupy business space.
- 3.2 The analysis feeds in to the Employment Land Study by identifying strengths, weaknesses, opportunities and threats that policy might address. It also feeds into the assessment of future demand showing, for example, what kind of activities the Borough specialises in and hence what types of employment space it will need.
- 3.3 This section concentrates on the trends and structure of the workplace economy, but also highlights key indicators relating to the resident workforce and the travel to work flows between the two.
- 3.4 In much of the analysis below we benchmark Enfield against the north London sub region,¹ and the London economy.

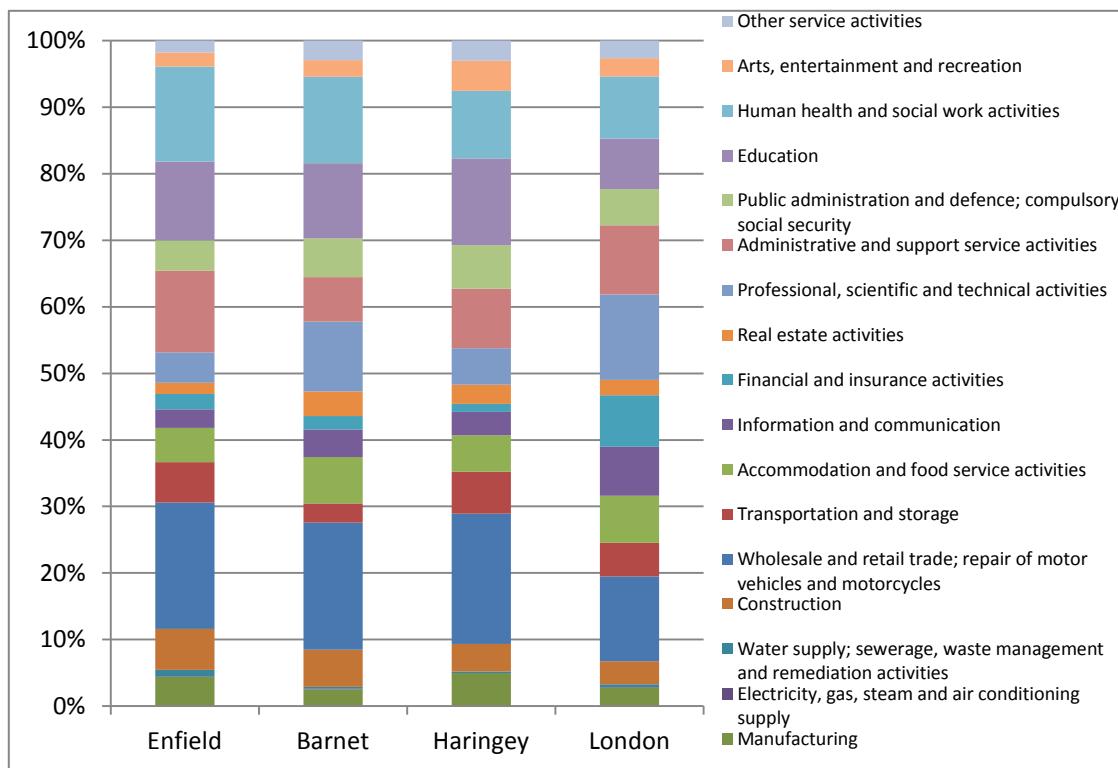
The Workplace Economy

Industrial Structure

- 3.5 The latest employment estimates for 2010 show there are 97,000 people in employment in Enfield in 2010, consisting of 92,000 employees plus owner-employers. In addition there are approximately 20,000 self-employed residents in Enfield, though not all of these will be working in the borough.
- 3.6 Enfield, like other boroughs in the North London sub-region, has a much higher proportion of employment in manufacturing, construction and distribution activities than London as a whole. Enfield also has a high proportion of its employment in the health and education sectors. Conversely Enfield has a very low percentage of its employment in the ‘financial and insurance’, ‘information and communications’ and ‘professional, scientific and technical services’ sectors.

¹ This incorporates the London Boroughs of Barnet, Enfield and Haringey

Figure 3.1 Employment Structure 2010



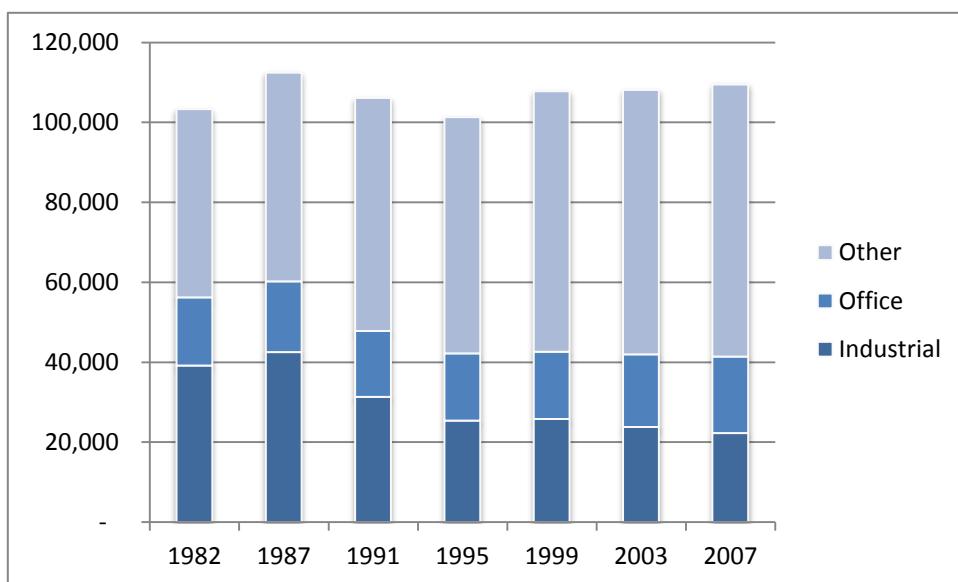
Source: BRES 2010

B space Employment

- 3.7 In this study we focus on jobs that occupy business space, comprising office warehousing and industrial jobs, jointly referred to as B space occupiers. We identify B space jobs using specific sectors from Standard Industrial Classification (SIC) 2003. Industrial jobs comprise manufacturing industries and parts of the construction industry, motor repairs/ maintenance and sewage and refuse disposal. Warehousing is occupied by a variety of transport and distribution activities which are widely spread across SIC sectors.
- 3.8 The definition of offices is led by the ODPM definition. In addition to the sectors identified by the ODPM we also include public administration and temporary workers.
- 3.9 The correspondence between sectors and types of space is not perfect and hence our definitions of offices and industrial/warehousing jobs are approximations. But they are the best approximations, developed through a series of employment space studies.
- 3.10 B space employment in Enfield Borough accounts for approximately 37% of all jobs, which is lower than the average of 48% for London as a whole. The split between office and industrial and warehousing is also different to the London average. In Enfield Borough around 20% of all jobs are in industrial and warehousing sectors whereas 17% of all jobs are in offices, compared to the 12% and 36% respectively across London as a whole. Enfield is over-represented in industrial jobs and under-represented in office jobs. This is neither necessarily a good or bad thing in its own right, merely a description of the role Enfield plays in the London economy.

-
- 3.11 Looking at long run structural trends for Enfield, employment fell sharply between 1987 and 1995 as the Borough shed nearly half its industrial jobs. Since 1995 total employment has recovered back to pre-1990 levels due to the growth in non-B space employment. There has been some marginal increase in office employment, but the Borough has not seen the replacement benefit of this structural change as much as elsewhere in London.

Figure 3.2 Employment Change by Sector: Enfield 1982-2007



Key Sectors

- 3.12 The table below sets out the largest employment sectors in Enfield. The table lists all sectors at the 5-digit SIC level that employed more than 1,000 workers in 2010. As can be seen the list is dominated by sectors that primarily service residential populations; education and health are among the larger sectors. Other public sector employment also features prominently. Construction activities are the largest of the tradable sectors.

Table 3.1 Largest Employment Sectors Enfield 2010

Sector	Employment
Hospital activities	6,800
Retail sale in non-specialised stores with food, beverages or tobacco predominating	5,300
Primary education	5,200
General cleaning of buildings	3,700
General secondary education	3,400
Temporary employment agency activities	2,900
General public administration activities	2,500
Construction of domestic buildings	1,700
Private security activities	1,400
Banks	1,300
Other social work activities without accommodation nec	1,300
Urban, suburban or metropolitan area passenger land transport other than railway transportation by underground, metro and similar systems	1,100
Unlicensed Carriers	1,100
Licensed restaurants	1,000
Management consultancy activities (other than financial management)	1,000

Source: BRES – Figures are rounded to nearest 100

- 3.13 Enfield's sectoral strengths are picked up through its Local Economic Assessment. The Enfield Local Economic Assessment identifies nine key sectors for the Borough which are profiled in detail. Five of these might be expected to broadly occupy B-class land. These are:
- **Wholesale/Distribution** – this is a sector that has been growing over the last twenty years and has potential for further growth in Enfield. Enfield's good strategic location gives it a particular competitive advantage in this sector.
 - **Manufacturing** – whilst this has been declining year on year it is still over-represented in London terms. The food and drink sector is particularly strong in Enfield accounting for over half of manufacturing employment.
 - **Construction** – this sector has been particularly hard-hit by the recession, but in the long run should have more stable prospects. Housing growth, retrofitting and major infrastructure projects all represent growth prospects. Enfield has a large number of small niche companies and a supporting infrastructure with the newly opened construction training centre in Edmonton.
 - **Green & Carbon Reduction Sector** – Enfield is already a major waste management hub and legislation linked to carbon reduction targets is a major driver for growth. There are a number of initiatives already planned in the borough which should help fuel this growth such as the Decentralised Energy Networks and closed-loop supply chains.
 - **Finance & Business Support Services** – this sector is under-represented in Enfield and provides mainly a local function. But it remains a growth sector nationally and provides an important support service to other local businesses.
- 3.14 In addition there are a further four sectors identified which would not primarily be expected to occupy industrial land.
- **Retail** – which is seen as having the potential to grow and capture a greater share of local spending capacity. Demand derives largely from its growing resident population and there are plans to redevelop most of the major retail centres in the Borough.
 - **Health & Social Care** – this covers a range of sectors which are driven by population led demand. This includes residential and social care, hospitals, dental and medical practices and childcare businesses.
 - **Visitor Economy** – a sector that is currently mainly catering for local demand but where there are seen to be some opportunities to build on existing visitor attractions. Enfield's good strategic accessibility and the featuring of Lee Valley Regional Park venues in the 2012 Olympics offer opportunities for this sector.
 - **Public Sector** – this sector is currently the largest employer in Enfield and vulnerable to spending cuts. The challenge here is different in trying to ensure job losses in the public sectors do not result in big increase in unemployment locally.

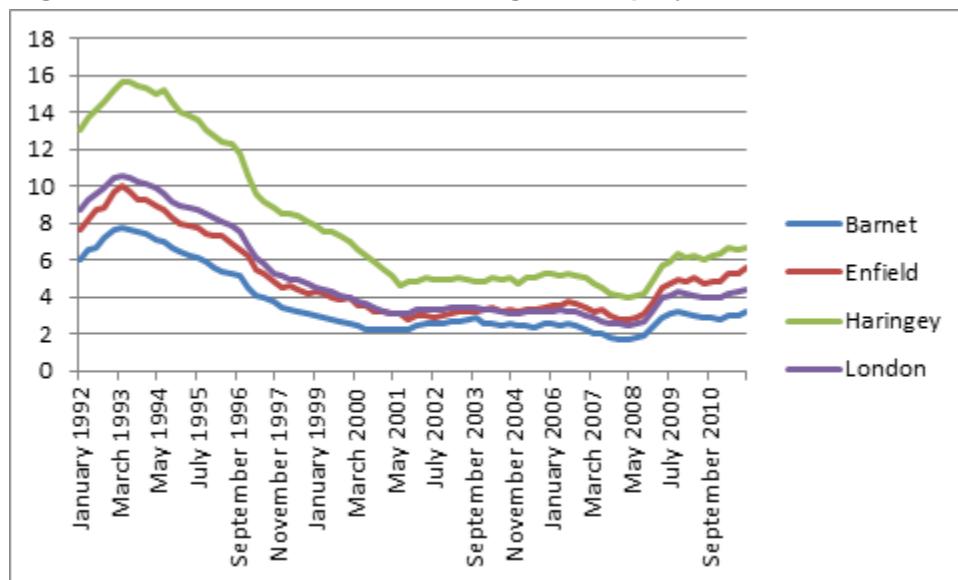
The Workforce Economy

- 3.15 Population growth in Enfield, although running below the London average, has been strong over the past decade. Over the ten year period 2001-2011, Enfield's population grew from 278,240 to 296,000. This was an increase of 6.5% over the decade compared with 8% for

London as a whole. The population of working age increase from 201,000 to 211,000 over this same period (from GLA SHLAA data June 2011).

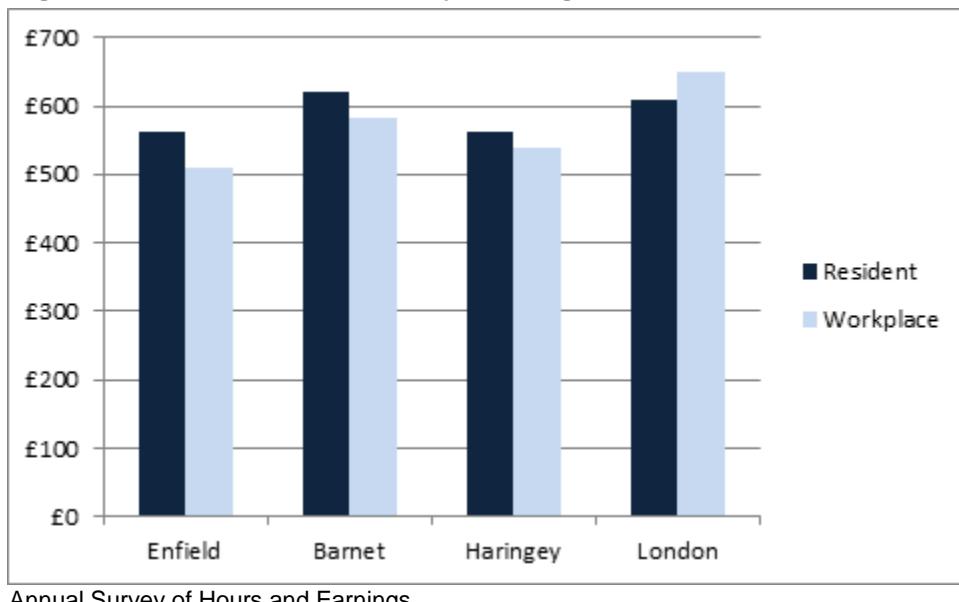
- 3.16 As well has having implications for the growth in workforce seeking employment this also indicates continued growth in demand for the population related service sectors that have been identified above already.
- 3.17 For the plan period 2011-26, GLA projections are for the population of Enfield to increase by a further 10,800, though the population of working age will only increase by 5,500 over this period. Thus there is continued growth in population related demand but there is not a large additional workforce for whom there needs to be jobs, given the current levels of out-commuting.
- 3.18 But not all Enfield residents are able to find work outside the Borough and current unemployment levels are high. In October 2011 there were 10,600 unemployment claimants in the Borough, a rate of 5.6%. The Claimant count under-estimates actual employment rates which on a modelled basis exceed 10%.
- 3.19 Relative trends in unemployment have worsened over time in Enfield. Whereas in the 1990s claimant count unemployment rates were about 1% below the London average now they are 1% higher. The trend has converged closer to that experienced in Haringey and away from that experienced in Barnet.

Figure 3.3 Claimant Count Percentage Unemployment Rates



- 3.20 Average workplace earnings in Enfield are well below the London average. At just over £500 per week they are 78% of the London average. Average workplace earnings in Enfield are also below those of neighbouring North London boroughs Barnet and Haringey. Average resident earnings for Enfield are on average almost £50 a week higher than workplace earnings, implying workers commute out for higher paid work. But even on a comparison of resident earnings Enfield is below that of the other boroughs in the North London sub-region.

Figure 3.4 Median Gross Weekly Earnings 2011



Annual Survey of Hours and Earnings

- 3.21 Despite the lower earnings, the broad occupational profile of Enfield residents is fairly similar to the London average. Enfield has fewer residents employed in associate professional and technical occupations and a higher proportion in skilled trades.

Travel to Work Patterns

- 3.22 Data from the 2001 Census shows that at the time 45% of Enfield residents worked in the Borough. The remaining residents commuted out to a range of destinations. 8% went to Haringey, 7% to Westminster, 5% to Camden, 5% to Barnet and 8% worked outside London.
- 3.23 The Borough is part of the London-Stansted-Peterborough-Cambridge Corridor, though the functional economic linkages with this corridor are not that strong at present.

Conclusions

- 3.24 Enfield is a Borough in which the numbers of working age population are roughly twice the number of jobs. Whilst employment has been largely flat in the Borough over the past decade, the population has been growing steadily and is projected to do so into the future. Future growth prospects in employment terms will come from servicing its growing population and trying to retain a greater share of this activity within the Borough. With both resident and workplace earnings low by London standards, boosting local prosperity will create a virtuous spiral of economic gain through local expenditure and multiplier impacts.
- 3.25 62% of employment in Enfield is in sectors which do not occupy the type of B-class business space that is the focus of this study.
- 3.26 Despite a large loss in manufacturing employment in the late 80s/early nineties, Enfield remains an industrial borough by London standards. Industrial and warehousing employment accounts for around a fifth of all jobs in the Borough and trying to retain this level of employment means continuing to restructure to meet modern industrial needs.

Within the industrial sector the Borough has already seen a shift from manufacturing to logistics type activity and further growth potential can be achieved through encouraging the green and carbon reduction sector as well as parts of the construction sector.

- 3.27 Office employment in Enfield only accounts for 17% of employment which is low by London standards where 36% of employment is in office sectors. Further Enfield has not seen any significant growth in these sectors as has occurred elsewhere in the capital.
- 3.28 The difference between the numbers of jobs in Enfield and the size of the working age population is made up of a combination of out-commuting, economic inactivity and unemployment.

4 PROPERTY MARKET

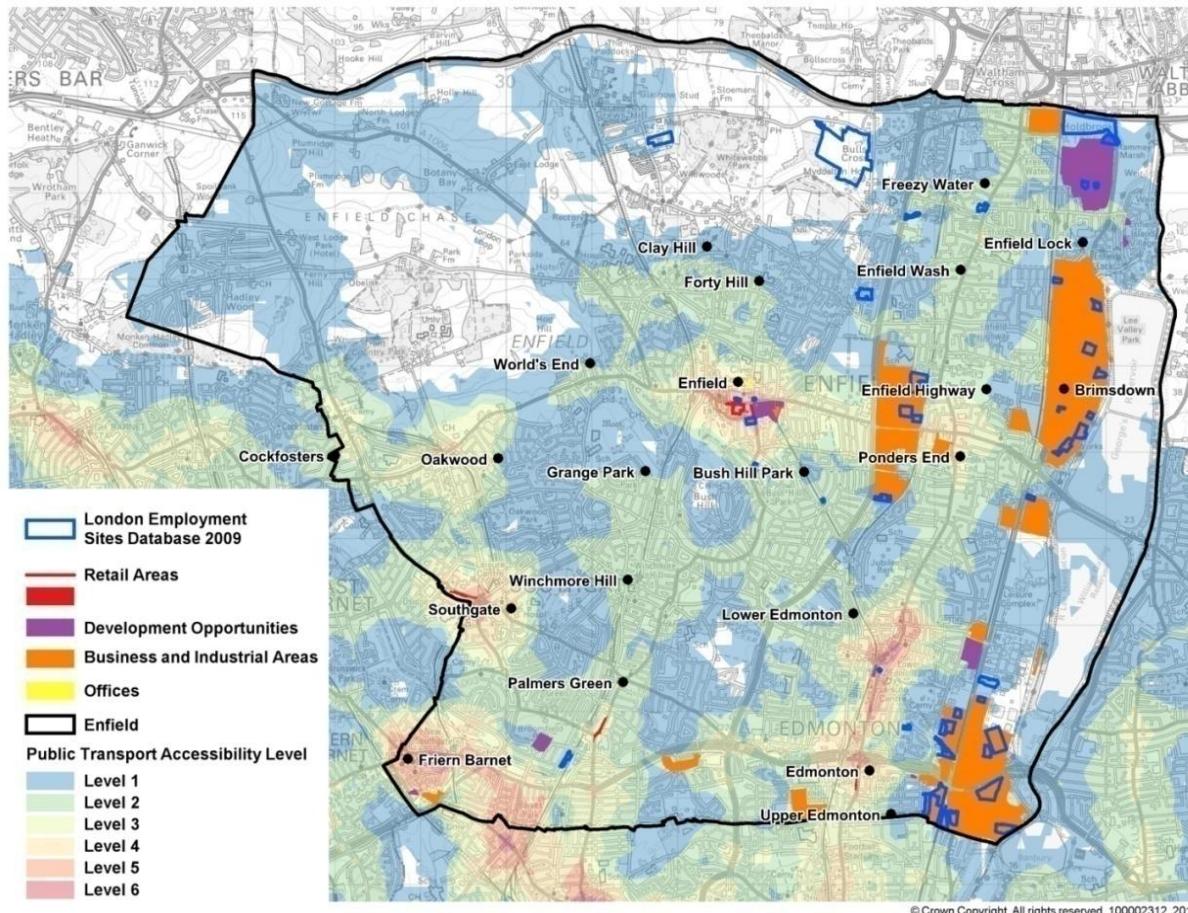
Introduction

- 4.1 This chapter assesses the qualitative aspects of the demand for land and property in Enfield. It considers the type of business for which Enfield is an attractive location and it considers the type of land and property these businesses will require.
- 4.2 The analysis serves as a baseline and reality check to the forward-looking analysis of demand and supply. It also provides the qualitative dimension which is lacking from the long-term calculations in Chapter 5.
- 4.3 In analysing commercial property markets we have take into account that today's market dynamics are very different to those of ten years ago, and are likely to be different again to those ten years hence. We therefore make every effort in our analysis to discount short-term market tensions, and instead consider longer-term, structural context and trends.

Enfield as a business location

- 4.4 Enfield is strategically well located being bounded to the north by the M25 and to the south by the A406 North Circular Road, with good strategic access to the M11 to the east. As can be seen from the figure below the overwhelming concentration of employment sites site in the east of the Borough alongside the River Lee and employment areas are predominantly industrial rather than office.

Figure 4.1 Enfield's Employment Land Portfolio



Source: RTP, Enfield Council

- 4.5 Whilst the industrial employment areas have good strategic road access the public transport accessibility levels are relatively low.

Industrial and Warehousing Land

- 4.6 In 2010 the Borough accommodated over 500 ha of employment land; 315 ha of which is used for traditional industry and warehousing.

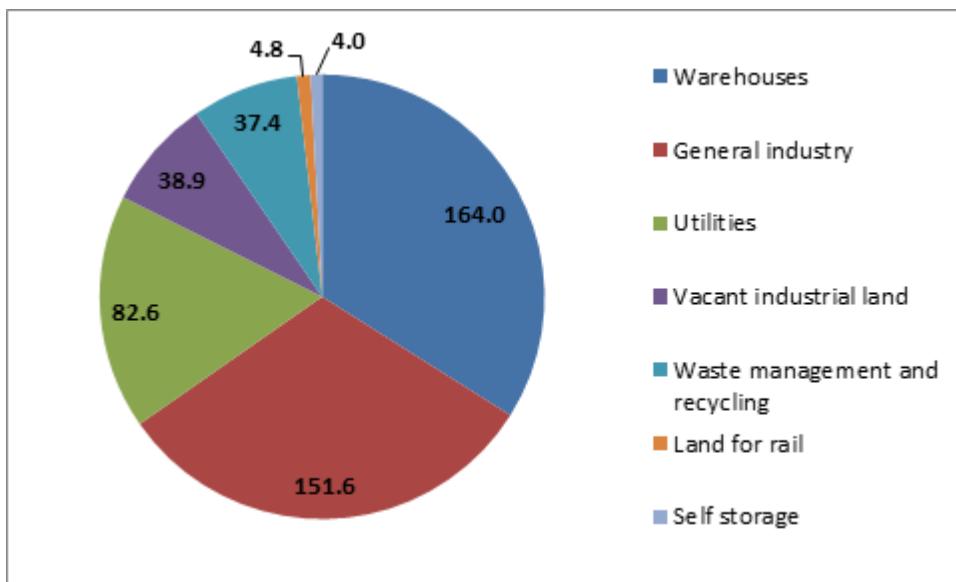
Figure 4.2 Enfield: Industrial Land by Use

Industrial uses	2001	2006	2010	2001-10
<i>Traditional industrial groups</i>				
General industry	167.4	153.6	151.6	-15.8
Warehouses	135.8	152.8	164.0	28.2
Sub total trad. ind.	303.2	306.5	315.6	12.4
<i>Broader industrial groups</i>				
Self storage	4.0	4.0	4.0	0.0
Waste management and recycling	30.8	30.8	37.4	6.6
Utilities	88.0	82.6	82.6	-5.4
Land for rail (including DLR)	4.8	4.8	4.8	0.0
Land for buses	2.0	2.0	2.0	0.0
Vacant industrial land	55.5	54.7	38.9	-16.6
TOTAL INDUSTRIAL	488.4	485.5	485.4	-3.0
<i>Non-industrial uses</i>				
Office	0.0	4.8	4.8	4.8
Retail	0.0	11.1	11.1	11.1
Residential	0.0	3.0	4.2	4.2
Recreation and leisure	0.0	5.6	5.6	5.6
Community services	0.0	1.6	1.6	1.6
Other non-industrial	0.0	2.1	2.1	2.1
TOTAL NON-INDUSTRIAL	0.0	28.3	29.4	29.4
TOTAL	488.4	513.8	514.8	26.4

Source: GLA & RTP

- 4.7 The chart below shows how the land portfolio is split by use. Around one third is used for warehousing, a further third for general industrial and the remainder across a wide variety of uses including utilities and waste.

Figure 4.3 Enfield: Hectares of Industrial Land by Use 2010



Source: London's Industrial Baseline 2010

- 4.8 Planning policy in Enfield splits the Borough's stock into a strategic reserve of land and a local reserve. Each type of land broadly meets different market requirements and we examine each of these in turn.

Market context – Strategic Sites

- 4.9 For the strategic land supply Enfield is one of London's largest factory and warehousing locations. The Borough accommodates nearly 6% of all London's factory and warehouse stock. The Strategic Industrial Locations all lie in the east of the borough.
- 4.10 It lies at the northern end of the Lee Valley property market area. As the map below shows Enfield Borough accommodated roughly 50% of the Strategic Industrial Land reserve for the whole Lee Valley market area.

Figure 4.4 Enfield's Strategic Industrial Locations (map also shows Enfield Town and the four districts centres)

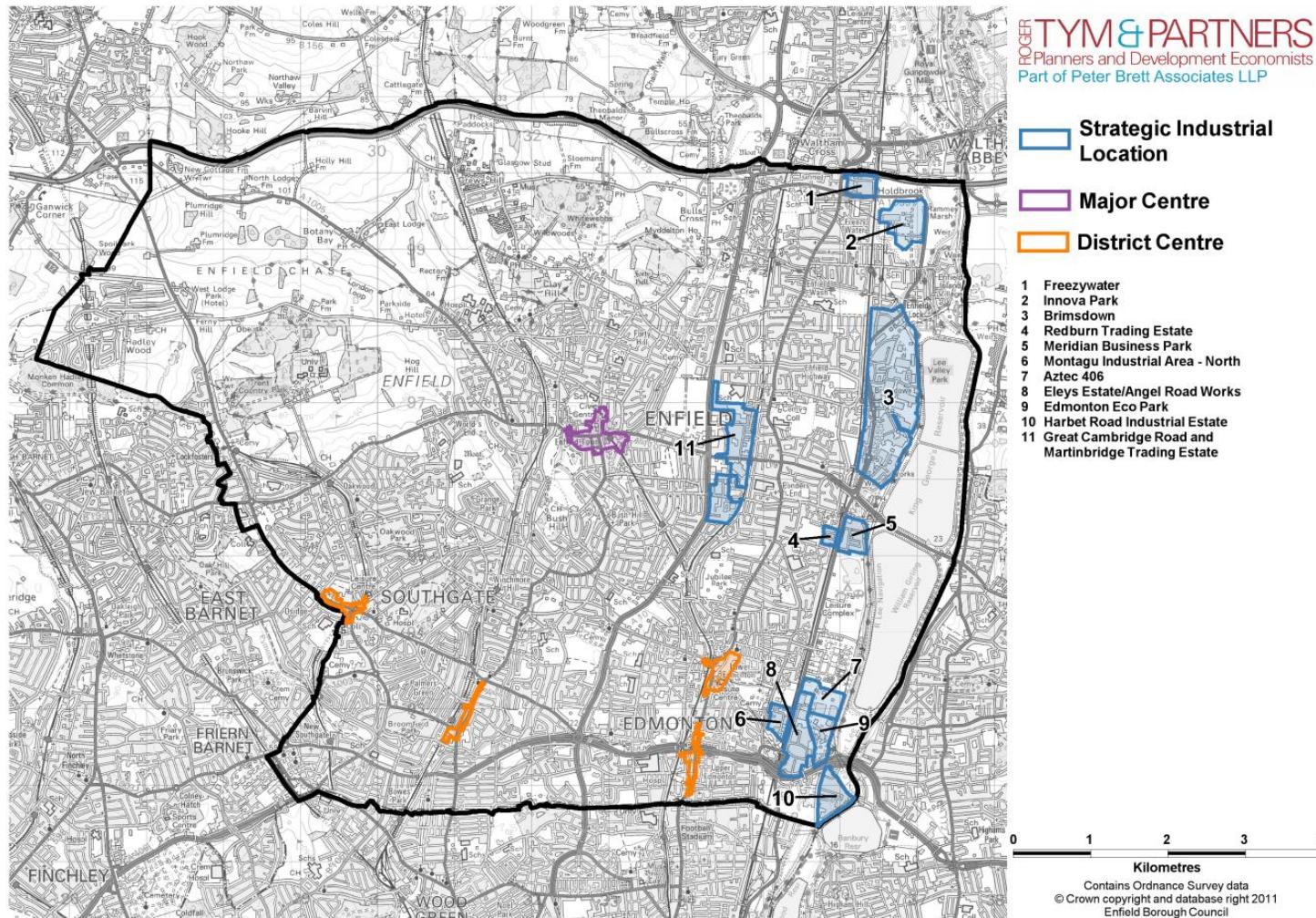
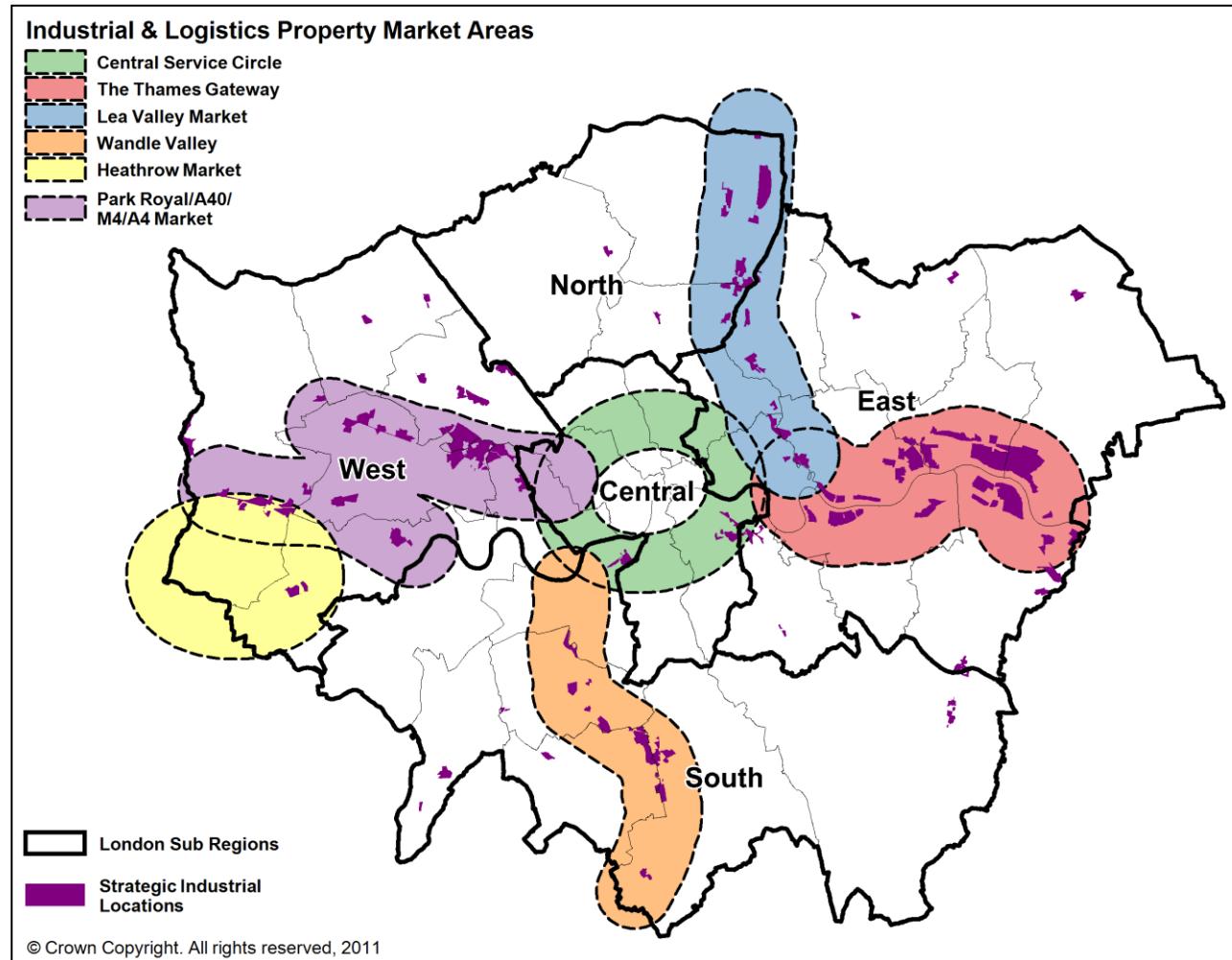


Figure 4.5 Major industrial / warehousing property market areas in London

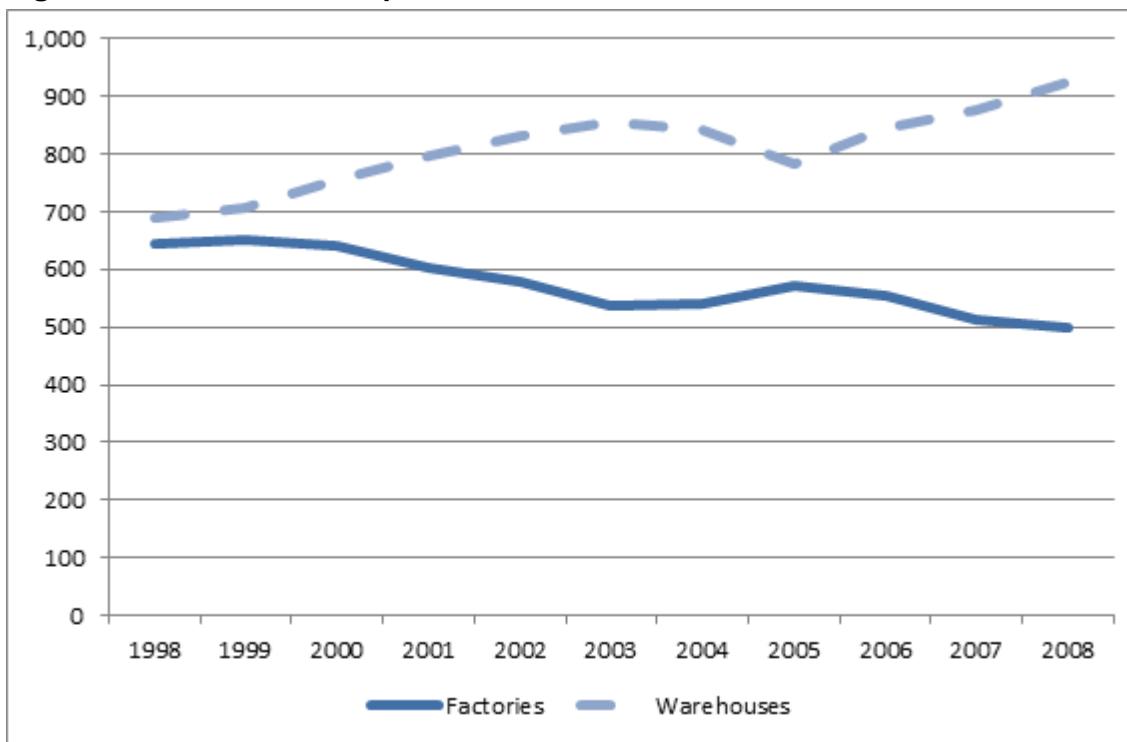


Source: RTP, GLA

- 4.11 However the Borough's significance is far greater than either the percentage of London's stock (6%) or even that of Lee Valley SIL (50%) may suggest.
- 4.12 Enfield has been one of the few Boroughs that added new, modern fit for purpose floorspace stock in recent years.
- 4.13 Part of the reason is that the national warehouse market has continued to show interest in Enfield. As part of the consultations for this study most agents repeatedly returned to highlight the high level of market demand for warehousing space in the Borough. They said that the core of the Borough's employment land, along the A1055, is market suitable for this type of warehousing and demand outstrips supply. They also noted that much of the demand is from national companies seeking both strategic access (M25 and the Midlands) and access to London (M25 and North Circular). Enfield is one of only a few locations in London where both these access requirements can be met.
- 4.14 The 2011 Lambert Smith Hampton National Industrial and Warehousing Report even suggested a growing shortage of space in Enfield which was driving rental growth (despite the recession).
- 4.15 The importance of Enfield to the warehouse market is clear from a comparison of rents around London and the South East. In March 2011 rents for distribution warehouses were £5.75 per square foot in Enfield². Further round the M25 (Thurrock) rents fall to £4.50. Further out of London (Milton Keynes or Bedford) rents dropped to £3.00 - £3.25. Nationally warehouse rents are only higher in West London which is heavily influenced by Heathrow.
- 4.16 In 1998 Enfield's floorspace stock consisted of similar quantities of factory and warehouse floorspace. Over the following decade the stock of warehouse floorspace steadily increased whilst that of factories steadily decreased. Over the period 1998-2008 warehouse floorspace in Enfield increased by 233,000 sq m or 34%. Over the same period factory floorspace declined by 145,000 sq m or 23%. Much of this growth has occurred on the existing estates along the Lee Valley as factories have been replaced, but also new sites added to the portfolio over the past 10 or 15 years. This includes Innova Park and Freezywater at the northern end of the Borough; both of which are now dominated by warehousing.

² Source: Colliers

Figure 4.6 Industrial Floorspace Enfield 1998-2008



Source: VOA

- 4.17 There is only a limited ongoing supply of land for new warehousing in the Borough. Up until now the growth has been facilitated by some limited new development sites being brought forward (especially in the north of the Borough) but mostly through the recycling of land and premises from manufacturing.
- 4.18 As the Council's Local Economic Assessment 2011 notes, in 1971 the Borough employed over 50,000 people in factories. Today that figure has dropped by 90% releasing large swathes of land for redevelopment for houses but also these new warehouses. Today the only manufacturing remaining in the Borough caters to niche markets where proximity to London's population is key (e.g. food & drinks).
- 4.19 There are obviously cheaper locations for warehouse operators. When occupiers choose Enfield they do so because they need to efficiently access the London Strategic road network, the national motorway network and also be close to their customers (i.e. London residents).
- 4.20 Our recent work for the GLA has highlighted the importance of the warehousing sector to the London economy; and therefore the important part Enfield plays in supporting London.
- 4.21 Between 1996 and 2007, the sector grew by 41% in terms of GVA. Over the same period manufacturing output fell. The number of warehouse type jobs in London remained stable over the period; but on a Borough level many Boroughs lost warehouse jobs while Enfield gained. Therefore, over the period Enfield has increased its relative importance to the London economy for one of its key growing sectors.

- 4.22 However for Enfield the warehouses are a double edged sword. They provide local employment but also bring substantial traffic and particularly Heavy Goods Vehicles. There is a particular need in Enfield to address issues of traffic congestion on roads leading to the M25 if further growth in this sector is not to be constrained.

Green Industries

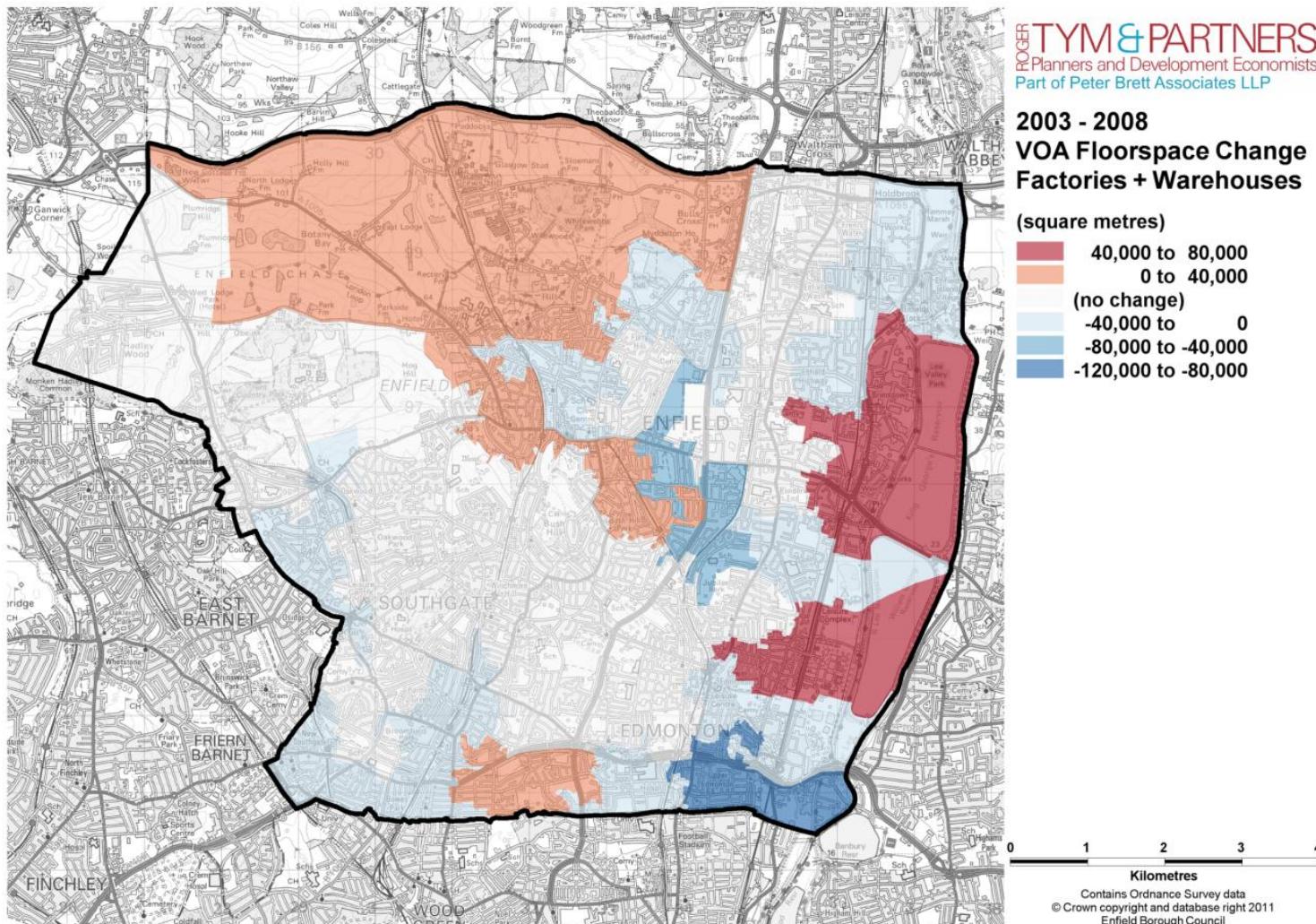
- 4.23 The other main growth sector in Enfield, in simple terms of land take, is the green industries. This is sometimes a more polite phrase now used to cover the waste and recycling industries (previous 'dirty uses'). These uses, by their nature, need to be isolated from residential uses and have found a natural home on some of the Borough's large estates.
- 4.24 The sector is making efforts to improve its image and the property requirements for some users are now similar to factories where instead of assembling manufacturing finished goods the properties disassemble them into constituent parts for recycling and reuse. The legislative need to recycle more waste is fuelling demand for ever more complex recycling.
- 4.25 The stereotypical waste and recycling (scrap yard) type businesses remains strong in the Borough and we expect this to continue. But over time the industry is likely to move away from traditional 'open' scrap recycling facilities into more sophisticated enclosed and controlled operations. Minimising environmental impact is a key selling point for these companies to potential clients.
- 4.26 This type of activity occupies the same type of space as needed to manufacture the items in the first place i.e. B2 general industrial space. The occupiers have very few, if any specialist requirements in addition to their manufacturing and industrial colleagues. As a consequence many of these occupiers will require:
- Modern purpose built premises free of working hour and delivery restrictions
 - Be located away from housing to avoid conflicts with residents
 - Good access to road, rail and other communications networks
 - High bay storage and distribution buildings to maximise production and site efficiency
 - Large scale sites with the potential for open storage
 - Proximity to workforce
 - Access to workforce
- 4.27 With this similarity in mind it maybe unhelpful this think of these new green industries as a specialist class of use, for which Enfield must make special provision for. But instead consider them one of the drivers of demand for the Borough's remaining industrial stock and potential occupiers of new or redeveloped sites in the future. The fact that green industries are so similar to many general industrial users is a further reason to protect the industrial stock.
- 4.28 The Council is actively examining the potential for a new Decentralised Energy Network (DEN) within the context of the Upper Lee Valley, to both capture the energy resource from green industries (CHP and Gasification of waste) but also provide more efficient energy to local firms and reduce fuel poverty for residents.

- 4.29 The advantage of Enfield for large warehousing and the green industries is acknowledged in the last Employment Land Review. Most of the sites suitable for this development are strongly protected in the Core Strategy and also the London Plan as Strategic Industrial Locations.
- 4.30 However, if demand remains high, the warehousing market continues to grow and the DEN fosters new green industry and potential manufacturing demand there is market demand to increase the supply of new strategic sites in the Borough. This is challenging but there are a very limited number of new opportunities which we discuss later.

Market context – Local Sites

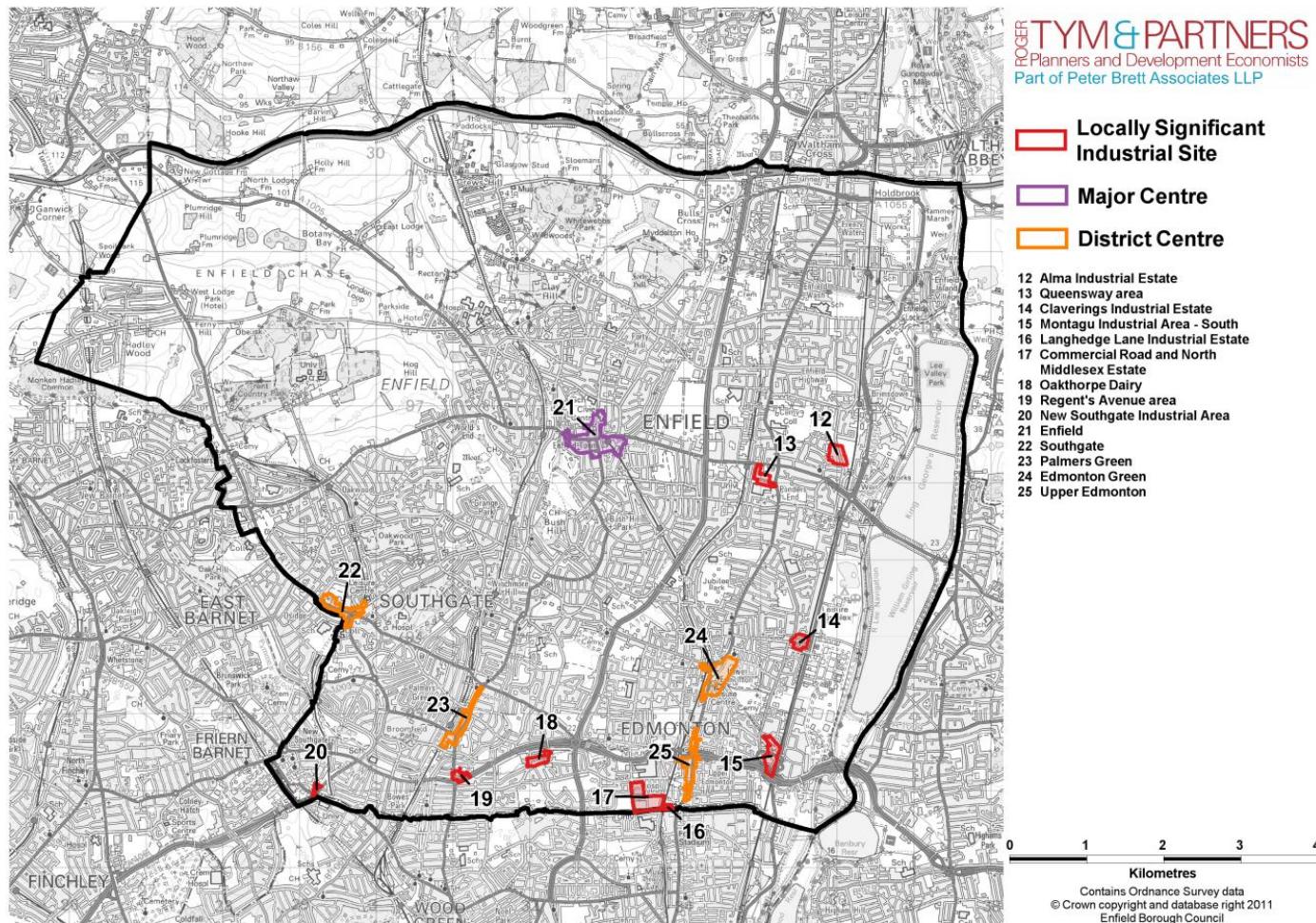
- 4.31 Whilst most of the employment land in the Borough is classed as strategic there is a reserve of local quality sites. In general these are much smaller industrial areas meeting local needs. Some are former Victorian era industrial works sites built alongside high density housing while others are dominated by large single use buildings.
- 4.32 The location of the Local Sites are shown in Figure 4.10 below.

Figure 4.7 Spatial Change in Industrial Floorspace in Enfield Borough



Source: VOA

Figure 4.8 Locally Significant Industrial Sites (note map also shows the main town and districts centres)



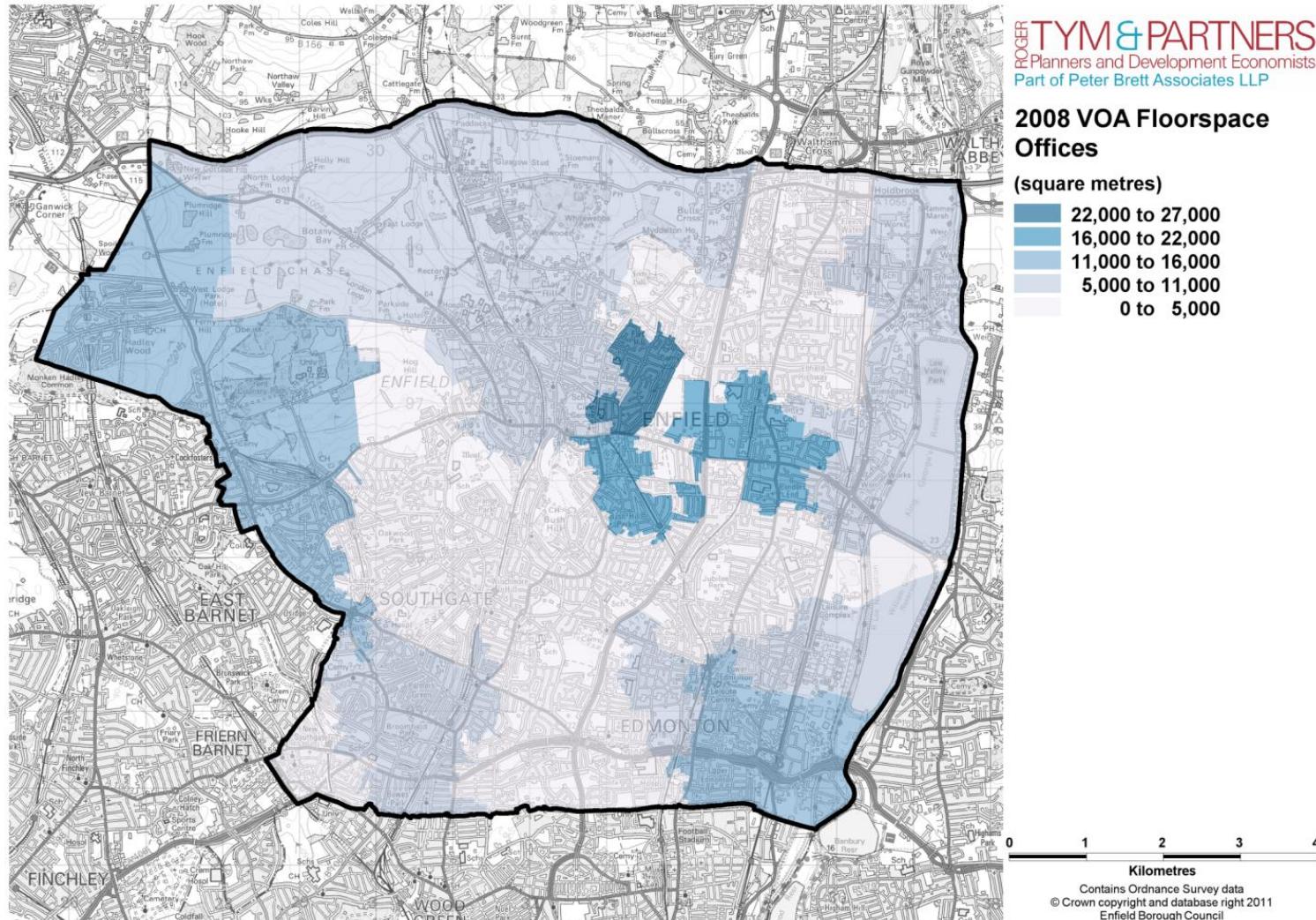
- 4.33 Redevelopment and improvement of existing units is complicated by the constrained nature of the sites. Most units are already developed to a very high plot ratio with little scope to intensify activity. Ideally more circulation and parking space would be desirable but reconfiguring the estates is difficult given the fractured ownership and lease arrangements.
- 4.34 Size and access constraints mean that they operate in a different property market to the strategic land supply. Most noticeably they cannot accommodate new large warehouse units and instead meet more local demand.
- 4.35 The 2006 report suggested an oversupply of such land; that demand for poorer quality sites would soften over time and the amount of vacant space increase.
- 4.36 To remedy this oversupply the Core Strategy proactively made provision to release land from the employment land stock. It also suggested other sites should be carefully monitored with a view to making further releases in the future. For the remaining sites the Core Strategy policy is generally permissive to further losses from the land supply.
- 4.37 However the market for lower quality industrial sites appears to have changed quite substantially since that last report. Our 2011 site visits and consultations suggest that in the main they are now fully occupied.
- 4.38 Our research and consultations suggest that two key market drivers have changed in recent years.
- 4.39 Firstly, the industrial stock across London has come under intense pressure to be redeveloped for housing as former industrial sites are a valuable source of land for new homes.
- 4.40 To help manage the transition of employment land to housing the GLA published Industrial and Warehousing land release benchmarks. These should have helped ensure that the loss of employment space was controlled and enough land retained to provide jobs for London's residents and also service the capital.
- 4.41 But many boroughs exceeded their indicative release benchmarks and lost more land than the GLA estimated they could afford to lose. This displaced businesses to other parts of London including potentially Enfield.
- 4.42 Across London, 360ha of former industrial land stock was lost between 2006 and 2011 against a policy benchmark of 219ha.
- 4.43 Related to this is the impact of the Olympics regeneration. Boroughs further down the Lea Valley have lost large amounts of former employment land for Olympic uses; either directly to Olympic facilities or as part of the wider regeneration agenda. In the last 10 years Newham and Tower Hamlets combined lost over 200 ha of employment space; nearly 80ha of this since 2006.
- 4.44 We understand from our consultations that Enfield did not directly benefit from many Olympic site relocations; although some sites (e.g. Riverwalk Business Park) directly targeted this market. The main impact on the Borough was the tightening of supply elsewhere in London which in turn displaces other firms further away from central London and the Olympics sites.

-
- 4.45 This general tightening of the market has impacted on both strategic and local sites; but for local sites the impact is amplified because so much stock has also been lost from the supply. The smaller sites have been easier to convert to housing and in many areas this transition has been welcomed because it has removed conflicting and poor neighbour uses.
 - 4.46 It is also the case that many of the local quality sites are occupied by 'value' conscious users who do not want or cannot afford the premium the larger sites, with newer high specification property, may attract.
 - 4.47 The predominant uses on the local quality sites are small scale warehousing, particularly for food, motor trade and also some manufacturing. What manufacturing remains on the estates serves a local need. For example shop fitters and sign makers who make bespoke goods and benefit from being in close proximity to their customers. Trade Counter and quasi retail operators are common.
 - 4.48 Estates such as Queensway and Alma Road, where rents can be as low as £3.50 per square foot are almost entirely fully occupied. Whereas the larger higher quality estates where rents can be double this are offering new space.
 - 4.49 At the moment the vacancy rate for local quality sites is almost zero, with little available for frictional vacancy. The only vacant units observed were those unable to be used by the warehousing or motor trade.

Offices

- 4.50 The office floorspace stock in Enfield is fairly limited with a stock of just 240,000 sq m. There are four identified office centres within the borough at Southgate, Edmonton, Enfield Lock/Innova and Enfield Town, which is the largest concentration.

Figure 4.9 Office Floorspace Stock



Source: VOA

- 4.51 Enfield has not established itself as office centre, even in previous office market booms and there has been limited or no speculative development. The 2009 London Office Policy Review (LOPR) noted that office development in Enfield in recent years has been very low. It further states that, “none of the commercial centres in the borough show any signs of real life”.
- 4.52 Even Innova Park which was potentially the most promising scheme has been more successful for industry and warehousing than office.
- 4.53 LOPR recommends that there is no purpose in continuing to promote Edmonton as an office centre, but does not anticipate high levels of office development anywhere in the borough.
- 4.54 This view of Enfield as an office centre that was unlikely to attract significant activity was one that was confirmed by attendees at the property market workshop help as part of this study.

The Changing Nature of Workspace Demand

- 4.55 In considering the property market offer of Enfield we need to think about it in the context of the changing nature of workspace demand. Firstly there is the observed fact that in London many companies are occupying premises that might not have been designed for their activity. Thus both industrial and basic shed units contain a range of activities, for example: film production, e-trading, graphic design, printing, catering. Firms are likely to be occupying premises for reasons of cost and availability rather than the premises being designed to fit the needs of the occupiers.
- 4.56 In addition to structural factors changing the nature of demand for space, there are also technological and behavioural factors that are influencing the demand for space. Since 1991 home working has become increasingly important in England³. A major driver behind the growth in homeworking in the national economy has been technology improvements and drive towards cost reductions, e.g. desk sharing. The extent of homeworking will in part be determined by the structure of the local economy. There appear to be two factors involved here:
 - Size of businesses - Evidence⁴ suggests that rates of adoption are higher amongst larger organisations where economies of scale are achievable so that new practices can be ‘trialled’ in a cost effective manner. However, there is almost no data on how small and medium-sized firms (SMEs) are using space and their working practices today, and there is a view that smaller organisations have traditionally used their space and facilities more flexibly than larger ones. In addition, the self-employed are also likely to be based from their home.

³ We define homeworking as any work carried out by the self-employed and employees working from or at home, on a full or part time basis.

⁴ Labour Market Trends, December 2003, p.597

- Business sectors - Labour Market Trends finds that people in management and professional occupations and those who are working in Banking, finance and insurance are more likely to be homeworkers.⁵ Furthermore, homeworking is more likely an option for those working in offices.

4.57 Enfield currently has a higher proportion of residents than the London average both in terms of homeworkers and self-employed.

Table 4.1 Homeworking and Self-Employment 2009

	HW	SE	HW & SE
Enfield	15.3%	21.9%	11.6%
London	13.6%	16.3%	9.2%

Source: ONS

4.58 With the growth of super-fast broadband, home working will become even more attractive. Not only it may provide an impetus for ICT sector growth, but it will also enable a much more comfortable use of internet telephony and video conferencing, thus contributing to a reduction in travel and commuting.

4.59 A number of reports highlight specific sectors which have a high or growing incidence of homeworking. These cut across a range of sectors many of which fit with the identified key sectors from Enfield's LEA. The Workhub report (June 2010) – a survey of homeworkers in Milton Keynes and South Midlands revealed homeworkers in that area as being involved in the following sectors:

- Legal, Finance, business, IT: solicitor's practice, financial advice and planning, book-keeping, accountancy, training, coaching, management consultancies, and office support
- Creative/marketing: architect, PR consultants, copywriting, graphic design, fine art, sculpture, jewellery, exhibition design, web design, consultancies, market research, photography, publishing)
- Health: midwifery, personal training
- Retail and personal services: food produce and sales, designing and manufacturing children's products, accessories and gifts, florist, book sales, genealogy, educational goods and hardware, hair and beauty treatments, dog care/walking/boarding, personalised wine labelling, life coaching
- Tourism: information and promotional goods.

4.60 Business Link is another source that highlights particularly sectors that it promotes as 'suited to home working':

- Telesales and marketing
- Customer service
- Consultancy and professional services, such as accountancy or HR administration

⁵Quoted ibid

- Writing, editing, research and translation
 - Some types of administrative work
- 4.61 According to a recent book⁶ from the Cass Business School, employees are more productive if they have greater autonomy over where, when and how they work. The growth of 'future work' will also see more work being done remotely and more "work hubs" specially designed workspaces equipped with the technology to support mobile workers. Instead of being the location where employees gather at fixed times to do concentrated work, the office could become primarily a place for developing and maintaining connections between people.
- 4.62 These trends may lead to demand for a new types of space which is neither workplace nor home space but a new place to work. There is also an increasing need for local meeting spaces for non virtual activity. This has been termed "Third space" and use by telecommuters in US (growing at 10% p.a.) tends to focus on chain eateries and coffee houses. There is some evidence of an emerging trend in UK for independent cafes/coffee houses, libraries and more flexible atrium/flexible shared type spaces.
- 4.63 Alternatively they may lead to demand for something which is a step between "Third space" and more traditional serviced accommodation. Workhubs, for example, are described as third party provided work places - 'a new generation of workspace: hub facilities for entrepreneurs, home-based businesses, live/workers, freelancers and flexible workers.' (www.workhubs.com). The website provides the following overview of these facilities:
- Shared facilities typically include bookable 'hot' desks, formal and informal meeting spaces, high speed broadband and costly or space-hungry professional equipment
 - Workhubs offer professional facilities that members can use when it suits them. Like a gym, they're making smart use of space, serving more businesses than a traditional office can house
 - Workhubs offer a professional front for businesses, vital if you're a small or start-up enterprise or a live/worker running your service from home. ... meet clients at a workhub, use its registered address, and have friendly, professional staff handle phone calls and post
 - Workhubs provide a relaxed working environment that facilitates informal business collaboration and networking. But there's no hard sell and no awkward business breakfasts. You'll find that exchanging ideas, advice and services comes naturally and, crucially, a workhub offers an antidote to isolation
 - Most workhubs also offer business advice and support. They understand what small businesses need. They understand flexible working. Many are incubators for start-ups. Many offer training in useful professional skills or offer regular sessions with Business Link

⁶ Alison Maitland and Peter Thomson, Future Work: How Businesses Can Adapt and Thrive In The New World Of Work

- 4.64 Enfield with the profile of its resident population and access to central London markets may be well placed to capitalise on these trends.
- 4.65 The ideal location to establish such a workhub would be in one or more of the principal town centres of Enfield, Edmonton or Southgate with access to facilities, amenities and public transport.

Conclusions

- 4.66 Enfield forms part of the Lea Valley property market which is one of London's major industrial and warehouse location. Enfield has seen some significant new development over the past 10 years or more, notably at Innova Park. Rental values are typically around £8-£9 psf.
- 4.67 With its excellent strategic road access Enfield has been, and will continue to be, an attractive location for warehousing. This has been a growth sector in London as nationally with much of the growth being driven by e-fulfilment centres.
- 4.68 But in Enfield even the more traditional industrial stock has seen growth in recent years and vacancy rates in the borough are very low. Much of this growth has been driven by relocations from elsewhere in London where other boroughs have shed industrial stock.
- 4.69 The office market in Enfield has failed to develop to any significant extent and we do not see prospects for it being strong going forward. Rather there may be some small local office demand servicing local centres perhaps coming forward as part of wider mixed use developments. Rather than traditional offices some of the growth in business service sectors may instead be accommodated through homeworking, work hubs or similar types of new informal workspace.

5 DEMAND FOR EMPLOYMENT LAND

Approach

- 5.1 In this chapter, we assess the quantitative demand for business space in Enfield for the plan period 2011-26. Forecast change in employment by sector is translated into demand for floorspace, using tested assumptions and evidence on sector to land use mapping and on employment densities. This will provide a quantitative outcome that can be used in determining the amount and type of employment land and floorspace that Enfield should be planning to provide through its Local Plan.
- 5.2 The forecast outcomes are based on econometric techniques. They are not inevitable and are not the only possible outcomes for Enfield. Forecasts provide a projected outcome under a given set of circumstances and assumptions. These can change or be changed. But their value as a planning tool lies in providing a rigorous framework through which land use decisions can be assessed.
- 5.3 All forecasts will be liable to some degree of uncertainty. Forecasts are based on data and assumptions that are subject to change over time. We try to mitigate this effect by applying some degree of sensitivity tests and also being clear about the way such forecasts should be used. In this study we have produced a baseline using the GLA's employment projections and the forecasts for office employment set out in the GLA's London Office Policy Review and also the GLA's forecasts from the Industrial and Warehousing Land Demand Study.
- 5.4 We have then undertaken two types of sensitivity around this baseline projection. The first type is to review the potential impact of the recession given that the GLA baseline projections were prepared in advance of this.
- 5.5 Following this we examine an alternative scenario which seeks to move Enfield onto a higher growth trajectory through, for example, maximising the regeneration potential of developments such as Meridian Water.
- 5.6 It is also important to note that the administrative boundary of Enfield is a closely connected part of larger, sub-regional markets. Within these wider markets, occupiers to varying extents do not mind where they locate, and many neither know nor care about Borough boundaries. Whether such footloose occupiers locate in Enfield or a neighbouring Borough, or indeed outside London, is not a matter of demand. Rather, it depends on supply-side factors, including where planning authorities choose to make sites available.
- 5.7 The forecast of demand can then be compared against the projected supply of floorspace emerging from the site assessments.

Floorspace Demand, 2011-2026

- 5.8 The method follows three simple steps, though each of these steps contains a number of technical issues.
- First we project employment by sector;
 - Employment by sector is then mapped to land use classes of office and industrial;

- Employment by use class is then converted to floorspace via application of employment density ratios.

5.9 Floorspace can then be converted to land requirements by application of plot ratios.

5.10 We set out each of these steps below.

Employment Forecasts

5.11 The forecast we use for our baseline scenario are those prepared by the GLA. The latest GLA Borough projections were published in Working Paper 39. There is nothing in the London Plan to make the GLA Borough level figures binding on individual boroughs. But the GLA forecasts are useful, firstly because they fit the objectives and policies of the London Plan, to which the Boroughs *are* required to conform, and secondly because they provide a consistent picture London-wide. The GLA have advised us that Boroughs should use the latest available GLA forecasts for informing their site allocation policies, and that annual updates on these forecasts will be available in the future.

5.12 The GLA uses a forecast method known as triangulation to produce its Borough level forecasts. The Triangulation method brings together three components⁷. These are:

- Trend projections prepared by Volterra and GLA Economics;
- Site Capacity projections based on RTP's London Employment Sites Database; and
- Accessibility projections based on CBP accessibility indices.

5.13 Table 5.1 sets out the forecasts for Enfield based on each of the components and the final triangulated projection. The final triangulated projections show an increase of 9,000 jobs over the period 2011-26, an increase of 8.3%. This is an average increase of 600 jobs a year or a growth rate of 0.5%. It is below the average for London which is projected to grow by 10.1% over this period.

5.14 As can be seen from the table the final projection for Enfield is higher than any of the individual components. In particular the trend based forecast is almost flat. Both identified development sites and improvements in accessibility play a role in raising the projected growth rate for Enfield. Unusually in the case of Enfield the triangulated forecasts turn out to be higher than any of the component parts.

5.15 The total number of jobs in the Borough, as presented by the GLA, is slightly different from any analysis which uses ABI data, including that in Chapter 3. This is because the GLA include self employment (excluded from the ABI) but they also smooth the ABI data over time, correcting for common peaks and troughs in the data which can be found in the ABI.

⁷ The detailed method is set out in GLA Economics Working Papers 38 and 39.

Table 5.1 GLA Employment Forecasts

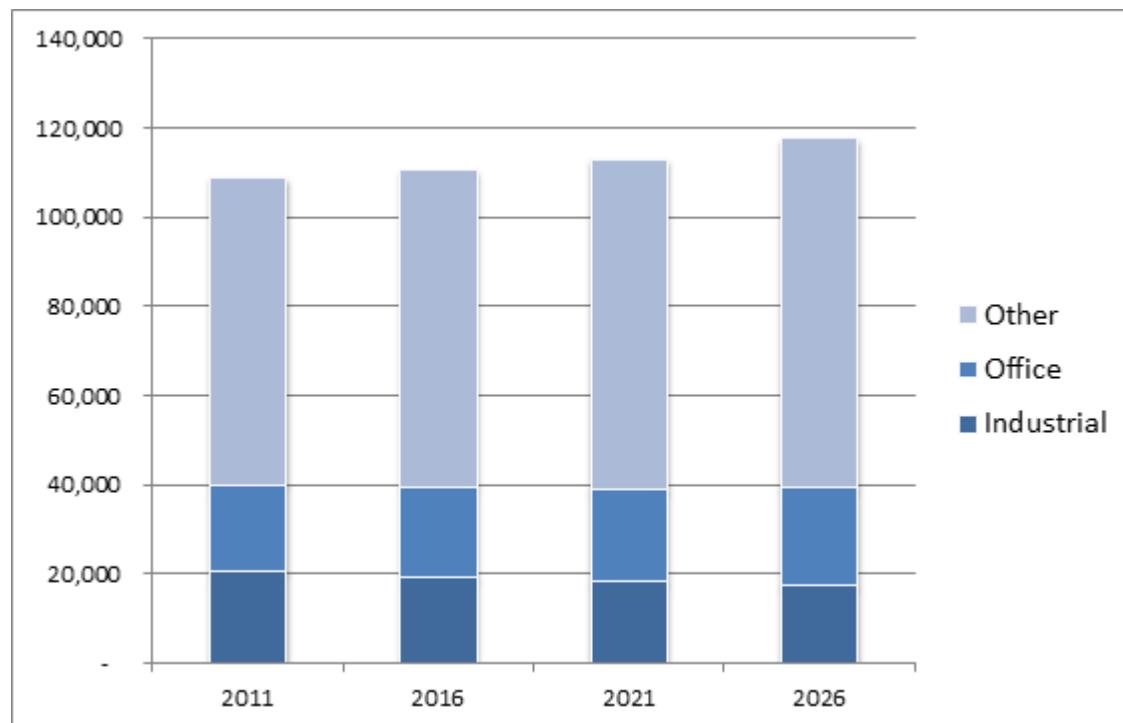
	2007	2011	2026	2011-26	%
Trend	110,000	110,000	112,000	2,000	1.8%
Site Capacity	110,000	110,000	114,000	4,000	3.6%
Accessibility	110,000	108,000	114,000	6,000	5.6%
Triangulated	110,000	109,000	118,000	9,000	8.3%
London	4,676,000	4,797,000	5,280,000	483,000	10.1%

Source: GLA Economics. Note figures are rounded to the nearest thousand.

Land Use Sector Forecasts

- 5.16 The GLA have also published more disaggregated projections of employment floorspace for offices and industrial land for manufacturing and warehousing type activity.
- 5.17 The Baseline projections estimate that at the Plan starting point, B class employment accounts for just under half (46%) of total employment in the Borough split equally between industrial and office. Over the Plan period 2011-26 total employment is projected to increase by 10,600 jobs. But all of the net growth is effectively accounted for by the non-B space sectors.

Figure 5.1 Forecast Employment Change by Land Use Sector 2011-26



Source: RTP⁸

- 5.18 In the B space categories the projected decline in industrial employment of 6,400 is slightly higher than the projected increase in office employment sectors.

⁸ London Employment Time Series – Roger Tym & Partners for GLA 2010

Table 5.2 Forecast Employment Growth by Land Use Type

	2011	2016	2021	2026	2011-26	2011-26%
Industrial	20,800	19,400	18,400	17,800	-3,000	-14.4%
Office	19,300	20,000	20,600	21,700	2,400	12.4%
Other	68,900	71,300	74,100	78,300	9,400	13.6%
Enfield	108,900	110,700	113,100	117,800	8,900	8.2%

Source: RTP/GLA

- 5.19 Within the B Class categories this would imply a shift of demand from industrial premises to office premises. This is unlikely to be reflected by change of use on the same site as industrial and office occupiers have different locational requirements.
- 5.20 But within the industrial category there is a shift from traditional factory type premises to warehousing which is more space extensive.
- 5.21 The principal growth in Enfield is projected to come in non B Space sectors. Whilst these sectors are not being planned for in the same way, they are likely to occupy land and may therefore form a competing land use which needs to be taken into account when considering employment land allocations. As noted in Chapter 3 four of Enfield's key sectors are activities that would not generally be expected to occupy B-class floorspace.

From Employment to Floorspace

London Office Policy Review

- 5.22 The office forecasts are found in the London Office Policy Review (LOPR) 2009. This takes the GLA triangulated projections set out above and then converts them to office land use classes by mapping each sector at the 4-digit SIC activity level to broad land use classifications. To identify these jobs the GLA forecasts used a range of economic sectors based on the Standard Industrial Classifications (SIC 2003), shown in Appendix 1.⁹
- 5.23 For Enfield the GLA projection forecasts an increase of 2,400 office jobs over the period 2011-26. At the LOPR office employment density of 13.8 sq m per worker, this amounts to a net additional demand for office floorspace of 33,100 sq m. For outer London Boroughs the prevailing occupational density is 20.6 sq m per worker. At this ratio there would be demand for an additional 49,400 sq m of floorspace.
- 5.24 For offices in a borough such as Enfield we believe that floorspace is a better metric than land. The amount of land required to accommodate office floorspace depends on where it is located. In a borough such as Enfield it could be accommodated on business park type premises in which case the plot ratio would be something like 0.4. If however it was multi-storey town centre offices the ratio would be 1 or higher. The table below sets out a range of land requirements dependent on what sensitivity assumptions are applied with regard to occupational densities and plot ratios.

⁹ Government Guidance on Employment Land Reviews (ODPM, 2004) endorses this approach.

Table 5.3 Office Floorspace Sensitivity Projections

	Sq m per worker	
	13.8	20.6
Floorspace sq m	33,120	49,440
Land Ha		
Plot Ratio	0.4	8.3
Plot Ratio	0.7	4.7
Plot Ratio	1.0	3.3
		12.4
		7.1
		4.9

- 5.25 Thus, simple sensitivity analysis around the LOPR projections gives a range of between 3.3ha-12.4ha of land that is needed for offices. Our advice would be to concentrate on monitoring office floorspace and that 33,000 sq m should be sufficient over the plan period given that the analysis set out in the preceding chapters has not identified a strong demand for offices in Enfield.

London Industrial Release Benchmarks

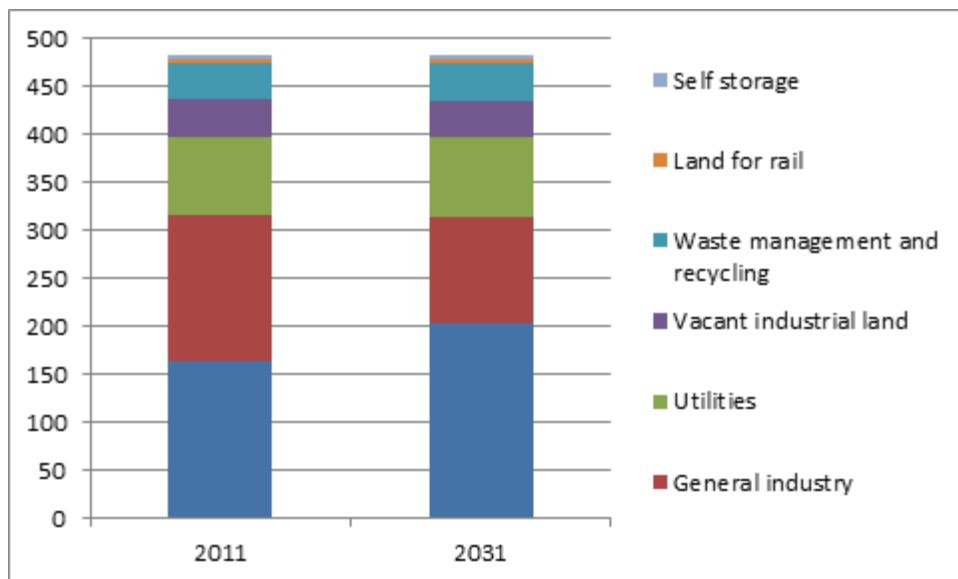
- 5.26 The 2007 Industrial Release Benchmarks Study recommended that there should be a release of 188ha of industrial employment land over the period 2006-26 for the seven boroughs that made up the North London sub-region at that time¹⁰. This came about primarily from a fall in demand for 'general industrial land'.
- 5.27 The study does not break down this figure by borough but if Enfield was to have a proportionate share of this loss relative to its 2006 stock this would imply a reduction for Enfield of 89 ha; however this straightforward apportionment may not be appropriate given the differing nature of the boroughs that make up the North London sub-region.
- 5.28 At the time of producing this report the 2011 Industrial Release Benchmarks Study had not yet been published, but as we have been responsible for undertaking the technical work behind the study we are able to apply the methodology to Enfield and approximate what is likely to come out of that study.
- 5.29 The different components of demand were forecast by different methods. For general industrial land the mechanism was to forecast employment by identified industrial sectors and convert to employment and land via employment density and plot ratios. Based on previous research for London average density ratios for outer London are 44 sq m per worker and average plot ratios for outer London are 3,800 sq m per worker.
- 5.30 For warehousing a different method has been used relating floorspace to growth in GDP for the Greater South East, which services much of London's logistics demand. London's logistics and warehousing activity has been growing over time. In 2007 it was estimated that logistics accounted for 3.4% of London's output and that it employed 221,000 full time equivalent employees. Over the period 1998-2008 the stock of warehouse floorspace grew at an average of 0.4% p.a. Our central scenario is based on an assessment that the demand for warehouse floorspace in London at a rate of 0.4% p.a. and that floorspace will

¹⁰ This is different from the present London Plan sub-regions

be built at an average plot ratio of 0.4. Demand for London is then attributed on the basis of past trends in warehousing stock at the borough level.

- 5.31 Using these projections we calculate that there should be no net loss of industrial land in Enfield. An increase in demand for warehousing land offsets a continued loss in traditional production space. This is made up of an increase in demand for warehousing land of 28.7ha a reduction in demand for industrial land of -31.9ha and an increase in demand for waste of 1.3ha.
- 5.32 This forecast of growth is a consistent with the property market analysis which was set out in chapter 4.
- 5.33 Forecasts of the composition of industrial land use by type at 2011 and 2031 are summarized in Figure 5.2 below.

Figure 5.2 Forecast Industrial Land use by Type



Source: RTP

Non B Class Employment

- 5.34 Whilst this study is primarily about B class employment land, it is important to bear in mind the scale of jobs growth that will come from non-B class activities. This employment also requires land and should be considered when looking at overall land use allocations.
- 5.35 At present non B space sectors account for over half of all employment in Enfield. The sectoral forecasts based on the GLA projections suggest that the majority of future employment growth in Enfield will come from these non-B space sectors. These will include sectors such as health, education, retail, leisure and culture, which have been identified in Enfield's LEA as key sectors.

Net Demand and Gross Take-up

- 5.36 The floorspace figures set out above, like the employment forecasts from which they are derived, relate to net change. Net change in employment (the stock of jobs) is the difference between jobs lost and jobs gained. The corresponding net change in the

floorspace stock is the difference between floorspace gained, mostly from new development, and floorspace lost (for example where industrial sites are cleared and redeveloped for housing and other uses).

- 5.37 Net demand should not be confused with gross take-up. For example, even when the aggregate stock of land/premises is declining over time, there will still be new sites and premises being developed and occupied.
- 5.38 There are two stages of employment land that the planning system should allocate. It needs to make available sufficient employment land at any one point of the plan period to enable new development and investment to take place. This can be considered as the frictional element. At any one time there will be land identified in planning terms for B-class development or redevelopment but in practice is not yet capable of producing built floorspace because it is in the process of gaining permission or undergoing site preparation, or under construction. Logically, this 'sterilised' supply equals annual gross take-up (the amount of land developed in any one year) times the number of years required from allocation of a site to building completion on that site. In calculating the required margin, we assume that the average time required for achieving planning consent, site preparation and construction should be no more than two years in good markets and three years in poor markets or areas in need of regeneration (where this process will take longer). We then multiply this by the annual average gross take-up of land (or completions of new floorspace).
- 5.39 Whilst gross take-up will always be positive the net amount of employment land required over the plan period can be either positive or negative. In either event the important point to recognise is that the planning system has a key role to play in recycling redundant land back into productive use. This may be to meet the needs of modern business activity or perhaps for some other land use such as leisure or residential. Thus to the extent there is surplus or under-utilised employment land identified, then the Council should consider whether there is an alternative more productive land use allocation.

Who Occupies Office and Industrial Space

- 5.40 Whilst we have undertaken the projections on the basis of best fit land use sectors, we also recognise that in reality there is a much greater blurring of activity. Many business services activities can take place in a range of different types of premises. Someone who runs a small service activity may occupy an office, a shop or an industrial unit. Availability and price are likely to be greater determining factors than land use classifications.
- 5.41 ONS analysis of IDBR data for London has demonstrated the extent of this apparent mismatch with one-third of jobs on industrial land being in sectors that might traditionally be seen as industrial, whilst two-thirds of jobs come from outside these categories. Whilst the sectoral classification of industrial land occupiers exhibits a very wide spread, the range of functional activity carried out on these sites may be narrower. For example some large business services companies may maintain in-house engineering & maintenance functions that are better suited to industrial type locations. Nevertheless this serves to highlight the diversity of activity that takes place on industrial land in London.

Sensitivity Test

- 5.42 We do not have any alternative employment projections for Enfield but a sensitivity test can be provided by examining other employment projections that have been prepared at the London level. Forecasts by sector prepared by Oxford Economics that were compiled at a similar point in time to the GLA forecasts are set out in the table below and compared with those prepared by the GLA. For the period 2010-20, the Oxford Economics' forecast was for growth of 536,000 jobs compared with a forecast of 314,000 from the GLA for the same period.
- 5.43 The biggest difference was to be found in the projections for Business Services where the Oxford Economics projected twice the number of jobs – 400,000 as opposed to 200,000.

Figure 5.3 Comparison of GLA and Oxford Economics Employment Forecasts ('000s)

	GLA 2008	OE 2008	GLA 2010-20	OE 2010-20	GLA 2020	OE 2020
Primary	28	17	-8	-2	18	14
Manufacturing	215	225	-64	-47	135	151
Construction	239	230	-27	3	206	232
Retail & Distribution	617	618	4	32	622	625
Hotel & restaurant	313	319	88	35	416	341
Transport & Communication	341	352	-17	30	320	374
Financial Services	334	342	1	18	336	340
Business Services	1,249	1,283	206	404	1,505	1,628
Public Administration & Defence	226	223	-25	-12	196	212
Education, Health & Social Work	733	753	23	4	760	783
Other Personal Services	411	408	133	70	567	470
Total Employment	4,706	4,779	314	536	5,081	5,181

Source: Destinations 2020: Employment projections across sectors and occupations in London – LDA (2010)

Comparison with Previous ELRs

- 5.44 As discussed in Chapter 2 Enfield Council commissioned an ELR in 2006 which was then updated in 2009. The economic climate in 2006 was very different being in the middle of a prolonged period of boom. Whilst by 2009 the UK economy had entered a deep recession
- 5.45 In the next chapter we discuss the potential impact of the recession.

Summary

- 5.46 In this chapter we have set out the baseline projections for office and industrial floorspace for Enfield. The baseline projections have been designed to be consistent with those used by the GLA to inform the London Plan. Whilst these do not represent the only possible or desired outcome they should be taken into account when formulating employment land policy for Enfield.
- 5.47 The London Office Policy Review for Enfield forecasts an increase of 2,400 office jobs over the period 2011-26. At the LOPR office employment density of 13.8 sq m per worker this

amounts to a net additional demand for office floorspace of 33,100 sq m, an average of just over 2,000 sq m p.a. We would not anticipate this being in the form of any large new office development.

- 5.48 Based on the latest work to inform the GLA's Industrial and Warehousing Demand study we forecast that there is zero net demand for industrial land in London. Within the overall industrial land stock we would expect a continued switch from general industrial and manufacturing activity to distribution and logistics activity. In overall terms we would expect a reduction of roughly 30 ha in industrial land and an increase of roughly the same amount of warehousing uses.
- 5.49 The global economic outlook has deteriorated since the GLA employment projections were produced. In the next section we review the forecast in the light of these changed economic circumstances.
- 5.50 The GLA forecasts do not necessarily reflect the scale and range of ambitions for Enfield. Therefore in the chapter we also produce a scenario which is designed to take account of the Borough's ambitions.

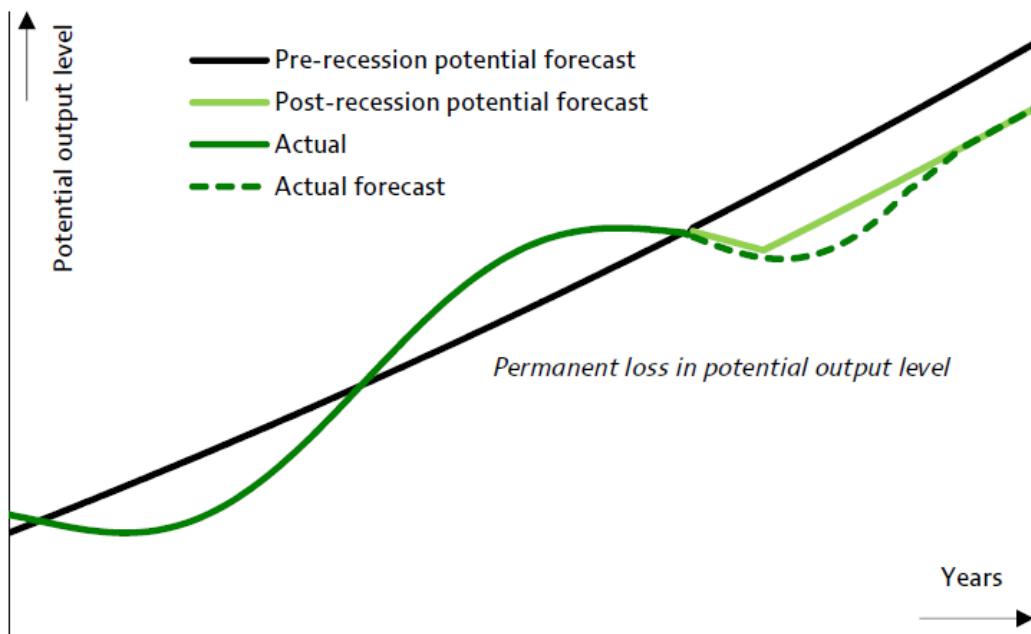
6 THE IMPACT OF THE RECESSION

- 6.1 The GLA projections that informed the London Plan were compiled before the longest and deepest recession the UK has experienced since the 1930s. The economic outlook at present is very different to what it was three years ago. Even during the course of the Employment Land Study there have been successive and substantial downgrading to economic forecasts, not only of the UK but also globally as the Eurozone has been threatened by serious financial crisis.
- 6.2 The projected employment growth rate for Enfield in the GLA baseline forecast is, at 0.5% p.a. one of steady growth. It should be achievable and is not overly testing. Nevertheless as a sensitivity test we look at whether, in the light of the recession, we might expect a lower figure.

Impact of the Recession on the UK economy

- 6.3 Recessions potentially inflict two sorts of economic costs. First, there are the 'cyclical' (or short-run) costs, such as the decline in employment that always goes hand in hand with a marked drop in output. If a recession is relatively mild (in terms of the decline of output it involves), and it lasts a relatively short period, and does not persist, then we might expect that these short-run costs will be the only costs and that the long term growth prospects of the economy will not be affected.
- 6.4 However as the recent recession involved a substantial loss of output then it may also have inflicted 'structural' (or long-run) costs on the underlying economic potential of the UK economy. These costs can be either a one-off fall in the level of potential output or a reduction in the growth rate of potential output. In the worst case, a recession could produce both kinds of adverse effect.
- 6.5 Economists use the term 'potential output' to mean the level of output that the economy can produce if there is full utilisation of both capital and labour. Hence it represents the total capacity of the economy to produce goods and services in a sustainable (non-inflationary) way. The growth in potential output thus represents the growth rate that the economy can sustain in the longer term without leading to rising inflation.
- 6.6 If potential output is unaffected the recession has a purely cyclical effect and returns to trend.
- 6.7 Figure 6.1 shows the situation in which a recession, as well as generating short-run losses of output, reduces the level of potential output. Once the recession is ended the economy goes back to growing at its existing long-run rate of growth (rate of growth of potential output) but the one off loss of output caused by the recession is never recovered.
- 6.8 In this case, we would need to revise our assumptions for output (and employment) growth in the UK economy between a pre-recession year such as 2006 and a post recession year such as 2026 to take account of this permanent one-off loss of output and employment.

Figure 6.1 A recession causing a one-off permanent loss of output



Source: IFS Green Budget 2010

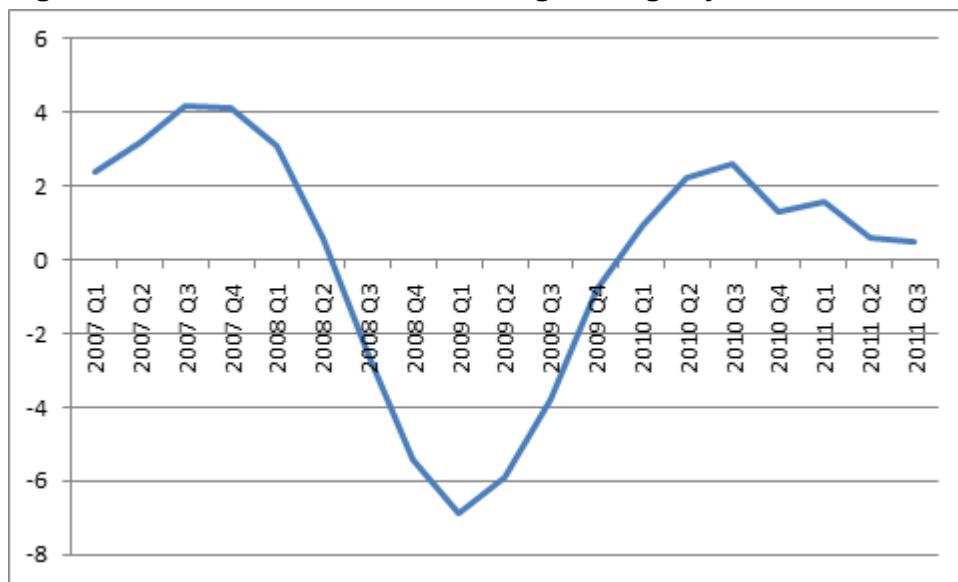
- 6.9 The worst-case scenario is where the recession causes both a one-off loss of output and a reduction in the long-run sustainable growth rate of the economy. Once the recession is ended, the economy fails to go back to growing at its existing long- run rate of growth (rate of growth of potential output) and instead it now grows at a lower rate on average over the longer term. In addition there is also a one-off loss of output caused by the recession which is never recovered.
- 6.10 As the long-run rate of growth of the economy has fallen, the recession causes not just a constant loss of output but one that increases over time. In this case, we would need to revise our assumptions for output (and employment) growth in the UK economy between a pre-recession year such as 2006 and a post recession year such as 2026 to take account of both this permanent one off loss of output and the reduction in long-run output growth.
- 6.11 In discussing the possible impact of the recession on potential output levels and growth in the longer term, we have not explained *why* the recent recession might have had these effects. The current recession has been the result of a worldwide credit crunch which is likely to increase the price of credit to businesses, thereby raising the cost of capital, which would lead to a reduction in the stock of capital in the economy and so to a lower level of potential output. As the pricing of risk prior to the credit crunch was probably unsustainably low this effect is likely to persist, as increases in the risk premium in commercial interest rates raise the cost of borrowing. More generally, the crunch is likely to reduce the supply of credit, by impairing the critical role that the financial system plays in matching funds from savers to investors. This reduces the efficiency of the process by which capital is allocated within the economy with a subsequent negative impact on potential output.

Actual Impact

- 6.12 The figure below illustrates the depth of the recession and the fragility of the recovery based on the latest 2011 Q3 and on GDP published by the ONS. Figure 6.2 below shows

the growth rate of UK output (GDP) since 2007. The impact of the recession can clearly be seen in the low growth rate for 2008 and then the 5% loss of output in 2009 – the largest single-year loss of output in the UK economy since the Second World War.

Figure 6.2 UK GDP – Annual Percentage change by Quarter



Source: ONS

- 6.13 The Treasury's estimate of the impact of the recession on potential output in the 2009 Pre-Budget Report published in December 2009 estimated that the recession had caused a permanent one-off loss of output of 5% of total output in the UK economy. At that stage the Treasury did not believe that the recession had impacted on the growth of potential output or the long-run rate of growth in the UK economy.
- 6.14 The Office for Budget Responsibility Report published in June 2010 suggested an output gap at 2009 of -4%, representing a one-off loss of output. It also downgraded the trend rate of growth to 2.35% over the next three years slowing to 2.1% by 2014. However the downgrading was due primarily to demographic impacts on labour supply rather than a recession impact.

The UK Economic Outlook to 2026

The short to medium run UK economic outlook

- 6.15 The latest consensus forecasts for medium term growth compiled by HM Treasury (November 2011) are set out in the table below. They are compared with those published by the OBR in its pre-Budget report (November 2011). It is however important to note that due to methodological changes the latest forecasts of GDP published by the OBR are approximately 0.2 percentage points higher than the corresponding previous figures.

Table 6.1 Medium Term Forecasts for GDP

Consensus % pa	OBR % pa
2010	1.8
2011	1.0
2012	1.1
2013	2.1
2014	2.3
2015	2.4
2016	3.0

Source: HM Treasury, OBR

The longer-term UK economic outlook

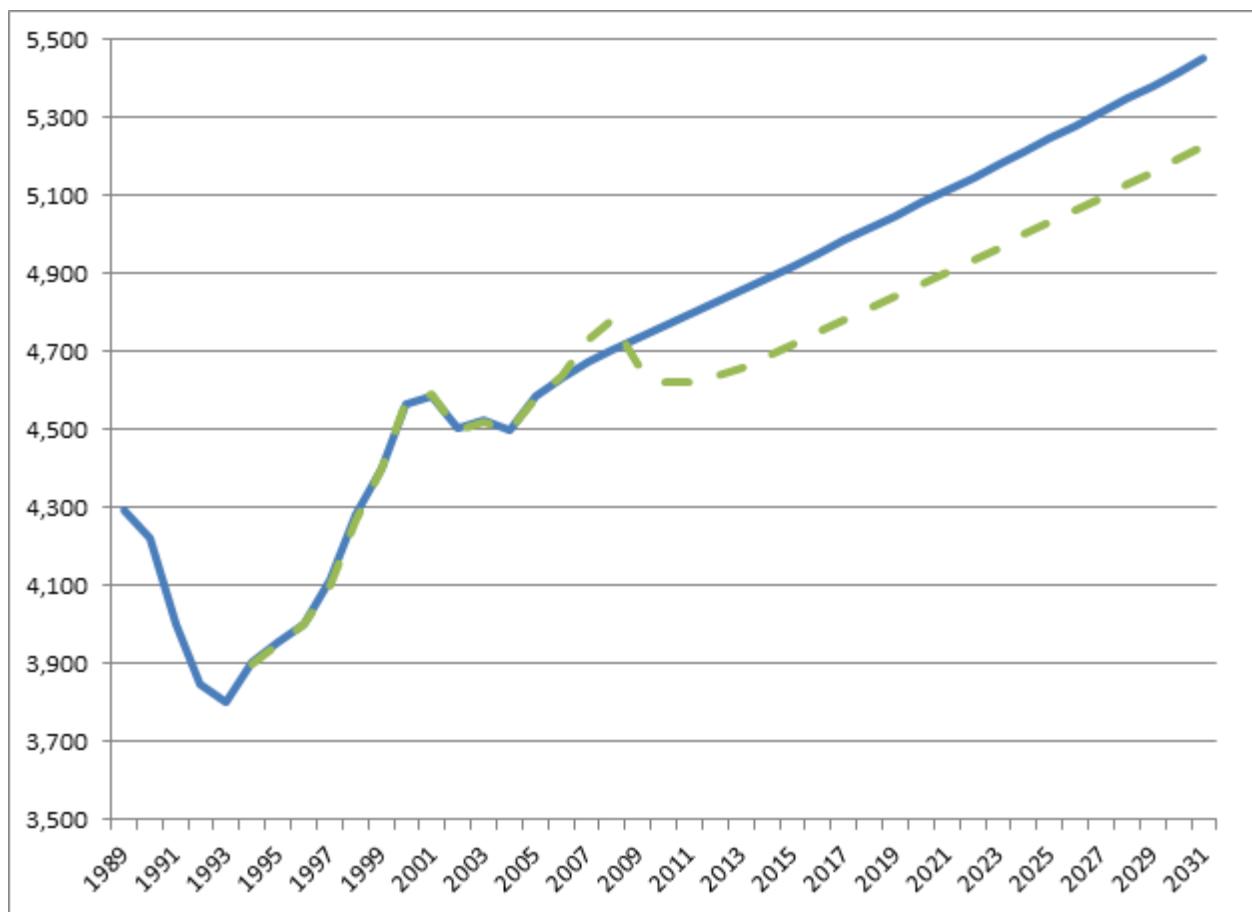
- 6.16 The OBR's view of the long-term growth rate is for GDP to grow at 2.3% p.a. The Treasury sets out its longer-term economic assumptions in its long-term public finance reports – this is very broadly made up of an increase in productivity of 2% p.a. - the average annual rate of growth experienced over the last 50 years in the UK - and a growth in employment of 0.3% p.a., which is in turn derived from the ONS population projections.

The Economic Outlook for London to 2026

- 6.17 GLA Economics publish a regular Economic Outlook and have recently published their Autumn 2011 edition¹¹. This provides an update on the GLA's projections to 2013. This shows a forecast for London at 2013 of 4.66m jobs compared with a figure of 4.86m published in WP 39. To some extent the original GLA Economics Forecasts would have taken account of the recession as they are produced as a trend forecast which will even out fluctuations in the cycle.
- 6.18 Our best estimate based on our analysis is that the recession has caused a one-off loss in output similar to the pattern of Figure 7.2 above. If we assume that London follows a similar pattern to the UK and that employment will follow a similar pattern to output, then we can use the GLA Autumn 2011 forecast to produce an update that takes account of the recession impact.
- 6.19 (In reality this is probably a downside projection for employment as even if there is a one-off loss in output employment will probably return to trend path in the long-term).

¹¹ London's Economic Outlook: Autumn 2011 – GLA Economics

Figure 6.3 Employment Forecast for London with Recession Impact



Source: RTP, GLA Economics

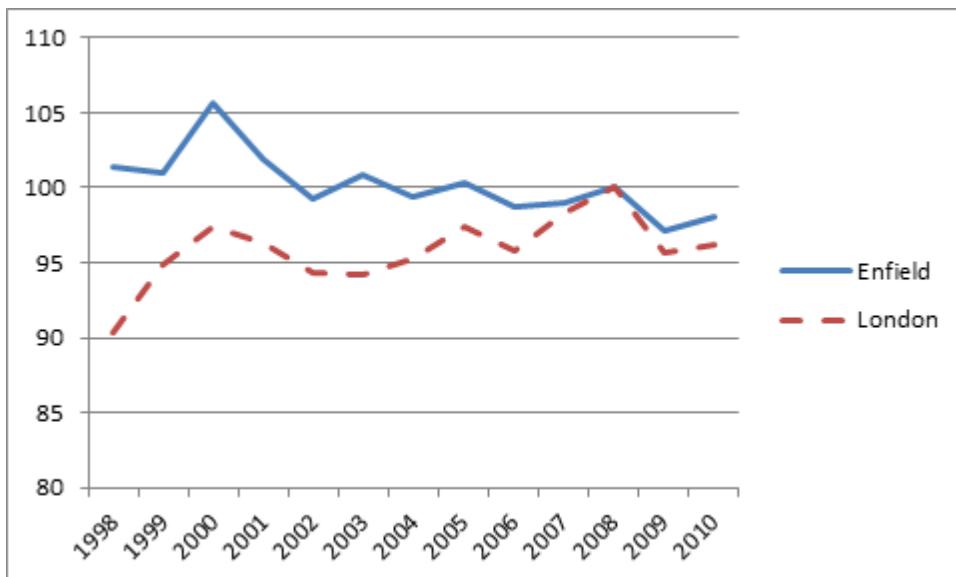
The Enfield Recession Scenario

Total Employment

- 6.20 We have constructed a recession based sensitivity test for Enfield that assumes Enfield performs at the same relative rate as London as a whole. We assume that there is a one-off loss in employment but that from 2013 onwards Enfield grows at the same trend rate as previously forecast. Whilst Enfield may be impacted differentially to London as a whole it is not obvious at this stage whether it will be, or indeed if it is what would be, the direction of impact.
- 6.21 Early evidence suggests that to date employment in Enfield has not fallen as steeply as London as a whole, with a fall of -1.9% between 2008-10, compared to a fall of -3.8% for London. This would be consistent with our property market review where we have been picking up a high level of activity driven in part by relocations from elsewhere in London.
- 6.22 Most noticeably the Olympics displaced some occupiers to Enfield although the agents report this is a small driver of demand. Many of these relocations moved further east as opposed to North. In the main it is general shortage of stock in inner London which is forcing occupiers to seek property ever further out. An added complication is that for

existing Enfield occupiers they have limited scope to move elsewhere because of the greenbelt restraint.

Figure 6.4 Index of Employment Change 1998-2010



Source: ABI/BRES

- 6.23 The employment profile section has suggested the economy is reasonably well balanced even if growth has been somewhat stagnant in recent years. Even the comparative over-representation by London standards in industrial sectors has in the short term proved an advantage rather than disadvantage.
- 6.24 Our recession scenario for Enfield set out in Table 6.3 therefore shows Enfield downgraded proportionately to the London recession adjusted forecast.

Table 6.2 Recession Scenario

	2007	2011	2026	2011-26	2011-26%
Baseline	109,600	108,900	117,800	8,900	8.2%
Recession	110,900	104,900	113,000	8,100	7.7%

Source: RTP

- 6.25 On this basis the projections for Enfield are very similar for the plan period 2011-26. In fact the forecast growth is slightly lower under the recession scenario with growth of 8,100 compared to 8,900 in the baseline projection. But the actual forecast employment total at 2026 is some 4,800 lower under the recession scenario. This apparent anomaly is simply explained by the fact that the plan period does not include the recession, but the recovery from it.
- 6.26 The important factor for this ELR is that at 2011 Enfield would be expected to be carrying a lot of excess capacity both in terms of labour and property markets. Whilst unemployment has gone up vacancy rates from our current survey show most of the property market as being quite tight. In property market terms the local factor seems to outweigh the recession impacts. This would be consistent with the relocation hypothesis as firms would be bringing

their workforce with them and hence there would not be the same corresponding labour market impact.

- 6.27 Premises will be higher than optimal and new development may not be moving through the pipeline. We will pick this point up in comparison with the supply data.

Jobs by Sector and Land Use

- 6.28 The other issue is whether the sectoral composition of growth will have changed as a result of the recession. Different forecasting models will take different views on the sectoral composition of growth. Certainly some sectors are more cyclically impacted by recession, but we have no evidence to suggest that for the trend period of the forecast the sector share of growth will have differentially been impacted by recessionary factors. Therefore at this stage we assume that all sectors are proportionately impacted by the downgraded projection.

Policy Scenario

- 6.29 An Economic Future for the Upper Lea Valley sets out a vision which says that if realised could amount to “15,000 more jobs in new or existing economic sectors; halving the level of unemployment across the catchment wards by getting people into work, education or training”¹². The Upper Lea Valley includes areas outside of Enfield and equally does not include all of Enfield Borough. However the principal opportunity sites would appear to be within Enfield.
- 6.30 The Upper Lea Valley is designated in the London Plan as an Opportunity Area. The London Plan sets the area a target of 15,000 new jobs and 9,000 new dwellings, although the recently published OAPF Framework has upped the dwellings numbers to 15,700. Again large parts of the OA fall within neighbouring boroughs. It is not possible from the OAPF to assign a precise breakdown of these jobs to Enfield but less than half the number of jobs would relate to the borough.
- 6.31 The Meridian Water Masterplan aims to create 5,000 new homes and 3,000 new jobs by 2045. Whilst this is an ambitious Masterplan it is also a long term one and much of this growth will fall outside the Plan period.
- 6.32 The Policy Scenario should also take into account target sectors identified through the LEA. No job numbers were associated with these sectors. Our interpretation of the jobs potential from these sectors is that:
- For manufacturing and public services the objective is to minimise losses.
 - For wholesale distribution, construction, green & carbon reduction sectors, and financial and business support services the aim would be moderate growth in jobs
 - For retail, health & social care, and the visitor economy these are sectors where we would expect the greatest number of jobs to come from.

¹² An Economic Future for the Upper Lee Valley

- 6.33 It would seem to us that the latest GLA forecasts enable the policy vision for the borough to be accommodated. The current GLA forecasts at nearly 9,000 are higher than those that informed the previous Core Strategy when the forecast for Enfield was 6,000. The forecast growth is particularly stretching if we take account of the point of the economic cycle at which Enfield is starting. If Enfield is to reach the GLA forecast total of 117,800 jobs by 2026, then this may effectively mean an increase of 12,900 from 2011 to regain jobs lost during the recession.

Summary

- 6.34 This study is to inform Enfield's Local Plan and employment land allocations and policies over the period 2011-26. We therefore need to know what the needs of the Enfield economy are for that period rather than consider the current impact of the recession on businesses in Enfield.
- 6.35 Our own view and our reading of most prominent economists is that the long run trend position of employment and output growth is not affected by the recession, at least from London. Rather what has happened is that there has been a one-off loss.
- 6.36 The point for this study is to understand the equilibrium position at the start of the forecast period. If there is significant surplus capacity at the start of the plan period then this needs to be factored in to the calculation.
- 6.37 Whilst Enfield has surplus labour capacity and needs to create additional jobs it does not appear to have any significant surplus capacity in terms of its property market. Indeed vacancy rates appear to be low in the borough. The fact that vacancies are at a low rate at this below trend point in the cycle further reinforces our view that Enfield should not see any net reduction in its employment land stock.
- 6.38 Our revised projections using the GLA's Autumn projections revise employment growth for the period 2011-26 down to 8,100. Given the downturn in outlook from virtually all forecasting bodies the risk to this is on the downside.
- 6.39 Having reviewed the policy ambitions for the borough we believe that these can be accommodated within the forecast growth of 8,900 contained within the GLA Baseline projections set out in the previous chapter. We therefore believe this represents a good planning target for the current circumstances, although it should not be seen as a ceiling and the figure should be monitored and reviewed on a regular basis.

7 THE SUPPLY OF SITES AND PREMISES

Site Assessments

- 7.1 The Borough's Employment Land Review (2006 and updated in 2009) provided a wealth of detailed data to help justify the Borough's employment land allocations in the Core Strategy.
- 7.2 This level of detailed assessment now appears to have served its purpose. The boundaries are now confirmed in the development plan and the Core Strategy policies govern their protection as either strategic or local quality sites.
- 7.3 Therefore the emphasis of this assessment is to re-confirm the protection of these sites and provide advice as to how they may be managed through further development plan documents, most noticeably the Development Management Document and Area Action Plans.
- 7.4 The rest of this chapter is structured around the broad policy areas of Enfield:
- North Circular Sites
 - Great Cambridge Road
 - Central Leeside
 - North East Enfield
 - North Enfield

Overview

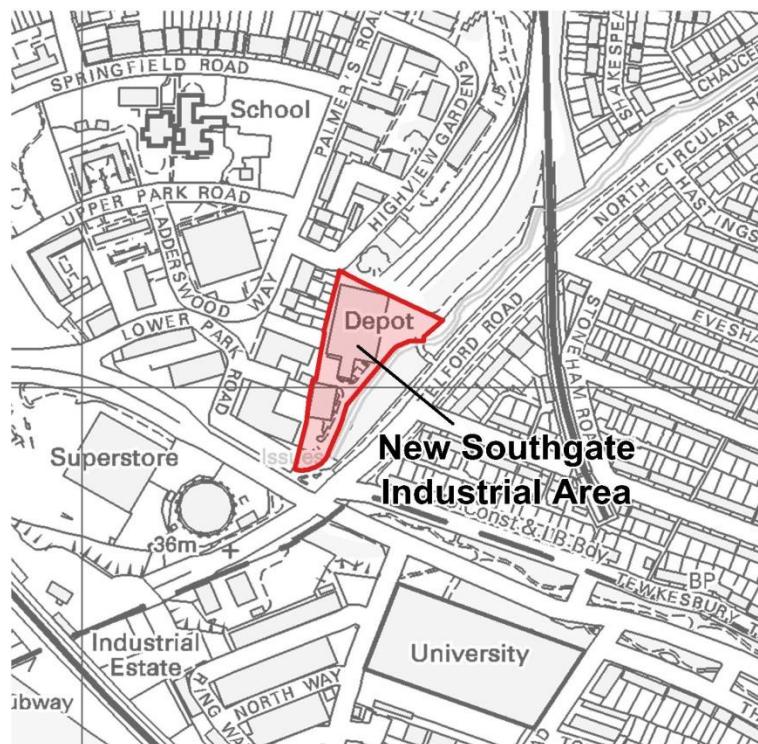
- 7.5 Enfield is an urban borough and densely populated. Many of the estates, especially LSIS are in close proximity to residential uses. Access and servicing is often poor and car parking problematic.
- 7.6 Outside of London, where new Greenfield land is available plans can make positive provision to minimise these conflicts by releasing older sites and re-provide new space elsewhere. However this is not an option in Enfield and industrial sites will continue to operate in close proximity to other uses.
- 7.7 Most of the industrial sites are old, many dating to Victorian times. So these conflicts are well established and well understood. This limits the rational to use this as a simple reason to release further land. However there is some scope to improve the sites.
- 7.8 For example where development land is made available in close proximity to the sites every effort should be made to improving access and circulation into and around the sites to the mutual benefit of the new development and the existing estates.
- 7.9 Also owners should be encouraged through good design to minimise conflicts. One obvious problem on many of the estates, especially the smaller LSIS, is that plot ratios are very high and there is very limited parking or circulation space on the plot. While this increases the lettable floor space it displaces activity onto the already congested streets.

- 7.10 So further intensification of development plots, which displaces actively on the street should be considered carefully.
- 7.11 When buildings are redeveloped the Council may have the opportunity to improve the design of the buildings, including noise insulation.
- 7.12 The main change between previous evidence and this report is that the estates are well occupied and vacant space only a limited problem. As detailed elsewhere this possibly reflects a growing shortage of space in many areas of London and so not only related to the market dynamics in Enfield.

North Circular Area

- 7.13 There are only three small sites protected for employment in the North Circular area:
 - New Southgate Industrial Estate
 - Oakthorpe Dairy
 - Regents Avenue
- 7.14 In this area the amount of employment land carried into the Core Strategy was much less than formally protected under the UDP. Some of this was a proactive release, to allow regeneration. Other releases were simply academic, in that they were only to amend the boundaries to reflect losses which had already occurred.
- 7.15 Regents Avenue area was added into the plan's protection policy areas, although this was an existing estate.

New Southgate Industrial Estate (Alexander Place)



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- 7.16 This industrial estate is one of the major changes in the Core Strategy. Building on the advice presented in the 2006 and 2009 Employment Land Update the area of employment land protected under policy was substantially decreased.
- 7.17 This was partly in response to the wider regeneration and place shaping agenda in this part of the Borough but also to reflect the general decline in demand that the report's expected.
- 7.18 The release of land contributes to the New Southgate regeneration area and the New Southgate masterplan. Although the traditional employment space is lost the master plan makes provision for some new B1 space to provide new jobs.
- 7.19 At the moment only the southern part of the estate, Alexander Place, remains protected as LSIS. However, in reality there is very little industrial space in Alexander Place. The majority of any jobs will be accommodated in the offices (housing association). The industrial units are occupied by trade counter uses and a funeral business.
- 7.20 Any businesses relocating from the main part of the estate, along Lower Park Road, will be required to locate elsewhere.
- 7.21 As an employment site the area is probably now too small and lacks profile to have a long term future. For example there is very limited visibility from the North Circular. However if the Masterplan is implemented, and new office space provided adjacent or near to the Alexander Place site there maybe merit in retaining the LSIS allocation and extending it to cover the new employment area.

Recommendation: Retain and potentially expand if the Master plan is successfully implemented to cover new B1 space.

Figure 7.1 – Alexander Place (retained LSIS)



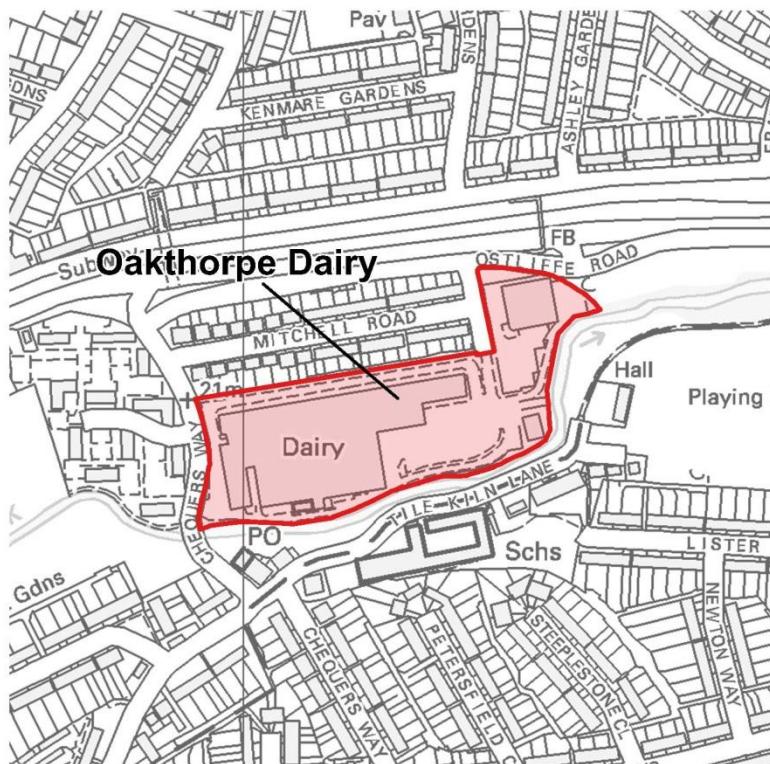
Figure 7.2 Alexander Place Units



Figure 7.3 Southgate – Light Industrial Units to be lost (no longer LSIS)



Oakthorpe Dairy



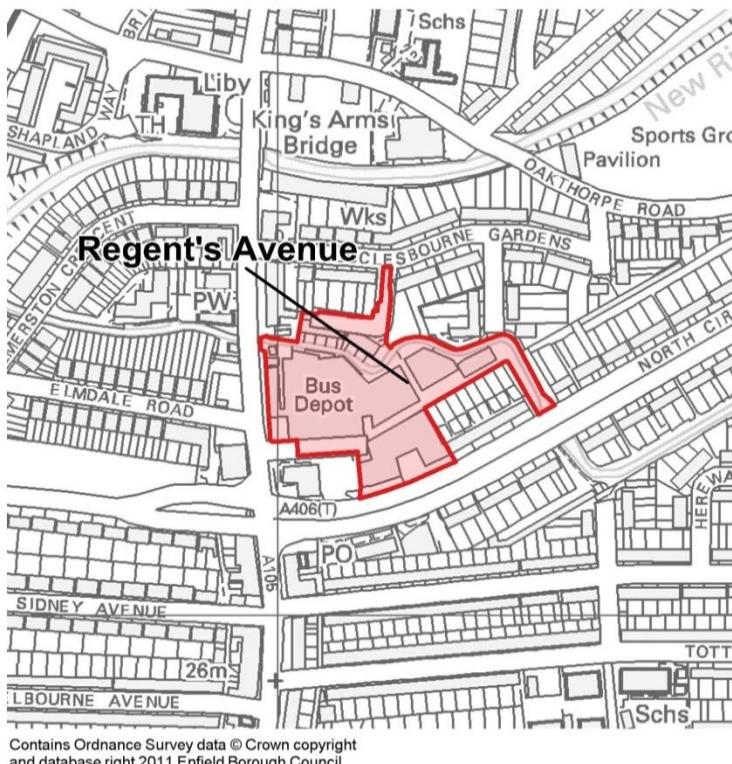
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- 7.22 This was another major change proposed in the Core Strategy. The boundary was substantially amended to reflect new housing development to the west of the dairy site.
- 7.23 The LSIS is now restricted to only the dairy site. This is a specialist user and if the current occupiers vacate it is likely that the site will need to be redeveloped or at least re-configured before being re-occupied.
- 7.24 The Core Strategy policy would suggest that mixed use redevelopment would be an option to be considered if the site is redeveloped. But at the moment the general market conditions suggest a shortage of small local scale industrial units in Enfield, with the majority of the local industrial portfolio being fully occupied. There is also a lack of new build space, especially in the south west of the Borough.
- 7.25 If offered for redevelopment, an ongoing employment use should be deliverable. Access to the site is good and the site is large enough to allow a design which minimises any conflict between the industrial uses and the residential areas.
- 7.26 As we noted above there is very little employment land in the North Circular area and a supply of land is needed both to provide local employment and also to service the local economy. The site is therefore always likely to be in demand for employment use from distribution and light manufacturers who need good transport links to central London.
- 7.27 Therefore in this case the starting position should be to retain as much employment floorspace as possible.

The site deserves its protection as a LSIS but should also be viewed as one of the few potential employment land assets which could, in the future, supply new space in the Borough away from the Lee Valley core.

Recommendation: Retain (and potentially improve / redevelop)

Regents Avenue



- 7.28 This site is similar to the Oakthorpe Dairy in that it accommodates a large user. In this case the majority of the site is occupied by a bus depot and the presence of this occupier is the main justification for the sites ongoing retention.
- 7.29 However the 2009 update and the Council's Employment Land Position Paper (2010) both note that the adjacent employment uses (i.e. not the depot) are suitable for release.
- 7.30 We have found that demand for industrial space in Enfield has increased perhaps due to a loss of employment space in central areas. Therefore although the layout is not ideal and access to the sites at the rear is restricted the units will have reasonable demand in the short to medium term.
- 7.31 There is some vacant space on the site. At the time of writing two units were available with asking rents of around £11 per square foot.

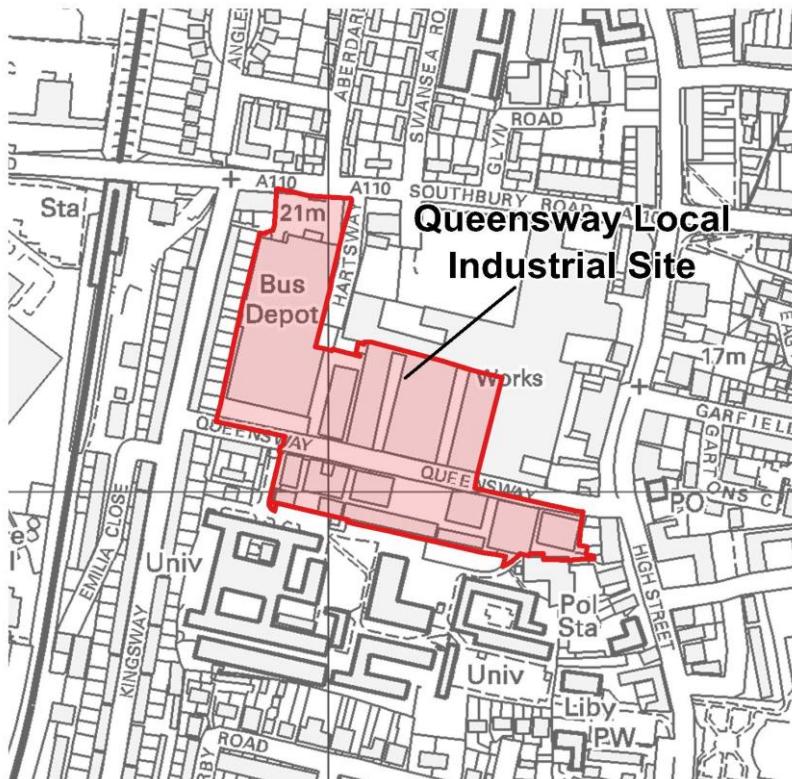
Recommendation: Retain in short to medium term.

Great Cambridge Road Area

- 7.32 Great Cambridge Road includes two broad areas protected for ongoing employment uses.

- 7.33 The Queensway area is protected as LSIS whereas the larger estates to the west are protected as SIL.

Queensway Local Industrial Site



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- 7.34 Like many of the other LSISs the extent of this site was reduced in the Core Strategy to take into account losses which had already occurred over the lifetime of the UDP.
- 7.35 The remaining extent is 3.5 ha compared to 3.6ha on the UDP. However, this disguises the scale of the loss because the Core Strategy brought the bus depot into the protected employment area where previously (like Regents Avenue) the bus depot was excluded. Excluding the depot, the area protected for traditional industry / warehousing declines by over one third.
- 7.36 The estate lies at the northern edge of the former Middlesex University Ponders End campus site and is included in the Central Ponders End Place Shaping Area. The planning brief for the area aims to facilitate the regeneration of the area. The employment area is expected to remain largely as it is because it serves as a useful local employment opportunity.

Figure 7.4 Queensway Industrial Area

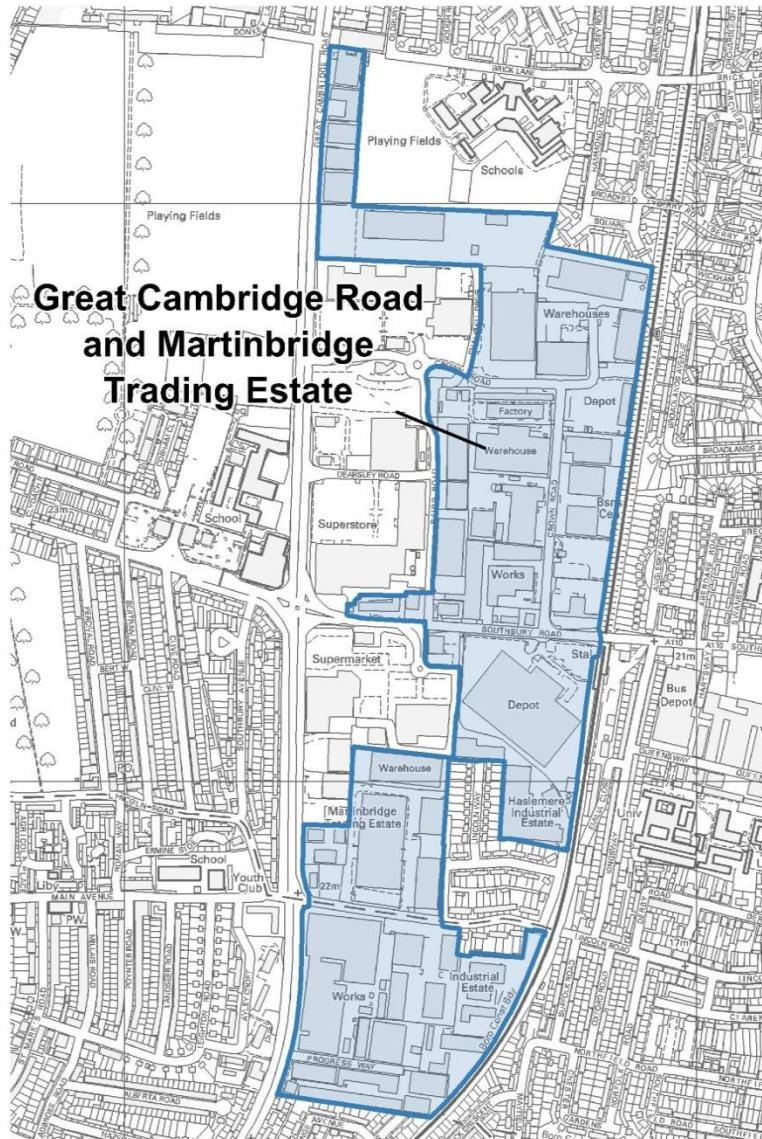


- 7.37 The estate offers a wide range of units including medium sized former manufacturing units now normally used as warehouse units (up to 1,000 sq m) but also smaller 'enterprise' type units. Some are subdivisions of large units, for example, the Queensway Business Centre. The SPD suggests that some units have historic merit and are good examples of early industrial properties.
- 7.38 Reflecting the age of the site most plots have been developed to a high plot ratio with little servicing and parking space. While this is not ideal for modern occupiers, in practice this type of arrangement is common in London and potential occupiers are used to compromising on their access and parking requirements.
- 7.39 Ideally the units would be redeveloped and configured but we understand that fragmented ownership and lease arrangements means that this is not practical. However the standard of the built units is reasonable and the asking rents (up to £8 per square foot) should make it economic to retain the units in employment use.
- 7.40 The redevelopment of the adjacent university site could improve circulation, access and servicing into the site. Also improvements to the general built environment may encourage owners to invest in their own portfolio.
- 7.41 As part of these development proposals at the former university site the needs of the employment area needs to be carefully considered so not to further constrain the site. Parking is already an issue on the site (in common with most other LSIS) and the redevelopment should not exacerbate this.
- 7.42 The estate is also home to the Enfield Enterprise Centre which offers start up units and business support services. At the time of writing the centre was advertising four vacant units ranging between 15 – 40 square metres. The asking rents for these small serviced units are around £12 per square foot.

- 7.43 Outside the Enterprise Centre there is some limited vacant space on the site. The Queensway Business Centre is advertising some small vacant units and a couple of the larger units are on the market.
- 7.44 However this does not appear sufficient to suggest the estate is not in market demand. Instead the vacant space would appear to be part of the normal market churn.

Recommendation: Retain

Great Cambridge Road and Martinbridge Trading Estate



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- 7.45 This is the Borough's main employment area away from the Lee Valley extending to 40 ha. It is a sprawling area of mixed employment, retail, interspersed with some houses. It is broadly split into two areas, north and south of Lincoln Road.

South of Lincoln Road

- 7.46 The southern part of the estate is dominated by the high quality SEGRO Great Cambridge Industrial Estate. The rear of the estate has recently been redeveloped to provide new units ranging up to 1,500 square metres. Quoting rents for new units are around £11 per square foot while the older units to the front of the site are around £8 per square foot.
- 7.47 Currently many of these are vacant although our consultations do not suggest that this is a problem; it is simply because the units were offered to the market at the start of the recession when occupiers are less likely to commit to relocation. They confirmed that the units are in demand and any vacant space should not be taken as a sign that the market is oversupplied at the moment.
- 7.48 Our consultations also suggest that this type of estate operates in the wider North London property market and accommodates demand from a wider area than the nearby Queensway area. So when considering the supply and demand of this type of space the Council needs to also consider the market balance of their neighbours.

Figure 7.5 SEGRO Great Cambridge



- 7.49 At the rear of the SEGRO scheme, Progress Way accommodates older and cheaper units.
- 7.50 At the time of writing, unit 1 (approx. 3,000 square metres) is currently available at £6 per square foot. The smaller unit 2 (1,300 square metres) is also available at £6.50 per square foot.
- 7.51 The units are much poorer quality than elsewhere in the area, especially compared to the adjacent SEGRO scheme. However they meet the need for larger, more cost efficient units, which cannot be made available on the small and fractured portfolio of local quality sites. As noted when we discussed Queensway it is very difficult to assemble sites to provide large units.

- 7.52 Therefore the units of Progress Way perform an important role in the Borough's land supply and despite their superficial appearance should be retained or redeveloped over time. The recent SEGRO investment should demonstrate that redevelopment is viable, although clearly not until the wider property market has improved.
- 7.53 The other main parcel of land south of Lincoln Road is the Lumina Business Park development. This is a mixed use redevelopment site which includes a large amount of car showroom and trade counter space plus a new hotel. Construction has commenced on the hotel accommodation. It is unlikely that the developers will develop the remainder of the site speculatively however this may change if the economic climate improves.

North of Lincoln Road – Martinbridge

- 7.54 The employment area constitutes a large way north of Lincoln Road. Immediately north of Lincoln Road is the Martinbridge estate. The estate predominantly consists of warehouse and distribution units. The units are all old but still in reasonable repair with DHL being the main occupier.
- 7.55 Unit 2 is currently on the market (approx. 3,500sqm) asking £8.50 per square foot.

North of Lincoln Road – Southbury Road and area north

- 7.56 Previous Employment Land Studies for the Borough have said very little about these estates despite their size and importance to the market.
- 7.57 The reason is probably that they are generally unremarkable; meeting the sub regional need for large warehouses (and some remaining manufacturing) in a collection of large standard industrial units. Access and servicing is reasonable to good and units are renewed when needs be to meet modern requirements.
- 7.58 The northern part of the area is dominated by car showrooms and British Car Auctions. The 'finger' extending along the A10 northwards is almost entirely car showroom or self storage.
- 7.59 While such uses are not traditional employment uses the reality of much of London's employment land stock is that these uses increasingly dominate the most high profile (and so visible) employment sites.
- 7.60 There is very limited vacant space. At the moment only one unit on Baird Road is showing as available and none on Crown Road (Verve House; Focus; November 2011).

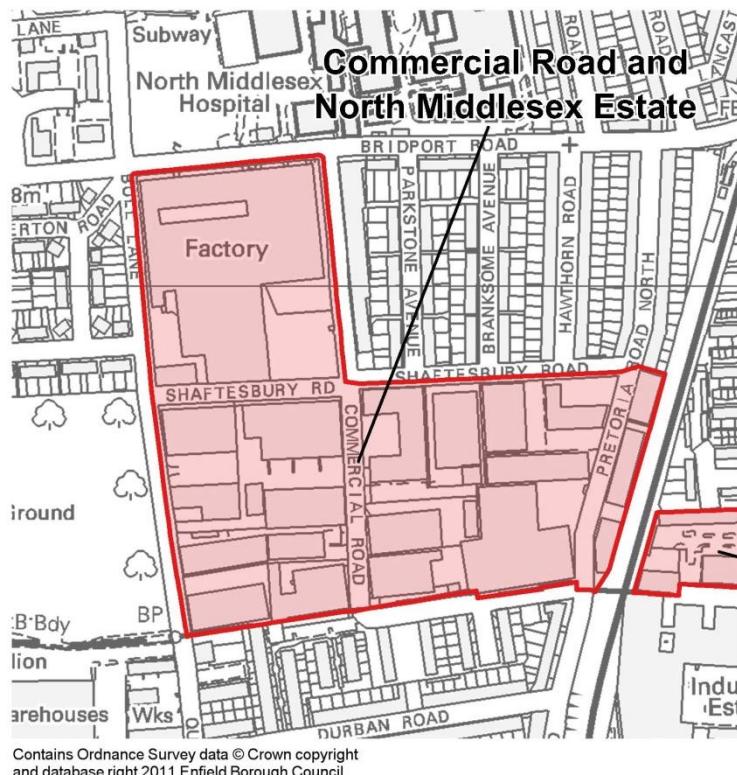
Recommendation: Retain

Central Leeside

- 7.61 The Central Leeside areas includes sites both along the Borough's main industrial spine (A1055), which is attractive to national and regional firms, but also smaller local quality sites further west. The Core Strategy, evidenced by the 2009 ELR released a large amount of land in this area. The starting point for this study is that which remains protected in the Core Strategy.

- 7.62 The area contains the established industrial areas of Montagu Industrial Area, Eley's Estate, the land at Meridian Water, Lee Valley Trading Estate (Harbet Road). The subarea also includes the waste management facilities at Aztec 406 and the Edmonton EcoPark.

Commercial Road



- 7.63 The boundary for the Commercial Road area was amended slightly in the Core Strategy but it remains largely as in the UDP.
- 7.64 Most of the previous employment land analysis for the area remains relevant. As noted previously the units are poor to medium quality and access is less than ideal (being shared with residential areas). However, the area is almost fully occupied and remains in market demand.
- 7.65 The industrial unit removed from the employment area in the Core Strategy (150 Bridport Road) is currently on the market to be re-let as employment space. Aside from that there are only three small units available in the area.

Figure 7.6 150 Bridport

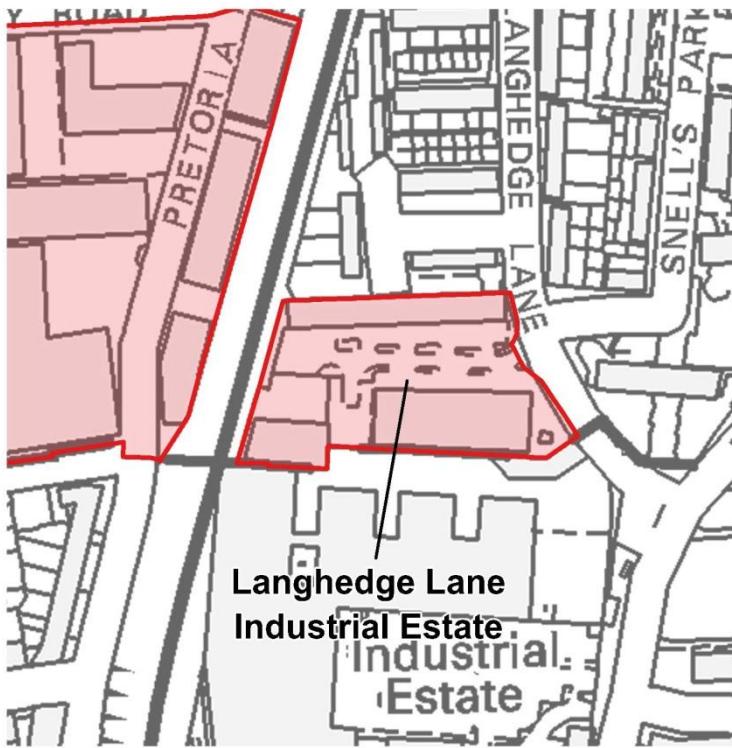


Figure 7.7 More modern units on Commercial Road



Recommendation: Retain

Langhedge Lane Industrial Estate

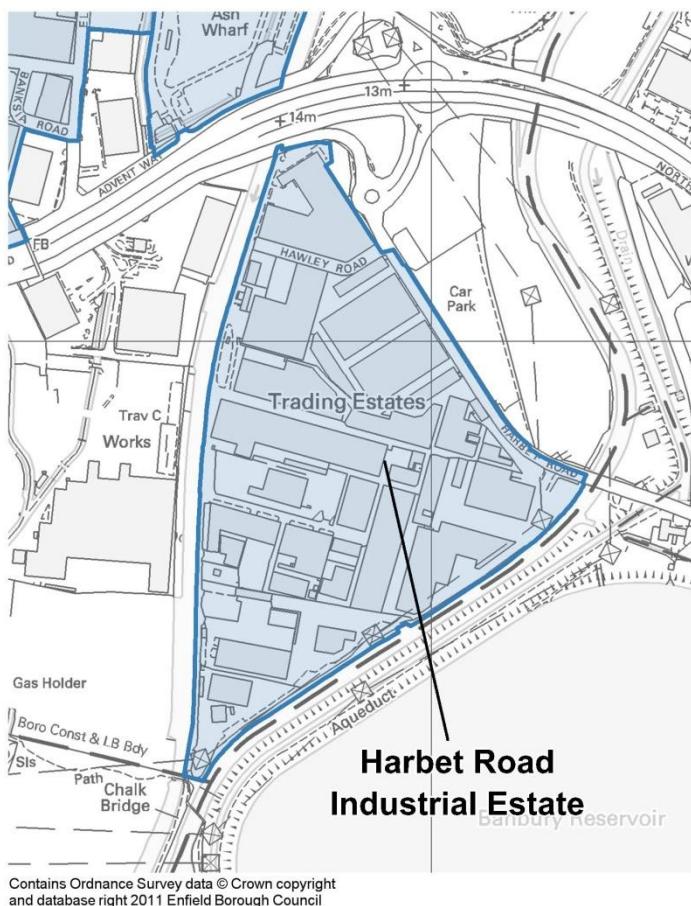


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- 7.66 Adjacent to the larger Commercial Road area is the small Langhedge Lane Estate. This is an extension of a larger area over the Borough boundary in Haringey. The last review suggested that parts of the site were vacant although when searched on Focus nothing was advertised.
- 7.67 Therefore there is no reason to suggest any change in policy approach for this site.

Recommendation: Retain

Central Leeside Business Area / Meridian Water



- 7.68 The area covered by Kimberley Road, Glover Drive, Meridian Way and Harbet Road Estate forms part of a wider employment area known as the “Central Leeside Business Area”
- 7.69 This is a London Plan policy area and straddles the adjoining Boroughs of Haringey and Waltham Forest, with the majority of the area falling within Enfield.
- 7.70 It is a large area scheduled for change as part of the Meridian Water proposals discussed in our policy review. The indicative masterplan illustrating how the estates may be reconfigured is shown below.

Figure 7.8 Meridian Water Draft Masterplan (April 2012)



3 The masterplan

Recommendation: Managed release, reconfiguration and development for new employment space.

- 7.71 This is a very complicated area for the ELR to provide definitive advice about. The development of this part of Enfield is justified not simply to provide new employment space but part of a much wider agenda and push to deliver new homes.
- 7.72 The loss of a large amount of traditional employment space and its re-provision is significant for the Borough. But it is very difficult to make any detailed assessment of this area in the ELR.
- 7.73 This is for two reasons. Firstly estimating market demand for space in this area is difficult. The policy context is well publicised so no occupier seeking long term space would commit to the area nor would the owners be willing to invest significantly in improving the stock.
- 7.74 Secondly as yet there is little guidance to control the new employment space to be provided in the area. How much land remains in employment use is likely to be determined by how much is viable to retain (or promote as new) and desirable given other planning considerations.
- 7.75 At the moment the eastern part of the area, south of the A406, is almost entirely industrial. The master plan re-provides some of this space in two large parcels of SIL although the plan shows these areas as indicative warehousing land. We assume are new large warehouses similar to that found elsewhere in the borough and along Meridian Way.
- 7.76 As discussed elsewhere there is demand for large warehouses in Enfield and this site could meet some of this need. But there is also demand for smaller local quality industrial property, with the LSIS currently being nearly 100% occupied. So consideration should also be given to providing new industrial space which is separated from residential areas and so free of noise or nuisance constraints. There is very little alternative land for this type of development in the Borough.
- 7.77 There maybe merit working towards a new Industrial Business Park on at least part of the site although this would need to more permissive towards large warehousing than the IBP designation may suggest. At the moment the only Industrial Business Park in Enfield is at Great Cambridge Road and while Innova Park may meet some of the criteria to be considered an IBP this is more accidental and related to the original intention for Innova Park to be a science and technology park as opposed to the true Industrial Business Park.
- 7.78 For both warehouses and general industrial we would question the rationale for the 'residential band' shown on the mater plan separating the two areas of SIL. This could limit the development capacity of the two large SIL areas because any employment development would need to be clearly separated from the proposed new houses.
- 7.79 Elsewhere, south of the A406 the master plan makes provision for a number of smaller employment areas although these would be for very light uses which are compatible with the nearby new homes.
- 7.80 The Masterplan area also extends northwards to include the unconnected southern part of the Montagu Industrial area – known as Kenninghall Estate. This at the moment accommodates a number of waste and recycling businesses who benefit from the site's

reasonable access and separation from residential uses. Given the ongoing demand for this type of occupier in Enfield and the growth of the green industries, many of which are connected to waste, this would appear to be a suitable area for them. However, the master plan suggests redevelopment for mixed use so potentially introducing a conflicting use into the land parcel which will make the on-going use of the area for its current uses unviable.

- 7.81 Also as a word of caution; the Council's objective is to secure a large number of new jobs in Meridian Water. To do this on the reduced amount of employment land will require careful control over the proposed uses to ensure that the expected employment densities can realistically deliver the number of jobs. We have not yet seen a breakdown of potential space, with a robust assessment of job densities, which demonstrates that the number of jobs can be achieved.
- 7.82 For Enfield there is a risk that the development will provide space at very low densities and become dominated by car showrooms and storage facilities as has already started to happen on some of the other estates. This type of space is in market demand but may not meet the Borough's employment and skills objectives therefore close control over the mix of uses maybe justified.

Claverings Industrial Estate (including Dominion Business Park and Horizon Business Estate)



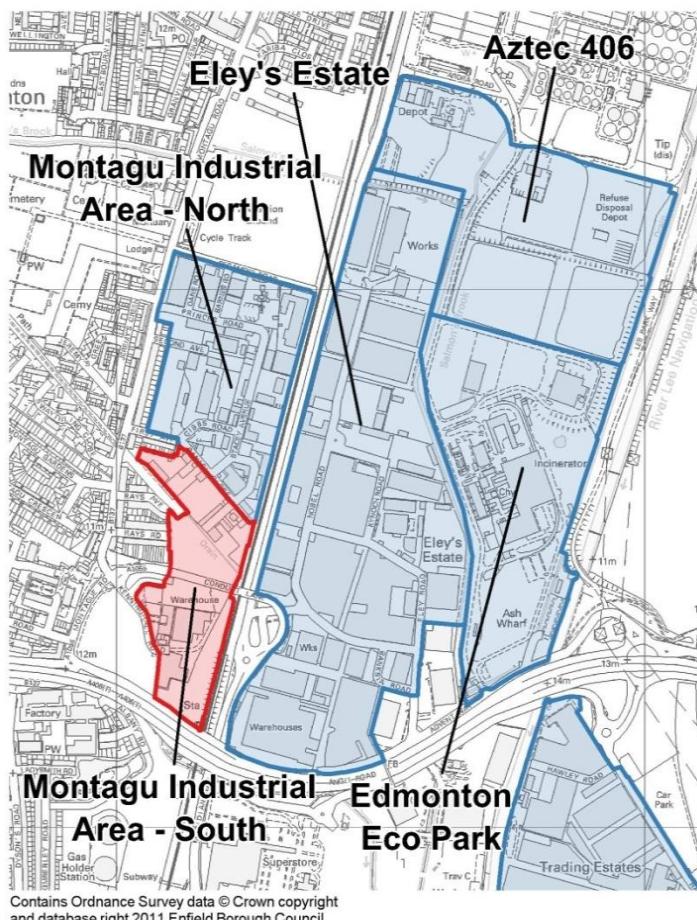
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- 7.83 Unlike most of the Borough's local employment land portfolio, this is not a former Victorian industrial area or a former manufacturing area now being used for warehousing. Most of the area is purpose built for light industrial and office uses although the units are now quite old.

- 7.84 The 2006 Employment Land Study recommended that a partial change of use could be considered in this area on the proviso that any financial return is used to assist with the retention of employment land on the remainder of the site.
- 7.85 The update to the Enfield Employment Land Study (2009) broadly endorsed this recommendation and said that the area should be monitored and/or improved.
- 7.86 There is no reason to disagree with this assessment. There is little evidence of vacant space and the Council (who own the main Claverings estate) is currently only advertising two vacant units. (Unit 1, Triangle Works & Unit 12, South Way).
- 7.87 However the previous ELR'S suggestion that part of the site could be released may be problematic given the estates layout and successful separation from residential uses. If a new mix of uses is introduced, it will need careful management and new residential uses may not be appropriate.

Recommendation: Retain

Remaining Central Leeside Estates



- 7.88 Broadly between the Meridian Water area and the Claverings area is a large swathe of industrial land which is protected as SIL for ongoing employment use. This includes: Montagu Industrial Area, Eleys / Angel Road Estates and also the waste management facilities at Aztec 406 Industrial Park and the Edmonton Eco Park – the largest waste

management site in north London. The southern part of Montagu is within the Meridian Water area and we discuss this along with the wider Masterplan area. .

- 7.89 These SIL sites were discussed in detail in the previous Employment Land Studies and the Council's 2010 Employment Land Position Paper. As protected SIL land there is little question that they should be considered for any use other than major industry which needs separation from potential conflicting uses.
- 7.90 There is some vacant space in the area however this is limited. The most noticeable vacant space is at the southern end of the area and was in retail use. These units are outside of the SIL designation and extending industry into this area is may not be viable given the differences in land and property values for retail vs. industrial. If consideration is given to extending the employment allocation the Council will need further evidence to demonstrate that a new employment scheme is devliverable and viable.
- 7.91 Within the estates there are some units available but agents confirm that the estates remain 'popular' and any vacant space is part of normal market churn. The importance of this reservoir of land will be increased as Meridian Water continues to displace occupiers as part of the regeneration proposals. Occupiers who wish to remain local will be looking at any property that becomes available in this area.
- 7.92 The southern part of the area fronting the North Circular, is in the process of being renewed. Older units are being replaced and redeveloped. Edmonton Trade Park was developed around 5 years ago and the adjacent parcel of land is currently being marketed as a development site (View 406) for new industrial units.
- 7.93 The northern part of the area was added to the employment land portfolio in the Core Strategy. Aztec 406 Industrial Park was previously part of the adjacent sewage works which have now been developed for large warehousing including the Lidl distribution depot.
- 7.94 The Deephams Sewage Treatment Works (to the north) is not identified as employment land (or any other designation in the Plan) but should additional land become available it may be possible to extend the employment area further north.

Figure 7.9 Eley Estate

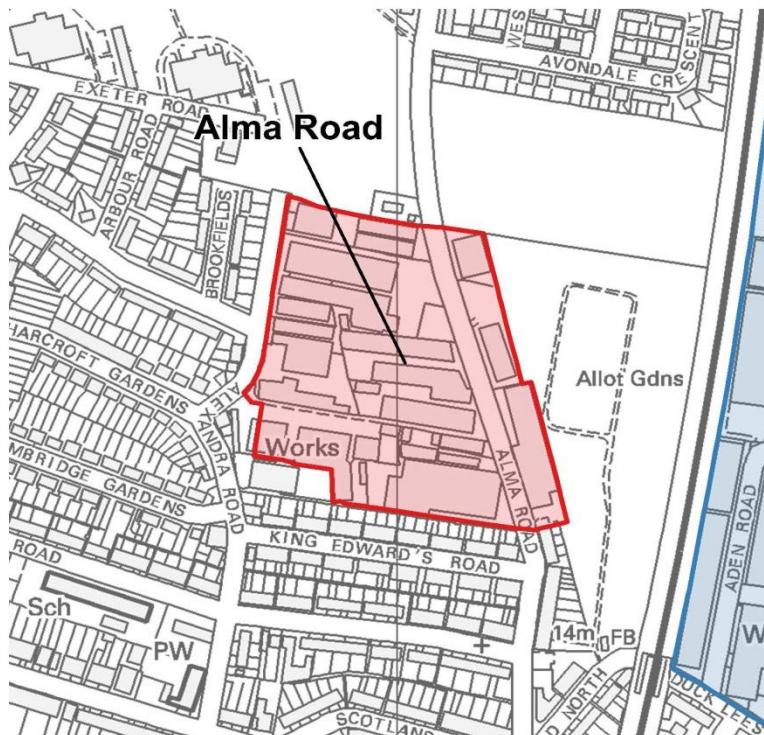


Recommendation: Retain Central Leeside Sites

North East Enfield

- 7.95 North of the Central Leeside area are the Brimsdown and Alma Road areas.
- 7.96 Brimsdown is safeguarded SIL and its future will largely be directed by market demand for the Borough's large sites. However, Alma Road is a local site and meets local demand.
- 7.97 Future management of the area is probably more problematic given its proximity to conflicting uses and poor access.

Alma Road



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- 7.98 This is one of the Borough's most complicated sites to manage. Previous employment land studies have recommended retaining the site for employment use but this recommendation was tentative.
- 7.99 Physically the site presents problems for access and servicing. Many units are in very close proximity to residential uses and some take access from residential roads. The high plot density means that parking and circulation space is at a premium.
- 7.100 The 2009 Update study suggested a potentially problematic level of vacancy:
"The 2006 Employment Land Study previously recommended safeguarding this site, however, the observation of vacant units and the area's residential surroundings suggest the status of the site should be monitored and reviewed on an on-going basis".
- 7.101 Our site visits identified very few units on the market at the moment. The only vacant units we observed were office type buildings (such as those below) as opposed to the industrial/warehouse/motor trade units which appear to be in high demand.
- 7.102 Focus currently only records one industrial property as available (Unit 6, Alexandra Business Centre).
- 7.103 Unfortunately the previous ELR did not record the vacancy rate or the individual units which were flagged as potential problems. So we have limited evidence with which to monitor the level of vacancy. However our search and site visit would suggest that vacancy is no longer an issue.
- 7.104 However, continuing to monitor in the future would appear prudent. If the office space is not let (and owners can provide evidence that they have tried marketing their sites in

accordance with our advice in Chapter 8) then an alternative use may be considered. This is because we do not consider that this area will be a robust office location in the future. However redevelopment for residential may be problematic because units such as that shown below are adjacent to industrial units.

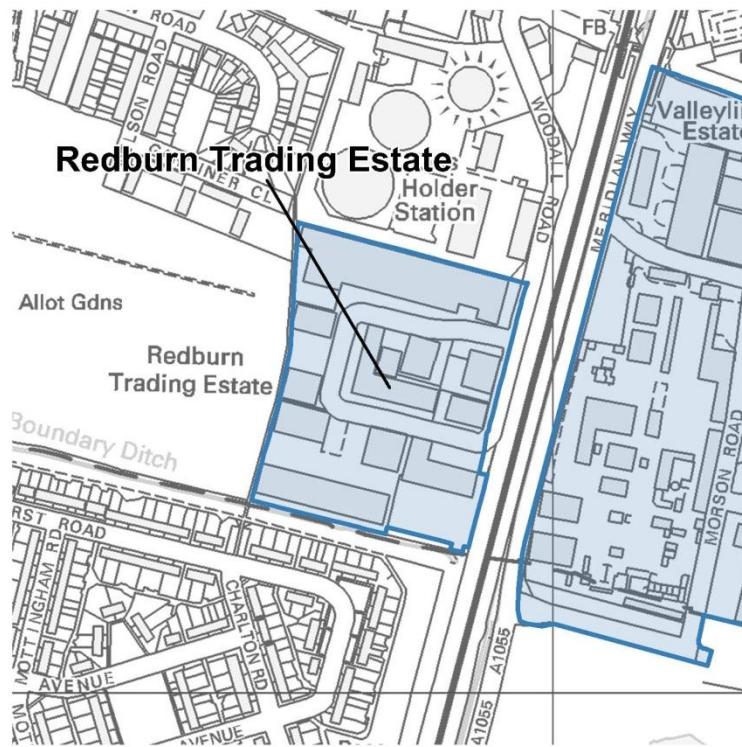
Figure 7.10 Vacant Units on Alma Road Estate



Recommendation: Retain

- 7.105 There are three main SIL sites in this part of the Borough; Brimsdown, Meridian Business Park and Redburn Trading Estate.

Redburn

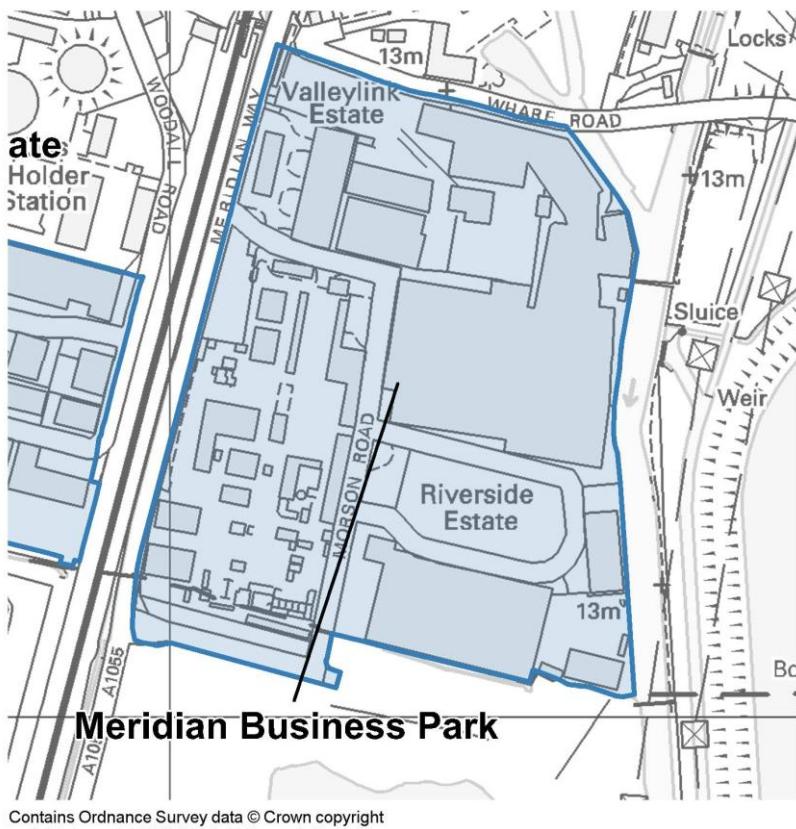


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- 7.106 Redburn is the smallest of the three SIL parcels in the area at around 4ha. In the previous Employment Land Studies it has had a slightly chequered history.
- 7.107 The 2006 Employment Land Study suggested that the site was an ideal candidate for a change of use, but said that it was nearly fully occupied, commanded good rentals and did not frequently suffer void periods. Therefore it recommended that a partial change of use could be considered, provided that it is used to assist with the retention of employment land on the remaining areas. The study highlighted the estate's physical shortcomings including its access and servicing limitations.
- 7.108 However by the 2009 Update this recommendation changed and on going protection was suggested. This reflected the fact that the site was still fully occupied.
- 7.109 This appears still to be the case as there is currently only one unit being marketed (Unit 1, Woodall Road).
- 7.110 The site is adjacent to the former Gas Works site which is currently part of the wider Ponders End regeneration area. This may increase pressure to release parts of the estate for other uses. But at the same time could provide an opportunity to improve the estate access and entrance.
- 7.111 All this considered along with the high level of development actively at Meridian (see below) suggests that ongoing protection is warranted.

Recommendation: Retain

Meridian Business Park



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- 7.112 The second largest parcel of SIL in the area is at Meridian Business Park. This 14ha site has been considered highly in previous studies which noted its good access, servicing and buildings.
- 7.113 The site is currently being regenerated and redeveloped. A large parcel has been cleared for a new two phase development proposal 'Vantage Business Park'. Phase 1 is advertised as:
"a prime new development of 13 high-tech/industrial units ranging from 1,515 sq ft to 2,995 sq ft in an established industrial location within the M25, fronting Morson Road in Ponders End".

Figure 7.11 Vantage Business Park (Meridian)



- 7.114 Elsewhere on the site, land has been cleared for further large scale warehouses. The Navigation Point scheme is being marketed for several warehouses up to 15,000 square metres.

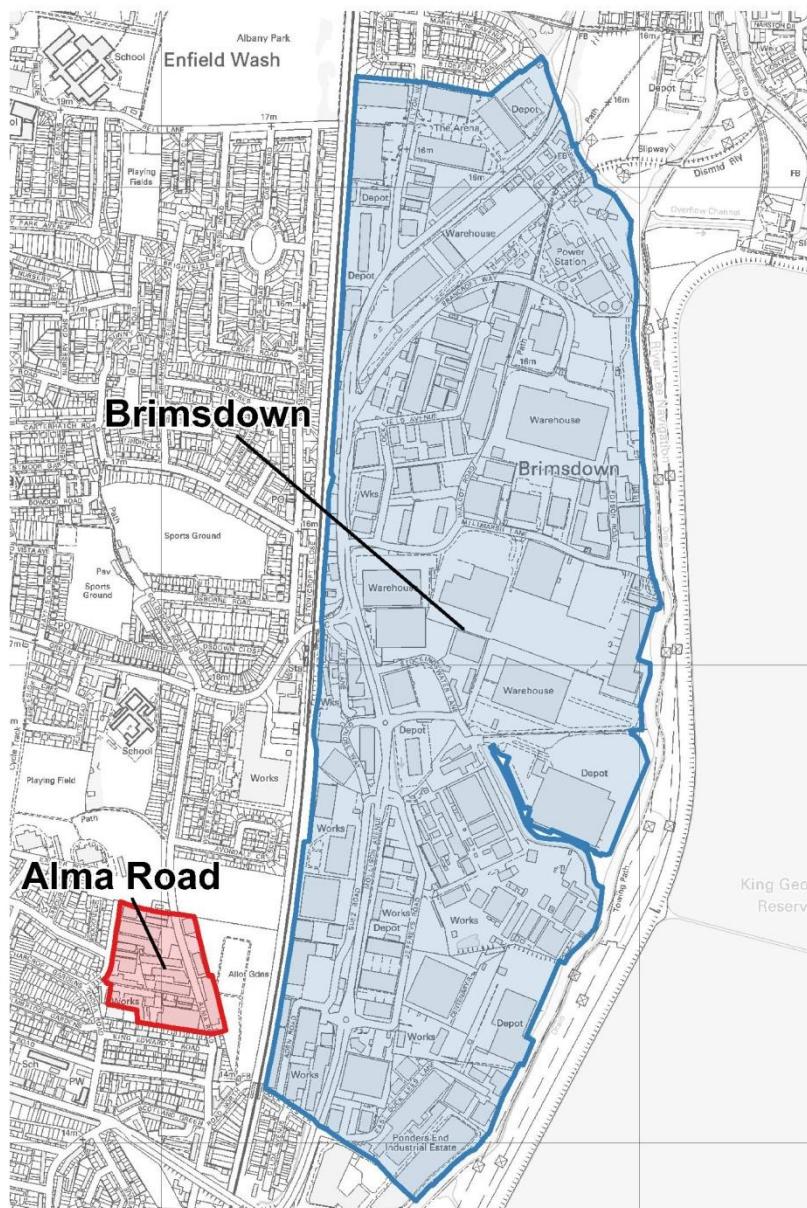
Figure 7.12 Navigation Point (Meridian)



- 7.115 The development activity endorses the strong SIL protection policy for this site and also potentially those nearby.

Recommendation: Retain

Brimsdown



- 7.116 This is another of the Borough's large and sprawling industrial areas. Our consultations show that local agents consider it to be a successful area with ongoing development potential. However, several expressed concern that a small parcel (at the southern end) had been released as part of the Core Strategy; they considered that the whole area, including the de-allocated portion, has potential from a property market perspective.
- 7.117 However, this release is only a very small proportion of the area and over 100ha remains protected. The Council's Employment Land Position Paper details the history of the allocation and justifies the allocation and SIL boundary as it now stands. Therefore we do not repeat this here.

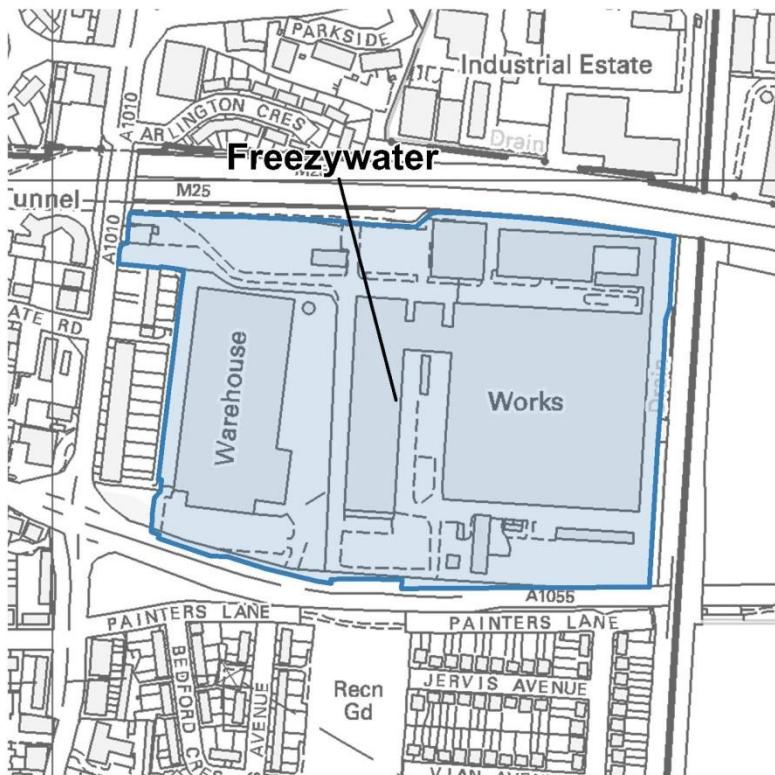
-
- 7.118 As with the Meridian Business Park, the market is showing interest in developing worn out stock in order to meet current market requirements (including motor, self store and large warehouses). Recent completed developments include the Riverwalk Business Park (which targeted some Olympic relocations) and the 10 year old Delta Business distribution park.
 - 7.119 Schemes yet to be fully implemented include the 'flagship' Kier Park scheme which includes a mix of trade counter, strategic warehousing and retail / hotel uses.
 - 7.120 There is more development capacity in the Brimsdown Area for the market to provide yet more space to meet requirements in the future. Our consultations suggest that the market is still willing to deliver more space if sites are brought forward there is no limit as yet to the markets appetite for well located new warehouse property.
 - 7.121 However the Council and its stakeholders have expressed some concern that the increase in strategic warehousing in the area and to the north is causing stress the road network and so undermining what makes Enfield an attractive place for these businesses in the first place. Serious consideration may need to be given to improving access to this part of the Borough to facilitate further development. Agents suggest the Northern Gateway Access Road, if provided, could help.

Recommendation: Retain

Northern Sites

- 7.122 The North of the Borough accommodates two of the newest industrial areas in Enfield at Innova Park and Freezywater.

Freezywater

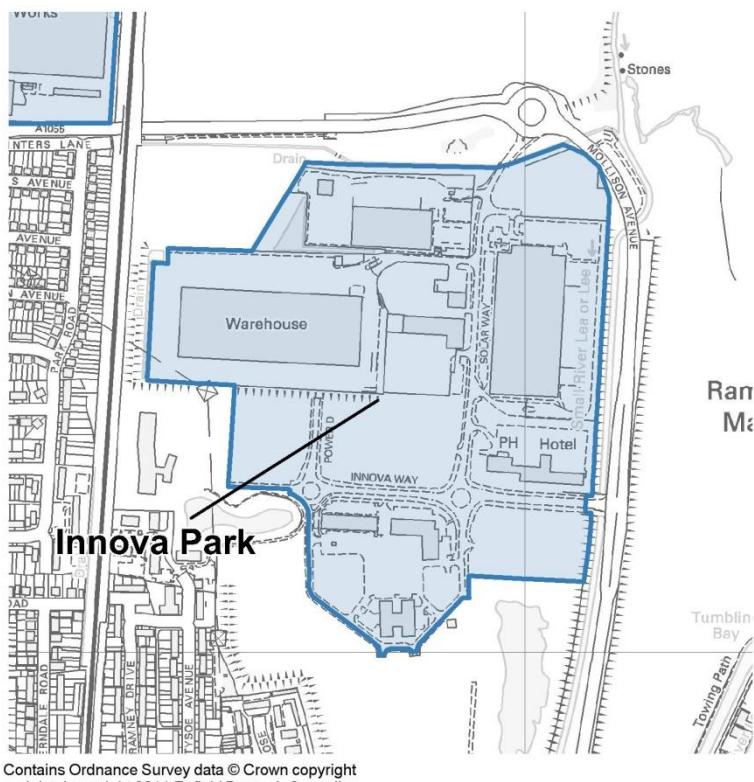


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- 7.123 The 11ha Freezywater SIL site is being built out as high profile strategic warehouses by Gazeley as 'G Park Enfield'.
- 7.124 It accommodates the recent Tesco 'e-commerce' distribution centre. This is the first of a new generation of strategic warehouses built to remove the Tesco home delivery operation from existing superstores and also to support delivery to smaller Tesco Express units.
- 7.125 The final development phases are being marketed at the moment.

Recommendation: Retain

Innova Park



- 7.126 Innova Park is a key component of the Borough's new industrial offer and along with Freezywater forms the northern part of the wider industrial corridor which runs down the western side of the Lee Valley.
- 7.127 The land was formally used as a sewage plant but was considered surplus by the 1990's. Innova Park was originally conceived as a solely commercial element of the Upper Lee Valley, with consent granted in the late 1990s for an office and industrial district to benefit from the location's links to Central London and the rest of the UK via the M25.
- 7.128 However, the scheme later evolved into a mixed use scheme including residential, leisure, retail and education.
- 7.129 At one time the employment element of the site was envisaged as a Science Park with some supporting warehouses. But over time the site has become dominated by large warehouses. The central area retains a high technology focus anchored by the Business Innovation Centre but a number of office units (or floors) are currently on the market.
- 7.130 Major warehouse occupiers include Iceland (RDC), Sony (although this has recently been lost to a fire) and a new John Lewis warehouse. One major warehouse plot remains (Imperial) awaiting pre-let before construction. This is the last major development opportunity on the estate.
- 7.131 This is a very difficult site to provide advice for. The warehousing elements are commercially attractive but the office space was conceived as part of the original science and technology remit and never reflected wider market demand for the site.

- 7.132 This office element of the scheme will continue to struggle, or at least not shine. This is because there is little local Enfield demand and the site lacks critical mass and market prominence to attract large footloose demand.
- 7.133 However there is very little the Council can proactively do through planning to remedy this. There is no new development land for offices and even if made available little demand to bring it forward.
- 7.134 There is a question whether this site should be managed as a Preferred Industrial Location (PIL) or as an Industrial Business Park (IBP). These are both strategic land allocations and benefit from protection in the London Plan (being types of Strategic Industrial Land or SIL). But the intended objective for each type of land is different.
- 7.135 Almost all the SIL within Enfield is classed as PIL, the only exception being at Great Cambridge Road which is classed as IBP.
- 7.136 The rational for an IBP designation, as opposed to PIL is to protect the site for higher quality industrial, small office and R&D which benefit from the 'business park' feel of an IBP.
- 7.137 However this area does not fit well in either designation. The major warehousing and distribution elements of the area fit the PIL designation. The London Plan says that PIL should be main location for large storage and distribution uses. But the offices and small industrial / workshop elements could meet the IBP designation because they occupy a higher quality campus type site.
- 7.138 In terms of land area and market interest the majority of the site is dominated by warehousing, the potential business park elements are the minority. So a simple IBP designation could exclude the main use of the area in order to protect the minority land use.
- 7.139 However a PIL designation could allow 'dirty' uses in the future and undermine the small office campus even further.
- 7.140 The key is that market demand is for large warehouses and an IBP designation is not designed to secure or protect land for this type of use. So the PIL designation better fits the demand profile.
- 7.141 However is maybe reasonable to restrict some uses, especially dirty uses which may undermine the sites clean environment and discourage the small offices and industrial uses but also potentially some of the larger strategic warehouses.
- 7.142 Alternatively the northern elements of the site identified as PIL while the southern (including the offices) as IBP. But this may result on two small policy areas and complicate planning in the area.

Recommendation: Retain

Summary

- 7.143 The table below summarises our recommendations with regard to each site and compares this with the recommendations from the 2009 Update. The comparisons are not always simple because the new plan amended the development boundaries in many areas and released some sites. Also the Meridian Water Masterplan area covers a number of sites and the final pattern of land uses is not yet confirmed.
- 7.144 In summary the 2012 ELR suggests more sites are retained than previously. In general this is because we find the sites generally well occupied and our consultations show a high level of demand for space in the Borough. But also as discussed above some areas (parts of sites) have been de-allocated from the supply leaving only the core employment area remaining.

Table 7.1 Summary of Site Recommendations

Industrial Site	Employment Land Update – 2009	Employment Land Review 2011-12
Freezywater	Retain (Red)	Retain
Innova Park	Retain (Red)	Retain
Brimsdown	Retain (Red)	Retain
Redburn Trading Estate	Retain (Red)	Retain
Meridian Business Park	Retain (Red)	Retain
Aztec 406 Industrial Park	Retain (Red)	Retain
Edmonton Eco Park	Retain (Red)	Retain
Montagu Industrial Area (northern section)	Retain (Red)	Retain
Eley's Estate	Retain (Red)	Retain
Harbet Road Industrial Estate	Retain (Red)	Partial release and re-provide
Great Cambridge Road	Retain (Red)	Retain
Alma Industrial Estate	Monitor (Amber)	Retain
Claverings Industrial Estate	Amber	Retain
Montagu Industrial Area (southern portion)	Amber – southern portion potentially for considered as part of a comprehensive masterplan for Meridian Water	Retain, but close control over the mix of uses.
Commercial Road and North Middlesex Estate	Amber – partial change could be considered provided that it is used to assist with the retention of employment land on the remaining areas	Retain
Queensway	Amber	Retain
New Southgate Industrial Area	Amber	Retain
Regents Avenue	Amber	Retain
Oakthorpe Dairy	Retain (Red)	Retain

8 CONCLUSIONS

Background

- 8.1 The purpose of this study was to assess the future demand for employment land, compare it with the land supply under current planning policies and make recommendations to inform the planning policies of LB Enfield. The existing Core Strategy, informed by a previous ELR from 2006 updated in 2009 seeks to provide for 6,000 new jobs by 2026 with the majority (4,000) to be located in the Upper Lee Valley and 2,000 in other town centres and place shaping priority areas.
- 8.2 Since the last ELR newer employment projections have been prepared by the GLA and the economic climate has deteriorated. There have also been continued losses of employment space elsewhere in London. This has increased the demand for the remaining stock.

Enfield's Economy

- 8.3 Enfield is a Borough in which the numbers of working age population are roughly twice the number of jobs. Whilst employment has been largely flat in the Borough over the past decade, the population has been growing steadily and is projected to do so into the future. Future growth prospects in employment terms will come from servicing its growing population and trying to retain a greater share of this activity within the Borough. With both resident and workplace earnings low by London standards, boosting local prosperity will create a virtuous spiral of economic gain through local expenditure and multiplier impacts.
- 8.4 62% of employment in Enfield is in sectors which do not occupy the type of B-class business space that is the focus of this study.
- 8.5 Despite a large loss in manufacturing employment in the late 80s/early nineties, Enfield remains an industrial borough by London standards. Industrial and warehousing employment accounts for around a fifth of all jobs in the Borough and trying to retain this level of employment means continuing to restructure to meet modern industrial needs. Within the industrial sector the Borough has already seen a shift from manufacturing to logistics type activity and further growth potential can be achieved through encouraging the green and carbon reduction sector as well as parts of the construction sector.
- 8.6 Office employment in Enfield only accounts for 17% of employment which is low by London standards and the Borough has not seen any significant growth in these sectors as has occurred elsewhere in the capital.
- 8.7 The difference between the numbers of jobs in Enfield and the size of the working age population is made up of a combination of out-commuting, economic inactivity and unemployment.

Forecast Demand

- 8.8 The 2009 GLA borough employment projections forecast growth in employment for Enfield of 8,900 jobs over the period 2011-26. This is higher than the previous forecasts of 6,000 that informed the Core Strategy.

- 8.9 Disaggregating the employment forecast by broad land use shows growth of 2,400 office jobs, a loss of -3,000 industrial jobs and an increase of 9,400 jobs in non B space sectors.
- 8.10 Growth in non B space sectors is consistent with Enfield servicing the needs of its growing population. This will include sectors identified as key sectors in Enfield's Local Economic Assessment such as retail, health & social care and the visitor economy.

Offices

- 8.11 The London Office Policy Review suggests Enfield should find an additional 33,000 sq m of office floorspace over the period 2011-26, equivalent to just over 2,000 sq m p.a. Enfield is not however seen to be a major office centre and we would not expect to see any large scale office development. Rather we would expect this demand to be accommodated in a series of small office developments in town centres throughout the borough, concentrated on the existing centres of Enfield Town, Southgate and Innova Park. These offices would provide for the local business service sector identified as one of the LEA's key sectors.
- 8.12 Such offices can also form a component of major mixed use developments schemes such as that proposed at Meridian Water. The Core Strategy states that a new Local Centre is proposed in Meridian Water, to cater for the day to day needs of the new local community that is to be established there. Small local offices may form part of this Local Centre mix.
- 8.13 We do not see any need to make specific new land use allocations for offices as this scale of development can be promoted within the existing Core Strategy policies.

Industrial

- 8.14 For industrial land in Enfield we project a continuation of past trends with a growth in demand for distribution and logistics use and a reduction in demand for general industrial. Unlike most other boroughs in London, Enfield has not experienced a large loss of employment land since 2006. Indeed with industrial land releases in London exceeding the GLA's benchmark guidance there has been some evidence of relocations to Enfield as supply is constrained in other boroughs. One of the key messages from local agents is that the shrinking stock in London as a whole and particularly central London is forcing occupiers to seek property in outer Boroughs. There is a captive market of occupiers who need to locate near to the populations they serve but a shrinking stock of space for them to occupy. This, combined with its excellent strategic accessibility, has reinforced Enfield's role as an industrial location for London.
- 8.15 We think there should be no net loss of industrial land over the plan period. During this period we would expect an increase of roughly 30ha in land for distribution and logistics activity and a reduction of the same amount for general industrial use.
- 8.16 However the market will probably do much of this itself without any intervention from the Council. There is already plenty of evidence that this is occurring on SIL with former manufacturing buildings being redeveloped for new warehousing throughout the Borough and most noticeably along Meridian Way.
- 8.17 Elsewhere, including on the LSIS the units may not be redeveloped but new tenants are less likely to use the units as industrial property and more likely to use them as a base to distribute goods from. This is already the case on many estates and as we note below the

sites are unlikely to improve their quality offer through redevelopment without some overarching estate management and potential intervention.

- 8.18 Road infrastructure and the local capacity to continue accommodating warehousing is one major concern threatening the future of the strong warehouse market. This was reported by local agents who say that without improvements, particularly accessibility to the M25, the attractiveness of Enfield will be harmed. The tipping point, where too many warehouses are provided and traffic congestion so bad it undermines the business case for Enfield has not yet been reached. But agents warn this may not be too far away.
- 8.19 Without demand for large warehouse the main users of large sites in the Borough is manufacturing and green industries. Enfield will continue to face an uphill battle to maintain major manufacturing in the Borough, partly because of the market pressure for warehousing but also because of a national decline of the sector. The positive benefits which may result from the proposed Decentralised Energy Network, providing inexpensive energy to homes and businesses, may give the Borough some cost advantage. But the property market does not appear to have taken this on board yet, at our consultations this was not strongly heighted as a driver of demand. This may gain momentum in the future.
- 8.20 The Green Industries will also continue to drive demand in the Borough. Collectively they are vital to London and a strong rational for protecting many employment sites. However in property terms many share similar characteristics to manufacturing or warehousing units. This is especially the case as the sector becomes increasingly high tech. This makes the management of land, targeted at the green industries difficult. For main planning considerations there is little to separate a unit suitable for green industries from a large warehouse or manufacturing unit. This further adds weight to policies to protect the general stock of land in the Borough.
- 8.21 Not all the green industries are 'clean'. Enfield accommodates a large number of 'bad neighbours' connected with waste and recycling. The control of this land and property will continue to propose a dilemma for the Council. Many occupy large sites at comparably low land values and require separation from residential uses. They are not a dynamic market with most users well established on bespoke sites.
- 8.22 There is obvious pressure to intensify sites and deliver new homes but no land readily available for these types of users to move onto. At the moment most strategic policy seeks to protect them on SIL sites and so buffer them from higher value uses. There is no local evidence to suggest any change of approach. But the Council needs to be mindful that many users are not compatible with residential uses. So decisions on uses within the SIL sites, even small incremental uses, could undermine the viability of the sites. This also applies to sites or applications in close proximity to the sites.
- 8.23 Despite the overall message of no net loss the Council should still strive to identify more land and positively consider any windfalls for new employment space. Central London will continue to displace demand and Enfield is one location which could capture this.
- 8.24 Ideally the Council could allocate new development sites, located and targeted at the growing sectors and policy priorities. But this is not a practice policy response for the London Borough, constrained by the Green Belt. However we are aware that a limited

amount of new development land could be brought forward through a review of the Borough's greenbelt boundaries in the north along the M25 and also east of Meridian Water. Longer term opportunities such as Deephams Sewage Treatment Works may become available over the life of the plan and the Council needs to positively consider how these could be used to support the economy.

- 8.25 This would need to reflect the market conditions at the time and importantly what is viable. But using today's evidence serious consideration should be given to promoting these as employment sites. This is partly because the Council can continue to capitalise from the shortage of space further into central London. But also because we expect some on-going loss of space from isolated sites outside the protected employment areas as planners weigh up the relative merits of sites for employment or other uses.
- 8.26 There is also a role for the Council to support the existing estates and intervening where possible to ensure they remain viable and to provide some newer space. This is particularly the case for some of the local sites where over time ownerships have become fragmented and they lack an overarching estate management function. Most of the space for smaller occupiers is old and while still usable there is very little supply for anyone seeking higher quality property.
- 8.27 On most of the local sites redevelopment and investment is piecemeal and unlikely to lead to an improvement in quality. A piecemeal approach it is also unlikely to remedy some of the common problems associated with these sites on-going operations. This includes their often close proximity to residential areas. Also some of the main problems and constraints, such as lack of servicing, parking and general circulation space are unlikely to be improved without a comprehensive management approach lead by someone like the Council.

Development Management Policies

- 8.28 The Borough has already defined the extent of the employment land allocations in the Core Strategy. The next challenge facing the Borough is developing robust development management policies to control development within these boundaries.
- 8.29 But first we need to consider the potential need to protect employment uses outside of the employment areas.

Protecting sites outside the employment areas

- 8.30 Not all the borough's employment buildings are within the employment areas. In common with other boroughs many jobs are accommodated in isolated units along main roads or in the town and neighbourhood centres. This network of small units is vital to help provide local jobs and services in close proximity to the borough's population.
- 8.31 For many people there is an advantage to have local services such as garages close to where they live. For office uses a network of space to accommodate service industries is just as important (solicitors, doctors, dentists and small start up space).

- 8.32 This is especially the case outside the Lea Valley and Great Cambridge Road area where very little protected employment stock remains and potentially even less if Regents Avenue and the southern part of new Southgate Industrial Area are redeveloped over time.
- 8.33 Our analysis above suggests that the Borough's stock is finely balanced at the moment. This means that even those units outside of the allocated areas cannot afford to be lost in the short term.
- 8.34 So at least for the foreseeable future the Council needs to carefully control the loss of this space. This is especially the case in the west of the Borough where alternative space on protected sites is at a premium.

How to Market

- 8.35 While we have provided some guidance to what type of space is in demand in Enfield the true litmus test will always be whether the owner can successfully let their property.
- 8.36 Because space is at a premium in the Borough it is unlikely that lettable sites will remain vacant for long. However the length of period a site should be marketed for is debatable.

Local Sites

- 8.37 For the local sites, where supply is tight and space offered at affordable rents viable property should be re-occupied quickly – at the most within 12 months if not sooner.
- 8.38 As a minimum good practice guide to effective marketing, we would suggest that:
 - Sites should be marketed by a reputable local or national agent
 - Who can demonstrate a track record of letting industrial space.
 - There should be a visible letting board on the property.
 - Marketing material should be published on the Web
 - Including popular online property databases such as Focus and EGI.
 - Marketing campaigns should be continuous over at least 12 months
 - From when the letting board is erected and the property is advertised online (i.e. not simply from when agents were appointed).
 - A longer period maybe justified where redevelopment or site assembly is needed.
 - Advertised rents should be reasonable
 - Reflecting market conditions and the condition of the property
 - The lease terms offered should be attractive to the market:
 - At least three years, with longer terms, up to five years or longer, if the occupier needs to undertake some works
 - And/or short term flexible leases for smaller units which are appropriate for SMEs.
- 8.39 To judge if marketing has conformed to these standards, the Council needs to be well informed about market conditions, so they can judge what is reasonable in terms of both rents and lease periods. The analysis above has shown asking rents for vacant space within the Borough today.

- 8.40 If owners wish to depart from these benchmarks they should be required to provide comparables, from recent lettings and rent reviews.
- 8.41 In future, to update the benchmarks we would suggest that the Council collect basic market information at annual intervals, as part of the development plan monitoring process. It should consider appointing a panel of agents for this. This is particularly important because local knowledge is needed to put any statistics or quantitative data into context. As well as to better understand the motivation of potential occupiers. At our consultation event the local agents said they were willing to help and welcomed a closer working arrangement with the Council.
- 8.42 Applicants may argue that a property is obsolete and needs redevelopment or major refurbishment to be fit for purpose, when in reality it could be made fit for purpose with repairs, alterations or limited refurbishment.
- 8.43 To avoid this, the Council could require owners to demonstrate that they have offered prospective tenants the opportunity to repair or improve the space. Properties would have to be offered with a reasonable length of lease, perhaps 3-5 years depending on the scope of necessary works, so incoming occupiers can write down costs of improvement over a period of time.
- 8.44 Where properties are offered on short rolling leases of perhaps two years, occupiers cannot undertake even quite minimal works to bring the property up to a reasonable standard. Needless to say, if the property requires the potential occupier to make some investment the achievable rent should reflect this.

Isolated Sites

- 8.45 These criteria and general guidelines may also apply for the isolated sites. However in these cases the Council may decide that an alternative use is policy preferable and not require evidence of marketing. This needs to be looked at on a case by case basis and largely depends whether the unit provides a local service which needs to be close to the local population.

Strategic Sites

- 8.46 Guidance for the strategic sites is more difficult. The market favours large warehouse units which require site assembly and redevelopment but this can take several years. However because the portfolio is protected SIL there is little scope for owners to argue for a change of use so the marketing question is less relevant.

Mixed Use Redevelopment

- 8.47 When seeking redevelopment many applicants will seek a mixed use scheme where they can maximise site value while still meeting the spirit of the employment land policies. In Enfield this is more of an issue for the local sites where the protection policies are weaker.

Local Sites

- 8.48 From a market perspective mixed use redevelopment is unlikely to work for the commercial user.

- 8.49 The strength of the employment areas, including the local sites is that they provide a separation of uses for industrial and other occupiers. Although some sites are constrained, for example Alma Road and Queensway, any conflict is well established and understood by both parties – so should not be used as a justification to remove the industrial space. Any effort to resolve these long established conflicts needs to be addressed comprehensively and not plot by plot.
- 8.50 There is pressure to promote mixed use schemes including light commercial space or offices which applicants argue are compatible with residential redevelopment. But none of the Borough's LSIS are suitable for office type uses – these should be focused in and on the edges of Enfield Town and the four district centres leaving the estates for those users who cannot be accommodated in the town centres.
- 8.51 Vertical separation, where industrial space is provided on the ground floor of residential blocks, should generally be avoided.
- 8.52 As with any form of development there are always some exceptions to the general rules, but successfully vertically mixed schemes are uncommon and nearly always require some form of compromise for one of other of the uses.
- 8.53 There are examples of where good design has been used to mix uses, for example those highlighted in the 2006 Design For London Report: Industry in the City¹³. But agents report this approach is best for larger sites and those where land values are very high and can warrant the increased build and design costs.
- 8.54 From an occupier perspective vertical separation is unattractive, because of the nuisance issues. Residents generally object to the noise, vibration, vehicle movements, parking; loading/unloading, smells etc generated by industrial operations, and industrial business do not want to operate in places where such objections will arise. If a property is consented for open employment use (B1/B2/B8), it is impossible to predict what type of operation may occupy it and what nuisances it may create. On the other hand, if there are restrictions on the use of the property it will not appeal to a large enough sector of the market.
- 8.55 The pressure to maximise the development capacity of the site may result in the loss of valuable circulation and servicing space. From even a cursory inspection of the borough's portfolio it is clear that parking and servicing space it at a premium and redevelopment should ideally provide space at a lower plot ratio increasing the amount of space around any units.

Isolated Sites

- 8.56 For the isolated sites, outside the protected sites, redevelopment opportunities should be viewed on individual merits. For example if the existing garage user can be re-accommodated to their satisfaction as part of the redevelopment scheme the Council should have no disagreement in principle. However where a change of occupier or

¹³ <http://www.designforlondon.gov.uk/across-london/boroughs/all/industry-in-the-city/>

floorspace is proposed the Council needs to be satisfied that the location and design of proposed space is genuinely in market demand.

- 8.57 Where there is no market demand for employment space in the area no effort should be made to force a mixed use solution.

Conclusions

- 8.58 The analysis above has confirmed that the Core Strategy employment policies and protected sites remain relevant, even with the recession. Vacancy rates on the industrial sites remain low and there is development interest to provide new employment space. Although this is for large warehousing and the Council has already concerned that this is burdening the borough's infrastructure. In contrast to the industrial market the office market has seen little signs of life in recent years and we have no expectation of any significant pick-up in this market.
- 8.59 Although there is little cause for concern at present the Council should not be complacent. Positive action is justified to ensure that the portfolio remains fit for purpose in the future.
- 8.60 Where windfall opportunities present themselves, for example by 'tidying up' the greenbelt boundaries or because major land uses become available for redevelopment (sewage works, institutional uses etc..) consideration should be given to securing new space to offset any losses outside the protected sites or to attract footloose investment which may be attracted from other parts of London.
- 8.61 Some local quality sites are clearly more suited to housing (or another use) but they remain in industrial use because there is no new supply of land. There is potential to use receipts from the disposal of old sites, through S106 or possibly CIL, to help provide this new space and ensure new space is affordable. Where major development sites become available adjacent to protected employment sites owners should be encouraged to adopt a comprehensive approach potentially reconfiguring both the new development site and existing employment area with a view to improving circulation and servicing arrangements.

APPENDIX ONE

