

## **BARKER REVIEW OF LAND USE PLANNING RESPONSE FROM THE LONDON BOROUGH OF HACKNEY**

### **Introduction**

1. The Barker Review of the Land Use Planning System goes to the heart of land use planning in Hackney, as it seeks to balance the competing pressures for housing and employment. It is thus helpful for Hackney to participate in the review and to submit evidence on our experience.
2. The Council has already provided comments in response to the consultation on PPS3 and the Treasury consultation on Planning Supplementary Grant, and our present comments follow from our consideration of these topics. We also generally endorse the response of the Association of London Government to the Barker Review.

### **Hackney Overview**

3. In general, Hackney Council identifies two main areas of concern:
  - Understanding the economic benefits of development; and
  - Land supply for economic activities.

## **UNDERSTANDING OF THE ECONOMIC BENEFIT OF DEVELOPMENT**

### **Problem definition**

4. It is considered that the land use planning policy available to Hackney Council has become out of date and in need of wholesale review, in order to become more attuned and responsive to the economic benefits of development in the borough. The ongoing Local Development Framework process is tackling the lack of proactive Hackney-based planning targets and measures that prioritise economic competitiveness, efficiency, the contribution to national economic prosperity and wealth creation. This will then enable Hackney to promote its comparative economic advantages such as proximity to the City, its arts / media based industries, and its cultural diversity.
5. The Council recently completed an Employment Land Capacity (growth options) study. This demonstrated that the Hackney economy has restructured in response to globalisation through replacement of traditional manufacturing with new activities. As manufacturing moves out (to emerging economies such as China, India and recent EU accession territories), it is has been replaced by sharp growth in banking, media, creative activities and employment, based on small firms. The study concluded that this restructuring process is now at a mature stage.

6. A final draft executive summary of the Employment Study is available from:  
<http://www.hackney.gov.uk/index.htm/ep-local-development-framework-856/ep-evidence-base.htm>
  7. The evidence suggests that this new economic growth, particularly in Small and Medium sized Enterprises (SMEs) is constrained by shortages of low cost work premises of the right size and specification. A factor underlying this shortage is pressure for residential accommodation, especially affordable homes. This situation is manifested in related trends:
    - Owners of former industrial manufacturing premises tend to hold on their vacant properties in the hope that land values will increase through planning approval for residential development. Comparison with residential value also increases rent and overhead costs to existing employment uses.
    - Housing developers, including some Registered Social landlords (RSLs), land bank and promote grant assisted housing projects in designated employment areas, although their proposals are not always in accordance with the development plan.
  8. The Council is thus faced with pressure to permit housing in areas that do not enjoy the benefits of a residential environment and infrastructure (schools, open spaces, local shops). Indeed, where residential uses were approved in employment areas, new residents have complained about disturbance from existing employment uses.
  9. This situation risks displacing from Hackney growing economic activities which contribute, as demonstrated by studies, to national prosperity, local employment, social cohesion and community welfare through work.
  10. A further push factor affecting local economic activity is the cumulative effect of uses such as estate agency, entertainment, hot food takeaway, betting and gaming. These uses are not easily regulated through planning, tend to command higher rents than SMEs, and have external effects such as noise and litter.
  11. It is contended that the housing need argument for housing development on employment land is misplaced. The Council's Housing Land Capacity study prepared for the Planning Service by Entec Consultants in 2004/05 shows that regional housing supply targets can be met without compromising the employment base. The study recommends planning interventions to bring forward assembled and prepared housing sites, and properly planned mixed employment and residential uses.
- Cause: weakness of economic development policy**
12. It is felt that the underlying cause of the above problem is that the economic development policy voice is weaker than market and policy

pressures for housing supply. The land market and political systems signal requirements for housing land supply over the case for planned and balanced sustainable land allocation to housing and employment uses, in the right place with efficient spatial arrangement of infrastructure and amenities.

13. However, the position and power of the land use planning system to balance land supply allocations is constrained. At this time, land use planning in England is challenged by a multi-faceted reform and delivery agenda. There is a severe shortage of planning staff, qualified and experienced to comprehend and forward plan in the above context. The result is a focus on delivering reform outputs and productivity, but not necessarily efficient, effective and balanced land use planning.

**Solution: up rate economic development services**

14. In Hackney it is felt that the solution is an up-rating of local authority capacity regarding economic analysis and employment promotion. This does not mean developing economic development systems and procedures that simply pull economic activity from one area to another.
15. Specifically the capability of the land use planning system to support economic development should be restored, (within recognised constraints regarding anti-competitive intervention). In particular, regeneration policy direction and implementation expertise is required to foster the comparative economic advantage of Hackney's location and resources through supporting innovation, agglomeration and clusters that supply and complement competitive economic activities.
16. In this respect the employment study recommends a bundle of criteria-based policies to protect employment land, based on the principle of no net loss of employment floorspace.

**LAND SUPPLY FOR ECONOMIC ACTIVITIES**

**Problem definition**

17. The Council considers that Hackney is not adequately supported for economic development promotion, specifically to protect and bring forward a supply of suitable and low cost premises for economic activities. Invest in Hackney advise developers, and could do more with additional funding. However, with full employment in London, economic development is not perceived as a regional priority. Yet in Hackney, high unemployment and associated social issues remain serious concerns.

**Cause: dispersed organisation structure for economic development**

18. The organisation structure of local authority-based economic development advice and implementation was dispersed during the 1990s to regional bodies, Business Link and arms length organisations such as Invest in Hackney. As a result, local authority coordination of

physical development schemes, training and business development is weakened.

**Solution: enhance economic development expertise**

19. There is the opportunity to review local authority-based structures and organisations with a brief and expertise in economic development schemes, in particular to protect and enhance the quality of employment premises.
20. In Hackney there is a specific opportunity for both affordable housing and low cost work space in linked mixed development schemes. The Council has negotiated such developments, and has persuaded RSLs to partner with work space providers to meet housing and employment objectives. It is intended to produce a Supplementary Planning Document for mixed use development that builds on our practical experience regarding development and co-location of employment activities and homes.

**Conclusion**

21. The Council believes that a simplistic approach to the allocation of land for housing purposes which favours regional and sub-regional targets is inappropriate in inner urban contexts, such as Hackney. We hope that our submission indicates the level of analysis and more detailed context, which is necessary to provide sustainable solutions, rather than top-down, imposed measures.

28/03/06

CB/JFS