

LONDON'S BUSINESS IMPROVEMENT DISTRICTS

Rt Hon George Osborne MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

10th March 2015

Dear Chancellor,

London has a serious housing shortage – no one would deny that. But creating space for new homes should not come at the expense of the jobs and business opportunities that draw people to London in the first place. A thriving London is absolutely crucial to the improving economic performance of the UK, which is why we **38** Business Improvement Districts (BIDs) are working together to campaign on a key issue that is fundamentally threatening the vibrancy of our local high streets and is significantly damaging commercial activity across the nation's capital.

There are currently 41 BIDs in London. In 2013, when there were only 32 BIDs, BID areas included more than 7.6% of London's firms and 11.3% of London's total employment.

As part of its strategy for tackling the housing shortfall, the Government reformed the planning system to create greater flexibilities for the conversion of certain types of office space into residential property. Between May 2013, when the extension of this Permitted Development Right (PDR) was granted, and July 2014, 2,000 prior approval applications for office to residential changes of use were received in London. This is the equivalent of around 17,000 homes.

However, growing evidence suggests that this is coming at the cost of local jobs and small businesses. The Greater London Authority estimates that four million square metres of office space could be at risk because of the PDR extension, which could mean the loss of up to 340,000 jobs across the capital.

- In the London Borough of Camden, 2,500 jobs have already been lost as a result of office space being converted to homes and small businesses being 'turfed out' of the neighbourhood.
- In the City of Westminster there has been a net loss of 167,000 sq. metres of office space to other uses, 75% of which was to residential.
- Despite also being in the CAZ, London Bridge is shortly to lose Fielden House (3,500 sq. metres of office commercial space) and Capital House (4,079 sq. metres of education support facilities.) This represents roughly 700 jobs located in these spaces over 10 businesses.
- Connect House in Mitcham is being transformed into residential units at the expense of a large SME community.
- 2,705 sq. metres of office space in Burford Rd, Stratford E15, containing 23 SMEs is under threat.
- In Bermondsey, decreasing office space available means that landlords are increasing rents in what space is available, in some instances by 75%.

There is no guarantee that the additional housing created through the PDR extension is accessible to those who need it most, as there is no requirement to provide affordable housing contributions. Furthermore, developers have a financial incentive to convert the very best office space available, such as commercial property in key business hubs with good transport links and amenities. This means that the problem of vacant commercial premises will remain. And given the complex nature of ownerships and market conditions it is reasonable to assume that this is permanent change and that this stock will never be returned to office use.

As BIDs that are democratically appointed by local businesses in London to make neighbourhoods better for living and working, we are concerned that the PDR extension is taking decision making about the economic and social make-up of communities out of the hands of local people, local representative bodies, and local partnerships. Therefore:

'We call on this Government and the next Government to implement and maintain a full exemption for Greater London from the office to residential PDR, and to explore more sustainable and effective options for new homes that are affordable and do not cost local jobs.'

Yours sincerely,



Simon Pitkeathley, Chief Executive, **Camden Town** Unlimited & Chair, GLA BIDs Advisory Group
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On behalf of London's Business Improvement Districts:

Ilker Dervish, Chair, **London Riverside** BID & Chair, GLA Industrial Estates Advisory Group

Richard Dickinson, Chief Executive, **New West End** Company

Sarah Porter, Chief Executive, **Heart of London** Business Alliance

Ruth Duston, Chief Executive, **Northbank** and **Victoria** BIDs

Ted Inman, Chief Executive, **Southbank** Employers' Group

Peter Williams, Chief Executive, Better **Bankside**

Giles Semper, Executive Director, **Vauxhall** One

Nadia Broccardo, Chief Executive, Team **London Bridge**

Kay Buxton, Chief Executive, **Paddington** Now

Penny Alexander, Chief Executive, **Baker Street** Quarter Partnership

Lee Lyons, BID Manager, **Fitzrovia** Partnership

Ann Hunter, Chief Executive, **Ealing Broadway** BID and **West Ealing** BID

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Colin Newton, Chairman, **Kimpton** Industrial Park (Kippa) BID

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Cathy Low, Project Director, **Stratford** Renaissance Partnership

Graham Willins, Secretary, **Willow** BID

Rai Holdstock, Chair, **Ilford** BID

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Matthew Sims, Chief Executive, **Croydon** BID

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Simon Cripps, Chairperson, **Purley** Business Association

Judith Roscoe, BID Coordinator, **Garratt Business Park**

Russell Dryden, BID Manager, Blue **Bermondsey**

Ken Burgess, Chair, **New Addington** BID

Chris Wyles, Chairman, **Hainault Business Park**

Elly Foster, Chair, **Brixton** BID

Amanda Faul, Deputy CEO, **Waterloo** Quarter BID

Andy Stubbs, Chief Executive, **Harrow** Town Centre BID

Fawaad Shaikh, Operations Director, **E11** BID

Jeremy Keates, BID Manager, This is **Clapham**

Louise Abbotts, BID Manager, in**Streatham**

CC.

Boris Johnson, Mayor of London and Chairman of the London Enterprise Panel

Rt Hon Danny Alexander MP, Chief Secretary to the Treasury