

The Royal London Mutual Insurance Society Ltd response to Policy J/AW

It is understood the Councils are still refining the nature and scale of the employment floorspace the policy will apply to, the affordable workspace percentage to be applied to total floorspace, the level of discounts applied to different areas of and payments in-lieu calculations.

It is considered that a requirement for a prescriptive percentage provision of affordable workspace over a fixed period, or in perpetuity, will challenge the deliverability and viability of some commercial development. This will not enable development to respond to market signals in an effective way and the application of this policy, when developments reach a certain amount of new (net) employment is an inflexible approach. This would contradict part 1 of the policy which requires affordable workspace to meet a local identified need, therefore, this policy is considered to be unsound.

We would challenge the draft policy's requirements that affordable workspace should be delivered before or at the same time as 50% of the non-affordable workspace. Based on our understanding of the science and technology occupier market, start-up business prefer to co-locate close to established, more mature, businesses so that they can fully take advantage of the clustering benefits which can in turn drive innovation. Part 4, as drafted, therefore may not properly reflect market signals and again may hinder quick delivery of floorspace within the early parts of the plan period.