

M62 Written statement from Just Space (2718)

Land for Industry, Logistics and Services to Support London's Economic Function

Are policies E4, E5, E6 and E7 consistent with national policy and would they be effective in helping to ensure that sufficient suitable land and premises are available to meet the quantitative and qualitative needs for all foreseeable types of industrial activity over the plan period?

For policies E4 to E7 to be effective, this would require both that the policy of nil net loss (E4) is possible to implement in practice and that the new policy of co-location and intensification (E7) does not serve to facilitate further loss of industrial land to residential or bland mixed-use development without industrial uses. The evidence so far from local authorities in London who have been experimenting with various 'mixed use' designations on industrial land suggests that, despite planning policies that include guidelines on the % of employment upon redevelopment, these policies appear to have been difficult to implement or enforce, resulting in mostly residential development with little commercial space, let alone workable industrial space¹.

This is largely due to the ever increasing targets for housing delivery being placed on local authorities, which makes it difficult politically to take a strong stance on delivery of industrial capacity. The combined impact of policies E4-E7 is likely to be continued loss of industrial capacity, as local authorities try – and fail in practice – to secure industrial capacity through mixed use redevelopments facilitated actively by the new London Plan policy, whilst at the same time further loss is guaranteed associated with the 36% or so of industrial sites that lack any policy designation and are not included in the Nil Net Loss policy. Thus, whilst we try to achieve increased mix on some sites, at the same time we would continue to lose the fine grain of mixing that has been a natural feature of the city, a consequence of failed 20th Century attempts to remove non-conforming uses from residential areas and town centres. So, **the London Plan should not be over-optimistic in assuming its policies will be easy to implement at the local level, and wherever possible, it should be careful to not unintentionally facilitate further real estate speculation and rising hope values.**

Although they are a step in the right direction, together Policies E4-E7 lack ambition and vision, in the face of the industrial and low cost workspace accommodation crisis London is facing and its severe implications for London's communities as well as strategic economic functions. Under the previous London Plan industrial land was released at 3 times the London Plan's target for managed release between 2011-15. The new London Plan

¹ Ferm and Jones, 2016, Mixed-use 'regeneration' of employment land in the post-industrial city: challenges and realities in London
<https://www.tandfonline.com/doi/abs/10.1080/09654313.2016.1209465>

should therefore embrace more positively the opportunities for growth in London's industry (beyond simply servicing London's growth). The title of Policy E4 itself (Land for industry, logistics and services to support London's economic function) suggests a rather unambitious role for industry in London.

The proposed approach ignores the role of real estate speculation for residential conversion in displacing economies of local, regional and national importance from London's industrial land; and through insufficient breadth of its safeguarding risks damaging the new and emerging economic activities which are beginning to make use of such sites for new recycling, repair, manufacturing and industry, that could make a contribution to a more environmentally sustainable economy for London.

Relying solely on the evidence base (whose methodology is based on employment projections and translating this into floorspace and then land requirements) fails to acknowledge the potential positive role of planning in actually setting out a vision and providing opportunities for growth where they have previously been stifled. The London Plan should support the goals of the emerging London Industrial Strategy. We strongly urge the GLA to work jointly across its teams as the London Plan plays an essential role in securing potential capacity for existing sectors to thrive and new sectors to establish and grow.

a) Are the industrial job growth projections and associated estimates of land and floorspace requirements justified?

In relation to the projections and estimates supporting the industrial land policies, the Plan does not seem to take a similar approach to that for housing, despite an acknowledgement of the extent of unplanned release. For housing, the evidence base looks at future demand and backlog in order to identify annual targets. More clarity in the Plan on future demand required. We support the proposals of Vital OKR in their original consultation response: 'We suggest that the preferable way forward would be to set targets for increases in industrial accommodation, per borough, or per smaller chunks of London. This would follow the prompt given by evidence of supply shortage and need, and would clear away all residues of previous managed shrinkage policies.'

b) Is the aim of ensuring no overall net loss of (i) industrial floorspace capacity and (ii) operational yard space capacity across London in designated Strategic Industrial Locations (SIL) and Locally Significant Industrial Sites (LSIS) justified and realistic, and would achieving that objective ensure the availability of a sufficient quantity of land and premises for industrial uses?

We strongly support the policy of nil net loss on SIL and LSIS.

Strategic industrial location loss cannot be replaced and its absence would limit local employment opportunities and the provision of essential goods and services. These services underpin local communities and local business; for example, local commercial vehicle servicing is essential to many businesses. Similarly, the loss of this land negates the potential for increasing recycling and remanufacturing. Strategic industrial locations are critical, also, in that they provide for many ethnic minority business start ups, most of which serve needs within those communities, the importing and distribution of food, for example. These permit the growth of the restaurant economy; providing for lunch and evening trade requires local supplies to minimise wasted travel time. SILs are key aspects of local wealth creation. They diversify local employment opportunities and encourage the retention of important skills. The manufacturing and recycling components either contribute to exports or limit imports. They offer sustainable, local opportunities for business starts including new manufacturing processes.

SILs in Greater London are close to our main scientific universities and are important in the generation of new science based business creation. Moreover, in line with a strong cultural economy like London many of the peripheral, low value industrial uses actually support directly some of the higher value creative industries, i.e. model making for design or architecture firms, production of materials for cultural industries, museums, exhibitions, food products for key restaurants, etc. In sum, threatening the location of some of these can have a wider impact on other London economic sectors. In London, where the high presence of financial and investment industries with high profits contributes to bringing up the prices of commercial space, industrial services with moderate profit making capabilities find it challenging to find suitable space and maintain their businesses. And they are essential to the operation of the whole economy and the daily needs of residents.

However we are concerned that there are many exceptions to this policy, which will undermine its impact:

- A major failing of policy E4 is that nil net loss does not apply to Non-Designated industrial land which provides 36% of industrial accommodation in London. This should be redressed otherwise there are high risks of further rapid erosion and impacts on businesses and communities.
- We challenge Policy E4 point E which encourages the release of industrial land in well located areas. This is likely to push up the value of such industrial land, making its conversion to housing more profitable for owners and developers, thereby making redevelopment for other uses less viable, and placing further pressure on borough planners to grant planning permission. Instead, these are the areas which should be the focus of the Good Growth 5 intention to spatially distribute London's economy. The policies should also set out the planning mechanism to deliver the outer London economic specialisms concept, as there is currently no policy.

- Principle of no net loss does not apply to sites previously used for utilities/transport infrastructure (para 6.4.5B). These sites might be good sites for other industrial uses. There is a lack of acknowledgement of how hard it is going to be to identify additional capacity for industrial uses moving forward.

We also have concerns about its effective implementation and monitoring locally:

- the London wide application of the policy is too broad and allows for easy manipulation and double counting. Site based nil net loss policy (with some exceptions) would be stronger and easier to manage/implement/monitor.
- There needs to be a baseline map of all industrial accommodation to measure the policy against. Boroughs should carefully audit industrial activity and map industrial accommodation across their area, and in their Development Plans should clarify the planning status of all industrial sites, refining policies maps and introducing designation where appropriate.

We are concerned that the policy does not set out a strong and clear direction for the protection and provision of wholesale markets which are central to food security issues in London.

- E4 F refers to protecting 'efficient wholesale market functions' while seeking to 'consolidate composite wholesale markets'. Without further guidance and criteria for assessing efficiency in this case the Policy is open to interpretation and abuse. This is particularly worrying given the recent plans regarding the sale of the Barking Reach Power Station to City of London² who is exploring the option of relocating its three wholesale food markets (Billingsgate, Smithfield and New Spitalfields) from Central London and Stratford on this outer London site. These are markets with a long standing presence and a complex array of supply chains and interdependencies with local economies and local communities, as well as serving strategic functions for the whole of London. Consolidation in this case would have significant impacts for transporting necessary goods, especially for those whose livelihoods are based on small scale retail markets or small food businesses (catering, A3 and A5 licenses) and who do not live near Barking and Dagenham, as well as for congestion of traffic in that opportunity area. This neither encourages nor supports Policy GG3.
- A better proposal would be to have industrial sites in the four corners of London which are effectively large food hubs, selling wholesale foods, having light industry associated with food processing/manufacture, identifying nearby MOL or brownfield good for food growing and developing around them hubs for training, packing, distribution and

² <https://news.cityoflondon.gov.uk/city-corporation-acquires-barking-reach-power-station-site/>

light processing, etc. These would, over time develop local networks for circulation and could invoke a localised circular economy, based upon use of food waste and recycling. In fact these would be excellent sites for developing the use of waste-based energy production, small scale livestock and compost. For more details on food hubs please see the Just Space consultation response on Policy E9 and the Community Food Growers Network written statement on M69 in relation to policies G6-G9.

- c) Are the borough-level capacity categorisations (“retain”, “provide”, or “limited release”) set out in Table 6.2 justified, and would the proposed approach ensure a sufficient quantity of land and premises in different industrial property market areas?*

Designating individual boroughs as ‘retain’, ‘provide’ and ‘limited release’ may not be helpful. Demand for industrial does not follow borough boundaries and providing any new industrial land and accommodation is going to be difficult. The London Plan should strive for additional capacity wherever it is possible to get it rather than effectively discourage most boroughs from providing new capacity.

Part D should focus on where such provision should be particularly encouraged, but avoid prioritising where capacity should be retained as this gives an easy get out clause to many developers.

Boroughs in the limited release category have been identified as such because they have industrial land vacancy rates above the London average (para 6.4.8). But there is a lack of understanding of the causes of this vacancy. Industrial developers and occupiers indicate that there is high demand in these boroughs, so vacancy could be due to lack of adequate infrastructure to support industry, poor quality of buildings, inflated hope values/ land banking. There is a lack of detailed research on this issue, and it is simplistic to assume vacancy signals lack of demand. Industrial accommodation needs to be fit for purpose.

As a minimum, Just Space would support the removal of the ‘limited release’ category, or even better require all London boroughs to identify new industrial capacity, acknowledging the practical difficulties of doing so, and subject to annual monitoring.

- d) Are there parts of London where significant amounts of additional industrial land are likely to be needed in addition to that which is currently in use and/or designated?*

Given the extent of the challenge of making new provision that meets the needs of diverse businesses and enterprises, we strongly recommend

identifying new capacity across all London Boroughs; areas of priority could be:

- in all parts of London where industrial accommodation has been lost and where it is currently earmarked for release/redevelopment in planning applications, Opportunity Area frameworks etc

- areas in Central London where additional capacity would be needed to support last-mile distribution, servicing etc. This needs to be linked to Policy SD4

- areas in Outer London that would be sustainable for the creation of food hubs.

e) Is the approach to assessing floorspace and yard space capacity set out in paragraph 6.4.5 – 6.4.5B based on existing floorspace or floorspace assuming a 65% plot ratio (whichever is greater) justified and would it be effective?

Where there is reference to ‘floorspace’ it should be made clear that this includes operational yard space. Floorspace thus defined should be what policy (such as no net loss) applies to. The alternative to a measure of existing floor space should be 100% of site area, not less.

Yard space can in some cases be 100% of the site. We note the example given by Vital Old Kent Road in their consultation response.

f) Is the approach set out in Policy E7D towards “non-designated industrial sites” (36% of total amount of industrial land) justified and consistent with national policy?

We are concerned that this policy would severely undermine the objectives to increase industrial capacity and would further the loss of valuable accommodation. The policy should be encouraging mixed use over residential, not suggesting that the two are interchangeable. It should also be more prescriptive about the type of uses to be accommodated in mixed use and the priority for industrial uses currently on site to be accommodated on site. Secondly, the wording of this policy is very encouraging to developers and will result in much release of non-designated industrial sites. Point D does not provide sufficient protection to non-designated industrial sites, especially as these are not covered by Policy E4. We are concerned about the differential approach – mixed use/residential is allowed via planning applications in this case, rather than keeping a strategic oversight.

g) Would policies E4-E7 provide an effective strategic context for the preparation of local plans and neighbourhood plans?

More clarity and guidance is needed around how the need for industrial capacity should be approached in local plans to achieve the desired effects. A

strong baseline followed through by targets and monitoring by the GLA would help to keep a strategic oversight.

There should be more clarity on what LSIS is becoming and how this should be addressed in Local Plans. The plan seems to be creating a distinction between SIL and LSIS in a way that there has not been before. In SIL there is to be no mixing in of other uses, as was previously the case for both SIL and LSIS, whereas in LSIS mixing in of other uses (including residential) is to be allowed / encouraged subject to increase or no net loss of industrial accommodation.

There needs to be consideration of how to designate areas where industry is to be required as part of mixed development, but where there is currently no industrial use. London is going to need to substantially increase the extent of mixed development areas in which industrial accommodation is required.

Policy should also encourage boroughs to substantially increase designation of existing industrial. As close as realistic to 100% designation would be appropriate, capturing the 36% of currently undesignated. The new LSIS policy allowing mix makes it possible for much residential addition as long as appropriate industrial accommodation also increases (or there is no net loss), so close to comprehensive SIL and LSIS coverage would not be a major challenge to housing figures.

Policies E4-E7 do not make any reference to neighbourhood plans and the role they can play in supporting allocations for industrial accommodation in order to secure benefits for local employment and the wider principles of Lifetime Neighbourhoods. This would also have the potential to support stronger participation of both local communities and businesses and contribute to the aims of GG1.

h) Are policies E4-E7 clear about how they would be implemented through the determination of planning applications, particularly in terms of the role of “planning frameworks” and “a co-ordinated masterplanning process in collaboration with the GLA”, and the relationship between policies E5D and E7B?

We are concerned about provisions in Policy E7 B and C which refer to the option of industrial intensification and colocation on SIL and LSIS through co-ordinated masterplanning processes, due to the risks associated with circumventing due consultation processes. The current wording strips away democracy and fairness from the planning process. The policies should instead strongly support the participation of local communities and businesses in such decisions through plan-led approaches only.

A cautionary example comes from the case study of Charlton Riverside industry presented in the Just Space publication London for All³. Charlton Riverside is one of the last remaining protected industrial sites on the Thames and it's home to a large number of thriving businesses, from lift servicing and supply which caters to CAZ and Canary Wharf, to wholesale food stores catering to the Vietnamese and other ethnic minority communities, to recycling and even a business of strategic national importance casting parts for the aerospace industry. However the local authority has developed a masterplan for the area, aiming to redevelop most of these estates into luxury housing, despite the protection given to the area in the London Plan. This has been done without any consultation with local businesses or concerned local organisations. Even more worryingly, some of the businesses have been given insecure leases for their units and some of the buildings have been left vacant by the local authority and landowners to become derelict. This has helped the local authority and developers to argue that there is very little activity on some of the estates and the best approach is to replace them with housing.

- i) *Is Policy E7F, along with Policy SD2, likely to be effective in terms of facilitating the substitution of some of London's industrial capacity to related property markets beyond London's boundary, and would achieving such an objective contribute to the achievement of sustainable development?*

The policy of substitution should be a separate policy, with a clearly defined strategy requiring collaborative working. It is not similar to intensification or co-location and only serves to suggest that this is all part of a strategy to facilitate residential development. Perhaps local authorities outside London who are willing to accommodate more industrial uses should be encouraged to do so in order to provide additional industrial capacity (rather than facilitate substitution). Substitution should also be framed as an issue of regional development i.e. a move to offset London-centric growth: it is not just a matter of releasing land within the London's planning sphere to residential. Spreading industrial activity will bring upskilling benefits and other economic reinforcement to receiving areas.

- j) *What evidence is there about the feasibility of delivering schemes on industrial land that would lead to the provision of net additional industrial floorspace along with the provision of significant numbers of new homes on the same site?*

We are concerned about the current level of evidence on the viability and deliverability of the intensification policy. The Plan requires the development industry to bring forward proposals without providing clear incentives. There will be implications for delivery – e.g. land ownership (for example, small scale

³ https://justspacelondon.files.wordpress.com/2015/09/workspacehandbook_lowres.pdf

ownership better facilitates small scale commercial activity. Land assembly doesn't help this) and other constraints; impacts and costs to existing businesses; management of new spaces.

k) How would policies E4-E7 affect the implementation of Policy GG4 "delivering the homes Londoners need"?

SIL often overlap with areas of high deprivation and low income communities. There is an opportunity for SIL to achieve the principles of Lifetime Neighbourhoods and Lifetime Suburbs if they accommodate social rented housing for low income workers, local shopping and affordable amenities and other facilities needed to sustain strong and inclusive communities. Policies E4-E7 in conjunction with E2 and E3 would play a significant role in achieving the goals of GG5 for diversification and more spatial distribution. In turn there would be synergies that need to be reinforced with the Mayor's economic fairness agenda, particularly through strengthening of E11.

There is a need for greater integration of these strategic policies rather than regarding increased housing outputs at the primary goal to which all others are subservient.

Some examples of where the pressure to deliver high growth in residential development with implications for the social, economic and environmental sustainability of the area and cumulative effects on London more generally:

- The Tottenham Business Group, in their response to Haringey Council's consultation on draft Area Action Plans (AAPs) for Tottenham, highlight that the plan would demolish an existing industrial estate, described as one of London's workshops, resulting in the loss of local jobs, as well as the loss of manufacturing and industrial units that could provide valuable skilled training and apprenticeships for our local youth. The jobs, the training and the varied established units of Peacock Estate and its surroundings could not be replaced elsewhere. Over 2000 jobs have already been lost with the demolition of other large estates in Northumberland Park. The High Road West scheme is a clear example of how high density housing-led schemes across London, but particularly in areas designated for high growth such as the Opportunity and Intensification Areas, are already risking destroying successful businesses that contribute to the London economy and provide jobs for Londoners.
- A similar example is the erosion of industrial accommodation in the Old Kent Road and the threats posed by the Opportunity Area Action Plan to existing businesses and to limiting future opportunities for growth. We note the evidence in their consultation response on the thriving and diverse local economy driven forward by close to 1,000 businesses who provide work for around 10,000 people; strong industrial enterprises, most of them focused on serving inner and central London's just-in-time supply, servicing and production needs, we have a fast expanding cluster of creative enterprises, niche and craft

producers, many builders merchants, vehicle repair and hire garages, diverse retail, several thriving high street settings and a dynamic faith community.

- We note the example given in the TUC consultation response regarding the impacts of closing Royal Mail sorting offices. 'The sorting office at Rathbone Place, off Oxford Street, was recently sold for housing development. The sorting office at Mount Pleasant has been partly re-developed for housing. It is expected that the sorting office at Vauxhall will be under acute pressure. More and more sorting is done at outer London offices increasing the journey miles on London's roads by mail lorries. And local sorting offices are closed, meaning that typically, postal workers drive to a location to begin their rounds, where they one walked, increasing journey miles, congestion, pollution and making their jobs more stressful and more sedentary.'