

## London Assembly Planning committee – 7 September 2017

### Transcript of Item 6 – Industrial Land in London

**Nicky Gavron AM (Chair):** Now we can get on with our item, Agenda Item 6 on industrial land in London and London's need for industrial accommodation. It would be very helpful if each person on our panel, as it is a rather large panel today, would just say who they are and for the webcast just give two or three lines on their involvement in this.

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** Jules Pipe, Deputy Mayor for Planning, bringing forward the new draft London Plan, to be published at the end of November [2017]. Of about ten or so chapters, one will be on the capital's economy and a number of essential planks to that chapter will be about the importance of industrial land to London.

**Nicky Gavron AM (Chair):** Excellent.

**Gerard Burgess (Senior Strategic Planner, Greater London Authority (GLA)):** Good afternoon, everyone. My name is Gerard Burgess. I am a senior planner in the GLA's London Plan team. My role has been leading two pieces of research into the supply of industrial land in London and latterly the demands for industrial land in London over the next 25 to 26 years. Then I am also involved in drafting new policy for the Mayor's new London Plan and advising Jules, as the Deputy Mayor.

**Andrew Dakers (Chief Executive, West London Business):** Afternoon, everyone. I am Andrew Dakers, Chief Executive of West London Business and the Park Royal Business Group. We provide a voice for business across northwest London. Park Royal of course is the United Kingdom's (UK) largest industrial estate and as such the decline in the availability of industrial land across the city is putting more of a concentrated demand on Park Royal, which is of course of considerable concern and interest to our members.

**Mark Jenkinson (City Director, Siemens plc):** Afternoon. I am Mark Jenkinson from Siemens, the City Director for London. I am based in our Crystal building in the Royal Docks, which is an Enterprise Zone, I think London's only, so I guess that is one perspective. Also, we are a big manufacturer. We have been in London since 1850. We had a factory in Woolwich/Charlton, which opened in 1858<sup>1</sup>. We have been involved in manufacturing for a very long time and we are now leading the review for the Government on industrial digitisation, Industry 4.0 or [otherwise known as] the fourth industrial revolution. We have a big focus on that [as a company] and how, rather than the third industrial revolution, which passed us by, we can grab hold of the fourth.

**Professor Mark Brearley (London Metropolitan University):** I am Mark Brearley. I am a professor of urbanism at the Cass, London Metropolitan University, and I have been involved for about 20 years in questions around London's industry and its accommodation. I am also the proprietor of a manufacturing business just off the Old Kent Road.

**Neil Impiazzi (Partnership Development Director, SEGRO):** Good afternoon. My name is Neil Impiazzi and I am the Partnership Development Director at SEGRO. We are London's largest industrial developer. We

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<sup>1</sup> Following the meeting, Mr Jenkinson clarified that the date was 1863.

are an owner and manager of industrial space. We own about 12.5 million square feet across the capital across 55 estates which are home to around 420 customers. We build anything from 500 square feet in London up to about 150,000 square feet. We provide a thriving accommodation side and commercial accommodation for a range of small and medium enterprises (SMEs) and corporates. We are also the Mayor of London's development partner in east London, where we are planning to deliver 1.4 million square feet of modern industrial space across Newham, Barking and Dagenham and Havering.

**Harry Read (Asset Management and Acquisitions Associate, Capital Industrial):** Good afternoon. My name is Harry Read and I am an asset manager at Capital Industrial. Capital Industrial are an owner and manager of light industrial space, all located inside the M25, across in excess of 2 million square feet of space and with in excess of 800 tenants.

**Nicky Gavron AM (Chair):** Thank you very much. We are going to also introduce two other people who are in the audience at the moment, just for particular parts of the discussion. I just want to say to everyone - we have an absolutely cracking panel here - very rarely will we be able to ask all of you for your perspective on each question. We are going to target to a certain extent but if you feel, when it is your turn to speak, that you might have said something about a previous question, then do chip in. You understand we have to do something about time management. We wanted these perspectives and we have a huge range here but we have to manage the time as well.

I will kick off, could you just give me some idea of the different trends in demand that are emerging or have emerged?

**Harry Read (Asset Management and Acquisitions Associate, Capital Industrial):** Yes, certainly. We are seeing the level of demand remain fairly constant in London, in some cases increasing in certain areas. We are seeing rent levels also increasing because of this demand. This is due to the industrial stock in London being released at a fairly high rate. We have seen lots of manufacturing businesses who have had the ability to move out of their current locations due to not having a requirement to work, necessarily, in central London, who have done so already. Certainly, businesses with an international outlook that are not tied to London have been moving. Because there has been such a huge release of this stock in London, it is difficult to further justify the release of any more, especially with this sustained level of demand.

**Nicky Gavron AM (Chair):** You are saying there is a sustained level of demand?

**Harry Read (Asset Management and Acquisitions Associate, Capital Industrial):** Yes.

**Nicky Gavron AM (Chair):** Would anyone else have a different view?

**Neil Impiazzi (Partnership Development Director, SEGRO):** Yes, Chair. Our companies complement each other in terms of our target audience. We are seeing a huge structural change in the demand for industrial space that is driven by technology and the impact that is having on retail demand, particularly in the growth of online buying and e-commerce.

In the market today in the UK, 20% of all retail is online. That is a £60 billion market. That has a huge difference in how people are receiving their goods. Most of those goods we order online on our mobile devices and they are delivered, either to your place of work, to your home or to whatever point you choose. It is that flexibility and that demand. We are seeing growth in customers like Amazon and ASOS in those sectors, with a huge demand to meet the needs of their customers. Therefore, they are looking for prime locations in

London, not outside of London, because the demand is all around timing. That is where we are seeing a huge demand.

That sector is also creating a new supply chain, which is reverse logistics. It is not just the movement of goods to a consumer or to a business but sometimes those goods are not needed and they have to be returned as well. We see the growth in that continuing as more people buy online. The next generation of Londoners will be doing that also.

**Nicky Gavron AM (Chair):** Does anyone else want to come in on this?

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** Yes. There is probably a healthy requirement from many sectors - not necessarily heavy, dirty industry - to be located in the centre of London, certainly from new emerging industries like small-scale food manufacturing, things that could occupy those small, formerly light industrial spaces that might have been light manufacturing but are now more into food, fashion and furniture on a small scale. Then, larger, as Neil [Impiazzi] says, there is a strong demand on logistics, particularly with e-tailing and e-commerce as well. There is pressure there. As the conversation develops what we probably will tease out, though, is that there is an imbalance across London in where that demand is. Certainly, there is a lot of pressure on west London, more than there is in east London if one looks at vacancy rates, for example.

**Nicky Gavron AM (Chair):** We are going to drill down as time goes on. If no one has anything more, we are going to drill down. Mark, you want to come in?

**Professor Mark Brearley (London Metropolitan University):** I think it echoes. I have four reasons for changing demand.

The biggest is that London is growing. The overwhelming majority of London's industrial economy - just to remind you, there are about 500,000 people employed in it - is focused on serving London. It is a market-linked, 'just in time' world. More people need more pints of milk, more buildings, more school dinners, more hospital bedsheets and all that.

Number two, London's remarkable concentration of skilled and entrepreneurial people and the fact that metropolitan lifestyles have returned to popularity. People create and grow industrial businesses here.

Three, increasing prosperity fuelling growth in hospitality, cultural consumption, small building works, deluxe homewares and foods, everything niche and differentiated, which all generates industrial activity that needs to be close at hand. Fabricators, launderers, caterers, bakers, event equipment providers, set and prop makers, builders' merchants, contractors, art producers and tailors are all booming.

Finally, four, as was mentioned, dramatic changes in the distribution economy; in-house and contract carriers with ever-greater need for a network of 'last few mile' depots.

**Nicky Gavron AM (Chair):** OK. That has given us a lot of food for thought. Perhaps it would be a good idea if we went on to our second question, unless anyone else wants to come in.

**Gerard Burgess (Senior Strategic Planner, Greater London Authority):** I just wanted to echo what people are saying, which has been shown in our quantification of demand in the recently published industrial

demand study. For the first time since doing these studies we are now projecting a positive net demand for industrial land in London, for all the reasons that we have heard from correspondents along the panel.

The other key statistic is that vacancy rates have been declining significantly. Back in 2001 we were looking at a vacancy rate in London of around 16%. That dropped to 12% in 2010 and 11% in 2015. There is still some way to go to reduce that level of vacancy in some parts of London - particularly in parts of the Thames Gateway - but we are seeing, in response to demand, that vacancy rates in many boroughs in London are less than 5%. It is showing healthy demand for those types of functions.

**Nicky Gavron AM (Chair):** Yes. There might be implications from that. This morning we were talking about Park Royal in the London Assembly Plenary meeting and there the vacancy rate is at 2% in terms of land, which is dangerously low.

**Harry Read (Asset Management and Acquisitions Associate, Capital Industrial):** I just wanted to say that I would reinforce that point. That is absolutely right. Definitely vacancy rates are sub-5% on most of our estates. We are seeing incredibly high demand and the closer in to central London, the higher the demand. It is these 'last mile' businesses. People have a requirement where they need to be close to the City to service, say, some of the offices or whatever their business is. It is important that they need to be that central. The closer to the centre, the higher the demand for these units.

**Andrew Dakers (Chief Executive, West London Business):** If I might add to Mark's [Brearley] commentary on the wider context of population growth, the additional challenge that we have of course experienced in Park Royal is the development of a new infrastructure, particularly High Speed 2 (HS2), which we, of course, welcome. It is very necessary that that investment flows. However, on the eastern edge of Park Royal we have some 75 businesses, from micros through to very large enterprises, that will be displaced over the next six months and of course have spent the past 12 months trying to find new locations to relocate into. That contributes to why we have the 2% vacancy rate, the very low vacancy rate that you mentioned.

**Nicky Gavron AM (Chair):** Yes. Park Royal is a very interesting case study, in fact, because those relocated industries we are told are going to be relocated into a Strategic Industrial Location (SIL). Park Royal is actually the engine of the UK industrial economy in some ways, but I am concerned about whether Park Royal is going to be able to accommodate this. It has huge waiting lists. We are going to talk about this in a moment but we know there are pressures all over London now for space. It is whether we cannot just protect Park Royal but strengthen it. We can move on to that shortly.

**Tony Devenish AM:** What has been the impact of the policy of managed release of industrial land as set out in the current London Plan, please?

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** The figures you have just heard about vacancy rates show that we are on the cusp of a real problem. Some of them are getting down to very low single figures. That has come about through the release of industrial land in recent years, over the last decade or so, that has way outstripped the benchmark. Take the last London Plan in 2011. The benchmark release was 37 hectares per annum and it has been about seven times that rate in central London and about three times that rate overall in the capital. The demand study indicates that in this Plan we should be looking to lower that dramatically from 37 to nine hectares a year as a benchmark of expected release. However, when you look at that trend and when you look at the fact that there are several hundred hectares already in the pipeline for release that have been permissioned, and then there are even probably 700 to 800 further hectares that people have earmarked for release, that suggests that we should be discouraging any further active

release of industrial land. I do not want to expand too much on that in answer to this question in case we want to tease this out later on.

What we are not going to suggest in response to that is that the existing situation is preserved. We have to do something more creative than that. We have to look at intensifying the use of the land that we do have now, whether it is Strategic Industrial Land, whether it is Locally Significant Industrial Sites (LSIS) or whether it just happens to be locally used and undesignated. Rather than just accepting the loss, let alone encouraging it, we need to be ensuring that we sweat that asset or allow other people to sweat it more to address some of the needs in our outline.

One example - and I know there is someone on this panel who can speak very well to this - is starting in this country to do more 'double-decking' of logistics. We tend to do single-storey sheds all over this country and yet it is common in other countries, not just China but in Europe, to exploit the footprint of a site better than we do in this country. That is just one example of the kind of the thing we would be wanting to see happen to expand the floor space of industrial land.

**Nicky Gavron AM (Chair):** We are going to explore that later too.

**Tony Devenish AM:** What are the main factors driving the loss of industrial land? How far has the Mayor and the boroughs - maybe you could address the boroughs point particularly - been able to address these factors? My final point - and then I will shut up - is in terms of permitted development (PD) rights extended by the Government last year, and at the end of this month, and what we can do about that.

**Gerard Burgess (Senior Strategic Planner, Greater London Authority):** OK, thank you for those questions. The factors that are driving the loss of industrial land are numerous. I will pick up on a few of them here. I am sure other members of the panel will have more.

One of the key drivers has been the fact that there are higher-value uses - such as residential, but also offices and retail - that have led landowners and developers to seek changes of use on specific parcels of land to maximise the value of those areas of land. What the annual monitoring reports have shown is that historically a large proportion of those sites have been the smaller unprotected ones, the ones outside of designated SILs and locally significant sites, small sites of less than one hectare or 0.1 of a hectare. Individually they do not look like a huge amount of loss but cumulatively, when you add up all those losses, we have seen the benchmarks exceeded in almost every borough. There are only one or two boroughs where it was not exceeded.

You also have issues around the proximity of new residential development to industrial. As competition for land increases we are seeing industry and residential coming into much closer proximity to each other. In some cases, this may be leading to the impact or curtailment of some of the industrial occupiers, recognising that many industrial businesses need 24-hour, seven-day-a-week access. In some cases, it may be that inadequate mitigation has been put in place or the design has not enabled those industrial occupiers to continue whilst providing a good environment for residents.

It may also be that the new residential development in proximity to industry is pushing up the 'hope value' of those industrial sites. Again, that may lead landowners and developers to consider that the land may be of a higher value in that competing use which may put some pressure on the change of use.

We have also seen pressures from other areas. There has been a trend toward out-of-centre retail warehouses. Historically we lost a lot of industrial land to retail warehouse use. The operation of the sequential test in the National Planning Policy Framework meant a lot of these big format retail stores could not find the sites within town centres, which is where we were trying to direct that kind of development. Where did they look? They often looked to sites that were on the strategic road network. Often those were the ones that were industrial sites. Some of those were vulnerable to changes of use. We have seen quite a few of our industrial areas impacted in that way.

Recently, we have also seen the phenomenon of places of worship, faith groups looking for accommodation for a place of worship. They have sometimes not been able to find those within town centres and so, in some cases, they have looked for larger warehouses in industrial areas to accommodate their congregation. That has been a factor as well.

We have heard from Jules [Pipe CBE] about the implementation of policy, and how the studies have shown that the implementation has not led to containment within the benchmarks and we have exceeded the benchmarks in each case.

Finally, I think your point was on the impact of PD rights. The one that has been mostly on the radar has been offices to residential PD rights that has been in force since 2013. We have found that there have been occupiers looking for prior approvals for offices in industrial locations. Offices are found within some industrial locations; not on the scale of, obviously, in town centres and the central activities zones (CAZ), but there has been some pressure for change of use within industrial areas.

We have also had in place since 2015 PD rights for B8 warehousing and distribution floor space to residential. Our monitoring suggests that in this particular case the impact has been relatively low. Our monitoring on B8 warehousing to residential suggests around 12,500 square metres of warehousing floor space has prior approval but only 2,000 of that has actually been implemented. It is quite interesting that a lot of applications have come in but only a few implemented. However, the 12,500 is less than 0.1% of the total warehousing stock so at the moment that impact seems to be relatively low. However, we will want to have a look at that a little bit more closely, particularly if it is going to impact on the SILs. It is for warehousing of less than 500 square metres so there is a threshold on that.

We have reported the Government are bringing in PD rights for light industrial to residential. That will come into force on 1 October. We are aware of ten, possibly 11, boroughs that have already taken action to bring forward the Article 4 Directions that would remove those PD rights for parts of their boroughs. A third of boroughs are already taking action and we have been urging other boroughs to follow suit.

**Tony Devenish AM:** Has Jules written to the boroughs? Not all the boroughs have teams as strong as ours. Are they all aware that this is happening?

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** They have been written to and we are also committing to work with them to help them along.

**Gerard Burgess (Senior Strategic Planner, Greater London Authority):** That is right. We presented to the Association of London Borough Planning Officers the results of the demand study and highlighted the fact that this was coming into force in October. We have been doing what we can to raise it to boroughs' attention.

**Tony Devenish AM:** Thank you.

**Tom Copley AM:** Just a point of information: we were discussing this earlier at the London Assembly Plenary meeting the light industrial PD. Does that apply in SILs as well?

**Gerard Burgess (Senior Strategic Planner, Greater London Authority):** There is a clause within the statutory instrument that says that a borough, when receiving what is like a prior approval application, could reject that application if it thinks there could be a detrimental impact on the wider industrial area or a wider concentration of industrial uses. In London, we would interpret that to mean all the SILs and all the LSISs.

**Tom Copley AM:** That is interesting. The Chair, Jennette Arnold OBE AM, was asking the Chair of the Old Oak and Park Royal Development Corporation (OPDC) earlier about whether or not they might suddenly find industrial space being lost because of this. What you are saying suggests that the OPDC could reject it on the grounds that it would have an impact on the wider area.

**Gerard Burgess (Senior Strategic Planner, Greater London Authority):** There could be evidence that would show that they could reject it on that line, which is in the instrument, yes.

**Nicky Gavron AM (Chair):** I just want to say this, Tom, because I have looked at this. I have also been informed by Gerard that this absolutely amazing demand study for industrial land that the Mayor has commissioned points out that 36% of London's land is what is called 'non-designated'. That is what the PD rights will most affect. These are high streets. These are town centres. This is where this scattered stuff is, behind the high streets. It is from bakers, to makers, to mechanics. It is all sorts of things. Of course, the Old Oak part, not the Park Royal part, has these industries in it. That is why I was asking that question. It will actually affect other parts of the OPDC, if not the SIL. I am right there, am I not, Gerard?

**Gerard Burgess (Senior Strategic Planner, Greater London Authority):** That is right, although I think the majority of the OPDC area of Park Royal is within the SIL. However, looking London-wide, yes, it is exactly right. It is those smaller sites, the back of high streets, the railway arches and the sites at the end of the street which is in light industrial use that could be vulnerable to that change.

**Nicky Gavron AM (Chair):** Yes. The Mayor has promised to bring this up with [The Rt Hon] Alok Sharma MP [Minister for Housing and Planning] and [The Rt Hon] Greg Hands MP [Minister for London]. If you look at the evidence that his own demand study shows, then really London should be exempt from that. It just does not work for London's economy. It would be very damaging. I do not know yet if the Mayor has followed that up. Do you know, Jules?

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** In what way "followed up"?

**Nicky Gavron AM (Chair):** Discussed whether, in light of this new evidence, London could be exempt from the introduction of PD rights.

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** I know we have been raising it but I am not sure whether it is as simple as requiring the exemption. We would be very unlikely to get it. I remember pushing previously for an exemption for London for the office to residential PD right. I am hopeful that it will go the same way as the office to residential, in as much as that seems to be tapering off a little now. Hopefully those who might be tempted to go that route have realised you can get a much better result through a plan-led approach to an area and also a proper application to a site. You can get far greater density.

You can retain the employment floor space and intensify and get residential. In non-designated areas, not in SIL, we could start creating finer-grain mixed communities as there are in a number of formerly predominately industrial areas. At the moment, there are too many industrial areas that are rundown and are in need of improvement. It should be done in a plan-led way that optimises what they can deliver rather than someone flipping the shell of a building into something that is very unsatisfactory, both for the residential occupants who end up in there and also, as Gerard said, it being very inconvenient for the ongoing industrial operations that start receiving complaints about their operations.

**Nicky Gavron AM (Chair):** The danger is that even if it is not actually converted or can, in fact, be redeveloped it has 'hope value' and therefore the rents go up. That adds to the difficulties of it.

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** Again, an argument for it being a plan-led way for an area rather than *ad hoc* applications.

**Nicky Gavron AM (Chair):** Absolutely.

**Professor Mark Brearley (London Metropolitan University):** I thought it would be useful to add to the discussion the effects of PD changes as they have tended to undermine the sustainability of some industrial areas. There is also - to a lesser extent, but significant - the process of permissions being given on appeal against the wishes of local authorities. There is also, thirdly, a pattern of local planning authorities giving permissions in violation of their own policies that seek to protect industrial. All three of those, together in some cases, is what is causing not just quantum loss but undermining the sustainability of an industrial area as you get bits and pieces of residential popping up and making it very awkward for everything to work happily together anymore. It is not just PD that is causing these problems.

**Navin Shah AM:** My questions are about the new emerging and evolving industrial sectors. First of all, my question is: what are we seeing in terms of those new evolving and emerging industrial sectors? What are they? Are their needs different from, so to speak, traditional manufacturing and warehousing uses?

**Professor Mark Brearley (London Metropolitan University):** For what is growing strongest, here are 14: builders' merchants, self-storage; public transport depots and garages; catering, including the new phenomenon of 'dark kitchens'; courier depots and single-use supply chain depots; just-in-time mass market food production, industrial bakeries, soft drink production, higher end food and drink production; art and artisan production; garment and accessory making has made a rather remarkable reappearance; printing; culture-related production and logistics; laundries; bespoke furniture and joinery; steel fabrication and building fit-out; waste handling and recycling capture. The headline is very diverse. Most of them are not completely new sectors at all, they are all just evolving and growing with London. They are all at the small and medium scale. Even the big SEGRO-style end of it is not properly big from a national perspective. It is all very London.

**Navin Shah AM:** What about their needs? Are they any different from what is traditional and what you might consider --

**Professor Mark Brearley (London Metropolitan University):** Not dramatically, no.

**Navin Shah AM:** Mark?

**Mark Jenkinson (City Director, Siemens plc):** There is an example of this nearby where there is a start-up [workspace] called Sustainable Bridges. Some people here have probably been down there. One of their

issues is storage. They are growing. It is a cheap space but they had an e-car club and its issue was where to store the batteries. It is [also] where do they move next? Can they stay with their local customer base and their supply chain, or do they have to move further out? That is one issue for [companies] when they start to grow, where do they go next.

To answer one of the previous questions, it is also very important to understand what is happening in other cities around the world. I think Jules [Pipe CBE] referred to it but if we look at our competitors around the world, in Paris 7% of their output is from manufacturing. Shanghai is at 44%. New York is similar to London. Our competitor cities are having a big focus on manufacturing. We are at risk of, again, missing the boat if we do not actually embrace this [opportunity] and sort out the issues that we are here today to talk about.

As for new [emerging and evolving industrial sectors] there is a big focus on software [/digitalisation], whether it is gaming, sensors or driverless vehicles. This is going to be something that is going to hit us whether we actually manufacture these cars in Dagenham, in Aberdeen or wherever. The key thing is that we try to manufacture in future factories locally where people actually need the goods so you are not transporting these goods long distance, you are actually transporting the goods locally.

Also artificial intelligence (AI) and robotics is something we are seeing now more and more around the world. There was actually a good report by the UK Robotics and Autonomous Systems (RAS) network called *Manufacturing Robotics*. Again, they are looking at the implications of the fourth industrial revolution and how that impacts on cities and how we should be designing cities to meet it.

There are also things like 3D manufacturing that I think was mentioned a bit earlier. As an example [imagine] you are going to buy a replacement for Andrew's [Dakers] bike online. At the moment, you buy it on Amazon or wherever. You pay £2.50 for it. It is shipped from China, and it costs £7.50 to ship. Actually, maybe you could 3D print it locally. Maybe in the future you could 3D print it on your desk. Again, you have it locally so therefore you are reducing the emissions. Also, obviously, 3D printing is quite a good thing because you are minimising waste. You are not producing from a batch and throwing product away. You are just using the material you need for the actual [printed] device.

Obviously, people need space and support. We need to redesign the city in a way that supports these people and effectively I think we need to act quickly.

**Navin Shah AM:** When you mention redesign, what are we talking about in terms of any specific needs that are very different and distinct as compared to your normal warehousing or industrial uses? Are we talking about, for example, digital connectivity, the whole information technology (IT) aspects and any other infrastructure that needs to go in to accommodate those uses?

**Mark Jenkinson (City Director, Siemens plc):** Definitely digital connectivity is almost a given. I maybe should not say where but there is one area where we are based - OK, in the Royal Docks - and if you go to the north of the dock it has a super-duper broadband speed but if you go to the south of the dock they have no, or very limited, broadband connection. Some offices have a wireless router to the side of the dock. If a large object goes past - maybe a plane or a ship - their wireless connection drops out. Obviously, digital connectivity is key. When you have people moving in - whether it is residents or industrial tenants - the first question they ask the developer is, "What is the broadband speed?" Certainly, it is a given that the people looking at the fourth industrial revolution need really good broadband.

**Neil Impiazzi (Partnership Development Director, SEGRO):** Mark makes a very valid point. You have to accept that while we are talking about new emerging markets there is also existing demand. Food, drink and clothing are a prime example. As the population grows we just eat more, drink more and wear more. That has to be serviced. Coupled with that, the Mayor is looking to move to a 24-hour city. Therefore, those demands will have to be met perhaps in a 24-hour cycle. That is already existing.

To pick up on Mark's view around technology, we are talking to our customers about the kind of buildings they want for the future and the kind of technology that we see. Robotics is one that is often spoken about, similar to autonomous vehicles. That will happen. That will not necessarily change where the buildings are sited. It will change some of the issues around utilities, broadband in particular, and power. The point Mark made very well is we cannot miss that cycle. Who manufactures the robots? Who services them? Who designs the software? Who maintains them? That is where you need the talent in London to do that. That is the bit that in the fourth generation we have to get our heads around because we do not want that to bypass us and have our competitors in France or Germany come over to service our robots in our industrial warehouses.

In terms of the building specifics, we are seeing huge developments in sustainability. We have the first building research establishment environmental assessment method (BREEAM) Outstanding building in London we built for Rolls-Royce. We built a carbon-neutral building up in Enfield. The ideal of contributing to that sustainability is important. It is about future proofing the building and that is about flexibility. We do not design a building for a manufacturer, or for an urban logistics company or for someone who does food. We design a building that can be adapted to any of those needs. That is really key if you want to create a building that meets the needs of all of our customers. That is a physical requirement as well as a policy requirement. If we need to put extra roller shutter doors in, if we need to extend the offices because there is a research and development (R&D) need, if we need to agree on more car parking in the building then they are some of the policy issues that we focus on at a very local level. However, actually future proofing the building is key here, to make sure it is adaptable. We might not know who the customer is in ten years' time or 20 years' time.

**Navin Shah AM:** That was my next question. Given what has been stated, what policy changes are required to enable those changes for the new emerging industrial sector? Harry?

**Harry Read (Asset Management and Acquisitions Associate, Capital Industries):** I was going to talk a little about the tenants we have. Mark summed them up quite nicely. It is a lot of our tenants in the smaller industrial space who are very traditional industrial uses. They are just evolving their businesses. In terms of the space that they need, things like the height of eaves is actually incredibly important to these guys. If you have a small 1,000 foot warehouse and you can put a mezzanine in it, it immediately makes it a much more viable prospect for that tenant because they have perceived cheap space on a mezzanine level. The same goes for larger units as well. Connectivity, the internet and things like that is obviously a consideration. However, it is becoming much more available in London anyway. It is not too difficult to be able to put lines in or anything like that. It is very important to have good loading space and to be able to get articulated lorries on to sites, to load and unload, and to make sure they can get their product onto these big lorries or whatever they are doing. It is very, very important to these tenants to have that ability.

**Nicky Gavron AM (Chair):** Does Andrew want to come in?

**Andrew Dakers (Chief Executive, West London Business):** If I may. This happens to pick up on both your questions. I recommend to the Committee a piece of work recently completed for the OPDC looking at the intensification of Park Royal that is feeding into their new Local Plan for the area. Broadly across the board that, with a proactive approach by OPDC in terms of encouraging the established sectors in Park Royal,

saw growth in the years ahead. One area that was perhaps questioned in terms of growth potential was the motor trade industry. I have to say that is an area where, as West London Business, we would speculate that if OPDC were proactive as automated vehicles come on stream, as long as we upskill the Park Royal workforce, there could be a new role for Park Royal and those professionals to play in that sector.

Along with some of that the research highlights the low-carbon sector as offering some potential in Park Royal. We can see the seeds of that in a number of businesses that have chosen to locate in Park Royal or close by in recent times. Although – as I think as was referred to in the case of Sustainable Bridges, an incubator for low-carbon businesses located close to here – one of the challenges for those start-up spaces and businesses is now, of course, the cost per square foot of accessing space in Park Royal, despite its attractiveness.

To come on to the question of needs and what has attracted businesses to Park Royal over the years, and indeed today, of course, talent is incredibly important. Many of the businesses, whilst some might argue in terms of more optimal use of land you might think would relocate outside the M25 etc, the reality is they have developed a very skilled workforce to drive their operations and therefore they do not want to relocate. They often, of course, also have very close-by customer bases, particularly in the case of food manufacturing.

Heathrow is, of course, critical as a component of strength of Park Royal with the global gateway to markets that it provides. Increasingly the universities that are investing just to the south of Park Royal – Imperial College London is now in very close proximity and also the Royal College of Art is about to open a significant new site at White City – may find that there are new complementarities in their location close to Park Royal. For example, start-up businesses that have come out of Imperial and chosen to locate in Sustainable Bridges around the corner from City Hall may decide that running their early stage production lines close to a research lab at White City has its merits.

The final point I will make is that where there are significant weaknesses at Park Royal, that present real constraints to intensification, is broadband connectivity. Sadly, whilst it may be improving in other parts of London and other industrial estates, Park Royal is still a ‘not spot’ for broadband and it is taking a painfully long time to see decent broadband connectivity come into place. Transport is also a real challenge. Congestion on Park Royal sees the estate grind to a halt at the beginning and end of the day, without growth.

**Navin Shah AM:** Jules, in the light of what the guests have mentioned in terms of what the sector as a whole is represented by, as well as what the needs are, two questions come to my mind. One is: are the current London Plan policies relevant? How much do they cater for that? Where do you reckon your efforts are able to support and enhance this new emerging sector?

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** As I said, I think the current plan and its implementation has, unfortunately, resulted in a degree of over de-designation of SIL and LSIS. Also, for the reasons we have discussed, non-designated land has come under huge pressure. Certainly, in the new plan we will be wanting to – as was my starting position here today – see no net loss going forward. We would want to see boroughs either provide more through intensification or retain what they have. With a limited number of boroughs there might be limited release, but no more. We will be passing the boroughs accordingly to designate the ones that we would expect to behave in that way.

**Navin Shah AM:** One of the questions I have here also refers to the locations of such uses either in town centres or in high streets. That, again, is important because the whole range of this new sector will generally

cover SMEs. We have a large number of SMEs right across London. Protecting those sites near town centres and high streets is critical. Will this be something you will be addressing in your new policies?

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** Yes, absolutely it will be. If I had brought my glasses today I would actually read a policy. I am going to turn to Gerard; it is very small print.

**Gerard Burgess (Senior Strategic Planner, Greater London Authority):** Yes, we recognise that town centres are home to a diverse range of commercial uses and community uses, of which these small-scale, tending to be lighter industrial uses are a key part of the high street. Often they tend to occupy the slightly lower-cost market space that tends to be the back of the high street, it could be railway arches, or it could be in secondary or fringe locations away from the primary shopping area to take advantage of what tends to be lower-cost space. This issue of, where we can, ensuring that we are not losing that lower-cost space and business space overall is one of the things we want to look at, particularly in relation to town centres but also in other parts as well.

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** That is in addition to specifically requiring affordable space as well, making the distinction between the naturally low cost and the deliberately created affordable space.

**Navin Shah AM:** Indeed. I would say that that would be applicable for the whole of this sector. Affordability, when you look at the creative industries or arts and so on, is a big issue and being able to sustain that as well, which is a problem.

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** For certain clusters there will be a deliberate push and you have named one of them, parts of creative industries. There will be deliberate specific policies about promoting that and you have probably seen some things about the cultural zones and things.

**Navin Shah AM:** Yes, indeed. Thank you, Chair, I am done.

**Neil Impiazzi (Partnership Development Director, SEGRO):** I just want to add one point about the kind of city we want to live in. Listening to colleagues on this side there was something about there being a local requirement. Some fantastic owner-occupier businesses and the kind of companies that occupy behind the high street and are providing a valuable service to that local community, whether it is jobs or goods and services. Alongside that, at a strategic level, how do we keep London's supply chain moving? If we look at somewhere like central London, where we have seen a high loss of industrial land, the City still needs to be serviced. The theatre district still needs to be serviced. Those hotels, the retail sector and the food sector still need to be serviced. That probably needs a real strategic review about how we continue to service the City and keep those businesses successful. A lot of discussion is around land. As a business, we are talking about how that supply chain is absolutely vital. It would be great if the Committee would take on board those comments about how we keep the city thriving and the role that industrial occupiers play in helping that happen. Perhaps sometimes that connection is not always fully understood.

**Nicky Gavron AM (Chair):** That is interesting. Do you think there is a prejudice against industrial premises sometimes at a local level?

**Neil Impiazzi (Partnership Development Director, SEGRO):** I think the sector is misunderstood. Maybe the sector was not always good at promoting itself. Not many people work on industrial estates and they are

certainly not aware of what happens behind the roller shutter door. I am sure if you went to Mark's [Jenkinson] factory you would be blown away. These are not always attractive buildings but what goes on inside is extraordinary at times. That is the thing we need, perhaps as an industry, to shout about. People have misconceptions that it is all about burning chimneys and it is dirty, yet there are some world-class businesses operating in industrial estates right across the city and we probably need to do more to celebrate that. Also to talk about the role that it plays, take it almost out of a land context at times and think about the occupiers, talk about the businesses that are keeping this great city thriving. That is what we do not always do. We do not always make the connection with what they are doing, which is supporting other industries. We talk about theatres and the arts, and yet I know the Barbican - I have done some research - has a very, very complex supply chain. It is serviced by a range of industrial occupiers. It goes on behind the scenes but it is absolutely vital for the Barbican to be a world-class art centre. It is what we - and I say that 'we' collectively - need to help people understand. We should not be seeing industrial as a second-tier real estate sector. We should be celebrating the great work that goes on there.

**Nicky Gavron AM (Chair):** Interesting. Does anyone else want to come in on that?

**Professor Mark Brearley (London Metropolitan University):** Yes. I do believe there is a lot of prejudice. It is not the sort of prejudice that comes out of evil. Like much prejudice it comes out of ignorance largely, a misunderstanding of what the industrial economy is. I have sat in a meeting, for example, where a borough director of regeneration said, "We do not want metal bashers here". I am sitting thinking, "I run a metal bashing business. I am really upset by that. Why do I have to hear that?" Routinely the vehicle repair economy is treated with disrespect. The Old Kent Road area where we are, is the biggest slice of the economy; about 900 jobs in vehicle servicing and garaging related activities. Yet it does not get a mention when they get kicked out thanks to a planning application that gets approved. They happen to be largely voiceless people who are largely black and minority ethnic. We are sitting there thinking, "This is really not fair". This is prejudice and we should gently try to point that out and reveal the validity of those kinds of economies to the city. They are just as relevant as all other sectors of the economy and should be treated well.

**Andrew Dakers (Chief Executive, West London Business):** I will just add very briefly that I do not know how many industrial operators take part in the Open House programme. I would imagine, if there are any, it is very small. A programme like that could perhaps be extended. I know from my visits to various industrial occupiers across Park Royal over the past few years I have been constantly surprised that, behind the façade of a very dull and unexciting shed, you go across the threshold to discover fit-outs that have involved many hundreds of thousands and are providing - perhaps on mezzanine floors - office space that would compete with much better regarded locations. Frankly, if the occupiers are not making that level of investment into the office space interiors they will not attract and retain the staff.

**Gerard Burgess (Senior Strategic Planner, Greater London Authority):** One of the other areas where there is a perception or prejudice is around employment in industry and warehousing. There is often a perception that they generate low levels of employment. However, from some of the work that the British Property Federation has done in looking at logistics and industry, when you take account of all the operatives coming in and out and with shift working, they do provide a good number of jobs and also provide a diverse range of jobs as well. That is often an area where there is perhaps some poor perception on industrial jobs. That is another area where some communication can be done on that.

**Nicky Gavron AM (Chair):** What is the perception? I think I read somewhere about 11-12%.

**Gerard Burgess (Senior Strategic Planner, Greater London Authority):** Yes, so many of London's jobs are in industrial and warehousing, absolutely.

**Neil Impiazzi (Partnership Development Director, SEGRO):** The research we have done is that the average salary in London transportation and storage is £38,000 per annum.

Picking up Gerard's point, we talk about industrial. We do not talk about the occupier. I have never met anyone who, when I ask who they work for, says, "An industrial occupier". They say, "I work for X or Y". You may be joining a company that is global - like DHL - and you could end up anywhere. Certainly, I would say logistics is one of the fastest growing careers around at the moment. It is a great career to get into. There are entry-level jobs. Again, that should be celebrated. A lot of industrial areas are in deprived parts of London. We are working really hard with local authorities to create employment partnerships so that our customers can access local people to support them in their careers. Gerard is right, you get a blend of careers and a blend of opportunities. The more development that happens the more local communities can benefit from a careers perspective.

**Andrew Boff AM (Deputy Chair):** To finish off with that, do you think planning officers really understand what industrial buildings are? I have experience of whereby they have knocked a few entirely functional but shabby buildings down only to be replaced by beautiful shopfront units with no storage, no parking and instructions to keep quiet. Do you think planners need to know more about what an industrial building is?

**Professor Mark Brearley (London Metropolitan University):** Yes. That is something very good that the GLA could help with. Again, it is not that they are all fools. It is probably not that any of them are fools. It is that they are overstretched and their training has not covered that so they default back to what know as office workers. They know about offices. They know about retail. They know about healthcare and education. They know about all those parts of life because they are part of all our lives. Unless they have tried to find out about it they will not know what industrial is. They might have never stepped inside any form of industrial premises. It is a problem. They are just blind because they do not know.

**Nicky Gavron AM (Chair):** It is the makers, the repairers and mechanics, yes.

**Neil Impiazzi (Partnership Development Director, SEGRO):** We do not see planning officers coming out. If it was part of their development to come and visit - not as part of the planning exercise but to talk to occupiers - you could grasp really quickly, not necessarily about the building, what the requirements of those businesses are. Some of the challenges we have are around car parking. It is not that we want more car parking for more vehicles, it is just there is a changeover in shift. It would be great if we could get officers to understand the changes in the sector. We would be more than happy to take them out to visit some of our estates and speak to some of customers.

**Andrew Boff AM (Deputy Chair):** Perhaps to Professor Brearley, do you think stakeholders believe that the current policy is effective in ensuring that there is an adequate supply and the right kind of accommodation?

**Professor Mark Brearley (London Metropolitan University):** No. I think the current policy has not been at all effective. It has been talked about somewhat today. There is not really any ongoing fine-grain monitoring. There is a confusion of objectives. Loss of accommodation is somewhat out of control. No one has any certainty. Rents are rising. Purchase is becoming impossible. Lease lengths are plummeting across much of the market. In the shakier parts of the market you cannot get a decent lease. There is quite a significant failure.

**Andrew Boff AM (Deputy Chair):** We have James Morgan here from Truman's Breweries. If I can ask you, Mr Morgan, to introduce yourself?

**James Morgan (Chief Executive, Truman's Breweries):** I am James Morgan. I re-founded Truman's in 2010. We built a new production facility, a new brewery, in Hackney Wick in East London in 2013. A lot has changed since then. There were just two of us when we started and there are now 63 of us. We are forecasting to have well over 150 people within the next five years. We have a huge growth challenge, I suppose is the way to put it. We are finding a huge lack of industrial space is the biggest challenge we face. Finding a site for the second brewery is something I have been working on ever since we built the first brewery. In the five years I have been working on that I have not got any further. There is no suitable space for us.

**Andrew Boff AM (Deputy Chair):** You have looked around London. Does the availability of space vary geographically in your opinion?

**James Morgan (Chief Executive, Truman's Breweries):** We are focusing our search in East London because of our roots and the supply chain that we service. The issue, in my opinion, is a question of moving-on space. We have grown rapidly. I am sure we all agree that we would like all London business that would like to grow rapidly to grow rapidly, and we would like to facilitate that. There seems to be a lack of affordable moving-on space. I entirely agree with Mark's comments that lease lengths are dropping and prices are rising. The ability to buy and acquire land is almost non-existent now.

To Jules' comments that in an ideal world we would not lose any further industrial land, what I will say is that in my real life experience - and I am sure everybody here knows this - the property speculators, the property developers and the landowners in many parts of London - and this is not to say that they are all like this, but some of them are like this - are exceptionally good at interpreting the rules in their favour, paying significant fees to lobbyists and other interested parties to ensure that their plans go through. I could spend hours regaling you with schemes I have seen go through that have resulted in huge losses of industrial land. I particularly know about East London. That is where I have spent the last 17 years. That is one issue we are facing.

Another issue we are facing is a large number of potential schemes are somehow stuck in the pipeline. Each scheme, I guess, would have a different reason for not coming forward at a speed that is suitable for the growth of the London economy. Asia Business Park in Royal Docks would be a prime example. I do not think anybody can reasonably explain why that has been delayed as long as it has been. The Chelsfield developments down at Millennium Mills by Sir Stuart Lipton [developer] has been in the pipeline for years. Nothing seems to have happened with it. Again, the list could be endless. These are huge schemes. The quantum of space that could be released is enormous. It feels to me like there must be a substantial disconnect between the London-wide policy, the interpretation of that at a local level, and then what developers, landowners, and I guess financiers, are doing behind the scenes and the speed at which they are moving.

**Andrew Boff AM (Deputy Chair):** It is not just industrial land that suffers from planning regulations being debatable.

**James Morgan (Chief Executive, Truman's Breweries):** Absolutely.

**Andrew Boff AM (Deputy Chair):** Are you saying that these big developments are probably getting in the way of development? If you remember King's Cross, for all my adult life I think that has been under development and it is only just underway. Should we be concentrating more on releasing small packages of land?

**James Morgan (Chief Executive, Truman's Breweries):** It would be well worth the GLA looking at substantial meanwhile uses. If a large parcel of land is going to lay dormant for literally decades, that is a tragic waste when there are small businesses that would be really keen to take it on for five to ten years. Again, I could name dozens of sites like that. It requires a degree of integrity on behalf of what I would describe as property speculators. If they are going to sit on land they should be upfront about it, that that is what they are going to do. If that is the case it should be put to them that there are people who could make good use of it whilst they wait for it to appreciate in value.

**Andrew Boff AM (Deputy Chair):** I am sure property speculators have a lot of integrity so that is going to work. You would argue therefore for a stricter application of planning regulations?

**James Morgan (Chief Executive, Truman's Breweries):** Absolutely, I would 100%. It seems to me that there are oceans of grey in the current planning regime, as it were, that is being exploited to the hilt for relatively short term financial gain.

**Andrew Boff AM (Deputy Chair):** Where are you at the moment? You are in the process of looking for more land and you are not finding it. What is plan B?

**James Morgan (Chief Executive, Truman's Breweries):** Plan B is that we will move out of town.

**Andrew Boff AM (Deputy Chair):** Does anybody else want to come in on that point?

**Professor Mark Brearley (London Metropolitan University):** I will share my equivalent experience in the part of town where my business is and where we have been for 70 years, off the Old Kent Road. All the industrial businesses - that is several hundred, employing about 5,000 people - face such uncertainties because policy is confusingly evolving alongside negotiations with developers. As a result, we are already losing businesses who do not want to go but have no choice. Two hundred metres from our factory a big house builder wants to do 1,000 dwellings on land that is current Strategic Industrial Land, which the latest version of possible future policy says can be residential but there must be industrial incorporated. There have been 26 meetings between the developer and the local planning authority and no meetings with businesses in the area. It includes nil industrial in the planning application that has just landed.

**Nicky Gavron AM (Chair):** Where is this?

**Professor Mark Brearley (London Metropolitan University):** The Old Kent Road, behind Asda. We are investing in growth, in our modest way, spending on our premises and fixed plant. We have just taken on a tenth person and we are now exporting to 40 countries. We do not know whether we are wasting our money and our energies in our current premises because we do not understand the future. We have no voice in the process and we are treated like we are nothing. It feels like a free-for-all mess when you are one of the people caught in it.

**Neil Impiazzi (Partnership Development Director, SEGRO):** James' point around meanwhile use is a really good comment. There are some major strategic regeneration projects such as Old Oak and Meridian

Water. I know at Meridian Water they are looking at meanwhile use. 'Meanwhile' feels a lot more flexible. Some of those schemes have five, 10, 15 years. It does feel that there are opportunities.

As to the challenge with the leases, it depends on what the landowner has in mind. Our shortest lease is a year, our longest is 25. That is always the challenge when you are dealing with developers and what their long-term aspiration is. I am sure Harry [Read] will agree they have very flexible lease arrangements to meet the needs of their customer, not because they want to redevelop into higher value uses. I suppose you do not always know, James, when you are dealing with us what the --

**James Morgan (Chief Executive, Truman's Breweries):** Clearly, there are different types of landlord and there are different types of leases available. The challenge for the manufacturers in East London, around our area, is this rapid acceleration in residential development. I clearly understand the pressures that are placed on housing in London. I understand the need for it. Whether the balance is right and how that is adjudicated, for want of a better word, I would question.

**Mark Jenkinson (City Director, Siemens plc):** You mentioned the Royal Docks. I have my base there and I am part of the Royal Docks Advisory Board. Obviously, it is an Enterprise Zone so that helps the fact that the GLA and Newham ensure that we do maintain this mix of residential and business. Maybe you could argue this could have happened three years ago, but the GLA and Newham have now formed this co-ordinated team. It is not a Mayoral Development Corporation but there is now a team dedicated to the Opportunity Area of the Royal Docks and to ensuring we realise the full potential of the Royal Docks. It may be that for the 38 or so Opportunity Areas, and I guess the Old Kent Road is part of it, that you have these joint - I do not know whether it is feasible - GLA and borough teams with the stakeholders engaged. Certainly, it would allow all the various stakeholders, small and large, to have bit of a voice. Maybe that is what you need as well for Old Kent Road. Certainly, we need a brewery in the Royal Docks. Maybe we should put that at the top of the agenda for the next meeting. Having this co-ordinated approach is about helping and giving people a voice.

**Andrew Boff AM (Deputy Chair):** Thank you. I am going to put a question now to the Deputy Mayor for Planning, Regeneration and Skills and Gerard Burgess. What is the Mayor's current thinking in terms of how policy for industrial land and accommodation should be reviewed?

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** The study was undertaken, which is what the policy going forward is based upon. As I said, it is a no-net-loss policy. That does not mean to say that, as I said, no industrial land will change, because firstly there is an awful lot in the pipeline that is already permitted and earmarked, Area Planning Frameworks and in Local Plans and so on. That will not mean, going forward, that we should not be introducing or teeing up any further loss.

Also, as I said, it is not preserving things in aspic. Anything that was brought forward we would want to see as part of a plan-led approach. Again, it would be permissible to see mixed developments and indeed it would be often desirable but it cannot be at the expense of floor space in a development. Also, again, the importance of a plan-led approach, that you have barriers between the more challenging industrial use and residential.

If I give you an example, if you had a logistics site, right where you would want it, next to six lanes of the North Circular Road, if it was underused and someone had purchased it with a view to turning it into entirely residential, that would be resisted. If someone said, "We could see double, treble decking logistics tight up to the road", where it belongs, and then effectively grading the usage down through associated industrial office that could be related to businesses and then, on the edge, residential where it is abutting existing residential, that graded approach to the use of the land that otherwise might be simply lost solely to residential or may just

remain as not very densely-used land, it may well be preferable to optimise the use of that land through that approach. But as I say, it would have to be very much plan-led approach because this is not going to happen by accident and it is not going to happen by *ad hoc* planning applications.

**Andrew Boff AM (Deputy Chair):** What you have just described is very close to what we have just had criticised, which is that we come up with a planning designation, planning policy, and then some way down the line we can argue that industrial land away. That is just what you said, that eventually some of it is going to go.

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** The danger is that what happens is it goes and it all goes to housing. That is where you do see these very huge, dense housing developments slap bang next to, in some of the worst cases, an operational aggregates wharf 24 hours a day, and that there has been no mitigation built into the design of that housing. It has to be very much a design-informed and design-led approach to that.

**Gerard Burgess (Senior Strategic Planner, GLA):** Yes. There is also the issue that Jules raised around wanting, where we can, to drive and incentivise the intensification of industrial locations through examples like multi-storey development and through use of mezzanines, making more efficient use of the space. Where we have SILs, we should ensure that in any circumstance where we want to intensify that land to deliver no net loss, we ensure that that intensification of the industry happens before the residential component is completed or occupied. You are ensuring that the intensification is your core driver of making sure that you are retaining that industrial warehousing capacity before you release to residential. The risk is if you put it in a plan and say, "This can go to residential", it will go to residential and you will not get the intensification. We want to make sure it is done through a plan-led approach to ensure we achieve both objectives for the industry warehousing space but also to deliver homes for London.

**Andrew Boff AM (Deputy Chair):** Is the Mayoral team talking amongst themselves? It seems that sometimes the policy is contradictory. You have, for example, the Meridian Water housing zone in Enfield, which contains a significant amount of industrial land and yet it is expected to deliver close to 4,000 homes. You are asking for it, are you not? You are asking for that industrial land, under those circumstances, for the designation to be changed?

**Gerard Burgess (Senior Strategic Planner, GLA):** Although there may be SILs within a wider housing zone area, it does not mean, necessarily, that all of those strategic locations will automatically go to housing. But what it can do is it shows here is an opportunity to deliver more homes for Londoners, but we also want to ensure that we want to retain this industrial capacity. How can we look at using those strategic locations more efficiently for industry to ensure that we are not using the function, the floor space and the industrial jobs on those locations, but enable us to possibly release some of that land to deliver on the housing objectives? But before doing that, to ensure we are intensifying the industry to ensure we are not undermining that as an industrial location.

**Andrew Boff AM (Deputy Chair):** In that specific case it is going to be interesting to see what comes forward.

**Neil Impiazzi (Partnership Development Director, SEGRO):** We are the industrial development partner working with About London on that scheme. I think the conversation is around square footage and not acreage. Our aspiration is, looking at a multi-storey scheme as part of the part of the Meridian Water development, to intensify that footprint. So we own and manage the only true multi-storey industrial building

in London, which is X2 at Heathrow Airport. It is a two-storey industrial with a ramp up and a ramp down. You can take heavy goods vehicles (HGVs) up and it has yard space. That is the only example, because it just does not happen in London; there has not been the demand. If you go to places like [East] Asia - Hong Kong, Tokyo, Shanghai - there are loads of examples. We are looking at opportunities to deliver right across our European portfolio. In cities like London, Paris and Rome we are looking at building.

In Europe we are already on site with three multi-storey facilities for customers and we are looking at opportunities here. What we are able to do, through good design, through a masterplan approach, is to deliver an intensified amount of industrial land to meet the market needs in a way that when the residential catches up, the two can coexist. That is a really important issue about how we can get industrial and residential operating together. That is what we are doing at Meridian Water.

**Andrew Boff AM (Deputy Chair):** There you are saying housing has to wait before the industrial is sorted out?

**Neil Impiazzi (Partnership Development Director, SEGRO):** Housing will naturally wait because in terms of the phasing it will take a few years to catch up. We are in the east and we are in a very harsh environment. The plot we are developing is right up against the A406, North Circular Road. You would not put residential there. We have designed a scheme which acts as a fantastic buffer between the 406 and the residential. In essence, we can develop that, subject to contract. We can move that forward in the next six months. As long that is all pre-designed, pre-agreed with Barrett, so when the residential development meets ours the two work hand in glove and you do not have any friction that you would probably get between a residential and an industrial scheme.

**Andrew Boff AM (Deputy Chair):** Thank you very much.

**Tony Devenish AM:** I was not convinced by the SEGRO comment because it is not what happens on the whole. It may be what is happening in your sole site but reality is the residential people, we are as guilty as politicians. We always talk about homes, homes and homes, everybody from the Mayor down, the Government down. We all talk about homes. We have a homeless crisis. We do not have a jobs crisis at the moment, touch wood. Therefore, it is always the residential people who win, nine times out of ten, or 19 times out of 20. The last time I was speaking to the Meridian people, certainly they did not give me the same impression as what you have just said at all.

**Neil Impiazzi (Partnership Development Director, SEGRO):** In what sense?

**Tony Devenish AM:** They were banging on about residential, as always. These were the council members. You are always the Cinderella. I am not saying you should be the Cinderella but you bluntly are the Cinderella. That is why you have been squeezed out, not just market pricing. You are the Cinderella and poor old Jules [Pipe CBE] is trying to work for you but the other Deputy [Mayor] is busy trying to build residential. I bet the Mayor never asked Jules about this subject but he asks him probably every week about residential.

**Andrew Dakers (Chief Executive, West London Business):** If I might comment, clearly as a city we are faced with an unenviable tension because the demands for housing and the needs of sustaining our economy and the industrial spaces. If I sit down with members of West London Business and the Park Royal Business Group probably top of their list alongside transport congestion issues will be housing, and genuine concerns about the affordability of housing in this city and how the younger and more junior staff can afford to live

close to work and be effective in their jobs. Clearly, we cannot solve one problem in isolation, we have to be engaged on both fronts.

It may be that on some - hopefully not SIL sites but industrial sites - that there is this blended approach that Jules has referred to where good quality design and planning conditions can label at some level a blending. Potentially going multi-storey on some of the land will maintain or indeed enhance the amount of industrial floor space that is provided.

I think there is also a need for us to have clarity as to when we simply say no to residential and that there is a site that must continue to be 100% industrial. I highlight just one piece of land that perhaps captures some of these challenges and in a sense is a live case at the moment as the OPDC's Local Plan continues on its journey. That is the Asda part of Park Royal. Interestingly, that particular part of Park Royal falls outside the SIL designation, so there are some tough choices that have to be made in settling on the right policy for that area. I am afraid I do not have answer to serve up as to what the right policy might be, but certainly we find it interesting in the current draft of the OPDC Local Plan that there is no specific demand, from the redevelopment of that site and that bit of land, that there should be some new and additional industrial provision within it. There is a proposal for 500 housing units and some retail and commercial space but not specifically industrial, which seems to perhaps be a missed opportunity, as it is within the wider Park Royal envelope.

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** You heard from me the theory. Andrew at the beginning of his comment there gave a much snappier exposition of it, this blended approach, and you heard Neil [Impiazzi] talking about the real-life example. I wanted to speak to Tony's point. I think you are right, highlighting the contrasting approaches, of which there are probably two. One is that the housing that is planned in the nearby housing area then abuts sharply with the Hertford Trading Estate up there, a rather rundown, low-density area, so you are not really improving the employment space offer. The residents hard up against that do not like what they are looking out on, possibly complaining, and then it starts causing problems for the remaining operators there.

The other alternative, and you highlighted, was where perhaps there is sympathy in some quarters for saying, "Yes, it is horrible, that bit of industrial land, isn't it? Let's build housing entirely all over that." I suppose both of those two alternatives are less attractive than perhaps this more nuanced blended approach where the intention is to get more of everything.

**Andrew Boff AM (Deputy Chair):** Mr Morgan, first.

**James Morgan (Chief Executive, Truman's Breweries):** I do not know the specifics of the Meriden scheme so I cannot comment on that, but what I would raise is that I think there is a natural challenge from anybody involved in manufacturing to the notion that you can have mixed-use development. I fear that the term 'mixed-used development' is used to bamboozle planning departments because it looks like you are covering everything. "This is a utopia where you can have loads of residential and you can have a square footage of industrial space," when in actual fact you have a square footage of ill-served industrial space without the eave height that Harry [Read] mentioned before, without the services and without the yard space, and it does not work. I have seen that happen a lot in East London and I think that is really important to raise. 'Mixed use' is basically a byword for bad planning, as far as I can tell.

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** Chair, I absolutely agree with that and I have agreed with Andrew before about badly designed retail space when mixed-used developments

may end up being either one tiny shopfront or, at best, if it is a best, a small metro supermarket underneath, and apparently that is mixed use. I am absolutely adamant, and the GLA will be adamant, that actually it is a bit like the term 'affordable housing' has become completely rendered meaningless because of what it has been applied to over the years. Equally 'mixed use' needs to be more tightly defined, about what we want to see. You have that issue about access, yard space and real head heights for people to do things in, rather than just a tiny bit of retail rather than industrial and make-a-space. You are absolutely right, it is a point well-made and it is one that we are very much cited on.

**Nicky Gavron AM (Chair):** Jules, this Old Kent Road scheme that we have just heard about is going to get short shrift, then, when that comes to the Mayor. The big housing development with a few little --

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** From the description of it, yes, and it certainly goes against what we would like to see on the Old Kent Road. Personally speaking, I think there is plenty of opportunity on the Old Kent Road from things that are large, single-storey retail sheds with large car parks next to them. That seems to me something that we should be offering light industrial make-a-space with offices and housing above, medium-rise, seven or eight storeys, instead of a two-storey, but inside single-storey, shed, with a great big car park outside, which without a question or reason why those kinds of retailers would really need that kind of space. Going forward with the e-commerce, they probably do not and will not.

We ought to be thinking about how we create genuinely mixed neighbourhoods where there is both employment space of all sorts and residential and move away from what has been happening and is still pushed for, the march of very high-density housing down the Old Kent Road and sweeping away all of that light industrial. The pressure is still on there for that and, by the sound of it, the Asda scheme sounds like an example.

**Neil Impiazzi (Partnership Development Director, SEGRO):** To Tony's point, Cinderella did marry the prince, so perhaps there is a happy ending to all of this!

Coming on to genuine mixed use, we have already submitted a joint planning application at the former Nestlé factory in Hayes, which is a partnership with About London, 1,400 dwellings, 230,000 square feet of industrial space. I think that includes about 3 acres of green space, open to the public, and community space as well, a community centre.

This factory was closed to the public. The great brand reputation of Nestlé, but it was closed. We are opening this up. This what we could call genuine mixed use. You can live there, you can work there. If there is a gym there, you can go to the gym, you can use the community space. The green space is open, it is not just for the residents. What we are trying to prove there is that industrial developers and residential can collaborate and through good design, good master planning, you can bring together these use types.

It is not going to work for every industrial occupier, but through good masterplanning, good design, you can eradicate any issues or challenges that the two uses face and get them to coexist really well. We are looking at this scheme and we are thinking that for our industrial occupiers it will be a great place to work because of the additional amenity right on their doorstep.

**Professor Mark Brearley (London Metropolitan University):** I am an optimist too and I believe it is possible to do forms of development that we have not seen before. I think that intensification and collocation must be a major part of the way that we provide for industry in future. But there are big viability challenges

and there are big design challenges. The most important thing to understand about collocation, where you completely mix uses in some clever way, is that it increases the extent of area where the non-residential accommodation must be present. If, for example, you put residential on top of industrial, then you will generally at least halve the yield of industrial space. You cannot have as much of it.

**Nicky Gavron AM (Chair):** Why?

**Professor Mark Brearley (London Metropolitan University):** Because the residential has to have land; it needs more amenity space, it is not just the yard, shared-street type spaces that the industrial needs. It needs its cores coming down, it needs bike stores, bin stores. All of that takes footprint.

**Nicky Gavron AM (Chair):** You meant the footprint has to be bigger?

**Professor Mark Brearley (London Metropolitan University):** The footprint of the whole scenario has to be bigger. If you go back to our Old Kent Road example, we find ourselves observing that even if you set what we think is a low objective of just maintaining the quantum of industrial accommodation there now is, but as part of a more intensified and mixed future, then its footprint would need to spread, for example to include the Aylesbury estate redevelopment, the Canada Water development, Convoys Wharf, wherever else that big redevelopment is happening.

You would have to be saying, “We need a bit of industrial there, a bit of industrial in there” because otherwise you are just not going to fit the accommodation. It is not just about doing something more mixed within the existing footprint of industrial, it is about embracing the idea, that forms of industrial accommodation, especially at the smaller workshop-y end of it, should be incorporated into other mixed developments. They can go underneath office blocks, they can go underneath and with residential if designed right.

**Tom Copley AM:** My question is: are proposals for intensification, substitution and collocation likely to be viable approaches? We have obviously been talking a bit just now about collocation. Jules has talked a bit about intensification, building taller warehouses with more floors. Andrew [Dakers] did mention, in terms of substitution, that lots of companies do not want to relocate outside of London. I wanted to go to Neil and to Harry. You have talked a bit about collocation. What about intensification?

**Harry Read (Asset Management and Acquisitions Associate, Capital Industrial):** First of all, we had a look at this multi-storey idea for industrial estates. We currently own various industrial units at first-floor level and we found that the rents are significantly discounted from industrial units on the ground floor. Obviously, things like the yard and access become a bit of an issue. Even when you have a ramp going up to the first-floor level, the access is not always great. I looked at a video of the X2 building on YouTube, about how loading is slow and difficult. It is not that easy to get up these ramps.

On top of that we own an industrial building near Elephant and Castle, which has a shared yard. When I say shared, there is a yard with an overhang above it where there is residential directly above this yard. We find that the tenants are blighted with complaints from residents day in, day out, and it makes it very difficult for them to operate from that unit.

Looking in a bit more detail, we worked out that the minimum site area required to do one of these multi-storey industrial estates was probably about 4 to 5 acres. It makes it very difficult to develop any of our sites in central London. Again, looking at the Old Kent Road area where our sites are, none of our sites are

that big. You just have to ask the question is there a better way of doing this? how else can we look at doing this? because I am not convinced that multi-storey is the way.

**Tom Copley AM:** Jules mentioned that they seem to have multi-storey on the Continent and it seems to work there. Why there and not here?

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills):** I think Neil had something to say, because they did not build X2. You took it on, did you not, and it is not as well designed as they are doing in their future ones, which will be more on the continental designs.

**Tom Copley AM:** OK, I will bring Neil in on this, then.

**Neil Impiazzi (Partnership Development Director, SEGRO):** The first thing on X2 - we did not build it - is it is ten years old and things have changed dramatically since ten years ago. If we look at the questions "why?", it is because we have never been in this kind of situation where land is so scarce. As to what is driving it, if you look at Hong Kong we can all accept and identify why Hong Kong has multi-storey: because land is in short supply. There are a number of factors you need for multi-storey. You need high demand, a lack of land and high demand, and you probably also need an anchor tenant to make it work.

We are far more up to date in terms of delivering. We have done a lot of work. We have been out to Asia, we have looked at how you can improve X2, we have looked at how it works in Asia and brought all that back. We are confident that we can deliver something. Of course, Harry is right, there is going to be an element of compromise, but what you have to do is build something that is as close to being on the ground level as possible. If you are on the fourth floor you will struggle to punch another loading door through on the outside, but it has to be as close as you can. You have eaves height, the size of your yard and potentially they do take some land because you need a ramp. We are looking at our smallest multi-storey schemes and we believe we can get onto 3 acres.

**Tom Copley AM:** How many storeys could you go up to?

**Neil Impiazzi (Partnership Development Director, SEGRO):** On a major one, four, and on a 3-acre one probably three, potentially. The thing I will say is that unlike residential - where you definitely do - the higher you go, you do not get more money. The viability is a challenge and I suspect that there will need to be at times perhaps support or intervention from the public sector to move these forward.

**Tom Copley AM:** We are pushed for time. I just wanted to go very quickly, because we have not talked about this one that much, to substitution. Moving out of London. How practical is that?

**Neil Impiazzi (Partnership Development Director, SEGRO):** Companies do that anyway, and they choose to stay. We own Slough Trading Estate and I do not think we have ever dealt with a relocation in our 97-year history. They want to be here.

**Andrew Dakers (Chief Executive, West London Business):** Picking up on the intensification point, in West London we have heard the level of demand in Park Royal. It is a red-hot location. If there is anywhere that we could deliver intensified development it has to be the UK's largest industrial estate, I would suggest, but there are significant barriers. The transport challenge that I mentioned before has to be grappled with properly. We have a workforce of 40,000 trying to move around Park Royal. You have a doughnut of stations around Park Royal but you do not have anything that goes directly into the middle. How do we achieve a real

modal shift of workers, who will often drive, on to public transport? Broadband, which I mentioned, has been ducked for too long by key service providers that really need to step up to the plate.

**Andrew Boff AM:** Just very quickly on broadband, because this always mystifies me, is it just that people do not want to pay the price of getting a bit of cable in? I do not understand why people do not have broadband.

**Andrew Dakers (Chief Executive, West London Business):** In Park Royal you have very low-end provision, so if you want ADSL you can get it at a very low cost but that is typically inadequate for a business's needs. You can pay an awful lot of money, £400 or £500 a month, for a leased line, but the majority of businesses in Park Royal are ten employees or less and they want something in the middle ground, and that is what we have not seen.

**Andrew Boff AM:** So it is not that it is technically impossible to get it there, it is just the price.

**Andrew Dakers (Chief Executive, West London Business):** Just picking up on the land problem and the size of the footprint of the sites required, the challenge we have in Park Royal is the level of fragmentation of land ownership. An unresolved dilemma - perhaps both for the private and the public sector to get their heads around in the months, hopefully not years ahead, given the scale of need - is: how do we start to put together the parcels of land into something? Perhaps several locations within Park Royal are of sufficient substance to move these multi-storey schemes forward.

**Tom Copley AM:** Thank you. Should we move on to the presentation now?

**Nicky Gavron AM (Chair):** Yes, I think we should. We wanted to end on a note which looks at the feasibility. We are discussing a lot of the challenges and difficulty but here is someone, John Moore, who will introduce himself, to look at an architectural practice that is really making waves in this. Over to you, John.

**John Moore (Technical Director, Karakusevic Carson Architects):** My name is John Moore. I am a technical director at Karakusevic Carson Architects. We have been around for quite a while as a practice. We work mainly with local authorities building affordable housing and that has led on to developing a speciality in masterplanning. We have recently started to work on station design as well because infrastructure is one of the big obstacles to development, sometimes, in London, but it is also one of the opportunity areas.

Many of the points I have put here in the first slide have been raised this afternoon and it is probably worthwhile reiterating. The images, by the way, are almost all from Meridian Water, on the right-hand side. We are working with the London Borough of Enfield on the master plan, or the area action plan, for Meridian Water. There are some examples there of the diversity of ways you have to think about the use of land, if it is in the transformation state, from industrial or semi-derelict industrial, into something more of a mixed-use, intensely used piece of city.

The rate of loss of industrial land, yes, that is high. The GLA are reminded to halt that. The transformation of industrial land should reflect the changes in employment and industrial land use. What do the new users need? Any transformation should try to take that into account.

Equally, the presence of transport infrastructure and the expansion of that, for example Crossrail 2 which is coming along. We need to think about the impact of that on the adjacent land. For example, Meridian Water is somewhere around about the middle of this map here, which is the Lee Valley corridor and we are working on this. We have been working on masterplans in Hackney Wick, Bromley-by-Bow and even doing some work

with industrial residents in Camden. This corridor also pretty much follows the Crossrail to expansion. The Mayor has targeted that to be able to deliver many thousands of homes. So we have to think about, yes, industrial, but also think about the targets for housing and try to balance them.

The definition and measurement of SIL I think needs some refinement. Very often this afternoon we have talked about hectares. It does not really matter if there is one tiny building on it or a five-storey warehouse cheek by jowl with all the boundaries. Thinking about square footage is really important and perhaps coming up with some simple measures. In the way with housing we talk about dwellings per hectare and relate that to Public Transport Accessibility Level, a similar thing probably needs to be used for industrial, certainly when you are considering replacing industrial land, maybe more think about replacing industrial footage.

Engaging landowners and anticipating the needs of new users is critical. At Meridian Water there are a number of large landowners there, and sometimes when you look behind that, big pension funds own some of this land. Trying to engage with them at a very long-term strategic level is much more likely to come up with plans that will transform the area in a way that suits all parties.

At the very top of the slide there we see the new station which will be opening in two or three years' time. It will go to four tracks and Crossrail 2 by 2032. This area here, the Meridian Water housing zone, as you say, sits within a large, long industrial area and it is at a point where the North Circular crosses the river. It is one of the few areas where west joins to east and it could potentially be a place of confluence, a real piece of city, so it has real merits in transforming from the current industrial status.

As you said earlier, SEGRO are looking at the optimisation of the land to the north here, where a multi-storey logistics centre can effectively replace a lot of jobs and a lot of footage in a much more intensely used area, giving a buffer to the noisy North Circular and enabling perhaps some other parts of the site to be used for other uses.

Paul Karakusevic is a founding member of Housing Creative London, which is a non-profit organisation. We are designing and proposing to build affordable housing for creative people and people on low incomes and we have identified as one of the first sites this area here, which is currently a gasometer drum in the ground. It is just the foundations there. We are proposing to replace that with a combination of housing at the top, over four storeys of workspace.

This is an example of a mixed use that will be applied to the site. In the bottom right-hand corner of the slide you see one of the sheds. There are a few sheds that are sitting in the centre of the site and two of those sheds are going to be reused for a meanwhile use of five to ten years for the Arts Trust, Association for Cultural Advancement through Visual Art (ACAVA) for 250 artists and also for Building Blocks, which is an open source workshop charity, effectively. They will be creating 250 spaces for workers. Thinking about the meanwhile strategy is really important to major wholesale redevelopment.

The design challenges we have talked partly about today: collocation, perhaps moving buildings from the current position to help screen more hostile environments - railway lines or motorways - can help keep the uses but reposition them in a way that suits an intensification of our city.

The top slides there show an area in Camden near King's Cross where local light industrial users have got together and asked us to come up with some designs for them. They know there is a pressure on their land to be redesigned and redeveloped. We have looked at a scheme where there is going to be use retaining their use over phased developments. We can increase the space for light industrial and other non-residential uses, as

well as introducing much-needed housing. I think that is a good example of working with the right people, people who have a stake in it, like Mark [Jenkinson, City Director, Siemens plc] was talking about, some of the local light-industrial users, engaging with them as well to think about how to develop plans that suit all people.

Down at the bottom of the slide is a prototypical study that we did. It started by assessing the Claverings Industrial Estate in Enfield, which is reasonably well situated for transportation links, and looking at what was of retaining the industrial functions. Enfield have done some research. Nearly 70% of their industrial buildings are not used for industrial purposes but they are being used by other users who need cheap space or a place where they can make noise or something like that, and I think we should recognise that when we are thinking about the transformation of industrial premises or industrial areas.

The section down at the bottom of the slide shows a fairly rudimentary, single-storey with a mezzanine, light-industrial-type uses. On the left-hand side, more of a small office or a warehouse-y type building that can take these other types of users, a dance school, a language school, something like that. On the right-hand side there is housing over workspace as well. Basically, thinking about intensifying sites, bringing these users together and thinking carefully about light and sound and access and so on.

As you can see, the visualisation to the side there shows there is still an industrial road that takes you into the yard space that allows for the logistics and delivery and so on, but the residential can create another frontage on to perhaps the perimeter roads to create a place that feels more human.

**Andrew Boff AM (Deputy Chair):** Can I just ask on that, you have residential buildings right above industrial units?

**John Moore (Technical Director, Karakusevic Carson Architects):** That is correct.

**Andrew Boff AM (Deputy Chair):** Alluding to what I said earlier, in those industrial units you now have to keep the noise down, do you not, if you have pushed them so close?

**John Moore (Technical Director, Karakusevic Carson Architects):** One of the reasons for doing this study was to try to explore those issues. I think there is a burden, perhaps, on the residential buildings to insulate themselves from some of the industrial functions in many cases, certainly where mixed-used development is taking place, but also there are things you do within the design of the industrial buildings themselves to screen or to control emissions and noise from them. Also, it is a matter of managing property as well. There are certainly some uses that need to be isolated and work away noisily, perhaps with pollution at an acceptable level, whereas the other uses are maybe more acceptable to coexist with housing. It is a problem that needs to be both managed and have technical solutions for.

**Nicky Gavron AM (Chair):** Does it also have to be incumbent on the residential developer to ensure that there is noise insulation, protection, whatever? The residential development absolutely has to protect its tenants.

**John Moore (Technical Director, Karakusevic Carson Architects):** Absolutely.

**Andrew Boff AM (Deputy Chair):** You end up with residential developments without balconies, even though it is multi-storey, because of the noise.

**Nicky Gavron AM (Chair):** That is a good point.

**John Moore (Technical Director, Karakusevic Carson Architects):** There is certainly a role to play. Although we try to avoid designing single-aspect units, if single-aspect units face south, for example, and perhaps even relatively small units, they can be a very good buffer building joined on to another type of building to effectively create this insulation from a sound point of view but also avoid any cross-contamination between the uses.

Intensification has to deal with a number of things. It is the footprint. If you compare the square meterage or hectares of industrial land, only one-third of that land is covered. That is all the floor space covers one-third of the land; it is clearly not being particularly well used. We have to think about the intensity of the footprint. Consider height. Design flexible heights that will allow multiple uses over time. Think about employees and productivity and also buildings that are adaptable. Building slightly higher floor-to-floor heights than you need as a minimum will allow the market and the property to flex over time. The tall spaces of the industrial revolution are still being used today for multiple different uses. Of course, there are technical issues and I think we are aware of those but very often with good design, talking to the landowners and the future users, you can resolve many of these things through building orientation as well as through other technical means.

Some recommendations or potential solutions. Today's meeting is very useful. Studies initiatives. Funding policy is important as well. The audits I have heard about are really important. We need to understand what the problem is if we have any chance of solving it. I think we need to audit and engage and collaborate with key landowners. At Bromley-by-Bow, for example, the images at the top of the slide, there were five landowners as well as London Legacy Development Corporation (LLDC), who are both a planning authority and a landowner.

There were furtive but failed attempt to redevelop parts of this land. They gathered together. We were engaged as architects for them and about two years ago started to put together a collaborative Secured by Design. Architecture Art Planning, Strategic Planning Documents, masterplans, all of these things need to be done first to think of clever ways of developing industrial or semi-industrial sites. With a collaborative approach, I think the site's potential is maximised. It introduces housing, it retains some of the current uses and introduces new workspace to reflect the demands that are coming forward in that part of London. Of course, we thought about phasing as well. Now there are two detailed planning applications in and a third one in the making. It shows that that process of collaboration and using the right planning policies and instruments can be successful.

The little image down at the bottom of the slide shows a masterplan we worked on for LLDC further upstream at Hackney Wick, and it shows that a still modest scale can be retained, judicious retention of the good quality industrial stock as well as introduction of new housing. The colour coding shows residential above different types of workspace. That was trying to retain the character of Hackney Wick but also to intensify its use.

The 'meanwhile' strategy I mentioned earlier - it was mentioned by the panellists - is really important. In Meridian Water, for example, there were the sheds you can see, these buildings in the middle. As just one example, this is the exploded axonometric of the shed being more intensively used for Building Blocks workspace. Adding mezzanines and even intensifying one end of that space will enable them to move in and offer space for the 250 people simultaneously working on very low-rent equipment: metalworking, woodworking and so on.

In fact, Five Stars Brewery are moving into one the sheds, or certainly the discussions are ongoing for that. I think these sheds at the heart of the scheme will start to bring footfall and activity to what is otherwise a

pretty derelict area. Those meanwhile uses may become long-term or forever uses, who knows, but I think Enfield have acquired maybe 35 hectares and in the meantime that land needs to be used wisely. It needs to be rented out or even if it is for open storage the land needs to be used while the masterplan is in development.

Of course, the offsite manufacturer, volumetric construction, all of these things can play a part in delivering, particularly in tight sites and difficult sites to access. In this particular case, this cheap shed will have a cheap five- to ten-year fit-out. That is based on using off-the-shelf solutions, but nevertheless they are offsite, if you like, to some extent.

Other recommendations: volumetric panelised construction. We have done some analysis of the areas around the Transport for London (TfL) and Crossrail stations. Single development around the stations is not going to be particularly successful but you start to gather landowners together within TfL ownership, come up with a plan, a plan that is flexible and you are willing to revisit over time, then much more intensive use of those spaces around stations can occur.

If you think about that over a number of stations across London, it starts to create this masterplan of masterplans, so the plan-led approach that Jules was mentioning is really important. I do not think you were necessarily meaning planning policy but you mean plan-led approach to intensification. Decking over, stacking of uses, back-to-back uses, all of these things can be used in the right circumstances to intensify the use of current or existing sites.

I will just leave you with a few images from Meridian Water, just a visualisation of what it might be like in 20 years' time, but 20 years is a long time and lots of things will have to happen along the way. Something our practice has done over the years is to consult with residents, to consult with local people, to involve as many people as possible who might be involved in the transformation of an area and who may be involved in using it later. That is really key to understanding how to use space well and how to design buildings well.

I am happy to answer any questions.

**Nicky Gavron AM (Chair):** Thank you very much, John. It is with you at the moment, Tom.

**Tom Copley AM:** I thought there was quite a lot in there and I do not have any further questions.

**Nicky Gavron AM (Chair):** We have just a few moments. Does anyone else want to add anything?

**Neil Impiazzi (Partnership Development Director, SEGRO):** Just picking up on the discussion between John [Moore] and Andrew about the use class, there are businesses that make noise but there are businesses that are very quiet. We have a lot of customers that are in the media sector, we have studio space and we have customers that are providing lighting equipment and audio-visual equipment to the film sector. They are not bashing at metal. They are not making noise.

One of the things we need to think about is, again, the occupiers, because at the moment we just think of it as "What is the use class?" rather than whether there are sectors are that you can put quite closely next to residential areas as well. We have a number of customers - Pagano and Ferrari - that operate out of an industrial unit. They could operate quite easily next to a residential area. They are not causing any kind of noise. It is the same with the media sector.

**Andrew Boff AM (Deputy Chair):** That is highly theoretical because once the local borough's noise team get on to it they could not care less about what the planning application was about. If you built a residential development next to a very noisy industry, the borough's noise team will enforce against the industry. It is irrelevant what the planning application says.

**Neil Impiazzi (Partnership Development Director, SEGRO):** We have had this in Park Royal at Origin. We have had London and Regional build a residential tower next to the former Guinness Brewery site. That exists. What I am trying to talk about is that there should be further research. We have occupiers. What you might find from an industrial developer like ourselves and maybe Harry [Read] is that we would be calling for 24-hour, 7-days a week use. There are industrial occupiers or sectors that do not make a huge amount of noise. We have studio space. You cannot hear anything; these are soundproofed. We believe that some of the use classes, and we might need to review those as to which sectors, which customers -

**Andrew Boff AM (Deputy Chair):** It is not just noise, it is smelling of hops and that kind of thing that can be quite uncomfortable for residents. What I need an answer to is this: I have heard this theory before about how you can mix different uses together and so often --

**Nicky Gavron AM (Chair):** He is telling you that it is being done.

**Neil Impiazzi (Partnership Development Director, SEGRO):** We put a planning application --

**Andrew Boff AM (Deputy Chair):** Take me there. Show me.

**Nicky Gavron AM (Chair):** We will have to do that. Jules, you may remember, last November, at the *A City for all Londoners* discussion, we suggested an agent of change for buildings which are residential buildings that go right up against some of these industrial sites. Are you going to accept that principle? I notice that Park Royal is going to accept it, which is good.

**Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills, GLA):** Yes, I think we have already spoken about it in public. Obviously, that is more relevant to where you have a pre-existing use, whether it is the housing use and the agent of change who comes along is something that is noisy and/or obtrusive in some way. Or it could be the other way around, where you have a business use and someone comes along and wants to put housing along the side, and suddenly demands that the business use has to change its operation or incur costs as a result so they do not cause an inconvenience to the new residents. Absolutely an agent of change principle should dictate that the ones that came along second should take the responsibility, or must. That will be in the plan.

**Andrew Boff AM (Deputy Chair):** Looking at the tears there were over trying to build a tower block next to the Ministry of Sound. It is not this subject, I understand, but the Ministry of Sound, their business is their licence, and a licensee could go along and take it away on the basis of some new person coming into the tower block who complained that he did not like the sound of heavy metal.

**Nicky Gavron AM (Chair):** You are going to have to futureproof it.

**Andrew Dakers (Chief Executive, West London Business):** Just very briefly picking up on this point of noise and the diversity of noise levels in an estate like Park Royal, there is the opportunity, perhaps, to try to cluster the noisiest industries in Park Royal somewhere central, away from the fringes where you may have residential encroachment, to remove some of those conflicts.

**Mark Jenkinson (City Director, Siemens plc):** The future factory - I guess we need to look long term - is going to be digital and it is going to be quiet and it is going to be different, so I guess we need to plan for the future.

**Andrew Boff AM (Deputy Chair):** No, it is not. There are still going to be people fixing cars and that kind of thing.

**Mark Jenkinson (City Director, Siemens plc):** Yes, but if you go to Sustainable Bridges around the corner it is quiet. Apart from people chatting and creating and making, it is quiet. Obviously, it is a mix but we need to think about the future. I have lived in Germany next to factories and, obviously, the houses are insulated, but it is all regulated and it is all planned in a way, so it can be done.

**Nicky Gavron AM (Chair):** Members, I feel a site visit coming on. Did you want to say something, Mark?

**Professor Mark Brearley (London Metropolitan University):** I think it is right to highlight these challenges and they are very real design challenges that are of a type that cities face when they grow fast. They have to invent. That is a collective challenge and I do think that the Mayor and the GLA could have a significant role in helping figure out the answers.

Just going back briefly to the Old Kent Road, our little bit, by far the noisiest industrial-style thing we have is a big Asda. It has the biggest trucks causing the biggest problems on the street and it has the noisiest chiller plants, that are also a bit smelling when you walk past them. Yet these days in London we see it as a routine job to build such a big footprint supermarket with residential on top. Those very challenging issues get resolved and we ought to be able to resolve in the same way for the majority of industrial uses. But you are absolutely right - we have not done it yet.

**Nicky Gavron AM (Chair):** On that note I have to end this meeting. We are going to use what we have heard to inform some recommendations and some further discussion with Jules [Pipe CBE] and Gerard [Burgess]. I hope you all agree that we have covered a lot of ground but it has been extremely fecund with very useful insights coming forward. Thank you all very much, all our panellists. Thank you, Jules and Gerard and thank you to our Members.