

## REQUEST FOR DIRECTOR DECISION – DD2511

### Title: London Industrial Land Supply and Economy Study - 2020

#### Executive Summary:

Approval of expenditure of up to £100,000 is sought to procure and commission a consultancy study to update the London industrial land baseline and assess the economic function, character and role of London's Strategic Industrial Locations. The study will be framed within the wider policy context of the new London Plan and the Government's National Planning Policy Framework.

The work will ensure a more responsive monitoring of industrial land supply in London, through the provision of a high-quality digital baseline to be integrated with detailed live data derived from the new Planning London Datahub. The work is vital to directly support the implementation of the new London Plan, as well as informing London Plan Guidance and future review of the London Plan, preparation of Local Plans/Opportunity Area Planning Frameworks and supporting co-ordination of industrial land supply with the wider south east.

The study will also inform the development of area-specific masterplans for industrial areas across London and it will directly support GLA officers in their work with London Boroughs around industrial land, policies and related development proposals.

#### Decision:

That the Executive Director of Good Growth approves:

Expenditure of up to a total of £100,000 to lead, procure and commission specialist technical services to undertake the London Industrial Land Supply and Economy Study.

#### AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Philip Graham

**Position:** Executive Director, Good Growth

**Signature:**



**Date:**

17 December 2020

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. The importance for planning policies and decisions to support economic growth and productivity, taking into account both local business needs and wider opportunities for development is set out in the Government's National Planning Policy Framework (NPPF)<sup>1</sup>. Associated Planning Practice Guidance<sup>2</sup> set out the need for strategic policy-making authorities to prepare a robust evidence base to understand existing business needs, and the requirement to keep this evidence under review to reflect local circumstances and market conditions.
- 1.2. The new London Plan underscores the Mayor's policy for the retention and provision of a sufficient supply of land and premises in different parts of London to meet current and future demands for industrial and related functions (such as logistics/distribution, waste management, utilities, and land for transport), taking into account the potential for intensification, co-location and substitution.
- 1.3. The Secretary of State has issued a set of Directions requiring amendments to policies included in the Intend to Publish version of the London Plan, including industrial land policies. In light of this, as well as recent national policy and legislative changes (e.g. Use Class Order and permitted development rights amendments), it is important that an accurate, up-to-date industrial supply baseline is developed to enable the effective monitoring of changes affecting London's industrial capacity, so that any impacts can be addressed through implementing and reviewing the London Plan.
- 1.4. This research will update the London industrial land supply baseline for land, floorspace, quality, employment and business (previously commissioned by the GLA in 2015) and assess the economic function, character and role of Strategic Industrial Locations in the capital. The study will provide up-to-date and high-quality evidence to effectively support GLA planning officers in their work with boroughs and applicants around industrial land and capacity.
- 1.5. The study will also inform the active monitoring of industrial supply in London, through the provision of a high-quality digital baseline to be integrated with detailed live data derived from the new Planning London Datahub.
- 1.6. The study will be commissioned by the GLA Planning Team in the Good Growth Directorate in collaboration with the Regeneration team, the Housing and Land Team, and Transport for London. Given the specialist technical nature of the commission, the procurement process will be undertaken via an invitation to tender issued to organisations that have demonstrable experience on the subject area.
- 1.7. The estimated total cost of this work is up to £100,000. The costs will be met by a contribution of £20,000 from the 2020-21 London Plan Programme Budget and £80,000 from the 2021-22 London Plan Programme Budget.

#### **2. Objectives and expected outcomes**

- 2.1. The London Industrial Land Supply and Economy Study contains three distinct but interrelated parts (full details in the specification attached – Appendix 1):
  - Part A: Industrial land and floorspace baseline update;

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<sup>1</sup> Ministry of Housing, Communities and Local Government, National Planning Policy Framework, MHCLG, 2019, Paragraph 80

<sup>2</sup> Ministry of Housing, Communities and Local Government, Housing and Economic Needs Assessment PPG, MHCLG, 2019, ID: 2a-025-20190220

- Part B: Business and employment baseline on industrial land; and
  - Part C: Assessment of the economic and functional role of London's SILs.
- 2.2. Part A of the study will update the 2015 industrial land baseline, associated GIS data resources and mapping and extend it to take into account industrial and related floorspace figures across London. It will also assess industrial and related clusters of capacity in the Wider South East. It will identify current and potential future supply of industrial land and related floorspace in London, having regard to proposals included in Local Plans, adopted/emerging planning frameworks including those for London's Opportunity Areas, as well as approved planning permissions. Part B will update the employment and business estimates included in the 2015 Study. Part C will explore the character and function of each of London's Strategic Industrial Locations, as well as their current and potential economic role.
- 2.3. The outputs of the study will inform:
- the implementation of the new London Plan;
  - the development of London Plan Guidance and the evidence base for future reviews of the London Plan;
  - the monitoring of London's industrial land supply;
  - preparation of Local Plans;
  - work on Opportunity Area Planning Frameworks/Area Action Plans; and
  - co-ordination with the Wider South East of England. The Study will also support the work of the GLA in addressing its growth and regeneration agenda.

### **3. Equality comments**

- 3.1. Under Section 149 of the Equality Act 2010, as a public authority, the Greater London Authority must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not
- 3.2. It is considered that there will be no negative equalities impacts associated with this decision.
- 3.3. The London Industrial Land Supply and Economy Study supports the equalities objectives of the new London Plan and will provide evidence to inform the development of policy and guidance to improve London's economic base and competitiveness, sustainability and use of land, and secure access to a range of employment opportunities. The release of industrial land to other uses, where appropriate, will support wider objectives to deliver housing (including affordable housing) and social infrastructure.
- 3.4. The evidence assembled in this study will therefore contribute to the GLA meeting its Public Sector Equality Duty to: (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (b) advance equality of opportunity between persons who share a relevant protected characteristics and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

### **4. Other considerations**

#### *a) key risks and issues*

- 4.1. If the study were not carried out it would:

- increase the risk of losing an unsustainable amount of industrial capacity, negatively affecting London's economic growth and employment. In the last decades too much industrial land has been lost and this needs changing to ensure London has sufficient capacity to accommodate demand for industrial, logistics and related functions;
- harm London's economic function by undermining the implementation of London Plan policies E4-E7 which seek to provide a rigorous approach to the management of industrial capacity in London to ensure that a sufficient stock of land and premises to meet current and future needs for industrial and related uses is provided and maintained to support London's economic growth;
- undermine the Mayor's evidence base to support future iterations of the London Plan, the development of London Plan Guidance, and work with boroughs on Local Plans and Opportunity Area Planning Frameworks as well as co-ordination of industrial land supply with wider south east planning authorities; and
- risk sub-optimal investment to support London's industrial areas, businesses and wider employment.

*b) links to Mayoral strategies and priorities*

- 4.2. The study will inform the development of London Plan Guidance, which will support the implementation of the new London Plan, as well as evidence base for future iterations of the London Plan. It will support London boroughs in the preparation of Local Plans and partnership working by the GLA, boroughs and others on Opportunity Area Planning Frameworks. The study will also inform collaboration and co-ordination with wider south-east planning authorities and support regeneration and business policy initiatives including those associated with the London Enterprise Panel (LEP).

*c) consultations and impact assessments*

- 4.3. Impact assessments are carried out as part of the preparation of reviews and alterations to the London Plan, as well as part of the development of supplementary planning guidance. A separate impact assessment is not required for this research study. Consultation on the project specification has taken place within the GLA and with Transport for London (TfL). Further collaboration with London boroughs will take place during project implementation including sharing draft outputs for verification and presentation of findings.

*d) conflicts of interest*

- 4.4. There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

## **5. Financial comments**

- 5.1. Approval is sought for the expenditure of up to £100,000 to procure and commission specialist technical services to undertake the London Industrial Land Supply and Economy Study.
- 5.2. The costs will be met by the London Plan Programme Budget with £20,000 in 2020-21 and £80,000 having first call on the budget allocation for 2021-22. The London Plan allocation for 2021-22 is to be confirmed as part of the budget setting process. However, as the London Plan is a statutory function, sufficient budget for all essential tasks will be in place.
- 5.3. As this work relates to a consultancy contract, officers must ensure that the requirements of the Authority's Contracts & Funding Code are adhered to and that the requirements relating to consultancy services within the Authority's Financial Regulations and Expenses & Benefits Framework are also adhered to.

## 6. Legal comments

- 6.1. Under Section 30 of the Greater London Authority Act 1999 (the 'Act') the GLA, after appropriate consultation, is entitled to do anything that will further the promotion, within Greater London, of economic development and wealth creation, social development and the improvement of the environment.
- 6.2. The Mayor also has a subsidiary power pursuant to Section 34 of the Act to do anything which is calculated to facilitate, or is conducive or incidental to the exercise of any of the statutory functions of the Authority. Section 334 of the Act requires the Mayor to prepare and publish a spatial development strategy (known as the London Plan). Section 339 of the Act requires the Mayor to keep the London Plan under review, especially matters which may be expected to affect the development of Greater London or the planning of its development. In this case, the decision to procure specialist technical services to do this study will form part of the evidence base for the London Plan and support the work of the GLA in addressing its growth and regeneration agenda and may reasonably be regarded as facilitating, being conducive or incidental to, the exercise of the Mayor's power under section 30, 334 and 339 of the Act.
- 6.3. Sections 1 to 4 of this report indicate that the decisions requested of the Director in accordance with the GLA's Contracts and Funding Code fall within the GLA's statutory powers. In formulating the proposals in respect of which a decision is sought, officers have complied with the Authority's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people;
  - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
  - consult with appropriate bodies.
- 6.4. The services required will be procured in consultation with TfL Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the Authority's Contracts and Funding Code. Officers must liaise with TfL Procurement in this regard and to ensure all necessary contract documentation is put in place and executed before commencement of services.

## 7. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract	Jan 2021
Delivery Start Date	Feb 2021
Interim Baseline update	March 2021
Delivery End Date	Aug 2021
Final evaluation and Project closure	Sep 2021

### Appendices and supporting papers:

Appendix 1: Study Specification

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

**Part 1 - Deferral****Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: This Director Decision includes the overall project budget for appointing consultants to prepare the London Industrial Land Supply and Economy Study. It is important that this information is not made public until after the consultants are appointed and a price and scope for works have been agreed and contracts exchanged. If a total project budget is made public in advance of this it could lead to consultants providing inflated prices to complete works. This information should not be made public until after the consultants have been appointed.

Until what date: 28 February 2021

**Part 2 – Sensitive information**

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO****ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

Giorgio Wetzl has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Assistant Director/Head of Service:**

Lucinda Turner has reviewed the documentation and are satisfied for it to be referred to the Sponsoring Director for approval.

✓

**Financial and Legal advice:**

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

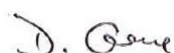
**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 14 December 2020.

**EXECUTIVE DIRECTOR, RESOURCES:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature**



**Date**

17 December 2020