GREATER**LONDON**AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2235

Title: Industrial Intensification Viability Study – Waltham Forest bolt on

Executive Summary:

Evidence for the forthcoming revised London Plan suggests the scope for continued loss of industrial land in London is likely to be limited, and there will be increasing efforts to retain or provide industrial capacity by encouraging industrial intensification and co-location with residential uses.

The purpose of this decision form is to seek approval to take receipt of a funding contribution of £13,200 from the LB Waltham Forest for consultants to produce an additional site appraisal of a designated industrial site in Waltham Forest, testing scenarios for Industrial Intensification and/or co-location with residential.

The site appraisal is a 'bolt on' to the existing £40,000 study into industrial intensification, authorised by ADD2161. This study will help define design standards, provide guidance to the GLA, boroughs and delivery partners, understand typological cost implications, and test their viability in different parts of London. The study has been procured and will be delivered by May 2018.

This takes the total value of the commission to £53,200. There would be no additional cost to the GLA, and the commission would be overseen by GLA Regeneration officers already allocated to the existing Industrial Intensification Viability Study. The site appraisal will provide important additional evidence for the New London Plan intensification policies.

Decision:

That the Executive Director of Director-Development, Enterprise & Environment approves the receipt, and subsequent expenditure, of £13,200 funding contribution from the LB Waltham Forest towards the production of a site appraisal for a designated industrial site in Waltham Forest, testing the scenarios for industrial intensification and/or co-location with residential.

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: Fiona Fletcher-Smith

Position: Executive Director-Development, Enterprise & Environment

Signature:

Date: 18 · 4 · 2018

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

1.1. There are approximately 7,000 hectares of industrial land in London. London's industrial economy encompasses a diverse range of business in different sectors which collectively make a significant contribution to the city.

1.2. There are growing pressures on London's industrial land, with faster than planned release[1] and increasingly steady demand[2] from businesses serving London's growing population and economy.

- From 2010 - 2015, the rate of industrial land released (lost) for other uses almost 3 times that than planned in the Mayor's 2012 Land for Industry and Transport SPG
- In the last five years, over 525 hectares of industrial land has been released for other uses, against a London-wide benchmark of 185 hectares.
- Central London has already reached its 2031 land release target

1.3. Recommendations for the emerging London Plan[3] suggest the release benchmark should be revised down to a very low level across London, and many boroughs may be directed to retain or provide industrial capacity. In line with this, and demand for housing capacity, the emerging London Plan is considering ways of encouraging industrial intensification, and co-location with residential uses.

1.4. The GLA has produced an Industrial Intensification Primer to summarise the range of forms industrial intensification can take, listed below. The Primer document draws heavily on the LLDC Employment Space Study, as well as other technical, design and typology studies.

1.5. While some of the options presented in the primer document are fairly straight-forward, and some are possible with greater attention to detail, others will be more challenging, in terms of economic viability and deliverability.

1.6. Existing research has tended to explore possible typologies with a degree of enthusiasm for "vertical mix", which would appear to hold the greatest practical issues. Similarly, residential developers have tended to favour "vertical mix" solutions, whilst downgrading the specification and operational needs of the industrial space in favour of the residential units.

1.7. It is clear a more intelligent and careful approach to accommodating industrial uses is needed. OPDC's Park Royal Intensification Study is one of the few studies which considers the viability of industrial intensification. The proposals did not include co-location with residential. There is also similar work considering viability and deliverability of industrial intensification and co-location with residential, underway in a few boroughs.

2. Objectives and expected outcomes

2.1. ADD2161 approved the expenditure of £40,000 to commission a study into industrial intensification. The study will help define design standards, provide typological and design guidance to the GLA, boroughs and other delivery partners, understand cost implications associated with particular typologies, and test their viability in different parts of London. The study has been procured via a competitive process and will be completed May 2018.

[1] Industrial Land Supply & Economy, 2015, AECOM, Cushman & Wakefield, We Made That
[2] Industrial Demand Study, 2017, CAG, Ramidus, Colliers
[3] Industrial Demand Study, 2017, CAG, Ramidus, Colliers

2.2. Following a competitive tender process, a consultant team has been commissioned to undertake the study.

2.3. Since then, GLA officers have engaged with counterparts in the London Borough of Waltham Forest about the potential for testing the industrial intensification and/or co-location of industrial with residential on a designated industrial site in Waltham Forest.

2.4. It was agreed that GLA Officers would seek authorisation to include an additional site appraisal for a designated industrial site in Waltham Forest in addition to the original commission. LB Waltham Forest confirmed that they would be prepared to contribute £13,200 towards the cost of having the appointed consultants for the Industrial Intensification Viability Study produce an additional site appraisal for a site in Waltham Forest.

2.5. This takes the total value of the commission to £53,200. There would be no additional cost to the GLA, and the commission would be overseen by GLA Regeneration officers already allocated to the existing Industrial Intensification Viability Study.

2.6. The additional site appraisal would make use of existing build costing work undertaken for the original Industrial Intensification Viability Study but will provide additional evidence for the London's Plan Evidence Base on it Industrial Policies (Policies E4-E7). The research would be particularly relevant to Policy E7 which *covers Intensification, co-location and substitution of land for industry, logistics and services to support London's economic function*. As well as providing further evidence on viability issues relating to industrial intensification and/or co-location, it would also provide an important opportunity to test the policies approach to a "plan-led process of SIL intensification and consolidation".

3. Equality

3.1. Under Section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due regard' of 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.

4. Other considerations

4.1. The project will support the Mayor's draft London Plan and it's 'Good Growth' priorities. As well as providing guidance to boroughs and the wider property development sector

4.2. The work should help to encourage industrial intensification in a way which works for industrial businesses, and surrounding residents. The consultants undertaking the study will be required to consult with key players in the sector, including business occupiers, developers, and financiers to better understand deliverability. The GLA's Industrial and Logistics Sounding Board will be a key body in this respect.

4.3. While study outputs for the industrial site in Waltham Forest will be informed by the physical, planning, and commercial realities of the site, they will be strictly hypothetical propositions, and in no way represent a decision by the GLA on the future of the chosen industrial site. Due to commercial and planning sensitivities, the study outputs will not be published unless agreed by both the GLA and LB Waltham Forest,

5. Financial comments

5.1 ADD2161 approved expenditure of up to £40,000 for an Industrial Intensification Study to be funded from the Development, Environment & Enterprise Minor Programme budget. As detailed within the main body of this report, the scope of the study has now widened to include a site appraisal for a designated industrial site in Waltham Forest, testing the scenarios for industrial intensification. Consequently, costs have increased by a further £13,200 and will be funded by way of grant income from the London Borough of Waltham Forest, which will be received in 2018-19.

5.2 It should be noted that, the additional expenditure on this study will increase the overall cost to £53,200 and it is expected the study will be completed in early 2018-19.

6. Legal comments

The foregoing sections of this report indicate that:

a. the decisions requested of the Director concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and

b. the decisions requested of the Director (in accordance with the GLA's Contracts and Funding Code) concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

   i. pay due regard to the principle that there should be equality of opportunity for all people;

   ii. 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

   iii. consult with appropriate bodies.

c. In taking the decisions requested, the Director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Director should have particular regard to section 3 (above) of this report.

d. The GLA are exercising an option under the current contract and, therefore, an exemption under the GLA's Contracts and Funding Code is not required. Officers must ensure that the additional expenditure is recorded in accordance with the contract.

7. Planned delivery approach and next steps

Activity	Timeline
Project scope confirmation with GLA, LB Waltham Forest, consultant	April 2018
Interim report to client group	May 2018
Complete final draft report	May-June 2018
Activity	**Timeline**

Appendices and supporting papers: None

Public access to information Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.
Part 1 Deferral: **Is the publication of Part 1 of this approval to be deferred? NO** If YES, for what reason: Until what date: (a date is required if deferring)
Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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: Alex Marsh has drafted this report in accordance with GLA procedures and confirms that:	✓
Assistant Director/Head of Service: Debbie Jackson has reviewed the documentation and is 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: The Corporate Investment Board reviewed this proposal on 9 April 2018.	

EXECUTIVE DIRECTOR, RESOURCES: I confirm that financial and legal implications have been appropriately considered in the preparation of this report. **Signature** M. D. Elle **Date** 11.4.18