

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2161

Title: Industrial Intensification study

Executive Summary:

Evidence for the forthcoming revised London Plan suggests the scope for the de-designation and release of industrial land for other uses 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 spend £40,000 to commission a study into industrial intensification. The study will help define standards, provide guidance for boroughs and developers, understand construction cost implications, and test its financial viability in different parts of London. The study will be procured and delivered by March 2018.

Decision:

That the Assistant Director of Regeneration approves expenditure of up to £40,000 for an Industrial Intensification study.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

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: Debbie Jackson

Position: Assistant Director of Regeneration

Signature:



Date:

26/09/17

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 release¹ and increasingly steady demand² 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 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. Recommendations³ for the emerging London Plan 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. 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.

2. Objectives and expected outcomes

- 2.1. This study aims to provide guidance on the acceptability of industrial intensification and co-location with residential, and test the viability of such development. We will procure a suitably qualified consultant team through a competitive process to carry out the following tasks:

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

- Produce definitions and measures of industrial intensification. These measures should help inform the implementation of planning policies and the assessment of planning applications.
- Provide definitions of industrial space specifications, to ensure industrial intensification and co-location with residential, results in genuinely industrial space, usable by most industrial occupier businesses. These specifications should help inform the implementation of planning policies and the assessment of planning applications, as well as supporting viability estimates.
- Provide guidance on the development of industrial intensification and associated co-location with residential, beyond the individual site boundary, and at the scale of the neighbourhood and locality. This should help inform the implementation of planning policies and the assessment of planning applications.
- Produce viable proposals for industrial intensification and co-location with residential to *both inform and test* the recommended guidance in three parts of London, identified to provide a range of contexts.
- Produce a publishable report, with a general commentary on wider deliverability issues and potential barriers to delivery, as well as any opportunities for market actors, and to draw conclusions over the likely types and areas where industrial intensification may take place.

3. Equality comments

- 3.1. It is not anticipated that the recommendations in this paper will have a negative impact on any groups identified under the Equality Act 2010.
- 3.2. The procurement process and documentation will follow best practice guidelines to ensure equality impact monitoring and equal opportunities are achieved. The evaluation will include a relevant range of officers across the GLA. The final report will follow the corporate accessibility guidelines the GLA adheres to.
- 3.3. As part of the study the consultants will be expected to liaise with a number of stakeholders to ensure a broad set of views are considered in the study.

4. Other considerations

- 4.1. The project will support the Mayor's draft London Plan and its 'Good Growth' priorities. As well as providing guidance to boroughs and the wider property development sector
- 4.2. Key risks are related to the delay of the study, which could miss the opportunity support the London Plan at Examination in Public, and miss the opportunity for the GLA to take a lead in setting the agenda for this emerging form of development. The current programme does not envisage this, however there may be ways of using work in draft or in smaller batches chapters to mitigate this risk.
- 4.3. 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.

5. Financial comments

5.1 The cost of up to £40,000 for this proposal will be funded from the 2017-18 Development, Environment & Enterprise Minor Programme Budget.

6. Legal Comments

6.1 There are no particular legal issues, as the project will be procured in line with the contracts and funding code.

7. Planned delivery approach and next steps

7.1 A budget of £40,000 is required to procure a suitably qualified consultant team through a competitive process to deliver the study. It is expected the consultant team will devise a programme based on the budget and key milestones below:

Activity	Timeline
Commence procurement process	2 Oct 2017
Tenders submitted	14 Oct 2017
Interviews and project commissioned	23 Oct 2017
Interim report to client group	Early Dec 2017
Complete final draft report	Early Feb 2018

7.2 The project will be monitored by a steering group, including officers from GLA Regeneration, Planning, and Housing & Land teams. Day-to-day management will be by a project officer from the GLA Regeneration Team.

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? YES

If YES, for what reason:

To allow the completion of the procurement process.

Until what date: 14 October 2017

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:

Levent Kerimol has drafted this report in accordance with GLA procedures and confirms that the Finance and –if relevant- Legal teams have commented on this proposal as required, and this decision reflects their comments.

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 25 September 2017

HEAD OF FINANCE AND GOVERNANCE:

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

Signature:



Date:

25 09. 17

