

City Hall
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Dear Boris,

I am writing to follow up our exchange about small businesses in the 18th December 2015 Mayor's Question Time. I should like to address three aspects of our discussion: Parsons Green depot, opportunities for TfL's wider commercial programme, and your London Plan evidence base review.

Parsons Green depot

I visited the depot yesterday to meet with small businesses currently located in this old District Line depot. The site was safeguarded for Crossrail 2 up until 2015, and now TfL has identified it as suitable for redevelopment.

The depot is currently home to businesses supporting an estimated 330 jobs. The business owners tell me that TfL has underestimated the number.

The plans would replace most of the light industrial units, currently occupied by furniture makers, a small sculpture foundry, a climbing centre, a photography studio, a picture framer and two showrooms for flooring products, leaving just 18 jobs of this kind. Few of the businesses I spoke to could find a suitable unit nearby, and many rely on local clientele and suppliers for survival. I've enclosed some pictures from my visit to give you an idea of the rich and varied business activity there.

In their place, TfL plans to provide mostly office and retail space. I hope you will agree that not all jobs are alike, and the loss of these 'makers' will be detrimental to the character and economy of Parsons Green. The depot is one of the last places of its kind in Fulham.

TfL's brochure says it proposes "to replace the existing buildings on site, which are considered to be unattractive and of no particular architectural value". But there is great value in slightly scruffy spaces that businesses can fit to their needs, and this depot looks by no means unattractive to the passer by unless you expect all of London to be comprised of glass boxes. Some of the sheds look a little run down from the outside but

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could be easily tidied up, and the businesses inside are able to adapt them to their needs. One furniture business I was shown around includes beautiful high-end show rooms, an office and a carpentry workshop, ingeniously fitted into two bespoke floors.

I also heard the business owners' fears about the transition process. The owner of a bridge club with over 3,000 members is worried what those people will do while they are closed, potentially for years, as the site is redeveloped. The club is a valuable social hub as well as a thriving business. The climbing centre wouldn't find another venue of its kind close to their customers.

I should like you to ask TfL to review their plans, and come up with an alternative that will retain the current light industrial capacity, and look after the existing businesses during any transition. There should still be scope for some appropriate housing development.

Opportunities for TfL's wider commercial programme

As Chair of TfL, you are in a unique position to ensure that the organisation gives due regard to concerns outside their usual remit, including the provision of affordable housing and the health of the local and London economy.

One suggestion I should like you to consider is a model lease, perhaps analogous to your London Rental Standard, in which TfL could agree to certain standards. For example:

- Providing sufficient security in the lease for businesses to be confident investing in their premises and equipment. I've spoken to several businesses in recent years who felt unable to refit their workshops or buy bespoke machinery for fear of having to move.
- Offering some stability and predictability in their rents, so that businesses can plan a few years ahead without being stung by sudden increases.
- A commitment to fully involve businesses in any redevelopment proposals, to explore options to retain existing business space where possible, and to give reasonable notice before ending leases rather than terminating them quickly to exploit rising residential property values.

TfL has told me it has approximately 3,500 business units across a broad range of uses. These include traditional retail spaces, railway arches, offices, sub-stations and spaces that can be used for other purposes. I also asked Network Rail, which told me it has 5,714 premises across Greater London, including 4,000 railway arch premises. As services and infrastructure is devolved to London, I think there is potential for TfL to take many of these over. With up to 9,000 business units across London, TfL could set a shining example and influence the market.
This is of critical importance to London's economic health.

The FSB undertook extensive research amongst its wide membership base of nearly 7,000 micro and small firms in the capital and found that over half (56 per cent) say

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that business property costs (including rent, rates and availability) require urgent reform and is the critical issue. In the European Cities Monitor, Cushman & Wakfield (2008-2011), London tops the league table for factors like availability of qualified staff, access to markets and transport systems. But it comes 24th for the value for money of business space.

TfL could form an invaluable part of your strategy to retain the varied patchwork of business space across Greater London to ensure our city continues to thrive.

You could also commit TfL to supporting the FSB's emerging initiative to bring greater transparency to the market. The FSB is teaming up with the West End Chinatown Tenants Association, The East End Traders Guild, Devono and Philip Ross Solicitors to work on a 'shared digital database' that will help local businesses when it comes to negotiating rent reviews and seeing what other businesses are paying. Currently tenants are at a competitive disadvantage and they feel that the right approach is to make the system more transparent to help those looking to take new premises or renegotiate. It would give the project an enormous boost to have your backing, and that of a large commercial landlord like TfL.

London Plan evidence base review

GLA officers are currently preparing and commissioning the evidence base for the next London Plan. I have spoken to business networks about the evidence they would like to see you pull together, so that the next Mayor can formulate a revised London Plan that will help small businesses thrive.

They have come up with four proposals, which I should like you to consider:

1. Area-based quantitative and qualitative studies to offer a different perspective to the macro projection and sector-based analysis (Park Royal and LLDC studies may be good models). These should include at least specimens of the high streets and industrial areas with good public transport which the current London Plan envisages being redeveloped to gain housing density in "mixed use" schemes.

2. A study of inter-dependence of economic activity not limited to the specialised and high GVA sectors, for example the importance of builders' yards and merchants for house building, and lift maintenance to owners and occupiers of high commercial and residential buildings.

3. The basis for a more sophisticated approach to land use classification. For example, many industrial sites host a rich array of retail, commercial and cultural businesses and non-profit enterprises.

4. A sub-regional study on pressures on small businesses, with analysis of sensitivity to rent levels, lease security and location, and projected pressures on

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capacity of different kinds of workspace given past trends and any emerging changes due to permitted development.

I hope you will give this letter serious consideration, and look forward to hearing from you.



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