OPDC Regulation 19(2) Second Revised Draft Local Plan

Draft Policy Formulation Reports

Employment Development Management Policies

Planning Committee Version

June 2018

Overview

Policy Formulation Reports are being produced to help demonstrate how individual policies have been developed.

These reports continue to be developed. Further updates will be made to them ready for the second Regulation 19 and to support the submission of the Local Plan.

E1: Protecting, Strengthening and Intensifying the Strategic Industrial Location

Legislation, Policy and Guidance Context

National Planning Policy Framework (2012) (NPPF)

Policy / paragraph reference	Policy and paragraph text
7	There are three dimensions to sustainable development: economic, social and environmental. These dimensions give rise to the need for the planning system to perform a number of roles: • an economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure…
17	Within the overarching roles that the planning system ought to play, a set of core land-use planning principles should underpin both plan-making and decision-taking. These 12 principles are that planning should……. • proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities;
19	Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system.
20	To help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century.
21	Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing. In drawing up Local Plans, local planning authorities should: • set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth; • set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan

	period; • support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances; • plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries; • identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and • facilitate flexible working practices such as the as the integration of residential and commercial uses within the same unit.
22	Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.
111	Planning policies and decisions should encourage the effective use of land by re-using land that has been previously developed (brownfield land), provided that it is not of high environmental value. Local planning authorities may continue to consider the case for setting a locally appropriate target for the use of brownfield land.
120	To prevent unacceptable risks from pollution and land instability, planning policies and decisions should ensure that new development is appropriate for its location. The effects (including cumulative effects) of pollution on health, the natural environment or general amenity, and the potential sensitivity of the area or proposed development to adverse effects from pollution, should be taken into account. Where a site is affected by contamination or land stability issues, responsibility for securing a safe development rests with the developer and/or landowner.
122	In doing so, local planning authorities should focus on whether the development itself is an acceptable use of the land, and the impact of the use, rather than the control of processes or emissions themselves where these are subject to approval under pollution control regimes. Local planning authorities should assume that these regimes will operate effectively. Equally, where a planning decision has been made on a particular development, the planning issues should not be revisited through the permitting regimes operated by pollution control authorities.
154	Local Plans should be aspirational but realistic. They should address the spatial implications of economic, social and environmental change. Local Plans should set out the opportunities for development and clear policies on what will or will not be permitted and where. Only policies that provide a clear indication of how a decision maker should react to a development proposal should be included in the plan.
156	Local planning authorities should set out the **strategic priorities** for the area in the Local Plan. This should include strategic policies to deliver: • the homes and jobs needed in the area; • the provision of retail, leisure and other commercial development…
157	Crucially, Local Plans should: • plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of this Framework; • be drawn up over an appropriate time scale, preferably a 15-year time

	horizon, take account of longer term requirements, and be kept up to date; • be based on co-operation with neighbouring authorities, public, voluntary and private sector organisations; • indicate broad locations for strategic development on a key diagram and land-use designations on a proposals map; • allocate sites to promote development and flexible use of land, bringing forward new land where necessary, and provide detail on form, scale, access and quantum of development where appropriate; • identify areas where it may be necessary to limit freedom to change the uses of buildings, and support such restrictions with a clear explanation; • identify land where development would be inappropriate, for instance because of its environmental or historic significance; and • contain a clear strategy for enhancing the natural, built and historic environment, and supporting Nature Improvement Areas where they have been identified.
158	Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.
160	Local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should: • work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and • work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.
161	Local planning authorities should use this evidence base to assess: • the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development; • the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land;
173	Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

176	Where safeguards are necessary to make a particular development acceptable in planning terms (such as environmental mitigation or compensation), the development should not be approved if the measures required cannot be secured through appropriate conditions or agreements. The need for such safeguards should be clearly justified through discussions with the applicant, and the options for keeping such costs to a minimum fully explored, so that development is not inhibited unnecessarily.
178	Public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the **strategic priorities** set out in paragraph 156. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.

National Planning Practice Guidance (NPPG)

Policy / paragraph reference	Policy and paragraph text
Title: What is the role of a Local Plan? Paragraph: 001 Reference ID: 12-001-20170728 Revision date: 28 07 2017	National planning policy places Local Plans at the heart of the planning system, so it is essential that they are in place and kept up to date. Local Plans set out a vision and a framework for the future development of the area, addressing needs and opportunities in relation to housing, the economy, community facilities and infrastructure – as well as a basis for safeguarding the environment, adapting to climate change and securing good design. They are also a critical tool in guiding decisions about individual development proposals, as Local Plans (together with any neighbourhood plans that have been brought into force) are the starting-point for considering whether applications can be approved. It is important for all areas to put an up to date plan in place to positively guide development decisions.
Title: What is the role of a Local Plan? Paragraph: 002 Reference ID: 12-002-20140306 Revision date: 06 03 2014	The Local Plan should make clear what is intended to happen in the area over the life of the plan, where and when this will occur and how it will be delivered. This can be done by setting out broad locations and specific allocations of land for different purposes; through designations showing areas where particular opportunities or considerations apply (such as protected habitats); and through criteria-based policies to be taken into account when considering development. A policies map must illustrate geographically the application of policies in a development plan. The policies map may be supported by such other information as the Local Planning Authority sees fit to best explain the spatial application of development plan policies. Local Plans should be tailored to the needs of each area in terms of their strategy and the policies required. They should focus on the key issues that need to be addressed and be aspirational but realistic in what they propose. The Local Plan should aim to meet the objectively assessed development and infrastructure needs of the area, including unmet needs of neighbouring areas where this is consistent with policies in the National Planning Policy Framework as a whole. Local Plans should recognise the contribution that Neighbourhood Plans can make in planning to meet development and infrastructure

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	needs.
Title: What is the purpose of the assessment of housing and economic development needs guidance? Paragraph: 001 Reference ID: 2a-001-20140306 Revision date: 06 03 2014	This guidance supports local planning authorities in objectively assessing and evidencing development needs for housing (both market and affordable); and economic development (which includes main town centre uses). The assessment of housing and economic development needs includes the Strategic Housing Market Assessment requirement as set out in the National Planning Policy Framework.
Title: What is the primary objective of the assessment? Paragraph: 002 Reference ID: 2a-002-20140306 Revision date: 06 03 2014	The primary objective of identifying need is to: • …identify the future quantity of land or floorspace required for economic development uses including both the quantitative and qualitative needs for new development; and • provide a breakdown of that analysis in terms of quality and location, and to provide an indication of gaps in current land supply.
Title: What is the definition of need? Paragraph: 003 Reference ID: 2a-003-20140306 Revision date: 06 03 2014	Need for all land uses should address both the total number of homes or quantity of economic development floorspace needed based on quantitative assessments, but also on an understanding of the qualitative requirements of each market segment. Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.
Title: What methodological approach should be used? Paragraph: 004 Reference ID: 2a-004-20140306 Revision date: 06 03 2014	The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.
Title: Can local planning authorities use a different methodology? Paragraph: 005 Reference ID: 2a-005-20140306 Revision date: 06 03 2014	There is no one methodological approach or use of a particular dataset(s) that will provide a definitive assessment of development need. But the use of this standard methodology set out in this guidance is strongly recommended because it will ensure that the assessment findings are transparently prepared.
Title: What areas should be assessed? Paragraph: 008	Needs should be assessed in relation to the relevant functional area, ie housing market area, functional economic area in relation to economic uses, or area of trade draw in relation to

Reference ID: 2a-008-20140306 Revision date: 06 03 2014	main town centre uses. Establishing the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is important also to recognise that there are 'market segments' ie not all housing types or economic development have the same appeal to different occupants. In some cases housing market areas and functional economic areas may well be the same.
Title: How can functional economic market areas be defined? Paragraph: 012 Reference ID: 2a-012-20140306 Revision date: 06 03 2014	The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area. Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including: • extent of any Local Enterprise Partnership within the area; • travel to work areas; • housing market area; • flow of goods, services and information within the local economy; • service market for consumers; • administrative area; • catchment areas of facilities providing cultural and social well-being; • transport network. Suggested Data Source: Office for National Statistics (travel to work areas) Paragraph: 012 Reference ID: 2a-012-20140306 Revision date: 06 03 2014
Title: How should the current situation in relation to economic and main town centre uses be assessed? Paragraph: 031 Reference ID: 2a-031-20140306 Revision date: 06 03 2014	In understanding the current market in relation to economic and main town centre uses, plan makers should liaise closely with the business community to understand their current and potential future requirements. Plan makers should also consider: • The recent pattern of employment land supply and loss to other uses (based on extant planning permissions and planning applications). This can be generated though a simple assessment of employment land by sub-areas and market segment, where there are distinct property market areas within authorities. • Market intelligence (from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums).

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	• Market signals, such as levels and changes in rental values, and differentials between land values in different uses. • Public information on employment land and premises required. • Information held by other public sector bodies and utilities in relation to infrastructure constraints. • The existing stock of employment land. This will indicate the demand for and supply of employment land and determine the likely business needs and future market requirements (though it is important to recognise that existing stock may not reflect the future needs of business). Recent statistics on take-up of sites should be consulted at this stage, along with other primary and secondary data sources to gain an understanding of the spatial implications of 'revealed demand' for employment land. • The locational and premises requirements of particular types of business. • Identification of oversupply and evidence of market failure (eg physical or ownership constraints that prevent the employment site being used effectively, which could be evidenced by unfulfilled requirements from business, yet developers are not prepared to build premises at the prevailing market rents).
Title: How should employment land be analysed? Paragraph: 031 Reference ID: 2a-031-20140306 Revision date: 06 03 2014	A simple typology of employment land by market segment and by sub-areas, where there are distinct property market areas within authorities, should be developed and analysed. This should be supplemented by information on permissions for other uses that have been granted, if available, on sites then or formerly in employment use. When examining the recent take-up of employment land, it is important to consider projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and warehousing sites, and (when compared with the overall stock of employment sites) should form the context for appraising individual sites. Analysing supply and demand will allow plan makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied. Employment land markets can overlap several local authority areas.

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Title: How should future trends be forecast? Paragraph: 032 Reference ID: 2a-032-20140306 Revision date: 06 03 2014	Plan makers should consider forecasts of quantitative and qualitative need (ie the number of units and amount of floorspace for other uses needed) but also its particular characteristics (eg footprint of economic uses and proximity to infrastructure). The key output is an estimate of the scale of future needs, broken down by economic sectors. Local authorities should develop an idea of future needs based on a range of data which is current and robust. Authorities will need to take account of business cycles and make use of forecasts and surveys to assess employment land requirements. Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible. Market segments should be identified within the employment property market so that need can be identified for the type of employment land advocated. The available stock of land should be compared with the particular requirements of the area so that 'gaps' in local employment land provision can be identified Plan makers should consider: • sectoral and employment forecasts and projections (labour demand); • demographically derived assessments of future employment needs (labour supply techniques); • analyses based on the past take-up of employment land and property and/or future property market requirements; • consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.
Title: What type of employment land is needed? Paragraph: 033 Reference ID: 2a-033-20140306 Revision date: 06 03 2014	The increasing diversity of employment generating uses (as evidenced by the decline of manufacturing and rise of services and an increased focus on mixed-use development) requires different policy responses and an appropriate variety of employment sites. The need for rural employment should not be overlooked. Labour supply models are based on population and economic activity projections. Underlying population projections can be purely demographic or tied to future housing stock which needs to be assessed separately. These models normally make predictions for a period of 10 to 15 years. Plan makers should be careful to consider that national economic trends may not automatically translate to particular areas with a distinct employment base.

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Title: How should employment land requirements be derived? Paragraph: 034 Reference ID: 2a-034-20140306 Revision date: 06 03 2014	When translating employment and output forecasts into land requirements, there are 4 key relationships which need to be quantified. This information should be used to inform the assessment of land requirements. The 4 key relationships are: • Standard Industrial Classification sectors to use classes; • Standard Industrial Classification sectors to type of property; • employment to floorspace (employment density); and • floorspace to site area (plot ratio based on industry proxies).

London Plan (2016) Policies

Policy / paragraph reference	Policy and paragraph text
2.17	**Strategic** A The Mayor will, and boroughs and other stakeholders should, promote, manage and, where appropriate, protect the strategic industrial locations (SILs) designated in Annex 3 and illustrated in Map 2.7, as London's main reservoirs of industrial and related capacity, including general and light industrial uses, logistics, waste management and environmental industries (such as renewable energy generation), utilities, wholesale markets and some transport functions. **Planning decisions** B Development proposals in SILs should be refused unless: a they fall within the broad industrial type activities outlined in paragraph 2.79 b they are part of a strategically co-ordinated process of SIL consolidation through an opportunity area planning framework or borough development plan document c the proposal is for employment workspace to meet identified needs for small and medium sized enterprises (SMEs) or new emerging industrial sectors; or d the proposal is for small scale 'walk to' services for industrial occupiers such as workplace crèches or cafes C Development proposals within or adjacent to SILs should not compromise the integrity or effectiveness of these locations in accommodating industrial type activities. **LDF preparation** D In LDFs, boroughs should identify SILs on proposals maps and develop local policies based on clear and robust assessments of need to protect their function, to enhance their attractiveness and competitiveness for industrial type activities including access improvements.
4.4	**Strategic** A The Mayor will work with boroughs and other partners to: a adopt a rigorous approach to industrial land management to ensure a sufficient stock of land and premises to meet the future needs of different types of industrial and related uses in different parts of London, including for good quality and affordable space b plan, monitor and manage release of surplus industrial land where this is compatible with a) above, so that it can contribute to strategic and local

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	planning objectives, especially those to provide more housing, and, in appropriate locations, to provide social infrastructure and to contribute to town centre renewal. **LDF preparation** B LDFs should demonstrate how the borough stock of industrial land and premises in strategic industrial locations (Policy 2.17), locally significant industrial sites and other industrial sites will be planned and managed in local circumstances in line with this strategic policy and the location strategy in Chapter 2, taking account of: a the need to identify and protect locally significant industrial sites where justified by evidence of demand b strategic and local criteria to manage these and other industrial sites c the borough level groupings for transfer of industrial land to other uses (see Map 4.1) and strategic monitoring benchmarks for industrial land release in supplementary planning guidance d the need for strategic and local provision for waste management, transport facilities (including inter-modal freight interchanges), logistics and wholesale markets within London and the wider city region; and to accommodate demand for workspace for small and medium sized enterprises and for new and emerging industrial sectors including the need to identify sufficient capacity for renewable energy generation e quality and fitness for purpose of sites f accessibility to the strategic road network and potential for transport of goods by rail and/or water transport g accessibility to the local workforce by public transport, walking and cycling h integrated strategic and local assessments of industrial demand to justify retention and inform release of industrial capacity in order to achieve efficient use of land i the potential for surplus industrial land to help meet strategic and local requirements for a mix of other uses such as housing and, in appropriate locations, to provide social infrastructure and to contribute to town centre renewal.

Draft London Plan (2017) Policies

Policy / paragraph reference	Policy and paragraph text
E4	A A sufficient supply of land and premises in different parts of London to meet current and future demands for industrial and related functions should be maintained. This should make provision for: 1) light and general industrial uses 2) storage and logistics/distribution including ‘last mile’ distribution close to central London and the Northern Isle of Dogs, consolidation centres and collection points 3) secondary materials and waste management 4) utilities infrastructure 5) land for sustainable transport functions including intermodal freight interchanges, rail and bus infrastructure 6) wholesale markets 7) emerging industrial-related sectors 8) flexible (B1c/B2/B8) hybrid space to accommodate services that support the wider London economy and population

	9) low-cost industrial and related space for micro, small and medium-sized enterprises (see also Policy E2 Low-cost business space) taking into account strategic and local employment land reviews, industrial land audits and the potential for intensification, co-location and substitution (see Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London's economic function). B London's land and premises for industry, logistics and services falls into three categories: 1) Strategic Industrial Locations (SIL) – see Policy E5 Strategic Industrial Locations (SIL) 2) Locally Significant Industrial Sites (LSIS) - see Policy E6 Locally Significant Industrial Sites 3) non-Designated Industrial Sites78 - see below. C The retention and provision of industrial capacity across the three categories of industrial land set out in part B should be planned, monitored and managed, having regard to the industrial property market area and borough-level categorisations in Figure 6.1 and Table 6.2. This should ensure that in overall terms across London there is no net loss of industrial floorspace capacity (and operational yard space capacity) within designated SIL and LSIS. Any release of industrial land in order to manage issues of long-term vacancy and to achieve wider planning objectives, including the delivery of strategic infrastructure, should be facilitated through the processes of industrial intensification, co-location and substitution set out in Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London's economic function. D The retention and provision of additional industrial capacity should be prioritised in locations that: 1) are accessible to the strategic road network and/or have potential for the transport of goods by rail and/or water transport 2) provide capacity for logistics, waste management, emerging industrial sectors or essential industrial-related services that support London's economy and population 3) provide capacity for micro, small and medium-sized enterprises 4) are suitable for 'last mile' distribution services to support large-scale residential or mixed-use developments subject to existing provision. E Any release of industrial capacity in line with part C should be focused in locations that are (or are planned to be) well-connected by public transport, walking and cycling and contribute to other planning priorities including housing (and particularly affordable housing), schools and other infrastructure. F Efficient wholesale market functions should be retained to meet London's requirements whilst enabling opportunities to consolidate composite wholesale markets to meet long-term wholesaling needs. G Boroughs should ensure that the need to retain sufficient industrial and logistics capacity is not undermined by permitted development rights by introducing Article 4 Directions where appropriate. H Development proposals for large-scale (greater than 2,500 sqm GIA) industrial floorspace should consider the scope to provide smaller industrial units suitable for SMEs, in particular where there is a local shortage and demand for such space.
E5	A Strategic Industrial Locations (identified in Figure 6.2 and Table 6.3) should be managed proactively through a plan-led process to sustain them as London's main reservoirs of industrial, logistics and related

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	capacity for uses that support the functioning of London's economy. B Boroughs, in their Development Plans, should: 1) define the detailed boundary of SILs in policies maps having regard to the scope for intensification, co-location and substitution (set out in Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London's economic function), and use the adopted Local Plan SIL boundary as the basis for decision-making 2) develop local policies to protect and intensify the function of SILs and enhance their attractiveness and competitiveness (including access improvements and digital connectivity) for the functions set out in part C 3) explore opportunities to intensify and make more efficient use of land in SILs in Development Plan reviews and through Opportunity Area Planning Frameworks in collaboration with the GLA and other planning authorities within and outside London (Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London's economic function). C Development proposals in SILs should be supported where the uses proposed fall within the broad industrial-type activities set out below: 1) light industrial (Use Class B1c) 2) general industrial uses (Use Class B2) 3) storage and logistics/distribution uses (Use Class B8) 4) other industrial-type functions, services and activities not falling within the above Use Classes including secondary materials and waste management, utilities infrastructure, land for transport and wholesale markets 5) flexible B1c/B2/B8 premises suitable for occupation by SMEs 6) small-scale 'walk to' services for industrial occupiers such as workplace crèches or cafés. D Development proposals for uses in SILs other than those set out in part C above, (including residential development, retail, places of worship, leisure and assembly uses), should be refused except in areas released through a strategically co-ordinated process of SIL consolidation. This release must be carried out through a planning framework or Development Plan document review process and adopted as policy in a Development Plan or as part of a co-ordinated masterplanning process in collaboration with the GLA and relevant borough. E Development proposals within or adjacent to SILs should not compromise the integrity or effectiveness of these locations in accommodating industrial-type activities and their ability to operate on a 24-hour basis. In line with Agent of Change principles (Policy D12 Agent of Change) residential development adjacent to SILs should be designed to ensure that the industrial activities are not compromised or curtailed. Particular attention should be given to layouts, access, orientation, servicing, public realm, air quality, soundproofing and other design mitigation in the residential development.
E7	Development Plans and development proposals should be proactive and encourage the intensification of business uses in Use Classes B1c, B2 and B8 occupying all categories of industrial land through: 1) development of mezzanines 2) introduction of small units 3) development of multi-storey schemes 4) addition of basements 5) more efficient use of land through higher plot ratios having regard to

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	operational requirements (including servicing) and mitigating impacts on the transport network where necessary. B Development Plans and planning frameworks should be proactive and consider, in collaboration with the Mayor, whether certain logistics, industrial and related functions in selected parts of SILs could be intensified. Intensification should facilitate the consolidation of the identified SIL to support the delivery of residential and other uses, such as social infrastructure, or to contribute to town centre renewal. This process must meet the criteria set out in part E below and ensure that it does not undermine or compromise the integrity or effectiveness of the SIL in accommodating the industrial-type activities identified in part C of Policy E5 Strategic Industrial Locations (SIL). This approach should only be considered as part of a plan-led process of SIL intensification and consolidation (and the areas affected clearly defined in Development Plan policies maps) or as part of a co-ordinated masterplanning process in collaboration with the GLA and relevant borough, and not through ad hoc planning applications. C Development Plans and planning frameworks should be proactive and consider whether certain logistics, industrial and related functions in selected parts of LSIS could be intensified and/or co-located with residential and other uses, such as social infrastructure, or to contribute to town centre renewal. This process should meet the criteria set out in part E below. This approach should only be considered as part of a plan-led process of LSIS intensification and consolidation (and clearly defined in Development Plan policies maps) or as part of a co-ordinated masterplanning process in collaboration with the GLA and relevant borough, and not through ad hoc planning applications. D Mixed-use or residential development proposals on Non-Designated Industrial Sites will be supported where: 1) there is no reasonable prospect of the site being used for the industrial and related purposes set out in part A of Policy E4 Land for industry, logistics and services to support London's economic function; or 2) it has been allocated in a Development Plan for residential or mixed-use development on the basis of part D.1; or 3) industrial, storage or distribution floorspace is provided as part of mixed-use intensification where this is feasible; or 4) suitable alternative accommodation (in terms of type, specification, use and size) is available in reasonable proximity to the development proposal and subject to relocation support arrangements for existing businesses before the commencement of new development. Mixed-use development proposals on Non-Designated Industrial Sites which co-locate industrial, storage or distribution floorspace with residential and/or other uses should also meet the criteria set out in parts E.2 to E.4 below. E The processes set out in Parts B, C and D above must ensure that: 1) the industrial uses within the SIL or LSIS are intensified to deliver an increase (or at least no overall net loss) of capacity in terms of industrial, storage and warehousing floorspace with appropriate provision of yard space for servicing 2) the industrial and related activities on-site and in surrounding parts of the SIL, LSIS or Non-Designated Industrial Site are not compromised in terms of their continued efficient function, access, service arrangements and days/hours of operation noting that many businesses have 7-day/24-hour access and operational requirements 3) the intensified industrial, storage and distribution uses are completed and operational in advance of any residential component being occupied 4) appropriate design mitigation is provided in any residential element to ensure compliance with 1 and 2 above with particular consideration given to:

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	a) safety and security (see Policy D10 Safety, security and resilience to emergency and Policy D11 Fire safety) b) the layout, orientation, access, servicing and delivery arrangements of the uses in order to minimise conflict (see Policy T4 Assessing and mitigating transport impacts) c) design quality, public realm, visual impact and amenity for residents (see Policy D1 London's form and characteristics, Policy D2 Delivering good design, Policy D3 Inclusive design, Policy D4 Housing quality and standards, Policy D5 Accessible housing, Policy D6 Optimising housing density, Policy D7 Public realm and Policy D8 Tall buildings) d) vibration and noise (see Policy D13 Noise) e) air quality, including dust, odour and emissions (see Policy SI1 Improving air quality and Policy SI2 Minimising greenhouse gas emissions). F Development Plans and planning frameworks should consider, in collaboration with neighbouring authorities within and outside London, the scope to facilitate the substitution of some of London's industrial capacity to related property markets elsewhere in London and beyond London's boundary where: 1) this results in mutual advantage to collaboration partners inside and outside London and supports a more efficient use of land 2) full regard is given to both the positive and negative impacts of substitution including impacts on servicing the economy inside and outside London, businesses and customers, labour markets and commuting, supply-chains and logistics, congestion, pollution and vehicle miles 3) a clearly-defined strategy for the substitution of future demand capacity and/or relocation arrangements where relevant, is in place to support this process. This approach should only be considered as part of a plan-led process of consolidation and intensification (and clearly defined in Development Plan policies maps) and not through ad hoc planning applications.

Supplementary Planning Guidance (SPG)

Policy / paragraph reference	**Policy and paragraph text**
Land for Industry and Transport SPG (2012)	
SPG 3	In implementing London Plan Policies 2.17 and 4.4, the Mayor will and TfL, boroughs and other partners should: (i) adopt a positive 'plan-monitor-manage' approach to planning for industrial land in London to bring demand and supply into closer harmony; (ii) undertake regular integrated strategic and local assessments of the quantitative and qualitative supply and demand for industrial land having regard to the range of industrial type activities indicated in paragraph 2.1 of this SPG to inform the retention of industrial land in DPDs and the release of surplus capacity to other uses. These assessments should be integrated with assessments of housing capacity and need for new waste facilities, utilities and land for transport; (iii) take into account the broad phasing and sub-regional distribution of the London-wide monitoring benchmark for industrial land release set out in Table 3.1; (iv) take account, when developing borough benchmarks, site specific allocations and policies in DPDs, of the qualitative borough categorisations

	for Restricted, Limited and Managed transfer of industrial land to other uses in Table 3.2 and Figure 3.2, and the indicative monitoring release benchmarks outlined for boroughs in Annex 1; (v) take a proactive, plan-led approach having regard to the monitoring release benchmarks, to retain the best quality industrial sites and to manage the transfer of the poorest quality sites that are surplus to requirements through DPD site re-allocations whilst maintaining an allowance for some further transfers to take place during the plan period through the development management process; (vi) test the cumulative impact of transfers against the borough benchmarks, including planned transfers of designated sites in DPDs and transfers of non-designated industrial land through the development management process including those agreed in principle in pre-application discussions; (vii) consider in light of strategic and local assessments the potential to consolidate and intensify industrial uses in appropriate locations and establish effective re-location arrangements in the context of national and regional policy. The GLA group will work with boroughs and other stakeholders to coordinate this process as it affects SILs; (viii) coordinate changes to the SILs so that these can be considered in a future review of the London Plan and where appropriate, develop frameworks including OAPFs to manage the release of land and inform detailed reviews of SIL boundaries through the DPD process; (ix) ensure that sites released from industrial use meet strategic as well as local needs. The priority should be to meet the need for housing, including affordable housing, and appropriate mixed development. Increasing capacity for social infrastructure and town centre related development will also be important in appropriate locations; (x) monitor industrial land and policy development benchmarks having regard to those indicators set out in paragraph 3.33 of this SPG and coordinate this on a London-wide and sub-regional basis. The spatial expression of this guidance is that: (xii) industrial land in Strategic Industrial Locations and strategically recognised Locally Significant Industrial Sites should in general be protected, subject to guidance elsewhere in this SPG. In parts of the East and North sub-regions there is particular scope for structured release of some SILs. In line with the London Plan these should be planned and coordinated in collaboration with boroughs and other partners through the London Plan, Opportunity Area Planning Frameworks where appropriate, and detailed boundaries identified in DPDs; (xiii) release of industrial land through development management should generally be focussed on smaller sites outside the SIL framework; (xiv) in outer London, boroughs should manage and improve the stock of industrial capacity to meet both strategic and local needs, including those of small and medium sized enterprises (SMEs), start-ups and businesses requiring more affordable workspace; (xv) boroughs are urged to work with the GLA and other stakeholders to develop and implement policies, planning frameworks and other investment tools to realise the full potential of the Strategic Outer London Development Centres (SOLDCs) with economic functions of greater than sub-regional importance in logistics, industry and green enterprise; (xvi) there is need for partnership working to see that adequate provision in inner London is sustained, and where necessary enhanced, to meet the distinct demands of the Central Activities Zone for locally accessible, industrial type activities.

SPG 4	Strategic Industrial Locations: In implementing London Plan Policies 2.17 and 4.4, the Mayor will and TfL, boroughs and others partners should: (i) promote the SILs as the main strategic reservoir for industrial and related activity in London; (ii) assess the quality of industrial land within SILs in Employment Land Reviews taking into account strategic and local factors (see paragraphs 4.14 to 4.16 of this SPG) to inform strategies for planning, investment, improvement and development; (iii) define the detailed boundaries of London Plan SILs in DPDs and associated Proposals Maps taking into account strategic and local assessments, Employment Land Reviews and relevant Opportunity Area Planning Frameworks; (iv) identify the components of the SIL framework (namely the Preferred Industrial Locations and Industrial Business Parks) in strategies, DPDs and other plans; (v) manage the differing offers of PILs and IBPs through coordinated investment, regeneration initiatives, transport and environmental improvements and the use of planning agreements, and provide local planning guidelines to meet the needs of different types of industry appropriate to each having regard to paragraph 4.5;
SPG 5	In implementing London Plan policies the Mayor will and boroughs, the LDA, TfL and other partners should: (i) take particular account of the need for logistics provision in the market areas outlined in paragraph 5.13 and especially in outer East, North and West London; (ii) encourage logistics and distribution facilities which will promote the movement of goods including waste and aggregates by water or rail; (iii) ensure that provision is made for large scale distribution activities and urban consolidation centres in the light of local and strategic assessments of demand, particularly in environmentally acceptable Preferred Industrial Locations with good access to the strategic road network, existing and potential inter-modal rail freight (see Section 13), river and/or canal related facilities including wharves (see Section 22); (iv) accommodate smaller scale logistics, warehouse and storage facilities within SILs and LSIS in line with strategic road capacity. Provision on industrial sites outside the SILs should not compromise the local environment, access or road capacity or broader concerns to secure intensification at appropriate locations; (v) in accordance with London Plan policy 6.14, developments that are likely to generate high numbers of freight movements should be located close to major transport routes and make use of rail and water freight opportunities wherever possible. Appropriate loading and unloading facilities should be provided to reduce impacts on the highway; (vii) consider whether all or parts of SILs and LSIS, where there are existing or potential opportunities for sustainable modes of distribution, should be formally promoted as Logistics Parks.
SPG 9	In implementing London Plan Policies 2.17 and 4.4 the Mayor will and TfL, boroughs and others partners should: (i) consider through strategic and local demand and supply assessments and DPDs whether industrial areas that have, or will have, good public transport accessibility, especially those within or on the edge of town centres, would be appropriate for higher density, mixed-use redevelopment. This redevelopment should be consistent with London Plan policy 4.4Aa and must not compromise the offer of wider areas as competitive locations for industry,

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	logistics, transport, utilities or waste management; (ii) where this affects SILs this consolidation should be managed sensitively using the process set out in London Plan Policy 2.17 and SPG3. Consolidation through this process should be focused on the periphery of SILs near to public transport nodes or town centres, especially where there is a barrier separating the area from the rest of the SIL and enable consolidation of more environmentally sensitive, existing PIL tenants while maintaining the integrity of a local business cluster; (iii) establish robust and sensitive industrial relocation arrangements to support redevelopment where necessary.
SPG 10	In implementing London Plan policies, the Mayor will and boroughs, TfL and other partners should: (i) ensure that development of land in, and provision and refurbishing of premises for, industrial and related uses contribute to strategic climate change mitigation and adaptation objectives (see Sustainable Design and Construction SPG); (ii) encourage the redevelopment of London's industrial areas to enhance their offer as competitive locations attractive to modern industry; (iv) seek imaginative, sensitive design and investment solutions which do not entail a net loss of industrial capacity, which make more efficient use of space and enhance the environment within and around industrial areas; (v) take into account the industrial design guidance set out in paragraphs 10.13 to 10.22; (vi) provide on site provision for the particular operational requirements of heavy goods vehicles, including sufficient turning space, capacity to accommodate more goods vehicles than generally anticipated, 'parking up' space, rest space facilities, work force parking, improved linkages between local and strategic roads and the particular issues facing older industrial areas; (vii) consider how planning agreements might be used in light of local circumstances to secure London Plan objectives, including premises for different types of industrial occupier, transport, training, e-related and other infrastructure, contributions towards site assembly and decontamination and meeting the needs of specialist industries; (viii) make provision for demand for 'bad neighbour' industrial uses in environmentally acceptable locations, normally within PILs, and through good design ensure that they do not compromise the viability of other activities or the regeneration potential of the wider area; (ix) promote access to employment and target skills investment taking into account the London Employment Action Plan and the London Skills and Employment Board (LSEB) Strategy.
SPG 11	In implementing London Plan policies, the Mayor will and boroughs, TfL and other partners should: (i) manage the stock of industrial premises so that it provides a competitive offer for different types of occupier including logistics, utilities, waste management, transport functions and other related industrial activities. This will entail both improving the quality of provision to meet users' different needs, including those of SMEs and clusters of related activities, and maintaining lower cost capacity or making provision for those requiring affordable business premises to meet local needs; (ii) protect industrial sites and premises which meet demonstrable demand for lower cost industrial accommodation; (iii)

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	promote the provision of small industrial units and managed workspaces suitable for small and medium sized enterprises (SMEs) and start-up companies;

Local Plan Regulation 18 Draft Policy Options

Policy / paragraph reference	Alternative Policy Option
(E3) 8.33	SIL boundary is not extended.
(E3) 8.34	Additional land in Park Royal is released, such as the High Speed 2 construction work sites north and south of the canal, to accommodate other forms of development.

Key Consultation Issues

Regulation 18 consultation

What is the issue?	Who raised the issue?	What are we doing to address the issue?
Evidence of demand: It is not clear what demand there is for industrial/commercial floorspace or other potential sectors and workspaces. Additional evidence would be required to consider this. Existing economic clusters/sectors and areas of strength need to be identified and supported. New opportunities/links should also be highlighted; suggestions included: creative activities, clean tech/low carbon/circular economy, high tech and digital, life sciences, academic related incubator uses, advanced manufacturing, medical research, robotics and culture.	Grand Union Alliance; Midland Terrace Resident's Group, Old Oak Interim Forum; Old Oak Park (DP9); London Brent Council; GLA; Imperial College London; RBKC; LSDC; The Hammersmith Society; 2 local residents	Change proposed. OPDC has undertaken a Future Employment Growth Sectors Study (FEGSS) to gather further information on supply and demand for employment in the local, London and wider economy and to understand current strengths within OPDC's area and opportunities for new sectors to emerge and be located in Old Oak and Park Royal. The recommendations from this have been embedded in the Local Plan.
SIL release: Suggestion that more Strategic Industrial Location (SIL) could be released, or used for a more flexible (mixed) range of uses to create a transitional buffer between existing industrial and residential uses, help better integrate existing residential areas.	Grand Union Alliance, Harlesden Neighbourhood Forum, Midland Terrace Resident's Group, Old Oak Interim Forum, The Hammersmith Society; Ealing Council; SEGRO; 9 residents; 1 local business	No change proposed. The Local Plan has focussed the release of SIL close to the HS2 station given the significant transport improvements planned here and the opportunities this provides for high density mixed use development. The Industrial Land Review sets

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A number of locations are put forward as preferred locations for mixed uses. However, there were also comments supporting the protection of SIL and suggestion that Old Oak West should be de-designated in place of Westway/Brunel Road.		out the rationale for continuing to protect Strategic Industrial Location (SIL) within Park Royal reflecting its success, loss of industrial land across London, a pan London need for SIL and the area's London-wide role. OPDC considers that enhancing Park Royal and delivering new forms of industrial workspace will help to contribute to delivering sustainable communities, specifically in relation to residential amenity and providing local employment opportunities.
Impact on existing businesses: Concerned about how existing businesses/sectors/jobs, particularly small businesses, may be affected and early prioritisation of support for these. The potential impacts described include: • Increasing values/rents • CPO/displacement/relocation • Operational disruption It is recognised that opportunities should be identified, to retain existing buildings and support and expand these businesses.	Grand Union Alliance; The Hammersmith Society, local business; 8 local residents	Change proposed. OPDC recognise the importance of helping to minimise and mitigate the impacts on existing businesses and the provision of ongoing support. Policies SP5 and the Employment chapter include policies to protect strengthen and intensify the Strategic Industrial Location (SIL) in Park Royal to support business and job opportunities. Policy E1 supports proposals that seek to retain or re-provide existing employment uses within suitable on-site premises across Old Oak. Large-scale regeneration of the area will bring change. HS2 will have an impact on existing businesses leading to some CPO and displacement; however, this is outside of the control of OPDC.
Workspaces: Suggestion for the Plan to consider a broader range and size of workspaces needed instead of being restricted to open workspace. There was a particular emphasis given to affordable workspace and artists'/creative industries as	Ealing Council; Brent Council; Midland Terrace Resident's Group; LSDC; Old Oak Park (DP9); Grand Union Alliance, Association for the Cultural Advancement through visual Art, Art West 2015, Old Oak Neighbourhood Forum, 14	Change proposed. The Local Plan supports a mix of employment space and typologies to attract a range of businesses to the area. Policy E2 and E3 recognise the importance of securing smaller workspaces to support SMEs and start-ups,

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part of this. There was specific support for a policy on affordable workspace and other comments were encouraging micro and SME, incubator, innovation centre, live/work units, open and artist's space. It was recognised that it would be useful if the approach was flexible, was more spatially specific and considered the viability of providing different typologies.	local residents, 2 local businesses	as well as affordable workspace.
Amenity impacts: Need to consider amenity impacts of employment uses. Proximity/ arrangement of different land uses or existing inappropriate uses in relation to existing residential areas needs to be carefully considered and regulated.	Grand Union Alliance, Brent Council, West Twyford Resident's Group, 2 local residents	No change proposed. The Local Plan continues to highlight areas which are more sensitive to the impact of development - this includes existing residential areas. The Local Plan also sets out the need to protect local amenity. It will be important that new employment space proposals are designed and located taking account of their impacts on environment and microclimate.

Regulation 19(1) consultation

What is the issue?	Who raised the issue?	What are we doing to address the issue?
To be included. Please refer to the Statement of Consultation in the meantime.		

Summary of Relevant Evidence Base

OPDC evidence base

Supporting Study	Recommendations
Development Capacity Study	Approximately 40,400 new jobs can be delivered during the 20 year plan period.
Future Employment Growth Sectors Study	There are a number of growth sectors which could be supported in Old Oak and Park Royal including: • Opportunities to retain, strengthen and diversify existing economic strengths. These are focussed on industrial type activities, in particular food manufacturing, transport, wholesale, logistics and to a lesser extent, motor trade activities. The area also appears to have growing strengths in a range of creative industries. There are opportunities to retain, strengthen and

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	diversify these sectors. • Opportunities to grow, attract and innovate other economic sectors. The nature of development at Old Oak means that future growth is likely to be focused around office uses with key sectors being professional and financial services; and ICT and digital media services. There are also potential opportunities within the low carbon (including clean tech), advanced manufacturing sectors and med-tech/life-science activities. Key ways to support these fit into 4 broad themes: • Sector Development • Workspace, Infrastructure and Placemaking • Skills and Social Inclusion • Evidence and Strategy Examples of recommended measures include setting up specific networking opportunities and sub-groups; targeted business support; supporting the delivery of flexible and affordable workspace for smaller businesses; links with education providers; and maximising transport and accessibility to and within the OPDC area. Some sectors are better suited to particular locations within OPDC's boundary so the spatial recommendations also show potential suitable locations.
Industrial Land Review	**Protect** • Protect industrial uses in Park Royal SIL • Reduce non-conforming uses in Park Royal SIL • Return Park Royal HS2 construction sites to SIL • Development adjacent to Park Royal SIL **Intensify** • Efficient use of industrial land • Reduce road congestion • Intensification pilot projects **Expand** • Adjust Park Royal SIL boundary • Light industrial floor space in Old Oak • Manage industrial floorspace within the region • Industrial space design and planning guidance **Support** • Business relocation • Low carbon transition • Local procurement • Business listing and online forum
Park Royal Atlas	There are a diverse range of businesses in the area • At the time of the survey, 19,934 active workspaces were identified. • A broad range of business sectors were identified, including breweries, bakeries, metal workshops, storage, contractors, joiners, hospitals, schools, publishers, film studios, software developers, garages, car sales, pubs, hotels, jewellers, cobblers, lawyers, accountants, spice merchants, medical suppliers, churches and artist studios.

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	• 30% of workplaces are small office type spaces, though workplaces in large warehouses make up 63% of the total floor area. • The central areas of Park Royal stand out for having the greatest diversity of buildings and space types. Many of these are used by micro businesses which count for 75% of workplaces
Park Royal Intensification Study	There are a number of sites and locations across Park Royal where there may be opportunities for intensification, including through: • Vertical extension • Horizontal extension • Infill • Internal subdivision • New provision on vacant land • Comprehensive redevelopment

Rationale for any non-implemented recommendations

Supporting Study	Recommendations	Rationale for not including
n/a	n/a	n/a

Other evidence base

Supporting Study	Recommendations
London Industrial Land Demand (2017)	Update Industrial Land release benchmarks suggest that for the period 2016-41 a total of 233 ha of industrial land can be released, or an average of 9.3 ha per annum. This is a significantly lower level of release than set out in the 2011 Industrial Land Benchmark study and can be explained by industrial land being released at faster than the benchmark guidance and by the fact that the current GLA projections show industrial employment in London declining at a much slower rate than those which informed the 2011 study. This implies much tighter policy is needed if industrial land releases are to be restricted to the Benchmark targets. If industrial land were to continue to be released at the same rate as in recent years then this would result in the loss of 1,630 ha on industrial land. There is already planned release of 838 ha of industrial land in the pipeline and if land identified for Crossrail 2 and the Bakerloo Line Extension were factored in this would rise to 1,277 ha. There is potential for the Benchmark release total to be raised through a combination of intensification, substitution and co-location of industrial activity. Our Intensification and Substitution scenario estimated that the Benchmark Release total could be increased from 233 ha to 783 ha if such approaches could be successfully implemented. Given the considerable tightening of the industrial land market in London the current categorisation of Boroughs into Managed, Limited and Restrictive should be revisited. Boroughs should seek to create additional capacity for industrial activity through intensification. This should apply to all Boroughs and in particular to those which are identified as having a positive net demand. Providing capacity does not necessarily mean providing

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	additional land for industrial activity. It can be achieved through intensification of use, providing more capacity for industrial activity on the same site area. This applies equally to those Boroughs that seek release above the benchmark levels. This can be justified if it can be shown that additional capacity for industrial activity has been created through intensification. Secondly Boroughs need to work together and consider industrial demand at the level of their sub-regional property market area. Where one Borough has a positive demand for industrial land and a neighbouring Borough has a surplus of land to release, then there should be some reallocation between Boroughs to ensure demand is met at the property market level. Thirdly there may be some limited scope for demand to be met by transfers between property market areas. As noted in the report there are some signs that occupiers and developers who would previously only consider west London locations are now looking to the east. But any reallocations between Boroughs need to be included in both Borough's plans to ensure demand is met at the London level. Other policy recommendations: *Public Sector Enabling Role* A principal objective of industrial land policy in London, as set out above, should be to encourage intensification of use. There are signs that new innovative and more intensive forms of industrial development are emerging – and these should be promoted through policy. But there may be barriers that may limit the level of intensification that is delivered through the market alone. Many industrial estates have highly fragmented ownership patterns that hinder the type of comprehensive redevelopment that is needed to optimise industrial land use density on a site. Industrial developers may also lack the incentive to redevelop more intensively on a site by site basis as the full value of intensification (in terms of land released for non-industrial development) may not accrue to industrial developers. The public sector may therefore need to intervene in the land assembly process to ensure that the potential benefits that could be realised through intensification are actually realised. *Strengthen Policy and Release Guidance* The stock of industrial land in London is shrinking rapidly and existing policy does not seem to be controlling releases to benchmark levels. The 2011 Industrial Land Demand report recommended improving monitoring to ensure releases were not in excess of Benchmarks. That release has continued well in excess of benchmark guidance suggests this cannot be just down to poor monitoring. There therefore needs to be a strengthening of policy and a commitment from both the GLA and Boroughs at the highest level to ensure that the Benchmark Release guidance, with flexibility to allow for intensification, is actually adhered to. *Article 4* Local planning authorities are required to plan for "The locational and

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	premises requirements of particular types of business". But it is increasingly difficult for local authorities to meet this requirement as the supply and range of premises is eroded by permitted development rights for change of use. Boroughs should therefore give consideration to the use of Article 4 Directions to preserve B1a, B1c and B8 from being changed to residential use. This is necessary to maintain
London Industrial Land Supply and Economy Study (2015)	Key results and findings include: *Industrial Land Baseline* • In 2015 there is 6,976 hectares (ha) of industrial land in London of which 4,553ha is core industrial use (65%); 1,887ha is in wider industrial use (27%) and 547ha is vacant land (8%). There was approximately 21 million m2 of industrial floorspace in London in 2012. • From 8,282ha recorded in 2001, the stock of industrial land has declined steadily to 7,841ha in 2006, 7,505 in 2010 and 6,976ha in 2015; This equates to a contraction of 1,306ha or 16% over the whole period and a 7% contraction in the last five years. • Notably, at sub-regional level the Central subregion recorded a significantly higher rate of release of / decline in industrial land in the last five years at 25% compared with the other subregions which recorded declines of around 6% in each case. • The development pipeline and proposed future release rates of industrial land appear to correspond with recent London-wide trend rates of release, suggesting that these rates will persist in future years. • Past trends in industrial land release show an accelerated rate of release significantly above the SPG target rates of release. The trend rate of release for 2010 to 2015 is 105ha per annum, compared with the SPG recommended rate of release of 36.6ha per annum. If these trends continue then the total stock of industrial land in London will decline from around 6,980ha in 2015 by a further 2,300ha to around 4,700ha in 2041, a 33% decline over this period. This is around 1,900ha more than the SPG 2031 industrial land target projected to 2041 (around 6,500ha). *Businesses and Employment* • Employment in industrial occupations in London was estimated at 560,000 jobs in 2014, 46% of which are in designated areas, with 76,000 industrial businesses being recorded. At 7.4 workers per business and with 90% of businesses employing 0-9 people, such a distribution is found to be similar to the distribution for all businesses in London. • It's estimated that 82% of all industrial businesses lie within designated areas, suggesting that either the size of industrial businesses in non-designated areas is significantly larger than in the designated areas and / or there are inaccuracies over the way that industrial employment is calculated. This would benefit from further investigation. • Industrial employment in London in the period 2010 to 2015 is estimated to have increased by around 4%, which could represent a reversal of the longer-term trend of decline in industrial employment. Property Market Areas and indicators • Of the approximately 21 million m2 of industrial floorspace in

	London in 2012, the Park Royal / A40 / Heathrow market contains the highest proportion at 32%. • Available industrial floorspace (2 million m2) represents 10% of total estimated floorspace, exceeding the widely accepted guideline frictional vacancy rate of 8% for effective operation of the market. The availability rate in Outer London also exceeds this at around 12%, with the Thames Gateway recording the highest rate of the property market areas at 14%. • London-wide industrial rental values average £110 per m2, peaking at an average of £123 per m2 in the Park Royal / A40 / Heathrow and Wandle Valley areas and falling to £91 per m2 in the Thames Gateway. • Industrial land values average £4.9m per ha London-wide, with the Wandle Valley having the highest average industrial property values at around £6.2m per ha. Reflecting rents, the Thames Gateway has the lowest at £1.0m per ha (£2.5 per acre). Residential land values reflect a similar pattern to that of industrial with the highest values in the South and West subregions / property market areas and lowest in the East and North. By property market, residential land values range from between 2.6 to 7.6 times industrial land values (Park Royal / A40 / Heathrow and Central Services Circle respectively) which means that there is considerable market pressure to release industrial land for residential development. Industrial Capacity in the Inner South East • The supply of industrial land in the inner South East is estimated to be around 4,882ha, or, in comparison, 70% of the total industrial land supply of London. The largest concentration of land is in the north quadrant, while the largest in London is in the Park Royal / A40 / Heathrow property market. • The rate of industrial land loss in the inner South East is slower than that seen in London. Release of industrial land has been slowest in the inner South East quadrants that are adjacent to the London property markets which have the highest rates. 173 • This could indicate that a process of out migration is occurring with businesses moving from London to locations in the inner South East. This is further represented by the large difference in the total rates of industrial land stock release for the inner South East (-4%) and for London (-16%) *Evidence on Market Failure and Flexibility* Research and conclusions on possible factors that could cause market failure and / or affect the flexibility and ability of industrial businesses to respond to a reduced supply of industrial land are as follows: • Generally there does not appear to be strong evidence so far to suggest that reductions in availability of land and property have a direct correlation with increases in rents at a local level. • Case studies suggest that at a local level significant shifts to non-industrial uses can undermine the integrity of industrial areas, and care is needed in planning for and managing change in industrial areas. • There is some evidence to suggest that industrial activities are responding to increased rents and reduced supply by increasing employment densities.

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	• Analysis of changes in employment in recent years in industrial sectors suggests that there could be an emerging pattern of sectors that are more sensitive to London and / or central London locations tending to remain or grow in London, and other sectors that are less sensitive to location will tend to leave London. • In particular it is possible that the scale of a number of industrial activities will tend to be correlated to London's overall population as they directly serve the population. • Data on rates of change of industrial businesses in London suggests that there is a degree of flexibility in the economy and the industrial sector specifically that may not have been appreciated previously. • Broad-brush analysis suggests that overall there is potential for the adjacent South East region to (continue to) accommodate overspill demand from London (or demand transferring to the area as supply contracts in London). • It is likely that if activities servicing core London markets are forced to relocate out of London, either to the adjacent South East or further afield, then total travel miles, congestion and consequent carbon emissions will increase. • There is evidence that some industrial businesses require space for small-scale production and prototyping and rely on access to a skilled workforce, specialist manufacturing activities and agglomeration benefits found in London. These businesses may find it harder to be economically viable if forced to relocate outside London. 8.3.2 The research carried out for this report, together with other data and information, suggests that overall there is a degree of flexibility in the industrial land market and industrial activities to respond to contractions in industrial land supply. Key mechanisms allowing this include potential for some industry to relocate to the wider adjacent South East (or in suitable cases further afield) and probably to a lesser degree there may be potential for intensification of industrial activities on existing land. *Implications for Industrial Land Policy* Review of context, market failure and market mechanisms suggests that if sufficient industrial land can be provided / protected within and around London continued release of industrial land in London may be possible. However the rates of release seen over the last five years appear to be excessive and a more moderate rate of release is probably more appropriate. London appears to be heading towards a situation in which most of its activities located in industrial areas will be associated with servicing the rest of London's economy and population. With the projected significant growth in London's population and economy over coming decades and the likely strong positive correlation between these activities and London's population it appears likely that at some point, potentially within the life of the current London Plan, there will be a case to switch from releasing industrial land to retaining most of the remaining land. Whether such a shift is appropriate will depend upon the strategic value placed upon these activities.

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	Care is needed at a local level to be clear on what industry is being protected and to ensure that policies are sufficiently robust and unambiguous, and then are protected with vigour, to reduce the potential for blight, hope values and issues over bad neighbour activities with other sensitive land uses damaging industrial activities and viability.
GLA Artists' Workspace Study (2014)	• The supply of artists' studio space in London is higher than previously recorded. There are 298 separate studio buildings or sites, catering for over 11,500 artists across the capital. • The affordable artists' workspace sector as a whole occupies premises with a range of tenures: 51% on rented or otherwise licensed terms. This makes many studios vulnerable to change of use or development should the landowner consider more profitable uses. • Artists are among the lowest earners, most making under £10,000 per year from their work, so it is crucial to keep the cost of workspace low. Most studio providers operate within a complex web of funding streams as well as public investment ranging from grants to Section 106 allocations in order to maintain low rents. • The average rent across the main studio providers is £13.73 sq ft per annum, though a significant amount of studio space (19%) is rented at £8 per sq ft. The cost of utilities is an additional costs artists pay beyond the average figure above. • An estimated 3500 artists are on waiting lists. Furthermore, each year 35,000 students graduate from Art & Design Colleges in London3. This, combined with high occupancy rates, gives a picture of sustained pressure on studio and workspace provision. There is no indication that the level of demand has decreased within the last 10 years. The key issues arising are how to: 1. Grow Maintain and grow supply of spaces with a long term view – 3500 spaces in the next five years at a minimum. 2. Strengthen Reduce vulnerability through changes in planning and rising property values – one example might be to work with publicly owned property or land. 3. Influence Build on existing models of workspace provision to make the case to developers and Local Authorities alike and influence future development. 4. Facilitate Link appropriate providers with the correct facilities, whether in new developments or existing buildings, to achieve the best value for the wider community. This should be considered alongside potential for complementary local place making. 5. Imagine Develop a new, imaginative solution for London's particular ecology based on the level of workspace provision needed.
Creating Artists' workspace	• Gives further detail of the range and type of artists' workspace in operation across London. There are a number of different ways artists' studios and creative workspace can be integrated into the

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	development of new places and add economic and social value. • All of the sites deliver affordable workspace, in a range from £11.50 to £14 per sq ft per year. This equates to a maximum of £290 per month for a 250 sq ft studio space. • Partnerships are key to all of the examples shown. Each development involves close collaboration between studio providers and developers, local authorities or housing associations, sometimes with funding from the Arts Council or other grant sources. • Several case studies illustrate the benefit of working locally, where knowledge of the local economy and community can create hugely successful developments. In this respect, borough involvement is often a key contributor to the success of a project.
Supporting places of work: Incubators, accelerators and Co-working spaces	IACs have an important role to play in the provision of workspace and support for SMEs. They typically offer high levels of flexibility in relation to membership and pricing, which increase the effective 'affordability' of workspaces enabling start-up and small businesses and freelancers to access office space in London. They also generally offer business support in the form of mentoring, workshops and networking, which is typically an integral part of membership. Indications are that the recent rapid growth and continual evolution that are defining features of the current IAC market will continue, at least over the short term. Growth in provision is anticipated to follow current trends – that is in close proximity to existing hubs and transport links with a focus on digital and creative sectors. However with broadening appeal IAC provision may also spread to new sectors and to different areas of London. This may be particularly the case for incubator and co-working space providers, where the focus is not specifically on high growth businesses. There are significantly many more IACs in inner London locations, but their membership is generally more expensive than IACs located in outer London boroughs (reflecting the higher rent paid on commercial space). The combination of more expensive membership at inner London IACs and fewer IACs in outer London locations could mean that economically disadvantaged groups are disproportionately affected by access to IACs. There could be a case then for some focussed interventions in inner London using public sector support in return for targeted social benefits and job growth as well as up skilling outputs linked to IAC activities. Overall a key ingredient in the success of IACs is the entrepreneurial drive and vision of their founders and management teams. This is often a difficult ingredient to replicate, and it is probably best for the public sector to focus on ways to facilitate the activities of IAC providers rather than becoming direct providers. Activities could cover, for example, assistance with provision of suitable low-cost spaces for entrepreneurs; tracking the length of leases remaining on public property, and marketing and granting short term leases to IAC operators where suitable space is vacant; and/or to give support for

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	selective outreach programmes that complement core commercial offerings. Incubators could benefit from links with an academic institute to support drive and vision. There could also be advantages in exploring offers which promote increased affordability of the space in return for community engagement activities led by the businesses and IAC management.
Co-Making: Research into London's Open access Makerspaces and Shared Workshops	• Existing co-making spaces are a valuable source of information. Where new spaces are established, it is recommended that professional groups and individual co-making spaces are consulted on spatial and organisational factors - and that these relate to disciplines and target users. While few purpose-built spaces exist, space layouts are often implemented by experienced makers, and can be an undocumented but valuable resource. • Any new space should consider target user group - professional, amateur, start-up, etc. - as this is key to business model. • While co-making space itself requires high capital inputs and may initially operate at a loss, most spaces develop a successful business model over time. High start-up costs could be supported by improved access to funding or partnerships - that acknowledge the support they provide for small enterprises. Further links could be made with industry or education, e.g. in the construction, technology, design and manufacturing sectors. • Interim use strategies currently benefit several organisations. This could be applied more widely, say to retail locations - use of empty shop spaces etc. - either to house co-making spaces themselves or to provide retail outlets for existing spaces. 'Pop up shops' and markets can raise profile and attract a wider range of users into the workspace. e.g. Cycletastic pop-up shop in Brent. Interim use strategies generally are an excellent way to provide affordable and appropriate premises, to meet organisations' needs on a temporary basis and to test viability. However the implications of relocation need to be factored in from the outset - financial or other support could be offered for this. • Co-making spaces can actively contribute to planning and development strategy within an area. They should not only be assessed on measurable social outputs but on the wider regenerative impacts of the SME's they support. • Organisations benefit from a degree of autonomy and ownership over their main co-making space, needing to manage use and access. A built form that provides secure, private workspace (internal and external) is most appropriate for small enterprise use, but accessibility and some form of public engagement can also be beneficial. The dual role of many organisations means they present a significant opportunity to connect strategic zones. • Most co-making workshops are adaptable to some extent to premises. Therefore, where new or relocated organisations are considered, a broad, creative approach is recommended - whether this is in assessing suitable building stock or partnerships with other organisations.

Other evidence base

Supporting Study	Recommendations

LLDC Employment Space Study	Providing a framework and examples of how employment provision can be designed.
Industrial Intensification Primer	Summarises the main forms intensification can take, with case study examples. While some of the options presented 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, as well as ensuring the quality of industrial and residential space. In many cases intensification will have to be considered at the masterplan level as well as the level of individual developments. The document also suggests some typical basic specifications for large and small industrial units to ensure that any intensified or mixed space is suitable for industrial occupiers.

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E2: Employment sites outside of SIL

Legislation, Policy and Guidance Context

National Planning Policy Framework (2012) (NPPF)

Policy / paragraph reference	Policy and paragraph text
7	There are three dimensions to sustainable development: economic, social and environmental. These dimensions give rise to the need for the planning system to perform a number of roles: • an economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure…. • an environmental role – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.
17	Within the overarching roles that the planning system ought to play, a set of core land-use planning principles should underpin both plan-making and decision-taking. These 12 principles are that planning should… • proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities;
19	Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system.
20	To help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century.
21	Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing. In drawing up Local Plans, local planning authorities should: • set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth; • set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;

	• support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances; • plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries; • identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and • facilitate flexible working practices such as the as the integration of residential and commercial uses within the same unit.
22	Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.
57	It is important to plan positively for the achievement of high quality and inclusive design for all development, including individual buildings, public and private spaces and wider area development schemes.
61	Permission should be refused for development of poor design that fails to take the opportunities available for improving the character and quality of an area and the way it functions.
111	Planning policies and decisions should encourage the effective use of land by re-using land that has been previously developed (brownfield land), provided that it is not of high environmental value. Local planning authorities may continue to consider the case for setting a locally appropriate target for the use of brownfield land.
120	To prevent unacceptable risks from pollution and land instability, planning policies and decisions should ensure that new development is appropriate for its location. The effects (including cumulative effects) of pollution on health, the natural environment or general amenity, and the potential sensitivity of the area or proposed development to adverse effects from pollution, should be taken into account. Where a site is affected by contamination or land stability issues, responsibility for securing a safe development rests with the developer and/or landowner.
122	In doing so, local planning authorities should focus on whether the development itself is an acceptable use of the land, and the impact of the use, rather than the control of processes or emissions themselves where these are subject to approval under pollution control regimes. Local planning authorities should assume that these regimes will operate effectively. Equally, where a planning decision has been made on a particular development, the planning issues should not be revisited through the permitting regimes operated by pollution control authorities.
154	Local Plans should be aspirational but realistic. They should address the spatial implications of economic, social and environmental change. Local Plans should set out the opportunities for development and clear policies on what will or will not be permitted and where. Only policies that provide a clear indication of how a decision maker should react to a development proposal should be included in the plan.
156	Local planning authorities should set out the **strategic priorities** for the area in the Local Plan. This should include strategic policies to deliver: • the homes and jobs needed in the area;

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	• the provision of retail, leisure and other commercial development…
157	Crucially, Local Plans should: • plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of this Framework; • be drawn up over an appropriate time scale, preferably a 15-year time horizon, take account of longer term requirements, and be kept up to date; • be based on co-operation with neighbouring authorities, public, voluntary and private sector organisations; • indicate broad locations for strategic development on a key diagram and land-use designations on a proposals map; • allocate sites to promote development and flexible use of land, bringing • forward new land where necessary, and provide detail on form, scale, access and quantum of development where appropriate; • identify areas where it may be necessary to limit freedom to change the uses of buildings, and support such restrictions with a clear explanation; • identify land where development would be inappropriate, for instance because of its environmental or historic significance; and • contain a clear strategy for enhancing the natural, built and historic environment, and supporting Nature Improvement Areas where they have been identified.
158	Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.
160	Local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should: • work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and • work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.
161	Local planning authorities should use this evidence base to assess: • the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development; • the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land;
176	Where safeguards are necessary to make a particular development acceptable in planning terms (such as environmental mitigation or compensation), the development should not be approved if the measures required cannot be secured through appropriate conditions or agreements.

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	The need for such safeguards should be clearly justified through discussions with the applicant, and the options for keeping such costs to a minimum fully explored, so that development is not inhibited unnecessarily.
178	Public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the **strategic priorities** set out in paragraph 156. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.

National Planning Practice Guidance (NPPG)

Policy / paragraph reference	Policy and paragraph text
Title: What is a well designed place? Paragraph: 017 Reference ID: 26-017-20140306 Revision date: 06 03 2014	A good mix of uses and tenures is often important to making a place economically and socially successful, ensuring the community has easy access to facilities such as shops, schools, clinics, workplaces, parks, play areas, pubs or cafés. This helps achieve multiple benefits from the use of land, and encourage a healthier environment, reducing the need for travel and helping greater social integration. A mix of uses also allows communities and places to respond to change more readily by allowing a turnover of activities, for example with the same building or space performing different functions across a day, week or season.
Title: What is a well designed place? Paragraph: 019 Reference ID: 26-019-20140306 Revision date: 06 03 2014	Successful places can adapt to changing circumstances and demands. They are flexible and are able to respond to a range of future needs, for example, in terms of working and shopping practices and the requirements of demographic and household change. Buildings often need to change their use over time, for example from offices to housing. Designing buildings that can be adapted to different needs offers real benefits in terms of the use of resources and the physical stability of an area. Design features such as the position and scale of entrances and circulation spaces, and the ability of the construction to be modified, can affect how easily buildings can adapt to new demands. Places that are easy and practical to manage well tend to be more resilient. For example, where maintenance and policing are supported by good access, natural surveillance and hard wearing, easy to repair, materials.
Title: What is the role of a Local Plan? Paragraph: 001 Reference ID: 12-001-20170728 Revision date: 28 07 2017	National planning policy places Local Plans at the heart of the planning system, so it is essential that they are in place and kept up to date. Local Plans set out a vision and a framework for the future development of the area, addressing needs and opportunities in relation to housing, the economy, community facilities and infrastructure – as well as a basis for safeguarding the environment, adapting to climate change and securing good design. They are also a critical tool in guiding decisions about individual development proposals, as Local Plans (together with any neighbourhood plans that have been brought into force) are the starting-point for considering whether applications can be approved. It is important for all areas to put an up to date plan in place to positively guide development decisions.

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Title: What is the role of a Local Plan? Paragraph: 002 Reference ID: 12-002-20140306 Revision date: 06 03 2014	The Local Plan should make clear what is intended to happen in the area over the life of the plan, where and when this will occur and how it will be delivered. This can be done by setting out broad locations and specific allocations of land for different purposes; through designations showing areas where particular opportunities or considerations apply (such as protected habitats); and through criteria-based policies to be taken into account when considering development. A policies map must illustrate geographically the application of policies in a development plan. The policies map may be supported by such other information as the Local Planning Authority sees fit to best explain the spatial application of development plan policies. Local Plans should be tailored to the needs of each area in terms of their strategy and the policies required. They should focus on the key issues that need to be addressed and be aspirational but realistic in what they propose. The Local Plan should aim to meet the objectively assessed development and infrastructure needs of the area, including unmet needs of neighbouring areas where this is consistent with policies in the National Planning Policy Framework as a whole. Local Plans should recognise the contribution that Neighbourhood Plans can make in planning to meet development and infrastructure needs.
Title: What is the purpose of the assessment of housing and economic development needs guidance? Paragraph: 001 Reference ID: 2a-001-20140306 Revision date: 06 03 2014	This guidance supports local planning authorities in objectively assessing and evidencing development needs for housing (both market and affordable); and economic development (which includes main town centre uses). The assessment of housing and economic development needs includes the Strategic Housing Market Assessment requirement as set out in the National Planning Policy Framework.
Title: What is the primary objective of the assessment? Paragraph: 002 Reference ID: 2a-002-20140306 Revision date: 06 03 2014	The primary objective of identifying need is to: • identify the future quantity of housing needed, including a breakdown by type, tenure and size; • identify the future quantity of land or floorspace required for economic development uses including both the quantitative and qualitative needs for new development; and • provide a breakdown of that analysis in terms of quality and location, and to provide an indication of gaps in current land supply.
Title: What is the definition of need? Paragraph: 003 Reference ID: 2a-003-	Need for all land uses should address both the total number of homes or quantity of economic development floorspace needed based on quantitative assessments, but also on an understanding of the qualitative requirements of each market

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20140306 Revision date: 06 03 2014	segment. Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.
Title: What methodological approach should be used? Paragraph: 004 Reference ID: 2a-004-20140306 Revision date: 06 03 2014	The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.
Title: Can local planning authorities use a different methodology? Paragraph: 005 Reference ID: 2a-005-20140306 Revision date: 06 03 2014	There is no one methodological approach or use of a particular dataset(s) that will provide a definitive assessment of development need. But the use of this standard methodology set out in this guidance is strongly recommended because it will ensure that the assessment findings are transparently prepared.
Title: What areas should be assessed? Paragraph: 008 Reference ID: 2a-008-20140306 Revision date: 06 03 2014	Needs should be assessed in relation to the relevant functional area, ie housing market area, functional economic area in relation to economic uses, or area of trade draw in relation to main town centre uses. Establishing the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is important also to recognise that there are 'market segments' ie not all housing types or economic development have the same appeal to different occupants. In some cases housing market areas and functional economic areas may well be the same.
Title: How can functional economic market areas be defined? Paragraph: 012 Reference ID: 2a-012-20140306 Revision date: 06 03 2014	The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area. Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including: • extent of any Local Enterprise Partnership within the area; • travel to work areas; • housing market area; • flow of goods, services and information within the local economy; • service market for consumers;

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	• administrative area; • catchment areas of facilities providing cultural and social well-being; • transport network. Suggested Data Source: Office for National Statistics (travel to work areas) Paragraph: 012 Reference ID: 2a-012-20140306 Revision date: 06 03 2014
Title: How should the current situation in relation to economic and main town centre uses be assessed? Paragraph: 031 Reference ID: 2a-031-20140306 Revision date: 06 03 2014	In understanding the current market in relation to economic and main town centre uses, plan makers should liaise closely with the business community to understand their current and potential future requirements. Plan makers should also consider: • The recent pattern of employment land supply and loss to other uses (based on extant planning permissions and planning applications). This can be generated though a simple assessment of employment land by sub-areas and market segment, where there are distinct property market areas within authorities. • Market intelligence (from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums). • Market signals, such as levels and changes in rental values, and differentials between land values in different uses. • Public information on employment land and premises required. • Information held by other public sector bodies and utilities in relation to infrastructure constraints. • The existing stock of employment land. This will indicate the demand for and supply of employment land and determine the likely business needs and future market requirements (though it is important to recognise that existing stock may not reflect the future needs of business). Recent statistics on take-up of sites should be consulted at this stage, along with other primary and secondary data sources to gain an understanding of the spatial implications of 'revealed demand' for employment land. • The locational and premises requirements of particular types of business. • Identification of oversupply and evidence of market failure (eg physical or ownership constraints that prevent the employment site being used effectively, which could be evidenced by unfulfilled requirements from business, yet developers are not prepared to build premises at the

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	prevailing market rents).
Title: How should employment land be analysed? Paragraph: 031 Reference ID: 2a-031-20140306 Revision date: 06 03 2014	A simple typology of employment land by market segment and by sub-areas, where there are distinct property market areas within authorities, should be developed and analysed. This should be supplemented by information on permissions for other uses that have been granted, if available, on sites then or formerly in employment use. When examining the recent take-up of employment land, it is important to consider projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and warehousing sites, and (when compared with the overall stock of employment sites) should form the context for appraising individual sites. Analysing supply and demand will allow plan makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied. Employment land markets can overlap several local authority areas.

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Title: How should future trends be forecast? Paragraph: 032 Reference ID: 2a-032-20140306 Revision date: 06 03 2014	Plan makers should consider forecasts of quantitative and qualitative need (ie the number of units and amount of floorspace for other uses needed) but also its particular characteristics (eg footprint of economic uses and proximity to infrastructure). The key output is an estimate of the scale of future needs, broken down by economic sectors. Local authorities should develop an idea of future needs based on a range of data which is current and robust. Authorities will need to take account of business cycles and make use of forecasts and surveys to assess employment land requirements. Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible. Market segments should be identified within the employment property market so that need can be identified for the type of employment land advocated. The available stock of land should be compared with the particular requirements of the area so that 'gaps' in local employment land provision can be identified Plan makers should consider: • sectoral and employment forecasts and projections (labour demand); • demographically derived assessments of future employment needs (labour supply techniques); • analyses based on the past take-up of employment land and property and/or future property market requirements; • consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.
Title: What type of employment land is needed? Paragraph: 033 Reference ID: 2a-033-20140306 Revision date: 06 03 2014	The increasing diversity of employment generating uses (as evidenced by the decline of manufacturing and rise of services and an increased focus on mixed-use development) requires different policy responses and an appropriate variety of employment sites. The need for rural employment should not be overlooked. Labour supply models are based on population and economic activity projections. Underlying population projections can be purely demographic or tied to future housing stock which needs to be assessed separately. These models normally make predictions for a period of 10 to 15 years. Plan makers should be careful to consider that national economic trends may not automatically translate to particular areas with a distinct employment

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	base.
Title: How should employment land requirements be derived? Paragraph: 034 Reference ID: 2a-034-20140306 Revision date: 06 03 2014	When translating employment and output forecasts into land requirements, there are 4 key relationships which need to be quantified. This information should be used to inform the assessment of land requirements. The 4 key relationships are: • Standard Industrial Classification sectors to use classes; • Standard Industrial Classification sectors to type of property; • employment to floorspace (employment density); and • floorspace to site area (plot ratio based on industry proxies).

London Plan (2016) Policies

Policy / paragraph reference	Policy and paragraph text
4.1	**Strategic** A The Mayor will work with partners to: a1 promote and enable the continued development of a strong, sustainable and increasingly diverse economy across all parts of London, ensuring the availability of sufficient and suitable workspaces in terms of type, size and cost, supporting infrastructure and suitable environments for larger employers and small and medium sized enterprises, including the voluntary and community sectors a2 maximise the benefits from new infrastructure to secure sustainable growth and development b drive London's transition to a low carbon economy and to secure the range of benefits this will bring c support and promote outer London as an attractive location for national government as well as businesses, giving access to the highly-skilled London workforce, relatively affordable work space and the competitive advantages of the wider London economy d support and promote the distinctive and crucial contribution to London's economic success made by central London and its specialist clusters of economic activity e sustain the continuing regeneration of inner London and redress its persistent concentrations of deprivation f emphasise the need for greater recognition of the importance of enterprise and innovation g promote London as a suitable location for European and other international agencies and businesses.
4.2	**Strategic** A The Mayor will and boroughs and other stakeholders should: a support the management and mixed use development and redevelopment of office provision to improve London's competitiveness and to address the wider objectives of this

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	Plan, including enhancing its varied attractions for businesses of different types and sizes including small and medium sized enterprises b recognise and address strategic as well as local differences in implementing this policy to: – meet the distinct needs of the central London office market, including the north of the Isle of Dogs, by sustaining and developing its unique and dynamic clusters of 'world city' and other specialist functions and business environments, and – consolidate and extend the strengths of the diverse office markets elsewhere in the capital by promoting their competitive advantages, focusing new development on viable locations with good public transport, enhancing the business environment including through mixed use redevelopment, and supporting managed conversion of surplus capacity to more viable, complementary uses d seek increases in the current stock where there is authoritative, strategic and local evidence of sustained demand for office-based activities in the context of policies 2.7, 2.9, 2.13 and 2.15–2.17 **LDF preparation** B LDFs should: a enhance the environment and offer of London's office locations in terms of physical attractiveness, amenities, ancillary and supporting activities as well as services, accessibility, safety and security…. c work with sub-regional partners to develop co-ordinated, phased strategies to manage long term, structural changes in the office market, focusing new capacity where there is strategic as well as local evidence of demand, encouraging renewal and modernisation in viable locations and supporting changes of surplus office space to other uses….
4.10	**Strategic, planning decisions and LDF preparation** A The Mayor will, and boroughs and other relevant agencies and stakeholders should: a support innovation and research, including strong promotion of London as a research location and encourage the application of the products of research in the capital's economic development b give strong support for London's higher and further education institutions and their development, recognising their needs for accommodation and the special status of the parts of London where they are located, particularly the Bloomsbury/Euston and Strand university precincts c work with developers, businesses and, where appropriate, higher education institutions and other relevant research and innovation agencies to ensure availability of a range of workspaces, including start-up space, co-working space and 'grow-on' space d support the development of green enterprise districts such as that proposed in the Thames Gateway e promote clusters of research and innovation as focal points for research and collaboration between businesses, HEIs, other relevant research and innovation agencies and industry f support the evolution of London's science, technology, media and telecommunications (TMT) sector, promote clusters such as Tech City and Med City1 ensuring the availability of suitable workspaces including television and film studio capacity.

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Draft London Plan (2017) Policies

Policy / paragraph reference	Policy and paragraph text
E1	A Improvements to the competitiveness and quality of office space of different sizes (for micro, small, medium-sized and larger enterprises) should be supported by new office provision, refurbishment and mixed-use development. B Increases in the current stock of offices should be supported, where there is authoritative, strategic and local evidence of sustained demand for office-based activities, taking into account projected demand for office-based employment and office floorspace to 2041 in Table 6.1. C The unique agglomerations and dynamic clusters of world city businesses and other specialist functions of the central London office market, including the CAZ, NIOD (Northern Isle of Dogs) (see Policy SD4 The Central Activities Zone (CAZ) and Policy SD5 Offices, other strategic functions and residential development in the CAZ) and other nationally-significant office locations (such as Tech City, Kensington & Chelsea and the Royal Docks Enterprise Zones), should be developed and promoted. These should be supported by improvements to walking, cycling and public transport connectivity and capacity. Future potential reserve locations for CAZ-type office functions are identified at Stratford and Old Oak Common, capitalising on their current and potential public transport connectivity to central London, the UK and beyond. D The diverse office markets in outer and inner London (outside the CAZ and NIOD) should be consolidated and - where viable - extended, focusing new development in town centres and other existing office clusters supported by improvements to walking, cycling and public transport connectivity and capacity including: 1) the strategic outer London office location at Croydon town centre 2) other town centre office locations (see Town Centre Network office guidelines in Figure A1.4) 3) existing urban business parks (such as Chiswick Park, Stockley Park and Bedfont Lakes), taking steps towards greater transport sustainability of these locations 4) locally-oriented, town centre office provision to meet local needs. E Existing viable office floorspace capacity in outer and inner London locations outside the CAZ and NIOD should be retained, supported by borough Article 4 Directions to remove permitted development rights where appropriate, facilitating the redevelopment, renewal and re-provision of office space where viable and releasing surplus office capacity to other uses (see Policy SD9 Town centres: Local partnerships and implementation and office guidelines in Figure A1.4). F Boroughs should consult upon and introduce Article 4 Directions to ensure that the CAZ, NIOD, Tech City, the Royal Docks Enterprise Zones, Kensington & Chelsea and geographically-defined parts of other existing and viable strategic and local office clusters (such as those in and around the CAZ, in town centres and other viable business locations – see part D.3 above) are not undermined by office to residential permitted development rights. G Development proposals should: 1) take into account the need for lower cost and affordable workspace (see Policy E2 Low-cost business space and Policy E3 Affordable workspace)

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	2) examine the scope for the re-use of otherwise surplus large office spaces for smaller units 3) support the redevelopment, intensification and change of use of surplus office space to other uses including housing.
E2	A The provision, and where appropriate, protection of a range of low-cost B1 business space should be supported to meet the needs of micro, small and medium-sized enterprises and to support firms wishing to start-up or expand. B Development proposals that involve the loss of existing B1 space (including creative and artist studio space) in areas where there is an identified shortage of lower-cost space should: 1) demonstrate that there is no reasonable prospect of the site being used for business purposes, or 2) ensure that an equivalent amount of B1 space is re-provided in the proposal (which is appropriate in terms of type, specification, use and size), incorporating existing businesses where possible, or 3) demonstrate that suitable alternative accommodation (in terms of type, specification, use and size) is available in reasonable proximity to the development proposal and, where existing businesses are affected, that they are subject to relocation support arrangements before the commencement of new development. C Development proposals for new B1 business floorspace greater than 2,500 sqm (gross external area) should consider the scope to provide a proportion of flexible workspace suitable for micro, small and medium-sized enterprises.
E3	A In defined circumstances, planning obligations may be used to secure affordable workspace at rents maintained below the market rate for that space for a specific social, cultural or economic development purpose. Such circumstances include workspace that is: 1) dedicated for specific sectors that have social value such as charities or social enterprises 2) dedicated for specific sectors that have cultural value such as artists' studios and designer-maker spaces 3) dedicated for disadvantaged groups starting up in any sector 4) providing educational outcomes through connections to schools, colleges or higher education 5) supporting start-up businesses or regeneration. B Particular consideration should be given to the need for affordable workspace for the purposes in part A above: 1) where there is existing affordable workspace on-site 2) in areas where cost pressures could lead to the loss of affordable workspace for micro, small and medium-sized enterprises (such as in the City Fringe around the CAZ and in Creative Enterprise Zones) 3) in locations where the provision of affordable workspace would be necessary or desirable to sustain a mix of business or cultural uses which contribute to the character of an area. C Boroughs, in their Development Plans, are encouraged to consider more detailed affordable workspace policies in light of local evidence of need and viability. These may include policies on site-specific locations, or defining areas of need for certain kinds of affordable workspace. D Affordable workspace policies defined in Development Plans and Section 106 agreements should include ways of monitoring that the objectives in part A above are being met, including evidence that they will be managed by a workspace provider with a long-term commitment to maintaining the agreed or intended social, cultural or economic impact. Applicants are encouraged to engage with workspace providers at an early stage to ensure that the space is configured and managed efficiently.

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	E Leases or transfers of space to workspace providers should be at rates that allow providers to manage effective workspace with sub-market rents, meeting the objectives in part A, over the long term. F The affordable workspace elements of a mixed-use scheme should be operational prior to residential elements being occupied.
E8	A Employment opportunities for Londoners across a diverse range of sectors should be promoted and supported along with support for the development of business growth and sector-specific opportunities. B London's global leadership in tech across all sectors should be maximised. C The evolution of London's diverse sectors should be supported, ensuring the availability of suitable workspaces including: 1) start-up, incubation and accelerator space for micro, small and medium-sized enterprises 2) flexible workspace such as co-working space and serviced offices 3) conventional space for expanding businesses to grow or move on 4) laboratory space and theatre, television and film studio capacity 5) affordable workspace in defined circumstances (see Policy E3 Affordable workspace). D Innovation, including London's role as a location for research and development should be supported, and collaboration between businesses, higher education institutions and other relevant research and innovation organisations should be encouraged. E London's higher and further education institutions and their development across all parts of London should be promoted. Their integration into regeneration and development opportunities to support social mobility and the growth of emerging sectors should be encouraged. F Clusters such as Tech City and MedCity should be promoted and the development of new clusters should be supported where opportunities exist, such as CleanTech innovation clusters, Creative Enterprise Zones, film, fashion and design clusters, and green enterprise districts such as in the Thames Gateway. G In collaboration with the Mayor, boroughs are encouraged to identify and promote the development of Strategic Outer London Development Centres (SOLDC) that have one or more specialist economic functions of greater than sub-regional importance. SOLDCs should be supported by: 1) encouraging local innovation to identify and enhance distinct economic strengths 2) co-ordinating infrastructure investment 3) creating a distinct and attractive business offer and public realm 4) ensuring that development complements the growth of town centres and other business locations, and supports the environmental and transport objectives of this Plan 5) bringing forward development capacity 6) improving Londoners' access to employment opportunities.

Supplementary Planning Guidance (SPG)

Policy / paragraph reference	**Policy and paragraph text**
Land for Industry and Transport	SPG5 In implementing London Plan policies the Mayor will and boroughs, the LDA, TfL and other partners should: (i) take particular account of the need for logistics provision in the market

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SPG (2012)	areas outlined in paragraph 5.13 and especially in outer East, North and West London; (ii) encourage logistics and distribution facilities which will promote the movement of goods including waste and aggregates by water or rail; (iii) ensure that provision is made for large scale distribution activities and urban consolidation centres in the light of local and strategic assessments of demand, particularly in environmentally acceptable Preferred Industrial Locations with good access to the strategic road network, existing and potential inter-modal rail freight (see Section 13), river and/or canal related facilities including wharves (see Section 22); (iv) accommodate smaller scale logistics, warehouse and storage facilities within SILs and LSIS in line with strategic road capacity. Provision on industrial sites outside the SILs should not compromise the local environment, access or road capacity or broader concerns to secure intensification at appropriate locations; (v) in accordance with London Plan policy 6.14, developments that are likely to generate high numbers of freight movements should be located close to major transport routes and make use of rail and water freight opportunities wherever possible. Appropriate loading and unloading facilities should be provided to reduce impacts on the highway; (vii) consider whether all or parts of SILs and LSIS, where there are existing or potential opportunities for sustainable modes of distribution, should be formally promoted as Logistics Parks.
	SPG 10 – Quality of Industrial Capacity In implementing London Plan policies, the Mayor will and boroughs, TfL and other partners should: (i) ensure that development of land in, and provision and refurbishing of premises for, industrial and related uses contribute to strategic climate change mitigation and adaptation objectives (see Sustainable Design and Construction SPG); (ii) encourage the redevelopment of London's industrial areas to enhance their offer as competitive locations attractive to modern industry; (iv) seek imaginative, sensitive design and investment solutions which do not entail a net loss of industrial capacity, which make more efficient use of space and enhance the environment within and around industrial areas; (v) take into account the industrial design guidance set out in paragraphs 10.13 to 10.22; (vi) provide on site provision for the particular operational requirements of heavy goods vehicles, including sufficient turning space, capacity to accommodate more goods vehicles than generally anticipated, 'parking up' space, rest space facilities, work force parking, improved linkages between local and strategic roads and the particular issues facing older industrial areas; (vii) consider how planning agreements might be used in light of local circumstances to secure London Plan objectives, including premises for different types of industrial occupier, transport, training, e-related and other infrastructure, contributions towards site assembly and decontamination and meeting the needs of specialist industries; (viii) make provision for demand for 'bad neighbour' industrial uses in environmentally acceptable locations, normally within PILs, and through good design ensure that they do not compromise the viability of other activities or the regeneration potential of the wider area; (ix) promote access to employment and target skills investment taking into account the London Employment Action Plan and the London Skills and Employment Board (LSEB) Strategy.

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	SPG 11 In implementing London Plan policies, the Mayor will and boroughs, TfL and other partners should: (i) manage the stock of industrial premises so that it provides a competitive offer for different types of occupier including logistics, utilities, waste management, transport functions and other related industrial activities. This will entail both improving the quality of provision to meet users' different needs, including those of SMEs and clusters of related activities, and maintaining lower cost capacity or making provision for those requiring affordable business premises to meet local needs; (ii) protect industrial sites and premises which meet demonstrable demand for lower cost industrial accommodation; (iii) promote the provision of small industrial units and managed workspaces suitable for small and medium sized enterprises (SMEs) and start-up companies; (iv) encourage design of industrial premises that enables easy subdivision at a later date as the space requirements of different occupiers change; (v) secure provision of small and affordable industrial units in appropriate locations as part of larger mixed-use schemes, including commercial developments and residential schemes where careful siting, design and access arrangements can satisfactorily overcome environmental concerns. New workshop and industrial space may be secured by legal agreement to ensure its long term retention.

Local Plan Regulation 18 Draft Policy Options

Policy / paragraph reference	Policy and paragraph text
8.18	Support for focusing B1(a) uses in and around Old Oak Common Station is not provided.
8.19	Support for B1(b) and B1(c) uses in Old Oak north is not provided.

Key Consultation Issues

Regulation 18 consultation

What is the issue?	Who raised the issue?	What are we doing to address the issue?
Evidence of demand: It is not clear what demand there is for industrial/commercial floorspace or other potential sectors and workspaces. Additional evidence would be required to consider this. Existing economic clusters/sectors and areas of strength need to be identified and supported. New opportunities/links should	Grand Union Alliance; Midland Terrace Resident's Group, Old Oak Interim Forum; Old Oak Park (DP9); London Brent Council; GLA; Imperial College London; RBKC; LSDC; The Hammersmith Society; 2 local residents	Change proposed. OPDC has undertaken a Future Employment Growth Sectors Study (FEGSS) to gather further information on supply and demand for employment in the local, London and wider economy and to understand current strengths within OPDC's area and opportunities for new sectors

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also be highlighted; suggestions included: creative activities, clean tech/low carbon/circular economy, high tech and digital, life sciences, academic related incubator uses, advanced manufacturing, medical research, robotics and culture.		to emerge and be located in Old Oak and Park Royal. The recommendations from this have been embedded in the Local Plan.
Workspaces: Suggestion for the Plan to consider a broader range and size of workspaces needed instead of being restricted to open workspace. There was a particular emphasis given to affordable workspace and artists'/creative industries as part of this. There was specific support for a policy on affordable workspace and other comments were encouraging micro and SME, incubator, innovation centre, live/work units, open and artist's space. It was recognised that it would be useful if the approach was flexible, was more spatially specific and considered the viability of providing different typologies.	Ealing Council; Brent Council; Midland Terrace Resident's Group; LSDC; Old Oak Park (DP9); Grand Union Alliance, Association for the Cultural Advancement through visual Art, Art West 2015, Old Oak Neighbourhood Forum, 14 local residents, 2 local businesses	Change proposed. The Local Plan supports a mix of employment space and typologies to attract a range of businesses to the area. Policy E2 and E3 recognise the importance of securing smaller workspaces to support SMEs and start-ups, as well as affordable workspace.
Amenity impacts: Need to consider amenity impacts of employment uses. Proximity/ arrangement of different land uses or existing inappropriate uses in relation to existing residential areas needs to be carefully considered and regulated.	Grand Union Alliance, Brent Council, West Twyford Resident's Group, 2 local residents	No change proposed. The Local Plan continues to highlight areas which are more sensitive to the impact of development - this includes existing residential areas. The Local Plan also sets out the need to protect local amenity. It will be important that new employment space proposals are designed and located taking account of their impacts on environment and microclimate.

Regulation 19(1) consultation

What is the issue?	Who raised the issue?	What are we doing to address the issue?

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To be included. Please refer to the Statement of Consultation in the meantime.

Summary of Relevant Evidence Base

OPDC evidence base

Supporting Study	Recommendations
Development Capacity Study	Approximately 40,400 new jobs can be delivered during the 20 year plan period.
Future Employment Growth Sectors Study	There are a number of growth sectors which could be supported in Old Oak and Park Royal including: • Opportunities to retain, strengthen and diversify existing economic strengths. These are focussed on industrial type activities, in particular food manufacturing, transport, wholesale, logistics and to a lesser extent, motor trade activities. The area also appears to have growing strengths in a range of creative industries. There are opportunities to retain, strengthen and diversify these sectors. • Opportunities to grow, attract and innovate other economic sectors. The nature of development at Old Oak means that future growth is likely to be focused around office uses with key sectors being professional and financial services; and ICT and digital media services. There are also potential opportunities within the low carbon (including clean tech), advanced manufacturing sectors and med-tech/life-science activities. Key ways to support these fit into 4 broad themes: • Sector Development • Workspace, Infrastructure and Placemaking • Skills and Social Inclusion • Evidence and Strategy Examples of recommended measures include setting up specific networking opportunities and sub-groups; targeted business support; supporting the delivery of flexible and affordable workspace for smaller businesses; links with education providers; and maximising transport and accessibility to and within the OPDC area. • Some sectors are better suited to particular locations within OPDC's boundary so the spatial recommendations also show potential suitable locations.
Industrial Land Review	**Protect** • Protect industrial uses in Park Royal SIL • Reduce non-conforming uses in Park Royal SIL • Return Park Royal HS2 construction sites to SIL • Development adjacent to Park Royal SIL **Intensify** • Efficient use of industrial land • Reduce road congestion • Intensification pilot projects

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	Expand • Adjust Park Royal SIL boundary • Light industrial floor space in Old Oak • Manage industrial floorspace within the region • Industrial space design and planning guidance **Support** • Business relocation • Low carbon transition • Local procurement • Business listing and online forum

Rationale for any non-implemented recommendations

Supporting Study	Recommendations	Rationale for not including
n/a	n/a	n/a

Other evidence base

Supporting Study	Recommendations
London Industrial Land Demand (2017)	Update Industrial Land release benchmarks suggest that for the period 2016-41 a total of 233 ha of industrial land can be released, or an average of 9.3 ha per annum. This is a significantly lower level of release than set out in the 2011 Industrial Land Benchmark study and can be explained by industrial land being released at faster than the benchmark guidance and by the fact that the current GLA projections show industrial employment in London declining at a much slower rate than those which informed the 2011 study. This implies much tighter policy is needed if industrial land releases are to be restricted to the Benchmark targets. If industrial land were to continue to be released at the same rate as in recent years then this would result in the loss of 1,630 ha on industrial land. There is already planned release of 838 ha of industrial land in the pipeline and if land identified for Crossrail 2 and the Bakerloo Line Extension were factored in this would rise to 1,277 ha. There is potential for the Benchmark release total to be raised through a combination of intensification, substitution and co-location of industrial activity. Our Intensification and Substitution scenario estimated that the Benchmark Release total could be increased from 233 ha to 783 ha if such approaches could be successfully implemented. Given the considerable tightening of the industrial land market in London the current categorisation of Boroughs into Managed, Limited and Restrictive should be revisited. Boroughs should seek to create additional capacity for industrial activity through intensification. This should apply to all Boroughs and in particular to those which are identified as having a positive net demand. Providing capacity does not necessarily mean providing

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	additional land for industrial activity. It can be achieved through intensification of use, providing more capacity for industrial activity on the same site area. This applies equally to those Boroughs that seek release above the benchmark levels. This can be justified if it can be shown that additional capacity for industrial activity has been created through intensification. Secondly Boroughs need to work together and consider industrial demand at the level of their sub-regional property market area. Where one Borough has a positive demand for industrial land and a neighbouring Borough has a surplus of land to release, then there should be some reallocation between Boroughs to ensure demand is met at the property market level. Thirdly there may be some limited scope for demand to be met by transfers between property market areas. As noted in the report there are some signs that occupiers and developers who would previously only consider west London locations are now looking to the east. But any reallocations between Boroughs need to be included in both Borough's plans to ensure demand is met at the London level. Other policy recommendations: *Public Sector Enabling Role* A principal objective of industrial land policy in London, as set out above, should be to encourage intensification of use. There are signs that new innovative and more intensive forms of industrial development are emerging – and these should be promoted through policy. But there may be barriers that may limit the level of intensification that is delivered through the market alone. Many industrial estates have highly fragmented ownership patterns that hinder the type of comprehensive redevelopment that is needed to optimise industrial land use density on a site. Industrial developers may also lack the incentive to redevelop more intensively on a site by site basis as the full value of intensification (in terms of land released for non-industrial development) may not accrue to industrial developers. The public sector may therefore need to intervene in the land assembly process to ensure that the potential benefits that could be realised through intensification are actually realised. *Strengthen Policy and Release Guidance* The stock of industrial land in London is shrinking rapidly and existing policy does not seem to be controlling releases to benchmark levels. The 2011 Industrial Land Demand report recommended improving monitoring to ensure releases were not in excess of Benchmarks. That release has continued well in excess of benchmark guidance suggests this cannot be just down to poor monitoring. There therefore needs to be a strengthening of policy and a commitment from both the GLA and Boroughs at the highest level to ensure that the Benchmark Release guidance, with flexibility to allow for intensification, is actually adhered to. *Article 4* Local planning authorities are required to plan for "The locational and

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	premises requirements of particular types of business". But it is increasingly difficult for local authorities to meet this requirement as the supply and range of premises is eroded by permitted development rights for change of use. Boroughs should therefore give consideration to the use of Article 4 Directions to preserve B1a, B1c and B8 from being changed to residential use. This is necessary to maintain
London Industrial Land Supply and Economy Study (2015)	Key results and findings include: *Industrial Land Baseline* • In 2015 there is 6,976 hectares (ha) of industrial land in London of which 4,553ha is core industrial use (65%); 1,887ha is in wider industrial use (27%) and 547ha is vacant land (8%). There was approximately 21 million m2 of industrial floorspace in London in 2012. • From 8,282ha recorded in 2001, the stock of industrial land has declined steadily to 7,841ha in 2006, 7,505 in 2010 and 6,976ha in 2015; This equates to a contraction of 1,306ha or 16% over the whole period and a 7% contraction in the last five years. • Notably, at sub-regional level the Central subregion recorded a significantly higher rate of release of / decline in industrial land in the last five years at 25% compared with the other subregions which recorded declines of around 6% in each case. • The development pipeline and proposed future release rates of industrial land appear to correspond with recent London-wide trend rates of release, suggesting that these rates will persist in future years. • Past trends in industrial land release show an accelerated rate of release significantly above the SPG target rates of release. The trend rate of release for 2010 to 2015 is 105ha per annum, compared with the SPG recommended rate of release of 36.6ha per annum. If these trends continue then the total stock of industrial land in London will decline from around 6,980ha in 2015 by a further 2,300ha to around 4,700ha in 2041, a 33% decline over this period. This is around 1,900ha more than the SPG 2031 industrial land target projected to 2041 (around 6,500ha). *Businesses and Employment* • Employment in industrial occupations in London was estimated at 560,000 jobs in 2014, 46% of which are in designated areas, with 76,000 industrial businesses being recorded. At 7.4 workers per business and with 90% of businesses employing 0-9 people, such a distribution is found to be similar to the distribution for all businesses in London. • It's estimated that 82% of all industrial businesses lie within designated areas, suggesting that either the size of industrial businesses in non-designated areas is significantly larger than in the designated areas and / or there are inaccuracies over the way that industrial employment is calculated. This would benefit from further investigation. • Industrial employment in London in the period 2010 to 2015 is estimated to have increased by around 4%, which could represent a reversal of the longer-term trend of decline in industrial employment. Property Market Areas and indicators • Of the approximately 21 million m2 of industrial floorspace in

	London in 2012, the Park Royal / A40 / Heathrow market contains the highest proportion at 32%. • Available industrial floorspace (2 million m2) represents 10% of total estimated floorspace, exceeding the widely accepted guideline frictional vacancy rate of 8% for effective operation of the market. The availability rate in Outer London also exceeds this at around 12%, with the Thames Gateway recording the highest rate of the property market areas at 14%. • London-wide industrial rental values average £110 per m2, peaking at an average of £123 per m2 in the Park Royal / A40 / Heathrow and Wandle Valley areas and falling to £91 per m2 in the Thames Gateway. • Industrial land values average £4.9m per ha London-wide, with the Wandle Valley having the highest average industrial property values at around £6.2m per ha. Reflecting rents, the Thames Gateway has the lowest at £1.0m per ha (£2.5 per acre). Residential land values reflect a similar pattern to that of industrial with the highest values in the South and West subregions / property market areas and lowest in the East and North. By property market, residential land values range from between 2.6 to 7.6 times industrial land values (Park Royal / A40 / Heathrow and Central Services Circle respectively) which means that there is considerable market pressure to release industrial land for residential development. Industrial Capacity in the Inner South East • The supply of industrial land in the inner South East is estimated to be around 4,882ha, or, in comparison, 70% of the total industrial land supply of London. The largest concentration of land is in the north quadrant, while the largest in London is in the Park Royal / A40 / Heathrow property market. • The rate of industrial land loss in the inner South East is slower than that seen in London. Release of industrial land has been slowest in the inner South East quadrants that are adjacent to the London property markets which have the highest rates. 173 • This could indicate that a process of out migration is occurring with businesses moving from London to locations in the inner South East. This is further represented by the large difference in the total rates of industrial land stock release for the inner South East (-4%) and for London (-16%) *Evidence on Market Failure and Flexibility* Research and conclusions on possible factors that could cause market failure and / or affect the flexibility and ability of industrial businesses to respond to a reduced supply of industrial land are as follows: • Generally there does not appear to be strong evidence so far to suggest that reductions in availability of land and property have a direct correlation with increases in rents at a local level. • Case studies suggest that at a local level significant shifts to non-industrial uses can undermine the integrity of industrial areas, and care is needed in planning for and managing change in industrial areas. • There is some evidence to suggest that industrial activities are responding to increased rents and reduced supply by increasing employment densities.

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	• Analysis of changes in employment in recent years in industrial sectors suggests that there could be an emerging pattern of sectors that are more sensitive to London and / or central London locations tending to remain or grow in London, and other sectors that are less sensitive to location will tend to leave London. • In particular it is possible that the scale of a number of industrial activities will tend to be correlated to London's overall population as they directly serve the population. • Data on rates of change of industrial businesses in London suggests that there is a degree of flexibility in the economy and the industrial sector specifically that may not have been appreciated previously. • Broad-brush analysis suggests that overall there is potential for the adjacent South East region to (continue to) accommodate overspill demand from London (or demand transferring to the area as supply contracts in London). • It is likely that if activities servicing core London markets are forced to relocate out of London, either to the adjacent South East or further afield, then total travel miles, congestion and consequent carbon emissions will increase. • There is evidence that some industrial businesses require space for small-scale production and prototyping and rely on access to a skilled workforce, specialist manufacturing activities and agglomeration benefits found in London. These businesses may find it harder to be economically viable if forced to relocate outside London. 8.3.2 The research carried out for this report, together with other data and information, suggests that overall there is a degree of flexibility in the industrial land market and industrial activities to respond to contractions in industrial land supply. Key mechanisms allowing this include potential for some industry to relocate to the wider adjacent South East (or in suitable cases further afield) and probably to a lesser degree there may be potential for intensification of industrial activities on existing land. *Implications for Industrial Land Policy* Review of context, market failure and market mechanisms suggests that if sufficient industrial land can be provided / protected within and around London continued release of industrial land in London may be possible. However the rates of release seen over the last five years appear to be excessive and a more moderate rate of release is probably more appropriate. London appears to be heading towards a situation in which most of its activities located in industrial areas will be associated with servicing the rest of London's economy and population. With the projected significant growth in London's population and economy over coming decades and the likely strong positive correlation between these activities and London's population it appears likely that at some point, potentially within the life of the current London Plan, there will be a case to switch from releasing industrial land to retaining most of the remaining land. Whether such a shift is appropriate will depend upon the strategic value placed upon these activities.

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	Care is needed at a local level to be clear on what industry is being protected and to ensure that policies are sufficiently robust and unambiguous, and then are protected with vigour, to reduce the potential for blight, hope values and issues over bad neighbour activities with other sensitive land uses damaging industrial activities and viability.
GLA Artists' Workspace Study (2014)	• The supply of artists' studio space in London is higher than previously recorded. There are 298 separate studio buildings or sites, catering for over 11,500 artists across the capital. • The affordable artists' workspace sector as a whole occupies premises with a range of tenures: 51% on rented or otherwise licensed terms. This makes many studios vulnerable to change of use or development should the landowner consider more profitable uses. • Artists are among the lowest earners, most making under £10,000 per year from their work, so it is crucial to keep the cost of workspace low. Most studio providers operate within a complex web of funding streams as well as public investment ranging from grants to Section 106 allocations in order to maintain low rents. • The average rent across the main studio providers is £13.73 sq ft per annum, though a significant amount of studio space (19%) is rented at £8 per sq ft. The cost of utilities is an additional costs artists pay beyond the average figure above. • An estimated 3500 artists are on waiting lists. Furthermore, each year 35,000 students graduate from Art & Design Colleges in London3. This, combined with high occupancy rates, gives a picture of sustained pressure on studio and workspace provision. There is no indication that the level of demand has decreased within the last 10 years. The key issues arising are how to: 1. Grow Maintain and grow supply of spaces with a long term view – 3500 spaces in the next five years at a minimum. 2. Strengthen Reduce vulnerability through changes in planning and rising property values – one example might be to work with publicly owned property or land. 3. Influence Build on existing models of workspace provision to make the case to developers and Local Authorities alike and influence future development. 4. Facilitate Link appropriate providers with the correct facilities, whether in new developments or existing buildings, to achieve the best value for the wider community. This should be considered alongside potential for complementary local place making. 5. Imagine Develop a new, imaginative solution for London's particular ecology based on the level of workspace provision needed.
Creating Artists' workspace	• Gives further detail of the range and type of artists' workspace in operation across London. There are a number of different ways artists' studios and creative workspace can be integrated into the

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	development of new places and add economic and social value. • All of the sites deliver affordable workspace, in a range from £11.50 to £14 per sq ft per year. This equates to a maximum of £290 per month for a 250 sq ft studio space. • Partnerships are key to all of the examples shown. Each development involves close collaboration between studio providers and developers, local authorities or housing associations, sometimes with funding from the Arts Council or other grant sources. • Several case studies illustrate the benefit of working locally, where knowledge of the local economy and community can create hugely successful developments. In this respect, borough involvement is often a key contributor to the success of a project.
Supporting places of work: Incubators, accelerators and Co-working spaces	IACs have an important role to play in the provision of workspace and support for SMEs. They typically offer high levels of flexibility in relation to membership and pricing, which increase the effective 'affordability' of workspaces enabling start-up and small businesses and freelancers to access office space in London. They also generally offer business support in the form of mentoring, workshops and networking, which is typically an integral part of membership. Indications are that the recent rapid growth and continual evolution that are defining features of the current IAC market will continue, at least over the short term. Growth in provision is anticipated to follow current trends – that is in close proximity to existing hubs and transport links with a focus on digital and creative sectors. However with broadening appeal IAC provision may also spread to new sectors and to different areas of London. This may be particularly the case for incubator and co-working space providers, where the focus is not specifically on high growth businesses. There are significantly many more IACs in inner London locations, but their membership is generally more expensive than IACs located in outer London boroughs (reflecting the higher rent paid on commercial space). The combination of more expensive membership at inner London IACs and fewer IACs in outer London locations could mean that economically disadvantaged groups are disproportionately affected by access to IACs. There could be a case then for some focussed interventions in inner London using public sector support in return for targeted social benefits and job growth as well as up skilling outputs linked to IAC activities. • Overall a key ingredient in the success of IACs is the entrepreneurial drive and vision of their founders and management teams. This is often a difficult ingredient to replicate, and it is probably best for the public sector to focus on ways to facilitate the activities of IAC providers rather than becoming direct providers. Activities could cover, for example, assistance with provision of suitable low-cost spaces for entrepreneurs; tracking the length of leases remaining on public property, and marketing and granting short term leases to IAC operators where

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	suitable space is vacant; and/or to give support for selective outreach programmes that complement core commercial offerings. Incubators could benefit from links with an academic institute to support drive and vision. There could also be advantages in exploring offers which promote increased affordability of the space in return for community engagement activities led by the businesses and IAC management.
Co-Making: Research into London's Open access Makerspaces and Shared Workshops	• Existing co-making spaces are a valuable source of information. Where new spaces are established, it is recommended that professional groups and individual co-making spaces are consulted on spatial and organisational factors - and that these relate to disciplines and target users. While few purpose-built spaces exist, space layouts are often implemented by experienced makers, and can be an undocumented but valuable resource. • Any new space should consider target user group - professional, amateur, start-up, etc. - as this is key to business model. • While co-making space itself requires high capital inputs and may initially operate at a loss, most spaces develop a successful business model over time. High start-up costs could be supported by improved access to funding or partnerships - that acknowledge the support they provide for small enterprises. Further links could be made with industry or education, e.g. in the construction, technology, design and manufacturing sectors. • Interim use strategies currently benefit several organisations. This could be applied more widely, say to retail locations - use of empty shop spaces etc. - either to house co-making spaces themselves or to provide retail outlets for existing spaces. 'Pop up shops' and markets can raise profile and attract a wider range of users into the workspace. e.g. Cycletastic pop-up shop in Brent. Interim use strategies generally are an excellent way to provide affordable and appropriate premises, to meet organisations' needs on a temporary basis and to test viability. However the implications of relocation need to be factored in from the outset - financial or other support could be offered for this. • Co-making spaces can actively contribute to planning and development strategy within an area. They should not only be assessed on measurable social outputs but on the wider regenerative impacts of the SME's they support. • Organisations benefit from a degree of autonomy and ownership over their main co-making space, needing to manage use and access. A built form that provides secure, private workspace (internal and external) is most appropriate for small enterprise use, but accessibility and some form of public engagement can also be beneficial. The dual role of many organisations means they present a significant opportunity to connect strategic zones. Most co-making workshops are adaptable to some extent to premises. Therefore, where new or relocated organisations are considered, a broad, creative approach is recommended - whether this is in assessing suitable building stock or partnerships with other organisations.

Other evidence base

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Supporting Study	Recommendations
LLDC Employment Space Study	Providing a framework and examples of how employment provision can be designed.
Industrial Intensification Primer	Summarises the main forms intensification can take, with case study examples. While some of the options presented 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, as well as ensuring the quality of industrial and residential space. In many cases intensification will have to be considered at the masterplan level as well as the level of individual developments. The document also suggests some typical basic specifications for large and small industrial units to ensure that any intensified or mixed space is suitable for industrial occupiers.

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E3: Supporting Small Businesses

Legislation, Policy and Guidance Context

National Planning Policy Framework (2012) (NPPF)

Policy / paragraph reference	Policy and paragraph text
7	There are three dimensions to sustainable development: economic, social and environmental. These dimensions give rise to the need for the planning system to perform a number of roles: • an economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure…
17	Within the overarching roles that the planning system ought to play, a set of core land-use planning principles should underpin both plan-making and decision-taking. These 12 principles are that planning should… • proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities;
19	Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system.
20	To help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century.
21	Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing. In drawing up Local Plans, local planning authorities should: • set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth; • set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period; • support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan

	and to allow a rapid response to changes in economic circumstances; • plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries; • identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and • facilitate flexible working practices such as the as the integration of residential and commercial uses within the same unit.
160	Local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should: • work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and • work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.
161	Local planning authorities should use this evidence base to assess: • the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development; • the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land;
176	Where safeguards are necessary to make a particular development acceptable in planning terms (such as environmental mitigation or compensation), the development should not be approved if the measures required cannot be secured through appropriate conditions or agreements. The need for such safeguards should be clearly justified through discussions with the applicant, and the options for keeping such costs to a minimum fully explored, so that development is not inhibited unnecessarily.

London Plan (2016) Policies

Policy / paragraph reference	**Policy and paragraph text**
4.1	**Strategic** A The Mayor will work with partners to: a1 promote and enable the continued development of a strong, sustainable and increasingly diverse economy across all parts of London, ensuring the availability of sufficient and suitable workspaces in terms of type, size and cost, supporting infrastructure and suitable environments for larger employers and small and medium sized enterprises, including the voluntary and community sectors a2 maximise the benefits from new infrastructure to secure sustainable growth and development b drive London's transition to a low carbon economy and to secure the range of benefits this will bring

	c support and promote outer London as an attractive location for national government as well as businesses, giving access to the highly-skilled London workforce, relatively affordable work space and the competitive advantages of the wider London economy d support and promote the distinctive and crucial contribution to London's economic success made by central London and its specialist clusters of economic activity e sustain the continuing regeneration of inner London and redress its persistent concentrations of deprivation f emphasise the need for greater recognition of the importance of enterprise and innovation g promote London as a suitable location for European and other international agencies and businesses.
4.10	**Strategic, planning decisions and LDF preparation** A The Mayor will, and boroughs and other relevant agencies and stakeholders should: a support innovation and research, including strong promotion of London as a research location and encourage the application of the products of research in the capital's economic development b give strong support for London's higher and further education institutions and their development, recognising their needs for accommodation and the special status of the parts of London where they are located, particularly the Bloomsbury/Euston and Strand university precincts c work with developers, businesses and, where appropriate, higher education institutions and other relevant research and innovation agencies to ensure availability of a range of workspaces, including start-up space, co-working space and 'grow-on' space d support the development of green enterprise districts such as that proposed in the Thames Gateway e promote clusters of research and innovation as focal points for research and collaboration between businesses, HEIs, other relevant research and innovation agencies and industry f support the evolution of London's science, technology, media and telecommunications (TMT) sector, promote clusters such as Tech City and Med City1 ensuring the availability of suitable workspaces including television and film studio capacity.

Draft London Plan (2017) Policies

Policy / paragraph reference	Policy and paragraph text
E2	A The provision, and where appropriate, protection of a range of low-cost B1 business space should be supported to meet the needs of micro, small and medium-sized enterprises and to support firms wishing to start-up or expand. B Development proposals that involve the loss of existing B1 space (including creative and artist studio space) in areas where there is an identified shortage of lower-cost space should: 1) demonstrate that there is no reasonable prospect of the site being used for business purposes, or 2) ensure that an equivalent amount of B1 space is re-provided in the proposal (which is appropriate in terms of type, specification, use and size), incorporating existing businesses where possible, or

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	3) demonstrate that suitable alternative accommodation (in terms of type, specification, use and size) is available in reasonable proximity to the development proposal and, where existing businesses are affected, that they are subject to relocation support arrangements before the commencement of new development. C Development proposals for new B1 business floorspace greater than 2,500 sqm (gross external area) should consider the scope to provide a proportion of flexible workspace suitable for micro, small and medium-sized enterprises.
E3	A In defined circumstances, planning obligations may be used to secure affordable workspace at rents maintained below the market rate for that space for a specific social, cultural or economic development purpose. Such circumstances include workspace that is: 1) dedicated for specific sectors that have social value such as charities or social enterprises 2) dedicated for specific sectors that have cultural value such as artists' studios and designer-maker spaces 3) dedicated for disadvantaged groups starting up in any sector 4) providing educational outcomes through connections to schools, colleges or higher education 5) supporting start-up businesses or regeneration. B Particular consideration should be given to the need for affordable workspace for the purposes in part A above: 1) where there is existing affordable workspace on-site 2) in areas where cost pressures could lead to the loss of affordable workspace for micro, small and medium-sized enterprises (such as in the City Fringe around the CAZ and in Creative Enterprise Zones) 3) in locations where the provision of affordable workspace would be necessary or desirable to sustain a mix of business or cultural uses which contribute to the character of an area. C Boroughs, in their Development Plans, are encouraged to consider more detailed affordable workspace policies in light of local evidence of need and viability. These may include policies on site-specific locations, or defining areas of need for certain kinds of affordable workspace. D Affordable workspace policies defined in Development Plans and Section 106 agreements should include ways of monitoring that the objectives in part A above are being met, including evidence that they will be managed by a workspace provider with a long-term commitment to maintaining the agreed or intended social, cultural or economic impact. Applicants are encouraged to engage with workspace providers at an early stage to ensure that the space is configured and managed efficiently. E Leases or transfers of space to workspace providers should be at rates that allow providers to manage effective workspace with sub-market rents, meeting the objectives in part A, over the long term. F The affordable workspace elements of a mixed-use scheme should be operational prior to residential elements being occupied.

Supplementary Planning Guidance (SPG)

Policy / paragraph reference	**Policy and paragraph text**
Land for Industry	SPG 11 In implementing London Plan policies, the Mayor will and boroughs, TfL and

and Transport (2012)	other partners should: (i) manage the stock of industrial premises so that it provides a competitive offer for different types of occupier including logistics, utilities, waste management, transport functions and other related industrial activities. This will entail both improving the quality of provision to meet users' different needs, including those of SMEs and clusters of related activities, and maintaining lower cost capacity or making provision for those requiring affordable business premises to meet local needs; (ii) protect industrial sites and premises which meet demonstrable demand for lower cost industrial accommodation; (iii) promote the provision of small industrial units and managed workspaces suitable for small and medium sized enterprises (SMEs) and start-up companies; (iv) encourage design of industrial premises that enables easy subdivision at a later date as the space requirements of different occupiers change; (v) secure provision of small and affordable industrial units in appropriate locations as part of larger mixed-use schemes, including commercial developments and residential schemes where careful siting, design and access arrangements can satisfactorily overcome environmental concerns. New workshop and industrial space may be secured by legal agreement to ensure its long term retention.

Local Plan Regulation 18 Draft Policy Options

Policy / paragraph reference	Policy and paragraph text
E4 (8.45)	Delivery of onsite open workspace is required for residential and/or commercial proposals.
E4 (8.46)	Delivery of small-scale workspaces is supported with coordinated delivery of rented small-scale residential units outside of the SIL.

Key Consultation Issues

Regulation 18 consultation

What is the issue?	Who raised the issue?	What are we doing to address the issue?
Workspaces: Suggestion for the Plan to consider a broader range and size of workspaces needed instead of being restricted to open workspace. There was a particular emphasis given to affordable workspace and artists'/creative industries as part of this. There was	Ealing Council; Brent Council; Midland Terrace Resident's Group; LSDC; Old Oak Park (DP9); Grand Union Alliance, Association for the Cultural Advancement through visual Art, Art West 2015, Old Oak Neighbourhood Forum, 14 local residents, 2 local	Change proposed. The Local Plan supports a mix of employment space and typologies to attract a range of businesses to the area. Policy E2 and E3 recognise the importance of securing smaller workspaces to support SMEs and start-ups, as well as affordable

specific support for a policy on affordable workspace and other comments were encouraging micro and SME, incubator, innovation centre, live/work units, open and artist's space. It was recognised that it would be useful if the approach was flexible, was more spatially specific and considered the viability of providing different typologies.	businesses	workspace.

Regulation 19(1) consultation

What is the issue?	Who raised the issue?	What are we doing to address the issue?
To be included. Please refer to the Statement of Consultation in the meantime.		

Summary of Relevant Evidence Base

OPDC evidence base

Supporting Study	Recommendations
Future Employment Growth Sectors Study	There are a number of growth sectors which could be supported in Old Oak and Park Royal including: • Opportunities to retain, strengthen and diversify existing economic strengths. These are focussed on industrial type activities, in particular food manufacturing, transport, wholesale, logistics and to a lesser extent, motor trade activities. The area also appears to have growing strengths in a range of creative industries. There are opportunities to retain, strengthen and diversify these sectors. • Opportunities to grow, attract and innovate other economic sectors. The nature of development at Old Oak means that future growth is likely to be focused around office uses with key sectors being professional and financial services; and ICT and digital media services. There are also potential opportunities within the low carbon (including clean tech), advanced manufacturing sectors and med-tech/life-science activities. Key ways to support these fit into 4 broad themes: • Sector Development • Workspace, Infrastructure and Placemaking • Skills and Social Inclusion • Evidence and Strategy Examples of recommended measures include setting up specific

	networking opportunities and sub-groups; targeted business support; supporting the delivery of flexible and affordable workspace for smaller businesses; links with education providers; and maximising transport and accessibility to and within the OPDC area. • Some sectors are better suited to particular locations within OPDC's boundary so the spatial recommendations also show potential suitable locations.
Park Royal Atlas	There are a diverse range of businesses in the area • At the time of the survey, 19,934 active workspaces were identified. • A broad range of business sectors were identified, including breweries, bakeries, metal workshops, storage, contractors, joiners, hospitals, schools, publishers, film studios, software developers, garages, car sales, pubs, hotels, jewellers, cobblers, lawyers, accountants, spice merchants, medical suppliers, churches and artist studios. • 30% of workplaces are small office type spaces, though workplaces in large warehouses make up 63% of the total floor area. • The central areas of Park Royal stand out for having the greatest diversity of buildings and space types. Many of these are used by micro businesses which count for 75% of workplaces
Industrial Estate Study	Recommendations for how Park Royal can improve its competitive position, including: • protecting industrial land; • ensuring a greater diversity of unit sizes; • addressing infrastructure issues; and • improving access to amenities.

Rationale for any non-implemented recommendations

Supporting Study	Recommendations	Rationale for not including
n/a	n/a	n/a

Other evidence base

Supporting Study	Recommendations
GLA Artists' Workspace Study (2014)	• The supply of artists' studio space in London is higher than previously recorded. There are 298 separate studio buildings or sites, catering for over 11,500 artists across the capital. • The affordable artists' workspace sector as a whole occupies premises with a range of tenures: 51% on rented or otherwise licensed terms. This makes many studios vulnerable to change of use or development should the landowner consider more profitable uses. • Artists are among the lowest earners, most making under £10,000 per year from their work, so it is crucial to keep the cost of workspace low. Most studio providers operate within a complex web of funding streams as well as public investment ranging from grants to Section 106 allocations in order to maintain low rents. • The average rent across the main studio providers is £13.73 sq ft per annum, though a significant amount of studio space (19%) is rented at £8 per sq ft. The cost of utilities is an additional costs artists pay beyond the average figure above.

	• An estimated 3500 artists are on waiting lists. Furthermore, each year 35,000 students graduate from Art & Design Colleges in London3. This, combined with high occupancy rates, gives a picture of sustained pressure on studio and workspace provision. There is no indication that the level of demand has decreased within the last 10 years The key issues arising are how to: 1. Grow Maintain and grow supply of spaces with a long term view – 3500 spaces in the next five years at a minimum. 2. Strengthen Reduce vulnerability through changes in planning and rising property values – one example might be to work with publicly owned property or land. 3. Influence Build on existing models of workspace provision to make the case to developers and Local Authorities alike and influence future development. 4. Facilitate Link appropriate providers with the correct facilities, whether in new developments or existing buildings, to achieve the best value for the wider community. This should be considered alongside potential for complementary local place making. 5. Imagine Develop a new, imaginative solution for London's particular ecology based on the level of workspace provision needed.
Creating Artists' workspace	• Gives further detail of the range and type of artists' workspace in operation across London. There are a number of different ways artists' studios and creative workspace can be integrated into the development of new places and add economic and social value. • All of the sites deliver affordable workspace, in a range from £11.50 to £14 per sq ft per year. This equates to a maximum of £290 per month for a 250 sq ft studio space. • Partnerships are key to all of the examples shown. Each development involves close collaboration between studio providers and developers, local authorities or housing associations, sometimes with funding from the Arts Council or other grant sources. • Several case studies illustrate the benefit of working locally, where knowledge of the local economy and community can create hugely successful developments. In this respect, borough involvement is often a key contributor to the success of a project.
Supporting places of work: Incubators, accelerators and Co-working spaces	IACs have an important role to play in the provision of workspace and support for SMEs. They typically offer high levels of flexibility in relation to membership and pricing, which increase the effective 'affordability' of workspaces enabling start-up and small businesses and freelancers to access office space in London. They also generally offer business support in the form of mentoring, workshops and networking, which is typically an integral part of membership. Indications are that the recent rapid growth and continual evolution that are defining features of the current IAC market will continue, at least over the short term. Growth

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	in provision is anticipated to follow current trends – that is in close proximity to existing hubs and transport links with a focus on digital and creative sectors. However with broadening appeal IAC provision may also spread to new sectors and to different areas of London. This may be particularly the case for incubator and co-working space providers, where the focus is not specifically on high growth businesses. There are significantly many more IACs in inner London locations, but their membership is generally more expensive than IACs located in outer London boroughs (reflecting the higher rent paid on commercial space). The combination of more expensive membership at inner London IACs and fewer IACs in outer London locations could mean that economically disadvantaged groups are disproportionately affected by access to IACs. There could be a case then for some focussed interventions in inner London using public sector support in return for targeted social benefits and job growth as well as up skilling outputs linked to IAC activities. Overall a key ingredient in the success of IACs is the entrepreneurial drive and vision of their founders and management teams. This is often a difficult ingredient to replicate, and it is probably best for the public sector to focus on ways to facilitate the activities of IAC providers rather than becoming direct providers. Activities could cover, for example, assistance with provision of suitable low-cost spaces for entrepreneurs; tracking the length of leases remaining on public property, and marketing and granting short term leases to IAC operators where suitable space is vacant; and/or to give support for selective outreach programmes that complement core commercial offerings. Incubators could benefit from links with an academic institute to support drive and vision. There could also be advantages in exploring offers which promote increased affordability of the space in return for community engagement activities led by the businesses and IAC management.
Co-Making: Research into London's Open access Makerspaces and Shared Workshops	• Existing co-making spaces are a valuable source of information. Where new spaces are established, it is recommended that professional groups and individual co-making spaces are consulted on spatial and organisational factors - and that these relate to disciplines and target users. While few purpose-built spaces exist, space layouts are often implemented by experienced makers, and can be an undocumented but valuable resource. • Any new space should consider target user group - professional, amateur, start-up, etc. - as this is key to business model. • While co-making space itself requires high capital inputs and may initially operate at a loss, most spaces develop a successful business model over time. High start-up costs could be supported by improved access to funding or partnerships - that acknowledge the support they provide for

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	small enterprises. Further links could be made with industry or education, e.g. in the construction, technology, design and manufacturing sectors. • Interim use strategies currently benefit several organisations. This could be applied more widely, say to retail locations - use of empty shop spaces etc. - either to house co-making spaces themselves or to provide retail outlets for existing spaces. 'Pop up shops' and markets can raise profile and attract a wider range of users into the workspace. e.g. Cycletastic pop-up shop in Brent. Interim use strategies generally are an excellent way to provide affordable and appropriate premises, to meet organisations' needs on a temporary basis and to test viability. However the implications of relocation need to be factored in from the outset - financial or other support could be offered for this. • Co-making spaces can actively contribute to planning and development strategy within an area. They should not only be assessed on measurable social outputs but on the wider regenerative impacts of the SME's they support. • Organisations benefit from a degree of autonomy and ownership over their main co-making space, needing to manage use and access. A built form that provides secure, private workspace (internal and external) is most appropriate for small enterprise use, but accessibility and some form of public engagement can also be beneficial. The dual role of many organisations means they present a significant opportunity to connect strategic zones. • Most co-making workshops are adaptable to some extent to premises. Therefore, where new or relocated organisations are considered, a broad, creative approach is recommended - whether this is in assessing suitable building stock or partnerships with other organisations.

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E4: Work Live Units

Legislation, Policy and Guidance Context

National Planning Policy Framework (2012) (NPPF)

Policy / paragraph reference	Policy and paragraph text
7	There are three dimensions to sustainable development: economic, social and environmental. These dimensions give rise to the need for the planning system to perform a number of roles: • **an economic role** – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure; • **a social role** – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being;
17	Within the overarching roles that the planning system ought to play, a set of core land-use planning principles should underpin both plan-making and decision-taking. These 12 principles are that planning should… • …proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities
21	In drawing up Local Plans, local planning authorities should: • …facilitate flexible working practices such as the as the integration of residential and commercial uses within the same unit.
37	Planning policies should aim for a balance of land uses within their area so that people can be encouraged to minimise journey lengths for employment, shopping, leisure, education and other activities.
38	For larger scale residential developments in particular, planning policies should promote a mix of uses in order to provide opportunities to undertake day-to-day activities including work on site…
57	It is important to plan positively for the achievement of high quality and inclusive design for all development, including individual buildings, public and private spaces and wider area development schemes.
176	Where safeguards are necessary to make a particular development acceptable in planning terms (such as environmental mitigation or compensation), the development should not be approved if the measures

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	required cannot be secured through appropriate conditions or agreements. The need for such safeguards should be clearly justified through discussions with the applicant, and the options for keeping such costs to a minimum fully explored, so that development is not inhibited unnecessarily.

National Planning Practice Guidance (NPPG)

Policy / paragraph reference	Policy and paragraph text
Title: What is a well designed place? Paragraph: 017 Reference ID: 26-017-20140306 Revision date: 06 03 2014	A good mix of uses and tenures is often important to making a place economically and socially successful, ensuring the community has easy access to facilities such as shops, schools, clinics, workplaces, parks, play areas, pubs or cafés. This helps achieve multiple benefits from the use of land, and encourage a healthier environment, reducing the need for travel and helping greater social integration. A mix of uses also allows communities and places to respond to change more readily by allowing a turnover of activities, for example with the same building or space performing different functions across a day, week or season.

London Plan (2016) Policies

Policy / paragraph reference	Policy and paragraph text
7.1	B Development should be designed so that the layout, tenure and mix of uses interface with surrounding land and improve people's access to social and community infrastructure (including green spaces), the Blue Ribbon Network, local shops, employment and training opportunities, commercial services and public transport.

Draft London Plan (2017) Policies

Policy / paragraph reference	Policy and paragraph text
E11	A The Mayor will work with strategic partners to address low pay and, supported by his Skills for Londoners Taskforce, co-ordinate national, regional and local initiatives to promote inclusive access to training, skills and employment opportunities for all Londoners. B Development proposals should seek to support employment, skills development, apprenticeships, and other education and training opportunities in both the construction and end-use phases, including through Section 106 obligations where appropriate. Boroughs should ensure these are implemented in ways that (a) enable trainees to complete their training and apprenticeships, (b) ensure the greatest level of take-up possible by

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	Londoners of the training, apprenticeship and employment opportunities created and (c) increase the proportion of under-represented groups within the construction industry workforce. In partnership with the Mayor, boroughs are encouraged to consider cross-borough working to open up opportunities, including those created via Section 106 obligations, on a reciprocal basis, to residents from adjacent boroughs and across London.

Local Plan Regulation 18 Draft Policy Options

Policy / paragraph reference	Policy and paragraph text
E5 (8.57)	Securing access to employment, skills training, apprenticeships and preemployment support is considered to be a priority for OPDC and is supported by local stakeholders. As such, an alternative policy is not considered to be appropriate.

Key Consultation Issues

Regulation 18 consultation

What is the issue?	Who raised the issue?	What are we doing to address the issue?
n/a	n/a	n/a

Regulation 19(1) consultation

What is the issue?	Who raised the issue?	What are we doing to address the issue?
To be included. Please refer to the Statement of Consultation in the meantime.		

Summary of Relevant Evidence Base

OPDC evidence base

Supporting Study	Recommendations
OPDC Precedents Study	The report analyses examples of relevant developments to look at lessons for delivering successful schemes in the OPDC area. With regard to work-live units the OPDC Precedent Study shows that: • the open plan design of units, and lack of strict guidelines over what proportion of the space is used for work/live is key to sustaining true live/work uses (although units should be prevented from being 100% live); • live-work schemes do require significant financial support;

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	• the familiarity of the management company/owner with individual tenants is crucial to securing proper management; • a range of unit types can be delivered as part of a high density work-live development

Rationale for any non-implemented recommendations

Supporting Study	Recommendations	Rationale for not including
n/a	n/a	n/a

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E5: Local Access to Training, Employment and Economic Opportunities

Legislation, Policy and Guidance Context

National Planning Policy Framework (2012) (NPPF)

Policy / paragraph reference	Policy and paragraph text
176	Where safeguards are necessary to make a particular development acceptable in planning terms (such as environmental mitigation or compensation), the development should not be approved if the measures required cannot be secured through appropriate conditions or agreements. The need for such safeguards should be clearly justified through discussions with the applicant, and the options for keeping such costs to a minimum fully explored, so that development is not inhibited unnecessarily.
178	Public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the **strategic priorities** set out in paragraph 156. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.
203	Local planning authorities should consider whether otherwise unacceptable development could be made acceptable through the use of conditions or planning obligations. Planning obligations should only be used where it is not possible to address unacceptable impacts through a planning condition.
204	Planning obligations should only be sought where they meet all of the following tests: • necessary to make the development acceptable in planning terms; • directly related to the development; and • fairly and reasonably related in scale and kind to the development.
205	Where obligations are being sought or revised, local planning authorities should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled.

London Plan (2016) Policies

Policy / paragraph reference	Policy and paragraph text
4.12	**Strategic** A Working with strategic partners, principally the London Enterprise Partnership, the Mayor will provide the spatial context to co-ordinate the range of national and local initiatives necessary to improve employment opportunities for Londoners, to remove barriers to

	employment and progression and to tackle low participation in the labour market. **Planning decisions** B Strategic development proposals should support local employment, skills development and training opportunities.

Draft London Plan (2017) Policies

Policy / paragraph reference	Policy and paragraph text
E11	A The Mayor will work with strategic partners to address low pay and, supported by his Skills for Londoners Taskforce, co-ordinate national, regional and local initiatives to promote inclusive access to training, skills and employment opportunities for all Londoners. B Development proposals should seek to support employment, skills development, apprenticeships, and other education and training opportunities in both the construction and end-use phases, including through Section 106 obligations where appropriate. Boroughs should ensure these are implemented in ways that (a) enable trainees to complete their training and apprenticeships, (b) ensure the greatest level of take-up possible by Londoners of the training, apprenticeship and employment opportunities created and (c) increase the proportion of under-represented groups within the construction industry workforce. In partnership with the Mayor, boroughs are encouraged to consider cross-borough working to open up opportunities, including those created via Section 106 obligations, on a reciprocal basis, to residents from adjacent boroughs and across London.

Supplementary Planning Guidance (SPG)

Policy / paragraph reference	Policy and paragraph text
Land for Industry and Transport (2012)	SPG 10 – Quality of Industrial Capacity In implementing London Plan policies, the Mayor will and boroughs, TfL and other partners should: (ix) promote access to employment and target skills investment taking into account the London Employment Action Plan and the London Skills and Employment Board (LSEB) Strategy.

Local Plan Regulation 18 Draft Policy Options

Policy / paragraph reference	Policy and paragraph text
E5 (8.57)	Securing access to employment, skills training, apprenticeships and preemployment support is considered to be a priority for OPDC and is supported by local stakeholders. As such, an alternative policy is not considered to be appropriate.

Key Consultation Issues

Regulation 18 consultation

What is the issue?	Who raised the issue?	What are we doing to address the issue?
Should consider providing local skills and employment opportunities	Local residents	Noted. Local Plan policy (E5) will require proposals to develop a Strategy and Plan to increase skills and job opportunities for local communities. OPDC will work closely with boroughs to support this objective.

Regulation 19(1) consultation

What is the issue?	Who raised the issue?	What are we doing to address the issue?
To be included. Please refer to the Statement of Consultation in the meantime.		

Summary of Relevant Evidence Base

OPDC evidence base

Supporting Study	Recommendations
OPDC Socio-Economic Baseline	The report does not make recommendation as it is a baseline assessment of current socio-economic conditions. The indicators outlined in the study are intended to be measured on an ongoing basis to measure improvements in socio-economic conditions.
Future Employment Growth Sectors Study	There are a number of growth sectors which could be supported in Old Oak and Park Royal including: • Opportunities to retain, strengthen and diversify existing economic strengths. These are focussed on industrial type activities, in particular food manufacturing, transport, wholesale, logistics and to a lesser extent, motor trade activities. The area also appears to have growing strengths in a range of creative industries. There are opportunities to retain, strengthen and diversify these sectors. • Opportunities to grow, attract and innovate other economic sectors. The nature of development at Old Oak means that future growth is likely to be focused around office uses with key sectors being professional and financial services; and ICT and digital media services. There are also potential opportunities within the low carbon (including clean tech), advanced manufacturing sectors and med-tech/life-science activities.

	Key ways to support these fit into 4 broad themes: • Sector Development • Workspace, Infrastructure and Placemaking • Skills and Social Inclusion • Evidence and Strategy Examples of recommended measures include setting up specific networking opportunities and sub-groups; targeted business support; supporting the delivery of flexible and affordable workspace for smaller businesses; links with education providers; and maximising transport and accessibility to and within the OPDC area. Some sectors are better suited to particular locations within OPDC's boundary so the spatial recommendations also show potential suitable locations.
Park Royal Workforce Skills Analysis	The Park Royal Workforce Skills Analysis identifies that there are some slightly larger firms employing 10-49 people which are experiencing employee training/skills problems. For them it seems to be low and intermediate skills that are the issue rather than (as might have been expected) high-level skills. There are some reasons for thinking this may get worse in the years to come. These range from a rapidly rising minimum wage to the increasing buoyancy of the London jobs market, and even rising house prices making it harder for lower-skilled people to live in the boroughs around Park Royal. There are also concerns about a lack of suitable people applying for apprenticeships, and low demand from young people for these and other employment opportunities offered by employers at the site. Given that more survey respondents were thinking about employing apprentices in the future than currently employ them, this too may become a more pressing issue in future years. The findings suggest there are inefficiencies in the labour market which could perhaps be addressed. Anecdotal evidence from the consultations (as well as the survey responses) indicated that those firms that were experiencing recruitment difficulties were looking to connect with colleges and schools but had little idea of the best way of going about it, and were falling back on pre-existing relationships with independent training providers of industry- and job-specific training. Meanwhile the colleges were struggling to engage small businesses with disparate technical skills development needs and difficulties attracting young people to entry-level and apprenticeship opportunities. This suggests there may be opportunities for colleges and/or external providers to discuss training needs with employers, perhaps through some kind of brokering service.

Rationale for any non-implemented recommendations

Supporting Study	Recommendations	Rationale for not including
n/a	n/a	n/a

Other evidence base

Supporting Study	Recommendations
OPDC Socio-Economic Baseline	The report does not make recommendation as it is a baseline assessment of current socio-economic conditions. The indicators outlined in the study are intended to be measured on an ongoing basis to measure improvements in socio-economic conditions.
Skills for Londoners: A draft Skills and Adult Education Strategy for London	Summary of key skills challenges for Londoners: • Unemployment rates above the national average, with young people, disabled adults, BAME groups and women disproportionately under-represented in the labour market, especially in higher skilled, better paid jobs. • Continued and persistent gender, race and disability pay gaps. • Wages struggling to keep pace with the rising costs of living in London, leaving one in five workers paid below the Living Wage and the highest proportion of people in poverty than in any UK region. • Substantial variation in employment rates and incomes across London, meaning the capital is the most unequal region in the country. • Low levels of qualifications and skills holding many Londoners back, particularly in literacy, English language, numeracy and digital. • A lack of an effective careers information, advice and guidance offer for Londoners, limiting the ability to upskill/reskill and progress in work. • The soaring cost of childcare in London posing a significant obstacle to parents - particularly women - accessing education and employment opportunities. Summary of key skills challenges for employers in London: • Changing skills requirements due to technological change, including automation, and the threat to the availability of talent following Brexit. • Limited progression opportunities from lower tier jobs due to a lack of 'middle tier' occupations. • Significant requirement for higher level skills. • A historic low level of employer investment in workforce training and apprenticeship places. • Skills system currently does not sufficiently meet employer skills requirements. Summary of key challenges for the skills system in London: • A misalignment in supply and demand for skills in the capital. • The need for an agile skills system that can effectively respond to the London economy and support its success to operate in competitive global markets. • To increase the skills of London's workforce, particularly at higher levels. • The further education sector in London to become 'routes ready' for the introduction of the new Technical-Level qualifications. The skills strategy focuses on the following priorities: 1. Empower all Londoners to access the education and skills to participate in society and progress in education and in work; 2. Meet the needs of London's economy and employers, now and in the future; and 3. Deliver a strategic city-wide technical skills and adult education offer.