

## **Draft New London Plan Examination in Public Statement**

### **Federation of Small Businesses (2734)**

These responses are submitted on behalf of the Federation of Small Businesses Greater London (FSB London) and represent the collective thoughts and view our members who include tenants, occupiers and co-workers in units within industrial land and also businesses that are depend on logistics, freight and services for their businesses to function. The FSB represents around 8.600 small businesses in the capital and around 160,000 across the UK

MSC.2.75 we welcome and support the change.

MSC.6.12 E1 Paragraph 6.1.6A we welcome and support the additional paragraph.

### **MATTER: M62**

#### **Overall comments**

Whilst the intention is for there to be no net loss of industrial floorspace capacity, we feel this is not what is needed and in fact could stifle economic growth across London. There has been over three times more industrial land lost than specified in the previous London Plan and around eight times more in central London Boroughs.

When considering this in the Draft London Plan, it is of significant importance to recognise the changing nature of the industrial and logistics sectors within London and the sheer diversity of the types, scale, nature and needs of businesses operating within the market.

The policies of the London Plan should support the diverse nature of the industrial sector recognising the needs of these businesses.

The significant and accelerated losses of industrial land within London experienced over the past decade is of grave concern to our members and in particular within central locations. The London Plan should seek to address and stop this, by protecting industrial land at all levels especially at the micro and small levels. We are keen for the Plan to positively promote new industrial land and floorspace to ensure London can sustainably meet the needs of its people and businesses in the future.

*A) Are the industrial job growth projections and associated estimates of land and floorspace requirements justified?*

We would like to see added that Boroughs should carefully audit industrial activity and map industrial accommodation across their area, and in their Development Plans should clarify the planning status of all industrial sites, refining policy maps and introducing designation where appropriate.

There should be plans to increase availability of industrial land to ensure the capital can continue to be supplied and serviced throughout the term of this new London Plan.

A lot of space will be under the threshold and will be down to Boroughs to monitor – we feel it is going to be difficult for the GLA to measure ‘no net loss of space by 2041’. Evidence produced by CAG (2017) on behalf of the GLA states the vast majority of London Boroughs are well below the threshold set within the Land for Industry and Transport SPG which states that vacant industrial land should be at around 5% and floor space 8% for efficient market operation.

*B) Is the aim of ensuring no overall net loss of (i) industrial floorspace capacity and (ii) operational yard space capacity across London in designated Strategic Industrial Locations (SIL) and Locally Significant Industrial Sites (LSIS) justified and realistic, and would achieving that objective ensure the availability of a sufficient quantity of land and premises for industrial uses?*

In a word no. Non-designated industrial sites represent circa 36% of London's industrial capacity and are critical to its functioning, representing a key source of local services and facilities, who are our members including MOT garages, builder's merchants and flexible industrial space which support local communities.

The FSB considers that a more appropriate measure for "no net loss" would be a ratio of 40% which would ensure that redevelopment and mixed-use schemes could cater for a more varied range of industrial needs and would allow redevelopment to respond to market needs including the provision of space for those uses which require yard space. Additionally, the policy is not clear in respect of defining 'no net loss', and whether this relates to floorspace or land, albeit the focus of no net loss of industrial capacity is supported given high levels of demand and limited supply.

*C) Are the borough-level capacity categorisations ("retain", "provide", or "limited release") set out in Table 6.2 justified, and would the proposed approach ensure a sufficient quantity of land and premises in different industrial property market areas?*

The 'limited release' classification is not justified and would not ensure sufficient quantity of land and premises to meet the future growth needs of London. We would like to see the removal of this categorisation.

*D) Are there parts of London where significant amounts of additional industrial land are likely to be needed in addition to that which is currently in use and/or designated?*

Yes is the short response. We are seeing in our membership a move from the centre due to high costs and lack of space to the outer areas. Added to this, the largest population growth (over 80,000 residents between 2011 and 2031) is projected in Tower Hamlets, Redbridge, Newham and Barnet, with the latter being relatively poorly served by light industrial or logistics focused Opportunity Areas. It should be a necessity for Opportunity Area masterplans to include new industrial land where existing industrial land is being lost to facilitate regeneration.

*E) Is the approach to assessing floorspace and yard space capacity set out in paragraph 6.4.5 – 6.4.5B based on existing floorspace or floorspace assuming a 65% plot ratio (whichever is greater) justified and would it be effective?*

The approach to capacity as set out in paragraph 6.4.5 – 6.4.5B is too a blunt instrument to be used at a strategic level and creates a significant bias towards high density uses such as self-storage, to the exclusion and detriment of most industrial activities and micro and small businesses.

*F) Is the approach set out in Policy E7D towards "non-designated industrial sites" (36% of total amount of industrial land) justified and consistent with national policy?*

It is crucial that London Plan Policy recognises the importance of non-designated sites to industrial capacity across London where a lot of our members are based and that there is acknowledgement of the crucial role these sites play in local communities to provide both local services and employment opportunities. Therefore we feel that Part 4 of this policy is far too weak and incorporates prescriptive text which leaves these sites vulnerable to loss. The FSB therefore supports the deletion of Part 4 from this policy.

*G) Would policies E4-E7 provide an effective strategic context for the preparation of local plans and neighbourhood plans?*

Policies E4-E7 do not provide enough clarity to ensure efficient delivery by Local Planning Authorities, Neighbourhood Forums and applicants. Also it is our belief that they are too prescriptive, however, we do support the plans intention within Paragraph 6.7.2 which enables Local Planning Authorities to have flexibility with regards to land swaps. We believe land swaps to boundaries outside designated SIL's should be supported through a plan led approach.

*J) What evidence is there about the feasibility of delivering schemes on industrial land that would lead to the provision of net additional industrial floorspace along with the provision of significant numbers of new homes on the same site?*

Mixed schemes are largely untested forms of development within London. Housing numbers generated through this type of development should be treated as windfall and not part of a borough's housing land supply due to current uncertainty in respect of deliverability and achievability. We are concerned that if these fail to maintain the industrial element then to get back the loss space will almost be impossible.

### **Other comments**

Policy E7 refers to non-designated industrial sites; we would like to know how the 'no net loss' principle will be applied to these sites as this is where a large number of micro and small businesses are based.