

Draft London Plan

Land for Industry, Logistics and Services to Support London's Economic Function

Written statements in response to M62 may be up to 4,000 words in length.

M62. Are policies E4, E5, E6 and E7 consistent with national policy and would they be effective in helping to ensure that sufficient suitable land and premises are available to meet the quantitative and qualitative needs for all foreseeable types of industrial activity over the plan period? In particular:

We acknowledge the importance of developing better safeguards for SIL and LSIS land. The evidence in the form of the *London Industrial Land Supply & Economy Study*, GLA, 2015 which analyses the condition of the industrial land market, would appear to support an intervention in this area. However, we consider that the Mayor is over-reaching himself in connection to Non-Designated Industrial Land. By definition, this is a non-strategic matter. The London boroughs should be free to determine the best use of such land, informed by local or sub-regional studies. We consider that this would be in conformity with the NPPF, paragraph 22 which states:

"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."

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

The HBF is unable to comment.

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?

The HBF is unable to comment.

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 HBF is unable to comment.

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?

We have taken note of the *London Industrial Land Supply and Economy Study* 2015. This indicates that the degree of loss of industrial land varies by sub-region. By far the highest

losses since 2001 have been in the Central sub-region. The losses have been much less in other sub-regions especially the North, South and West (see page 48). Some boroughs have been able to increase their amount of industrial floorspace – Barking & Dagenham, Bexley, Bromley, Sutton (see page 2). The picture is therefore variable although we have no reason to question the central observation in the study, that taking London as a whole, the supply of industrial land is declining. The report concludes that a more cautious approach to the release of industrial land is needed (page 14).

We have noted table 2.6 in the study. This shows that there was a steep decline in the number of hectares of non-designated industrial land between 2001 and 2006 but this rate of loss slowed-down between 2006 and 2015. The availability of non-designated industrial land in some boroughs suggests that a more permissive policy could be adopted in the DLP to allow the boroughs some discretion in this area. This would allow them to make a balanced-judgement through their local plans on how to achieve the range of different strategic objectives outlined in the DLP.

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?

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?

Because non-designated industrial sites by definition are non-strategic and because they are not locally significant, the DLP should not constrain the ability of the boroughs to decide the most appropriate use for these, including their comprehensive redevelopment for housing, balancing this against a number of other planning objectives. Part D should be re-drafted simply to read:

“D Mixed-use or residential development proposals on Non-Designated Industrial Sites will be supported by the Mayor where there is no reasonable prospect of the site being used for industrial and related purposes established by the local plan.”

Following on from this Policy E4, Part C should also be amended to omit Non-Designated Industrial sites so that it reads:

“C The retention and provision of industrial capacity in the categories of Strategic Industrial Land and Locally Significant Industrial Sites set out in part B...”

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

h) Are policies E4-E7 clear about how they would be implemented through the determination of planning applications, particularly in terms of the role of “planning frameworks” and “a co-ordinated master planning process in collaboration with the GLA”, and the relationship between policies E5D and E7B?

The HBF understands that the housing capacity from the intensified re-development of industrial land is estimated to amount to about 8% of the overall housing requirement. While this is not a huge figure, it is still an important component of the housing capacity.

The HBF has referred elsewhere to its concern about the implementation of the London Plan as it depends upon too much supporting work by the London LPAs, such as the preparation of planning frameworks and masterplans. There is no certainty that sufficient land for housing

will have been identified to deliver the targets once all these studies have eventually been completed, if they ever are.

Even when these studies are completed, the GLA and the boroughs may discover that the housing yield is lower than hoped. It is our experience that this is often the case that when London local plans are brought forward, they are able to identify less housing land supply than the estimated London Plan targets. This has been the case in Croydon, Havering, RBKC, Newham, and LLDC.

i) Is Policy E7F, along with Policy SD2, likely to be effective in terms of facilitating the substitution of some of London's industrial capacity to related property markets beyond London's boundary, and would achieving such an objective contribute to the achievement of sustainable development?

The substitution of SIL and LSIS land within or without London should be a matter for the Mayor to pursue in his role as the maker of the spatial development strategy. The Mayor considers the safeguarding of industrial land to be a strategic matter. Therefore, it follows, that he must be responsible for managing its strategic provision. If new strategic allocations for employment land need to be made then this is something the DLP should address.

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?

The GLA's study called *Consideration of the Industrial Intensification and Co-Location Study* by the GLA (October 2018) shows that the integration of industry and residential uses is not without its viability challenges. The report identifies viability challenges (see tables on pages 55, 56, 58, 60, 62, 66, 68, 70, 71 and the conclusions on page 74). Sites with higher Benchmark Land Values are particularly affected. Viability also very much depends on the realism of the Mayor's assumptions around Benchmark Land Values and whether landowners really can be persuaded to accept EUV plus a 20% premium as enough money for their land (see page 52 of the report as well as the London Plan Viability Assessment, November 2018, annex J).

The report also observes that stacking homes above industrial space requires additional support columns and that this reduces the flexibility of the industrial space below (Page 29). This would seem obvious to most people. Industrial space needs to be able to adapt to rapidly changing needs. Providing homes on site would tend to militate against this. The huge restrictions associated with people living above or nearby, and the need to consider their needs if any changes are to be made (there would at least be disruptive issues such as problems with noise, dust, restrictions on access and egress, and at worst major disruption to people's lives associated with CPO and eviction), would make such industrial space unattractive to a potential buyer or occupier.

The report also observes that because there is no need to provide residents car-parking, this will increase the amount developable space. In theory this might be true, but the provision of no car-parking space could make the residential units harder to sell/let.

Aside from the question of viability, one has to take a step back from the evidence and just ask whether co-locating people and industry together is a wise or humane planning solution to London's major housing problems? The panel might want to take a look at some of the illustrations in the report such as those on pages 30, 33 and 36. While this might be feasible in some fashionable locations with high levels of public transport accessibility (for example parts of Hackney or Southwark) it won't be the same in Hounslow or Havering.

We do not consider that a policy that encourages the integration of industry and housing to be a sound one – it is unjustified and ineffective. It is an unrealistic way to ‘square the circle’ of wanting more housing in London but without ‘breaking any eggs’ – i.e. confronting the need to redevelop more employment land. While safeguarding existing SIL and LSIS land could be defended as a legitimate strategic planning goal, the London LPAs should be free to determine whether it is appropriate to release Non-Designated Industrial Land for other uses.

k) How would policies E4-E7 affect the implementation of Policy GG4 “delivering the homes Londoners need”?

It is very difficult to say with any accuracy how the Mayor’s policies of giving stronger protection to industrial land will affect housing supply. All we can attempt is a judgement. The DLP assumes that the more protective approach to industrial land through the policy of ‘no net-loss’ will be compensated for by the integration of industrial and residential activities consequent upon optimising the use of the land. *Consideration of the Industrial Intensification and Co-Location Study* by the GLA (October 2018) illustrates some of the problems associated with the thinking behind this approach linked to the loss of flexibility of the use of the industrial space and problems of viability.

James Stevens, MRTPI
Director for Cities
Email: james.stevens@hbf.co.uk
Tel: 0207 960 1623