

# A CITY FOR ALL LONDONERS

## Accommodating Growth Workshop

2<sup>nd</sup> November 2016, 9.30 – 13.00

### More intelligent use of industrial land

#### Facilitator in bold

Respondents in regular text

*These notes are a summary of the conversation*

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*Session 1, Table 4*

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We're releasing industrial land at around 7 times in centre, it has been reducing the vacant space, but now seeing the impacts on existing businesses, having to migrate out of London, and situation is getting desperate. How is London's industrial functioning?

The question is how in the future can we use industrial land efficiently to retain it's servicing of London effectively, and accommodate growth?

We need to start thinking about maintaining a critical base in industrial land. What is it, what types of industrial uses are important, which sectors should / could over time relocate away from London?

Not the job of strategic planning to make judgements over the economy [which sectors point above]. It should be about accommodating the economy that wants to be there, maintaining capacity for it.

The crisis of non-residential accommodation is being most strongly felt by the tenth of London's economy in "industrial" areas.

The question should be more about accommodation, not just land. It needs to shift to somewhere that is more embedded. Pure industrial land is not the answer, but we need to accommodate the industrial land.

London is successful economy, what are the most appropriate most economically efficient things to be there? What is removed and what stays, in economic terms?

There is a lack of democracy and unfairness in playing games with part of the economy / people's livelihoods. Why is discussion not about making more efficient use of golf course land?

Key test, which industry is primarily London market, rather than international market. These should stay, can include mundane things, like car repair, waste processing, scrap etc.

However it is also about whether the industry needs a London workforce, and whether the consequences of industry being located have negative consequences, such as congestion, carbon, travel times etc.

There are efficiencies for businesses, if the consequence of leaving London is that they go out of business, is that not too big a cost.

Concerns that GLA are not going to be able to answer the questions, without a comprehensive survey of businesses to find out what issues they are facing. There is a massive lack of intelligence.

GLA economics projections of manufacturing is on a trajectory to zero, but that is not the case in reality. The GLA should do a proper survey of manufacturing businesses.

There are different perceptions of industries located on industrial land, but other types of uses, approved or not, industrial estates are havens for other businesses. We need a better idea of how the non-industrial sectors are changing. As well as how an area might change. Industrial mixed-use next to residential conjures up images of car breakers, but could be 3D printing and prototyping. All these sectors have particular land and accommodation requirements that need to be understood.

"Land" misses this nuance. Some have large land take, but others can sit more harmoniously. Property developers can see this, and as an area changes they can detect values going up. But public sector needs to have a role in steering this.

We need to disaggregate what we mean by "industrial" in our policy.

Urban logistics, food manufacturers need to transport into London. Logistics needs larger land and units.

Whereas occupiers that work in film and media industry, are clustered because of historical ties, proximity to studios, locations, skills agglomeration.

New residential locations need to include drop-off locations, making it more integrate into new development.

Interesting approach is work for LLDC which breaks the facilities into different typologies, changing emphasis away from "sectors" to "typologies of buildings", and how each typology can be integrated into mixed use development at a block level and a building level.

We need to look at the demand for each of those typologies, to arrive at a view on "mixed use" vs "non-mixed-use "land" which tends to be at lower density. And we're still going to need a lot of land for industrial activities. There is a heritage of industrial mills, warehouses, lot of mixed uses like crafts, industry is much wider, looking at mixed use.

If we're talking about sheds, links in with retail, they are wasteful uses of land, possible to look at multi-storey industrial uses. Warehousing, multi-storey smaller units with lifts or van access, there are limited examples, and no one has seen it, therefore we need commercial testing to see if it can be made to work. There is an opportunity to use the Mayor's land subsidy to do these and get some development to show it can be done. Developers are not going to take the risk themselves.

The challenge is the value of the land, and developers taking the risk to squeeze down the meaningful policy compliant minimum quantum, but GLA can define what the quantum should be. What does meaningful provision mean, that marries the typologies? No we're not releasing the SIL designation, but tightly allow genuine mixed use development.

Demonstrator projects are good because they show what occupiers want. Partnering with workspace providers directly below residential, separate out access and servicing requirements, noise attenuation, maintaining access (may not always be 24 hours) considered from the start. Happening more in inner central London.

That idea of mixed-use should be being pushed further, explained and disseminated. Also in redevelopments like the Aylesbury, the new housing estate should include some industrial. It won't work if mixing is only on the SILS. In reality a printing works are easier to combine than an ASDA.

However when it's redeveloped, won't it be more expensive, unless designated as affordable workspace through the system (possibly). There may be a tension between what are the rents the businesses staying are able to afford, which may not be high enough to justify rents for development to be viable. However if the requirement is there clearly enough the land value should be able to absorb it.

Builders merchants and logistics will pay the most, the nature of the businesses is important. Designated employment without thinking about the nature of employment, won't work. If you're trying to attract lower margin businesses, you need to fit out to a basic level. People have been required to leave space, and nobody has been able to make use of the space, which leads to a temptation to say "it doesn't work", but actually some uses do work. Link with conversation on town centres, retail is declining, so we need to put housing in place, but think about how businesses can go there, printing, gyms training centres, churches.

You can think about how much industrial you actually need, but you can't banish it. Districts around London are constrained for distribution capacity. It can be Milton Keynes, but need the intermediary steps, the time critical components of delivery. People are demanding immediacy, and willing to pay for it, having things located further out doesn't support that. It actually needs to be very close to population, Bedfordshire is for national distribution. GLA should find out how logistics is better organising itself, large scale logistics is not declining. Carrier depots, the future's already there.

Things need to change at LA level, who need to be on-board to engage with developers. As do various parts of the GLA. If you add up all the OAPFs it adds up to more than the GLA target. There are no LAs actively supporting the industrial economy. LLDC might be an exception, vibrant new business are being lost, but LLDC might be trying to contain some of them.

The industrial substitutability question is one of regional policy for the wider south east. How much London ought to grow? London was shrinking to the 80s due to policies taking people out to New Towns, which was stopped by Livingstone, to avoid London becoming a ghetto.

The geography of entrepreneurialism has changed dramatically. Skilled people start businesses in London and want to stay in London. Also urban logistics, everyone has focused on digital sector, but corresponding decline in use of motorcar (mobile teleworking?), but big increase in white vans (internet shopping etc.)

We could think about re-using existing warehouses, before total redevelopment. Protect and enhancing industrial economy. How we can support Park Royal businesses, traffic jams, junction improvements, transport improvements, what would make the local economy successful; parking, safe to walk at night?

Protect London's industrial economy (it's not just about "land"), but it's a fundamentally important part of the supply chain. If anything we need more types of provision, not less.

Talking about intensification, for warehousing that could be more efficient, mezzanine, intensification, at an individual site level, underutilised space.

### **Three key messages -**

**1. Importance of valuing, acknowledging and understanding industrial economy. The connotations of the word industry might need to be changed, with a proper survey of businesses inside and outside London. It shades into much more than some stacked manufacturing. Culture change and connotations of industry, that it is not acceptable to say "we don't want metal bashers" it's equivalent to 'social cleansing' in residential. Acknowledgement that there is a democratic problem, small businesses don't have a voice, they don't vote as businesses.**

**2. Demonstration projects and guidance. Mixed use development models, what does this mean for businesses and  
What constitutes flexibility**

**3. Policies that focus on typologies and mix, not just land. Identifying opportunities for intensification, whether that is mixed-use or industry-plus-industry. Two way opportunities i.e. accommodating industry in housing and town centre areas, not just about housing in industrial areas.**

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*Session 2, Table 4*

**Gerard Burgess, Greater London Authority (Facilitator)**

Andrew Ruck, London Borough of Southwark

Cinar Altun, East of England LGA

Alex Savine, London Legacy Development Corporation

Peter O'Brien, London Borough of Haringey

Kat Hanna, Centre for London

Nick Woolfenden, South East England Councils

Sven Muendner, Leitsystem

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Other than designations that are bad neighbour uses, every other form of economic activity should be possible to ingrate into residential. However the problem in any sort of mixed use designation, is that we end up with the viability issue, and any protections we put in get wriggled out of. How can we say "no net loss" and actually mean it, and not allow viability to crush this policy aspiration.

Looking to future, degree of skills profile relevant, new advanced manufacturing is quite good neighbour. Finding London a good place, because of skills. Attracting right people and skills, what's the employment function.

Having central industrial land, keeping it there, supply chain that serves London, multitude of small businesses that generate value.

Recycling centre, has to go somewhere, don't know where.

Implications for logistics. There is a false economy of moving everything to the edges, this fills the roads.

Recognise the ecosystems, such as London art market fabricators and framers, who have to be in London for the art market for their clients and customers. Food is another example. Highly skilled and location sensitive sectors.

Creative makers, more towards tech, light manufacturing are all related. One size does not fit all, each sector has different needs. Leave well alone, others can co-exist. Highly targeted affordable workspace.

Modern ways of working doesn't neatly fit into the use classes, so hard to plan for, and developers can play a game sometimes, the traditional view. So policy criteria could add nuance to use classes. Blurring of the use classes. Need to tune more finely into this, nuanced but distinct.

Do we want to go down the affordable workspace, how do you allocate that workspace, overall you rely on the market, but there are times the public sector adds specific value so affordable workspace policies need to be targeted.

Policy could be about re-provision and placement of typologies and space. Then debate over what is affordable space. Which sectors deserve subsidised space? Creative industries are a major economic contributor, but in and of itself doesn't pay the bills. Creative sectors, arts and culture, steel fabricator for the artist, for the galleries.

Challenge of dynamic stock of space, need every square metre rammed with jobs. The stock is not being sweated as much as it could be, just because a business is using it to store toilet paper. Best dynamic use. Are we using our own stock in the best way? Planning policy is part of a set of tools, land ownership, and commercial property don't manage property very well, making sure leases are paid, let alone thinking how to use them more dynamically, in a clever and intelligent way. LAs don't have the resource in a non-statutory function.

How can we look to intensify the existing stock, and re-providing in a more intensive way. Old Kent Road appendix and guidance points out that there are a series of different ways of mixing uses, and across a wider area, they can be stacking employment. There is a tiny brewery seven storeys high, it's possible. There are things in Japan we could look at, we can be inspired by their intelligent solutions, and understand the investor model too. It might take longer to get the right mix of uses, and might need slightly longer idea of returns. However building entirely residential areas makes very little sense. Key thing is not to make a stark division between mono-functional housing or industry.

LLDC Workspace studies. Trampery co-working on Fish Island. Land is the key to achieve this [not planning]. some influence over the land, 3<sup>rd</sup> party developer. But if after 6 months we can't find a commercial occupier. Workspace component needs as active management if not more than the residential. Some boroughs have workspace provider lists. Workspace Groups wants to do residential in Pudding Mill. We need innovative approaches to schemes, it's not straightforward.

SIL areas protected, rail freight sites, existing concrete batching, and people don't like them. There are consequences to mixing bad neighbour / specific business, as opposed to the general principle of mixed use. These are detailed issues. No opening to convert to residential after 6 months. Get tenant into the planning application. Requires a closer look at sec 106, not just B1, extra scrutiny, push more on housing sec 106.

Logistics serving London and the wider south east.

It seems there are constraints and reluctance to accept B8 distribution, except Milton Keynes. What is the potential for substitution and moving to the wider south east and vehicle miles. We need very innovative infrastructure to bring goods in and out. Westminster trying to deal with delivery vehicles, [DHL/Amazon?] 15 min delivery slots. We've already got a problem with transport with everybody travelling into the centre.

There are some growing hubs in wider south east, they want the sexy stuff too. For example Cambridge is a microcosm of London. They are looking at how to get mixed use in their area not just commuting to London. Those places have two way relationship with London. If you can't have interrelationships, you need to start looking at orbital links, economic relationships. London's biggest problem is radial development inwards. Upper Lea does serve the wider North of London [outside]. Where are their customer bases beyond London, to identify businesses which are working nationally. If we are talking about land swaps, we need to work out which ones serve London more, and which are more national. Cambridge is very attractive, what's left? Harlow? It's very tight within that corridor, with commuter traffic and freight.

### **Three Key Messages:**

#### **1. Inter-relationship with wider south east has to work two ways**

## **2. Verticalisation**

### **3. Being very careful about how workspace is provided**

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