

Response to “A city for all Londoners” - Housing and Planning

Travis Perkins Plc

About Travis Perkins Plc

The following is a submission by Travis Perkins Plc (TP), a leading company in the UK builders' merchant and home improvement sector, to the Mayor of London Sadiq Khan's "A City for all Londoners" consultation. We operate 17 industry leading brands across 2,000 sites in the UK and Ireland, of which 182 sites are based in the London and Greater London area. We employ more than 28,000 people across our brands which include: Travis Perkins; Wickes; Tile Giant; and Toolstation.

Summary

In setting out his broad vision for London in the "A city for all Londoners" document, the Mayor has highlighted a range of challenges facing London in the coming years, not least housing and supporting the wider economy in the capital. Whilst we fully understand and are supportive of the Mayor's drive to deliver new homes across London, many of which will be affordable, there is also a need to protect important service provision in London and TP are increasingly concerned about the capital losing builders' merchants to make way for housing development.

Builders' merchants continue to make a vital contribution to local communities, supporting the drive to deliver more homes across London. We therefore urge the Mayor to recognise the threats facing "essential services" based in London, and ensure they are protected from redevelopment.

Furthermore, we are also particularly keen to contribute directly to the growing need to deliver more housing in London, including affordable homes, through delivering more Travis Perkins mixed-use developments which incorporate housing above a TP branch.

We would welcome City Hall's support in recognising the significant contribution our mixed-use model can make to maintaining essential services, whilst delivering the new homes London requires.

TP is very keen to support City Hall in formulating policies through the London Plan that will protect essential services such as builders' merchants. **We very much hope TP is added to the distribution list for the consultation workshops on Housing that the London Plan team will be co-ordinating.** Please contact will@gkstrategy.com with further details of the workshops.

Part 1: Accommodating Growth

- In line with his commitment to be the most "pro-business" Mayor yet, we welcome the Mayor's pledge to protect employment space, as well as the understanding of the need to ensure that there is adequate provision of industrial, retail and office space to support London's growth

- Three of our well established branches are currently under a very real threat of being forced out by landlords wanting to maximise the value of their land and therefore refuse to renew the tenancies in favour of residential developments. These sites are in the following locations:
 - Pimlico, Westminster (planning permission has recently been granted for residential development)
 - West Hampstead, Camden
 - Lombard Road, Battersea
- We anticipate that 80% of our branches will soon be in danger of losing leasehold agreements with the owners and this will lead to severe but avoidable repercussions

Industrial Land

- At a time when industrial land in London decreased by 30million sq. feet between 2000 and 2012 (BNP Paribas, 2016), measures need to be put in place to ensure that industrial land, including land for builders' merchants, is protected through the London Plan and the contribution builders' merchants make to the London economy is considered when City Hall intervenes in planning decisions
- We welcome the consultation's statement that City Hall will consider innovative methods to protect industrial land and is keen to maintain "the critical base of industrial land"
- Although in some cases it is right that City Hall considers "industrial land may be surplus to current needs and could be better used for housing", the Mayor must ensure that industrial land where builders' merchants and other essential services are located is protected
- Our sites in London, two thirds of which are under leasehold, are increasingly under threat from leaseholders deciding to redevelop the sites for purely residential use. This stands to further reduce London's industrial land base and create significant problems in the supply chain for house building programmes
- As we have previously highlighted directly with Deputy Mayor Jules Pipe and the GLA planning team, builders' merchants are critical to the Mayor's ambitions for growth in London
- Furthermore, builders' merchants support numerous small developers and local businesses, providing crucial materials for upkeep, repairs, maintenance and extensions to homes
- Given the predicted growth, both in terms of house building and population in London, we are keen to open 54 new stores to support the city's economy (this would represent growth of 7.4% in the number of branches we operate in London)
- This growth would generate over 350 more jobs and would require an investment of £25 million which we are very keen to make
- It is therefore crucial that builders' merchants and wider industrial land is protected to support London's ongoing growth and we would urge City Hall to include such protections in the London Plan
- In order to gain a fuller understanding of the need to protect builders' merchants, we are also calling on City Hall to encourage London Boroughs to carry out a needs assessment of builders' merchants which would examine the supply and demand for builders' merchants in the local area, given their importance in helping support the construction of new homes.
- There is also need for a London-wide needs assessment conducted by City Hall to further encourage local authorities to examine supply and demand for builders' merchants, and to gain a macro level understanding of the need to prevent the ongoing loss of builders' merchants city-wide

Mixed use developments

- Another key element of the Mayor's strategy for accommodating growth in London is the commitment to use land "intelligently", particularly with regards to supporting mixed use developments
- Following our representation to City Hall, we are encouraged that the consultation specifically references how "it may be possible" for housing and industrial activity to co-exist in certain locations and **we urge the London Plan team to establish measures that will stimulate the market to increase the number of mixed use developments**
- TP have already successfully developed industrial and residential mixed use sites at two locations in London, and we are very keen to implement this successful model at many more branches across London
- We also understand that in some locations, building housing above some TP branches would not be appropriate so we are keen to **explore the possibilities of building office space above our branches**, where appropriate, to support Sadiq Khan's ambition to be a "pro-business" mayor

Case studies: mixed use developments

- As a demonstration of how housing and industrial activity can successfully co-exist on single sites, TP has devised a successful mixed use development model which incorporates housing into our existing sites. This has resulted in the redevelopment of our 1,863 square metre St Pancras site with 560 student flats and our Battersea branch with 64 market and affordable flats, demonstrating our commitment to optimising property utilisation
- At our Battersea Park Road site which is 2,900 square metres in size, included in the 64 market flats, we provided 18 (or 28%) affordable homes
- We understand that under the current context of the housing crisis, builders' merchants should contribute to the construction of new homes with the land that may be available to us
- This innovative and industry leading model enables our brands to continue to provide essential services, whilst also utilising space by developing residential flats and homes
- In St Pancras, Camden, we worked with UNITE Group plc, the UK's leading developer and manager of student accommodation, to build a "mixed use" development which has not only helped maintain existing jobs in the area, but also benefit students with affordable accommodation in the centre of London
- Both projects have been a crucial element of TP's continuous programme of extracting value out of our existing property portfolio whilst at the same time improving the quality of our facilities for both customers and employees
- Given how essential our branches are to the construction sector and the wider local community and economy, we believe this mixed use model satisfies the need for more affordable homes, whilst also safeguarding local jobs and critical supply chains. We therefore have plans for up to 20% of our London branches to be mixed-use and we are keen to contribute to the Mayor's housing plans for London

Part 2: Housing

As the consultation correctly identifies, there remain significant challenges to overcome in order to address London's ongoing housing crisis, and we are committed to supporting City Hall's work to address this.

TP are not against housing development; we fully support the Mayor's drive to ensure 50% of new homes are affordable and his ambition to support the construction of 80,000 housing starts per year. From our close work with developers, it is clear that the market must be provided with clarity and long term reassurance of how many affordable homes should be constructed, and we are encouraged the Mayor has sought to ensure the market is given clear guidance.

Whilst new housing is correctly a priority, there is also a need to protect important service provision and we are increasingly concerned about London losing essential services, such as builders' merchants. At many of our branches across the city, we understand that the owners may seek to lease the land for private development for luxury housing, meaning the services provided by our local branches will no longer be available to the local community.

If this trend continues, with builders' merchants being pushed further outside of London, there will be significant consequences for London across a range of sectors:

Construction industry

- The most noticeable impact of builders' merchants being less accessible in London will be on the construction industry itself, an industry worth £17 billion to the local economy according to the ONS
- With London expected to continue significant property and housing developments over the coming years, demand for building materials will subsequently increase
- It is estimated that London will require an **additional 610,000 tons of building materials every year to build 30,000 homes on an annual basis** (based on figures from the National Infrastructure Commission Report 2016)
- Moreover, the construction of Crossrail 1, the Thameslink and Underground upgrades will require **9,000 additional tons of building materials**
- However, the cost of acquiring these materials will increase significantly if the nearest builders' merchants are located outside of the capital, due to the increased distances for the delivery of vital building materials
- With population growth in the capital expected to increase by 10 million in 2030, **the number of kilometres travelled in crowded conditions is set to increase by 50%, making delivery of critical materials into the capital even more difficult**
- At a time of acute affordable housing shortages and continued restraint on the public finances, it is vital that any publically funded housing development achieves the maximum value for the taxpayer, which will not be possible if builders' merchants are driven outside of the capital

Housing associations

- Builders' merchants do not just cater to the construction industry but also to repair and maintenance workers, including plumbers, carpenters and electricians

- It follows that without a local network of builders' merchants, these professions will need to travel further between jobs thereby increasing delays for essential repairs as well as increasing costs
- This problem will be most severe for housing associations who rely on contractors or their own in-house team to serve their social housing tenants
- Given the aged social housing stock in London, the need for repairs and maintenance will increase - particularly in the winter - and without nearby building supplies, the backlog of repairs will increase and subsequently simple housing faults may become more complex and expensive to the housing association

Whilst TP are not only keen to support the development and repair of other housing provision, our own mixed use model also highlights our desire to contribute to delivering new homes in London, particularly affordable housing:

Part 3: Economy

- TP is a major employer in London, providing 3,900 jobs across the capital and 19 management apprenticeships
- As a nationwide employer, we fully appreciate the value apprenticeships can bring to the business, which is why we have a dedicated Training & Development team who operate our Apprenticeship schemes
- We currently have 170 apprenticeships for 2014/15 and have taken on 188 apprentices for 2015/16 year – this represents a 900% increase since 2011 and over double the number we had for the 2013/14 scheme

Part 4: Environment, transport and public space

As part of our ongoing commitment to the environment, we have put in place a number of measures to reduce TP's contribution to pollution and overall carbon footprint, and are supportive of the Mayor's determination to address environmental concerns across London.

- TP very much welcomes the Mayor's commitment to bring air pollution down to "safe levels", and have been making significant efforts in recent years to reduce the carbon footprint of our fleet of vehicles across the capital
- We are a founding member of the Fleet Operator Recognition Scheme (FORS), which drives best practice across the European fleet industry in terms of safety, efficiency and environmental protection. TP's fleet of vehicles have the Gold FORS accreditation – the highest level – for safety, fuel efficiency, vehicle emissions and improved operations
- TP are supportive of the Mayor's proposed introduction of an emissions surcharge for high emitting vehicles from 2017, as well as the extension of the proposed Ultra-low emissions zone and bringing its introduction forward to 2019. The central London fleet of TP vehicles will be Euro 6 compliant by the end of 2018, two years ahead of the current 2020 deadline
- The introduction of the new fleet and implementation of our strict health and safety rules has seen accidents involving our vehicles decrease by 5% in recent years

- We are committed to improving the environment in London and our Efficiency Tools programme will see our transport activity reduce by 20% in the capital over the coming years

Despite our significant efforts to minimise TP's impact on the environment across London, the ongoing threat to so many of our sites and the removal of essential services from local communities, has the potential to undermine the progress we have made:

- If the Mayor is to meet his pledge to limit air pollution, and make London an Ultra-Low Emission Zone in 2019, it would be counter-productive to see essential services such as builders' merchants driven out of central London, adding to congestion as vehicles drive in from the outskirts to make deliveries

Part 5: A city for all Londoners

- The consultation highlights greater social integration as a key policy goal moving forward – including the desire to build genuinely integrated communities, with sufficient community space
- The TP mixed-use model outlined previously, with its potential to deliver affordable housing in central London, has a significant role to play in supporting the development of mixed communities which access to essential services for local people in the capital
- Given the significant increase in housing costs across London in recent years, TP have seen our own employees driven further away from their workplace and towards the outskirts of London. This has made it more difficult for local people to take up roles at their nearest TP site
- If City Hall is able to stimulate the market to increase the number of mixed use developments, we would seek to advertise affordable residential units above our branches to our staff who often struggle to arrive at work on time (builders' merchants must begin opening from 6am)

Conclusion

In conclusion, we urge City Hall to consider the following actions in order to protect builders' merchants and promote mixed use developments when drafting the London Plan:

- Encourage local authorities to include protections in their Local Plans for builders' merchants (as Westminster City Council previously had in place in their 2007 Unitary Development Plan)
- Make representations to local authorities who are keen to grant planning permission to developers on sites where builders' merchants operate, warning them of the consequences to the local economy
- Encourage London Boroughs to carry out a needs assessment of builders' merchants which would examine the supply and demand for builders' merchants in the local area, given their importance in helping support the construction of new homes.
- Undertake a London-wide needs assessment conducted by City Hall to further encourage local authorities to examine supply and demand for builders' merchants, and to gain a macro level understanding of the need to prevent the loss of builders' merchants city-wide

- Clearly communicate with developers, through the London Plan, that the Mayor is keen to see more mixed use developments across London, both for residential and office space

For more information, please contact Martin Meech, Group Property Director on:
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Travis Perkins Plc, December 2016