


## Response to the Mayor of London's Draft London Plan Travis Perkins Plc

### About Travis Perkins Plc

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The following is a submission by the UK's leading supplier of materials to the building and construction and home improvement markets, Travis Perkins Plc (TP), a FTSE 250 company, in response to the Mayor of London's Draft London Plan.

With a proud heritage which can be traced back over 200 years, we operate over 20 businesses, selling goods and services to over 280,000 customers from over 2,000 sites across the UK. We employ more than 28,000 people, as well as over 100 apprentices, across more than 20 brands, which include: Travis Perkins; Wickes Building Supplies; Tile Giant; and Toolstation.

TP would be very keen to attend stakeholder events throughout the process of writing the London Plan. For more information, please contact 

### Executive Summary

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- As we have previously stated to City Hall, we fully understand and are supportive of the Mayor's drive to deliver new homes across London, many of which will be affordable. However, there is a need to protect important essential services in London and TP is increasingly concerned about the capital losing builders' merchants to make way for higher value uses including housing.
- As an essential service, builders' merchants continue to make a vital contribution to local communities, supporting the repairs and maintenance to housing, schools and hospitals, in addition to supplying critical materials required to upgrade the existing housing supply and support the construction of new housing.
- We provide a crucial wholesale service – delivering high-quality products and expert services to predominantly trade customers and as a leading supplier to the building and construction industry.
- For the purposes of this response, we will therefore refer to TP's operations as a 'wholesaler', but we are keen that City Hall recognises this in the final London Plan.
- As a partner of the GLA playing a key role in supporting the economic development of the capital, we welcome the Plan's recognition of the threats facing essential services based in London.
- Our primary objective is to ensure that the policies included within the London Plan preserve existing industrial land in the capital where wholesalers such as TP currently operate.
- Our response therefore sets out our support for policies dedicated to preserving industrial land, as well as our views on where the policies can be strengthened to safeguard such essential services.
- As a secondary point, we are also particularly keen to preserve our sites while contributing directly to the growing need to deliver more housing in London, including affordable homes,

through delivering more mixed-use developments which incorporate housing above a TP branch.

- We have therefore offered our views on where the draft policies supporting the delivery of mixed-use developments can be enhanced to ensure that essential services such as wholesalers are preserved as part of mixed-use development proposals in London.
- This submission includes two case studies detailing the pressures on our existing sites in London, as well as the industry-leading mixed-use development model which we plan to roll out across London.

## **Introduction - Working with Councils and the GLA**

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- Over the last twelve months, TP has engaged closely with the Mayor's team and demonstrated the very real threat of losing essential services in the capital, while also making representations on policies to stop this concerning trend.
- TP has a good working relationship with City Hall's Assistant Director of Planning at City Hall, Juliemma McLoughlin, and has hosted the City Hall planning team at TP's mixed-use branch in St Pancras which houses over 560 residential units above the builders' merchant (covered in case study 2).
- TP is delighted that City Hall has listened to our concerns and has sought to understand significant pressure on builders' merchants in London. However, elements of the policies need strengthening further if the Mayor is to prevent essential services such as wholesalers from being lost.
- Moreover, TP has engaged with all London Boroughs to encourage councillors and officers to update their Local Plans and provide planning protections for wholesalers and other essential services.
- We have been pleased by the number of councils who have indicated they will be making representations to City Hall, calling for protection of wholesalers and the promotion of mixed-use developments.
- Borough councils including Southwark, Waltham Forest and Hackney have been particularly supportive; recognising the increasing pressure on wholesalers and the need to protect the important service they provide.
- We very much hope to continue working with City Hall to find policy solutions that will protect wholesalers like builders' merchants in the capital.

## **Protecting Essential Services**

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- As the Draft Plan acknowledges, it is critical that a sufficient supply of land and premises in different parts of London to meet current and future demands for industrial and related functions is maintained.
- With *"more than 1,300 hectares of industrial land"* transferred to other uses between 2001 and 2015, we are now at a tipping point – the Mayor must ensure that industrial land is adequately protected including essential services such as wholesalers.

- Significantly a large number of TP sites in London are not within designated industrial areas, which coupled with the builders' merchant *sui generis* use classification, makes them particularly vulnerable to redevelopment for residential use.
- Our sites in London, two thirds of which are under leasehold, are increasingly under threat from landowners 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 housing maintenance and construction programmes.
- By way of evidence, Table 1 below (from independent research carried out in 2017), highlights the steady decline of builders' merchants jobs in inner London since 1998, at a time when demand for our services has risen considerably as construction in London increases.
- **An illustrative example of the pressures facing our sites which threaten to reduce the provision of essential services across London, is also highlighted in case study 1, below.**
- As we have previously told Deputy Mayor Jules Pipe and the GLA planning team, builders' merchants and similar wholesalers are critical to the Mayor's ambitions for growth in London.
- We are particularly supportive of the Plan's borough-level categorisations, which send a clear message to local authorities that the retention of industrial land is a priority for City Hall.
- We welcome policy E4, which sets out how industrial land will be protected, and we have highlighted below how TP's sites, as a wholesaler in London, should be protected under clause F of the policy.

## **Policy E4 Land for industry, logistics and services to support London's economic function**

- **Clause F** states that *"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."*

## **Travis Perkins is best understood as a wholesaler**

- TP is a UK market supplier that offers high-quality products and expert services to predominantly trade customers and is therefore a leading supplier to the building and construction industry.
- Our use is the wholesale supply of building materials and tool hire products to the trade, in addition to the external storage and display of goods.
- The typical TP layout and display areas are geared towards trade professionals, who form the predominant customer base.
- Only around 5% of TP's sales are to the general public, typically for DIY and home improvement uses.
- Comparatively, 70% of all sales are to trade account customers, i.e. customers who are given credit and settle invoices on a monthly basis.
- The remaining 30% sales are to cash customers, but a significant majority of these (more than four fifths) are cash sales to builders and other tradesmen who are too small to have a credit facility – and therefore buy goods from the branch on the day of purchase.
- Similarly, 65% of TP customers confirm their orders remotely, by telephone or email, allowing TP to deliver directly from the manufacturer, suppliers or direct from TP's distribution hubs.

- Furthermore, in view of the company's strong trade customer base, TP's marketing strategy is focused on trade customers.
- **Taking these factors into consideration, we believe that builders' merchants should be included in Part A of policy E4 through the following additional wording under point 6 which will provide a degree of protection when considering mixed-use or residential development proposals on Non-Designated sites under Part D of Policy E7.**

*"6) wholesale markets and wholesalers including builders' merchants"*

## Mixed-use Developments

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- We very much welcome the London Plan's recognition of the role mixed-use developments can play in increasing the supply of housing, whilst retaining critical business space for essential services.
- We have developed a mixed-use development model at two sites in London which combines industrial use – maintaining essential services, with high density residential developments. This has resulted in the redevelopment of our 1,863 square metre St Pancras site with 560 student flats (**see Case Study 2, below**) and our Battersea branch with 64 flats (28% of which are affordable), demonstrating our commitment to optimising property utilisation.
- We have been in close discussions with the Mayor's office regarding the potential of this model to be rolled out across London, and the GLA planning team visited the St Pancras site last year. Individual boroughs have also been particularly supportive, with Southwark Council highlighting the same site in their mixed-use planning guidance, released earlier this year.
- 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. Adopting higher density models such as our mixed-use development is a proven solution the GLA should actively support, as well as encourage local authorities to include provisions for such developments in their Local Plans.
- Both projects have contributed homes to London and improved the quality of our facilities for both customers and employees.
- We are considering where we plan to roll out this model to other sites in London, and we would be delighted to share our plans with the GLA planning team when they are available.
- We welcome policies H1 and E7 which set out a clear role for mixed-use developments in preserving crucial business space while helping to increase the supply of housing.
- However, as outlined below, we would encourage the London Plan to go further to ensure that sites identified for mixed-use development ensure that the existing use is protected, when providing an essential service such as a wholesaler.

### Policy H1 Increasing housing supply (page 144) – part A

- We agree that councils should be asked to allocate an appropriate range and number of sites that are suitable for residential and mixed-use development and intensification. However, as the Draft Plan acknowledges, *"over the period 2001 to 2015, more than 1,300 hectares of*

*industrial land were transferred to other uses”, while the number of construction projects and the number of homes in need of repairs and maintenance reaches record levels.*

- It is therefore critical that any sites designated for mixed-use development should retain the existing wholesalers given that they are essential services to the local community. If City Hall does not make such a requirement of local councils, we believe landowners would seek to evict builders’ merchants in favour of residential-led mixed-use schemes. This is particularly the case with Non-designated sites (which TP occupy in large numbers) as these are afforded a lower level of protection when compared to designated sites. Our suggested changes to Policy E4 in part look to address this shortcoming.
- By way of recent example, a planning application for redevelopment of a TP Branch at Holybush Place, Bethnal Green is currently under consideration by Tower Hamlets Council. The proposals are for “business space” to replace the existing builders’ merchant and 60 residential units above. No relocation site has been found for the existing branch and TP cannot occupy any of the “business units” within the proposed new development. As the proposed development includes replacement employment space, there is no current policy protection for the existing branch. This is not a unique situation and many *sui generis* uses are being lost to alternative employment uses through London.
- If further protection is not provided this will result in the further erosion of wholesalers in the capital, contrary to the Draft Plan’s policy ambition to have “no overall loss of industrial floor space” in London.

## **Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London’s economic function**

### **(A)**

- We support the proposals, but would emphasise that one of the most significant policies for “supporting London’s economic function” will be to require local authorities to retain the use of builders’ merchants where there may be plans for intensification and development.
- We would also argue that there must be no overall space loss of the pre-existing industrial land. Square footage must be the same as before any intensification to sites. This will ensure there is no overall loss of industrial floor space in London.

### **(D)**

- We agree that mixed-use or residential development should only take place on Non-Designated Industrial Sites where there is no reasonable prospect of the site being used for industrial and related purpose such as wholesale.
- We would again emphasise that whether on SIL or non-SIL designated land, what is most critical is that the pre-existing land use is maintained, including specific *sui generis* uses, when considering sites for mixed-use development.

### **(E)**

- TP is encouraged by City Hall’s desire to deliver an increase (or at least no overall net loss) of capacity in terms of industrial, storage and warehousing floor space.
- It is important that City Hall employs tactics to enforce this if it is to ultimately achieve this objective. Given the trend of lost industrial land, City Hall will need to work closely with the

London boroughs to ensure essential services and wholesalers do not see their floor space reduced when sites are intensified or see mixed-use development introduced.

## Other

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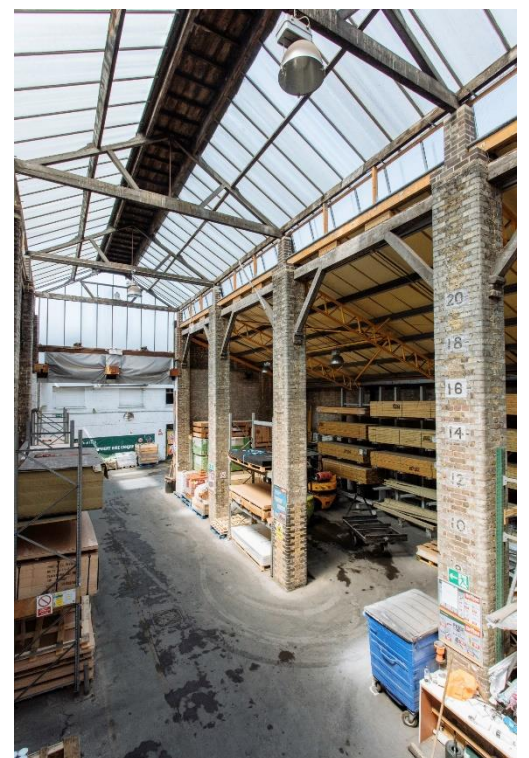
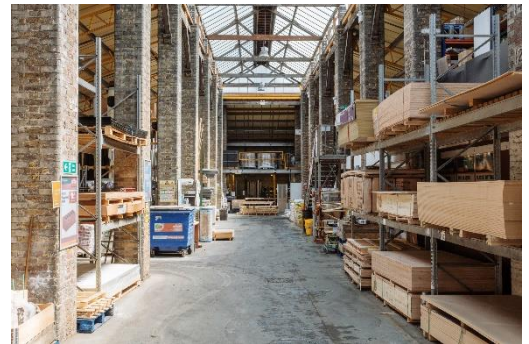
### Wickes Building Supplies

- We are keen to draw the Mayor's attention to disputes in planning decisions that do not support the Mayor's desire to retain industrial land.
- For example, Wickes Building Supplies (WBS), one of TP's businesses, supplies trade quality DIY and home improvement products to a predominately trade customer base.
- Despite this, WBS sites continue to be recognised as A1 despite a significant evidence base making the case for sites to be classified as a mixed-use (sui generis) recognising the split of trade and retail sales. WBS has been told by local authorities that it cannot obtain planning permission on the grounds that it will reduce the industrial use of a site.
- **We would therefore urge the London Plan to include provisions to ensure that local authorities take full account of the evidence provided in planning applications with regards to use classes.**
- The services provided by Wickes have routinely been classified as purely retail when they perform a range of services that more comfortably sit within a mixed-use categorisation.
- Surveys initially undertaken in 2011 of two branches of Wickes to identify the actual characteristics of customers showed that 54% of customers were trade customers and 46% were retail. In terms of branch turnover, 61% is trade based.
- Further Surveys were undertaken in 2017 which provides additional empirical of the actual characteristics of Wickes Building Supplies' customers.
- The results showed that 50% of customers were trade customers and 50% were retail, and during the week this increased to 56% of customer trips by trade customers or for trade related purposes. And of the total spent at the two branches, nearly 60% was generated from trade sales, with 40% retail sales.
- Urging councils to take account of such evidence when assessing the alignment of planning applications to planning policy, will allow for boroughs to properly assess applications on their merits.
- This in turn will ensure that an appropriate mix of use classes to service the London economy is provided across the city, supporting the objectives set out in the draft Plan to support London's continued growth.



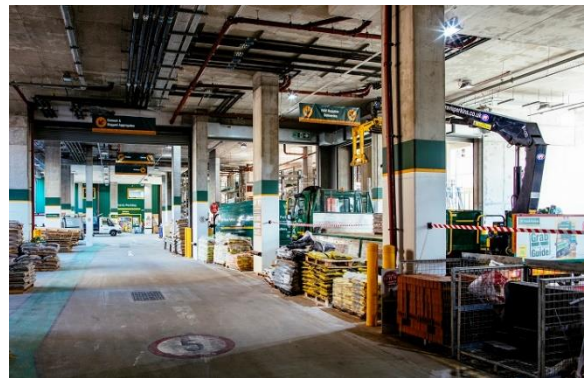
## Case Study 1: The loss of essential services

- Newson's Yard is a timber yard based at 61 Pimlico Road in Belgravia and managed by Travis Perkins. It is over 175 years old, making it the last surviving historic timber yard in the country according to a 2016 heritage review. It also represents a rare slice of industrial land in a highly central residential area.
- Newson's Yard is owned by the Grosvenor Estate, who lease it to Travis Perkins. Newson's Yard provides an essential service to the local economy, representing a convenient source of building materials for local businesses, craftsmen and residents across the City of Westminster and beyond. It also provides a concrete example of how essential services based on industrial land are being pushed out of London to make way for residential developments.
- In early 2016 the Grosvenor Estate set out plans to redevelop the historic timber yard into a set of luxury flats and two 10,000 square foot retail spaces. In response, Travis Perkins set up the Save Newson's Timber Yard Campaign which brought together the local community and three local amenity groups - The Belgravia Resident's Association, The Belgravia Society and the Pimlico Road Trader's Association.
- The campaign collected 2000 petition signatures from concerned residents, resulting in 350 official objections to the proposals on the Westminster City Council website ([see here](#)). Only 30 were in favour. The comments were provided at a rate over 10 to 1 against the development.
- In October 2016 Westminster City Council Planning Committee, led by Cllr Robert Davies, gave permission for the timber yard to be redeveloped. The decision was taken in the face of overwhelming local opposition to the resulting loss of a historic local site and essential service for businesses and consumers.
- The decision was particularly unfortunate considering Westminster City Council's explicit commitment to protect petrol stations (another essential service) in their previous [unitary development plans](#).
- A judicial review upheld the decision in October 2017, and in January 2018 the Court of Appeal refused Travis Perkins' application for permission to appeal.



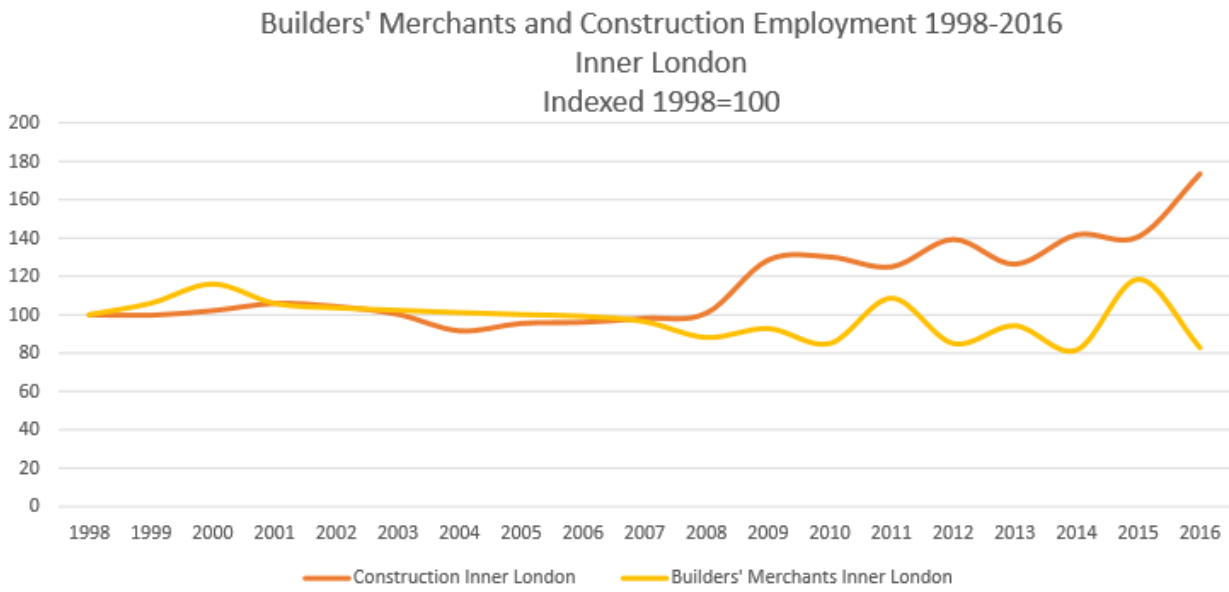
## Case Study 2: Mixed-use development

- In 2010 Travis Perkins partnered with UNITE Group plc to appoint Cooleys Architects to design a major new mixed-use development on St Pancras Road. The project was completed in 2014, with Travis Perkins remaining the landowner and UNITE charging a peppercorn rent to use the building.
- Travis Perkins spent several months in intense dialogue with Camden Borough Council to make sure the designs fitted the exact specifications for their housing requirements.
- Following significant local engagement with the Council and local planning team, Camden's Development Control Committee unanimously approved the design.
- The building combines a brand new state of the art Travis Perkins builders' merchants and much-needed rooms for 563 students. It also hosts a Benchmarx branch and an extended site for our offices.
- It helped to alleviate the urgent need for increased student housing in the local area, as well as the significant demand for building supplies.
- This innovative model enables us to continue to provide essential services to the community and the construction industry.
- The site provides around 20 local jobs, alongside more from the attached Travis Perkins office space. It also provides valuable economic benefits for local businesses who have easy access to supply chains in the heart of London.





**Table 1:**



**Source: Business Register and Employment Survey**