

Local Plan Independent Examination

OPDC Response to Matter and Issue 12

Matter 12: Whether the Plan’s policies towards industrial intensification would be effective (derived from the twenty-seventh, twenty-eighth and twenty ninth Key Issues of table 5 of Key document 5 identified at Regulation 19(1) stage and by representations from Aberdeen Standard Investments 2/SP5/7, 2/SP7/21, 2/E1/various from Grand Union Alliance, 2/E2/4 from Old Oak Common Ltd and 2/E3/5 from SEGRO amongst others)

Although I am content with the officers’ response to this Matter set out in Appendices E and J to Key document 5, a Hearing session will be required if representors exercise their right to be heard.

OPDC response:

- 1.1. OPDC considers that the Plan policies towards industrial intensification to be effective.

Assessment of individual sites in Park Royal and the OPDC jobs target

- 1.2. The approach to determining development capacity and the potential for homes and jobs across the OPDC area is set out in the Development Capacity Study (document SD56). Development capacity has been identified using National Planning Practice Guidance Housing and Economic Land Availability Assessment guidance. The jobs figures for Park Royal included in the Development Capacity Study has been informed by evidence in the Park Royal Intensification Study (document SD49).
- 1.3. The Park Royal Intensification Study (document SD49) assessed opportunities for industrial intensification across the Park Royal area. A site search was undertaken to identify sites which were suitable for intensification which were assessed against a range of indicators. A short list of suitable sites were developed into nine case studies. Schematic or concept designs were prepared for each case study site to understand the quantum of employment space which could be created through intensification across these different sites. The case study sites were subject to viability testing, and the majority of these were viable.
- 1.4. The Study (document SD49) used the viable case studies to calculate the potential quantum of employment floorspace that could be achieved on other suitable sites in Park Royal and applied a range of employment densities to calculate the potential number of jobs generated through industrial intensification. This demonstrated that a minimum of 5,100 jobs could be achieved.

- 1.5. The jobs figures identified for Park Royal SIL (broad location) in the Development Capacity Study (document SD56) are based on the assessment of suitable sites and viability in the Park Royal Intensification Study (document SD49). The jobs targets set out in the Local Plan are derived from this evidence base.
- 1.6. The other key industrial site is Channel Gate. The Development Capacity Study (document SD56) identifies potential for 124,000 sqm of employment floorspace and capacity for 7,600 jobs. Combined with sites identified through the Park Royal Intensification Study (document SD49) this would deliver 12,700 jobs which exceeds the 10,000 indicative jobs target for Park Royal in the current London Plan (document OSD27) and contribute towards the guideline figures in Policy SD1 of the draft new London Plan (document OSD14).
- 1.7. The Local Plan job targets are not expressed as maximum targets but they do provide an indication of the number of jobs that could be delivered over the plan period. Policies SP5 and E1 are clear that development within Park Royal should help contribute towards meeting the overall strategic target of 40,400 new jobs.
- 1.8. Policy SD1 in the new draft London Plan (document OSD14) refers to capacity in Opportunity Areas in terms of new jobs and/or new homes. OPDC's Local Plan is consistent with this and refers to new jobs rather than net job creation.
- 1.9. OPDC considers that the jobs target in SP5 is sound because:
 - it is based on an evidenced understanding of the development capacity, potential for jobs and viability, as assessed through the Development Capacity Study (document SD56) and Park Royal Intensification Study (document SD49).
 - it is consistent with the current London Plan (document OSD27) target for Park Royal and guideline figures in the draft new London Plan (document OSD14).

Viability

- 1.10. The Park Royal Intensification Study (document SD49) assessed opportunities for industrial intensification across the Park Royal area. The Study (document SD49) identified a range of intensification types or ways to increase floorspace, such as in fill/extensions, comprehensive redevelopment, new provision on vacant land and internal subdivision. Nine case study sites were selected and schematic designs were developed to test different types of intensification. The case study sites were subject to viability testing, and the majority of these (7 out of 9) are viable. Therefore, the policies related to industrial intensification in the Plan are considered to be effective as they can be delivered within the Plan period. In line with paragraph 9.9 of the Local Plan, OPDC will only accept schemes that do not result in intensification if robust evidence is provided by the applicant demonstrating that this is not feasible. This will allow OPDC to consider the circumstances of individual sites, including any viability information submitted by the applicant.

- 1.11. The Park Royal Intensification Study (document SD49) and the Industrial Intensification Primer (document OSD19) include examples of existing intensification schemes and anecdotal evidence suggests that developers are starting to develop ideas to deliver this¹.
- 1.12. OPDC considers policies on industrial intensification to be effective because:
- They are based on evidence in the Park Royal Intensification Study (document SD49) which demonstrates that a range of intensification types and sites are viable in Park Royal.

Affordable workspace

- 1.13. The guidance for affordable workspace in Policy E3(a) has been informed by the Future Employment Growth Sectors Study (document SD45). The Future Employment Growth Sectors Study assessed trends in employment growth and sectors across the London, West London and the local area. It identified sectors which are already performing well or growing and those which may be attracted to the OPDC area in the future. It makes recommendations to help support sector and economic development. One of the recommendations is for OPDC to encourage the delivery of a range of types of flexible and affordable workspace for SMEs in line with sector aspirations. Policy E3 is also consistent with Policy E3 in the Draft New London Plan (document OSD14) which encourages more detailed affordable workspace policies to be defined in light of local evidence and for planning obligations to be secured in defined circumstances. Policy E3 is justified as it provides an appropriate response to local evidence base and takes into account policy in Draft New London Plan on affordable workspace.
- 1.14. Policy E3 in the Draft Local Plan is intended to apply across the whole OPDC area, including the Park Royal industrial area and high density mixed use commercial areas in Old Oak. The policy reflects this by allowing flexibility in the range of different forms of provision that could come forward. This means that the approach can be tailored to suit the site context as well as viability. For example, taking into account conclusions in the Industrial Estates Study (document SD46), the provision of small units will be relevant in an industrial area to ensure a diversity of unit sizes. If appropriate, the provision of affordable workspace in Policy E3 could also help support the relocation of eligible occupiers affected by redevelopment in Old Oak. Changes proposed (MINOR/2/E3/5) clarify the flexible application of the policy.
- 1.15. OPDC considers Policy E3 to be effective because:
- it is based on issues and recommendations set out in the Future Employment Growth Sectors Study (document SD45) which highlight the need for small and affordable workspace to support sector and economic development.
 - the flexible approach helps with the deliverability as it allows a range of different forms of provision to come forward, and therefore the approach can be tailored to suit the site context as well as viability. Also, Policy DI1 makes it clear that OPDC will appropriately

¹ <https://www.glprop.com/news-releases/544-gazeley-to-develop-uk-s-first-three-storey-warehouse-in-london-docklands.html>, http://www.segro.com/media/insights/2017-a/31-03-2017?sc_lang=en

balance the priorities for a range of contributions which would include balancing the requirement for affordable workspace against other policy requirements.

Business relocations

- 1.16. The policies will be effective at supporting business relocations.
- 1.17. Policy E1, in supporting the intensification and increased amount of industrial floorspace, can help provide opportunities for existing businesses to relocate within the OPDC area. However, it is noted that the planning process cannot control or influence which businesses occupy the newly created units.
- 1.18. In addition to this, Policy E2 tries to mitigate the impact to existing business occupiers in Old Oak and states that re-provision of industrial floorspace should seek to incorporate existing businesses where possible. Paragraph 9.18 sets out more detail on what information and processes an applicant can follow to demonstrate compliance with the policy. This includes the submission of a Business Relocation Strategy.
- 1.19. The amount of information and processes set out in paragraph 9.18 are not considered onerous:
- Similar requirements are already in place in the LLDC area which has similarities to the OPDC area.
 - Paragraph 9.18, part b) is envisaged to take place during the pre application stage where there is already an expectation included in OPDC's Statement of Community Engagement (paragraph 3.8 of SD4) to engage with businesses before the submission of a planning application. The information required in paragraph 9.18, part a) could be collected as part of the pre-application consultation in part b).
 - Applicants can use this approach to find occupiers for their new space in a faster and more cost effective way. They could achieve early uptake or pre-let of the units from existing occupiers, thereby saving associated marketing costs.

Impacts to existing/small businesses/owner occupiers

- 1.20. The policies will be effective at mitigating impacts.
- 1.21. The current London Plan (document OSD27) has significant weight as part of OPDC's Development Plan. However, it is noted that the Draft New London Plan (document OSD14) has been published and, although the Examination in Public has not yet completed, the implications of policy E7 have been considered. Draft New London Plan policy E7 sets the objective for no net loss of industrial floorspace capacity across London, and requires a net gain of floorspace with the OPDC area. Industrial intensification will deliver additional floorspace needed to achieve no net loss of industrial floorspace, and in turn should help existing businesses to expand or new businesses to locate in Park Royal. The Park Royal Intensification Study (document SD49) demonstrates that the intensification of SIL is deliverable and could help deliver additional value or is viable for owner occupiers to bring forward development in this way.

- 1.22. Industrial land supply has been diminishing across London and industrial rents have been rising in London and it is possible that if the supply is not increased rents may continue to increase. The Park Royal Intensification Study (document SD49) identified different types of intensification (vertical extension, horizontal extension, infill, internal subdivision, new provision on vacant land and comprehensive redevelopment). Some of these interventions will involve the refurbishment of space and others will involve new space being created. The rents associated with intensification will vary depending on the detailed design, specification and condition of the building.
- 1.23. It is acknowledged that older/refurbished stock can offer a lower cost business space relative to newer space. 38 sites are identified as potentially suitable for intensification, although there may be some sites in Park Royal where it is not feasible to deliver intensification. This will mean that there will be options across a range of specifications and quality (existing tertiary/secondary and new grade A space) which should provide choice for different types of occupiers, with specific premises requirements and price points. In addition to this, Policies E1 and E3 in the Local Plan includes a requirement for small business space. This will ensure that a diversity of unit sizes are delivered as part of any proposal.
- 1.24. OPDC considers that policies are effective because:
- Evidence in the Park Royal Intensification Study (document SD49) demonstrates that additional floorspace can be achieved on sites in Park Royal. This increase in supply should help existing businesses to expand and/or new businesses to locate in Park Royal.
 - In conjunction with Policies E1 and E3 in the Local Plan which require delivery of an appropriate amount of small business space, a diversity of unit sizes should be delivered.

Infrastructure

- 1.25. Draft Local Plan policy SP7 references the transport mode shift targets set out in the Mayor's Transport Strategy (document OSD29) and Policy T1 of the draft new London Plan (document OSD14) as these apply to the whole of London. The OPDC area needs to contribute towards the delivery of this London wide target which is for 80% of all trips to be made on foot, by cycle or by public transport by 2041.
- 1.26. Evidence in the Park Royal Transport Strategy (document SD37) shows that a sizeable proportion of people currently travel to work in Park Royal by car (53%). The areas with the greatest concentration of employees who travel by car live within an 8km radius of the centre of Park Royal. Approximately 40% and 35% of the total trips made by car are within a 8km and 5km radius respectively. These distances are significant as 5km represents the average cycle trip length in the UK, while 46% of cycle trips in Central London were found to be of 5-8km in distance.
- 1.27. Park Royal is accessible by three Underground lines and also Overground services, via 5 stations. However, only 25% of trips are made via this mode of transport. This is likely to be due to the stations all being located on the fringes of Park Royal and the quality of the

walking and cycling conditions across the area which is also reflected in the low walking (5%) and cycling (3%) shares. Physical accessibility to the stations is also poor for people with mobility impairments.

- 1.28. Seven day bus routes and four night bus routes (N18, N83, 220 (24hr), 226 (24hr)) serve the Park Royal area. Currently, only 14% of people travelling through/to/from the area use this form of transport. This is partly the result of buses being subject to delays from traffic congestion which impacts journey time reliability.
- 1.29. To address these issues, OPDC's Local Plan (Policies P4, P5, P6, T1-T6) and Infrastructure Delivery Plan (document SD58) includes provisions to:
 - Improve existing and create new walking and cycling routes, particularly those which connect to stations
 - Increasing cycle parking provision
 - Restricting the amount of car parking incorporated into new development
 - Seek to reduce or remove on-street parking
 - Improve road junctions to ease the flow of traffic
- 1.30. OPDC acknowledges that business freight and deliveries are likely to continue to be road based. However, OPDC's aspiration is to maximise opportunities to achieve a modal shift towards walking, cycling and public transport, particularly in commuting journeys. This approach also ensures that the Local plan is in general conformity with the London Plan (document OSD27) and the emerging draft new London Plan (policies GG2 and T1 in OSD14).
- 1.31. The interventions listed above will also help support the expected increase in the numbers of people working in Park Royal. In addition to this, each planning application would be assessed so that any relevant impacts, including increased vehicle movements, and securing suitable mitigation can be considered as part of the planning application process in accordance with Policy T9.
- 1.32. Based on evidence in the Retail and Leisure Needs study (document SD53), additional town centre floorspace is supported in Park Royal Centre (P6 and TCC3). This should help meet increased demand for local amenities from local residents and workers.
- 1.33. The policies in the Local Plan are effective at ensuring the infrastructure can support a modal shift and intensification because:
 - Interventions are included to support walking and cycling (included in the IDP) and reduce car use;
 - Impacts will be considered as part of the planning application process and mitigation will be sought to ensure that the development is acceptable; and
 - Additional town centre capacity is being supported in Park Royal Centre to meet increased demand and provide better access to facilities.

No net loss of floorspace

- 1.34. The current London Plan (document OSD27) and the Old Oak and Park Royal Opportunity Area Framework (document OSD30) established the principle of redevelopment in the OPDC area by identifying Old Oak and Park Royal as Opportunity Areas, with targets to deliver 1,500 homes and 10,000 additional jobs in Park Royal and 55,000 new jobs and 24,000 new homes to capitalise on the public transport improvements envisaged in Old Oak. Principle L1 in the Opportunity Area Framework (OAPF) proposes that SIL (in Old Oak) is consolidated into Park Royal and the de-designation of Old Oak from SIL to facilitate the delivery of a mixed use development.
- 1.35. The current London Plan (document OSD27) has significant weight as part of OPDC's Development Plan. However, it is noted that the Draft New London Plan (document OSD14) was published in December 2017, and although the Examination in Public has yet to be completed, the implications of policy E7 have been considered. Policy E7 sets the objective for no net loss of industrial floorspace capacity across London, and a net gain of floorspace with the OPDC area. Given the strategic scale of proposed SIL de-designation, OPDC's approach is to demonstrate no net loss of industrial floorspace at the strategic level as part of a plan led process and through OPDC's Local Plan. The Industrial Land Review Addendum (document SD47) provides more detail on OPDC's approach and calculations demonstrating how no net loss of floorspace is being achieved.
- 1.36. The Local Plan mechanisms for achieving no net loss of floorspace are:
- Industrial intensification in Park Royal – intensifying existing land and sites for broad industrial type activities on remaining designated SIL in Park Royal. Requirements related to this are set out in Policies SP5, SP10 (site allocations), P4, P5, P9 and E1
 - Co-location in Old Oak in areas outside of designated SIL - co-locating floorspace for broad industrial type activities that are compatible with the new high density mixed use development in Old Oak and other locations within the OPDC area outside of SIL. Policy provisions for this have been included in Policies P2, P10 and E2.
- 1.37. This approach is considered to be consistent with the current (document OSD27) and new draft London Plan (document OSD14) and provides a refined approach to delivering the OAPF objectives. The Mayor of London has confirmed that the Local Plan is in general conformity with the current and new draft London Plan.