

London Chamber of Commerce and Industry's response to Greater London Authority's consultation on industrial land and uses

Introduction

1. London Chamber of Commerce and Industry (LCCI) is the capital's largest independent business advocacy organisation. We represent the interests of firms of all sizes, from micro-businesses and sole traders through to large, multi-national corporates, across all 33 London local authority areas – genuinely reflecting the broad spectrum of London business opinion.
2. As the voice of London business, we seek to promote and enhance the interests of the capital's business community through representations to central government, the Mayor and London Assembly, Parliament and media, as well as international audiences. Through business surveys and commissioned research, LCCI seeks to inform and shape debate on key business issues.

Section 2 – definitions

3. There was a suggestion that within the Definition of Industrial Uses, it would be clearer if the definition of Use Class E(g)(ii) and E(g)(iii) are defined exactly as stated in the Use Classes Order as Amended 1 September 2020.
4. Additionally, it was noted that the LILS definition of core industrial uses should include 'other utilities'.

Section 3 – demand and supply

5. **Key demand supply drivers** – LCCI would suggest that the GLA encourages local planning authorities to use the demand drivers in the guidance as a starting point, and to speak with businesses in their areas to ensure that their industrial land needs are reflected.
6. **Identifying industrial supply** – the view from LCCI's members is that supply of industrial land is already under pressure, with costs associated with leasing commercial space already rising as a result of competition and reduced availability. LCCI continues to work with its members to identify case studies of this occurring.
7. Whilst intensification may provide one route for increasing industrial land supply, it is likely to only be suitable for certain uses. Intensification may work for brand new developments but may be challenging when re-developing current sites. Therefore, LPAs should not view intensification as the major driver for increasing (or even maintaining) the levels of industrial land in their respective areas. Rather, it be utilised alongside maintaining existing industrial sites and creating new industrial spaces.
8. When considering industrial land supply and potential sources, LPAs must be cognisant of the availability of utilities and the existing grid capacity. Already in many parts of London, grid capacity is close or at its peak, and increasing the supply of industrial land should occur only when there is sufficient energy capacity to support new businesses.

9. Furthermore, wider transport and utilities infrastructure must be considered in any new industrial land supply studies by LPAs.
10. **Strategy for industrial capacity** – LCCI welcomes the points made in the guidance that LPAs should devise a positive strategy for industrial capacity, one that protects the operations of businesses that contribute to London’s economic growth.
11. LCCI’s members would like to see the Agent of Change (AoC) principle strengthened in the guidance, so that LPAs are heeding the needs of businesses when considering sites for intensification and co-location. The AoC principle is a welcome inclusion in the guidance and in the London Plan.
12. There were concerns from members that there was not enough consideration given to possible future changes in the use classes in the guidance. Whilst LCCI recognises that the guidance is working on the existing economy, and existing London Plan, there should be flexibility for the needs of emerging business activities that might not fit comfortably in the existing use classes. This could include, for example, data centres.
13. Approach to Use Class E – LCCI generally agrees with the suggested approach to addressing the opportunities and challenges that are likely to arise in relation to Class E uses.
14. There were concerns that the paragraph 3.5.4 was unclear and contradictory in its intention.

Section 4 – intensification and co-location

15. **Criteria based screening guidelines** – On the issue of identifying sites for intensification and co-location, LCCI’s members were keen to stress the need to protect businesses and their operations, and avoid restrictions being placed on them as a result (particularly when considering co-location). Intensification may only be appropriate in some cases when developing a new site. Introducing intensification into a current site can be challenging as it may mean the current operation having to move out for a period of time which will be impossible for business continuity.
16. The aforementioned issues around grid capacity were also reiterated, with clear capacity constraints already emerging across the city. Intensified industrial sites will lead to greater need for energy, and if the infrastructure is not sufficient, there is likely to be a detrimental impact on the businesses themselves.
17. That being said, some LCCI members did recognise that intensification can in some circumstances have a role to play in boosting the availability of industrial sites for companies in London, whilst supporting the push to boost housebuilding. Again, most likely only viable for new developments rather than re-developments.
18. Plan led approach – LCCI members were absolutely agreed that LPAs must be proactive in their engagement with businesses on assessing sites for intensification and co-location.
19. When considering sites for intensification, the existing businesses in an area should be consulted on whether their operations would be hindered by an intensified structure. This could include issues such as grid capacity and transport connectivity, but also includes amenities for employees (such as parking). Whilst there may be a push to encourage sustainable transport in the city, many industrial sites are located in areas where public transport connectivity is poor, requiring more

people to drive to their workplace. In addition, business continuity is key for existing businesses. Any interruption to their current operations by the new development will be detrimental and costly to the existing businesses.

20. For co-location, particularly when LPAs are considering residential developments, the planning authority must speak with the businesses on site to hear how they operate. LPAs should also be speaking with the developers on the adaptations needed to any residential development.
21. There is also an issue of future inhabitants in residential developments. The initial residential tenants and owners in a new development must be made aware of their co-location of industrial land, and any associated noise / pollution. However, future residents may not be aware that the businesses they are co-located with were there before the residential development was built, and could seek to limit the ability of businesses to operate. LPAs must therefore ensure that protections for businesses and their operations are not simply limited to the 'first' residents of a new development. This is where the Agent of Change principle could be used to ensure future protection of the original operation.
22. Whilst a plan-led approach is welcomed by LCCI, there are concerns of the capacity of LPAs to conduct thorough and detail analyses of sites where intensification and co-location might be suitable. LCCI members expressed the view that planning in local authorities is already under huge pressure, with projects moving slowly or not at all. In some cases, LPAs are ahead of their peers. However, there is little consistency across the 32 boroughs and the City of London.
23. There were also concerns that industrial land tends to carry lower value in comparison to other uses, particularly residential. If LPAs are considering sites for co-location to boost housebuilding, they are likely to look at the lower-value industrial land as appropriate. However, industrial sites are home to businesses that play a critical role in the functioning of London's economy. If industrial sites are not protected, businesses will be forced to locate further and further from the city centre. In the case of logistics, this will increase mileage of vehicles on roads, and inhibit firms' ability to switch their fleets to lower-range electric vehicles.
24. **Masterplan approach** – LCCI considers the guidelines to be generally useful.

Section 5 – development proposals

25. **Transport** – LCCI agrees with the suggested points outlined in the guidance.
26. **Environment and amenity** – LCCI agrees with the suggested points outlined in the guidance.
27. **Design** – LCCI's members did not express a view on the design advice outlined in the guidance.

Equalities Impact Assessment (EqIA)

28. LCCI's members did not express a view on the assessment.

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