

London Borough of Newham Local Development Framework

Background Paper: Industrial Land

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Background Papers

A series of background papers has been prepared to accompany the Regulation 26 consultation on the Preferred Options for the LDF Core Strategy. These are designed to set out the background information relevant to the preferred vision, strategy and core policies within the 'Core Strategy'. Where relevant, these papers set out the options considered when developing these preferred options. Background papers have been prepared for the following nine topics:

- Industrial Land
- Housing
- S106 Contributions
- Retail
- Environment
- Community Services
- Open Space & Outdoor Recreation
- Leisure, Tourism & Sport
- Transport

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Executive Summary

National and international economic trends have left the Borough with large amounts of vacant and underused industrial land. London Plan forecasts a loss of 58,000 industrial and warehousing jobs in London over the period 2001-16. The Council is considering protecting a reduced amount of industrial land to allow for the development of other uses such as residential, and to facilitate a supply of modern workspace.

In light of current and emerging policy and guidance, and significant development proposals such as the 2012 Olympic and Paralympic Games, this document intends to provide a starting point for the redesignation of land and offer a basis for a new approach to the protection and use of industrial land.

Issues to consider include demand for new housing, the mechanisms to secure new employment generating development, how and where to retain industrial land and achieving a mix of uses so that the legacy of industrial decline can be balanced and sustainable communities..

The evidence base consists of a range of local and regional survey and analysis providing insight into levels of employment, demand for industrial land and surveying of land use and occupancy. The Council will in early 2006, publish a revised industrial land survey that shall also consider office use in the Borough. In addition, the GLA are embarking upon a sub regional industrial land survey, also due early 2006. This document will itself be reviewed pending the results of these documents.

From a baseline of 530 hectares, this provisional review proposes of a release of 230 hectares, and the retention of 300 hectares of industrial land.

1. Background

1.1 Introduction

- 1.1.1 Newham's economy has traditionally been dominated by industrial employment, with the Royal Docks being of national importance during the 19th and early 20th century. Structural changes to the global economy mean that the UK has significantly less large scale manufacturing operations than before. In the context of Newham, this has left a legacy of considerable amounts of vacant or underused industrial land and premises, for which there is little or no demand.
- 1.1.2 Historically, London Boroughs have attempted to protect industrial land uses because they provided a significant number of jobs and provided both skilled and unskilled 'blue collar' employment opportunities. These employment uses were protected in traditional 'industrial' areas where noisy, dirty activities with associated heavy vehicle use could mostly be accommodated without complaint from nearby residential uses. Also, industrial employment land was protected from encroachment by higher value land uses.
- 1.1.3 The continuing decline in manufacturing is expected to be a feature of London and Newham's economy. The London Plan forecasts a further loss of 58,000 industrial and warehousing jobs in London over the period 2001-161. The result of national and international economic trends has left the Borough with large amounts of vacant and underused industrial land. There is no indication that this long-term decline in employment numbers and demand for industrial land will halt. The Council's planning policy response in terms of land should therefore be how it can best manage industrial land use change.
- 1.1.4 The Council is considering protecting a reduced amount of industrial land to allow for the development of other uses and to facilitate a supply of modern workspace. This document intends to provide a starting point for the redesignation of land and offer a basis for a new approach to the protection and use of industrial land. The document forms part of the background to the preferred options papers for Development Plan Documents for the forthcoming Local Development Framework, which will replace the 2001 Unitary Development Plan.
- 1.1.5 This is a broad analysis of Newham's industrial land supply with a view to developing a strategy that best meets Newham's industrial
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¹ Volterra employment projections

employment and wider regeneration objectives, to be delivered by the forthcoming Newham Local Development Framework.

1.2 Policy context

- 1.2.1 Planning Policy Guidance note 4 Industrial, commercial development and small firms - March 2001. Local Planning Authorities “should aim to ensure that there is sufficient land available, which is readily capable of development and well served by infrastructure. They should also ensure that there are a variety of sites available to meet differing needs. A choice of suitable sites will facilitate competition between developers; this will benefit end-users and stimulate economic activity.”
- 1.2.2 “Many urban areas contain large amounts of land, once used for industrial purposes but now under-used or vacant. Getting this land back into beneficial use is important to the regeneration of towns and cities. Optimum use should be made of potential sites and existing premises in inner cities and other urban areas, taking into account such factors as accessibility by public transport, particularly in the case of labour-intensive uses. Local planning authorities should identify such areas and indicate their appropriate alternative uses, including industrial and commercial uses, in their development plans, keep up-to-date details on available sites, and provide information about them to potential developers.”
- 1.2.3 Planning Policy Guidance note 3 - Housing January 2005 update. Local Planning Authorities should consider favourably planning applications for housing or mixed use developments which concern land allocated for industrial or commercial use in saved policies and development plan documents or redundant land or buildings in industrial or commercial use, but which is no longer needed for such use, unless any of the following apply:
- The proposal fails to reflect the policies in this PPG particularly those relating to a site's suitability for development and the presumption that previously-developed sites (or buildings for re-use or conversion) should be developed before greenfield sites;
 - the housing development would undermine the planning for housing strategy set out in the regional spatial strategy or the development plan document where this is up-to-date, in particular if it would lead to over-provision of new housing and this would exacerbate the problems of, or lead to, low demand;
 - it can be demonstrated, preferably through an up-to-date review of employment, that there is a realistic prospect of the allocation being taken up for its stated use in the plan period or that its development for housing would undermine regional and local strategies for economic development and regeneration.”
- 1.2.4 ODPM - Employment Land Reviews: Guidance note - December 2004. This document offers guidance on how to conduct employment land reviews. Put simply, it advises a 3-stage approach: taking stock of the existing situation; creating a picture of future requirements; and

identifying a new portfolio of sites. The guidance note is not adopted policy but does offer a selection of tools available for particular issues facing different planning authorities. Prior to the publication of this document, the Council embarked upon a process of determining broad levels of release and retention based upon data available at the time. The process involved a consideration of issues contained within the guidance, but not structured as the guidance suggests. The exercise began from the stand point of matching developable land to projected housing figures, taking account of community facilities.

- 1.2.5 In view of the publication of this guidance, and because of the need for more in depth and up to date information, the Council has commissioned a Vacant and Industrial Land and Office survey in 2005, due for publication in 2006 that will be structured along the lines of the 3 stage approach proposed in the ODPM guidance. This document generally welcomes the broad three stage approach provided in the guidance.
- 1.2.6 ODPM - Employment Land Reviews: Guidance note - December 2004. This document offers guidance on how to conduct employment land reviews. Put simply, it advises a 3-stage approach: taking stock of the existing situation; creating a picture of future requirements; and identifying a new portfolio of sites. The guidance note is not adopted policy but does offer a selection of tools available for particular issues facing different planning authorities. Prior to the publication of this document, the Council embarked upon a process of determining broad levels of release and retention based upon data available at the time. The process involved a consideration of issues contained within the guidance, but not structured as the guidance suggests. The exercise began from the stand point of matching developable land to projected housing figures, taking account of community facilities.
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- 1.2.8 GLA - The London Plan - February 2004. The London Plan sets the strategic planning policy for Greater London and in particular a London-wide reservoir of industrial employment land - known as Strategic Employment Locations. In particular policy 3B.5 states that Boroughs should identify Strategic Employment Locations within Unitary Development Plans.
- 1.2.9 GLA - Industrial and Warehousing Land Demand in London - August 2004. This document was prepared as part of a process to 'to assess the scale, nature and, in particular, the geographical distribution of future demand for industrial and warehousing land in London and to

draw the policy implications'. Earlier draft documents had considered the issue of release of industrial land as ensuring a supply of strategic employment land. This document tested earlier assertions with regard to levels of supply and demand.

1.2.10 Draft East London Sub regional Development Framework - May 2005.

This document has been published by the GLA for public consultation. Briefly, it asserts that land for industry and warehousing is projected to decrease by about 500ha across the East London sub-region. Any release of industrial land should be considered within the context of the wider sub-region. The Strategic Employment Locations as defined by the London Plan are to be reviewed as part of the consultation process.

1.2.11 East London Industrial Land Management Strategy - due December 2005.

The need for an industrial land management strategy is indicated in the draft Sub Regional Development Framework (SRDF) for East London. The strategy will be consistent with the wider London Plan strategic objectives for the regeneration of the sub-region and creation of sustainable communities and help meet continuing but changing industrial requirements across the sub-region while bringing forward surplus development capacity to meet wider regeneration priorities.

1.2.12 London Plan Implementation Report: Safe guarded wharves on the River Thames - January 2005.

The report sets out the status of wharves and considers if they should be safeguarded to encourage the river transport of cargo, or released for redevelopment. The report states that: "The Mayor looks to the Boroughs to continue to protect the wharves through their unitary planning powers and to actively encourage the wharves to be used for the sustainable development plans/local development documents and the exercise of their distribution of goods."

Table 1: Safe-guarded wharves in Newham

No.	Wharf	Area to be safeguarded (ha)	LBN designation	UDP
1	Priors Wharf	1.44	MOZ6	
2	Mayer Parry Wharf	2.17	MOZ6	
3	Thames Wharf	3.27	MOZ7	
4	Peruvian Wharf	3.55	EMP6	
5	Manhattan Wharf	0.51	EMP6	
6	Sunshine Wharf	1.41	EMP6	
7	Thames Refinery/Cairn Mills	11.4	EMP7	
Total		23.75 hectares		

- 1.2.13 In general, the Council supports the premise of encouraging the movement of cargo along the Thames. All but Thames Refinery/Cairn Mills are located within areas for which there is a proposed release of current industrial land. The Local Development Framework shall have to consider how to deliver regenerative change of industrial land alongside safeguarded wharves and to integrate their use into developments where possible.
- 1.2.14 LBN Unitary Development Plan - June 2001. In preparation of the Newham 2001 UDP it was clear that Newham had a significant surplus of industrial land and some Principal Employment Areas were re-designated as Major Opportunity Zones to allow a mix of various other uses including some residential development. There remain 171ha of Principal Employment Area and 7.5 Local Employment Area designations. Industrial employment areas and industrial employment development are protected and encouraged using UDP policies, specifically EMP1, and EMP4 - 8.
- 1.2.15 The 2012 Olympic and Paralympic Games. The International Olympic Committee (IOC) has awarded the 2012 Olympic Games to London. The majority of the Olympic Village (168 ha) is to be located within the Borough and will require the release of approximately 39 hectares of designated industrial land and the use of a further 85 hectares of land previously designated for industrial employment use.
- 1.2.16 The Games will facilitate the redevelopment of a significant amount of land that is designated as Strategic Employment Location (SEL - see above) which raises important issues. It will of course accelerate the redevelopment of brownfield land, leaving a legacy of community, sports and leisure facilities, open space and residential and employment generating development.
- 1.2.17 The loss of SEL designated land will need to be considered on local and sub-regional basis; this may require the designation of SEL land elsewhere in the Borough. There is potential to consolidate industrial land use towards the east of the Borough. Two designated Strategic Employment Locations are sited in Beckton with the potential to consolidate further. In addition, Beckton Sewerage Works presents a significant physical and environmental constraint to residential development.
- 1.2.18 The Business Relocation Strategy provides a framework for the relocation of businesses currently located within the Olympic Application (OA). It states that:
- There are approximately 260 businesses employing around 5,500 people;
 - Small and Medium Enterprises (SMEs) constitute the majority of operations, with over 50% employing less than 10 people;
 - 241 industrial premises and 17 land only sites will be required to accommodate displaced businesses; and

- A range of accommodation and site opportunities exist to meet locational requirements of relocating businesses.

1.2.19 The strategy views relocation opportunities on a sub regional basis, referring to the Lower Lea Valley, Inner East London and Outer East London. The position of the Council is that businesses displaced from sites within Newham should relocate to alternative premises and land within the Borough as far as this is practicably possible.

1.2.20 According to the strategy, displaced businesses will be seeking a range of size of premises, and the majority will be seeking premises of 500m² or less. Larger premises will also be sought, to be located in the most appropriate locations. Although demand for larger premises from business displaced will be proportionately less than for SMEs, the Council recognise that larger industrial and/or warehousing operations should be catered for.

1.2.21 The Thames Gateway is identified by government as a key growth area for the south-east that can deliver hundreds of thousands of jobs and homes. The London Thames Gateway Development Corporation has been established as the vehicle to facilitate growth, and will have development control powers. It will not however have plan making powers.

1.2.22 Parts of the Borough are within the Thames Gateway, and areas are specifically within the London Thames Gateway Development Corporation boundary. The review of the Borough's industrial land portfolio will need to consider the implications of the Development Corporation with regard to land released, retained or established. Also, the work of the Corporation will need to be aware of land use changes in the context of Newham's industrial and wider regeneration objectives. In particular, this will need to be addressed with regard to Stratford and the Lea Valley and East Beckton, for which there are Development Frameworks to be produced.

1.3 Evidence base

1.3.1 A range of data is available to the Council for reviewing the supply of industrial land in the Borough. It is useful to separate these sources into to land use, demand and employment. The surveys included the LBN Vacant and Industrial Land Survey 2004 update, GLA Industrial and Warehousing Land Demand in London (August 2004), Census 2001 data and Annual Business Enquiry 2004 data. Data is also collated for area based development frameworks and these will be referred to as and when necessary. The Council will be commencing upon a revised Vacant and Industrial Land and Office survey in 2005, due for publication in 2006.

1.3.2 Land use:

- LBN Vacant and Industrial Land 2004 update;
- LBN Vacant and Industrial Land and Office survey in 2005, due for publication in 2006; and
- East London Industrial Land Management Strategy - due December 2005.

1.3.3 Demand:

- GLA Industrial and Warehousing Land Demand in London August 2004;
- LBN Vacant and Industrial Land and Office survey in 2005, due for publication in 2006; and
- East London Industrial Land Management Strategy - due December 2005.

1.3.4 Employment:

- ONS Census 2001;
- ONS Annual Business Inquiry 2004;
- LBN Vacant and Industrial Land 2004 update;
- LBN Vacant and Industrial Land and Office survey in 2005, due for publication in 2006; and
- East London Industrial Land Management Strategy - due December 2005.

1.3.5 It is accepted that there is a need to produce an up to date LBN Vacant and Industrial Land Survey. Although the update is dated 2004, it is derived from data that was originally collected in 2001. The Council is appointing consultants to complete this survey and to include some local forecasting of growth, contraction and spatial movement. However, it is believed that the level of vacancy will not have reduced and that an up to date survey will show that vacancy has in fact increased since 2001.

1.4 Principles of industrial land use change

1.4.1 The review of industrial land and premises should meet two broad objectives:

- The provision of an appropriate supply of land and premises for sectors expected to show growth; and
- Meeting the demand for new communities and to support the Mayor's vision for the regeneration of the Borough.

1.4.2 This will involve the consideration of the following issues:

- Provision of land for existing enterprises to locate and expand within the Borough, and allow opportunities for business that need relocation;
- Provision of a range of unit sizes and rents;
- Encourage new enterprises by providing new premises often at low or subsidised rents;

- Access to road network including proposals for improvements - matching development to the most appropriate locations;
- Neighbouring uses - the presence of bad neighbour uses; good neighbour uses can facilitate change;
- Access to markets-both from suppliers & customers and the emergence of clusters;
- Design quality of industrial/employment uses and environmental quality of defined industrial/employment areas;
- Achieve the right balance of old and new industrial uses, supporting growth areas such as 'cultural industries' and managing environmental operations;
- Creation of defensible industrial/employment areas;
- The most appropriate use of land with good public transport access and in high value locations;
- Public Transport Accessibility Level (PTAL) score; including improvements and likelihood/timing of delivery;
- Provide sites for mixed-use development and intensification of employment uses on all sites setting out minimum floorspace targets in each area;
- Allow release of sites that are important to the regeneration of the Borough-combine with other regeneration activities/areas;
- Supports policy of movement of traditional industrial uses and some service uses eastwards across the Borough (from Lea Valley and Thameside West to Beckton);
- Use higher value land uses to provide opportunities to create new industrial floorspace and employment and bring vacant land back into use; and
- Provide a comprehensive and planned approach for development in each industrial area and develop masterplans where changes proposed are significant.

1.4.3 The scale of vacancy of industrial land in the Borough suggests that the review of the portfolio is likely to lead to significant change in land use. It is important that the review and thus any rationalisation of supply should not facilitate the decline of traditional industrial land uses. The review should be a response in order to manage the change and to extract the maximum benefits for the Borough.

1.4.4 Key to this is retaining and if possible increasing the proportional level of industrial employment in the Borough, and as such the review will be considered within the theme of "more jobs, less land". The Council will be looking to achieve this through promoting a more efficient and generally more intensive use of land and premises; and the provision of modern, smaller and affordable units.

1.5 Housing growth and the demand for new communities

1.5.1 The Borough is part of the Thames Gateway and will be expected to contribute to housing supply targets. A consideration of the major

schemes for which there is already permission or for which there are pre application discussion suggests that already, around 35,000 homes are in the pipeline. Much of this development will be located on previously industrial land, such as the Stratford Rail Lands and the Silvertown Docks.

- 1.5.2 The redesignation of industrial land is interrelated to the demand and capacity for new communities. There is considerable demand for new housing and associated community services alongside a considerable supply of vacant and underused industrial land. The review of industrial land should be in accordance with the objectives in paragraph 1.4.1, and thus should include a consideration of housing growth in both in terms of quantum but also spatially.
- 1.5.3 Proposals for development will need to generate housing volumes that can be accommodated together with sufficient land for social infrastructure. The danger of an unplanned approach is that small individual sites are developed for residential uses that by themselves do not generate the need for community facilities such as a school. It is better to create 2000 new homes that support a new primary school, open space and community facilities (to be provided on site) than to allow smaller piecemeal developments of industrial land, none of which individually requires the provision of new social facilities. Clearly it would make sense to take a comprehensive and managed rather than a piecemeal approach to industrial land change.

1.6 Securing new employment generating development

- 1.6.1 The release of land and redevelopment of brownfield land satisfies the objectives of the government for the creation of new sustainable communities. It also offers the development process the opportunity to generate substantial amounts of money by changes to land values and by building and selling dwellings.
- 1.6.2 It is important that the planning system is able to harness this resource to ensure that new industrial employment generating uses are developed as well as new communities. This process will obviously involve a consideration of the types of operation and premises that can be accommodated as part of predominantly residential mixed-use developments. The Council may also consider the use of contributions to support the provision of new industrial employment designations.
- 1.6.3 Employment is obviously a wider definition than purely industrial work. People work in shops, offices, hospitals, schools and nurseries and in many other spheres. Redesignating industrial land will allow for different mixes of uses including a range of employment generating uses. Provision for new retail floorspace, community facilities including schools, hospitals, surgeries and other facilities will be discussed in other relevant background papers. However to maintain and improve the diversity of the local, sub-regional and regional economy, the

Council will be seeking a significant proportion of industrial employment.

- 1.6.4 The Council is enthusiastic about the concept of managed affordable workspace to support small and medium enterprises. The Council intends to link the supply of such premises to the development of new communities and is exploring policy options to deliver this. Options include obliging a percentage of new development to be managed affordable workspace, and on smaller sites consider proposals for redevelopment that provide half of the quantum of development to be managed affordable workspace.

1.7 Retaining industrial land and achieving a mix of uses

- 1.7.1 The process of industrial land review will require the retention of some areas, and the redesignation of others. The Council intends to utilise the redesignation of land to facilitate a range of defensible industrial land and premises. The preparation of Area Action Plans and any subsequent SPDs will require an assessment of both compatibility of existing operations with residential and ability to relocate and be relocated within the Borough or sub-region. Innovative design solutions and the application of sound urban design principals can allow different uses to co-exist. This may not be a popular position politically.
- 1.7.2 Achieving a genuine mix of uses is often easier said than done. The Council is seeking ways to harness the resource of the development process generated through the redesignation of land to secure a supply of modern workspace that is fit for purpose. It is envisaged that where possible and appropriate, new industrial/employment development can be more integrated with new residential based communities. This will entail a real shift from the traditional position of definable industrial areas located well away from other uses.
- 1.7.3 This concept very much depends on the nature and scale of the industry. It may be that an element of zoning is retained to accommodate large operations, with the mix residential, light industrial, office, retail and community uses at the interfaces between zones. A balance is required between maintaining defensible industrial areas that may be of strategic importance, and securing smaller modern accommodation for smaller operations that could be located as part of a mix.

- 1.7.4 One approach to proportionally reducing the amount of industrial land has been to decide that a proportion, for example 55% could be

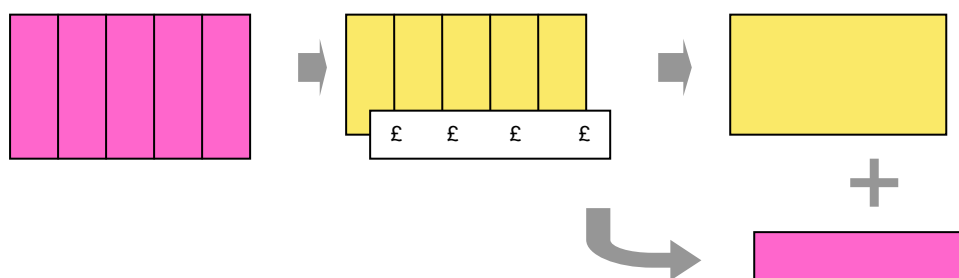


released and thus require developers to include 45% industrial development within their development site. However, this could lead to the creation of fragmented industrial land use that will difficult to defend, and possibly an over proliferation of offices, that are likely to be the easier option for developers to achieve a mix of uses.

- 1.7.5 A mechanism is sought that enables the strategic rationalisation of industrial land, but that retains defendable areas of industrial employment. It may be possible to simply reduce in size the area of land that is protected, so as to defend and industrial area, and release a proportion for other uses.



- 1.7.6 This scenario however means that some land parcels are redesignated and others not. Within a designation, this may lead to a situation that is not equitable. How would the decision be made as to which parcels of land are retained as (lower value) industrial land, and which to be redesignated as (higher value) residential development sites?
- 1.7.7 The Council should consider whether it should be concerned with maintaining an equitable situation. Landowners do not have a right to develop land as they see fit - risk is an inherent part of the development process. It should also be kept in mind that industrial land purchased with the expectancy of redesignation, and then is retained as industrial land; will not necessarily be developed for industry as landowners seek hold on to land in the hope that it will eventually be redesignated for housing.
- 1.7.8 It may be worth exploring the possibility of entering into agreements with developers along the lines of off site affordable housing agreements, by seeking a contribution secured through section 106 agreements to be pooled for the provision of a defendable industrial area. The role of the London Development Agency and the Thames Gateway Urban Development Corporation should be explored in the respect of land assembly, possible compulsory purchase orders and production of industrial premises.



2. Reviewing the supply of industrial land

2.1 Process

2.1.1 The Council has been reviewing its supply of industrial land in the light of local, sub regional and regional surveys; emerging national and regional guidance and housing projections. Taking into consideration permissions for major development proposals, this paper contains a provisional schedule of release and retention. This schedule will itself be subject to review when further information is published. In particular the London Borough of Newham Vacant and Industrial Land and Office survey in 2005, due for publication in 2006 and the London Industrial Land Management Strategy, due December 2005 will be significant to this review.

2.1.2 The Office of the Deputy Prime Minister's ODPM - Employment Land Reviews: Guidance note - December 2004, offers advice on a range of issues relating to the review of land supply, and some examples of good practice. It is not adopted policy but it represents a collection of useful tools. It suggests that a 3-stage approach is sensible:

- Taking stock of the existing situation;
- Creating a picture of future requirements; and
- Identifying a new portfolio of sites.

2.2 Stage 1: Taking stock of the existing situation

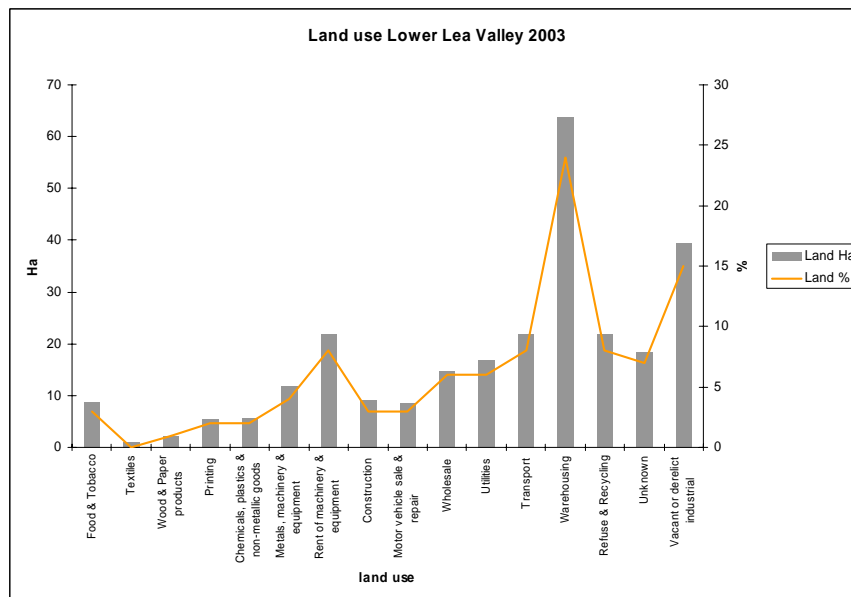
2.2.1 *Land use and supply*

LBN Vacant and Industrial Land 2004 update: The designations subject to survey in this study total 529.2ha, of which 483.7ha is vacant and industrial land in Major Opportunity Zones, Principal Employment Areas, Local Employment Areas and Mixed-Use areas. Of this 191.4 is in use 292.3ha (60.4%) is deemed not to be in use. Of the land in use, 58.7 hectares are in manufacturing use and 49.2 hectares are in use for distribution. Other remaining industrial uses amount to 83.3 hectares.

2.2.2 It is considered that there are another 40ha of industrial land and premises to be found within small pockets scattered around the Borough.

These are not subject to specific designations and were not surveyed as part of the study. Annex 1 includes the table of results of the updated study.

2.2.3 GLA Industrial and Warehousing Land Demand in London August 2004: In terms of land use activities information, the paper presents two case studies, neither of which is in Newham. It does however provide information on the Lower Lea Valley, much of which sits within the Borough boundary. The graph below shows that much of the land use is in the warehousing sector, and that there is also a considerable amount of vacant or derelict industrial land.



Source URS Lower Lea Land Use Survey, 2003

2.2.4 Demand

GLA Industrial and Warehousing Land Demand in London August 2004: This report concluded that London is no longer the manufacturing centre it was, and that there is little prospect of London again becoming a competitive location for primary manufacturing processes. Manufacturing industry will continue to decline in London and continuing to protect large tracts of industrial land cannot reverse this trend.

2.2.5 The report notes that as demand has fallen, the supply has been reduced and released for other higher demand uses. But there is a risk that the reduction in planned supply could supersede reduction in market demand - so that the shift to other uses drives the contraction of industry and warehousing, rather than responding to it.

2.2.6 Generally, there is demand for good quality industrial and warehousing space in the east sub-region, in particular for large warehousing operations. The A13 as an industrial and warehouse corridor will continue to be significant, especially if the Thames Gateway Bridge is developed.

2.2.7 *Employment*

ONS Census 2001: The 2001 Census recorded that 29,968 Newham residents are employed in industrial operations however these people are not all necessarily employed within the Borough.

2.2.8 ONS Annual Business Inquiry: Data from the Annual Business Inquiry (ABI, 2004) suggests that there are 16,175 people employed in industrial operations in Newham - although these may not be residents of the Borough.

2.2.9 GLA Industrial and Warehousing Land Demand in London August 2004: The report includes employment data for Stratford and Lea Valley and The Royals - zones of change that include the majority of Newham's industrial land supply. The data suggests that there some 16,900 people employed within these zones of change.

2.2.10 LBN Vacant and Industrial Land 2004 update: It is possible to estimate employment levels based upon average worker floorspace ratios using land use data. This model uses a plot ratio of 0.45 and average worker/floorspace ratios of 31.8m² per worker, except within distribution, which is 50m² per worker. This calculation suggests that there should be 24,552 - much higher than ABI data suggests. The survey includes an adjusted calculation based upon the assumption that the level of intensity of land use in the Borough is roughly half as would be expected. The survey estimated employment levels within the surveyed areas to be a revised 12,332.

2.2.11 It is safe to say that overall, there is significantly less demand for industrial land and premises than there is supply. At least 60.4% of the designated supply is deemed not to be in use, and that which is, is often underused. It is true that overall, industry and industrial employment is in decline, but within that overall trend there remains demand for some types of premises as some types of industrial operation remain viable.

2.2.12 It is also the case that some industrial sectors are not in general decline, but that premises or locations in Newham are not suitable for operations or any future growth. Food and tobacco and textile operations are thought to be more suited to outer east London that is served by superior access to the strategic road network and that constrain wider regeneration objectives of an inner east London Borough.

2.3 **Stage 2: Creating a picture of future requirements**

2.3.1 It is important that future supply of different forms of workspace can meet demand. PPG3 requires that demand for an industrial allocation is demonstrated using up to date evidence. The Vacant and Industrial Land and Office survey in 2005, due for publication in 2006 will provide an appraisal and analysis of supply and demand of industrial locations

and office supply having regard for regeneration initiatives, combining labour demand and property market research having regard for churn, greater efficiency of land use and regeneration initiatives.

2.3.2 GLA Industrial and Warehousing Land Demand in London August 2004: The report suggests that the land requirement for London will reduce by 737 hectares from 2001 to 2016, which equates to 49 hectares per annum. The east sub - region accounts for much of this release with 504 hectares, equating to 34 hectares per annum. The report categorises Boroughs on the basis that they can release different proportions of land. The categories are 'restricted', 'limited' and 'managed'. Newham is considered 'managed': where supply is relatively generous and release should be more permissive.

2.3.3 The following issues will be of significant importance to arriving at a picture of future requirements:

- **Affordable workspace** helps to foster local business growth by providing an affordable platform for business start ups. However the success of any supply will be dependent on the location, having regard for spatial clustering.
- **Small and Medium Enterprises** constitute the majority of business in the UK. It is expected that employment growth in skilled positions will be concentrated in smaller operations, requiring land and premises suitable for modern day needs.
- **Warehousing and logistics** has seen growth in the Borough in recent years and may continue to do so. Provision for such operations should be considered in relation to operations that may involve a higher density of employment.
- **Offices** will be required for a range of occupiers. Despite the recent development of the Royals Business Park (phase 1) and the permission for Stratford City, there may well be demand for smaller offices in town centres.

2.4 Stage 3: Identifying a new portfolio of sites

2.4.1 The 2001 Unitary Development Plan redesignated some industrial employment areas as Major Opportunity Zones as part of a release of industrial land. Much of the remaining designated industrial land in the Borough is designated as Strategic Employment Locations (SEL) by the GLA. The East London Industrial Land Management Strategy - due December 2005 will entail a consideration of SELs in East London and any possible changes to the designations will be considered sub-regionally.

2.4.2 Below is the provisional proposed industrial land portfolio. It considers permissions for major development such as the Olympic and Paralympic Games, Stratford City and Silvertown Quays. The proposed portfolio will be reviewed in the light of emerging research data including the London Borough of Newham Vacant and Industrial Land and Office survey in 2005, due for publication in 2006 and the

GLA London Industrial Land Management Strategy, due December 2005.

Table 2: Proposed industrial land change

Designation	Location	Area (ha)	% Release	Area lost (ha)	Area Remaining (ha)
MOZ1	Stratford Rail Lands	99.2	75	74.4	24.8
MOZ2	Rick Roberts Way	8.9	50	4.5	4.5
MOZ3	Hunts Lane/Sugar House Lane	18.2	30	5.5	12.7
MOZ4	West Ham	15.2	90	13.7	1.5
MOZ5	Twelvetrees Crescent	31.1	0	0.0	31.1
MOZ6	Bidder Street	21.4	50	10.7	10.7
MOZ7	Thames Wharf and Limmo Site	17.2	50	8.6	8.6
MOZ10	Silvertown Quays	25.7	75	19.3	6.4
MOZ11	King George V Dock south	10.0	0	0.0	10.0
MOZ12	Albert Basin south	11.4	95	10.8	0.6
MOZ13	Albert Basin north	25.3	50	12.7	12.7
MOZ14	Beckton Gas Works	31.5	30	9.5	22.1
MOZ15	Beckton Gateway	42.9	0	0.0	42.9
EMP1	Cody Road	20.4	0	0.0	20.4
EMP2	Leyton Road	3.1	50	1.6	1.6
EMP3	Bridgwater Road	3.9	75	3.0	1.0
EMP4	Marshgate Lane	34.7	100	34.7	0.0
EMP5	Silvertown Way	4.7	50	2.3	2.3
EMP6	Thameside West	47.7	40	19.1	28.6
EMP7	Thameside East	34.0	0	0.0	34.0
EMP8	London Industrial Park	22.7	0	0.0	22.7
Total		529.2ha		230.4ha	299.2ha

2.4.3 Table 2 above indicate the levels of land release and retained, and therefore provides an indication of the future industrial land portfolio of the Borough. Of course this is subject to review and likely to change in the light of emerging research and policy guidance. This is a figure revised in the light of the Olympic decision, resulting in a greater quantum of release. The Council may decide that there is a requirement for further industrial land designations, particularly in light of the need to relocate businesses from the Olympic and Paralympic application area, but also to meet wider sub-regional requirements.

2.4.4 Designation options for Newham's supply of industrial land currently appear to fall within 3 broad areas:

- land and premises retained for the expansion and consolidation of B1c, B2 and B8 operations. This designation will reflect GLA Strategic Employment Land designations;
- land and premises retained for the expansion and consolidation of B1c and B2 operations within predominantly residential areas. Where such operations may have an adverse impact on surrounding uses, an option is to allow the mixed redevelopment of sites provided that managed affordable workspace is provided; and
- land allocated for the mixed redevelopment including housing. Area Action Plans will be used to provide a strategic approach to land with consideration of different land uses and an emphasis on ensuring the provision of required hard and soft infrastructure.

3. Conclusions

3.1.1 The emerging Local Development Framework will be required to support the delivery of local and strategic objectives, particularly in relation to regeneration, economic development, housing supply, the Olympic and Paralympic Games, transport and sustainability. The management of the Boroughs supply of industrial land has impacts on all of these.

3.1.2 The review and implementation of land use change will require the cooperation of a range of partners and stakeholders to ensure that maximum benefits are sought for the Borough and its current and future communities. In particular, further consideration should be given to:

- The organisation of defensible industrial employment areas;
- The range of employment and training opportunities available;
- The provision of physical infrastructure;
- Community facilities including schools and health centres;
- Modern workspace including intensification and affordability; and
- Urban design considering interface between types of development.

3.1.3 This paper proposes a provisional review of supply that entails a release of some 230 hectares of land. However, this figure should be treated with caution and is subject to clarification following the publication of emerging research and policy guidance.

APPENDICIES

1. Vacant and Industrial Land Survey 2001 (update 2004)
2. References

Appendix 1: Vacant and Industrial Land Survey 2001 (update 2004)

Desig.	Area Ha	F & T	Textiles	W & P	Printing	C, P & N	M, M & E	Rent of M & E	Const.	Motor	Whole.	Utilities	Trans.	Dist.	R & R	Unknown
MOZ1	153.4	0.0	0.0	0.0	0.0	0.0	488.5	0.0	8709.3	23808.1	583.5	251.2	0.0	0.0	10827.1	47770.5
MOZ2	8.9	0.0	306.2	0.0	0.0	0.0	37453.8	1078.1	202.1	6156.8	0.0	0.0	0.0	3314.7	0.0	459.3
MOZ3	36.1	0.0	0.0	5992.2	0.0	14929.1	0.0	2857.2	4111.6	11774.9	14178.9	71809.5	0.0	2416.8	0.0	38262.2
MOZ4	23.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2114.6	0.0	0.0	0.0
MOZ5	31	12215.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	94614.0	0.0	0.0
MOZ6	21.4	0.0	0.0	0.0	2591.7	1960.8	25601.9	4188.3	17388.2	1273.3	16152.4	44776.1	0.0	32674.0	5916.8	3655.2
MOZ7	17.2	12028.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MOZ10	61.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	42225.5	0.0	0
MOZ11	16.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MOZ12	11.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10534.4
MOZ13	25.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4565.0	0.0	0.0	56082.2
MOZ14	52.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MOZ15	42.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	55428.4	0.0
EMP1	20.4	0.0	1129.3	0.0	6041.8	2147.7	6081.5	15604.2	38022.4	6608.7	6497.3	0.0	0.0	32812.6	2523.8	16349.7
EMP2	3.1	0.0	0.0	1292.3	514.9	4300.3	0.0	0.0	1050.3	2807.6	4667.8	0.0	0.0	1013.3	0.0	307.7
EMP3	3.9	1940.7	0.0	12404.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11189.1	0.0	0.0
EMP4	34.7	13609.7	0.0	14756.7	9278.6	6957.8	41636.9	3872.6	13819.3	20261.7	14441.9	1479.3	0.0	2295.4	14149.3	41122.9
EMP5	4.6	0.0	0.0	0.0	0.0	0.0	1814.6	702.4	0.0	3829.6	8805.0	0.0	0.0	0.0	0.0	3080.2
EMP6	47.6	14789.0	0.0	0.0	256.7	81198.5	8665.5	0.0	46646.1	4050.5	589.6	0.0	0.0	128076.4	9634.6	4364.6
EMP7	34	129937.1	0.0	0.0	0.0	7177.6	4636.0	3673.6	1378.6	6277.3	12163.8	1029.6	0.0	60038.5	0.0	11975.2
EMP8	22.7	6069.9	0.0	0.0	329.0	3399.5	14678.5	16238.5	0.0	772.2	21714.7	0.0	0.0	79795.9	0.0	14733.2
EMP9	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	722.9	0.0	0.0	0.0	0.0	0.0	0.0	1465.0
EMP10	2.9	0.0	0.0	819.6	0.0	0.0	1894.7	0.0	0.0	4314.9	0.0	0.0	0.0	1744.3	238.6	442.5
EMP11	2.5	23106.8	196.1	0.0	0.0	0.0	822.7	0.0	0.0	266.6	0.0	0.0	0.0	0.0	0.0	0.0
EMP12	0.4	0.0	0.0	971.9	0.0	0.0	0.0	0.0	0.0	0.0	1536.4	0.0	0.0	0.0	0.0	1323.9
EMP13	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7409.9	0.0	0.0	0.0	2339.9	1711.2
M2	0.5	0.0	0.0	0.0	0.0	0.0	190.5	0.0	65.9	1534.1	0.0	0.0	0.0	0.0	0.0	110.3
M7	3.1	0.0	0.0	521.0	0.0	0.0	0.0	2069.4	0.0	2434.2	791.4	0.0	0.0	0.0	0.0	15872.5
Totals		213697	1631.6	36757.9	19012.7	122071.3	143965	50284.2	132116.7	96170.7	109532.5	119345.6	6679.6	492210.3	101058.5	269622.8

Desig.	Total in use	Vacant	Derelict	Cleared	Total not in use	In use + not in use
MOZ1	92438.1	28058.18	95091.7	868852.1	992001.98	1084440.11
MOZ2	48971.0	0	9160.8	0	9160.8	58131.8
MOZ3	166332.4	12263.72	0	0	12263.72	178596.08
MOZ4	2114.6	33159.3	68951.7	21389.4	123500.4	125615
MOZ5	106829.2	37526.8	0	0	37526.8	144356
MOZ6	156178.7	23171	0	0	23171	179349.7
MOZ7	12028.7	0	0	159879.8	159879.8	171908.5
MOZ10	42225.5	0	0	214930.4	214930.4	257155.9
MOZ11	0.0	0	0	100701.2	100701.2	100701.2
MOZ12	10534.4	0	0	101773.8	101773.8	112308.2
MOZ13	60647.2	0	0	148009.3	148009.3	208656.5
MOZ14	0.0	0	0	314993.7	314993.7	314993.7
MOZ15	55428.4	0	0	342796.7	342796.7	398225.1
EMP1	133819.2	20669.35	0	0	20669.35	154488.5
EMP2	15954.1	6073.3	0	0	6073.3	22027.35
EMP3	25534.0	10948.88	889.87	0	11838.75	37372.71
EMP4	197682.1	62703.69	18534.55	0	81238.24	278920.32
EMP5	18231.7	9475.21	699.65	0	10174.86	28406.6
EMP6	298271.4	7351.18	34979.14	115312.8	157643.11	455914.51
EMP7	238287.2	14296.17	0	0	14296.17	252583.37
EMP8	157731.5	17216.46	0	0	17216.46	174947.91
EMP9	2187.9	2948.87	0	0	2948.87	5136.77
EMP10	9454.6	14837.91	0	0	14837.91	24292.47
EMP11	24392.2	214.18	0	0	214.18	24606.34
EMP12	3832.2	0	0	0	0	3832.21
EMP13	11461.1	0	0	0	0	11461.07
M2	1900.7	0	0	0	0	1900.7
M7	21688.5	5228.41	0	0	5228.41	26916.9
Total m2	1914156.4	306142.6	228307.4	2388639.2	2923089.2	4837245.6
Total Ha	191.4	30.6	22.8	238.9	292.3	483.7

List of abbreviations

Desig.	Designation surveyed
F & T	Food & tobacco
W & P	Wood & paper products
C, P & N	Chemicals, plastics & non-metallic goods
M, M & E	Metals, machinery & equipment
Rent of M & E	Rental of machinery & equipment
Const.	Construction
Motor	Motor vehicle sale & repair
Whole	Wholesale
Trans	Transport
Dist	Distribution
R & R	Refuse & recycling

Appendix 2: References

Planning Policy Guidance note 4 - Industrial, commercial development and small firms – March 2001.

Planning Policy Guidance note 3 - Housing January 2005 update.

ODPM – Employment Land Reviews: Guidance note – December 2004

GLA- The London Plan – February 2004

GLA – Industrial and Warehousing Land Demand in London – August 2004

Draft East London Sub-regional Development Framework – May 2005

East London Industrial Land Management Strategy – due December 2005

London Plan Implementation Report: Safeguarded wharves on the River Thames – January 2005

LBN Unitary Development Plan – June 2001

LBN Vacant and Industrial Land 2004 update.

ONS Census 2001

ONS Annual Business Inquiry 2004

URS Lower Lea Land Use Survey, 2003.