

Assessment of Light industrial and Storage Stock in Richmond upon Thames

Prepared by Richmond upon Thames
Local Plan Team
Environment Directorate

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Contact: LocalPlan@richmond.gov.uk

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1.1 Introduction

1.2 Changes to permitted development rights

1.1.1 The Government is providing greater flexibility for change to alternative uses without requiring planning permission as part of its agenda to free up the planning system in order to provide more homes¹.

1.1.2 A new permitted development right will allow **storage or distribution buildings (B8)** to change use to **residential (C3)**. Up to 500m² of floor space will be able to change to residential use. The right is subject to a prior approval process covering transport and highways, air quality impacts on intended occupiers, noise impacts of the development, risks of contamination, flooding, and the impact the change of use would have on existing industrial uses and/ or storage or distribution uses.

1.1.3 The right only applies to buildings that were last used or were in use as storage or distribution (B8) on or before 19th March 2014. This would include former businesses in the use class (B1) or general industrial (B2) buildings that have changed use to storage or distribution (B8) use under existing permitted development rights², provided that they were in such uses on 19th March 2014. However, there is an additional requirement that a building seeking to change use must have been in B8 use for a period of a least 4 years before the date development begins. The new right does not apply in World Heritage Sites, Listed Buildings or land within the curtilage of Listed Buildings, Scheduled Monuments, or in Sites of Special Scientific Interest. After changing to a residential use, existing permitted development rights for dwelling houses (C3) will not apply. The provisions came into force from 15 April 2015.

The Town and Country Planning (General Permitted Development) (England) Order 2015 consolidates planning legislation and sets out a number of policy changes in England¹

² Permitted development I

I. Development consisting of a change of use of a building—

(a) from any use falling within Class B2 (general industrial) or B8 (storage or distribution) of the Schedule to the Use Classes Order, to a use for any purpose falling within Class B1 (business) of that Schedule;

(b) from any use falling within Class B1 (business) or B2 (general industrial) of the Schedule to the Use Classes Order, to a use for any purpose falling within Class B8 (storage or distribution) of that Schedule.

Development not permitted

I.1 Development is not permitted by Class I, where the change is to or from a use falling within Class B8 of that Schedule, if the change of use relates to more than 500 square metres of floor space in the building.

- 1.1.4 Alarming the Government had also announced that general industrial (B2) uses will also benefit from PD rights once the amendments to the GPDO had been made. We therefore also included B2 uses in this study; and in fact most of our industrial sites are a mix of the “core” industrial uses type described below. As it turned out, the Government did not include this B2 to C3 permitted development in the 2015 GDPO, though they are free to do so at a later date.
- 1.1.5 On 15/04/2016 *Planning* magazine reported that a further permitted development rights expansion will, from October 2017, make it easier for developers to change the use of light industrial buildings to housing without requiring planning permission. The new class PA permitted development right (PDR), contained in an amendment to the General Permitted Development Order introduced earlier this month, will last for three years and will enable light industrial units in the B1(c) class that may already be sited in residential areas to be used to provide new homes.
- 1.1.6 The Chair of the Board of the Planning Officers Society expected take-up to be lower than under the office-to-residential PDR. He warned that some industrial space could be lost for innovative small businesses in the creative industries. These tend to occupy cheap, flexible secondary space that can be used for research, product development and small-scale manufacturing.

1.2 The Richmond upon Thames context

- 1.2.1 There is a severe shortage of low cost industrial land. Only 2.6 % of the whole of the Borough land area is comprised of non-domestic buildings³. The nature of the business parks and industrial estates means there are a mix of uses in most buildings. For example for a warehouse/storage building B8, there is likely to be an office associated with the storage operation. Similarly, light industrial (B1c) or general industrial (B2) activities may have both some storage and office activities in the premises. An industrial land supply study published by GLA⁴ uses the following definition for types of industrial land: ‘Core’ industrial uses comprise general industry, light industry, warehouses, open storage and self-storage. This is considered to cover most types of industrial business activity. ‘Wider’ industrial uses comprise wholesale markets, waste management and recycling facilities, utilities, land for rail, land for buses, airport related land, and other industrial land. Such uses are industrial in nature and support the functioning of London for instance by way of providing space for infrastructure. ‘Vacant’ industrial land comprises sites which are vacant and cleared, land with derelict buildings and / or land with vacant buildings capable of occupation.
- 1.2.2 The London Industrial Land Supply and Economy Study shows that vacancy rates in Richmond are very low (2.6% vacancy, for core industrial/warehousing land). Thus, the latest research would suggest that the London Plan **restricted transfer** category for Richmond is still the right one. Boroughs in this **Restricted Transfer** category are encouraged to adopt a more restrictive approach to transfer of industrial land to other uses. The study assesses the supply of industrial land in London in 2015. It looks at how much industrial land has been released over the period 2010-2015 as well as potential future release of land in the planning pipeline. The study analyses

³ ONS land use statistics.

⁴ London Industrial Land Supply and Economy Study, 2015 by consultants AECOM in association with Cushman & Wakefield, We Made That and Maddison Graphics, published March 2016.

employment and business in designated industrial sites and assesses trends in industrial land supply in the inner south east of England and compares these with trends in London. The study also considers the potential economic and congestion impacts of a reduced supply of industrial land in the capital. The study will form part of the evidence base for the London Plan full review, in combination with a related demand study which will follow later this year. The GLA confirm that they are not changing the London Plan/SPG categorisations through this research – this is a matter for the London Plan full review and the demand stage of research into London’s industrial land. Richmond will remain in the restricted category until the Plan is reviewed.

- 1.2.3 A further worry is that office (B1a) floor space in designated industrial areas may obtain prior approval for office to residential conversion. There is recognised to be a potential for areas containing prior approvals for conversions to experience a loss or erosion of their functionality as industrial land through the introduction of land use incompatible with industrial uses. Over time, land adjacent to these sites of conversion to non-industrial uses could be prone to further release of industrial land.
- 1.2.4 In answer to a question whether the GLA would support a Borough approach to distinguishing between different types of employment uses (e.g. B1, B2, B8) in a revised employment policy they affirmed that a policy can make a distinction between B1, B2 and B8 but of course, it depends upon the policy wording as to whether the GLA would support it.
- 1.2.5 When the Government introduced the permitted development right for B1a sites to change in use to residential there was very great concern that the loss of sites and floor space would have a detrimental impact on the economy of the borough. There was particular concern over the future availability of business premises, the impact on surrounding businesses and the quality of the new dwellings. The fears have proved to be correct and 81,978sqm of office floor space received prior approval between May 2013 and Feb 2016, which equates to 28% of the overall estimated office stock, with the trend continuing since then. Most premises were occupied so those jobs potentially will be lost and, with the shortage of space there is by no means any guarantee that these jobs will be replaced within the borough.
- 1.2.6 The value difference between warehousing and residential land would be a major incentive for owners to take advantage of this new flexibility. The result would be contrary to recommendations from the LBRuT (2013) Employment Sites and Premises Study⁵, which highlighted need for land to be retained and utilised for warehousing. It has also to be recognised that warehousing may provide fewer jobs than other employment uses and may involve more vehicle movements. The 2013 Employment Sites Study identified a need to cater for a growth in warehousing and recognised to some extent it may support other local business, especially those with space restrictions or no room for expansion.

1.3 The Richmond Response

- 1.3.1 Permitted development rights can be withdrawn if the local planning authority issues an Article 4 Direction. The Secretary of State has the power to make a direction modifying or cancelling an Article 4 direction for this type of permitted development

⁵ London Borough of Richmond upon Thames (2013) Employment Sites and Premises Survey, Peter Brett Associates LLP

right. In areas where an Article 4 Direction is in force, planning permission must be sought, which allows the authority to consider the planning merits of each case.

1.3.2 In November 2013 the Council published Article 4 Directions for change of use from B1a to C3 for a number of areas in the borough. These Article 4 Directions were subsequently allowed by the Secretary of State and **came into effect on 30 November 2014**. These areas are restricted in geographic extent and only apply in the following places:

- Richmond town centre – parts of
- Twickenham town centre – parts of
- Teddington town centre and Waldegrave Road
- National Physical Laboratory, Teddington
- Kingsway Business Park, Hampton
- Castle Business Village, Station Road and Mount Mews, High Street, Hampton
- Hampton Hill Business Park, Hampton Hill
- West Twickenham, south of River Crane
- St George's Industrial Estate, Twickenham
- Old Lodge Place, St Margaret's
- Tideway Yard and The Old Power Station, Mortlake
- Blake Mews Station Avenue, Kew

1.3.3 More information, including maps of the above areas can be found on the Council's website⁶. It should be noted that the Council considers that the Development Management policies, in particular DM EM2, should be applied to protect valuable employment use where it is possible to do so. There is a proven need to protect employment sites in the borough as has been established by the Local Plan evidence base. This is due to a number of factors including: the dispersed distribution of employment land across the borough, rather than in agglomerations in specific areas; the larger than average proportion of small businesses; and the number of highly qualified entrepreneurs living in the borough looking for flexible work space for business start-ups near where they live.

What the evidence says

1.3.4 The Council has been closely monitoring the loss of B1a office floor space resulting from the changes in PD rights. A research paper on this subject was published as part of a series of documents making up the 2014 Authority's Monitoring Report⁷. Latest figures up until the end of February this year reveal 234 prior approval applications were approved or allowed on appeal.

1.3.5 As a response to the potential significant loss of employment floor space and feedback from the business community reporting that many businesses were being evicted, the Council made a commitment⁸ to extend the existing Article 4 areas (in force 30 November 2014) to cover other significant office provision in the borough.

A major piece of research was undertaken to identify and assess the quality of office stock in the borough⁹. It focused on the following areas:

⁶ http://www.richmond.gov.uk/article_4_directions_offices_to_residential

⁷ http://www.richmond.gov.uk/employment_amr_2014.pdf

⁸ See 9 July 2014 Cabinet report:

<http://cabnet.richmond.gov.uk/documents/s51440/july%20cabinet%20report%20article%204%20directions.pdf>

⁹ http://www2.richmond.gov.uk/docs/assessment_of_office_stock_in_LBRuT.pdf

- The 5 main centres of Richmond, Twickenham, Teddington, East Sheen and Whitton, (in doing so considering the extent of the area subject to an existing Article 4 Direction where in existence).
 - The Areas of Mixed Use as defined on the Local Plan proposals map- (policy DM TC2 of the Development Management Plan)¹⁰.
 - other agglomerations of significant office provision across the borough
 - Significant stand-alone offices.
- 1.3.6. The research mapped employment data and prior approval permissions in order to identify which areas should be the subject of detailed fieldwork to assess the quality of the stock. This process also drew on Business Rates data, the Council's Town Centre Land Use data and local knowledge. A proforma was developed to systematically assess each building in the field. A set of criteria were then applied to assess quality which are set out in full below (para. 2.3.1). As a result a number of areas were defined to which a second Article 4 Direction would relate.
- 1.3.7 On 4 September 2015, Richmond Council gave notice of the making of a non-immediate Article 4 to remove the permitted development rights for change of use from office to residential for the areas set out in Appendix 4.
- 1.3.8 Further information and maps of these areas can be found on the Council's website. The Secretary of State has confirmed that he does not intend to intervene in relation to this Article 4 Direction and consequently it will take effect on 1st October this year, after which it will no longer be possible to change the use of offices within the defined areas to residential uses without a grant of planning permission by the Council.
- 1.3.9 The B1a office to residential was originally a temporary permitted development right that was due to expire on 30 May 2016, but from 6 April 2016 new regulations put this on a permanent footing.
- 1.3.10 In respect of the industrial and storage land across the borough the Council sought to ascertain the extent and condition of the existing industrial areas as part of the Local Plan review and evaluate any potential for allocation, intensification and regeneration. The study sought to answer whether Article 4 Directions be put in place or proposed across certain parts of the borough to remove PD rights in order to protect against further loss of this important resource.
- 1.3.11 The Council's monitoring system has been revised to include the monitoring of Part 3 Class P - Change of use from B8 to C3 during a 3 year period from 15/04/2015 to 15/04/2018. To date there have been 2 applications for prior approval determination:
- 15/1967/GPD16: Rear Mews, 128 Heath Road, Twickenham – REFUSED
 - 15/5389/GPD16: Store Rear Of 136, Heath Road, Twickenham, TW1 4BN - PENDING

³ http://www.richmond.gov.uk/employment_amr_2014.pdf

⁴ Using the Valuation Site estimate of 300,000m² in the borough (2012) as a denominator.

¹⁰ http://www.richmond.gov.uk/final_development_management_plan_adopted_nov_2011.pdf

2. Assessment of the Borough's Business Parks and Industrial Estates

2.1 Methodology

2.1.1 The Council has undertaken site visits to the business parks, industrial estates and individual larger industrial or storage buildings across the borough. Detailed site assessment was carried out in the field. The sites and buildings were identified, mapped, photographed and assessed in terms of a number of factors detailed below. The results are presented in the following sections.

2.2 Data sources used

2.2.1 Only 2.6% of the whole land area in the Borough is in non-domestic building use¹¹. Most of the built environment is in residential uses including gardens. Extensive analysis and review has been carried out in developing the site allocations included in the emerging Local Plan). This built upon local knowledge and survey work conducted to identify and designate sites in other Plans. Other sources of information include:

Experian

2.2.2 This exercise uses the employment data supplied by Experian enabling the identification of employment across the borough. It should be noted that this data has its limitations. Firstly, it may record employees who work for the business but who are not employed at that particular site, which could have the effect of exaggerating on-site employment. Secondly, the data are based on postcodes. There may be a number of businesses assigned to the same postcode which will not be visible when mapped. In addition, the data point itself may be located outside the employment site, but the business/businesses located inside it. Therefore, careful checking of the address data has been necessary to improve accuracy. Thirdly, some businesses on the database are run from home and are therefore primarily residential in use.

Business rates data.

2.2.3 Data provided from business rates shows a considerable number of store, workshop, warehouse and premises. The individual hereditaments are those that occupy a non-domestic property and there may be several hereditaments in one individual property. Furthermore the definitions of type of premises are not the same as those used for planning purposes. However the data is useful for cross-checking to ensure no site has been missed.

Employment Land Use Surveys

2.2.4 The exercise draws upon the previous employment land studies commissioned by the Council¹² and uses the local knowledge of officers. As a cross check it also uses data from the Council's Annual Town Centre Land Use Survey 2014 which surveys the ground floor occupiers of premises located in the borough's town, local and neighbourhood centres, and local parades.

¹¹ ONS Land use statistics

¹² (1) PBA, Richmond Employment Sites and Premises March 2013 http://www.richmond.gov.uk/final_report_march_2013.pdf
(2) URS, Employment Land Study (November 2009)
http://www.richmond.gov.uk/home/services/employment_land_study_november_2009.htm

Directories

2.2.5 The Yellow Pages and Business Directories were also used to find the addresses of business and storage facilities operating within the Borough.

2.3 Criteria for assessing the quality of industrial and warehousing stock

2.3.1 Each building was described in terms of age and whether a conversion or purpose-built. The following were used as criteria for assessing quality. The overall evaluation of each site takes into account a combination of these factors

- **The condition of the building** including maintenance. Generally, those properties defined as “good” or “high” quality were considered as worthy of protection as were modern buildings and good quality period properties.
- **The general environment**- including the location of the premises in relation to proximity to facilities making it attractive to businesses in terms of staff retention, its public transport accessibility, quality and amount of car parking and maintenance of grounds.
- **The scale of the building** - Larger units are generally being considered more suitable for protection. Whilst it is acknowledged that smaller premises make a valuable contribution to stock overall, it is also recognised that it is neither possible nor reasonable to protect every premises in the borough through an Article 4 Direction.
- **Planning status of sites** - where an Article 4 Direction might be under consideration, any valid and unexpired permissions or enforcement notices relating to properties likely to be included were taken into account. A property having planning consent would not necessarily automatically exclude it from an area proposed for an Article 4 Direction, depending on the quality and location of the building etc. The building’s heritage is also taken into account bearing in mind that Listed Buildings might be exempt from this permitted development right.
- **Occupancy** – the building’s occupancy was also a consideration. However, as above, being vacant or marketed did not automatically exclude a building. The quality and scale of the building and its setting was taken into account.

3. The Sites

3.1 Introduction

3.1.1 In addition to stock identified within “clusters”, stand-alone buildings have also been considered. These buildings were identified using a combination of the following, already referenced earlier in this report:

- the Experian employment data (2012)¹³,
- officer knowledge,

¹³ see Methodology chapter for caveats

- previous employment research¹⁴ commissioned by the Council in the form of employment land studies, and
- earlier work on site allocations, part of the emerging Local Plan.

3.1.2 The assessments also draw on information included in these earlier reports as well as detailed site surveys.

3.2 Clusters

3.2.1 The following table provides information on the business parks, industrial estates and individual sites and sets out whether it is recommended that the B8 and B1c /B2 be protected, primarily because of the scale and quality of the stock. It has been suggested that the Council should protect core industrial uses, i.e. general industry, light industry, warehouses, open storage and self-storage. On balance it would appear that this could be achieved through identifying the industrial sites within the Local Plan and preventing inappropriate change of use on these designated sites through the implementation of strict policies to protect and enhance the existing employment land. If an application for Prior Approval came in, it would be subject to a prior approval process covering transport and highways, air quality impacts on intended occupiers, noise impacts of the development, risks of contamination, flooding, and the impact the change of use would have on existing industrial uses and or storage or distribution uses.

An alternative would be to propose Article 4 directions There is a further complication due to the permitted change of use from B8 and B2 to B1, and B1 and B2 to B8. The Article 4 Direction therefore would have to cover a range of land uses that may exist at any one time. It would also have to be a non-immediate Article 4 Direction in order to avoid payment of compensation to landowners which would mean potential loss of stock before it came into force.

Article 4 Directions are one of the tools available to local planning authorities in responding to the particular needs of their areas. They do this by allowing authorities to withdraw the 'permitted development' rights that would otherwise apply by virtue of the Town and Country Planning (General Permitted Development) Order 1995 as amended (the 'GDPO'). An Article 4 Direction does not prevent the development to which it applies, but instead requires that planning permission is first obtained from the local planning authority for that development.

¹⁴ (1) PBA, Richmond Employment Sites and Premises March 2013 http://www.richmond.gov.uk/final_report_march_2013.pdf
(2) URS, Employment Land Study (November 2009)
http://www.richmond.gov.uk/employment_land_study_november_2009.htm

Table 1. Assessment of the Quality of the Clusters of Industrial Land Uses

Site Name	location	Quality	Uses	recommendatio n
Glentham Road 42-46	Barnes	fair	Offices + Art 4 and light industrial	Designate as a Key Office Area (KOA)in emerging Local Plan
74 Oldfield Road	Hampton	good	Offices, storage and light industrial	Single building. Designate as Locally Important Industrial Land and Business Park in emerging Local Plan.
Kempton Gate Business Centre	Hampton	good	Mixed: storage and light industrial	Designate as Locally Important Industrial Land and Business Park in emerging Local Plan.
Kingsway Business Park	Hampton	good	Offices and light industrial	Designate as a Key Office Area & Locally Important Industrial Land and Business Park in emerging Local Plan
Castle Business Village	Hampton	good	Offices + Art 4	Designate as a Key Office Area in emerging Local Plan
St Clare Business Park	Hampton	Semi derelict	Storage, light industrial and office.	Protect for B8 and B2 (Offices are poor and under occupied) Designate as Locally Important Industrial Land and Business Park in emerging Local Plan
Port Hampton, Platt's Eyot	Hampton	Listed Buildings at risk, BTMs	Boatyard, light industry and storage	Is a Proposal site In the emerging Local Plan
Hampton	Hampton	good	Offices + Art	Designate as a

Site Name	location	Quality	Uses	recommendation
Hill Business Park	Hill		4	KOA in emerging Local Plan
Marlborough Trading Estate	Kew	fair	HQ Offices and storage	Could protect the offices with an Article 4 Direction & Designate as Locally Important Industrial Land and Business Park in emerging Local Plan
Sandycombe Centre	Kew	Boarded up Now development site	Former light industrial	Subject to Planning Application for Mixed uses. Designate as Locally Important Industrial Land and Business Park in emerging Local Plan
Old Power Station and Tideway Yard	Mortlake	Very good	Offices + Art 4	Designate as a Key Office Area in emerging Local Plan
Stag Brewery	Mortlake	Mostly Good	Brewery , storage and distribution and ancillary offices	Proposal Site in emerging Local Plan. See existing Site Brief
Market Road, Richmond	Richmond	good	Storage and distribution B8, B1c Light industrial	Designate as Locally Important Industrial Land and Business Park in emerging Local Plan
St Margaret's Business Centre	St Margaret's	good	Mixed office, light industry and storage and distribution	Designate as Locally Important Industrial Land and Business Park in emerging Local Plan
Twickenham Film Studios	St Margaret's	Some renovations	Film studios and ancillary	Protect heritage asset. Designate

Site Name	location	Quality	Uses	recommendatio n
& Arlington Works		underway at TW1	offices. Waste oils	as Locally Important Industrial Land and Business Park in emerging Local Plan Arlington works is a Safeguarded waste site
Swan Island Industrial Estate	Strawberry Vale	fair	Boatyard, light industrial and storage	Designate as Locally Important Industrial Land and Business Park in emerging Local Plan
Heathlands Industrial Estate	Twickenham	Purpose built	Plumber and decorators trade & retail, warehouses, offices, workshops, light industry	Designate as Locally Important Industrial Land and Business Park in emerging Local Plan
Electroline House and surrounds	Twickenham	Railway arches. Old fashioned in need of refurbishment	Mixed uses, B1a, B1c, B2, B8	Cheaper mixed accommodation. Designate as Locally Important Industrial Land and Business Park in emerging Local Plan
Mereway Centre	Twickenham	Purpose built B2/B8 and older brick B2	Mixed industrial	Designate as Locally Important Industrial Land and Business Park in emerging Local Plan
St. George's Industrial Estate	Twickenham	Very good	B1 and B8	May be designated as a Key Office Area in emerging Local Plan. Could protect the B1a offices through Art 4. & designate as

Site Name	location	Quality	Uses	recommendatio n
				Locally Important Industrial Land and Business Park in emerging Local Plan
West Twickenham Cluster Greggs Bakery	Twickenham	Fair	General industry B2	Designate as a Locally Important Industrial Land and Business Park in emerging Local Plan
Twickenham Depot	Twickenham		Waste transfer, depot and storage	Safeguarded waste site in the WLWP
NPL/LGC	Teddington	good	Laboratories , offices and storage	Has an Art 4 phase 1. Designate as both KOA and an ILBP in the emerging Local Plan
Teddington Business Park	Teddington	Good Purpose built	B1, B8	Already has an Art 4 on B1a. Designate as Locally Important Industrial Land and Business Park in the emerging Local Plan
50-56 Waldegrave Road cluster	Teddington	good	Laboratory B1b and car servicing and repairs B2,	Designate as Locally Important Industrial Land and Business Park in emerging Local Plan
Mill Farm Business Park	Whitton	good	Mixed light industrial, offices, storage and distribution	Designate as Locally Important Industrial Land and Business Park in emerging Local Plan
Self-Storage				
Big Yellow Self Storage	Victoria Villas, Lower Mortlake	good	B8	Designate as Locally Important Industrial Land

Site Name	location	Quality	Uses	recommendation
	Road, Richmond			and Business Park in emerging Local Plan.
		good	B8	Designate as Locally Important Industrial Land and Business Park in emerging Local Plan.
Big Yellow Self Storage	197 Lower Richmond Road, Richmond			Designate as Locally Important Industrial Land and Business Park in emerging Local Plan.
		good	B8	Designate as Locally Important Industrial Land and Business Park in emerging Local Plan.
Currie Easy Self Storage	1-13 Market Road, Richmond			Designate as Locally Important Industrial Land and Business Park in emerging Local Plan.
		fair	B8	Designate as Locally Important Industrial Land and Business Park in emerging Local Plan.
Storage Richmond upon Thames	17 Market Road, Richmond			Designate as Locally Important Industrial Land and Business Park in emerging Local Plan.
	Worthy of added protection			
	No B1c/B2/B8 to protect		May already have Art.4 for Offices to Residential	

Key

4. Protection through the Local Plan

4.1.1 The Council's existing policies on the Economy and Employment in the Local Plan are in general conformity with the NPPF and London Plan which both encourage local authorities to support a strong local economy. To address the shortage of offices resulting from B1 to C3 permitted development rights and the simultaneous pressure for redevelopment of the borough's limited industrial space, the Council proposes strengthening the overall approach towards employment sites and introducing separate policies for 'Offices' and 'Industrial Land and Business Parks'.

4.1 Key Office Areas

4.1.2 The Key Office Areas have been designated because of their particular importance for office employment space. These areas align with the areas subject to the Article 4 Directions where permitted development rights for change of use from office to residential have been removed. See Appendix 4.

- 4.1.3 In the Key Office Areas there is a presumption that the quantum of existing office floor space will be retained or enhanced, there will be no loss of office space under any circumstances and development of new office space is encouraged. Redevelopment in these areas is permitted but any proposal for new or redevelopment of employment or mixed use space that includes office floorspace will be required to contribute to a net increase in office floorspace. Specific details would be discussed on a case by case basis. Any applications involving a net loss of office space in the Key Office Areas will be refused, for example a straight change of use from office to any other use would not be permitted.

4.2 Retention of industrial space

- 4.2.1 In order to support the borough's economic/employment needs the council proposes giving special protection to key land and premises in industrial use, especially those falling within B2 and B8 land uses.

What the evidence says

- 4.2.2 The borough has a very limited supply of industrial floorspace and demand for this type of land is high in the borough. The GLA's Land for Industry and Transport SPG (2012) states that Richmond should ensure a 'restrictive' approach towards the transfer of industrial land to other uses until 2031. Further to this, the GLA recently published an Industrial Land Supply and Economy Study (2015) which demonstrates that Richmond borough has a very limited supply of industrial land with only 17.3 hectares of general and light industrial space and 8.1 hectares of warehousing and storage facilities, amongst the lowest of all the London boroughs. The borough's 'restrictive transfer' approach is unlikely to change within the next London Plan. Therefore locally important industrial estates and business parks should be specifically listed in a new policy and given enhanced protection. Some of these sites also provide for locally important creative industries and other key employment facilities.

4.2.3 Proposed policy: Industrial Land and Business Parks

Retention of industrial space

"A. There is a presumption against loss of industrial land in all parts of the borough, and any loss will be strongly resisted in the identified locally important industrial land and business parks unless full replacement provision is provided.

Loss of industrial space will only be permitted where:

1. Robust and compelling evidence is provided which clearly demonstrates that there is no longer demand for an industrial based use in this location and that there is not likely to be in the foreseeable future. This must include evidence of completion of a full and proper marketing exercise of the site at realistic prices both for the existing use or an alternative industrial use completed over a minimum period of two continuous years; and then
2. A sequential approach to redevelopment or change of use is applied as follows:
 - a. Redevelopment for office or alternative employment uses.
 - b. Mixed use including other employment generating or community uses.

New industrial space

B. Development of appropriate scale industrial uses, and improvement and expansion of such premises, is encouraged subject to other policies within this Plan, including town centres and transport. New industrial space should be flexible and adaptable for different types of uses and suitable to meet future needs, especially to provide for the requirements of local businesses and small firms.

Locally important industrial land and business parks

C. The Council has identified locally important industrial land and business parks (as set out in the supporting text). In these areas:

- a. loss of industrial floorspace will be resisted unless replacement floorspace is provided;
- b. development of new industrial floorspace and improvement and expansion of existing premises is encouraged; and
- c. proposals for non-industrial uses will be resisted where the introduction of such uses would have an adverse impact on the continued operation of the existing services.

The term 'industrial land' referred to throughout this policy covers land used for general industry, light industry, warehouses, open storage, self-storage, distribution and logistics and other similar types of employment; uses which fall mainly within the B1c, B2, B8 or Sui Generis use classes.

Therefore there is a presumption against loss of any industrial or other such employment space in all parts of the borough, and any loss will be particularly strongly resisted in the listed important industrial land and business parks."

Retention of industrial land

- 4.2.4 The presumption against loss of industrial land in all parts of the borough includes a diverse range of different types and sizes of industrial spaces across the borough. Local service trades such as builders' merchants or car repairers that provide useful services to residents and other businesses in the borough as well as a source of local employment opportunities. Small firms such as these and start-up businesses require cheaper accommodation and small incubator units but often find it difficult to acquire suitable affordable premises as the higher value of land for other uses creates pressure for redevelopment for higher quality and more expensive accommodation. River related industries that support the use of river, and waterborne transport and freight contribute to the economy and the distinct quality of the borough.
- 4.2.5 Any loss of industrial space will only be permitted if the applicant can demonstrate that there is no demand for such space and that there is not likely to be in the foreseeable future. This must include evidence of completion of a full and proper marketing exercise of the site at realistic prices both for the existing use or an alternative industrial or other such employment use completed over a minimum period of two continuous years. (See Appendix 5: Marketing Requirements, of the emerging Local Plan). If the Council is satisfied that a full and proper marketing exercise has been undertaken and that there is no demand for continued industrial use on the site then redevelopment or change of use away from industrial use may be appropriate and a sequential approach to redevelopment must be applied, as follows:

- The preferred option in the sequential test is consideration of alternative employment generating uses. These uses should include in the first instance B use classes such as offices and if these are not practicable then social infrastructure and community uses such as health clinics, nurseries and crèches, leisure facilities or other uses identified for community purposes.
- The second option in the sequential test is for mixed use development including other employment generating or community uses. Proposals for mixed use schemes should maintain or improve the amount of employment floorspace on site.

4.3 Locally important industrial land and business parks

4.3.1 The locally important industrial land and business parks, listed below, are of particular significance for warehousing, distribution, storage and other industrial employment as well as for the locally prominent creative, scientific and service industries and other key employment sectors:

- Kempton Gate Business Park, Oldfield Road, Hampton
- Kingsway Business Park, Oldfield Road, Hampton
- St Clare Business Park, Holly Road, Hampton
- 74 Oldfield Road, Hampton
- 50-56 Waldegrave Road, Teddington
- National Physical Laboratory and Laboratory of the Government Chemist, Hampton Road, Teddington
- Teddington Business Park, Station Road, Teddington
- West Twickenham cluster (including Gregg's Bakery and surroundings), Twickenham
- Heathland Industrial Estate, Twickenham
- St George's Industrial Estate, The Green, Twickenham
- Mereway Road Industrial Estate, Twickenham
- Swan Island Industrial Estate, Strawberry Vale, Twickenham
- Electroline House and surrounds, Twickenham
- St Margaret's Business Centre, Winchester Road, St Margaret's
- Twickenham Film Studios and Arlington Works, St Margaret's
- Market Road, Richmond
- Sandycombe Centre, Sandycombe Road, Kew (subject to planning application)
- Marlborough Trading Estate, Mortlake Road, Kew
- Mill Farm Business Park, Whitton
- Big Yellow Self Storage, Lower Mortlake Road, Richmond
- Big Yellow Self Storage, Lower Richmond Road, Richmond
- Currie Easy Self Storage, Market Road, Richmond
- Storage Richmond, Market Road, Richmond.

4.3.2 In the locally important industrial land and business parks, loss of industrial space will be strongly resisted unless full replacement provision is provided, which should be on-site. New industrial, storage and distribution development, as well as improvement and expansion of such premises, is encouraged in these areas, particularly new B2, B8 or B1(c) floor space, subject to other policies in this Plan. Proposals for non-industrial uses will be resisted unless the proposed uses are ancillary to the principal industrial use on the site; for example freestanding office buildings are unlikely to be acceptable in the locally important industrial land and business parks listed above.

5 Summary and conclusions

- 5.1.1 In order to provide a variety and choice of employment opportunities for the public and to encourage firms to set up, remain and expand in the borough there needs to be the right type of land and premises at the right price.
- 5.1.2 A briefing by London Councils on office to residential conversions through permitted development across London¹⁵ revealed some significant adverse impacts to the local economy. These include:
- Loss of key office accommodation;
 - Loss of occupied space: the existing permitted development rights make no distinction between occupied and vacant office accommodation, and allow for no consideration of the impact of the loss of key office space;
 - Increase in office rents: some boroughs have reported that permitted development rights have had an impact on land values for scarce office stock, threatening the viability of office redevelopment and refurbishment even in areas where there is clear demand;
 - Reducing viability of local office markets in particular in outer London, where a critical mass of office accommodation is being lost, reducing the viability of economic centres and the availability of neighbourhood office type accommodation such as dentists' surgeries. Parts of outer London, such as Richmond-upon Thames are particularly vulnerable to conversions through permitted development given the substantial differential between office and residential values in such areas. Richmond borough alone in 2015 had seen at least 57,000 sq m of office floor space approved for conversion to residential use.
- 5.1.3 In addition the rights have led to the loss of new affordable housing supply and the introduction of poor quality new housing. As residential conversions are no longer required to be plan-compliant, many unsustainable and poor quality schemes have been brought forward, with the local planning authority having no power to ensure they meet basic standards such as minimum space and adequate light and ventilation.
- 5.1.4 The differential between industrial and residential land values is even greater than for office and residential land uses. Industrial land values average £4.9m per ha London-wide, with the Wandle Valley having the highest average industrial property values at around £6.2m per ha. Reflecting rental values, the Thames Gateway has the lowest at £1.0m per ha (£2.5m per acre). Residential land values reflect a similar pattern to that of industrial with the highest values in the South and West London sub regions / property market areas and lowest in the East and North. By property market, residential land values range from between 2.6 to 7.6 times industrial land values (Park Royal / A40 / Heathrow and Central Services Circle respectively) which

¹⁵ London Councils (2015) The Impact of Permitted Development Rights for Office to Residential Conversions, London

means that there is considerable market pressure to release industrial land for residential development.

- 5.1.5 Industrial employment in London in the period 2010 to 2015 is estimated to have increased by around 4%, which could represent a reversal of the longer-term trend of decline in industrial employment. It appears that (in London) the trend is leading to a situation in which most of the activities located in industrial areas will be associated with servicing the rest of the local economy and population.
- 5.1.6 At a local level significant shifts to non-industrial uses can undermine the integrity of industrial areas, and care is needed in planning for and managing change in industrial areas. The review of the Local Plan gives the Council the opportunity to ensure that policies are sufficiently robust and unambiguous, to protect Richmond's industrial sites with vigour, while at the same time, reducing the potential for blight, high hope values and issues over bad neighbour activities with other land uses harming industrial activities and viability.
- 5.1.7 There may be some scope for the introduction of Article 4 Directions to protect light industrial and storage by restricting permitted development but the evidence shows that, at least up to now there has been little interest in converting storage premises from B8 to C3 during the period from 15/04/2015. This PD right is subject to a prior approval process covering transport and highways, air quality impacts on intended occupiers, noise impacts of the development, risks of contamination, flooding, and the impact the change of use would have on existing industrial uses and or storage or distribution uses. These considerations may make an application less attractive and would certainly be applied to premises on industrial estates in the Borough. Applications for Prior Approval relating to this particular PD right will be closely monitored henceforward.

Assessment of Light industrial and Storage Stock
in Richmond upon Thames

Appendices

Prepared by Richmond upon Thames
Local Plan Team
Environment Directorate

June 2016

Contact: LocalPlan@richmond.gov.uk

Appendix 1: Cluster Assessments

The Sites
Glenthams Road, Barnes
74 Oldfield Road , Hampton
Kempton Gate Business Centre, 130 Oldfield Road , Hampton
Kingsway Business Park, Oldfield Road, Hampton
Castle Business Village, Hampton
St Clare Business Park, Holly Road, Hampton Hill
Port Hampton, Platts Eyot, Hampton
Hampton Hill Business Park, 219-221 High Street, Hampton Hill
Marlborough Trading Estate, 159 Mortlake Road, Kew
Sandycombe Centre, 1-11 Sandycombe Road, Kew
Civic Amenity Site, Townmead Road, Kew
Old Power Station and Tideway Yard
Stag Brewery, Mortlake
Market Road, Richmond
St Margaret's Business Centre, Drummond Place, Twickenham
Twickenham Film Studios
Depot, Marble Hill Park, Twickenham
Swan Island, Strawberry Vale, Twickenham
Heathlands Industrial Estate, Heathlands Close, Twickenham
Electroline House and surrounds
Mereway Road Industrial Estate, Twickenham
St George's Industrial Estate, The Green , Twickenham
West Twickenham Cluster
Twickenham Depot, Langhorn Drive, Twickenham
NPL/OGC
Teddington Business Park, Station Road, Teddington
Mill Farm Business Park, Millfield Road, Whitton
Self - Storage
Victoria Villas, Richmond
197 Lower Richmond Road, Mortlake
1-13 Market Road, Richmond
17 Market Road, Richmond

Appendix 2: London Industrial Land Supply and Economy

On 22 March 2016 GLA published the **London Industrial Land Supply and Economy Study 2015**. The consultants were AECOM in association with Cushman & Wakefield, We Made That and Maddison Graphics. The document and appendices can be downloaded via the following link under “Economy, employment, offices and industry”:

<https://www.london.gov.uk/what-we-do/planning/london-plan/london-plan-technical-and-research-reports>

Summary of key findings

- (1) In 2015 there was 6,976 hectares (ha) of industrial land in London, of which about a half was within Strategic Industrial Locations (SIL), 14% in Locally Significant Industrial Sites, and the remaining third in smaller, undesignated sites.
- (2) The London-wide vacancy rate in 2015 was 10.7% of the core industrial land stock (just industry and warehousing). Vacancy in previous years was 16% in 2001, 14% in 2006, and 12% in 2010. The highest borough level vacancy rate is in Newham (20%). Several boroughs however are at or below the 5% frictional vacancy rate, especially in Central, South and West London.
- (3) Past trends show an accelerated rate of industrial land release significantly above the Mayor’s London Plan and SPG target rates of release. The trend rate of release for 2010 to 2015 is 105 ha per annum, which is almost 3 times the London Plan/ SPG recommended rate of release of 36.6 ha per annum.
- (4) The development pipeline and proposed future industrial land release in OAPFs, Local Plans and Housing Zones could result in a further reduction of 830 hectares suggesting that recent London-wide trend rates of release will persist.
- (5) If the London-wide trends continue then the total stock of industrial land in London will decline from 6,976 ha in 2015 by a further 2,300 ha to around 4,700 ha in 2041, a 33% decline over this period.
- (6) Employment in industrial occupations in London was estimated at 560,000 jobs in 2014, 46% of which are in designated areas. It is estimated that there are an additional 130,000 non-industrial jobs within designated industrial areas.
- (7) Residential land values are typically three to seven times higher than industrial land values, which means that there is considerable market pressure to release industrial land for residential development.
- (8) Generally there does not appear to be strong evidence so far to suggest that reductions in availability of land and property have a direct correlation with increases in industrial rents at a local level.

(9) Case studies suggest that at a local level significant shifts to non-industrial uses can undermine the integrity of industrial areas, and care is needed in planning for and managing change in industrial areas.

(10) There is some evidence to suggest that industrial activities are responding to increased rents and reduced supply by increasing employment densities.

(11) The analysis suggests that there could be an emerging pattern of industrial sectors that are more sensitive to London and/or central London locations tending to remain or grow in London (e.g. logistics, food, construction, waste, motor vehicle servicing and repair), and other sectors that are less sensitive to location will tend to leave London (manufacturing, chemicals and metals).

(12) The analysis suggests that overall there may be potential for the adjacent South East region to (continue to) accommodate overspill demand from London (or demand transferring to the area as supply contracts in London).

(13) It is likely that if activities servicing core London markets are forced to relocate out of London, either to the adjacent South East or further afield, then total travel miles, congestion and consequent carbon emissions will increase.

Implications for Industrial Land Policy

(14) The review suggests that continued release of industrial land in London is justified provided that it is in the context of a wider framework of providing/protecting sufficient industrial land within and around London. However the rates of release seen over the last five years appear to be excessive and a more moderate rate of release is probably more appropriate. This will need to be considered in the forthcoming industrial land demand assessment.

(15) London appears to be heading towards a situation in which most of its activities located in industrial areas will be associated with servicing the rest of London's economy and population.

(16) It appears likely that at some point, potentially within the life of the current London Plan, there will be a case to switch from releasing industrial land to retaining most of the remaining land. Whether such a shift is appropriate will depend upon the strategic value placed upon these activities.

Appendix 3: Government changes to General Permitted Development

A wide range of new change of use permitted development rights were made at the end of the last Parliament. The Government of the day did not issue a formal response to the Technical consultation on planning before the 2015 General Election. It did however, confirm in its 25 March 2015 written statement to Parliament, that a number of the changes proposed in it would be made.¹⁶ These were laid before Parliament before the general election and the majority of the provisions came into force from 15 April 2015. The explanatory notes to these regulations set out the scope of new change of use permitted development rights as follows:

“A new permitted development right, for a three year period, will allow **storage or distribution buildings (B8)** to change use to **residential (C3)**. Up to 500m² of floor space will be able to change to residential use. The right is subject to a prior approval process covering transport and highways, air quality impacts on intended occupiers, noise impacts of the development, risks of contamination, flooding, and the impact the change of use would have on existing industrial uses and or storage or distribution uses. If the site is under an agricultural tenancy then the consent of both the landlord and the tenant will be needed for any development to be permitted. The right only applies to buildings that were last used or were in use as storage or distribution (B8) on or before 19th March 2014. This would include former businesses in an office use (B1) or general industrial (B2) buildings that have changed use to storage or distribution (B8) use under existing permitted development rights, provided that they were in such uses on 19th March 2014. However, there is an additional requirement that a building seeking to change use must have been in B8 use for a period of a least 4 years before the date development begins. The new right does not apply in National Parks, Areas of Outstanding Natural Beauty, the Broads and World Heritage Sites, Listed Buildings or land within the curtilage of Listed Buildings, Scheduled Monuments, or in Sites of Special Scientific Interest, Safety Hazard Areas and Military Explosives Storage Areas. After changing to a residential use, existing permitted development rights for dwelling houses (C3) will not apply.”

¹⁶ The Town and Country Planning (General Permitted Development) (England) Order 2015 No. 596 (the “2015 SI”) • The Town and Country Planning (Compensation) (England) Regulations No. 598 • The Town and Country Planning (Use Classes) (Amendment) (England) Order 2015 No. 597

Appendix 4: Proposed Designated Key Office Areas: are listed below.

Hampton:

- Thames Street, Hampton
- Kingsway Business Park, Hampton
- Castle Business Village, Station Road and Mount Mews, High Street, Hampton

Hampton Wick:

- High Street & Lower Teddington Road, Hampton Wick

Hampton Hill:

- Hampton Hill Business Park, Hampton Hill
- Northern part of High Street, Hampton Hill

Teddington:

- Teddington town centre and Waldegrave Road
- National Physical Laboratory and Laboratory of the Government Chemist, Teddington
- 127-133 High Street, and 1 & 2A Cambridge Road, Teddington
- 180 High Street, Teddington
- 43-67 Broad Street, Teddington
- 90-120 Church Road, Teddington
- 38-42 Hampton Road, Teddington

Twickenham:

- Parts of Twickenham town centre
- Bridge House, Twickenham
- Hampton Road, Twickenham
- Briar House, 5-11 Briar Road, Twickenham
- West Twickenham, south of River Crane
- St George's Industrial Estate, Twickenham

East Twickenham and St Margaret's:

- 417-435 Richmond Road, East Twickenham
- St George's House, 76 Crown Road, East Twickenham
- Old Lodge Place, St Margaret's

Richmond:

- Richmond town centre
- Petersham Road, Richmond
- Brook House & Sandal House, Richmond
- Sheen Road, Richmond
- 72-84 Lower Mortlake Road, Richmond
- Falstaff House & St George's House, Bardolph Road, Richmond

Kew:

- The National Archives, Ruskin Avenue, Kew
- Blake Mews Station Avenue, Kew

East Sheen and Mortlake:

- Part Sheen Lane, part Upper Richmond Road West, East Sheen
- Mortlake High Street, Mortlake
- Tideway Yard and The Old Power Station, Mortlake
- London House, 243-253 Lower Mortlake Road, Richmond

Barnes:

- Prospect Studios, Barnes High Street, Barnes
- 42-46 Glenthams Road, Barnes