



Lewisham Industrial Employment Land

Final Report

LB Lewisham

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Topic Paper

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CONTENTS

1	Introduction	1
1.1	Study Brief	1
1.2	Industrial Land in London.....	1
2	Industrial Land Supply.....	2
2.1	Industrial Land Supply Study.....	2
2.2	Industrial Floorspace Data.....	7
3	Employment Land Demand	9
3.1	Industrial Activity in Lewisham.....	9
3.2	Industrial Land Demand	10
4	Addressing Local Need.....	17
4.1	Industrial Workspace Needs	17
5	Intensification	21
5.1	Industrial Intensification and Co-Location	21
5.2	Opportunities for Intensification	22
6	Monitoring.....	24
6.1	Monitoring Framework	24
7	Conclusions.....	25
7.1	Summary.....	25

1 Introduction

1.1 Study Brief

The purpose of this paper is to present additional and more up to date evidence on employment land matters to inform the Lewisham Local Plan Examination in Public. In particular, there is a focus on the matter of industrial employment land.

The Lewisham Employment Land Study published in 2019 was based primarily on research undertaken and datasets available in 2018. Since then, five years have elapsed, new data has been published and the Covid pandemic has affected patterns of work.

This paper presents an analysis of recent industrial land trends in Lewisham drawing on the London Industrial Land Supply Study published in 2023.

1.2 Industrial Land in London

The London Industrial Land Supply Study 2020 reported that there were 6,800 hectares of industrial land in London in 2022, a stock that has steadily declined from a total of 8,300 hectares since 2001. In the early part of the century with 16% of industrial land vacant across London, releases of vacant, derelict, and under-utilised industrial land were encouraged. But the stock of industrial land has diminished to the extent that there are concerns that further losses of industrial land will inhibit the wider functionality of the London economy.

The London Plan 2021, through policies E4, E5 and E6 seeks to ensure there is an adequate supply of industrial land to sustain the range of industrial activities that the capital needs to function. Policy E7 on industrial intensification, co-location, and substitution states that, *“Development Plans and development proposals should be proactive and encourage the intensification of business uses”*.

The London Plan aims of retaining and intensifying industrial land are echoed in the Draft Lewisham Local Plan which seeks to ensure that there will be no net loss of industrial capacity in the borough and that net gains will be delivered where possible.

The London Industrial Land Supply Study 2020 also notes that after many years of continuous decline the number of industrial jobs in London has been rising since 2010. So, intensification of activity and more efficient utilisation of land has already been evident to some extent. The prospect of further intensification is also recognised in the London Industrial Land Commission report, which sees this as one of the potential solutions to the shortage of industrial land, noting that, *“Intensification has proved successful in other cities where land is at a premium.”*¹

This paper returns to the issue of intensification later, but first reviews recent trends in industrial land and floorspace in Lewisham.

¹ Making Space: Accommodating London's industrial future - Report of the Industrial Land Commission

2 Industrial Land Supply

2.1 Industrial Land Supply Study

The London Industrial Land Supply Study 2020² was published early in 2023. It presents a baseline analysis of the stock of industrial land in London in 2020 and compares this with previous years, the most recent being the 2015 baseline. This analysis draws on the published report and annexes and also on background data from the study provided by the GLA for the purposes of informing this paper.

The Industrial Land Supply annex shows that in 2020 57.1% of Lewisham's industrial land was occupied by core industrial uses, 34.3% by wider industrial uses, 4.1% was vacant land or buildings and just 4% was occupied by non-industrial uses. Offices accounted for just 1% or 1 ha of Lewisham's industrial land.

This was similar to the distribution for London as a whole where 59.1% was occupied by core industrial uses, 31.7% by wider industrial uses, 3.7% was vacant land or buildings and 5.6% was occupied by non-industrial uses. Lewisham has a lower percentage of non-industrial uses than London as a whole.

The data also shows a loss of -15.5 ha of industrial land over the period 2015-20. Over this same period there was also an increase of 0.8 ha in land occupied by non-industrial uses. The data shows a reduction of -13.0 ha of Core industrial uses, of -2.0 ha of wider industrial uses and a reduction of 1.5ha in vacant land or buildings. In total there has therefore been a reduction of 14 ha of occupied industrial land.

Losses have predominantly been from non-designated employment land. By employment land designation there was a loss of 1 ha of SIL, 1.5 ha of Locally Significant Industrial Sites (LSIS) and 13.3 ha of non-designated employment land of which 8.6 ha were noted as previously designated. (We assume that not all figures sum due to rounding).

The data supplied shows a reduction from 114.6 ha of industrial land in 2015 to 99.1ha in 2020. (The data published in the 2015 Industrial Land Supply study reported a total of 110.6 ha of industrial land in Lewisham. The reason the 2015 figure has been revised upwards is not known). The stock of industrial land by use is summarised in Table 2.1. Losses have been primarily amongst land for general industry, consistent with long term structural decline in manufacturing activity.

² The London Industrial Land Supply Study 2020 – Aecom (January 2023)

Table 2.1 Stock of Industrial Land by Use 2020 and 2015 (hectares)

	2020	2015	Change
Community Services	1.0	0.1	0.9
Dark Kitchens	0.0		0.0
Data Centre	0.8		0.8
Docks	0.0	0.0	0.0
General Industry	17.8	27.8	-10.0
Land for buses	3.1	3.0	0.1
Land for Rail	17.4	18.9	-1.5
Land with vacant buildings	0.9	1.5	-0.6
Light Industry	1.0	0.7	0.3
Mixed-use (Non-industrial only)	0.6		0.6
Office	1.0	2.0	-1.0
Open Storage	3.3	2.2	1.1
Other non-industrial	0.2	0.9	-0.7
Recreation and Leisure	0.2	0.0	0.2
Residential	0.7	0.0	0.7
Retail	0.3	0.2	0.1
Self-Storage	2.0	1.5	0.5
Utilities	7.3	7.3	0.0
Vacant industrial Land	3.2	4.1	-0.9
Warehouses	32.5	37.4	-4.9
Waste Management and Recycling	5.4	6.8	-1.4
Grand Total	99.0	114.6	-15.6

Source: London Industrial Land Supply data

The amount of industrial land released over that period is consistent with the recommendations for the 2015 Lewisham Employment Land Study³ (ELS) which concluded that:

“To help meet housing and wider regeneration objectives and given the forecasted net decline in industry in Lewisham over the plan period (...) the Council should permit a change of use away from industrial employment at the following clusters, currently either designated as MEL or Site allocations (equating to 15.4 hectares).”

The clusters identified for release were:

- Surrey Canal Rd Triangle (C23) – 6.2 hectares
- Sun and Kent Wharf (C25) – 1.0 hectares
- Arklow Road (C27) – 1.4 hectares
- Oxestalls Road (C28) – 4.1 hectares
- Grinstead Road (C30) – 0.8 hectares
- Thanet Wharf (C31) – 0.6 hectares
- Site West of Forest Hill Station (C35) – 0.1 hectares
- O'Rourke Transport/ Sivyer, 154-160 Sydenham Road (C36) – 0.5 hectares
- 80-84 Nightingale Grove (C37) – 0.7 hectares

³ London Borough of Lewisham Employment Land Study 2015 – Aecom (December 2015)

To put this in context the benchmark release figure from the 2012 London Industrial Land Demand Study was 22.8 ha over the period 2011-31, so the 2015 ELS figures would be broadly consistent with the London Plan benchmark release figures prevailing at the time.

Benchmark Release

The London Industrial Land Demand 2017 study⁴ identified a benchmark release figure of 12.4 ha for the period 2016-41. The London Industrial Land Supply study for 2020 shows that across London as a whole industrial land release has exceeded the benchmark figure. For London as a whole the release figure is 51.7% above the benchmark, compared with 31.4% for Lewisham. However, as the report notes despite a loss on industrial land there has been an increase in industrial employment, implying an intensification of activity.

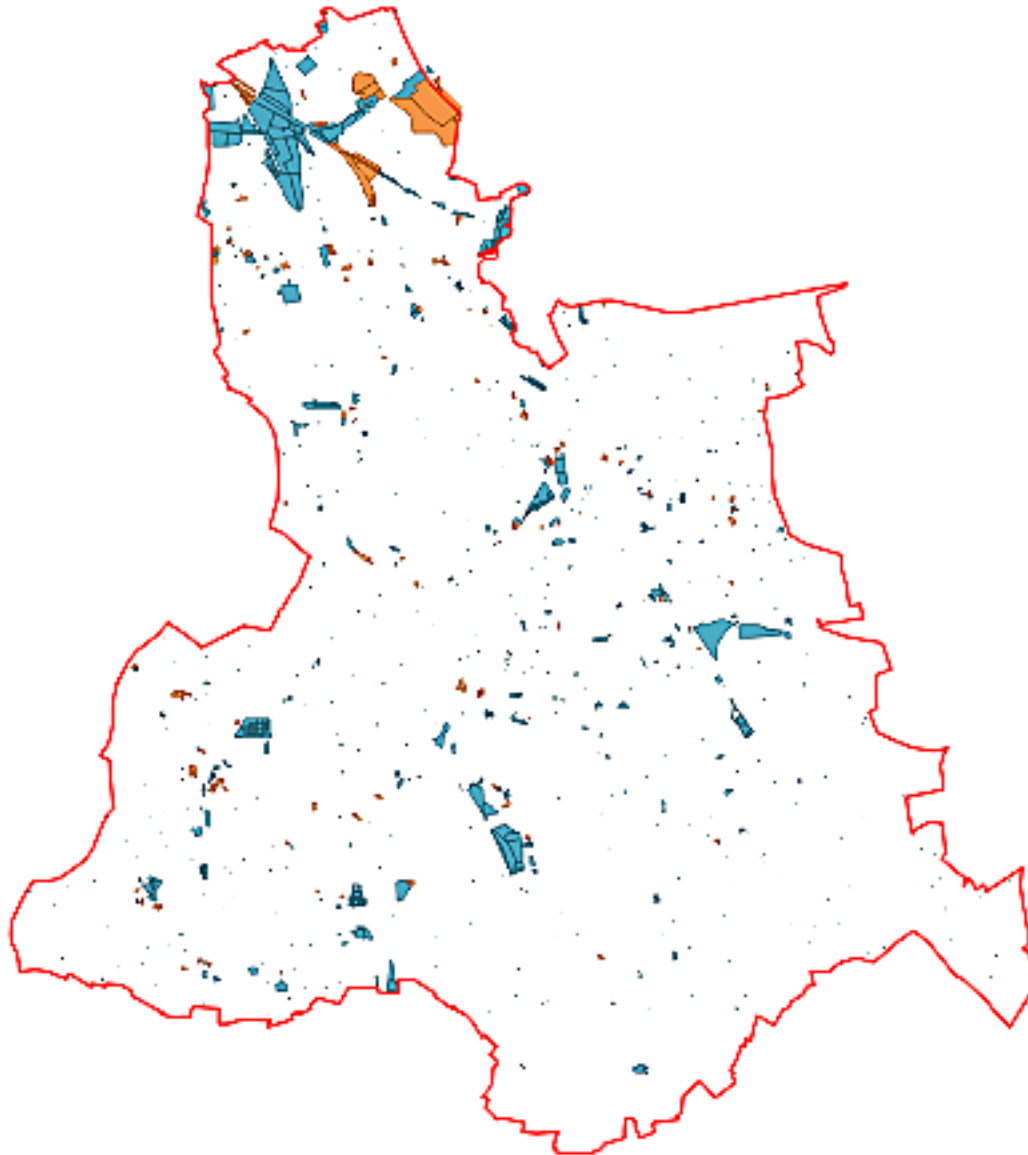
Site Level Change between 2015 and 2020

The maps below illustrate where employment land in Lewisham has been lost according to the data collected for the London Industrial Land Supply Study⁵. In the first map Figure 2.1, the blue parcels of land indicate industrial land sites in 2020. The brown parcels of land show sites that were recorded as industrial land in the 2015 survey, but not in the 2020 survey.

⁴ London Industrial land Demand - CAG Consultants

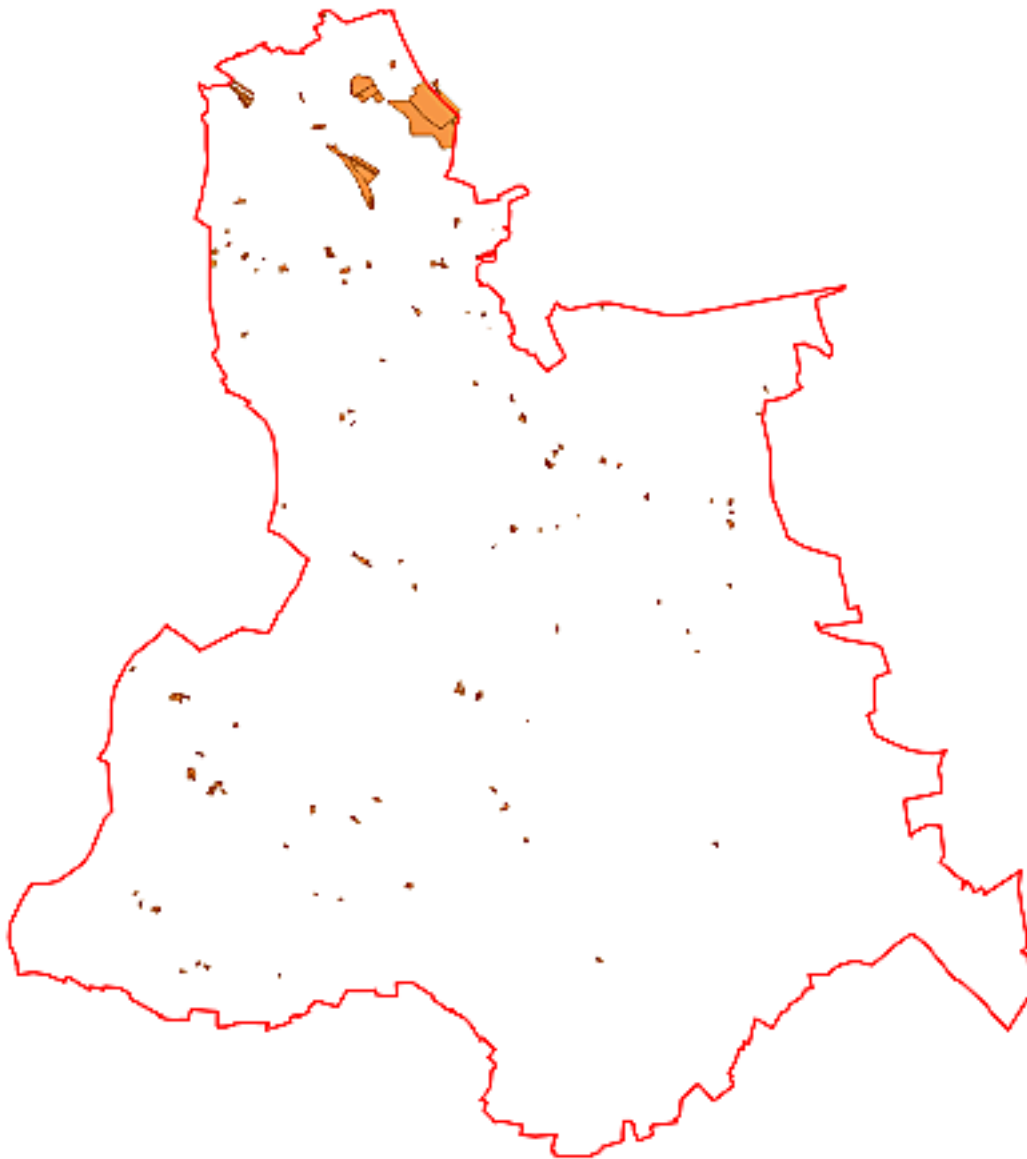
⁵ The maps having been prepared using GIS data from the London Industrial Land Supply study provided by the GLA. There are some small differences in the GIS data supplied and that in the published report, but these do not alter the general pattern of activity.

Figure 2.1 Industrial Land in Lewisham in 2015 and 2020



For clarity the second map, Figure 2.2, just shows the brown parcels of land that were present in 2015 but not 2020. As noted above losses have primarily been on non-designated employment land.

Figure 2.2 Industrial Land in Lewisham in 2015 not industrial in 2020



The largest single site on the top right of the map is Convoys Wharf. This was granted planning permission by the Greater London Authority (GLA) for a major development proposal in 2015. To the best of our understanding this was not included as part of the supply of industrial land for Lewisham in 2015.

The other principal sites to have been lost are Oxestalls Road, and Arklow Road Trading estate and neighbouring land. Together these two areas account for around half of the net loss in employment land set out in the London Industrial Land Supply study.

The third largest site is the Bermondsey Dive Under (BDU) site identified as the new Strategic Industrial Location (SIL) allocation is included in the 2015 data but not in the 2020 data. In 2015

the BDU site was made up of a series of land parcels each of which were identified as being occupied by 'General Industry', one of the core industrial uses. Therefore, it could accommodate industrial uses at that time.

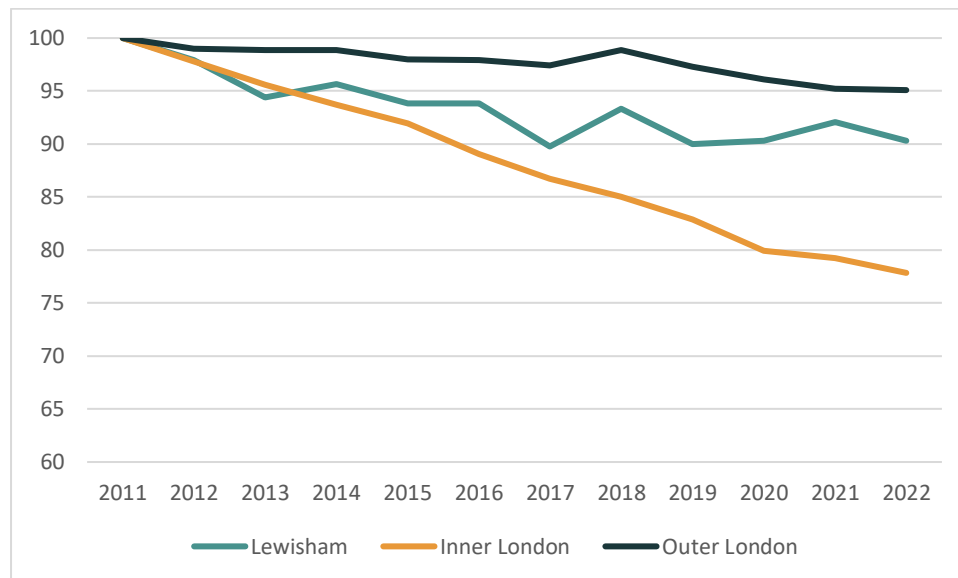
The land that has been lost is either planned strategic releases of industrial land or individual small parcels of land. Most of these are of less than 0.1 ha and probably were single occupier businesses. These are too numerous to analyse individually but one would speculate that in many cases the building became redundant when the occupier business closed or moved as the buildings were not suitable for other occupiers. This is consistent with the earlier finding that the majority of losses came from non-designated employment land.

There is one site between railway lines in Hither Green noted as land for rail of 3.97 ha which appears in 2020 but is absent from the 2015 data. This will be an addition to the industrial land supply partially offsetting some of the other losses.

2.2 Industrial Floorspace Data

Although there has been some loss of industrial land in Lewisham, the reduction in industrial capacity is less significant. Analysis of Valuation Office Agency (VOA) floorspace data shows that in recent years Lewisham has lost less industrial floorspace than Inner London generally and in the period 2015-20 lost just 14,000 sq m of industrial floorspace, equivalent of 2-3 ha of industrial land at standard plot ratios. The stock of industrial floorspace in 2022 was at the same level as 2020. The stock of industrial floorspace in Lewisham has remained broadly constant since 2017 at just over 350,000 sq m.

Figure 2.3 Stock of Industrial Floorspace 2011-2022 (Index 2011=100)



Source: VOA Business Floorspace

That the total stock of industrial floorspace has remained broadly stable over recent years is confirmed by analysis of planning permissions and completions data undertaken by LB Lewisham. This shows that over the period 2015-23 there was a net gain of 15,600 sq m of industrial floorspace on completed developments and a net loss of -3,200 sq m on developments currently under construction. In total that would give a net gain of 12,400 sq m of industrial floorspace in Lewisham over the period 2015-23.

In addition, there is expected to be a net gain of 29,600 sq m of industrial floorspace from projects that have outstanding consents.

Table 2.2 Completions and Consents for Industrial Floorspace Lewisham 2015-23

	B1c	B2	B8	Total
Completed	431	-35	15,167	15,563
Commenced	-200	-2,534	-476	-3,210
Consent	13,930	16,196	-498	29,628
Total	14,161	13,627	14,193	41,981

Source: LB Lewisham analysis of planning data

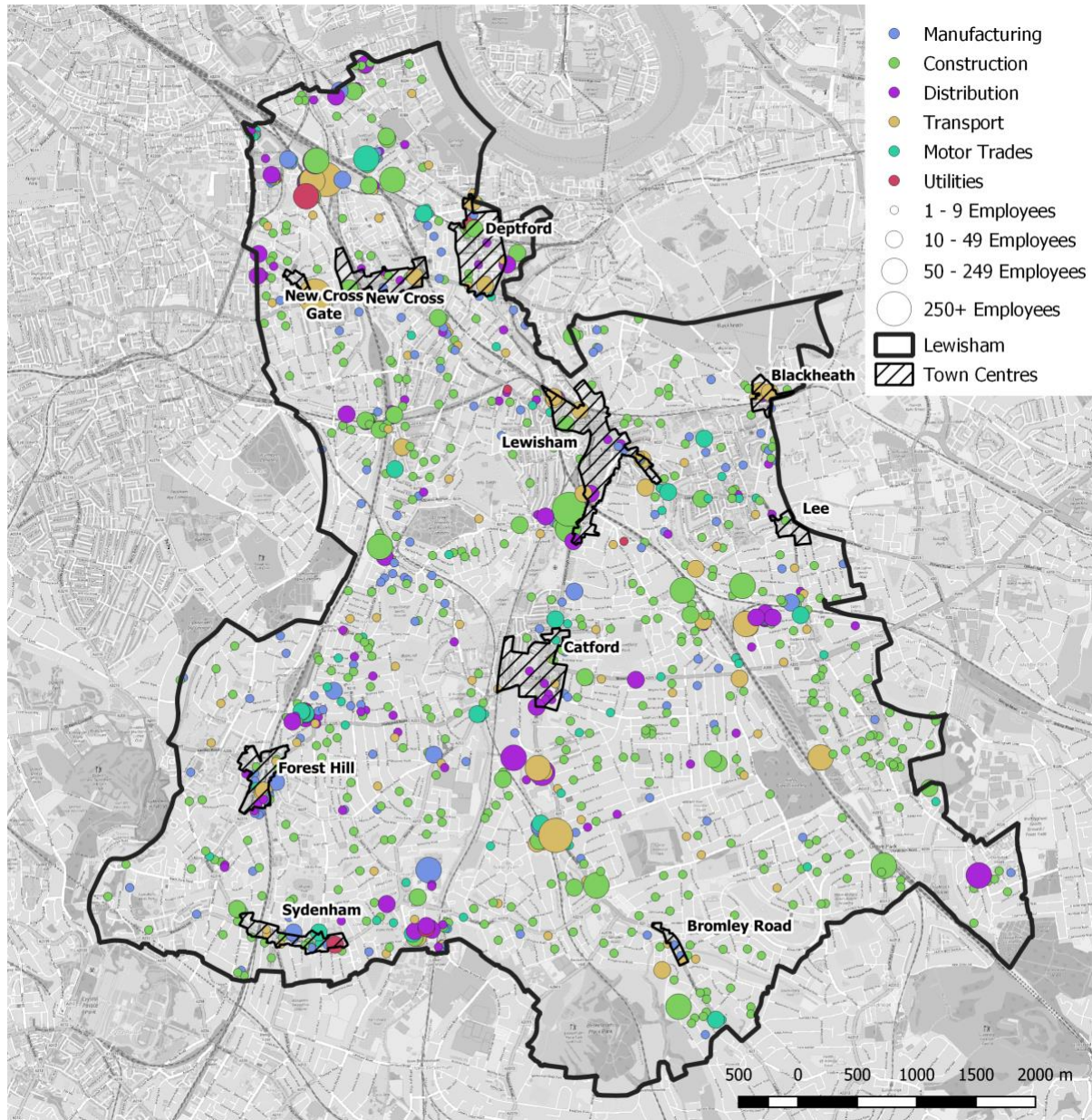
We conclude that whilst there may have been a loss of industrial land there has only been a small loss of industrial floorspace. This is likely to be due a combination of some intensification on existing sites and some of the lost industrial land containing redundant buildings that did not contribute to industrial capacity.

3 Employment Land Demand

3.1 Industrial Activity in Lewisham

The figure below reproduced from the Lewisham Local Economic Assessment⁶ gives an overview of the types of industrial activity that are undertaken in the borough. What manufacturing activity there is are primarily small-scale enterprises. Many of the larger business are transport related functions and there is a range of construction activity, with the larger enterprises on industrial land and smaller scale business distributed throughout the borough.

Figure 3.1 Profile of Industrial Employment in Lewisham

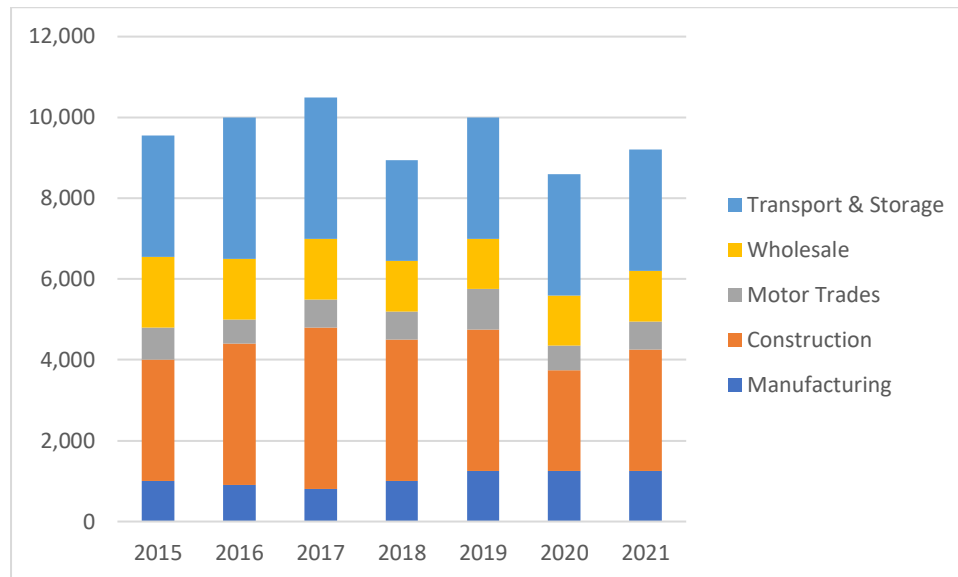


Source: Lewisham Local Economic Assessment

⁶ Lewisham Local Economic Assessment – CAG Consultants (2018)

The most recent data shows that in 2021 there were 9,200 employees in industrial sectors in Lewisham, 13.6% of all jobs in the borough. There has been little change in the overall number or share since 2015. Variations from year to year may reflect statistical fluctuations as much as real changes. The construction sector and the transport & storage sector each account for around one-third of industrial employment.

Figure 3.2 Employee Jobs in Industrial Sectors in Lewisham



Source: Business Register Employment Survey (BRES)

3.2 Industrial Land Demand

The 2019 Lewisham Employment Land Study (ELS) used the 2017 London Industrial Land Demand study (LILD) as the basis for its projections of industrial land demand to ensure consistency with the London Plan.

The 2019 ELS noted that:

The LILD study assesses demand by sub region and by Industrial Property Market Area. Lewisham is classified in the East sub region and in the Central Services Property Market Area. These two assessment areas have quite different characteristics and Lewisham probably does not fall neatly in to either category. The definitions, based on those used for the London Industrial Land Supply study, are also based on whole borough areas, whereas in reality the north and south of the borough may fall in to different industrial property market areas. Thus, the benchmark release figure should be interpreted sensitively in line with Lewisham designation as a 'Retain' borough rather than being seen as a target for planned release.

With regard to projections of industrial land demand the ELS stated that:

The Baseline projection is for a net loss of -12.4 ha of industrial land for Lewisham over the period 2016-41. This is derived from an estimate of a reduction of -3.4 ha

of land for general industrial purposes; a reduction of -5.6 ha of land for warehousing; a reduction of -3.5 ha of land for utilities; an increase of 2.6 ha of land for other uses; and a reduction of -2.5 ha of excess surplus vacant land.

Table 6.4 of the ELS then set out this projection of demand by component for the Lewisham Plan period.

Table 3.1 Baseline Industrial Land Projections (ha) for Lewisham by Component of Demand

	2016-41	2018-33	2018-38	p.a.
Industry	-3.4	-2.0	-2.7	-0.14
Warehouse	-5.6	-3.4	-4.5	-0.22
Waste	-3.5	-2.1	-2.8	-0.14
Other	2.6	1.6	2.1	0.10
Demand	-9.9	-5.9	-7.9	-0.40
Surplus Vacant	-2.5	-1.5	-2.0	-0.10
Total	-12.4	-7.4	-9.9	-0.50

Source: LILD2017

The 2019 ELS took account of the fact that industrial land had been released through past completions, developments currently underway and committed releases already in the pipeline.

This showed that between 2014-18 there had been a net loss of 15,700 sq m of B2 floorspace, a loss of 29,100 sq m of B8 space, and a net loss of -4,600 sq m of B1c. It also set out that there was a further -4,000 sq m of B2 industrial and -3,000 sq m of B8 warehousing floorspace due to be lost through developments currently under-construction or with outstanding consents.

Data from the London Employment Sites Database (LESD) which provides information on employment generating development proposals at various stages of the pipeline, showed a net a net loss of -14,000 sq m of B2 floorspace and a net loss of -27,000 sq m of B8 floorspace.

In order to avoid double counting when combining the two sources only the development scheduled for later completion were included from the LESD. This added 1,100 sq m of B2 and 16,500 sq m of B8 to the development pipeline.

This gave a total of -49,500 sq m of completions, -7,400 sq m of starts and +700 sq m of consents. In addition, there were a further -17,600 sq m of losses through longer term developments in the pipeline. So, in total that gives -73,800 sq m of industrial floorspace that has either been lost since 2015 or is in the pipeline.

As set out in the report these floorspace figure were converted into land by applying a plot ratio of 6,000 sq m per ha.

It estimated that this would amount to around -12.4 has of industrial land and hence concluded there should be no further releases.

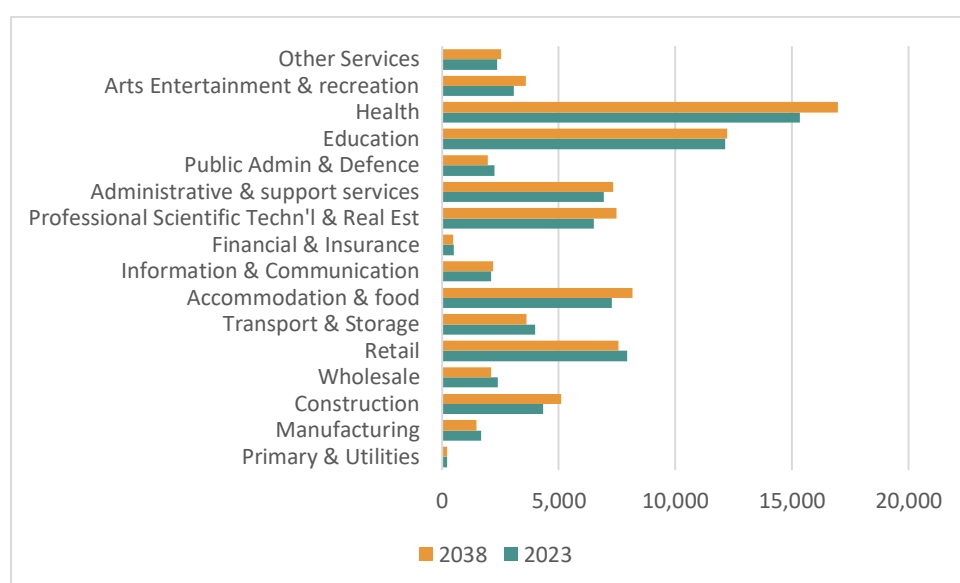
Updated Forecasts

Employment Based Projections

The employment and floorspace projections for Lewisham have been updated to take account of the most recent employment data and the GLA's 2022 employment projections. These show an increase in employment for Lewisham over the period 2023-38 of 4,000 jobs. The 2022 GLA employment projections show a lower rate of growth for Lewisham than the 2017 projections.

The GLA prepare Borough level forecasts for total employment and sector level forecasts at the London level. Using these projections, we have prepared a projection for Lewisham by sector which is illustrated in Figure 3.3 below.

Figure 3.3 Employment Projections by Sector for Lewisham 2023-38



Source: GLA Economics/CAG

For industrial employment it shows a projected decline of 100 jobs over the period 2023-38. This is made up of a projected decline of -200 jobs in manufacturing, a decline of -400 jobs in distribution, and an increase of 500 jobs in other industrial activity.

Table 3.2 Industrial Employment Projections Lewisham 2023-38

	2023	2028	2033	2038	2023-28
Manufacturing	1,700	1,600	1,600	1,500	-200
Other Industrial	3,000	3,200	3,400	3,500	500
Distribution	3,500	3,400	3,300	3,100	-400
Total	8,200	8,200	8,300	8,100	-100

Source: GLA Economics/CAG

Translating this into demand for floorspace and land using the ratios set out in the table below would give a projected demand for industrial land in Lewisham of -1.5 ha.

Table 3.3 Industrial Land and Floorspace Projections Lewisham 2023-38

	2023-28	Sq m per worker	Floorspace Sq m	Plot Ratio Sqm/ha	Land Ha
Manufacturing	-200	36	-7,200	6,000	-1.2
Other Industrial	500	36	18,000	6,000	3.0
Distribution	-400	50	-20,000	6,000	-3.3
Total	-100		-9,200		-1.5

Source: GLA Economics/CAG

Trend Floorspace Projections

An alternative projection method is to look at trend based floorspace projections.

For the latest 10-year period available industrial floorspace in Lewisham declined at an average of 3,000 sq m per annum or 0.81% p.a. Applying the same rate of change over the Plan period would give a projected loss of -45,000 sq m of industrial floorspace if the annual quantum of floorspace were applied or a loss of -40,300 sq m if the annual rate were applied. At a plot ratio of 6,000 sq m per hectare this would be equivalent to a reduction of -7.5 hectares of industrial using the quantum and -6.7 ha using the rate. The mid-point being -7.1 hectares.

Combined Projections

Combining the two approaches to forecasting demand of employment sector projections and trend floorspace projections produces an overall demand projection for the period 2023-38 of -7.1 ha. The projections of demand for industrial land in Lewisham by component are set out in Table 3.4 below. We have added in the projection for waste demand from the LILD study, which has not been updated as it involves a London-wide methodology.

Table 3.4 Industrial Land Demand Projections Lewisham

	2023-38
Manufacturing	-1.9
Other Industrial	3.0
Distribution	-5.4
Waste	-2.8
Total	-7.1

Source: CAG

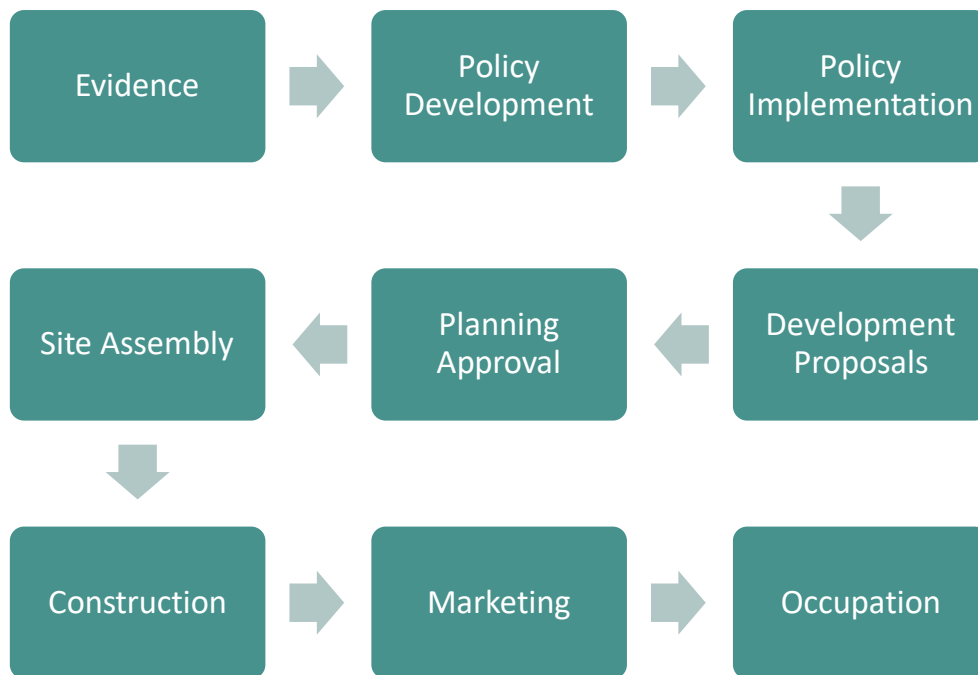
The projections are similar to those used in the 2019 Employment Land Study, which forecast a reduction of -7.4ha for the period 2108-33. Land and floorspace vacancy rates are now so low that there is no additional surplus to add in for release.

Supply

As before, forecast demand for industrial land needs to be balanced against the known supply pipeline. Section 2.2 set out that there are expected gains of 30,000 sq m of industrial floorspace from outstanding consents.

There are also some planned releases of industrial land following evidence presented in the 2015 Employment Land Study. Most of this identified land has now been released or is in the process of being released. There is a significant time lag from establishing the evidence, through the planning process to development being implemented. Decisions informed by the 2015 Employment Land Study are only now starting to be implemented on the ground. This is illustrated in the figure below. This is a normal development cycle which may take anything from 5-15 years (or even longer) to implement.

Figure 3.4 Planning and Development Cycle



In terms of the pipeline of committed releases:

- The Apollo Business Centre is a 0.42 ha site currently occupied by Southwark Metals on a temporary basis, following their relocation from the Ruby Triangle (Old Kent Road), whilst they await their new permanent site in Thamesmead. When they relocate the site will be vacant with no industrial use.
- Evelyn Court is a 0.27 ha site that contains an office block, which has an unimplemented Prior Approval for conversion to housing. The site also includes Parker House in different ownership. Although located within the current SIL, the site is in current use as offices, so there is no loss of B2 or B8.
- Trundleys Road is a 0.55 ha that has mainly been cleared and is currently under-construction for a mixed-use development, including 2,220sqm flexible commercial floorspace (Use Class E(g)(iii)/B2/B8) (light industrial/general industrial/storage or distribution).

Together these three sites total 1.24 ha of land that are still technically designated as SIL. But apart from a small amount of residual activity on Trundleys Road and temporary use on the Apollo Business Centre, no industrial activity takes place on them.

Other former industrial sites that are currently under development include:

- Neptune Wharf a 1.14 ha site that was granted permission in 2012.
- Sun Wharf a 1.00 ha site granted permission for a mixed-use development in 2022.
- Creekside Village East a 0.61 ha site granted permission for a mixed-use development in 2020, subject to GLA stage 2 approval and Section 106 agreement.

These three sites represent an additional 2.75 ha of planned industrial releases. These releases are the results of decisions made at an earlier period consistent with the evidence and policy at the time.

The balance at both the strategic London level and Lewisham local level has now altered and hence the Draft Lewisham Local Plan seeks to ensure that there will be no net loss of industrial capacity in the borough and that net gains will be delivered where possible. Given that new land is unlikely to come forward for industrial development in Lewisham or London more generally, industrial capacity can only be achieved by getting more out of the same land. The future policy focus therefore looks to opportunities for intensification. This is addressed further in Chapter 6 below.

Re-Provision of SIL

With the loss of 1.24 ha of land that was designated as SIL, LB Lewisham proposes to designate an alternative site in the north of the borough that is currently under-utilised as a new SIL designation to ensure there is no overall net loss in SIL whilst enabling co-location and intensification of activity.

The 2019 ELS noted that the primary uses at the Apollo Business Centre and Trundleys Road site were general industry, and that the quality of the premises were poor and would require refurbishment.

The Bermondsey Dive Under (BDU) site is a 1.88 ha site that is capable of accommodating the types of uses that were previously located on the Apollo Business Centre and Trundleys Road sites, as well as accommodating other forms of industrial activity that require separation from residential premises. It currently contains some unused railway arches and is being used in part for open storage by Network Rail. The site is capable of accommodating most of the uses set out in Part A of London Plan Policy E4 Land for industry, logistics and services to support London's economic function, with the only constraints being those they need to operate at large scale or require frequent or large vehicle trips.

In the 2015 London Industrial Land Supply study the BDU site was made up of a series of land parcels each of which were identified as being occupied by 'General Industry', one of the core industrial uses, thus demonstrating it was capable of accommodating industrial activity.

4 Addressing Local Need

4.1 Industrial Workspace Needs

Lewisham is seeking to grow its employment base as it currently has one of the lowest ratios of jobs to working age population in London. A key factor necessary to attract economic activity is encouraging the provision of the right types of sites and premises that these businesses will demand.

This is set out in the Local Plan under the Strategic Objective of “A thriving local economy that tackles inequality”. The objectives include:

- Expanding the local business base
- Increase the numbers and variety of local jobs and business opportunities

The Local plan recognised that “Lewisham has lost a significant amount of its industrial capacity over recent years”, and that, “To meet the Borough’s future needs for business activity and jobs it will be necessary to safeguard employment land and create new modern workspace.”

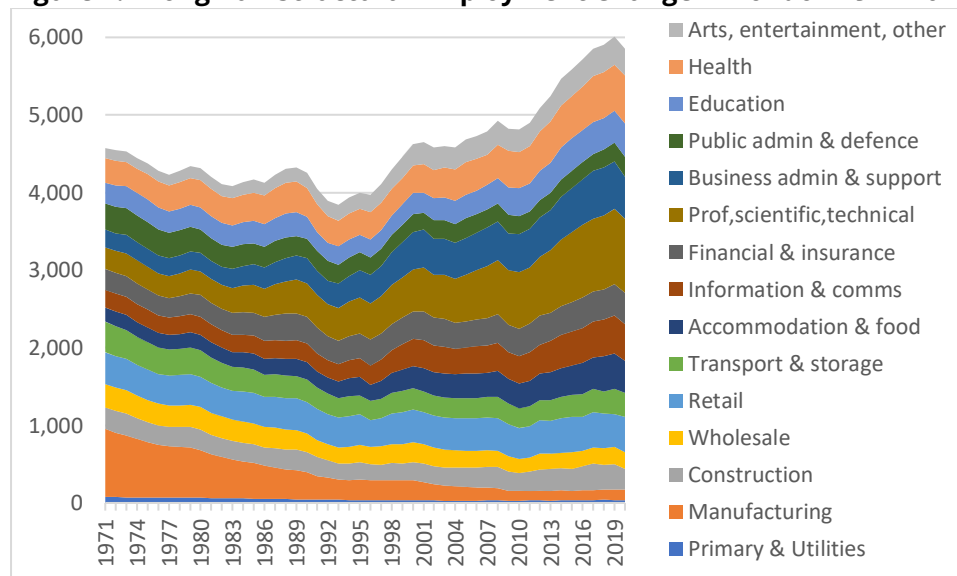
Lewisham does not have a significant base of office activity and as stated in the 2019 ELS office development is not viable in Lewisham. But the reality of workspace demand in London is that it is no longer a binary divide between offices and industry.

Changing economy, changing premises

Much of the industrial employment stock that has been lost in Lewisham is a reflection of long running structural trends with decline in manufacturing and general industrial activity. Such structural impacts have been felt nationally over many decades but have a heightened presence in London.

Over the past three decades the economy, especially in London has become dominated by the service sector. The figure below illustrates this long run structural change,

Figure 4.1 Long Run Structural Employment Change in London 1971-2020



Source: GLA Economics

The types of industrial activity that remain in London are those that have a very specific reason to be here. There are time critical activities that can't function without being close to their market. There are time sensitive activities where quality of the product or service diminishes the further away from market they are. And there are categories of activity whose products are not time sensitive but have a specific reason for wanting to have London location and are prepared to pay a premium for this. The most numerous of these are probably SME owner managers who have established a business close to where they live.

A typology of industrial activity in London is summarised in Table 4.1.

Table 4.1 Typology of Industrial Activity in London

Time Critical	Time Sensitive	Non Time Sensitive
Concrete Batching	Fresh Produce	Labour Market
Emergency Services	Servicing the Services	London Brand
Time Critical Logistics	Public Services	SME Owner Managers
	Transport Services	Utilities
	Consumer Goods	Legacy Manufacturing

Source: CAG

As Figure 4.1 indicates there has been rapid growth in a range of service sectors such as creative and media sector, life sciences, digital-technology, higher education, and other sectors. In addition, there has been major growth in culture and entertainment, and in the tourist and leisure industry which generates many thousands of jobs in entertainment, shops, restaurants, and hotels.

These dynamic service industries themselves draw upon a vast range of support activities. A standard office building, for example, will buy in a range of products and services on a daily basis, such as: catering; cleaning; furniture; maintenance and fit out; office equipment and supplies; print and copy; security; waste disposal, and many others. Multiplied across the economy, this creates a huge demand for such supporting activities. This activity is often referred to as 'servicing the services'.

Much of this activity is situated on land designated in planning policy as 'industrial' or 'employment' land, even though most of the activities are not 'industrial' in the commonly understood sense of firms making goods. The London Industrial Land Supply Study 2020 reported that for London as a whole 38% of jobs in designated industrial areas were non-industrial. For the Central sub-region this proportion rose to 62%. In many cases, buildings have been adapted and re-used by businesses that are not 'making things', but rather are involved in servicing the services.

Many industrial buildings are occupied by support, or service, activities, with a high proportion of the activities taking place in them being 'clean', often employing a high proportion of professional, skilled, and technical workers. Many do not involve 'making things', but rather assembly, customisation, design, maintenance, repair, storage, and value-adding. Further, many do not involve physical goods at all, but are trading services: customer support, graphic design, sales, software, and training.

The Industrial Land Commission report stated that:

"Many activities taking place in London's industrial spaces have little in common with traditional industrial activities – except that they also rely on industrial land. For example, film and recording studios may be located in such areas because they require space on a similar scale.

However, many such businesses are difficult to categorise: galleries and artist studios may moonlight as maker spaces (and vice versa), while many such industries have also historically benefited from access to cheaper and more flexible industrial spaces. These activities, and their reliance upon or proximity to other types of operations, can mean that the distinction between "industrial" and "non-industrial" activities sometimes becomes blurred. They also speak to the hybrid nature of the activities themselves, with some businesses blurring the lines between production, retail and community enterprise".⁷

The result of these changes is that whereas in the past, forecasts for employment could be neatly translated into demand for 'offices', 'factories', 'warehouses', and so on, today that translation is more complex. Many of the activities in today's industrial premises involve a blend of production, storage, office, creative and sales space. They do not fit neatly into one of the traditional Use Classes. For instance, in 2019 Lewisham launched a Creative Enterprise Zone in New Cross and Deptford, allowing a creative partnership between the Council and key artistic, creative, and educational institutions to provide career pathways into the creative and digital sector.

As the economy evolves, so too does the nature of companies, of workstyles and of premises needs. The type of commercial premises that will be needed to service future demand in Lewisham will need to reflect the changing nature of activity. Lewisham's policy response needs to reflect these new realities.

The Lewisham Local Economic Assessment concluded that one of the key themes to drive future growth in the borough was the provision of workspace targeted at micro-businesses. The objective being to provide local premises for Lewisham residents to grow their own business as the current business base is relatively small and the stock of premises is limited.

"If new workspace was to be brought forward it would need to be small units, delivered as part of a mixed-use development to enable higher value uses to cross-subsidise the unviable office space. It would be important to consider how this space was brought to the market, not as 'shell and core', but appropriately designed and 'fitted out' to meet occupier requirements. Industrial

⁷ Making Space: Accommodating London's industrial future - Report of the Industrial Land Commission

development is viable in the borough and Lewisham should seek to intensify existing industrial areas and bring forward new development through mixed-use.”⁸

LB Lewisham’s approach to mixed use development is aimed at providing the type of space that modern day London businesses will be demanding over the plan period. This includes *“Facilitating the delivery of new modern workspace through the comprehensive regeneration of Mixed-use Employment Locations (MEL)”* as set out under Policy EC2 of the Draft Local Plan. This has been a strategic approach developed over many years informed by successive Employment Land Studies and similar evidence. Only by providing this new space will Lewisham be able to grow its economy.

⁸ Lewisham Local Economic Assessment – CAG Consultants (2018)

5 Intensification

5.1 Industrial Intensification and Co-Location

Recognising competing pressures for land use in London, the London Plan policy E7 on Industrial intensification, co-location and substitution encourages boroughs to explore the potential to intensify industrial activities on industrial land to deliver additional capacity.

A growing number of schemes are employing vertical stacking and other innovative configurations to bring various light industrial and storage, distribution, and logistics activities into multi-level structures, thereby intensifying the use of land. Though intensification itself can mean a number of different things, as set out in a report by consultants We Made That and Savills.⁹

- **Spatial Intensification** Aims to increase intensity of land use through delivering additional industrial floorspace on an existing site. This approach can deliver additional space for an existing activity (e.g. light industrial) or might introduce a new use class (eg office) onto a given site. Such an approach requires the co-operation of landowners and needs to take into careful consideration the operational needs and prospects of existing and potential future businesses on site in order to ensure that spatial strategies do not prohibit industrial activities from operating successfully from the new intensified site, and includes consideration of access and servicing needs, goods lifts, yard space activities, working hours and environmental impacts.
- **Economic Intensification** Aims to attract higher value-adding activities to an employment area. This can be done through changing the type of workspace accommodation available in an area or through targeted business development and incentive schemes to grow existing sector strengths or bring new opportunity sectors into an area. Wider considerations of the overall trajectory of the economy, the impact of other development activity in the Borough and changes in technology and working practices should all be considered.
- **Process Intensification** Involves improvements to technologies used, or through sharing facilities, in order to deliver process efficiencies and make individual businesses and premises more productive. Process improvements work to enhance the productivity and value of existing sectors through supporting innovation and technology adoption.
- **Urban Intensification** This seeks to deliver improvements which contribute to the quality of the urban realm; it can include improvements to transport infrastructure, to public spaces, to amenity spaces or to wayfinding. Place-making which delivers a high-quality environment helps to encourage existing uses to remain and grow in an area, as well as attracting new businesses to an area.

⁹ Industrial Intensification and Co-Location Study: Design & Delivery Testing – We Made That, Savills, Feasibility (2018)

Another variant on the theme of more efficient utilisation of land is to introduce co-location of other forms of activity alongside industrial activity. The potential for this was recognised in the Industrial Land Commission report which noted that:

“Co-location and mixed-use developments also offer a way to knit residential developments and more “neighbourly” industrial activities together – whether by housing the two in the same development vertically or bringing them into closer proximity horizontally. Mixed-use developments do not have to be restricted to the integration of industry with homes: they can also involve industrial activities being incorporated alongside offices and retail. Finding a way to successfully integrate and maintain industrial accommodation within neighbourhoods also has other benefits, such as supporting high streets and boosting local employment.”¹⁰

5.2 Opportunities for Intensification

LB Lewisham has been actively pursuing opportunities for intensification and co-location. An Appendix to the Lewisham Local Economic Assessment provided Design Guidance¹¹ to enable co-existence of employment uses with residential including the intensification of land use and the accommodation of different uses adjacent to one another or stacked above one another wherever suitable.

The 2019 Employment Land Study noted that, *“Intensification of activity should be sought at all sites where opportunities arise”*. It then identified a number of sites in particular where there was considered to be opportunities for intensification. These sites are listed below along with the progress to date.

- **Blackheath Hill**– this LSIS has planning consent for 63 flats and 2,888 sq m of flexible light industrial space (site allocation LEA 02).
- **Lower Creekside** part of this LSIS is 1 Creekside that is already built, with 56 residential units and 1,541 sq m of B1 commercial space. The remaining plots at pre app (site allocation LNA 17).
- **Clyde Vale** – this LSIS site has made no progress as yet (site allocation LWA 07).
- **Willow Way** – is an LSIS site with a submitted application (site allocation LWA 09).
- **Sun and Kent Wharf**– is an MEL site that is partially built out. Kent Wharf is already built, Sun Wharf has planning consent for the reconfiguration of the main building at Cockpit Arts Centre, 18-22 Creekside to provide café, educational facility, foyer and visitor entrance but the site is coming back in with pre app (site allocation LNA 18).
- **Childers Street / Arklow Road** – is an MEL site that has already been completed with some extensions and roof extensions.

¹⁰ Making Space: Accommodating London’s industrial future – Report of the Industrial Land Commission (2022)

¹¹ Lewisham Local Economic Assessment: Design Guidance Report – Maccreeanor Lavington (2018)

- **Blackhorse Road** – this is part of Neptune Wharf MEL site that is under construction for 199 residential units; 1,973 m² of non-residential floorspace, comprising 1,874 m² of flexible B1/A1/A2 office space and 99 m² of café /bike repair shop uses (site allocation LNA 04).

The 2019 ELS identified three further sites – Stanton Square, Worsley Bridge Road and Bromley Road - as having potential for intensification as part of a wider masterplan for the site or area.

LB Lewisham will continue to pursue opportunities for intensification in line with London Plan Policy E7. As the Draft Local Plan notes, *“In order to meet the Borough’s future employment needs it will be necessary to not only safeguard designated and non-designated employment sites but to intensify uses on them.”*¹²

¹² Para 8.8 Lewisham Local Plan: Regulation 19 stage – (January 2023)

6 Monitoring

6.1 Monitoring Framework

Table 19.1 of the Regulation 19 Lewisham Local Plan sets out the monitoring framework against which the successful delivery of the Local Plan will be measured. LPI 22-27 relate specifically to the economy. These are reproduced in Table 6.1 below.

Table 6.1 Economic Monitoring Indicators

REF	MEASURE	INDICATOR
LPI 22	Industrial land availability	No overall loss of industrial floorspace in Strategic Industrial Locations and Locally Significant Industrial Sites.
LPI 23	Mixed-use employment locations	Industrial floorspace re-provided through comprehensive redevelopment of MEL sites, measured as the proportion of industrial floorspace of the overall floorspace delivered.
LPI 24	Non-designated employment sites	Industrial floorspace re-provided through the redevelopment of non-designated sites, measured as the proportion of industrial and other employment generating floorspace of the overall floorspace delivered.
LPI 25	New workspace	Positive trend in supply of towards a target of 21,800 net sqm light industrial floorspace by 2040.
LPI 26	Affordable workspace	Positive trend in affordable workspace as a share of total light industrial floorspace in planning approvals, along with planning contributions secured towards affordable workspace.
LPI 27	Skills and training	Planning contributions and/or legal agreements secured for skills and training.

Source: Lewisham Draft Local Plan

These indicators will be monitored and reported on annually in the Authority's Authority Monitoring Report. Data on the overall stock of industrial floorspace in the borough can be monitored from the VOA Business Floorspace. Changes in industrial floorspace at a site level and by use-class will be monitored from planning consents and completions data. This will enable monitoring of change in the stock of industrial floorspace by type at each of the designated employment areas and for non-designated employment areas as a whole.

7 Conclusions

7.1 Summary

This paper has reviewed recent data regarding industrial employment land in Lewisham to provide updated evidence since publication of the Lewisham Employment Land Study.

Data from the London Industrial Land Supply Study shows a loss of industrial employment land in the borough between 2015-2020, as there has been across London as a whole. The rate of loss in Lewisham is slightly below the inner London average. In terms of industrial floorspace losses have been more limited and the stock of industrial floorspace has remained broadly constant since 2017. Looking forward there is some 30,000 sq m of industrial floorspace with outstanding consents due to come forward.

In Lewisham there are two elements to the loss of industrial land:

- The overwhelming majority has been unplanned losses on non-designated sites. These are small sites throughout the borough, where often single occupier businesses have found their business at those premises no longer viable.
- The second, smaller category, is planned strategic release to create new mixed-use developments to intensify land use and provide workspace more suited to modern business needs. These were decisions made several years ago in line with policy and evidence at that time.

In recognition of the need to safeguard industrial land, Lewisham's policy going forward is for no net loss of industrial land. This is firmly set out in the Regulation 19 Draft Local Plan. There will, however, in the short term be some further small reduction on land that is technically designated for industrial purposes as existing consents are implemented. Very little of this land currently accommodates industrial activity so there is minimal loss of industrial capacity.

But to maintain the quantum of SIL in the borough, Lewisham proposes to designate a new site for SIL at the Bermondsey Dive Under to compensate for the quantitative loss. This site will be capable of accommodating a range of SIL uses of the type described in Part A of London Plan Policy E4.

LB Lewisham is actively pursuing a policy of intensification and co-location on its industrial sites and has identified sites where there are opportunities to deliver this. This has the dual objective of seeking to utilise land more efficiently and providing the type of workspace that businesses need to grow and diversify Lewisham's economy.

LB Lewisham has set out a list of indicators to monitor progress on industrial floorspace which will be reported annually in the Council's Authority Monitoring Report.



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