

London Borough of Hammersmith and Fulham
Local Development framework

**Background paper: Employment Land Assessment –
Updating Statement**

September 2010

For further information please contact:

Development Plans Team
Planning Division
Environment Services Department
London Borough of Hammersmith and Fulham
Town Hall Extension
King Street
London
W6 9JU

Telephone 020 8753 3044
Email ldf@lbhf.gov.uk
Website www.lbhf.gov.uk

1. Introduction

Purpose and context

1.1 This background paper has been prepared to provide updated evidence on employment and economic activity in the borough. It is intended to be additional to the main evidence base on this topic published in September 2005 as the Hammersmith and Fulham Employment Land and Premises Study (ELPS). This report followed an extensive study of employment land and premises in 2004 undertaken by Atkins Consultancy Ltd. It was prepared in accordance with the Employment Land Reviews: Guidance note published in 2004 by the Office of the Deputy Prime Minister. This update is considered necessary because of:-

- significant changes in policy at all levels since the time the previous study was prepared;
- the need to provide up-to-date information on regeneration and major development sites; and
- the need to review projected requirements and extend the time period to 2031

1.2 The report has been prepared in the context of Planning Policy Statement 4 Planning for Sustainable Economic Growth which was published in December 2009. This PPS provides the most up to date published statement of the approach and information requirements expected by Central Government to guide the formulation of LDFs with regard to this topic area. Due regard has been made to the policies of the Coalition Government with regard to the new “localism” agenda.

1.3 Further employment studies and Supplementary Planning Guidance have been published at the regional level by the GLA especially as part of the preparation for the consultation draft replacement London Plan. These provide more up-to-date information and guidance that can assist in helping to shape the LDF. The London-wide evidence base includes an update of the Housing Land Availability Assessment and Employment Projections/Sites database/Demand studies across London. This research work provides the opportunity to assess the most appropriate allocation of housing and employment land within Hammersmith and Fulham. The draft replacement London Plan also includes revised strategic proposals with regard to an additional Opportunity Area and the deletion of one of the Strategic Industrial Locations within Hammersmith and Fulham.

2. Policy context

National Policy context – PPS4 Planning for Sustainable Economic Growth

2.1 The emphasis of local economic policy as set out in PPS4 is for the provision of sustainable economic growth and a prosperous economy. The

focus should be on more sustainable patterns of development reducing the need to travel, especially by car. The development of main town centre uses is to be focused on existing centres. Planning policies within development plans should be underpinned by a robust evidence base that includes an assessment of business needs and the market. In particular Local Planning Authorities (LPAs) are encouraged to ensure that there is a clear economic vision that both supports existing business sectors and clusters as well as likely emerging sectors. There should be an appropriate supply of land for all types and sizes of business. However, land holdings should not be carried forward from an existing development plan without evidence of need.

2.2 Former PPS6 Planning for Town Centres is now amalgamated with PPS4 which specifies that the evidence base should assess the need for additional floorspace for all main town centre uses including retail, leisure and entertainment, offices and arts, culture and tourism. The LPA should assess the physical capacity of town centres to accommodate new office development. There is a need to consider floorspace requirements in five year periods. This background paper therefore is complementary to those papers produced for other topics, particularly shopping uses.

Regional policy – London Plan Spatial Development Strategy for Greater London Consolidated with Alterations since 2004

2.3 The London Plan has been the subject of consolidation (February 2008) following the processing of Further Alterations. This continues to identify two areas within Hammersmith and Fulham for the provision of strategically important industrial and business premises. These are the northern industrial area around Hythe Road and the area of Wood Lane around the BBC.

2.4 London Plan policy 3B.4 encourages the promotion and protection of these areas whilst allowing for local policies to manage industrial sites outside of these areas. The research undertaken on industrial release benchmarks (URS April 2007) indicates that there will be a continuing decline in the manufacturing sector, but that the demand for waste activities and distribution will partially compensate for this loss. The Mayor's Industrial Capacity SPG adopted March 2008 continues to identify Hammersmith and Fulham as an area where there should be a 'restrictive' transfer of industrial land to other uses (Industrial Capacity SPG, Table 2). Boroughs are encouraged to manage Locally Significant and other smaller sites and to release sites outside the Strategic locations having regard to a criteria based approach and having regard to the benchmarks for release of land set out in the SPG. These are broadly set out by sub-region rather than on a borough basis in this part of London. During the period 2006-2026, west London boroughs when taken together are expected to release 52 hectares of industrial land.

2.5 The SPG identifies criteria to guide the release of sites outside the Strategic locations. These relate to both economic and land use criteria including the quality of sites and the fitness for purpose to meet a range of business needs as well as locational criteria relating to sustainability considerations.

2.6 With regard to offices, Hammersmith and Fulham is not within the designated Central Activities Zone in the London Plan. However, the annual Office Policy Review (latest 2009) considers that there continues to be a significant need for additional office floorspace (gross) 2007-2031 of 401,094 sq.m. (or approximately 29,000 office jobs) within Hammersmith and Fulham. It states that the existing pipeline, including under construction, shows a significant under-supply and would represent only about 68% of anticipated demand to 2031. London Plan policy 3B.2 seeks the consolidation and renewal of existing floorspace as well as the focus for additional office floorspace in the town centres and other areas such as Opportunity Areas. Little qualitative guidance is given on the nature of demand in terms of size of units, although the SME sector continues to be actively encouraged. The Review specifies that the exact nature of demand should be identified through local assessments.

2.7 GLA Economics have published employment projections by borough to 2031 (Working paper 29, 2009). Table 9 in this document indicates that employment in Hammersmith and Fulham will increase by 46,000 during 2007-2031 from all sources based on previous job growth. These projections have been adjusted following the compilation of an employment sites database undertaken by Roger Tym and Partners. The projections include employment from all types of uses including new retail (such as at the White City Centre estimated to provide about 7,000 jobs) leisure, tourism and the public sector. It is considered by GLA Economics that within this borough new Class B employment opportunities, particularly business services, will continue to contribute an important proportion of the overall increase in employment growth in the future. In 2007 this sector had grown to 25% of employment in Hammersmith and Fulham.

Proposals for a new London Plan

2.8 The Mayor of London published in October 2009 his consultation draft replacement London Plan. This document is undergoing Examination in the Summer/Autumn of 2010 and is expected to be adopted towards the end of 2011. The document includes an emphasis on promoting a strong and diverse economy in all parts of London based on established growth sectors, such as finance and business services, as well as emerging growth sectors, such as retail and leisure. The managed approach to the release of surplus industrial capacity outside east London is now proposed to be included in the London Plan. A review of safeguarded wharves is proposed by 2012. New waste arisings have been calculated and the existing waste apportionment model re-run to give new waste apportionments to individual boroughs to 2031.

Local Policy and Strategies

Hammersmith and Fulham UDP

2.9 The UDP has been significantly changed with regard to employment policy since the production of the Employment Land and Premises Study in 2005. At that time, the UDP included 10 employment zones and other policies that were strongly protective of all Class B sites outside the designated zones. These policies aimed to safeguard sites from displacement by higher value uses, such as housing. The loss of sites was subject to a criteria based approach, and residential use was not permitted within the designated employment zones. However, as part of the review of all policies undertaken in September 2007 this framework was significantly changed to take account of more up to date national policy guidance.

2.10 During 2007, each policy in the UDP was examined to decide on the merits of saving it under the regulations issued under the 2004 Planning and Compulsory Purchase Act. This exercise looked at the existing policy framework to determine whether there was merit in retaining the policy or whether it should be allowed to expire. Policies were allowed to expire when they were contrary to national policy or strategic policy or where they were considered to duplicate policies at the strategic level.

2.11 With regard to the employment policies it was considered that the UDP framework was too inflexible and inconsistent with national policy guidance and could be detrimental to the provision of new housing in the borough. Consequently, except for policies that seek the provision of small business units (E5) and for major offices to be located in Hammersmith Centre (HTC1), the existing local policy framework within the UDP was allowed to expire. As a consequence, development management decisions have subsequently been made in the context of policies contained within the London Plan for this topic area and within the emerging LDF policy. All the designated employment zones were allowed to expire in 2007, but town centres continued to be identified. This means that the borough no longer designates any Locally Significant Industrial Areas as part of the hierarchy set out in the London Plan.

2.12 The local policy framework, based on the London Plan, allows for change of use on sites which are considered to be “surplus” to industrial and commercial requirements in line with London Plan policy 3A.2 and 3B.4. In addition, London Plan policy 3A.3 seeks increased densities and the maximisation of the development potential of sites where greater intensity would not give rise to an adverse environmental impact. This possibility was not taken account of at the time of the original Hammersmith and Fulham Employment Land and Premises Study which had regard to existing densities in an area. This means that there is significantly more scope for development in the borough on well located sites and scope for the release of poorly located, poorer quality employment sites whilst retaining sufficient provision to accommodate economic growth and for waste activities where there are appropriate sites of the necessary size.

Economic Development Strategy

2.13 The council's Economic Development Strategy published in 2007 provides further background information on the local economy, its strengths and weaknesses and sets out the council's short term strategy over the period 2007-2012. The vision includes three broad themes

- Seeking to reduce worklessness and enabling more people to gain employment
- Improving learning and skills so that local people can benefit from new employment opportunities
- Encouraging economic regeneration and job creation

2.14 The Economic Development Strategy highlighted the continuing strength of the Hammersmith and Fulham economy. One of the key strengths identified in 2007 was the financial services sector that includes a large proportion of SME and microbusinesses. The manufacturing sector although small also continued to flourish. The identified key growth sectors include the creative and media sector, leisure and tourism, fresh foods, retail and leisure and hospitality. Much of this growth is attributed to the borough's favourable location in west London accessible to both Heathrow and central London and to population growth.

2.15 The LDF needs to complement these themes which have evolved through extensive survey work and local consultation. It also needs to provide further spatial expression, particularly to encouraging inward investment and job creation. The council is currently preparing its Local Economic Assessment and this is providing additional background evidence which has contributed to the development of planning policy in the Core Strategy and will also be used to assist in preparing the Generic Development Management DPD. When published it will provide additional supporting information on the nature of the local economy and its strengths and weaknesses.

3. Key Findings of ELR 2005 – summary

3.1 The study undertaken during 2004/5 considered Class B uses only in line with the Guidance Note issued in 2004 by the Office of the Deputy Prime Minister. It identified the need for between 250,000 and 350,000 sq.m. of additional Class B floorspace until 2016. It concluded that this should be provided by a combination of bringing back into use vacant floorspace, intensification of use of employment sites and refurbishment. It was estimated that from all sources that there was the potential to provide 286,083 sq.m. within the borough (Table 5.3 p.5-9). However, it was concluded that this may not be sufficient to meet all the borough's needs to 2016 and that further intensification may be appropriate and the restrictive approach to loss of employment sites should be continued. (It should be noted that this figure is higher than that projected by the London Office Policy Review (2007 version) of 190,000 sq.m. by 2016 although the latter did not include industrial and

warehousing demand. Distribution is anticipated to be a growth area in terms of demand for land in west London (see Industrial Capacity SPG, 2008 para. 5.8)).

3.2 Almost all the former employment zones were identified as having the potential for intensification of employment uses with the exception of Putney Bridge, Hammersmith Road/Olympia and Richford Street. Three former zones were also identified for employment led mixed use, namely Wood Lane, Townmead Road/Imperial Road and Carnwath Road. Townmead Road/Imperial Road was also identified as having the potential for housing or mixed use. In addition, sites were identified in Shepherd's Bush and Hammersmith town centres for employment intensification and for employment led mixed use. Parts of Shepherd's Bush were identified for mixed use in recognition of the major retail scheme that was under construction at the time of the review.

3.3 The overall conclusions of the study were supportive of the approach contained in the UDP (2003 version). However, important modifications to the approach were recommended. This included the provision of a locational focus to the employment policies and a clear typology of employment sites to reflect the future economic role of Hammersmith and Fulham. There was considered to be the need to provide for an employment type that promoted employment led mixed use. Specific policies should seek the provision of affordable workspace and there needed to be clear mechanisms for the implementation of the plan.

4. Employment land and property demand and supply update

Demand

Demand for Class B Space

4.1 GLA studies indicate that there is a continuing requirement in the borough to provide for up to 401,094 sq.m. (gross) of office floorspace 2007-31 (Office Policy Review, 2009 Fig. 3.14). It is estimated that there will also be some demand for new industrial and warehousing activities mainly due to the growth activities identified of logistics and waste. Although there is a need for a reduction in industrial land managed across the different sub-regions of London, the most recent Industrial Land Baseline study for London (June 2010) indicates that Hammersmith and Fulham has less than 2% of London's stock. The ELPS indicated that growth in industrial and warehousing represents about 20% of the required Class B floorspace in Hammersmith and Fulham. Given recent development trends, which has seen no major industrial or warehousing development other than for waste and self-storage, this is now likely to be an over estimate of requirements.

4.2 The ELPS did not take account of any requirement for new waste activities in the borough which is a new requirement that post dates this original study. Excluding waste requirements it is likely that the revised requirement for Class B floorspace in the borough to 2031 would be within

the range 350,000-450,000 sq.m. The ELPS indicated that there was a need for between 250,000-350,000 sq.m. for all Class B up to 2016. A higher projection is therefore considered valid for the extended period to 2031 having regard to the projection for this borough in the Office Policy Review (2009). The remaining analysis of the nature of demand identified in the ELPS is still considered appropriate to carry forward.

Market indicators

4.3 Analysis of development activity carried out as part of the preparation of the council's Annual Monitoring Report for 2009 indicated that the processes involved in the borough are dynamic and complex. However, it shows that over the monitoring period April 2008 – March 2009 there was an overall growth in floorspace due to net growth in B1a) office space and B2, but a small net loss of B8. However, the net growth in B1a) includes a significant loss of B1a) to other uses. Earlier years monitoring reports show similar trends of an overall net gain in B1a) that are greater than the losses within this category. In the period April 2007 – March 2008 there had been a substantial growth of B8 due to the development of a self-storage facility in the south of the borough. Generally, however, there has been a steady loss of small industrial and warehousing sites as well as outdated office accommodation.

Extract from AMR 2009 **Table 7 - Total amount of additional employment floorspace by type and planning designations 2008/09**

		B1a	B1b	B1c	B2	B8	Total
Total for Town Centres	gross	-226	0	0	0	0	-226
	net	-226	0	0	0	0	-226
Total for SILs	gross	0	0	0	0	0	0
	net	0	0	0	0	0	0
Total outside of TCs and SILs	gross	7333	0	0	1430	0	8763
	net	4512	0	0	1088	-336	5264
Total Borough	gross	7107	0	0	1430	0	8537
	net	4286	0	0	1088	-336	5038

Source: AMR, 2009

4.4 2008/9 was the first full year of monitoring the impact of the expiry of most of the UDP employment policies as part of the "saved" policies exercise. The relaxation in local policy may have contributed to some of the loss of floorspace, although the council has been using London Plan policy 3A.2 as a relevant policy for Development Management purposes and this states that change of use may be permitted only where industrial and commercial sites and premises are shown to be "surplus" to requirements. It resulted in sites being made available for other uses including housing, but at the same time there was still a growth in employment floorspace primarily B1 a) and B2.

4.5 The economic recession and public expenditure cuts will have an effect on the take-up of premises and implementation of planning permissions

during the early part of the Plan period. Some permissions are likely to expire, unable to attract finance during the 3 year period for implementation of a permission. The effect may be more marked than for other downturns in the post war period because of the particular nature of this recession which is finance led. In addition, the recession may necessitate further revision to projections of the land required for economic development as the full impact on long term trends becomes clearer.

Demand for sites for Waste Activities

4.6 An additional growth area will be waste activities and London boroughs are required to make adequate provision to manage 85% of the waste generated in London within the Greater London boundary. These will be primarily industrial sites and London Plan policy 4A.27 says that the broad locations for these facilities should be Strategic Industrial Locations, local employment areas and existing waste management sites. The waste allocation for each borough is based on a model that takes into consideration a number of variables including proximity to source of waste and industrial land availability. Each borough has been given an apportionment tonnage that determines the number of sites that each borough will need to allocate for waste management activities up to 2020. This apportionment exercise does not include any sites required for construction or hazardous waste management. As part of the preparation of the replacement London Plan this apportionment has been revised to take account of revisions to waste arisings to 2031. The revised arisings have been apportioned to each borough using the existing model agreed as part of the Alterations to the London Plan 2008

4.7 The most recently published apportionment is in the GLA's Schedule of Early suggested changes to Maps, Figures and Tables for the draft replacement London Plan published in May 2010. For Hammersmith and Fulham, provision should be made for 348,000 tonnes of both Commercial and Industrial Waste streams and Municipal Solid Waste by 2031. This includes both existing and new sites that are required to fulfil this obligation. The industrial land release benchmarks for sub-regions set out in the Industrial Capacity SPG have been adjusted to take account of the increased land requirement needed for waste activities in the future estimated to be 59 hectares across the West sub-region.

4.8 The background report on Waste sets out how Hammersmith and Fulham will fulfil its obligation with regard to waste management in the borough. This will be primarily on two waste management sites in the Hythe Road SIL and where appropriate as part of major redevelopment schemes. No further major site provision will be required to fulfil the apportionment as currently proposed in the replacement London Plan (May 2010).

Supply - Meeting the need

Existing stock/Vacant floorspace

4.9 A Land Use Survey was undertaken by the borough in 2007. This provided updated information on the non-residential land uses in the borough. This report forms part of the evidence base for the LDF. The trends noted in the ELPS for offices and industrial floorspace have not altered significantly from that based on the 2002/3 Land Use Survey. Updated information from the 2007 LUS is as follows:

- The total office stock in the borough has increased from 1,154 sq.m. to 1,263 million sq.m., with 45% of establishments occupying less than 100 sq.m. 29% of total supply is now provided in units over 10,000 sq.m. Vacancy rates had declined to 10.4% in 2007, a figure that includes the Ark and other offices in Hammersmith centre that were undergoing refurbishment at the time of the survey. These premises account for 30% of the vacancy rate. The LUS report notes that vacancy rates are highest in large volume office blocks built since 1990.
- Similarly the decline in industrial floorspace continues, with stock having further declined from 192,000 sq.m. to 155,746 sq.m.. This fall is largely attributed to the loss of 23,500 sq.m. of floorspace through the mixed use redevelopment of the former Presolite factory in Larden Road. Vacancy levels in the ELPS were reported at 9%. The 2007 LUS found a vacancy rate of 19.4%, however this needs to be adjusted for significant buildings awaiting redevelopment for alternative uses, mainly the former Dairy Crest factory in Wood Lane. Excluding this property, the vacancy rate would be 13.4%. Apart from larger industrial buildings awaiting development, including the Dairy Crest building and some riverside sites, the vacant industrial sites continue to be small in nature and often integrated within mixed use or residential areas.
- Many of the industrial sites comprise older style buildings not appropriate for more modern users without adaptation. In addition, as sites become vacated they may not be appropriately located for some of the newer kinds of activities identified by the GLA research as the growth areas (see Industrial Capacity SPG, 2008) including waste and logistics. In these circumstances a more liberal release of land may be warranted than the 'restricted' transfer identified for this borough in the Industrial Capacity SPG (Table 2 p.23) especially if more modern floorspace can be located in a more accessible area at an increased density.

4.10 The ELPS noted that there was very little scope for further decline in industrial premises because of the very low base and because of the continued health of this sector in this part of London. However, the LUS analysis of the former employment zones indicates that many of these are no longer predominantly industrial and that office uses have become the

predominant use in many of the former zones, e.g. Fulham Reach and Putney Bridge. Other former zones are essentially mixed in nature, including other employment generating uses, e.g. Townmead Road/Imperial Road and Carnwath Road. The exception is Hythe Road, where industrial floorspace has been stable despite the expansion of Car Giant, a major car retailer, in the area. Outside the former employment zones the ELPS noted there are a significant number of smaller premises that provide a valuable contribution to the provision of premises for local businesses.

4.11 The more flexible approach to the future use of sites throughout the borough since the UDP was amended in September 2007 has meant increased pressure on premises to be developed for mixed use or housing. This can mean displacement of businesses providing local services and provision of a different type of business unit often at greater cost. However, generally the approach allows for the provision of more modern accommodation to meet current occupier demand in accessible locations and for the loss of inefficient unwanted secondary space.

4.12 The economic downturn has meant that vacancy levels are reported by agents to have increased and several major developments have been put on hold. This increase in vacancy has resulted in some reduction in quoted rents in prime space and several larger developments becoming available as serviced offices for flexible periods. Smaller, more conventional office suites in less prime locations have been more difficult to let and have suffered extended vacancy. This is likely to lead to planning applications for change of use based on an inability to market property over a reasonable period. The loss of property of a secondary nature is likely to occur and could continue even when the economy picks up as structural change within the office sector means there is a requirement for flexible space. Older property that is arranged on several floors and is not open plan is likely to prove difficult to let.

Pipeline of permissions

4.13 The monitoring work undertaken for the latest Annual Monitoring report to be published in 2010 shows a significant pipeline for new B1a) and B1b) permissions including under construction. As at June 2010 this was 162,173 sq.m. in schemes over 1,000 sq.m.(Appendix 1). This represents approximately 40% of the required gross office floorspace to 2031 (London Office Policy review, 2009). However, not all of the approved schemes will be implemented and some approvals in mixed use schemes may be subject to variation. A few sites such as that at Hammersmith Palais within the town centre have already seen permissions expire. There could also be a significant reduction in the pipeline if, as seems likely, the approved scheme at Hammersmith Embankment for 48,370 sq.m. does not proceed. The outstanding pipeline is considered to provide sufficient floorspace for a five year supply even if some schemes are not implemented. In the medium and longer term a substantial amount of office floorspace is anticipated as part of the White City Opportunity Area, currently estimated to be about 180,000 sq.m., and within Hammersmith Centre.

4.14 Other areas where new office floorspace could be added are the area around Earl's Court, proposed to be included as a new Opportunity Area in the draft replacement London Plan, where there is scope for office floorspace as part of the wider housing led regeneration of the area. Further longer term growth could occur at the Old Oak Common Sidings site, subject to improvements in accessibility as a result of proposals for a west London hub for High Speed 2 at this site.

4.15 The monitoring information shows that there has been very little new office development with the exception of the office component of the housing led mixed use scheme at Larden Road. It shows that there continues to be a steady loss of secondary employment sites that reduce the overall growth in business floorspace. The pipeline information and other areas of expected growth to meet the estimated need of 400,000 sq.m. is summarised in Table 1.

Table 1: Planning pipeline for Class B development as at June 2010 including under construction (sites with planning permission) and other expected growth

Class B use	Floorspace (Square metres)
Pipeline for B1 permissions/u/c	162,173
Estimate for White City OA	180,000
Estimate for Hammersmith Centre *	30,000
Total excluding Earl's Court	372,173

* excludes sites with planning permission

4.16 In recent years non office Class B development has mainly taken the form of two substantial self-storage developments one in the north and one in the south of the borough and the development of a substantial waste processing plant in the Strategic Industrial Location in the north of the borough. Apart from these developments most of the activity has been small scale extension/refurbishment on existing established sites. There is currently no pipeline for any major new industrial and warehousing development within the borough. The approved schemes are small scale extensions or re-builds. Given this trend it is unlikely that further major industrial development will happen in the plan period unless there is further intensification with the SIL.

Vacant sites update of ELPS, including new opportunities

4.17 Tables S1 9 (p. xi) of ELPS (Atkins) identified the main areas of vacant employment land as being within the former employment zones of Hythe Road, Wood Lane, Fulham Reach and Townmead Road/Imperial Road as well as Hammersmith Town Centre.

4.18 Hythe Road (Old Oak) – the land identified here is primarily the site of the vacant hostel to the north-west of the Old Oak Common Sidings site and the underutilised land to the rear currently the subject of safeguarding for Crossrail and likely to be the site of the new Crossrail depot. This area is now proposed as a west London interchange station for High Speed 2. Other sites

in the area are small. Subsequent to the ELPS the Eurostar depot has become vacant but it may be retained for railway use linked to the proposals for Crossrail/HS2 rather than for non-rail uses.

4.17 However, Core Strategy proposals for these two sites could potentially add significantly to employment provision in the area as part of consideration of the wider longer term development potential of the area linked to the proposals for a west London interchange station for HS2 at this site. The ELPS recommended intensification for this area and development potential linked to HS2 could involve significant employment as part of a mix of uses that included housing. This growth is likely to be in the latter part of the plan period.

4.18 These sites are currently within the Strategic Industrial Location where the preferred approach is for protection of employment land. This priority continues to be expressed in the draft Opportunity Area Planning Framework for Park Royal prepared by the Mayor of London (February, 2008). However, should the proposal for a west London hub for HS2 proceed then it is acknowledged by the GLA that this area could be subject to significant regeneration that will necessitate a review of the SIL.

Estimated jobs: over 5,000 in the latter part of the plan period but dependent on Crossrail/High Speed 2 proposals

4.19 Wood Lane (now known as White City East) – the land identified here includes vacant land within the White City Opportunity Area masterplan area and remaining land awaiting development as part of the BBC Media Village with outstanding permission for 19,534 sq.m. for an office building and music centre.

4.20 This whole area could potentially deliver significant employment opportunities in addition to those already created as part of the new Westfield London retail centre estimated to be 7,000 and as part of the BBC's Media Village redevelopment. This would be in line with its designation as an Opportunity Area in the London Plan currently expected to create around 10,000 new jobs as well as new homes (draft replacement London Plan). The full capacity of this area will be assessed as part of the preparation of an Opportunity Area Planning framework/Supplementary Planning Document in partnership with the GLA. This is expected to be subject to public consultation end 2010/early 2011.

4.21 Since the ELPS was undertaken the BBC has announced plans to relocate part of its operations to Manchester in 2011. This will result in a reduction in jobs at the BBC within the area. However, the current proposals are to develop the BBC TV studios and surrounding area to provide a new creative industries hub. Building on the strengths of this sector in this part of London and the continuing presence of the BBC. This would involve substantial additional employment opportunities in this area through the creation of a significant new office centre. The ELPS recommended that the

area should provide the opportunity for both intensification for employment purposes and for employment led mixed use.

Estimated jobs: 10,000 subject to the findings of capacity modelling

4.22 Fulham Reach (Hammersmith Embankment) - The ELPS identified the site awaiting redevelopment for the final phase of the Hammersmith Embankment office scheme as a vacant site suitable for intensification for office purposes. This site has subsequently received planning permission for a revised scheme of 48,370 sq.m. of office floorspace and other uses.

4.23 This scheme has not yet commenced but could yield significant additional office floorspace in the borough to contribute towards future needs should the current permission be implemented. However, should this approved scheme not proceed an alternative housing led scheme is considered more appropriate in this location away from the preferred locations for major office development. Sufficient capacity to meet future requirements is estimated to be available in these alternative preferred locations.

Estimated jobs: Remaining site has planning permission and capacity is included in Table 1 but may no longer be implemented

4.24 Townmead Road/Imperial Road (part of South Fulham Riverside)– The ELPS identified this as the area with the largest quantity of vacant land largely due to the land awaiting development as part of the Imperial Wharf major housing led mixed use scheme. However, it also identified other sites within the former employment zone including Fulham Wharf and Gas Board land to the north of the Imperial Wharf site where there is the potential for better utilisation of the land.

4.25 Much of this area especially on the riverside has fairly poor accessibility by public transport especially those areas away from the new station at Imperial Wharf and is considered inappropriate for more intensive office based development. This area would be better suited to providing for a mix of uses possibly including some smaller scale or river based economic activity. There are two safeguarded wharves located near to Wandsworth Bridge. One of the wharves does not currently use the river, however, Comley's Wharf is in active use and is seeking to increase its use of the river through a current planning application.

Estimated jobs: Principally replacement other than implementation of existing planning approvals including Imperial Wharf

4.26 Carnwath Road Employment Zone (part of South Fulham Riverside) – The ELPS identified the safeguarded Hurlingham wharf and adjoining land as having the potential for further employment and employment led mixed use development.

4.27 The safeguarded wharf has been vacant for over ten years and the lack of development on this and adjoining Whiffin Wharf contribute to the poor

utilisation of land within this area. However, the safeguarding is currently retained unless viability assessments show that it is no longer feasible to make use of the site for the transshipment of freight. The GLA are proposing to undertake a review of the safeguarded wharves by 2012. This review will also consider the possibility of consolidation of wharves. Should redevelopment for non wharf related uses become feasible the area is considered inappropriate for major new employment activity in view of the low level of public transport accessibility. Mixed use development incorporating lower intensity employment activity would be more appropriate taking advantage of the riverside location.

4.28 There have been a number of development enquiries in this area for mixed use schemes. The council is also concerned to secure the regeneration of the whole of the south Fulham riverside. This is likely to involve the mixed use redevelopment of a number of employment sites during the plan period.

Estimated jobs: Principally replacement

4.29 Hammersmith Town Centre – The ELPS identified the Metropolitan Station car park site as the main development opportunity within the 3 town centres. In view of its town centre location this site was considered appropriate for employment led mixed use. Subsequent to the ELPS being published this site received planning permission for an employment led mixed use scheme including 39,141 sq.m. of office floorspace.

4.30 The implementation of this scheme has been delayed due to funding difficulties but could add substantially to the increase in office floorspace in an accessible location to meet future needs. This scheme is the subject of a current application to renew the permission. In addition other potential sites have been identified within the town centre since the ELPS. Two sites including the Town Hall Extension site and the Kings Mall retail/housing development have the potential for redevelopment to include new office development within the town centre.

Estimated jobs: 5,500-6,000 (including Metropolitan Station Car park Site)

Other areas

4.31 The ELPS identified other areas where there is scope for intensification for new employment uses although there was little actual vacant land. These areas were the former employment zones of Kensington Village/Lillie Bridge depot and Seagrave Road/Rickett Street. This area has been proposed as an Opportunity Area in the draft replacement London Plan including the Earl's Court complex within this borough and the Royal Borough of Kensington and Chelsea.

4.32 Kensington Village/Lillie Bridge depot (part of North Fulham Regeneration Area Strategic Site 1)– This area contains the LUL training depot as well as the former MOD office building recently refurbished and part of the Earl's Court exhibition complex (the main Earl's Court building is

situated within the Royal Borough of Kensington and Chelsea). The current owners of Earl's Court are seeking a redevelopment of the site when it closes after the 2012 Olympics. The scheme could include the significant area of land under-utilised by the LUL to provide major offices, hotel and other complementary uses as part of a housing led mixed use scheme. The whole area has the potential to provide for a significant increase in office floorspace, depending on the improvement to transport capacity in the area. This area could provide for significant additional office floorspace in the mid to later years of the plan period.

Estimated jobs: 5,000-6,000 (based on draft replacement London Plan)

4.33 Seagrave Road/Rickett Street (part of North Fulham Regeneration Area Strategic Site 1) – This area is dominated by the car park used by the Earl's Court complex. There are other local employment uses to the north. Seagrave Road car and van park represents an under-utilised site that could be put to a more beneficial use if no longer required by Earl's Court. It is a significant area of land that is considered to be more beneficially used to provide for additional housing in the borough than for new employment activity especially if this type of activity is provided as part of the development to the north.

Estimated jobs: Principally replacement

4.34 Hammersmith Hospital – This area was not identified as having scope for significant intensification in earlier studies but recent approvals will mean that the hospital is able to provide significant expansion of its bio-medical research facilities.

Estimated floorspace: included in Table 1

Conclusions on supply and demand

4.35 The ELR indicated that about 160,000 sq.m. of potential new floorspace could be provided on the opportunity sites (Table 5.3). However, It is considered that the intensive development that is possible for some of these sites, particularly the WCOA, the Earl's Court area and Hammersmith town centre schemes, would provide significantly in excess of this figure. Some of these areas now have planning permission for significant new floorspace, notably sites in Hammersmith centre totalling 54,888 sq.m. and Phase 3 of Hammersmith Embankment totalling 48,496 sq.m. (although this scheme may not go ahead). The current pipeline of permissions is approximately 160,000 sq.m..in schemes over 1,000 sq.m.(Appendix 1) Additional floorspace currently without planning permission on sites identified above, namely in the WCOA, the Earl's Court area and in Hammersmith Centre, have the potential to provide the additional gross increase in Class B floorspace as part of mixed use schemes (Table 1).

4.36 The more flexible council policy towards change of use on sites where housing or mixed use is considered more appropriate will reduce the potential for bringing back into use vacant floorspace and the potential of some vacant sites e.g. Fulham riverside identified in Table 5.3 of the Atkins report. This source of floorspace was estimated to provide 127,000 sq.m.in the ELPS. More intensive development on other sites should compensate for this reduction.

4.37 Based on information included in the AMR for the year 2008/9, it is likely that there will be a loss of floorspace on older inefficient sites of about 4,000 sq.m. per annum or about 80,000 sq.m. during the plan period. It is likely to be lost on small sites which are assessed against policy criteria as being more appropriate for housing or mixed use. Also, several employment sites are identified in the council's Strategic Housing Land Availability Assessment for residential or mixed use redevelopment. Most of these are sites within the South Fulham riverside area, including some small business estates where future mixed development schemes could possibly see replacement of the employment opportunities as well as new housing. Reduction in potential employment land supply through the loss of redundant floorspace elsewhere will mean that further increases may need to be identified should existing anticipated floorspace not be forthcoming in the latter period of the plan.

Type of accommodation

4.38 The schemes discussed above are likely to provide significant new accommodation to meet strategic as well as the local needs emphasised in the ELPS through the provision of a range of types of accommodation including small units. In addition to growth needs within the borough, the emerging policy will seek to retain appropriately located premises for a range of small local businesses. This latter aspect was a key concern identified in the ELPS.

4.39 The ELPS indicates that about 80% of the future floorspace need is for office accommodation, 15% for industrial and sui generis uses and 5% for warehousing. There is no outstanding pipeline for significant industrial or warehousing development in the borough. The last significant development activity for these uses was in the Hythe Road area for the substantial waste processing facility at the Powerday site. Two self storage schemes, one in Hythe Road area (Scrubs Lane) and the other in Townmead Road, have been completed in recent years and since the completion of the ELPS. It is likely that significant additional floorspace for these uses will not be provided in this borough outside of the SIL area. Additional capacity could however be provided by the upgrading of sites within the SIL area..

4.40 Outside the identified SIL there are a number of railway arches which provide a valuable source of premises for a range of local service activities.

4.41 In order to expand the amount of floorspace in the borough to meet the projected need identified for all employment uses, the ELPS recommended that the existing floorspace should be protected and a rigorous assessment

made before a change of use is permitted. However, the council's more proactive approach towards development activity for some of the opportunity sites enables those sites that offer poorer quality accommodation or are inappropriately located to change use to provide for more housing. Nonetheless, to avoid unplanned loss of floorspace, it is important that sites should not be lost through development activity where this cannot be justified. Where the loss of premises is proposed, suitable replacement accommodation may where appropriate be sought.

Other employment generating activity

4.42 The Employment Land Reviews outlined above were aimed specifically at demand and supply for Class B accommodation. However, PPS4 (Dec, 2009) covers a much wider range of employment generating uses including town centre uses such as retail, leisure, arts and culture and tourism. Significant opportunities will exist for these other kinds of economic development to meet local and strategic needs. This will add significantly to the employment opportunities within the local area as well as serving to strengthen the economic base of the local economy. The opening of the Westfield Shopping Centre in Shepherd's Bush has added about 7,000 jobs within the borough and further jobs in the leisure and tourism sectors could add to more traditional sources of employment in Class B uses in the WCOA and the borough's other regeneration areas. The expansion of house building within the borough to meet the increased housing target will increase employment in the construction industries.

5. Conclusions

5.1 Since the amendments that have been made to the UDP, following the saved policies exercise in September 2007, a more flexible approach towards the change of use of sites that have a Class B use has been implemented. A number of under-used or poorly located sites have been granted permission for residential use and make a valuable contribution towards meeting the council's aims to increase housing supply and its revised housing targets. Other sites have a mixed use permission that enables some economic activity to be retained whilst at the same time providing for new housing.

5.2 In general, with the exception of the Hythe Road area (SIL) where little change has occurred, the policy approach adopted by the council has been to ensure that employment sites that are released to meet the need for new housing have been inappropriate for continued employment use and that they have met the criteria of "surplus" as set out in London Plan policy 3A.2. This approach has enabled an increased supply of housing in the borough, and will continue to do so, whilst at the same time increased density on appropriate sites has, and will continue to, ensure that the borough continues to be able to expand its economic base and facilitate economic growth in line with projected need. In the forthcoming years, the primary foci for this increased activity will be Hammersmith town centre and the two Opportunity Areas.

5.3 Those sites that are no longer in the most appropriate location to provide for the type of economic activity needed, e.g. offices, mainly because of the relatively poor accessibility of some of the former employment areas, can be released for alternative uses. In addition, there are some sites that are of a scale or in a location that is not suitable for the other growth activities of logistics or waste. Release of some of these sites, coupled with the more intensive employment development of others, should ensure that the borough is able to achieve the right balance of housing and economic growth and that this is achieved in a sustainable manner.

Proposed Strategy

5.4 The ELPS recommended that a clear typology of employment sites should be promoted in the LDF and that every effort should be made to ensure that adequate provision is made for anticipated need in the borough. It noted that there was a danger that Hammersmith and Fulham might not be able to make provision for all of the identified need within existing sites and vacant floorspace.

5.5 This background paper has taken forward the approach identified in the ELPS through the more intensive use of sites. It shows that the borough will be able to meet the projected need for economic activity to 2031 through

- protecting viable appropriately located floorspace;
- directing substantial growth to well located areas of the borough, particularly Hammersmith town centre, White City and Earl's Court West Kensington regeneration areas; and
- adopting a more flexible approach to site development that enables the loss of underused sites for housing or mixed use,

5.6 Following the updated information set out in this background document, the approach outlined below is considered to be the most appropriate for this borough. The proposed strategy identifies areas based on a London Plan typology including SILs, Opportunity Areas, namely the White City Opportunity Area, Park Royal Opportunity Area (part in Hammersmith and Fulham) and the proposed Earl's Court West Kensington Opportunity Area and town centres, for example, Hammersmith town centre

Opportunity Areas/Strategic Industrial Locations

5.7 Two OAs (White City and Park Royal) and two SIL (Wood Lane and Hythe Road) are currently identified in the London Plan (2008) both designations overlap. The draft replacement London Plan proposes an additional opportunity area at Earl's Court/West Kensington and the deletion of the SIL at Wood Lane. The Hythe Road area is proposed to be retained as a Preferred Industrial Location and is part of the wider Park Royal Opportunity Area. The Wood Lane SIL is part of the wider White City Opportunity Area now proposed for significant regeneration and intensification and therefore this SIL is proposed to be deleted in the consultation draft replacement London Plan.

5.8 Hythe Road continues to be the focus for industrial activity in the borough despite some decline of this type of activity in recent years. It is part of the wider Park Royal industrial area and continues to provide for new types of industrial activity including waste. Some loss of industrial and warehousing activity has resulted from the continued expansion of car sales which is a cause for concern (LUS 2007). In line with London Plan policy this area should continue to have priority for industrial and warehousing activity in the borough including waste activities. The area includes substantial rail freight sites at Old Oak Common Sidings and the former Eurostar depot site. These sites are now the focus for the proposed west London interchange station for High Speed 2 linked to Crossrail. This proposal, if progressed, will enable the substantial regeneration of this area to provide for employment and new housing. It will require a reconsideration of the extent of the existing Strategic Industrial Location. This area is likely to be the subject of significant regeneration in the later stages of the plan period linked to HS2.

5.9 This industrial area has the Grand Union Canal running through it which is an under-utilised resource that could be more fully utilised to provide for freight movement. The new waste management facility at Old Oak Sidings currently uses the canal for the transshipment of waste. Other sites adjoining the canal could make better use of this important resource in this area.

5.10 Wood Lane has been subject to substantial change due to the departure of Dairy Crest a significant previous industrial activity in the area. The area is now dominated by the BBC and there are small business units to the north of the new Westfield retail centre. The former Dairy Crest land is occupied by a number of temporary uses pending redevelopment. The area is designated as part of the White City Opportunity Area in the London Plan with the potential for substantial new jobs and homes. It is no longer appropriate to designate the White City East area as SIL, for an industrial business park, and the draft replacement London Plan is proposing its deletion. The area is highly accessible by public transport and the draft Opportunity Area Planning Framework will propose a housing led mixed use development with significant office based employment generating uses. The area should have a particular focus on creative and bio-tech industries in view of the influence in this area of the BBC and major hospitals. H&F is able to meet its waste apportionment target in the Hythe Road SIL without the need to safeguard this area for waste management activities. This area is likely to see significant regeneration in the medium term.

5.11 The proposed new Earl's Court/West Kensington Opportunity Area in the draft replacement London Plan builds on the potential for regeneration following the proposed closure of the Earl's Court Exhibition centre in 2012 after the Olympics. The area has good accessibility and is well located to provide for significant new employment as part of a wider residential led mixed use regeneration. There is the potential to provide new office floorspace as part of this regeneration but it is considered that this should not be to the detriment of the existing primary office location of Hammersmith town centre and the proposed new office based creative business quarter at White City. A wider range of employment generating uses will be encouraged.

Locally Significant Employment Sites

5.12 The separate designation of the former employment zones areas would generally not accord with the aspiration for providing a flexible framework for development in the borough that enabled employment as well as new housing. The former employment zones are no longer predominantly industrial in nature and designation of these areas would prevent the upgrading of sites to provide for a more appropriate form of development that enabled additional housing provision in the borough. The areas of former economic activity are not always the most appropriate for the more intensive type of development needed in the borough - principally office based. In addition they do not generally provide a location or size of site suitable for major new logistics or waste activities. Intensification would be better directed to a smaller number of highly accessible areas whilst seeking to retain existing activities that provide for more local provision and established office centres.

5.12 Notwithstanding the above, the important employment function of some significant activities in the borough are acknowledged. There are also many small business complexes that have developed in response to demand for a downsizing of accommodation in the borough. These complexes provide reasonably priced accommodation for this important sector in the local economy.

Town Centres

5.13 The varied role of the three town centres in the provision of office based activities, noted in the Employment Land and Premises Study, should continue to be acknowledged particularly the need to focus continued major office development in Hammersmith Centre. This role should be promoted and enhanced through development activity. Major areas for new office based activity include planning permission for the Metropolitan Station car park site, new civic office accommodation as part of the regeneration of the western end of Hammersmith Town Centre and scope for further provision as part of the improvement of the Kings Mall shopping and housing area. Hammersmith town centre could provide new employment activities throughout the plan period with the implementation of an office permission at the Metropolitan Station car park and other schemes during the later parts of the plan period. The Core Strategy identifies Hammersmith town centre as the preferred location for major office development other than where this is proposed as part of development within Regeneration Areas.

5.14 The other town centres of Fulham and Shepherd's Bush are not major providers of office accommodation but have a role to play in the provision of more local facilities. Major office schemes are not proposed for the existing parts of these town centres although B1a) floorspace may be provided as part of specific development schemes.

Other employment sites

5.15 The GLA's SPG on Industrial Capacity (2008) suggests a criteria based approach to the release of sites outside of the designated hierarchy. In view of the de-designation of a number of employment areas in the borough following the UDP saved policies exercise, the criteria should take account of the considerable number of important employment areas that will be considered under its guidance. Whilst encouraging replacement and renewal of stock the direction of policy should be to enable other uses to be accommodated on sites where this is appropriate and where valuable economic activity will not be displaced.

Site Specific Proposals

5.16 The Core Strategy includes key strategic sites within the areas proposed for regeneration (see paragraphs 4.17 – 4.34). It is anticipated that these sites will contribute between 25,300 and 27,500 new jobs in the borough throughout the plan period. .

Baseline Information

Planning Policy Statement 4: Planning for Sustainable Economic growth, Communities and Local Government, Dec 2009

Hammersmith and Fulham Employment Land and Premises Study, Atkins, 2005

Employment Land Reviews: Guidance note, Office of the Deputy Prime Minister, December, 2004

LDA, London Industrial Land Baseline, URS, June 2010

Mayor of London, Schedule of Early suggested changes to Maps and Tables for the draft replacement London Plan, May 2010

Mayor of London, Office Policy Review, 2007

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Mayor of London, Planning for a Better London, 2008

Mayor of London, A new Plan for London, Proposals for the Mayor's London Plan, April 2009

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GLA Economics, Working paper 39 Borough Employment Projections to 2031, November 2009

Hammersmith and Fulham Unitary Development Plan adopted August 2003

Hammersmith and Fulham Unitary Development Plan as amended September 2007

Hammersmith and Fulham Economic Development Strategy 2007

Hammersmith and Fulham, Land Use Survey 2007 Report

Hammersmith and Fulham Annual Monitoring Report December, 2008

Hammersmith and Fulham Annual Monitoring Report december, 2009

Appendix 1: Office Pipeline in schemes above 1000 sq.m. in Hammersmith and Fulham as at June 2010 (includes schemes with planning permission either under construction or not started)

Central including Hammersmith town centre

<i>Address</i>	<i>Approval date</i>	<i>Gross fs</i>	<i>Progress</i>	<i>Comment</i>
Centre west (part) (town centre)	6/97	9,034	N/S	Final phase of Hammersmith Broadway redevelopment to incorporate new bus station. Implementation is considered unlikely in the short term
Hammersmith Embankment	10/02	48,370	N/S	Final phase of office scheme but may be subject to revision and may not now proceed.
3 Sussex Place, W6	06/06	1,406	N/S	B1 redevelopment
Griffin House, 161 Hammersmith Road, W6	06/09	2,087	N/S	Revised scheme for an additional floor replaces that approved 08/07
Car park adjacent to Hammersmith and City line station (town centre)	12/07	39,141	N/S	Major town centre office led mixed use scheme. Maybe subject to some revision but likely to be major office scheme. Application submitted to renew permission
UDP Site 27				
Latymer House, 2 Ravenscourt Road, W6	08/09	1,605	N/S	Redevelopment of former builders yard to provide for new offices
<i>sub total</i>		<i>101,643</i>		

Shepherds Bush/White City and north Hammersmith

BBC, Wood Lane, W12	9/01	19,534	N/S	Final phase of BBC Media Village including Music centre. May not proceed in current approved form.
Westfield Shopping Centre (4 permissions) (town centre)	01/09 + 01/10	7,596	N/S	4 Permissions allow for upper floor space within the shopping centre to be used as offices. Provides flexibility within Westfield

UDP Site 36					Shopping centre. Two of the four schemes to be occupied shortly.
Hammersmith Hospital, Du Cane Road	08/09	8,600	N/S		Development of new part 3 part 6 storey building to provide biomedical research labs
<i>sub total</i>		<i>35,730</i>			
<u>South</u>					
Imperial Wharf, Block D	05/00	4,200	U/C & NS		Residual figure for Phase 1
UDP Site 32					
84-88 Fulham High Street	11/06	1,054	N/S		Mixed use scheme
212 New Kings Road	11/07	2,644	N/S		Mixed use redevelopment. Alternative schemes under consideration and may not proceed
Imperial Wharf, Townmead Road Block J1	04/08	2,564	?		Increased B1 approval for this Block that brings forward B1 from phases 2 and 3
UDP Site 32					
Bedford House 69/79 Fulham High Street	09/08	15,044	N/S		Part redevelopment and part extension/conversion of existing office block. Net addition of 5048 sq.m.
21 Lillie Road	09/09	1,858	U/C		Change of use of warehouse to provide a Metropolitan Police Facility
<i>sub total</i>		<i>24,800</i>			
Total borough (schemes above 1000 sq.m.)		162,173			