



Greenwich Employment Land Review

Final Report

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ABBREVIATIONS

ABI	Annual Business Inquiry
AAP	Area Action Plan
DCLG	Department of Communities and Local Government
ELR	Employment Land Review
GLA	Greater London Authority
ICT	Information and Communications Technology
LDF	Local Development Framework
LSIS	Locally Significant Industrial Location
ODPM	Office of Deputy Prime Minister
ONS	Office of National Statistics
PMA	Property Market Area
PPG	Planning Policy Guidance
PPS	Planning Policy Statement
R&D	Research and Development
RBG	Royal Borough of Greenwich
SIL	Strategic Industrial Location
SME	Small and Medium Sized Enterprises
SPD	Supplementary Planning Document
SSA	Site Specific Allocation
VOA	Valuation Office Agency

1 INTRODUCTION

1.1 Study Objectives

URS Infrastructure and Environment UK Ltd (URS) was commissioned by the Royal Borough of Greenwich (RB Greenwich) to undertake an employment land review to assess the quantity, quality and viability of the borough's employment land to form an evidence base to support the review of policies and preparation of RB Greenwich's Local Development Framework. The Employment Land Review (ELR) will be used by the Borough to inform its future approach to the provision, protection, release or enhancement of employment land and premises.

The need for Local Planning Authorities to produce an up to date Employment Land Study and the suggested format of that study is outlined in Department for Communities and Local Government's (DCLG) Guidance Note on Employment Land Reviews (2004) (ELR). The methodology applied in this study is in line with DCLG guidance. The guidance suggests the scope of Employment Land Reviews should focus on the B use class orders, that is B1a (Offices), B1b (Research and Development) and B1c (Light Industry); B2 (General Industrial); and B8 (Storage or Distribution).

The Guidance also suggests that studies take account of wider employment uses such as utilities, land for transport and waste management. As noted, the study will form part of the Council's evidence base for the emerging Local Development Framework Development Plan Documents (DPDs).

1.2 Area of Study

The study area included the whole of RB Greenwich. The main employment areas are located in the north of the Royal Borough at Greenwich Peninsula, Charlton and at Plumstead - all of which are allocated for employment use within the RBG adopted Unitary Development Plan (UDP) (2006).

URS has a good understanding of industrial employment land in Greenwich having led on the London Industrial Land Baseline study in 2010 on behalf of the GLA. This work fed into the updated London Plan 2011.

Surveyed employment areas included predominantly industrial (B1c/B2) and warehousing (B8) areas reflecting the traditional nature of employment allocations within the Borough plus mixed use employment allocations such as the Charlton Business Park. The consultants also visited and considered the town centres of Woolwich, Eltham and Greenwich as the preferred locations for office development (within the UDP) and main locations of existing office supply and the proposed North Greenwich District Centre (from the draft Core Strategy) where much of the borough's pipeline office supply is set to come on stream in the next few years.

So as to enable an efficient and consistent approach to the field survey and review of employment land, site attributes were collected for different employment clusters. Clusters were defined as distinctly different employment areas in different parts of the borough. Where the characteristics of sites varied within employment clusters these were broken down and surveyed as sub-clusters. Six employment clusters were identified, three of which were divided into sub clusters. Figures 2.2 to 2.6 and Table 5.1 identify the location and content of the employment clusters respectively¹.

¹ In addition two smaller employment sites of 'Woolwich Royal Arsenal / Arsenal Way Industrial Estate' and 'Lyndean Industrial Estate' in Abbey Wood were assessed and integrated into the analysis.

1.3 Report Structure

This report sets out our final findings and recommendations for employment land in RB Greenwich based on a comprehensive desk review and socio-economic analysis; a field survey and appraisal of individual employment areas; consultation with relevant Council Officers; a review of historical trends in the commercial and industrial property sectors; and a forecasting exercise.

The remainder of this report is structured as follows:

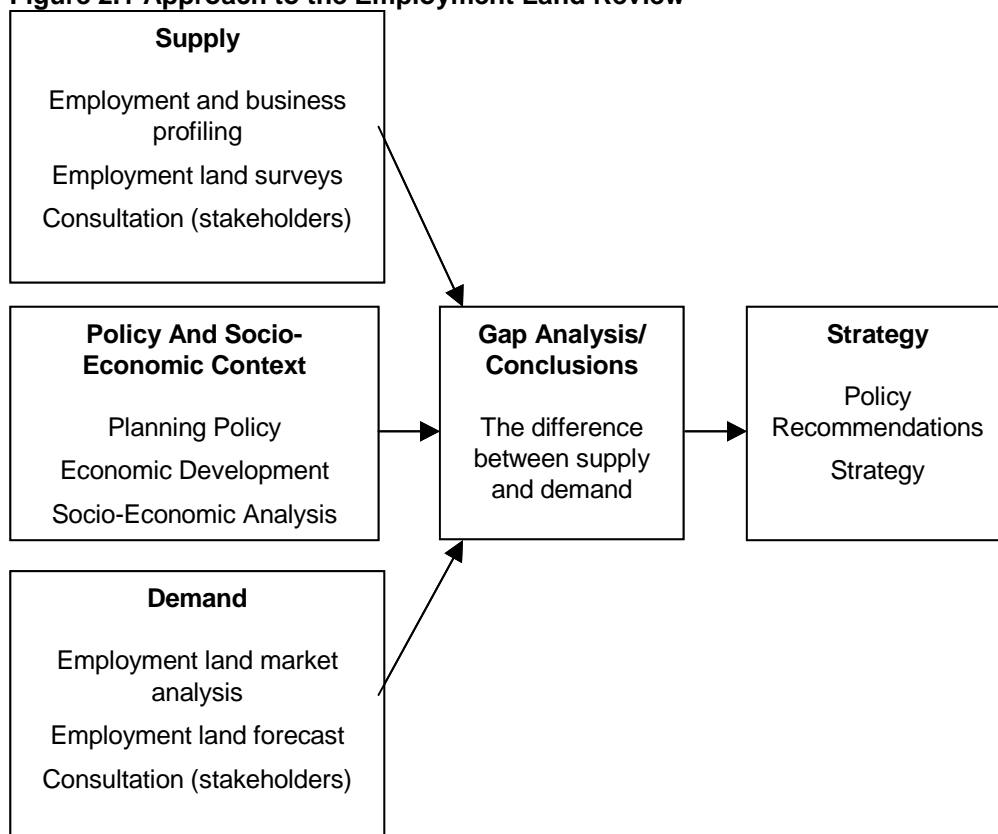
- Section 2 gives details of our approach to the various research elements of the assignment
- Section 3 describes the national, regional and local policy context of particular relevance to employment land and related issues in RB Greenwich.
- Section 4 provides a comprehensive analysis of socio-economic baseline conditions in RB Greenwich relative to the rest of London and Great Britain.
- Section 5 sets out the key findings of the business area appraisals (on site and desk based) and summarises the key qualitative and quantitative results
- Section 6 describes the employment land market in RB Greenwich by providing an overview of sub-regional and local trends and characteristics in relation to the office and industrial property sectors. The section also summarises the results of the Council's recent consultations with stakeholders in and around employment areas.
- Section 7 sets out the employment land demand forecasts. Our synthesis forecast approach takes historic completion rates as a base for forecasting future employment floorspace demand.
- Section 8 presents conclusions and recommendations on retention and release of employment land sites and floor space.

2 APPROACH

2.1 Introduction

This section sets out the main research elements of this employment land review as illustrated in **Figure 2.1**. Each element is reviewed briefly in the following sub-sections.

Figure 2.1 Approach to the Employment Land Review



Source: URS

2.2 Policy Context, Socio-economic Analysis and Local Economy

Our employment land review begins with a review of the policy framework and the socio-economic context.

The policy review takes account of relevant national, regional and local policies and strategies as these have the potential to influence future supply and demand for employment land. The profile covered a review of historical employment information for the borough, including information on workforce characteristics, occupation, earnings and travel to work information, and analysis on key sectors. To develop this profile a number of information sources are reviewed including Census data, ONS Annual Population Survey, Annual Business Inquiry and the Local Labour Force Survey.

2.3 Employment Land Field Survey

The survey covered the use classes B1, B2 and B8 as per the DCLG ELR Guidance Note (2004). Throughout this report employment land is referred to as land in office (B1), comprising B1a (Office) and B1b (Research and Development) but not B1c (Light Industry) as this use class shares characteristics more similar to industrial uses; industry (B2) comprising industry (B2) uses and B1c (Light Industry); and warehouse use (B8). Each cluster was surveyed and appraised against an agreed set of economic, planning and property market criteria, in line with DCLG Employment Land Review Guidance Notes, Industrial Capacity SPG (2008)² and NPPF guidance.

Each employment cluster was visited and appraised against an agreed set of economic, planning and property market criteria to assess their fitness for purpose. The survey focused on the strategic issues – those that are most important in the formulation of robust employment land policies.

In total six main clusters and a total of twelve sub clusters were surveyed. These clusters covered employment areas set out in the draft Core Strategy and the following adopted 2006 UDP employment land designations: 'Defined Industrial Areas'; 'Charlton Business Park'; and the 'Aggregates Zone' at Charlton. In addition, the consultants visited and considered the town centres of Woolwich, Eltham and Greenwich as the preferred locations for office development (within the UDP and) and main locations of existing office supply and the proposed North Greenwich District Centre (from the draft Core Strategy) where much of the borough's pipeline office supply is set to come on stream in the next few years. Table 5.1 sets out a full list of clusters.

² And the Draft Supplementary Guidance, Land for Industry and Transport (Mayor of London; February 2012).

Figure 2.2: Cluster 1 Plumstead Industrial Area

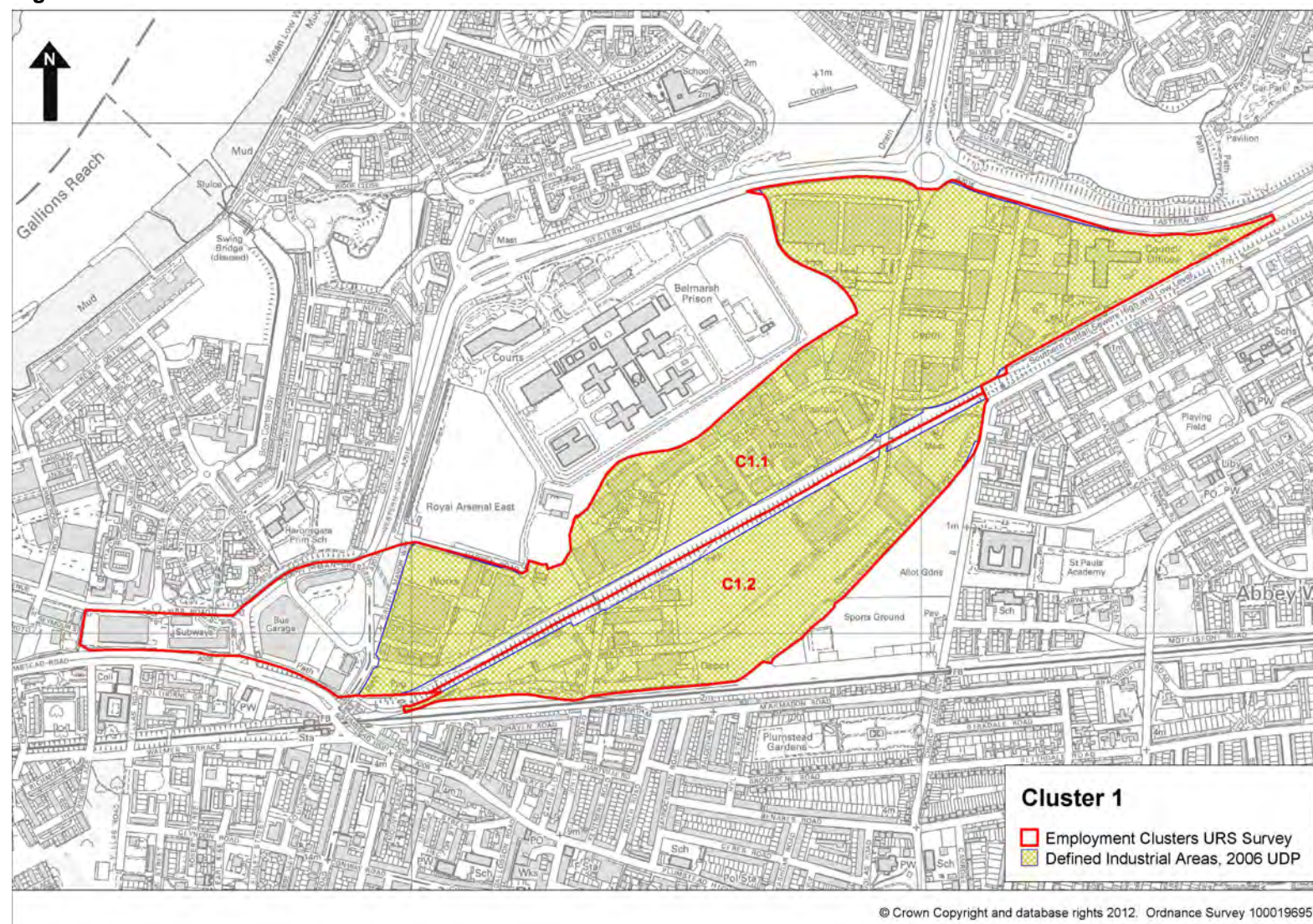


Figure 2.3: Cluster 2 North Charlton Employment Area (inc. Charlton Business Park) & Cluster 3 Angerstein Triangle

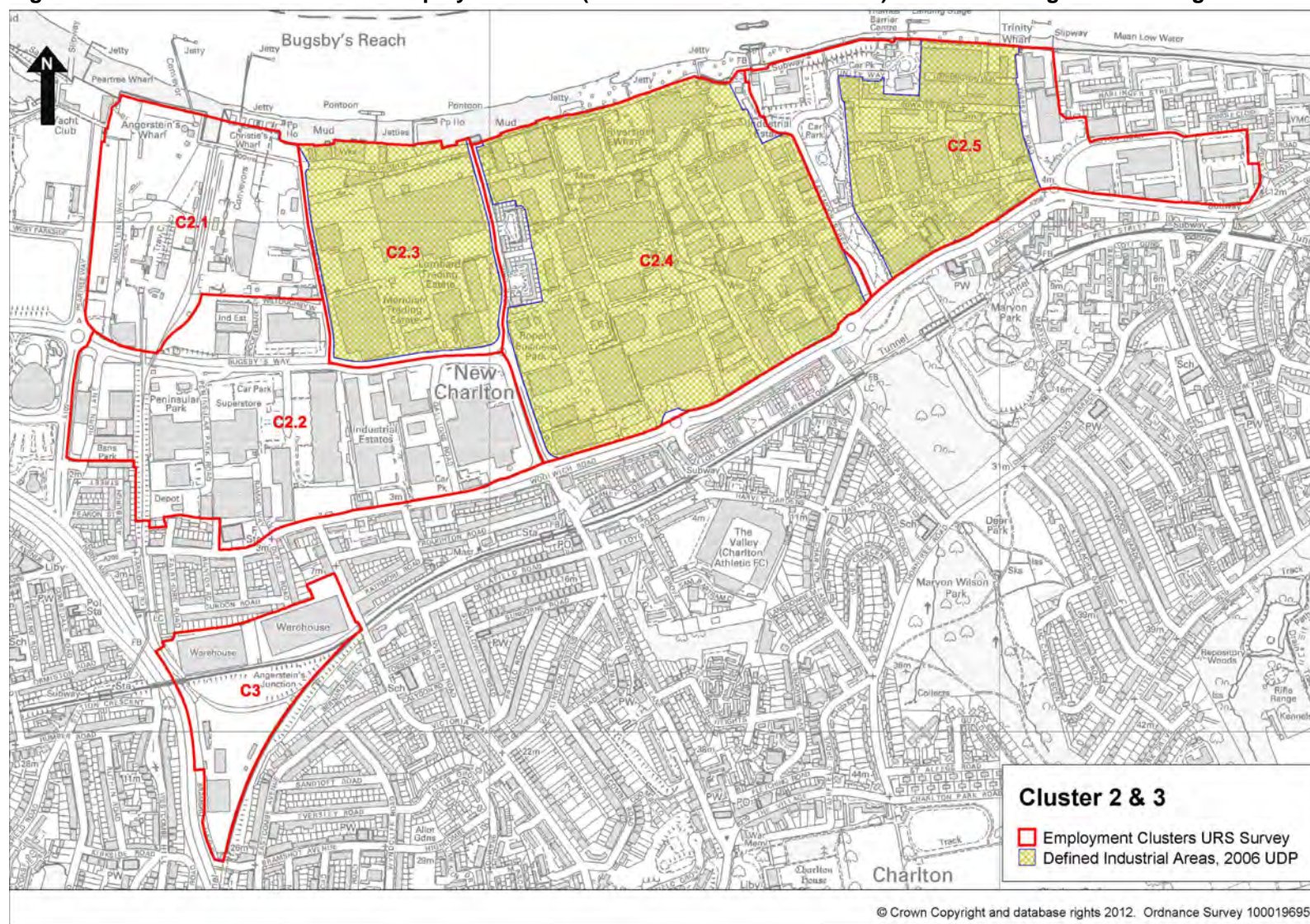


Figure 2.4: Cluster 4 Greenwich Creekside Area

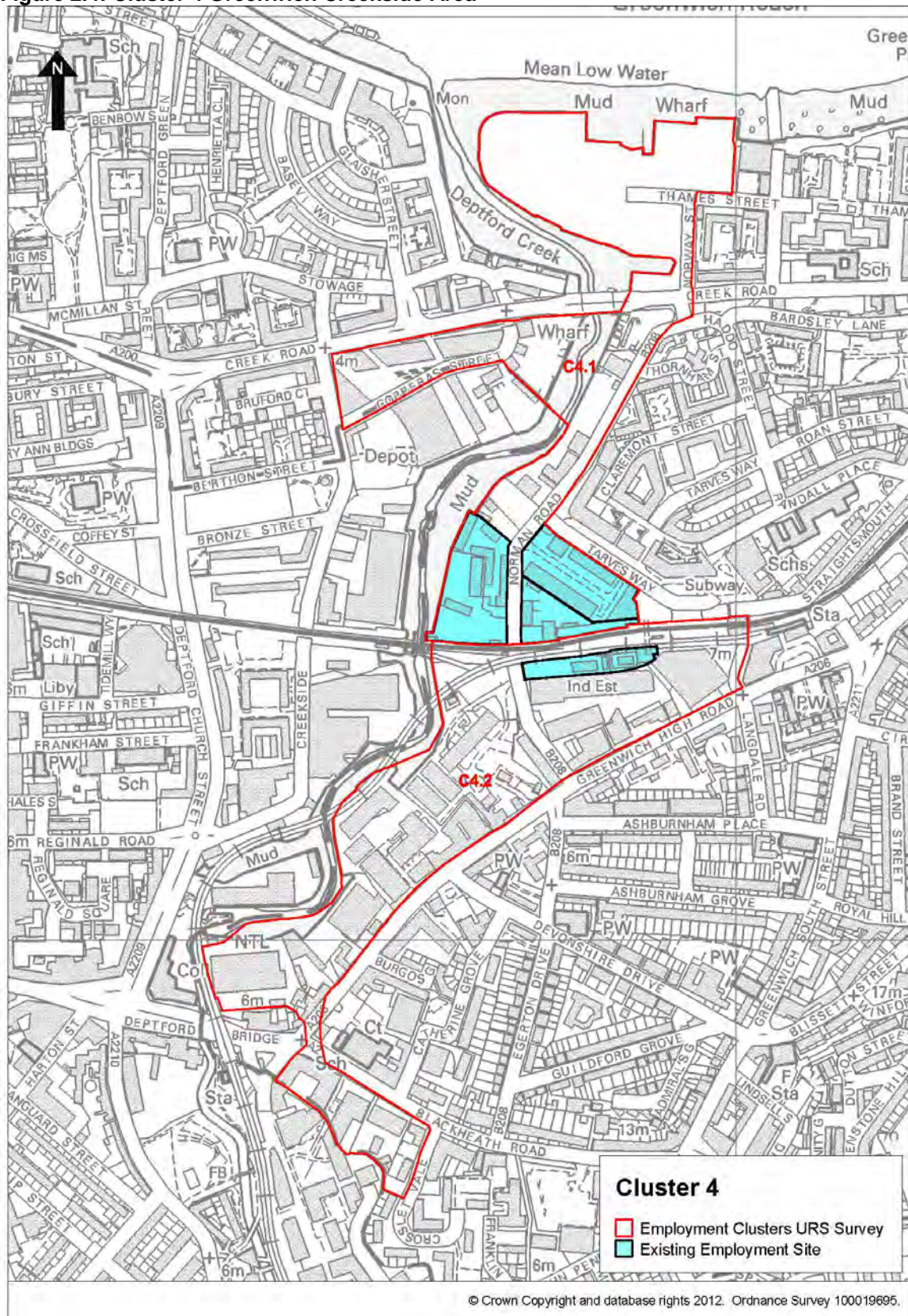
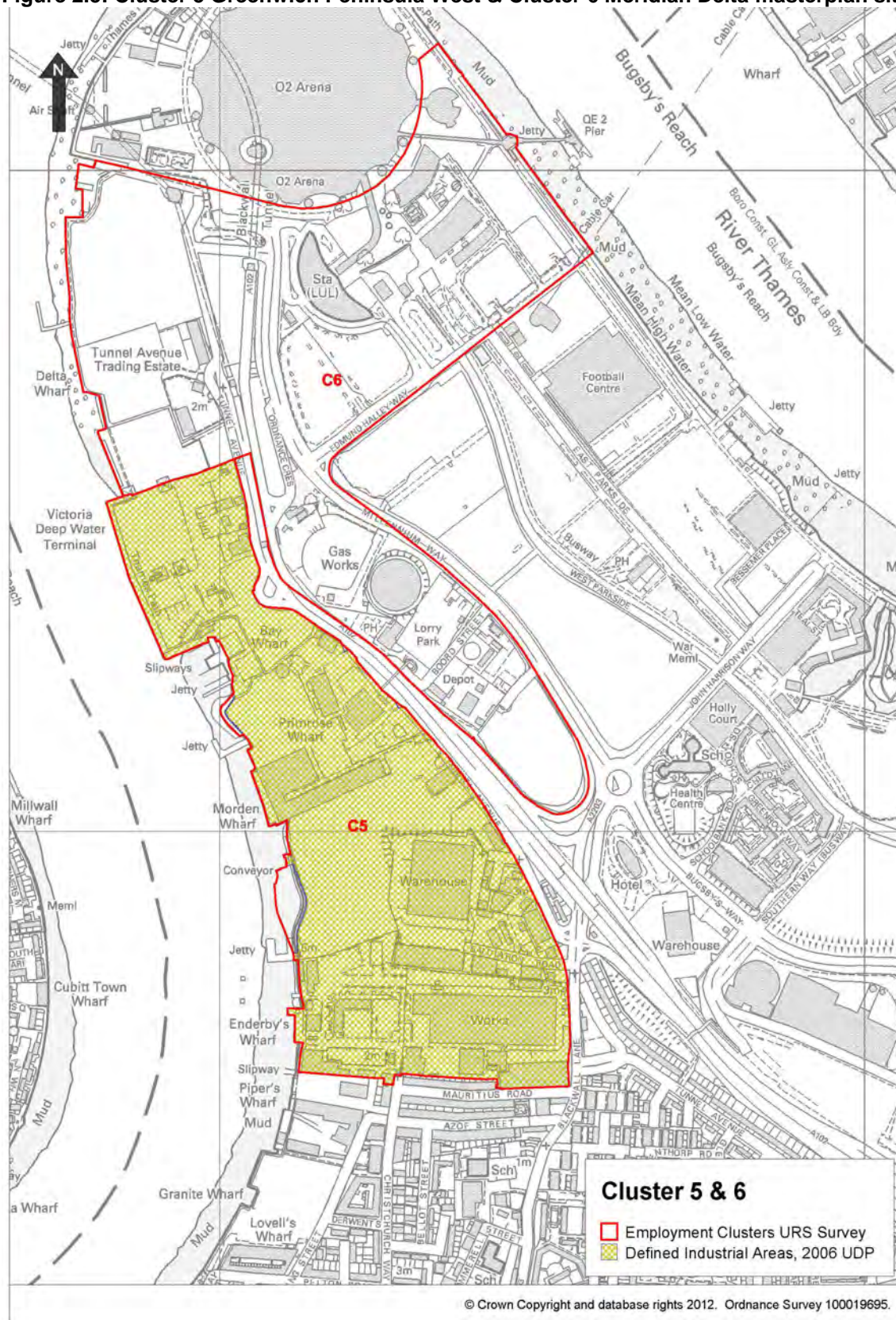


Figure 2.5: Cluster 5 Greenwich Peninsula West & Cluster 6 Meridian Delta masterplan site



2.4 Market Assessment

Local property market agents and key stakeholders involved in economic development and regeneration were consulted in order to better understand the local demand and supply characteristics of the employment land market and the land and premises-related drivers and constraints to businesses operating in the borough. This was undertaken at the sub-regional and local levels and provided an overview of the characteristics of the office and industrial markets.

The market analysis provided a different perspective on the supply of employment land than that which was achieved through the field surveys and desk research.

2.5 Demand Projections

Our demand projections for employment land involved a synthesis approach which draws on the following factors:

- Historic trends in local and sub-regional employment floorspace
- Historic employment trends by sector
- Employment projections based on land availability, connectivity and sector-based employment trends; and
- The influence of other factors specific to the local area such as planned and committed major projects, regeneration initiatives, the local economic and commercial property market environment, and the comparative advantages of RB Greenwich in relation to its competitor markets.

RB Greenwich's employment land market operates within a wider sphere and businesses looking to invest/relocate and take up land and premises are likely to search for suitable locations within a wider geography than the council's administrative boundary. The geography of this sphere of search has a similar economic and commercial property market context and can be described as a Property Market Area (PMA). For office, industry and warehousing our employment demand projections are made in the context of the PMA and, for the purposes of data availability use the following local authorities to define the PMA:

- RB Greenwich
- LB Lewisham
- LB Bromley
- LB Bexley
- LB Southwark

Valuations Office Agency (VOA) data was used to assess the changes in floorspace between 1998 and 2008 (the most up to date information) of the five local authority areas; and Annual Business Inquiry (ABI) statistics were used to calculate on historic employment trends. Council information on permissions was then used to help assess the situation between 2008 and 2012.

The floorspace forecast for the period 2012 – 2028 was used and adjusted by the relationship between the rate of change of historic employment and historic floorspace

and appreciation of a series of local factors such as property market attractiveness, economic and regeneration drivers and constraints. This appreciation was informed by desk-based research and consultations. Sensitivity testing was applied to the annual rate of growth to present a potential range in the demand for employment land either side of the best estimate.

2.6 Conclusions and Recommendations

The final chapter draws together all of the previous research elements and makes a comparison of the current supply of employment land in RB Greenwich with the projected demand for employment land up to 2028. This involves an assessment of the balance between supply and demand, and informs the position of whether there should be retention or release or employment land.

The recommendations are informed by all preceding analysis: the socio-economic profile of the borough, field surveys, the planning policy context, property market analysis, demand projections and consultations findings. The recommendations describe by use class type and spatially where land for employment uses should be provided. All recommendations are set out with a justification.

3 POLICY REVIEW

3.1 Introduction

This section provides an overview of relevant planning and economic development policy which informs this employment land review.

3.2 National Planning Policy

National Planning Policy Framework (NPPF)

The NPPF condenses all planning policy statements into a single all encompassing planning framework with the intention of making the planning system less complex and more accessible. The National Planning Policy Framework was published and came into effect on 27th March 2012.

The NPPF describes the Government's vision for building a strong, competitive economy. It sets out a presumption in favour of sustainable development in the absence of a local plan or where the plan is silent or indeterminate. This means that the ELR and Local Plan should present robust evidence to support clearly defined allocations of land for employment to avoid applications for alternative use being granted on the basis they are sustainable development. In relation to economic and employment land it states the following:

The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth.

Therefore significant weight should be placed on the need to support economic growth through the planning system.

To help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century.

Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing. In drawing up Local Plans, local planning authorities should:

- *Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;*
- *Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- *Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;*
- *Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;*

- *Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.*

Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities. (NPPF, page 6-7).

URS considers the status and justification for the ongoing protection of employment land in Sections 5 and 8.

3.3 Regional Planning Policy

The Coalition Government of 2010 announced that national Planning Policy Statement 11: Regional Spatial Strategies will be abolished under the Localism Bill (introduced to Parliament in Dec 2010). However, the guidance letter³ states that the London Plan will continue to provide the planning framework for the London boroughs. The letter also states that the Government is also considering whether powers and discretion can be shifted downwards from central Government to the Mayor and the assembly, to the London boroughs and to local neighbourhoods. This will include devolving power from the Greater London Authority down to the boroughs and below.

London Plan 2011

The London Plan (July 2011) is the spatial strategy for Greater London spanning the next twenty years to 2031. It replaces the previous London Plan (2004). It sets out an integrated social, economic and environmental framework for the future development of London. The relevant policies are stated below.

An overall strategic policy of the Plan is contained within six detailed objectives. Those relevant to guide the Council's in the development of their employment policies within their local development plan include the following:

- Objective 1 - A city that meets the challenges of economic and population growth in ways that ensure a sustainable, good and improving quality of life and sufficient high quality homes and neighbourhoods for all Londoners, and help tackle the huge issue of deprivation and inequality among Londoners, including inequality in health outcomes.
- Objective 2 - An internationally competitive and successful city with a strong and diverse economy and an entrepreneurial spirit that benefit all Londoners and all parts of London; a city which is at the leading edge of innovation and research and which is comfortable with – and makes the most of – its rich heritage and cultural resources.
- Objective 5 - A city that becomes a world leader in improving the environment locally and globally, taking the lead in tackling climate change, reducing pollution, developing a low carbon economy, consuming fewer resources and using them more effectively.

³ Chief Planning Officers Letter: Revocation of Regional Strategies, DCLG, 6 July 2010

The London Plan identifies Greenwich within inner London. Policy 2.9 sets out the overall vision for Inner London. It states:

- *The mayor will and boroughs and other stakeholders should, work to realise the potential of inner London in ways that sustain and enhance its recent economic and demographic growth while also improving its distinct environment, neighbourhoods and public realm, supporting and sustaining existing and new communities, addressing its unique concentrations of deprivation, and improving quality of life and health for those living, working, studying or visiting there.*

Policy 2.12: 'Opportunity Areas and Areas for Intensification' states that 'development proposals within opportunity areas and intensification areas should:

- *Support the strategic policy directions for the opportunity areas and intensification areas set out in Annex 1, and where relevant, in adopted opportunity area planning frameworks*
- *Seek to optimise residential and non-residential output and densities, provide necessary social and other infrastructure to sustain growth, and, where appropriate, contain a mix of uses; and*
- *Contribute towards meeting (or where appropriate, exceeding) the minimum guidelines for housing and/or indicative estimates for employment capacity set out in Annex 1, tested as appropriate through opportunity area planning frameworks and/or local development frameworks.'*

Policy 2.13 refers to Opportunity Areas, such as Deptford Creek/Greenwich Riverside; Woolwich; Thamesmead and Abbey Wood; Charlton Riverside; and Greenwich Peninsula, in the South East London sub-region and states that; '*Planning frameworks, investment plans and other spatial interventions for these areas (opportunity areas) should focus on implementation, identifying both the opportunities and challenges that need resolving such as land use, infrastructure, access, energy requirements, spatial integration, regeneration, investment, land assembly and phasing*'.

Integral to Policy 2.13 is Annex 1, which outlines how broad principles of the London Plan should be applied to specific Opportunity and Intensification Areas including indicative estimates of employment capacity and minimum guidelines for new homes to 2031.

With regards to Opportunity Areas in RB Greenwich, Annex 1 of Policy 2.13 states the following:

Charlton Riverside

Charlton Riverside Opportunity Area is estimated to have a net additional employment capacity of 1,000 jobs plus 3,500 new homes.

Development at Charlton Riverside should be integrated with the wider development of the south bank of the Thames to complement opportunities at Deptford/Greenwich, Greenwich Peninsula and Woolwich.

Any managed release of surplus industrial land should be set in a wider sub regional context as part of the planning framework for the Area, taking into account safeguarded wharves such as Murphy's and Angerstein with its strategic railhead.

Greenwich Peninsula

Greenwich Peninsula Opportunity Area is estimated to have a net additional employment capacity of 7,000 jobs plus 13,500 new homes.

The Peninsula plays two key strategic roles, as an internationally significant leisure attraction and as a major contributor to meeting London's need for additional housing. The main focus of commercial development is at the north of the peninsula around the O2 Centre and the Jubilee Line station. Any release of industrial capacity should be managed in a sub-regional context and as part of the planning framework, recognising the roles of safeguarded wharves and the potential for a cruise liner terminal. River paths, parks and squares on the peninsula should contribute to a high quality public realm and become part of the wider East London Green Grid with potential to improve pedestrian and cycle linkages from the O2 to Greenwich town centre.

Development and infrastructure provision should be co-ordinated with that in neighbouring Charlton Riverside.

Deptford Creek/ Greenwich Riverside

Deptford Creek/ Greenwich Riverside Opportunity Area (which falls partly in Greenwich and partly in Lewisham) is estimated to have a net additional employment capacity of 4,000 jobs plus 5,000 new homes.

The Area should benefit major concentrations of deprived neighbourhoods across the two boroughs and capitalise on its waterside and heritage character. Subject to resolution of wharf related issues, parts of Convoys Wharf should be developed for a range of uses. The area as a whole has potential for a cultural quarter, for smaller scale leisure and tourism-related provision, business workspaces and additional housing. East-west connections across Deptford Creek should be addressed.

Thamesmead and Abbey Wood

The Thamesmead and Abbey Wood Opportunity Area is estimated to have a net additional employment capacity of 4,000 jobs plus 3,000 new homes.

The residential environment and capacity of Thamesmead should be enhanced through estate renewal integrated with strategic opportunity sites for new housing, social and recreation facilities together with improved open space and Metropolitan Open Land. Access to the riverside and adjacent spaces in Tripcock Park should be enhanced, together with measures to secure better use of landscape assets such as the Ridgeway and improved local connections through the South East London Green Chain. In view of the low lying nature of parts of the Area, particular attention should be given to flood risk management.

There is scope to enhance employment capacity in the White Hart Triangle and other industrial sites, including waste management and logistics provision.

Woolwich

The Woolwich Opportunity Area is estimated to have a net additional employment capacity of 5,000 jobs plus 5,000 new homes.

Building on existing and proposed transport infrastructure including Crossrail, and realisation of the boroughs substantial residential capacity, Woolwich could evolve to perform a higher role in the town centre network, which subject to implementation of the OAPF, could merit Metropolitan status. Implementation of proposals for the Royal

Arsenal is also raising the profile of Woolwich and encouraging the wider regeneration of the town centre. Attractive links have been completed between the Arsenal and the town centre and should be complemented by further high-quality design and environmental improvement across the town and the A206 corridor, including General Gordon and Beresford Squares. There is potential to improve links with the South East London Green Chain and neighbourhoods to the south

Policy 2.15 refers to Town Centres and states that they should be; *'the main foci beyond the Central Activities Zone for commercial development and intensification...'*. The London Plan defines Woolwich and Eltham as Major Centres which is third in the hierarchy of four types of town centre and Greenwich West, East Greenwich, Plumstead and Thamesmead as District Centres which is the fourth classification.

Policy 2.17 of the London Plan also defines the Strategic Industrial Location (SIL) framework as *'intended to reconcile the demand for, and supply of, productive industrial land in London'*. There are two types of SILs: Industrial Business Parks IBPs and Preferred Industrial Locations (PIL). PILs are described as locations *'particularly suitable for general industrial, light industrial, storage and distribution, waste management, recycling, some transport related functions, utilities, wholesale markets and other industrial related activities'*, of which LB Greenwich has three; Greenwich Peninsula West, Charlton Riverside (part); and West Thamesmead / Plumstead Industrial Area.

In terms of office development Policy 4.2 'Offices' states that *"The Mayor will and Boroughs and other stakeholders should:*

- *Support the management and mixed use development and redevelopment of office provision to improve London's competitiveness and to address the wider objectives of this Plan, including enhancing its varied attractions for businesses of different types and sizes including small and medium sized enterprises.*
- *Recognise and address strategic as well as local differences in implementing this policy to:*
 - *Meet the distinct needs of the central London office market... by sustaining and developing its unique and dynamic clusters of 'world city' and other specialist functions and business environments;*
 - *Consolidate and extend the strengths of the diverse office markets elsewhere in the capital by promoting their competitive advantages, focusing new development on viable locations with good public transport, enhancing the business environment including through mixed use redevelopment, and supporting managed conversion of surplus capacity to more viable, complementary uses;*
 - *Encourage renewal and modernisation of the existing office stock in viable locations to improve its quality and flexibility; and seek increases in the current stock where there is authoritative, strategic and local evidence of sustained demand for office based activities in the context of Policies 2.7, 2.9, 2.13, 2.15–2.17";*

Policy 4.4, Managing Industrial Land and Premises, states that the Mayor will work with boroughs and other partners to:

- a. *'adopt a rigorous approach to industrial land management to ensure a sufficient stock of land and premises to meet the future needs of different types of*

industrial and related uses in different parts of London, including for good quality and affordable space

- b. plan, monitor and manage release of surplus industrial land where this is compatible with a) above, so that it can contribute to strategic and local planning objectives, especially those to provide more housing, and, in appropriate locations, to provide social infrastructure and to contribute to town centre renewal.'*

Following this, the London Plan states that 'LDFs should demonstrate how the borough stock of industrial land and premises in strategic industrial locations locally significant industrial sites and other industrial sites will be planned and managed in local circumstances in line with this strategic policy and the location strategy in Chapter 2, taking account of:

- a. the need to identify and protect locally significant industrial sites where justified by evidence of demand*
- b. strategic and local criteria to manage these and other industrial sites*
- c. the borough level groupings for transfer of industrial land to other uses...and strategic monitoring benchmarks for industrial land release in supplementary planning guidance*
- d. the need for strategic and local provision for waste management, transport facilities (including inter-modal freight interchanges), logistics and wholesale markets within London and the wider city region; and to accommodate demand for workspace for small and medium sized enterprises and for new and emerging industrial sectors including the need to identify sufficient capacity for renewable energy generation*
- e. quality and fitness for purpose of sites*
- f. accessibility to the strategic road network and potential for transport of goods by rail and/or water transport*
- g. accessibility to the local workforce by public transport, walking and cycling*
- h. integrated strategic and local assessments of industrial demand to justify retention and inform release of industrial capacity in order to achieve efficient use of land*
- i. the potential for surplus industrial land to help meet strategic and local requirements for a mix of other uses such as housing and, in appropriate locations, to provide social infrastructure and to contribute to town centre renewal.'*

In particular interest, point 'c' of this policy refers to Greenwich as a 'Limited Transfer' Borough; that is a borough which is considered to 'an intermediate category between the 'managed' and 'restricted' categories'.

GLA Industrial Capacity Supplementary Planning Guidance (SPG) 2008

Originally published by the GLA in 2003, the Industrial Capacity SPG was updated in March 2008 following the publication of the London Plan (2008) Consolidated with Alterations since 2004. The SPG defines industrial employment as activities relating to manufacturing and wholesale distribution and seeks to:

- *'Ensure that there is an adequate stock of industrial capacity to meet the future needs and functional requirements of different types of industrial and related uses (including waste management, logistics, utilities and transport functions) in different parts of London, including that for good quality and affordable space; and*
- *Plan, monitor and manage the release of surplus industrial land so that it can better contribute to strategic and local planning objectives, especially those to provide more housing (including affordable housing) and, in appropriate locations, to provide social infrastructure and to contribute to town centre'.*

The SPG highlights the success of the Strategic Industrial Locations (SIL)⁴ Framework in protecting London's principal industrial locations. At the same time, it recognises that the SIL frameworks run the risk of being too successful and potentially maintaining land as industrial when there is no longer demand for this use. However, the monitoring aspect of the approach to maintaining industrial land could keep the framework in tune with market requirements and broader planning objectives.

In reference to SILs, Policy 2 (SPG 2) states that 'Boroughs and other partners are asked to:

- *Promote the SILs as the prime locations for industrial activity in London*
- *Where relevant in their strategies, DPDs and other plans, identify the components of the SIL framework namely the Preferred Industrial Locations and Industrial Business Parks*
- *Manage the differing offers of PILs and Industrial Business Parks (IBPs) through coordinated investment, regeneration initiatives, transport and environmental improvements and the use of planning agreements, and provide local planning guidelines to meet the needs of different types of industry appropriate to each having regard to paragraph 4.3, and*
- *Resist the development of non-industrial uses within the SIL other than as part of a strategically coordinated process of consolidation (see Section 3) except where they provide local, small scale, 'walk to' services for industrial occupiers e.g. workplace crèches, or office space ancillary to industrial use.'*

Policy 3 (SPG 3) addresses Locally Significant Industrial sites, which fall outside of the SIL framework. Councils are advised to identify sites of particular local importance, which they wish to enhance and protect for industrial uses, subject to robust strategic and local evidence of demand and taking into account certain economic and land-use criteria. Once these sites are identified on proposals maps they are awarded the same protection as those under the SIL framework.

Also important to the situation in Greenwich, Policy 4 (SPG 4) highlights the need for local planning authorities; *'to develop policies and criteria in DPDs to manage the*

⁴ Formerly 'Strategic Employment Locations' within the London Plan (2004)

release or retention of other smaller industrial sites outside the SIL framework and not designated on Proposals Maps, boroughs are asked to take account of strategic and local assessments of supply and demand (paragraphs 3.2 to 3.18) and have regard to the qualitative criteria in paragraphs 4.11 to 4.13'.

Draft Supplementary Planning Guidance (SPG) Land for Industry and Transport 2012

The draft SPG was published in February 2012, with a further post consultation draft being made available to the boroughs in June 2012. The report adds to the 2008 SPG's two key objectives with the aim of ensuring the provision of sufficient land, suitably located, for the development of an expanded transport system. Two key policies from the London Plan that form the basis for the SPG are Policies 2.17 Strategic Industrial Locations and 4.4 Managing Industrial Land and Premises.

The draft SPG has a number of relevant themes for this ELR, including:

- Managing release in the context of demand arising from non-industry uses
 - There is increasing demand for industrial land from a range of other important industrial type functions. The distribution of release must take full account of other land use priorities and be managed carefully to ensure that a balance is struck between retaining sufficient industrial land in appropriate locations and releasing land to other uses.
 - Strategic Industrial Locations and Locally Significant Industrial Sites should in general be protected, and release of industrial land through development management should generally be focussed on smaller sites outside of the SIL framework.
 - The requirements for utilities also represent established uses of industrial land and their land requirement should be planned for to accommodate growth.
- Need for an integrated/partnership approach to employment land provision
 - A partnership approach and strategic perspective is required in order to keep inner London sustained and to meet the demands of the Central Activities Zone and Canary Wharf for locally accessible, industrial type activities, e.g. including food and drink preparation, printing, publishing, local distribution activities and 'just-in-time' services.
 - Central and inner London boroughs face strong competition from other higher value land uses, particularly commercial offices, residential and retailing. Boroughs around the Central Activities Zone (CAZ) should consider industrial uses servicing the needs of central London.

Greenwich is classified as a borough with 'managed transfer of industrial sites'. This states the following:

'Managed Transfer: Boroughs in this category generally have a greater supply of vacant industrial sites relative to demand and should generally adopt a rigorous but sensitively managed approach to transfer of surplus capacity to other uses.

There may also be scope for reconfiguration of the existing industrial land portfolio to safeguard the best quality sites and secure adequate capacity for waste, logistics and other functionally important uses including land for transport, utilities, energy, water

management, and wholesale markets whilst maximising the potential of land released to other uses. Planning Frameworks will play a key role in managing change in SILs in Opportunity Areas.

The GLA's note to the boroughs on the draft Industrial Land Release Benchmarks and Borough Groupings dated 26th June 2012 sets out the revised indicative industrial land release benchmarks for 2011-2031. This indicates that for Greenwich the total release benchmarks for the 2011-2031 period should be 50 hectares. This ELR considers the forecasting approach taken within this strategic study, the overall supply and demand context at the sub-regional level and a bespoke local forecasting exercise for RB Greenwich (see Section 7).

Annex 2 of the draft SPG gives indicative land demand for waste management and recycling. For Greenwich the waste apportionment to 2031 (London Plan 2011) is 470,000 tonnes per annum (pa); however the waste transfer station capacity is 217,100 tonnes pa which is less than the demand. The net additional indicative land requirement for waste apportioned to 2031 is therefore +3.2ha. This estimate is an approximate and indicative land requirement only and Boroughs, waste authorities and other partners, in collaboration with the GLA, should determine the actual requirements of industrial land needed to manage waste apportioned in the London Plan.

3.4 Local Planning Policy

Greenwich Unitary Development Plan (2006)

The Greenwich UDP (2006) was adopted on 20 July 2006 and until adoption of the LDF DPDs remains the adopted local development plan for borough. Under the Planning and Compulsory Purchase Act 2004, all policies contained in the Greenwich Unitary Development Plan (UDP), are saved for three years from the date of adoption, i.e. until 20 July 2009. On 15 July 2009, Government Office for London issued a direction to extend the life of most of the Greenwich UDP policies and site proposals. Saved policies include J1 – J16 relating to 'jobs and the local economy'.

The UDP identifies that 75% of Greenwich's industrial land is designated as Strategic Employment Locations (as per the GLA's 2003 draft SPG on Industrial Capacity) including sites at the North Charlton Employment Area, Greenwich Peninsula West and the Plumstead Industrial Area. At the UDP level these sites are designated as Defined Industrial Areas and as such are suited and safeguarded for B1, B2 and B8 use classes. The UDP also identifies Charlton Business Park as a location in which the Council will permit B1 and B8 use class developments and the Town Centres (Greenwich, Eltham and Woolwich) as locations for office development (B1 use class).

The UDP also sets out the Council's policies to maximise the contribution of the Boroughs non-designated/ un-allocated employment areas. Policy J7 lists specifically the locations within the Borough where class B1 will be permitted, these include Define Industrial Areas, Charlton Business Park, Town Centres, Mixed Use Areas and other sites allocated for employment use. In terms of land use, the UDP states that the economic geography of Greenwich is dominated by substantial industrial areas in the north of the Borough, in particular Greenwich Peninsula (west), Charlton Riverside and West Thamesmead. These are complemented by a range of smaller commercial areas and public service and commercial premises that are more widely dispersed, and by offices and small service industries primarily clustered around the Borough's town centres.

With respect to jobs, the UDP states that a majority of jobs in the Borough are in the service sector, most of which are in Public administration, education and health (38 per

cent of all jobs). There are significantly lower finance, IT, and other business activities in Greenwich compared to London, whilst Greenwich employment in manufacturing and construction is slightly higher than London average.

The UDP Site Proposal Schedules map also contains Mixed Use sites, some of which have a strong employment or commercial aspect.

Greenwich Local Development Framework

In 2004, the Government replaced the previous local plan system (covering UDPs) by introducing Local Development Frameworks. The Local Development Framework (LDF) is a series of planning policy documents which, once adopted, will replace the Greenwich Unitary Development Plan (2006). The Core Strategy is the primary planning document of the LDF.

The Core Strategy will set out the spatial strategy, long term spatial vision, spatial objectives and core policies for development within Greenwich to cover the period up until 2028. The Core Strategy outlines the spatial framework for future development and land use within the Royal Borough. It sets out the broad locations for delivering sustainable development and enhancement, including new housing and other important strategic development needs such as employment, retail, leisure, community, public services, transport as well as mitigating and adapting to the effects of climate change. The Core Strategy includes Development Management policies which provide additional detailed policy guidance.

The Core Strategy is the foundation Development Plan Document (DPD) with which all other DPDs and Supplementary Planning Documents (SPDs) must be in conformity and, as such, is the first DPD the Council has chosen to produce with.

Draft Core Strategy with Development Management Policies

Policy EA(a) addressees Local Employment Sites and it states that:

The Council seeks to maximise the contribution to employment in the Borough from existing employment sites. Non employment uses will only be permitted on vacant employment sites where it can be demonstrated that:

- i. The site is environmentally or physically unsuitable for any employment generating use;*
- ii. Marketing on fair price and terms for at least two years indicates there is no realistic prospect of any form of employment arising; or*
- iii. Employment is only viable within a mixed use scheme.*

In relation to support, under section 5.2.1 – 5.2.2 it goes on to state that:

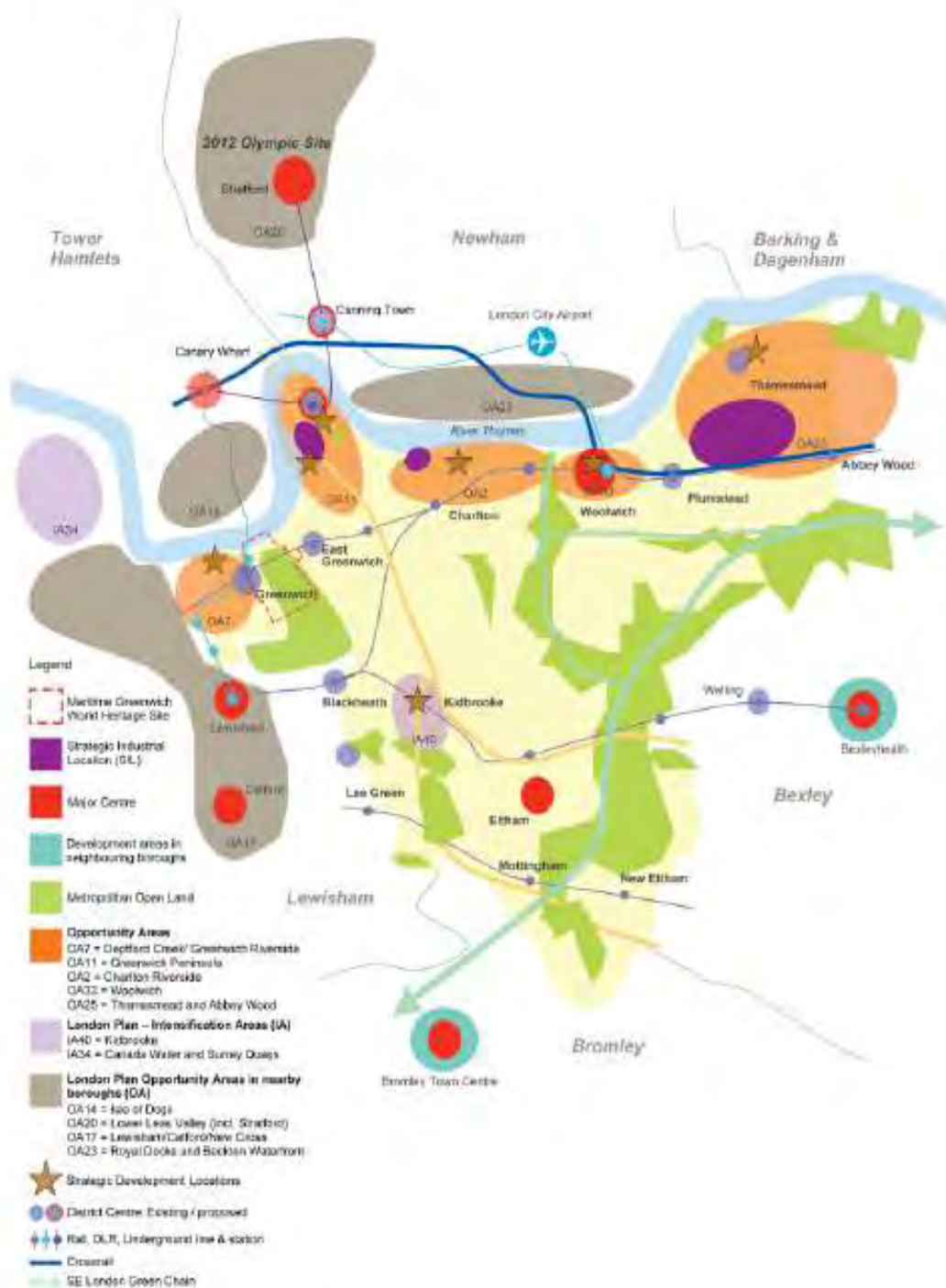
There are a number of employment sites throughout the Borough which are accessible to local residents and offer important services as well as employment opportunities. The Council seeks to retain these sites and businesses. Policy EA(a) recognises that there may be circumstances where employment use is no longer suitable or viable on the site.

It must be demonstrated that employment use is not forth coming on the site despite at least two years of active marketing on realistic terms (well advertised, fair price, lease length and occupier criteria).

The proposed submission version of this document will be go through a period of public consultation in the autumn of 2012.

The key diagram from the draft Core Strategy setting out the proposed spatial strategy for the borough is set out on the next page.

Key Diagram



The Royal Borough of Greenwich has also brought forward the following relevant Supplementary Planning Documents (SPDs) which complement existing and emerging development plans and other guidance. These documents are not part of the statutory development plan but are a material consideration in planning applications. These are relevant to the ELR as they interface with designated employment land.

Peninsula West Masterplan SPD

The objectives of this are as follows:

- 1. To transform the contribution of the area to the Royal Borough and the sub-region by focusing development and regeneration around a new multi-purpose sports/entertainment/ education facility that links with, and complements the offer at the O2 Arena.*
- 2. To provide employment and education opportunities of excellence.*
- 3. To realise the unique design and other opportunities offered by this Thames Side location.*
- 4. To improve transport and pedestrian links in to, out of, and through the area.*
- 5. To provide a major Thames Side mixed use development with seamless links to historic Greenwich and the masterplanned zone of Greenwich Peninsula adjacent to the O2*
- 6. To provide development of the highest design and sustainable quality.*

The conceptual approach for the SPD is set out over the page.

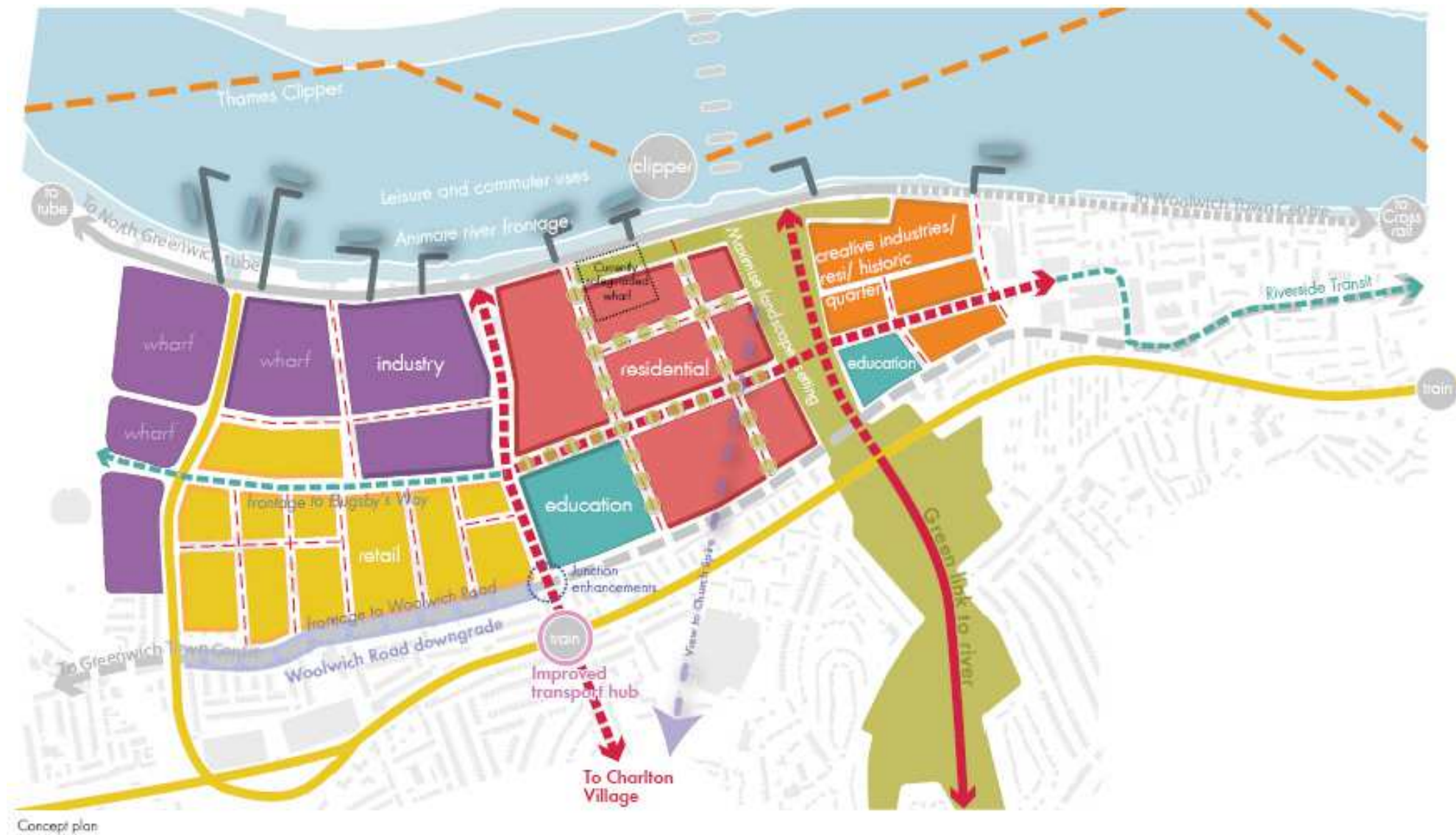


Charlton Riverside Masterplan SPD

The strategic objectives of this are as follows:

- *Integrate Charlton Riverside with the existing Charlton community*
- *Transform the image of Charlton and to introduce a sustainable mix of uses in a high quality environment focussed around an enhanced and expanded Barrier Park*
- *Contribute towards the development of the Thames Gateway as a great place to invest, live and work*
- *Connect into the transport network*
- *Embrace smart industry to draw greater value from employment land*
- *Develop a creative hub to diversify activity in the local area*
- *Create a thriving new neighbourhood set within its landscape*
- *Create a new education focus*
- *Stitch together the retail and residential neighbourhoods within Charlton Riverside*

The conceptual approach for the SPD is set out over the page.



Woolwich Town Centre Masterplan SPD

The principle objectives of the masterplan are:

- Expand the offer of the town to grow into a metropolitan centre
- Designate a site for anchor retail at the western end of Powis Street to build on the provision of a Travelodge in the listed Co-Op building that is under construction, the new Deichmann shoe shop and the refurbished Primark in order to provide a draw to this part of the town centre
- Improve links to the riverside from the town centre
- Animate the riverside through active uses and enhanced public spaces
- Identify areas for leisure, community and cultural uses within the town centre

The strategy identifies 'Site 3 - Arsenal Way Industrial Estate' as a well occupied and important employment area and describes how these uses will remain important to Woolwich and the surrounding area.



3.5 Related Evidence Base Documents

The documents of relevance to this Employment Land Review are reviewed below, in order of spatial coverage and recentness.

Mayor's Economic Development Strategy for Greater London 2010

In May 2010, the Mayor of London published a new Economic Development Strategy (EDS). The purpose of the Strategy is to provide relevant stakeholders, public authorities and interested parties, with a vision for London's future, an analysis of the economy and policy directions for achieving its ambitions; and to clarify roles and responsibilities with other partners who make a major contribution to developing London's economy.

The Economic Development Strategy (EDS) is framed around five central economic objectives, which are;

- *'Promote London as a city that excels as a world capital of business, the world's top international visitor destination, and the world's leading international centre of learning and creativity.*
- *Ensure that it has the most competitive business environment in the world*
- *To make London one of the world's leading low carbon capitals by 2025 and a global leader in carbon finance.*
- *Give all Londoners the opportunity to take part in London's economic success, access sustainable employment and progress in their careers; and*
- *to attract the investment in infrastructure and regeneration which London needs, to maximise the benefits from this investment and in particular from the opportunity created by the 2012 Olympic and Paralympic Games and their legacy'.*

The Strategy states that the Mayor wants to maximise London's share of the Carbon Trading global market: if London captured even 1 per cent of this new market it would be worth about £3.7 billion per annum. In order to do this, the Mayor considers that London should play to its existing strengths in financial services; business services – including consulting, engineering, architectural and legal services, research, design and product development.

GLA London Office Policy Review 2009

The purpose of the annual London Office Policy Review to provide planning policy makers with up to date information on the supply and demand for offices in London, including the planning pipeline, and to provide analysis of the operation of the office market and its relationship with planning policy.

The main findings of the report were that despite the downturn experienced in the market during late 2007 and 2008, the impacts felt are still considered to be part of cyclical patterns of demand that characterise the market.

Net demand for office floorspace in Greenwich is projected to increase by 2,626 square metres between 2011 and 2031, that is from 17,508 sq. m. to 20,134 sq. m.

The report does state in relation to demand for offices however that *“in Barnet, Croydon, Greenwich and Newham, identified capacity far outweighs forecast demand, both in absolute and percentage terms. These are boroughs that have sites and ambitions to become large office centres, but need to alter market perceptions about their potential.”*

GLA Demand and Supply of Land for Logistics in London 2007

In the Demand and Supply of Land for Logistics in London (2007) study the Thames Gateway property market area was identified as having seen major change over the last two decades, with increased emphasis as a logistics location, although light industrial and manufacturing demand is still present. It was also noted there was a large and diverse spread of sites in the area, with demand increasing markedly over the preceding decade.

The likelihood that demand within the Thames Gateway property market area would move eastwards was put forward on the basis of the expanding logistics sector outside London’s boundary, underpinned by developments such as London Gateway). However, it noted that there would still likely to be a range of demand across the London portion of the property market area for ‘London-orientated’ logistics/servicing activities.

3.6 Summary

The NPPF clearly states that planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose and that land allocations should be regularly reviewed. It goes on to state that *“where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.* (NPPF, page 6-7).”

Within the latest version of the Draft Supplementary Planning Guidance (SPG) Land for Industry and Transport 2012, the GLA proposes that Greenwich is classified as a borough with ‘managed transfer of industrial sites’. This states that *‘boroughs in this category generally have a greater supply of vacant industrial sites relative to demand and should generally adopt a rigorous but sensitively managed approach to transfer of surplus capacity to other uses. There may also be scope for reconfiguration of the existing industrial land portfolio to safeguard the best quality sites and secure adequate capacity for waste, logistics and other functionally important uses including land for transport, utilities, energy, water management, and wholesale markets whilst maximising the potential of land released to other uses. Planning Frameworks will play a key role in managing change in SILs in Opportunity Areas.*

The GLA’s note to the boroughs on the draft Industrial Land Release Benchmarks and Borough Groupings dated 26th June 2012 sets out the revised indicative industrial land release benchmarks for 2011-2031. This indicates that for Greenwich the total release benchmarks for the 2011-2031 period should be 50 hectares.

There is clearly an opportunity for RB Greenwich to consider the overall supply of its employment land portfolio in the context of declining demand, particularly for industrial employment land. Sections 5, 6 and 7 of this report cover this assessment in detail.

4 SOCIO-ECONOMIC PROFILE

4.1 Introduction

It is helpful to consider current demand and future provision of employment land in the context of the socio-economic structure of the area. Creating sustainable communities includes providing for employment suitable to the local workforce. Therefore this section analyses the socio-economic structure of RB Greenwich and makes some comparisons with the East London sub-region, Greater London, the South East and the rest of Great Britain.

4.2 Population

Through the past decade the population of the RB Greenwich has expanded from 214,403 people in 2001 to 228,500 people in 2010, representing a 6 per cent increase. This increase is lower than the London average, which was 9 per cent over the same period. RB Greenwich's population makes up about 3 per cent of London's population.

RB Greenwich's population is 48.7 per cent male and 51.3 per cent female. One third (34% per cent) of Greenwich borough's population are aged 24 and under; 40 per cent are aged between 25-49; and approximately 13 per cent are of retirement age (65+ Male/60+ Female) [Office for National Statistics (ONS) Mid Year Estimate (MYE), 2006]. This is a similar distribution as that occurring across most London boroughs, the South East and Great Britain.

Table 4-1: Summary of Population Characteristics

	RB Greenwich	London	England
	%	%	%
Age Groups			
0-15	21.5	19.6	18.7
16-24	12.2	11.4	12
25-49	40.7	43	34.8
50-64	12.3	12.3	15
65+	13.3	13.8	19.5
Tenure			
Owner Occupied	51.6	58.36	71.22
Council or RSL	37.3	25.45	17.92
Private Rented	9.59	14.4	9.15
Social Group			
AB	21.2	26.46	22.19
C1	30.89	33.01	29.72

Source: ONS MYE 2010 and Census 2001

Table 4.1 identifies the following information about the RB Greenwich:

- A larger proportion of residents in RB Greenwich are owner-occupiers, at 51.6% which is lower than the London average of 58.4%. In addition, 37.3% residents live in Council or RSL accommodation higher than the rest of London at 25.5% and the rest of England at 17.9%. This is relevant in the context of the ELS because there is a higher level of worklessness associated with social housing. Correspondingly, fewer respondents live in privately rented accommodation than is the norm for London, at 9.6% compared to 14.4% for London.
- RB Greenwich has a higher proportion of population aged under 19, when compared to the rest of London and England, but a similar proportion of residents aged over 60, at 16.9%, compared to an average of 16.4% for London. The proportion of residents aged between 20 and 59 who constitute a majority of the workforce is 56.3%, similar to the London and England average.
- Socio-economically, RB Greenwich has a smaller proportion of residents in the AB social group, at 21.2%, compared to the London (26.5%) and England average (22.2%).

4.3

Workforce

As of 2011, 75.8% (117,000) of the population in RB Greenwich were economically active. This is very close to the economic activity rate for London (74.8%) and below that of Great Britain (78.6%).

RB Greenwich's workforce is employed in a range of occupations, including 44.1% of people being employed in managerial, professional and associate professional occupations, which is lower than the London average (53.9%) and similar to that of Great Britain (43.2%).

Table 4-2: Employment by Occupation

	Greenwich (numbers)	Greenwich (%)	London (%)	Great (%)	Britain
Managers and senior officials	9,300	8.6	11.1	9.9	
Professional occupations	24,600	22.8	25.1	19.4	
Associate professional & technical	13,700	12.7	17.7	13.9	
Administrative & secretarial	11,900	11.0	10.6	11.1	
Skilled trades occupations	9,300	8.6	7.6	10.7	
Personal service occupations	9,400	8.7	7.1	9.1	
Sales and customer service	10,200	9.4	6.6	8.1	
Process plant & machine operatives	4,300	4.0	4.2	6.5	
Elementary occupations	14,400	13.4	9.2	11.0	

Source: ONS annual population survey, 2011

4.4 Unemployment

The 2011 annual population survey stated unemployment rate in the RB Greenwich was 10.2% (12,200 people), which is higher than that of London (9.2%) and Great Britain (7.9%).

There are 37,300 (24.2%) people considered to be economically inactive in RB Greenwich and 24,300 of those are considered not to be seeking employment. These figures are slightly lower in comparison to London where economic inactivity is reported to be 25%.

4.5 Local Economy and Businesses

Introduction

This section provides a profile of the prevailing economic and employment conditions in RB Greenwich. It provides the economic context to employment land demand and supply factors, providing an overview of trends and emerging growth sectors in the area.

Employment

Between 2006 and 2008, the number of people employed in the Borough has increased by 5.6%. In terms of actual employee numbers, there was an increase from 64,223 in 2006 to 67,846 in 2011. This increase was largely made up of gains in the banking, finance and public administration sectors and offset by small losses in construction, transport and communication and distribution, hotels and restaurants. Table 4.4 **Error! Reference source not found.** below summarises the changes in RB Greenwich employee numbers in each sector between 2006 and 2011.

Table 4-3 Employment by Industry Sector

Industry	2006	% of total	2011	% of total	Change	% Change
Agriculture, hunting and forestry	30	0.04	59	0.1	29	0.0
Energy and Water	58	1.0	89	0.1	31	0.9
Manufacturing ⁵	3,417	5.3	3,183	4.7	-234	0.6
Construction	3,029	4.7	2,183	3.2	-846	1.5
Distribution, Hotels and restaurants	14,198	22.1	13,793	20.3	-405	1.8
Transport and communication	3,496	5.4	3,003	4.4	-493	1.0
Banking, Finance and Insurance etc.	11,813	18.3	14,015	20.7	2202	-2.4
Public administration, Education and Health	23,150	36.0	26,434	39.0	3284	-3.0
Other Services	5,032	7.8	5,086	7.5	54	0.3
Total	64,223	100	67,846	100	3623	5.6%

Source: ONS, Annual Business Inquiry – 2008 update from NOMISweb

Note that figures do not always add up to exact sum due to rounding.

Business Size

The importance of small businesses in RB Greenwich has been steadily increasing. In 2000, there were 5,857 companies with between one and ten employees, comprising some 84% of all companies in the Borough, as shown in **Error! Reference source not found.5**. By 2008 this had risen to over 6,000 small businesses, or 87% of the total companies.

Table 4-4: Business Units by Size Band, 2000-2008

Employment Band	2000		2006		2008	
	level	% of total	level	% of total	level	% of total
1 to 10	4,897	83.6	5,609	86	6,012	87
11 to 49	724	12.4	686	11	656	9.5
50 to 199	192	3.3	186	3	203	2.9
200 or more	44	0.8	31	0.5	38	0.5
Total	5,857	100	6,512	100	6,909	100

Source: ONS, Annual Business Inquiry – NOMIS- wizard (password)

Note that figures do not always add up to exact sum due to rounding

As Table 4.6 below shows, this profile is typical both of the East London sub-region, and of the London average.

Table 4-5: Business Units by Size Band, Geographical Comparison, 2008

Employment Band	Greenwich		South East London Sub-region		London	
	Level	% of total	Level	% of total	Level	% of total
1 to 10	656	87	37,128	88.4	350,969	87.5
11 to 49	203	9.5	3,690	8.8	37,504	9.3
50 to 199	38	2.9	974	2.3	10,045	2.5
200 or more	6,909	0.5	206	0.5	2,691	0.7
Total	6,012	100.0%	41,998	100.0	401,209	100.0`

Source: ONS, *Annual Business Inquiry – same*

Note that figures do not always add up to exact sum due to rounding

4.6

Summary

The socio-economic profile of RB Greenwich shows a number of clear characteristics and trends over time. These include an increasing population, in line with London as a whole; a workforce which is skewed towards non-professional occupations such as sales and customer services; a large proportion (70%) of the resident population working in the borough, and a trend away from goods-producing activities such as manufacturing, and towards services-producing activities such as retail, finance and public administration.

The characteristics and trends displayed in this section have implications for the use of land in the borough, and should be used to inform decisions about the use and potential allocation of employment land in the borough over the next twenty to thirty years.

5 QUALITY AND CHARACTERISTICS OF EMPLOYMENT LAND

5.1 Introduction

This section provides a summary of the key findings of the field survey. Results are summarised to provide an overview of conditions of employment clusters.

Based on the adopted Greenwich Unitary Development Plan (UDP) (2006), the GLA London Industrial Land Baseline 2010 report mapping, the draft Core Strategy and draft Site Specific Allocations (SSA) Issues and Options Document and the Council's and consultancy team's knowledge of the area, 12 employment clusters throughout RB Greenwich were identified and mapped (see Figure 2.12 to 2.5). Employment clusters were defined through identifying areas that currently, or in the future have the potential to, accommodate a significant quantum of industrial/warehousing (B2/B8) or office (B1) floorspace. Our assessment also takes account of non-designated employment land.

Table 5.1 below lists the clusters that were surveyed against the site appraisal criteria set by URS and confirmed with the Council. The survey methodology and criteria were based on factors and issues set out in the GLA Industrial Capacity SPG (2008) and the DCLG Employment land Review guidance note (2004). Criteria was tailored based on the consultancy team's experience and the specific context within RB Greenwich.

The 12 employment clusters comprise a total area of 291.0 ha, with the amount of vacant land totalling around 13.6 ha (Table 5.1).

Within the employment land clusters other non-employment uses were observed. Without undertaking detailed mapping, it is not possible to state an accurate figure for land used for non-industrial employment. However URS/DTZ surveyed industrial and warehousing land (B1c, B2 and B8 uses only) as for the GLA London Industrial Land Baseline (2010), from which it can be calculated that around 14% of the land within Greenwich's UDP designated employment areas was, in 2010, of other non-industrial employment such as retail, residential, leisure and community uses.

It is important to note that our employment land surveyed figure of 291.0 ha, as set out in **Table 5.1**, differs to the industrial employment land figure of 237.6 ha in the GLA 2010 London Industrial Land Baseline (as set out in **Section 7** of this report) for two main reasons:

1. A different definition of employment land.

The 2010 Baseline figure of 237.6 ha includes 'core' industrial employment land, defined by industry and warehousing uses only (B2 and B8 use classes), plus 'wider' industrial employment land, including land for utilities, transport functions and waste management. Unlike our 2012 survey, the 2010 Baseline does not include office (B1 use class) land use areas such as Cluster 6 'Sites South of O2 Arena and Meridian Delta Masterplan site'

The 2010 Baseline figure includes designated and non-designated core and wider industrial employment land, and includes utility sites, waste management sites and land for transport etc.

By comparison our estimate of 291.0 ha of land contained within the 12 employment clusters includes not only employment land uses such as office, industrial and warehousing; and utilities, transport functions and waste

management; but also captures residential, retail, leisure and community uses, which may lie within the cluster.

2. A different process and set of parameters used in identifying and estimating the area of employment land.

The 2010 Baseline figure was estimated primarily using Cities Revealed Land Use mapping. The Cities Revealed mapping captured all sites under one hectare and therefore included lone B2/B8 units outside of employment designated areas.

Comparatively our survey of 12 clusters, identified from the adopted UDP and emerging LDF DPDs and in consultation with the council, captured all designated employment land, plus non-designated employment sites where B-use classes were a key land use (which explains for example the inclusion of Cluster 6 at North Greenwich, which is set to become a key office location). All clusters are larger than one hectare in size.

The comparative analysis of the quality and characteristics of clusters for employment use in this section is carried out on the basis of the quantity of land contained within the boundaries of the 12 clusters surveyed, as per Figures 2.2 to 2.5.

5.2 Employment Areas

The 12-surveyed employment clusters in LB Greenwich comprises a total area of approximately 291.0 hectares.

Table 5.1 shows the total land area and uses within the employment clusters, the quantum of currently defined employment land (current supply) within each cluster as per the UDP and the total vacant / derelict land as per URS' 2012 field survey of sites.

Table 5.1: Surveyed Employment Clusters⁶

<i>Cluster Number</i>	<i>Employment Area /Business estates</i>	<i>Main existing employment/ land uses</i>	<i>Total Employment Cluster Area (Ha)</i>	<i>UDP allocated employment land (Ha)</i>	<i>UDP designation</i>	<i>London Plan allocation</i>	<i>Vacant and/or derelict site areas⁷</i>
C1.1	Plumstead Industrial Area						
	West Thamesmead Business Park; Birchmere Business Park; Crown Industrial Park	Industry Warehousing	53.7	42.0	Defined Industrial Area	Strategic Industrial Location (Preferred Industrial Location – PIL)	6.0
C1.2	Plumstead Industrial Area						
	White Hart Triangle Business Park	Warehousing	19.0	19.0	Defined Industrial Area	Strategic Industrial Location (PIL)	7.6
C2.1	North Charlton Employment Area						
	DAY Aggregates, United Marine Aggregates	Industry (Aggregates) Safeguarded Wharf	17.1	16.4	Safeguarded Wharf / Rail Freight / Aggregates Zone	Strategic Industrial Location (PIL) + Opportunity Area.	-
C2.2	North Charlton Employment Area						
	Angerstein Business Park, Greenwich Shopping Park (Bugsby's Way), Peninsular Retail Park, Ramac Industrial estate	Retail Industry	29.5	24.6	Charlton Business Park	Strategic Industrial Location (PIL) + Opportunity Area	-
C2.3	North Charlton Employment Area						
	Maritime Industrial estate, Meridian Trading Centre, Lombard Trading Estate	Warehousing Retail	19.9	19.9	Defined Industrial Area	Strategic Industrial Location (PIL) + Opportunity Area	-
C2.4	North Charlton Employment Area						
	Stone Lake Business Park, Ropery Business Park, Charlton Gate Business park, New Lydenburg Commercial Estate, Ashleigh Commercial estate	Retail Industry Warehousing Residential	36.4	36.4	Defined Industrial Area	Strategic Industrial Location (PIL) + Opportunity Area	-

⁶ As noted above, two smaller existing employment sites of 'Woolwich Royal Arsenal/Arsenal Way' and 'Lyndean Industrial Estate' in Abbey Wood were also assessed and integrated into the supply analysis.

⁷ URS Employment Land Survey 2012.

C2.5	North Charlton Employment Area Westminster Industrial Estate, Woolwich Dockyard Industrial estate	Industry Small-scale warehousing Creative Industries	21.7	12.2	Defined Industrial Area	Strategic Industrial Location (PIL) + Opportunity Area	-
C3	Angerstein Works Angerstein Works / Triangle	Warehousing Car Pound	8.3	0.0	-		-
C4.1	Creekside Area Brook Marsh Industrial Estate, Greenwich Commercial Centre, Greenwich Business Park	Industry Storage Recycling Mixed use developments, Wharf uses Residential	8.5	0.0	No UDP designation	Mixed uses with strong arts / cultural / entertainment character + Opportunity Area	-
C4.2	Creekside Area	Industry Storage Mixed Use Offices Residential	9.4	0.0	Mixed use area	Mixed uses with strong arts / cultural / entertainment character + Opportunity Area	-
C5	Greenwich Peninsula Lawrence Trading estate, Tunnel avenue Trading estate	Industry (Distillery) Warehousing Recycling, Residential	28.9	0.0	Defined Industrial Area. Includes Thames Crossing Safeguarded Area and Thames Policy Area	Strategic Industrial Location (PIL) + Opportunity Area	-
C6	Sites South of O2 Arena and Meridian Delta Masterplan site	Offices Gas Works, Depot, Lorry Park, Education (Ravensbourne Art Collage)	38.6	0.0	Includes Thames Crossing Safeguarded area	Mixed uses with strong arts / cultural / entertainment character + Opportunity Area	-
Total			291.0	170.5			13.6

5.3 Strategic Transport Access

The strategic transport accessibility of employment clusters was determined both through desk-based research and site visits. Criteria used to assess this include:

- Strategic road access
- Access to public transport
- Access to wharves

5.4 Strategic Road Access

Clusters with good/very good strategic road access include those that can be accessed directly from the trunk road network.

The 12 clusters in Table 5.3 were considered to have good/very good strategic road access. These include 97.1% of the total surveyed employment land.

Table 5.3: Employment Clusters with Good/Very Good Strategic Road Access

URS ID No.	Employment Area/Areas	Cluster Area (ha)
	Plumstead Industrial Area	
C1.1	West Thamesmead Business Park, Birchmere Business Park, Crown Industrial Park	53.7
	Plumstead Industrial Area	
C1.2	White Hart Triangle Business Park	19.0
	North Charlton Employment Area	
C2.1	DAY Aggregates, United Marine Aggregates	17.1
	North Charlton Employment Area	
C2.2	Angerstein Business Park, Greenwich Shopping Park (Bugsby's Way), Peninsular Retail Park, Ramac Industrial estate	29.5
	North Charlton Employment Area	
C2.3	Meridian Trading Centre, Lombard Trading Estate, Charlton	19.9
	North Charlton Employment Area	
C2.4	Stone Lake Business Park, Ropery Business Park, Charlton Gate Business Park, New Lydenburg Commercial Estate, Ashleigh Commercial estate	36.4
	North Charlton Employment Area	
C2.5	Westminster Industrial Estate, Woolwich Dockyard Industrial estate, Charlton	21.7
	Creekside Area	
C4.1	Brookmarsh Industrial Estate, Greenwich Commercial Centre, Greenwich Business Park	8.5
	Creekside Area	
C4.2	West Greenwich	9.4
	Greenwich Peninsula	
C5	Lawrence Trading estate, Tunnel avenue Trading estate	28.9
	Meridian Delta Masterplan - Site South of O2 Arena	
C6	Ravensbourne Art College, TfL offices and associated office space.	38.6
Total		282.7
% of surveyed employment land		97.1%

Source: URS Greenwich Employment Land Field Survey

Clusters with poor/very poor strategic road access can be accessed only indirectly through local roads, and in many cases through residential areas.

Cluster 3 (C3) comprising the Metropolitan Police car pound and warehouse was the only site with poor/very poor strategic road access.

5.5 Congestion and Capacity

Whilst a full traffic and capacity assessment was not carried out as part of this work, many of the trunk roads running through Greenwich are considered to have traffic and congestion issues which affects the businesses' activities. The A102, A200 and A206 are judged to be heavily congested. Table 5.4 shows that eight of 12 clusters, i.e. 61.3% of the total surveyed employment land are accessed directly from these roads and as such are affected negatively by them:

Table 5.4: Employment Clusters affected negatively by traffic and congestion

Cluster No.	Employment Area/Areas	Cluster Area (ha)
C2.1	North Charlton Employment Area DAY Aggregates, United Marine Aggregates	17.1
C2.2	North Charlton Employment Area Angerstein Business Park, Greenwich Shopping Park (Bugsby's Way), Peninsular Retail Park, Ramac Industrial estate	29.5
C2.3	North Charlton Employment Area Meridian Trading Centre, Lombard Trading Estate	19.9
C2.4	North Charlton Employment Area Stone lake Industrial Park, Ropery Business Park, Charlton Gate Business park, New Lydenburg Commercial Estate, Ashleigh Commercial estate	36.4
C2.5	North Charlton Employment Area Westminster Industrial Estate, Mellish Industrial estate, Woolwich Dockyard Industrial estate, Charlton	21.7
C3	Angerstein Works Angerstein Works / Triangle	8.3
C4.1	Creekside Area Brookmarsh Industrial Estate, Greenwich Commercial Centre, Greenwich Business Park	8.5
C6	Site South of O2 Arena and Meridian Delta Masterplan site Ravensbourne Art College, TfL offices and associated office space.	38.6
Total		180.0
% of surveyed employment land		61.9%

Source: URS Greenwich Employment Land Field Survey, PTAL Maps

5.6 Access to Public Transport

Access to public transport for employment clusters was assessed through the most up to date PTAL (Public Transport Accessibility Levels) maps from 2010.

Sites that were considered to have good or very good access to public transport had PTALs (Public Transport Accessibility Levels) ranging from 4 to 6b8. These included the following three sites only, which adds up to more than 16% of the surveyed employment land:

Table 5.5: Employment Clusters with Good or Very Good Public Transport Access

Cluster No.	Employment Area/Areas	Cluster Area (ha)
	Creekside Area	
C4.1	Brookmarsh Industrial Estate, Greenwich Commercial Centre	8.5
C4.2	Creekside Area West Greenwich	9.4
	North Charlton Employment Area	
C2.2	Angerstein Business Park, Ramac Industrial estate, Greenwich Shopping Park, Brocklebank Industrial Estate	29.5
	Site South of O2 Arena and Meridian Delta Masterplan site	
C6	Ravensbourne Art College, TfL offices and associated office space.	38.6
Total		86.0
% of surveyed employment land		29.5%

Source: URS Greenwich Employment Land Field Survey

⁸ Employment clusters were allocated the PTAL level that they predominantly fell within.

Sites considered to have poor or very poor strategic access to public transport had PTAL levels ranging from 0 to 3. These included the sites in Table 5.6 below and include 83.7% of the surveyed employment land.

Table 5.6: Employment Clusters with Poor or Very Poor Access to Public Transport

Cluster No.	Employment Area/Areas	Cluster Area (ha)
	Plumstead Industrial Area	
C1.1	West Thamesmead Business Park, Birchfield Business Park, Crown Industrial Park, Plumstead	53.7
	Plumstead Industrial Area	
C1.2	White Hart Triangle Business Park, Former Plumstead Coal Yard	19.0
	North Charlton Employment Area	
C2.1	DAY Aggregates, United Marine Aggregates	17.1
	North Charlton Employment Area	
C2.3	Meridian Trading Centre, Lombard Trading Estate, Charlton	19.94
	North Charlton Employment Area	
C2.4	Anchorage Point Industrial Estate, stone lake Industrial Park, Ropery Business Park, Charlton Gate Business park, New Lydenburg Commercial Estate, Ashleigh Commercial estate, VIP Trading estate, Charlton	36.4
	North Charlton Employment Area	
C2.5	Westminster Industrial Estate, Thames Barrier Industrial Park, Mellish Industrial estate, Woolwich Dockyard Industrial estate, Charlton	21.7
	Angerstein Works	
C3	Angerstein Works / Triangle, Charlton	8.3
	Greenwich Peninsula	
C5	Lawrence Trading estate, Greenwich Town Centre	28.9
Total		205
% of surveyed employment land		70.5%

Source: URS Greenwich Employment Land Field Survey

However it is important to note that, public transport accessibility levels in the area are likely to increase in the next ten years. In particular, the Crossrail stations in Woolwich Arsenal and Abbey Wood (2018) are set to have a positive impact. This is likely to have a positive impact on PTAL rating of those clusters located close by including C2.5 in the North Charlton in particular.

Access to Wharves

Four clusters have direct access to wharves in LB Greenwich. These include:

- Cluster 2.1 in the North Charlton Employment Area has access to Angerstein Wharf/ Murphy's Wharf
- Cluster 2.3 and 2.4 in the North Charlton Employment Area, have access to Riverside Wharf
- Cluster 4.1 has access to Brewery Wharf
- Cluster 5 in the Greenwich Peninsula, can also be accessed directly from the Tunnel Wharf and Victoria Deep Water Terminal

Within the GLA's 'Safeguarded Wharves Review 2011/12 – Further Consultation Draft (July 2012)' Angerstein Wharf, Riverside Wharf, Brewery Wharf, Murphy's Wharf and the Victoria Deep Water Terminal remain safeguarded. Tunnel Wharf also remains safeguarded though the location and size remain flexible.

5.7 Condition of Employment Clusters

Employment Clusters in Very Good and Good Condition

In total eight out of the 12 surveyed employment clusters were considered to be in Good or Very Good condition. To receive this designation over 50% of sites within the employment cluster had to fulfil the following criteria:

Building condition

Very good – buildings in immaculate state, no signs of paint coming off, windows and window frames in very good condition, immediate surrounding/grounds well kept.

Good – building in good conditions, small areas where paint might come off, etc., grounds in reasonable state.

Quality of environment

Very Good – the streets and the public realm within and surrounding the cluster are of very good quality. There is sufficient street lighting and no perceived personal safety issues. The business area is not polluted by noise or air pollution from neighbouring uses and/or heavy street traffic.

Good – the streets and public realm within and surrounding the business cluster are of good quality but it does not reach the 'very good' standard (some litter, street furniture shows signs of aging, etc.) There are no perceived safety issues.

Table 5.7 below lists the employment clusters with a majority (50-100%) of clusters that were in Good and Very Good condition.

Table 5.7: Employment Clusters with majority of sites in Good and Very Good Condition

Cluster No.	Employment Area/Areas	Cluster Area (ha)
	Plumstead Industrial Area	
C1.1	West Thamesmead Business Park, Birchmere Business Park, Crown Industrial Park, Plumstead	53.7
	Plumstead Industrial Area	
C1.2	White Hart Triangle Business Park, Former Plumstead Coal Yard	19.0
	North Charlton Employment Area	
	Angerstein Business Park, Greenwich Shopping Park (Bugsby's Way), Peninsular Retail Park, Ramac Industrial estate	
C2.2	NB This Employment Area scores very well in terms of condition mainly because of the new retail uses. The condition of the remaining small pockets of industry are in poorer condition generally.	29.5
	North Charlton Employment Area	
C2.5	Westminster Industrial Estate, Mellish Industrial estate, Woolwich Dockyard Industrial estate, Charlton	21.7
	Angerstein Works	
C3	Angerstein Works / Triangle, Charlton	8.3
	Creekside Area	
C4.2	West Greenwich	9.4
	Site South of O2 Arena and Meridian Delta Masterplan site	
C6	Ravensbourne Art College, TfL offices and associated office space.	38.6
Total		180.2
% of surveyed employment land		61.9%

Source: URS Greenwich Employment Land Field Survey

Employment Clusters with sites in Poor or Very Poor Condition

Four of the 12 surveyed employment clusters were recorded to have a majority (50-100%) of sites in Poor or Very Poor Condition. To receive this designation clusters had to fulfil the following criteria:

Building condition

Poor – paint coming off, cracks and windows in poor state, plus surroundings are poorly kept.

Very Poor – building still in use but in very poor condition; paint coming off in large areas, some windows broken, surroundings not maintained and/or littered and/or cluttered with rubbish.

Quality of environment

Poor – the streets and the public realm within and surrounding the business area are of poor quality (potholes, litter, poorly maintained or damaged street furniture). There is not enough street lighting and some perceived safety issues. The business area might be polluted by noise or air pollution from neighbouring uses and/or heavy street traffic.

Very poor – the streets and the public realm within and surrounding the business area are of very poor quality (potholes, litter on street, not collected rubbish, etc.) There is not enough street lighting and there are perceived safety issues. There is noise and/or air pollution from neighbouring uses and/or heavy street traffic.

Table 5.8: Employment Clusters with Sites in Poor or Very Poor Condition

Cluster No.	Employment Area/Areas	Cluster Area
C2.1	North Charlton Employment Area DAY Aggregates, United Marine Aggregates	17.1
C2.3	North Charlton Employment Area Meridian Trading Centre, Lombard Trading Estate, Charlton	14.9
C2.4	North Charlton Employment Area Stone lake Industrial Park, Ropery Business Park, Charlton Gate Business park, New Lydenburg Commercial Estate, Ashleigh Commercial estate	40.0
C4.1	Creekside Area Brookmarsh Industrial Estate, Greenwich Commercial Centre, Greenwich Business Park	8.5
Total		80.5
% of surveyed employment land		27.6%

Source: URS Greenwich Employment Land Field Survey

Bad Neighbourhood Uses and Impact on Residential Uses

Seven of the 12 clusters were perceived as having bad neighbourhood uses. A cluster was perceived as having a negative impact on the neighbourhood if its use was associated with at least two of the following list of; noise pollution, air pollution, smell, HGV traffic, significant car traffic.

Furthermore six employment clusters (containing B2 and/or B8 uses) lie within close proximity to or have impact on surrounding/nearby residential uses.

Table 5.9: Employment clusters (Including B2/B8 uses) with bad neighbourhood issues

Cluster No.	Employment Area	Adjacent to residential areas	Cluster Area (ha)
	North Charlton Employment Area		
C2.1	DAY Aggregates, United Marine Aggregates		17.1
	North Charlton Employment Area		
C2.2	Angerstein Business Park, Greenwich Shopping Park (Bugsby's Way), Ramac Industrial estate		29.5
	North Charlton Employment Area		
C2.3	Meridian Trading Centre, Lombard Trading Estate	✓	19.9
	North Charlton Employment Area		
C2.4	Anchorage Point Industrial Estate, stone lake Industrial Park, Ropery Business Park, Charlton Gate Business park, New Lydenburg Commercial Estate, Ashleigh Commercial estate	✓	36.4
	Angerstein Works		
C3	Angerstein Works / Triangle	✓	8.3
	Creekside Area		
C4.1	Brookmarsh Industrial Estate, Greenwich Commercial Centre, Greenwich Business Park	✓	8.5
	Creekside Area		
C4.2	Greenwich Town Centre	✓	9.4
C5	Greenwich Peninsula West	✓	28.9
Total sites close to residential			158.0
% of surveyed employment land			54.3%
Total sites close to residential, with bad neighbourhood uses			82.5
% of surveyed employment land			28.4%

Source: URS Greenwich Employment Land Field Survey

The residential land uses adjacent to clusters 2.3 and 2.4 consists of two areas of Victorian housing located on Anchor and Hope Lane.

5.8 Industrial Employment Clusters and Designations with Significant Presence of Non B Use Class Occupiers

Through recording the presence of individual land uses/occupiers during the field survey, employment clusters and designations were identified where a significant proportion (around one third plus) of the cluster area was occupied by non-B class land uses - usually retail or residential activities. These clusters are listed in Table 5.10 below and are based on desk based measurements following the field survey.

Table 5.10 Employment Clusters with a significant presence of Non-B class Occupiers

<i>Cluster No. and Name</i>	<i>Size (ha)</i>	<i>Approximate gross quantum of non-industrial uses</i>	<i>Predominant non-industrial use</i>	<i>Approximate Remaining B2/B8 uses within industrial employment clusters (incl. vacant sites)</i>
C2.2 North Charlton Employment Area	29.5	24.5	Retail	5.0
C2.4 North Charlton Employment Area	36.3	8.6	Retail + Residential	27.7
C4.1 Creekside Area	8.5	6.0	Retail + Residential	2.5
C4.2 Creekside Area	9.4	7.9	Retail + Residential + General Commercial	1.5
Total	83.7	47.0		31.7

Source: URS RB Greenwich Employment Land Field Survey 2012.

Notably, sections of the North Charlton Employment Area, which have a significant presence of non-B class occupiers, is currently designated as a Strategic Industrial Location (SIL-IDP) as per the GLA London Plan definition. Given that the cluster is now almost entirely in retail use, it no longer functions as an area of strategic industrial land and has an entirely different function and character. These factors should be taken account of in terms of determining the future boundaries of the SIL.

5.9 Vacant and Derelict Land

The 2010 GLA Industrial Land Baseline study identified 35.5ha of vacant industrial employment land in RB Greenwich. The field survey of employment land clusters undertaken by URS in June 2012 has concluded that only approximately 13.6 ha of land remained vacant and developable.

Table 5.11 presents an updated June 2012 picture of the employment land which were shown in the surveyed to include vacant land in the 2010 London Industrial Land Baseline study.

Table 5.11: Vacant Land

<i>Employment Cluster Number and Name</i>	<i>Size (ha)</i>	<i>2010 Vacant</i>	<i>2012 Vacant</i>	<i>Difference</i>
C1.1 and 1.2 Plumstead Industrial Area / White Hart Triangle	72.7	28.0	13.6	Additional B8 units have been developed within the White Hart Triangle over the past two years.
C2 North Charlton Employment Area	17.1	7.5	0.0	Previously vacant sites in 2010 were observed in 2012 to have groundwork / development commencing on site (within clusters 2.2 + 2.3).
Total		35.5	13.6	

5.10 Summary

URS' qualitative survey of employment land in RB Greenwich comprised of a field visit of 12 employment clusters combined with elements of desk research and analysis. This assessment was carried out against site appraisal criteria set by URS and subsequently agreed with the Council. A comparative analysis of the quality and characteristics of clusters for employment uses was undertaken on the basis of the quantity and characteristics of land contained within the lined boundaries of clusters.

With regards to designated employment clusters (as per the adopted UDP, emerging LDF policies and London Plan SIL designations as listed in Table 5.1) it is concluded that the majority are well functioning, predominantly industrial, clusters of employment land. Almost all clusters have good/ very good access to the strategic road network, although are negatively affected by traffic congestion in the area. Most clusters are in good environmental condition although this does include some clusters where it is the modern retail element of the cluster that gives it a 'good' rating rather than the traditional employment uses. Some clusters do possess bad neighbour characteristics which restrict the type of development that can locate in close proximity.

Of the surveyed clusters, there were a minority that stood out as having become potentially more suitable for alternative uses than industrial. Two of these were in the North Charlton Employment Area. Cluster 2.2 which contains Greenwich Shopping Park (Bugsby's Way), Peninsula Retail Park and Ramac Industrial estate, has come under increasing pressure from retail uses in recent years and is now predominantly in retail use. Apart from the Angerstein business park the few remaining industrial units in this cluster are vacant and in a poor state of disrepair with little or no servicing.

A second sub cluster within the North Greenwich Employment Area, (cluster 2.4, containing Stone Lake Industrial Park, Ropery Business Park, New Lydeburg Commercial Estate. Ashleigh Commercial Estate) is in very poor condition,

characterised by low value uses such as car breakers and MOT servicing, with low employment densities, an inefficient use of space, little or no servicing and poor access and circulation and congestion issues. Many of these businesses are operating in a poor quality environment that is blighting the area.

Sections of Cluster C5 (Greenwich Peninsula West) are now restricted in specific locations in terms of its industrial use because of new residential uses on its southern boundary at Lovells Wharf and further permitted residential and mixed uses in the southern portion of the cluster adjacent to the river north of Cadet Place. A masterplan has now been adopted as SPD for the redevelopment of the area to include mixed use development around a new multi use sports, entertainment and education facility and close to the new proposed cruise liner terminal. Remaining industrial units within the Lawrence Trading estate that are accessed from Tunnel Avenue are functioning well and vacancy rates were observed to be low during the survey.

In terms of the office uses within the Borough, there are a small number of locations with an office presence, including Greenwich, Woolwich and Eltham town centres. However, there is a lack of high quality office space and land in desirable locations for office use is constrained. North Greenwich District Centre has begun to accommodate higher specification office uses in the past five years and units are understood to be fully let.

With regards to land vacancy within employment clusters, there has been a decrease from that recorded in the 2010 GLA London Industrial Land Baseline study as land has since been built out, particularly at the White Hart Triangle.

6 EMPLOYMENT LAND MARKET ASSESSMENT & CONSULTATION FEEDBACK

6.1 Introduction

This section presents research into the factors that determine and define the employment land market in Greenwich. It comprises three sections, the first of which details the sub-regional employment land market. This section provides a brief overview of the sub-regional employment land market for office (B1a/b), Industrial (B1c/2) and Warehouse (B8) accommodation, describing in broad terms the characteristics of the market.

The second section identifies the main characteristics of the employment land market in RB Greenwich. It reviews in general the supply of B1, B2 and B8 uses in the Borough followed by an analysis of the demand characteristics in the Borough.

The third section describes the market characteristics of individual employment clusters.

The work has entailed a combination of telephone consultations with local property agents and desk based research to gather perceptions on the general state and direction of the market for commercial property and employment land.

Following the market analysis, this section also provides an overview of the Council's recent consultations with stakeholders including landowners and businesses that are operating within employment areas.

6.2 The Sub-regional Market

Market Overview

The East London sub-region as defined through the amended London Plan (July 2011) covers ten boroughs: Lewisham, Greenwich, Bexley, Havering, Barking and Dagenham, Redbridge, Newham, Tower Hamlets, Hackney and Waltham Forest.

In terms of the property market however, Greenwich is considered to sit within the historical (and former London Plan) sub-regional property market of SE London (incorporating Southwark, Lewisham, Bexley and Bromley), with the influence of the A2 and A20 as well as M25 being key factors.

While analysing individual trends for each of the Boroughs it becomes clear that while it is difficult to classify each Borough as a separate market, there are clear groupings that make natural market areas. In addition there are particular linkages between them, relating to types of land-use, and transport and road infrastructure.

Offices

The office market was observed to be the best performing sector in the sub-region, with an annual floorspace increase of 3.2% from 1998 to 2012. Further to this, the northern corridor of the sub-region, made up of Southwark, parts of Lewisham, Bexley and Greenwich, has proved particularly dynamic, in terms of developmental activity and rental activity over the last fifteen years. This could be because they are all conveniently located with regard to Central London in addition to having good access to the public transport.

Industry

Along with the East sub region (as defined through the London Plan), the south east of London (as defined above) appears to be a prime location for storage and distribution centres. Despite take up rates falling at an annual rate of 1.2% over the last decade the

sector still occupies the majority of floorspace in the region (30% of total floorspace). In addition, future trends indicate that the advent of new, redeveloped industrial areas, such as the White Hart Triangle in Thamesmead may further increase demand for B8 units in that location.

As of 2012, Bexley and Southwark had a greater proportion of B8 stock to B2 stock and there has also been an increased prevalence of B8 stock in Lewisham up to that time. This could be due to Lewisham and Southwark benefiting from close proximity to Central London markets. Bexley is located outside the corridor of central London where land can be expensive, making the Borough an ideal location for lower density larger B8 occupiers looking for cheaper rental values.

Market Characteristics

Growth Area

Although the advent of a new Government, combined with an economic downturn, has meant a change in focus from the Thames Gateway area as a location for large scale regeneration and growth, there are still huge opportunities for development in this part of London and many of the original Thames Gateway Growth plans are still forging ahead. Greenwich is an area that is particularly well placed to play a vital role in the redevelopment of employment land in the region.

Any future Thames Gateway Bridge is likely to connect Beckton in the London Borough of Newham with Thamesmead in the Royal Borough of Greenwich, also connecting the A406 / A13 junction in Beckton with the A2016 Eastern Way and Western Way in Thamesmead. The most recent proposal for a Thames Gateway Bridge has been thrown out by the current Mayor, but is likely that any new proposals will follow the same route. Any new river crossing at Silvertown across to the Greenwich Peninsula is also going to increase accessibility to the borough.

Transport improvements (roads/bridges/DLR extensions/Crossrail)

Although projects like the proposed Thames Gateway Bridge, which would have connected Beckton in Newham with Thamesmead in Greenwich, have now been withdrawn, there are other projects, such as the Lower Thames Crossing, which are seen as necessary infrastructure projects by the current Government.

Crossrail, which is currently under construction and which will run west to east across London by 2018, will have a significant impact on the Woolwich and Abbey Wood areas (as stations are being located there), making RB Greenwich a more attractive place for businesses and commuters to locate. There is evidence that the 2009 DLR extension to Woolwich Arsenal is already improving the economic fortunes of Woolwich town centre.

Trunk roads also have an impact on the distribution of B8 and B2 premises. In terms of B1 uses, boroughs such as Southwark have more commercial office floorspace, due to good access to public transport. The upcoming improvements to public transport, such as Crossrail should further improve locations in the sub-region as important centres for commercial offices.

Olympic Boroughs

In addition to Greenwich being one of the five Olympic boroughs, the sub-region is set to benefit from proximity to major Olympics venues and the Olympic legacy plans. There is expected to be ongoing increased demand for offices and small warehousing facilities as a result.

6.3 The Local Market

Market overview

From a property market perspective the Royal Borough of Greenwich extends from Eltham in the south to Thamesmead in the east and from Charlton across to the eastern part of Blackheath in the west. The Borough benefits from close access to the A206, A2 and the A20.

Since 1998, the property market in Greenwich has been characterised in some ways by substantial efforts put into redevelopment schemes such as the Woolwich Royal Arsenal and White Hart Triangle in the Borough. Further to this, new and proposed infrastructure changes such as the Docklands Light Railway, Jubilee line extension and Crossrail have and will further benefit businesses.

Market Characteristics

Local centres/sub-markets within the Borough

The principal employment market areas in the Borough include:

- Woolwich Arsenal: Redeveloped around five years ago for 46,450 sq. m of office and industrial space
- White Hart triangle: which is a 21-hectare development site owned jointly with the London Borough of Greenwich, the LDA and Tilfen Land. It is currently nearing completion for mixed employment use
- Charlton Riverside
- Greenwich Peninsula West

In addition to this, town centres in the Borough such as Woolwich Town Centre, Greenwich Town Centre and Eltham Town Centre include some employment uses.

Supply Analysis

Offices

The key locations/centres within the Borough for office uses are the town centres of Greenwich and Woolwich plus more recently the redeveloped Woolwich Royal Arsenal. There are some smaller office units in Eltham.

Office rents have remained low in town centres such as Woolwich and Eltham due to the quality of accommodation on offer. In addition, the more affluent areas of the Borough such as Greenwich Town Centre and Blackheath are constrained by the availability of suitable land for the development of good quality offices.

The said improvements in public transport have played a role in the improvements in the B1 market, as people need to access the offices from Central and Outer London boroughs as well as from the local area.

Industries

The principal industrial activity is concentrated along the A206/A2016 corridors, which includes Thamesmead, Woolwich and Charlton..

Similar to the situation across most of London, the Borough has seen major structural changes that have taken place in the local economy over the last 20 years, particularly in terms of the decline of the manufacturing base. For instance, Charlton was witness to companies such as Stone Foundries gradually downsizing and the area being

replaced by warehousing and logistics in addition to retail and trade counter growth. Companies were being replaced with retail and trade counter occupiers such as those in Bugsby's Way.

The existing manufacturing base in the Borough consists of the production of printed material, rubber and plastics, telecommunications equipment, food and drinks, metal products, furniture, chemicals, electrical machinery and medical and precision instruments. Consequently, no significant reduction in rental values is expected in the future.

Similarly, the principal locations for warehousing stock include Thamesmead (White Hart Triangle) and North Charlton..

The Woolwich Royal Arsenal scheme has developed into a prime location for high quality industrial warehouses although there is a restriction on the overall quantum of B8 uses allowed at the site. Important trunk roads such as the A206/A2061 make these locations key corridors for relocation of warehouses to and within Greenwich Borough.

Each of the above areas have their own unique characteristics. The White Hart Triangle and Woolwich Royal Arsenal essentially have superior quality warehouses, which command higher rents. On the other hand, a majority of the warehouses situated in North Charlton, are of poorer quality, and are relatively cheaper. They are seen to cater to smaller, low-density occupiers.

The B8 sector exploits the Boroughs close proximity to London, its trunk roads and impending transport infrastructure to its advantage.

Demand Analysis

Each employment cluster/area in the Borough of Greenwich has its own unique selling point and can be marketed to developers and investors alike keeping in mind its relevance to the local, regional and Non-local market. For instance, the Royal Arsenal is marketed as having high quality office and industrial stocks with great access to London and efficient public transport. Similarly the recent DLR extension and forthcoming Crossrail are all unique selling points for market activity in Woolwich TC.

Offices

In light of the comments in the supply section, effective marketing and the proposed improvements in transport infrastructure with rising expectations about future demand, have helped create additional supply, e.g., proposed office spaces at the Meridian Delta scheme. Overall, the market being affected in the short term by the current economic recession, trends seem to indicate in the medium to longer term an ongoing demand for office accommodation in the Royal Borough.

In terms of demand, the Jubilee Line extension to North Greenwich and the Docklands Light Railway extension to Lewisham in the recent past have created a potential for the extension of the Financial and Business sector from Canary Wharf and the Docklands into Royal Greenwich. The increased demand for office space in West Greenwich, despite the absence of appropriate sites, potentially indicates the benefits accrued to the town centre by these transport enhancements. Sites near the O2 Arena and Greenwich peninsula are also attracting significant office spaces (such as at Mitre Passage and Pier Walk and as part of the Meridian Delta scheme, which is described in greater detail below).

Industry

This section consists of both B2 and B8 use classes. While historic floorspace trends are available for both B2 and B8 use classes, take up trends are only available for the industrial sectors as a whole i.e. B2 and B8.

Historic floorspace trends for factories (B2) indicate a decrease in floorspace. Comparatively, trends for warehousing units (B8) show a slight increase.

The last 20 years has seen a significant change as people move towards newer better quality spaces, in areas such as the Woolwich Royal Arsenal and White Hart Triangle. At times, this trend might be forced on by the fact that the stock of older spaces and cheap, poorer quality buildings are increasingly being bought by developers, who are looking to restore these into residential, office or mixed-use schemes.

Information from local agents suggests areas in high demand for industrial uses include, the White Hart Triangle in Cluster 1. Cluster 2, made up of North Charlton has had very limited demand from developers seeking cheaper second hand stock.

Developers are essentially also demanding good quality developments with better accessibility and less congestion problems.

6.4 Description and market analysis of employment clusters

The 12 clusters are subdivided into the individual commercial estates as they are traditionally referred to by agents, the Council and the community plus as defined in AZ mapping of the Borough. Specific boundaries of individual commercial estates are not always easily defined but they are specific enough to enable the best breakdown or clusters, through which marketability can be assessed.

Cluster 1.1

West Thamesmead Business Park

The West Thamesmead Business Park is the largest industrial park in the Royal Borough of Greenwich. It occupies a good strategic location on the outskirts of Woolwich close to the town centre. Both Plumstead and Woolwich mainline stations are close by with connections into Central London. The Industrial park broadly follows the route of Nathan Way and is predominantly owned by Tilfen Land. The commercial accommodation varies significantly and some of the units are in poor condition with low rental values. This has attracted a number of low profile occupiers including churches and some of the space is vacant. The entire estate has had problems in the past with fly tipping but is now better managed and ordered.

The type of occupiers along Nathan Way and West Thamesmead Business Park vary quite significantly and whilst some occupiers are operating out of older space which is in need of improvement others have been refurbished to a very good standard. There are also a number of large local employers including Hunter Plastics and Richard Edward Printers.

Birchmere Business Park, off Nathan Way

The Birchmere Business Park is owned by Tilfen Land who also control other strategic land in this area including the West Thamesmead Business Park and the White Hart Triangle. The Business Park is made up of modern warehouses with good office content, good eaves height, clear access for deliveries and yard areas to each unit. The units are occupied and there are no apparent vacancies. The site is clean and well maintained and there is good car parking provision.

The site is very well located in terms of its access to the road network leading to central London, the motorway network and the Dartford crossing. This area will benefit enormously from any future Thames crossings, e.g. the proposed Lower Thames Crossing between north Kent and Essex / M25, which will improve accessibility further and will increase investment into this area. Public transport to this site is quite poor and involves taking a local bus to Plumstead station or Abbey Wood.

The Crown Industrial Park, Nathan Way

The Crown Industrial Park is located at 71-73 Nathan Way within the wider West Thamesmead Business Park. The floorspace itself is in need of refurbishment with offices to let on upper floors and small studio spaces. Existing occupiers are principally low value and include a church. There would appear to be some redevelopment potential, bearing in mind the sites position within the West Thamesmead Business Park.

Cluster 1.2***White Hart Triangle***

The White Hart Triangle Business Park is an £80 million public/private joint venture between Royal Borough of Greenwich Council, the former London Development Agency and Tilfen Land. The site itself extends to 21 hectares and has planning consent for logistics space. It is expected to deliver 750 safeguarded jobs and 1,500 new jobs when complete. European Union structural funding was used to develop important infrastructure to open up what was once a landlocked site. This has been successful and the aim since has been to develop the site as a centre for new and advanced industry.

The first phases are complete and are now almost fully let. Alongside this, a major letting deal to Iron Mountain for two high bay distribution units to the front of the site has been completed and further development opportunities exist on the site in terms of bespoke design and build plots.

There is a restriction on the amount of B8 floorspace that can be made available on the site and this allocation has now been mostly taken up by Iron Mountains footprint.

This is also where the most recent Thames Gateway Bridge scheme was proposed to land south of the river so this site could potentially be well connected to other schemes north of the river as well as City Airport and the wider south east market should another scheme get permission. The site has a number of strengths beyond its high profile specifications including good access to the M25, M20 and central London.

Cluster 2.2***Angerstein Business Park***

The Angerstein Business Park is located on Horn Lane adjacent to the retail park on Bugsby's Way and reasonably close to strategic mixed-use developments at Greenwich Peninsula and the O2. North Greenwich tube station is a short bus ride from the site. The site is congested largely because of high parking requirements from occupiers. Consequentially access through the site is constrained especially for lorries and deliveries. There has been considerable market pressure on industrial floorspace in this entire area for a change of use to retail and mixed uses.

The Ramac Industrial Estate

The industrial estate consists of several units, some with office content. The site is well located for access into Greenwich and Charlton and has good connections to local public transport and the wider road network. The site is well positioned for access to Bugsby's Way and neighbouring retail uses and the main occupiers on the site are trade counters users.

Overall access into the site is reasonable for lorries. Although there have been some problems in the past with illegal occupation of this site and fly tipping, these problems have been overcome and there is a gate on one end of the site which has improved security and helped to deter intruders. The site is also better occupied than in previous

years and although there are some obvious vacant sites, these are generally due to reconfiguration of different uses rather than long term vacant plots. As the site is predominantly in trade counter retail use, with commercial retail uses on each side it is no longer considered to be an industrial estate.

Cluster 2.3

Maritime Industrial Estate and Greenwich Industrial Estate

The site is accessed off Bugsby's Way and involves a difficult turning into the estate off a busy road. The units connect through to Woolwich Road but there is no longer any access onto this road. The site has a significant amount of vacancy and remaining buildings are in need of refurbishment. Occupiers include cash and carry and trade counter retail uses alongside neighbouring retail.

Brocklebank Industrial Estate

The Brocklebank Industrial Estate is well located for passing trade being close to the retail parks just south of Bugsby's Way. It is also adjacent to the large designated Aggregates site. The floorspace itself has been refurbished and offers functional units for small businesses which are mostly motor trade occupiers. The estate is reasonably well managed and secure but fairly low value. There is evidence of fly tipping on the approach road near the entrance to the site.

The vicinity of the site is heavily congested as increased retail in this area has led to higher traffic levels. Public transport services to the site currently involve a bus ride to North Greenwich tube or a short walk to Charlton mainline station. Principal occupiers are the Motor Trade, Honrad MOT, Meridian Secure Garage and Power Steering specialists.

Meridian Trading Estate

The Meridian Trading Estate is in a highly visible location on Bugsby's Way and is well located for passing trade. The key occupiers on the southern part of the site are mainly trade counter operations. The site is well occupied throughout. The northern part of the site fronting the river at the time of the field surveys was being redeveloped for logistics use.

Lombard Trading Estate

The Lombard Trading Estate is a well maintained site with good visibility and access to retailing at Bugsby's Way. The site is also located close to Greenwich Peninsula, the Blackwall tunnel, the A2 and the M25. Charlton mainline rail station is within walking distance offering good connections to central London. The floorspace itself is somewhat outdated albeit functional and includes office content. Access onto the estate is good for lorries and deliveries and there is good car parking provision. As with many sites in this area the local road network can be congested particularly at peak times..

Cluster 2.4***The Stone Lake Business Park***

The Stone Lake Industrial Park was developed in the 1990's as a retail business park. It offers good quality modern retail business accommodation. The site is split into two units both of which offer high bay trade counter warehousing space with good office content and parking provision. Access on and off the site for lorries and deliveries is good although the approach road to the entrance is difficult to find from the main road. The site is well managed. The site is not in industrial use.

Ropery Business Park

The Ropery Business Park is well located for access to the A2, Blackwall Tunnel and the wider road network. The site itself has inadequate car parking provision and is poorly managed. The layout of the site as it stands is poor and appears cluttered. Furthermore, access on and off the estate is difficult and the units themselves are in need of refurbishment. The site is mainly occupied by small businesses. Residential uses abut the site to the north.

Charlton Gate Business Park

Charlton Gate Business Park is a prominent business park on the corner of Bugsby's Way and Woolwich road offering modern, high quality business space. The estate consists of low density trade counter and high bay warehouse space with some office content. The site is fenced and has a security presence. It is reasonably well maintained and managed. The site is well located close to Charlton Station but also within good access of North Greenwich tube and the Greenwich Peninsula. Access on and off the site is problematic because of the one-way road leaving the site as well as local traffic congestion issues.

The New Lydenburg Commercial Estate

The New Lydenburg Commercial Estate refers to two separate industrial estates one of which is owned by GLE Properties and the other by Royal Greenwich. The sites are almost fully let. There is on street parking provision though this causes internal circulation problems. The GLE properties site can be difficult to find and access roads to this area are quite narrow. There are a number of aggregate lorry movements along the approach road which create a lot of dust and localised pollution. The site is adjacent to the Ashleigh Commercial Estate and a number of storage containers on that site are spilling over onto this site.

Access roads through the Council owned industrial estate are quite narrow meaning deliveries are problematic and the site is mainly occupied by small businesses.

Ashleigh Commercial Estate

The Ashleigh Commercial Estate is located on Penhall Road. The site itself is reasonably well located in terms of its access to the wider road network. Buildings on the site were built in the 1930's and are in need of major refurbishment. Access becomes congested and difficult further through the site. The management of this site is very poor; the site is cluttered and there are also a number of health and safety concerns including unsafe pedestrian walkways. The site offers a redevelopment or refurbishment opportunity.

Cluster 2.5***Westminster Industrial Estate***

The Westminster Industrial Estate is located midway between Woolwich and Charlton and offers a range of units ranging from steel framed industrial warehouse space to older brick built commercial units with multiple floors. The nearest station is Woolwich Dockyard which is within walking distance and there is good access to the wider road network. The site has potential for commercial and/or mixed-use redevelopment and refurbishment.

Woolwich Dockyard Industrial Estate

The industrial estate is located just off Woolwich Road close to Woolwich Dockyard station with train services into central London. The site is split into three blocks with some trade counter uses as well as multi occupied buildings on a number of floors.. Some of the occupiers use their yard space for storing scrap, which is unsightly. Access out of the estate is one way which is not ideal for occupiers.

Cluster 3***Angerstein Works***

The Angerstein Works site is in a strategic location due to its high visibility from the A102 Blackwall Tunnel approach road and the A2. Access to the site itself is difficult as the access road is via a residential area. The site is also constrained by the railway line running from Charlton on one side and the A2 on another. There is no direct access onto the A2. The only occupier is the Metropolitan police who use the site as a car pound.

At the far end of Angerstein Works site there are two large warehouse schemes which are located the other side of the railway track. This warehouse space has been difficult to let despite some units being on the market for some time. The space is in need of refurbishment and does not suit industrial occupiers because access is via a residential road.

Cluster 4.1 and 4.2***Brook Marsh Industrial Estate***

The Brook Marsh Industrial Estate is very small industrial park off Norman Road in Greenwich. It is located directly opposite Greenwich Business Park and alongside Deptford Creek and the Docklands Light Railway. It consists of small industrial units. The site itself is restricted because of its size meaning that access and circulation space is limited and parking is insufficient for the units. The site itself is reasonably clean and the space is functional for small-scale distribution operations.

Just across the road from the estate and adjacent to Greenwich Business Park, Bellway Homes have completed a residential scheme which includes ancillary retail and office space. This entire stretch of Norman Road running alongside Deptford Creek has potential for redevelopment. The area could attract office based businesses bearing in mind the excellent transport connections within walking distance at Greenwich DLR and mainline station and the proximity of the World famous Laban dance centre across the creek. The office based businesses that might be attracted to Creekside could include creative industry type businesses such as software designers and architects. This could build upon Greenwich Town Centre and Creekside's reputation as an area of creative industries. As such the new commercial schemes around Creekside could include studio space as part of the offices.

Greenwich Commercial Centre

The Greenwich Commercial Centre (also known as the Skillion Centre) is a former fire engine factory based on Greenwich High Road close to Greenwich town centre. The site has provided small business and micro business space for a number of years on flexible monthly licenses. The site was combined with the adjacent former Ryder Truck site and has recently been redeveloped for mixed use by Galliard Homes and Reefmark and includes: 227 residential units, a 150-bed hotel and commercial space.

The site is very well located for Greenwich DLR and mainline station and this area is extremely well connected to the Maritime Greenwich World Heritage Site, Canary Wharf, and central London. There is a lot of pressure on industrial space along Greenwich High Road as well as Norman Road for residential development and other mixed use schemes.

Greenwich Centre Business Park

Greenwich Centre Business Park is a 24 unit scheme situated at 53 Norman Road. It is currently fully let and offers quality modern floorspace with parking facilities. The occupiers are mainly light industrial with some trade counter uses on the site. The business park is very well connected to Greenwich DLR and mainline station and is extremely well connected to the Maritime Greenwich World Heritage Site, Canary Wharf, and central London.. The site is well maintained with good access.

Greenwich Industrial Estate

Greenwich Industrial Estate was previously occupied by approximately 23 single storey warehouse and light industrial units And has been vacant for in excess of 3 years. Planning permission was granted in early 2012 for redevelopment of the site for two hotels, 358 student residential units and 181 residential units plus a number of incubator/ start up business units and over 1,300 sqm of education/office floorspace. A small strip of land at the north of the site was not part of the planning permission and remains in industrial use, currently used by CGL Rail. Demolition of the buildings in connection with the construction of this permitted scheme is almost complete.

Cluster 5***The Lawrence Trading Estate***

Lawrence Trading Estate is accessed off Blackwall Lane and is well located for the Blackwall Tunnel river crossing and the A2 leading to the M25 and Kent. Access onto the site is somewhat constrained especially as car parking is limited. Access for lorries is also difficult as there is a narrow driveway and yard area for loading and unloading of goods. The site is reasonably well occupied and the space is functional. The site is adjacent to Alcatel who are one of the biggest employers in Greenwich. The site has CCTV cameras and a fenced off gate.

City Cross Business Park

City Cross is located off Salutation Road which runs parallel to Tunnel Avenue. The business park offers high quality, high profile modern business space.. The site is well managed and has adequate parking facilities. The site has good access to Greenwich Peninsula, Greenwich town centre and road networks including the A2 towards Kent and the Blackwall Tunnel north of the River.

Delta Meridian Site

The Delta Meridian Site is the site of the former Tunnel Avenue Trading Estate, which has been cleared to make way for new mixed use development. The site is located on

the Greenwich Peninsula and is bounded by the Blackwall Tunnel, the River Thames, a former aggregates site and the O2 Arena .

The site will form part of Meridian Delta masterplan area.

Other Employment areas***Woolwich Royal Arsenal site (Arsenal Way Industrial Estate)***

The Royal Arsenal is a large mixed-use development site within Woolwich town centre. The site contains 21 listed buildings and has required careful master-planning. The London Development Agency took over management from English Partnerships in 2000, and began a £1.1 million site remediation in partnership with Berkeley Homes and the Teesland iDG.

The site consists of residential units, new and restored industrial units plus further new build floorspace. Other components of the mixed use development include: START Woolwich an innovation centre with 47 short-let units for start-up companies, a new heritage quarter housing Greenwich Heritage Centre and Firepower museum and Woolwich Pier and a new riverside park.

A revised outline planning permission was secured in February 2011 for the development known as the “Warren”; a 13 hectare site within the Arsenal providing a new commercial and leisure quarter consisting of 2,517 additional new homes, 25,000 sq m of commercial space (including 4,500 sq m of office space), healthcare centre and nursery, retail, restaurants and bars. So far, phases one and two have been built out for 453 and 290 new homes respectively. Also in the Warren, a 130 bed hotel was granted permission in March 2011 and is currently under construction.

6.5 **Regeneration Consultation response on employment areas**

Section 6.5 below sets out a summary of the key points arising from RB Greenwich’s own employment survey as carried out in June 2012. It covers the stakeholder and landowner discussions relating to the various uses on the site and the future plans and aspirations.

Charlton Riverside (covering Clusters 2.1 - 2.5)

Discussions with key stakeholders, developers and landowners in the area have revealed that:

- there are various proposals and plans for the Bugsbys way area, which developers believe can lead to an additional 500 jobs in the area.
- there is a long term vision for land in Co-op ownership which is set out in the consultation responses to the Charlton Riverside Masterplan SPD. Employment figures associated with the vision are currently unknown.
- agents acting for a landowner of a 2 hectare site at Ashleigh Industrial Estate see a need for industrial / commercial space in the area and intend to build a new commercial industrial estate on the recently acquired site.
- the aggregate industries in the Greenwich Peninsula, e.g. Tarmac, Cemex, Days, Aggregates Industries and Bardons – all run busy businesses with limited prospects of expansion; they expect to remain in their current location for many years to come.
- the Environment Agency employs a relatively large number of people and will continue to do so

- there are plans for expansion of the artists' studios on the Mellish Industrial estate, which is home to 180 artists. There are currently a further 30 spaces in development.

There are meetings planned with other companies located in this area, which may reveal further aspirations and plans for the area.

Eltham Town Centre

Eltham is a significant employment centre with the majority of jobs being in the retail and service industry sector. The town has been identified as one of four growth areas in the Borough and its recently adopted Masterplan has identified a number of potential development areas which could provide further employment opportunities in these sectors. Examples include:

- Grove Market Place Development – planning permission for a mixed use development, expected to provide 300 jobs.
- New community Hospital - New Community Hospital, Passey Place – scheme awaiting planning permission, expected to employ 180-220 staff (mix of full and part time),
- Sainsbury's Food Store - currently employs just under 350 staff (mix of full and part time) and has the potential to significantly increase the size of the store, which could lead to a further 118 full-time jobs
- Former Co-op site – the Council is negotiation to purchase the former Co-op store (previously 3 storeys) which is currently operating on only one level as a Poundland store. If successful, the site would be redeveloped to provide a mix of housing, leisure, and retail use, creating in the region of 100 end user jobs.
- Orangery - Greenwich Enterprise Board is about to commence work on redeveloping the former Orangery in Orangery Lane to provide 11 units for start up businesses, which will provide approx 25 jobs.

Woolwich Town Centre

The following points relate to stakeholder consultation on the Woolwich Town Centre Masterplan area.

- Powis Street Estates –retail activity appears to be healthy and any vacant units soon become occupied.
- Businesses at the IO Centre and Arsenal Way Industrial Estate - businesses have confirmed their wish to continue operating at the location.
- Other notes regarding businesses in Woolwich
 - There is very little evening economy in Woolwich
 - Several stores have recently been revamped.
 - Planned new stores include Tesco (400 jobs), TK Maxx, Travelodge.
 - The Council and HMRC are the main users of office space in Woolwich.
 - The redevelopment at the Royal Arsenal and the Tesco development has generated a variety of construction and engineering jobs at the site.
 - Cross rail on schedule 2018 - Cross Rail Station Box 2013
 - 1700 homes developed on Royal Arsenal Riverside
 - 3300 new homes planned over at the Royal Arsenal Riverside

- DLR opened early 2009
- Total Business in Woolwich
 - Business 332
 - Vacancies 28
 - Derelict 9

7 DEMAND FORECAST

7.1 Introduction

This section forecasts the future demand for industrial (industry and warehousing) land and office space in RB Greenwich arising between 2012 and 2028.

Emerging Wider Policy Direction

Before setting out our approach and developing our forecast, it is worth considering the emerging policy context. Annex 1 of the draft London Industrial Land Demand and Release Benchmarks (Roger Tym & Partners, 2012) published for consultation, identified a total release benchmark figure for 2011-2031 by each London borough. For RB Greenwich the industrial land release benchmark was zero hectares. However, during the recent public consultation on the draft Supplementary Planning Guidance (SPG) Land for Industry and Transport, a number of the boroughs raised concerns about the borough level industrial land release benchmarks. To address these concerns, the GLA undertook an assessment to derive a set of integrated borough level benchmarks that reflect the strategic and local evidence base (in particular drawing on local employment land reviews and more detailed localised research) for presentation in the final SPG⁹. The integrated recommended revised position for RB Greenwich is for 50ha of industrial employment land to be released during 2011 – 2031, or -2.5ha per annum. This proposes to move RB Greenwich from the 'Limited' release category (London Plan 2011) to a 'Managed' release. Under this category, RB Greenwich would be encouraged to adopt a managed approach to the transfer of existing industrial land to other uses.

7.2 Demand Forecasting Methodology

Approach

As outlined in the ODPM's Employment Land Reviews: Guidance Note (2004) there are various approaches that can be used to forecast long term demand for employment land. URS have developed a synthesis approach to employment land demand forecasting, which combines both employment forecasts at a regional level and the local economic context. We develop our forecast by the following steps:

1. Analysis of historic floorspace trends.
2. Analysis of historic employment trends.
3. Analysis of the forecast change in employment over the period of assessment.
4. Assessing the relationship between the rate of change calculated in 1 and 2, which can be used as a proxy for the potential rate of change in future employment floorspace when applied to the forecasted employment growth. This method overcomes the requirement to convert employment projections to floorspace using employment densities, which can vary widely for office and industrial premises meaning that the conversion to employment can be unreliable^{10 11}.
5. Consideration of how local factors, for example the availability and nature of sites, major projects such as infrastructure improvements and local economic development initiatives could impact on the rate of growth. This view is informed

⁹ DRAFT Industrial Land Release Benchmarks and Borough Groupings; GLA note for ARBPO, 26 June 2012

¹⁰ London Industrial Land Release Benchmarks (URS for the GLA, 2007); London Industrial Land Baseline (URS for the GLA, 2010)

¹¹ The Use of Business Space in London (Roger Tym and Partners for the LDA, 2005)

by discussions with business representatives, partners and stakeholders, and property market agents.

This approach to estimating demand for industrial and office space is compliant with GLA guidance set out in the adopted GLA Industrial Capacity SPG (2008), as well as the revised London Industrial Land Release Benchmarks report (November 2010), which feeds into the draft SPG Land for Industry and Transport (February 2012) produced for consultation, and the revised position of the GLA¹².

Property Market Area

Though the focus of our assessment is on floorspace and land requirements arising in the RB Greenwich, our forecast takes account of change occurring across a wider geography. Businesses searching for sites or premises will typically consider a number of similar locations in the vicinity. These competing locations within the area of search will often have similar characteristics such as connectivity and transport reliability, access to labour markets, clients, the supply chain and property (rental values, size and grade), which are influential in their choice of location. The area of search for property is typically larger than any one borough - unless the market is very localised - and can be termed the Property Market Area (PMA).

Due to data availability, and to allow comparison with existing sub-regional forecasts and benchmarks, we have taken the PMA to include the following boroughs which geographically make up the traditional south east London area:

- Greenwich
- Bexley
- Lewisham
- Southwark
- Bromley

This PMA has confirmed by agents as a logical one, particularly because of the influence of the trunk road and rail networks in these areas.

Data Sources Used in Forecasting

The sources of data used in the forecasting come from official sources:

- Historical floorspace data is derived from the Valuation Office Agency (VOA), which is broken down by office, factories and warehousing uses. This data is available to 2008 only, so we up date the stock position by analysing the change in floorspace for B1, B2 and B8 use classes since 2008 using the London Business Database (LDD);
- Historic employment data is derived from the Office of National Statistics (ONS) Annual Business Inquiry data; and
- Employment projections are taken from GLA Economics (Working Paper 39 Borough employment projections to 2031, November 2009), which the GLA advises boroughs to use for forward planning purposes.

In terms of the GLA Economics' employment projections, employment growth is projected by a method which triangulates employment trends by broad sector class; the availability of land for the development of new employment sites; and transport

¹² Draft Industrial Land Release Benchmarks and Borough Groupings; GLA note for ARBPO, 26 June 2012

improvements planned. Employment projections are broken down by use class and published for each borough up to year 2031. The GLA projections take account of wider drivers of change and growth (both economic and population); however, at a borough level, the employment projections do not take into account local drivers or interventions such as planning policy, regeneration initiatives or the consent of major developments. For this reason our approach also considers the potential effects of local economic factors on the longer term demand for industrial and office uses.

Impact of the Economic Downturn and Published Projections

GLA Economics' employment projections were published in November 2009 and to some extent consider the impact of the economic downturn, which began in 2007/2008. However there is merit considering further the impact of the current economic downturn given its depth and duration and whether the GLA's projections should be adjusted accordingly.

The GLA projections are trend-based and therefore incorporate the impact of past economic downturns. The GLA projections factor in trends in Gross Value Added (GVA) and employment data since 1983 - a time period which covers three economic cycles. Between 1983 and 2007 the annual average economic growth rate was 2.8%. The current GLA's employment projections 2011-2031 assume a GVA growth rate of 2.5% per annum for their long-term forecasts and therefore can be considered as relatively conservative compared with the long term historic average.

Two features of the current economic downturn are however 1) the severity and 2) the drawn-out period to recovery. **Figure 7.1** below illustrates the severity of the 2008 recession as recorded by the large and sudden fall in Gross Domestic Product (GDP)¹³ output from Q2 2008 to Q1 2009. However though there was a return to growth in the latter part of 2009, the UK economy has continued to show weaknesses with low rates of GDP growth, and in the first three months of 2012 returned to recession¹⁴ with GDP shrinking by 0.2%. The fall in GDP was driven by weakness in the construction sector and the production sector (i.e. manufacturing), though it should be noted that other sectors (related to office and warehousing) grew between Q1 2011 and Q1 2012: the Transport, storage & communication increased its output by 1.4%; and Business services & finance increased by 1.2%.¹⁵

Despite these ongoing weaknesses, evidence suggests that, broadly, London's employment market has shown resilience to the recent economic downturn and though output has declined significantly unemployment has risen, and employment fallen, by a lesser degree. Work by the GLA Economics suggest that continued employment growth in the public sector and strong levels of corporate profitability moving into the recession (and correspondingly low rates of business failures during the recession) are the main factors that can explain the strong labour market performance. GLA Economics believe that low growth in unit wage costs and strong corporate profitability should continue to provide support to the labour market in the short to medium term.¹⁶ GVA statistics released by ONS support this view showing year-on-year growth in London's GVA throughout the economic downturn¹⁷.

Clearly the Greater London economy is operating differently to the wider UK economy, and discussions with the GLA have substantiated the view that over the long-term

¹³ GDP provides a measure of the total economic activity in the UK, and is referred to as one of the main summary indicator.

¹⁴ Broadly defined as two consecutive quarters of negative growth

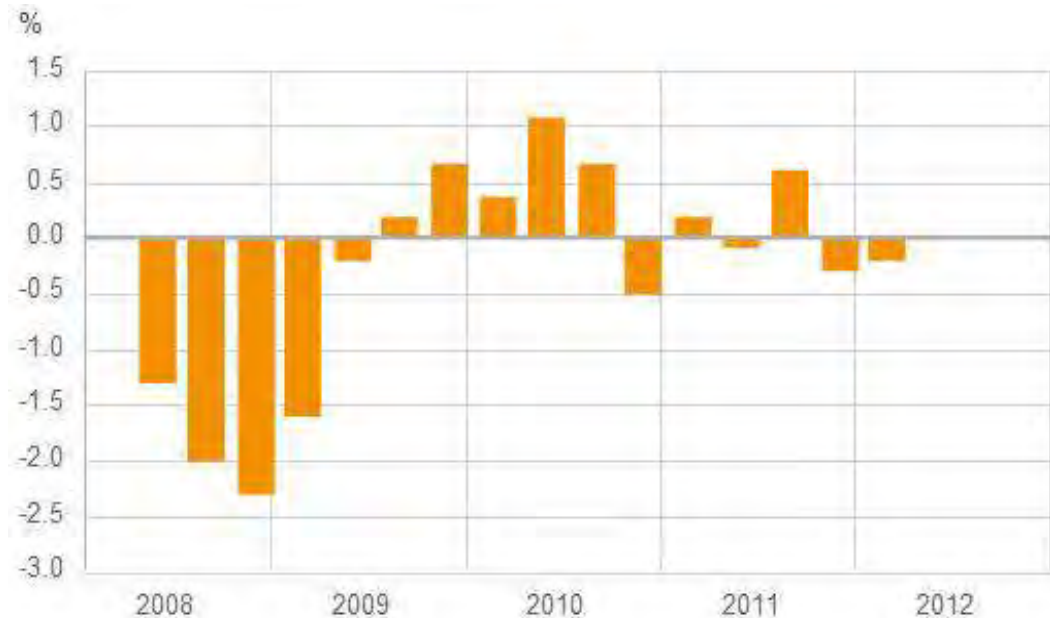
¹⁵ ONS Gross Domestic Product: Preliminary Estimate, Q1 2012 (25 April 2012)

¹⁶ GLA Economics; Working Paper 44 London's labour market in the recent recession (December 2010)

¹⁷ Increasing from £268,119m in 2008 to £269,662m in 2009 and £274,085m in 2010 (data being released in 2011). See Regional and sub-regional GVA estimates for London (GLA Economics, 14 December 2011)

employment projections are still considered to be realistic and that the severity or duration of economic downturn will not translate as a reduction in employment over the long-term (to 2028); although there will be an effect over the shorter term.

Figure 7.1 UK Gross Domestic Product Growth, Quarter on Previous Quarter



Source: ONS Gross Domestic Product: Preliminary Estimate, Q1 2012 (Released 25 April 2012)

Given the reasons above and our discussions we have had with GLA Economics officers on the validity of the GLA's data, and the strategic nature of this review, we believe that the GLA projections is still relevant for use in forecasting employment land requirements, and as such no adjustments to the GLA employment forecasts at 2028 have been made.

7.3 Historic Trends in Floorspace

The Valuation Office Agency (VOA) records the amount of floorspace in an area for tax purposes (the assessment of business rates) by building type. VOA data is considered to be a reliable source of data and is comparable after 1998 and available up to 2008 (the latest known data). The data are consistent within five yearly revaluation time periods, but it is not always possible to retain consistency between revaluations. A revaluation took place in 2005, so there is consistency within the time period of 1998 and 2004, and post revaluation 2005 to 2008 but not between these sets of years. For this reason we look at two separate periods of data and apply the average compound annual growth rate in our analysis.

Although the time period 1998 to 2008 covers a relatively short time period it approximates to the last full business cycle identified by the Treasury to be between 1997 to 2006¹⁸ and therefore can be considered to encompass both weaker and stronger periods of demand. Depending on the stage of the economic cycle, the derived linear forecast is expected to be above or below the records in floorspace data. The recent recession experienced in the UK from Q2 2008 to Q3 2009 could be considered a low point of the fluctuations around the long-term linear trend.

¹⁸ Treasury Pre-Budget Report 2008 (paragraph 46).

Table 7.1 Historic Change in Industrial and Office Floorspace

<i>Area</i>	<i>Use Class (1)</i>	<i>1998 '000m²</i>	<i>2008 '000m²</i>	<i>Diff % Including Discontinuities (3)</i>	<i>CAGR (3)</i>
Greenwich	Office	102	119	8.8%	0.9%
	Industry	376	295	-20.5%	-2.5%
	Warehousing	379	549	43.5%	4.1%
	Ind + Warehousing	755	844	11.7%	1.2%
PMA (2)	Office	1,409	1,776	29.1%	2.9%
	Industry	1,955	1,493	-28.3%	-3.6%
	Warehousing	2,207	2,427	8.7%	0.9%
	Ind + Warehousing	4,162	3,920	-8.7%	-1.0%

Source: URS; VOA as of February 2012

Figures may not sum due to rounding

Note 1: Office defined as 'Commercial office' floorspace only

Note 2. PMA figures include RB Greenwich

Note 3. Compound Annual Growth Rate for 1998 - 2008 takes into account the data discontinuities

The table above takes into account the data discontinuities, which have occurred in ONS data between 1998 and 2008. When employment is combined, the historic CAGR for industry and warehousing use classes across the PMA shows a contraction of -1.0% per annum compared to a positive growth of 1.2% in RB Greenwich, which is driven by a strong historic growth in warehousing space (4.1% pa between 1998-2008). However, the historic growth rate for office use classes across the PMA is 2.9% pa compared to 0.9% across RB Greenwich. From this picture of historic floorspace change, the PMA can be judged to have on have been more successful attracting commercial office development but less successful in attracting industry and warehousing. RB Greenwich therefore has opportunities to capture a larger proportion of the wider commercial office growth occurring the PMA, whilst maintaining its comparative advantage as a location for industry and warehousing.

7.4 Historic Employment Growth

Historic employment data is drawn from the Annual Business Inquiry (ABI) and are expressed at a Standard Industrial Classification (SIC) level, not by use class. To estimate employment by use industrial land class (office, industry and warehousing uses, as per our ELR definition) we have identified those sectors which typically operate from B1, B2 and B8 use classes. By this approach we estimate workplaces employment by use class as set out in **Table 7.2**.

Changes to ABI/1 survey were introduced in 2006, which resulted in a data discontinuity with previous years i.e. estimates for 2005 and earlier are on a different basis to those from 2006 onwards, mainly due to a change in the survey reference date and direct comparisons between employment estimates over the discontinuity should be avoided. ONS analysis to measure the discontinuity indicates that retail, real estate, education and health sectors were the industries affected the greatest¹⁹. To ensure consistency our analysis is based on employment change over two separate periods: pre-discontinuity, 1998-2005; and post-discontinuity, 2006 to 2008 (2008 being the latest data published by ABI using 2003 SIC codes).

¹⁹ The overall discontinuity introduced by the three changes to the ABI/1 is estimated to be 417,000 employees in a downward direction. (Discontinuity analysis affecting the 2006 ABI employee estimates, ONS)

Table 7.2 Historic Employment, 1998 - 2008

Area	Use Class	Actual Diff % (3)	CAGR (3)
Greenwich	Office	12.1%	1.3%
	Industry	-37.8%	-5.1%
	Warehousing	4.6%	0.5%
	Industry + Warehousing	-8.4%	-1.0%
PMA (2)	Office	22.5%	2.3%
	Industry	-31.1%	-4.1%
	Warehousing	3.8%	0.4%
	Industry + Warehousing	-6.0%	-0.7%

Source: URS; ABI as of February 2012

Figures may not sum due to rounding

Note 1: Employment change has been estimated by aligning broad SIC sector groupings to B-use classes

Note 2: PMA figures include RB Greenwich

Note 3: Difference and CAGR taking account of data discontinuities as noted by ONS

The historic CAGR for industry and warehousing use classes in RB Greenwich is -1.0% and for the PMA it is -0.7%. Within this figure of -0.7% CAGR is a strong contraction in B2 which offsets the growth in B8. Employment CAGR for office for the PMA is shown to have grown at a faster rate than RB Greenwich (2.3% pa compared with 1.3% pa, respectively).

7.5 Published Employment Forecasts

GLA Economics project borough employment at five yearly intervals – years 2011, 2016, 2021, 2026 and 2031. We derived the employment for years 2012 and 2028 (the start and end dates of this forecast period) by applying the CAGR for the periods 2011-2016 and 2026-2031 to the 2011 and 2026 base figures. GLA Economics' projection is provided for the B1 uses class (office) and for B2 and B8 use classes (industry and warehousing) combined. **Table 7.3** presents the employment forecasts across the RB Greenwich and the PMA.

Table 7.3 shows that RB Greenwich's office, industry and warehousing employment is projected to grow at a similar rate to the wider PMA. Office employment in RB Greenwich is forecast to grow 0.6% pa compared with 0.7% for the PMA; and industry and warehousing employment is projected to contract by -1.4% compared with -1.3% for the wider PMA.

Table 7.3 Employment Forecasts

Area	Use Class	2012 '000	2028 '000	CAGR 2012-28
Greenwich	Office	12.76	14.06	0.6%
	Industry + Warehousing	10.12	8.14	-1.4%
PMA	Office	152.58	169.58	0.7%
	Industry + Warehousing	75.90	61.72	-1.3%

Source: GLA Borough Employment Projections (November 2009); URS

Figures may not sum due to rounding

7.6 Synthesis Forecast

Our synthesis forecast approach takes trends in historic floorspace provision as a basis for forecasting future employment land demand. The historic floorspace trends are projected by a linear function and adjusted for regional economic changes by incorporating an adjustment factor. The adjustment factor is the ratio of forecast employment to historic employment. We take the PMA rates of change, as this is the area across which the property market operates.

The adjustment factor is then applied to historic change in floorspace to determine the floorspace forecast. The results are shown in **Table 7.4**. The table shows the historic trend based on past floorspace changes, historic and forecasted annual employment changes for B use classes, the adjustment term and the adjusted average annual floorspace demand for the period 2012 to 2028. This CAGR for historic floorspace and employment and forecast employment are taken from preceding tables.

Table 7.4 Synthesis Forecast for Employment Floorspace, PMA

Use Class	Historic Floorspace CAGR	Employment CAGR		Adjustment Factor	Adjusted Floorspace CAGR
	1998-2008 (1)	1998-2008 (2)	2012 – 2028		
Office	2.9%	2.3%	0.7%	0.3	0.8
Industry + Warehousing	-1.0%	-0.7%	-1.3%	1.9	-1.9

Source: URS

Figures may not sum due to rounding

Note 1: Taking into account ABI/1 discontinuities in 2005 – 2006

Note 2: Taking into account VOA floorspace 2005 revaluation

7.7 Adjustment of the Synthesis Forecast

As discussed in our methodology (**Section 2**) the synthesis forecast is adjusted to take account of those factors specific to the local area such as planned and committed major projects, regeneration initiatives, the local economy, commercial property market environment and the comparative advantages of RB Greenwich in relation to its competitor markets. Adjustments are also made based on circumstantial evidence gathered from consultations with property market agents and business and regeneration stakeholders.

Our synthesis projections consider local factors not included in the published employment projections not accounted for by the GLA Economics' projections, namely:

1. Property market trends within the PMA
2. The impact of any major new developments and infrastructure plans
3. Impact of the recession; and
4. Regeneration initiatives and strategies.

We consider how these local factors could impact on office, industry and warehousing employment growth below.

Trends within the Property Market Area

Despite an overall growth in warehousing between 1998 and 2012 in the RB Greenwich, which is a higher rate than the PMA (4.1% pa compared with 0.9% pa), the

borough has also experienced a relatively high rate of contraction in industry. RB Greenwich has benefited from its closer links to central London than outer London Boroughs but there is evidence that some occupiers prefer LB Bexley as a location where land can be less expensive, road links are good and congestion is less of an issue. RB Greenwich is not considered to have any locational advantages over the rest of the defined south east London B2/B8 market. In terms of the B1 market however, the improving PTAL levels and availability of serviced sites at places such as North Greenwich, has meant that RB Greenwich does have advantages over other parts of the south east London area, particularly places such as LB Bexley and Bromley.

Major Infrastructure Projects

Crossrail will deliver a high frequency, high capacity service to 37 stations linking Maidenhead and Heathrow in the west to Shenfield and Abbey Wood in the East. In RB Greenwich Crossrail will stop at Woolwich and Abbey Wood, linking north with Custom House and Canary Wharf. Project wide, Crossrail will bring an additional 1.5 million people within 45 minutes commuting distance of London's key business districts and will provide a 10% increase to rail capacity in the capital. Crossrail will make travelling in the region easier and quicker and will reduce crowding on London's transport network, operating with main line size trains carrying more than 1,500 passengers in each train during peak periods.²⁰ As a result of improved connectivity there could be a positive shift in demand from businesses who require good public transport links. Our view is that the benefits of improved connectivity are expected to mainly fall to offices, retail, bars and restaurants in town centres, and to a lesser degree B2/B8 use classes through improved supply-chain and customer linkages.

There are a number of other infrastructure projects proposed as part of three masterplans for the Borough which set out a vision for growth – these masterplans are considered next.

Key Regeneration Projects

There are a number of residential led masterplans which will bring about significant regeneration in the Royal Borough and raise the profile of the area as a tourism, leisure and business location. Of note, three masterplanning Supplementary Planning Documents (SPD) were recently published²¹:

The Woolwich Town Centre Masterplan SPD²² sets out the vision for an enhanced retail offer and a wide range of uses including culture, leisure, community offices and housing at Woolwich Town Centre. Accessibility to the riverside and the surrounding areas will be improved. It will also increase in importance as a transport hub, by improving its current DLR connections and with a Crossrail station to be provided by 2018. A riverside transit route is also planned to run through the town centre linking with Thamesmead and Abbey Wood to the east and North Greenwich and beyond to the west. There are proposed crossings at Silvertown and Gallions Reach, which are expected to see the riverside transit grow.

The Peninsula West Masterplan SPD²³ sets out the vision for a mixed use area which includes leisure, education employment and housing. The potential of this site lies in its riverside location, proximity to Canary Wharf and Greenwich. The O2, the proposed Cruise Liner Terminal on in Greenwich town centre provide international leisure and tourism destinations with associated employment. There are opportunities to improve transport to the west side of the peninsula by improving links to existing and proposed

²⁰ www.crossrail.co.uk

²¹ Whilst not having development plan status, SPDs form part of the Local Development Framework. The SPDs are adopted by the Council and are used as guidance for applicants and others involved in the planning process.

²² Woolwich Town Centre Masterplan SPD, April 2012

²³ Peninsula West Masterplan SPD, April 2012

systems. The aspiration is to create a 'world class district for London' introducing 'new and exciting uses to the area, as well as development complimenting the existing employment sites'.

The Charlton Riverside SPD²⁴ guides development over the coming 15-20yrs in an area of Greenwich which lies between Woolwich and Greenwich Peninsula. The area is a location of industrial heritage with uses predominantly for industrial purposes, and includes the Charlton Riverside Industrial Area, the Aggregates Zone and Angerstein and Murphy's Wharves. The area has retail also at Charlton Business Park. Charlton Riverside is an Opportunity Area in the London Plan identified for mixed use development and with significant capacity for jobs and homes. The SPD states that 'Charlton Riverside has the potential to accommodate an exemplary new urban district'. Key objectives include to transform Charlton into a sustainable mix of uses; contribute to the development of the Thames Gateway as a place to invest, live and work; improve transport connections; develop a creative hub and create a new education focus. This will involve investment in up to date business space, improving existing business accommodation, improving transport provision, strengthening the appeal to SMEs as a place to do business and attracting higher skilled jobs.

These three masterplan SPDs set the framework for the regeneration of key areas in RB Greenwich which raise the profile of the borough as a place to invest, work and live. As such they are considered to have a positive effect on attracting business and driving employment floorspace growth.

Impact of the Recession

As previously stated over the full plan period the current economic recession is not expected to have a significant impact in terms of reducing the overall demand for employment land, though there is expected to be a negative impact in the short to medium term (i.e. the next five years).

Local Factor Summary

Table 7.5 summarises our judgement of how local factors could impact on the employment demand forecasts. We present in a format of either a positive impact on demand (↑), a negative impact on forecasts (↓) or no overall impact (↔). Each factor is given a weighting of +/-15% of the adjusted floorspace CAGR, depending on the direction of the arrow. The result of this exercise produces an adjusted forecast.

Table 7.5 Summary of Local Factors and Impact on Synthesis Forecast

	B1 Office	B2/8 Industry/ Warehousing
Adjusted Floorspace CAGR	0.8%	-1.9%
Trends within the wider PMA	↑	↔
Major infrastructure projects	↑↑	↑↑
Key Regeneration Projects	↑↑	↑
The economic downturn	↓	↓
Adjusted Floorspace CAGR with Local Factors	1.3%	-1.3%

Source: URS

Figures may not sum due to rounding

²⁴ Charlton Riverside Masterplan SPD, April 2012

Sensitivity

To account for potential variations in our synthesis of projections based on employment, floorspace and local factors we introduce high and low growth scenarios to our demand projections +/-5% either side of our best estimate (medium growth scenario).

Our low to high growth scenarios also provide some flexibility to any potential changes in demand (up or down) arising from, for example, variations in plot ratios; trends in the PMA; variations in the impact of Crossrail; or the realisation of the masterplan SPDs. The impact of some or a combination of these development proposals could provide a step in demand and it is recommended that the council monitor employment land demand and supply.

The three growth scenarios, including the impact of local factors, are presented in **Table 7.6**.

Table 7.6 Growth Projections with Local Factors and Scenario

	<i>Adjusted CAGR</i>	
	<i>Office</i>	<i>Industry / Warehousing</i>
Low Growth Scenario	1.27%	-1.26%
Medium Growth Scenario	1.34%	-1.32%
High Growth Scenario	1.40%	-1.39%

Source: URS

Figures may not sum due to rounding

7.8 Current Stock of B-Use Class Floorspace and Pipeline

Updating the Figure for B-Use Class Floorspace

Our forecast of the gross and additional floorspace required to meet employment growth are projected off the current stock of B-use class floorspace. The VOA only publish floorspace figures to April 2008 so to understand how the stock of B-use class floorspace may have changed since April 2008 we analyse the London Development Database (LDD). The LDD records the progress of planning permissions in the Greater London area as part of the process of monitoring the Spatial Development Strategy contained in the London Plan. It records planning permissions by existing and proposed use classes and whether a development has been started or completed. This allows us to deduce the net change in floorspace since April 2008 and up date floorspace figures for the Borough.

Table 7.7 shows that since 2008, planning consent has been given for 96,859m² of B-use class floorspace, which if all delivered would provide a net gain of 6,254m² of B-use class floorspace. This figure of 6,254m² represents a gain in B1 office floorspace of 13,445m² and a gain of 3,026m² in B2 industry floorspace, but a loss of B8 warehousing -10,217m². However, since 2008 only 11,831m² (gross floorspace) has been completed (less than a tenth of consented floorspace), the majority of which has been B8 warehousing floorspace, and there has been a net loss of -10,182m² of B1 office floorspace; no industry floorspace delivered; and 10,574m² of warehousing. The low pace of development completions is indicative of the difficult economic times, with developers choosing to get planning applications in place and wait for viability conditions improve before committing to capital delivery. Based on the 2008 VOA floorspace data and the 2008-2012 net change in floorspace recorded by the LDD, the current existing floorspace by use class in RB Greenwich are estimated to be: B1 office floorspace of 108,818m²; B2 industry floorspace of 295,000m²; and B8 warehousing floorspace of 559,574m² (**Table 7.8**).

Table 7.7 Planning Permissions in RB Greenwich Post April 1st 2008

<i>Area</i>	<i>Use Class</i>	<i>Existing pre-development Floorspace (m²)</i>	<i>Post development Floorspace (m²)</i>	<i>Net floorspace (Proposed Less Gross) (m²)</i>
<i>Completed</i>	<i>Office</i>	11,439	1,257	-10,182
	<i>Industry</i>	0	0	0
	<i>Warehousing</i>	0	10,574	10,574
	<i>Total</i>	11,439	11,831	392
<i>Consented but not commenced</i>	<i>Office</i>	25,495	49,122	23,627
	<i>Industry</i>	1,310	4,336	3,026
	<i>Warehousing</i>	52,361	31,570	-20,791
	<i>Total</i>	79,166	85,028	5,862
<i>Total</i>	<i>Office</i>	36,934	50,379	13,445
	<i>Industry</i>	1,310	4,336	3,026
	<i>Warehousing</i>	52,361	42,144	-10,217
	<i>Total</i>	90,605	96,859	6,254

Source: LDD; URS
Figures may not sum due to rounding

Following from the above table, we provide an up dated position on current B-use class floorspace in RB Greenwich by adding 'completed' floorspace since April 2008 to the April 2008 VOA floorspace position. This is set out in the table below.

Table 7.8 RB Greenwich Floorspace as of June 2012

	April 2008 Floorspace (m ²)	Net Change Since 2008 (m ²)	2012 Floorspace (m ²)
Office	119,000	-10,182	108,818
Industry	295,000	-	295,000
Warehousing	549,000	10,574	559,574
Total	963,000	392	963,392

Source: VOA; LDD; URS

Development Pipeline

The development pipeline is a term used to refer to development which is expected to come forward in the near future to meet employment demand. The LDD records planning applications which have been approved but which have not started or not been completed. Using LDD data, we estimate that the net development pipeline is 5,862m² for all B-use classes, which comprises over 23,600m² of office floorspace, 3,000m² of industry floorspace and a net loss of 20,800m² of warehousing.

Table 7.9 RB Greenwich Development Pipeline Floorspace as of June 2012

	Consented: Existing on site (m ²)	Consented: Proposed (m ²)	NET Development Pipeline (m ²) (1)
Office	25,495	49,122	23,627
Industry	1,310	4,336	3,026
Warehousing	52,361	31,570	-20,791
Total	11,439	85,028	5,862

Source: LDD; URS

Note 1: Pipeline is defined as development which has been given planning consent but has yet to be completed, as per LDD data.

The quantum of not started/not completed floorspace represents the development pipeline, which will go towards meeting the net employment floorspace demand arising over the forecast period, 2012-28. These figures will be factored in our demand summary in **Table 7.11**.

7.9

The Forecast for Industrial and Office Premises

The net growth in employment floorspace demand for office and industrial floorspace over the planning period, 2012 to 2028, is set out in **Table 7.10**. Net growth refers to the balance of new development and the loss of existing premises.

The table shows that the net additional employment floorspace forecasted in RB Greenwich between 2012 and 2028 is estimated to be between +17,820m² and +19,850m² for office space, and -193,230m² to -176,766m² for industry and warehousing. These figures do not take account of the development pipeline.

Table 7.10 Long Term Office and Industrial Floorspace Demand Forecast ('000m²)

	Additional Floorspace Requirements, 2012 – 2028		
	Net Low Scenario	Net Medium Scenario	Net High Scenario
Office	17,821	18,831	19,848
Industry / Warehousing	-193,230	-185,045	-176,766
Total	-175,409	-166,214	-156,918

Source: VOA; URS 2012

Figures may not sum due to rounding

7.10 Other Users of Industrial or Office Land

Waste Management and Recycling

Based on the borough waste apportionment outputs in the London Plan and making allowance for re-use of surplus waste transfer capacity the draft SPG on Land for Industry and Transport estimates the likely future land requirement for new waste facilities in each borough 2011-2031. Land requirement depends on a number of factors including, not least, the number, type, scale and location of waste treatment and recycling facilities selected to manage the apportionment in collaboration with neighbouring boroughs where appropriate.

Annex 2 of the Draft SPG states that the gross additional indicative land requirement for waste apportioned to 2031 (ha) for RB Greenwich is 5.9ha. Once the indicative land take of capacity at existing waste transfer stations is taken into account, the net additional land requirement is 3.2ha. RB Greenwich have confirmed that they are taking a sub regional approach to waste management with southeast London neighbours of Southwark, Bromley, Bexley and Lewisham. By sharing the capacity of each borough's waste facilities, the five boroughs will be able to accommodate the full forecast demand for waste throughput (plus that of City of London) and that no additional land take is required in RB Greenwich over the plan period.

Utilities, & Land for Public Transport

The GLA London's Industrial Land Baseline (2010) recorded 14.7ha of land for utilities, 9.8ha of land for waste management and recycling, and 0.4ha for land for businesses. 2.7ha of land were also recorded as docks. Our observations did not identify any new land allocated for utilities, waste, public transport or docks since the 2010 study.

7.11 The Forecast for Industrial Employment Land to 2028

The 2004 CLG ELR guidance, states that where possible employment floorspace should be converted to employment land using plot ratios²⁵. Office development can vary considerably (from three to ten plus storeys) so therefore it is not suitable to convert the demand projections from floorspace into office land requirements. By comparison with offices, development density (plot ratio and storeys) tends to be static for industry and warehousing premises as development are typically over one storey in height. The 2004 CLG ELR guidance indicates that plot ratios for industry premises (factories) tend to be between 1:0.35 and 1:0.45 (1:0.4 on average), and for warehousing tend to be between 1:0.4 and 1:0.6 (1:0.5 on average). This ratio means that over one hectare of land one can typically expect the footprint of a factory to take up 0.40 hectares on average and a warehousing building to take up 0.6ha. Using these ratios we calculate that the additional demand for industry and warehousing floorspace,

²⁵ Page 47 of the Guidance

set out in **Table 7.10**, is the equivalent of -34.3ha, -32.8ha or -31.3ha (low, medium and high growth scenarios respectively).

The demand summary set out in **Table 7.11** below takes into account the demand for waste and recycling land and frictional vacancy, to ensure an appropriate level of vacant or derelict land while sites are prepared for new occupiers²⁶. For the purposes of this assessment we assume that the development pipeline is represents demand arising over the forecast period, and is therefore not discounted.

Table 7.11 Industrial Employment Land Demand, 2012-2028

		<i>Growth Scenario</i>		
		<i>Low</i>	<i>Medium</i>	<i>High</i>
Demand for industrial employment land use		(Hectares)		
<i>A</i>	Built on/developed supply of industrial land occupied by B-use class + including land for utilities, bus and rail depots, waste management and docks (1)		220.6	
<i>B</i>	Current vacant industrial land and land with vacant buildings (derelict) (2)		13.6	
<i>C</i>	Total occupied industrial land & vacant industrial land (A+B)		234.2	
<i>D</i>	Land demand 2012 to 2028	-34.3	-32.8	-31.3
<i>E</i>	Frictional vacant land 2012 to 2028 (5% of D) (3)	-1.7	-1.6	-1.6
<i>F</i>	Additional demand for waste and recycling facilities 2012 to 2028 (4)		3.2	
<i>G</i>	Gross demand for industrial land 2012-2028 (A+D+E+F)	187.7	189.3	190.8
<i>H</i>	Net demand for industrial employment land (Ha) 2012-28 (G-C)	-47.9	-46.4	-44.8

*Source: URS; GLA London Industrial Land Baseline (2010); London Waste Apportionment Study; ONS; LDD
Figures may not sum due to rounding*

The following sources and assumptions have been used to detail the above table.

- Note 1: The figure is based on the GLA 2010 London Industrial Baseline data for SIL, LSIS and non-designated land, and revised following URS' June 2012 RBG ELR survey. It is calculated by:
 - Core industrial uses = 187.9 ha. This comprises:
 - 174.3 ha of core B1c/B2/B8 uses as per the GLA 2010 London Industrial Land Baseline. The overwhelmingly majority of these uses are located in the employment clusters and were therefore checked and verified through the June 2012 ELR survey for their continued use in B-use class activity
 - 13.6 ha of sites, which were observed during June 2012 ELR survey to be vacant.
 - Plus land for utilities, waste management = 24.5ha (GLA 2010 London Industrial Land Baseline, and confirmed through the June 2012 survey).
 - Plus land for land for rail and bus depots and docks = 3.1ha (GLA 2010 London Industrial Land Baseline).
 - Total = 215.5 ha.

²⁶ See para 3.7 of the Land for Industry and Transport Draft SPG (Mayor of London; February 2012) for a fuller explanation of frictional vacancy

The figure of 215.5ha includes all B1(c)/B2/B8 use classes in designated employment land (SIL and non-designated sites), land occupied by B1(c)/B2/B8 use classes in non-designated clusters, and industrial premises vacant at the time of survey (June 2012).

- Note 2: The vacant industrial land figure in the GLA 2010 London Industrial Land Baseline has been revised downwards following the June 2012 survey – see Section 5 of report. All of this land is considered to be developable.
- Note 3: Land for Industry and Transport Draft SPG (Mayor of London; February 2012) paragraph 3.7 states that ‘a reasonable average rate of frictional vacancy for London at any given time approximates to around 5 per cent of the industrial land stock and 8 per cent for floorspace’. We know from VOA data that Greenwich’s rates of floorspace vacancy were between 7% and 9% between 1998 and 2012. For the purposes of this analysis we assume that frictional floorspace Line ‘A’ for industrial land occupied by B-use class is currently in balance.
- Note 4: As per Annex 2 of the Land for Industry and Transport Draft SPG (Mayor of London; February 2012) and represents the net additional indicative land requirement for waste apportioned to 2031 (ha).

The implication of this analysis is that there is a surplus of industrial employment land in the region of between -47.9ha and -44.8ha.

7.12 The Forecast for Office Floorspace to 2028

Given the mix of densities of office uses in RB Greenwich, and the fact that many offices are coming forward as part of mixed use development, it is not meaningful to translate floorspace (square metres) into land requirements (hectares). The stock for offices, is therefore represented in terms of floorspace (per square metre).

Table 7.12 shows up to 2028 there is additional (net) demand for between approximately 26,293m² and 29,360m² office floorspace in RB Greenwich. These figures take into account of frictional vacancy, but does not discount for the development pipeline as it is considered that the pipeline represents demand arising over the forecast period.

Table 7.12 RB Greenwich Office Floorspace Demand, 2012-2028

		<i>Growth Scenario</i>		
		<i>Low</i>	<i>Medium</i>	<i>High</i>
Demand for office floorspace			(m²)	
<i>A</i>	Actual (Gross) B1 Floorspace (1) (2)		108,818	
<i>B</i>	Forecast demand for office floorspace	24,345	25,758	27,185
<i>C</i>	Additional floorspace required for frictional demand (8% of D) (2)	1,948	2,061	2,175
<i>D</i>	Gross demand for office floorspace (A+B+C)	135,111	136,637	138,178
<i>E</i>	Net demand for office floorspace (B+C)	26,293	27,819	29,360

Source: URS; ONS; LDD

Figures may not sum due to rounding

- Note 1: Revised figure of office floorspace at July 2012 based on VOA data at 2008 (latest available data) plus the net change in office floorspace as per the LDD data April 2008 - June 2012 (completions only).
- Note 2: Draft Land for Industry and Transport Draft SPG (Mayor of London; February 2012) paragraph 3.7 states that 'a reasonable average rate of frictional vacancy for London at any given time approximates to around ...8 per cent for floorspace'. We know from VOA data that Greenwich's rates of floorspace vacancy were between 7% and 9% between 1998 and 2012. For the purposes of this analysis we assume that frictional floorspace in line 'A' is currently in balance. Frictional floorspace for the additional office floorspace arising over the period 2012-28 is calculated at 8%.

8 CONCLUSIONS

8.1 Introduction

This section sets out conclusions and recommendations for the employment land review building upon findings from previous sections of the report.

8.2 Conclusions

Office Land Use (B1)

There is approximately 109,000m² of gross office floorspace in RB Greenwich. Our forecasting exercise estimated that there may be additional demand up to 2028 for approximately between 26,000m² and 29,000m² of office floorspace (see **Table 7.12**).

Analysis indicates that the RB Greenwich office market typically caters mostly for small to medium sized companies. The key locations/centres within the Royal Borough for office uses are the town centres of Greenwich and Woolwich, the redeveloped Woolwich Royal Arsenal and more recently the North Greenwich Peninsula, particularly sites close to the O2 arena. There are also some smaller office units in Eltham.

Office rents have remained relatively low in the town centres such as Woolwich and Eltham over the past fifteen years, mainly due to the quality of accommodation on offer - though there is evidence that this situation is improving with the significant investment taking place in Woolwich over the past few years. Greenwich Town Centre and Blackheath have typically been constrained by the availability of suitable land for the development of good quality offices.

Improvements in public transport have played a key role in the improvements in the B1 market, as people need to access the offices from Central and Outer London boroughs as well as from the local area. Sites near the O2 Arena and Greenwich Peninsula are also attracting significant office spaces (such as at Mitre Passage and Pier Walk).

With effective marketing, further proposed improvements in transport infrastructure (such as Crossrail link to Woolwich; any future potential DLR extension to North Greenwich-Westcombe Park-South of the Borough; and any future potential scheme similar to the formerly proposed Greenwich Waterfront Transit) along with rising expectations about future demand, can help create additional supply, e.g., proposed office spaces at the Meridian Delta scheme. Overall, the market being affected in the short term by the current economic recession, trends seem to indicate in the medium to longer term an ongoing demand for office accommodation in the Royal Borough, though further investment in transport infrastructure is important.

Industrial Land Use (B1c/B2/B8)

There is a total of around 221 ha of land currently in industrial employment use in RB Greenwich (please refer to Table 7.11 and associated notes), with total industrial employment floorspace estimated to be in the region of 855,000m². Our forecast shows that there is projected to be a net decrease in demand for industrial land of between around -45 ha and -48 ha in the period 2012 to 2028. This is due largely to a forecast decrease in land for industrial uses (B1c/B2 use classes) and to a lesser extent lower demand for warehousing facilities (B8).

Employment in manufacturing in Greenwich is in decline, reflecting wider national and sub-regional trends. Research set out in the forecasting section has shown that in the past ten to fifteen years there has been a steady decline in the demand for industrial floorspace. This trend is set to continue up to 2028.

The limited demand for industrial employment sites up to 2028 allows for some de-allocation of existing employment land allocations. Taking into account the declining market demand at business parks within the Borough for B2 uses in recent years, particularly around the North Charlton Employment Area (Clusters 2.2, 2.4) and other areas with acute congestion problems and neighbourhood issues, it is possible for the Council to re-allocate sites for other land uses, helping stimulate regeneration and alternative job creation in other growth sectors.

The continued gross demand for industrial land uses up to 2028 should be accommodated and focused principally at consolidated clusters C5 (Greenwich Peninsula West) and at clusters 2.1, 2.3 and much of 2.5 (North Charlton Employment Area). As noted through analysis in sections 5 and 6, these remain important and largely suitable SILs accommodating the majority of the Borough's industrial occupiers.

Our forecasting section combined and looked at B1c/B2/B8 employment sectors in parallel, but the research indicates that there is a greater overall demand for logistical uses than manufacturing uses up to 2028. This ongoing demand can in large part be satisfied by the remaining supply of land at the White Hart Triangle business park (cluster 1.1 and 1.2). There may also be an opportunity for the Council to facilitate the relocation of remaining industrial type businesses from largely retail and mixed use areas in clusters 2.2 and 2.4 to allow regeneration proposals to continue. Agents have confirmed that there is a continuing demand at clusters 1.1 and 1.2 for logistical uses given its good road links and accessibility and availability of space.

8.3 Recommendations

The below employment land use strategy recommendations come in the format of a recommendation and then supporting justification and rationale. These recommendations build upon our conclusions and analysis presented above. A summary of the recommendations are set out in **Table 8.1**.

Please note that this is one of a number of evidence base documents the Council will be considering that will feed into and inform its Core Strategy and wider LDF evidence base. These are URS' independent recommendations and the Council will subsequently consider these before drafting its own policies.

B1 Offices

R1 The forecasting exercise suggests there is a net additional demand for between around 26,000m² and 29,000m² of B1 floorspace up to 2028. This figure may increase if further committed investment in transport infrastructure is identified, potentially leading to greater development confidence and more speculative investment. Based on the evidence base the most suitable and viable locations to accommodate demand forecast for B1 uses and floorspace in and around Cluster 6 on the North Greenwich Peninsula (particularly sites close to North Greenwich Station) and within Woolwich Town Centre, which is set to benefit from new and improved public transport accessibility. These two areas should therefore be identified as key office locations.

There is also an opportunity for the Council to also promote flexible and smaller size office workspace units to accommodate the needs of smaller and medium size businesses. As well as at North Greenwich and Woolwich Town Centre, floorspace should be promoted in Greenwich and Eltham Town Centres, both above shops and as part of mixed use regeneration schemes.

Close to Greenwich Town Centre, research suggests there is an ongoing demand for workspace within Cluster 4 (Creekside), particularly to satisfy the needs of creative and cultural industries.

Justifications

Woolwich town centre already has good transport accessibility having benefited through the recent DLR extension to Woolwich Arsenal station and it is set to benefit further from the arrival of Crossrail in 2018. There is evidence that these transport interventions and investment in public realm and amenity is attracting further development and investment to the area, such as the Tesco mixed use scheme. Agents confirm that the workspace provided as part of the Royal Arsenal redevelopment has been successful and this is resulting in further enquiries.

Cluster 6 (North Greenwich) has also benefited from improved public transport accessibility in recent years including the jubilee line extension and more recently the Thames Clipper and Emirates Airline. New occupiers at Mitre Passage and Pier Walk have taken up new office space and workspace on sites close to North Greenwich Station. Consultations suggest there is further demand for space from SMEs in the area, which benefits from its proximity to Canary Wharf, though it is important to ensure continued investment in public transport to raise PTALs as well as in highways to ensure this location become even more attractive to private sector businesses who are concerned about traffic congestion issues, particularly regarding the Blackwall Tunnel.

Greenwich Town Centre and in particular Creekside (Cluster 4) are becoming important areas for SMEs including those involved in cultural and creative industries such as architects and software designers. The internationally renowned Laban Dance School is located across Deptford Creek and consultations suggest other businesses are keen to cluster close to and build upon this asset. To further promote businesses clustering on sites within Cluster 4.1 located off of Norman Road, a pedestrian link across Deptford Creek linking Greenwich station with Laban could be effective and important in creating a cultural and creative industries hub. A coherent vision and development framework linked with the aspirations of Lewisham on their side of Deptford Creek could also help assist and drive this forward.

B2 and B8 General Industrial, and Storage and Distribution

Our approach on determining industrial land release takes account of the existing hierarchy of employment land designations.

R2 The Plumstead Industrial Area (Cluster 1), The North Charlton Employment Area (Cluster 2) and Greenwich Peninsula West (Cluster 5) remain generally the most appropriate 'Strategic Industrial Locations' (SILs), in line with the London Plan designation and should be protected and designated as such in the Core Strategy (bringing the terminology of the LDF in line with that of the London Plan), though there is an opportunity to consolidate Clusters 2 and 5 by redefining their boundaries to safeguard the best functioning industrial employment sites and release other poorly performing industrial employment sites for other uses in line with the overall declining demand for industrial land.

Cluster 1 should remain as a SIL designation in its entirety and the boundaries should remain the same as the current development plan.

There is an opportunity to de-designate cluster 2.4 within the North Charlton Employment Area from the SIL framework (as per the London Plan designation) or from the Defined Industrial Area designation (as per the adopted UDP) which could allow continued regeneration for non-industrial mixed use development.

In addition, at Cluster 2.2 the Council may wish to consider allowing change of use of two of three remaining pockets of industry (as shown in Figure 8.1 / 2) to allow regeneration proposals to come forward. Cluster 2.2 is designated as Charlton Business Park in the UDP²⁷.

To ensure continued projection of industrial employment uses at the Woolwich Dockyard Industrial Estate (within Cluster 2.5 of the North Charlton Employment Area), the SIL boundary could be extended to cover industrial uses at this location. In addition, the revised SIL boundary should be extended southward from Cluster 2.1 to include the well occupied and well functioning industrial units and uses south of Bugsby's Way at the Angerstein Industrial Estate in C2.2.

²⁷ The Draft SPG Land for Industry and Transport (Figure 2.1, page 20) appears to still identify Cluster 2.2 within the GLA's interpretation of the SIL boundary, though the Royal Borough, in its adopted 2006 UDP designates this area as the Charlton Business Park, which is intended to accommodate offices, trade wholesale and retail uses, light industry and distribution. This adopted local policy designation and actual on site predominance of retail and trade counter retail uses means that this area is de facto not part of the SIL (as defined by the London Plan) not is it suitable as a SIL designation based on its uses and characteristics. Therefore the actual amount of industrial employment land that may be lost relates to actual sites that are currently in industrial employment use which have been calculated based on the 2012 site survey and set out in Figure 8.1 and Figure 8.1 / 2.

Figure 8.1 / 2 shows the recommended redrawn boundary for the North Charlton Employment Area (Cluster 2).

There is also an opportunity to de-designate the southern section of Cluster 5 (Greenwich Peninsula West) from the SIL framework (as per the London Plan designation) or from the Defined Industrial Area designation (as per the adopted UDP) which could allow continued regeneration for non-industrial mixed use development. The sites considered to be least viable for continued industrial employment use are those south of Morden Wharf Road and west of the better functioning Lawrence Trading Estate and City Cross Business Park.

The remaining SIL land at Greenwich Peninsula West could potentially be designated as an Industrial Business Park (IBP) from its current allocation as a Preferred Industrial Location (PIL) as per the SIL differentiation set out in the GLA's Industrial Capacity SPG (2008 and 2012). IBPs generally require better quality surroundings and accommodate higher value businesses that over the longer term can be accommodated more comfortably adjacent to residential and community uses (that have been permitted close to these sites). Figure 8.3 / 4 shows the recommended redrawn boundary for Greenwich Peninsula West

Justification

Over the LDF period there is projected to be a significant net decrease in demand for industrial employment land in RB Greenwich. There is a need to ensure that this demand can be accommodated at the most appropriate locations for these uses within the royal borough and many sites within the SIL framework (as per the London Plan designation) or Defined Industrial Area designation (as per the adopted UDP) remain suitable locations for accommodating this demand. However some sites no longer remain viable for continued industrial employment use and should therefore be de-designated from their current employment land designation or be permitted to change use away from industrial employment use as follows:

Clusters 2.2 (North Charlton Employment Area)

Most of the cluster is now in low-density retail use with large stores located both north and south of Bugsby's Way. The high levels of traffic congestion on the A206 and further west on the Blackwall Tunnel approach road mean that the cluster is not suited to accommodate B2 or B8 uses.

The remaining industrial units (at the time of the site visits) have significant levels of vacancy and some units were derelict suggesting the cluster is no longer attractive to industrial occupiers or developers. Many occupied industrial units were in a poor state of disrepair with lack of adequate servicing and a poor public realm. The cluster remains designated as Charlton Business Park within the adopted UDP. Agents confirm there is strong demand from retailer developers to regenerate the area, leading to significant net additional job creation.

Clusters 2.4 (North Charlton Employment Area)

At the time of the surveys this site was judged to be amongst the most poorly performing of industrial employment areas.

Retail uses now predominate on the Woolwich road frontage and remaining industrial uses within the cluster are characterised by low value activities such as car breakers and MOT servicing, with low employment densities, an inefficient use of space, little or no servicing and poor access, and circulation and congestion issues. The remaining businesses are operating in a poor quality environment that is blighting the area. If

mixed use regeneration plans are brought forward at this site it may be possible to relocate those businesses that wish to remain within the borough to more suitable available sites and premises within the Plumstead Industrial Area (Cluster 1). The analysis carried out as part of this report has identified that Plumstead Industrial Area (including the White Hard Triangle) is one of the best performing industrial employment areas in the Royal Borough. Any future introduction of mixed uses within Cluster 2.4 should be designed and planned in a way that it does not detrimentally affect the integrity of the remaining SIL allocations at Clusters 2.3 and 2.5.

Currently the safeguarded circa 1 hectare Riverside Wharf is located within Cluster 2.4 on the banks of the River Thames. The Council have confirmed that they are in discussions with the GLA regarding options for relocating this wharf to an alternative location in the Royal Borough of equivalent site in terms of area, access and navigability. To date we understand that no firm location has been identified in terms of relocation so the total indicative employment land suggested for release as set out in Table 8.1 is provided on the basis of two scenarios, the first being that the existing Riverside Wharf safeguarded wharf area remains within Cluster 2.4 and secondly that it is relocated to another site (and the existing site is released for another use). If Riverside Wharf remains at its present location and if mixed-use development is introduced into Cluster 2.4, it will be important to ensure that development is designed and planned in a way that it does not detrimentally affect the integrity of the wharf's functioning.

Southern section of Cluster 5 (Greenwich Peninsula West)

Sections of Cluster 5 (Greenwich Peninsula West) are now restricted in specific locations in terms of continued industrial employment use because of residential uses on its southern boundary at Lovells Wharf and further permitted residential and mixed uses in the southern portion of the cluster adjacent to the river at Enderby's Wharf. A masterplan has now been adopted as SPD for the redevelopment of the area to include mixed use development around a new multi use sports, entertainment and education facility and close to the new proposed cruise liner terminal. Remaining business units within the Lawrence Trading estate and City Cross Business Park that are accessed from Tunnel Avenue are functioning relatively well and vacancy rates were observed to be low during the survey. Any future introduction of mixed uses within the southwestern section of Cluster 5 should be designed and planned so that they do not detrimentally affect the integrity of the remaining SIL allocation to the north and east (see Figure 8.3 / 4 proposals).

Currently the safeguarded Tunnel Wharf (formerly Tunnel Glucose) is located within the proposed release area of Cluster 5 on the banks of the River Thames. The Council have confirmed that they have held discussions and agreed with the GLA a preferred option for relocating this wharf to an alternative location in the Royal Borough of equivalent site in terms of area, access and navigability. The agreed relocation site is identified directly north of the existing designation and to the south of the Victoria Deep Water Terminal. This strategy is supported and clarified by the GLA and clarified in the site plan and supplementary text on pages 48-51 of the 'SAFEGUARDED WHARVES REVIEW 2011/2012 Annex 5 – Assessment sheets of all wharves July 2011', which states that the local planning authority should "retain a safeguarded wharf in the general area, but reduce site area in view of the excess of capacity in SE London and adjust boundaries to the north to cluster with other marine related infrastructure and ensure it remains within the Strategic Industrial Location."

R3 The Council should consider designating Cluster 2.5 (North Charlton Employment Area) as an Industrial Business Park (IBP) from its current allocation as a Preferred Industrial Location (PIL) as per the SIL differentiation set out in the GLA's adopted Industrial Capacity SPG (2008) and draft Land for Industry and Transport SPG (2012).

IBPs generally require better quality surroundings and accommodate higher value businesses that need more specific servicing. Remaining SIL land at Clusters 2.1, 2.3 and at Cluster 1 within RB Greenwich (as per the GLA definition) can remain as PILs as these areas are predominantly traditional manufacturing and logistical areas.

Justification

A number of higher value businesses were observed within the cluster including graphic design studios and cultural industries. Agents also confirmed they are receiving enquiries for serviced workspace at this location within a higher quality setting. The higher value businesses are predominantly located within some of the attractive historic warehouses and there is a demand for a better quality environment in which SMEs can operate effectively without being affected by noise, dust and odours associated within heavy industry.

Figure 8.1 / 2 Recommended Redrawn Boundary for the North Charlton Employment Area (Cluster 2).

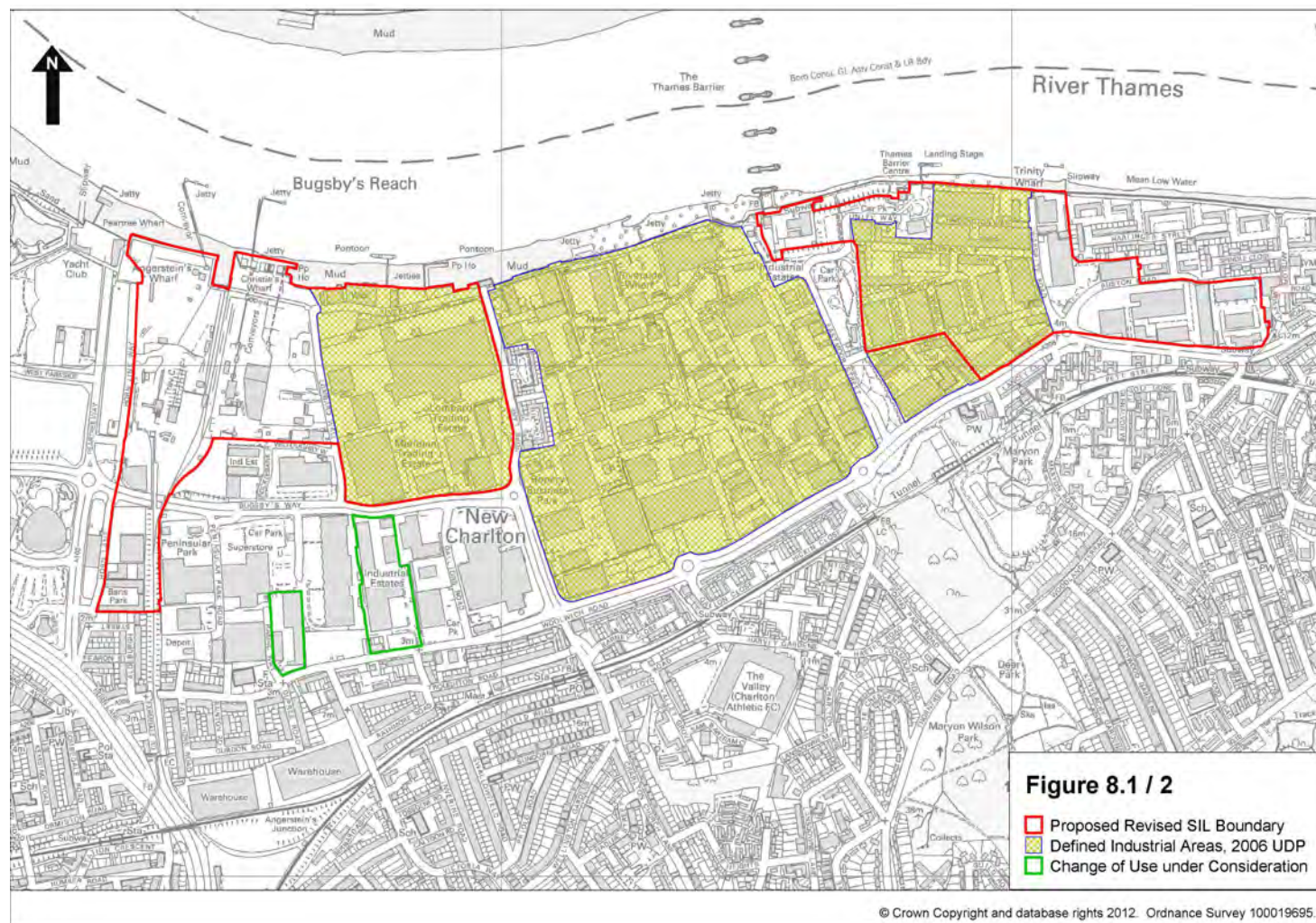
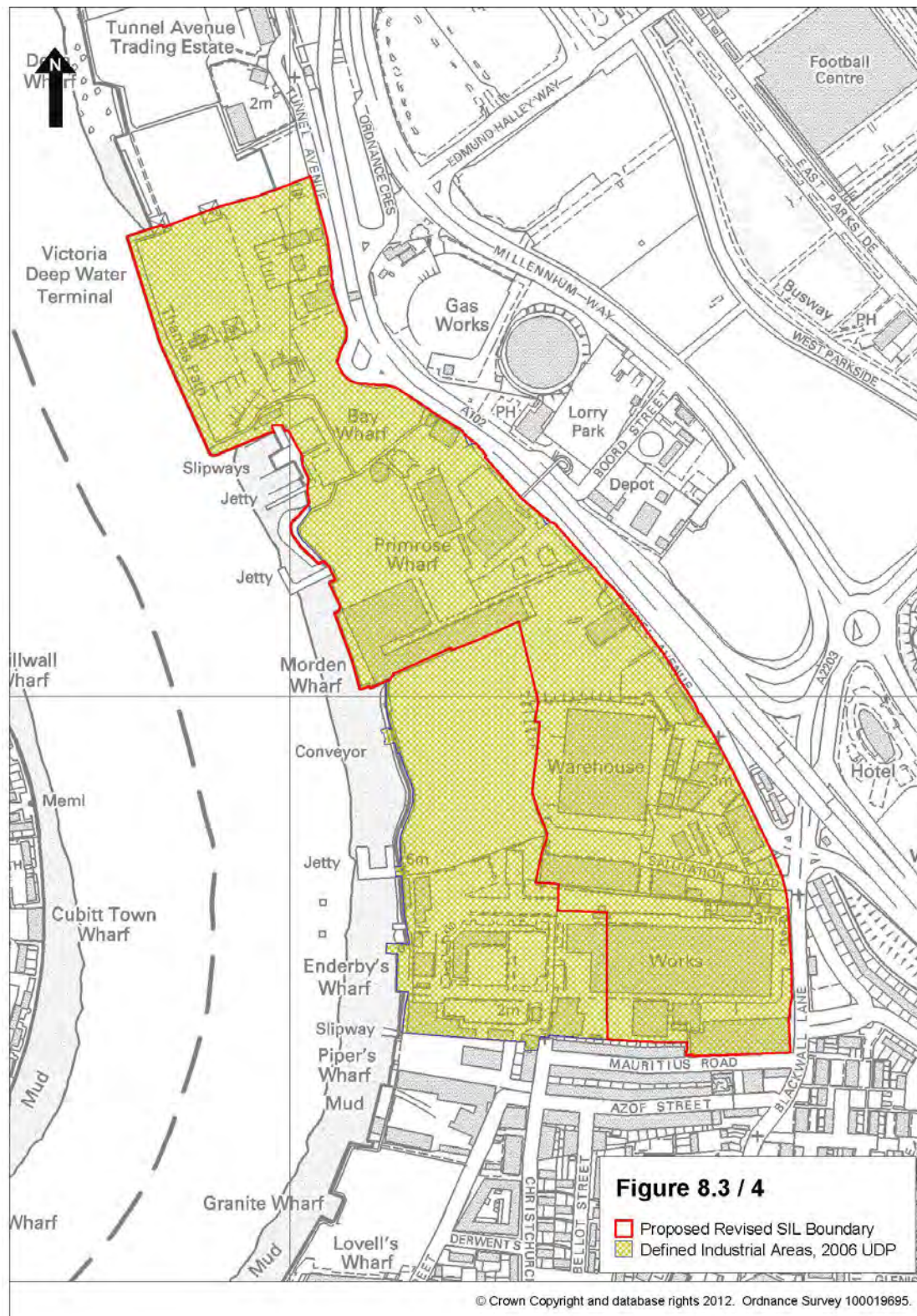
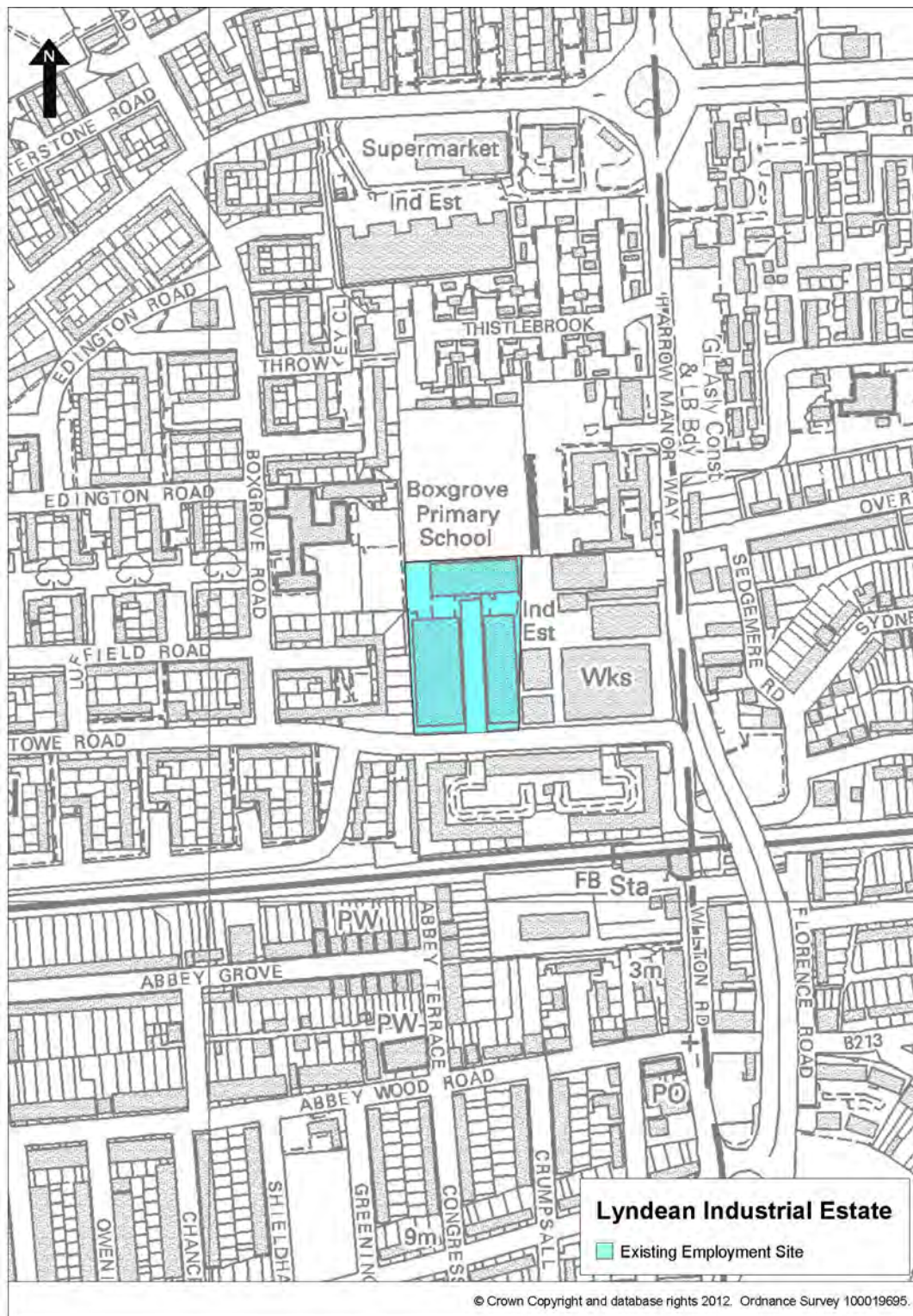


Figure 8.3 / 4 Recommended Redrawn Boundary for Greenwich Peninsula West (Cluster 5)



R4 The Council should consider allocating the currently non-designated Lynde Industrial Estate in Abbey Wood as a 'Locally Significant Industrial Site' (LSIS) as per the London Plan definition.



Justification

There remains an overall demand for industrial employment land and the best sites should be protected through appropriate land use designations. The site is currently well occupied and functioning relatively well as an industrial estate with good servicing and off street parking provision. Agents confirm they are still receiving regular enquiries for space from industrial occupiers at this location and that take up and quality of premises are good. Lyndean Industrial Estate is an important local employment area but is not sufficient large in scale or function to justify designation as a SIL.

R5 The Council should consider promoting retention and enhancement of the quantum and type of light industrial floorspace and office type workspace at Norman Road, Greenwich (as shown in Figure 2.4 in Section 2), within Cluster 4.1 and 4.2 over the plan period.

Furthermore, the Woolwich Royal Arsenal site (Arsenal Way Industrial Estate) should be protected and designated as a 'local' or 'borough' employment area accommodating and retaining an appropriate mix of B1 (a), (b) and (c) uses.

As discussed under R1, the Creekside area (Cluster 4) in general (both within RB Greenwich and LB Lewisham) is becoming an important area for SMEs including those involved in cultural and creative industries such as architects and designers. The internationally renowned Laban Dance School is located across Deptford Creek and consultations suggest other businesses are keen to cluster close to and build upon this asset. It is understood there are development and regeneration interests on remaining employment sites located off of Norman Road. Any mixed use or residential led scheme proposed, if appropriately designed could feasibly accommodate workspace for light industrial and creative and cultural uses that are interested in premises at this location.

The Woolwich Royal Arsenal site (Arsenal Way Industrial Estate) is a well occupied and important employment area consisting of light industrial and office functions. The site is well serviced and units are in good condition having been refurbished in recent years. Based on consultations undertaken by the Council businesses have indicated they wish to remain in the area.



R6 The Council may permit a loss/ change of use of any remaining non-designated B2/B8 sites or units (within the maximum range set in the demand forecasting exercise or the upper limit set within the draft Land for Industry and Transport SPG) not listed in these recommendations where they are evidenced to suffer from two or more of the following issues:

- **a negative impact on surrounding sensitive uses such as residential and/or community uses**
- **poor access from the strategic road network i.e. they can be accessed only via local roads**
- **a lack of on site servicing such as loading/unloading bays and/or adequate parking provision.**

Justification

Over the LDF period there is projected to be a significant net decrease in demand for industrial employment land in RB Greenwich. There is a need to ensure that this demand can be accommodated at the most appropriate locations for these uses within the royal borough.

The recommendations above identify the most poorly performing sites that may be de-designated from industrial employment use, however there is scope to release further B2/B8 land and floorspace within the maximum range set where these sites (which may be very small sites or even single units) where they are not considered to be functioning well as employment areas, as per the guidelines and criteria set out in the DCLG Employment Land Review Guidance Notes and the draft GLA Land for Industry and Transport SPG.

R7 Demand for logistics businesses can suitably be accommodated within the Borough's designated SILs set out in R2. There is an opportunity to promote and encourage a more flexible interchange or suitable redevelopment of industrial stock from B2 to B8 uses within SILs and LSISs, to enable better quality storage and distribution uses.

Justification

There is an evidenced stronger demand for additional space for logistics businesses, which has been affirmed through consultations with market agents, business group representatives and through analysing the change in land uses. RB Greenwich has good strategic road links to Central London and Kent, established industrial employment areas and a good range of sites. The Council should build upon these assets and seek to accommodate logistics businesses particularly at the White Hart Triangle, rather than risk losing them to other competing locations further east in Kent.

R8 Monitoring: The Council should monitor changes of employment land through planning permissions to ensure that sufficient land is available for economic growth over the planned period, 2012 to 2028.

Justification

It is important to ensuring appropriate and sufficient monitoring mechanisms are embedded within the plan making process in order to record the change in employment land available for economic growth.

Government guidance on undertaking and implementing employment land reviews through the planning system includes minimum recommended employment monitoring within the LDF. The 2004 Guidance Note recommends the monitoring of employment land supply and local demand information including:

- Employment land and premises database (including the recording of B1a, B1b, B1c, B2, B8 and *sui generis* land)
- Employment permissions granted by use classes order
- Employment permissions developed out by use classes order
- Permissions and development of sites and premises previously in employment use for non employment uses
- Employment land and premises available and recent transactions
- Employment premises enquiries; and
- Employment requirements and aspirations (from periodic surveys or consultation).

8.4 Summary of Report Recommendations per Cluster

Table 8.1 provides a summary of report recommendations per cluster. Indicatively, the table also sets shows the total quantum of recommended industrial employment land use release, based on our calculations of existing site uses. Total land release is broadly in line with the outcome of the employment land forecasting exercise.

As part of its authority monitoring reporting (AMR) process, the Council should carefully and regularly monitor and manage information on employment land release for industrial employment land uses as well as the total quantum of office floorspace completions within the local office market.

The right most column 'Total industrial employment land for release' is our estimate of the total land which is in industrial employment land use, as of July 2012 when the ELR survey was carried out.

The potential industrial land release by cluster is set out in **Table 8.1** below. The total release of land is around 41.4 to 42.4 ha, see **Table 7.11**). As per R8 above, we recommend that the council closely monitors the changes of employment land over the plan period.

Table 8.1 Summary of Report Recommendations per Cluster

URS Cluster No.	Employment Area/ Name of Cluster	Existing London Plan designation	ELR Recommendations 2012	Total industrial employment land for release (ha) (Approx.)
C1.1	Plumstead Industrial Area (including White Hart Triangle)	Strategic Industrial Location (Preferred Industrial Location – PIL)	Retain designation as SIL (PIL) (R2)	0
C1.2	Plumstead Industrial Area (including White Hart Triangle)	Strategic Industrial Location (PIL)	Retain designation as SIL (PIL) (R2)	0
C2.1	North Charlton Employment Area	Strategic Industrial Location (PIL) + Opportunity Area.	Retain designation as SIL (PIL) (R2)	0
C2.2	North Charlton Employment Area	Strategic Industrial Location (PIL) + Opportunity Area	Allow change of use for remaining industrial employment sites (R2)	-1.3
C2.3	North Charlton Employment Area	Strategic Industrial Location (PIL) + Opportunity Area	Retain designation as SIL (PIL) (R2)	0
C2.4	North Charlton Employment Area	Strategic Industrial Location (PIL) + Opportunity Area	De-designate from SIL (R2). Ensure continued protection of safeguarded 'Riverside Wharf' site area through a safeguarded wharf allocation in the local development plan until any future potential relocation strategy is agreed with GLA. GLA policy does appear to require that all safeguarded wharves are located within SIL.	-35.4 to -36.4 ²⁸
C2.5	North Charlton Employment Area	Strategic Industrial Location (PIL) + Opportunity Area	Retain designation as SIL (R2). Allocate as an IBP (R3). Extend boundary to include Woolwich Dockyard Industrial Estate.	0
C3	Angerstein Triangle		-	0
C4.1	Greenwich Creekside Area	Mixed uses with strong arts / cultural / entertainment character + Opportunity Area	Retain existing quantum of B use class floorspace on sites on Norman Road to facilitate expansion of creative and cultural industries linking in with activities and uses on the Lewisham side (R2+5).	0
C4.2	Greenwich Creekside Area	Mixed uses with strong arts / cultural /	Retain existing quantum of B use class floorspace on sites on Norman	0

²⁸ The lower end of release accounts for the ongoing projection of the circa 1 hectare safeguarded Riverside Wharf and the upper end of release assumes that the LPA may in future potentially agree relocation of the wharf to an alternative site in the Royal Borough of equivalent area, access and navigability.

URS Cluster No.	Employment Area/ Name of Cluster	Existing London Plan designation	ELR Recommendations 2012	Total industrial employment land for release (ha) (Approx.)
		entertainment character + Opportunity Area	Road to facilitate expansion of creative and cultural industries linking in with activities and uses on the Lewisham side (R2+5). Retain designation as SIL (part) (R2) Allocate as an IBP (R3). De-designate south-western section of site from SIL to allow mixed use regeneration.	
C5	Greenwich Peninsula West	Strategic Industrial Location (PIL) + Opportunity Area	Relocate safeguarded Tunnel Wharf to the alternative identified site further north within the newly proposed SIL area as per preferred GLA and RBG strategy.	-4.7
C6	North Greenwich	Mixed uses with strong arts / cultural / entertainment character + Opportunity Area	Facilitate expansion of office uses (R1).	0
Other	Woolwich Royal Arsenal (Arsenal Way Industrial Estate)		Allocate as a 'local' or 'borough employment area (R5).	0
	Lyndean Industrial Estate, Abbey Wood		Allocate as an LSIS (R4).	0
	Woolwich Town Centre		Facilitate expansion of office uses (R1).	0
	Eltham Town Centre		Promote limited expansion of office uses, particularly SMEs (R1).	0
	Greenwich Town Centre		Promote limited expansion of office uses, particularly SMEs (R1).	0
Total land for release				-41.4 to -42.4 ha

Source: URS