

**ENFIELD LOCAL PLAN (REGULATION 24) 2024 – EXAMINATION IN PUBLIC
MATTER STATEMENT ON BEHALF OF SEGRO PLC****MATTER 1: LEGAL, PROCEDURAL AND OTHER GENERAL MATTERS**

Stantec is instructed by SEGRO PLC to prepare and submit a Matter Statement in relation to the draft Enfield Local Plan. SEGRO has significant landholdings in Enfield Borough which includes developments at SEGRO Park Enfield; Centenary Industrial Estate; Great Cambridge Industrial Estate; Imperial at Innova Park; Enfield Distribution Park and Morson Road.

SEGRO's site at Morson Road is included as a draft employment allocation within Appendix C of the draft Local Plan with the reference SA URB.33 - 6 Morson Road – which is welcomed and supported.

SEGRO's site at Navigation Park was allocated for employment related uses in the Main Issues and Preferred Approaches Consultation for the New Local Plan in 2021 (SA53 – Car Park Site, Wharf Road). The draft allocation would have resulted in the Site being removed from the Green Belt. However, the Council changed their position and have not taken forward the site's removal from the Green Belt and its allocation in the Regulation 19 Local Plan. SEGRO object to this change in position for the reasons set out in their response to the Regulation 19 consultation.

This Matter Statement relates to Matter 1 Issue 1.2 only. Overall and in the context of any additional Matters, Issues and Questions (MIQs), it is understood that all the representations made during the Regulation 19 consultation will be considered as part of the examination. In accordance with the Inspectors guidance, SEGRO is therefore relying on their previous representations and do not wish to repeat points already made. As part of this Matter Statement, SEGRO raises concerns in respect of general conformity with the London Plan (2021) and in particular issues around intensification, small units, affordable workspace and no net loss of industrial floorspace.

Issue 1.2: General Conformity with the London Plan**Q1.7: In overall terms, is the Plan in general conformity with the London Plan?**

All Development Plan Documents in London must be in general conformity with the London Plan under section 24 (1)(b) of the Planning and Compulsory Purchase Act 2004. As submitted, SEGRO consider that the draft Enfield Local Plan is not in general conformity with the London Plan 2021 and wish to raise the following issues.

Whilst we acknowledge the response from the GLA [dated 10th May 2024] to the Submission Plan highlights some areas where policies are not in general conformity, it is noted within the Statement of Common Ground [E3.1] and Conformity Topic Paper [E3.2] that both parties are working to resolve these specified areas of disagreement.

Intensification and Unit Size

In accordance with the London Plan Policy E7, when considering redeveloping the Borough's industrial areas, Development Plans should encourage intensification, co-location and substitution. The Council's latest Employment Land Review (ELR 2024) [EMP1] concludes that "*the London Plan intensification policy approach has become more riskier in the short term (since 2021), as material costs increased, and the logistics boom passes*". Viability due to the build costs associated with intensification is a national issue, but as recognised in the ELR 2024 this is "*particularly problematic for London and the London Plan's reliance on intensive development with higher build costs*".

SEGRO agrees with this and wish to reiterate their Regulation 19 comments around the potential challenges for intensification of some sites in the Borough given the sensitivity to variables including supply of land, market demand, land ownerships, rent, yield, development costs and planning obligations and other requirements such as biodiversity net gain. Whilst SEGRO supports the aspirations for intensification, Policies E2 (Promoting jobs and inclusive business growth) and E5 (Transforming Industrial Sites) should recognise it may not always be practical or desirable to intensify the level of floorspace on existing sites. This is true where old industrial buildings with high site coverage (but weak operational productivity) are replaced with new warehouses, designed to maximise the efficient operation of modern business. These new warehouses often deliver less floorspace, but the larger service yard areas created enable enhanced business productivity, and the taller eaves heights create greater cubic capacity despite having less floorspace. As both policies are currently drafted it is unclear how a planning application for the reuse/redevelopment of an existing employment site will be dealt with where it is not feasible to intensify the level of floorspace.

Indeed, it must be noted that floorspace is only one possible measure of land use efficiency and industrial intensification. Whilst we endorse the fundamental principle of intensifying (where feasible) and repurposing existing employment land, including SILs and LSISs, to optimise land use efficiency. A pragmatic approach must be adopted focusing on modernisation and operational flexibility rather than purely intensification.

The draft Enfield Local Plan sets out that there is a need for 304,000sqm of industrial and logistics space over the Plan period. We would expect this need to be met through new site allocations, changes of use to employment, re-use and modernisation of existing sites which may not involve intensification (in terms of absolute floorspace). As such, it is not sound for the Plan to require all developments to increase industrial floorspace. Flexibility should be included in the policy to help facilitate regeneration (e.g. intensification should only be encouraged where feasible, but not expected in every case). As above, these issues will affect viability and therefore deliverability for some sites.

In relation to Policy E2 Criteria 4 it is unclear what is being sought, particularly for smaller workspaces and unit sizes, start-up space, co-working space and 'grow-on' space. The delivery of market facing industrial sites (Use Class B2 and B8) present challenges for the provision of small business units. Indeed, there is also a risk that the provision of smaller units could erode the industrial capacity at a site where SEGRO is looking to deliver market-facing floorspace to meet the identified shortfall of employment land and contribute significantly to job creation, training opportunities, and economic growth in the Borough.

Proposed Changes

To ensure 'effectiveness', Policies E2 and E5 should be amended as proposed below to ensure compliance with NPPF paragraph 35 (c):

- It cannot be a 'one size fits all' approach, particularly in light of the London Plan policy risks outlined in the Council's own employment evidence base. Additional text should be included within Policy E2 (Criteria 2) to include, where feasible' as suggested below.

*"Proposals which support, protect and enhance the role and function of the Borough's employment locations (as defined on the Policies Map) and maximises the provision of employment floorspace (through the intensification of existing sites/floorspace **where feasible**) will be supported in line with the framework set out in Table 9.2".*

- Similarly, additional text should be included within Policy E5 (Criteria 1) as follows:

*"The intensification of industrial uses within SILs and LSIS through the more efficient use of space, higher plot ratios, the development of multi-storey schemes, and the assembling of sites within designated employment areas to assist with the delivery of more intensive formats will be supported **where feasible**".*

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- The supporting text to Policy E5 should reference modernised floorspace, enhanced estate efficiency, increased building heights, infrastructure investment, enhancing resilience, improving sustainability, quality and operational flexibility (on a 24/7 basis), as important factors in 'intensification' in ensuring efficient use of land.

No Net Loss of Industrial Floorspace

As set out in SEGRO's Regulation 19 representations, we have concerns with the rigid drafting of Strategic Policy E3 (Strategic Industrial Locations) which notes that "*Proposals which result in a net loss of light and general industrial, storage and distribution, research and development and related sui generis floorspace in SILs will be refused*" (our emphasis).

In our view the 'net loss' policy trigger does not conform with the London Plan. The 'no net loss' policy was previously contained in the draft London Plan and directed to be removed by the Secretary of State prior to the London Plan's publication. It is therefore not an adopted London Plan policy requirement. Further SEGRO is concerned this Policy is an absolute i.e. proposals are either refused or allowed. There is no planning balance exercise. It is unlikely that this will be effective due to this lack of flexibility.

It must be noted that floorspace is only one possible measure of land use efficiency and industrial intensification. The draft policy should allow planning applications to be determined positively where they can demonstrate qualitative improvements to an estate's efficiency, sustainability and adaptability, rather than a sole focus on achieving a net increase in floorspace which may not result in usable/ attractive space for modern business.

Proposed Change

Based on the above, Strategic Policy E3 is not considered to be 'effective' accordance with NPPF paragraph 35 (c):

- To ensure general conformity with the London Plan, SEGRO request that Criteria 4 of Policy E3 is deleted.

Affordable Workspace

London Plan Policy E3 (C) confirms Boroughs, in their Development Plans, should consider detailed affordable workspace policies in light of local evidence of need and viability. We do not consider the Council have identified a need or tested whether its delivery is viable.

The supporting text to the Enfield Local Plan Policy E8 (Providing for Workspaces) indicates that building on the findings of the ELR 2024 developments proposing more than 1,000 sqm in net additional employment floorspace should assess whether 10% of the proposed net additional floorspace could viably be delivered as affordable workspace (i.e. available at a minimum 10% below market rates). As set out in our Regulation 19 Representations, SEGRO is concerned by the application of this policy.

We have reviewed the LB Enfield Whole Plan Viability Update – August 2023 [VIA1] and in relation to affordable workspace the evidence states “*Enfield Council is not currently proposing to introduce affordable workspace, so this is not tested*”. This statement contradicts the supporting text to Policy E8 which sets out affordable workspace requirements for developments proposed more than 1,000 sqm of employment floorspace.

The ELR 2024 touches on affordable workspace and viability. Paragraph 6.69 states that “*London Plan policy also seeks intensified industrial schemes, but these are more costly to deliver compared with traditional formats. Thus, even before affordable workspace is considered, viability is a struggle – and certainly in the short-term adding further costs associated with affordable workspace makes development unviable*”. The evidence goes on to conclude that a blanket affordable workspace policy, paid for by the delivery of ‘normal’ market supply is not considered to be pragmatic.

Further both the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) emphasise the importance of viability assessment at the Plan stage. The PPG (ID 10-001-20190509) clearly states that policy requirements should be informed by evidence of infrastructure and a proportionate assessment of viability. In order for this request to be justified, it is important there is evidence now which supports its inclusion and viable application.

SEGRO’s experience in the logistics sector is that industrial sites present challenges for providing affordable workspace given their scale and format, including difficulties in subdividing large warehouse and external spaces. Flexible office and shared workspaces are better suited for this purpose, which operate on a smaller scale and are either easily sub-divided or are able to operate as ‘shared spaces’. Such spaces are also more attractive to occupiers, as they are typically located in a location and environment that is more conducive to micro-businesses.

Proposed Changes

Based on the above, Policy E8 is not considered to be 'effective' or 'justified' in accordance with NPPF paragraph 35 (b) and (c).

- In line with the London Plan and PPG (above), the affordable workspace requirement needs to be fully evidenced, justified, and tested for viability to ensure that it does not restrict the delivery of much needed employment floorspace.
- If the Plan and its evidence base including an assessment of the viability of employment proposals over 1,000 sqm providing 10% of the proposed net additional floorspace, is found viable, we consider the policy should:
 - I. include an option for a payment in lieu to be made. This would reduce the risk of a less-than-optimal situation where developers cannot maximise the development capacity of prime industrial sites because they are required to facilitate on-site affordable provision. In addition, there could be scenarios where workspace providers do not exist (there are not any for industrial for example) or SEGRO cannot viably sustain operating a small / one off space as their models require scale, and;
 - II. Notwithstanding the absence of viability evidence to support such policy, if the Inspector considers the policy sound, SEGRO is aware that in other LPA's in London Boroughs the affordable workspace requirement applies to developments where the primary use is 'Use Class E', and that affordable workspace or payment in lieu is not expected to be required in for industrial development (Use Classes B2 and B8). This approach would ensure the Policy is justified.

Q1.8: What, if any, modifications have been proposed to address any issues of general conformity? What is the current position of the Mayor of London in light of these suggested modifications?

We note the Council have submitted a schedule of Draft Proposed Modifications to the Submission Draft Enfield Local Plan. This picks up comments raised by the GLA as discussed within the Statement of Common Ground [E3.1]. SEGRO still consider there to be issues of non-conformity and request that the above comments and our Regulation 19 Representations are considered by the Inspector.

Q1.9: Are any further discussions with the Mayor of London taking place, when is it expected those discussions would be concluded and what is the intended outcome?

We have no comments to make.

Q1.10: Are any main modifications proposed to address issues of general conformity?

We note the Council have submitted a schedule of Draft Proposed Modifications to the Submission Draft Enfield Local Plan. This picks up comments raised by the GLA as discussed within the Statement of Common Ground [E3.1]. SEGRO set out above their proposed modifications to address issues of general conformity with the London Plan.

Q1.11: Is it clear how the individual policies of the Plan relate to the those of the London Plan? Is there any duplication between the policies of the Plan and the London Plan? If so, does this impact on the effectiveness of the development plan as a whole?

We have no additional comments to make.

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