
Representations on Matter 5: – Economic Prosperity – Employment Land: the Draft New Southwark Local Plan

On behalf of Safestore Holdings PLC

Introduction

1. This Written Statement (“Statement”) has been prepared by Savills (UK) Limited on behalf of the Safestore Holdings PLC Representations (“the Client”) in the context of their land ownership at 737 Old Kent Road and 24 Old Jamaica Road.
2. This Statement sets out our response to Matter 5 *Economic Prosperity – Employment Land* of the Examination in Public: New Southwark Plan (NSP).
3. Savills have submitted representations on behalf of the Client in regards to the New Southwark Plan February 27th (2018) and 26th October (2020). This Statement should be read in conjunction with these initial representations which refers to employment policies P27, P28, P29, P30, P32 and P33.

Safestore Holdings PLC and the London Borough of Southwark

4. Safestore provides self-storage solutions to the public and businesses. Self-storage is an increasingly popular and important service which complements modern living and business needs. Nationally, just over half of Safestore’s space is occupied by residential customers with the remainder occupied by businesses.
5. Safestore has occupied 737 Old Kent Road since 1997 and the Old Jamaica Road site since 2001, with both sites serving many residents and businesses within the borough.
6. The businesses which use Safestore tend to be small and medium-sized and are attracted by the all-inclusive and flexible terms. These terms make the product an affordable and desirable option compared to traditional warehousing. Businesses can increase or decrease unit size at short notice without charge and can exit the facility with less than one months’ notice.
7. To fully understand how Safestore sites support small and independent businesses, Savills Economics has surveyed how Safestore’s business customers use their storage facilities and the economic benefits associated with this. The results show that Safestore self-storage units perform an important function for micro and small-medium sized enterprises.

8. It is therefore apparent that many existing businesses within London Borough of Southwark (LBS) rely on Safestore as a viable and cost-effective place from which to operate and/or use for storage as an essential component of each business and their operations. Therefore, Savills make representations to LBS with good faith that the local business and residential population will benefit should these comments be taken into consideration
9. Having reviewed the NSP, it is our view that elements of the NSP are not sound as they do not meet all of the criteria of adoption as set out within the NPPF set out below:
 - A) **Positively prepared** – providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;
 - B) **Justified** – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
 - C) **Effective** – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
 - D) **Consistent with national policy** – enabling the delivery of sustainable development in accordance with the policies in this Framework

Overview of Matter 5 – Planning for the economic prosperity of the Borough including employment sites and town and local centres

10. **Matter 5, Issue 1 paragraph 5.10** questions if the proposal to co-locate industrial premises with new homes is justified and consistent with the London Plan.
11. Our response, on behalf of our client to the above question, is “yes” for the following reasons:
12. As is evident across London, a blend of different uses in the same location can create successful hubs of activity, which deliver resilient places. It should be noted that Safestore already have 6 operational units with residential floorspace above across London. The co-location of light industrial floor space with residential space is in line with the New London Plan Policy (2021) E7 *Industrial*

intensification, co-location and substitution, and a welcome addition to the NSP. Intensifying industrial land will provide additional floor space capacity to accommodate more jobs, supporting the local and regional economy.

13. **Matter 5, Issue 1 paragraph 5.13**, in relation to policy P27, asks ‘Is the policy sufficiently flexible to respond to local economic conditions and where viability may be challenging?’
14. Our response, on behalf of our client to the above question, is “no” for the following reasons:
15. The current wording of policy P27 is considered unduly prescriptive, inflexible and restrictive which has the effect of constraining potential future re-development options. While Safestore supports the proposed alterations to allow the option to offset a shortfall in jobs provided on-site through a payment in lieu, applying an obligation to provide training or jobs on a new scheme where it is not viable, appropriate or relevant to do so would create a financial burden which could act as a barrier to any development going forward.
16. The requirement that future development ‘must’ increase the number of jobs does not provide sufficient flexibility considering the functionality of B8 storage units and their role in supporting the provision off-site jobs. The policy is therefore not in general conformity with the adopted or Publication London Plan and not consistent with national policy as it is not in conformity with Paragraph 11 of the National Planning Policy Framework, which seeks to ensure plans are sufficiently flexible to adapt to rapid change; this is most important in light of the current Covid-19 Pandemic and implications of Brexit. Policy P27 as currently worded is also therefore not provided in general conformity with the Publication London Plan.

P28 - Strategic protected industrial land

17. **Matter 5, Issue 1 paragraph 5.15** questions: ‘Is [the] policy overall justified, effective and consistent with national policy?’
18. This question should be considered in conjunction with paragraph 5.7 of the Inspectors’ Matters, Issues and Questions, which considers ‘what effects, if any, do the changes to the Use Classes Order (September 2020) have on the employment policies?’

19. Our response, on behalf of our client to the above question, is “no” for the following reasons:
20. Safestore supports the principle of SPILs being used as a designated zone to protect industrial land and intensify industrial uses that in turn will support local economies and which may not be appropriate elsewhere within the borough. However, for the local policy to be consistent with national policy, P28 should be amended to reflect the adopted use class order (UCO), as required by paragraph 35 (d) of the National Planning Policy Framework. This policy refers to the previous use class system and is therefore considered to be contrary to current legislation. Draft policy P28 as it is currently worded is therefore no longer aligned with the current UCO and is in conflict with the criteria above. It should also be noted at this stage that we are aware that several other draft policies within the NSP will also be subject to this contradiction to current legislation, however, we will not be commenting on those draft policies as part of this response.
21. **Matter 5, Issue 1 paragraph 5.16** questions ‘is the requirement to increase jobs sound and is it evidence-based?’
22. This policy is considered to be ineffective at achieving its overarching aim, which is to protect and encourage the development of industrial spaces within SPILs. This is because the policy as currently drafted has incorporated all previous ‘B’ class uses into Class category. In reality, the operation and functionality of a B8 storage unit are entirely distinct from other previous ‘B’ class uses, such as an office or industrial space, which can be expected to typically generate a higher density of on-site full time employment opportunities owed to the nature of those different commercial operations.
23. Self-storage businesses (which fall under Use Class B8 – distinct from use Class E) support a significant amount of indirect job opportunities by providing flexible space to SMEs that could not otherwise operate from a platform located within a central London location, such as the London Borough of Southwark, due to the associated cost of occupying business space in this location. Self-storage, therefore, plays a vital role in localised job creation and should be supported in planning policy terms. Thus, we consider that this policy is ineffective in achieving its overarching aim of protecting and encouraging the development of industrial spaces within SPILs and is currently unsound as it is ineffective and counterproductive to its overarching aim.

24. Moreover, the current wording of this policy is considered unduly prescriptive, inflexible and restrictive, ultimately having the effect of constraining the potential future re-development options within the Borough. The requirement that future development ‘must’ increase the number of jobs does not provide sufficient flexibility considering the ability of B8 storage units and associated occupiers to provide off-site job opportunities. The policy is not in general conformity with the adopted or Publication London Plan and not consistent with national policy as it is not in conformity with Paragraph 11 of the National Planning Policy Framework, which seeks to ensure plans are sufficiently flexible to adapt to rapid change; a consideration that has become increasingly important in light of the current Covid-19 Pandemic and potential implications of Brexit.
25. Therefore, we request that draft policy P28 is amended to stimulate the growth of B8 storage units rather than constrain them, and to reflect the significant contribution that self-storage units make to the local economy and employment opportunities for SME and local businesses.

P30 - Affordable workspace

26. **Matter 5, Issue 1 paragraph 5.22** questions ‘Is the policy overall justified, effective and consistent with national policy and the London Plan? Is it viable? Is it sufficiently flexible?’
27. Our response, on behalf of our client to the above question, is “no” for the following reasons:
28. This policy is ineffective when considered in relation to B8 storage and distribution units. Proposing a prescriptive 10% affordable workspace target is counter-productive to the operation of a self-storage site, which due to the nature of their operations, typically need reduced footfall and guaranteed security of their premises.
29. For example, a self-storage centre requires the ground floor area to be available for easy to access storage and because of this, the ground floor space is often the most commercially valuable element of that form of development, meaning that some self-storage business models may be reliant upon the ground floor space being dedicated solely to their operation. It may therefore be unviable for many self-storage operators to relinquish the ground floor space to external affordable workspace operators.

30. It would not be practical to provide affordable workspace at upper floors due to the requirement of installing lifts and separate stair cores and lobbies to make them accessible and separate units. This would reduce the total ground floor area for the B8 storage units, rendering them unviable.
31. This should also be considered in the context of Safestore's business model of providing flexible storage space. Approximately 50% of storage space across Safestore's network are occupied by businesses of which a high proportion are SMEs. In terms of B8 storage units, affordability is not just about rental price. It is about flexibility of terms, being able to exit an agreement at short notice, take less or more space to respond to a businesses' fortunes. Self-storage units provide an affordable product through a package of flexible measures which are overlooked.
32. For the above reasons it is considered that the policy is therefore not in general conformity with the adopted or Publication London Plan and, is inconsistent with national policy as it is not in conformity with Paragraph 11 of the National Planning Policy Framework, which seeks to ensure plans are sufficiently flexible to adapt to rapid change.
33. Draft policy P30 as currently worded presents a number of complications for self-storage operators and in some instances for any B8 storage and distribution warehouse operator.
34. In order to best support Use Class B8 storage and distribution development proposals (a land use that supplies SMEs with the necessary infrastructure to grow their businesses as cultures shift away from offices to working from home) emerging policies within the draft NSP need to be worded flexibly to incentivise development rather than introduce restrictive requirements. The policy is therefore not in general conformity with the adopted or Publication London Plan and not consistent with national policy as it is not in conformity with Paragraph 11 of the National Planning Policy Framework.
35. Notwithstanding the above, we consider that such a prescriptive target has the potential to undermine the viability of future storage and distribution proposals. It may not be feasible or viable to provide any affordable workspace as part of the wider development. Furthermore, a target based on a percentage of floor space does not take into account the type and quality of employment generating uses delivered. When considering the viability of the site's redevelopment, such a requirement will likely be a barrier for site owners/developers to promote their sites for redevelopment. For these reasons, Policy P30 is not justifiable or sound.

36. The above illustrates that draft policies P27-P32 are ineffective when applied to B8 Storage and Distribution land-uses (not just in relation to self-storage operators, but any logistical hub), which have entirely different operations from the new Class E use-class.
37. **Matter 5, Issue 1 paragraph 5.14** asks whether the policy P30 is likely to be effective [in] protecting small businesses based on the size of their premises alone.
38. Our response, on behalf of our client to the above question, is “no” for the following reasons:
39. Safestore advocate planning policies that support local economies and SMEs. However, we consider this policy to be overly prescriptive and likely to act as a deterrent for the redevelopment of employment floor space within the borough. Thus, the policy is ineffective for the following reasons:
40. Firstly, the use of ‘and’ within part 1 ‘Retain small and independent businesses (B class uses)’ is open to misinterpretation. After clarification with the borough’s Planning Policy Officers, it was established that this draft policy seeks to protect businesses that fall into the category of either being a small or independent business, and not a business that would be defined as both with reference to the definitions listed in the fact box on page 128. Thus, this policy as currently worded is ineffective as it is open to misinterpretation.
41. Secondly, whilst it is understood that this draft policy seeks to protect SME floor space and local employers, it is considered that the current wording would not be effective in doing so. For example, it is theoretically possible to have an instance where a redevelopment site contains a small branch (i.e. less than 50 people on-site) of a much larger business which should not be considered to be an SME or local employer, but due to the current wording of draft policy P30, would be treated as such. A similar scenario could be a business that does not employ more than 50 employees on any given site but does have a national presence.
42. In addition to the above, it is also increasingly common for businesses to seek to consolidate their operational bases and encourage working from home. It is therefore quite possible that businesses that previously fell outside of the ‘small and independent’ definition, would now fall back into this definition by consolidating to 3 locations or less.

43. In any of the above scenarios, we do not consider those hypothetical businesses should be deemed small or independent, rendering the policy ineffective.
44. Notwithstanding the above, we also question the ability of an Applicant to accurately calculate the overall number of employees a business has at any one time as there are several variables included within this, rendering the policy unjustifiable and ineffective. For example, sub-contractors on long term projects may not be included within this figure when in reality they do play an integral part of the business operation and are effectively in their employment. This would therefore make the policy unjustifiable given the obstacles such a policy would cause towards development.
45. Also, policy P30 would come into direct conflict with the Landlord and Tenant Act (1954), which already makes the provisions to enable occupiers to be protected. If development necessitates a relocation it allows for appropriate compensation to be paid to a tenant. Thus, the policy is also in conflict with national legislation and therefore unsound.

P32 - Business Relocation

46. **Matter 5, Issue 1 paragraph 5.31** asks 'Is the policy justified, effective and consistent with national policy? Taking each criterion in turn, are the requirements justified and supported by evidence?'
47. Our response, on behalf of our client to the above question, is "no" for the following reasons:
48. Safestore is supportive of enterprises having every opportunity to continue trading if they are displaced as part of any development proposal. However, we consider that parts of draft policy P32 to be overly restrictive and could inadvertently prevent development from coming forward in the borough and is therefore not consistent with national policy.
49. The business relocation requirements of draft policy P32 may form a significant obstacle to any development proposal due to the financial resource needed to find suitable premises for relocation, potentially undermining the viability and deliverability of any potential redevelopment scheme. The policy is therefore not in general conformity with the adopted or Publication London Plan and not consistent with national policy as it is not in conformity with Paragraph 11 of the National Planning

Policy Framework, which seeks to ensure plans are sufficiently flexible to adapt to rapid change; this is most important in light of the current Covid-19 Pandemic and implications of Brexit.

50. In particular, we do not consider it feasible to engage with existing businesses subject to displacement regarding the suitability of alternative premises for their relocation as we do not consider it likely that every existing business subject to displacement will wish to work with an Applicant constructively if it is likely to result in their displacement.
51. As currently worded, the draft policy would mean that any failure to obtain endorsement from an existing business to be displaced as being contrary to the Development Plan, irrespective of whether an Applicant had done all they could to comply with the policy. This policy is therefore overly restrictive to development as is considered to not comply with national policy, which encourages local authorities to approach decisions positively and creatively, not constrain them.
52. Furthermore, it may also be the case that it would be inappropriate to engage in this type of discussion with neighbouring land owners and tenants prior to the determination of a planning application due to the commercial sensitivities surrounding such discussions. Any requirement to submit a Business Relocation Strategy should be secured by planning condition once the Applicant has a degree of certainty within which to enter discussions. For these reasons the policy is not justified as it has not taken into account the reasonable alternatives.

Conclusions and recommendations

53. Safestore supports both the Mayor's and the borough's vision of providing a blend of different uses in the same location that creates successful hubs of activity, which deliver resilient places.
54. However, we consider that the draft New Southwark Plan should further consider the operational requirements and economic benefits of both Use Class B8 self-storage facilities and more broadly Use Class B8 storage and distribution centres. Emerging planning policies should therefore reflect this, allowing opportunities and enabling self-storage developments that in turn facilitates the growth of SMEs.

55. On this basis, we suggest modifications to these policies. These modifications should be carried over to the supporting text of the policies. These changes will ensure that the policies are effective, justified and consistent with national policy.