

One Chapel Place
London
W1G 0BG

T: 020 7518 3200
F: 020 7408 9238

Planning Casework Unit
5 St Philips Place
Colmore Row
Birmingham
B3 2PW

By email only:

pcu@communities.gov.uk

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Dear Sirs

**THE LONDON BOROUGH OF HAVERING (RAINHAM AND BEAM PARK HOUSING ZONE
REGENERATION ORDER) COMPULSORY PURCHASE ORDER 2019 (THE 'DRAFT ORDER')
OBJECTION OF BRANDON HIRE STATION, 72-75 FEEDA ROAD, ST PHILIPS, BRISTOL, BS2
0TQ**

Carter Jonas LLP are instructed on behalf of Brandon Hire Station ('Brandon'). Brandon has a leasehold interest in 184 New Road, Rainham, RM16 8RS (the 'Property') forming part of the Order Lands in the Draft Order. Brandon is therefore a Qualifying Person for the purposes of the Draft Order.

Background

Brandon Hire Station

Brandon is a dedicated tool hire business supplying plant, tools and lifting equipment to locations within the UK as well as supplying retail counter trade. There are over a hundred nationwide branches and Brandon is the largest national provider of tools equipment.

The Property

Brandon occupies the Property on a ten year lease expiring on 31 December 2023, but benefitting from security of tenure under the 1954 Landlord and Tenant Act. Brandon have traded from this site for over 15 years since 2004 (as Brandon Hire) and it is an important and successful site in their portfolio.

The Property comprises a warehouse used for the hire and sale of plant and tools, including a showroom and hire counter facilities with ancillary parking and storage in front and rear yards. The accommodation is as follows:

- 998.73 square metres (Gross External Area)
- 2347 square metres (0.23 hectares)

The following services are operated from the Property:

- i. Sale/hire of small tools

- ii. Sale/hire of medium plant
- iii. Sale/hire of lifting equipment
- iv. Event Hire of temporary buildings and infrastructure

The Property is particularly suitable for Brandon for the following reasons:

1. Mix of accommodation including high eaves height warehousing, show rooms, offices and open yard is particularly suited to the diversity of different business activities described above.
2. The proximity to residential areas, accessibility via the A3106 and parking in the front yard are important for drop in retail trade.
3. The size of the accommodation and yard space are particularly suited to the event hire business. The current site provides excellent access to the A13 to travel into Central London and is also near the M25 to access other parts of outer London and beyond quickly.
4. The location provides strategic coverage of this part of London and the South East. Brandon site locations are carefully planned to both provide geographic coverage whilst not competing with other sites.

Brandon employ 8 full times workers at the Property.

Draft Order

The Draft Order has been made applying for compulsory purchase powers in accordance with S.226(1)(a) of the Town and Country Planning Act 1990. The purpose of the Draft Order is for land assembly to deliver a comprehensive, residential led regeneration (the Scheme).

Brandon objects to the Draft Order for the reasons set out below.

- 1. Extent to which the proposed purpose will contribute toward the achievement of the promotion or improvement of the economic, social or environmental well-being of an area**

The Property forms part of the Rainham West (South) industrial cluster comprising approximately 21.7 hectares of commercial / industrial land. The majority of this land will be required for the Scheme. We understand that the Scheme will require the release of a total of 15.4ha of land at Rainham West (South & North), with the majority 13.7ha from Rainham West (South). The release was first recommended in the Havering Employment Land Review (April 2015).

Notwithstanding this recommendation for release, the 2015 Employment Land Review also speaks to the advantages of the Rainham West (South) as an industrial location:

- Employment Cluster with Good/Very Good Strategic Road Access
- Adequate parking
- No 'bad neighbour' characteristics
- *"Rainham West (South) (Cluster 19b) is an example of a cluster that contains a variable quality of sites and premises yet provides good opportunities for small, cost-conscious, businesses to move into the Borough whilst benefitting from the good strategic road access that the cluster provides."*

However since April 2015 there has been increasing recognition in the commercial property market and in public policy that the rate of loss of commercial and industrial land in London (driven by housing demand) is unsustainable without significant economic cost.

Employment Land Supply / Demand

With an increasing population, and change in the way we shop, there has been significant and increasing demand for warehousing and industrial land from urban logistics. This use is competing with the traditional occupier uses of industrial and commercial property in London. Employment land values have increased exponentially driven by these competing demands over the last five years.

Simultaneously London has experienced significant loss in employment land principally due to demand for new housing:

"From 2010 – 2015, a total of 528 hectares (ha), or 7.1%, of London's industrial land was released to non-industrial uses, such as housing. This is equivalent to 106ha that has been lost every year. This is around three times greater than the targeted release of land established in the Greater London Authority's (GLA) (2012) Supplementary Planning Guidance – Land for Industry and Transport of 37ha per annum."

(SEGRO, Keep London Working, 2017; Turley. Industrial Revolution, 2017
http://www.segro.com/media/keeplondonworking?sc_lang=en; Turley. Industrial Revolution, 2017
<https://www.turley.co.uk/comment/industrial-revolution>)

The loss of employment land has been particularly acute in Havering and the London Riverside Opportunity Area which is directly relevant to the Draft Order. The following statistics are from SEGRO, Keep London Working, 2017; Turley. Industrial Revolution, 2017:

- Between the period of 2001-2015, the London Borough of Havering (in which the Order Lands are located) experienced greater absolute loss of employment land than any other London Borough (152ha).
- Havering lost 13ha of industrial land per annum in the period 2010 -15. This is against a targeted loss of industrial land of just 2ha/annum for the period 2011 to 2031.

These trends in loss of employment land have only become apparent after the adoption of planning policy documents recommending the release of employment land for the Scheme.

Draft London Plan

The Mayor of London has recognised and sought to address the problems described above.

The draft London Plan was published for consultation on 1st December 2017, with Minor Suggested Changes published on 13th August 2018. These changes include to policies relevant to employment land. Following the Examination in Public that was held between January and May 2019, further suggested changes to the emerging London Plan were published in July 2019. It is anticipated that the plan will be adopted in autumn 2019.

Given that the draft document is now at an advanced stage it carries material weight in the determination of public policy decisions and planning application in London. Up to date evidence supporting the Draft London Plan on the supply and demand of industrial land in London shows an accelerated loss of industrial land to other uses. It sets the objective for no net loss of industrial floorspace capacity across London against the following context:

"Over the period 2001 to 2015, more than 1,300 hectares of industrial land (including SILs, LSIS and Non-Designated Industrial Sites) was released to other uses. This was well in excess of previously established London Plan monitoring benchmarks. Research for the GLA indicates that there will be positive net demand for industrial land in London over the period 2016 to 2041, mostly driven by strong demand for logistics to service growth in London's economy and population. The GLA's assessment indicates that after factoring in both the positive net land demands and the management of vacancy rates, there would be scope to release a further 233 hectares of industrial land over the period 2016 to 2041. However, the demand assessment

shows that in 2015, 185 hectares of industrial land already had planning permission to change to non-industrial use and a further 653 hectares were earmarked for potential release in Opportunity Area Planning Frameworks, Local Plans and Housing Zones."

Directly relevant policies to the merits of the Draft Order include:

"Policy E2 Low-cost business space

A The provision, and where appropriate, protection of a range of low-cost B1 business space should be supported to meet the needs of micro, small and medium-sized enterprises and to support firms wishing to start-up or expand.

Policy E4 Land for industry, logistics and services to support London's economic function

C Any release of industrial land in order to manage issues of long-term vacancy and to achieve wider planning objectives, including the delivery of strategic infrastructure, should be facilitated through the processes of industrial intensification, co-location and substitution set out in Policy E7.

D The retention, enhancement and provision of additional industrial capacity should be prioritised in locations that:

1) are accessible to the strategic road network and/or have potential for the transport of goods by rail and/or water transport.

Policy E7 Industrial intensification, co-location and substitution

D Mixed-use or residential development proposals on Non-Designated Industrial Sites should be supported where:

1) there is no reasonable prospect of the site being used for the industrial and related purposes set out in part A of Policy E4 Land for industry, logistics and services to support London's economic function; or

2) it has been allocated in an adopted local development plan document for residential or mixed-use development; or

3) industrial, storage or distribution floorspace is provided as part of mixed-use intensification where this is feasible; or

4) suitable alternative accommodation (in terms of type, fit-out, use and size) is available in reasonable proximity to the development proposal and subject to relocation support arrangements for existing businesses before the commencement of new development.

Mixed-use development proposals on Non-Designated Industrial Sites which colocate industrial, storage or distribution floorspace with residential and/or other uses should also meet the criteria set out in parts E.2 to E.4 below.

E The processes set out in Parts B, C and D above must ensure that:

1) the industrial uses within the SIL or LSIS are intensified to deliver an increase (or at least no overall net loss) of capacity in terms of industrial, storage and warehousing floorspace with appropriate provision of yard space for servicing

2) the industrial and related activities on-site and in surrounding parts of the SIL, LSIS or Non-Designated Industrial Site are not compromised in terms of their continued efficient function, access, service arrangements and days/hours of operation noting that many businesses have 7-day/24-hour access and operational requirements

3) the intensified industrial, storage and distribution uses are completed in advance of any residential component being occupied

4) appropriate design mitigation is provided in any residential element to ensure compliance with 1 and 2 above with particular consideration given to:

a) safety and security (see Policy D10 Safety, security and resilience to emergency and Policy D11 Fire safety)

b) the layout, orientation, access, servicing and delivery arrangements of the uses in order to minimise conflict (see Policy T4 Assessing and mitigating transport impacts)

c) design quality, public realm, visual impact and amenity for residents (see Policy D1 London's form and characteristics, Policy D2 Delivering good design, Policy D3 Inclusive design, Policy D4 Housing quality and standards, Policy D5 Accessible housing, Policy D6 Op")

These materially significant employment land use policies which post-date both the Employment Land Review (April 2015) and the Rainham Beam Park Planning Framework (January 2016) being the documents directing future uses at the Order Lands. The planning policies in those documents speak to the consolidation of employment land in Havering, when in fact the loss of employment land exceeded monitoring benchmarks in Havering, coinciding with new demand from urban logistics. These policy documents, specifically for the release of large areas of employment land driven by the need to deliver housing numbers, are now out of date and apparently at odds with the policy direction of the Draft London Plan, and specifically policy E4(C).

As far as it speaks to economic matters, the Draft Order Statement of Reasons states:

"Economic benefits to Rainham and the wider area will continue to be achieved as a result of the development's implementation as part of the Housing Zone Scheme"

Notwithstanding this claim, no tangible examples or evidence of the economic benefits of the Scheme are made in the Statement of Reasons. We acknowledge that there will be economic benefits associated with the construction of the Scheme, however these will be temporary in nature. The displacement of 15.4 hectares of employment land to be replaced by housing, with associated loss of jobs and economic activity will have a significant negative impact on the economic well-being of the immediate area, and beyond in the Thames Gateway market.

There is no recognition of this negative impact in the Draft Order Statement of Reasons, nor any attempt to measure this against the social and environmental benefits claimed to be delivered by the Scheme. Moreover there is no tangible policies or measures (of industrial intensification, co-location and substitution) in place to mitigate this loss of employment land, which is at odds with the Draft London Plan policy E4(C).

There is instead a general assumption in the Statement of Reasons that the employment land loss will be absorbed by re-location to Strategic Industrial Locations (SIL) in the Riverside Opportunity Area. However as described above there is already a scarcity of employment land in London, with Havering experiencing significantly above benchmark losses. It is unlikely that other industrial will be suitable for all of the uses displaced from the Order Lands, nor that other locations will be able to accommodate such a significant displacement over a very short period of 3 – 4 years.

In the case of Brandon due to the locational requirements described above, a re-location to the Riverside SIL is unlikely to be viable. Any re-location must also maintain the existing geographic customer coverage whilst not competing with other Brandon sites. It is anticipated to be very challenging to find a suitable site.

The planning policy decision to release employment land at Rainham West dates from April 2015, is now out of date and does not reflect changing demand for employment space in London, nor the change in policy direction introduced by the Draft London Plan to more carefully manage the release and re-use of industrial

land, including promotion of mixed-use co-location schemes to deliver housing and employment space (Policy E7).

In the context of the trend in loss in employment land in Havering and the Thames Gateway area, and with the associated scarcity of employment land, it is manifestly the case that the net loss of 15.4 ha employment land by the Draft Order will negatively impact the local and wider economy.

In the absence of any tangible measures to mitigate this; specifically and most significantly, no policies of industrial intensification, co-location and substitution, the release of employment land which would be enabled if the Draft Order is confirmed would be at odds with policy E4 in the Draft London Plan;

Moreover in the absence of evidence to measure these negative costs against other benefits claimed to be delivered by the Scheme it has therefore not been demonstrated that the economic costs of the Scheme are justifiable, and a compelling case in the public interest has therefore not been proved.

2. Whether the purpose could be achieved by other means

No alternatives to the Scheme appear to have been considered. As set out above there is direction in public policy and demand in the market for co-location of employment (including light industrial) and residential uses which need not, with good design, compromise housing density. Other London Boroughs have incorporated co-location policies (as advocated by the Draft London Plan) into planning policies for non-designated industrial locations such as the Rainham West (South) cluster.

The Order Lands, either in full or in part, comprise a non-designated industrial area, satisfying the policy requirements for missed-use development set out in Policy E7 of the Draft London Plan.

The Property is located close to the south eastern boundary of the Order lands, near to the Rainham Steel building which is being retained for employment use.

Brandon's uses at the Property are not incompatible with nearby or adjacent residential uses; the Property keeps to conventional working hours, is not unduly noisy and emits no noxious fumes or smells. Brandon would welcome discussions on the opportunity to remain at the Property, or near-by in an alternative, mixed-use co-location scheme.

The absence of any employment land in the Scheme presents a missed opportunity to deliver an exemplar co-location mixed use regeneration of the type sorely needed to address the demand for both housing and industrial land in this part of London. Such a comprehensive, mixed use regeneration could retain suitable employment providers including Brandon, thereby avoiding the attendant economic costs of displacing 15.4 ha of employment land in its entirety, while still delivering the social and environmental purposes of the Scheme.

Due to the failure to consider alternative means of delivering the purposes of the scheme while avoiding the wholesale loss of employment land there is a not compelling case in the public interest to authorise the Draft Order. Moreover by failing to consider mixed-use alternatives which could retain the Property, the acquiring authority has not used compulsory purchase as a last resort.

3. Reasonable steps to acquire by agreement

The Ministry of Housing, Communities and Local Government document 'Guidance on Compulsory purchase process and The Crichton Down Rules' states:

The confirming authority will expect the acquiring authority to demonstrate that they have taken reasonable steps to acquire all of the land and rights included in the Order by agreement.

The Draft Order Statement of Reasons states that:

"The Council and subsequently NHG on behalf of the RBPR has been actively negotiating with owners since March 2016 to acquire all interests in the Order Land set out in the schedule of interests in the CPO"

"contact has also been made with the occupiers to understand their requirements in terms of relocation premises and to identify any specific issues that will need to be addressed as a result of the properties being acquired"

Brandon have not had any meaningful discussions with the Council, NHG, RBPR or their representatives and are unaware of any substantive efforts to make contact beyond:

- i. Requests for information sent by Persona Associates.
- ii. One brief inspection of the premises where by the site manager's recollection no measurements, notes or photographs were taken.

We conclude that the acquiring authority has not taken reasonable steps to acquire the Property by agreement nor is compulsory purchase being used as a last resort and due to the time lost in seeking a re-location property, or discussing alternative schemes with the acquiring authority, Brandon's position has been prejudiced as a result. Accordingly the Draft Order should not be confirmed.

Conclusion

The Property is a particularly suitable site for Brandon, where they have enjoyed many years of successful trading. It will be very challenging, or impossible to find a replacement site which can service the diverse business streams which currently take place at the Property. The confirmation of the Draft Order would therefore materially prejudice Brandon in a way which could not be resolved by the payment of compensation.

Accordingly, and for the reasons set out above, Brandon submit that the Draft Order should not be confirmed, or, should be modified to either retain employment land including the Property, or create employment land within the Order Lands suitable for Brandon's re-location.

Yours faithfully



Mark Warnett MRICS FAAV
Partner

E: mark.warnett@carterjonas.co.uk
M: 07801 666178

