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Employment
Land Study
Update
Final Report

Prepared for:
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EXECUTIVE SUMMARY

1. Context and Purpose

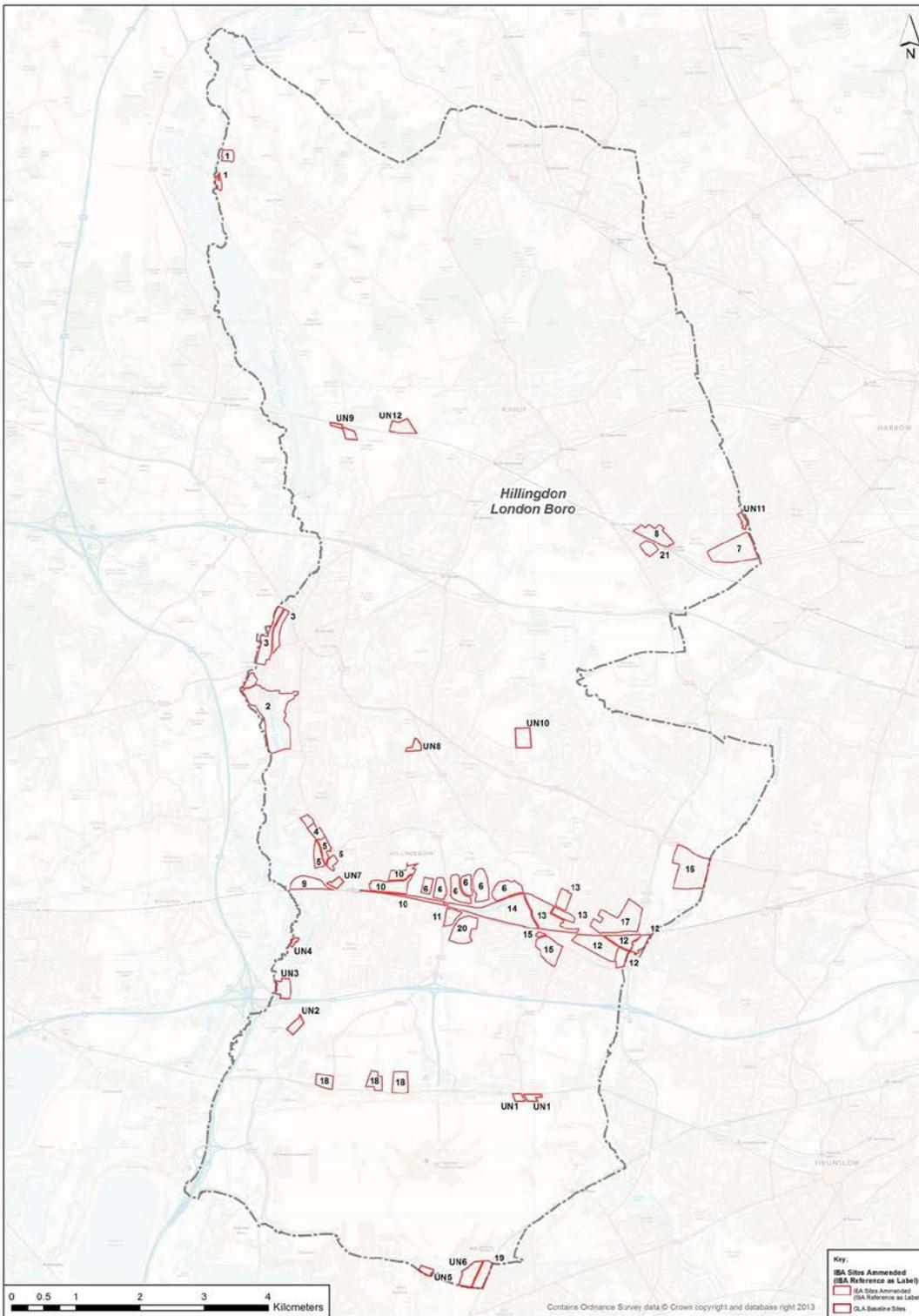
- 1.1. URS Infrastructure and Environment UK Ltd (URS) were commissioned by London Borough of Hillingdon to undertake an employment land study (ELS) update. The ELS will assess the quantity, quality and viability of the borough's employment land to form an evidence base to support the preparation of a Site Specific Allocations Local Development Document as part of the Hillingdon's Local Plan and in support of Policy E1 of the LB Hillingdon Local Plan Strategic Policies (2012).

2. Study Area

- 2.1. The review includes all those clusters surveyed as part of the 2009 ELS and a number of clusters comprising non-designated employment land. Three groups of employment clusters were identified, for review. See **Figure 1** below for a map of the borough and all clusters surveyed:

- Strategic Industrial Locations (SIL) comprising LB Hillingdon's four SIL areas
- All non SIL Industrial Business Areas (IBA) as designated in the 2007 LB Hillingdon UDP saved policies and referred to in the 2012 LB Hillingdon Local Plan Strategic Policies
- Non-designated employment land clusters.

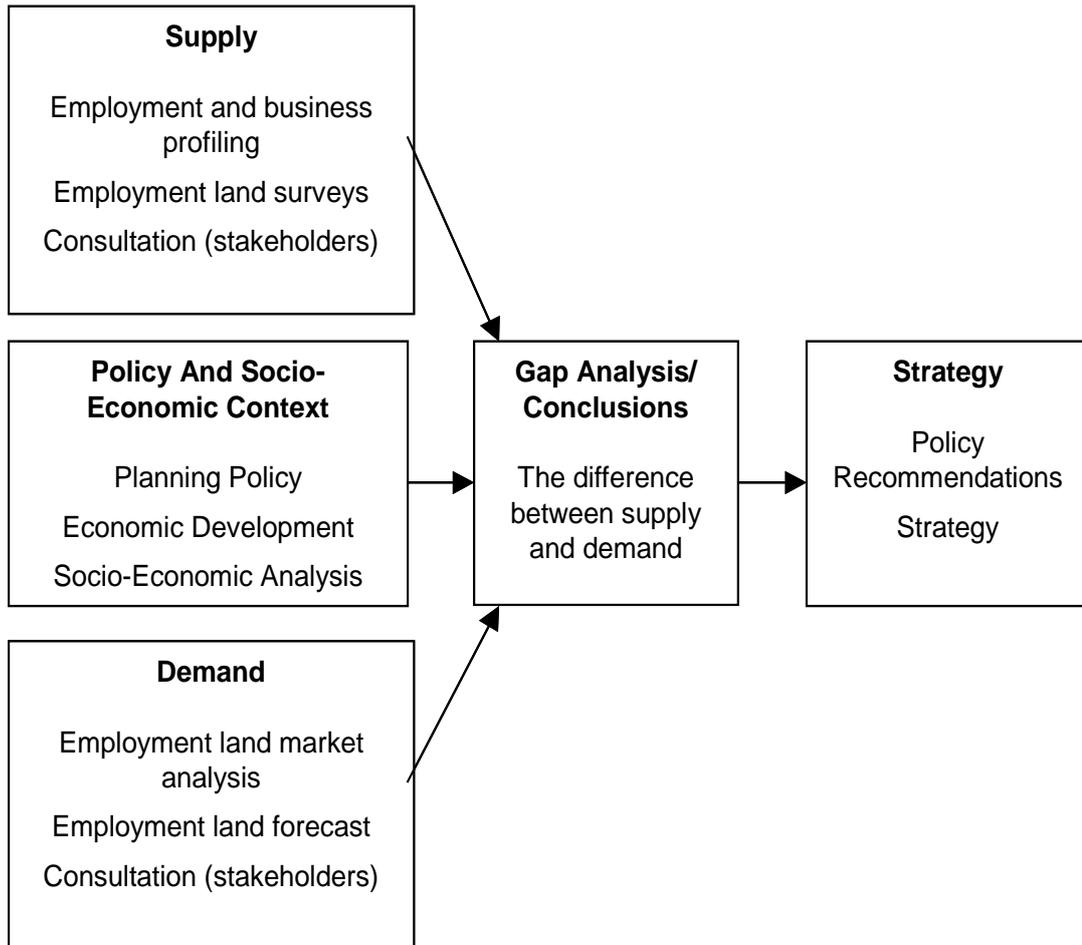
Figure 1: Study Area



3. Study Approach

3.1. A number of research elements inform the development of a comprehensive employment land strategy for the borough. These are set out in **Figure 2** below and examined in greater detail in **Section 2** of the report.

Figure 2: Study Approach



4. Policy and Socio-economic Context

4.1. LB Hillingdon is identified as a borough of a ‘limited’ transfer of industrial land according to the Greater London Authority (GLA) Land for Industry and Transport SPG (2012). This means that the borough can release around 26 hectares of industrial land by 2031 or approximately 1.3ha per annum. The population of LB Hillingdon is expected to increase over the planning period. Forecasts by the GLA show that Hillingdon’s population is expected to be 9.4% higher in 2026 than in 2011. This will

create pressure for new housing and jobs in the borough. In terms of other socio-economic indicators Hillingdon is fairly average in the London context as it has average levels of skills and qualifications and slightly lower average wages. Generally the south of the borough is more deprived and the north is generally more affluent. There is accordingly a need to provide local employment opportunities.

5. Employment Land Survey

- 5.1. To establish an understanding of the supply of employment land and premises and their suitability for employment purposes, URS conducted a field survey and desk based appraisal of the identified 33 employment clusters (as per Figure 1). Each cluster was appraised against a comprehensive set of criteria to ascertain its suitability for B1(a) and B1b(c)/B2/B8 uses. These appraisal criteria correspond to CLG guidance and were set by the consultants and subsequently agreed with the Council. **Table 1** below lists the employment clusters surveyed.

Table 1: Employment Clusters Surveyed

Cluster No.	Employment Area/ Name of Cluster	Total Employment Cluster Area (ha)	Policy Designation
1	Summerhouse Lane	4.9	IBA
2	Uxbridge Industrial Estate	46.9	SIL
3	North Uxbridge	16.6	SIL
4	Packet Boat Lane, Cowley	6.3	IBA
5	Trout Road	10.7	IBA
6	Stockley Park	41.0	IBA
7	Stonefield Way / Victoria Road	23.4	SIL
8	Braintree Road	10.9	IBA
9	West Drayton Depot, Tavistock Road	8.9	IBA
10	Horton Road	20.4	SIL
11	Stockley Close	4.3	SIL
12	Nestle's Avenue	16.7	SIL
13	Blyth Road	44.8	SIL
14	Rigby Lane / Swallowfield Way / Betham Road /	32.4	SIL
15	Millington Road	12.5	SIL
16	Springfield Road	28.2	SIL
17	Pump Lane	24.5	SIL
18	Bath Road, Heathrow	18.3	IBA
19	Covert Farm, Heathrow	6.6	IBA

20	Stockley Pro-Logis Park	12.6	SIL
21	Odyssey Business Park	4.1	IBA
UN1	Hatton Road North	3.7	Non-designated
UN2	Saxon Way Freight Centre	3.4	Non-designated
UN3	Donkey Lane	6.2	Non-designated
UN4	Thorney Mill Road	1.0	Non-designated
UN5	Sanctuary Road	2.2	Non-designated
UN6	Scylla Road	8.0	Non-designated
UN7	Tavistock Road	2.3	Non-designated
UN8	London Borough Hillingdon Depot	2.5	Non-designated
UN9	Harefield Oil Terminal	3.7	Non-designated
UN10	Hayes Park	7.1	Non-designated
UN11	Princes Way	1.8	Non-designated
UN12	Schering Plough	6.4	Non-designated

5.2. Overall Hillingdon has a suitable mix of units available with generally good quality building stock. This is reflected in the large number of logistics, distribution and warehousing uses, as well as smaller light industrial uses. There is an increasingly strong stock of office accommodation along the Heathrow perimeter and within town centre locations such as Hayes and Uxbridge. These sites are complemented by ‘out-of-town’ developments such as Stockley Park which offer regionally competitive B1(a) units which have attracted multinational corporations. Further, it was apparent that despite the economic downturn the majority of businesses have been retained within the borough and that most business clusters had good occupancy rates and were well utilised.

6. Property Market Assessment

6.1. Past trends and current perceptions of the employment land property market in LB Hillingdon and West London Property Market Area were identified by drawing upon consultations with local property market agents and key stakeholders as well as a review of relevant publications and literature. The key findings were as follows:

- Hillingdon is located within two main industrial property market areas- the Heathrow PMA and the A40/M40 corridor. Its office market is largely an easterly expression of the Thames Valley market rather than being closely linked to the Central London market.
- Demand for industrial and office floorspace is driven largely by Heathrow, and this will remain the case even with new capacity elsewhere, as long as Heathrow is not closed permanently.

- Industrial and office floorspace development has been constrained during the recession. With demand now returning to both markets, this means vacancy rates, particularly for Grade A space, are low and new speculative development is expected to capture latent demand arising.
- Industrial uptake at Heathrow has been very strong during 2012, and both Stockley Park and Uxbridge are performing well as office locations.
- Local amenity and services and environment are becoming more important to office employers, with Uxbridge town centre becoming more popular as a result and the Bath Road corridor becoming less so.

7. Supply and Demand Assessment

7.1. The supply and forecast demand for industrial land and office floorspace is shown in Tables 2 and 3 below:

Table 2: Industrial Supply and Demand:

<i>Additional elements of demand for industrial land</i>	<i>Low</i>	<i>Medium</i>	<i>High</i>
		(hectares)	
1. Supply of occupied industrial land 2013		383.9	
2. Vacant industrial land 2013 (8%)		30.9	
3. Gross industrial land 2013 (1+2)		414.8	
4. Land demand to 2026 (at 50% plot ratio)	-19.7	-18.0	-16.2
5. Additional demand for waste recycling and public transport (Crossrail) to 2026		3.9	
6. Normal levels of vacant land for 'friction' in 2026 at 8% ² (includes 8% of occupied land + land demand + 0.8 ha waste)	29.2	29.4	29.5
7. Excess vacant land (includes normal levels of frictional land (line 6)) minus vacant land (line 2))	-1.7	-1.5	-1.4
8. Gross demand for industrial land 2013-2026	363.3	365.4	367.6
9. Net change (Gross industrial land (line 3) minus gross demand 2013- 2026 (line 8))	-20.6	-18.5	-16.3
10. Net change per annum (ha)	-1.6	-1.4	-1.3

Table 3: Office Supply and Demand

	<i>Low</i>	<i>Medium</i>	<i>High</i>
Demand for office floorspace		(m ²)	
A. Actual (Gross) B1 Floorspace		664,000	
B. Current Vacant Floorspace (12%) in excess of optimum rate (8%)		-26,560	
C. Demand for B1 floorspace	167,519	188,377	209,721
D. Additional floospace required for frictional demand	13,402	15,070	16,778
E. Revised gross demand for B1 floorspace 2013-2026	818,360	840,887	863,938
F. Revised net demand for B1 floorspace 2013-2026	154,360	176,887	199,938

8. Conclusion and Policy Recommendations

Industrial

- 8.1. There is a total of approximately 383.9ha of land currently in active industrial use in LB Hillingdon (please refer to Table 2). Our demand forecast shows that there is projected to be a decrease in demand for industrial land of between 20.6ha and 16.3ha in the period 2013 to 2026. This is due largely to a forecast decrease in industrial employment as projected by the GLA. Policy recommendations on how to ensure an appropriate portfolio of industrial land to meet the boroughs future needs are as follows.
- 8.2. R1: To help ensure there is sufficient capacity to meet projected demand for industrial land to 2026 the following existing designated employment land should be protected:
- a) All SIL designated land apart from the following 4.32 ha of vacant industrial land which is currently designated SIL but was recommended in the 2009 ELS to be released from SIL because redevelopment plans exist:
 - 4.32 ha of vacant industrial land at the Old Vinyl Factory at Blyth Road (Cluster 13) – (Also see recommendation 5 regarding redevelopment of this vacant land)

- Also, the permitted or existing office and retail elements of the following SIL clusters should be designated LSES to reflect their office character (see recommendation 5 for further information):
- Blyth Road (Cluster 13)
- Millington Road (Cluster 15) (including existing and permitted office and permitted super market)
- Nestles Avenue (Cluster 12) will be vacated shortly and therefore the Council may wish to review whether it should be retained as SIL or redeveloped for mixed uses (including an employment element) to avoid the long term vacancy of the site and to meet wider Council policy objectives.
- Approximately 12.5ha of the Uxbridge Industrial Estate (Cluster 2) at the site known as the Cape Boards site at Iver Lane is being promoted for release to non industrial uses. This site is currently used for open storage and although currently there appears to be demand at a borough wide level to justify its retention it could be kept under review as a potential site to release in the future.

b) All IBAs not designated as SIL (i.e. they are effectively LSIS - see recommendation 2 below for IBA clusters recommended to be designated LSIS) apart from the following 6.72 hectares of IBA/LSIS industrial land recommended for release in the 2009 ELS due to existing redevelopment plans:

- 1.0 ha of vacant industrial land at Royal Quay/ Summerhouse Lane (Cluster 1)
- 0.72 ha of vacant land (currently a temporary car park) at Trout road (Cluster 5)
- 4.75 ha of vacant industrial land at Braintree Road (Cluster 8) that is earmarked for redevelopment

8.3. R2: To help bring LB Hillingdon planning policy in line with the London Plan naming conventions the following IBAs are recommended to be designated as LSIS to help meet expected forecast demand and due to their positive industrial land characteristics (also see Recommendation 1 (b) above):

- Summerhouse Lane (Cluster 1)
- Packet Boat Lane (Cluster 4)
- Braintree Road (Cluster 8)
- Bath Road, Heathrow (Cluster 18)
- Covert Farm, Heathrow (Cluster 19)

8.4. R3: The following non designated clusters are fully occupied and fulfil a distinct employment purpose. However, given their particular characteristics it may not be necessary or appropriate to designate them as LSIS:

- West Drayton Depot, Tavistock Rd (Cluster 9)
- Donkey Lane (Cluster UN3) – mainly sui generis auto repair and scrap/salvage yards
- Sanctuary Road (Cluster UN5) – Heathrow Animal Reception Centre run by City of London Corporation
- LB Hillingdon Harlington Road Depot (Cluster UN8)
- Harefield Oil Depot (Cluster UN9)

8.5. R4: In order to help retain an appropriate balance of supply and demand of industrial land over the planning period, the Council could consider a more flexible approach to changes of use away from remaining industrial employment uses at the following sites that total approximately 6.0 ha:

- Trout Road (Cluster 5) – approximately 1.6 ha of remaining industrial land
- Tavistock Road (Cluster UN7) – approximately 2.3 ha
- Princess Way (Cluster UN11) – approximately 1.8ha

Office

8.6. There is approximately 664,000m² of gross office floorspace in LB Hillingdon with the majority located in the three main offices locations of Stockley Park, Uxbridge Town Centre and Heathrow/M4 Perimeter. Our forecasting exercise estimated that there is additional demand for between approximately 155,000 and 200,000m² of office floorspace throughout the borough up to 2026. Policy recommendations on how to ensure an appropriate portfolio of office land/floorspace to meet the boroughs future needs are as follows.

8.7. R5: There is a net additional demand for approximately 175,000 m² to of B1 floorspace up to 2026. Approximately 80% of this additional demand could be met through known development proposals at the following existing ‘out of town centre’ employment clusters. The office element of these clusters should be designated as Locally Significant Employment Areas (LSES) to afford it formal planning policy protection:

- Stockley Park (Cluster 6) – approximately 67,500 m² of office development proposed
- Millington Road (Cluster 15) – approximately 20,000 m² proposed
- Blyth Road ‘Old Vinyl Factory’ (Cluster 13) – approximately 50,000 m² with planning permission

- 8.8. R6: The residual 20% additional demand for office floorspace to 2026 could be accommodated in Uxbridge Town Centre, other local town centres and through the redevelopment of RAF Uxbridge.
- 8.9. R7: The following clusters could be designated as LSES because although they are out of town business parks they currently provide office floorspace and a LSES designation would help to protect them from potential change of use:
- Odyssey Business Park (Cluster 21)
 - Hayes Park (Cluster UN10)
 - Schering Plough (Cluster UN12)

1 INTRODUCTION

1.1 Context and Purpose

- 1.1.1 URS Infrastructure and Environment UK Ltd (URS) was commissioned by London Borough of Hillingdon to undertake an employment land study (ELS) update. The ELS will assess the quantity, quality and viability of the borough's employment land to form an evidence base to support the preparation of a Site Specific Allocations Local Development Document as part of the Hillingdon's Local Plan and in support of Policy E1 of the LB Hillingdon Local Plan Strategic Policies (2012).
- 1.1.2 The Employment Land Study (ELS) will be used by the borough to inform its future approach to the provision, protection, release or enhancement of employment land and premises. The review updates and builds on the LB Hillingdon 2009 Employment Land Study and 2010 Employment Statement and forms an integral part of the evidence base needed to support the review of policies and preparation of Hillingdon's Local Plan.
- 1.1.3 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).
- 1.1.4 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 Plan Policies. The Council have separately commissioned a Retail Study to be undertaken in parallel which will consider retail growth over the Local Plan period and, like the ELS, this will inform policy formation.

1.2 Study Area

- 1.2.1 The review includes all those clusters surveyed as part of the 2009 ELS and a number of clusters comprising non-designated employment land. Three groups of employment clusters were identified, for review:
1. Strategic Industrial Locations (SIL) comprising LB Hillingdon's four SIL areas
 2. All non SIL Industrial Business Areas (IBA) as designated in the 2007 LB Hillingdon UDP saved policies and referred to in the 2012 LB Hillingdon Local Plan Strategic Policies

3. Non-designated employment land clusters.

1.3 Report Structure

1.3.1 This report sets out our final findings and policy recommendations for employment land in LB Hillingdon, taking into account the future economic development of the area. The report is structured as follows:

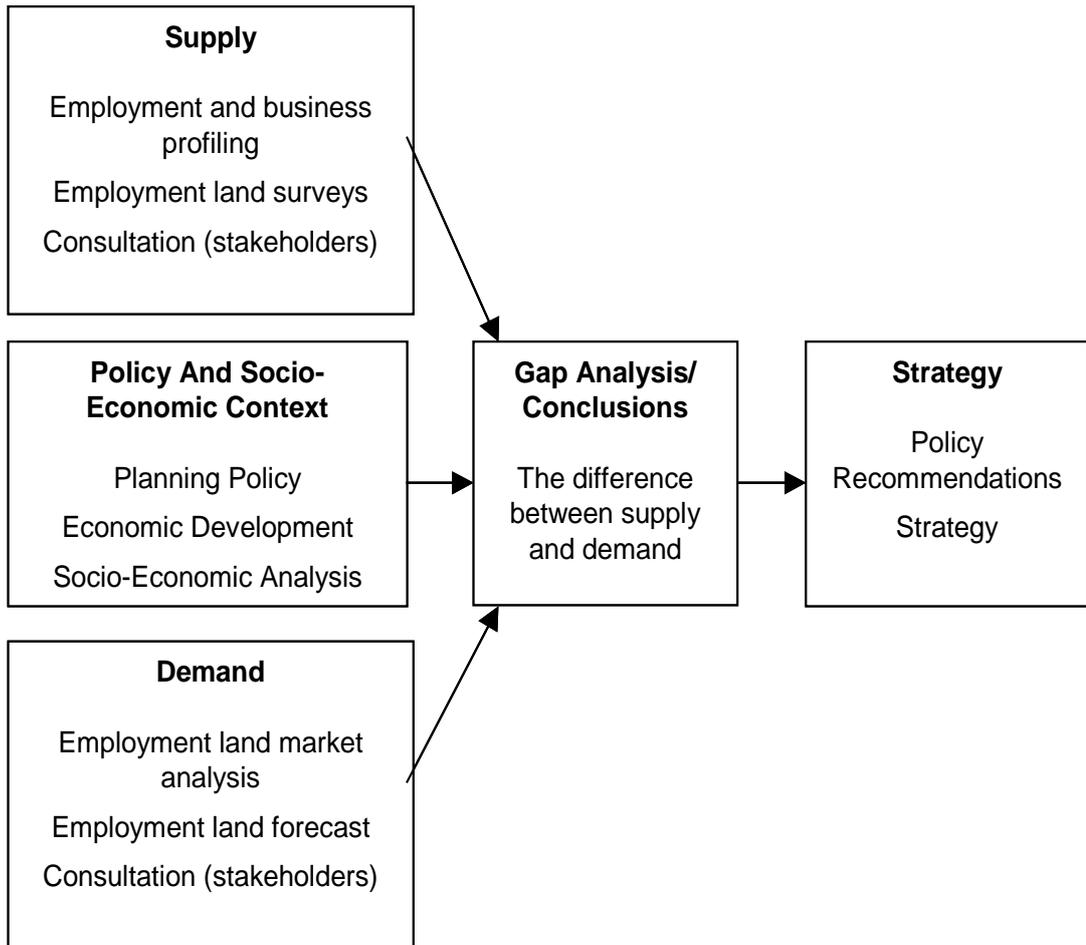
- **Section 2:** Details of our approach to the review.
- **Section 3:** A review of national, regional and local policy context of particular relevance to employment land, the economy, regeneration and related issues in LB Hillingdon.
- **Section 4:** A comprehensive analysis of socio-economic baseline conditions, and information on key sectors, in LB Hillingdon relative to the rest of London and Great Britain.
- **Section 5:** Key characteristics of LB Hillingdon's employment s gained through a field survey and supplemented through desk research.
- **Section 6:** Analysis of the employment land market defining the regional and local property markets and any trends in the commercial and industrial property sectors, based on consultations with local property agents.
- **Section 7:** Forecasts of employment land demand and floorspace over the planning period
- **Section 8:** Conclusions and recommendations on the employment land strategy that the Council should adopt over the LDF timeframe including suggestions on retention and release of employment land and sites.

2 APPROACH

2.1 Introduction

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

Table 2.1 Approach to the Employment Land Review



Source: URS (2013)

2.2 Policy Context and Socio-economic Profile

2.2.1 In order to fully understand the drivers of demand and supply of employment sites and premises across LB Hillingdon and the potential constraints and opportunities, it is necessary to first investigate the policy context and framework and the socio-economic context.

2.2.2 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 socio-economic analysis is undertaken for LB Hillingdon set within the context of the West London sub-region in order to provide an in-depth understanding of the current population and socio-economic make-up of the borough. A number of information sources are reviewed including:

- Census data;
- ONS Annual Population Survey;
- Business Register and Employment Survey; and
- Local Labour Force Survey.

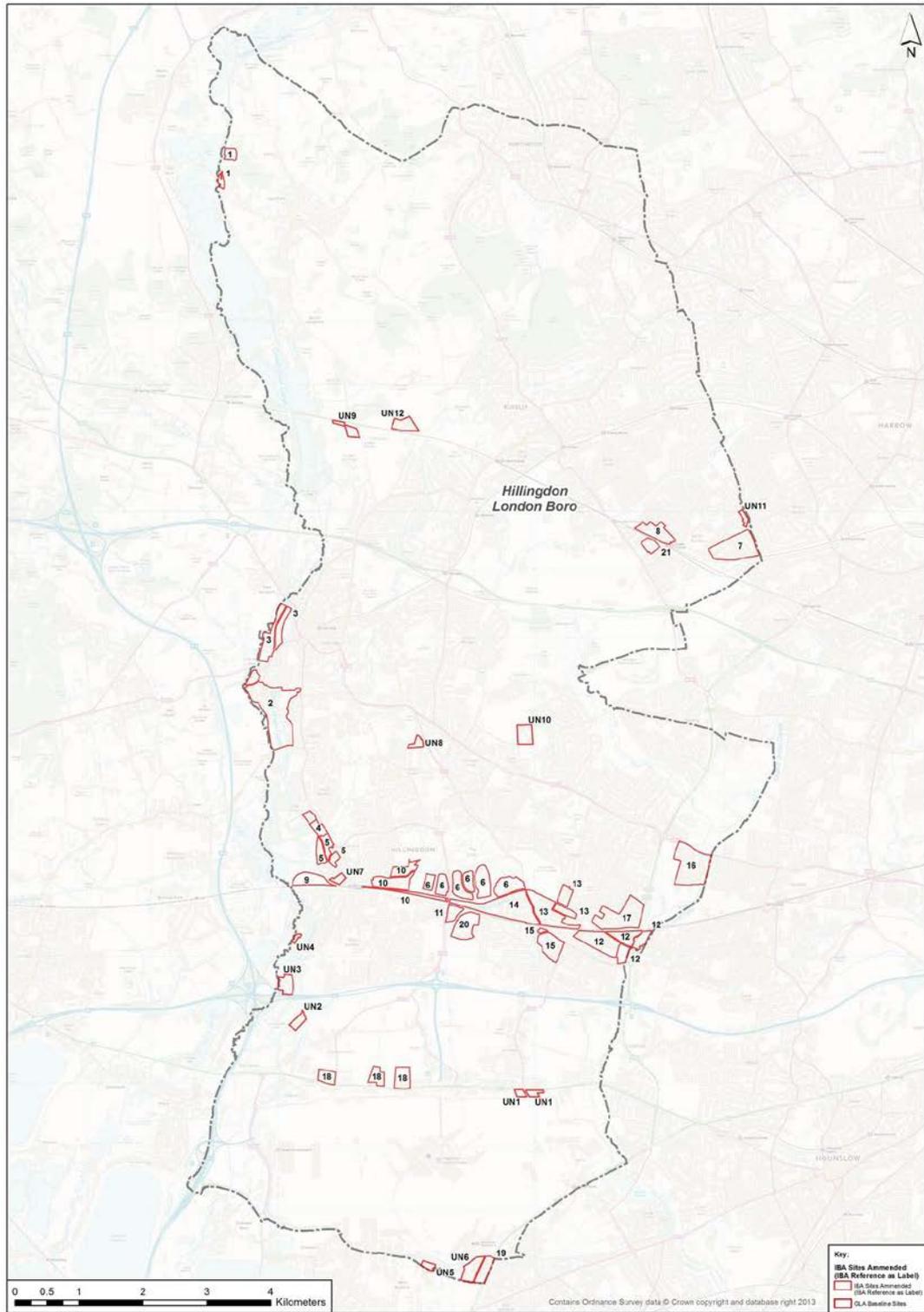
2.2.3 In addition a baseline assessment of the existing economic structure and key trends in employment related development was completed. This work involves:

- A review of historical employment information for the borough, including information on workforce characteristics, unemployment, occupation, earnings and travel to work information; and
- Relevant literature providing information on the local economy and business trends within the borough.

2.3 Survey of Employment Sites and Premises

- 2.3.1 A field survey of employment land in LB Hillingdon was carried out to assess its suitability for continued employment use. The clusters are shown at Figure 2.2. Clusters were selected and agreed in consultation with the Council. They consist of employment areas described in LB Hillingdon Employment Land Study (2009) and other significant non-designated employment areas in the borough as identified from the GLA Industrial Land Baseline (2010). In total the 33 employment clusters include approximately 443.2 hectares of land (the plans of the clusters are shown at Appendix A).
- 2.3.2 The survey covered the use classes B1 (Office), B2 (General Industry), and B8 (Storage and Distribution) as per the DCLG ELR Guidance Note (2004). Throughout this report employment land is referred to as land in office (B1a), or industrial which includes factories (B2, B1 (c)) and warehouse (B8) use. Each cluster was visited and appraised against an agreed set of economic, planning and property market criteria to assess their fitness for purpose. The criteria used to assess sites is in line with DCLG Employment Land Review Guidance Notes, Industrial Capacity SPG (2008) and PPS4 guidance.
- 2.3.3 To ensure consistency with the previous Hillingdon Employment Land Study (2009), surveyors used a structured questionnaire, a survey manual and a map of each employment area. The questionnaire included a series of tick-box style and open-ended questions to capture qualitative and quantitative information. Once the physical inspections were complete (between 17th and 18th April 2013) the survey data was entered into a database for analysis. Appendix B holds the Employment Cluster questionnaire.

Figure 2.2 Employment Clusters Context Map



Source: LBH Employment Land Study, URS 2013

2.4 Employment Market Analysis

- 2.4.1 To help enhance the understanding of the supply and demand characteristics of the local employment land market, the views of local property market agents, key land owners and other key stakeholders were sought. It was considered more effective and efficient to speak to a group of commercial property agents rather than speaking only to one commercial agent in order to broaden and moderate the response compared to that which would have been received by contacting just one commercial agent. Approximately 11 commercial agents were contacted.
- 2.4.2 The exercise supplemented desk-based research and survey findings, and sought to test the emerging findings and conclusions relating to the demand and provision of office and industrial sites and premises in LB Hillingdon. Consultation with local property agents took the form of a semi-structured interview by telephone around topics including: LB Hillingdon employment property market area, LB Hillingdon as a place to do business; business needs; the demand and supply of sites and premises, the characteristics of sites and their suitability for employment uses; opportunities and constraints to growth; inward investment and regeneration; labour force structure, education and skills and economic inclusion. The outputs of the consultation exercise are an important piece of evidence that provides real market intelligence from professionals working day to day with commercial property in LB Hillingdon and is a key consideration to inform the policy recommendations.

2.5 Employment Land Demand Forecasting

- 2.5.1 A number of different techniques can be used for forecasting future demand of employment land. Each has strengths and weaknesses. The decision was therefore taken after consultation with LB Hillingdon to adopt a synthesis approach that is based on the trends of the following factors:
- Sub-regional floorspace trends;
 - Historic and forecast employment based on macro-economic forecasting; and
 - Assessment of other local factors not contained within existing data such as transport improvements and the effects of the recession.
- 2.5.2 For the purpose of this study we have used data from the following local authority boundaries of a defined Property Market Area (PMA), as suggested by property market agents, to measure the trends of the above three factors:
- LB Hillingdon;
 - LB Ealing;
 - LB Hounslow; and

- Slough

2.5.3 Valuations Office Agency (VOA) experimental commercial floorspace data released by the VOA in May 2012 and covering the period 2000 to 2011 was used to assess the changes in floorspace between 2000 and 2011 (the most up to date information) for the four boroughs within the PMA. Historic trends were then used as the basis for a linear forecast of demand to 2026.

2.5.4 The linear floorspace forecast was then adjusted using employment forecasts (2012 – 2026) published by the Greater London Authority. The final step, to further increase the robustness of the analysis, was to take account and adjust the employment land forecast using information on the economic, property market trends not included in the data and future policy direction in LB Hillingdon. This is made in relation to the wider economy and helps to present the potential future growth in a series of different potential scenarios.

2.6 Gap Analysis and Policy Recommendations

2.6.1 The final chapter draws together all of the previous research elements and makes a comparison of the current supply of employment land in the borough of LB Hillingdon with the projected demand for employment land up to 2026. This involves an assessment of the balance between supply and demand, and informs the position of whether there should be retention or release of employment land.

2.6.2 The recommendations are informed by all preceding analysis: the socio-economic profile of the borough, field surveys, the economic development and 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 fully justified.

3 POLICIES AND LITERATURE REVIEW

3.1 Introduction

3.1.1 This section provides an overview of the policies and strategies relevant to employment and employment land in LB Hillingdon. The review frames the context to the research in terms of national, regional and local policy.

3.2 National Policy

National Planning Policy Framework

3.2.1 The NPPF condenses all planning policy statements (PPSs) 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.

3.2.2 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. The presumption should be reflected by the emerging local plan and be informed by robust evidence to support clearly defined allocations for land for employment. In relation to economic and employment land it states the following:

3.2.3 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.

3.2.4 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.
- Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;

Permitted Development Rights

- 3.2.5 The Government has announced changes to Town and Country Planning Act's General Permitted Development Order. The implications of this for employment land are that offices can be converted to residential uses without planning permission, although prior approval is required to ensure there are not adverse impacts in terms of traffic, noise and flooding. Hillingdon initially proposed exemptions from the new rules although these were refused. However, consultation with LB Hillingdon suggests that the principle is acceptable to the Council. The demand forecasting exercise (Chapter 7) deals with overall demand for offices and in LB Hillingdon it is unlikely that many offices in industrial estates would be suitable for conversion.

3.3 Regional Policy

London Plan 2011

- 3.3.1 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.
- 3.3.2 An overall strategic policy of the Plan is contained within six detailed objectives. The main one relevant to this ELS is the following:
- 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.
- 3.3.3 The London Plan identifies outer London as an area that requires specific strategic guidance to ensure that it contributes effectively to the overall prosperity of the capital. Hillingdon is within outer London. Policy 2.6 sets out the overall vision for Outer London. It states:
- 'The Mayor will, and boroughs and other stakeholders should, work to realise the potential of outer London, recognising and building upon its great diversity and varied strengths by providing locally sensitive approaches through LDFs and other development frameworks to

enhance and promote its distinct existing and emerging strategic and local economic opportunities, and transport requirements’.

3.3.4 Policy 2.7 sets out the Economic policies for Outer London. These include:

- ‘enabling existing sources of growth to perform more effectively, and increasing the competitive attractiveness of outer London for new sectors or those with the potential for step changes in output;
- ensuring that appropriate weight is given to wider economic as well as more local environmental and other objectives when considering business and residential development proposals;
- consolidating and developing the strengths of outer London’s office market through mixed use redevelopment and encouraging new provision in competitive locations, including through the use of land use ‘swaps’, and;
- managing and improving the stock of industrial capacity to meet both strategic and local needs, including those of small and medium sized enterprises (SMEs), start-ups and businesses requiring more affordable workspace.

3.3.5 Policy 2.13 refers to Opportunity Areas, including Heathrow in the West London sub-region. 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. Annex 1 states that Heathrow has the potential for 12,000 new jobs and 9,000 homes. As part of ‘Heathrow north’, Hillingdon is recognised as a key location for continued airport related growth, particularly with regard to transport and logistics, business and hotel and leisure and tourism. Stockley Park in particular is defined as a key draw for a diverse range of office based uses including marketing and research and development as well as national and European type headquarter premises. In addition the Hayes-West Drayton corridor is stated as having redevelopment opportunities for a range of uses such as small business parks, logistics and mixed uses.

3.3.6 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 Hillingdon as a Metropolitan Centre which is second in the hierarchy of four types of town centre.

- 3.3.7 Policy 2.16 encourages London boroughs to develop plans for strategic development centres in outer London. This is designed to help; ‘create a distinct and attractive business offer and public realm through design and mixed use development as well as any more specialist forms of accommodation’. It suggests at Table 2.1 that Hillingdon offers a strategic Leisure, tourism, arts, culture and sports function of greater than sub-regional importance. In addition it also states that parts of Hillingdon may be suitable for strategic logistic and transport related functions.
- 3.3.8 Policy 2.17 outlines policy towards Strategic Industrial Locations (SILs). It states that the Mayor will, and boroughs and other stakeholders should, promote, manage and, where appropriate, protect the strategic industrial locations, as London’s main reservoirs of industrial and related capacity, including general and light industrial uses, logistics, waste management and environmental industries (such as renewable energy generation), utilities, wholesale markets and some transport functions
- 3.3.9 The London Plan defines the 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 Hillingdon has Hayes Industrial Area, Stonefield Way and Victoria Road and Uxbridge Industrial Estate.
- 3.3.10 Paragraph 2.82 is relevant to LB Hillingdon. It states: ‘Innovations to make more effective use of land should be encouraged and there is particular need to develop consolidation centres and accommodate freight break bulk points more efficiently as a part of the freight hierarchy. It will be particularly important to secure and enhance strategic provision in West London, especially near Heathrow.
- 3.3.11 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.
 - 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;

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

- ‘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;
- Plan, monitor and manage release of surplus industrial land ..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’.

3.3.13 Map 4.1 refers to Hillingdon as a ‘Limited Transfer’ Borough; that is a borough which is considered to be between managed (i.e. boroughs with a greater supply of vacant sites relative to demand) and restricted (i.e. boroughs with low levels of industrial land relative to demand).

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

3.3.14 The SPG was published in September 2012 and 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. Key policies from the London Plan that form the basis for the SPG are Policies 2.17 Strategic Industrial Locations, 4.4 Managing Industrial Land and Premises and 6.2 Providing Public Transport Capacity and Safeguarding Land for Transport

3.3.15 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;
- In outer London boroughs should manage and improve the stock of industrial capacity to meet both strategic and local needs, including

those of small and medium sized enterprises (SMEs), start-ups and businesses requiring more affordable workspace. Parts of outer London have economic functions in logistics, industry and green enterprise that are of greater than sub-regional importance.

- 3.3.16 Annex 1 of the draft SPG sets out the indicative industrial land release benchmarks for 2011-2031 for Hillingdon is -26ha (-1.3ha pa).
- 3.3.17 Annex 2 of the draft SPG gives indicative land demand for waste management and recycling. For Hillingdon the net additional indicative land requirement for waste apportioned to 2031 is therefore 6.2ha..

West London Waste Plan

- 3.3.18 The West London Waste Plan sets out the issues and objectives to be met in waste management within West London up to 2026. It sets out the partner boroughs' long-term vision, spatial strategy and policies for the sustainable management of waste over this time period. The West London Waste Plan is a Development Plan Document and forms part of the Local Plan for the London Borough of Hillingdon. The document is currently in the consultation stage and undergoing revision as a result of recent legislative requirements. Relevant policies include the following:
- 3.3.19 WLWP Policy 1 'Location of Waste Development', states that waste development proposals outlined within the WLWP will generally be supported, provided that the proposals comply with other WLWP policies and the borough's Local Plans.
- 3.3.20 Policy 1 also aims to ensure that any redevelopment of existing waste sites must ensure that the quantity of waste to be managed is equal to or greater than the quantity of waste which the site is currently permitted for.
- 3.3.21 WLWP Policy 2 'Ensuring High Quality Development' outlines that for all development proposals it will be necessary to demonstrate that the appropriate level of sustainable environmental design has been applied to both the construction and operational phases of the development. This includes minimising the impact of noise, dust, litter, odour and other emissions as well as ensuring the development is of a scale form and character appropriate to its location. Development proposals should also consider alternative methods of waste transfer such as by water and rail to reduce the impact on local road networks.

Mayor's Economic Development Strategy for Greater London 2010

3.3.22 In May 2010, the Mayor of London published a new Economic Development Strategy (EDS). 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 Paralympics Games and their legacy'.

3.3.23 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.

3.4 Local Policy

LB Hillingdon Local Plan Part 1 and UDP 2007 relevant saved policies

3.4.1 Part one of LB Hillingdon's Local Plan (previously known as the Core Strategy) was adopted by the Council on 8th November 2012. Part one of the Local Plan, titled 'Strategic Policies', sets out the key elements of the planning framework for the next 15 years. The evidence base related to employment land policies included the 2009 Employment Land Review and 2010 Hillingdon Employment Land Position Statement. Relevant employment land policies (outlined in Core Policy 5 'The Economy') are:

- Policy E1, Managing the Supply of Employment Land: The Council will accommodate growth by protecting Strategic Industrial Locations and the designation of Locally Significant Industrial Sites (LSIS) and Locally Significant Employment Locations (LSEL);

- Policy E2, Location of Employment Growth: The Council will accommodate 9,000 new jobs during the plan period. Most of this employment growth will be directed towards suitable sites in the Heathrow Opportunity Area, Strategic Industrial Locations (SILS), Locally Significant Employment Locations (LSEL), Locally Significant Industrial Sites (LSIS), Uxbridge Town Centre and Hayes Town Centre;
- Policy E3, Strategy for Heathrow Opportunity Area: The Council will prepare a Local Development Document (LDD) for the Heathrow area to achieve future growth;
- Policy E4, Uxbridge: The Council will strengthen the status of Uxbridge Town Centre as a Metropolitan Centre by delivering growth and promoting Uxbridge as a suitable location for retail, offices, hotels, recreation and leisure, entertainment and culture, evening and night-time economy, education, community services and mixed-use development;
- Policy E5, Town and Local Centres: The Council will accommodate additional retail growth in established centres, in accordance with the conclusions of the latest evidence base; and
- Policy E6, Small and Medium-Sized Enterprises (SME): Hillingdon will encourage the development of affordable accommodation for small and medium-sized businesses in appropriate sustainable locations throughout the borough.

GLA London Office Policy Review 2012

- 3.4.2 The purpose of the London Office Policy Review is to provide planning policy makers with up to date information on the supply and demand for offices in London, including a review of office-based employment projections and office floor space estimates.
- 3.4.3 The main findings of the report were that despite the difficult post-2008 period, London's future as a World City and global financial centre is secure for the reasonably foreseeable future. The employment forecasts indicate a dynamic metropolitan area. There will be demand for new space, and for new types and formats of office space and related employment space, but in terms of quantity, forecasts suggest there is little need for expansion beyond that already in the pipeline. The rate of growth in office jobs, 2011-2036, is forecast to be half that which prevailed over the past two decades.

- 3.4.4 The report notes that offices in Outer London Beyond Central and Inner London – and in particular away from the Crossrail Ribbon – town centres are likely to experience growing problems. With notable exceptions, the changing retail landscape will further depress the viability and vitality of their high streets. The threat, and growing reality, of public sector rationalisation could further weaken Outer London’s office markets. The overall outcome is likely to be a growth in vacant and under-utilised secondary office property throughout large parts of Outer London.
- 3.4.5 The report highlights many options beyond the obvious conversion to residential, requiring spatial planning to be more creative and responsive to local market conditions. Encouraging the supply of space in the new office economy, on high streets, for flexible work patterns and small businesses with new needs could be a key role for spatial policy.

3.5 West London Boroughs and Neighbouring Districts

- 3.5.1 A key consideration for employment locations in Hillingdon is the situation and approach adopted by local authorities in the sub region (in and outside London). This is especially significant when building a picture of the level of economic activity and the linkages which have developed. These authorities are:
- London Borough of Ealing;
 - London Borough of Hounslow;
 - Slough Borough Council.

London Borough of Ealing Employment Land Review (2010)

- 3.5.2 Ealing is part of ‘The Western Wedge’ sub-region of London and is considered to be an attractive location for businesses. Ealing has a reasonably good balance to its economic structure, although employment growth has remained flat within recent years.
- 3.5.3 The 2010 Employment Land Review identified a central scenario which concluded that there will be a demand for a net addition in office floorspace stock in Ealing of 94,500 sq.m over the plan period 2011-2026. Although Crossrail is due to arrive in the borough during this period, the position of Ealing is not expected to change significantly during the plan period. The maximum floorspace increase to be expected would be a rise to 150,000 sq.m, the majority of which is envisaged to be focused within Ealing Metropolitan Centre.
- 3.5.4 Further the Employment Land Review recommended following the GLA’s London Industrial Release benchmark figure of a reduction in industrial land of 14ha, equivalent to 57,000 sq.m of floorspace.

London Borough of Hounslow Employment Land Review (2011)

- 3.5.5 Hounslow benefits from close proximity to Central London and Heathrow as well as excellent transport connections to the A4, M4, national rail and London Underground. The borough also has strong socio-economic characteristics which make it suitable for future employment growth, such as good quality environment and housing, relatively skilled workforce and links to the wider M4 corridor market. There is also a relatively high concentration of high growth sectors such as Media, Hi-technology and Knowledge Economy linked companies compared to other areas in London, all of which are likely to experience significant future growth.
- 3.5.6 Demand forecasting estimates that in the period to 2030 there will be demand for approximately 200,000 sq.m of additional B1(a) employment land in Hounslow under the most likely medium growth scenario. The current stock of B1(a) employment land stands at approximately 750,000 sq.m so this represents a 25% increase on the current supply over the planning period. In comparison to B1(a) employment land, industrial land uses (B2/B8) are likely to see a small decline in demand of approximately 6ha.
- 3.5.7 The study recommends that the Council should continue to encourage, where possible, Small and Medium Sized Industries (SMEs), start-up companies and flexible employment space to meet their needs. It also recommends that through planning policy and encouragement through investment, Hi-technology, Media, Knowledge Economy and Green Technology sectors should be protected and retained within the borough.

Slough Borough Council- Employment Land Study (2005)

- 3.5.8 The 2005 study concluded that existing designated business areas should be retained and that there was no need for additional land to be set aside.

4 SOCIO-ECONOMIC ANALYSIS

4.1 Introduction

4.1.1 This section profiles the changes in Hillingdon's socio-economic characteristics since the 2009 ELR in terms of:

- Population;
- Labour Market Structure;
- Company size and registration; and
- Industrial structure.

4.1.2 The analysis informs our understanding of some of the opportunities and constraints within the borough, which could impact upon the demand and supply for employment land. The analysis will also inform the policy recommendations by setting out what sectors the borough specialises in, thereby what type of space will be needed.

4.1.3 The most up-to-date and relevant data sources have been used, including Office for National Statistics (ONS) data and Greater London Authority (GLA) data. Data for LB Hillingdon is benchmarked against regional and national levels for direct comparison.

4.2 Population Demographics

4.2.1 Demand for housing, retail, community facilities and employment sites and premises will be driven in part by population. Between 2008 and 2011 Hillingdon's population increased by 7% to 275,500. This growth rate is comparable to that of London, which over the same period grew by 7%, but greater than that of Great Britain which grew by 3%. Forecasts by the GLA show that Hillingdon's population is expected to be 9.4% higher in 2026 than in 2011. The implication is a likely growth in demand for land for housing, community facilities, infrastructure and employment land over the Local Plan period.

4.2.2 In 2009, 174,900 people in the LB Hillingdon (equivalent to 66.6% of the population) were of working age¹, compared with 69.2% in London and 65.0% nationally. In 2011 the working age population proportionately decreased to 66.4% of the total population, a trend similarly experienced within London and the Great Britain as a whole (69% and 64.7% respectively).

¹ The working-age population refers to men aged 16 to 64 and women aged 16 to 59.

4.2.3 In 2012 approximately 145,400 of the population were economically active (equivalent to 77.9% of the working age population), which is a slightly higher proportion compared to 75.8% for London and 76.9% nationally. In addition 85.8% of males were economically active, compared to 70.2% of females.

4.2.4 In 2012 the unemployment rate in LB Hillingdon was 8.3% (11,900), which is slightly below that of London (9%) but slightly higher than that of Great Britain (7.9%).

4.3 Labour Market Structure

4.3.1 Business investment decisions are typically based on the availability of land / sites, capital and labour. Below we consider the labour market by profiling the broad occupational breakdown, earnings and the travel to work catchment of residents.

Occupational Structure

4.3.2 In terms of occupational structure, statistics indicate that approximately 43.6% of the working population in Hillingdon, are employed in managerial, professional and associate professional occupations, which is somewhat lower than the rest of London at 54.7% and slightly lower than Great Britain at 44%. This is presented in **Table 4.1** below.

Table 4.1: Employment by Occupation

	Hillingdon (numbers)	Hillingdon (%)	London (%)	Great Britain (%)
Managers and senior officials	13,000	9.9	11.5	10.1
Professional occupations	25,100	19.1	24.8	19.4
Associate professional & technical	18,400	14.0	18.0	14.2
Administrative & secretarial	14,700	11.2	10.9	10.9
Skilled trades occupations	12,500	9.5	7.2	10.5
Personal service occupations	9,600	7.3	7.2	9.0
Sales and customer service	10,600	8.1	6.4	8.2
Process plant & machine operatives	8,400	6.4	4.2	6.3
Elementary occupations	17,400	13.3	9.1	10.8

Source: ONS annual population survey, 2012

Earnings by Resident

- 4.3.3 In 2012 the average gross weekly earnings for LB Hillingdon residents were £597.8, which is approximately £15.50 lower than the London average of £613.30, and £89.80 higher than the rest of Great Britain (£508). Residents' of LB Hillingdon earn slightly less than those people who work in LB Hillingdon (by approximately £16.90 per week).
- 4.3.4 Comparatively workplace earnings have seen a smaller increase in Hillingdon than in London (by approximately £15) over the 2009-2012 period. Conversely over the same period resident earning have seen a somewhat greater increase than in London as a whole (by approximately £43). See **Table 4.2**.

Table 4.2: Average Gross Weekly Earnings

Borough / Comparator	Average Gross Weekly Earnings: Residents		Average Gross Weekly Earnings: Workplace	
	2009	2012	2009	2012
LB Hillingdon	539.3	597.8	604.7	614.7
London	598.2	613.3	627.4	652.8
Great Britain	490.5	508.0	489.9	507.6

Source: Annual Survey of Hours and Earnings, 2012

Qualifications

- 4.3.5 The ONS Annual Population Survey reveals (Table 4.3) that in 2012, the workforce within LB Hillingdon was slightly more qualified than the London average, with 93.1% of individuals holding a qualification (compared to 91.6% in Greater London). The LB Hillingdon is more typical of the UK in regards to the number of the population who hold a degree or higher degree (36% and 34.4% respectively), compared to the average for London which is 47.6%. This reveals a skills gap in comparison to Greater London and with employers seeking more highly skilled workforces points towards a need to improve the skills base within Hillingdon's population.

Table 4.3: Qualifications

	Hillingdon (numbers)	Hillingdon (%)	London (%)	Great Britain (%)
NVQ4 and above	64,600	36.0	47.6	34.4
NVQ3 and above	100,600	56.2	63.2	55.1
NVQ2 and above	130,000	72.6	75.1	71.8
NVQ1 and above	152,100	84.9	83.6	84.0
Other qualifications	14,600	8.1	8.0	6.3
No qualifications	12,400	6.9	8.4	9.7

Source: ONS Annual Population Survey 2012

Industrial Structure

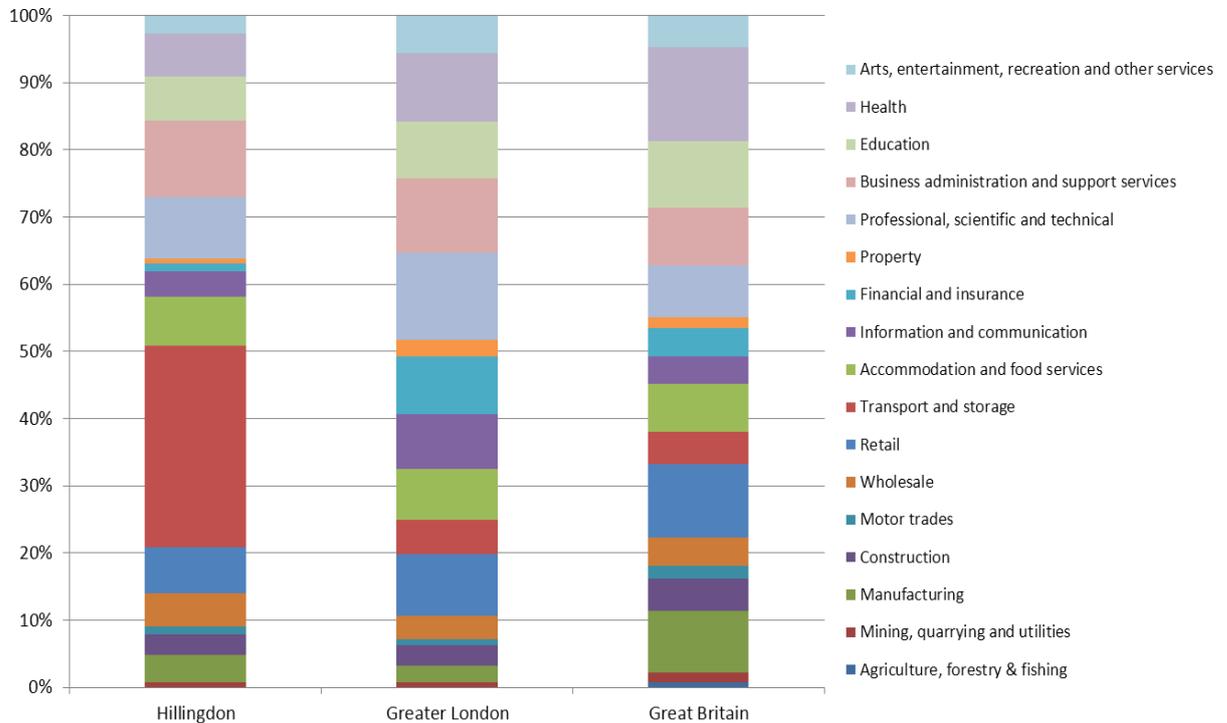
- 4.3.6 Below we set out the profile of the industrial structure of the borough and key sectors (Figure 4.1). The Business Register and Employment Survey (BRES) shows that employment in Hillingdon fell from 189,876 in 2008 to 183,233 in 2012, a decrease of 3.5%. This is a significantly greater fall in employment compared to London which saw an average rise in employment of 0.8% and Great Britain as a whole which saw a fall in employment of 1.6%. Table 4.4 sets out the industrial structure of LB Hillingdon by employment.

Table 4.4: Employment in LB Hillingdon by Broad Industrial Groups

Industry	2008	% of total	2011	% of total	Change (Actual)	Change (%)
Agriculture and fishing	18	0.0	2	0.0	-16	-88.9
Mining, quarrying and utilities	892	0.5	1,253	0.7	361	40.5
Manufacturing	7,463	3.9	7,261	4.0	-202	-2.7
Construction	6,033	3.2	5,196	2.8	-837	-13.9
Motor Trades	2,815	1.5	2,086	1.1	-729	-25.9
Wholesale	9,807	5.2	8,724	4.8	-1,083	-11.0
Retail	13,572	7.1	11,811	6.4	-1,761	-13.0
Transport & storage	61,261	32.3	52,410	28.6	-8,851	-14.4
Accommodation & food services	13,355	7.0	12,680	6.9	-675	-5.1
Information & communication	7,667	4.0	6,530	3.6	-1,137	-14.8
Financial & insurance	2,456	1.3	2,130	1.2	-326	-13.3
Property	1,177	0.6	1,290	0.7	113	9.6
Professional, scientific/tech	11,123	5.9	15,917	8.7	4,794	43.1
Business administration	20,131	10.6	20,030	10.9	-101	-0.5
Public administration	8,547	4.5	8,731	4.8	184	2.2
Education	10,124	5.3	11,283	6.2	1,159	11.4
Health	9,716	5.1	11,301	6.2	1,585	16.3
Arts, entertainment, rec.	3,718	2.0	4,599	2.5	881	23.7
Total	189,875		183,234		-6,641	-3.5

Source: ONS, Business Register and Employment Survey. These figures do not include self-employed individuals. Note that figures do not always add up to exact sum due to rounding.

Figure 4.1 Profile of Employment at Hillingdon’s Workplaces



Source: ONS, Business Register and Employment Survey (2013).

Transport and Storage

4.3.7 The most significant sector in terms of level of employment in the borough is the Transport and Storage sector, which represents 28.6% of the employment in the Borough. This sector has however seen a decrease in employment compared to 2008 levels of 14.4%, comparable to the trend across London as a whole (12.4% decrease). Employment in this sector is significantly greater than the average for London (4.8%), and Great Britain (4.6%).

Business Administration

4.3.8 By employment, the Business Administration sector is the second largest sector for the borough, representing 10.9% of the total employment in the borough. This is somewhat greater than the average for Great Britain as a whole of 8.2% but comparable with the London average of 10.5%. At the London level, employment within the Business Administration sector has remained stable between 2008 and 2011 with LB Hillingdon and Greater London experiencing a decrease in employment of just 0.5% and 0.4% respectively. In comparison, within Great Britain as a whole employment within Business Administration has decreased by 4.5%.

Professional, Scientific and Technical

- 4.3.9 The professional, scientific and technical sector is the third largest employer within the LB Hillingdon, with the number employed within this sector increasing from 11,123 to 15,917 between 2008 and 2011, an increase of 43.1%. Employment growth within the sector is significantly greater than within London (5.5%) and Great Britain as a whole (5.3%).

4.4 Workplace Economy- Business Stock and Size

- 4.4.1 VAT registration – de-registration rates for LB Hillingdon provide an indication of the entrepreneurial characteristics of the borough. Published data indicates that in 2011 there were 1,520 registrations whilst there were 1,035 de-registrations resulting in a net gain in LB Hillingdon's stock of 485 businesses.
- 4.4.2 Business size provides a useful indication of the make-up of firms operating in Hillingdon. Small businesses contribute significantly to employment within the borough, with 8,875 companies employing between one and nine employees, comprising 82.1% of the 10,805 companies registered within the borough. The proportion of SMEs² in the economy is similar to that of Greater London, with SMEs accounting for 99.1% and 99.5% of businesses respectively. There are 95 businesses employing more than 250 employees in the Borough, which represents 0.9% of businesses. Table 4.5 presents a size band analysis of work places in the borough. The size band refers to the number of employees at each workplace (not the size of the parent company).

² Defined as enterprises which employ fewer than 250 people

Table 4.5: Business units by size band, 2011

Number of employees	Hillingdon		London	
	Number	% of total	Number	% of total
0-9	8,875	82.1	333,985	84.8
10-49	1,395	12.9	46,995	11.9
50-249	440	4.1	11,115	2.8
250+	95	0.9	1,960	0.5
Total	10,805	-	394,055	-

Source: ONS, UK Business: Activity, Size and Location 2011

4.5 Summary

- 4.5.1 The population of LB Hillingdon is expected to increase over the planning period. Forecasts by the GLA show that Hillingdon's population is expected to be 9.4% higher in 2026 than in 2011. In terms of its occupational profile, statistics indicate that approximately 43.6% of the working population in Hillingdon, are employed in managerial, professional and associate professional occupations, which is somewhat lower than the rest of London at 54.7% and slightly lower than Great Britain at 44%.
- 4.5.2 LB Hillingdon has lower average wages than the London average but higher than the UK average. In 2012 the average gross weekly earnings for LB Hillingdon residents were £597.8, which is approximately £15.50 lower than the London average of £613.30, and £89.80 higher than the rest of Great Britain (£508).
- 4.5.3 LB Hillingdon has relatively average skills and qualification levels. The ONS Annual Population Survey reveals that in 2012, the workforce within LB Hillingdon was slightly more qualified than the London average, with 93.1% of individuals holding a qualification (compared to 91.6% in Greater London). LB Hillingdon is more typical of the UK in regards to the number of the population who hold a degree or higher degree (36% and 34.4% respectively), compared to the average for London which is 47.6%.

5 THE SUPPLY OF EMPLOYMENT LAND AND PREMISES

5.1 Introduction

5.1.1 This section provides a summary of the key findings of the field survey and desk research. Employment clusters in LB Hillingdon were assessed against an agreed set of criteria to provide conclusions on their suitability for three distinct employment uses:

- Industrial and warehousing;
- Office locations; and
- Isolated and specialist functions.

5.1.2 The analysis allows an assessment of whether existing employment land is 'fit for employment purpose'. The other main objective is to identify those clusters that are potentially unsuitable for the above employment uses. If the demand forecasting exercise (Section 7) uncovers a lack of demand for a particular use then those sites that score worse against the criteria could potentially be recommended for release in the conclusions and recommendations section (Section 8).

5.2 Existing Employment Land and Premises in Hillingdon

5.2.1 The field survey team visited and assessed 33 employment clusters throughout LB Hillingdon and assessed each cluster for their suitability for employment uses against a set of criteria. These employment clusters are shown at Figure 2.1 and the names of the clusters and site areas are described in Table 5.1 below.

5.2.2 The employment sites surveyed consist of the clusters previously surveyed in the 2009 ELR as well as non-designated sites over 1ha in size as identified within the GLA Industrial Land Baseline (2010). The study identified three types of employment sites within the borough; the industrial and warehousing locations, office locations and isolated and specialist locations.

5.2.3 There are currently three levels of policy designation for industrial land in LB Hillingdon. These are; Strategic Industrial Land (SIL) as outlined by the London Plan (2011) Policy 2.17, non SIL Industrial Business Areas (IBA) as outlined in the LB Hillingdon Unitary Development Plan (UDP) (2007) and undesignated industrial sites. The relative split of these industrial land use designations in the borough are:

- SIL (63.9%),
- LSIS (25.2%); and
- Undesignated employment land (10.9%).

Table 5.1 Employment Clusters Surveyed

Cluster No.	Employment Area/ Name of Cluster	Total Employment Cluster Area (ha)	Policy Designation
1	Summerhouse Lane	4.9	IBA
2	Uxbridge Industrial Estate	46.9	SIL
3	North Uxbridge	16.6	SIL
4	Packet Boat Lane, Cowley	6.3	IBA
5	Trout Road	10.7	IBA
6	Stockley Park	41.0	IBA
7	Stonefield Way / Victoria Road	23.4	SIL
8	Braintree Road	10.9	IBA
9	West Drayton Depot, Tavistock Road	8.9	IBA
10	Horton Road	20.4	SIL
11	Stockley Close	4.3	SIL
12	Nestle's Avenue	16.7	SIL
13	Blyth Road	44.8	SIL
14	Rigby Lane / Swallowfield Way / Betham Road / Dawley Road West	32.4	SIL
15	Millington Road	12.5	SIL
16	Springfield Road	28.2	SIL
17	Pump Lane	24.5	SIL
18	Bath Road, Heathrow	18.3	IBA
19	Covert Farm, Heathrow	6.6	IBA
20	Stockley Pro-Logis Park	12.6	SIL
21	Odyssey Business Park	4.1	IBA
UN1	Hatton Road North	3.7	Non-designated

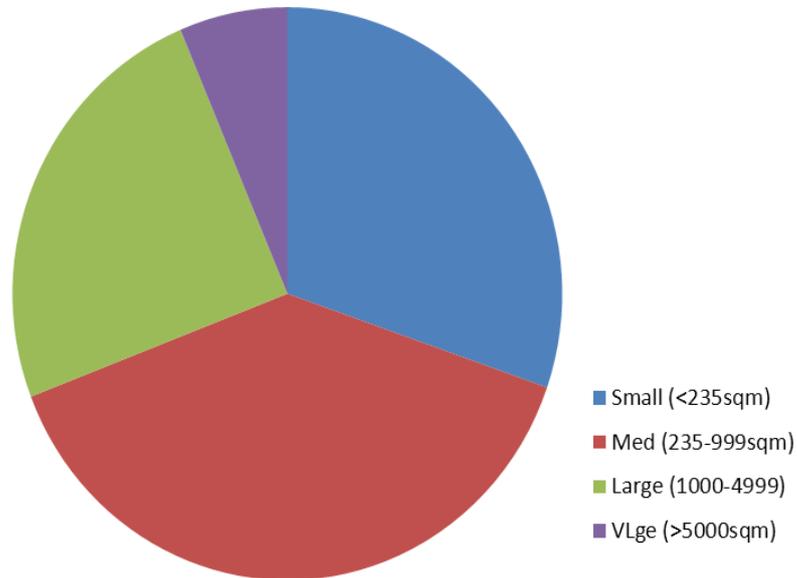
UN2	Saxon Way Freight Centre	3.4	Non-designated
UN3	Donkey Lane	6.2	Non-designated
UN4	Thorney Mill Road	1.0	Non-designated
UN5	Sanctuary Road	2.2	Non-designated
UN6	Scylla Road	8.0	Non-designated
UN7	Tavistock Road	2.3	Non-designated
UN8	London Borough Hillingdon Depot	2.5	Non-designated
UN9	Harefield Oil Terminal	3.7	Non-designated
UN10	Hayes Park	7.1	Non-designated
UN11	Princes Way	1.8	Non-designated
UN12	Schering Plough	6.4	Non-designated

Source: URS LBH Employment Land Study, 2013.

5.3 Stock Assessment

- 5.3.1 Through the methodology outlined above the study has constructed a comprehensive understanding of the supply of designated and non-designated employment land within the borough. Figure 5.1 shows the volume of different size of units within the surveyed clusters. In terms of size mix of units, small and medium units of less than 235 m² and between 235 m² and 999 m² make up the majority (30% and 39% respectively) of business units. Large units of more than 5,000 sq.m make up just 6% of the total number of units.

Figure 5.1 Percentage of the Volume of Different Size of Units in Relation to Individual Floorspace (m²)



Source: URS LBH Employment Land Study, 2013

Occupancies

- 5.3.2 Levels of occupied premises within the borough are very high, with an average unit occupancy rate of 88%. At present Stockley Pro Logis (100%), Springfield Road (91%), Swallowfield Way (91%), Nestles Avenue (95%), Horton Road (95%), Braintree Road (94%), Stonefield Way (91%) and Uxbridge Industrial Estate (90%) all have high occupancy rates.
- 5.3.3 Millington Road (67%) currently has the lowest occupancy rate yet this is anticipated to change with the completion of the Hyde Park development which will offer high grade office accommodation and further increase Hillingdon’s offer of B1(a) floorspace. There is also permission for a supermarket on this site.

Vacant Premises

- 5.3.4 The field survey team surveyed vacant sites including those with empty buildings. The study observed that there are currently 158 vacant units which equates to 12% of the total number of business units surveyed. Based on consultation within property market agents as described in Section 6, a 8% vacancy rate is generally considered to represent a healthy frictional rate during normal market conditions. This also relates to the optimum frictional rate described in the GLA Land for Industry and Transport SPG (2012)³. This rate allows a suitable availability of units for existing businesses to expand their operations or for firms locating to the area to have an appropriate range of premises to move into.
- 5.3.5 The following clusters shown in Table 5.3 were assessed to have 25% or more of their buildings unoccupied and marketed. The observations of vacancy rates made during the survey correspond accurately to the consultation responses from property agents.

Table 5.3 Clusters with Sub-optimal Vacancy Rates (≥25%)

Cluster No.	Employment Area/ Areas	Vacancy Rate (%)
5	Trout Road	25%
11	Stockley Close	40%
15	Millington Road	33%
19	Covert Farm, Heathrow	25%
UN2	Saxon Way Frieght Centre	25%
UN4	Thorney Mill Road	100%
UN11	Princes Way	25%

Source: URS LBH Employment Land Study, 2013.

- 5.3.6 In terms of the size of vacant premises it can be seen that the majority are less than 1,000sq.m in size (68%), whilst vacant units over 5,000sq.m make up 9% of the total number of vacant units.

³ GLA Land for Industry and Transport SPG (2012), paragraph 3.7

- 5.3.7 In summary across the borough, vacancy rates are considered to be relatively healthy and are slightly lower than that observed in the previous 2009 study⁴. In 2009 it was assessed that there were 180 vacant units which equated to 13.6% of the total number of units surveyed, compared to a total of 158 vacant units and a vacancy rate of 12% observed in this study. However, in 2009 there were fewer clusters with sub-optimal vacancy rates than observed in this study, with only Stockley Close (88%) and Millington Road (25%) experiencing vacancy rates of 25% or higher.
- 5.3.8 Further comparison between the 2009 ELR and this study identify numerous employment clusters in which vacancies have significantly reduced such as in Stockley Close and Nestle’s Avenue which experienced falls in vacancy rates of 48% and 11% respectively. However, further away from the centre of Hillingdon, employment clusters such as Summerhouse Lane, Bath Road and Covert Farm have seen significant increases in vacancy rates of 21%, 18% and 25% respectively. Elsewhere the market appears to be relatively stable and as stated above, on average, since 2009 vacancy rates have fallen across the borough.

Building Age

- 5.3.9 In terms of age in relation to floorspace, 13% of commercial units were built pre 1940, 22% were built between 1940 and 1969 and the remaining 65% were built after 1970. Compared with the rest of London, Hillingdon’s industrial and warehousing offer is among London’s newest, where only 20.4% of London’s factory space and 44% of its warehouse space has been built since 1970 (GLA 2004 Industrial and Warehousing Land Demand in London). Hillingdon clearly has an advantage in terms of the age and subsequent quality of its employment floorspace.

Building Quality

- 5.3.10 1,249 units were assessed in regards to building quality. Of these units, 78% (971) were classed as being average or above, with 15% (184) classified as fair and 8% (94) as poor.
- 5.3.11 Building quality is discussed in more detail in the subsequent sections in regards to cluster suitability for B1(a), B2, B8 and specialist employment uses.

5.4 Cluster Suitability for Industrial and Warehousing (B2/B8) Land-use

- 5.4.1 This section is an assessment of the 33 clusters suitability for B2/B8 uses based on the following criteria:
- Access;

⁴ LB Hillingdon ELS (2009) p87

- Topographical elements;
- Policy status i.e. SIL, IBA, non designated
- Servicing of businesses; and
- Availability of parking.

5.4.2 Some of the clusters are potentially in office use at present. However it is still relevant to assess all clusters suitability for industrial/warehousing use as over the long term planning period there could be potential for change of use.

Access

5.4.3 Road access was assessed in terms of both external and internal access and ease of circulation. Categories used to assess this included adequate, limited HGV access, not adequate and not identified. This vast majority of IBA’s were recorded as having adequate road access for the uses within the area. However, four IBA’s were assessed to have inadequate road access, these are shown in Table 5.4.

Table 5.4 Employment Clusters with Inadequate Road Access

Cluster No.	Employment Area/ Areas
3	North Uxbridge
17	Pump Lane
UN2	Saxon Way Freight Centre
UN12	Schering Plough

Source: URS LBH Employment Land Study, 2013. Note that this list is not a ranking of the clusters

5.4.4 The borough contains no safeguarded wharves and none of the employment clusters surveyed have direct access to the River Thames, although the Grand Union Canal runs through the centre of the LBH and the River Colne to the West. However, six clusters have the potential to be serviced by water transport in the future based on their location next to a waterway. Although it is likely that any future use of the water to transport freight would require investment it is informative to understand where the potential lies especially given the increasing shift to more sustainable transportation modes. The clusters with the potential to be serviced by water transport in the future are shown in Table 5.5.

Table 5.5 Employment Clusters with Inadequate Road Access

Cluster No.	Employment Area/ Areas
1	Summerhouse Lane
3	North Uxbridge
5	Trout Road
6	Stockley Park
10	Horton Road
14	Rigby Lane/ Swallowfield Way/ Betam Road/ Dawley Road West
UN4	Thorney Mill Road

Source: URS LBH Employment Land Study, 2013. Note that this list is not a ranking of the clusters

Servicing of Businesses and Parking

- 5.4.5 For clusters where B2/B8 land use predominates, it is important that there is designated and adequate space for vehicles to serve these businesses. The suitability of existing servicing arrangements was assessed within each cluster based on the type and adequacy of access available. Types of servicing included off road loading and unloading, roadside loading/ unloading and loading bays, of which businesses could have multiple types.
- 5.4.6 Availability and type of parking were also identified as it is appropriate for employment sites outside of Central London to have good parking for employees and customers. Types of parking facilities included dedicated parking within sites, on-street parking, controlled parking zones and not identified.
- 5.4.7 The majority of the employment clusters were assessed as currently having adequate servicing for business needs. However, the survey identified five clusters where servicing was deemed to be inadequate for all business units, although these units represent only 2% of the total number of units surveyed across the borough.
- 5.4.8 Furthermore, the study assessed that of the 33 clusters, eight clusters had business units with inadequate parking, although these units represent only 7% of the total number of units surveyed. Tables 5.6 and Table 5.7 outline the clusters assessed as having inadequate servicing and parking facilities.

Table 5.6 Employment Clusters with Inadequate Servicing

Cluster No.	Employment Area/ Areas	% of Units with Inadequate Servicing
12	Nestles Avenue	21%
14	Rigby Lane/ Swallowfield Way/ Betam Road/ Dawley Road West	5%
17	Pump Lane	4%
UN11	Princes Way	100%
UN12	Schering Plough	100%

Source: URS LBH Employment Land Study, 2013.

Table 5.7 Employment Clusters with Inadequate Parking Facilities

Cluster No.	Employment Area/ Areas	% of Units with Inadequate Parking
3	North Uxbridge	2%
7	Stonefield Way	1%
10	Horton Road	6%
12	Nestles Avenue	21%
13	Blyth Road	27%
16	Springfield Road	19%
17	Pump Lane	4%
UN11	Princes Way	100%

Source: URS LBH Employment Land Study, 2013.

5.5 Cluster Suitability for Office (B1) Land-use

5.5.1 This section sets out a summary of the key findings of the cluster field surveys. It is useful as it assesses whether the clusters have the key characteristics necessary for B1(a) uses and helps to identify whether any clusters are particularly unsuited for B1(a) use. Drawing upon our field survey and desk research, we have reviewed all employment clusters for their suitability for office uses.

5.5.2 The most significant and relevant criteria are listed below:

- Access to public transport;

- Access to facilities and amenities;
- Overall quality of environment at employment clusters; and
- Availability of parking.

5.5.3 Although some of the clusters are in industrial use at present it is still relevant to assess all clusters suitability for office use as over the long term planning period there could be potential for change of use.

B1(a) Floorspace Locations

5.5.4 Office floorspace within Hillingdon is generally found within three distinct areas; the town centres, business parks and at the Heathrow Perimeter.

5.5.5 Uxbridge and Hayes in particular are strong town centre locations for office floorspace, with Uxbridge attracting headquarter and European headquarter occupiers within the pharmaceuticals, IT, business support and car hire industries. Both Uxbridge and Hayes benefit from strong transport links and road access, availability of high quality accommodation and the proximity of Brunel University and a solid local skills base. Significant new investment at London Gate and Hyde Park, Millington Road have further strengthened Hayes offer of attractive B1(a) floorspace in recent years. Hayes is also likely to benefit in the future from the introduction of the Heathrow Stopping Service and Crossrail. The town centres of Yiewsley and West Drayton, Eastcote and South Ruislip are also important locations of B1(a) floorspace.

5.5.6 Hillingdon has a large number of high quality, attractive business park locations, many of which are key locations for office floorspace. Stockley Park, Hayes Park, Cowley Business Park, Grand Union Canal Business Park, Brunel University Science Park and Widewater Place, Harefield are all significant contributors to employment generation within Hillingdon. Stockley Park in particular is home to a number of global businesses within the IT, pharmaceutical and communications sectors.

5.5.7 The Heathrow perimeter is also a key location of B1(a) floorspace within Hillingdon, with extensive office development along the Bath Road and within the airport boundary. Primarily these offices meet government aviation, logistics and distribution requirements.

Access to Public Transport

5.5.8 Public transport is an important characteristic in clusters where B1(a) land use predominates. In our analysis, access to public transport for employment clusters was assessed through Transport for London’s PTAL (Public Transport Accessibility Levels) maps. PTAL is a simple and easily calculated approach which relates to the distance from any given point to the nearest public transport stops and the frequency of the service from those stops. The result is a grade from 1-6 where PTAL of 1 indicates a very poor access to the location by public transport, and a PTAL of 6 indicates a very good access by public transport⁵. For the purpose of this study we have categorised each PTAL rating into broad descriptive groups:

- Poor – PTAL 0 to 1
- Moderate – PTAL 2 to 3
- Good – PTAL 4 to 6

5.5.9 As shown in Table 5.8 below, of the 33 clusters surveyed, 12 were recorded as having poor access to public transport with only three clusters with good access to public transport. Those clusters which assessed to have good access to public transport included include those in Uxbridge and Hayes as well as the perimeter of Heathrow, as show in Table 5.9.

Table 5.8 Access to Public Transport

Rating	Number of Clusters
Good	12
Moderate	18
Poor	3
Total	33

Source: URS LB Hillingdon Employment Land Study, 2013.

⁵ Where one cluster occupied multiple PTAL zones, an average of all the zones was used.

Table 5.9 Clusters with Good PTAL Ratings

Cluster No.	Employment Area
2	Uxbridge Industrial Estate
15	Millington Road
UN1	Hatton Road North

Source: URS LB Hillingdon Employment Land Study, 2013.

Access to Facilities and Amenities

5.5.10 Where B1(a) land-use predominates, businesses should have doorstep access to facilities and amenities so that the needs of employees and businesses are adequately served. Employment clusters access to facilities and amenities was assessed during the field survey.

5.5.11 The following criteria were used to assess clusters access to amenities:

Very Good Shops, restaurants and/or cafes and personal services within the business location or accessible within a five minute walk. There is a selection of places for lunch and the possibility of doing some shopping.

Good Shops, restaurants and/or cafes within a five to ten minute walk. There is some selection of places for lunch.

Poor Shops, restaurants and/or cafes within a ten to fifteen minute walk. There is a limited selection of places for lunch.

Very Poor Shops, restaurants and/or cafes/ takeaways more than a fifteen minute walk. None or very limited selection of places for lunch.

5.5.12 The survey found that only two clusters have very good access to facilities and amenities whilst a further 12 had good access. These clusters are listed in Table 5.10 below. There were eight clusters that had very poor access to facilities and amenities, the majority of which were related to ‘out-of-town’ industrial estates with low PTAL ratings.

Table 5.10 Clusters with Very Good/ Good Access to Facilities and Amenities

Cluster No.	Employment Area/Areas	Access to Amenities and Facilities
3	North Uxbridge Industrial Estate	Good
4	Packet Boat Lane	Good
5	Trout Road	Good
7	Stonefield Way/ Victoria Road	Good
8	Braintree Road	Good
9	Tavistock Road Utilities	Good
12	Nestle's Avenue	Very Good
13	Blyth Road	Good
15	Millington Road	Good
16	Springfield Road	Good
17	Pump Lane	Good
21	Odyssey Business Park	Good
UN7	Tavistock Road	Good
UN11	Princes Way	Very Good

Source: URS LB Hillingdon Employment Land Study, 2013.

Overall Quality of Employment Clusters for B1(a) Uses

5.5.13 In total, 14 employment clusters (42%) 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 criteria relating to building condition and quality of environment.

5.5.14 The following criteria were used to assess the condition of the buildings within the clusters:

Excellent	Generally modern building or major refurbishment, often purpose built, very well maintained and good access to the site.
Good	Modern building, some building maintenance required, good access.

5.5.15 The following criteria were used to assess the quality of the environment within the clusters:

- Very Good The quality of the streets and public realm within and surrounding the business location is of very good quality (no potholes, no litter, no uncollected rubbish, well maintained street furniture, good walking and cycling access). There is an appropriate level of street lighting and no perceived safety issues. The location is not polluted by noise and dust from neighbouring uses and/or heavy street traffic.
- Good The quality of the streets and public realm within and surrounding the site is of good quality. Whilst there is nothing of concern in the local environment; it does not reach the very good standard (some litter, street furniture ageing etc.).

5.5.16 Table 5.11 below lists the employment clusters with a majority (50-100%) of sites which were in Good and Very Good condition.

Table 5.11 Employment Clusters with Sites in Good or Very Good Condition

Cluster No.	Employment Area/ Areas
1	Summerhouse Lane
6	Stockley Park
11	Stockley Close
15	Millington Road
16	Springfield Road
18	Bath Road, Heathrow
19	Covert Farm, Heathrow
20	Stockley Pro Logis Park
21	Odyssey Business Park
UN2	Saxon Way Freight Centre
UN4	Thorney Mill Road
UN5	Sanctuary Road
UN10	Hayes Park
UN12	Schering Plough

Source: URS LB Hillingdon Employment Land Study, 2013.

Employment Clusters with Sites in Poor Condition

5.5.17 Only two of the 33 surveyed employment clusters were recorded to have a majority (50-100%) of sites in poor condition. To receive this designation clusters had to fulfil the criteria relating to poor building condition and poor quality of environment.

5.5.18 The following criteria were used to assess the condition of the buildings within the clusters:

- | | |
|------|---|
| Fair | Older stock or newer stock that has not been maintained, significant maintenance required, poor access. |
| Poor | Older stock but could be more recent build which has not been occupied/ poor maintained, stock in very poor condition and in need of essential maintenance i.e. roof failing. |

5.5.19 The following criteria were used to assess the quality of the environment within the clusters:

- | | |
|-----------|---|
| Poor | The quality of the streets and the public realm within and surrounding the site is of poor quality (more potholes, litter, poorly maintained or damaged street furniture, parking on verges). Street lighting is limited and there are some perceived safety issues. The business area might be polluted by noise, dust from neighbouring uses and/or heavy street traffic. |
| Very Poor | The quality of the streets and the public realm within and surrounding the business location is of very poor quality (potholes, litter on street, poor signage and parking on verges). There is noise and/ or dust pollution from neighbouring uses and/ heavy street traffic. |

5.5.20 Table 5.12 below lists the employment clusters with a majority (50-100%) of sites that were in Poor and Very Poor condition. It should be noted that a poor quality of environment does not necessarily mean that the cluster is unsuitable for all employment uses. For example it may be that the site is used for heavy industry such as aggregates handling or waste processing, and this by its nature is not conducive to the creation of a good environment. It may mean that it is unsuitable for office uses however, and this issue is explored in more detail in Chapter 8: Conclusions and Recommendations.

Table 5.12 Employment Clusters with Sites in Poor Condition

Cluster No.	Employment Area/ Areas
UN3	Donkey Lane
UN11	Princes Way

Source: URS LB Hillingdon Employment Land Study, 2013.

5.6 Cluster suitability for isolated and specialist employment functions (B1,B2,B8)

5.6.1 Hillingdon has many isolated and specialist employment sites which need to be considered as part of this employment land review. In general these sites are located in three distinct locations:

- Aggregate, quarry and farm sites in the Green Belt;
- Isolated sites within the developed area; and
- Isolated sites within town centres.

5.6.2 Primarily these locations attract businesses within the construction, vehicle maintenance, transport and waste handling sectors. They help to meet local need, provide local employment and in addition occupancy rates in these locations are generally very high. As discussed within Chapter 4: Socio Economics above, employment within the mining, quarrying and utilities sector has increased by over 40% since 2008, indicating an increasing demand for these type of employment sites.

5.6.3 The employment sites assessed within the survey which accommodated isolated and specialist employment uses were generally in poor condition, with inadequate standards of building units and a poor quality of environment. Further, they all had poor access to facilities and amenities as well as a lack of parking facilities.

5.7 Summary

- 5.7.1 The survey of employment land within LB Hillingdon comprised a field survey of 33 employment clusters combined with elements of desk research. This assessment was carried out against site appraisal criteria and subsequently agreed with the council. Due to the different site characteristics required by office (B1a) and industrial and warehousing (B2/B8) users, the analysis assessed cluster suitability for each of these use classes separately.
- 5.7.2 Whilst recent trends have seen an increase in B1(a) office floorspace on what was once industrial land, the predominant land uses within employment areas within Hillingdon remain industrial and warehouse. Due to its proximity to Heathrow and its good transport links, Hillingdon has a large concentration of logistics and transportation sector businesses, often with large ancillary office accommodation. The numerous industrial and warehousing estates assessed, many accommodating major multinational companies, are generally high quality and appropriate for their purpose. There are a few sites which are in need of upgrading, and as a result offer a poor quality environment and building stock for industrial uses. A number of these sites such as Trout Road, Tavistock Road and Blyth Road have seen large releases of employment land to residential uses since 2009.
- 5.7.3 An assessment of PTAL levels concluded that 3 of the 33 employment clusters have good public transport accessibility, whilst a further 18 had moderate accessibility- a key characteristic for B1(a) land-use suitability. Fourteen clusters were assessed as having very good, or good access to facilities and amenities - an important characteristic for B1(a) land-use. There were 14 employment clusters that were identified as being in good condition, based on the quality of their environment and building quality. Analysis of these characteristics shows that the employment clusters which are already predominantly office locations, for example Stockley Park and Millington Road, are the most suitable for B1(a) use.
- 5.7.4 Overall Hillingdon has a suitable mix of units available with generally good quality building stock. This is reflected in the large number of logistics, distribution and warehousing uses, as well as smaller light industrial uses. There is an increasingly strong stock of office accommodation along the Heathrow perimeter and within town centre locations such as Hayes and Uxbridge. These sites are complemented by 'out-of-town' developments such as Stockley Park which offer regionally competitive B1(a) units which have attracted multinational corporations. Further, it was apparent that despite the economic downturn the majority of businesses have been retained within the borough and that most business clusters had good occupancy rates and were well utilised.

6 EMPLOYMENT LAND AND PROPERTY MARKET ANALYSIS

6.1 Introduction

6.1.1 Section 5 described the quality and characteristics of the office and industrial sites in Hillingdon. This section develops that analysis by examining the office and industrial land market within the context of the wider property market area. Perceptions of those working within the office and industrial land market were sought to establish their impressions of the strengths and weaknesses of the commercial property available in LB Hillingdon to potential occupiers⁶. The list of consultees contacted and the questions they were asked is given at Appendix C. This section therefore provides the qualitative dimension which is difficult to draw out in the long-term projections of demand in Section 7 and ensures that the recommendations of Section 8 are grounded in reality.

6.1.2 This section is framed around the following structure:

- An assessment of what the relevant property market areas are for occupiers of industrial and office space in Hillingdon
- A brief overview of the supply of industrial and office space in the borough
- Demand factors for industrial space, office space and across the market
- How the stock meets the current demand for commercial space

6.1.3 This section also reviews information from relevant property market reports and other recently published research to build an understanding of the Hillingdon employment land market. The commercial agents, market analysts, property managers and developers that provided data for this chapter through phone conversations and written research include:

- CBRE
- Colliers
- Estates Gazette
- Freight Business Journal
- Jones Lang LaSalle
- Knight Frank
- Lambert Smith Hampton

⁶ URS contacted the commercial property agents, developers and property management companies that are most active in Hillingdon and asked them to contribute to this ELR via an informal set of questions. The majority were pleased to be consulted and have an influence on the future plans for the Borough.

- Savills
- SEGRO
- Simon Williams
- Stockley Park Estate Management

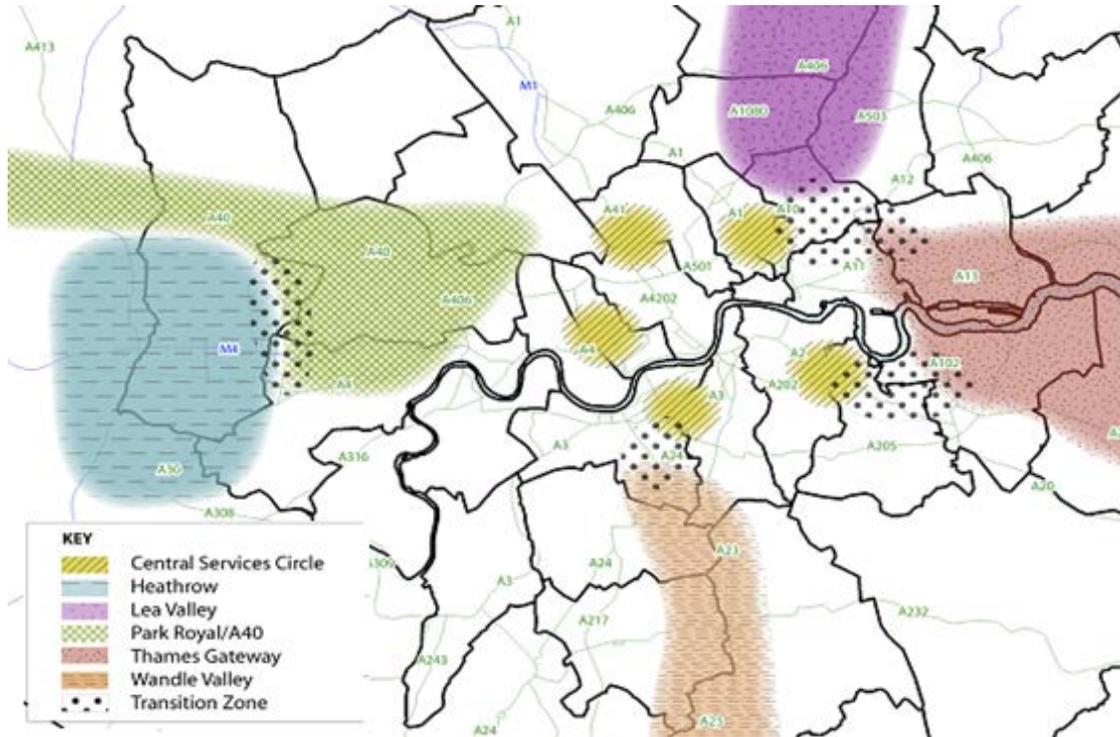
6.2 Commercial Property Markets

- 6.2.1 Although the focus of this ELR is LB Hillingdon, the market area for property is not limited by local authority boundaries, with factors pertinent to business operations being more of an influence, such as proximity to labour supply, transport links, site availability and consumer markets. A property market area (PMA) could typically be an area of search for a potential office or industrial occupier.
- 6.2.2 Demand forecasts in Section 7 of this report evaluate demand trends of commercial space in Hillingdon in the context of the wider PMA; therefore it is important to gain an understanding from commercial property agents of what they consider to be the relevant PMA for industrial and office space in Hillingdon.

6.3 Industrial PMAs

- 6.3.1 Commercial property agents consider the industrial property market that influences Hillingdon to be significant in the south of the Borough as it is linked strongly to Heathrow Airport in particular and the M4/Western Corridor more generally. Although there is also an industrial market linked to the A40/M40, the stretch that passes through Hillingdon is not at present a significant location for industry, that industry being found further east in locations such as Greenford and Park Royal (LB Ealing).
- 6.3.2 The assessment of what constitutes the relevant industrial PMA in LB Hillingdon is generally consistent with industrial land research carried out by URS for the GLA in the London Industrial Land Release Benchmarks report of 2007. This study found that Hillingdon was influenced by two industrial property market areas – Heathrow to the south and what was termed the Park Royal/A40/M4/A4 PMA to the north. Property market areas are generally manifestations of the built stock that they occupy and, as the consultations of 2013 in Hillingdon show, they are unlikely to change significantly in the short to medium term.

Figure 6.1 Key Industrial Property Market Areas in London



Source: URS for the GLA, 2007

6.3.3 Figure 6.1 provides a broad assessment of the key industrial locations in London and is intended as a guide only, with precise boundaries not specified. As indicated on the image, there are areas of transition as different PMAs expand and integrate with each other.

6.3.4 These PMAs do spill over into local authorities outside Greater London but the four west London boroughs of Hounslow, Hillingdon, Ealing and Brent capture the large majority of both areas.

6.4 Office PMAs

6.4.1 Many commentators, including the authors of the London Office Policy Review 2012, consider Hillingdon’s office market to function as an easterly expression of the Thames Valley market. The LOPR states that developments such as Stockley Park ‘cater in the main for Thames Valley occupiers, rather than the bona fide London office occupier’ and sees Stockley Park in competition for Heathrow office occupiers with the now fully occupied Bedfont Lakes development in Hounslow.

- 6.4.2 Within Hillingdon, commercial property agents considered there to be three locations for large-scale office occupiers. The first is broadly consistent with the single industrial market, namely the Bath Road corridor/Heathrow North. However, unlike the industrial market, both Stockley Park and Uxbridge town centre are two further important locations.
- 6.4.3 This relatively simple distribution has a number of clear drivers. Major multinationals, many of them American-owned, are attracted to the Borough thanks to the presence of Heathrow. Those occupiers who demand nearby amenity and services are most attracted to Uxbridge Town Centre, which offers a range of supporting uses including retail and leisure. Those occupiers who prioritise easy access to Heathrow over amenity tend to locate in Stockley Park or along the Bath Road/Heathrow North corridor, with the latter particularly suitable for airport-linked use, including airline offices.
- 6.4.4 It is interesting to note that, in contrast to many other London Boroughs, Hillingdon has in Uxbridge a single town centre large enough to offer office space to multinational firms; in addition, Uxbridge is far enough away from competing town centres such as Harrow and Hounslow to be somewhat self-contained, with Savills remarking on the lack of crossover between it and other centres.

6.5 Supply of Commercial Space

Industrial

- 6.5.1 The supply of industrial space in Hillingdon is dominated by proximity to and connections with Heathrow Airport. Away from Heathrow's immediate influence, other parts of the Borough, including Hayes and to a lesser extent West Drayton, retain significant industrial floorspace, some of which is performing well, such as Connect West in Hayes. Additionally, there is a smaller industrial corridor along the Grand Union Canal southwest of Uxbridge Town Centre, including Uxbridge Industrial Estate.
- 6.5.2 Historic industrial stock along the Grand Union canal southwest of Uxbridge town centre and along the Great Western mainline railway further south is seen as becoming outdated and increasingly under threat of conversion to other uses.

Office

- 6.5.3 Stockley Park continues to function as the Borough's most significant purpose-built office park. While its buildings are now some 25 years old, many units have been refurbished in recent years. The Phase 3 expansion site adjacent to the Park received planning permission in 2009 but development remains on hold.

Figure 6.2 Artist’s impression of Stockley Park Phase 3



Source: Kajima Europe.

- 6.5.4 Within Uxbridge town centre, which the market suggests is becoming increasingly popular as a location for offices, Highbridge Park on Oxford Road is a focal point for many larger corporate employers.
- 6.5.5 A significant recent office development elsewhere in the Borough is on former industrial land at Hyde Park in Hayes.
- 6.5.6 Smaller town centres in the Borough, such as West Drayton, Northwood and Ruislip are considered to operate on a less strategic level, attracting lower rents and appealing to small local businesses.

6.6 Demand for Commercial Space

Industrial

- 6.6.1 The view of the commercial property agents are that industrial premises with good access to Heathrow are always in demand. According to Savills, 'occupiers still view Heathrow as a key location despite the on-going speculation surrounding its future as the hub of UK air travel'. They also forecast rental growth for the Heathrow market of 3.9% over the next 5 years, compared to a South East regional forecast of 2.1% for the same period.
- 6.6.2 Agents also suggested, however, that it would be important to retain industrial floorspace in the Borough away from Heathrow, as there will always be more local businesses and services needing such space with rents relatively lower than those around Heathrow area. For the same reason, B8 demand driven by national and global connectivity clusters in the south of the Borough rather than around Uxbridge.
- 6.6.3 It appears that demand for B2 and B8 space was more badly affected by the recession and may take longer to recover than demand for B1 space, although signs, including increased activity in the design and build market, are looking positive.
- 6.6.4 There may be some unmet demand for industrial units with larger yards, which occupiers are increasingly demanding but which have not been provided in recent years across the Borough. Here, Slough Trading Estate, which does offer units with larger yards, is seen by local agents as a significant competitor.
- 6.6.5 As regards lower quality industrial space, Grade C has shown a significant recent increase in availability across West London. This may be an indication of the maturity of the market, as companies that have been occupying Grade C in the area waiting for opportunities to open up have seized the chance to upgrade to Grade B space or higher.

Office

- 6.6.6 CBRE Thames Valley and M25 Offices Market Update for Q1 2013 reported strong recovery in Hillingdon's sub-regional office market. Expressed as quarter-on-quarter figures, take-up was 9% higher, availability 2% lower and vacancy rate 7.9% lower, with the Thames Valley demonstrating stronger demand than the M25 market north, south and east of London.
- 6.6.7 Knight Frank report that Grade A space is currently constrained, as there are rapid rates of takeup whenever it is offered to the market (95% of takeup in Q3 2012 in the M4 corridor was Grade A).

- 6.6.8 Although Stockley Park continues to show strong demand, there is evidence that demand for the Bath Road corridor is relatively weaker with rents at around £20 per square foot (compared to £27 at Stockley Park). However, if supply remains constrained into the future, demand may increase here. Additionally, agents warned that although demand for office space is returning, it should not be considered exponential. Even with a weak recovery, unemployment rates in Hillingdon and its surrounding markets are very low, and the question remains of where new employees would come from as employment increases across the Borough.
- 6.6.9 There was a consistent view from agents that there is little or no unmet need across the Borough. Although not all business sectors are represented at present, there are, in the views of agents, numerous sectors for whom close proximity to Heathrow is not as important, including science, high technology and research. There are a number of serviced offices that are suitable for business start-ups.
- 6.6.10 Some agents expressed a belief that in the future, oil and gas companies will increasingly want to locate close to Heathrow. Other sectors identified as likely to grow across Hillingdon include IT and computing.
- 6.6.11 Many agents reported that local amenity is becoming an increasing consideration for employers, with demand rising for office space close to retail and other services. For this reason, Uxbridge town centre has risen in attractiveness to the market in recent years, with Stockley Park and Bath Road suffering as a result. The Stockley Park Arena is a small shopping and service centre at Stockley Park developed to make the site more attractive to potential occupiers, but there is a feeling among the market that it is too small. One agent suggested it could be doubled or even trebled in size to help Stockley Park compete with Uxbridge.
- 6.6.12 Likewise, Estates Gazette reports that the redevelopment of the Vinyl Factory site in Hayes, as well as new developments across the Thames Valley as a whole, are likely in future to move away from the 'glass box office park' model and towards a higher-density, more mixed use and more 'urban' model with the services and amenity that employers demand within walking distance of employment space.

Figure 6.3 The Record Store building, old Vinyl Factory site, Hayes



Source: *The Old Vinyl Factory*.

6.6.13 More than one agent reported that demand for new office developments may be being affected by strict parking standards. Thames Valley offices tend to be relatively car-based, due to lower-quality public transport beyond Central London, and with Hillingdon’s standards less generous than local authorities to its west, this could act as a constraint on occupancy. One agent estimated, for example, that the Stanza development in Uxbridge town centre had space for about 700 employees but only around 90 parking spaces. Another agreed with this assessment, stating that getting the right balance between employee numbers and parking spaces is difficult but that the Borough is currently erring towards under provision.

6.7 Cross-market demand drivers

Heathrow

- 6.7.1 Agents reported that as the global economy recovers, Heathrow continues to be an important driver for demand and that this will remain the case even if a third runway is not progressed. The only development that would lead to a long-term decline in demand would be if Heathrow was closed entirely and a new hub airport provided in the Thames Estuary or elsewhere on the eastern side of London. In the view of agents, this would significantly harm demand in Uxbridge town centre as well as the more obviously airport-linked locations of Stockley Park and the Bath Road corridor.
- 6.7.2 Heathrow has driven in particular demand from North American occupiers across the Borough, and agents believe that were a third runway to be provided, demand from Asian occupiers would similarly rise. One agent pointed out that the new Heathrow East development, providing capacity for new Airbus A380s, has in any case increased Heathrow's passenger capacity without increasing the number of landing slots.

Crossrail

- 6.7.3 Although it has been noted that Crossrail may have a positive impact on Hillingdon as businesses choose relatively lower rents than Central London but with fast access to it, those existing office locations that are car-based and poorly served by rail might suffer as a result. For example, Adobe recently moved out of Stockley Park to relocate in Maidenhead for the arrival there of Crossrail in 2018.
- 6.7.4 However, positive benefits include the increased attraction of the area to commuters and hence employees, and the geographically larger labour pool available to employers. One agent noted that as the Crossrail station will be at West Drayton, which is not a location of choice for large-scale employers, the direct impact of the route on local business may be limited.

High Speed 2

- 6.7.5 Most agents reported that although its route crosses Hillingdon, the new HS2 rail line would have little or no effect locally due to there being no proposed stations nearby.

6.8 Balance of Supply and Demand for Commercial Space

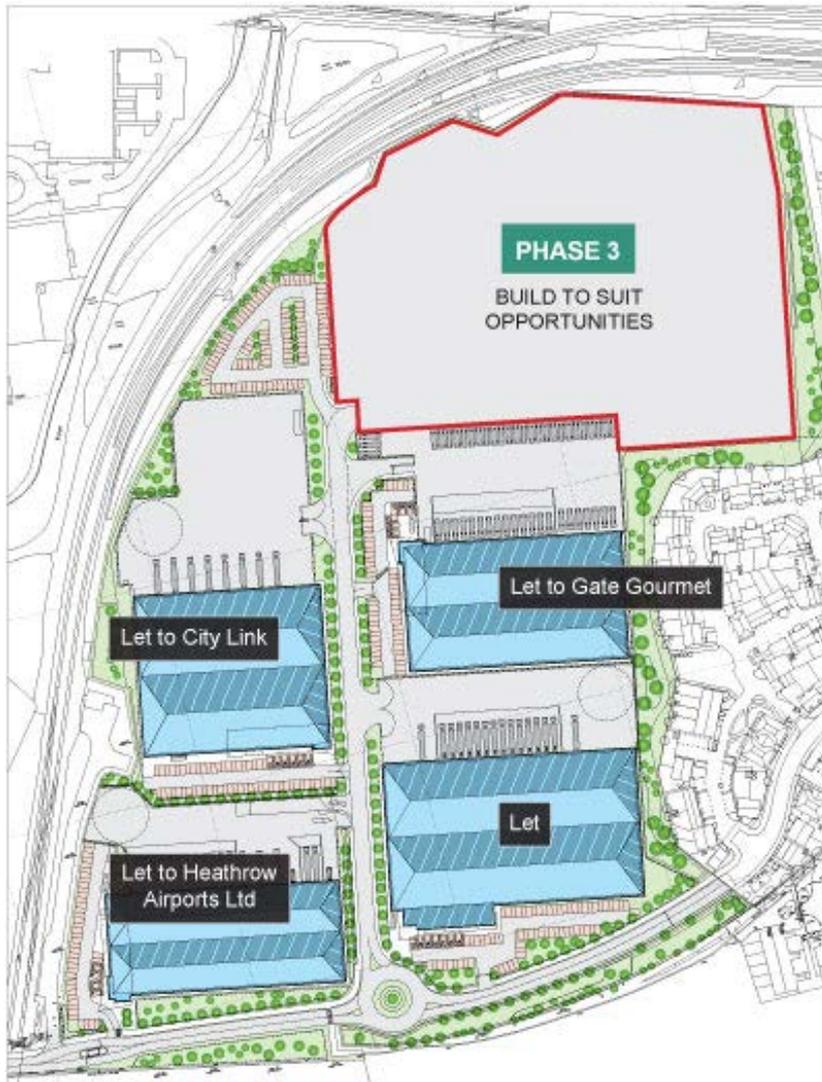
Industrial

Western Corridor and Heathrow

- 6.8.1 Jones Lang LaSalle's Western Corridor Industrial and Warehouse Market Report states that across the sub-region, the availability of Grade A space fell to a 13-year low, as new speculative development has not been sufficient to replenish the declining stock; the report also notes that the majority of take-up of industrial space in West London was Grade B space, a reflection of the shortage of Grade A space. However, it is anticipated that this diminishing availability, coupled with signs of economic recovery, should encourage more speculative development. The small amount of speculative development that has taken place in the Western Corridor has been outside Hillingdon's boundaries, at, for example, Chiswick Park, Nexus in Feltham, (both LB Hounslow) and Tudor Park (LB Brent).
- 6.8.2 Jones Lang LaSalle further report that with Circle Express' letting of Unit 1 Polar Park north of Heathrow in 2012 (122,398 sq. ft.), there is now just one Grade A unit over 100,000 feet currently available in the vicinity of the airport, namely Heathrow South Cargo Centre, which is in any case across the Borough boundary in Hounslow.
- 6.8.3 In 2012, the largest industrial transaction in West London was recorded at Connect West in Hayes, where Nature Delivered took 81,054 square feet. Across the Heathrow area as a whole, Savills report that 1.4 million square feet were transacted during 2012, with most space taken being of Grade B quality.
- 6.8.4 Albeit just across the boundary in Spelthorne, Dnata's pre-let of 141,500 sq. ft. at Northumberland Close on the southern edge of Heathrow achieved a headline rent of about £16 per square foot, unusually high for the area, which is more commonly £14-£15 per square foot, up from £14 per square foot in 2011. Previously, and within Hillingdon itself, DB Schenker and Rolls Royce (106,000 and 95,000 square feet respectively) took pre-lets at SEGRO's Portal site just south of Heathrow Terminal Four, and DHL Aviation leased 81,000 square foot at the Heathrow Horseshoe (Shoreham Road East and West) in late 2012.

- 6.8.5 Though initially slow to let, Segro’s pioneering two-storey warehouse development X2 at Hatton Cross (13,500 sq. m) saw three of its top units let during 2012 to freight handlers, leaving just one unit available.
- 6.8.6 For the longer term, Prologis Park Phase 3 near Hayes is offering the market a 165,000 square feet design and build opportunity. Smaller opportunities also exist, including the 2.34 acre Trade City Business Park in Uxbridge, developed by Kier and completed in the first half of 2012, and Segro’s Phase 500 at Riverside Way, also in Uxbridge, consented but not yet built out.

Figure 6.4: Prologis Park, Hayes, as at Spring 2013



Source: Prologis Park Heathrow (2013)

- 6.8.7 Despite signs of a strengthening market, deals to stimulate demand are still in evidence at Heathrow; in late 2012, occupiers agreeing a five-year lease were able to achieve 12 months rent-free. This compares with only 9 months' rent free availability on the same length of lease at Park Royal (LBs Ealing and Brent).

Hayes and Grand Union Corridor

- 6.8.8 Jones Lang LaSalle estimate that rents in the Grand Union Canal corridor are relatively low at £10.75 per square foot, compared with £14-16 per square foot closer to Heathrow. Nestlé in Hayes was cited by local agents as an example of a large industrial employer poised to move out of the Borough in 2014; likewise, part of the nearby former Westland site at Millington Road has been converted to a supermarket.
- 6.8.9 Alongside the loss of traditional industries in Hayes, however, there are encouraging signs; the Vinyl Factory/London Gateway site is being redeveloped for mixed use, including a significant employment component, in an urban-style development intended to compete directly with central London locations in a way that Hayes and Thames Valley employment sites have not done in the past. Likewise, in March 2013, Chancerygate Asset Management purchased the Provident Industrial Estate in Pump Lane with a view to redevelopment and refurbishment.

Uxbridge

- 6.8.10 More than one agent suggested that Uxbridge Industrial Estate is currently failing as a business location, following the collapse of Trimite there and the fact that it is now in fragmented ownership following its sale by the Council. Solutions proposed included its purchase and redevelopment by a major industrial developer such as Segro or alternatively its release for alternative uses.
- 6.8.11 However, other agents disagreed with any release of industrial floorspace for other uses within the Borough, pointing to the recent lack of speculative development and low vacancy rates already acting as a constraint on supply.

Office

- 6.8.12 The London Office Policy Review of 2012 reported that Hillingdon's three core areas of Stockley Park, Uxbridge and Heathrow Perimeter should remain monitored in policy terms and office development should be supported. Hayes and Ruislip are not considered significant office locations and need not be returned to monitoring.
- 6.8.13 Agents confirm that office vacancy rates are low at present, due to a lack of new office development, as yields did not stack up in the recession and finance was not available to developers. These factors resulted in a lack of speculative development, which is constraining supply.
- 6.8.14 Some agents consider that net office floorspace across the Borough may remain static or even creep downwards over the Plan period, even with new speculative development, due to conversion of Grade C space to other uses, especially as a response to the Government's new Permitted Development rights for conversion of commercial to residential use applying across the whole of the Borough. Careful monitoring will be required over the Plan period of the rates of conversion from commercial to residential space.

Stockley Park

- 6.8.15 Stockley Park continues to perform well, and agents consider that newly refurbished space here represents the best quality accommodation in the Heathrow market. Rents at Stockley are reported to be around £27 per square foot, with the Park's vacancy rate currently standing at around 12%. IMG took a 107,000 sq. ft. lease in summer 2012, joining Canon and Sharp, who have both relocated their European headquarters here in recent years.
- 6.8.16 Lambert Smith Hampton report that demand at Stockley Park remained strong, with Marks and Spencer extending its 107,500 sq. foot lease for a further 16 years from 2011. Lettings at Stockley Park in 2012 included those to US company Grass Valley and the UK-based charity World Vision.

Uxbridge

- 6.8.17 Lambert Smith Hampton reports that Uxbridge has one of the lowest availability rates of all comparable Thames Valley town centres at just 6%, and other agents agreed that the town centre has a low vacancy rate.

- 6.8.18 The largest single recent expression of confidence in Uxbridge town centre was Coca Cola’s 2011 pre-let and 2012 refurbishment at New Bakers Court, formerly home to Unisys. However, other than this, demand has been slow, with the only other letting in 2012 over 5,000 square feet being Securitas at Lovell House.
- 6.8.19 In response to the low rate of availability, some speculative schemes are coming forward. The Stanza is an 81,055 square foot building completed in 2012 and on the market at £33 per square foot. In the medium-term, further office space is planned following St Modwen’s recent purchase of the 110 acre RAF Uxbridge site at the end of the High Street. Although development will be a residential-led mixed use scheme, there is permission for 200,000 sq. ft. of office and retail space, which in the views of local agents, is likely to perform well. Other speculative schemes are considered likely due to the constraints on availability.

Figure 6.5 The Stanza office development, Uxbridge town centre



Source: The Stanza Building

- 6.8.20 The largest recent investment acquisition in Uxbridge town centre was the acquisition of Anixter House on York Road in 2012, where Aviva Investors purchased the 24,000 sq. ft. building for £5.3m from Greater Manchester Pension Fund.

Figure 6.6: Mixed-use masterplan for the RAF Uxbridge site



Source: Uxbridge Gazette

Bath Road Corridor and Hayes

- 6.8.21 Many agents report that demand for employment floorspace in the Bath Road corridor is relatively lower than in the past, and that in the medium to long term, strong demand and growth in the hotels sector may change the mix of uses away from office employment in this location, even as demand for industrial space here remains strong.
- 6.8.22 The small office location of Hayes Park north of Hayes Town Centre was purchased outright in 2011 by Universities Superannuation Scheme for £56.3 million. Elsewhere in Hayes, cloud computing company Rackspace is expanding operations at the increasingly popular Hyde Park site.

Figure 6.7: The Rackspace building, Hyde Park, Hayes



Source: *Inthralld.com*

6.9 Summary

- 6.9.1 This chapter of the Employment Land Study captured the views of commercial agents and property developers local to the London Borough of Hillingdon, as well as data from relevant market reports.
- 6.9.2 Our analysis indicates that Hillingdon is located within two main industrial property market areas- the Heathrow PMA and the A40/M40 corridor. Its office market is largely an easterly expression of the Thames Valley market rather than being closely linked to the Central London market.
- 6.9.3 Demand for both industrial and office floorspace is driven largely by Heathrow, and this will remain the case even with new capacity elsewhere, as long as Heathrow is not closed permanently. However, although the largest industrial units are to be found in the immediate vicinity of the airport, office floorspace is distributed more widely, with concentrations at Stockley Park and in Uxbridge town centre as well as along the Bath Road corridor north of Heathrow.

- 6.9.4 Both industrial and office floorspace development has been constrained during the recession. With demand now returning to both markets, this means vacancy rates, particularly for Grade A space, are low and new speculative development is expected to capture latent demand arising. Industrial uptake at Heathrow has been very strong during 2012, and both Stockley Park and Uxbridge are performing well as office locations.
- 6.9.5 The evidence suggests that local amenity and services are becoming more important to office employers, with Uxbridge town centre becoming more popular as a result and the Bath Road corridor becoming less so. However, it is considered that strict parking standards are a constraint on new office developments. The opening of Crossrail may have some indirect benefits for local businesses, but HS2 is considered unlikely to have a significant impact.
- 6.9.6 Hayes is considered to be an area in transition, with Nestlé poised to leave and other traditional industrial sites being released for mixed-use and office redevelopment. The expected vacancy of Nestles Site (Cluster 12) is taken account of in the policy recommendations (Section 8.4).

7 EMPLOYMENT LAND FORECASTING

7.1 Introduction

7.1.1 This section forecasts the future demand for industrial and office land in LB Hillingdon arising between 2013 and 2026.

7.2 Forecast Approach

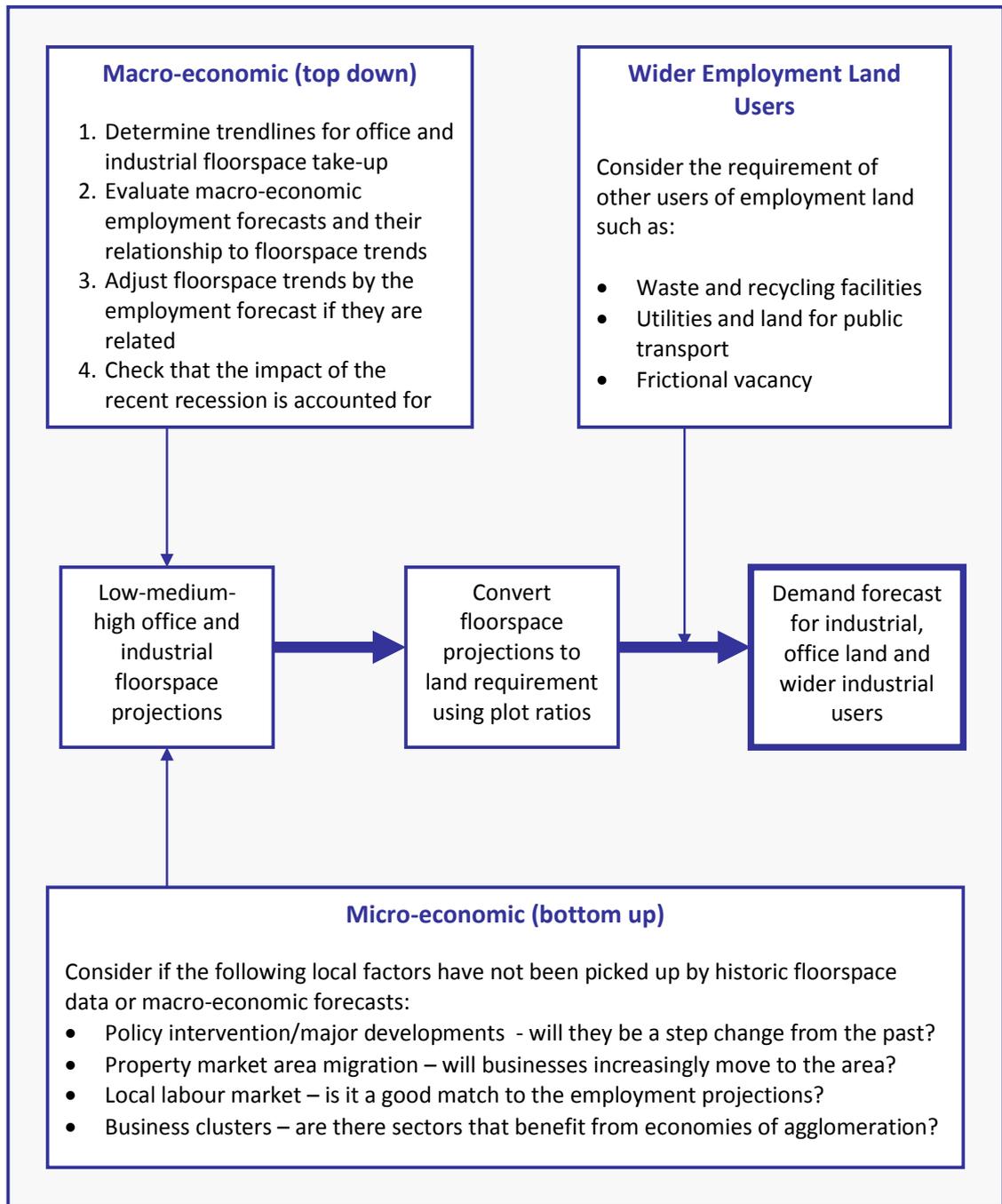
7.2.1 The NPPF, paragraphs 160 to 161, outlines the principles that Local Planning Authorities should follow in preparing their evidence base to inform employment land policies. The GLA Land for Industry and Transport SPG provides more London specific guidance. The 2004 ODPM Employment Land Review: Guidance Note provides a more prescriptive methodology. This ELS follows a tailored methodological approach to capture local circumstances while remaining compliant with the principles of the NPPF, GLA Land for Industry and Transport SPG and based on overarching methodology of the 2004 ODPM ELR Guidance.

7.2.2 A typical ELS demand forecasting approach is to take employment predictions based on macro-economic forecasts. However, applied at a local (borough) level these models do not usually take account of the specific micro economic circumstances affecting local economic development. An alternative approach is to consider historic trends in employment floorspace take-up and project those trends forward. The downside to this approach is that it does not take account of potential future changes arising from wider economic drivers.

7.2.3 To maximise the strengths and overcome the weaknesses of these approaches we have developed a forecasting method that uses elements of both. We base our forecast of future demand for employment premises on the historic trends of employment and floorspace and make adjustments to this projection based on changes in the macroeconomic employment forecasts (top down approach) and consideration of micro-economic factors (bottom up approach).

7.2.4 Due to the nature of the employment market in LB Hillingdon, as observed during the field survey and as confirmed by property market agents in the Property Market Assessment (Chapter 6), factories (B2) and warehouses (B8) are both categorised as 'industrial' in this ELS. These uses are generally interchangeable on LB Hillingdon industrial estates and many buildings perform dual uses that are difficult to differentiate. For example, a large industrial building may have elements of storage and distribution alongside assembly or manufacturing areas. Also, the GLA employment forecasts which form an important element of the overall demand forecast differentiate by office and industrial only. The methodology is set out in more detail in Figure 7.1 below:

Figure 7.1 Industrial and Office Land Demand Forecasting Methodology



Source: URS (2013)

7.3 Property Market Area

- 7.3.1 Industrial and Office property markets rarely correspond to local government administrative boundaries. Businesses searching for sites or premises will typically consider a number of similar locations. This area is termed the 'property market area' (PMA). The PMA will often have similar characteristics such as the labour market structure, access to market areas and suppliers, rental values, appropriate size and grade of stock.
- 7.3.2 The most appropriate PMA relevant to LB Hillingdon is based on the West London Sub Region as defined in the London Plan (2011) with the exception of Hammersmith and Fulham which was determined to share characteristics more closely related to inner London than the other outer London boroughs⁷. Also Brent and Harrow were considered by agents to be outside the west London property market. Due to its proximity to Hillingdon the market agents also considered Slough to be part of the PMA relevant to employment land in Hillingdon. The PMA for office and industrial uses therefore includes the following boroughs.
- Ealing
 - Hillingdon
 - Hounslow
 - Slough
- 7.3.3 Data on historic business floorspace, historic employment and forecast employment is analysed for each of the above four PMA boroughs. The trends across the PMA for each of these factors then feeds into the overall employment land demand forecast.

7.4 Historic Floorspace Trends

- 7.4.1 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 between 1998 and 2008. However, difficulties can occur in comparing raw VOA data due to the revaluation of properties that occurred in 2004. This causes discontinuities in the quantum of floorspace between 2004 and 2005. Also, 2008 is the latest available data which is five years old at the time of writing this report. Importantly the 2008 data does not include floorspace data collected since the current economic downturn.

⁷ This is consistent with The Mayor's Outer London Commission Report 2010 which defines Hammersmith and Fulham as an inner London borough

- 7.4.2 To counter these issues we have used experimental commercial floorspace data released by the VOA in May 2012 and covering the period 2000 to 2011⁸. Although the VOA states that they are currently evaluating this data set it is considered a robust enough dataset to analyse trends in employment floorspace across the PMA for the purposes of this ELS.
- 7.4.3 The historic employment floorspace trend across the PMA and LB Hillingdon is shown at Table 7.1. Figure 7.2 shows the trends for the PMA.

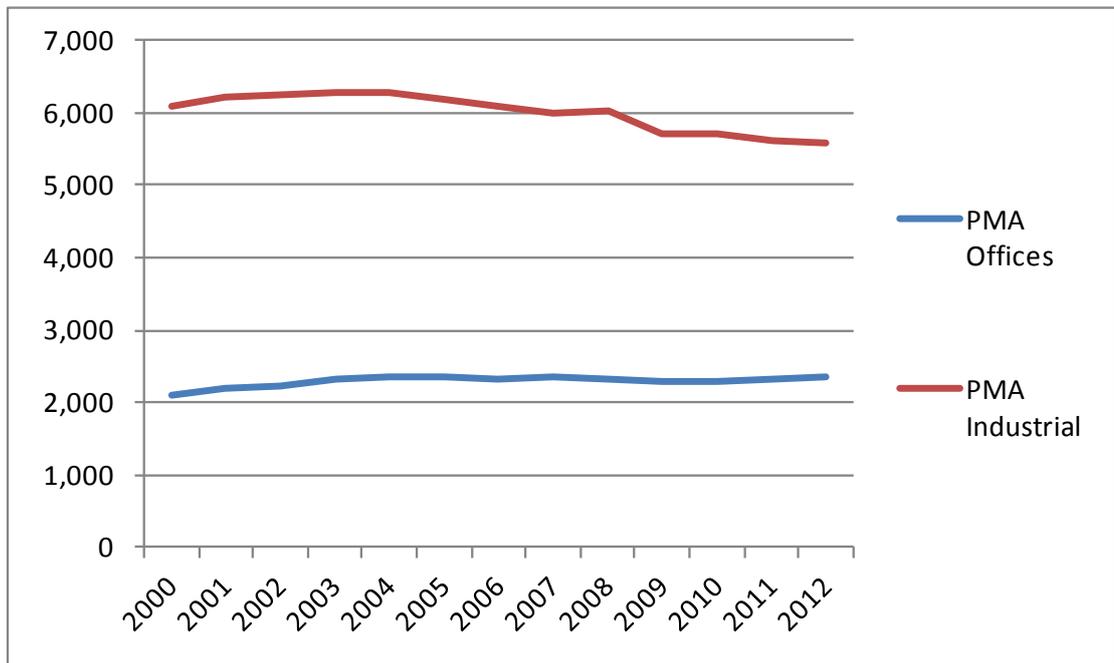
Table 7.1 Change in Industrial and Office Floorspace 2000 to 2011

<i>Area</i>	<i>Business Type</i>	<i>2000 '000m²</i>	<i>2011 '000m²</i>	<i>Diff %</i>	<i>Compound Annual Growth Rate (CAGR)</i>
<i>Hillingdon</i>	<i>Office</i>	683	653	-4.4%	-0.4%
	<i>Industrial</i>	1,254	1,086	-13.4%	-1.4%
<hr style="border-top: 1px dashed black;"/>					
<i>PMA</i>	<i>Office</i>	2,088	2,332	11.7%	1.1%
	<i>Industrial</i>	6,082	5,602	-7.9%	-0.8%

Source: URS; VOA 2012 (Figures may not sum due to rounding)

⁸ Actual data is available to 2012 but to retain consistency with the historic and forecast employment data we use floorspace data to 2011. This is available at: http://www.voa.gov.uk/corporate/statisticalReleases/120517_CRLFloorspace.html

Figure 7.2 Change in Industrial and Office Floorspace ('000m²)



Source: VOA (2012). Note: The data is shown between 2000 and 2012 but the trend for 2000 to 2011 is used in the demand forecasting exercise for consistency with available employment data.

7.4.4 Table 7.1 and Figure 7.2 shows that there has been a decline in industrial floorspace and an increase in office floorspace across the PMA. The industrial and office trends for the PMA feed into the synthesis demand forecast as shown at section 7.7 below. This includes the CAGR of -0.8% for industrial uses and +1.1% for offices.

7.5 Historic Employment Trends

7.5.1 Historic employment data is drawn from the Annual Business Inquiry (ABI) between 2000 and 2008 and the Business Register and Employment Survey between 2008 and 2011. Both datasets are compiled by the Office for National Statistics (ONS). They are both 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 ELS definition) we have identified those sectors which typically operate from B1, B2 and B8 use classes. The linking of sector to use class draws upon our work for other London boroughs in which we have determined employment land by relevant sector⁹. By this approach we estimate workplaces employment by use class as set out in Table 7.2 and Figure 7.3.

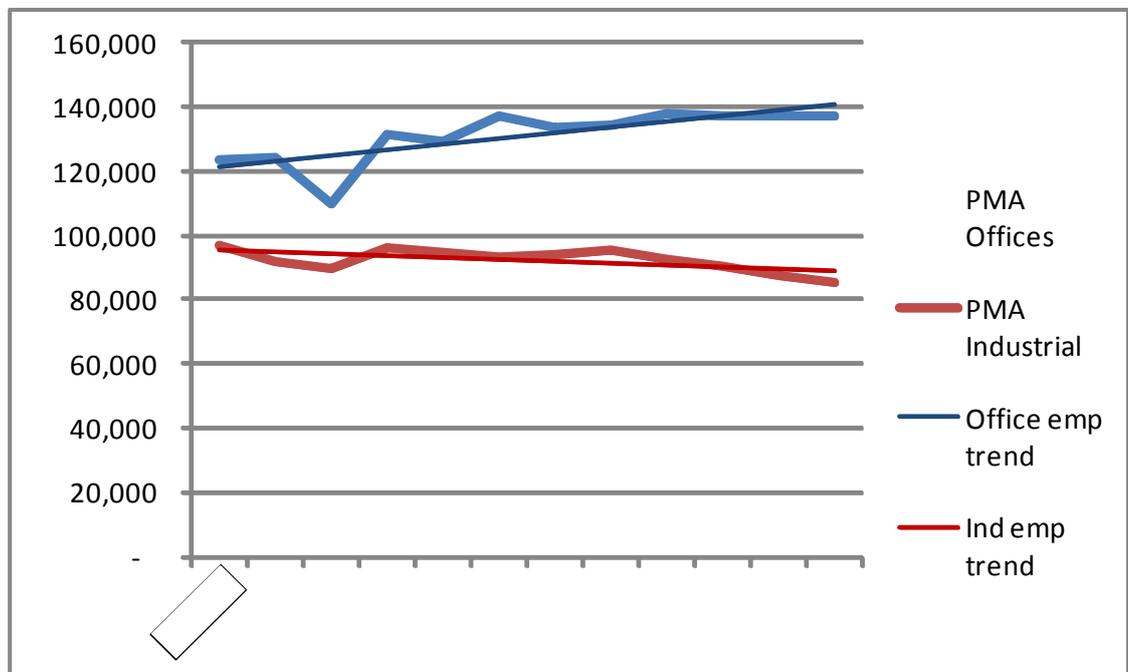
⁹ For example see the London Industrial Land Release Benchmarks and North East and South East Baseline, URS (2007)

Table 7.2 Historic Employment 2000 to 2011

Area	Business Type	2000	2011	Diff %	CAGR
Hillingdon	Office	31,602	46,859	48.3%	4.0%
	Industrial	27,565	22,052	-20.0%	-2.2%
<hr/>					
PMA	Office	123,681	137,106	10.9%	1.0%
	Industrial	96,768	85,589	-11.6%	-1.2%

Source: URS; ONS 2013¹⁰. Figures may not sum due to rounding.

Figure 7.3 Historic Employment 2000 to 2011



Source: URS; ONS 2013

¹⁰ Note: The BRES data SIC codes are not identical to the ABI SIC codes so to ensure consistency the actual rate of change for each year between 2008 and 2011 in the BRES data was applied to the known ABI data from 2008 onwards.

7.5.2 The historic employment trend CAGRs used to inform the synthesis employment land demand forecast are +1.0% for office and -1.2% for industrial uses.

7.6 Employment Forecasts

7.6.1 Employment forecasts for London boroughs are produced by GLA Economics and the most recent forecasts were issued in December 2011 in Working Paper 51. The forecasts are considered the most robust available information on future employment trends by London borough. They are based on a ‘triangulation’ process, which marries macro-economic employment forecasts on a regional level to micro-economic factors at borough level. These include:

- Trend analysis of the major employment sectors in each borough taking account of the effects of the recent recession and prospects for future growth;
- Transport improvements planned for each borough; and
- The availability of land for the development of new office employment sites in each borough (the forecasts assume that vacant industrial sites become residential over the time period).

7.6.2 The December 2011 GLA forecasts (Working Paper 51) take account of the recent recession through the assessment of more recent employment data which has led overall to less optimistic projections of future employment growth¹¹.

7.6.3 **Table 7.3 presents the employment forecasts across the PMA.**

Table 7.2 Employment Forecasts

Area	Business Type	2012	2026	CAGR 2012-26
<i>Hillingdon</i>	<i>Office</i>	37,075	46,163	1.7%
	<i>Industrial</i>	27,964	25,847	-0.6%
<i>PMA</i>	<i>Office</i>	125,992	149,833	1.3%
	<i>Industrial</i>	98,617	83,972	-1.2%

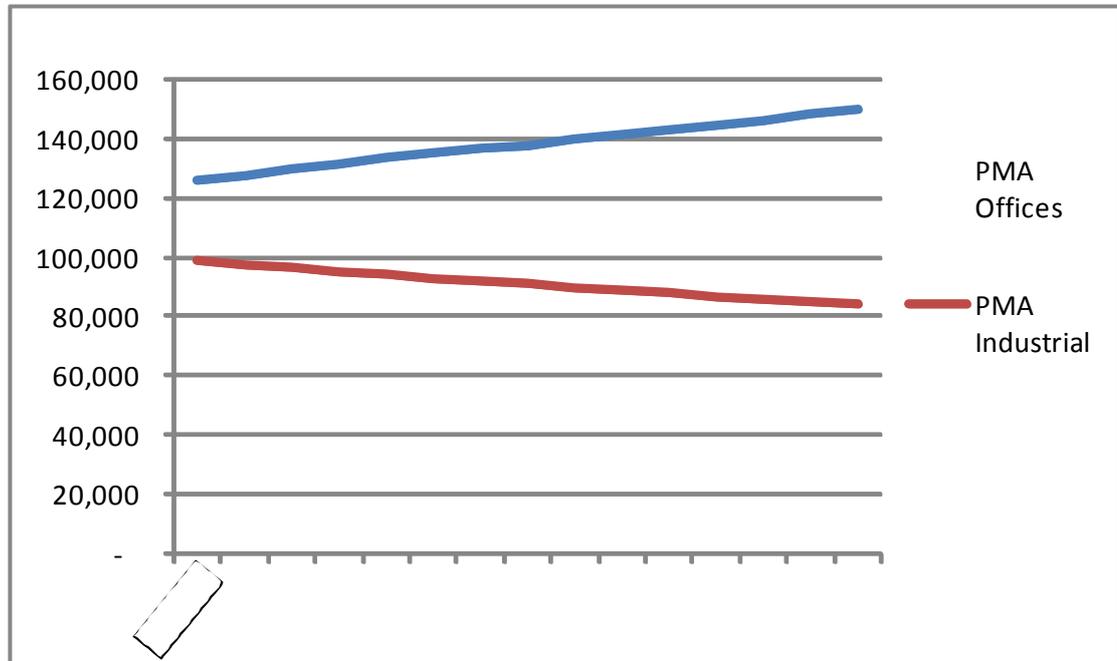
Source: URS; GLA Borough Employment Projections (December 2011);

Figures may not sum due to rounding. Note: The methodology GLA use to define industrial and office employment is slightly different to the ABI data as shown in Table 7.2 above. This explains the differences in employment numbers between 2011 and 2012 as shown in the two tables. However, the

¹¹ Working paper 51 only publishes overall borough employment forecasts and does not produce forecasts by industrial or office uses. Therefore to convert the overall employment forecasts to industrial and office land uses the relevant proportion of industrial and office employment of total forecast employment from the London Employment Time Series publication (GLA, 2010) is taken and then applied to the overall employment forecasts as shown in Working paper 51.

growth trends are what are used in the forecast and these are robust.

Figure 7.4 Employment Forecast 2012 to 2026



Source: GLA (2011)

7.6.4 Table 7.3 shows that office employment in LB Hillingdon is forecast to grow at a higher rate than the PMA (1.7% per annum compared with 1.3%, respectively) and see a weaker contraction in B2/8 employment than compared with the PMA (-0.6% and -1.2% respectively). The PMA employment forecast trend CAGRs used to inform the synthesis employment land demand forecast are +1.3% for office and -1.2% for industrial uses.

7.7 Top Down Synthesis Forecast

7.7.1 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.

7.7.2 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 2013 to 2026. This CAGR for historic floorspace and employment and forecast employment are taken from preceding tables.

Table 7.4 Synthesis Forecast for Employment Floorspace

<i>Business type</i>	<i>Floorspace CAGR</i>	<i>Employment CAGR</i>		<i>Adjusted average annual floorspace demand</i>
	<i>2000-2011</i>	<i>2000-2011</i>	<i>2012 - 2026</i>	
<i>Office (PMA)</i>	1.1%	1.0%	1.3%	1.4%
<i>Industrial (PMA)</i>	-0.8%	-1.2%	-1.2%	-0.8%

Source: URS calculations 2013. Figures may not sum due to rounding

7.7.3 Table 7.4 above shows the synthesised demand trend for offices and industrial uses between 2013 and 2026. The projected office trend is 1.4% per annum and the industrial trend is -0.8% per annum. These annual growth rate estimates are derived from a ‘top down’ assessment of demand. The next step in the process is to perform a ‘bottom up’ assessment of likely demand and then to consider whether the ‘top down’ estimates could be revised upwards or downwards to reflect a more localised understanding of likely future demand.

7.8 Bottom-up Adjustment of Synthesis Demand

7.8.1 The bottom up demand assessment is derived from market intelligence gained through the literature review, local research and consultation with local property market agents and key stakeholders. Factors considered include the following:

- The impact of any major new developments and infrastructure plans;
- Property market trends within the PMA;
- Impact of the recession; and
- Local regeneration initiatives, growth strategies and policies.

- 7.8.2 We summarise below the comparative advantages or disadvantages of LB Hillingdon in relation to the wider PMA, to illustrate the degree to which Hillingdon could compete for economic growth and the inward investment arising across the PMA.

7.9 Impact of Major Projects

Crossrail

- 7.9.1 There will be three Crossrail stations in Hillingdon at West Drayton, Heathrow and Hayes and Harlington. There is 10.1ha safeguarded for Crossrail use in Hayes/West Drayton area (mainly Cluster 14). 3.1ha will be retained and the remaining 7 ha returned to employment use.
- 7.9.2 Crossrail is likely to boost the local economy through improving Hillingdon's connectivity to major employment markets in central London and across the wider South East region. The GLA employment forecasts, used in the top down forecast described at Table 7.4, already contain assumptions on direct and indirect employment growth in Hillingdon resulting from Crossrail. Therefore it would be wrong to double-count these Crossrail related demand factors in this bottom up demand assessment.
- 7.9.3 However, the consultation with market agents suggested that there is likely to be greater demand for employment space in Hillingdon related to Crossrail based on demand factors not directly contained in the GLA employment forecasts. This is shown at section 6.4 of the Property Market Assessment and relates to long term induced and catalytic employment impacts related to Crossrail¹².
- 7.9.4 It is expected that Crossrail will lead to a greater 'sense of place' in Hillingdon. This would likely be achieved through investment in public realm and through a multiplier effect of local spend by new residents seeking to live in Hillingdon due to its improved connectivity. This raising of the profile of Hillingdon could over time encourage investment in local employment schemes both in terms of new office accommodation for people who want to be located closer to home or related to firms seeking to provide services to the increased population such as financial and professional services. Also new logistics, distribution and food and drink manufacturing firms could choose to locate closer to this expanded and improved residential and employment market. Therefore over time Crossrail is likely to have a positive effect on demand for industrial and office space and the top down demand forecast can therefore be adjusted upwards.

¹² Catalytic effects refer to the 'spill over effects' or the extent to which the activities of the relevant sector/company contribute to improved productivity and performance in other sectors of the economy. Induced effects relate to the employment and output supported by the spending of those employed directly or indirectly by the sector/company

Redevelopment of RAF Uxbridge

- 7.9.5 The redevelopment of 44 hectares of the former RAF Uxbridge site will include approximately 1,340 homes, 20,000 m² of office and retail and a 90 bed hotel. This will help to boost local demand for employment space through indirect, induced and catalytic effects in the way described above.

7.10 Property Market Trends within the PMA

Heathrow Effect

- 7.10.1 Consultation with property market agents confirmed that although there is some uncertainty about the future of Heathrow in terms of whether it will expand or decline, in the short to medium term the 'Heathrow effect' is still likely to generate significant demand for employment space in LB Hillingdon. This is because as the world economy becomes ever more interconnected new firms coming to the UK and/or UK businesses seeking trade in international markets often desire to be located close to one of the world's most significant international hub airports. LB Hillingdon, and to a slightly lesser extent LB Hounslow, has a comparative advantage in this regard related to other boroughs in the PMA. This could result in a relative migration of demand within the PMA to Hillingdon. For this reason the top down forecast can be adjusted upwards for both industrial and office demand.

7.11 Impact of the Recession

- 7.11.1 Consultation with property market agents (Chapter 6) confirmed that positive demand for employment space in LB Hillingdon appears to be returning for the first time since the economic downturn of 2008. Observations made during the field survey as summarised in the supply chapter (Chapter 5), suggest that LB Hillingdon has weathered the recession relatively well and is now in a good position to start to grow again. LB Hillingdon's positive employment land characteristics include its proximity to Heathrow, the M4, M4 and the Thames Valley and Central London markets and as a local authority put it in perhaps one of the best positions nationally to rebound from the recent deep economic downturn. Also, the effects of the economic downturn are already contained in the top down data e.g. floorspace and employment figures to 2011 and the GLA employment forecasts made in December 2011. Therefore there is no need to revise downwards the top down employment forecasts.

7.12 Local Regeneration initiatives, Growth Strategies and Policies

7.12.1 Consultation with Stakeholders revealed that LB Hillingdon are promoting economic development and employment growth in the borough. This approach is outlined in the ‘Sustain, Renew and Prosper’ Strategy Document. The key elements of this approach are for the Council to work with key training and education providers and businesses to ensure the local workforce is equipped to meet the demand of local companies, for the Council to use local procurement where appropriate to boost local companies and facilitate local supply chains through ‘meet the buyer events and through linking local firms with the London Economic Partnership to maximise opportunities for growth. Also, the introduction of superfast broadband is likely to have a positive impact on demand for employment land over the planning period. These proactive initiatives could lead to increased demand over that contained in the top down employment forecasts and the top down forecast is adjusted upwards accordingly.

7.13 Bottom up Demand Factor Summary

7.13.1 Table 7.5 presents the combined effects of the bottom up local factors on the demand forecasts described above. This is presented in the form of either a positive impact on demand (↑), a negative impact on forecasts (↓) or no overall impact (↔). Each factor is given a weighting of +/-5% of the CAGR for office and +/-2.5% for industrial, depending on the direction of the arrow. This weighting is based on professional judgment. The result of this exercise produces an adjusted forecast.

Table 7.3 Summary of ‘Bottom up’ Factors and Impact on Synthesis Forecast

	<i>Office</i>	<i>Industrial</i>
<i>Top down CAGR Forecast</i>	+1.4%	-0.8%
<i>Major projects</i>	↑↑	↑↑
<i>PMA market trends (the ‘Heathrow Effect’)</i>	↑↑	↑↑
<i>Recession</i>	↔	↔
<i>Local Growth initiatives</i>	↑	↑
<i>Adjustment %</i>	+25%	+12.5%
<i>Adjusted CAGR Forecast (‘top down’ + ‘bottom up’)</i>	+1.8%	-0.7%

Source: URS (2013)

7.14 Sensitivity Analysis

- 7.14.1 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 +/-10% either side of our best estimates (medium growth scenario).
- 7.14.2 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; variations in the impact of Crossrail or the future of Heathrow. The impact of some or a combination of these development proposals could provide a step change in demand and it is recommended that the council monitor employment land demand and supply to account for this. We provide a specific recommendation to the monitoring of employment land in Section 9.
- 7.14.3 The three growth scenarios, including the impact of local factors, are presented in Table 7.6.

Table 7.4 Growth Projections with Local Factors and Sensitivity

	<i>Adjusted CAGR</i>	
	<i>Office</i>	<i>Industrial</i>
<i>Low Growth Scenario</i>	1.6%	-0.8%
<i>Medium Growth Scenario</i>	1.8%	-0.7%
<i>High Growth Scenario</i>	2.0%	-0.6%

Source: URS (2013)

7.15 Industrial and Office Forecast

- 7.15.1 The net growth in demand for office and industrial floorspace over the planning period, 2012 to 2026 is set out in Table 7.7. Net growth refers to the balance of commercial space once new development and the loss of premises (either demolished or changed use) has been taken into account.
- 7.15.2 The table shows that the net requirement employment floorspace in LB Hillingdon by 2026 is estimated to be between 167,500m² and 209,700 m² for office space, and -94,200m² to 114,000m² additional floorspace for industrial. Given the stage of the current economic cycle it is likely that short-term growth will be at a lower rate than the long-term average.

Table 7.5 2026 Office and Industrial Floorspace Forecast ('000 m²)

	Additional Floorspace Requirements at 2026		
	Net Low Scenario.	Net Med Scenario.	Net High Scenario.
<i>Office</i>	+167.5	+188.4	+209.7
<i>Industrial</i>	-114.0	-104.1	-94.2
<i>Total</i>	53.5	84.2	115.6

Source: VOA; URS 2013

7.16 Development Pipeline

7.16.1 Analysis of LB Hillingdon employment planning application data (for financial years 2010 to 2013 i.e. the base date) shows there is a negative net development pipeline for both offices and industrial uses. This generally relates to planning permissions not started and is assumed to relate to the falling demand for employment space due to the recent economic downturn. Most of these applications are for change of use from employment to residential or other mixed use. The headline development pipeline figures are as follows:

- Offices (B1) – 4,120 m²
- Industrial (B2 and B8) – 10,427¹³ m²

7.16.2 The office pipeline can be left as floorspace as it is not always clear what plot ratios should be used due to offices either being high density town centre offices with multiple levels or lower density 'out of town' business park office developments. The industrial floorspace figure can be converted to land by using the plot ratio 0.5¹⁴. This results in approximately -4.2 ha of industrial land that has permission to be released from industrial use. Office and Industrial development pipeline will be factored into the policy recommendations as described in Section 9.

¹³ Note that this does not include Nestles potentially vacating their site in Hayes as no planning application has been submitted at time of writing.

¹⁴ DCLG (2004) Employment Land Review Guidance p.47

7.17 Other Users of Industrial or Office Land

Waste Management and Recycling

- 7.17.1 Based on the borough waste apportionment outputs in the London Plan and making allowance for re-use of surplus waste transfer capacity, the SPG on Land for Industry and Transport estimates the likely future land requirement for new waste facilities in each borough 2011-2031¹⁵. 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.
- 7.17.2 The draft SPG states that the net additional indicative land requirement for Hillingdon to 2031 is +6.2ha. Although this is a high level estimate the annual average (2011 to 2031) is 0.3 ha per annum. Over the ELS period (2013 to 2026) this would equate to 3.9 ha. It is known that a 3.1ha waste site at Stonefield Way/Victoria Road is recommended to be incorporated as Strategic Industrial Land so this can be taken off the 3.9ha figure for the sake of this demand estimate. This would leave 0.8ha of land for waste that should be accommodated in Hillingdon over the planning period.

Utilities, & Land for Public Transport

- 7.17.3 The GLA London's Industrial Land Baseline (2010) measured 25.8ha of land for utilities and public transport. Industrial land safeguarded for Crossrail use includes 10.1 ha currently and 3.1 ha after the construction is finished. The remaining 3.1 ha is within existing employment clusters and so is added to the overall demand, as shown at Table 7.8 below.

¹⁵ GLA, Land for Transport and Industry SPG (2012) Annex 2

7.18 The Forecast for Industrial Land to 2027

- 7.18.1 The 2004 CLG ELR guidance, states that where possible employment floorspace should be converted to employment land using plot ratios¹⁶. 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 development density (plot ratio and storeys) tends to be static for industry and warehousing premises, and a plot ratio of 1:0.5 (land to premises, over one storey) can be applied. This ratio means that over one hectare of land one can typically expect the footprint of an industrial or warehouse building to take up 0.5 hectares. Using this ratio we calculate that the additional demand for industrial floorspace, set out in Table 8.7, is the equivalent of -19.7ha, -18.0ha or -16.2ha (low, medium and high growth scenarios respectively).
- 7.18.2 The demand forecasts set out in Table 8.8 take into account the demand for waste and recycling land and the need to retain an appropriate level of vacant or derelict land while sites are prepared for new occupiers (termed frictional vacancy¹⁷).

¹⁶ Page 47 of the Guidance

¹⁷ See paragraph 3.7 of the Land for Industry and Transport Draft SPG (Mayor of London; February 2012) for a fuller explanation of frictional vacancy

Table 7.6 Industrial Employment Land Demand, 2011-2026

<i>Additional elements of demand for industrial land</i>	<i>Low</i>	<i>Medium</i>	<i>High</i>
		(hectares)	
1. Supply of occupied industrial land 2013		383.9	
2. Vacant industrial land 2013 (8%)		30.9	
3. Gross industrial land 2013 (1+2)		414.8	
4. Land demand to 2026 (at 50% plot ratio)	-19.7	-18.0	-16.2
5. Additional demand for waste recycling and public transport (Crossrail) to 2026		3.9	
6. Normal levels of vacant land for 'friction' in 2026 at 8% (includes 8% of occupied land + land demand + 0.8 ha waste)	29.2	29.4	29.5
7. Excess vacant land (includes normal levels of frictional land (line 6)) minus vacant land (line 2))	-1.7	-1.5	-1.4
8. Gross demand for industrial land 2013-2026	363.3	365.4	367.6
9. Net change (Gross industrial land (line 3) minus gross demand 2013- 2026 (line 8))	-20.6	-18.5	-16.3
10. Net change per annum (ha)	-1.6	-1.4	-1.3

Source: URS; GLA London's Industrial Land Baseline (2010); Land for Transport SPG (2012)
 Figures may not sum due to rounding

7.18.3 The implications of this analysis is that there is a surplus of employment land in the region of between 16ha and 21ha, depending on the demand scenario.

7.19 The Forecast for Office Floorspace to 2026

- 7.19.1 Table 8.6 shows up to 2026 there is additional (net) demand for between approximately 167,000m² and 210,000m² of office floorspace in LB Hillingdon.
- 7.19.2 When the total estimated (gross) quantum of B1 floorspace in 2026 (mid-growth scenario – 852,377 m²) is divided by the number of B1-related jobs taken from the GLA economic forecasts (46,163), the floorspace per employee is 18.5 m², which is broadly in line with the ODPM guidance of 17.9 m². This would seem a realistic density given the increased flexible working practices and significant proportion of ‘out of town’ office developments in Hillingdon such as Stockley Park.
- 7.19.3 Because of the mix of densities of office developed in Hillingdon, 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) in Table 8.9 below. This takes account of existing vacancy rates and frictional vacancy rates.

Table 7.7 Office Floorspace Demand, 2012-2026

	<i>Low</i>	<i>Medium</i>	<i>High</i>
Demand for office floorspace		(m ²)	
A. Actual (Gross) B1 Floorspace		664,000	
B. Current Vacant Floorspace (12%) in excess of optimum rate (8%)		-26,560	
C. Demand for B1 floorspace	167,519	188,377	209,721
D. Additional floospace required for frictional demand	13,402	15,070	16,778
E. Revised gross demand for B1 floorspace 2013-2026	818,360	840,887	863,938
F. Revised net demand for B1 floorspace 2013-2026	154,360	176,887	199,938

Source: URS

Figures may not sum due to rounding

7.20 Employment Density Analysis

7.20.1 The demand forecasting exercise in this study has not directly used employment densities applied to projected employment numbers and then translated into demand for employment land. This approach is used in some ELS studies. This approach is not used in this ELS to project long term demand for employment land for use in spatial policies because it can be too simplistic, it relies on current employment density assumptions, which might not capture potential for future change and intensification linked to greater efficiencies and it is also reliant on current employment projections for a particular borough which does not recognise the potential for a borough to 'capture' demand from neighbouring boroughs. Despite this, for information purposes a basic analysis of how much land might be projected based on GLA borough employment forecasts and standard employment density assumptions is provided in Table 7.10 below. This is only provided for industrial uses as office demand is not translated into land:

Table 7.10 Employment Densities Analysis

	<i>GLA Employment Projections – LBH 2026 (Net additional)</i>	<i>Employment Density (jobs per ha)</i>	<i>Source</i>	<i>Future Land Demand (ha)</i>
Industrial	-2,117	72	GLA Industrial Land Baseline Table 4.3	-29.4

7.21 Summary of Employment Land Forecast

7.21.1 The demand forecasting exercise in this chapter has considered 'top down' macro economic factors such as historic trends in floorspace and employment and GLA employment forecasts across the West London and Slough PMA for industrial and offices uses. It has contrasted these 'top down' trends against 'bottom up' market intelligence on likely future demand based on the findings of the property market consultation exercise. Finally it has factored in land for waste and other uses, current vacancy levels and the need to retain a buffer of vacant land (frictional vacancy) so that the market can operate effectively. A sensitivity test has been performed. The conclusion of the most likely scenario to occur, the medium scenario, is that there is a surplus of approximately 18.7ha of industrial land that could potentially be released to other uses between 2013 and 2026. However, demand for offices is expected to be strong with the need for approximately 175,000 m² under the same scenario and time frame.

8 CONCLUSIONS AND RECOMMENDATIONS

8.1 Introduction

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

8.2 Conclusions

Industrial

8.2.1 There is a total of approximately 383.9ha of land currently in active industrial use in LB Hillingdon (please refer to Table 7.8), with total industrial floorspace estimated to be in the region of 1,080,000 m². Our demand forecast shows that there is projected to be a decrease in demand for industrial land of between 20.6ha and 16.3ha (not including frictional floorspace) in the period 2013 to 2026. This is due largely to a forecast decrease in industrial employment as projected by the GLA and a corresponding continuation of a historic declining trend in industrial floorspace take-up as shown at Table 7.4.

8.2.2 It is difficult in the LB Hillingdon context to differentiate between industrial/manufacturing land uses (B1) and logistics/warehousing (B8) as these two uses are generally mixed and to a certain extent interchangeable on industrial estates in the borough. There is likely to be relatively more demand for B8 land uses than B2 uses. However, overall it is projected that over the planning period there will be decreasing demand for industrial uses as a whole. This is broadly due to the long term trend of relative de-industrialisation in the UK economy.

8.2.3 Corresponding to this conclusion the GLA Land for Industry and Transport SPG (2012) suggests that demand for industrial land in Hillingdon is likely to be negative in the period to 2031 (at -26 ha or -1.3ha per annum¹⁸). It places LB Hillingdon in the 'Limited' category of transfer of industrial land to other uses. This means that the Council should seek to release industrial land where there is proven to be a surplus of supply to meet forecast demand as per London Plan Policy 4.4.

¹⁸ GLA , Land for Industry and Transport SPG (2012) p117

- 8.2.4 To derive the net industrial land demand we also take into account the supply-side position. There is approximately 31ha of developable vacant land (see Table 7.8). After taking account of this vacant and developable industrial land, the need to retain an appropriate 'buffer' or vacant land to allow the market to function effectively (frictional vacancy) and demand for additional land required for waste and recycling facilities and public transport (+3.9ha, as explained in Section 7.12), we estimate that net demand over the planning period will be between -20.6ha and -16.3ha of industrial land; that is industrial land that can be released for other uses. The medium scenario, which is considered the most likely scenario and therefore forms the basis of the policy recommendations as discussed at 8.3 below, is approximately -18.5 ha or -1.4ha p.a. This corresponds closely to the Land for Industry and Transport SPG indicative target.
- 8.2.5 There are currently three levels of policy designation for industrial land in LB Hillingdon. These are; Strategic Industrial Land (SIL) as outlined by the London Plan (2011) Policy 2.17, non SIL Industrial Business Areas (IBA) as outlined in the LB Hillingdon Unitary Development Plan (UDP) (2007) which are effectively the same category as Locally Significant Industrial Sites (LSIS) subject to formal designation, and finally undesignated industrial sites. The non SIL IBAs are proposed to be either designated as LSIS or Locally Significant Employment Sites (LSES) i.e. more suitable for office employment, based on the findings and recommendations of this report¹⁹. The relative split of these industrial land use designations in the borough are; SIL (63.9%), LSIS (25.2%) and undesignated (10.9%).
- 8.2.6 The 2009 LB Hillingdon ELS and 2010 Employment Statement made recommendations on the redrawing of IBA boundaries. This was due mainly to historic loss to other uses such as retail or residential or where there were known future redevelopment plans. There are approximately 12 hectares of existing industrial land that was recommended for release in the 2009 ELS that is still vacant and has not been redeveloped since the 2009 ELS report.

¹⁹ see Map 5.1 of the 2012 LB Hillingdon Local Plan Strategic Policies

- 8.2.7 This 12 hectares includes; 1 hectare at Summerhouse Lane (Cluster 1), 1 hectare at Uxbridge Industrial Estate (Cluster 2), 1 hectare at Trout Road (Cluster 5), 4.75 hectares at Braintree Road (Cluster 8) and 4.32 hectares at Blyth Road (Cluster 13). However, the land at Uxbridge Industrial Estate and Blyth Road has planning permission for alternative uses so these elements could be considered to be released already. Also, around 4 hectares of land at Millington Road (Cluster 15) has permission for office and a supermarket. This leaves around 10.5 hectares of industrial land available that can be deducted from the net demand figure of -18.5 leaving approximately 8 hectares of additional surplus industrial land that should be identified to be released to other uses to meet forecast demand over the planning period. Much of this could be achieved through the redevelopment of existing industrial land that is expected to be released at Nestles Avenue (Cluster 12). Market research and consultation with agents and stakeholders suggests that the vacated site would be unlikely to come forward for industrial uses in the short to medium term. It may therefore be appropriate in terms of meeting the Council's wider policy objectives to seek a mixed use redevelopment of the site. If this occurred an element of employment provision would be retained. A strategy towards identifying this surplus land is outlined in the following section on policy recommendations.
- 8.2.8 On the supply side the field survey assessed that generally LB Hillingdon has a good and fit for purpose industrial land supply. There are many strongly performing areas in the borough, in particular the four SILs. The four SILs are; Uxbridge Industrial Estate (Cluster 2), North Uxbridge Industrial Estate (Cluster 3), Stonefield Way/Victoria Road (Cluster 7) and Hayes Industrial area (covering Clusters 10 to 17 and Cluster 20). Based on the findings of the field survey, as described at Chapter 4, these SILs which make up around 65% of industrial land were overall judged to have key strategic characteristics supportive of employment land activities, such as good/ very good access to the strategic road network and are in adequate condition, very good/ good or average condition. In addition to the SILs the following IBAs (LSISs) were judged to have similar positive industrial land characteristics; Packet Boat Lane (Cluster 4), Braintree Road (Cluster 8), West Drayton Depot (Cluster 9), Bath Road (Cluster 18) and Covert Farm (Cluster 19).

8.2.9 Although generally the employment land market in LB Hillingdon is healthy, as demonstrated by the views of the local property market agents (Chapter 6), there are some clusters that have sub-optimal vacancy rates. This could indicate relatively less positive employment land characteristics. Clusters with sub-optimal vacancy rates (i.e. greater than 25%) as observed through the field survey include the following; Trout Road (Cluster 5), Covert Farm (Cluster 19), Saxon Way Freight Centre (Cluster UN2), Thorney Mill Road (UN4) and Princess Way (UN11). In addition, two of these clusters have other characteristics that make them unsuitable for industrial use. These are Saxon Way (Cluster UN2) which was judged to have inadequate road access and Princess Way (Cluster UN11) which was judged to have inadequate servicing and parking.

Offices

8.2.10 There is approximately 664,000m² of gross office floorspace in LB Hillingdon with the majority located in the three main offices locations of Stockley Park, Uxbridge Town Centre and Heathrow/M4 Perimeter. Only Stockley Park, some employment/industrial business park sites in the Heathrow/M4 Perimeter around Hayes and some isolated office locations such as Summerhouse lane, Harefield (Cluster 1), Odyssey Business Park in Ruislip (Cluster 21) and Hayes Park (Cluster UN10) were surveyed in the ELS. Office demand in town centres (mainly Uxbridge town centre) was not assessed in this ELS as it is dealt with in a specific Hillingdon town centre study.

8.2.11 Our forecasting exercise estimated that there is additional demand for between approximately 155,000 and 200,000m² of office floorspace throughout the borough up to 2026 (see Table 7.9). Office floorspace growth is attributed to ongoing demand for space within all three of the above described main office locations. According to the consultation with market agents the relative split of this overall 175,000m² demand between the three main office locations is relatively even.

8.2.12 The property market analysis also indicates that the LB Hillingdon office market typically caters mostly for larger multi-national companies who locate in the borough due to its positive locational characteristics such as proximity to Heathrow, M4, A40/M40 and access to Central London and Thames Valley Markets. Although Hillingdon is part of Greater London and has connections to the Central London office market it is more closely linked to the Thames Valley market. Heathrow is a major draw for multi-national firms especially American conglomerates who need quick access to the USA via Heathrow. Property agents suggested that demand is likely to remain strong amongst these potential occupiers, particularly for Grade A stock.

8.2.13 The arrival of Crossrail at three stations along the Heathrow perimeter and related improvements to building quality and the public realm in these locations is expected to increase footfall and make the town centres more attractive to office uses and other commercial uses such as retail, restaurants and bars. This should have a positive cumulative effect helping to keep demand for offices strong and healthy over the planning period.

8.3 Proposed Policy Direction

8.3.1 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 presented above. A summary of the recommendations are set out in Table 8.1.

8.3.2 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 Local Plan evidence base. These recommendations are URS' independent recommendations and the Council will subsequently consider these before drafting its own Local Plan policies.

8.3.3 The recommendations are presented around the following themes:

- Recommended designation of Industrial (B2/B8) employment land
- Recommended designation of Office (B1) employment land
- Monitoring the development of Employment Land

8.4 Recommended Designation of Industrial Land (B2/B8)

8.4.1 **R1: To help ensure there is sufficient capacity to meet projected demand for industrial land to 2026 the following existing designated employment land should be protected:**

a) **All SIL designated land apart from the following 4.32 ha of vacant industrial land which is currently designated SIL but was recommended in the 2009 ELS to be released from SIL because redevelopment plans exist:**

- **4.32 ha of vacant industrial land at the Old Vinyl Factory at Blyth Road (Cluster 13) – (Also see recommendation 5 regarding redevelopment of this vacant land)**
- **Also, the permitted or existing office and retail elements of the following SIL clusters should be designated LSES to reflect their office character (see recommendation 5 for further information):**
 - **Blyth Road (Cluster 13)**

- **Millington Road (Cluster 15) (including existing and permitted office and permitted super market)**
- **Nestles Avenue (Cluster 12) will be vacated shortly and therefore the Council may wish to review whether it should be retained as SIL or redeveloped for mixed uses (including an employment element) to avoid the long term vacancy of the site and to meet wider Council policy objectives.**
- **Approximately 12.5ha of the Uxbridge Industrial Estate (Cluster 2) at the site known as the Cape Boards site at Iver Lane is being promoted for release to non industrial uses. This site is currently used for open storage and although currently there appears to be demand at a borough wide level to justify its retention it could be kept under review as a potential site to release in the future.**
- b) **All IBAs not designated as SIL (i.e. they are effectively LSIS - see recommendation 2 below for IBA clusters recommended to be designated LSIS) apart from the following 6.72 hectares of IBA/LSIS industrial land recommended for release in the 2009 ELS due to existing redevelopment plans:**
 - **1.0 ha of vacant industrial land at Royal Quay/ Summerhouse Lane (Cluster 1)**
 - **0.72 ha of vacant land (currently a temporary car park) at Trout road (Cluster 5)**
 - **4.75 ha of vacant industrial land at Braintree Road (Cluster 8) that is earmarked for redevelopment**

Justification

- 8.4.2 Over the Local Plan period there is projected to be gross demand for approximately 365 ha of Industrial land (B2 and B8) in LB Hillingdon (see Table 7.8). This demand should be accommodated at the most appropriate locations for these uses within the borough. The vast majority of sites within the SIL framework remain the most suitable locations for accommodating this demand. This corresponds to London Plan Policy 2.17. SIL covers around 64% of total industrial land in the borough. On this basis we recommend continued designation of SIL sites apart from the following; 4.32 ha of land at Blyth Road 'Old Vinyl Factory' which is appropriate for redevelopment as office development but remains vacant (see recommendation 6 below for further information on redevelopment plans for this site). This site has planning permission so is effectively released already; also, the permitted or existing office and retail elements of Blyth Road (cluster 13) and Millington Road (cluster 15) as they are effectively released already.

- 8.4.3 The approximately 10 hectares of land at Nestles Avenue (Cluster 12) that is likely to be vacated by Nestles could be de-designated as SIL, subject to negotiation with the GLA. The justification for this would be that retention of the site for industrial uses may restrict the development of the site and it could remain derelict for a long period. The Council may seek to permit redevelopment of the site for mixed uses (including an employment element) to meets its wider policy objectives.
- 8.4.4 Approximately 12.5ha of the Uxbridge Industrial Estate (Cluster 2) - 'Cape Boards' site at Iver Lane' - is promoted for release to non industrial uses. The site is currently used for open storage and although currently there appears to be industrial demand at a borough wide level to justify its retention it could be kept under review by the Council as a potential site to release to help meet wider policy objectives.
- 8.4.5 Also, to meet forecast demand all IBAs designated in the LB Hillingdon UDP (2007) saved policies that are not SIL should be retained as industrial land apart from the following; 1 ha of vacant former industrial land at Royal Quay/Summerhouse Lane, 0.72 ha of land that is currently a temporary surface car park at Trout Road but which is earmarked for redevelopment as a residential site (also see recommendation 4 below for recommendation on remaining employment element of Trout Road cluster) and 4.75 ha of vacant industrial land at Braintree Road (former Arla food site) that could be redeveloped for mixed use/retail. IBAs/LSIS form approximately 25% of the total industrial land in the borough. The non SIL IBAs that are recommended to be retained as industrial land should be designated as LSIS so that they are in line with the London Plan. The specific clusters recommended for designation as LSIS are provided at recommendation 2 below.
- 8.4.6 The land that will be effectively released as described above from the SIL and IBA/LSIS clusters will total approximately 6 ha. This 6 ha should be taken away from the -18.7 ha of net demand for industrial land leaving approximately -12.7 ha of additional industrial land that could be released to other uses. The clusters where release would be appropriate are discussed further at Recommendation 4.

- 8.4.7 The SIL and IBA/LSIS employment areas recommended for retention and designation were judged in the field survey and property market assessment to have characteristics that make them suitable for continued industrial use. These characteristics include; good access to the communications network (M40, M4), access to markets (mainly Central London and Thames Valley), good quality industrial buildings, adequate servicing and parking and absence of negative environmental impacts on neighbouring incompatible land uses such as residential.
- 8.4.8 **R2: To help bring LB Hillingdon planning policy in line with the London Plan naming conventions the following IBAs are recommended to be designated as LSIS to help meet expected forecast demand and due to their positive industrial land characteristics (also see Recommendation 1 (b) above):**
- a) **Summerhouse Lane (Cluster 1)**
 - b) **Packet Boat Lane (Cluster 4)**
 - c) **Braintree Road (Cluster 8)**
 - d) **Bath Road, Heathrow (Cluster 18)**
 - e) **Covert Farm, Heathrow (Cluster 19)**

Justification

- 8.4.9 As discussed at Recommendation 1 above there is gross demand in LB Hillingdon for approximately 365 ha of industrial land over the planning period. While the majority of this demand can be accommodated in the boroughs four SIL locations which cover around 63% of land in the borough a significant element (around 25%) of the demand can be accommodated at IBA/LSIS. LSIS is a lower level of designation, identified at paragraph 4.19 of the London Plan (2011). It covers industrial land that fulfils a locally significant function. The London Plan suggests that Councils should make explicit what uses are considered appropriate at these locations to avoid change of use and loss of industrial capacity. LB Hillingdon currently has a designation of IBA for non SIL industrial land. It is recommended that the following non SIL IBAs are designated LSIS to bring them in line with the London Plan.
- 8.4.10 Summerhouse Lane (Cluster 1) is an isolated employment cluster that fulfils a local employment need. It provides accommodation for small companies mainly in artisan workshops and the growing high tech and knowledge economy sector. The cluster is a mixture of B1 (a) or B1(c) use. Despite having relatively poor road access due to its isolated nature it has a good quality of environment and good quality buildings. It causes limited impact on the nearby residential area. It is therefore appropriate to designate as a locally significant industrial area and the expected uses can be light industry B1 (c) and artisan workshops.

- 8.4.11 Packet Boat Lane (Cluster 4) is a mixed industrial and distribution industrial estate with very good access to facilities, is well located close to Hayes Industrial Area SIL and close to the M25/M4. It has some vacancies but overall fit for purpose buildings.
- 8.4.12 Apart from the 4.75 ha of the Braintree Road (Cluster 8) site earmarked for the retail/residential redevelopment at the former Arla food site, the remaining western portion of the cluster is an active industrial/distribution estate with numerous smaller companies fulfilling a locally significant function. It has fit for purpose buildings, environment, access, parking and servicing.
- 8.4.13 Bath Road, Heathrow (Cluster 18) contains mainly logistics and airport related businesses and some offices that fulfil a locally significant employment function. The site has characteristics that make it fit for its purpose with adequate parking, servicing and building quality. Part of the site has permission for mixed use development including an employment element.
- 8.4.14 Covert Farm (Cluster 19) is a specialist airport related cluster that has fit for purpose buildings and other industrial/distribution land use characteristics. It fulfils a significant function for local employment and should be protected accordingly.

R3: The following non designated clusters are fully occupied and fulfil a distinct employment purpose. However, given their particular characteristics it may not be necessary or appropriate to designate them as LSIS:

- a) **West Drayton Depot, Tavistock Rd (Cluster 9)**
- b) **Donkey Lane (Cluster UN3) – mainly sui generis auto repair and scrap/salvage yards**
- c) **Sanctuary Road (Cluster UN5) – Heathrow Animal Reception Centre run by City of London Corporation**
- d) **LB Hillingdon Harlington Road Depot (Cluster UN8)**
- e) **Harefield Oil Depot (Cluster UN9)**

Justification

- 8.4.15 The above employment clusters fulfil individual and unique roles. These roles include public functions such as Council depots and animal reception centres (Clusters 9 and UN5) and utilities functions (Clusters UN8 and UN9). Donkey Lane (Cluster UN3) has a variety of sui generis uses such as scrap and salvage yards that appear to fulfil a local need although the quality of the site is generally poor. As such these clusters are likely to remain in employment use as long as they are required and would not necessarily need to be designated as LSIS. They are all not currently suitable for release to residential uses. If the Council desires they could be designated as local industrial areas to offer some formal planning policy protection, although it is noted that they are currently protected by UDP policy LE4.
- 8.4.16 **R4: In order to help retain an appropriate balance of supply and demand of industrial land over the planning period, the Council could consider a more flexible approach to changes of use away from remaining industrial employment uses at the following sites that total approximately 6.0 ha:**
- a) **Trout Road (Cluster 5) – approximately 1.6 ha of remaining industrial land**
 - b) **Tavistock Road (Cluster UN7) – approximately 2.3 ha**
 - c) **Princess Way (Cluster UN11) – approximately 1.8ha**

Justification

- 8.4.17 According to the results of the demand forecasting exercise (Chapter 7) there is net demand of -18.7 ha over the planning period under the median scenario. This means that, in line with the NPPF, London Plan and GLA Land of Industry and Transport SPG an equivalent amount of existing industrial land could be released to other uses over the local plan period. As described in Recommendation 1 above, approximately 6 ha of existing vacant industrial land has already been identified for release. This leaves a residual of around 12.5ha of industrial land that should be identified in the Councils existing portfolio of industrial land. Based on the criteria assessed in the field survey the following clusters are considered appropriate for release to help achieve an effective balance of supply and demand of industrial land in the borough. Once these sites are released there would still remain a residual of around 6 ha that could be further released. This could potentially arise at Nestles Avenue if the Council seek to redevelop for mixed uses while retaining some employment.

- 8.4.18 The majority of the IBA designated Trout Road has been released to residential uses. There remains a 0.72 ha cleared site that is currently used as a temporary car park that is due to be redeveloped as housing. This is covered by recommendation 1. The only element of the site that is in active industrial use is an approximately 1.6ha area close to the A408 and West Drayton High Street. This area comprises mainly auto related sui generis uses and could potentially be released to residential or other uses due to its proximity to existing residential and retail uses.
- 8.4.19 Tavistock Road (Cluster UN7) is an undesignated cluster close to West Drayton town centre. It has high vacancy levels, signs of recent release to residential uses and mainly poor quality buildings. It is therefore appropriate for release to other uses if and when market demand dictates.
- 8.4.20 Princess Way (Cluster UN11) is small industrial estate close to local retail and residential. Although it is near the Stonefield Way/Victoria Road SIL it would be appropriate for release to other uses due to its high vacancy levels, poor access and parking.

8.5 Recommended Designation of Office Land (B1)

- 8.5.1 The following policy recommendations relate to the office demand forecasting exercise as described at section 7.14 and apply to demand for office floorspace across the borough. This is despite the fact that the specific supply of town centre office was not qualitatively assessed in this ELS as it is addressed separately through a town centre study.
- 8.5.2 **R5: There is a net additional demand for approximately 175,000 m² to of B1 floorspace up to 2026. Approximately 80% of this additional demand could be met through known development proposals at the following existing 'out of town centre' employment clusters. The office element of these clusters should be designated as Locally Significant Employment Areas (LSES) to afford it formal planning policy protection:**
- a) Stockley Park (Cluster 6) – approximately 67,500 m² of office development proposed
 - b) Millington Road (Cluster 15) – approximately 20,000 m² proposed
 - c) Blyth Road 'Old Vinyl Factory' (Cluster 13) – approximately 50,000 m² with planning permission

Justification

- 8.5.3 Stockley Park is a well established business park and one of the UK's premier business park locations. It houses the UK headquarters of many of the world's most significant companies such as Apple, Canon, BP, Marks and Spencer and Sharp. It is a significant local and regional employer employing around 7,000 people. There are plans for the development of around 67,500 m² of new office development and this could help to meet a significant proportion of the net demand for around 175,000 m² of the planning period²⁰. It should be designated as LSES to afford it planning policy protection.
- 8.5.4 Millington Road (Cluster 15) is close to Hayes town centre and has seen recent development of high specification office. The site is ideally located close to public transport and has good quality environment. There are plans for approximately 20,000m² of additional office development, along with a supermarket, and once implemented this would help to meet the forecast office demand. The office element of the cluster should be removed from SIL designation and designated LSES.
- 8.5.5 The 'Old Vinyl Factory' at Blyth Road (Cluster 13) is a vacant site appropriate for redevelopment as an office location. It has good access to facilities and public transport and potential to be a new high quality office location to meet local employment needs. Approximately 50,000m² of development has planning permission and this would help to meet future demand over the planning period. The office element of the cluster should be removed from SIL designation and designated LSES.
- 8.5.6 **R6: The residual 20% additional demand for office floorspace to 2026 could be accommodated in Uxbridge Town Centre, other local town centres and through the redevelopment of RAF Uxbridge.**

Justification

- 8.5.7 The large potential office developments at three clusters listed at recommendation 6 above would help to deliver around 80% of the projected office demand to 2026. The residual 20% could be met through smaller scale office developments in town centres across LB Hillingdon. The majority could be provided at Uxbridge town centre, although it is recognised that there is little capacity there and schemes such as the redevelopment of RAF Uxbridge which has proposals for approximately 20,000m² of office development.

²⁰Source: http://www.kajima.co.uk/case-studies/stockley_park/

8.5.8 **R7:** The following clusters could be designated as LSES because although they are out of town business parks they currently provide office floorspace and a LSES designation would help to protect them from potential change of use:

- a) Odyssey Business Park (Cluster 21)
- b) Hayes Park (Cluster UN10)
- c) Schering Plough (Cluster UN12)

Justification

8.5.9 Odyssey Business Park (Cluster 21) is an existing office location and could be protected through a LSES designation.

8.5.10 Hayes Business Park (Cluster UN10) is a business park with high quality buildings and environment providing office accommodation and some B1(B) and B1(c) facilities for large multinational companies such as Heinz, United Biscuits and Fujitsu. Although it is accessed through a residential area it does not appear to cause significant harm and a LSES designation would recognise its importance as a local employment site.

8.5.11 Schering Plough (Cluster UN12) is a high quality employment site currently undesignated. It provides B1(b) facilities. It should be designated LSES to reflect its importance as a local employment site.

8.6 Monitoring of Employment Land

8.6.1 **R8:** 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, 2013 to 2026.

Justification

8.6.2 It is important that 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.

8.6.3 Government guidance on undertaking and implementing employment land reviews through the planning system includes minimum recommended employment monitoring within the LDF and regular updates to ELS's. 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).

8.7 Summary of Report Recommendations per Cluster

- 8.7.1 Table 8.1 provides a summary of report recommendations per cluster. Indicatively, the table also shows the total quantum of industrial employment land release, based on our calculations of existing site uses, and additional office floorspace recommended to meet future forecast demand. Total land release is in line with the outcome of the employment land forecasting exercise.
- 8.7.2 As part of its annual 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 office market.

Table 8.1 Summary of Report Recommendations per Cluster

URS Cluster No.	Cluster	Existing Designation	ELS Recommendation 2013	Industrial land release (ha) (Approx.)	Additional Office floorspace (m2)
1	Summerhouse Lane	LSIS	Retain and designate as LSIS (R1) and (R2) apart from release	-1.0	
2	Uxbridge Industrial Estate	SIL	Retain designation as SIL (R1) – although Cape Boards site at Iver Lane kept under review		
3	North Uxbridge	SIL	Retain designation as SIL (R1)		
4	Packet Boat Lane, Cowley	LSIS	Retain and designate as LSIS (R1) (R2)		
5	Trout Road	LSIS	Release remaining industrial land (R1) (R4)	-2.3	
6	Stockley Park	LSIS	Designate as LSES (R5)		+67,500
7	Stonefield Way/ Victoria Road	SIL	Retain designation as SIL (R1)		
8	Braintree Road	LSIS	Retain designation as LSIS (R1) apart from release	-4.8	
9	West Drayton Depot, Tavistock Road	LSIS	Retain and monitor but not designate as LSIS (R3)		
10	Horton Road	SIL	Retain designation as SIL (R1)		
11	Stockley Close	SIL	Retain designation as SIL (R1)		
12	Nestle's Avenue	SIL	Retain designation as SIL (R1) or redevelop for mixed uses including employment if deemed appropriate by the Council	(-10 to -6)	
13	Blyth Road	SIL	Retain designation as SIL (R1) apart from release + additional office (R5)		+50,000
14	Rigby Lane/ Swallowfield Way/	SIL	Retain designation as SIL (R1)		
15	Millington Road	SIL	Retain designation as SIL (R1) + additional office (R5)	-4	+20,000
16	Springfield Road	SIL	Retain designation as SIL (R1)		
17	Pump Lane	SIL	Retain designation as SIL (R1)		
18	Bath Road, Heathrow	LSIS	Retain and designate as LSIS (R1) (R2)		
19	Covert Farm, Heathrow	LSIS	Retain and designate as LSIS (R1) (R2)		
20	Stockley Pro Logis Park	SIL	Retain designation as SIL (R1)		

URS Cluster No.	Cluster	Existing Designation	ELS Recommendation 2013	Industrial land release (ha) (Approx.)	Additional Office floorspace (m2)
21	Odyssey Business Park	LSIS	Retain and designate as LSES (R7)		
UN1	Hatton Road North	Non-designated	In airport boundary therefore protected for airport uses		
UN2	Saxon Way Freight Centre	Non-designated	In Green belt – not appropriate for employment		
UN3	Donkey Lane	Non-designated	Retain and monitor but not designate as LSIS (R4)		
UN4	Thorney Mill Road	Non-designated	In Green belt – not appropriate for employment		
UN5	Sanctuary Road	Non-designated	Retain and monitor but not designate (R4)		
UN6	Scylla Road	Non-designated	In airport boundary therefore protected for airport uses		
UN7	Tavistock Road	Non-designated	Flexible approach to release (R5)	-2.3	
UN8	LBH Depot	Non-designated	Retain and monitor but not designate as LSIS (R4)		
UN9	Harefield Oil Terminal	Non-designated	Retain and monitor but not designate as LSIS (R4)		
UN10	Hayes Park	Non-designated	Designate as LSES (R8)		
UN11	Princes Way	Non-designated	Flexible approach to release (R5)	-1.8	
UN12	Schering Plough	Non-designated	Designate as LSES (R8)		
			Total land/ floorspace release /gain	-16.2	+137,500
			Total land/floorspace release including Nestle Avenue (cluster 12)	Approx -26.2 to -22.0 (assuming an element of Employment)	

Source: URS (2013)

APPENDIX A: CLUSTER MAPS

APPENDIX B: EMPLOYMENT CLUSTER QUESTIONNAIRE

BUSINESS CLUSTER NUMBER (URS): ____ **YOUR INITIALS:**
DATE:

LDF Employment Allocation / Policy Designation (Desk based)

- | | |
|---|--|
| <input type="checkbox"/> SIL | <input type="checkbox"/> LSIS |
| <input type="checkbox"/> LEA | <input type="checkbox"/> Other (e.g. Opportunity Area / Growth Area) |
| <input type="checkbox"/> Non-designated | |

What is/are the main employment and/or other significant land-use/s? (Mark land uses on map / check existing uses are correct using key in manual e.g. B2 / B8 / Land for Waste Transport etc)

The business premises typologies in the cluster are best described as (multiple ticks possible):

- | | |
|---|--|
| <input type="checkbox"/> Business district | <input type="checkbox"/> Waste mgmt / Recycling / environmental industrial sites |
| <input type="checkbox"/> General Industrial estate / business areas | <input type="checkbox"/> Car Repairs |
| <input type="checkbox"/> High Tech Manufacturing | <input type="checkbox"/> Storage |
| <input type="checkbox"/> Green Technology | <input type="checkbox"/> Town centre |
| <input type="checkbox"/> Warehouse / distribution Park / wholesale | <input type="checkbox"/> Incubator / SME cluster |
| <input type="checkbox"/> Local shopping centre | <input type="checkbox"/> Local Office Centre |
| <input type="checkbox"/> High quality Business Park. | <input type="checkbox"/> Other (describe any other uses) |
| <input type="checkbox"/> Media | |
| <input type="checkbox"/> Arts and Creative Industries..... | |

Main business occupiers (note taking and photos of estate signs)

Comments	
-----------------	--

The cluster lies within close proximity to / has impact on *(multiple answers possible)*

- | | |
|--|-------------------------------------|
| <input type="checkbox"/> Residential or Community uses | |
| <input type="checkbox"/> Town centre | |
| <input type="checkbox"/> Local shopping centre | <input type="checkbox"/> Other..... |

Bad neighbourhood uses (including sensitive receptors eg residential, schools)

Businesses in the business cluster cause:

- None

Comments	
-----------------	--

- Noise pollution
- Air pollution
- Smell
- HGV traffic
- Significant car traffic

Physical site constraints in cluster? (i.e. access from local road, layout issues, incompatible land use, environmental/nature conservation) Comment and mark on map

Strategic road access (trunk roads) (Observation and desk based E.g. Direct and very good / Indirect and good / Indirect and poor/very poor. Describe)

.....

Strategic access to public transport (Observation and desk based PTAL check if possible)

.....

Access to waterways and wharves

Direct Indirect No access Comments/ describe.....

Access to railhead.....

Direct Indirect No access Comments/ describe.....

Servicing of businesses in cluster

(multiple answers possible)

- Road side loading/unloading
- Off road loading/unloading
- Loading bays

Comment on servicing of businesses

Servicing is adequate for the uses within the cluster Yes No Don't know

Parking facilities

(multiple answers possible)

- Dedicated parking within cluster
- On street parking
- Yellow / double yellow lines
- Red route
- Controlled parking zone/paid parking

Comment on parking facilities. **Give reasons** for judgment on adequacy of parking provision

Parking provision is: Adequate Too little Too much Don't know

Access to facilities and amenities

- Very good
- Good
- Poor
- Very poor

Proximity to growth/opportunity areas

- Within Part within
- Within 1 km of
- Other

Comments

Condition of Buildings - % of buildings within Cluster:

Very Good _____% / Good _____% / Poor _____% / Very Poor _____%

Quality of environment and public realm

- Very good
- Good
- Poor
- Very poor
- Other (please comment)

Comment on quality of environment

Total vacant and available B1/B2/B8 floorspace quantum actively marketed within cluster (give approximate percentage if uncertain)

B1 B2 B8 (m² or %)

(Take note of any property market agent information on vacant and available floorspace and specification)

Are there any vacant developable sites/ Derelict buildings within cluster?

(Y/N):.....If **yes** mark clearly on map. **What % of the cluster** land area do they constitute? %

Existing and future capacity.....

.....

Additional possibilities for intensification / redevelopment (Mark clearly on the cluster map, any areas which show potential for intensification and add any additional comments below)

.....

.....

.....

Opportunities for other land use aspirations e.g. housing, retail, community uses (Mark clearly on the cluster map, any areas which show potential for other land use and add any additional comments below)

.....

.....
.....

Evidence of active marketing on site

Yes No

Comments

Description of site (including any comments you have)

.....
.....
.....

Obvious potential to accommodate high growth employment sectors e.g. waste mgmt., logistics, utilities, land for transport (as per GLA SPG Annex 3)

.....