



**Figure 8.1: Employment land hierarchy**



## EC2 Protecting employment land and delivering new workspace

- A Land within Lewisham's employment land hierarchy, as set out in **Lewisham's Employment Land Hierarchy**, is safeguarded for Class E(g) office and light industrial, Class B2 industrial, Class B8 storage and distribution and related Sui Generis uses. Development proposals must ensure that land-uses are commensurate with the type and function of land within this hierarchy.
- B There is a forecast need for 21,800 square metres of net additional employment floorspace in the Borough up to 2038. Development proposals must contribute to meeting this need by:
  - a. Within Strategic Industrial Locations (SIL) and Locally Significant Industrial Sites (LSIS), retaining and wherever possible delivering net gains in industrial capacity, including by intensifying the use of land;
  - b. Facilitating the delivery of new modern workspace through the comprehensive regeneration of Mixed-use Employment Locations (MEL);
  - c. Maximising opportunities to deliver new and enhanced workspace, including through appropriate mixed-use development in town and edge-of-centre locations and non-designated employment sites;
  - d. Outside of SIL, avoiding development that consists solely or predominantly of Class B8 storage or warehousing uses unless:
    - i. The site is currently solely or predominantly in storage and warehousing use; and
    - ii. Redevelopment proposals comprise of intensification of storage and warehousing uses and/or employment generating uses appropriate to the site; and
  - e. Ensuring development does not result in a net loss of viable industrial capacity, whether this is existing or consented but not built, having regard to other Local Plan policies.
- C Outside of designated employment areas the appropriateness of development proposals for new Class E(g) office and light industrial, Class B2 industrial, Class B8 storage and distribution and similar Sui Generis Uses will be assessed having regard to the nature and scale of the development and:
  - a. Its contribution to the delivery of the spatial strategy for the Borough;
  - b. Compatibility of the proposed use(s) with the adjoining and neighbouring land uses, including consideration of impacts on local amenity;
  - c. Whether the employment provision is for temporary use; and
  - d. Compliance with other Local Plan policies.
- D Planning conditions will be used to protect new commercial and industrial development from changes of use.
- E Where new business floorspace is conditioned for a specific use, changes to another commercial or industrial use appropriate for the site and employment area will only be permitted where there is no reasonable prospect of the unit(s) being retained for the conditioned use. This must be evidenced by a robust and recent marketing exercise covering a minimum continuous period of twelve-months at a reasonable rental or sale value for the local area. All such changes of use must comply with other Local Plan policies.

**Table 8.1:** Lewisham's Employment Land Hierarchy

TYPE	REF	LOCATION	FUNCTION
Strategic Industrial Location	SIL	Bromley Road  Surrey Canal Road (including Bermondsey Dive Under)	London's largest concentrations of industrial, logistics and related capacity for uses that support the functioning of the regional economy. Protected for a wide range of commercial, industrial and related uses, in accordance with the London Plan.
Locally Significant Industrial Site	LSIS	Apollo Business Centre Blackheath Hill Childers Street West Clyde Vale Endwell Road Evelyn Court Evelyn Street Lower Creekside Malham Road / 118 Stansted Road Manor Lane Molesworth Street Perry Vale Stanton Square Trundleys Road Willow Way Worsley Bridge Road	Lewisham's main local concentrations of commercial and industrial uses, which perform a niche role to support the functioning of the sub-regional and local economy. They provide workspace for micro, small and medium sized businesses, including in the cultural, creative and digital industries. Protected for commercial and industrial uses, with priority given to light industrial uses.
Mixed-use Employment Location	MEL	Arklow Road Childers Street East Convoys Wharf Grinstead Road Oxestalls Road Plough Way Sun and Kent Wharf Surrey Canal Triangle	Larger redundant and/or underused industrial sites where plan-led, mixed-use redevelopment is permitted to support regeneration and enable the delivery of new, modern workspace.
Non-designated employment site	Not Applicable	Dispersed throughout Borough	Smaller commercial and industrial sites scattered across Lewisham, mainly serving local economic catchments, which collectively form an important component of the Borough's industrial land capacity.



## Explanation

- 8.5 This policy establishes Lewisham’s employment land hierarchy which comprises the different types of employment land and sites in the Borough. The safeguarding of land within this hierarchy is necessary to ensure a sufficient supply of land and industrial capacity to meet the Borough’s current and future needs for employment.
- 8.6 Designated employment locations include SILs, as set by the London Plan, and several types of locally strategic sites which are LSIS, MELs. The successful delivery of the spatial strategy for the Borough is dependent on new employment development being directed to these locations, along with town centres. Development proposals should maximise opportunities to intensify and make a more efficient use of land, whilst ensuring the type and nature of uses is commensurate with the site’s place in the employment land and town centre hierarchies, where relevant.
- 8.7 Lewisham has a small amount of employment land when compared to other London boroughs. This limited supply has been diminished through significant and incremental losses of industrial capacity over recent years. Some of this loss can be attributed to plan-led consolidation and release of land to support regeneration, particularly through mixed-use redevelopment of MELs in the north of the Borough. However, beyond this plan-led process the Borough’s other employment sites and premises are facing increased pressure for redevelopment from other higher value land uses, particularly housing.
- This pressure has been amplified by changes to planning legislation, for example, new Permitted Development rights enabling the conversion of offices and warehouses to residential uses through the Prior Approval process.
- 8.8 The London Plan directs the Local Plan to retain Lewisham’s existing industrial capacity. In order to meet the Borough’s future employment needs it will be necessary to not only safeguard designated and non-designated employment sites but to intensify uses on them. The Local Plan therefore seeks to facilitate a restructuring of the employment land stock to increase employment densities, create additional industrial capacity and diversify uses within employment areas. This will also help to create more local jobs and training opportunities across the Borough.
- 8.9 The London Plan provides in-principle support for the co-location of employment and other compatible uses on sites that are released from SIL and within LSIS, but only where this is facilitated through the plan-led process. Informed by findings of the Lewisham Employment Land Study (2019), the Local Plan helps give effect to London Plan policies E5 (Strategic Industrial Locations) and E7 (Industrial intensification, co-location and substitution). Further requirements are set out in Local Plan policies EC5 (Strategic Industrial Locations) and EC6 (Locally Significant Industrial Sites) along with corresponding site allocation policies.

<sup>73</sup> Lewisham Employment Land Study, 2019 and Authority Monitoring Reports.

8.10 Our expectation is that there will be no net loss of industrial capacity in the Borough and that net gains are delivered wherever possible. Industrial capacity in Lewisham will be calculated on the basis of the existing commercial and industrial capacity on a site which is currently in active employment use, and covers Class E(g) office and light industrial, Class B2 industrial, Class B8 storage and distribution and related Sui Generis uses. Where a proposed development site is vacant or cleared, the existing capacity should be established on the basis of the last active authorised commercial and industrial use(s) (excluding meanwhile uses). The existing capacity figure should also take into account any unimplemented authorised changes of use permitted through the Prior Approval process (which would effectively be discounted from the existing capacity). Whilst the integration of mezzanines are broadly supported by the Local Plan as a way to make a more optimal use of land, mezzanine space will be excluded from calculations of industrial capacity for the purpose of this policy.

8.11 Development proposals should retain industrial capacity and seek net gains through site intensification, including additional floorspace, wherever possible and appropriate. However it is recognised that net gains may not always be feasible. For instance, some types of industrial uses require a significant amount of operational yard or servicing space to function effectively.

The onus will be on the applicant to demonstrate that the design-led approach has been used to make the optimal use of land and maximise employment provision. This should include evidence of alternative design options, such as site layouts and building typologies (including multi-storey or basement development).

8.12 Lewisham's Employment Land Study (2019) has informed the strategic employment floorspace requirement that the Local Plan will address over the plan period. It suggests that there is additional need for some 21,800 square metres of office floorspace up to 2038. This type of floorspace is normally associated with Use Classes E(g)(i) and E(g)(ii)<sup>74</sup>. However, the study emphasises that office development is not a homogenous product, pointing to the wide range of workspace typologies now available (such as serviced offices, incubators, accelerators and co-working space). Further, continuing shifts in modern commercial practices mean sectors that might traditionally have been thought of as office sectors can be found occupying 'hybrid' space in re-purposed industrial premises. In short, there is increasing fluidity in the workspace market and some office uses do not fit neatly into the Use Class Order categories. Therefore, the Council will take a broader view to planning for its future employment floorspace needs.

<sup>74</sup> Following the publication of the Lewisham Employment Land Study (ELS) 2019, the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 have come into force. These effectively bring Use Classes B1(a), B1(b) and B1(c) into a new Use Class E (Commercial, Business and Service). The former Class B1 uses are now Class E(g)(i), E(g)(ii) and E(g)(iii) respectively. Where the ELS refers Class B1 Uses, the Local Plan reflects the corresponding Class E categories for consistency with planning legislation.

We will promote the full complement of Class E(g) uses, including E(g)(iii) light industrial uses, to ensure that the Local Plan does not unnecessarily constrain employment development. Development proposals for Class B2 industrial and B8 storage or distribution uses should be located within SIL and elsewhere where specified by the Local Plan. Industrial capacity will be closely monitored over the plan period to ensure our policy objectives are being realised.

- 8.13 Recent changes to planning legislation have extended the scope of Permitted Development rights<sup>75</sup>. This means that some commercial uses, such as Class E business uses, can be changed to Class C3 housing without the need for planning permission, subject to a Prior Approval process. Likewise, there is greater flexibility for changes between Class E business uses, for example from office and light industrial to retail, food and beverage, and professional services. Whilst recognising the flexibility and benefits offered by the new Class E in some parts of the Borough, particularly town centres, it is vital to plan positively for the Borough's needs for industrial capacity. The Council will therefore use planning conditions, attached to new planning permissions, to remove any applicable Permitted Development rights and restrict changes via section 55(2) of the Town and Country Planning Act 1990 (as

amended). This will ensure that new commercial and industrial development is secured for this specific use and to protect the economic function of SIL, LSIS, MEL and other employment sites. The Council will also monitor development activity and consider the need to introduce Article 4 Directions to help protect the economic function and amenity of employment areas<sup>76</sup>.

<sup>75</sup> This includes changes to the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 and amendments to the Town and Country Planning (General Permitted Development) (England) Order 2015.

<sup>76</sup> This is a direction under Article 4 of the General Permitted Development Order (GDPO) which enables the Secretary of State or the local planning authority to withdraw specified permitted development rights across a defined area.