EALING LOCAL PLAN

MATTER 5
ECONOMIC DEVELOPMENT

STATEMENT PREPARED BY QUOD ON BEHALF OF GLOBAL TECHNCIAL REALTY LONDON 2 S.A.R.L

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1 Context

1.1 Quod is submitting a hearing statement in respect of Matter 5: Economic Development on behalf of Global Technical Realty London 2 S.a.r.l (GTR).

1.2 Our hearing statement responds to the EX16 Matters, Issues and Questions (MIQs) issued by the Inspectors on 8th April 2025. This Statement relates specifically to the matter of Affordable Workspace starting on page 10 of those MIQs.

1.3 This submission is cognisant of EX2 Initial Questions, dated 20th December 2024, relating to employment and economy, and the Council's response to questions within IQ3 and IQ1318 (EX9).

1.4 GTR is the Applicant for the redevelopment of land at the International Trading Estate, Southall, known as International Trading Estate, Southall (ITE). The Application was submitted on the 7th of March 2025 (Ref 25/0949/FUL) and is pending decision.

1.5 ITE will deliver a data centre campus (157,729 sqm GIA / 160,632 sqm GEA) comprising four data centres alongside 22,056 sqm GIA / 23,730 sqm GEA of flexible industrial (Use Class B2/B8/E(g)(iii)/Sui Generis) floorspace including a 193 sqm GIA / 223 sqm GEA of Class E floorspace supporting a multi-functional building.

1.6 GTR submitted representations at Regulation 19 stage of the review and continues to be engaged at Regulation 22 stage (the 'Plan').

2 Response to the MIQs

2.1 Overall, GTR has concerns about the proposed Policy E3. These concerns relate to three areas:

- The current drafting is inconsistent and leaves the Applicant with significant uncertainty.
- The lack of flexibility available regarding delivery of the affordable workspace. Off-site option is being available to smaller developments.
- The final matter is that of purpose and proportionality – and the risks of the effectiveness of the Plan from the scale and type of approach.

2.2 Each of these matters is explored further below along with our proposed solutions.

3 Clarity on the policy wording

3.1 Section H of Policy E3 states:

3.2 H. Affordable workspace will be provided at 80% discount for a period of 15 years. Where an offsite contribution is calculated it should be on the basis of the level of provision (5% or 10% of total development size) multiplied by the value of an 80% reduction in rent for 15 years. An 80% discount, as distinct from 80% of market rent, is quite different to the general approach in London (see further detail in the section under Disproportionality)

3.3 In an email seeking clarification on the draft policy from Quod to LBE (email correspondence dated 20th February 2025) LBE included a draft Section 106 clause that implied that the rent was 80% of market rent (as opposed to the discount) – the inverse of what the policy suggests.

3.4 In order to ensure this policy is effective, we request that the policy wording is redrafted to ensure it is completely clear on:

- The level of discount requested as a discount to market rent
- The formula applied to calculate the on-site affordable rent and the off-site payment in lieu of on-site contribution and how it relates to the above two variables.

3.5 A worked example or illustrative calculation would be helpful.

4 Flexibility on delivery

4.1 The policy as drafted only allows the option for off-site payments in the case of developments where the affordable workspace requirement would be less than 3,000 sqm of industrial space.

4.2 GTR requests that the policy is made more flexible to allow for either on or off-site provision, or a blend of both. There will be circumstances where an off-site contribution which can be pooled with other local authority resources and assets may be by far the best solution for the needs of local SMEs. Location, prevailing market rents, and co-location with other similar industries or relevant supply chain may all be relevant to identifying the best opportunities for affordable workspace both in value for money terms and in benefit to the tenant's social, cultural or economic needs and aspirations.

5 Proportionality

5.1 Based on the assumption the policy does mean 80% discount, and reading the evidence presented in the OPDC And LB Ealing Affordable Workspace Study, is it is an approach designed to *maximise* the available workspace potentially achievable under modelled test conditions – rather than to make a necessary, proportionate, fair and related contribution to meet planning purposes (as required by the Community Infrastructure Levy Regulations 2010).

5.2 An 80% discount would be significantly different and more onerous than other London Borough approaches - for example LB Southwark which has a policy of 20% discount (80% cap) and Hackney which has a policy of 40% discount (60% cap). Other boroughs take a flexible approach according to locally specific circumstances. As such, an 80% discount is at odds with the rest of London. Although we do acknowledge that Ealing has intended to ameliorate this through having a lower % of floorspace target, we do not think that provides sufficient flexibility in the context.

London Borough	Discount to Market Rent
Ealing	80%
Brent	50%
Camden	50%
Havering	20%-40%
Hackney	40%
Southwark	20%
Enfield	Flexible
Haringey	Flexible

5.3 The Affordable Workspace discount of 80% of market rent with very limited flexibility is disproportionate to planning purposes.