

15 May 2025

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## 1. Introduction

- 1.1. This Written Statement has been prepared by Savills (UK) Limited on behalf of our clients, Investra Capital in consideration of the forthcoming examination of the London Borough of Ealing ('LBE') Local Plan 2024 to 2039 (the 'Plan'), in the context of their land ownership at The Arcadia Centre, The Broadway, Ealing, W5 2ND ("the Site").
- 1.2. The Arcadia Centre forms part of the proposed site allocation '**Ealing 01EA Broadway Connection and Arcadia Shopping Centre**', within the Plan.
- 1.3. This Statement should be read in conjunction with the previous representations dated 8 February 2023 submitted to the Council in response to 'Ealing's Local Plan Initial Proposals (Regulation 18), November 30th 2022' and dated 2<sup>nd</sup> April 2024 submitted to the Council in response to 'Ealing's Local Plan Final Proposals (Regulation 19), 28th February 2024'.
- 1.4. Investra Capital is a bespoke real estate advisor who strives to make long-term improvements to the local surroundings in the areas in which they work, with emphasis placed on the well-being of the local community. Broadway Capital Investments Limited, the freeholder of the Site, as advised by Investra Capital, have united as business partners to fulfil the potential of the Site by taking a comprehensive approach to mixed-use development.
- 1.5. This Statement has been prepared on behalf of Investra Capital with regard to **Matter 5 – Economic Development** and proposes modifications that are required to ensure the policies are justified, effective, and consistent with national policy in consideration of site allocation Ealing 01EA.

## 2. Policy Context

- 2.1. The National Planning Policy Framework (NPPF) sets out how local plans and spatial development strategies are to be examined to assess whether they are 'sound'. Specifically, it requires plans to be '**positively prepared**' (to meet objectively assessed needs), '**justified**' (based on proportionate evidence), '**effective**' (deliverable over the plan period) and '**consistent with national policy**' (NPPF Paragraph 36).
- 2.2. The Planning Practice Guidance (PPG) provides further guidance on how Local Authorities should plan to meet objectively assessed housing need, using the standard methodology, and use financial viability evidence to ensure policy requirements strike an appropriate balance with the potential effects on scheme viability. More specifically, the PPG confirms in setting local policy an authority must use a viability assessment to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan (Ref ID: 10-002-20190509).

### 3. Detailed Response

- 3.1. The EiP Inspectors questions regarding Policy E3 are set out below (in bold italics), with our responses accordingly.

***6a) What is the background to the varied Policy E3, why is variation from the London Plan proposed?***

- 3.2. Policy E3 is informed by the findings of the OPDC and LBE Affordable Workspace Study (dated July 2022), which seeks to address key challenges in delivering Affordable Workspace. The study acknowledges that such spaces are often located in unsuitable parts of developments, limiting their effectiveness. For affordable workspace to succeed, it is essential that schemes meet appropriate operational requirements. However, such provision may not always be viable.
- 3.3. In the face of this evidence base, applying a blanket requirement risks resulting in both poorly located or ineffective workspace and compromising the quality and viability of the overall development, directly in contrast to the evidence base the policy seeks to rely on.
- 3.4. While the London Plan supports the delivery of affordable workspace, it does so in defined, strategically identified locations and subject to local of evidence on need and viability. In contrast, Policy E3 of the Plan proposes a universal requirement across all commercial sites. We do not consider this blanket approach to be appropriate. A more flexible, evidence-based strategy responsive to site-specific viability, affordability and locational need considerations would be more consistent with the London Plan and more effective in supporting high-quality, sustainable development in the correct locations for the users.

***6b) What is the evidence justifying it, including specific detailed thresholds?***

- 3.5. Policy E3 requires affordable workspaces in Ealing to be provided on the basis of a levy on development of 10% gross floor area in mixed use schemes and 5% of net floorspace in office and industrial schemes. Where that levy would result in affordable provision of at least 1,000sqm of mixed-use space, 2,000sqm of office space or 3,000sqm of industrial space the provision is required to be delivered on Site. Where the total space is less than these thresholds then provision is required to be made by means of offsite contributions.
- 3.6. LBE outline that Policy E3 has been through both specific and whole plan viability assessment. The evidence prepared by BNP Paribas Real Estate (BNPPRE) dated December 2023 is considered to be insufficient to determine the potential effects on the viability of development. The financial inputs and assumptions are not considered realistic in the context of the current market and lack proportionate supporting evidence. In particular, the allowances for construction and finance costs are insufficient, and no provision has been made for enabling works or abnormal development costs.
- 3.7. The viability study notes that it is unlikely that office developments will be brought forward outside of Ealing Broadway and the surrounding area, as the appraisal indicates that rents are not currently high enough to generate positive residual land values. As such, the evidence base clearly does not support a blanket approach to affordable workspace provision.

- 3.8. The results of the viability assessment have not been considered against current market indicators. The results indicate mixed use development should be viable with 40% affordable housing **and** affordable workspace provision, however this is not consistent with market conditions. It is considered the methodology in the BNPPRE study needs to be carefully reviewed in the context of affordable workspace provision. Full consideration also needs to be given to the Council's proposed CIL rates as part of this.

***6d) Does the variation proposed in (F) to (H) alter the defined circumstances approach in favour of a blanket levy and, if so, is that a sound approach?***

- 3.9. As outlined above, a more flexible, evidence-based strategy responsive to both site-specific viability and affordability considerations and the actual needs of occupiers intended to take affordable workspace would be more consistent with the London Plan and more effective in supporting high-quality, sustainable development.
- 3.10. A blanket approach completely fails to respond to the policy set out in the London Plan and is unjustified and ineffective.
- 3.11. A fixed amount of floorspace in a development may not provide either the space or location that is needed for users of affordable workspace. Evidence is starting to build amongst operators that being co-located in single locations with like minded start-up businesses is preferable to being directed to isolated small sections of new office developments.
- 3.12. Additionally, concern is raised regarding the term "offsite contributions" as this is not defined in terms of how this would be calculated and therefore is ineffective and unmeasurable.

***6e) is the policy consistent with Paragraph 85 of the NPPF in terms of helping to create the conditions in which businesses can invest, expand and adapt and allowing the area to build on its strengths, counter weaknesses, and address future challenges?***

- 3.13. The policy applies a 10% requirement for affordable workspace to the net additional commercial floorspace in mixed-use developments. However, the policy and supporting text do not clearly define what constitutes a 'mixed-use' development. The current glossary definition states 'development for a variety of activities on single sites or across wider areas such as town centres' which provides limited clarification.
- 3.14. Paragraph 4.2.15 highlights that Ealing Town's high costs are disproportionately affecting small businesses and suggests affordable workspace as a potential solution. Yet, under the draft Plan, even micro and small businesses would be subject to the 10% requirement if their premises are part of a mixed-use scheme. This approach risks undermining the policy's intent by placing additional burdens on the very businesses it aims to support, potentially deterring investment, growth, and adaptability.
- 3.15. The policy as drafted is not consistent with Paragraph 85 of the NPPF as it does not create conditions in which business can invest, expand and adapt. Greater clarity is needed on the types of development that would meet this criterion, and it is recommended that a more robust definition be included in the supporting text or glossary.

**6h) Is the reference to ‘mixed use schemes’ in Policy E3(F) precise and clear in terms of identifying which proposed developments will be subject to the requirement? To be effective, is modification needed to define a ‘mixed use scheme’?**

- 3.16. Reference to ‘mixed use schemes’ is not clear. Nor is the proposed higher burden of 10% justified for mixed use schemes that are likely to include non-commercial land uses. As outlined above, the policy and supporting text do not clearly define what constitutes a ‘mixed-use’ development. The current glossary definition states ‘*development for a variety of activities on single sites or across wider areas such as town centres*’ which provides limited clarification.
- 3.17. If revised viability evidence can support its delivery, and the Inspector can be satisfied that affordable workspace is required to be delivered on **every** site (which we attest is not the approach supported by many SME’s or by the requirements of the London Plan), then a 5% requirement should apply only to offices within Class E. This would capture any office use as part of mixed use schemes in any event. It should also be flexible enough to allow a contribution rather than on site delivery if this is the best mechanism to support affordable workspace needs.

**6k) Is modification required to clarify whether contributions will be based on a gross or net uplift?**

- 3.18. Clarification is required to clarify whether contribution will be based on gross or net uplift of floorspace. Any investment made in existing floorspace on a site should clearly be discounted. Any requirement, if it can be fully justified, should only apply to uplifts in floorspace. Additional floorspace will also be taken up by non-lettable space for fire safety, cores, cycle parking, bin storage, building services etc and so a “net uplift” calculation for usable floorspace would be appropriate as this would only capture additional “net lettable” floorspace.
- 3.19. Net floorspace refers to the usable internal area, gross floorspace includes everything within the external walls, much of which does not contribute to occupiable or revenue-generating space.
- 3.20. Contributions based on gross floorspace do not provide equivalent value. Contributions should therefore be based on net additional floorspace rather than gross additional floorspace to accurately reflect the usable, income-generating area of the development.

**6l) Are any other modifications needed to Policy E3 for soundness?**

- 3.21. There are significant concerns that the current wording lacks clarity, consistency with the London Plan, lacks evidential support and flexibility and the policy should recognise more fully the needs of occupiers in terms of type, location, size of space based on more through evidence.
- 3.22. Also, other forms of support for local start-ups and SMEs could be just as valuable and equivalent to a policy compliant provision of affordable workspace and need full consideration.

#### **4. Conclusions**

- 4.1. For the reasons explained above, it is considered that further modifications to Policy E3 are required to ensure that the Plan has been positively prepared, justified, effective and consistent with national policy and in general conformity with the London Plan.