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LLDC: Combined Economy Study
Part A: Economy Study

A Draft Report by Regeneris Consulting
March 2018

London Legacy Development Corporation

LLDC: Combined Economy Study Part A: Economy Study

March 2018

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1. Introduction and Purpose of Study

- 1.1 Regeneris Consulting along with We Made That, Tom Fleming and Carter Jonas have been commissioned by London Legacy Development Corporation (LLDC) to carry out a Combined Economy Study. This work comprises a suite of research projects which will be used to inform the 2018 review of the area's Local Plan.
- 1.2 The commission includes:
- A Local Economy Study and Business Survey (Part A)
 - Creative and Cultural Opportunities Assessment (Part B)
 - A Retail and Town Centre Needs Assessment (Part C)
- 1.3 This report is the Economy Study (Part A) which focusses upon three elements:
- Baseline Evidence – provides an evidence base on the current situation with regards to the economic performance of the LLDC area.
 - Defining Needs and Demand – identifies the need and demand for employment. The study focusses on the premises and the total number of jobs associated with these sectors.
 - Conclusions and Recommendations – makes recommendations for the LLDC Local Plan based on Stages 1 and 2.
- 1.4 The study is intended to provide a key contribution to the evidence being assembled by LLDC as they develop their revised Local Plan. It is set in the context of the requirements for plan making specified in the National Planning Policy Framework, and in the specific guidance on planning to meet economic needs set out in the Planning Practice Guidance.
- 1.5 The Business Survey which also forms part of Part A of the Combined Economy Study is detailed in separate report, however it has been referred to throughout this report.

The LLDC Area

- 1.6 The London Legacy Development Corporation (LLDC) is the Local Planning Authority for the area of East London including Queen Elizabeth Olympic Park, as shown in Figure 1.1. It is one of only two development corporations in London, and crosscuts the four East London Boroughs of Hackney, Newham, Tower Hamlets and Waltham Forest.

- 1.7 Established by the Mayor of London in 2012, the Corporation has the responsibility for delivering the regeneration of the Olympic Park and surrounding area through high-quality sustainable development and investment. The LLDC purpose is *“to use the once-in-a-lifetime opportunity of the London 2012 Games and the creation of Queen Elizabeth Olympic Park to develop a dynamic new heart for East London, creating opportunities for local people and driving innovation and growth in London and the UK.”*
- 1.8 Hosting the London 2012 Olympic Games brought significant national and international attention to this part of London and has resulted in rapid changes over the past five years. There are now over 26,000 people in the LLDC area, which results from a population increase of over 10 times the rate of London between 2010-2015.
- 1.9 The area is also characterised by a growing young population and a rise in the number of creative and digital industries, particularly supported by initiatives such as Here East, the International Quarter (Office led development) and a new Cultural Education District (CED).
- 1.10 Figure 1.1 provides a context map of the local plan area and the sub-areas identified in the existing local plan.
- 1.11 The four sub-areas which make up the LLDC area include;
- **Sub-Area 1:** Hackney Wick and Fish Island
 - **Sub-Area 2:** North Stratford and Eton Manor
 - **Sub-Area 3:** Central Stratford and Southern Queen Elizabeth Olympic Park
 - **Sub-Area 4:** Bromley-by-Bow, Pudding Mill, Sugar House Lane and Mill Meads.



Figure 1.1 LLDC Local Plan Sub-Areas

The four Sub Areas are:

- Sub Area 1: Hackney Wick and Fish Island
- Sub Area 2: North Stratford and Eton Manor
- Sub Area 3: Central Stratford and Southern Queen Elizabeth Olympic Park
- Sub Area 4: Bromley-by-Bow, Pudding Mill, Sugar House Land and Mill Meads.



Figure 27: The Local Plan Sub Areas

Source: LLDC Local Plan, 2015

Report Structure

1.12 The remainder of this report contains:

- Section 2 Policy context: sets out the key economic policies which are relevant at a national, regional and local level.
- Section 3 LLDC economy: provides an overview of the key socio-economic indicators to illustrate the current structure of the economy and its past performance.
- Section 4 Defining the functional economic market area (FEA): sets out our evidence on the FEA for the area which includes; LLDC, London Boroughs of: Newham, Tower Hamlets, Hackney and Waltham Forest; as documented in the most recently commissioned LLDC Housing Requirement Study (2018).

- Section 5 Commercial Property Market Assessment: provides an overview of the current position and past market trends in commercial development. It also summarises the supply position in terms of available employment land for LLDC.
- Section 6 Future Growth Scenarios: draws on evidence from past economic performance, the take up of floorspace and land along with employment forecast data to provide a set of growth scenarios for LLDC. It also translates these scenarios into implied floorspace and land requirements.
- Section 7 Conclusions: provides conclusions and recommendations for LLDC.



2. Policy Context

- 2.1 The Legacy Corporation Local Plan was adopted in 2015 and is the Statutory Development Plan for the area. To ensure that it remains up-to-date, the Legacy Corporation has initiated the formal process of reviewing the Local Plan regularly to respond to new evidence presented on key matters, as well as relevant changes that have occurred at local, London and national level.
- 2.2 The Legacy Corporation area is changing rapidly, with a lot of new development being built and more planned. The number of people living in the area is growing as is the number and type of jobs and business opportunities, for example the creation of Here East in Hackney Wick and development of the International Quarter London in Stratford.
- 2.3 Therefore, it is important that the growth assumptions made in the Local Plan are correct and up-to-date.
- 2.4 In addition, the Greater London Authority (GLA) has recently consulted on the new London Plan (Draft), the strategic plan for London. The Plan will shape how London grows and evolves over the next 20 to 25 years. The London Plan is a material consideration during the planning process and must be acknowledged as part of this study.
- 2.5 Alongside the New London Plan, other important strategic documents such as the New Economic Development Strategy for London is currently being consulted on and must also be considered
- 2.6 National, regional and local policy guides the context in which economic development and planning take place and any relevant considerations have been detailed below.

National Context

National Planning Policy Framework (NPPF) 2012

- 2.7 The Framework sets out the Government’s economic, environmental and social planning policies for England. The Framework states that the purpose of the planning system is to contribute to the achievement of sustainable development, which should be a ‘golden thread’ running through both plan-making and decision taking.
- 2.8 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.

2.9 The NPPF advocates Sustainable Development and this 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:

- *“A competitive economy requires a planning system which operates to encourage (and not impede) sustainable growth, and the NPPF places weight on the need to support economic growth through the planning system.”*
- A revised version of the NPPF is being drafted and will be published in Spring 2018 with final adoption before the end of 2018.

National Planning Practice Guidance (NPPG)

2.10 The Practice Guidance provides a methodology for assessing economic development needs. It states that plan makers should liaise closely with the business community to understand their current and potential future requirements.

2.11 When examining the recent take-up of employment land, the Practice Guidance¹ advises that it is important to consider projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses.

Government Industrial Strategy: Building a Britain for the Future

2.12 The recent publication of the Government’s Industrial Strategy white paper sets out the long-term plan to boost productivity and earning power of people throughout the UK. The strategy sets out how it intends to help businesses create better, higher-paying jobs with investment in the skills, industries and infrastructure for the future.

2.13 There are five foundations set out within the strategy, which aim to boost productivity and earning power across the country, which include;

- ideas
- people
- infrastructure

¹ National Planning Practice Guidance; Housing and Economic Needs Assessments, 2015

- business environment
- places

Regional Context

Draft New London Plan

Good Growth

2.14 Good growth is the golden thread that runs through the New London Plan, referring to sustainable growth that works for everyone. The approach frames economic growth by its potential to improve the health and quality of life of all Londoners, to reduce inequalities and to make the city a better place to live, work and visit. Each policy area in the New Draft Plan is informed by six Good Growth policies:

- Building strong and inclusive communities;
- Making the best use of land;
- Creating a healthy city;
- Delivering the homes Londoners need;
- Growing a good economy;
- Increasing efficiency and resilience.

2.15 The New London Plan recognises the conflicting needs across the city; to provide additional housing whilst retaining employment land. These conflicting needs mean that decision makers, land owners and developers need to think differently when approaching new development, considering how intensification of mixed-uses can satisfy both housing and employment requirements.

2.16 Despite the contrast in focus between productivity nationally, as stated in the Industrial Strategy and good growth set out in the Draft New London Plan, there are clear links between regional and national strategy.

2.17 The four grand challenges identified within the Industrial Strategy have cross-cutting relevance for the whole of the UK, and London is no exception:

2.18 London can already justifiably claim to be at the heart of the UK's **innovation** economy via its focus on the horizon (e.g. advanced urban services being highlighted as a particular area



of focus) however, the areas aspirations to support creative and high-tech industries will help contribute towards this.

- 2.19 The plan commits London's to reinforce its competitive **business environment** on the global stage, to scale-up innovators and entrepreneurs, and to enhance employment space across the city. The LLDC has a vision for the area to become a diverse and internationally recognised employment location, which will only enhance London's global reputation as a place to do business.
- 2.20 Further improvements to transport and digital **infrastructure** are critical to accommodate future growth and better connect people to opportunities and the opening of Crossrail which will serve Stratford, will help achieve this.
- 2.21 Better functioning and more distinctive **places** was a focus of the previous mayor and continues to be a priority for the current Mayor. The Draft New London Plan places more emphasis on opportunities in Outer London, and the Mayor's Good Growth Fund will boost investment in town centres and places of work across the city. Above all, London's housing challenge is central to the Mayor's narrative, with a range of new policies and initiatives to deliver a wider range of housing across London.
- 2.22 The *good growth* focus highlights the Mayor's commitment to London's **people** and communities. It acknowledges the threat of living costs and Brexit, while the Mayor's draft Skills for Londoners strategy aims to empower all residents to access opportunities and ensure that London's future businesses and sectors have access to the skills they need to develop. This is important to LLDC's neighbouring boroughs and the strategy for convergence.

Land for Industry, Logistics and Services

- 2.23 The Draft New London Plan confirms the importance of industrial, logistics and related uses to the functioning of its economy, servicing the needs of the population and contributing towards employment opportunities.
- 2.24 The Draft New London Plan (2017), sets out a number of policies relating to Land for Industry, Logistics and Services to Support London's Economic Function (Policy E4), Strategic Industrial Locations (Policy E5) & Locally Significant Industrial Sites (Policy E6).
- 2.25 Industrial land and floorspace provide capacity for these activities to operate effectively, however over the period of 2001 to 2015, more than 1,300 ha of industrial land was transferred. As a response, the Plan outlines the need to retain capacity by establishing a

general principle of no overall net loss of industrial floorspace capacity across London in designated Strategic Industrial Locations (SIL) and Locally Significant Industrial Sites (LSIS).

SILs are London's main stock of land for industrial, logistics and related uses, whilst LSISs are designated locations that have particular local importance for industrial and related functions in Boroughs. SILs are given strategic protection due to their critical role in London's economy. The Plan points to the importance of securing and enhancing strategic provision in SILs in areas of London, including **Fish Island South including Bow Midland West rail site, Bow Goods Yard East and Here East (Hackney Wick)** which are located within the LLDC area.

2.26 In terms of managing overall industrial space, boroughs follow one of the following three approaches:

- **Provide Capacity:** strategic demand for the above uses are strongest in these Boroughs, and in response they should seek to deliver intensified floorspace capacity in either existing and/or new locations accessible to the strategically accessible locations.
- **Retain Capacity:** Boroughs should seek to intensify industrial floorspace capacity following the general principle of no net loss across designated SIL and LSIS.
- **Limited Release:** industrial vacancy rates are currently well above the London average in these Boroughs, and there is scope for limited release of industrial land in SIL and/or LSIS through a plan led approach.

2.27 Within the Draft New London Plan the LLDC area has been identified as a location in which industrial land needs to be retained and will therefore be an important consideration when reviewing the new Local Plan for the LLDC area.

2.28 To ensure sufficient employment land is retained, without constraining housing development and future growth, the master planning of mixed-use developments is key. This has been acknowledged by the GLA, with industrial intensification being encouraged, particularly to meet the needs for additional housing. However, within the Draft New London Plan, the London Borough of Newham (LBN) has been identified as one location where industrial land could be released, which LBN are currently disputing.

Sector Growth Opportunities and Clusters

- 2.29 The New Draft London Plan provides the planning framework to deliver workspace requirements for business and employment. This is intended to complement the Mayor's Economic Development Strategy (EDS) for London.
- 2.30 Policy E8 stipulates that to support the evolution of London's diverse sectors, availability of suitable workspaces is crucial. The types of workspaces listed in the New London Plan are included below;

Figure 2.1 London Plan Suitable Workspace Policy



Source: GLA New London Plan Draft (2017)

- 2.31 London's higher and further education institutions and their development across all parts of London are also a priority within the New London Plan. With the integration of educational institutions into regeneration and development opportunities to support social mobility and the growth of emerging sectors being encouraged.
- 2.32 The development of new clusters should be supported where opportunities exist, such as CleanTech innovation clusters, Creative Enterprise Zones, film, fashion and design clusters, and green enterprise districts such as in the Thames Gateway.
- 2.33 East London, has been identified by the Mayor of London as an area for creative clustering and enterprise. The support for further clustering within the London Plan and the area's already established creative cluster will play an important role in the economic evolution in the area.

Low-cost Business Space and Affordable Workspace

- 2.34 The New Draft London Plan recognises the importance of low-cost business space and affordable workspace. The Plan has two distinct policies to support SMEs and start-ups and

emphasises that Development Plans and development proposals should support the provision of space suitable for SMEs considering strategic and local assessments of demand and supply.

Table 2.1 London Plan - Low-cost Business Space & Affordable Workspace Policy	
Policy E2 Low-cost business space	Policy E3 Affordable workspace
<p>A) The provision, and where appropriate, protection of a range of low-cost B1 business space should be supported to meet the needs of micro, small and medium-sized enterprises and to support firms wishing to start-up or expand.</p> <p>B) Development proposals that involve the loss of existing B1 space (including creative and artist studio space) in areas where there is an identified shortage of lower-cost space should:</p> <ul style="list-style-type: none"> • demonstrate that there is no reasonable prospect of the site being used for business purposes, or • ensure that an equivalent amount of B1 space is re-provided in the proposal (which is appropriate in terms of type, specification, use and size), incorporating existing businesses where possible, or • demonstrate that suitable alternative accommodation (in terms of type, specification, use and size) is available in reasonable proximity to the development proposal and, where existing businesses are affected, that they are subject to relocation support arrangements before the commencement of new development. <p>C) Development proposals for new B1 business floorspace greater than 2,500 sq.m (gross external area) should consider the scope to provide a proportion of flexible workspace suitable for micro, small and medium sized enterprises.</p>	<p>A) In defined circumstances, planning obligations may be used to secure affordable workspace at rents maintained below the market rate for that space for a specific social, cultural or economic development purpose. Such circumstances include workspace that is:</p> <ul style="list-style-type: none"> • dedicated for specific sectors that have social value such as charities or social enterprises • dedicated for specific sectors that have cultural value such as artists' studios and designer-maker spaces • dedicated for disadvantaged groups starting up in any sector • providing educational outcomes through connections to schools, colleges or higher education • supporting start-up businesses or regeneration. <p>B) Particular consideration should be given to the need for affordable workspace for the purposes in part A above:</p> <ul style="list-style-type: none"> • 1) where there is existing affordable workspace on-site • 2) in areas where cost pressures could lead to the loss of affordable workspace for micro, small and medium-sized enterprises (such as in the City Fringe around the CAZ and in Creative Enterprise Zones) • in locations where the provision of affordable workspace would be necessary or desirable to sustain a mix of business or cultural uses which contribute to the character of an area. <p>C) Boroughs, in their Development Plans, are encouraged to consider more detailed affordable workspace policies considering local evidence of need and viability. These may include policies on</p>



Draft London Economic Development Strategy

2.35 The Mayor of London is consulting on the Draft London Economic Development Strategy, detailing 12 aims for London's Economy by 2041. These 12 aims are listed in Figure 2.2 below.

Figure 2.2 Draft London Economic Development Strategy



Source: Draft London Economic Development Strategy

2.36 The Queen Elizabeth Olympic Park and the wider LLDC area have been identified as playing a specific role in meeting the aims above and supporting the growth in the London economy. The strategic roles in which the LLDC area must fulfil are detailed below.

Queen Elizabeth Olympic Park Cluster for Innovation

2.37 The Queen Elizabeth Olympic Park is developing into an area for innovation that is home to a cluster of academic institutions and businesses engaged in research, design, development and manufacture. These organisations are coalescing around several modern industrial sectors, including:

- Construction and the built environment.

access to finance, affordable space and skills. The aim is to create a more resilient fashion sector in London with the capacity to innovate across the value chain.

Office space to support the growth in services

- 2.41 In the coming years, the city will need a substantial amount of new office space to accommodate the growth of the services sector. The London Office Policy Review 2017 identifies a need for between 4.7 million sq.m and 6.1 million sq.m by 2041. This space needs to be accommodated through new sites, redevelopment or intensification, otherwise rents could rise to uncompetitive levels and growth could be constrained. The CAZ (Central Activities Zone) and NIOD (Northern parts of Isle of Dogs) will continue to be the main focus for office development in London. Stratford and Old Oak could provide significant capacity to support some office functions in the future. Beyond central London the Mayor wants to support viable office clusters in town centres as part of creating diverse local economies.
- 2.42 In May 2013, the government made it easier to allow offices to be converted to housing through Permitted Development Rights. There is evidence that as a result, London has lost a large amount of office space, a significant proportion of which was occupied, or part occupied at the time of conversion. There is a risk that further viable and strategically important office space could be lost at a time when significant additional capacity is needed. There is not much office stock within the LLDC area that is eligible for change under permitted development, therefore there is less risk of losing office to residential within the LLDC area. The CAZ, the NIOD, Tech City, the Royal Borough of Kensington & Chelsea and the Royal Docks Enterprise Zone have been exempt from these Permitted Development Rights, but this protection will end in May 2019. After this time the relevant planning authorities will require their own protection in place through an Article 4 direction.

Local Context

LLDC Local Plan (2015)

- 2.43 The current LLDC Local Plan is the overarching planning tool that is used by LLDC to help shape the area however, due to the rapid development, change to national and regional policy and based on Local Plan Inspector's advice the Local Plan is now being reviewed. The relevant policies that need to be considered alongside the employment land study are listed

in the table below. A more detailed reflection on the existing polices is included later in this report.

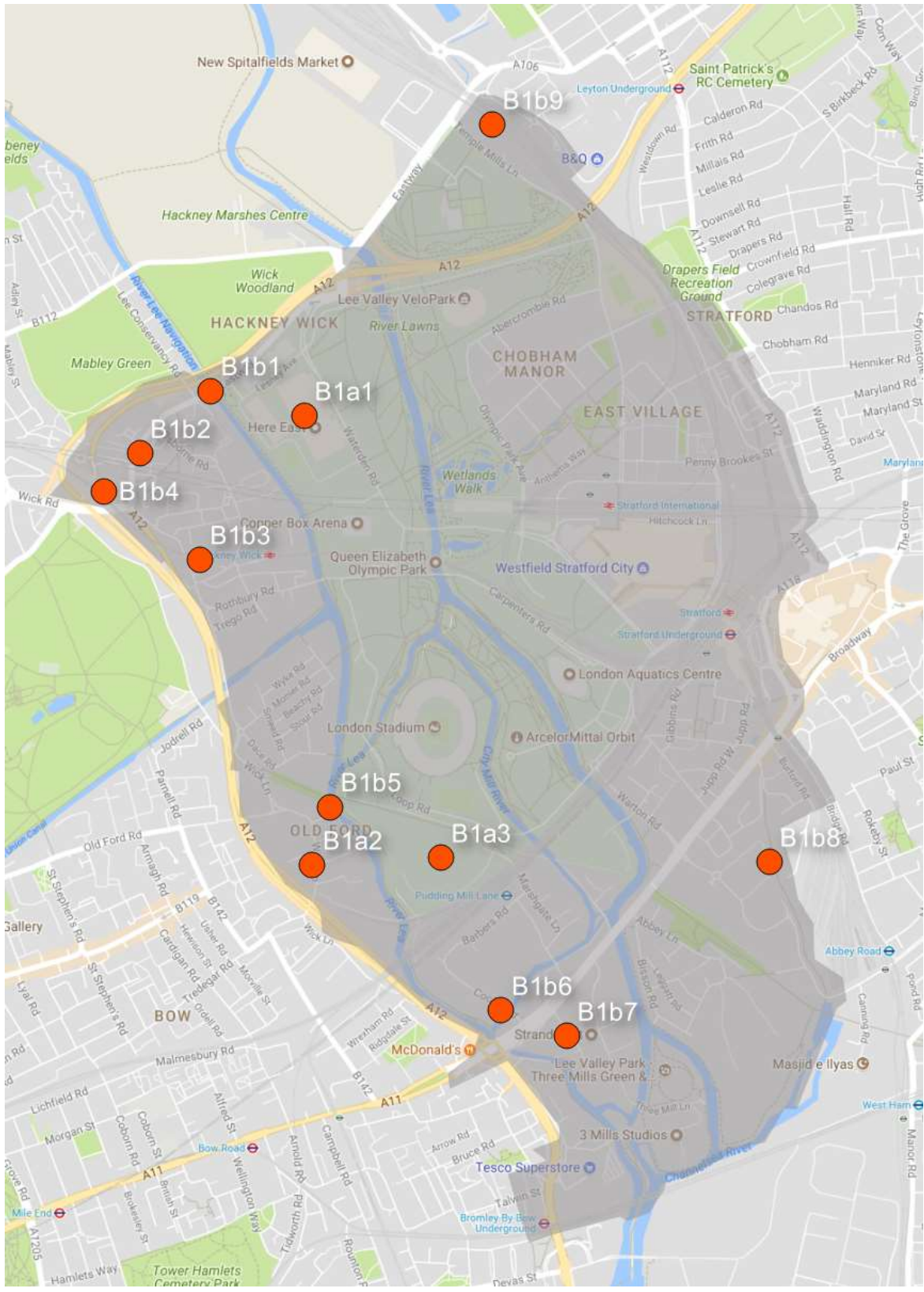
Strategic Policy SP.1: Building a strong and diverse economy

- 2.44 LLDC will work with its partners to develop a strong local economy, driving the transformation of East London. This will include the expansion of opportunities for local, national and international business and promotion of cultural, tourist and leisure expansion.
- 2.45 This supports higher and further education expansion, including opportunities for postgraduate study and research, and promoting access to skills and employment training; as well as strengthening the local economic profile of the area, including support of flourishing business sectors and providing additional floorspace in a range of sizes, types and forms.

Policy B1: Location and Maintenance of Employment Uses

- 2.46 Policy B1 identifies several employment clusters where B Use Classes shall be focussed as listed in the Table below and shown in Figure 2.3

Figure 2.3 Policy B1 Employment Clusters



Source: Regeneris Consulting



Table 2.2 Policy B1 Employment Clusters

Ref	Employment clusters	Cluster function
B1a1	Here East (Hackney Wick) SIL	A range of complementary employment uses within B1 and B8 Use Classes of regional significance, including technology-based industry, offices, broadcasting and production uses, and smaller workshops. Also including supporting uses of further and higher education and conference facilities within D Use Classes, and small-scale subsidiary retail.
B1a2	Fish Island South including Bow Midland West Rail Site SIL	A range of significant B2 and B8 Use Classes of industrial, warehousing, transport, waste management and distribution. A safeguarded rail head and associated bulk freight distribution use. Uses should make effective use of the railhead, including potential for aggregate distribution and for concrete batching, the manufacture of coated materials, other concrete products and handling, processing and distribution of or aggregate material. Only small-scale supporting ancillary uses will be supported.
B1a3	Bow Goods Yard East SIL	A safeguarded rail head and associated bulk freight distribution use. B2, B8 and waste management uses are appropriate. Only development supporting the rail-related and small-scale ancillary uses will be supported.
B1b1	Site at junction of Lee Conservancy Road and Eastway LSIS	B Use Class industrial use and suitable for a future industrial, storage and distribution or transport-related use.
B1b2	Trafalgar Mews, Eastway LSIS	Mixed industrial and business use and transport associated use.
B1b3	Site at Chapman Road LSIS	A mix of small-scale industrial, storage and distribution uses.
B1b4	Bartrip Street North LSIS	A mix of small-scale industrial, storage and distribution uses.
B1b5	Wick Lane and Crown Close, Fish Island OIL	An employment-led mix of uses, including warehouse, storage, distribution, with some potential for residential development and live work in appropriate locations. An appropriate and gradual transition between nearby uses of residential and industrial.
B1b6	Cooks Road OIL	Land within B1c/B2/B8 Use Classes. Land between Cooks Road and River Lea, redevelopment opportunity with a significant proportion of employment use providing floorspace within a range of use B1–B8 Uses Classes alongside other uses, with an element of residential, providing a transition to the lower employment mix of uses within the remainder of Pudding Mill.
B1b7	Sugar House Lane/ Stratford High Street LSIS	Land within B2/B8 Use Classes. Area at the northern end of the Strand East site, partly fronting Stratford High Street, with an existing planning permission for a cluster of development for a mix

		of predominantly office, workshop, retail, hotel and associated business and employment-generating uses.
B1b8	Rick Roberts Way North LSIS	A cluster of existing high-quality industrial design and manufacturing uses of B2 and B8 Use Classes in modern buildings.
B1b9	Temple Mills Lane LSIS	Transport uses appropriate to or subsidiary to current use as bus depot.

Policy B4: Providing Low-Cost and Managed Workspace

2.47 Existing managed and low-cost workspace shall be retained where viable and where it complements wider plans for the area. New managed workspace and/or low-cost workspace will be encouraged where it is flexible and able to meet the needs of various end users within B Use Classes and includes an appropriate management scheme secured through Section 106 Agreements.

Policy B5: Increasing Local Access to Jobs, Skills and Development

2.48 Through development proposals, the Legacy Corporation will aim to maximise participation in current local skills and employment training initiatives and use local labour agreements to secure a proportion of the construction and end-user jobs for local residents.

Policy B6: Higher Education, Research and Development

2.49 The Legacy Corporation will encourage the provision of facilities for higher education, postgraduate study and research, and wider research and development activity. Proposals for facilities within areas of mixed-use development will be required to demonstrate that they achieve a high level of amenity for those living and working in that location. These facilities should generally be located:

- Within or at the edge of the Metropolitan Centre and Pudding Mill, or at edge of Sugar House Lane or Here East employment clusters;
- Within easy access to public transport hubs; and
- Where uses are compatible and no unacceptable adverse amenity issues arise.

Legacy Communities Scheme (LCS)

2.50 The Legacy Communities Scheme (LCS) is an Outline Planning Permission (11/90621/OUTODA) for the development of the Queen Elizabeth Olympic Park and adjacent areas, to form five new neighbourhoods. as it sets out the LLDC plans for the

- 2.58 The SPG’s overall vision for business and employment is to promote Stratford as a new metropolitan centre, ensure land use change leads to a wide range of new business, and identify and protect sites needed for social infrastructure. The relevant development principles are outlined below.
- 2.59 The SPG has several relevant employment principles which should be acknowledged within this study, each of the principles are summarised below.

Development Principle B2: Planning for New and Emerging Sectors

The established creative and cultural clusters at Hackney Wick, Fish Island, Sugar House Lane, Three Mills and Stratford should be protected and expanded. Support should be given to the businesses and activities with growth potential, notably the creative, technological and cultural sectors, media businesses, waste infrastructure, green technology enterprises and higher education facilities with research and development needs.

Development principle B3: Promoting mixed use neighbourhoods

Mixed use development should be promoted within the locations identified as Mixed Use, cultural and creative clusters.

Development principle B4: Land use change

Development proposals and plans in the OLSPG area should promote the managed release of surplus industrial land in accordance with the industrial geography set out in this guidance, provide employment and training opportunities for local people, and ensure that sufficient and appropriately located land, including good quality and affordable space is available for businesses and social infrastructure.

Neighbouring Boroughs – Employment Land Reviews

London Borough of Hackney – Employment Land Review, May 2017

- 2.60 The review acknowledges the economic activity that could occur within the LLDC area however, parts of the Hackney area that fall within the LLDC boundary have been excluded.
- 2.61 The report shows that there is not sufficient planning pipeline development to meet employment need to 2033. Hackney’s existing supply of B class employment floorspace is calculated to be at 933,700sq.m; 77% or 715,000sq.m of which is located within designated

- 2.69 As such the ELR suggests the Borough cannot afford to permit any further losses and that ideally, those already permitted would not be implemented. As a short-term measure any further releases need to be strongly resisted.
- 2.70 The report suggests there is no magic reservoir of land in Tower Hamlets to repair the deficiency; partly because the market evidence shows that the type of land and property in highest demand is lower density, traditional industrial space which is rarely forthcoming in redevelopment and regeneration schemes. Considering this, the report suggests that Tower Hamlets should work with the GLA to better consider the role the remaining stock plays in supporting the London economy, providing local jobs and serving the CAZ.
- 2.71 In terms of office land there is differing views generated from the Experian and GLA data. Looking across the 15-year period, Experian suggests there is an oversupply, which the ELR determines is not excessive. A review of supply and demand indicates a supply headroom of 400,000sq.m, meaning that the areas currently designated for office use are sufficient to deliver the necessary development pipeline for office activity over the next plan period.

London Borough of Waltham Forest – Employment Land Study, May 2016

- 2.72 The analysis within this study demonstrates the potential for Waltham Forest’s economy to grow significantly over the plan period, driven by a range of factors including expansion of the residential population and the migration of businesses out of Zones 1 and 2.
- 2.73 A series of growth scenarios are presented, and the study sets a proportion of land required to meet this. With this in mind, the strategy recommends the Borough seeks to develop the capacity for approximately 2,750 FTE jobs. This would require in the region of 57,000sq.m of additional floorspace, this would be divided between c.19,000sq.m of office floorspace, c.10,000sq.m of industrial space and 28,000sq.m of warehouse space. The study suggests this would require an indicative land provision of between 7.2ha and 10.6ha depending on the intensity of development.
- 2.74 The study then sets out a range of locations to deliver new, additional space on vacant land and through the redevelopment of underutilised sites in the town centres and major industrial locations.

3. Summary of 2014 Economy Study

3.1 In 2015, LLDC commissioned a Local Economy Study, that comprised of three parts;

- Part A – Business Survey
- Part B – Economy Study
- Part C – Qualitative Research

3.2 The Employment Land Review element of the Economy Study (Part B) estimated the amount of employment land that could be released during the plan period.

Findings

3.3 The 2015 study concluded that demand for industrial floorspace would continue to fall however, there would be matched demand for office space, although the changes were forecast to be relatively modest.

3.4 The scenarios for demand growth suggest that it would be appropriate to release between 0.4 and 6.2ha of industrial land and to promote the provision of between 17,100sq.m and 59,500sq.m of office type employment space, either in mixed-use areas and/or as part of mixed-use developments. Remaining B2/B8 industrial land should be protected for B2/B8 use (i.e. the large industrial or warehouse-type space typology).

3.5 The analysis of industrial and employment typologies suggests that there may be limited potential for industrial provision to be included as part of mixed-use development incorporating typologies compatible with residential, retail and leisure. This implies it could be appropriate to release a slightly larger quantum of industrial land than forecasts recommend, if this is balanced by higher targets for employment floorspace in mixed-use development.

Overall Policy Recommendations

3.6 The previous study made the following recommendations for LLDC;

- Release/de-designate between 0.4 and 6.2ha of industrial land in the Local Plan.
- Protect all remaining industrial type land in the LLDC area for appropriate employment use. The Draft Local Plan has a combination of site allocations and generic policies with the aim of encouraging a diverse range of businesses to locate

within clusters of activity. Care is needed with such an approach as a number of the industrial activity typologies are not consistent with mixed-use development.

- Seek to secure between 17,100sq.m and 59,500sq.m of office and/or workshop type employment space either as single-use developments and/or as part of mixed-use developments over the plan period.

3.7 When considering the policy response to the potential to retain or release industrial sites, LLDC has the option to encourage particular forms of employment in locations which fit with the overall regeneration vision alongside the observed quality and functionality of the sites as observed in this ELR.



4. The LLDC Area: The Economy Today

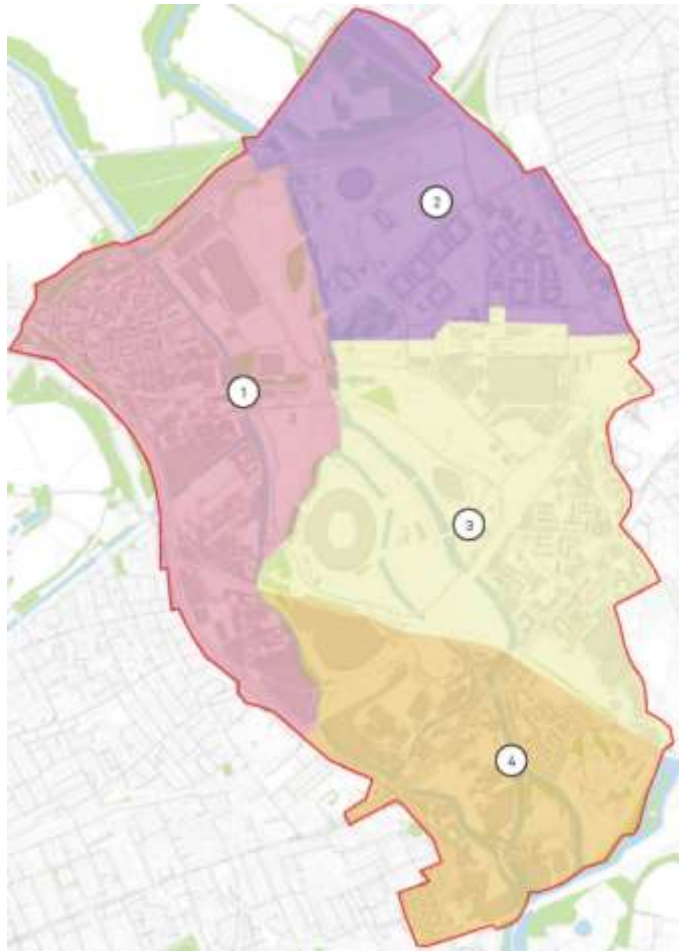
4.1 This section sets out the current position of the LLDC area economy. It draws upon the most recent publicly available data for the area, as well local research including the 2018 LLDC Business survey (carried out as part of this study).

4.2 As demonstrated at the beginning of this document the LLDC administrative area, is split into four sub-areas as shown in Figure 4.1, including;

- **Sub-Area 1:** Hackney Wick and Fish Island
- **Sub-Area 2:** North Stratford and Eton Manor
- **Sub-Area 3:** Central Stratford and Southern Queen Elizabeth Olympic Park
- **Sub-Area 4:** Bromley-by-Bow, Pudding Mill, Sugar House Lane and Mill Meads.

4.3 Within the following section, national and local data sets have been used to build a picture of the LLDC economy. Where possible the

Figure 4.1 LLDC Sub-Areas



Source: We Made That

sub-areas listed above have been analysed however, the geographies in which the data is available does not always directly match boundaries of the sub-areas.

4.4 The lowest geography in which much of the data in this section is available, is based on Lower Super Output Areas (LSOAs). The LSOAs within the LLDC area do not follow the LLDC administrative boundary, therefore a best-fit approach was taken. The LSOAs used to define the LLDC area include; E01001846: Hackney 018A, E01001849: Hackney 018, E01004224: Tower Hamlets 001C, E01032764: Tower Hamlets 004E, E01004238: Tower Hamlets 008D, E01033578: Newham 013E, E01033579: Newham 013F, E01033583: Newham 013G and E01033586: Newham 013H. These are shown in Figure 4.2.

Figure 4.2 LLDC Area: Statistical Geography



Source: ONS

LLDC Demography

Local Population

4.5 Since 2010, the LLDC area has seen rapid population growth (see Table 4.1). This is over 10 times that of London, and seven times the growth in the neighbouring boroughs in the same period.

Table 4.1 Population Growth 2010 - 2015			
	LLDC	Neighbouring Boroughs ²	London
Total Population (2015)	28,890	1,168,200	8,673,700
Percentage Change (2010-2015)	84%	12%	8%

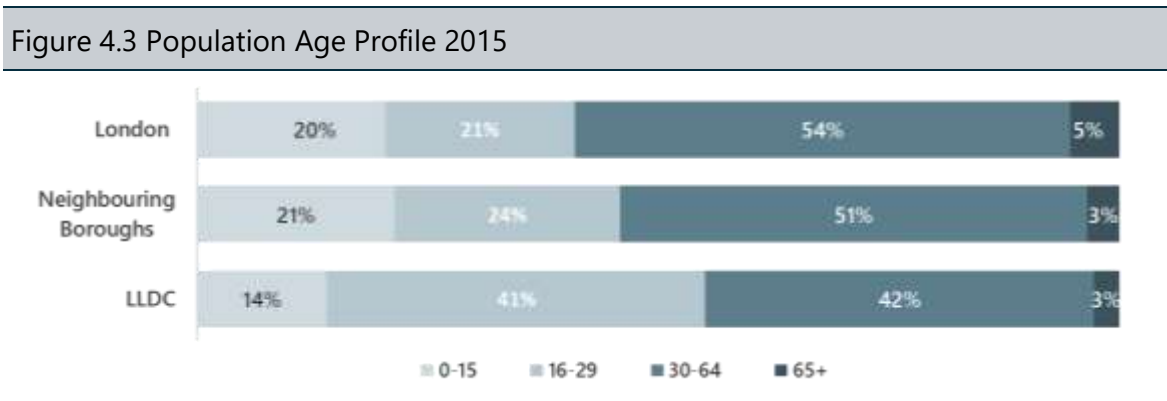
Source: ONS 2017

² Neighbouring boroughs are the four London Boroughs that intersect at the Olympic Park: LB Tower Hamlets, LB Newham, LB Hackney and LB Waltham Forest

Population growth has varied across the area, reflecting the completion of large-scale residential developments. Central and North Stratford have seen the biggest proportionate change, although Hackney Wick and Fish Island is the most populous area.

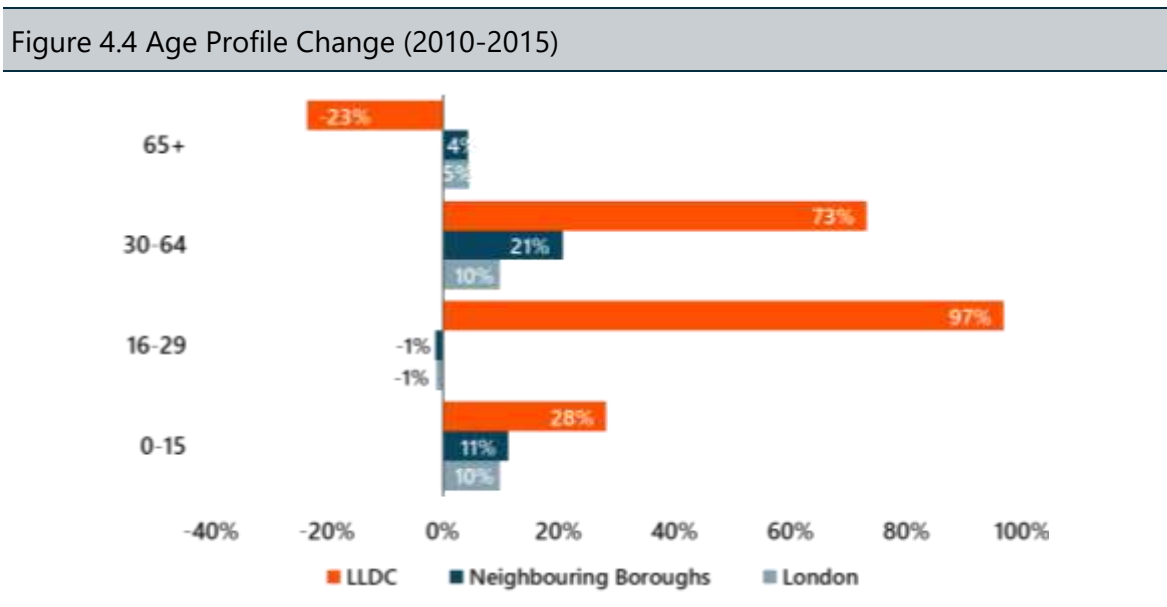
Population Profile

- 4.6 The LLDC area had a larger share of young people (16-29) and working age population (16-74) than London and its four neighbouring boroughs. This has grown significantly since 2010 (see Figure 4.3).



Source: ONS BRES 2017

- 4.7 The number of residents aged 16-29 has increased by 97% at a time London and the neighbouring boroughs have both seen a slight decrease (see Figure 4.4). This is likely to be as a result of the delivery of new student housing and more accessible PRS residential development.



Source: ONS 2010 and ORS Household Survey Data 2017



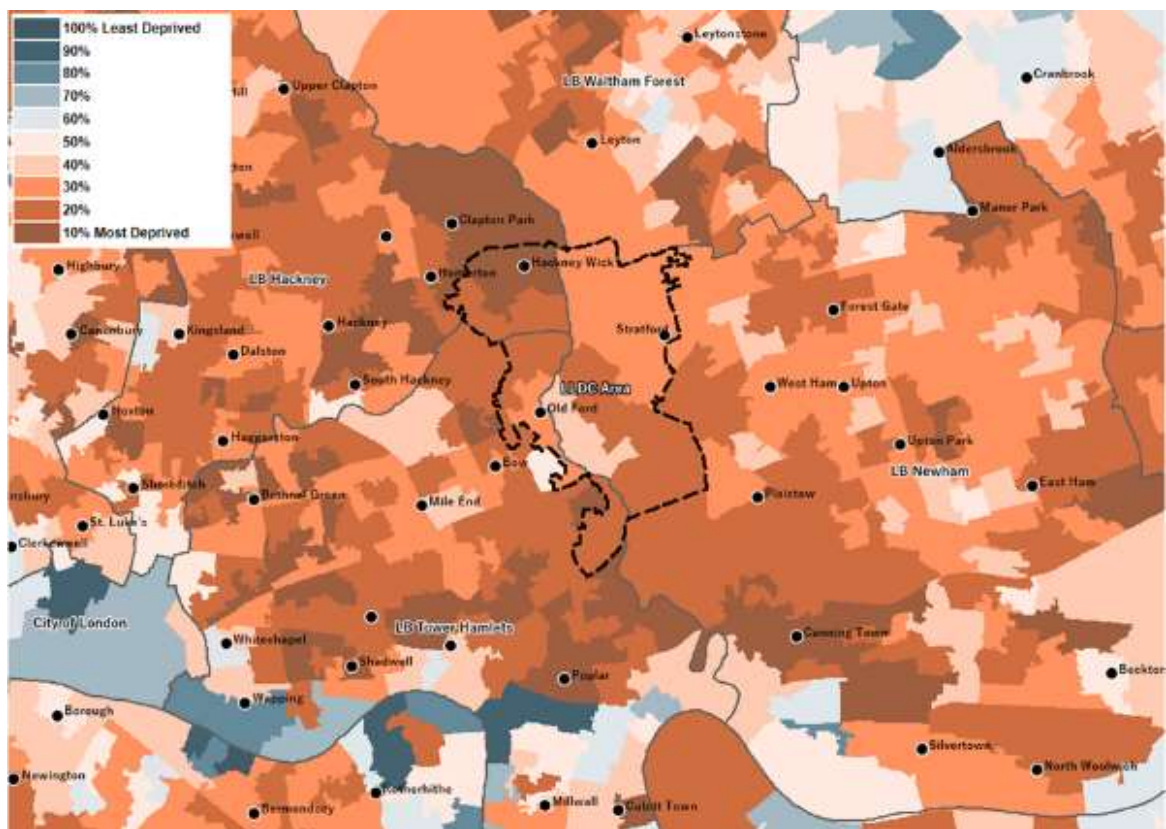
Population Projections

- 4.8 The latest ORS Household Survey has enabled population projections for the LLDC area to be forecast. The latest projections forecast the LLDC population to grow by over four times its current level (c. 300%) by 2036, taking the overall population to over 108,000.
- 4.9 This growth is higher than any of the London Boroughs over the same period and significantly higher than overall population growth for London (+18%).

Deprivation

- 4.10 The Indices of Deprivation (2015) show that of the nine lower super output areas (LSOAs) that make up the LLDC area, eight are in the 30% most deprived in the country and all are within the 40% most deprived (see Figure 4.5).
- 4.11 If the average score was taken for all the LSOAs that fall within the LLDC area, the LLDC area as a whole would fall within the 30% most deprived areas in the country.

Figure 4.5 English Indices of Deprivation – LLDC Area



Source: English Indices of Deprivation 2015

4.15 When the type of economic activity is considered in more detail, it would appear the number of people in employment has increased by +7%, whilst the unemployment rate has decreased by -5% (see Table 4.3).

Table 4.3 Types of Economic Activity		
	Census 2011	ORS Survey 2017
Economically active: Total	74%	86%
Economically active: In employment	61%	68%
Economically active: Unemployed	7%	2%
Economically active: Full-time student	6%	16%

Source: Census 2011 and ORS Population Survey 2017

4.16 Another significant change has been in the proportion of the economically active population, who are full-time students. (+10%).

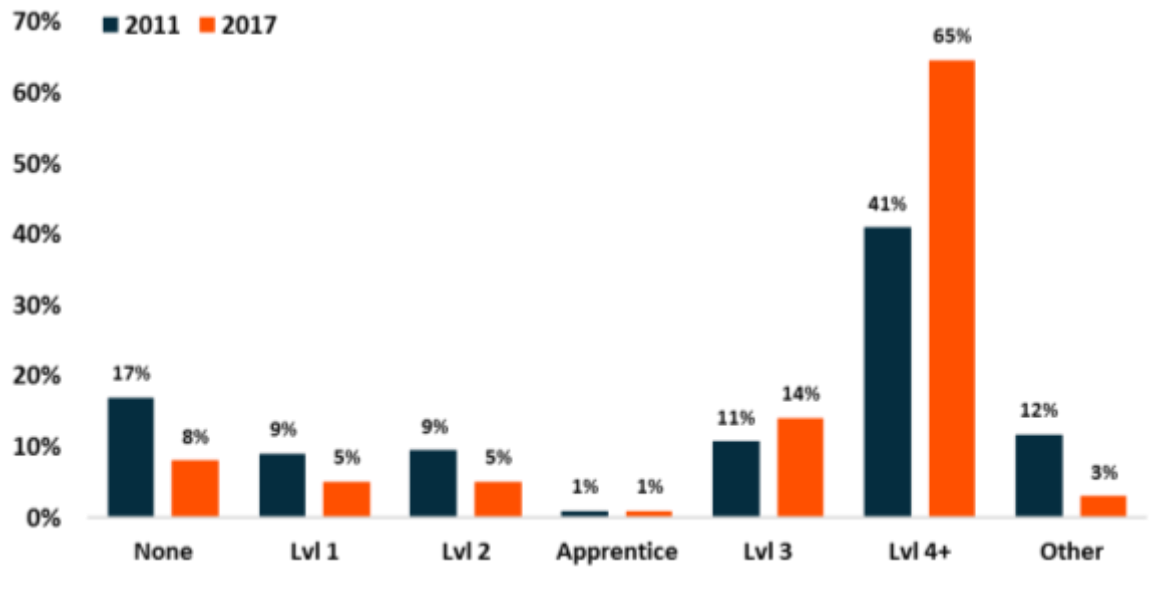
Qualifications and Skills

4.17 Along with the changes to the labour market, it is also important to look at how the skills profile of the local population has changed significantly.

4.18 In 2011, the Census recorded 41% of the resident population in the LLDC area having qualifications of Level 4 (Degree or Equivalent) or above; slightly higher than the London average (38%). A recent household survey³, has shown that since 2011, the number of qualifications of Level 4 or above has increased to 65%, greater than 50%, across London (see Figure 4.7).

³ Opinion Research Services (ORS), LLDC Household Survey, 2017

Figure 4.7 LLDC Qualification Attainment 2011 & 2017



Source: Census 2011 and ORS Population Survey 2017

4.19 This suggests that the majority of residents who have moved to the area in recent years are not only economically active but also more highly qualified.

The LLDC Economic Performance

4.20 The LLDC area experienced considerable employment growth over the five-year period between 2011-2016. An increase of over 100% is more than six times the growth in London (see Table 4.4).

Table 4.4 Employment 2011-2016

	LLDC	Neighbouring Boroughs	London
Overall Employment	26,515	577,125	5,151,415
Percentage Change from 2011	103%	23%	16%

Source: Business Register Employment Survey (BRES), 2016 – 2011⁴

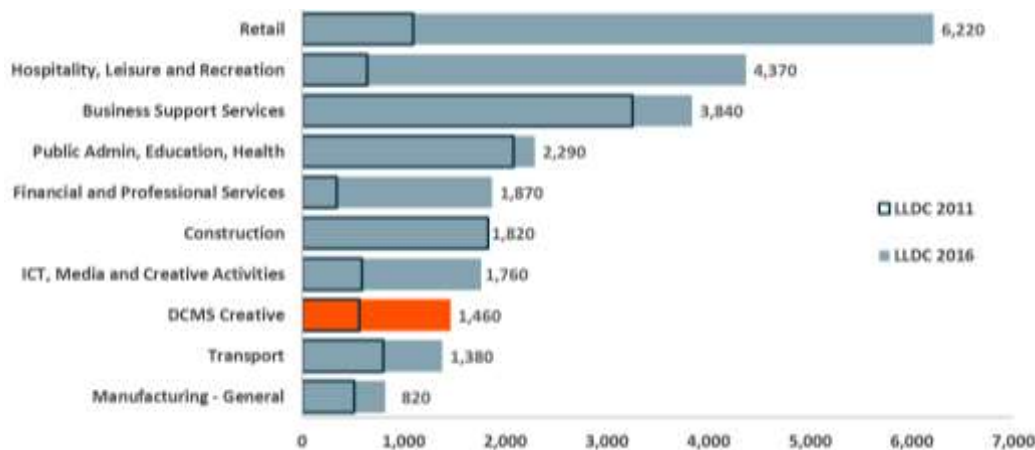
⁴ Due to the change in LSOA boundaries in 2011, a series of LSOAs have been selected to ensure a best fit. It should be emphasised that it is the trend that is important and not the exact numbers purported.

Employment Sectors

- 4.21 The strong economic performance in the area is supported by growth in all sectors over the last five years.
- 4.22 As shown in Figure 4.8, there has been considerable employment growth in Retail (+82%) and Hospitality, Leisure & Recreation (+85%), most likely driven by the opening of Westfield alongside other attractions within QEOP.
- 4.23 Although less significant, there has also been growth London's target growth sectors including ICT, media and creative industries.

The Creative Industries have been identified as being particularly important for LLDC and the area around the QEOP. Employment in the creative sector has grown by over 60% since 2011, the fifth highest sector increase after Hospitality, Retail, Financial & Professional and ICT as shown in Figure 4.9.. Using the Department for Culture, Media and Sport's definition, the creative sector encompasses a range of industries and employment opportunities from 13 subsectors, including performing arts, film, advertising and software,

Figure 4.8 Employment by Sector LLDC 2011 & 2016 (Top 10)



Source: Business Register Employment Survey (BRES), 2016 – 2011

4.24 Figure 4.10 shows the sector specialisms across the LLDC area. A metric that shows the concentration of an industry relative to London's performance. A score greater than 1 shows the sector is over-represented, whereas a score of less than 1 shows a sector that is less prevalent than in the city as a whole. Due to how BRES data is captured, the geographies do not align perfectly with sub-area boundaries, therefore, Subareas 2 and 3 have been combined.

4.25 A range of sectors have specialisms across the area. This includes elements of manufacturing, wholesale and construction which have been present in the area for several decades.

4.26 Hackney Wick has become an area with specialisms in a range of different manufacturing, including artistic and creative production. Pudding Mill and Bromley By Bow and the future CED area's specialisms are perhaps more reflective of the more 'traditional' economic activities in the area; this is unsurprising given the lack of development in these locations.

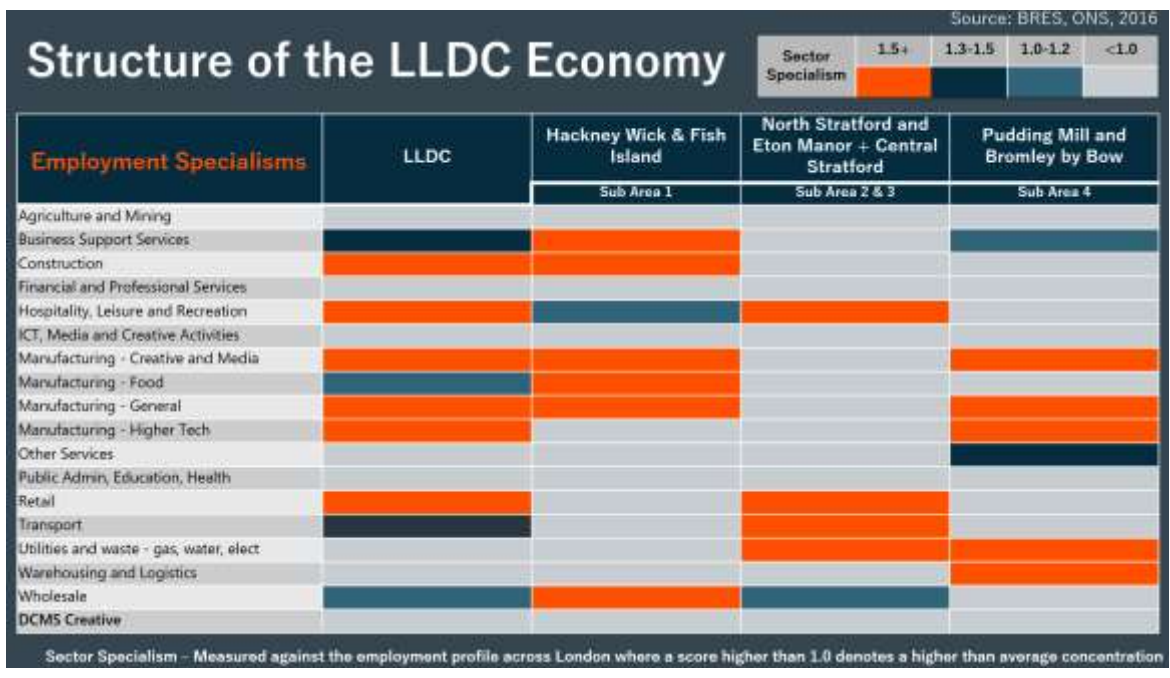
Figure 4.9 Employment Growth by Sector

Top 5 Increases 2011-16



Source: BRES, 2011 & 2016

Figure 4.10 Structure of the LLDC Economy



Source: BRES, 2016

4.27 Figure 4.11 shows the more traditional type of manufacturing that is present within the LLDC area. Figure 4.12 is an example of the more modern and contemporary workspace that is occupied by hi-tech manufacturing such as Ford Smart Mobile.

Figure 4.11 Example of Traditional Employment Space



Source: Getty Images

Figure 4.12 HereEast



Source: Getty images

4.28 The sector specialisms such as retail and leisure & hospitality are more likely linked to the Westfield Shopping Centre and the Olympic Park, as shown in Figures 4.13 and 4.14.

Figure 4.13 Westfield Shopping Centre



Source:

<http://londoncosmopolitan.blogspot.co.uk/2011/12/westfield-stratford-city-east-london.html>

Figure 4.14 Lee Valley Velopark



Source: Neil Baldwin

Businesses

- 4.29 Underpinning the recent employment growth, is the significant increase in the total number of businesses operating in the LLDC area. This growth has been almost double that seen in London (see Table 4.5).

Table 4.5 Business Growth 2012-2017

	LLDC ⁵	Neighbouring Boroughs	London
Total Businesses 2017	2,350	58,690	505,660
Percentage Change from 2012	77%	71%	41%

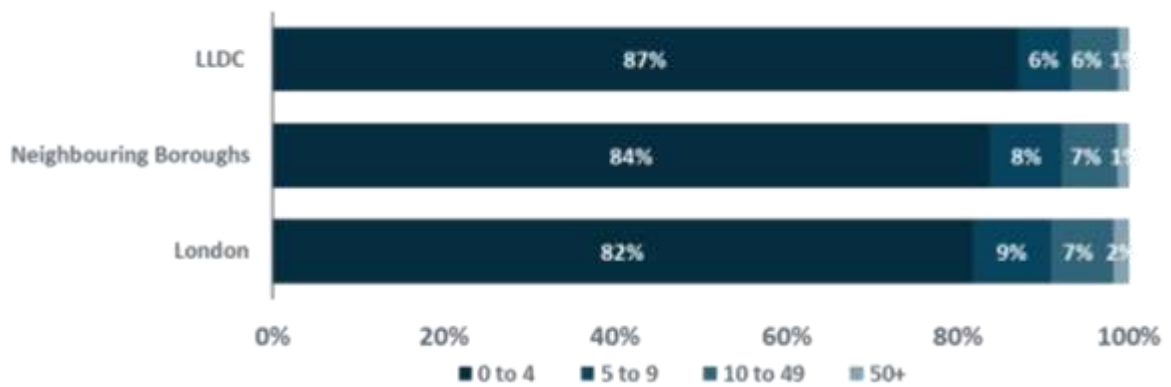
UK Business Count 2012/2017

Business Profile

- 4.30 The LLDC area has a higher proportion of micro businesses (employing between 0 and 4 employees, than London and its near neighbouring boroughs. Growth of larger businesses in the areas has been lower than neighbouring boroughs since 2011.

⁵ Due to data availability the Business Count for LLDC is taken at the Middle Super Output Area (MSOA) level.

Figure 4.15 LLDC Business Size Profile in Context



Source: UK Business Count 2017

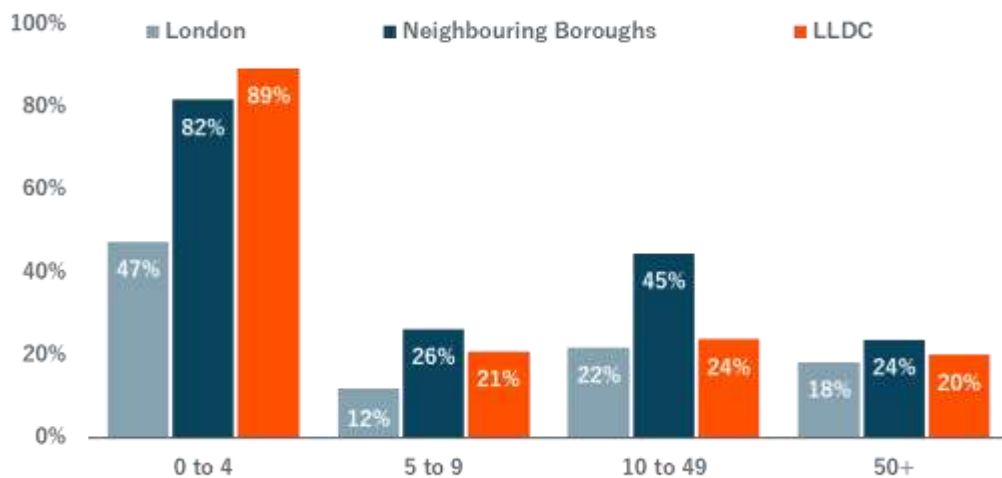
Table 4.6 LLDC Business Size 2017

LLDC Area		0 to 4	5 to 9	10 to 49	50 to 249	250+
Businesses (2017)	Number	2,035	145	130	30	0
	% of Total	87%	6%	6%	1%	0%

UK Business Count 2017

- 4.31 The lower growth rate in companies employing 10-49 people could indicate that the ability for larger businesses to open or small businesses to upscale in the LLDC area. It may also be an indication the as businesses grow they need to locate elsewhere within the four neighbouring boroughs (see Figure 4.16).

Figure 4.16 Business Change by Size 2012-2017

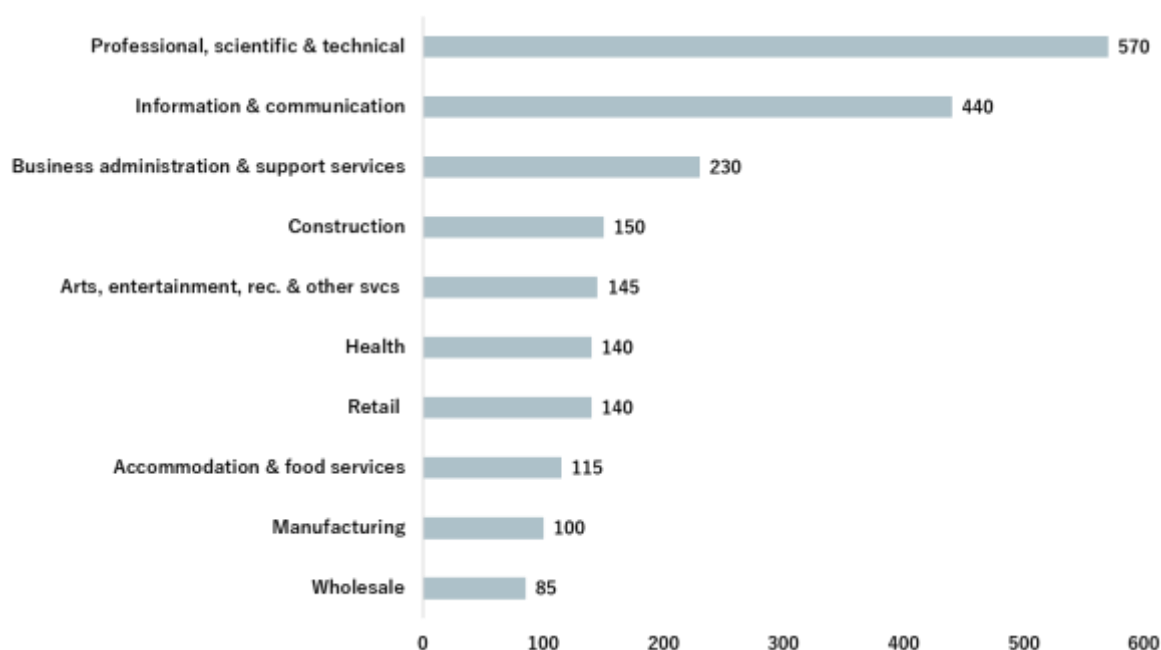


Source: UK Business Count 2012/2017

Business Sectors

- 4.32 UK Business Count shows that the professional, scientific and technical, information and communication and business administration are the most strongly represented sector across the LLDC area (see Figure 4.17).

Figure 4.17 LLDC Businesses by Sector 2017



Source: UK Business Count 2017

- 4.33 The growth in businesses over the last 5-years is skewed towards professional industries as well as information and communication (ICT) activity. There has been a substantial increase in creative businesses since 2012, more than three times the rate of increase in London.

Table 4.7 Total DCMS Creative Businesses 2012-2017

	LLDC	Neighbouring Boroughs	London
Total DCMS Creative Businesses 2017	575	13,530	96,930
Proportion of Total Businesses	19%	23%	25%
Percentage Change from 2012	150%	81%	41%

Source: UK Business Count 2017/2012. Due to suppression of UK Business count, figures are rounded to the nearest 5. These should be taken as an indication of local specialisation and recent trends.

Enterprise

- 4.34 The latest ONS Business Demography data shows the number of active businesses, new business start-ups and 5 years businesses survival rates. Unfortunately, it is not possible to analyse the data below local authority level, therefore the business demography data cannot be looked at exclusively for the LLDC area.
- 4.35 To provide some context of how business new businesses perform in the area, the neighbouring boroughs have been analysed (see Figure 4.18).

4.36 The data shows that the average number of business births across the neighbouring boroughs is over 3,600. This is 20% higher than the average for all London boroughs.

Figure 4.18 Business Demographics 2016

	 Births per 10,000 businesses	 5 Year Survival Rate	 Deregistrations per 10,000 businesses
Neighbouring Boroughs Average	2,300	39%	1,400
London Average	1,800	41%	1,400

4.37 However, the 5-year business survival rate is lower than the London average. The latest data suggests that on average 39% of all new businesses survive beyond 5 years, compared to an average of 41% for London.

Source: ONS Business Demography Data, 2016

4.38 Despite the lower survival rates, the average number of business deaths in 2016 neighbouring boroughs (2,206) was less than the London average (2,326).

Figure 4.19 Competitor Analysis – London Opportunity Areas (2012 - 2017)

	Employment Growth	Business Growth	% Jobs Within CAZ	% Creative Jobs	% Knowledge Based Jobs	% ICT and Digital Jobs	Office Values
1	LLDC +103%	LLDC +77%	Isle of Dogs 10%	Shoreditch 18%	Isle of Dogs 66%	Paddington 17%	King's Cross £69
2	King's Cross +65%	Isle of Dogs +56%	BBLB 10%	BBLB 13%	Shoreditch 53%	Shoreditch 14%	Shoreditch £57
3	BBLB +29%	Whitechapel +51%	King's Cross 5%	White City 12%	BBLB 50%	LLDC 11%	Paddington £55
4	E&C +21%	King's Cross +44%	Whitechapel 4%	King's Cross 11%	Paddington 43%	Isle of Dogs 9%	BBLB £50
5	Isle of Dogs +20%	Shoreditch +41%	Paddington 4%	Whitechapel 9%	Whitechapel 42%	Whitechapel 9%	Whitechapel £49
6	Whitechapel +20%	E&C +36%	Shoreditch 3%	Paddington 7%	King's Cross 34%	BBLB 7%	LLDC £43
7	Paddington +18%	BBLB +35%	VNEB 3%	LLDC 6%	VNEB 18%	King's Cross 6%	Isle of Dogs £39
8	Shoreditch +7%	VNEB +27%	LLDC 2%	VNEB 5%	White City 16%	VNEB 5%	White City £39
9	VNEB +5%	Paddington +22%	E&C 1%	E&C 2%	LLDC 11%	E&C 3%	E&C £31
10	White City -13%	White City +6%	White City 1%	Isle of Dogs 2%	E&C 9%	White City 1%	VNEB £26

Source: Regeneris Consulting

The 2018 Position: Findings from the Business Survey

- 4.43 The information presented above provides a good snapshot of a rapidly evolving economy with some very positive messages in terms of business and employment growth. It is however, important to recognise that national data sets will never provide a completely accurate representation of the evolution of the business base in rapidly changing areas.
- 4.44 National datasets are published intermittently meaning that 'new' data sets can be one or two years old when they are made available. With this in mind, it is important to balance the use of these data sets with good local insight.
- 4.45 As part of the Combined Economy Study, a business survey of 650 businesses was undertaken to provide more up to date insight into the evolution of the business base in the LLDC area.
- 4.46 Basic businesses information was gathered using a door-to-door assessment and accompanying structured interviews. Given the typically lower level of end-user interaction, industrial-type businesses can have limited online presence and purely desk-based research



is likely to miss the exact scope and breadth of businesses on site, despite these businesses being integral to the character of the area and important contributors to local economy.

Summary of Findings

4.47 A combination of on-the-ground business surveying, observational work and engagement with workspace providers has captured around 650 businesses in the LLDC area. This total, in combination with an estimated minimum of 130 businesses based in live-work units, suggests that there are at least 780 businesses in our survey area. Furthermore, the LLDC area is home to 300 artist studios and almost 400 co-working desks which host and support a range of individual non-commercial artistic activities and start-up and SME enterprises.

Figure 4.20 Summary of Business Survey Findings



Source: We Made That

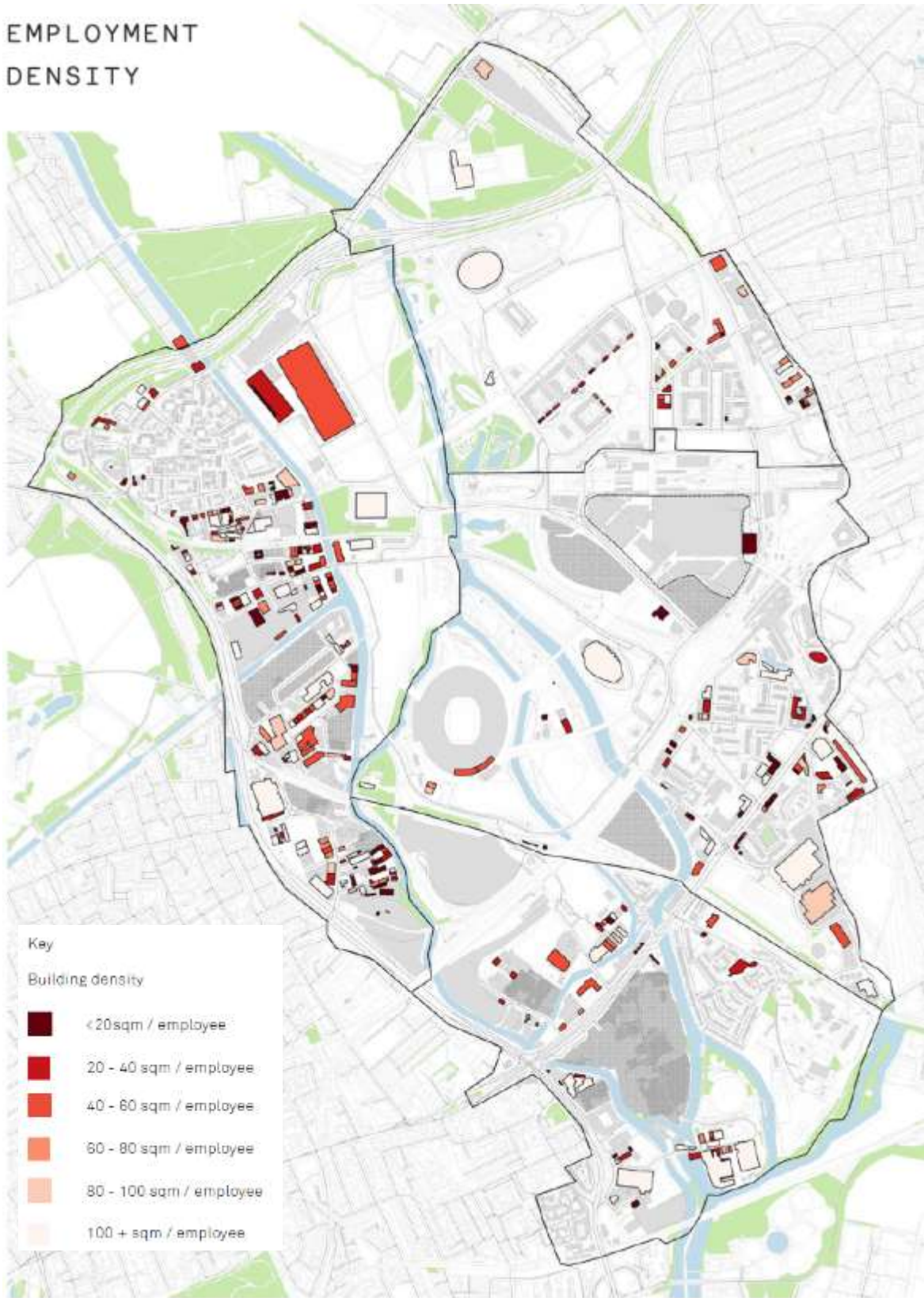
Business Activity

4.48 No one business sector has a monopoly across the LLDC area, but 'Other' services, marketing agencies or a cleaning companies for example, have been identified as the most common single sector activity.

- A mix of manufacturing, arts & culture and sound and video service businesses are also important local sectors, although this varies across sub-areas.
- 21% of businesses were identified as being engaged in creative activity. Once the area's live-work spaces and associated assumptions on the creative activity within these premises are factored in, this climbs to a third of the LLDC's total business base.
- The LLDC area continues to host one of the largest concentrations of artists' studios in London, with over 300 studios within the area (5% of the London-wide supply). Indicating how important the creative industries are to the character of particular parts of the LLDC area.

Figure 4.21 Employment Density

EMPLOYMENT DENSITY



Source: We Made That; Business Survey 2017

- the sale and redevelopment of workspace;
 - business expansion, and;
 - the need for more space, rising rents and business rates and the increasing challenges of moving goods into the area.
- Few businesses have secured new workspace to move to, but most businesses profiled report a desire to stay within the LLDC area. Others identified locations include Rainham, Hackney and Essex and a wider look 'outside of London'.

Creative Industries

4.54 The LLDC area continues to support a strong concentration of creative sector businesses and associated workspaces. Around a third of the LLDC's total business base is estimated to be operating within the creative sector. In addition, the area continues to host one of the largest concentrations of artists' studios in London, with over 300 studios within the LLDC area.

- Provision is delivered by long-standing artists' workspace providers like Cell, SPACE and ACME who manage studios across London, as well as by newcomers and local providers like Mother Studios and Arbeit (see Figures 4.22 and 4.23 respectively).

Figure 4.22 Mother Studios Hackney Wick



Source: <https://www.motherx.co.uk/>

Figure 4.23 Arbeit Hackney Wick



Source: <http://arbeit.org.uk>

- Observational research suggests that the dynamics within the creative sector (rather than a move towards or away from the sector) are taking place within the LLDC area.
- A new 'wave' of creative sector tenants has moved into the area. These tenants are typically more established, have some London-wide or international connections

dense sites of employment, bringing new business and employees to their respective neighbourhoods.

5.4 An illustrative FEA has been explored to provide context and demonstrate the economic relationships the LLDC area has with the rest of London.

Methodology

5.5 In assessing the FEA for the LLDC we have collated, and analysed data based on a number of factors which will influence the local and regional economy.

5.6 As there is no one source for defining the FEA we have assessed these approaches in turn, before drawing a conclusion on the best approach to take for this study. These are:

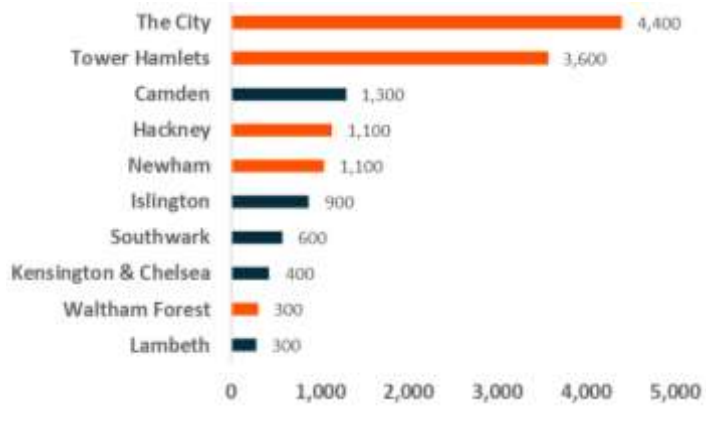
- FEA1: Travel to Work Areas
- FEA2: Housing Market Areas
- FEA3: Flows of Goods and Services
- FEA4: Retail and Leisure

FEA1: Travel to Work Areas

5.7 Travel to work data from the 2011 Census highlights strong commuting flows between LLDC and the areas identified as part of the Housing Requirements Study (2017).

5.8 In 2011, around 14,700 travelled to the LLDC area to work and around 16,700 lived in the area. Therefore, the district experienced a daily net out-commuting flow of around 2,000 people, mainly to other districts and boroughs across London.

Figure 5.1 LLDC Resident Outflows (Top 10)

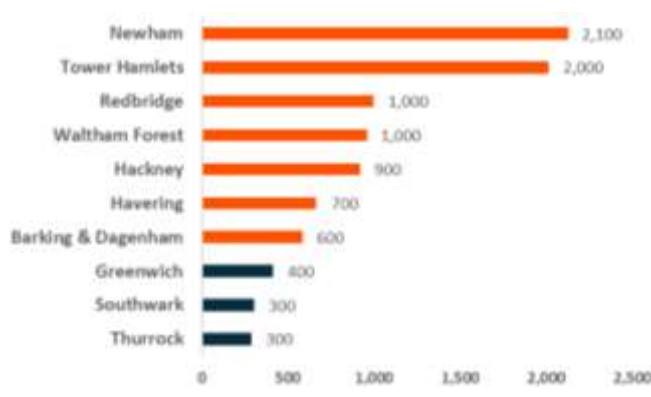


Source: Census 2011, Travel to Work

5.9 Figure 5.1 shows the resident outflows, of which the majority commute to the City of London.

5.10 Figure 5.2 below shows the commuter inflows to the LLDC area. The majority (56%) travel from neighbouring boroughs.

Figure 5.2 LLDC Resident Inflows (Top 10)



Source: Census 2011, Travel to Work

5.11 Census 2011 data suggested that the self-containment rate (people who live and work in the area) is low, at less than 1% of the population.

5.12 However, based on the large amount of development that has occurred in the area since 2011, it is anticipated the self-containment rate is now much higher.

5.13 A recent household survey completed by Opinion Research Services (ORS) suggests that over 25% of residents live and work in the local area⁶, which would indicate a significant increase in self-containment since the Census was carried out. The Household Survey also shows that over 75% of residents work within London, with a similar proportion travelling less than 60 minutes to reach their place of work.

Implications for the Functional Economic Area

- Strong out commuting flows between LLDC area and nearby London boroughs including; City of London, Hackney, Tower Hamlets, Newham and Waltham Forest.
- Similarly, there are strong in commuting flows from neighbouring London boroughs including, Newham, Tower Hamlets, Waltham Forest, Redbridge, Havering and Barking & Dagenham.
- The travel to work patterns complement the HMA identified in the most recent Housing Requirements Study, signifying a logical FEA for LLDC.

FEA2: Housing Market Areas

5.14 The latest LLDC Housing Requirements Study(2018) looks at a range of market areas including; the four London Boroughs that make up the LLDC area, which are; Hackney, Newham, Tower Hamlets and Waltham Forest.

⁶ The local area, as defined in the survey consists of; Stratford/Hackney Wick/Fish Island/Other part of the local area.

5.15 The most recent Housing Requirements Study also considers the sub-regional market areas and Broad Rental Market Areas (BRMAs). The LLDC area falls across to BRMAs which are Inner London and Outer London. Despite the LLDC overlapping two BRMAs, the LLDC Housing Requirements Study have reviewed the outcomes of the individual Strategic Housing Market Assessments covering Newham, Waltham Forest, Hackney and Tower Hamlets as context for the needs of the LLDC area.

House Prices

5.16 The housing market in the LLDC area is influenced by the surrounding areas as well as the existing London housing market.

5.17 Based on ONS data (and drawing on Land Registry data), the median house price in the LLDC area in 2017 was c. £407,000. There are notable differences in house prices across the SHMA. Median house prices in Barking & Dagenham are the lowest across the HMA at £299,000, whilst median house prices in Tower Hamlets, Hackney and City of London are considerably higher at £520,000, £608,000 and £830,000 respectively.

5.18 Median house prices in the LLDC area are lower than all neighbouring Boroughs except for Newham. However, as more new build housing developments are completed within the LLDC area, it is anticipated that median house prices within the area will increase in coming years.

Table 5.1 Median House Prices across HMA (Year Ending March 2017)

Local Authority	Median house prices
City of London	£831,400
Islington	£608,252
Hackney	£520,900
Tower Hamlets	£488,070
Waltham Forest	£430,888
Redbridge	£417,202
LLDC Area	£406,935
Havering	£379,069
Newham	£357,036
Barking and Dagenham	£299,076

Source: ONS, House Price Statistics for Small Areas - Median house price for national and subnational geographies, 2017.

FEA4: Retail and Leisure

Retail

- 5.22 Stratford Westfield is the main retail centre within the LLDC area, being one of the largest shopping centres within inner London; it is an important retail asset for East London and beyond. The older Stratford Centre, which is not on the same scale as Westfield is located on the periphery of the LLDC area.
- 5.23 The recent residents' survey, that has been commissioned as part of the Local Plan Review⁸ shows that 88% of residents carry out their main food shop within Westfield, Stratford, East Village or at local shops within 5-10 minutes' walk of their home. This would indicate that that spend on convenience goods is well contained within the LLDC area, with little spend leaking into neighbouring areas.
- 5.24 When asked where residents carry-out their top-up shopping over 95% stated they did this within the aforementioned areas, further demonstrating food and convenience expenditure is well contained within the local area.
- 5.25 Similarly, household expenditure on comparison goods is also high, with c.85% of households stating that they shop for clothes and shoes locally. However, when households were asked where they buy electrical goods and luxury items, the percentage of households decreased to between 70% - 75%.
- 5.26 The Retail and Town Centre Needs Study carried out as part of this study suggested that the LLDC areas market share for convenience goods for the study area (which includes; Islington, Tower Hamlets, Newham, Redbridge and Barking & Dagenham) is around 10%, rising to around 18% of the immediate area. The retention rate for comparison goods is higher at over 30%.

Leisure

- 5.27 As well as a retail destination, Westfield Shopping Centre also acts as a leisure destination offering a range of bars, restaurants and a cinema. Stratford Centre plays less of a role in providing leisure amenities. Hackney Wick is considered a leisure destination however, this is closely linked to night-time activities rather than all forms of leisure.

⁸ Opinion Research Services; Local Plan Population Forecast Model Review, 2017

- 5.28 The residents' survey as part of the Local Plan Review, also asked about the leisure offer within the local area. Overall, 70% of households said they stayed within the local area for their leisure activities with the majority (50%) stating Westfield as their main destination, others included; Hackney Wick (7%), Stratford Centre (5%), East Village (4%) and other parts of the immediate neighbourhood (6%).
- 5.29 Local leisure patterns are similar to those for retail however, London appears to provide greater competition for LLDC as a leisure destination; with almost 30% of households choosing to visit the West End or other parts of London for leisure purposes.
- 5.30 The Retail & Town Centre Needs Study also acknowledges that the LLDC area has a broad range of leisure activities, including food and drink activities, cinema, bowling alley and a range of other venues such as the London Stadium, Velopark and Tennis and Hockey Centre.

Implication for the Functional Economic Area

- Low levels of leakage for both convenience and comparison spend, this is due to Westfield and Stratford Centre providing a considerable range of retail options.
- Retail expenditure is well retained within the area, despite strong competition from other well-known shopping destinations close-by in Central London.
- Leisure patterns are similar to retail patterns with high levels of leisure expenditure retained locally. However, Central London appears to have a greater pull in relation to leisure than it does retail.

FEA 5: Transport Network

- 5.31 Stratford is one of the most connected locations in London, with a TfL PTAL⁹ of 6b (highest possible score). Stratford Station boasts access to the London Underground (Central Line), London Overground, Dockland Light Railway (DLR), National Rail Links, International Railway Links (HS1) and in the coming years, The Elizabeth Line (Crossrail).
- 5.32 Whilst the centre of Stratford and Westfield are easily accessible, it should be acknowledged that the outer lying areas are not as well-connected. This is particularly true of Hackney Wick & Fish Island (both as low as PTAL 2) and Pudding Mill (as low as PTAL 1). The outlying locations do however, have stations that link to the wider transport network such as

⁹ Public Transport Accessibility Level; Scores range from 1a (worst) to 6b (best)

Bromley-by-Bow (District/Hammersmith & City Line), Hackney Wick (Overground), Pudding Mill, Abbey Road & Stratford High Street (DLR).

- 5.33 The extensive transport links make the area a desirable place to live, which was demonstrated in the recent household survey, showing that whilst a large proportion of local resident's travel to neighbouring areas such as the City, Westminster and Tower Hamlets to work, a number of residents travel further afield to West London (Richmond, Chiswick, Hammersmith) and further East to Essex.
- 5.34 The area is also linked to an extensive road network with good access to the A12, A13 and A406 North Circular).

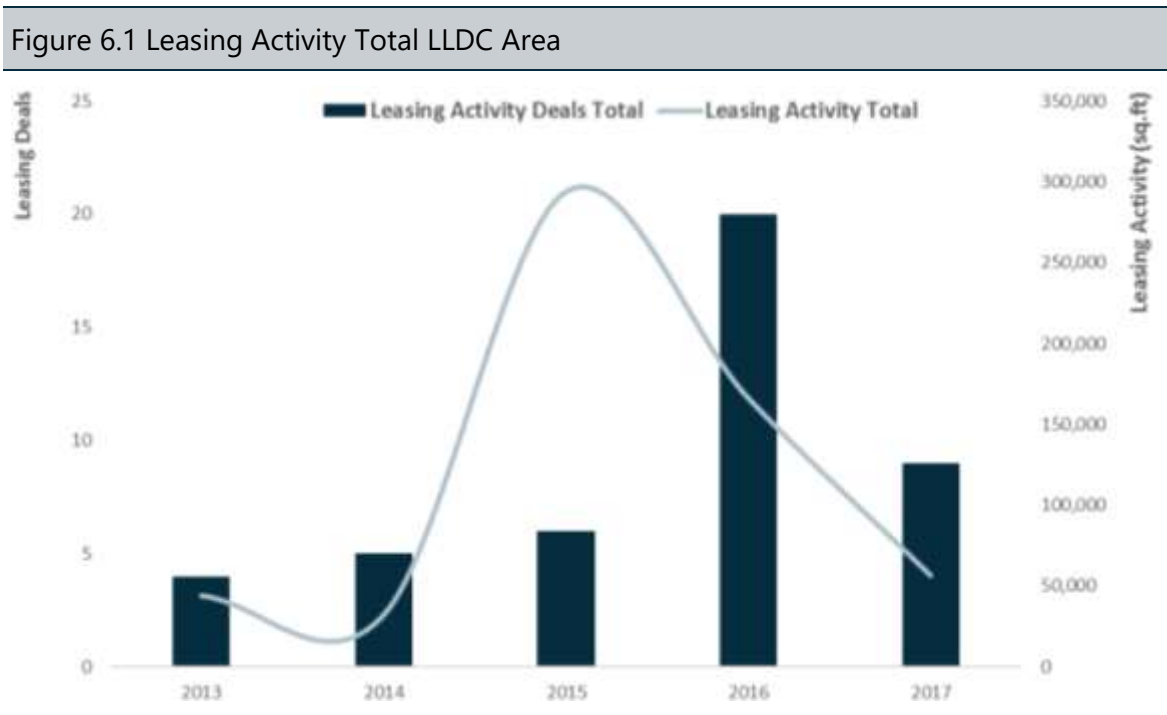
Implication for the Functional Economic Area

- Well connected to labour, visitors and goods across London and the wider South-East region.
- Range of options to travel to the area, ensuring the location is resilient to delays, cancellations and disruption.
- The transport network is due to be extended and improved by the opening of Crossrail which will reduce journey times even further and improve accessibility. However, capacity at existing Stratford Station could be a constraint.

Strategic Considerations

- 5.35 As well as considering how current observed economic trends impact upon the Functional Economic Area of LLDC, it is also important to acknowledge the important strategic role that the area plays in the evolution of London and the wider South East.
- 5.36 New and emerging puts the QEOP and LLDC area at the intersection of two areas identified as two of London's most important economic zones:
- **Lee Valley Opportunity Area** – The Lee Valley occupies a strategic position in the LSCC with a number of development opportunities, including Tottenham Hale, Blackhorse Lane, Meridian Water, Ponders End, Lea Bridge and Leyton, Stamford Hill, Clapton and the Lea Bridge roundabout. The Plan advises that industrial, logistics and commercial uses continue to form part of the overall mix of uses in the area, with no net loss of industrial floorspace capacity, and to fully explore opportunities for intensification of industrial land and co-location of industrial and residential uses.

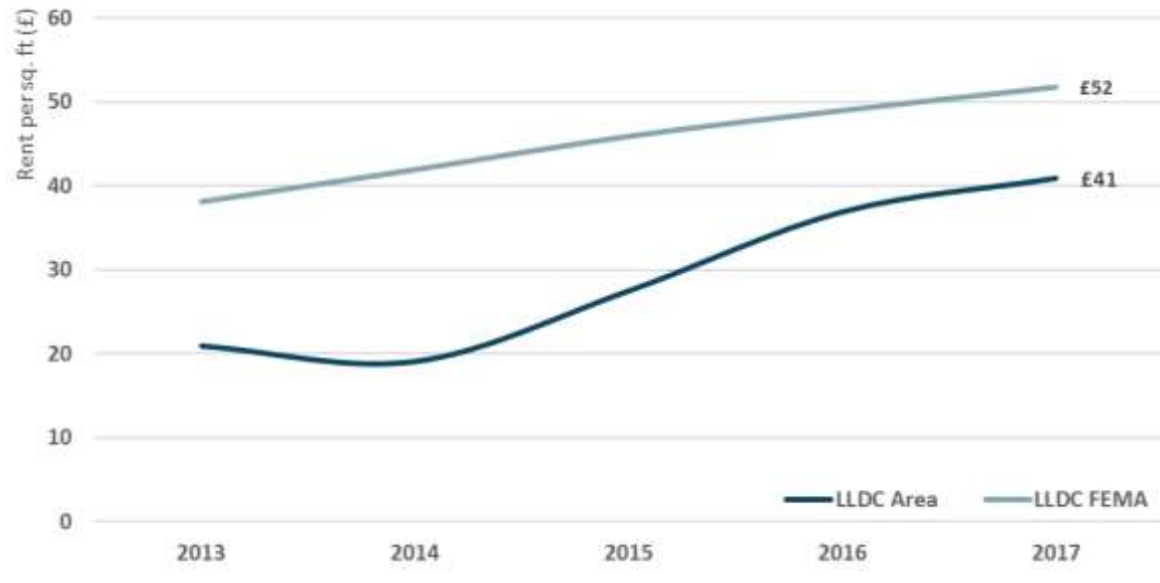
- 6.11 Of the total floorspace leased, almost 36,000sq.ft (over 60%) was taken within the HereEast development, including a major lease agreed by Ladbrokes Coral (over 26,000 sq. ft) along with other leases including Ford Smart Mobility and F45 Training.
- 6.12 The average floorspace take-up per transaction in 2017 was just under 6,300sq.ft, which is lower than the five-year average (16,000sq.ft) for the LLDC area.
- 6.13 Whilst 2017 saw an average deal size smaller than the FEA, the average floorspace per transaction for the immediate LLDC area (16,300sq.ft) over the last five years is significantly higher than that of the FEA (6,400sq.ft).



Source: CoStar Commercial Property Market Data

- 6.14 Current office rents are estimated to be £41 per sq.ft which is lower than the FEA average of £52 per sq.ft. However, LLDC office rents have increased at a much faster rate than those in the FEA. Data from the last five years has shown that office rents have increased by +96% within the LLDC area, compared to +36% across the wider LLDC FEA.

Figure 6.2 Average Office Rent 2013 – 2017 (£ per sq.ft)



Source: CoStar Property Market Data

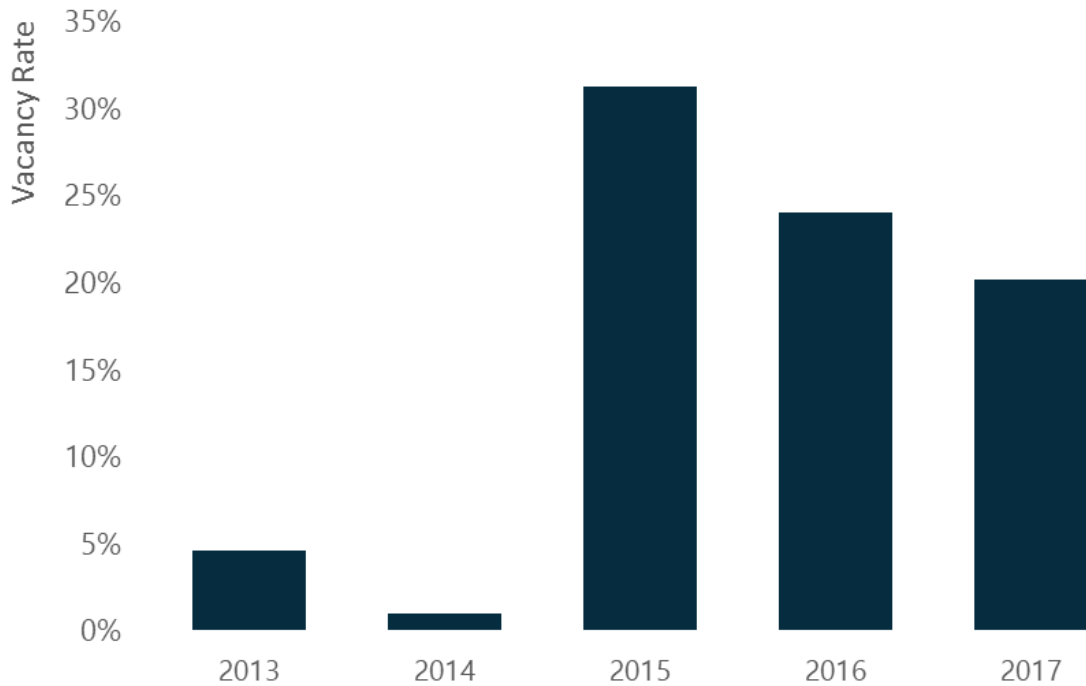
- 6.15 This growth in office rental values would signify increasing demand for office space in this part of London and suggesting the LLDC area is becoming recognised as a sound location to base a business.

Office Availability

- 6.16 In addition to completed deals, CoStar Focus also records the number of available office floorspace within the local area. As of December 2017, the CoStar Focus dataset identified a total of 469,000sq.ft of office floorspace being available in the LLDC area and 17,690,000sq.ft being available across the FEA, this equates to availability rates of 32% and 10% respectively.
- 6.17 The amount of vacant office floorspace within the LLDC area and the LLDC FEA is close to 300,000 and 10,180,000sq.ft respectively. This quantum of floorspace represents a 21% vacancy rate within the LLDC area, which is significantly higher than that in the FEA (8%). Whilst the vacancy rate appears high, it should be considered that the area is in a period of transition with a large number of new developments, such as HereEast, which was opened in 2015 and has yet to be fully occupied. Vacant space available at HereEast makes up close to 90% of all available office space within the LLDC.
- 6.18 The Business Survey carried out as part of the wider Combined Economy Report collected information relating to vacancy. This information is additional to commercial property market data.

6.19 However, the Business Survey recognised that there was very little recorded vacancy of large office spaces. This is reflective of the fact that workshop spaces are well-used and in demand in the area, and that large office spaces are typically pre-let or purpose-built for occupiers. The number of pre-lets and agreed tenancies mentioned above could mean that vacancy rates could be lower than the commercial property market data suggests. The figure below shows how vacancy rates have changed over the past 5 years.

Figure 6.3 Office Vacancy Rates 2013 – 2017 (%)



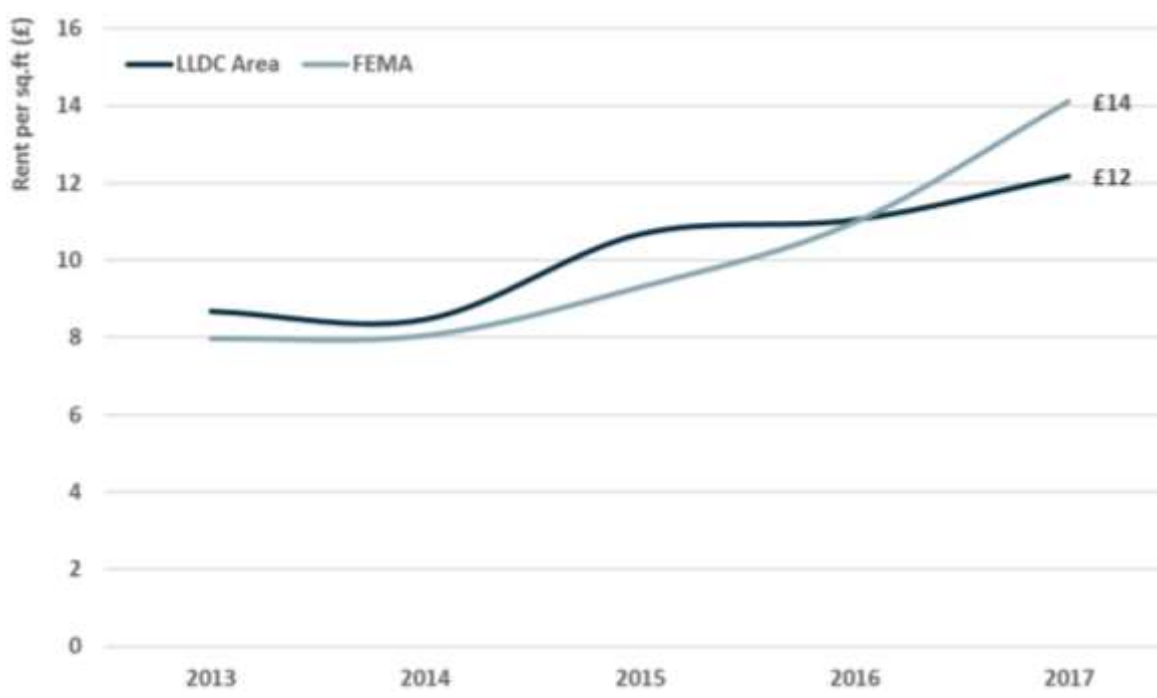
Source: CoStar Property Market Data

6.20 Based on both the vacancy rates and availability rates, it would appear that the LLDC area has a good supply of office floorspace however, the 469,000sq.ft of available office space is split across nine properties. HereEast which is not fully occupied makes up 85% of the available floorspace, which would indicate the options for different types of office space is limited. Once the HereEast office floorspace is discounted there is almost 72,000sq.ft of office floorspace available.

6.21 The average size of space available (Exc. HereEast) is close to 6,000sq.ft which would appeal to smaller businesses.



Figure 6.5 Average Industrial Rents 2013 – 2017 (£ per sq.ft)



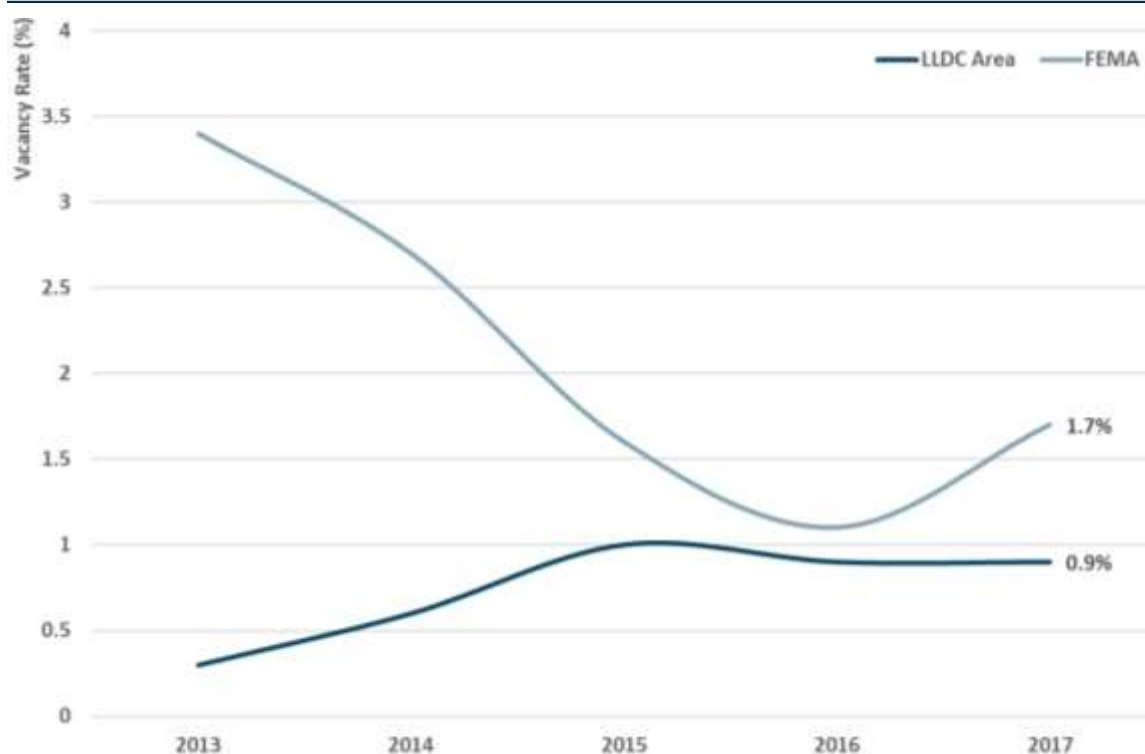
Source: CoStar Property Market Intelligence

Industrial Availability

- 6.31 According to CoStar Focus data from 2017, there were 17 spaces listed with an overall floorspace of c. 75,000sq.ft, as a proportion of total stock, this equates to an availability rate of 4%, which is slightly higher than the wider FEA area (3%).
- 6.32 When only the vacant floorspace is considered, this rate decreases further; with the data suggesting that the LLDC area has a vacancy rate of less than 1% and the FEA 1.7%. This further demonstrates the current levels of demand for industrial land and emphasises why the GLA are making policy recommendations to retain existing employment land within London.
- 6.33 Figure 6.6 shows how the vacancy rates for industrial land have changed over the last five years. Industrial vacancy rates have been very low for the last five years, with rates remaining below 1% across the LLDC and dropping from c.3.5% to c.1.7% across the FEA. The loss of industrial land to other uses across the FEA area and the increased demand for industrial land will be a major contributory factor to the decrease in vacancies.
- 6.34 The Business Survey also found that demand for industrial land was high and there is little evidence of workspaces not being able to find tenants when on the market. In terms of vacant premises, large industrial spaces (>500sq.m) are the most common vacant

workspace typology across the LLDC area, followed by retail spaces. However, typically the reasons for vacancy are because industrial spaces are vacant, but not available to let, in anticipation of redevelopment, while retail spaces are vacant and available to let.

Figure 6.6 Industrial Vacancy Rates 2013 – 2017 (%)



Source: CoStar Property Market Data

- 6.35 The industrial land stock available within the LLDC area is currently split across seven sites in; Hackney Wick, Fish Island, Stratford Old Town and Pudding Mill. The average size of each site is close to 10,500 sq. ft, with the largest on Dye House Lane (15,745).

Property Agent Perspective

- 6.36 Conversations with local agents suggest that there is strong demand for industrial space and some concern at the amount that has been lost, both to the Olympics and housing. Whilst the data suggests rental levels are around £12 per sq.ft, agents believe that rental levels for industrial space is rising to around £20 per sq.ft as a result of high demand and very low supply.
- 6.37 The consensus amongst agents, is that any industrial land within the LLDC area will perform well, as demand is so high and the location desirable. The area is a well-established industrial location and with supply so low in Central London, has little competition.

- 6.38 Despite the extremely high demand for industrial land of all forms, it is suggested that there is a lack of modern industrial stock within the area. New industrial types of stock are needed to help serve emerging demands such as e-commerce and last mile logistics; which require larger yards for increased vehicular access but smaller internal areas.
- 6.39 It was suggested that industrial intensification is key when considering the retention and provision of new industrial stock. A number of local agents felt it was imperative that proposed mixed-use developments are well-designed in partnership with developers. This will ensure mixed use sites are viable as well as meet the needs of the changing industrial market and could go some way in meeting the current supply shortage.

Overview of LLDC Industrial Sector

- Industrial land is becoming increasingly constrained across London as a whole, and the LLDC area is no exception to this.
- The LLDC area remains a good location with demand being high however, the current space available may not be fit for purpose. More contemporary and practical space to suit the needs of emerging businesses would help improve the existing offer whilst being more adaptable to mixed use development and intensification.
- Agents believe value may increase in the future, particularly if new space is not delivered.

Existing Supply of Employment Land

- 6.40 Based on desk-based research, the Business Survey and Retail & Town Centres Needs Study that have been compiled as part of the wider Combined Economy Study, a summary of the quality of existing industrial space has been provided, split out by subarea.

LLDC Area

- 6.41 Workspace typologies across the LLDC area continue to be defined by the distinct characteristics of the different sub-areas. As detailed further in the emerging employment trends section of the Business Survey report, the particular mix of industrial building stock is particularly suitable for multiple forms of re-use.
- 6.42 The Business Survey found that workshops have been identified as being the most common form of workspace, supporting 177 businesses. Small and large industrial spaces support another 192 businesses between them. Every business sector is represented within one or

more of these typologies. It can be seen that retail, office and other workspace typologies do not attract a similarly diverse and resilient range of businesses.

- 6.43 Particular concentrations of workspace are present in certain sub-areas. Around two thirds of the workspace in Hackney Wick and Fish Island is either workshop or small industrial space. Whilst over half of the businesses in North Stratford and Eton Manor are occupying retail space. Here, these are predominantly spaces that make up the street-frontage to the East Village residential developments.
- 6.44 Assembly spaces are present in both bespoke and informal contexts. With the exception of the London Stadium, all venues from the 2012 Olympic and Paralympic Games are open to the public every day of the week and have a relevant full-time workforce. These assembly spaces provide a significant amenity to the area. Industrial spaces provide assembly space in the form of nightclubs and event spaces. Here businesses build their offer on an informal aesthetic that would not be replicable anywhere else in the area.
- 6.45 Vacancy of workspace is minimal across the LLDC area. Where it is present, it is often in anticipation of redevelopment. There is little evidence of workspaces not being able to find tenants when on the market, which is reflective of the wider property market in London.
- 6.46 Table 6.1 provides a summary of the types of workspace defined by typology, Figure 6.7 shows where these types of workspace are located across the LLDC area.

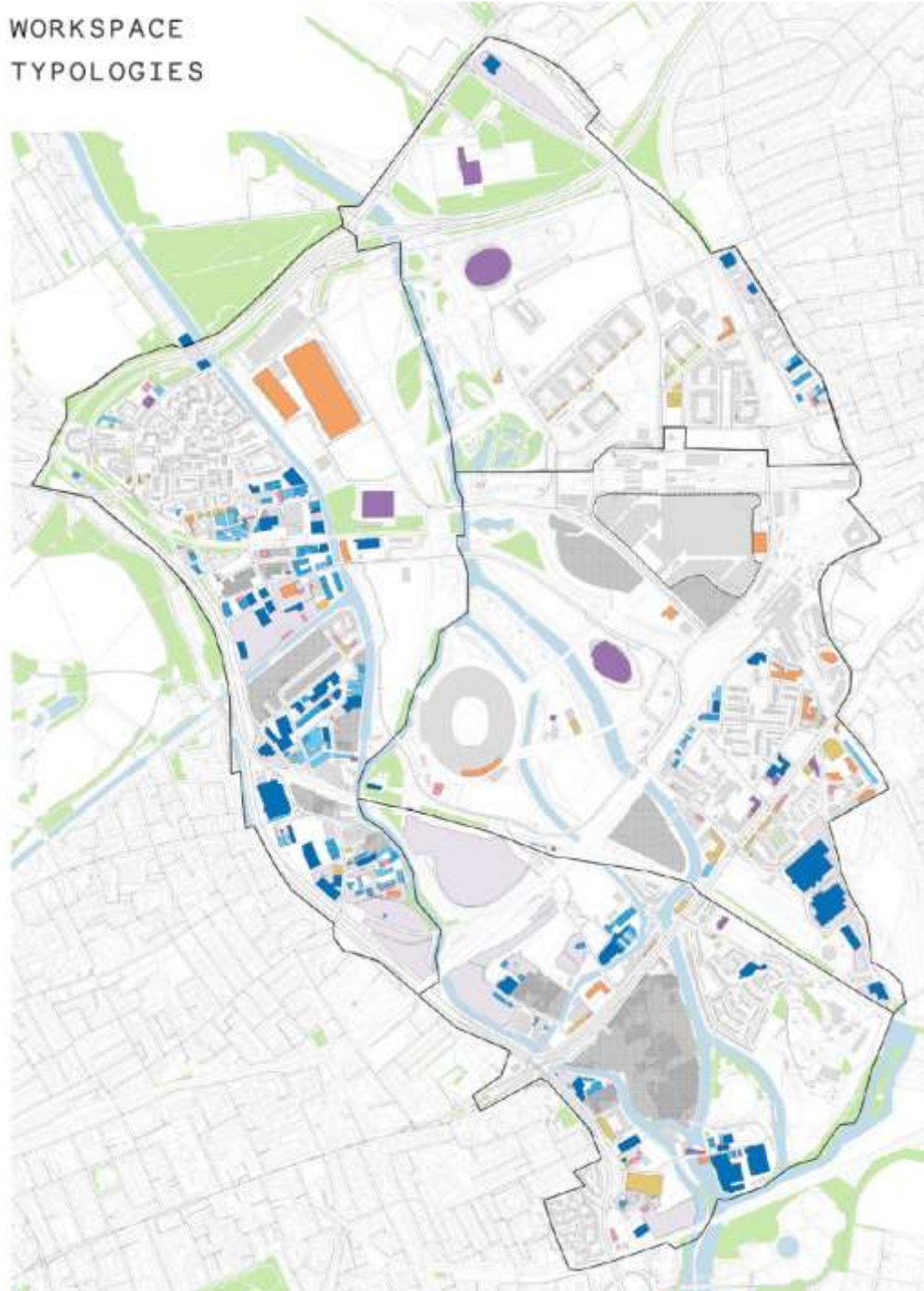
Table 6.1 Workspace Typologies - LLDC Area		
Typology	Count	Percentage of all Workspace
Assembly space	17	3%
Large industrial space	62	10%
Large office space	54	8%
Retail space	119	18%
Small industrial space	101	16%
Small office space	121	19%
Workshop space	171	27%
Total	645	100%

Source: LLDC Business Survey 2017; We Made That

- 6.47 Access to labour, transport and amenities are important factors for businesses, and their decisions to locate within an area. For example, traditional, heavier industrial uses are located within easy access of the road, rail and waterway transport network and have greater parking and logistical requirements. Office uses tend to be located in areas with

good public transport links and access to the labour market. The attractiveness of the overall environment can also be a large draw for employers and employees alike.

Figure 6.7 Workspace Typologies – LLDC Area



Source: We Made That, 2017

6.48 As detailed earlier in the report, the LLDC area has a number of existing employment clusters (see Table 2.2), which all serve individual functions. The function of each of these

areas and the important roles they serve as part of the LLDC and wider London economy should be carefully considered in the future. Therefore, ensuring existing employment floorspace capacities and specific employment designations are retained, will be central in protecting the roles of these employment clusters.

6.49 Each of the LLDC subareas benefit from their own distinct character and sense of place and the roles the subareas play within the LLDC economy is explored in more detail in this section.

6.50 A large proportion of workspace in Hackney Wick and Fish Island is either workshop or small industrial space (see Table 6.2). Historic large industrial space across the sub-area has typically been subdivided into smaller units (see Figure 6.9). The area contains the HereEast SIL (Industrial Business Park) and the Fish Island South (Bow Midland Rail Site), a number of smaller designated LSIS sites (Lee Conservancy Road, Trafalgar Mews, Chapman Road and Bartrip Street North) and the Wick Lane Other Industrial Location. The presence of industries within these sites is influenced by the factors detailed below.

Figure 6.9 Photography Studio Hackney Wick



Source: We Made That

6.51 The development of HereEast has provided a different workspace offer in this area, by converting a large scale industrial space, into a mix of retail, assembly office and industrial space.

6.52 Ongoing construction and redevelopment across this sub-area, is reported by businesses to be putting pressure on both occupancy and operation.

6.53 For businesses that predict leaving the area within the year, around a third report the loss of their workspace as the cause. Disruption and pollution from construction was cited as being the biggest problem to businesses. Large blocks of space in the sub-area are left devoid of productive activity

during construction periods, to the detriment of neighbouring businesses.

Table 6.2 Workspace Typologies - Hackney Wick & Fish Island		
Typology	Count	Percentage of all Workspace
Assembly space	6	2%
Large industrial space	30	8%
Large office space	14	4%
Retail space	42	12%
Small industrial space	69	19%
Small office space	74	21%
Workshop space	120	34%
Total	355	100%

Accessibility

- 6.54 Hackney Wick has a PTAL rating of 4 (6a being the best) and is located in Zone 2, served by one train station. This provides London Overground services to Stratford, Richmond and Clapham Junction. Bus services also run throughout the area to Dalston, Stoke Newington, Newham, Marble Arch and Leytonstone. The Fish Island area has generally lower PTAL levels with much of this currently having a rating of 2. Hackney Wick and Fish Island is particularly well-accessed to the strategic road network with the A12 running west of the area. The south part of the area also benefits from direct access to the rail head at Bow Foods Yard. Parts of the area also benefit from direct access to the ater network.

Environment

- 6.55 Throughout Hackney Wick and Fish Island, there is a presence of graffiti which contributes to the overall character of the area and its strong creative links. However, this simultaneously can be perceived as a place which is run down and neglected, particularly to the south of the area where the building qualities are generally lower. Due to the industrial nature of the area, there is a lack of actives frontages. As a result, there is no obvious 'neighbourhood centre'.

North Stratford & Eton Manor

Figure 6.10 Subarea 2 – North Stratford & Eton Manor



Key

Manufacturing: food & drink	Construction	Info & Comms: other	Restaurants & cafés
Manufacturing: textiles	Vehicle sale & repair	Services: financial & legal	Night-time & drinking venues
Manufacturing: printing & publishing	Wholesale: construction	Services: design & architecture	Leisure
Manufacturing: other	Wholesale: other	Services: other	Other
Utilities & waste	Transport & storage	Education & health	Vacant
	Info & Comms: sound & video	Arts & culture	Unknown
			Mixed tenants

Source: We Made That, 2017

6.56 As shown in Table 6.3, the majority of businesses (60%) across the sub-area are occupying workspace classed as retail space. These are spaces that make up the street-frontage to residential developments. The workspaces along the Leyton Road site are mainly small industrial spaces. This subarea contains the Temple Mill Lane LSIS designation.

Figure 6.11 Recently established amenity, health and leisure provisions around the new E20 neighbourhood



Source: We Made That 2017

6.57 The continuing construction and residential growth of this sub-area is facilitating the growth of businesses. Many businesses are dependent on the continued increase in local residents to patronise their business. Surveyed businesses report risks present in this progression not happening fast enough.

Table 6.3 Workspace Typologies – North Stratford & Eton Manor

Typology	Count	Percentage of all Workspace
Assembly space	2	5%
Large industrial space	1	2%
Large office space	1	2%
Retail space	25	60%
Small industrial space	11	26%
Small office space	2	5%
Grand Total	42	100%

Accessibility

6.58 The area is well connected with the neighbourhood centre of East Village having a PTAL rating of 6b (6a being the best) and is located in Zone 2. Due to its close proximity to Stratford International Station, East Village has numerous connections including National Rail; London Overground; Tube; DLR; Tram and Buses. The area is served by bus services towards Chingford, Leytonstone, Walthamstow, Chingford Mount, Canning Town Wanstead. As you move north through the subarea the PTAL rating drops however, the northern part of the area also has good strategic road access to the A12.

6.60 Businesses in the Central Stratford and Southern Queen Elizabeth Olympic Park sub-area mainly occupy a mix of small and large office spaces, retail spaces and workshops (see Table 6.4). The former Guardian Print Works and the Kessler factory occupy some of the largest single footprint industrial spaces across the LLDC area. The IQL development will eventually provide around four million sq.ft of Grade A office space and will be the largest amount of non-retail workspace in the LLDC area.

Figure 6.13 Repurposed Industrial Units in Central Stratford



Source: We Made That; 2017

6.61 The retail spaces that make up the street-frontage of buildings along Stratford High Street also provide small office spaces and examples can be seen of creative industries utilising these spaces. This subarea also contains the Rick Roberts Way LSIS designation, which currently provides a significant quantum of high quality employment space. Based on the limited supply of this type and quality of space locally and regionally, it is important measures are in place to protect it.

Table 6.4 Workspace Typologies – Central Stratford and Southern QEOP

Typology	Count	Percentage of all Workspace
Assembly space	6	3%
Large industrial space	11	6%
Large office space	35	19%
Retail space	40	21%
Small industrial space	11	6%
Small office space	39	21%
Workshop space	47	25%
Grand Total	189	100%

Accessibility

6.62 Stratford has a PTAL3 rating of 6b (6a being the best) and is located in Zones 2/3. There are 18 buses which operate from the Stratford bus station which all have multiple routes,

including services to Oxford Circus, Romford and Canning Town. Public coach services also operate with National Express with multiple coach services between Stratford town centre and Stansted Airport, Cambridge, Ipswich/Colchester and Norwich/Thetford. A Terravision coach service also runs between Stratford town centre and Stansted Airport.

- 6.63 Stratford rail station is served by the following TfL lines: Central; DLR; Jubilee; and the London Overground. The TfL rail services provide connections from Kent and London St Pancras, as well as from Essex, Hertfordshire, East Anglia and Liverpool Street/Fenchurch Street. Stratford will also be served by the Elizabeth Line which has the potential to bring forward growth and development from Stratford eastwards. This will be open in 2019. Stratford as a centre has changed immensely since the 2012 Olympic Games and transport has been a key factor in this growth. Stratford International also provides services from Kent to London St Pancras. Generally, the PTAL level decreases with distance from the Metropolitan Centre with some parts of the subarea only having ratings of 2 or 3.
- 6.64 Pedestrian flows are good throughout this area. Westfield is fully pedestrianised and provides links between Stratford Station, Stratford International Station and the QEOP. The area does not benefit from any direct routes to the strategic road network however, moorings provide potential access to the water network.

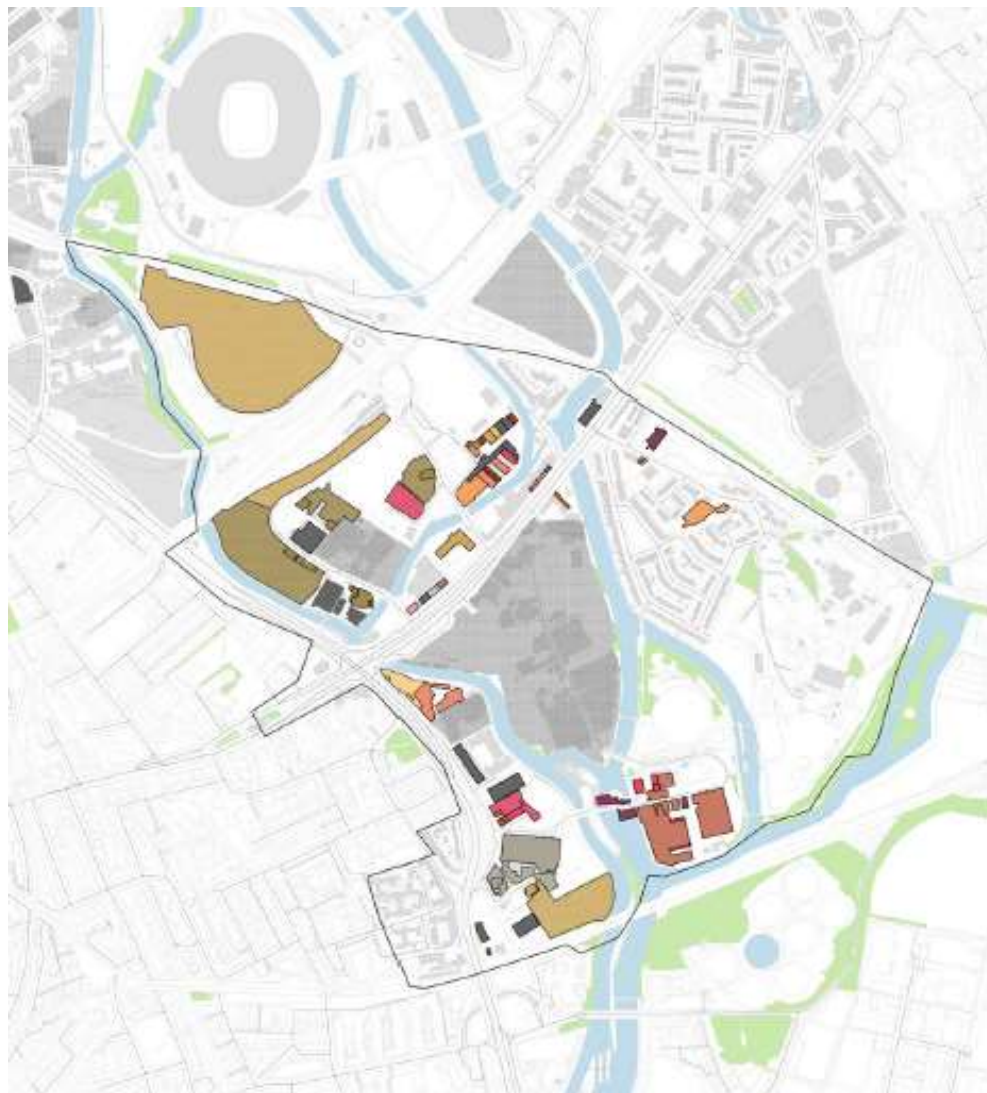
Environmental Quality

- 6.65 Westfield Stratford city is a purpose-built shopping destination centre that is well managed and has a welcoming environment. This acts as a draw for Stratford as a whole and introduces shoppers and visitors to the area. After the consultation with the Stratford Centre Manager, it became apparent that the arrival of Westfield Stratford has benefitted the traditional part of Stratford.
- 6.66 There is a large provision of green space in this area, in particular around the QEOP which is interlinked by well laid pedestrian pathways.



Bromley-by-Bow, Three Mills & Pudding Mill

Figure 6.14 Subarea 4 – Bromley-by-Bow, Three Mills & Pudding Mill



Key

 Manufacturing: food & drink	 Construction	 Info & Comms: other	 Restaurants & cafés
 Manufacturing: textiles	 Vehicle sale & repair	 Services: financial & legal	 Night-time & drinking venues
 Manufacturing: printing & publishing	 Wholesale: construction	 Services: design & architecture	 Leisure
 Manufacturing: other	 Wholesale: other	 Services: other	 Other
 Utilities & waste	 Transport & storage	 Education & health	 Vacant
	 Info & Comms: sound & video	 Arts & culture	 Unknown
			 Mixed tenants

Source: We Made That, 2017

6.67 Half of the businesses in this sub-area occupy either small or large industrial spaces (see Table 6.5). This is representative of the 2 clusters of industrial workspace around Marshgate Lane and Three Mills Studios where older industrial sites have been adapted for different uses, including creative activity. This subarea contains the Bow Goods Yard East SIL, the Sugar House Lane LSIS and the Cook’s Road OIL.

Figure 6.15 Three Mills Studio



Source: 3 Mills Studio

Table 6.5 Workspace Typologies – Bromley-by-Bow, Three Mills and Pudding Mill

Typology	Count	Percentage of all Workspace
Assembly space	3	5%
Large industrial space	20	34%
Large office space	4	7%
Retail space	12	20%
Small industrial space	10	17%
Small office space	6	10%
Workshop space	4	7%
Grand Total	59	100%

Accessibility

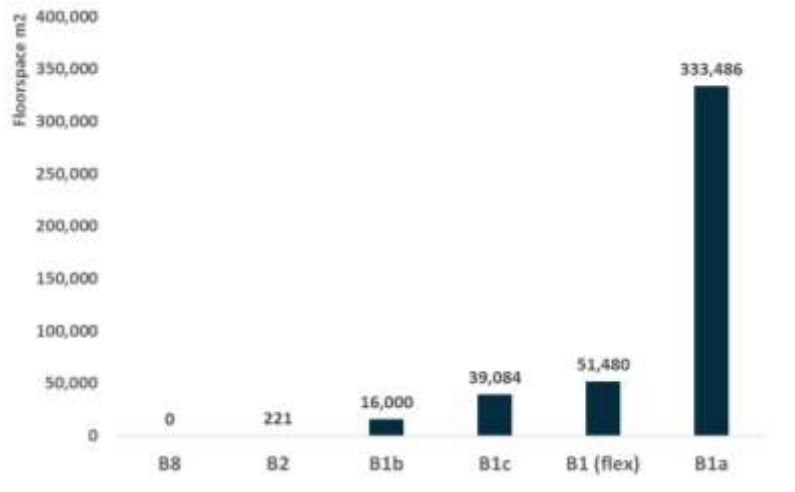
- 6.68 Bromley-by-Bow has a PTAL rating of 3/4 and is located in Zones 2/3. It has good accessibility to the road network with the A12 running through the centre with direct links to Canary Wharf. The A118 also provides links into Stratford. The Western part of the area also benefits from direct access to the rail head at Bow Goods Yard. The area is also accessible via the Bromley-by-Bow underground station. The bus routes serving the area go to Mile End; Dalston Junction and Lewisham.
- 6.69 Pedestrian linkages are poor due to the busy A12 which can only be crossed via the subway, which is uninviting particularly during the night time. There is currently a need for additional

Future Supply of Employment Land

6.76 This section provides an overview of the supply of employment land within the LLDC area, considering all planned development and strategic sites.

6.77 Based on the current planning pipeline (Appendix A), there is an estimated 535,000sq.m of B class floorspace that will be developed between now and 2030 (see Figure

Figure 6.16 B Class Floorspace Commitments



Source: LLDC Planning Applications

6.12) however, this includes employment space that is currently under construction. When any development currently under construction (such as East Wick Phase 1) is removed from the pipeline the total quantum of B class floorspace equates to 285,000sq.m.

6.78 As shown in Figure 6.16 the vast majority of all B class floor space is B1a office space, which makes up 76% (c. 430,00sq.m) of all B class permissions granted by LLDC. The majority of the remaining pipeline (c. 106,000sq.m) development is made up of other forms of B1 uses (B1b, B1c and flexible B1 uses). The B1b pipeline development is also considering development at UCL East, which has a resolution to grant, subject to Section 106 agreement. By comparison there is very little B2 or B8 use in the development pipeline.

6.79 There are a number of large scale and high-profile mixed-use developments across the LLDC area. The developments include Strand East, UCL East and the remaining development at International Quarter London (IQL), these developments all have a B class element, which make up 80% (c.180, 000sq.m) of total B class floorspace within the LLDC planning process.

6.80 However, it should be noted that whilst the IQL development is predominantly B1 office, there is some flexibility relating to the format of future uses. There could be the potential to replace a quantum of B1 office space, with workshop type uses, alongside residential development. However, if the proposed B1 space was to be changed to residential uses, this should not impact on the overall employment land supply in the LLDC area, due to the current pipeline providing sufficient space for all future demand scenarios.

6.81 Large-scale development is underway and in the pipeline in Hackney Wick Central area, which equates to almost 28,000sq.m of all B class floorspace, subject to Section 106 agreement. However, this is predominantly flexible B-class use, with a focus on shared workspace, artist studios and workshops.

Figure 6.17 International Quarter London



Source: <https://www.internationalquarter.london/>

Figure 6.18 Hackney Wick Central



Source: <http://karakusevic-carson.com/work/hackney-wick-central-masterplan>

6.82 The vast majority of B class floorspace in the planning pipeline is anticipated to be complete by 2025 with some development completing by 2030. The average annual completion rate is close to 89,000 sq.m of B class floorspace per annum however, this is heavily skewed by the completion of the IQL in 2023.

Table 6.6 Planned B Class Floorspace (sq.m) - Phased

2018	2019	2020	2021	2022	2023	2024	2025	Total
14,396	14,298	94,934	16,000		390,582		6,451	536,660

6.83 Table 6.6 only indicates completion dates and elements of the floorspace may become available before completion therefore these figures only provide an indication of when floorspace will become available.

6.84 Several the planned developments already have agreed tenancies therefore, the amount of pipeline development cannot be considered available. TfL have already occupied the site, whilst the Financial Conduct Authority (FCA), Transport for London (TfL), Cancer Research UK & British Council have all agreed leases for a combined 100,000sq.m of pipeline development.

7. Demand: Future Growth Scenarios

- 7.1 To help inform future decisions on the delivery of commercial space in the LLDC area number of future growth scenarios have been considered. These provide the basis upon which an assessment of future quantification of employment space needs in the future.
- 7.2 Forecasts and scenarios are not predictions of the future but are useful for providing a framework for planning for the future. The rapid and diverse change that are anticipated within the LLDC area over the next 15 years means that it is difficult to alight on a specific scenario. As such as such, we have considered a range of potential scenarios to provide flexibility, including two derived from new forecasts commissioned specifically by LLDC for the four growth boroughs, the scenarios are discussed in more detail later in this section.

Recognising Uncertainty

- 7.3 The London Office Policy Review (2017) (See Section 6) along that we are currently in a period of uncertainty, with a range of factors complicating our assessment of future scenarios and forecasts.
- 7.4 The Government's Aqua Book¹¹ provides an outline of the considerations which need to be considered when making conclusions about the future.

The importance and implications of uncertainty – key points

"Analysis is used to inform decision-makers about which option to choose, often in unique situations. For each option, a range of real outcomes may occur – the actual outcome is uncertain.

Uncertainty will always exist and is inherent in any analysis and real-world decision. Decision-makers aim to achieve their desired outcome by adopting strategies which increase the chances of better outcomes occurring while decreasing the chances of less favourable outcomes occurring. This requires good information on uncertainty, such as the range of outcomes that may occur together with the likelihoods for each option they can choose. "Best estimates" are not usually enough.

¹¹ The Aqua Book is the Government's guidance on quality assurance in analytical research - <https://www.gov.uk/government/publications/the-aqua-book-guidance-on-producing-quality-analysis-for-government>

7.9 This report does not model Brexit impacts, but does recommend gathering local economic intelligence on an ongoing basis to track the impact of Brexit and other forms of uncertainty.

Scenarios Workshops

7.10 Recognising uncertainty and the impact this might have on consideration of the future; two workshops were held with local stakeholders and officers. A range of influencing factors were identified that have been considered in making judgements on the scenarios below:

Table 7.1 Scenarios Workshop	
Factor Identified by Partners	Potential Future Impact
Implications of Brexit	The uncertainty of Brexit could have significant impact on the London and the LLDC as a whole. Concern over potential impacts on labour supply.
Opening of Crossrail	The opening of Crossrail, will further improve the accessibility of the area, making it more desirable area to live and work. This could increase the need for housing and office space putting further pressure on existing industrial land.
Take-up of space by major corporate tenants	It is envisaged that as the area becomes matures as an office location, major tenants could move to the area. This would bring long-term investment to the area and could encourage more major tenants to the LLDC area, as it becomes more established - competing more closely with the City and Canary Wharf.
Industrial Intensification	As the demand for land increases, intensification of mixed-use development will become more and more necessary. Intensification could be a way of ensuring the area preserves its heritage whilst increasing its housing and employment stock.
Further growth in the Education Sector	With the proposed Cultural and Education District in the pipeline (including tenants such as UAL, V&A and Sadler's Wells), the LLDC area will become a well renowned educational destination. Further growth could help stimulate the creative sector further along with support services connected to the sector.



7.13 The scenarios that have been considered are set out in Table 7.2 below.

Table 7.2 Future Growth Scenarios	
Scenario	Description
<p>1 – Following the Past Trend <i>Simple scenario assuming that recent high growth in the growth boroughs will continue for the next 20 years</i></p>	<ul style="list-style-type: none"> Historical employment data for each of the Growth Boroughs has been collated using the GLA Employment Forecasts (2017). Historical employment data for the LLDC has been collated using ONS BRES data. We have calculated the proportion of Growth Borough historic employment growth attributable to LLDC (7% between (2013 – 2016). Extrapolated average annual employment growth (2013 – 2016) c. +24,000 p.a. (Growth Borough) / +1,700 p.a. (LLDC) to 2036. These projections are based purely on historical employment trends, no planned development has been accounted for in this scenario. Total job growth in LLDC under this scenario (2016 – 2036) = c.33,000
<p>2 – Growing in line with London Growth (GLA) <i>Scenario considers the GLA’s central forecasts and makes assumptions about the amount of growth attributable to the LLDC areas.</i></p>	<ul style="list-style-type: none"> GLA Labour Market Forecasts were collated for Growth Boroughs. We calculated the proportion of Growth Borough historic employment growth attributable to LLDC (7%) between (2013 – 2016). Annual average employment growth for Growth Boroughs (+14,400 p.a.) was attributed to LLDC (+1,000 p.a.) The GLA forecasts take jobs growth and future employment site development into consideration. Total job growth in LLDC (2016 – 2036) = c.20,000
<p>3 – Business as Usual Scenario (Oxford Economics for LLDC) <i>Uses recently commissioned local forecasts, showing a ‘do nothing’ scenario.</i></p>	<ul style="list-style-type: none"> Based on the recently commissioned (by LLDC) Growth Borough Employment Projections (2016 – 2030) which were modelled by Oxford Economics and are revised forecasts of the 2013 estimates. Employment growth in the Growth Boroughs has been significantly higher than anticipated in 2013; this is due to rapid population growth during 2013-16 and a number of major developments not being included in the original 2013 forecasts.

	<ul style="list-style-type: none"> • The OE forecasts (until 2030) for the Growth Boroughs have been apportioned to LLDC area (based on historic BRES data). • OE forecasts project to 2030 therefore years 2031 – 2036 were extrapolated based on annual average growth in previous years. • The Oxford Economics baseline forecast does not consider the impact of future planned developments. • Total job growth in LLDC (2016 – 2036) = c.12,500
<p>4 – Higher Growth/Development Scenario (Oxford Economics for LLDC)</p> <p><i>Uses recently commissioned local forecasts which includes the impact of new planned development.</i></p>	<ul style="list-style-type: none"> • As with scenario 3, the same method for the OE baseline forecasts have been applied to the high growth scenario. • The Oxford Economics high growth scenario takes future employment site development into consideration. The planned developments accounted for include; IQL, CED Strand East and Pudding Mill • Total job growth in LLDC (2016 – 2036) = c.20,300

Source: Regeneris Consulting

Limitations

- 7.14 ONS BRES data provides employment data at the smallest possible geography available which are Lower Super Output Areas¹³ (LSOAs). The LSOAs used to collate this data, are based on the LLDC administrative boundary and are the closest possible match available. BRES data is the only robust source of employment data available for the LLDC area.
- 7.15 As there are no other forms of historical employment data for the LLDC area, the baseline position for all scenarios is the same.
- 7.16 Whilst the past trends scenario is solely based on historical employment growth within the LLDC area, the remaining three scenarios are all based on pre-determined forecasts developed by forecasting houses including Oxford Economics and GLA Economics team. There is an overall understanding of the assumptions made in relation to population growth and future developments however, there is no access to the underlying data. For example, assumptions have been made relating to some future development sites within both the GLA forecasts and Oxford Economic forecasts however the precise quantum of development used is not known.

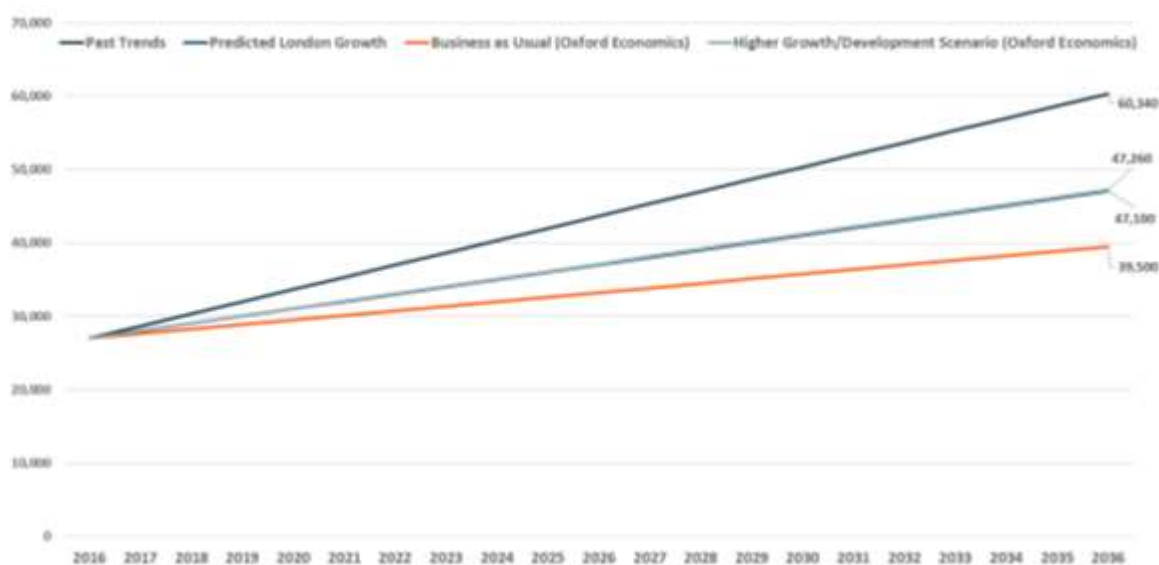
¹³ LSOAs -A geographic hierarchy designed to improve the reporting of small area statistics in England and Wales.

- 7.17 There are no stand-alone forecasts exclusive to the LLDC area. Therefore, to estimate future employment for the LLDC area, the LLDC area's contribution to historic employment growth for each of the following boroughs; Hackney, Newham, Tower Hamlets and Waltham Forest has been analysed. Using historic employment data (BRES) the proportion of neighbouring borough growth was then apportioned to the LLDC area. This apportionment has then been applied to each of the employment forecasts detailed in the table above.
- 7.18 The sectoral change applied to the employment forecasts has been based on the GLA labour market forecasts and historical changes for each sector.

Comparison of Forecasts

- 7.19 Figure 7.1 below compares future employment change according to the three sets of forecasts used. As previously mentioned, the forecasts all start from the same base position in 2016.

Figure 7.1 Future Growth Scenarios Comparison



Source: ONS BRES data / GLA Labour Market Forecasts / Oxford Economics. Due to the GLA forecast and Oxford Economics High Growth Scenario following a very similar trajectory the lines overlap within Figure 7.1

- 7.20 There is expected employment growth across all forecasts however, the forecasts based on past employment change shows the fastest growth between 2016 and 2036, with total employment reaching c.60,000. The Business as Usual (Oxford Economics baseline) forecast show the slowest growth, with a total employment reaching c.40,000 by 2036 (see Table 7.3).

7.21 Both the Predicted London Growth and the Higher Growth/Development scenario forecasts are closely aligned, with both showing total employment being around 47,000 by 2036. These are the only two scenarios that factor in an element of planned development and is the most likely reason for this alignment.

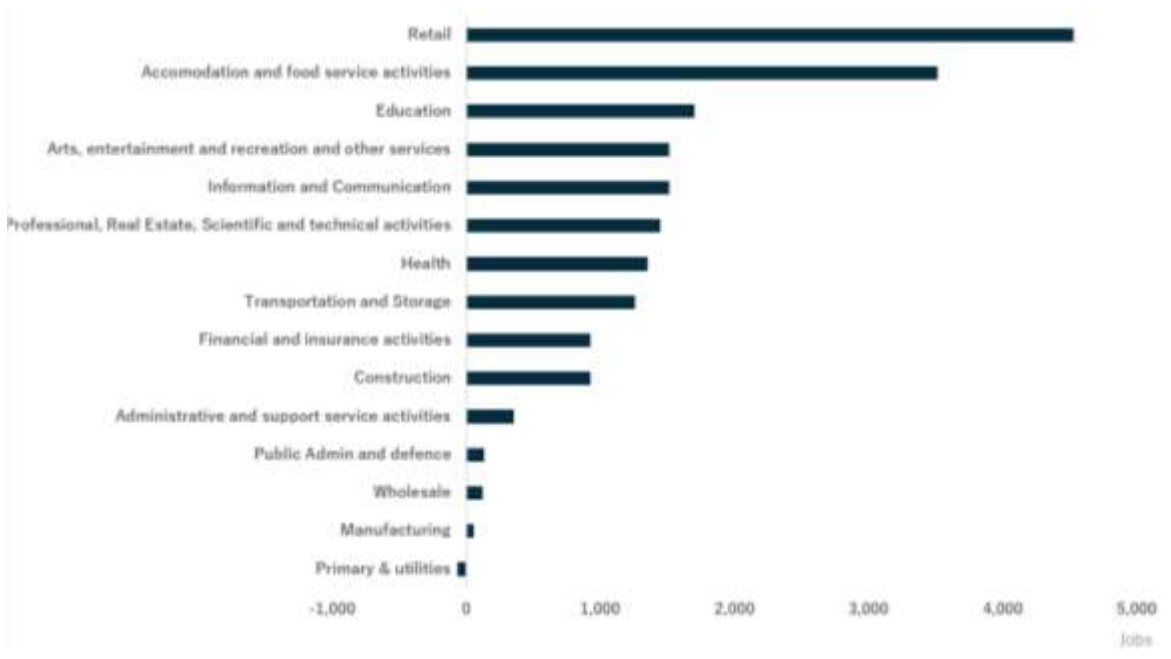
Table 7.3 Employment Forecasts – LLDC (Total Employment)					
	2016	2021	2026	2031	2036
Past Trends	27,000	35,340	43,670	52,010	60,340
In line with London Growth	27,000	32,030	37,050	42,080	47,100
Business as Usual (OE Baseline)	27,000	30,130	33,250	36,380	39,500
Higher Growth (OE High Growth Scenario)	27,000	32,070	37,130	42,200	47,260

GLA/ONS/Oxford Economics

7.22 Whilst the forecasts for total employment show overall growth, it should be noted that some sectors will contract within these periods.

7.23 To forecast sectoral change between 2016 – 2036, historic data (ONS BRES 2017) from 2012-2016 was used, along with forecast sectoral change across London (GLA Labour Market Statistics). This has allowed sectoral estimates for the LLDC to be apportioned and forecast.

Figure 7.2 LLDC Employment Change by Sector 2016 – 2036



Source: ONS BRES/GLA Labour Market Forecasts



- 2) Use data from the Business Register and Employment Survey (BRES) for 2016, estimate the proportion of employment in 4-digit sectors for each of the broad sector.
- 3) Use these proportions as 'weights' to derive the total number of jobs in each sector which will require different types of floorspace.
- 4) Convert total employment in full-time equivalent jobs (FTEs) at broad sector level. This was based on the long-term average of the ratio between full-time and part-time employment taken from ABI-BRES.
- 5) Convert the total number of FTE jobs in each use-class into floorspace by applying employment densities¹⁴ from the Homes and Communities Agency's (HCA's) Employment Density Guide, as follows:
 - **B1a space:** 12sq.m per FTE net internal area (NIA) or 15sq.m per FTE gross external area (GEA);
 - **B1b space:** 50sq.m per FTE NIA or 63sq.m per FTE GEA;
 - **B1c space:** 47sq.m per FTE NIA or 59sq.m per FTE GEA;
 - **B2 space:** 36sq.m per FTE gross internal area (GIA) or 38sq.m per FTE GEA;
 - **B8 space:** 77sq.m per FTE GEA.
- 6) An allowance of 8% is added to all floorspace requirements to reflect normal levels of market vacancy in employment space based on GLA guidance This is only added where demand for floorspace is growing.
- 7) A safety margin based on previous take-up rates for commercial and industrial space to allow for flexibility and to provide a choice of sites for potential occupiers. This is only added where demand for floorspace is growing.

7.29 There are a number of caveats which should be applied when interpreting the forecasts. It is possible that the structure of employment within each sector may change over the course of the study period. However, there is no way of knowing how or where this might occur. The methodology assumes that future growth in the demand floorspace will be driven by the same sub-sectors which are already established in the LLDC area.

¹⁴ Employment densities for completed projects may differ slightly from the averages used in our calculations. This may account to some of the differences identified between the past completions scenario and other employment-led scenarios.



7.30 Using this methodology, it is estimated that between 1,370 and 6,500 FTE jobs in the LLDC area will require B-class employment space based on the four employment-led scenarios assessed, as shown in Table 7.4.

Table 7.4 Total FTEs requiring B-Class Floorspace in LLDC, 2016-2036

	Total Jobs Growth	B-Class FTEs
Past Trends	+33,300	+6,660
In line with London Growth	+20,100	+3,300
Business as Usual (OE Baseline Scenario)	+12,500	+1,370
Higher Growth (OE High Growth Scenario)	+20,300	+3,360

Source: Regeneris Consulting, GLA Labour Market Forecasts and ONS BRES Employment Data

7.31 The total employment demand by type of B-class use is listed below in Table 7.5. As you can see the vast majority of B class demand will be driven by B1a Office employment.

Table 7.5 B1, B2 and B8 employment change by 2036 (FTEs)

	B1a	B1b	B1c	B2	B8	Total
Past Trends	+5,313	+227	-17	-103	+1,240	+6,660
In line with London Growth	+3,310	+160	-30	-530	+390	+3,300
Business as Usual (OE Baseline Scenario)	+2,160	+120	-40	-770	-100	+1,370
Higher Growth (OE High Growth Scenario)	+3,340	+160	-30	-520	+410	+3,360

Source: Regeneris Consulting, GLA Labour Market Forecasts and ONS BRES Employment Data

7.32 The breakdown of employment floorspace required; as a result of the forecast employment demand is detailed below in Table 7.6.

Table 7.6 B1, B2 and B8 floorspace (sq.m) change by 2036

	B1a (NIA)	B1b (NIA)	B1c (NIA)	B2 (GIA)	B8 (GEA)	Total
Past Trends	+63,760	+11,370	-800	-3,700	+86,730	+157,360
In line with London Growth	+39,740	+7,930	-1,350	-18,990	+27,470	+54,800
Business as Usual (OE Baseline Scenario)	+25,880	+5,940	-1,660	-27,810	-6,710	-4,360
Higher Growth (OE High Growth Scenario)	+40,110	+7,980	-1,340	-18,760	+28,390	+56,380

Source: Regeneris Consulting, GLA Labour Market Forecasts and ONS BRES Employment Data



- 7.33 The range of floorspace required varies significantly depending on the forecast employment scenario. Based on Past Employment trends, over 157,000sq.m of B class floorspace will be required, of which c. 75,000sq.m of B1 office will be required. Whilst the past trend scenario does not consider any future development, this scenario does account for the growth in B1 type employment, experienced in the LLDC area in recent years.
- 7.34 The Business as Usual scenario (Oxford Economics Baseline) does not consider planned developments within the forecasting. Whilst the Higher Growth/Development scenario (Oxford Economics High Growth) does account for planned developments including IQL and Strand East.
- 7.35 The lowest estimates are based on the Business as Usual scenario, which suggests a decline in demand for industrial land (B2/B8). Whilst the quantum of industrial floorspace, seems to vary significantly dependent on the scenario, the large difference between these two figures is based on the employment forecasts for B2 and B8 uses. Due to these uses being 'land hungry' and having low employment densities, relatively small variations in employment can have a significant effect on land required.
- 7.36 However, as mentioned previously due to limitations with the data and changes in land use policy at the London level, this needs to be observed with caution.

Comparison with 2014 Employment Forecasts

Office Floorspace

- 7.37 For local office uses (i.e. excluding IQL and HereEast), the previous Employment Land Review forecasts indicated that B1 employment would grow by between 1,400 and 5,000 jobs by 2031, which equated to 17,000sq.m to 60,000sq.m of office floor space.
- 7.38 The demand forecasts as part of this study estimates that B1 office employment will increase between 2,200 – 5,400 jobs by 2036, which equates to 30,000sq.m – 75,000sq.m of office floor space over the plan period.
- 7.39 The revised employment forecasts as part of this study are higher than the previous study however, the plan period used for this study is over 20 years, whereas the previous study was based over a 15-year period.
- 7.40 To allow for direct comparison with the 2014 report, the employment change and floorspace requirements until 2031 have been looked at in the tables below.

7.41 When the employment change is considered up until 2031, the B1 office employment estimated ranges between 1,600 to 4,800 jobs, which equates to between 21,700sq.m and 54,590sq.m of office floorspace by 2031.

Industrial Demand

7.42 The previous Employment Land Review estimated that there could be a loss of industrial jobs that ranges from -100 to -600 and forecast change in land demand of between -2.2ha to -7.5ha over the plan period to 2031.

7.43 By comparison this review of employment land shows a loss of industrial jobs ranging from -900 to +1,100 over the plan period until 2036, which equates to -10.2ha to +15.7ha, indicating a large range between scenarios. As discussed previously, the large difference between these two figures is based on the employment forecasts for B2 and B8 uses having low employment densities and only relatively small variations in employment having a significant effect on land required.

7.44 When the plan period until 2031 is assessed the loss of industrial jobs ranges from -900 to +700, which equates to -6.9ha to +12.6ha.

	B1a	B1b	B1c	B2	B8	Total
Past Trends	+3,925	+172	-24	-178	+901	+4,796
In line with London Growth	+2,430	+122	-33	-537	+222	+2,205
Business as Usual (OE Baseline Scenario)	+1,570	+93	-38	-744	-169	+713
Higher Growth (OE High Growth Scenario)	+2,445	+123	-32	-533	+229	+2,231

Source: Regeneris Consulting, GLA Labour Market Forecasts and ONS BRES Employment Data

7.45 The breakdown of employment floorspace required; as a result of the forecast employment demand is detailed below in Table 7.8.

	B1a (NIA)	B1b (NIA)	B1c (NIA)	B2 (GIA)	B8 (GEA)	Total
Past Trends	+ 47,100	+8,600	-1,110	-6,410	+63,100	+111,280
In line with London Growth	+29,160	+6,100	-1,530	-19,330	+15,530	+29,930



8. Conclusions and Recommendations

- 8.1 Three of the four growth scenarios tested suggest an increase in demand for industrial land ranging from 0.1 to 0.8ha per annum. However, the Business as Usual Scenario (OE Baseline) suggests demand for industrial land will decrease. Despite this, the current GLA position on retention of industrial land and anecdotal evidence suggesting industrial land is in short supply, the release of any industrial land would not be recommended.
- 8.2 However, if industrial space can continue to be included as part of future mixed-use development, following the general principle of 'no net loss' (across designated SIL and LSIS sites) as per Policy E7 of the Draft London Plan, the quantum of industrial land required may not be as high as the demand scenarios suggest.

Reflection on Existing Local Plan Policies

- 8.3 It is important to reflect on the relevant policies within the existing Local Plan and provide recommendations as to whether they will still be relevant in the future and how they should be presented in the revised Local Plan.

Table 8.1 Relevant Existing Local Plan Policies

Policy	Description	Action
Policy SP1	Building a strong and diverse economy	Retain - with the future development of CED and IQL and the completion of HereEast, this policy should still be relevant in the local plan review. Improved monitoring of the evolution of the economy will help ensure that this objective is tracked, and that area continues to perform well in relation to its competitors.
Policy B1	Location and Maintenance of Employment Uses	Amend – this is an important strategic policy and should be retained within the new Local Plan. However, clearer guidelines on the potential for intensification and consolidation of land located at LSISs and OILs should be included. This include a requirement to at least maintain levels of employment as well as protecting and accommodating employment in strategically important sectors (including creative and cultural). Where possible, developers should be encouraged to re-provide space to better meet the specific needs of occupiers (as set out in the recommendations of Part B Creative and Cultural

		Opportunities Assessment) and to meet the specific requirements of the local area. Developers should also be challenged to seek innovative responses in terms of intensification and reconfiguration of space. Consideration should also be given to the role of the IBP at Hackney Wick evaluated against the criteria within the London Plan Policy E5.
Policy B4	Providing Low-Cost and Managed Workspace	Retain and Amend – rents are increasing in the area due to demand increasing and supply elsewhere becoming limited. To ensure the heritage, character and diversity of the business base provision of lower cost workspace is recommended. The policy as written is sound, but LLDC should ensure that it is written in a way that requires developers to respond to the three requirements set out in policy E2 in the Draft London Plan. Distinction should also be made between low cost office and specific space for artists and creative production as well the provision of new affordable workspace. In line with London Plan E2 – <i>“Larger-scale commercial development proposals should consider the scope to incorporate a range of sizes of business units, including for SMEs”</i> .
Policy B5	Increasing local access to jobs, skills and employment training	Retain – the LLDC area has seen improvements in skills and educational levels over the last 5 years. It is important that this trend continues, and the local population are equipped to fill the growing number of opportunities becoming available in the area.
Policy B6	Higher education, research and development	Retain – the role of higher education, research and development is important to the LLDC area therefore it is relevant for this policy to be retained.

Source: LLDC Local Plan

Draft London Plan Policy E2 – Low Cost Space

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

B. Development proposals that involve the loss of existing B1 space (including creative and artist studio space) in areas where there is an identified shortage of lower-cost space should:



- demonstrate that there is no reasonable prospect of the site being used for business purposes,
- or ensure that an equivalent amount of B1 space is re-provided in the proposal (which is appropriate in terms of type, specification, use and size), incorporating existing businesses where possible,
- or demonstrate that suitable alternative accommodation (in terms of type, specification, use and size) is available in reasonable proximity to the development proposal and, where existing businesses are affected, that they are subject to relocation support arrangements before the commencement of new development.

C. Development proposals for new B1 business floorspace greater than 2,500sq.m (gross external area) should consider the scope to provide a proportion of flexible workspace suitable for micro, small and medium-sized enterprises.

Draft London Plan Policy E3 – Affordable Workspace

A. In defined circumstances, planning obligations may be used to secure affordable workspace at rents maintained below the market rate for that space for a specific social, cultural or economic development purpose. Such circumstances include workspace that is:

- dedicated for specific sectors that have social value such as charities or social enterprises,
- dedicated for specific sectors that have cultural value such as artists' studios and designer-maker spaces,
- dedicated for disadvantaged groups starting up in any sector,
- providing educational outcomes through connections to schools, colleges or higher education,
- supporting start-up businesses or regeneration.

B. Particular consideration should be given to the need for affordable workspace for the purposes in part A above:

- where there is existing affordable workspace on-site,
- in areas where cost pressures could lead to the loss of affordable workspace for micro, small and medium-sized enterprises (such as in the City Fringe around the CAZ and in Creative Enterprise Zones),
- in locations where the provision of affordable workspace would be necessary or desirable to sustain a mix of business or cultural uses which contribute to the character of an area.



C. Boroughs, in their Development Plans, are encouraged to consider more detailed affordable workspace policies in light of local evidence of need and viability. These may include policies on site-specific locations or defining areas of need for certain kinds of affordable workspace.

D. Affordable workspace policies defined in Development Plans and Section 106 agreements should include ways of monitoring that the objectives in part A above are being met, including evidence that they will be managed by a workspace provider with a long-term commitment to maintaining the agreed or intended social, cultural or economic impact. Applicants are encouraged to engage with workspace providers at an early stage to ensure that the space is configured and managed efficiently.

E. Leases or transfers of space to workspace providers should be at rates that allow providers to manage effective workspace with sub-market rents, meeting the objectives in part A, over the long term.

F. The affordable workspace elements of a mixed-use scheme should be operational prior to residential elements being occupied.

8.4 Specific policies within the current Local Plan, relating to each of the LLDC sub-areas have also been reflected upon, as follows.

Table 8.2 Sub-area Specific Local Plan Policies

Sub-Area 1 – Hackney Wick & Fish Island		
Policy 1.1	Managing change in Hackney Wick and Fish Island	Retain – retaining employment space whilst preserving the heritage (including the creative heritage) of the Hackney Wick area should still be a priority within the Local Plan. Part B of the combined economy study sets out the aspiration to maintain a continuum of spaces (size, cost, flexibility) in Hackney Wick and Fish Island.
Policy 1.2	Promoting Hackney Wick and Fish Island’s unique identity and appearance	Retain – the Hackney Wick and Fish Island identity is an important asset for the LLDC area. This provides diversity within the area and plays an important role in the cultural and creative sectors.
Sub Area 3 – Central Stratford & Southern QEOP		
Policy 3.1	Stratford High Street Policy Area	Retain – mixed-use development is key to creating a sense of place along Stratford High Street and could be an important source of additional of smaller scale non-residential uses, including employment space within the LLDC area. As per recommendations in Part B (Creative and Cultural Opportunities Assessment), developers should be



		supported to deliver a variety of different spaces on the high street which can enable creative industries and potentially night-time economy uses to operate on the high street, providing appropriate specification of spaces to enable and facilitate new creative, cultural and night-time industries and expansion of and retention of businesses in the area. Where possible, new cultural uses should be encouraged on the High Street, potentially as a 'fringe' or to support activities on QEOP.
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Sub Area 4 - Bromley-by-Bow, Three Mills & Pudding Mill

Policy 4.4	Protecting and enhancing heritage assets at Three Mills Island and Sugar House Lane	Retain – Three Mills Island and Sugar House Lane are important heritage assets that provide a significant employment function in the area. These sites also play an important role in the cultural and creative sectors in the area.
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Broader Recommendations

- 8.5 In compiling the evidence for this study, a number of broader recommendations have been identified. Whilst these are not related to specific policies, they should be considered in future planning and strategic activities of LLDC.

Placemaking, Market Making and Strategy

- 8.6 The evolution of other Opportunities Areas in London (such as Kings Cross) has shown the value of placemaking and perception in securing investment and economic growth. As the LLDC area matures, it is important that LLDC and its partners take a strategic approach to the economy and the proposition of the QEOP and environs as an economic area. This will not only provide clearer direction, it will ensure that developers make more informed judgements about spaces they provide, reassured that they are contributing to a broader economic plan.
- 8.7 A key element to the economic strategy for the area should be to recognise (and value) the various markets that exist across the area. Although there is inevitably a focus on larger occupiers given the quantum of space within the pipeline, the organic markets supported in managed workspace and workshops is valuable resource not only for LLDC, but also for East London as a whole.



- 8.8 It is also important the QEOP continues to evolve as one of London’s key innovative nodes. Building upon the emerging communities supported at Hear East and Plexel, it is important the amenity, support and collaboration necessary to enable a genuine innovation district, are supported through direct intervention, Planning and areas stewardship.
- 8.9 Part B of the Combined Economy Study – The Creative and Cultural Opportunities Assessment – provides recommendations on how supporting the creative, cultural, leisure and night time offer can support the evolution of the offer in the LLDC area and the role of the different centres and specific places within the area.

Recognising Wider Context and the Sub-Regional and Regional Role of the LLDC area.

- 8.10 In taking a more strategic approach to the evolution of the area’s economy, it is important that LLDC recognise the area’s role in relation to its neighbours and London as whole. The emergence of the Royal Docks, Productive Lee Valley and Thames Estuary Production Corridor, are all providing impetus for neighbouring areas.
- 8.11 The QEOP and neighbouring areas can act as a spark for these and other locations. Whilst previous strategies have sought to retain businesses within the area, it should be acceptable (where it is not possible to relocate businesses in the LLDC area) that a business growing into other premises outside of the LLDC area is net growth in the East London area and a success. Again, improved monitoring of business information will help track this and the impact on the region as a whole.

Ongoing Collection of Economic and Market Intelligence

- 8.12 This report has shown how much the area has evolved and changed in the last five years and even in the period since the publication of the last statistics. Enhanced monitoring of change and more reflection on market intelligence could help LLDC move from a period of delivery, to one of curation and placemaking.
- 8.13 Carrying out more regular analysis of publicly available data sources, alongside dialogue with businesses and consultation with those outside of the area, will ensure that LLDC and partners are able to remain agile to economic change. Specifically, this will help ensure that the LLDC area remains ahead of other locations in London.
- 8.14 Partners should also embrace the sharing of data to provide a richer and timelier picture of how the area and its specific nodes are evolving.

Appendix A - Pipeline Planning Applications (Employment Uses)

Table 8.3 Planning Applications	
Planning Application Number	Location
10/90641/EXTODA; 07/90023/VARODA	IQL remainder
15/00358/OUT	Cherry Park
10/90641/EXTODA; 07/90023/VARODA	S5
10/90641/EXTODA; 07/90023/VARODA	S4
10/90641/EXTODA; 07/90023/VARODA	S9
10/90641/EXTODA; 07/90023/VARODA	N22
10/90641/EXTODA; 07/90023/VARODA	M7
10/90641/EXTODA; 07/90023/VARODA	East Village plots
17/00032/FUL	Westfield Retail Extension
11/90621/OUTODA	PDZ1
11/90621/OUTODA	PDZ2
11/90621/OUTODA; 13/00504/REM; 14/00356/REM; 16/00510/REM; 16/00518/REM	PDZ6
11/90621/OUTODA; 16/00520/REM	PDZ5
11/90621/OUTODA	PDZ4
11/90621/OUTODA	PDZ8
11/90621/OUTODA	PDZ12
12/00336/LTGOUT	NEQ
12/00336/LTGOUT; 15/00250/REM	MU2
12/00336/LTGOUT; 15/00481/REM	MU3
12/00336/LTGOUT	MU4/Remainder
12/00336/LTGOUT; 15/00359/REM	MU5
12/00336/LTGOUT; 16/00223/REM	R1
12/00336/LTGOUT; 16/00440/REM	R2
12/00336/LTGOUT; 15/00327/REM	R4
12/00336/LTGOUT; 17/00348/REM	R5
15/00361/FUL	6-7 Park Lane
15/00446/FUL	1-2 Hepscott Road
15/00212/FUL	33-35 Monier Road,
15/00416/FUL	52-54 White Post Lane
15/00540/FUL	24-26, White Post Lane



