

ECONOMY BACKGROUND PAPER

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1. INTRODUCTION

Section 4 of the Local Plan contains policies related to business, employment, retail and town centre uses. In light of changes to national and regional policy and evidence updates from the Combined Economy Study Section 4 has undergone a number of changes and re-writes however none of these changes are considered to change any of the economic strategy set out the Local Plan. This background paper sets out the rationale for the changes proposed; highlights and discusses key issues; and explains how the Legacy Corporation responds to the change of emphasis within the Mayor's draft New London Plan.

2. LEGISLATIVE AND POLICY CONTEXT

Since the adoption of the Local Plan in 2015 there have been a number of changes to national and regional policy, most notably the proposed changes to the NPPF but also at the regional level with the preparation of the draft New London Plan. These all have a number of implications for the preparation of the Local Plan policies as set out below.

The [National Planning Policy Framework \(2018\)](#) contains a minimum amount of change in relation to employment and the economy however it contains more explicit support for business growth linking this to the UK's Industrial Strategy. The most significant change is the removal of impacts assessment for office use proposals, placing reliance on the sequential assessment of development sites outside of identified town centre locations. This will need directly reflecting within changes to the Local Plan. Other changes relate largely to planning for retail and town centres stipulating that retail forecasts should look forward 10 years with sites allocated to meet these 10 year requirements, that town centre boundaries should be kept under review and recognises that residential development can play an important role in the vitality of centres.

The [Draft New London Plan \(2017\)](#) includes a more significant shift in relation to employment and the economy relevant to Section 4 of the Local Plan. This draft New London Plan places greater emphasis on the diversification of the economy and providing employment space in the right locations, providing appropriate workspace for new industries, research and technology-related businesses and with an additional focus on centres and the night time economy, and culture and creative industries. It also highlighted Stratford as a potential Central Activities Zone (CAZ) reserve location where a focus on new office accommodation should be provided.

Other policies of particular relevance include an emphasis on workspace and in particular affordable workspace or low-cost business space products, including a requirement to re-provide existing low-cost business space (by type, specification, use and size), securing SME workspace in larger developments and the use of S106 agreements to secure affordable workspace at below market rents. It also emphasises provision in areas where existing businesses contribute to character, Central Activities Zone (CAZ) and Creative Enterprise Zones. In relation to industrial land the Legacy Corporation area has been placed in the 'Retain Capacity' category meaning that there should be no net loss of industrial floorspace capacity within Strategic Industrial Locations (SIL) and Locally Significant Industrial Sites (LSIS). Any release of designated industrial land should be facilitated through innovative solutions to industrial intensification, co-location and substitution and be set out within the Local Plan or a masterplanning exercise with the involvement of the GLA. For non-designated sites, the draft New London plan requires that intensification and co-location on site should be managed through specific policy criteria.

The draft New London Plan also identifies the majority of the Legacy Corporation area as a Strategic Area for Regeneration. In relation to town centre policies the draft New London Plan places greater emphasis on the

promotion, management and diversification of town centre economies as well as on the night time economy through protection of pubs and other venues of cultural value and specific restriction on hot food takeaways. It also brings into the Plan the 'agent of change' principle. The Draft New London Plan also provides additional guidance in relation to employment skills and training involving joint working between boroughs to ensure apprenticeships are completed.

[Draft New London Plan- Minor Suggested Changes \(2018\)](#) The Mayor has published a schedule of his proposed minor changes to the London Plan. These changes have been reflected within the Publication version of the Local Plan but in relation to the economy the only key change relates to clarification that a 50% affordable housing threshold will apply only where there is a net loss of industrial floorspace capacity.

[Culture and the Night-time Economy SPG \(2017\)](#) provides guidance on protection of pubs and venues of historic or cultural significance as well as detail on the agent of change principle, encouraging the provision of new cultural venues and creating more inclusive night time economies with an emphasis on non-food and drink related activities.

[Draft London Economic Development Strategy \(2017\)](#) sets out a strategy for London's economy as a whole including improving educational opportunities, provision of housing to support economic growth, promoting healthy and inclusive communities, innovation and enterprise as well as through more direct measures to protect existing and support business growth across the capital.

[London Industrial Land Demand Study \(2017\)](#) Identified far less scope to release industrial land across London and a need to retain or expand industrial capacity, with a few exceptions. Investigates the potential for intensification of industrial land, co-location with residential, substitution of capacity with the wider south east.

[London Office Policy Review \(2017\)](#)- This study forecasts a 31% increase in office jobs over the period from 2016 to 2041. To accommodate some of this growth Stratford is identified as a potential CAZ satellite where office development should be focussed on the most efficient and accessible sites. Potential risks to the strategy at Stratford are identified as the extent of flexible and remote working; the Canary Wharf sub market being the 'first choice' and the extent to which office floorspace is intensified in use.

[Consumer Expenditure and Comparison Goods Floorspace Need in London \(Experian, Oct 2017\)](#)- This sets out scenarios for retail comparison growth setting out a London net requirement for 1.6m sqm retail floorspace to 2041.

[Supporting places of work: incubators, accelerators, co-working spaces \(URS, Ramidus, #1Seed and Gort Scott, 2014\)](#)- this study focusses on models of space provision that caters to start-ups, micro businesses and SME's within office-based premises. This report highlights that the three focussed employment space categories overlap considerably in terms of specifications with key distinctions being the type and extent of business support.

[London Industrial Intensification Primer \(GLA, 2017\)](#)- This set out the varying types of employment and industrial space, setting out how space could potentially be co-located with residential.

[Projections of demand and supply for visitor accommodation in London \(GLA Economics, 2017\)](#)-identified that although Westminster is home to over a quarter of hotel rooms within the capital, locations including LB Newham are playing a greater role. It projected that London will need an additional 58,140 rooms to the serviced accommodation supply by 2041, at an average of 2,236 rooms per annum.

[Artists' Workspace Study \(2014\)](#) contains five categories of workspaces based on the provider of space or the

commercial arrangements between the provider and artists.

3. EVIDENCE BASE

In Summer 2017 the Legacy Corporation conducted an extensive Household Survey of the area to be used to provide updated population projections for the Local Plan period to 2036 but also to provide, for the first time, detailed information on the profile of households within the LLDC area. This information including methodology is provided in detail within the Population Projections Report, 2018. The Legacy Corporation is aware of the newly published Office for National Statistics household projections, as this only covers the boroughs this is not strictly relevant but believes that the projections used, being survey-based will be the most reliable for the area over the time period.

Combined Economy Study (2018) was split into 3 subjects and contains 4 separate reports: the Employment Land Review and Economy Study; the Business Survey; Culture and Creative Opportunities Assessment; and the Retail and Town Centre Needs Assessment.

The **Economy Study (2018)** highlighted key information related to the economic baseline on performance of the LLDC area recognising that employment growth has been significant, it has higher proportions of micro-businesses and these are focussed within the professional, scientific, technical, information, communication and business administration. It also has higher business birth rates but lower survival rates. In summary, it identified that the area is performing well compared to other Opportunity Areas. Looking in further detail about the local area it found that since the 2014 study there has been an increase in workshop/studio units in subdivided industrial units, but also a considerable growth in high specification office buildings concentrated around central Stratford and therefore office rents have been increasing. It also identified increasing demand for industrial floorspace and corresponding rises in rental rates.

The study investigated four potential scenarios for the area, based upon the following key data inputs:

1. Continuation of past trends -GLA past trends Employment forecasts (2017)
2. Growth in line with London- GLA Labour Market forecasts
3. Business as Usual- Oxford Economics Growth Borough Employment Projections
4. Higher Growth- Oxford Economics Growth Borough Employment Projections with uplifted high growth scenario

All these different inputs have projected growth in jobs of between 2016 and 2036 of between 12,000 and 33,000 jobs. The 47,000 jobs figure referenced within the study is the total employment within the area by 2036 and this is predicted by both the London Growth and Higher Growth scenarios, and both of these also take future planned development into account. It translated jobs and floorspace requirements into land and highlighted that over the plan period, a majority of B class demand is for B1a Office employment. All scenarios forecast an increased requirement for office uses ranging from 0.6ha to 1.1ha per annum and most scenarios highlighted an increased demand for industrial land within the area. However it identified that providing industrial space can continue to be included as part of future mixed-use development, following the general principle of 'no net loss', the quantum of industrial land required may not be as high as demand scenarios suggest. In relation to office requirements it highlighted that the future supply of office floorspace will be more than sufficient for the employment demand forecast however given the status and growth of Stratford and its identification as a CAZ satellite there should be demand to meet the supply and take up could well be greater. It recommended that the Legacy Corporation should build upon its previous success at co-location of industrial floorspace and develop more innovative approaches setting an example across London.

The **Business Survey** utilised doorstep surveys and more detailed interviews across the area and is therefore able to draw together detailed information on the economic profile of the area. It identified that much of the employment space is located in large industrial formats, followed by office space. Workshops are most common form of workspace, and Hackney Wick and Fish Island continues to be the focus of this. It showed that many businesses have existing supply chains within east London and that many businesses expected to remain the same or grow, the quality of the stock (culturally, environmentally and amenity-wise) impacted on their work and also identifying a need for other area improvements to their future prospects e.g. ATMs, increased service and food offers. The survey also found that although pricing is a key factor determining business location it was not the only factor. However a quarter reported plans to move from their current premises within the next year and a further 10% reported uncertainty.

The **Creative and Cultural Opportunities Assessment** utilises a definition of culture and creative capturing employment within non-creative industries as well as the night time economy, in particular fashion manufacturing. It found that around a third of businesses are creative sector and that since the 2014 business survey there has been a new wave of more established creative businesses in the area and a notable growth in businesses working in food & drink sectors, often in small workshops and industrial units. It also identified that night time industrial activity operates predominantly from large industrial spaces, whereas other food and drink industries operate from retail spaces. It recommended co-ordination of planning and licensing requirements. It identified crime, safety, travel and wayfinding implications for the night time economy. It also identified a need for closer collaboration across cultural and creative businesses, promotion of offers reflecting the diversity of the whole LLDC area and east London, support for Creative Enterprise Zone proposals and maintaining diversity of cultural, creative and night-time economy vision. It also identified particular space requirements of cultural, creative and night-time economy uses which should be considered in relation to maintaining the conditions for existing businesses to remain in the area.

The **Retail and Town Centre Needs Study** updated the previous retail forecasts to 2036. This included the Westfield extension and Cherry Park schemes as commitments, identifying that in convenience terms there is no capacity for new convenience goods floorspace 2018 – 2021 but by 2036, capacity emerges of between 3,570 sqm net and 5,712 sqm net (that could support two smaller format superstores or up to five additional Aldi or Lidl type of stores). In relation to comparison requirements there is limited capacity for new comparison goods floorspace between 2018 and 2021 however capacity emerges by 2026 of 20,048 sqm net; 50,180 sqm net by 2031 and 79,852 sqm net by 2036.

The study also recommended that 80% of the forecast comparison goods capacity should be located at Stratford whereas 80% convenience goods capacity to be located in emerging centres. Bromley-by-Bow should also take approximate 5% to 10% of the identified comparison goods capacity and Pudding Mill and Hackney Wick could accommodate up to 5% of the identified comparison goods capacity each.

In relation to leisure provision it highlighted good current provision and the key issues being that the more successful, vital and viable Stratford and its satellite centres become, the more likely it will be that café and restaurant operators will want to locate there. It identified capacity for up to 10 new commercial gyms and that potential hotel opportunities should be directed towards the Metropolitan Centre.

The **Employment Space Study (2015)** reviews the different forms of workspace that can be provided setting out their key features and characteristics and interior and exterior space requirements. It also seeks to understand how mixed-use development can be delivered at building and block level assessing potential compatibility with residential and other uses. It sets out specification guiding how workspace standards and user requirements which will result in the provision of suitable, appealing and productive workspaces in the LLDC area.

Work Live Study (2014)- Provides research and recommendations on combined live and work premises, including current planning policy position, potential market and affordability. Key issues, including social and placemaking opportunities, are illustrated and debated in a range of in-depth case studies.

4. KEY CHANGES

Table A.1 in Appendix 1 sets out a schedule of changes to economy and employment policies within the Local Plan with a brief explanation of the reason for each change and why this change was required. The key changes are set out below:

- Updating Policy B.1 to include draft New London Plan terminologies and the ‘industrial floorspace capacity term’; highlighting the potential reserve location for the Central Activities Zone cluster at Stratford; and setting out the role of intensification, consolidation and co-location for the designated and non-designated employment sites Removal of the office impacts test and strengthening the sequential assessment of sites
- Updating retail capacity figures to new evidence within Policy B.2; setting out new retail frontages for East Village Local Centre
- Highlighting the role and function of each Centre, introducing character, specialism and function
- Introduction of direct links between health and retail provision with 400m zone around schools and role of A1 convenience in providing choice to night time industries
- Support for culture and the night time economy through supporting variety in provision and protecting specific venues of value; recognising potential of Creative Enterprise Zone
- Updating managed and low-cost workspace policy to include draft New London Plan terminology and to clarify when provision would be required

This Background Paper will now discuss the key changes in detail and the implications of the change on the planning strategy.

4.1 ECONOMIC STRATEGY

As highlighted above several changes are proposed to Policy B.1. These changes relate to changing terminologies and approaches within the draft New London Plan therefore greater precision is provided in relation to potential for intensification, consolidation and co-location of industrial uses within designated and non-designated employment sites. These changes are relatively minor and therefore it is not considered that this is a fundamental change from the current strategy.

The Economic Strategy was confirmed as sound within the Local Plan Inspector’s report which highlighted that “Paragraphs 4.1 and 4.2 of the Local Plan provide an aspirational introduction to the section on Developing Business Growth, Jobs and Lifelong Learning which is consistent with the NPPF’s aim to promote a strong, competitive economy (paragraphs 18-22) and with the London Plan’s strategic Policy 4.1. This introduction also embraces the convergence agenda. The NPPF is clear that investment in business should not be over-burdened by the combined requirements of planning policy expectations. Therefore, whilst greater use of local supply chains might benefit some existing businesses, this should remain a matter for the market, and not the Local Plan”. In the absence of any substantive change in the national policy or approach within the Local Plan it is considered that the strategy contained within these two paragraphs and Policy B.1 (with proposed changes) section itself continue to be in accordance with the NPPF (July 2018).

The Employment Strategy also covers a number of the aspirations of the London Plan, including measures relevant to the designation of large parts of the area as Strategic Areas for Regeneration (See draft New London Plan Figure 2.19). The Legacy Corporation has a thorough understanding of the economic profile and needs of

its area which have been central to the overarching concept of ‘convergence’ meaning that residents of the Growth boroughs will enjoy the same social and economic chances as their neighbours across London by 2032. The aims and objectives of the Local Plan stem directly from the convergence agenda and is recognised within the Local Plan Inspector’s report. The Growth boroughs regularly produce Convergence Reports monitoring progress against these strategic objectives (see 2015-16 Convergence Report). The latest information of progress against the indicators is available in the London Assembly’s short report November 2017 which highlighted that the theme of creating wealth and reducing poverty shows most progress towards convergence whilst little progress appears to have been made towards supporting healthier lifestyles and mixed progress towards developing successful neighbourhoods. Through this work the Legacy Corporation has an extensive knowledge of the specific causes of deprivation within its area but the 2017 Household Survey also provides some key knowledge of the profile of the area including the use of facilities and what the communities value most. Other policies of the Local Plan such as B.2 also support these objectives by encouraging the provision of a wide range of retail requirements (Policy B.2 and proposed amendments) and seek to enhance local employment opportunities and training (Policy B.1, Policy B.4 and Policy B.5 and proposed changes).

4.2 PROTECTION OF INDUSTRIAL FLOORSPACE CAPACITY

As highlighted above the Local Plan as adopted is considered to be in accordance with the new NPPF and in general conformity with the draft New London Plan. Although the draft New London Plan provides a shift in approach to industrial land in the context of past releases being well in excess of the 2016 London Plan’s benchmarks, it is considered that the minor amendments discussed below are appropriate to ensure continuing conformity with the new London Plan as it emerges. This has been recognised within the Mayor’s response to the Autumn-Winter consultation in January 2018 stating “*To be in conformity with the London Plan, the LLDC will need to designate sufficient land for industry based on robust evidence, identify industrial areas that can be intensified and take a plan-led approach to releasing industrial land where this is enabled through intensification or co-location.... The draft London Plan requires the retention of industrial capacity, including a broad mix of industrial uses. LLDC policies should be updated to reflect these issues*”.

The **Employment Land Review (2014)** identified a surplus of industrial land within the area recommending a release of between 0.4 and 6.2 ha of industrial land. This approach was enshrined within the adopted Local Plan acknowledging that there was potential for further release should this be re-provided as new employment floorspace within mixed use development. The Legacy Corporation has since updated its evidence through the Employment Land Review (2018). This included a number of more innovative and specific growth scenarios acknowledging the unique regeneration role of the Legacy Corporation as a Mayoral Development Corporation and local planning authority. The outcomes of this approach are that a majority of the growth scenarios anticipated a demand for industrial land over the plan period and discussions with agents highlighted increasing demands and potential gaps in the market for high quality space. This is very much in line with the GLA’s evidence (**London Industrial Land Supply and Economy Study, 2016**). To provide for these needs the Revised Local Plan continues the employment designations within the adopted Plan which in combination will provide sufficient land for a broad mix of industry within the area. The Combined Economy Study has confirmed the continued appropriateness of the designations, and in the context of the identified demand for industrial floorspace to be provided within mixed use development the CES did not identify a need for further designations to be made.

However, in response to the changes to approach within the draft New London Plan Table 2 (now Table 3 in the Revised Local Plan) has been amended to demonstrate potential for intensification and consolidation within each cluster, and potential for co-location within the Other Industrial Location. A new site allocation has been included in the draft revised Local Plan (SA4.4) for Bow East and West Goods Yards demonstrating how there could be long term potential for intensification and consolidation of Strategic Industrial Land and release of land for residential development through a masterplanned approach. These matters are discussed in more detail within the sections below.

In general, it is not considered that any of the changes made to Policy B.1 radically change the strategy or overall policy approach which continues to protect industrial floorspace capacity. The Legacy Corporation has been applying this approach since adopting the Local Plan in 2015 which seeks to protect or re-provide industrial floorspace in B2/B8 use and protect, re-provide or increase job density for employment floorspace within B1 use classes. This approach also allows, under clearly defined circumstances, the re-provision of employment floorspace through mixed use development including replacing B2/B8 floorspace with B1c/B2 workshops. Through this approach the Local Plan also allows for and encourages the intensification of employment density and sets out how existing industrial and employment areas may be made more viable through densification. This includes supporting the provision of a mix of workspace typologies, again considered to be achievable at the scale of both the block and the individual building. The Authority Monitoring Reports have confirmed that since adoption of the Local Plan in 2015 around 160,000sqm of B class employment floorspace has been permitted, with approximately 35,000sqm of this being in B1c or B2 workshop formats within mixed use developments. It is therefore considered that this is leading an example in relation to the Mayor’s approach to co-location of industrial land and therefore no significant changes are considered to be required to bring the strategy in line with the draft new London Plan.

The [Employment Space Study \(2015\)](#) provides further evidence of different ways in which this mixed use development can be achieved on a block, neighbourhood or site basis through detail of the compatibility of uses, ensuring spaces are suitable and lettable by their intended occupants. The adopted area-based SPDs also provide additional guidance for the three areas (Bromley-by-Bow; Hackney Wick and Fish Island; and Pudding Mill) and how employment floorspace can be integrated into the areas at a block and neighbourhood level.

4.3 STRATEGIC INDUSTRIAL LOCATIONS (SIL)

The draft New London Plan set out a more restrictive approach to the protection of SIL in the context of SIL release across London as a whole being much more than planned. Policy E4 of the draft New London Plan sets out the overall economic strategy and Policy E5 refers specifically to the approach within Strategic Industrial Locations. The changes to the Local Plan at Policy B.1 and Table 3 have been proposed to reflect this updated strategy. This includes defining the detailed boundaries of the SIL; setting policies to protect and intensify SIL functions; scope for intensification, co-location and substitution and supporting development proposals for uses falling within the categories below:

1. light industrial (Use Class B1c)
2. general industrial uses (Use Class B2)
3. storage and logistics/distribution uses (Use Class B8)
4. other industrial-type functions, services and activities not falling within the above Use Classes including secondary materials and waste management, utilities infrastructure, land for transport and wholesale markets
5. flexible B1c/B2/B8 premises suitable for occupation by SMEs
6. small-scale ‘walk to’ services for industrial occupiers such as workplace crèches or cafés.

Any other proposal should be refused except through strategically co-ordinated approach to consolidation, intensification and release through Policy E7 of the draft New London Plan. The Local Plan directly reflects this approach through designating sufficient SIL to meet requirements; protecting the industrial floorspace capacity; and highlighting suitable uses for each cluster within Table 3 including highlighting where consolidation, intensification and co-location may be appropriate. The amendments proposed clarify that the industrial floorspace capacity approach will be applied and sets out circumstances where consolidation and intensification may be appropriate for long-term release of part of the Bow Goods Yard East SIL cluster with a new site allocation proposed in the Local Plan that sets out the circumstances and requirements for development proposals that

would achieve this with a focus on the need for a comprehensive masterplanned approach. Given this approach and the timescales envisaged for such change, the SIL designation of this land has not been changed.

Para 6.7.2 of the draft New London Plan highlights that policies maps should identify locations to be maintained, and areas to be released from SIL or LSIS. As no amendments to any of the designations are currently proposed no amendments to the Policies Map are considered necessary however a new site allocation has been included which does broadly highlight parts for retention and investigation of scope for long-term release at Bow Goods Yard East and West. This sets out opportunities for long term intensification and consolidation of rail, industrial and other appropriate employment uses to facilitate the release of land for alternative uses.

4.3 HERE EAST STRATEGIC INDUSTRIAL LOCATIONS

Here East (Hackney Wick) was designated as SIL within the adopted Local Plan and within the sub-category of Industrial Business Park to recognise the particular offer at this location. As the draft New London Plan has removed the sub-categories of Preferred Industrial Locations and Industrial Business Parks some amendments to the designation are required. As SIL it is not considered appropriate to remove the designation given the need to protect and promote its unique function. However to reflect the this strategic offer of Here East, a new local category of SIL is proposed: Strategic Technology Cluster. It is considered that this fits within the context of the Mayor’s Economic Development Strategy and the draft New London Plan (see London Plan Policy E8 in particular) supporting the retention and provision of creative space and growth sector opportunities of culture and creative, and technology sectors Therefore some changes to Table 3 are proposed to reflect this and to emphasise the technological and creative role of the cluster. This will enable the continuation of the current approach within the adopted plan in relation to the new uses suitable within the cluster and safeguarding floorspace and job densities.

As shown below, Table 3 has therefore also been updated to highlight that development within media, technological and creative functions including light industrial; storage and distribution; flexible B1c/B2/B8 floorspace and/or small-scale subsidiary retail, leisure or other ‘walk to’ services will be supported. It is considered that this approach is in general conformity with the draft New London Plan in relation to the approach to industrial land and technological industries. This is also supported by Paragraph 82 of the NPPF (2018).

EMPLOYMENT CLUSTERS	CLUSTER FUNCTION	Above/below cumulative with change at 2020
B1a1	Here East (Hackney Wick) Strategic Industrial Location- (Industrial Business Park)- Strategic Technology Cluster	<p>A range of complementary employment uses within B1 and B8 Use Classes, D1 and further education uses of regional significance, including creative and technology-based industries industry, light industrial, offices, research and development, media, broadcasting and production uses, culture/arts and smaller workshops. Also including supporting uses of further and higher education and conference facilities within D2 Use Classes, and small-scale subsidiary-retail and leisure.</p> <p><u>Development will be supported which complements the media, education, technological and creative functions including light industrial; storage and distribution; flexible B1c/B2/B8 floorspace and/or small-scale subsidiary retail, leisure or other ‘walk to’ services will be supported. Opportunities for intensification and redevelopment of under-utilised areas for activities falling within the identified use classes will be supported.</u></p>

4.4 LOCALLY SIGNIFICANT INDUSTRIAL SITES (LSIS) AND NON-DESIGNATED SITES INCLUDING OTHER INDUSTRIAL LOCATIONS

The draft New London Plan's position sets out that local planning authorities should define detailed LSIS boundaries and policies taking into account potential for intensification, co-location and substitution of uses; and make clear the range of uses that are acceptable within the LSIS sites. The Local Plan reflects this approach within Policy B.1 by defining detailed boundaries and by specifically protecting industrial floorspace capacity and job densities (see Policy B.1 (4)). It also sets out within Table 3 the opportunities for intensification and consolidation with detailed reference to the approaches highlighted within Policy E7 of the draft London Plan. The Local Plan does not propose any boundary amendments for LSIS sites, or any deletions or new designations, so no amendments to the Policies Map are proposed in this respect.

However the Bartrip Street North site is immediately to the north of the Bartrip Street site allocation for gypsy and traveller use. Table 3 has been amended to highlight potential for intensification of uses through making most efficient use of land which may include intensification and consolidation to help facilitate the delivery of the gypsy and traveller allocation to the south. Only where the industrial floorspace capacity has been maintained will land be considered for other uses, including those supporting the use to the south.

The London Plan classifies all other sites as 'non-designated' and sets out how these should be dealt with via policies E4 and E7. Non-designated sites are also identified as having potential for mixed use development containing residential use, and this is in conformity with the economic strategy for the area described above where the re-provision of employment floorspace within mixed use development schemes can be acceptable under certain circumstances.

The Local Plan however does include another local designation of Other Industrial Locations which fall within the London Plan category of non-designated sites. These are locations considered most likely to change to enable optimisation of the use of the land and so more likely to come under pressure for redevelopment in some form. This is likely to involve the introduction of new uses, including residential, integrated across the site through a mixed-use development model. There are only two of these designations at Cooks Road (within the Pudding Mill Site Allocation) and Wick Lane/Crown Close (at Fish Island). Identifying these areas specifically conforms to the approach within London Plan policy E7 (D) as they are considered locations where intensification and co-location are appropriate. As with other employment land designations, these are shown on the Policies Map. A number of amendments are proposed within site allocation SA4.3 (Pudding Mill) to demonstrate what this means for the OIL at this location, and there is also an adopted Pudding Mill SPD which provides further guidance.

As highlighted above it is considered that the Economic Strategy within the Local Plan protects industrial floorspace capacity and facilitates re-provision through mixed use development both of which are in conformity with the approach set out within the draft New London Plan. The Employment Land Review (2018) confirms that if employment space continues to be included as part of mixed-use development and the general principle of no net loss is applied across the Employment Clusters then the demand for industrial land is likely to be met over the plan period.

4.5 OFFICE ACCOMMODATION AND THE CENTRAL ACTIVITIES ZONE (CAZ) RESERVE

Policy E1 Offices and Table A1.1 Town Centre network of the draft New London Plan designates Stratford as a future potential reserve location for the CAZ for office functions and therefore the Local Plan needs to be updated to reflect this fact. The boundary of the potential CAZ reserve at Stratford has been defined on the Policies Map which is now shown in the revisions to this. Reference to the CAZ reserve has been included within Policy B.1 and

its supporting text to this effect. It is not considered that the approach within the Local Plan itself needs to be amended in light of this inclusion as a significant amount of new office floorspace has already been anticipated in Stratford through the existing Local Plan (see Table 1, SA3.1). As this comes forward it will form a potential CAZ reserve but also contribute towards the future potential International Centre designation.

Changes have also been introduced removing reference to the office impacts threshold as this requirement has been removed in the new NPPF. Instead the sequential assessment of sites approach is referenced and strengthened through requiring large scale office uses to be located within Stratford Metropolitan Centre. Large scale uses are defined within the text as 2,500sqm or above. This is considered consistent with the current approach within the Local Plan and supports the role of the potential CAZ reserve. Where the office element of a scheme relates to a proportion of the overall employment floorspace or where the proposal is for flexible space and is located outside Stratford Metropolitan centre the amount of office floorspace will normally be capped below 2,500sqm. Where the proposal is outside the other centres the floorspace would normally be capped at around 200sqm being a small-scale, complementary use

4.6 WORKSPACE

The Local Plan seeks to encourage the co-location of employment and residential uses where appropriate, outside of the SIL and LSIS designated locations, and therefore the provision of new workspace has been a key feature of the planning strategy for the LLDC area's economic development. Since 2012 over 150,000 sqm of workspace has been included within permitted schemes of which approximately 20,000sqm is considered 'low cost' or 'affordable'. The approach to the protection and re-provision of industrial and employment floorspace facilitates this delivery, and the [Economy Study \(ES\) \(2018\)](#) confirms that the industrial demand can be met through this means. The ES also confirmed that there is likely to be sufficient demand for the planned employment space within the area, and that this is likely in fact to exceed supply. Therefore large scale office development will continue to be a key feature of Stratford, while across the whole of the area workspace will also be providing for the needs of a wide variety of industries within industrial and employment uses.

Policy B.4 of the adopted Local Plan sets out that new forms of low cost and managed workspace will be supported where provision is flexible, appropriately managed and offered at rates considered low cost through varying means. In his January 2018 response to the consultation the Mayor considered that *"LLDC Local Plan Policy B.4 Providing low-cost and managed workspace is generally in line with the draft London Plan policies E2 and E3 and will therefore not need updating"*.

Notwithstanding the above, the London Plan sets out some clear definitions of 'low cost business space' and 'affordable workspace'. For consistency it is appropriate to incorporate these terms into the policy so a number of changes have been proposed to achieve this. Another change has been introduced to further clarify the circumstances where low cost business space or affordable workspace would be required, therefore the policy now directly specifies that proposals should re-provide any existing low cost business space or affordable workspace in accordance with Policy B.1 and that this re-provision should be appropriate to the needs of existing occupiers. This is considered particularly pertinent given the proposed CEZ at Hackney Wick and Fish Island and Policy HC5 of the draft New London Plan promoting cultural and creative industries. Other amendments have been included to specify that the Legacy Corporation has been monitoring what rental rates have been secured through schemes and therefore will be able to provide some information on what has been contained in past S106 agreements and what factors may be appropriate in setting out what is considered the 'historic market rent for the area' as stipulated in bullet 7 of Policy B.1. This includes defining what could be considered the area; whether this is inclusive of rates and business rates; the time-period involved; and equivalent B class use. Specific standard rates are not promoted in the policy as market rates will vary across the LLDC area, particularly between parts of Stratford and Hackney Wick and Fish Island, and so location and context of individual schemes will be important in defining the appropriate 'historic market rent'. The affordable rent for 'affordable workspace' will also vary in the context of the individual scheme, its use mix and other policy requirement set out in affordable

housing policy or other relevant S106 requirements that might be set out in the Local Plan policies or site allocations. The policy as drafted along with a scheme specific evidence-based approach that includes monitoring of previous relevant scheme is considered to be the most appropriate approach within the LLDC area.

The draft New London Plan also specifies that proposals for more than 2,500sqm of B1 business floorspace should consider scope for flexible space for SMEs. Policy B.1 sets out that office proposals of this scale should be steered towards the Metropolitan Centre however the supporting text to this policy sets out that all employment schemes should consider design to maximise flexibility of function including variable sizes, flexible and adaptable space and support for SMEs. The Legacy Corporation is also aware through consultation and through various parts of the Combined Economy Study (2018) that space requirements for the area are more fluid with home-based work and integrated workspace. This, together with an identified demand for local leisure offers alongside businesses, means that the design of schemes should also consider the requirements of other supporting uses with a potential to maximise flexibility and adaptability of space between use classes. This approach is considered to support the potential Creative Enterprise Zone designation at Hackney Wick and Fish Island through the provisions of space to meet the requirements of the cultural and creative industries.

4.7 TOWN CENTRE HIERARCHY

. The Local Plan includes the retail hierarchy and designates the Stratford Metropolitan Centre, Bromley-by-Bow proposed District Centre; Hackney Wick Neighbourhood Centre; and East Village and Pudding Mill Local Centres. Although the District Centre and Pudding Mill Local Centre have yet to come forward a number of changes have occurred within the other centres, often providing more definition to the character and function, which is reflected within changes to Table 3 (now Table 4 within the Revised Local Plan).

As highlighted above Stratford continues to be designated as Metropolitan Centre in the London Plan but with potential for International centre status. Achieving this higher status within the London Plan will depend on a number of interventions, for which the Local Plan allows, such as delivery of the retail floorspace requirements identified within the **Retail and Town Centre Needs Assessment (2018)**; the office potential highlighted within the **Economy Study (2018)**; as well as significant development proposals such as UCL East new university campus and other East Bank proposals.

As highlighted in paragraph 4.21 of the adopted Local Plan the form and layout of Westfield Stratford City does not enable designation of primary or secondary frontages. Amendments to the NPPF no longer require this level of specificity but the whole of the retail floorspace within Westfield Stratford City will be considered the primary shopping area for the purposes of paragraph 85 of the NPPF.

This principle of a district centre at Bromley-by-Bow was first posed within the Tower Hamlets Retail and Leisure Capacity Study (2009) and has been a major aspiration for the area since. Despite permission being granted in 2010 for the redevelopment including an expanded foodstore the Compulsory Purchase Order of the site was not confirmed and therefore the proposal did not take place. A landowner-led Masterplan for the wider site was developed in 2016 and forms an Annex to the Bromley-by-Bow SPD. This sets out how the requirements of the site allocation could be met and includes a significant amount of town centre retail which would form part of the district centre. Subsequently two permissions have been granted (17/00344/FUL; 17/00364/FUL) which together provide over 3,000 sqm of retail floorspace. The Retail and Town Centre Needs Assessment (2018) recommends that between 5% and 10% of the identified comparison goods capacity should be provided at this location (4,000-8,000sqm) whereas 80% of the convenience floorspace should be provided within the four lower tier centres at approximately 2,856-4,570sqm. As a higher tier centre Bromley-by-Bow could reasonably absorb half of this floorspace which could equal one or two smaller discount retailers of a smaller format retail store. This would total around 5,428-10,285 sqm of retail floorspace. The CES also identified potential for new community

floorspace or a new smaller cinema offer which could be supported at this location. This form of delivery within the centre is in line with the London Plan's definition of a district centre and states that they typically contain 10,000–50,000 sqm of retail, leisure and service floorspace.

Hackney Wick Neighbourhood Centre currently provides a specialised retail function, with the character and function identified within the Combined Economy Study (2018) highlighting that within the area employment and retail offers often integrated together, such as workspace with food and drink. The Hackney Wick Central Masterplan outline planning application (permission granted subject to S106 at time of writing) facilitates comprehensive change within the centre boundary and the parameters of this permission will determine the form and nature of the new town centre uses within the neighbourhood centre as it develops. A number of the changes proposed to Policy B.2 and the supporting text are therefore included to safeguard the circumstances where existing businesses can remain within the area maintaining the unique character of the centre. This involves requiring space to be provided at maximum flexibility to meet the needs of a wide variety of business types, applying the agent of change principles as a strategy for the area and promoting a number of town centre management techniques included within the text. The inclusion of such measures will continue to support the proposed Creative Enterprise Zone at Hackney Wick; protect the culture and creative uses acknowledged within the Culture and Creative Opportunities Assessment (2018) and is also in line with the Mayor's aspirations for the night time economy (see draft new London Plan policy HC6; Culture and the Night-time Economy SPG).

East Village is becoming more established as a local centre and generally consists of independent food and drink related offers. Retail monitoring information has found that generally retail vacancies have been decreasing over time and as at December 2017 38% of units are occupied by A1 uses, and 57% of all units relate to the food and drink offer in some form (cafes, restaurants and public houses). The adopted Local Plan sets out at paragraph 4.23 how the vitality and viability of the centre will be monitored including where a non-retail use is proposed the use will be considered against the quantum and positioning of non-retail uses and the potential for the new use to enhance the function. A number of minor changes to B.2 supporting text have been proposed to reinforce this principle including considering cumulative impacts. It is considered that this flexible approach is appropriate given the fact that the centre is still relatively new and the amount of change still yet to take place, including around 2,000 additional homes, of which 481 will be completed in 2018.

However at the time of writing (Autumn 2018) there have been a number of very recent changes at East Village including an increase in retail vacancies and an increase in applications for non-retail uses within the centre. The Legacy Corporation is closely monitoring the situation within the centre and understands on an anecdotal basis that there are many reasons for this change. It is generally considered that currently footfalls within the daytime and at the weekend are not as high as expected. However as highlighted above there is still a considerable amount of housing development planned for the area which will assist in increasing activity and footfall, supporting such uses, therefore the centre is still considered to be in the process of becoming fully established. It has also been identified that the independent nature of the offer and the cost of fit out for restaurant uses have been factors affecting the viability of a number of businesses. It is understood that the tenure mix may also be a factor where neither the occupants of the Private Rented Units or the affordable rented units have the necessary disposable income to spend on eating and drinking out in the independent offers at East Village. This has been confirmed within the Household Survey and the results of the Population Report (2018) which highlighted that PRS is often occupied by sharers who are relatively young and look to Westfield and other parts of London for the leisure purposes. The Legacy Corporation will continue to monitor the retail provision closely and work with the landowners to ensure the viability and function of the local centre is maintained. The Retail and Town Centre Needs Assessment (2018) has highlighted that a need for convenience floorspace emerges over the plan period, and this has now been highlighted within Table 4 for East Village which could help support a more diverse mix of uses.

The potential future designation of primary and secondary retail frontages was highlighted within paragraph 4.21 of the adopted Local Plan and it is felt that East Village centre is now sufficiently developed to allow this to happen at East Village. Due to the planned nature of the centre the town centre and retail functions are clear and well-defined by the blocks with retail space on the ground floor and open space at the core of the centre, therefore

these are now identified as primary frontages within the Local Plan at Policy 2.2. The primary frontages will also be considered the primary shopping area for the purposes of the NPPF. This frontage covers the whole of the retail frontage contained within the centre. Figure 33 of the Local Plan shows the amendment to the centre boundary to include the frontage along West Park Walk.

A large proportion of Pudding Mill, including the location of the proposed new Local Centre, has outline planning permission as part of the Legacy Communities Scheme (LCS). The LCS permission for Pudding Mill includes approximately 1,000 homes; 2,345sqm of retail; 36,000 sqm of employment with some subsidiary leisure and community facilities. The Local Centre will be focussed around the new DLR station and Pudding Mill Lane. Pudding Mill SPD includes additional guidance for the allocated site at SA4.3 including relating to the delivery of the Local Centre. In accordance with the Draft New London Plan's centre definitions, the Local Centre as a whole will include up to 10,000sqm of retail, leisure and service floorspace and the detailed boundaries will be defined once delivered. It is likely that the LCS will be revisited in the context of seeking to achieve increased housing delivery at Pudding Mill to take account of the net reduction in housing as a result of the East Bank schemes (UCL East and Stratford Waterfront) superseding other parts of the LCS. The introduction of these nearby changes and the potential for increased housing delivery at Pudding Mill continue to justify the need for provision of a new Local Centre in this location.

4.8 RESIDENTIAL DEVELOPMENT IN TOWN CENTRES

The draft New London Plan (Policy SD6) places additional emphasis on housing delivery within town centres. A number of changes have therefore been proposed to Table 4 in the Local Plan and supporting paragraphs (paragraphs 4.21-4.30) to make it clear what uses are allowed within each of these Centres and where, when and in what form of residential development might be suitable. These changes state that residential densities should reflect transport accessibility and the centrality of location as well as the availability of open space and community facilities in relation to the housing mix. For example, within Stratford Metropolitan Centre boundary the changes now include a requirement for optimisation of residential development, well-integrated within the centre, focussed around transport hubs and other attractors. There are also site allocations for all of the Centres (SA1.1, SA2.1, SA3.1, SA4.1 and SA4.3) which provide further guidance and for Stratford a number of amendments have been proposed to each development plot to reference where residential would be appropriate. Site Allocation SA3.1 for Stratford Metropolitan Centre also highlights additional plots where residential can also be achieved.

The area-based SPDs also provide additional guidance on how residential can be integrated into Hackney Wick, Bromley-by-Bow and Pudding Mill. The Hackney Wick Central Masterplan (16/00166/OUT) also sets the parameters for residential development within the neighbourhood centre.

4.9 CULTURE AND CREATIVE USES AND THE NIGHT TIME ECONOMY

Draft new London Plan policy HC5 supports the protection of existing cultural venues, facilities in town centres; use of vacant properties and land for pop-ups or meanwhile uses; enhancing the role of new cultural venues and/or facilities and spaces for outdoor cultural events within Opportunity Areas; and support for Creative Enterprise Zone proposals. The Mayor's **Culture and Night-time Economy SPG (2017)** also provides guidance in relation to cultural and night time economy uses. It identifies a need to protect pubs, other venues of identified cultural significance, creative work and performance spaces; provision of new spaces that meet needs of particular groups e.g. LGBT+ community; and encouraging a wide range of night-time activities including culture and leisure. It identifies a need to explore opening hours of daytime facilities such as shops and community facilities and introducing new cultural quarters, but it also identifies the need for consideration of any negative impacts on existing residents or businesses so a clear strategy is required for mitigating issues. A number of amendments have been proposed to reflect these clear priorities within the Local Plan including

specific policy support for the culture and night time economy and specifying particular functions for each centre. This approach was supported by the Mayor in his January 2018 response to the consultation: "LLDC's proposal to investigate the demand for cultural, creative, leisure and night-time economy sectors including space requirements is aligned with draft London Plan Policy HCS Supporting London's culture and creative industries and is welcomed". A commitment is also now made in the Local Plan to producing a Night Time Economy SPD which will provide additional guidance on policies relating to culture and the night time economy.

As highlighted above in relation to employment space provision the Local Plan enables employment space to be integrated into mixed use development by securing the types of space which can be successfully co-located but also through appropriate design requirements (see Policy B.1). Since the Local Plan's adoption in 2015, further evidence has been gathered in support of the area-based SPDs relating to the compatibility of uses. The **Employment Space Study (2015)** focusses on employment whereas the Culture and Creative Opportunities Assessment (2018) also covers retail, culture and night time activities. Both reports highlighted noise as being a critical determinant of the success of mixed use development recommending that acoustic standards identified in the Employment Space Study be required in development proposals, such as noise insulation measures. A number of changes to Policies B.1 and B.2 have been made to reference this as a consideration and how the Agent of Change Principle should be applied. Changes have also been introduced to ensure that development proposals consider the end-users at the design stage, maximising flexibility of space, adaptability and function. This will enable existing businesses within the culture, creative and night time economy as well as the employment sectors to remain within the area in the long term and to ensure that mixed use areas are vibrant and successful.

The **Creative and Cultural Opportunities Assessment (2018)** highlighted examples of industrial and workshop spaces being used for cultural and leisure activities where high ceilings and larger unit footprints have allowed these spaces to be re-purposed whilst other cultural facilities are also often located in re-purposed high street facilities. In relation to the night time economy, these typically occupy either smaller industrial units with high ceilings and are used by a broad range of night-time activities including food manufacturing, production and food and drink, restaurant and bars; or retail-type spaces (street-facing, ground floor) linked to food and drink offers. Hackney Wick and Fish Island displays numerous examples of how industrial units have been re-purposed for creative and cultural uses which include night-time activities. However most of these businesses currently neighbour other employment uses and as the area evolves, in order to maintain the current uses and offers, the Agent of Change principle will become crucial.

The **Creative and Cultural Opportunities Assessment (2018)** also highlights some potential disconnects between licensing and planning restrictions; a lack of diversity of offer; placemaking, wayfinding and lighting, crime and safety management issues. The Local Plan Review has responded to these issues by introducing changes in Paragraphs 4.22 to 4.23 (now paragraphs 4.24 and 4.25) to ensure space is suitable, flexible and adaptable for a wider range of business needs including through the provision of smaller and larger units; and also by building up the principles of the connectivity policies and design considerations; as well as the new security policy and design measures. Table 4 has also been amended to focus on the particular function and specialism of each Centre including in relation to the night time economy. An amendment to the Local Plan is also proposed to reference the production of a Centres and Night-time Economy SPD. It is anticipated that this SPD will cover issues such as licensing; wayfinding and security; uses and design considerations; application of the Agent of Change Principle; and to provide centre-specific information in relation to management principles. The cross-over to the health agenda has also been acknowledged within changes to paragraph 4.23 (now paragraph 4.25) by reference to takeaway facilities and the diversification of the night time food offer.

The wider Creative Enterprise Zone proposal for Hackney Wick and Fish Island will support creative industries across the area, reinforcing the approach to re-provision of employment space already set out within the Local Plan. A number of minor amendments have been made to the Local Plan Section 4 to reflect the principles within the draft New Local Plan.

London Plan relating to Creative Enterprise Zones, however the proposed Night-time Economy SPD will be able to build upon this and highlight the approach to this within the Hackney Wick Neighbourhood Centre and

outside it.

This approach has also provided the rationale for a number of changes within the Sub Area sections including the further development of the Stratford High Street Policy Area (Policy 3.1) and a new Metropolitan Centre Policy (Policy 3.3). These amendments have potential to build upon the emerging identity of Stratford High Street and develop innovative new housing products integrating non-residential uses in a cohesive manner, and supporting interim uses of vacant premises to add vitality and viability to the area as well as helping facilitate the development of Stratford as an International Centre.

The draft New London Plan acknowledges Queen Elizabeth Olympic Park as a Cultural Quarter which should be acknowledged and protected within the Local Plan. This also involves use of land and buildings for interim uses to creative vitality throughout the day and night-time. It considered that in combination, policies of the Local Plan will help to facilitate this including interim use policies, the new Metropolitan Centre Policy 3.3 and the Stratford Waterfront Site Allocations (SA3.2 and SA3.3) however this has also been specifically referenced within Section 4 of the Plan.

4.10 EMPLOYMENT SKILLS AND TRAINING

A number of minor changes are proposed to the supporting text to Policy B.5 to take account of changes to the Draft New London Plan to ensure that training and apprenticeships secured through development schemes can be completed. This involves inserting wording relating to working with the boroughs in collaboration.

APPENDIX 1 PROPOSED AREAS OF CHANGES

	Reason for change
B.1	<ul style="list-style-type: none"> To reflect the Draft new London Plan, in particular policies E5, E6 and E7 in relation to intensification, consolidation and co-location of residential, in particular: <ul style="list-style-type: none"> Reference to employment floorspace capacity Intensification of capacity SIL boundaries SIL (IBP) at Here East OIL Designations New Combined Economy Study evidence base To reflect proposed changes to the NPPF in relation to removal of the office impacts threshold.
B.2	<ul style="list-style-type: none"> To update and correct in relation to changes to the use classes order whereby betting shops are now sui generis uses To reflect Draft New London Plan in relation to Hot food takeaways and proximity to schools, proliferation of uses, support for small shops (E9) New Combined Economy Study evidence base on retail floorspace requirements
B.3	<ul style="list-style-type: none"> To reinforce support for interim cultural and night time economy uses
B.4	<ul style="list-style-type: none"> Need to reflect Draft New London Plan terminology (E2, E3) making clear distinctions between affordable and low-cost workspace
B.5	<ul style="list-style-type: none"> Update to refer to Draft New London Plan terminology (E11) To include reference to working with boroughs to ensure joined up approach and to ensure training is completed