



**London Borough of Redbridge
2015 Employment Land Review**

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1.0 Introduction	4
1.1 Background	4
1.2 Context	4
2.0 Methodology	6
2.1 Approach and Report Structure	6
2.2 Site Assessments and Recording	7
3.0 Policy Background	8
3.1 National Planning Policy	8
3.2 Greater London Planning Policy	12
3.3 Other Policy, Guidance and Evidence	20
3.5 Current Local Planning Policy	22
3.6 Summary of National and Local Policy Context	25
4.0 Stage One: Existing Supply Assessment	26
4.1 Current Socio-Economic Context	26
4.2 Emerging Industries and the Knowledge Economy	32
4.3 'SWOT' Analysis	36
4.4 Summary of Existing Employment Space	37
5.0 Stage Two: Future Demand Assessment	39
5.1 Employment Forecasts	39
5.2 Historic Trends	40
6.0 Stage Three: Supply and Demand Analysis	46
6.1 Overall Supply Position	46
6.2 Existing Demand Scenarios	46
6.3 Assessed Demand Scenarios	47
6.3.1 Scenario 1	47
6.3.2 Scenario 2	49
6.3.3 Scenario 3	50
6.4 Assessment of Preferred Scenario	51
6.5 Contrasting Result: Scenario 1	53
6.6 Site Assessment Conclusions	54
6.6 Categorisation of Sites with Potential for Change in-Part	55
6.7 Final Land Categorisation	55
6.8 Site Assessment Summary	56
7.0 Recommendations	57
Appendices	59

Notice: The conclusions and recommendations contained in this report are based upon information provided by others and upon the assumption that all relevant information has been provided by those parties from whom it has been requested and that such information is accurate. The information obtained has not been independently verified by Cundall unless otherwise stated in the report.

The methodology adopted and the sources of information used are outlined in this report. The work described in this report was undertaken between August 2015 and December 2015 and is based on the conditions encountered and the information available during the said period.

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1. Introduction

1.1 Background

Cundall has been instructed by the London Borough of Redbridge (the “Council”) to undertake a comprehensive Employment Land Review covering the local authority area of Redbridge in North East London. The purpose of the study is to inform the preparation of the borough’s Local Plan from the perspective of employment land supply and demand. It is anticipated that this report will form a key part of the council’s evidence base for the Plan as it progresses through the Local Plan process towards adoption.

This report aims to assist in the preparation of LB Redbridge’s Local Plan by profiling existing employment land supply, assessing the quality and viability of sites across the borough and anticipating future demand for employment land. This report will offer concluding remarks and recommendations for the council to take forward in preparing the Local Plan in a way which allows the borough to capitalise on the borough’s existing strong growth.

1.2 Context

‘Redbridge 2012 Policy Review – Industrial and Employment Sites Study’

A previous study relating to employment land in the borough was undertaken by the council in 2012 entitled ‘Policy Review – Industrial and Employment Sites’. The document, although not defined as an Employment Land Review, has contributed to informing this 2015 study. Since the 2012 document was prepared, revised Planning Practice Guidance has been published alongside new national, local and regional London planning policy. It is recognised that the new Employment Land Review for Redbridge must comply with these new documents. Relevant recommendations from the previous study are outlined in this section.

The 2012 draft Policy Review study identified 70 hectares of industrial land in the borough. It identified no specific areas of undeveloped employment land allocated across the borough. The report did, however, recommend the release of a significant proportion of the industrial land for residential and ‘other’ land uses, consisting of two sites recommended for release (Chadwell Heath and Kelvin Hughes), and three sites identified as having potential for change (Forest Road, Newton (in part), and Southend Road (in part)). This iteration of the study will establish whether this situation has changed by making reference to recent policy and guidance and establish, to provide a more detailed understanding of the employment space situation in the borough in 2015.

The study recommended that sites ‘Hainault Business Park’ and ‘Southend Road Business Park’ be re-designated from preferred industrial land (PIL) to Industrial Business Park (IBP). For the Southend Road (Woodford Trading Estate) cluster, the report concluded that it would be better designated as an IBP due to its resemblance to a business park rather than industrial site in terms of the coherence of land uses on the site. For Hainault Business Park, the recommended change stemmed from the ‘substantial presence of office based businesses and light manufacturing’ in the park and the mismatched designation as a result. This iteration of the study will consider this recommendation and assess the character of the parks to better understand the extent to which they merit re-designation.

The draft Policy Review study supported a land release-rate proposed for the borough by the Greater London Authority (“GLA”) of 0.6 hectares per annum. It did not support the GLA’s 75% target for identification of exact locations for this land release, however, without ‘a more comprehensive future land use survey of all industrial land’. This study will assess whether such recommendations are still relevant in the borough’s current employment land situation.

The study stated that in addition to the need to change and release industrial land, the promotion of the development of new industrial land should be supported in sustainable locations. This was identified as being due to population increase. A more detailed understanding of the current situation with regards to this conclusion will be assessed in this report. Further to this, the study also indicated a potential for increase in warehousing, distribution, ‘green industries’, leisure industries, and ‘knowledge-based industries’ in the borough, and suggested they require ‘further investigation’. This study will investigate and define emerging industries in East London and in Redbridge more specifically to better understand potential impacts on employment land.

2. Methodology

This section considers current guidance to outline the report's methodology and structure.

2.1 Approach and Report Structure

The requirement to prepare an Employment Land Review is set out in the National Planning Policy Framework, published in 2012, and the study methodology has been informed by the principles set out in the following sources:

- relevant Planning Practice Guidance sections,
- the 2004 ODPM Employment Land Reviews: Guidance Note¹,
- the 2010 South East Partnership Board Guidance on Employment Land Reviews,
- the 2012 Greater London Authority 'Land for Industry and Transport' Supplementary Planning Guidance²,
- the 2010 GLA Industrial Land Baseline,
- and previous work undertaken by the council in 2012 in the form of the 'Policy Review – Industrial and Employment Sites Study' and accompanying 'Industrial Sites Profile' schedule³.

The structure of this Employment Land Review document is divided into three key stages;

- Stage One: Existing Supply Assessment
Aim: To take stock of the existing situation.
- Stage Two: Future Demand Assessment
Aim: To create a picture of future requirements.
- Stage Three: Concluding Recommendations and Gap Analysis
Aim: To identify those sites which can support change based on requirements.

This approach is detailed in the following diagram:

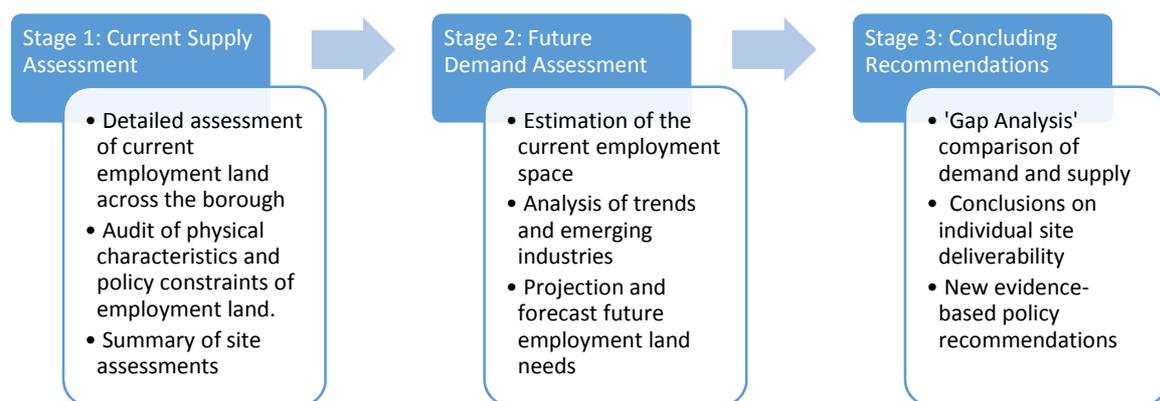


Figure 1: Approach

¹ ODPM (2004) Employment Land Reviews: Guidance Note. Although this guidance is withdrawn, it is considered to be a source worthy of some consideration.

² Greater London Authority (2012) Land for Industry and Transport: Supplementary Planning Guidance

³ LB Redbridge (2012) Policy Review: Industrial and Employment Sites

In line with the above methodology, close working with the council has taken place throughout the data collection and write-up processes to ensure that the end product was satisfactory as evidence to inform the preparation of the Local Plan. The lack of prescriptive national guidance in the NPPF or NPPG heightened the importance of ongoing guidance from the Council. Employment land as referenced in this report refers to that belonging to the use class divisions of business uses from the Town and Country Planning (Use Classes) Order 1987 (as amended) and the Town and Country Planning (General Permitted Development) Order 1995 (as amended).

In the interests of clarity, the use class divisions of business uses discussed in this report are summarised in the below table;

Table 1 Use class divisions of business uses.

B1	Business <ul style="list-style-type: none"> ● Offices (other than those that fall within A2) ● Research and development of products and processes ● Any light industry appropriate in a residential area (without detriment of noise, vibration, fumes, etc.)
B2	General industrial <ul style="list-style-type: none"> ● Use for industrial process other than one falling within class B1 ● Excludes incineration purposes, chemical treatment or landfill or hazardous waste
B8	Storage and distribution <ul style="list-style-type: none"> ● Includes open air storage

Source: Planning Portal, 2015

2.2 Site Assessments and Recording

In terms of the selection of individual sites, National Planning Practice Guidance provides direction on the process to be used. The guidance states that plan makers should be *‘proactive in identifying as wide a range as possible of sites and broad locations for development’*, and *‘should not simply rely on sites that they have been informed about but actively identify sites through the desktop review process that may have a part to play in meeting the development needs of an area’*. More specifically, the guidance states that sites considered should exceed 0.25 hectares (or 500m²) in area, and be obtained from all available data sources. This report therefore considers only sites of continuous B1, B2, or B8 use which fall above the 0.25 hectare area threshold, and sites which are policy-designated as employment land in local policy, London policy, or national planning policy.

In terms of the detailed assessment of sites, National Planning Practice Guidance and the GLA Land for Industry and Transport SPG set out a number of characteristics which should be recorded, which are listed in greater detail in the following section. Final assessment criteria have been based on a combination of the criteria included within such guidance, as well as discussions with the council. The chosen sites were mapped, and visits were carried out on the 24th and 25th September 2015, allowing an assessment of each site based on the agreed criteria to be completed and a number of photographs to be taken away for further consideration and evidence. The data was then compiled into a spreadsheet (appended) to be extrapolated for discussion in the report.

3. Policy Background

This study has taken into account a variety of policy and guidance at both the national and local level. This section provides an overview of the policy which has informed the review.

3.1 National Planning Policy

National policy and guidance will be considered in the first instance.

National Planning Policy Framework ('NPPF')

The National Planning Policy Framework (DCLG, 2012) was published in March 2012 as part of the 2010-2015 coalition government's planning reforms. Paragraph 14 of the framework confirms that at the heart of the NPPF lies a presumption in favour of sustainable development and that this should be seen as a *'golden thread running through both plan making and decision taking'*.

Furthermore, with regards to the need for an authority's local plan to be based on an up to date ELR, paragraph 158 of the framework states the following;

'Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.'

As part of the NPPF's economic dimension to achieving sustainable development, the NPPF requires assurances that *'sufficient land of the right type is available in the right places and at the right time to support growth and innovation'* (para 7).

The section of the framework entitled *'Delivering Sustainable Development'* (paras 20 to 22), is relevant to the need for authorities to contribute to the creation of a competitive economy and how this relates to employment land;

'To help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century.'

Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing. In drawing up Local Plans, local planning authorities should:

- *set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;*
- *set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- *support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or*

emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;

- *plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;*
- *identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and*
- *facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.'*

'Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities'

With regards to the location of employment land in relation to the aim of achieving mixed use communities, paragraph 37 of the framework states that;

'Planning policies should aim for a balance of land uses within their area so that people can be encouraged to minimise journey lengths for employment, shopping, leisure, education and other activities.'

Planning Practice Guidance

Planning Practice Guidance (PPG) (DCLG, 2014) was formally introduced in March 2014 in order to provide clarity within the planning system. The chapters of the guidance relating to the production of Housing and Economic Needs Assessments as well as Housing and Economic Land Availability Assessments will be discussed in this section of the report.

Like other policy and guidance, the PPG does not include a prescriptive methodology on the writing of Employment Land Reviews, or indeed the writing of Economic Needs Assessments or Economic Land Availability Assessments as they are defined by the PPG. The guidance does include some methodological guidance which can be taken into account in this study, however most of this relates to housing.

The section of the guidance entitled 'Housing and Economic Needs Assessments' provides information on the need to *'identify the future quantity of land or floor space required for economic development uses including both the quantitative and qualitative needs for new development; and provide a breakdown of that analysis in terms of quality and location, and to provide an indication of gaps in current land supply'*.

When defining need, the guidance states that it should address the quantity of economic development floor space needed *'based on quantitative assessments and on an understanding of the qualitative requirements of each market segment'*.

The guidance highlights the fact that the assessments of need should represent an objective assessment based on fact, without the limitations which may be applied when bringing evidence bases together to identify policies within development plans (such as viability, environmental and historic under-performance constraints).

The guidance suggests that needs should be assessed in relation to the relevant functional economic area, which will need to be established. There is no standard approach to defining the functional economic market area, however it is recommended that the following factors are considered;

- *'Extent of any Local Enterprise Partnership within the area;*
- *Travel to work areas;*
- *Housing market area;*
- *Flow of goods, services and information within the local economy;*
- *Service market for consumers;*
- *Administrative area;*
- *Catchment areas of facilities providing cultural and social well-being;*
- *Transport network.'*

As previously identified, the PPG contains limited guidance on methodology. It states that in addition to liaison with the local business community, the following areas are to be considered when building an understanding of the current market in relation to economic and main town centre uses;

- *'The recent pattern of employment land supply and loss to other uses (based on extant planning permissions and planning applications). This can be generated through a simple assessment of employment land by sub-areas and market segment, where there are distinct property market areas within authorities.*
- *Market intelligence from a range of sources.*
- *Market signals, including levels and changes in rental values and differentials between land values in different uses.*
- *Information held by public sector bodies and utilities relating to employment land, and utilities/infrastructure constraints.*
- *The existing stock of employment land. This will indicate the demand for and supply of employment land and determine the likely business needs and future market requirements (though it is important to recognise that existing stock may not reflect the future needs of business). Recent statistics on take-up of sites should be consulted at this stage, along with other primary and secondary data sources to gain an understanding of the spatial implications of 'revealed demand' for employment land.*
- *The locational and premises requirements of particular types of business.*
- *Identification of oversupply and evidence of market failure (e.g. physical or ownership constraints that prevent the employment site being used effectively, which could be evidenced by unfulfilled requirements from business, yet developers are not prepared to build premises at the prevailing market rents).'*

In terms of analysing employment land, the guidance highlights the importance of considering both projections (based on past trends) and forecasts (based on future scenarios), as well as the identification of occurrences where sites have been developed for specialist economic uses. The guidance intends for this to allow an understanding of requirements for employment space, and a context for the appraisal of individual sites to be gained. It is noted that when assessing supply and demand, employment land markets can overlap several local authority areas.

In forecasting future trends, the guidance highlights that plan makers should consider forecasts of qualitative and quantitative needs, taking into account the following considerations;

- *'Sectoral and employment forecasts and projections (labour demand);*
- *demographically derived assessments of future employment needs (labour supply techniques);*
- *analyses based on the past take-up of employment land and property and/or future property market requirements;*
- *consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics'*

The guidance outlines four relationships which need to be quantified when researching employment land requirements and translating employment forecasts into land requirements;

- *'Standard Industrial Classification sectors to use classes;*
- *Standard Industrial Classification sectors to type of property;*
- *employment to floorspace (employment density); and*
- *floorspace to site area (plot ratio based on industry proxies).'*

The section entitled 'Housing and Economic Land Availability Assessment' provides guidance on the identification of future land supply relating mainly to housing, but also to economic uses including employment space.

The guidance makes clear that the assessment is an important evidence source to inform plan making but does not in itself determine whether a site should be allocated for development, due to issues such as viability or policy constraints. Allocation of land is the role of the development plan process, informed by the evidence gained from this assessment.

Geographically, the availability assessment should cover the functional economic area in the same way as the needs assessment. This can take the form of a Local Planning Authority area.

The guidance requires plan-makers to be proactive in identifying as wide a range of sites as possible, including sites that could be intensified, improved, or changed. Sites should be included in the assessment regardless of any particular constraints, which must be set out clearly and tested with conclusions drawn on whether constraints can be overcome.

With regards to individual site surveys, the guidance states that they should be proportionate in detail to the strength of the site's potential candidacy for development. The characteristics which should be recorded are listed as follows;

- *site size, boundaries, and location;*
- *current land use and character;*

- *land uses and character of surrounding area;*
- *physical constraints (e.g. access, contamination, steep slopes, flooding, natural features of significance, location of infrastructure / utilities);*
- *potential environmental constraints;*
- *where relevant, development progress (e.g. ground works completed, number of units started, number of units completed);*
- *initial assessment of whether the site is suitable for a particular type of use or as part of a mixed-use development.*

New Permitted Development Rights

On the 30th May 2013, the Town and Country Planning (General Permitted Development) (England) Order was amended in order to introduce new permitted development rights which allow offices (Use Class B1 (a)) to be converted into residential (Use Class C3) without the need for planning permission. It is possible for Local Authorities to nominate areas within their boundaries as 'exemption zones', of which there are currently seventeen. There are no areas within LB Redbridge which are currently exempt, however. This means that the new rights may affect significantly the dynamics of employment space availability in the borough.

The 2013/14 Redbridge Monitoring Report details the early impacts of the recently introduced changes to permitted development rights. The report states that in the 16 month period following the date on which the changes first came into effect, a number of applications for prior approval were received and granted resulting in a total potential loss of approximately 18934sqm of office floorspace, yielding a potential 337 new dwellings. The changes are therefore having a clear effect on employment land supply in the borough which will be taken account of throughout this report.

3.2 Greater London Planning Policy

The current adopted spatial development strategy for Greater London is the March 2015 Further Alterations to the London Plan ('FALP'). The policies within the strategy which are relevant to this review are detailed in this section.

The FALP includes detailed objectives which serve to embody the concept of sustainable development. Directly relevant to this report are objectives 1, 2, and 5;

1. *A city that meets the challenges of economic and population growth in ways that ensure a sustainable, good and improving quality of life and sufficient high quality homes and neighbourhoods for all Londoners and help tackle the huge issue of deprivation and inequality among Londoners, including inequality in health outcomes.*
2. *An internationally competitive and successful city with a strong and diverse economy and an entrepreneurial spirit that benefit all Londoners and all parts of London; a city which is at the leading edge of innovation and research and which is comfortable with – and makes the most of – its rich heritage and cultural resources.*
3. *A city that becomes a world leader in improving the environment locally and globally, taking the lead in tackling climate change, reducing pollution, developing a low carbon economy, consuming fewer resources and using them more effectively.*

The strategy provides employment projections for each borough. The figures for LB Redbridge suggest that 20.6% growth is expected for the period between 2011 and 2036, compared to an average of 17.6% for all boroughs as a total.

Policy 2.3 of the strategy relates to growth areas and co-ordination corridors. The policy states that;

The Mayor will, and other partners including relevant London boroughs and sub-regions should, engage with relevant agencies beyond London to identify and develop:

- a. linkages across, and capacity of, nationally recognised growth areas which include parts of London (the Thames Gateway and London-Stansted-Cambridge-Peterborough)*
- b. timescales and mechanisms for co-ordinating planning and investment in corridors of city region importance which connect London with the wider city region, including the Western Wedge, Wandle Valley and London-Luton-Bedford corridors*

At paragraph 2.90 can be found the 'key diagram' which shows the Thames Gateway and London-Stansted-Cambridge-Peterborough growth areas of national importance. The borough of Redbridge occupies a strong position close to the intersection of the two areas.

Policy 2.7 of the strategy is concerned with the economy of Outer London, of which the borough of Redbridge is a part. The policy aims to 'address constraints and opportunities in the economic growth of outer London so that it can rise above its long term economic trends'. This is to be achieved by:

- *enabling existing sources of growth to perform more effectively, and increasing the competitive attractiveness of outer London for new sectors or those with the potential for step changes in output*
- *identifying, developing and enhancing capacity to support both viable local activities and those with a wider than subregional offer, including strategic outer London development centres*
- *ensuring that appropriate weight is given to wider economic as well as more local environmental and other objectives when considering business and residential development proposals*
- *consolidating and developing the strengths of outer London's office market through mixed use redevelopment and encouraging new provision in competitive locations, including through the use of land use 'swaps'*
- *managing and improving the stock of industrial capacity to meet both strategic and local needs, including those of small and medium sized enterprises (SMEs), start-ups and businesses requiring more affordable workspace including flexible, hybrid office/industrial premises*

Policy 2.13 of the London Plan identifies opportunity and intensification areas. Among the policy requirements for development in these areas is that development proposals within opportunity areas and intensification areas should;

- *contribute towards meeting (or where appropriate, exceeding) the minimum guidelines for housing and/or indicative estimates for employment capacity set out in Annex 1, tested as appropriate through opportunity area planning frameworks and/or local development frameworks*

Iford, in the south of Redbridge, is listed as the borough's only opportunity area and as such forms part of 'the capital's major reservoir of brownfield land with significant capacity to accommodate new housing, commercial and other development'

The Iford Area Action Plan (AAP) acts as the area's Opportunity Area Planning Framework (OAPF) as required by the London Plan to guide development. The document is discussed later in this report.

Policy 2.17 of the Plan is concerned with Strategic Industrial Locations (SILs), defined as 'London's main reservoirs of industrial and related capacity, including general and light industrial uses, logistics, waste management and environmental industries (such as renewable energy generation), utilities, wholesale markets and some transport functions'.

Strategic Industrial Locations are identified to meet assessed need in the Plan, and are separated into two types in line with the requirements of different sorts of industrial occupier;

- *Preferred Industrial Locations (PIL) which are particularly suitable for general industrial, light industrial, storage and distribution, waste management, recycling, some transport related functions, utilities, wholesale markets and other industrial related activities.*
- *Industrial Business Parks (IBP) which are particularly suitable for activities that need better quality surroundings including research and development, light industrial and higher value general industrial, some waste management, utility and transport functions, wholesale markets and small scale distribution.*

In Redbridge, there are two Preferred Industrial Locations (PIL) and no Industrial Business Parks (IBP). The PILs (Hainault Industrial Park and Southend Road Business Area) are protected by the London Plan, and detailed in the Redbridge Local Plan as will be discussed in the following section.

In a strategic sense, Policy 4.2 of the plan is concerned with office development. It states;

'The Mayor will and Boroughs and other stakeholders should:

- *Support the management and mixed use development and redevelopment of office provision to improve London's competitiveness and to address the wider objectives of this Plan, including enhancing its varied attractions for businesses of different types and sizes including small and medium sized enterprises.*
- *Recognise and address strategic as well as local differences in implementing this policy to:*
 - o *Meet the distinct needs of the central London office market, including the north of the Isle of Dogs, by sustaining and developing its unique and dynamic clusters of 'world city' and other specialist functions and business environments;*
 - o *Consolidate and extend the strengths of the diverse office markets elsewhere in the capital by promoting their competitive advantages,*

focusing new development on viable locations with good public transport, enhancing the business environment including through mixed use redevelopment, and supporting managed conversion of surplus capacity to more viable, complementary uses;

- *Encourage renewal and modernisation of the existing office stock in viable locations to improve its quality and flexibility;*
- *seek increases in the current stock where there is authoritative, strategic and local evidence of sustained demand for office based activities in the context of Policies 2.7, 2.9, 2.13, 2.15–2.17*
- *monitor the impact of government liberalisation of Permitted Development rights for changes of use from offices to residential'*

In terms of plan preparation, policy 4.2 states that LDFs should:

- *enhance the environment and offer of London's office locations in terms of physical attractiveness, amenities, ancillary and supporting activities as well as services, accessibility, safety and security;*
- *provide the basis for work with the GLA Group, investors, developers, land owners and potential occupiers to bring forward and renew development capacity as efficiently as possible, co-ordinating their activities and interests to avoid planning delays and facilitating site assembly, if necessary, through the compulsory purchase process and especially beyond the central London office market*
- *work with sub-regional partners to develop co-ordinated, phased strategies to manage long term, structural changes in the office market, focusing new capacity where there is strategic as well as local evidence of demand, encouraging renewal and modernisation in viable locations and supporting changes of surplus office space to other uses*
- *examine the scope for re-use of otherwise surplus large office spaces for smaller units*

London Plan policy 4.4 relates to 'Managing Industrial Land Premises'. In a strategic sense, the policy states that *'the Mayor will work with boroughs and other partners to:*

- *'adopt a rigorous approach to industrial land management to ensure a sufficient stock of land and premises to meet the future needs of different types of industrial and related uses in different parts of London, including for good quality and affordable space*
- *'plan, monitor and manage release of surplus industrial land where this is compatible with a) above, so that it can contribute to strategic and local planning objectives, especially those to provide more housing, and, in appropriate locations, to provide social infrastructure and to contribute to town centre renewal.'*

With regards to plan-making, Policy 4.4 goes on to discuss the requirement for individual authorities to *'demonstrate how the borough stock of industrial land and premises in strategic industrial locations, locally significant industrial sites and other industrial sites will be planned and managed in*

local circumstances in line with this strategic policy and the location strategy in Chapter 2, taking account of:

- *the need to identify and protect locally significant industrial sites where justified by evidence of demand*
- *strategic and local criteria to manage these and other industrial sites*
- *the borough level groupings for transfer of industrial land to other uses and strategic monitoring benchmarks for industrial land release in supplementary planning guidance*
- *the need for strategic and local provision for waste management, transport facilities (including inter-modal freight interchanges), logistics and wholesale markets within London and the wider city region; and to accommodate demand for workspace for small and medium sized enterprises and for new and emerging industrial sectors including the need to identify sufficient capacity for renewable energy generation*
- *quality and fitness for purpose of sites*
- *accessibility to the strategic road network and potential for transport of goods by rail and/or water transport*
- *accessibility to the local workforce by public transport, walking and cycling*
- *integrated strategic and local assessments of industrial demand to justify retention and inform release of industrial capacity in order to achieve efficient use of land*
- *the potential for surplus industrial land to help meet strategic and local requirements for a mix of other uses such as housing and, in appropriate locations, to provide social infrastructure and to contribute to town centre renewal.*

In relation to the above points, the Plan designates the London Borough of Redbridge as a 'limited transfer' borough when referring to the level of transfer of industrial land to other uses. A 'limited transfer' borough is defined with greater clarity in the 'Land for Industry and Transport' SPG which is to be discussed in the following section of this report.

Policy 4.10 relates to New and Emerging Economic Sectors. In strategic, planning decision and LDF preparation context the policy states;

- 'The Mayor will, and boroughs and other relevant agencies and stakeholders should:*
- a support innovation and research, including strong promotion of London as a research location and encourage the application of the products of research in the capital's economic development*
 - b give strong support for London's higher and further education institutions and their development, recognising their needs for accommodation and the special status of the parts of London where they are located, particularly the Bloomsbury/Euston and Strand university precincts*
 - c work with developers, businesses and, where appropriate, higher education institutions and other relevant research and innovation agencies to ensure availability of a range of workspaces, including start-up space, co-working space and 'grow-on' space*

d support the development of green enterprise districts such as that proposed in the Thames Gateway
e promote clusters of research and innovation as focal points for research and collaboration between businesses, HEIs, other relevant research and innovation agencies and industry
f support the evolution of London's science, technology, media and telecommunications (TMT) sector, promote clusters such as Tech City and Med City ensuring the availability of suitable workspaces including television and film studio capacity.'

The importance of such emerging sectors will be explored further in section 4 of this report.

GLA Land for Industry and Transport Supplementary Planning Guidance

Published in 2012, the Land for Industry and Transport SPG sets out guidance 'on the implementation of policies relating to land for industrial type activities and transport'.

Redbridge is identified as a 'Limited Transfer' borough. Limited Transfer is defined as 'intermediate between the managed and restricted categories'. The definition states that '*taking account of local variations of demand, boroughs are encouraged to manage and where possible, reconfigure their portfolios of industrial land, safeguarding the best quality sites and phasing release to reduce vacancy rates for land and premises towards the frictional vacancy rates set out in paragraph 3.7.*'

Frictional vacancy refers to a level of vacant industrial land which is required at any given time to enable the industrial land market to operate smoothly. It has been estimated in studies that a reasonable average rate of frictional vacancy for London at any given time approximates to around 5 per cent of the industrial land stock and 8 per cent for floorspace.⁴

Annex 1 of the guidance shows that Redbridge has an industrial land release benchmark of -0.6 hectares annually between 2011-31, equating to around 12 hectares across that period.

GLA Industrial Land Baseline 2010

Prepared for the Greater London Authority, the 2010 Industrial Land Baseline is a comprehensive analysis of London's industrial land supply. The report formed part of the evidence base for the London Plan.

From the outset, the project's objectives included the following;

- Provide a robust estimate of land and floorspace in industrial and related uses (including logistics, waste management, utilities and some transport functions and vacant industrial land) in all boroughs across London.

⁴ Roger Tym & Partners and King Sturge (2011)

- Identify land and floorspace in industrial and related uses currently within Strategic Industrial Locations, Locally Significant Industrial Sites (LSIS) and other smaller industrial sites.
- Inform the development of robust systems and methods to monitor future changes to the industrial land baseline
- Provide an overall estimation of jobs in industrial areas across London, and a typical job per hectare figures for industrial land.

In terms of the North East London sub region's position, the report states that between 2006 and 2010, the sub region experienced a greater loss of industrial land than was recommended in the London Industrial Land Release Benchmarks report⁵, with a loss of 203 hectares compared to a benchmark figure of 117 hectares (URS, 2007). This is within the London Plan's recommended release of 366 hectares for the period 2006 – 2026.

Specifically to Redbridge, the study reported that 69.5 hectares of industrial uses exist across the borough, of which 1.6 hectares was vacant. There were a further 6.1 hectares of non-industrial uses within designated industrial areas (Strategic Industrial Locations and Locally Significant Industrial Sites).

London Industrial Land Supply & Economy Study 2015

Prepared by AECOM for the Greater London Authority in 2016, the Industrial Land Supply & Economy Study (2015) acts as an update to the 2010 Industrial Land Baseline. It estimates industrial businesses and their employment within London, and provides a high-level assessment of the economic impacts of reduced industrial land supply. The report aims to act as evidence for the next review of the London Plan and Land for Industry and Transport SPG, borough Local Plans, Opportunity Area Frameworks, Area Action Plans, and other Supplementary Planning Documents, whilst feeding into co-ordination of industrial land policy with local planning authorities in the wider South East of England. The study features a number of outputs and conclusions which are relevant to this report.

When compared to the 2010 Industrial Land Baseline, a contraction of 7% of London's stock of industrial land has occurred to a current overall recorded stock of 7,505 hectares. This is the case for all sub-regions when considered separately, including for the *East* sub-region, within which the borough of Redbridge lies.

When compared to the GLA Land for Industry and Transport SPG, actual past trends in industrial land release show an accelerated rate of release which is significantly above that of the GLA's Land for Industry and Transport SPG benchmark rates. Indeed, London-wide, the report identifies that the trend rate of release for 2010 to 2015 is 105ha per annum, compared with the SPG recommended rate of release of 37ha per annum.

⁵ URS, (2007)

The report includes data on the borough of Redbridge specifically. The study reported that 73.8 hectares of industrial uses exist across the borough, of which 3.7 hectares was vacant. There were a further 8.1 hectares of non-industrial uses within designated industrial areas (Strategic Industrial Locations and Locally Significant Industrial Sites). This is reflected in section 6 of this report.

Although the change in the amount of employment land is not broken down to B1/B2/B8 use class categories in a clear manner to match the scope of this report, it is possible to gain an estimate of the trends which have existed in the borough in recent years. The data suggests that between 2006 and 2015, industrial land stock which roughly accords with the B2 use class has decreased by 20.43%, industrial land stock which roughly accords with the B8 use class has decreased by 1.69%, and office space which roughly accords with the B1 use class has seen a decrease of 14.40% in the period (AECOM, 2016, p9).

The report notes a trend whereby the greater South East region may be absorbing much of the capital's demand for industrial space. It is highlighted that should such a trend continue it may be acceptable for a continued release of employment space to take place in London albeit at a reduced rate to that which has been experienced across the timeframe measured in the report; *'this review of context, market failure and market mechanisms suggests that if sufficient industrial land can be provided / protected within and around London, continued release of industrial land in London may be possible'*.

Mayor's Economic Development Strategy for Greater London 2010

Prepared by the Mayor of London and the London Development Agency prior to its closure, the Economic Development Strategy for Greater London 2010 aimed to set out the Mayor's economic vision for the city to 2031.

The report's conclusions feature a strong focus on the low carbon economy, including the need to *'promote London's research base and encourage greater commercialisation of new low carbon products and processes'* and *'drive forward efficient conversion to the low carbon economy, exploiting London's economies of scale and provide stability for investors and large potential markets for innovators'*.

GLA Office Policy Review 2012

The London Office Policy Review 2012 (LOPR 12) is the most recent in a series of independent London-wide reviews of office market trends commissioned by the GLA. The review shows that Redbridge as a borough has experienced one of the largest changes in office stock in London between the years 2000 and 2012, accompanied with negative annual employment growth in 2001-07.

The report includes some projections of office employment trends drawn from GLA resources. This data is presented in terms of both floorspace and job projections. With regards to floorspace projections, there is a projected demand of 27,910 NIA sqm / 35,404 GIA sqm between 2011 and

2031. This increases to 39,033 and 49,514 respectively up to 2036. GLA projections are considered in greater detail at stage two of the report.

The report makes clear the marginalisation of Outer London, and this effect is predicted by the report to be exacerbated in north and south London following the completion of Crossrail. In the case of Redbridge, however, the project will be served by four Crossrail stations, as discussed in the following section.

3.3 Other Policy, Strategy and Evidence

This section will discuss other relevant major policy initiatives or investment which may affect the supply and demand for employment space in Redbridge.

Crossrail Property Impact Study:

The GVA Crossrail Property Impact Study⁶ identifies the potential property market impacts of the project and establishes 'zones of influence' in the context of changes in commercial and residential values based on walking distance from the locations of the proposed stations, of which four are in the borough of Redbridge. The document concludes that for areas outside of central London, the project is likely to have a limited impact on demand for employment space;

'Outside the central section, Crossrail is likely to have a limited impact in terms of generating additional demand for office space. However, there is a selected group of locations where the wider, contextual changes and strong public sector investment and policy impetus may combine with Crossrail to create a significant change (p7)'

It is more specifically identified that the east section – of which the Redbridge stations are a part – is 'not expected to see a significant impact on office values from Crossrail' with 'little change in the performance of each of the inner zones of influence at stations on the east section (p64)'.

The potential future impact of Crossrail on the borough is also discussed in the borough's Local Economic Assessment. The study identifies that the project will allow residents of the borough to better access large pools of jobs. This, however, is identified as a double edged sword, as the reverse may occur – indeed, the study suggests that the project 'may stimulate more local employment if highly accessible sites around the Redbridge Crossrail Stations can attract some new office investment', however the evidence from the GVA study suggests this may be limited.

Outer London Commission: Third Report 2014

The Outer London Commission was established by the Mayor in 2008 to explore the extent to which Outer London has unrealised potential to contribute to the economic success of the capital. The Outer London Commission's Third report was compiled to inform the preparation of the 2015 Further Alterations to the London Plan (FALP).

⁶ Crossrail Property Impact Study (GVA, 2012)

The report makes a number of recommendations, of which a number are relevant to this review. On the subject of Spatial Structures, the report recommends that a 'star and cluster' structure should be developed, focussed on a network of existing town centres to accommodate growth. It recommends that greater weight be given to policy managing outer London's diminishing stock of industrial land and to ways of determining its future and improving its quality and accessibility. Cross-boundary collaboration is recommended, as is making the most of infrastructure development as opportunities for development and regeneration. In an economic sense, the report recommends that particular attention should be given to four key employment sectors in outer London: office-based employment and 'knowledge industries', the public sector, leisure, arts / culture, and retail.

The report also states that some lower-rent industrial activities have an important place in the London economy and should not be forced to relocate from metropolitan London locations because of competition from higher value land uses. It is suggested the planning system takes account of this, with particular reference to indirect adverse impacts such as the environmental and transport capacity costs associated with a rise in commercial vehicle traffic needing to travel further afield than would have otherwise been required.

Housing Zones

The October 2015 Mayor of London Housing Zones document describes Housing Zones as a £400 million funding programme with a focus on flexibility and site-by-site approaches to significantly expand development and unlock brownfield sites across the borough.

In LB Redbridge, Ilford Town Centre is designated as a 55-hectare housing zone to support an estimated 2000 new homes by capitalising on the effects of the arrival of Crossrail. It is due to benefit from the second-highest share of GLA funding of the Housing Zones programme.

The abovementioned Housing Zones bid will be considered in assessing sites which may be affected by the programme.

The Thames Gateway and London-Stansted-Cambridge-Peterborough Growth Areas

As previously recognised, the London plan aims to identify and develop 'linkages across, and capacity of, nationally recognised growth areas'. The Thames Gateway and London-Stansted-Cambridge-Peterborough are specifically identified; both affect the borough of Redbridge.

The Thames Gateway Delivery Plan (Medway Council, 2009) describes the growth area as the largest regeneration project in Europe, stretching from areas in proximity to Redbridge in East London, westwards to Southend and Sittingbourne. The Plan outlines an ambition to build an economy supporting at least 225,000 new jobs, and 160,000 new homes.

The London-Stansted-Cambridge-Peterborough growth corridor covers four Local Enterprise Partnerships, three counties, as well as the Greater London Authority. The 'Agenda for Jobs, Growth and Improved Liveability' report of 2014 produced by the London-Stansted-Cambridge Consortium

outlined that a range of sites have been identified to deliver 117,000 new homes, and 170,000 new jobs over a 20 year period.

As part of this report, the London-Stansted-Cambridge consortium identify six 'priority economic sectors' which have strong presence in the corridor and have the potential for high growth. These overlap with many of the emerging strengths otherwise identified in this report for growth in Redbridge and London more widely, and are identified as follows;

- Life sciences and medical;
- IT, digital, and media;
- Low carbon, clean tech, and energy from waste,
- Food production,
- Business services,
- Engineering, transport, logistics, and distribution

Redbridge occupies a key location on the fringe of London which lies at the intersection of the identified growth areas. As such, it is well-placed to benefit from – and contribute to – the success of both growth areas.

3.5 Current Local Planning Policy

The London Borough of Redbridge Local Development Framework (LDF) was adopted in 2008 and consists of a portfolio of documents including Development Plan Documents and Area Action Plans which will be discussed in this section.

Redbridge Core Strategy (2008)

The borough's Core Strategy was adopted in 2008 as part of the authority's Local Development Framework. Although set to be replaced by a Local Plan, the document is one of nine currently adopted Development Plan Documents for the borough.

The Strategic Policy on employment in the Redbridge Core Strategy (Policy 5) states that employment provision should be achieved by consolidating most commercial activities within the hierarchy of town centres and around public transport nodes⁷.

The policy states that the borough's two Strategic Industrial Locations should be protected, and Business Areas should be safeguarded whilst allowing for mixed use schemes which include residential and community uses, such areas are listed as:

- Chadwell Heath Business Park
- Forest Road
- Hainault Works
- New North Road
- Newton Industrial Estate
- Raven Road

⁷ Commercial activities are defined by Planning Policy 5 of the Core Strategy to include; cafes, restaurants, taxi / private car hire, financial and professional services, offices, cultural and leisure and some industrial.

Redbridge Borough-Wide Primary Policies Development Plan Document

The policy on 'Promoting Employment' (Policy B1) of the Borough-Wide Primary Policies DPD builds on the strategic policies of the Core Strategy, stating that the outlined Strategic Industrial Locations will be safeguarded for B1, B2, and B8 uses or those of a similar nature.

In the other identified Business Areas, Policy B1 states that proposals for intensification of B Use Classes will be approved, and proposals for mixed use development including residential will be granted if the scheme includes premises that can accommodate micro and small to medium enterprises falling within Class B1 as the primary element.

With regards to proposals falling outside of the identified Business Areas, the policy states that development resulting in the loss of established premises and land will be refused unless it can be demonstrated that continued business activity will conflict with the character, appearance and amenity of the locality and its surrounding land uses.

The policy on 'Office Accommodation' (Policy B2) of the Borough-Wide Primary Policies DPD states that employment opportunities in existing office accommodation will be safeguarded unless they;

- Form part of a mixed-use re-development scheme that includes employment opportunities where the level of employment floorspace is maintained or exceeded; or
- Are located in areas where there is an over-supply of outdated accommodation and where rationalisation and modernisation is appropriate.

Redbridge Development Opportunity Sites Development Plan Document

Adopted in May 2008, the Development Opportunity Sites DPD has the purpose of identifying sites with potential for non-housing development.

The identified sites fall into four categories:

- TR1 Schedule lists: opportunities for enhancement on the transportation network or land currently used for transportation purposes
- B1 Schedule lists: opportunities for mixed use, potentially involving research and development uses
- CR1 Schedule lists: opportunities for new and improved cultural and recreational facilities
- C1 Schedule lists: opportunities for new and improved community facilities

One opportunity site was identified within the 2012 Policy Review document (Grove Farm). The schedule identified the site as being appropriate for light industrial (B1) and research & development uses. It has since been developed for housing, with construction complete as of September 2015.

Ilford Town Centre Area Action Plan

Adopted in 2008, the Ilford Town Centre AAP provides both a 'detailed expression' of the Core Strategy DPD at Local Authority level, and acts as an Opportunity Area Framework (OAF) as required by the Mayor's London Plan at a regional level.

The document identifies specific development sites that the council believes has the potential for mixed use redevelopment, including employment land. Many of the sites are allocated by the Development Plan Documents, others were identified during the preparation of the AAP.

In terms of employment space the AAP states that, collectively, capacity exists for:

- Approximately 45,000 m² of new/replacement B1 office space
- Approximately 8,000 m² of new/replacement small scale commercial and employment uses.

Policy LU4 of the document relates to Employment. It encourages the provision of 'new, high quality office floorspace as part of new mixed use developments on key sites within the town centre', with a site specific reference to one of the largest 'Opportunity Sites' as designated by the AAP in the form of Ilford Retail Park, (reference 'OS25').

Ilford Town Centre is therefore identified as a key location for future development of employment space as part of larger site strategies.

Gants Hill District Centre Area Action Plan

Adopted in 2009, the Gants Hill AAP sets out a range of policies with the aim of encouraging regeneration and reversing the area's decline – in the same way as the borough's other AAPs, the document is 'the detailed expression of the Core Strategy in the context of Gants Hill District Centre'.

The plan's spatial portrait of the area highlights Gants Hill's good connectivity whilst recognising its decline and need for regeneration. In terms of distribution of employment space, the plan states;

'There is no industrial property in the vicinity of Gants Hill. The centre does have a number of office buildings dating back to the 1960s and which employ 300 to 500 people. However, they are under-let and look "tired" in appearance'

The area is not expected to become host to significant employment space development, however; *'The continued concentration of new office development in central London and at the Isle of Dogs makes it unrealistic to expect any sudden or sustained pick-up in office floor-space rents'*. This is reflected in Policy GH8 of the AAP which is entitled 'Use of Employment Land' and states that the council will grant planning permission for the conversion of existing offices to other uses, including housing, as part of mixed-use schemes with active ground floor retail or community use frontages.

The above policy is justified in the following way; *'little demand in Gants Hill and this situation is unlikely to change during the lifetime of this plan. Consequently, it is reasonable to allow conversion to other uses, rather than continue with high vacancy rates. The most likely alternative use is residential, for which demand is strong.'*

In line with the above policy position, Gants Hill is considered unlikely to be a focus for continued employment space provision in the borough.

3.6 Summary of National and Local Policy Context

Analysis of policy context has cemented the importance of employment space for the future success of London, Outer London, and the borough of Redbridge. In terms of national policy, the National Planning Policy Framework promotes growth whilst highlighting the importance of economic, environmental, and social sustainability. The framework highlights the need for an authority's local plan to be based on an up to date assessment of employment land.

Specifically to employment land, key policy can be found within the Further Alterations to the London Plan (2015) and the Land for Industry and Transport SPG (2012). As discussed, the GLA identifies Redbridge as having a current oversupply of industrial land – the extent to which this position is likely to have changed will be explored in the concluding chapters of this report.

On a local level, the borough has an adopted Local Development Framework (2008) and is currently working towards submission stage for its emerging Local Plan (2015-2030). Policy 5 of the LDF Core Strategy (2008) designates two Strategic Industrial Locations, and six further Business Areas to be protected.

4. Stage One: Existing Supply Assessment

This section of the report aims to take stock of the existing situation with regards to employment space in the borough. This will be achieved through an analysis of the borough’s current economic profile and through an in-depth assessment of the ‘fitness for purpose’ of current employment space, both in use and vacant.

4.1 Current Socio-Economic Context

An understanding of the borough’s key local socio-economic characteristics, including information on population, the labour market, journey to work data, and business demographics can allow the current and future vitality of LB Redbridge’s employment land demand and supply situation to be better understood.

The London Borough of Redbridge is located in North East London, bordering the boroughs of Waltham Forest, Havering, Barking and Dagenham, and Newham. To the north, the borough borders the Local Planning Authority area of Epping Forest in Essex. The borough is largely urban in character, and includes the Metropolitan Centre of Ilford.

Population

At the 2011 census, the borough had a total population of 279,000. This represents an increase of 37,000 since 2001 and a growth of 15.3% over ten years, or an annualised rate of increase of 1.43%. Furthermore, GLA data suggests the borough has grown at a much faster rate than other areas, with growth of 26% from 1939 to 2015 compared to 0% for Greater London and 24% for Outer London.

Employment and Education

According to the 2016 Redbridge Economic Strategy Baseline Report, the borough’s current employment rate stands at of 68%, which is slightly lower than that of Greater London (71.2%) and of England (72.5%). The borough’s unemployment rate of 7.3% is higher that of Greater London (6.6%) and England (6.2%). The borough ranks the 116th of 326 most deprived Local Authority areas in England, however there is significant disparity across the borough, with the main areas ranking high on the Index of Multiple Deprivation (IMD) being located in the south of the Borough, and the least deprived areas in the north west. Seven of 21 wards contain Lower layer Super Output Areas (LSOAs) in the 20% most deprived in England.

In terms of qualifications, the proportion of the population with qualifications is lower than the London average as can be seen in table 2 below;

Table 2: Educational Qualifications

Qualification (2014)	LB Redbridge	London	Great Britain
NVQ4+ (degree level and above)	45%	49.1%	36.0%
NVQ3+ (A levels and above)	61.6%	64.7%	56.7%
NVQ2+ (GCSEs at A* - C and above)	72.9%	76.4%	73.3%
NVQ1+ (GCSEs at D – E and above)	81.8%	84.2%	85.0%
Other Qualifications	9.3%	8.0%	6.2%
No Qualifications	8.9%	7.8%	8.8%

Table 2, above, indicates that the percentage of the LB Redbridge population with an NVQ4+ qualification is above the Great Britain average, but slightly below the average for London as a whole. The percentage of those maintaining no qualifications is marginally higher than both the national and London averages. This education profile is lower than that of London overall, which could be a reflection of the borough's varied deprivation profile; and could lead to relatively narrower work opportunities and lower workplace earnings.

Table 3, below, relates to labour supply, and shows occupational classifications in the borough compared with London and Great Britain averages;

Table 3: Labour Supply

Labour Supply	Redbridge (Number)	Redbridge (%)	London (%)	Great Britain (%)
Soc 2010 Major Group 1-3	68,600	50.9	53.2	44.3
1 Managers, Directors And Senior Officials	16,100	11.9	11.6	10.3
2 Professional Occupations	30,700	22.6	23.4	19.7
3 Associate Professional & Technical	21,800	16.0	17.8	14.1
Soc 2010 Major Group 4-5	26,800	19.9	17.9	21.4
4 Administrative & Secretarial	17,400	12.8	10.3	10.6
5 Skilled Trades Occupations	9,400	6.9	7.4	10.7
Soc 2010 Major Group 6-7	20,600	15.3	14.8	17.1
6 Caring, Leisure And Other Service Occupations	9,200	6.8	7.8	9.2
7 Sales And Customer Service Occs	11,400	8.4	6.9	7.8
Soc 2010 Major Group 8-9	18,800	14.0	14.1	17.2
8 Process Plant & Machine Operatives	8,000	5.9	4.3	6.3
9 Elementary Occupations	10,800	8.0	9.7	10.9

The above data demonstrates that the labour supply classification which represents the largest number of people in Redbridge is 'SOC 2010 major group 1-3', with 50.9% of the workforce, a figure significantly higher than the Great Britain average (44.3), yet slightly below the figure for London as a whole (53.2%). The second-largest classification is 'major group 4-5', which covers 19.9% of the borough's workforce – a greater percentage than the London average, yet below that of Great Britain. For the remaining Major Groups (6 – 7, and 8 – 9), the figure for the borough is relatively close to the London average, and sits considerably below the Great Britain percentages. This data reflects the findings relating to qualifications, where the proportion of those at degree level or above in the borough, in London, and in the country as a whole roughly correlates with the proportion of those in SOC 2020 Major groups 1,2, and 3 in the same locations.

Table 4, below, relates to labour demand within the borough, and shows a breakdown of demand measured by the raw number of jobs in each industry;

Table 4: Labour Demand

Labour Demand – Employee Jobs	Redbridge (Employee Jobs)	Redbridge (%)	London (%)	Great Britain (%)
Totals				
Total Employee Jobs	70,000			
Full Time	45,500	64.9	73.4	67.7
Part Time	24,600	35.1	26.6	32.3
By Industry				
Primary Services (A-B: Agriculture And Mining)	0	0.0	0.1	0.3
Energy And Water (D-E)	200	0.2	0.5	1.1
Manufacturing (C)	2,000	2.8	2.3	8.5
Construction (F)	3,200	4.5	3.1	4.4
Services (G-S)	64,700	92.4	94.0	85.7
Wholesale And Retail, Including Motor Trades (G)	11,400	16.2	12.7	15.9
Transport Storage (H)	2,700	3.9	4.8	4.5
Accommodation And Food Services(I)	4,200	6.0	7.6	7.0
Information And Communication (J)	3,500	5.0	7.6	4.0
Financial And Other Business Services(K-N)	13,800	19.7	33.6	21.8

Public Admin, Education And Health (O-Q)	26,000	37.1	22.6	28.0
Other Services (R-S)	3,100	4.5	5.1	4.6

The above data shows that labour demand within the borough is significantly lower than the supply, potentially highlighting the borough’s commuter-focussed role as an outer-London borough. There is a substantially higher proportion of public-sector jobs in the borough compared to both the London and Great Britain average. This may support previous analysis which states that the majority of private sector firms choose to locate in the central London boroughs as opposed to those on the periphery of the city.

Business Demographics

Data on local business can contribute to informing the baseline economic conditions needed for this review.

A total of 12,085 active enterprises (defined as businesses that had either turnover or employment at any point during that year) were recorded in Redbridge in 2013, an increase of 845 on the previous year. This is also the highest number since the records of this kind began in 2004. Figure 2, below, visualises this data;

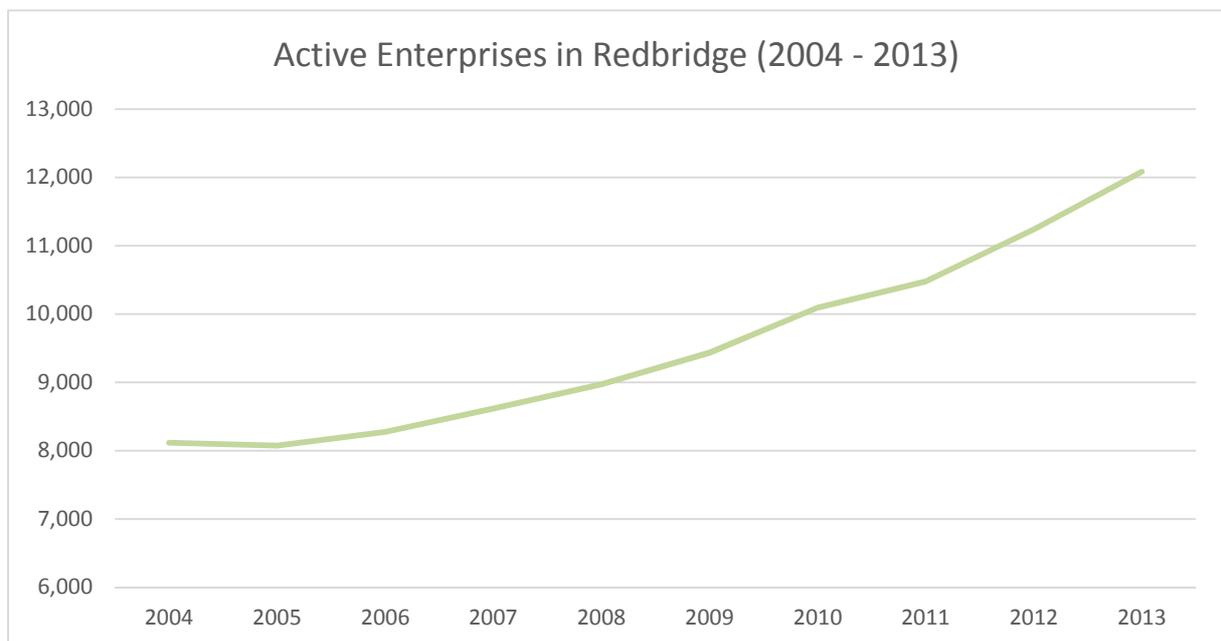


Figure 2: Active Enterprises

Between 2004 and 2013, the number of business in Redbridge grew by 49%, and by 7.5% between 2012 and 2013. In greater London, the number of businesses grew by 30% between 2004 and 2013, and by 6% from 2012 to 2013. The figures were 13.4% and 3.2% respectively for the UK as a whole.

This suggests that growth of businesses in the borough has significantly outpaced both the United Kingdom as a whole and Greater London at a regional level. Furthermore, the graph demonstrates

that the recession at the end of the last decade had only a marginal impact on the birth of new businesses. Overall, this suggests resilience and investor confidence in Redbridge.

Business demographics can be understood in greater depth by considering enterprise birth and death rates. Figure 3 below shows levels of business birth rates for Redbridge, London, and the United Kingdom, and broadly reflects the active enterprises data.

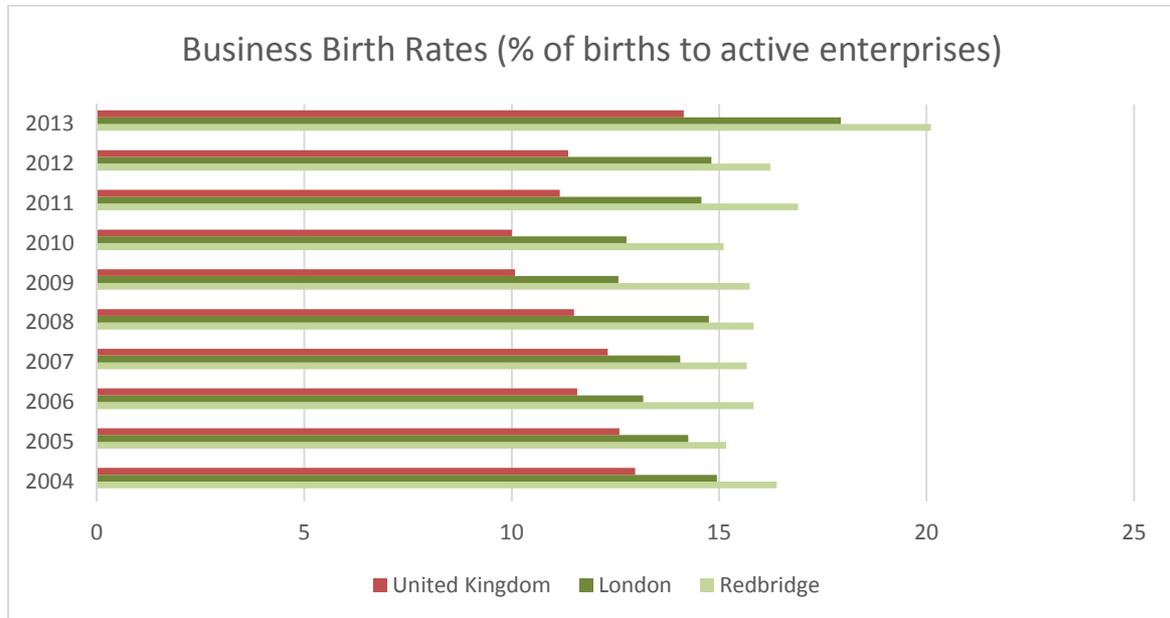


Figure 3: Business Birth Rates

Figure 4, below, shows a breakdown of all enterprises by sector, annotated with the appropriate Broad Industry Groups, which align with the those set out in the UK Standard Industrial Classification of Economic Activities 2007 explanatory note (ONS, 2009).

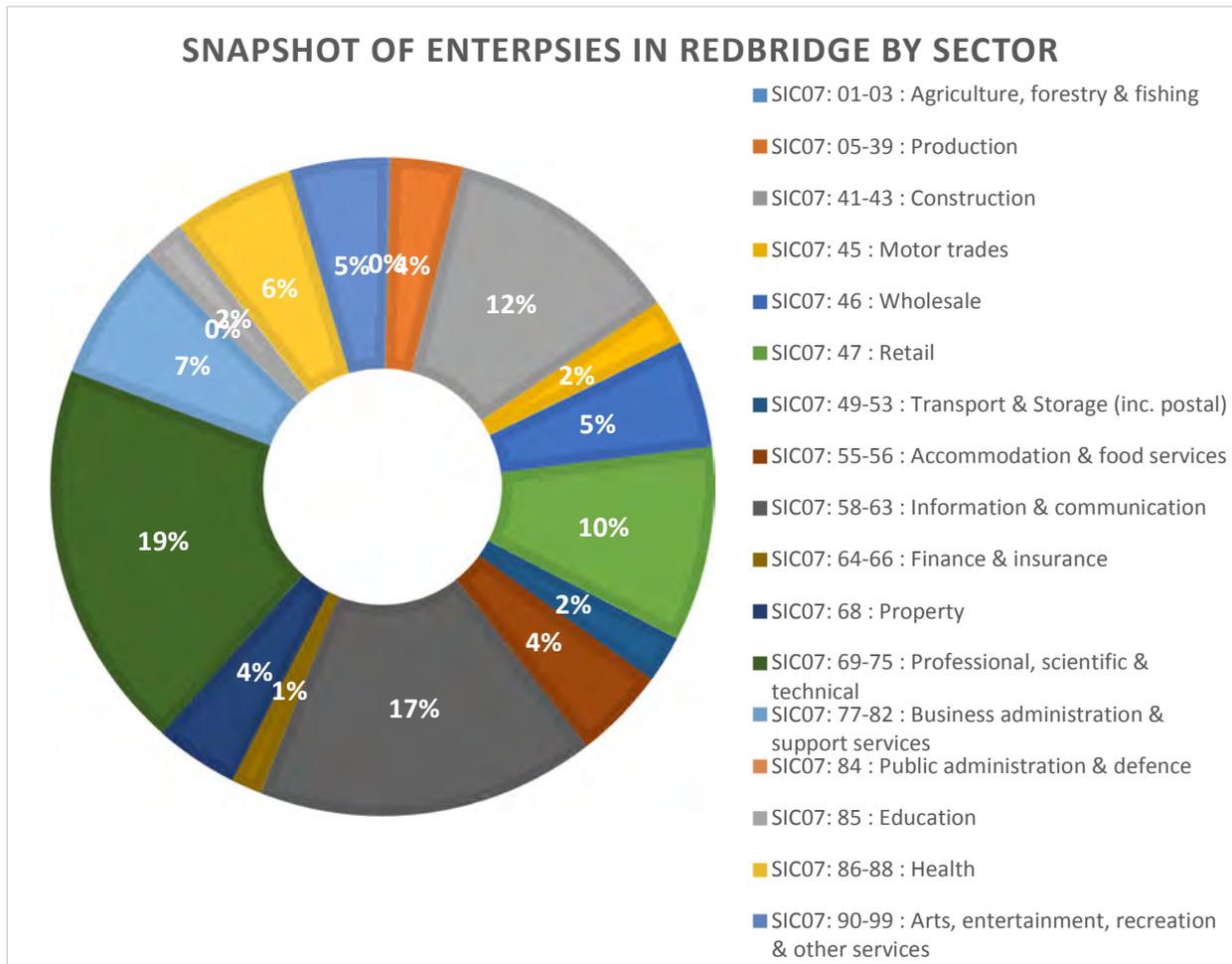


Figure 4: Snapshot of VAT/PAYE enterprises in Redbridge by sector (2013)

The data supports the findings of section 2.8, and reveals clear strengths in particular business areas in the borough. The largest sector in the borough is 'Professional, scientific, & technical' which includes occupations such as accountancy, architectural activities, and engineering activities. Another large sector is labelled as 'Information & Communication', and includes occupations such as software publishing, IT consultancy, and news agency activities. The commonality between the occupations represented by the two biggest groups is the fact that they are overwhelmingly studio and office-based, and this is true for many of the less well-represented sectors, such as 'Finance and Insurance' and 'Business Administration and Support Services' which, in total, make up at least half of the enterprises in the borough. As a result, the floorspace for these uses would be likely to fall into use class B1.

Self-employment and Home-working

In the period spanning July 2014 to June 2015, the borough of Redbridge was found to be home to 25,700 self-employed people out of a total economically active population of 144,800. At 12.8% of the workforce, this is higher than the Great Britain and London averages of 10.1% and 12.5% respectively.

The Redbridge Economic Strategy Baseline report suggests that levels of homeworking provide a further indication of enterprising activity. Homeworking levels in the borough are relatively low compared to London as a whole. Data from the 2011 Census shows that 9% of workers in Redbridge work from home, ranking Redbridge 21st out of 34 London boroughs. Data suggests that nationally, the home working rate has increased significantly in recent years, with the a current rate higher than at any point in the past decade and a half. This is a key indicator of the changing dynamics of the work place – a significant and growing proportion of new business activity is likely to fall within the home working category.

4.2 Emerging Industries and the Knowledge Economy

The June 2010 Outer London Commission Report identified that long-term economic growth is likely to occur during the plan period, with London’s economy expected to add 775,000 jobs over 2007 levels by the year 2031 of which 140,000 will be in Outer London. The report outlines four main growth sectors for the outer London economy: office-based work (including the public sector); knowledge-based industries; leisure, tourism and culture; and retail. In a general sense, the report states.

More specifically, the report acknowledges that the most significant area of growth is predicted to be office-related, in contrast to traditional large scale metal-based manufacturing which is predicted by the report to see a continued decline. Other businesses which may have a positive future, however, include small providers of ‘services for the service sector’, waste management and ‘the complex logistics networks essential to provide goods for a post-industrial city’ as long as they are able to access ‘relatively cheap land protected through the planning system’.

Digital Economy

A key facet of the knowledge economy lies in the growing digital and technology industry. Recent studies⁸ suggest that digital employment is expected to grow by 5.4% nationally to 2020. The study also reports that Inner London is home to the largest volume of digital companies and workers, with over 250,000 people employed in the industry - East London in particular is home to the high-profile ‘Tech City’ technology cluster. The positive geographic, economic, and transportation connections with Redbridge places the borough in a position to capitalise and build on the success of Inner London in this regard.

Research from Spring 2015 attempted to assess the locations in which future digital clusters – and clusters relating to the knowledge economy more widely – can be expected to emerge. The study found Redbridge to have a greater level of industry specialisation compared with both the national average and neighbouring boroughs in the domains of telecommunications and computer programming, consultancy and related activities. The borough is therefore well-placed in north-east London to benefit from expansion in these industries.

In Redbridge specifically, the 2016 Redbridge Economic Strategy Baseline study reports that the *ICT and Creative Media* sector has experienced strong growth in the borough. The number of jobs in the sector is reported to have increased 96% since 2009 and the number of businesses increasing by 115% since 2010. The sector currently employs 3,700 people in 1,800 businesses, meaning there is

⁸ Techcity Report, 2015

an average of 2.06 employees per business. The report highlights the fact that many people working in this sector are self-employed, and work on a freelance basis.

In terms of the spatial needs of the digital economy, studies have highlighted the connection between the industry and the importance of ‘quality of place’ (Martins, 2014). The significance of central, well-connected, walkable, and thus vibrant locations for the digital and creative economies is underlined which include ancillary spaces outside of office locations which play a ‘critical role in complementing the base and supporting workers’ needs’ (ibid, 2014). Such locations are relatively common in the borough.

Low Carbon Economy

In the UK, the 2010 London Development Agency ‘Green Expectations’ report study expects the Low Carbon Environmental Goods and Services (LCEGS) sector to grow at a faster rate than the wider economy. The biggest benefactor in terms of job growth was found to be in the manufacturing industry.

In Redbridge more specifically, the 2016 Redbridge Economic Strategy Baseline report found the sector to have a significant representation in the borough, accounting for 1.9% of all employment in Redbridge. This is fractionally below the London average of 2.2% of all employment. The largest proportion (64%) of low carbon employment in Redbridge is in the secondary sector, higher than London (52%) and England (48%).

On a regional scale, London outperforms other parts of the country in terms of both growth and level of employment in the emerging low carbon sub-sector as can be seen in figure 5, below.

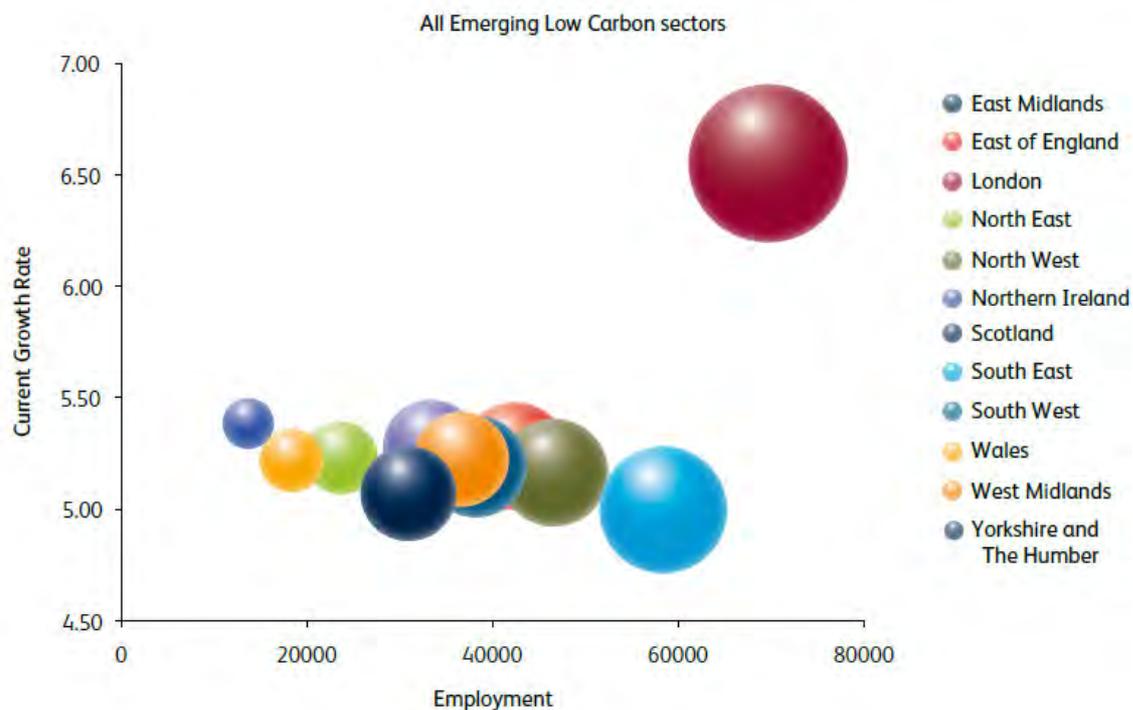


Figure 5: Growth of all low carbon sectors by region

Figure 5, below, demonstrates that the Low Carbon Sector currently provides an estimated 1774 jobs in the borough. This is a relatively small base, however the sector is expected to grow at an above-average rate.

Sector	Sub-sector Level 2	2008/9 turnover	No. of companies	No. of jobs equivalent
Environmental sub sectors	Consultancy and	3.3	0	13
	Recovery and	53.1	8	240
	Waste	4.1	1	84
	TOTAL	60.5	9	337
Low Carbon Sub Sectors	Additional	3.8	0	31
	Alternative fuels	20.1	7	233
	Building	20.2	7	197
	Energy	16.1	0	5
	TOTAL	60.2	14	466
Renewables sub sectors	Biomass	23.9	1	89
	Geothermal	25.5	4	163
	Hydro	11.8	0	28
	Photovoltaic	25.6	1	96
	Renewable	2.6	0	4
	Wave and tidal	33.9	0	0
	Wind	19.7	46	567
	TOTAL	143	52	947
Other	Technologies, Research and Development	3.7	0	24
TOTAL		267.4	74	1774

Table 5: Redbridge Low Carbon Sector Breakdown (Source: Local Economic Assessment (BNP,2015))

4.3 'SWOT' Analysis

The below table provides a snapshot of the borough's economic strengths, weaknesses, opportunities, and threats.

<p>Strengths</p> <ul style="list-style-type: none"> ● Sizeable population catchment. ● Strong position in North London allows the borough to benefit from business activity in the City and Canary Wharf. ● Steady investor and developer confidence reflected in a growing business birth rate. ● Clear labour market strengths in professional, scientific and technical activities. ● Strong and growing employment in the knowledge economy exists in the borough. ● Good sustainable transport links to central London and beyond. 	<p>Weaknesses</p> <ul style="list-style-type: none"> ● Significant Pockets of local deprivation and unemployment. ● Ranked 7th worst London Borough on the UK Competitiveness Index (ranked 27th out of the 32 London Boroughs and City of London)
<p>Opportunities</p> <ul style="list-style-type: none"> ● Continued economic growth and increasing competitiveness. ● Advantageous position afforded by the borough's location at the intersection of the Thames Gateway and London-Stansted-Cambridge-Peterborough growth areas. ● Crossrail and accompanying stations to be operational before the end of the decade, bringing a commute to Canary Wharf from the borough to under 20 minutes. ● Continued and accelerating growth in emerging industries centred on the digital economy and low carbon economy. 	<p>Threats</p> <ul style="list-style-type: none"> ● Competition from neighbouring boroughs for outside investment. ● The preference for inner London boroughs for office development, particularly in relation to investment from international businesses.¹⁰ ● The borough's relatively high level of vulnerability to public sector government cuts given the higher than average employment in this sector. ● Significant housing shortage, potentially limiting opportunities for future business growth.

Table 6: SWOT Analysis

¹⁰ Ramidus Consulting Ltd and Roger Tym & Partners (2012) *London Office Policy Review*

4.3 Summary of Existing Employment Space

The purpose of this section is to characterise the borough's various existing employment character areas in order to contextualise the assessment of individual employment sites. Detailed assessment of the quality of individual sites can be found in the form of assessment sheets at appendix 2, and an in-depth site assessment master sheet can be found at appendix 1.

The assessed sites consist of locations identified in current local planning policy as Business Areas, those identified by the London Plan as Strategic Industrial Locations, and previously unassessed sites identified in partnership with the council which meet the site size threshold and use class requirements.

Woodford

For the purposes of this study, 'Woodford' refers to Woodford, Woodford Green, and South Woodford, including locations in the vicinity of the Charlie Browns Roundabout. Two large policy-designated business area can be found within the area.

Woodford Trading Estate, Southend Road: This cluster consists of the Woodford Trading Estate and surrounding units, and is located between Woodford and Gants Hill, bounded by Southend Road and the Roding Valley. The Estate appears to be very car-focussed, with poor access to the London Underground, and limited bus stops on Southend Road. In the same way as Hainault Business Park, the cluster is protected by the London Plan through designation of the park as a Strategic Industrial Location (SIL), more specifically a Preferred Industrial Location (PIL).

Raven Road: Separated from the Southend Road SIL by the North Circular / M11 junction and the river Roding, the Raven Road industrial cluster is located in a generally residential part of Woodford. Although less isolated from public transport and amenities than many of the other sites in terms of distance, the cluster is severed from its surroundings by the Charlie Browns Roundabout and associated motorways and traffic, reducing ease of pedestrian accessibility. The cluster supports a relatively wide variety of employment uses.

Sites within this area: Woodford Trading Estate Southend Road (W6), Raven Road (W7), Maybank (W1), East of Marlborough Road (W2), Eastwood Close Station Estate (W3), The Shrubberies (W4), Southend Road and Maybank Road (W5).

Hainault

For the purposes of this study, 'Hainault' refers to the area broadly located to the north east of the borough, bordering open countryside and including Manford Way and Barkingside. Large areas of employment space can be found in the vicinity, including three policy-designated business areas, as described below.

Hainault Business Park: Located to the far North East of the borough, the estate is bounded by open countryside and residential development. It forms part of the eastern boundary of the borough's built up area with the Metropolitan Green Belt. The Park is isolated from both public amenities and public transport connections, but enjoys good access to the local road network. The well-established nature of the site is reflected in policy terms, as the park is unique in the borough as a Business Improvement District, and has additional protection afforded to it as an employment location by the London Plan in the form of Strategic Industrial Land (SIL) designation.

CUNDALL

Hainault Works: Located less than a kilometre south of Hainault Business Park in open countryside, this small site forms part of the Metropolitan Green Belt and as such has limited scope for change and expansion. The cluster is very isolated from public amenities and public transport connections, and unlike other clusters the nearby road network is very poor for both pedestrian and vehicular access.

Forest Road: The Forest Road cluster is located to the west of Hainault Business Park, around a kilometre east of Fullwell Cross Roundabout. As such, the location is better connected in terms of public transport than comparable nearby clusters, with Fairlop tube station located only 500 metres away. The site is therefore relatively sustainable when compared to other clusters in the vicinity.

Sites within this area: Hainault Business Park (H1), Hainault Works Industrial Estate (H2), Forest Road (H3), New North Road (H4), Barnardo's (H5).

Chadwell Heath

For the purposes of this study, 'Chadwell Heath' refers to the western part of Chadwell Heath which sit within the borough of Redbridge, including locations fronting the high road between Chadwell Heath and Goodmayes railway stations. The Grove Farm Industrial Estate was amongst the area's most significant employment areas prior to redevelopment.

Sites within this area: Newton Industrial Estate (C1), West of Chadwell Heath Lane (C2), High Road and Grove Road (C4).

Ilford

For the purposes of this study, 'Ilford' refers to Ilford Town Centre, Gants Hill, sites fronting the High Road between Ilford and Seven Kings stations, and sites fronting Cranbrook road. The area includes a dense collection of large sites in prominent, sustainable locations.

Sites within this area: North of Clarence Avenue Valentines Triangle (IL01), Cranbrook Road West (IL02), Coventry Road and Cranbrook Road (IL03), Beal Road (IL04), Wellesley Road (IL05), East of Mill Road (IL06), Roden St North (IL07), Clements Lane (IL08), Postway Mews (IL09), Hainault St and Havelock St (IL10), Enterprise Centre (IL11), Connaught Road West (IL12), East of Francis Ave (IL14), West of Uphall Road (IL15), West of Wanstead Park Road (IL16).

5. Stage Two: Assessment of Future Demand

This section aims to estimate the demand for B1, B2, and B8 uses in LB Redbridge to 2025, to determine the most effective approach to employment land policy in the emerging Local Plan. This will be achieved by analysing historic trends in employment space delivery, Greater London Authority employment forecast data, LB Redbridge development management data, and the housing delivery trajectory for the plan period.

5.1 Employment Forecasts

The Greater London Authority periodically publish Employment Projections which make use of long-run historic trends to estimate borough employee and self-employed jobs. This has the potential to act as key evidence for the formation of policy.

Figure 7 below shows the projected number of employee jobs in LB Redbridge and London more widely. The data shows that effects of the previously identified post-recession dip are visible, but also that the subsequent recovery is projected to continue with significant growth in Employee Jobs to 2036.

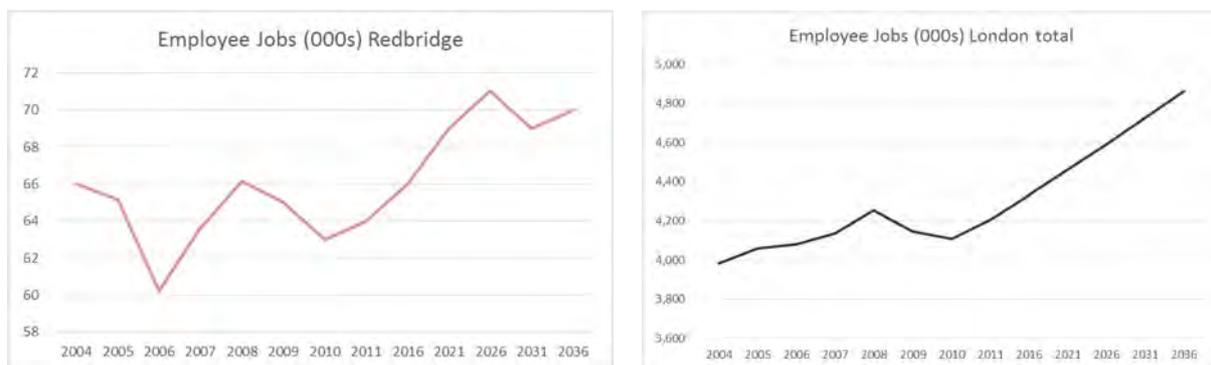


Figure 7: Employee Jobs

Figure 8 below shows the data relating to self-employed jobs only. The data suggests that the recession had a much more significant impact on business in LB Redbridge than the London total, suggesting a comparative lack of security and stability in the borough for self-employed jobs.

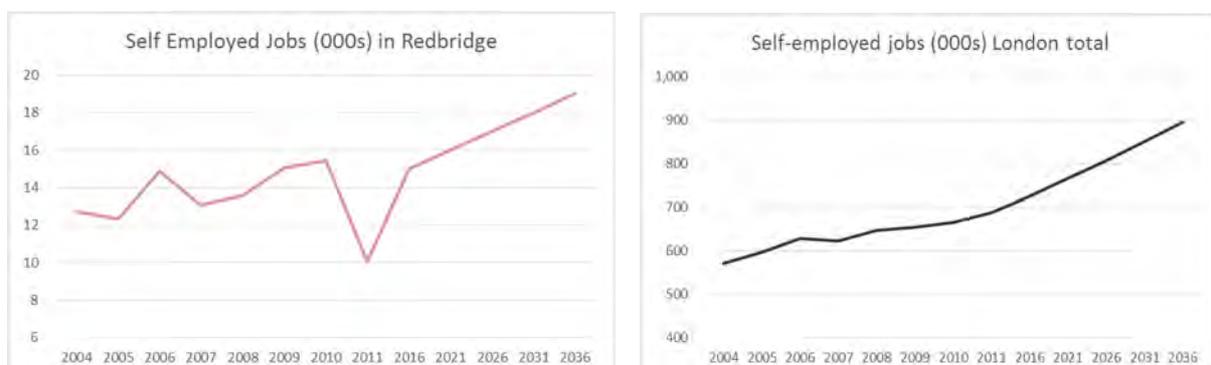


Figure 8: Self-employed Jobs

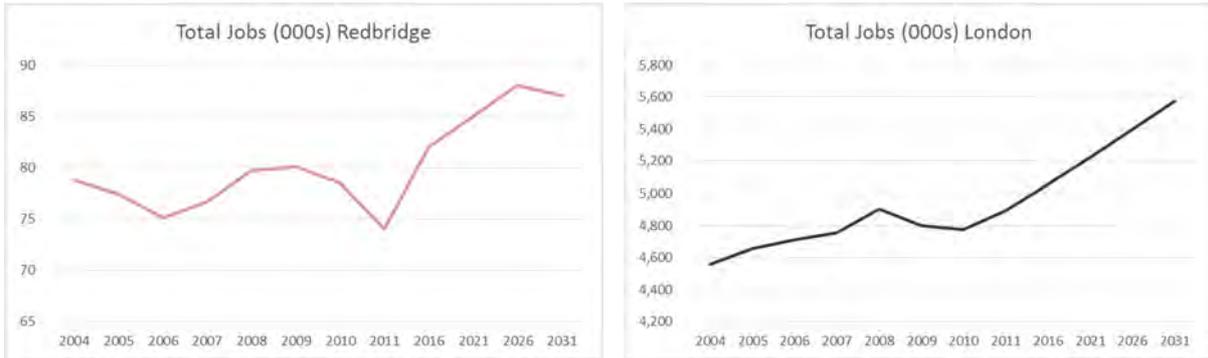


Figure 9: Total Jobs

A complete picture can be gained from figure 9, above, which visualises the data for all jobs.

5.2 Historic Trends

Employment Space Transactions

Access to data on past trends relating to market activity provides a valuable insight into the state of the market across different parts of the borough. The Estates Gazette (EGi) publishes data relating to deals/auctions by Local Authority area and use class type. Analysis of this data will allow an enhanced understanding of the dynamics of the market across the borough to be gained, and will help plan for the future in an appropriate manner.

Figure 10 shows the annual uptake of employment space (B1/B2/B8) in the borough as recorded by the EGi. The data relates to all transactions (auction, lease, sale) between years 2010 and 2015. It can be seen that uptake has increased significantly in the borough in recent years, suggesting increasing vitality in the local economy. Indeed, the data shows an average year-on-year percentage increase in the floorspace relating to employment land transactions of 60.5%, with a percentage increase between 2014 and 2015 of 80%.

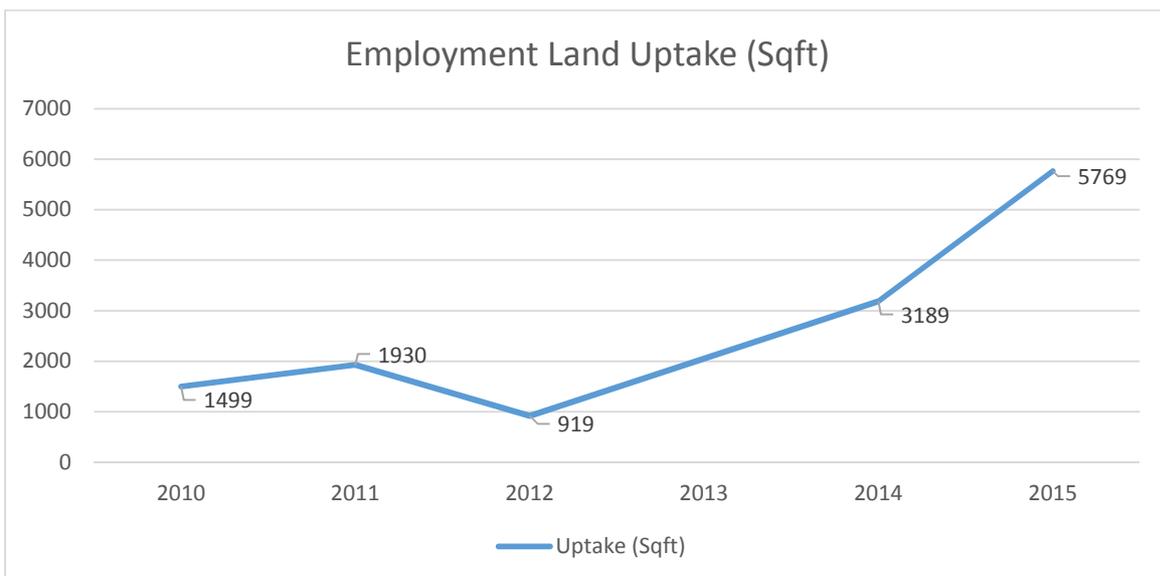


Figure 10: Employment Land Uptake (Estates Gazette)

The total number of deals done over the five year period consists mainly of B1 transactions, with some B2 as part of mixed schemes. Figure 10, below, illustrates this, showing that B1 office transactions, which make up around 81% of the total, dominate the borough in terms of employment land activity.

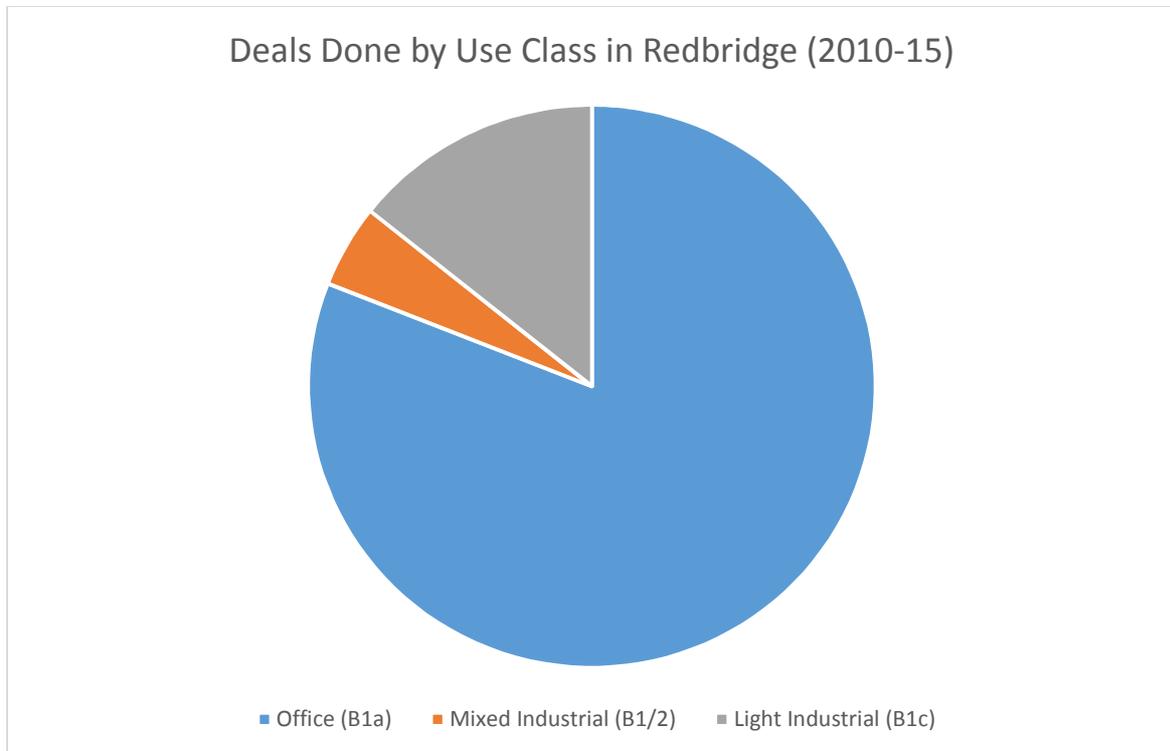


Figure 11: Deals done by Use Class

In terms of the geographic spread of the abovementioned transactions, they are primarily located within or generally around the employment clusters assessed as part of this review. The clusters which accommodate the most sites referenced in EGi data are Raven Road (4 sites), Eastwood Close (4 sites), and Maybank and Southend Road (1 site). The remainder are isolated from the outlined clusters, and/or cover an area too small to meet the minimum threshold for this review.

Past Take-Up of Employment Floorspace

The Valuation Office Agency (VOA) records the amount of floorspace by local authority area for tax purposes. Combined with other data, the VOA trends can be useful in understanding past take up and formulating future projections. The data provides a longer-term history of trends than other sources and allows projections to be strengthened. For the purposes of this report, the VOA Business Floorspace (Experimental Statistics) 2012 have been interpreted as the most recent and up to date dataset.

The data relates to all business floorspace through a list of hereditaments. Hereditaments are defined as property on which rates may be charged, and the unit to which the VOA assigns rateable value. They generally take the form of buildings or premises within buildings, appropriate or used for single occupation.

Table 7: Office Business Floorspace (thousands m2) by Local Authority area

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Redbridge	181	182	181	174	169	166	163	157	152	151	154	156	156
Outer London	5760	5864	5863	5995	5997	5961	5927	5904	5805	5694	5665	5700	5693
London	23,788	24,582	24,830	25,287	25,617	25,512	25,787	25,523	25,452	25,547	26,106	26,328	26,655

Table 7, above, illustrates the change in the amount of rateable office business property in the borough. It represents a decrease of -13.8% between 2000 and 2012, and a slight five-year increase of 2.6% (2008 – 2012). This shows a small general decrease in overall office space in the borough. For Outer London and London as a whole, a decrease of -1.6% and an increase of 12% exists respectively between 2000 and 2012, and a five-year decrease of -1.9% and an increase of 4.7% respectively for the period 2008-2012.

Table 8: Industrial Business Floorspace (thousands m2) by Local Authority area (2000 - 2012)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Redbridge	367	361	344	351	353	328	333	327	329	314	314	301	301
Outer London	15795	15817	15974	15976	15987	15774	15539	15429	15457	15001	14859	14619	14463
London	26,099	25,732	25,535	25,306	25,088	24,474	23,947	23,569	23,137	22,118	21,846	21,419	21,115

Table 8, above, illustrates the change in the amount of rateable industrial business property in the borough. It represents a decrease of 18% between 2000 and 2012, and a substantial five-year decrease of 8.5% (2008 – 2012). This shows a significant overall decrease in overall industrial space in the borough. For Outer London and London as a whole, a decrease of 8.43% and 19% exists respectively between 2000 and 2012, and a five-year increase of 6.4% and 8.7% respectively for the period 2008-2012.

Figure 12, below, illustrates the fluctuations in office, industrial, and other floorspace in the borough. The chart shows that the 'industrial' category has declined most significantly over the twelve year period, suggesting a decline in traditional industrial occupations including Process Plant & Machine Operatives (SOC 2010 Major Group 8-9). The 'office' category appears to have declined gradually over the course of the last decade, before increasing slightly since 2010. This suggests a

resilient office market, potentially declining due to the increased popularity of home-based working and the strength of central London boroughs as business destinations.

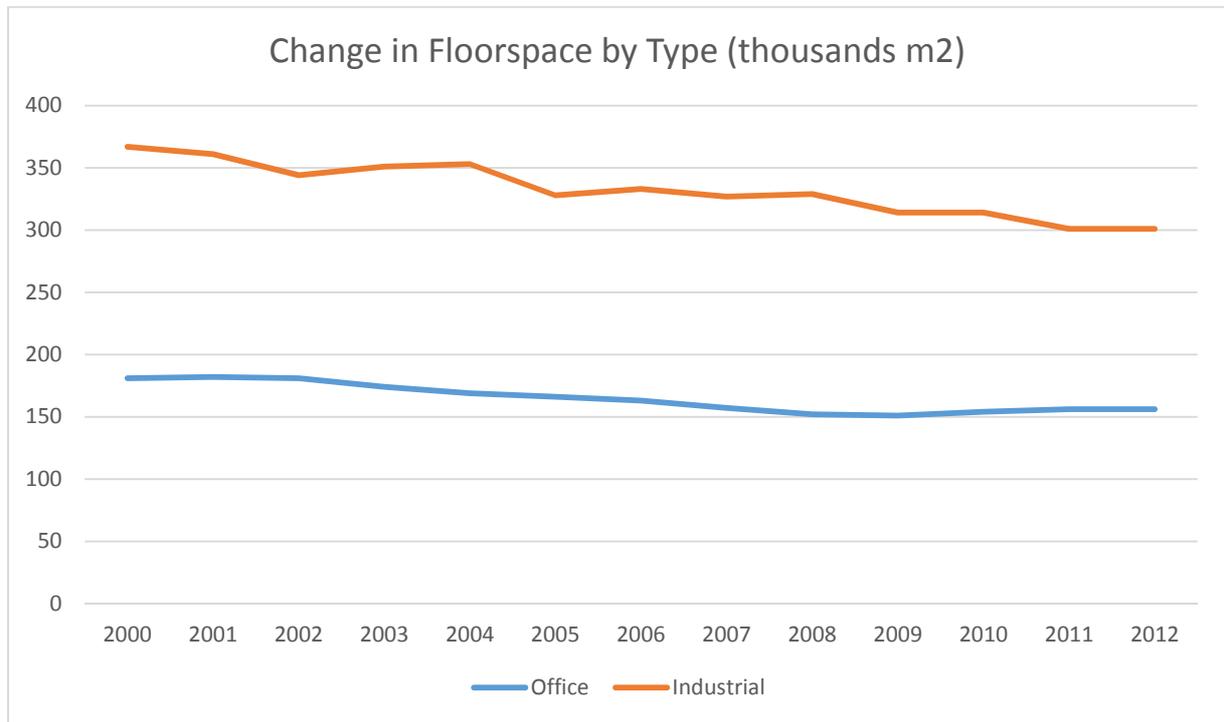


Figure 12: Change in floorspace by type (thousands m2)

Development Management Trends

LB Redbridge development management data shows that there has been relatively little planning application activity for B1, B2, and B8 uses in the five year period to 2015. The majority of the planning activity in the borough relates to B1 office space granted through change of use consent, or through full applications as part of mixed use schemes. Figure 12, below, shows planning approval data for employment space in the borough for the period 2010 – 2015. The data refers to Change of Use, Full, and Major planning applications.

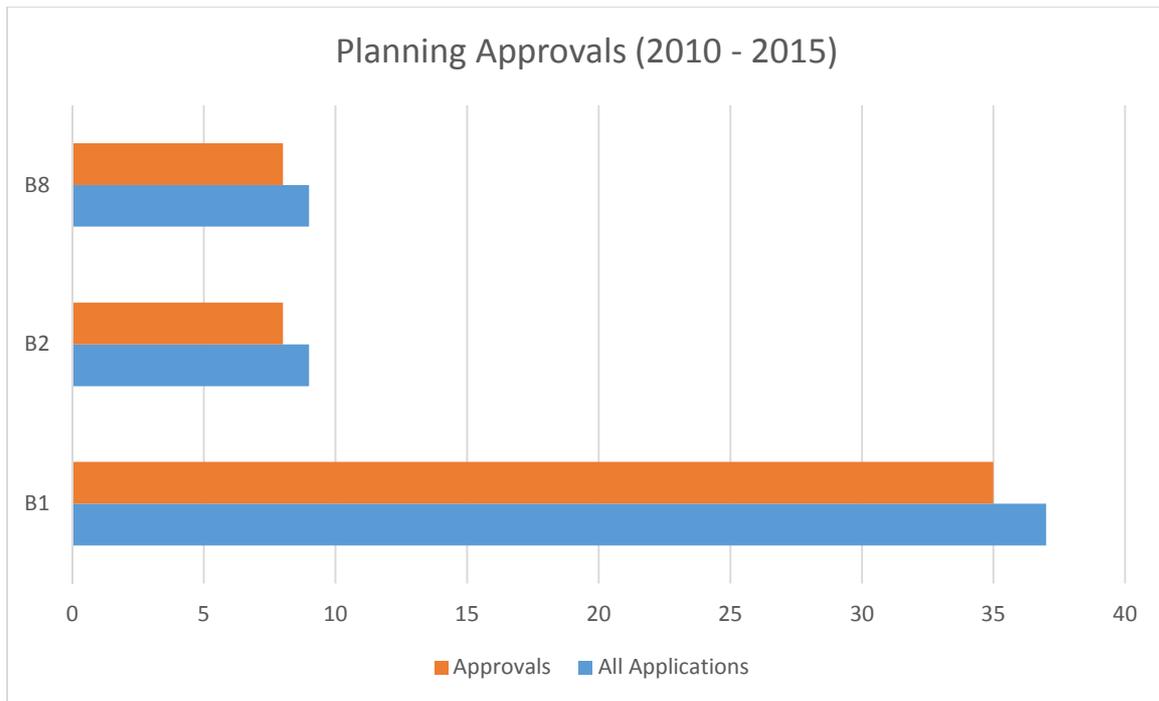


Figure 13: Planning Approvals (2010 - 2015)

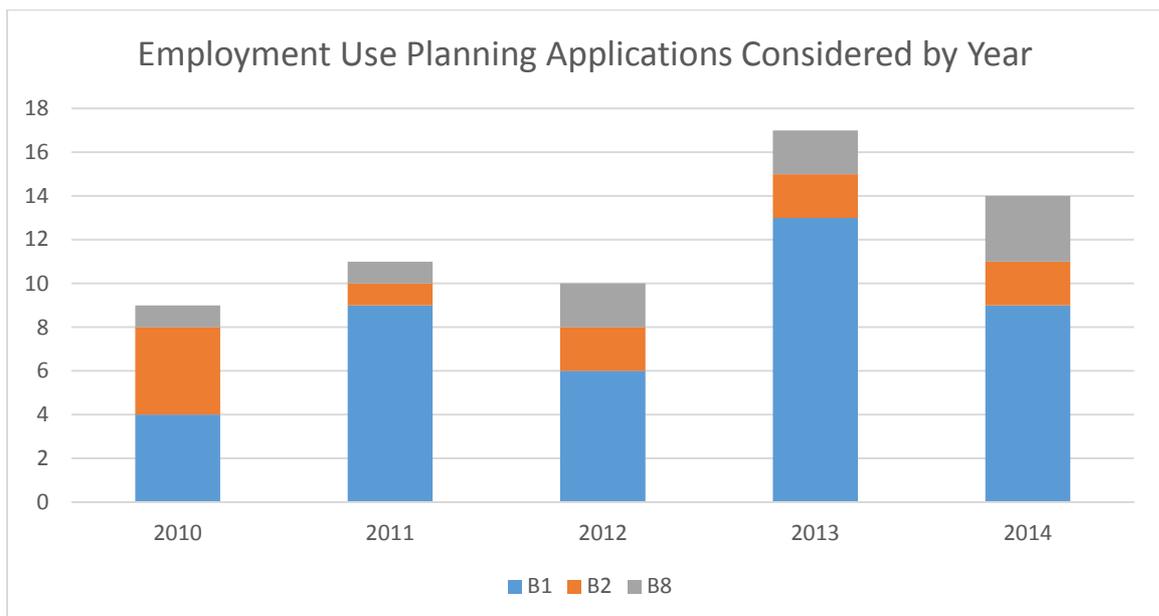


Figure 14: Employment-Use Planning Applications Considered by Year

Annual Monitoring Report Data

Although Local Authorities are no longer required to produce Annual Monitoring Report documents, they are nevertheless required under the Localism Act to monitor their planning functions. As such, Monitoring Reports have been published by LB Redbridge since 2004/05 and cover the period up to 2013/14.

The reports include data on the amount of floorspace gained or lost, broken down by use class, including B1, B2 and B8 employment floorspace. This information allows not only a further insight to be gained into the dynamics of the market, but also of the impact of policy and legislation on a national and local level such as the recent changes to permitted development rights.

The below table indicates the amount of floorspace gained or lost in the borough over the course of the monitored period. This data will contribute to assessing past take-up, and will feed into demand projections. For completeness, data on specific gains and losses by use class has been included where available.

Table 9: Annual Monitoring Report Data

AMR	Overall Net Floorspace Gained / Lost	B1		B2		B8	
		Gained	Lost	Gained	Lost	Gained	Lost
13/14	5724						
12/13	830						
11/12	14262						
10/11	348	82	430				
09/10	1264	134	891		507		
08/09	1509						
07/08	2500		2500				
Total	26437						

Based on the above figures it can be seen that a significant level of B1 and B2 floorspace has been lost in the borough over the course of the past nine years. The data suggests that this process has accelerated during the two-year period following 2012 (the years which follow the end of the period measured by VOA experimental data).

6. Stage Three: Supply and Demand Analysis

This section will consider the differences between the supply and demand of employment land, and will assess the severity of any mismatch that exists in order to directly inform the policy recommendations in the concluding section of this report.

6.1 Overall Supply Position

The current supply of land as assessed in this report and in the 2012 study is set out below. Supply data from the 2015 GLA study which relates to Redbridge specifically is also set out.

Table 10: Existing Employment Space

	Designated Business Areas (ha)	Other Employment Land (ha)	Total (ha)
Land considered by this report (September 2015)	43.1	16.68	59.38
Land as assessed in LBR 2012 Policy Review	44.5	25	69.5
Land as assessed in London Industrial Land Supply & Economy Study 2015	44	29.9	73.8

6.2 Existing Demand Scenario

An understanding of existing future demand scenarios will be gained before determining three new scenarios based on recent data.

Redbridge 2012 Policy Review – Industrial and Employment Sites

The Redbridge 2012 Policy Review document utilised London-wide data from the 2012 GLA Land for Industry and Transport SPG and the 2010 London Industrial Land Baseline report alongside site appraisals of policy-designated employment land to formulate conclusions and recommendations.

One such conclusion is the confirmation of the annual release benchmark of 0.6 hectares, originally proposed by the GLA at annex 1 of the Land for Industry and Transport SPG. The equates to 9 hectares over the 15 year plan period. With this in mind, the SPG (para 3.22) recommends a Local Employment Land Review to modify GLA targets in relation to local considerations. As such, the scenarios calculated in this section are intended to be considered alongside existing GLA data.

A key conclusion from the 2012 review relates to the ‘significant rate of release of industrial land which must be from non-designated sites’. The report did not support the GLA’s target for 75% of employment land to be released with specific identified locations.

6.3 Assessed Demand Scenarios

Data collated in this report has allowed three demand scenarios to be produced.

Assumptions to be applied:

In order to convert existing data on job growth and past development into future requirements, it is necessary to apply job density assumptions.

The job density calculations in this report have assumed that one full time equivalent (FTE) employee requires 12sqm of floorspace in B1 development, 36sqm of floorspace in B2 development, and one FTE per 70sqm in B8 development; assuming general uses for all three use classes (HCA, 2015).

6.3.1 Scenario 1: Employment Projections (GLA):

The GLA projects the total number of jobs in the borough will attain in 87000 in 2031 and 89000 in 2036. The number of jobs has attained 74400 in 2016 - additional jobs between 2016 and 2031 are therefore predicted to total 12600, and between 2016 and 2036 are predicted to total 14600.

To determine the land requirement as effectively as possible it is necessary to understand how this figure will be split between B1, B2, and B8 use classes and apply the relevant job density assumption. Table 10, below, assigns a use class to the Standard Industrial Classification data discussed in section one of this report in order to estimate the relationship between use classes and labour demand as accurately as possible. In undertaking this, regard has been had to the conclusions of other recent studies which have attempted to assign SIC sectors to Use Classes (OPDM, 2004, p92).

Table 11 SIC to Use Class

SIC	Use Class	Labour Demand in Redbridge (as % of total labour demand)
A: Agriculture, Forestry and Fishing	N/A	0
B: Mining and Quarrying	B4 / Sui Generis	0
C: Manufacturing	B1 and B2	2.4
D: Electricity, gas, steam and air conditioning supply	Sui Generis	0.3
E: Water supply, sewerage, waste management and remediation activities	Sui Generis	
F: Construction	N/A	5.4
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	B8 (apart from retail)	15.9
H: Transportation and storage	B8	3.7

I: Accommodation and food service activities	C1 / Sui Generis	5.7
J: Information and communication	B1	5.4
K: Financial and insurance activities	A2	19.8
L: Real estate activities	A2	
M: Professional, scientific and technical activities	B1	
N: Administrative and support service activities	B1	
O: Public administration and defence; compulsory social security	D1 / Sui Generis	36.8
P: Education	D1	
Q: Human health and social work activities	D1	
R: Arts, entertainment and recreation	D1	4.7
S: Other service activities	A2 / B1 / Sui Generis	

In total, it can be seen that approximately 16.5% of labour demand in the borough relates to B1 uses (equivalent to 2079 jobs to the year 2031 and 2409 jobs to the year 2036), 1.2% relates to B2 uses (equivalent to 151 jobs to the year 2031 and 175 jobs to the year 2036), and 19.6% relates to B8 uses (equivalent to 2470 jobs to the year 2031 and 2862 jobs to the year 2036).

When job density calculations are applied, the predicted demand is as follows:

To 2031:

B1: 24948sqm (2.49ha)

B2: 5436sqm (0.54ha)

B8: 172900sqm (17.3ha)

To 2036:

B1: 28908sqm (2.89ha)

B2: 6300sqm (0.63ha)

B8: 200340sqm (20.0ha)

Conclusion:

The total employment land required according to calculations based on GLA projections is **20.32 hectares to the year 2031**, and **23.55 hectares to the year 2036**.

6.3.2 Scenario 2: Past Development Rates (VOA):

A forward projection of average annual change of floorspace according to Valuations Office data allows a detailed assessment of employment space demand to be undertaken.

Table 12: VOA Data Summary

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Office	181	182	181	174	169	166	163	157	152	151	154	156	156
Industrial	367	361	344	351	353	328	333	327	329	314	314	301	301

The above data shows an average annual reduction in floorspace (thousands m²) of minus -25 for office space, minus -66 for industrial land. This equates to an overall loss of 91,000 m² of space over the twelve year study period.

Conclusion:

If this trend is projected over the upcoming plan period on the basis of the average annual past change, **a loss of 14.45 hectares over plan period will take place to the year 2031, and a loss of 18.1 hectares will take place to the year 2036.**¹¹ This is projected to consist of a small decline in office space, and a significant decline in industrial space.

¹¹ 0.758 hectare annual average total loss
 0.758 x 19 years (2012 to 2031) = 14.102
 0.758x 24 years (2012 to 2036) = 18.192

6.3.3 Scenario 3: Past Development Rates (AMR Data)

A forward projection of average past gain/loss of floorspace according to Annual Monitoring Report data allows an estimate of future employment space requirements to be undertaken.

Table 13: AMR Data Summary

AMR	Overall Net Floorspace Gained / Lost
13/14	5724
12/13	830
11/12	14262
10/11	348
09/10	1264
08/09	1509
07/08	2500
Total	26437

The average annual loss of floorspace between 2007/08 and 2013/14 is 3776.7 square metres (0.377 ha).

Conclusion:

If this trend is projected over the plan period, a **loss of 5.65 hectares will take place over 15 year plan period to 2031, and a loss of 7.54 hectares to 2036.**

6.4 Assessment of Preferred Scenario

The three scenarios in this section offer differing perspectives of the demand situation over the plan period.

Scenario:	2012 Review / GLA Release Benchmark Scenario	Scenario 1 (Employment Projections)	Scenario 2 (Past Development Rates – Valuations Office Data)	Scenario 3 (Past Development Rates – Annual Monitoring Report Data)
Predicted Gain / Loss (hectares) period 2016 to 2031	- 9	+ 20.36	- 14.45	- 5.65
Predicted Gain / Loss (hectares) period 2016 to 2036	-12	+ 23.55	- 18.1	-7.54

Table 13: Summary of Scenario Conclusions

The assessed scenarios conclude that, overall, a loss of up to 14.45 hectares of employment land will take place across the plan period. This is based on information which interprets actual past delivery in the borough. The managed release of **up to 14.45** hectares of employment land is therefore considered appropriate over the plan period (0.8 hectares per annum). This broadly aligns with the conclusions of the 2012 review, which was itself aligned with Greater London Authority release benchmarks which recommended a release of 0.6 hectares per annum. The inconsistent result in the form of Scenario 1 is discussed in the following section.

6.5 Contrasting Result: Scenario 1

A contrasting result exists in the case of scenario 1 which is based purely on projections which do not mirror actual past delivery rates, and can therefore be expected to result in an artificially inflated figure as a result. Despite this, it is considered that the increased need for employment space projected by scenario 1 can nonetheless be accommodated as a minimum in the borough if such a case plays out.

In assessing the ability for the borough to accommodate the increase in employment space described in scenario 1, two situations have been assessed. The first considers a position whereby the entire projected increase in employment relates to B1-focussed employment, the second situation assumes that 16.5% of the employment will relate to B1-focussed jobs as per the SIC to Use Class conversion in table 11.

In both cases, a further adjustment (ODPM, 2004) has been applied to convert the raw Gross External Area to a Net Internal Area figure in order to better assess the likelihood of the floorspace being accommodated within the council's identified Opportunity Sites as part of mixed use schemes (appendix 8).

Situation 1: All projected increase in employment relates to B1.

12600 (total job increase to 2031) x 12sqm (for employment density adjustment) = 151200sqm (15.12ha)

Floorspace only adjustment (to reach Net Internal Area total) (-15% of 15.12ha) = 128520sqm (12.85ha)

This situation would require the provision of up to 128520sqm of B1 floorspace in the borough 2031.

Situation 2: 16.5% of projected increase in employment relates to B1 as stated in Scenario 1's assessment of SIC sectors to use classes.

2079 (16.5% of job increase to 2031) x 12sqm (for employment density adjustment) = 24948sqm (2.49ha)

Floorspace only adjustment (to reach Net Internal Area total) (-15% of 2.49ha) = 21206sqm (2.12ha)

This situation would require the provision of up to 21206sqm of B1 floorspace in the borough to 2031.

This section of the report has considered what can be described as an upper-most potential situation, and a situation considered more realistic. Evidence suggests that B1 use class-related employment development will make up a significant portion of the increase (as identified in section 4 of this report, including the 2016 Redbridge Economic Strategy Baseline study, and the 2010 Outer London Commission Report). As such it is considered appropriate to focus provision on flexible office and workspaces when accommodating the potential for this scenario take place over the plan period.

6.6 Site Assessment Conclusions

The below table summarises the site assessment conclusions in appendices 1 & 2 to suggest sites most appropriate for change of use.

Table 14: Site Assessment Conclusions Summary

	Site Ref.	Site Area (Ha)	Site Name	Conclusion
Policy-Designated Sites	H1	21.04	Hainault Business Park	
	H2	1.79	Hainault Works Ind. Estate	
	H3	3.05	Forest Road	
	H4	2.25	New North Road (Kelvin Hughes)	
	W6	11.04	Woodford Trading Estate	
	W7	2.81	Raven Road	
	C1	1.12	Newton Industrial Estate	
Other Sites	W1	1.06	Maybank	
	W2	0.44	East of Marlborough Road	
	W3	1.13	Eastwood Close (Station Estate)	
	W4	0.35	The Shrubberies	
	W5	0.4	Southend Road and Maybank Road	
	H5	0.58	Barnardo's	
	IL01	1.1	North of Clarence Ave (Valentines Triangle)	
	IL02	0.7	Cranbrook Road West	
	IL03	0.42	Coventry Road and Cranbrook Road	
	IL04	0.5	Beal Road	
	IL05	0.4	Wellesley Road	
	IL06	2.8	East of Mill Road	
	IL07	0.3	Roden St North	
	IL08	0.8	Clements Lane	
	IL09	0.63	Postway Mews	
	IL10	0.48	Hainault St and Havelock St	
	IL11	0.53	Enterprise Centre	
	IL12	0.56	Connaught Road West	
	IL14	0.64	East of Francis Ave	
	IL15	0.43	West of Uphall Road	
IL16	0.36	West of Wanstead Park Road		
C2	0.42	West of Chadwell Heath Lane		
C4	1.25	High Road and Grove Road		
	Total: 59.38			

Key and area totals:

	Category	Total Site Area (Ha)
	Protect and Maintain	2.53
	Protect and Intensify	39.73
	Potential for Intensification / Diversification of Uses	12.09
	Potential for Intensification / Diversification of Uses in Part of Site	2.20
	Developed / Development Ongoing	2.83

6.6 Categorisation of Sites with Potential for Change in-Part

As can be seen in the above table, some sites (coloured purple) were found to have potential for intensification and/or diversification of uses in part of the site only. Such sites total 2.20 hectares of employment land. This land is re-distributed to the other identified categories as follows in line with the conclusions of the relevant site assessments;

- Of the 2.20 hectares, **0.965 hectares** is assigned to ‘Potential for Intensification / Diversification of Uses’ (sites highlighted in red).
- Of the 2.20 hectares, **0.855 hectares** is assigned to ‘Protect and Maintain’ (sites highlighted in green).
- Of the 2.20 hectares, **0.368 hectares** is assigned to ‘Developed / Development Ongoing’ (sites highlighted in grey).

6.7 Final Land Categorisation

With the above re-distribution in mind, an overall assessment of land categorisation is possible. is then to take account of sites which cover multiple categories, it is possible to summarise the priority for release across the borough;

	Category	Priority for Release	Final Total Land Area (Ha)
	Potential for Intensification / Diversification of Uses	A	13.05
	Protect and Intensify	B	39.73
	Protect and Maintain	C	3.38
	Developed / Development Ongoing	/	3.22
		Total:	59.38

Figure 15: Site categorisation summary and priority for release

It can therefore be concluded that;

- a total of 43.11 hectares should be protected,
- and a total of 13.05 hectares has potential for intensification and / or diversification of uses.

6.8 Site Assessment Summary

Site assessments have allowed the condition of the borough's stock to be appraised on a site-by-site basis (appendix 1 & 2). In summary, a strong variation was found across the borough with regards to quality and vacancy levels;

Scale

Approximately 59.78 hectares of employment land in the borough has been assessed, of which 42.4 hectares is located within policy-designated business areas as previously assessed in the 2012 policy review document. The remainder of assessed employment land is located at sites of over 0.25 hectares of continuous B1/B2/B8 employment space across the borough, of which a significant proportion are identified in emerging Redbridge Local Plan policy as Opportunity Sites.

Quality

The quality of employment space in the borough varies considerably across the various sites and character areas. Those designated as Strategic Industrial Locations (SIL) in the London Plan were found to be relatively successful in terms of quality and levels of vacancy, albeit with some issues relating mainly to environmental and visual amenity. Non-policy designated sites were generally found to be less fit for purpose than designated sites, and were found to have relatively poor environmental, ecological, and structural quality when compared with designated sites.

Vacancy

Vacancy rates were generally low across most of the borough, particularly within policy-designated business areas. Non-designated sites exhibited generally higher rates of vacancy, reinforcing the conclusion that they are no longer fit for purpose. Both London Plan-designated Strategic Industrial Locations (SIL) were found to have particularly low vacancy rates, as were the assessed sites in South Woodford and those within close reach of other railway stations with the exception of Ilford Metropolitan Centre, where very high vacancy rates were found including at sites designated as Opportunity Areas.

7. Recommendations

This section will consider the borough-wide and site-specific conclusions reached in this report to formulate appropriate policy recommendations in relation to employment space for the Local Plan.

Recommendation 1:

Continue to protect and promote new employment land uses in all current policy-designated areas of employment land ('B' and 'C' category). Manage the reduction in employment floorspace by prioritising the redevelopment of non-designated employment land ('A' category) which is of generally lower quality and which is no longer fit for purpose for other uses subject to a number of policy tests – and prioritised in line with the site-specific evidence appended to this report.

Justification: A reduction in need for employment land is predicted by this report, however all policy-designated employment land has been assessed to be generally of high quality and enjoy low levels of vacancy. As such, non-designated priority 'A' land is recommended for managed release ahead of other land ('B' and 'C' category) on a case-by-case basis subject to policy tests **up to a total of 14.45 hectares**. The 2012 policy review report recommended the GLA's 75% site-specific release requirement be disregarded – this report supports that position.

Recommendation 2:

Encourage and provide suitable premises for business use as part of mixed use schemes on sites identified as having potential to change ('A' category), and other Opportunity sites not otherwise identified by this report (appendix 8). This will allow GLA employment projections outlined in scenario 1 to be met if such a scenario takes place across the plan period, with a particular focus on meeting the demand and requirements of growing and emerging industries.

Justification: Although forecasting demonstrates an eventual oversupply of land for employment in 2031 if current levels of space are maintained, GLA projections suggest a need for up to 20 hectares of employment land to 2031. The inclusion of modern business space as part of centrally located mixed use development will satisfy this potential future business floorspace demand, particularly in the context of the business requirements of emerging industries. Indeed, it is considered that the nature of the industries which have the most significant growth in London – namely B1-focussed carbon finance, creative, and technology businesses – can be best accommodated within high density mixed use development which enjoys good transport connections to central London and which provides modern purpose-built space with the locational requirements of emerging industries. There is therefore a need to rationalise traditional industry in peripheral locations whilst ensuring sufficient scope exists for the future provision of employment floorspace for the potential growth identified in Scenario 1.

Recommendation 3:

Adjust the status of Hainault Business Park from Preferred Industrial Land to Industrial Business Park, and adjust the status of Southend Road Business Park to a combination of Preferred Industrial Land and Industrial Business Park to reflect the character and quality of the sites, and as an aspiration towards continued investment and improvement. Encourage intensified development at the sites.

Justification: The sites have a healthy vacancy rate to allow for choice in the market, whilst providing a primarily high quality and modern office offer. A significant change in character can be observed across both clusters in terms of uses, quality, and evidence of inward investment; particularly in the case of Southend Road. Site assessment sheets H1 and W6 (appendix 2) show the sections of the clusters which are most appropriate for re-designation.

Recommendation 4:

Ensure the employment land supply and demand situation is re-assessed on at least a five-yearly basis through the recording of employment space availability and take-up.

Justification: To allow future policy to respond appropriately.

Appendices

Appendix 1: Site Assessment Master Sheet

Appendix 2: Site Assessment Appraisal Sheet Dossier

Appendix 3: Map of Site Locations (Borough)

Appendix 4: Map of Site Locations (Hainault)

Appendix 5: Map of Site Locations (Woodford)

Appendix 6: Map of Site Locations (Ilford)

Appendix 7: Map of Site Locations (Chadwell Heath)

Appendix 4



Appendix 5



Appendix 6



