



Hackney Employment Growth Options Study Update

February 2010

Hackney Employment Growth Options Study Update

Final Report

February 2010

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Contents

Section	Page
1. Introduction	7
Study Context	7
Structure of Report	8
2. Policy Context	9
National and Regional Policy Context	9
Local Policy Context	22
3. Employment Projections	31
Introduction	31
Sub-Regional Context: GLA Forecasts	31
Invest in Hackney	33
Atkins Demand Projections	37
4. Supply Update	39
Introduction	39
2006 Study Context	39
Planning Permissions	42
Floorspace Update	46
Hackney Wick	51
Vacancy Update	54
Supply of Vacant Land Update	58
Summary of Sources of Supply	61
Demand-Supply Balance	63
5. Policy Recommendations	65
Policy Recommendations within 2006 Study:	65
Employment Land Policy within Submission Core Strategy:	66
Differences between the 2006 Study's Recommendations and the Submission Core Strategy	68
Analysis of Application of UDP Policy E5	68
Recommended Policy Approach	69
6. Conclusions and Recommendations	75
Introduction	75
Policy Update	75
Future Floorspace Need	77
Supply Update	78
Demand-Supply Balance	79
Policy Recommendations	80

List of Tables

Table 2.1 – Criteria for Assessing the need for retention or release of sites	15
Table 2.2 – Estimated Industrial Land Release for North Sub-Area (2007)	19
Table 3.1 – GLA Top Level Employment Projections for Hackney (Detailed 2007 Projections and Updated 2009 Projections)	32

Table 3.2 – Projected Total Employment Change by Broad Sector 2010-2025	37
Table 3.3 – Projected B-Use Employment Change by Broad Sector 2010-2025	38
Table 3.4 – Projected B-Use Floorspace Need by Land Use 2010-2025	38
Table 4.1 – Cluster Location Types by UDP Designation	39
Table 4.2 – Summary of Employment Floorspace Recorded by Type – 2006 Study	40
Table 4.3 – Floorspace now outside of DEA designations	41
Table 4.4 – Net Change in B Class Floorspace 2005-2009	45
Table 4.5 – Net Change in B Class Floorspace from Unimplemented Permissions 2005-2009 (Excluding Olympic Legacy Proposals)	45
Table 4.6 – Loss of Employment Floorspace as a Result of Olympic Proposals	53
Table 4.7 – Estimated Floorspace Capacity of Southern Section of Site	54
Table 4.8 – Vacancy Rates (Oct 2009) for B1 premises by Postcode Area	55
Table 4.9 – Office Vacancy Rates 2005 and 2009	56
Table 4.10 – Distribution of Vacant Floorspace – 2006 Study	56
Table 4.11 – Vacant Premises (sq.m) in other Parts of the Borough (2009)	57
Table 4.12 – Potential Sources of Supply of B Class Floorspace 2010	60
Table 4.13 – Potential Sources of Supply of B-Use – Comparison between 2006 and 2009	61
Table 6.1 – Projected B-Use Floorspace Need by Land Use 2010-2025	78
Table 6.2 – Potential Supply by Sub Area	78
Table 6.3 - Potential Supply of Floorspace by Type	79
Table 6.4 - Demand-Supply Balance	79

List of Figures

Figure 2.1 – CAZ Boundary – London Plan 2009	11
Figure 3.1 – Enquiries by Unit Type (Q1 – 2009/10)	33
Figure 3.2 – Supply by Unit Type (Q1 – 2009/10)	34
Figure 3.3 - Demand – Supply Analysis by Unit Type	35
Figure 3.4 – Demand Supply Analysis by Postcode (Q1 2009-10)	35
Figure 3.5 – B1 Office Space – Demand/Supply by Unit Size (Q4 2008-09)	36
Figure 4.1 – Changes to Employment Designations 2006-2009	End of Chapter 4
Figure 4.2 – Net Loss/Gain for B1 Floorspace from Planning Permissions Granted	43
Figure 4.3 – Net Loss/Gain for B2 Floorspace from Planning Permissions Granted	43
Figure 4.4 – Net Loss/Gain for B8 Floorspace from Planning Permissions Granted	44
Figure 4.5 – Net Loss/Gain of B Class Floorspace from Planning Permissions Granted	44
Figure 4.6 – Total Number of Premises by Type 1998-2008	46
Figure 4.7 – Total Floorspace by Type 1998-2008	47
Figure 4.8 – Average Size of Premises by Type	47
Figure 4.9 – Location of Sub-Areas	End of Chapter 4
Figure 4.10 – South Hackney Floorspace	48
Figure 4.11 – Dalston Floorspace	49
Figure 4.12 – Hackney Central Floorspace	49
Figure 4.13 – Hackney Wick Floorspace	50
Figure 4.14 – North Hackney Floorspace	51
Figure 4.15 – Existing Strategic Employment Locations in Hackney Wick	52
Figure 4.16 – Proposed Strategic Industrial Locations within Hackney Wick	53
Figure 4.17 – Proportion of Vacant Stock by Type	55
Figure 4.18 – Vacancy Level for Whole Borough	57
Figure 5.1 – Recommend Policy Designations 2010	End of Chapter 5

Appendices

Appendix A	83
A.1 Definition of B-Use Activities by Standard Industrial Classification	85
Appendix B	89
B.1 Postcode Areas	91
Appendix C	93
C.1 Summary of Changes to Employment Areas since 2006 Study	95
Appendix D	103
Appendix E	107
E.1 Criteria Based Policy Approach – 2006 Study	108
Appendix F	111
F.1 Recommended Employment Cluster Designations	113

List of Tables

Table A.1 – B Use Class Activities	85
Table A.2 – Industrial Sector Activities	86
Table A.3 – Warehouse Sector Activities	87

List of Figures

Figure B.1 – Hackney Postcode Areas	91
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1. Introduction

Study Context

- 1.1 In 2004, Atkins was commissioned by the London Borough of Hackney to undertake an Employment Growth Options Study. The primary purpose of the study, which was published in 2006, was to inform the Borough's emerging Local Development Framework (LDF).
- 1.2 The key aims of the study were to:
- Provide baseline information on employment levels and examine trends in employment development and accommodation in the industrial and business sectors up to 2016;
 - Determine the likely demand for available employment and business land and premises within the Borough up to the end of the forthcoming LDF period;
 - Establish the appropriate property mix required in order to meet the needs of existing businesses and potential occupiers where possible; and
 - Examine key issues relating to workspace affordability.
- 1.3 Since the publication of the 2006 study, Hackney has experienced a high level of growth in recent years which has created significant change on the ground, especially within the Priority Employment Areas and other sites subject to the recommended employment designations originally identified within the study. These changes need to be reflected in the Core Strategy so that the document accurately reflects the intentions of the Council for such areas of the Borough. There is therefore a need to update the 2006 study in order to provide a higher degree of certainty in terms of the boundaries for each of the proposed designations set out in the previous study.
- 1.4 Given the altered economic context since the original projections of employment growth were completed for the 2006 study, there is also a need to update the demand for employment floorspace and to align the projections with the lifetime of the Core Strategy (2010-2025).
- 1.5 Furthermore, since the publication of the 2006 study, a number of critical contextual issues have emerged which reinforce the need for the study to be updated. These include:
- Publication of draft PPS4: Planning and Sustainable Economic Development (2007).
 - Publication of Consultation Draft Replacement London Plan (2009)
 - Publication of the Mayor's Economic Development Strategy (2009)
 - Issuing of the Major's Supplementary Planning Guidance on Industrial Capacity.
 - Publication of other GLA reports including the London Industrial Land Release Benchmarks Study (April 2007),
 - Submission of a planning application for around 100,000sq.m of employment floorspace at Hackney Wick as part of the Olympic Legacy Masterplan
- 1.6 This report represents an update to, rather than replacement of, the 2006 study. Consequently, the findings set out in this report should be interpreted within the context of the earlier study and considered as supplementary advice. However, the conclusions and recommendations set out in this report provide the up-to-date position in relation to our policy advice.

Structure of Report

1.7 This report is structured as follows:

Section 2 updates the strategic policy position in relation to employment issues in Hackney and London.

Section 3 sets out our employment and employment floorspace projections for the Borough and includes a qualitative assessment of current property market factors.

Section 4 provides an update on key supply-side factors having particular regard to changes in vacancies.

Section 5 provides an update of policy recommendations to inform the emerging LDF.

Section 6 sets out a summary of the key conclusions and policy recommendations in the report.

2. Policy Context

Introduction

- 2.1 This Section provides an update of the strategic policy context which will influence the development of employment policies in the forthcoming Hackney LDF. Particular consideration is given to recent policy guidance issued at the national and regional levels. The implications of these policy developments are summarised at the end of the Section.

National and Regional Policy Context

Consultation Draft PPS4: Planning for Sustainable Economic Development (July 2009)

- 2.2 The draft PPS identifies planning as key to contributing towards improving productivity and the UK's long term economic performance. Planning influences the drivers of productivity and facilitates employment growth. However, if it is not responsive to market signals it can also represent a barrier to employment and productivity growth. By providing certainty of land use the planning system can encourage investment commitments. In addition, well planned infrastructure can improve productivity and create environments in which people want to live and work.
- 2.3 The draft PPS highlights that local planning authorities should plan to encourage economic growth. In seeking planning that positively encourages economic growth, the PPS highlights five key objectives:
- Providing a good range of sites identified for economic development and mixed use development.
 - Ensuring a good supply of land and buildings offering a range of opportunities for creating new jobs in large and small businesses.
 - Focus on high quality development.
 - Avoidance of adverse environmental impacts.
 - Shaping travel demand by promoting sustainable travel choices.
- 2.4 The PPS sets out national planning policies which describes how local planning authorities should plan for economic development. These policies are as follows:
- Local planning authorities should plan positively and proactively to encourage economic development in line with principles of sustainable development. Policies should be flexible in order to respond to economic change.
 - Local planning authorities should use a wide evidence base to understand both existing business needs and likely changes in the market.
 - Local planning authorities should plan for and facilitate a supply of land which will be able to cater for differing needs of business, and employment needs of the whole community, but this should be flexible enough to respond to changing circumstances. Designating sites for single or restricted use should be avoided.
 - Local planning authorities should seek most efficient use of land and buildings.
 - Local Planning authorities should seek to ensure economic development is high quality and inclusive design. Design should also ensure development addresses climate change.

London Plan (consolidated with Alterations since 2004), February 2008

- 2.5 The original London Plan, produced by the Mayor in 2004, has been subject to a number of tightly focused reviews which took account of the Mayor's statutory duty to monitor the Plan, new Government guidance, emerging regional guidance, new data, the need to roll the plan forward to 2025/26 and changes to the planning system. As a result of these reviews, the Mayor produced Draft Alterations in October 2005 (including updates on housing provision and waste), Draft Further Alterations in September 2006 and a further round of alterations in December 2006. The London Plan (consolidated with Alterations since 2004) was published in February 2008 and consolidates all alterations since the original version of the Plan. This version is currently the latest iteration of the Plan and remains part of the Development Plan for Hackney until superseded with the Draft Replacement London Plan (considered below) when it is adopted in full.
- 2.6 The Plan classifies Hackney within the North sub-region. The North sub-region has strong links to other important growth and development areas, including Stratford and the Thames Gateway, which also includes parts of Hackney.
- 2.7 Policy 5B.1 sets out a number of strategic priorities for North London with a focus on sustaining relatively high levels of economic and population growth, especially in the CAZ and inner parts of the sub-region. It also seeks to optimise the benefits resulting in the sub-regions proximity to the Thames Gateway and the Lea Valley, including benefits from the Olympic and Paralympic Games.
- 2.8 A number of improvements to public transport capacity are planned, including the East London Line extension and the London Overground capacity enhancements, both of which will pass through Hackney. These improvements will help to facilitate intensification and regeneration through improved accessibility.
- 2.9 The southern tip of Hackney is situated within the Central Activities Zone (CAZ), which the Plan seeks to strengthen through intensification and the accommodation of substantial growth, with a focus on the development of economic growth.
- 2.10 Policy 2A.10 addresses the Strategic Industrial Locations (SILs) within London. The Plan states that SILs should be promoted, managed, and where appropriate, protected as London's main reservoirs of industrial capacity, optimising their efficiency as important economic areas and improving access to them. SILs in the London Plan involve two types of areas:
- Industrial Business Parks (IBP) for businesses requiring a high quality environment; and
 - Preferred Industrial Locations (PIL) for businesses with less demanding requirements
- 2.11 Annex 2 of the Plan states that Hackney Wick is designated as a PIL. Further detail on industrial land within London is provided in the Mayor's Industrial Capacity SPG (reviewed below).
- 2.12 The Plan identifies that there are a number of smaller or emerging clusters of creative industries located in Hackney. Policy 3B.8 seeks to protect existing clusters and supports the development of clusters of creative industries and other related activities.

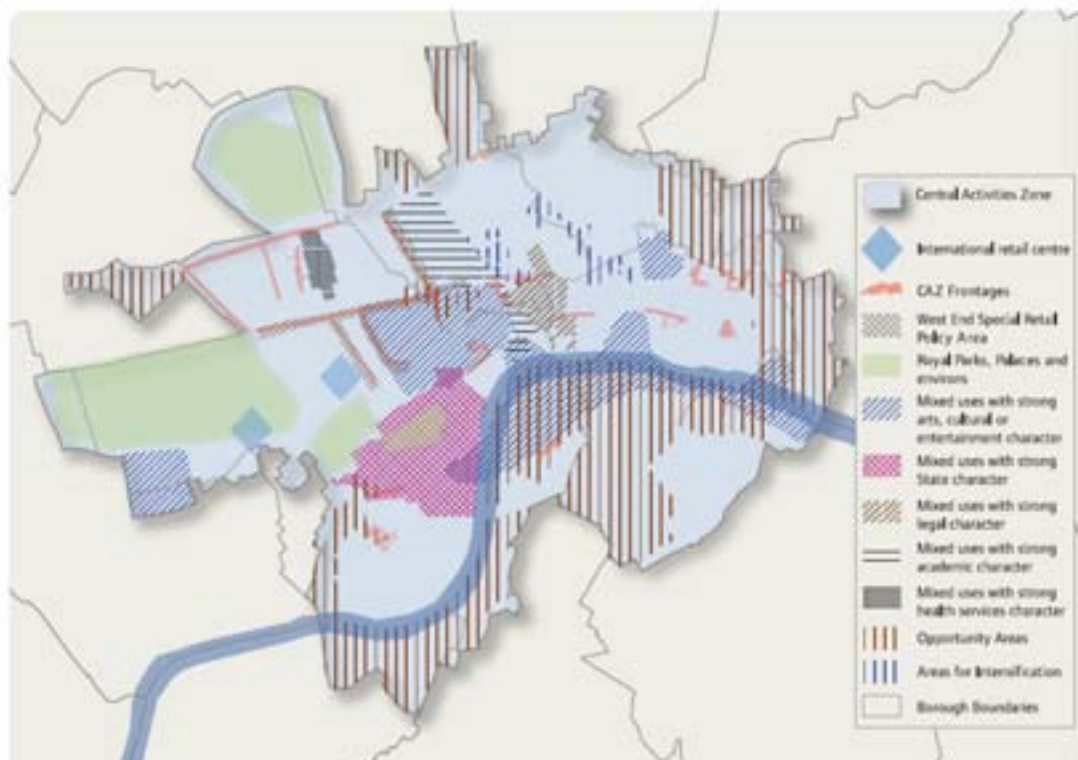
Consultation Draft Replacement London Plan (October 2009)

- 2.13 London elected a new Mayor in May 2008. Shortly after his election, he consulted on 'Planning for a Better London' in July 2008, which outlined his intended approach to planning. Consultees argued strongly that rather than changing the Plan incrementally (as had been the case from 2004-2008), he should move straight to a full review leading to a replacement London Plan, especially as this would lessen the uncertainty faced by Boroughs in drawing up their own development plan documents. As a result, the Mayor announced an immediate review of the London Plan in 2008, leading to formal publication of a replacement plan towards the end of 2011.

Initial proposals were published in April 2009, with a draft replacement Plan published on October 12th 2009.

- 2.14 The major difference between the 2009 Draft Replacement Plan and the London Plan (consolidated with Alterations since 2004) for Hackney is that the Borough will be placed within the 'east' sub-region as opposed to the 'north' sub-region of London. The sub-regional structure will be changed following consultation with borough councils, as it is considered to offer a closer fit with patterns of working on the ground than previous versions.
- 2.15 The Draft Replacement Plan will keep policies related to the Central Activities Zone. Policy 2.10 – Central Activities Zone (CAZ) will identify that the Mayor will, and boroughs should, use the CAZ boundary in Map 2.3 (see Figure 2.1 below) to address the unique issues facing the zone. Detailed boundaries of the CAZ should be defined through borough DPDs. The CAZ will be expanded from earlier versions of the Plan. The expansion of CAZ means that the southern section of Hackney, roughly up to around City Road, will be included within the boundary.

Figure 2.1 – CAZ Boundary – London Plan 2009



- 2.16 Policy 2.10 will seek to promote and enhance the international, national and London-wide roles of the Central Activities Zone (CAZ). It also aims to bring forward development capacity and supporting infrastructure and services to sustain and enhance CAZ's divergent strategic functions.
- 2.17 The demand for office based employment floorspace for CAZ and north of the Isle of Dogs from the period 2011 to 2031 is estimated at a total of 175,000 units, which amounts to 2.25 million sqm (Consultation Draft Replacement London Plan, p.96). Policy 4.2 will specifically relate to office development and will support the renewal and modernisation of the office stock in viable locations and urges boroughs to manage changes of surplus office space to other uses. This is also supported by Policy 4.3 which will seek to encourage mixed use development and redevelopment schemes within CAZ.
- 2.18 The Consultation version will also introduce a new Policy 2.4 on the 2012 Games and their legacy. This will support the creation of a high quality and creative industry cluster at Hackney Wick,

which would provide premises for local and global businesses. It is envisaged that this area will also provide strong technological infrastructure.

- 2.19 Further support for creative industries will be outlined in Policy 4.6, which relates to enhancing the provision for arts, culture and entertainment industries. This replaces Alteration Policy 3B.8, which shares the same focus in supporting the designation and development of Cultural Quarters in order to new accommodate cultural and leisure industries, which will also assist in contributing towards regeneration.
- 2.20 Policy 2.17 (which will replace the 2008 Alterations Policy 2A.10) will address Strategic Industrial Locations and identifies in Table A3.1 that part of Hackney Wick will be a suitable location for an Industrial Business Park. This is a key difference from the 2008 Alterations, which designated Hackney Wick as a Priority Industrial Location. This means that Hackney Wick will be expected to accommodate employment activities which require higher quality surroundings in order to provide for research and development, light industrial and higher value general industrial uses, rather than industrial businesses with less demanding requirements, as previously required with the Priority Industrial Location.
- 2.21 Industrial Business Parks will also require development proposals for employment workspace to meet identified needs for small and medium sized enterprises (SMEs) or new emerging industrial sectors.
- 2.22 Developing London's diverse economy over the years to 2031 will be a key focus of Chapter 4. Policy 4.1 will seek to encourage a sufficient and suitable provision of workspaces in terms of type, size and cost, supporting infrastructure and suitable environments to serve the needs of small and medium sized enterprises.

Draft Mayor's Economic Development Strategy (October 2009)

- 2.23 The Draft Mayor's Economic Development Strategy was published in October 2009. The Strategy has undergone public consultation, which ended on 12th January 2010. The Strategy sets out the ambitions for the economic development of the capital and provides five objectives, of which the most relevant to this Study are outlined below:
- Objective 2: to ensure that London has the most competitive business environment in the world;
- Objective 4: to give all Londoners the opportunity to take part in London's economic success, access sustainable development and progress their careers; and
- Objective 5: to maximise the benefits to London from investment to support growth and regeneration, and from the 2012 Olympic and Paralympic Games and its Legacy.
- 2.24 The Strategy seeks to promote business growth and development in London with a focus on supporting SME's and encouraging new start-up businesses, which will assist in driving economic growth and encourage innovation. In addition, the Strategy also seeks to sustain investment levels in the Capital and increase London's ability to be competitive and innovative on a global level.
- 2.25 Furthermore, the Economic Strategy supports the London Plan in seeking to ensure sufficient capacity for appropriate forms of workspace, including offices, and to identify areas for expansion including the city fringe.
- 2.26 It should be noted that Hackney is well located to benefit from the Central Activity Zone, which will continue to be strengthened, and from local economic activity at Hackney Wick associated with the development of the new media centres for the 2012 Olympic Games and Legacy Phase.

Industrial Capacity – Supplementary Planning Guidance (March 2008)

- 2.27 The Industrial Capacity SPG provides guidance on the implementation of policies relating to industrial capacity in the 2008 Alterations. The SPG focuses on the implementation of policies 2A.10 (Strategic Industrial Locations) and 3B.4 (Industrial Locations) to manage, promote and where appropriate protect SILs as London's strategic reservoir of industrial development capacity.
- 2.28 The SPG provides guidance to:
- Ensure that there is adequate stock of industrial capacity to meet future needs and requirements; and
 - Plan, monitor and manage the release of surplus industrial land so that it can better contribute to meeting strategic and local objectives, in particular housing provision, as well as social infrastructure and contribute to town centre renewal.
- 2.29 Section 3 of the SPG identifies the plan, monitor and manage approach to surplus industrial land, with the aim of reconciling the relationship between supply and demand between 2006 -2026. The SPG sets out that, over the period 2006-2026, when the net reduction in industrial land demand and management of vacancy rates is considered, there is scope for the release of around 814 hectares of industrial land, with 48ha per annum for the period 2006-16 and 33ha per annum for 2016-26.
- 2.30 Most of the release is expected to be in the North East (366ha) and North (187ha) sub- regions, with Hackney included in the North sub-area. To assist boroughs in planning for land use changes, each borough is classified into one of three groupings: managed transfer; restricted transfer; and limited transfer. Groupings were updated in 2007 in the light of recent research, taking into account issues such as: stock; vacancy; rental values; demand and demand for other transport functions and wholesale markets.
- 2.31 Hackney is classified as limited transfer of industrial sites. This means that in developing site specific allocations and policies for the retention and release of land Hackney should take account of this classification. The limited transfer category is intermediate between the managed and restricted categories. Boroughs are encouraged to take account of local variations of demand and to manage and, where possible, reconfigure their portfolio of industrial land, safeguarding the best quality sites and phasing release to reduce vacancy rates for land and premises towards frictional rates.
- 2.32 The SPG highlights the importance of accurate monitoring of supply and demand, particularly monitoring the actual release of industrial land against the monitoring benchmarks in the Alterations and the phasing and geographical spread of release identified in the SPG. Monitoring against benchmarks locally and strategically requires a robust understanding of both supply and demand particularly outside SILs where most change is expected to take place.
- 2.33 The Strategic Industrial Land (SILs) framework provides guidance on plan led approach to promoting and managing industrial capacity through three types of location: SILs; Locally Significant Industrial Sites (LSIS); and other smaller industrial sites.
- 2.34 LSIS are those sites which are outside SILs but which local assessments indicate that protection is warranted because of their particular importance for local industrial type functions. Inner London sites providing sustainable distribution services for the CAZ may be particularly appropriate for this designation. Boroughs are asked to make explicit what types of uses are accepted in LSIS and distinguish these from broader based Defined Employment Areas (DEA).
- 2.35 The SPG also highlights that although strategic policy shouldn't cover other individual small sites, such sites can cumulatively have a strategic importance in meeting industrial needs and other needs (where surplus to demand). A co-ordinated approach to managing their future is therefore

required. Boroughs should develop policies to manage release and in doing so they should take account of local assessment and the criteria in Table 2.1 below.

- 2.36 Criteria for justifying the retention or release of sites in industrial use are split into general economic criteria, land use criteria and demand criteria. The aim is that boroughs seek to retain sites that are functionally most important for industrial users. The criteria should be used in conjunction with the broad guidance in the SPG on release of land that it identifies for each borough. In Hackney's case this is the guidance on the limited transfer of sites.

Table 2.1 – Criteria for Assessing the need for retention or release of sites

Economic Criteria	<ul style="list-style-type: none"> ○ Meets demonstrable local short term demand for industrial development, and / or strategic long term demand ○ Offers potential for the in-situ expansion of existing industrial business ○ Supports local or strategically important clusters of industry ○ Meets demand and addresses particular needs of waste management, recycling, energy, transport and utilities and enabling waste to be managed in one of the nearest appropriate installations ○ Meets demand for new or emerging industries ○ Is well located to take advantage of existing or proposed infrastructure or economic development / regeneration funding ○ Offers potential for the provision of small industrial units serving local residential and commercial areas, particularly where there is little alternative provision in the local area ○ Is needed to accommodate provision for transport in terms of Mayoral guidance on provision for transport and safeguarding river related uses ○ Provides lower cost industrial accommodation suitable for small, start up, or lower-value industrial uses or other industrial related businesses important to the local economy
Land Use Criteria	<ul style="list-style-type: none"> ○ Well located in relation to the strategic highway network or local highway network, in particular causing minimal traffic impact in residential areas ○ Well located in relation to rail, river or canal network including inter-modal rail heads and safeguarded wharves, offering potential for transport of goods ○ Located within or adjacent to a town centre or the CAZ, recognising PPS6 and PPG13 promote high trip generating uses at such locations ○ Well located in relation to public transport facilities, recognising that many industrial activities have relatively low trip generation and that other land uses (such as office, leisure and retail) may be more appropriate in locations with high public transport accessibility ○ Is part of a larger existing industrial activity, or area designated for industrial protection, where re-designation of the industrial site would alter the industrial character of the area or inhibit the operations of nearby industry ○ Offers potential for 24 hour working, or offers facilities for 'bad neighbour uses' without detriment to residential amenity ○ Offers potential for waste management or recycling ○ Offers potential for space intensive activities which don't fall within the ambit of this SPG and would not, in this location compromise wider planning objectives ○ Provides sufficient space for adequate operational parking and turning space for goods vehicles
Demand Criteria	<ul style="list-style-type: none"> ○ The site has been adequately marketed through a commercial agent at a price that reflects market value for industrial use for a reasonable period (normally at least 2 years) and with potential for industrial redevelopment where this is required to meet the needs of industrial uses. ○ The site has been vacant for a considerable period (normally at least 2 years up to 5 years in areas of generally strong demand) without realistic prospect of industrial re-use

- 2.37 Guidance on the logistics and warehousing markets identifies there is a need for an efficient logistics system and supporting infrastructure to enable distribution of goods to, from and within London in order to sustain economic growth. Although most additional demand for logistics space is anticipated to be in the North East, South East and West Sub Regions it is recognised that there is also a need to retain some 'just in time' logistics in proximity to the CAZ. The SPG identifies key logistics property markets, one of which is the central services circle, the east of Hackney is identified within the central services circle, and therefore will have some role to play in this type of industrial provision.
- 2.38 SPG 5 provides guidance on logistics and warehousing. In implementing the Mayor Further Alterations to the London Plan, boroughs should take account of the market areas identified in the SPG and also accommodate smaller scale logistics, warehouse, and storage facilities within the SILs and LSIS in line with strategic road capacity. Provision on industrial sites outside SILs shouldn't compromise the local environment, access or road capacity or broader concerns to secure intensification at appropriate locations.
- 2.39 Guidance on mixed use re-development of industrial areas is provided in section 8 of the SPG. London Plan Further Alterations (2008) policy 3B.4 underlines that the prime purpose of SILs and LSIS framework as is to ensure an adequate stock of industrial capacity. Redevelopment for higher density mixed uses through consolidation of SILs or LSIS must not compromise their offer as the main strategic reservoir of industrial capacity. Inappropriate development can compromise the offer of sites as competitive locations for industry, transport, logistics, utilities or waste management, particularly in areas where industrial capacity is in short supply. Mixed use should therefore only be supported where the objectives of the London Plan Further Alterations are supported.
- 2.40 In planning for industrial land, boroughs should have regard to the potential for surplus industrial land (as defined in assessments) to help meet strategic and local requirements for a mix of other uses such as housing and social infrastructure, and where appropriate, contribute to town centre renewal. It is anticipated that most industrial land that will be identified as surplus will be in smaller sites outside SILs and LSIS.
- 2.41 The SPG sets out that mixed use should be focused near to public transport nodes or town centres. Good public transport is an essential pre-requisite for intensification and mixed use.
- 2.42 The SPG identifies the types of use that would be suitable on mixed use developments, housing, including affordable housing are the key priorities. Leisure, retail, social infrastructure and other town centre uses will be appropriate if mixed use development can be integrated with broader proposals for town centre renewal. However other than to provide small scale, local convenience services, retail and leisure uses will not be appropriate outside town centres.
- 2.43 In implementing policies 2A.10 and 3B.4 of the London Plan Further Alterations, SPG 8 provides further guidance for boroughs, stating that they should:
- Consider through local assessment, whether industrial areas with good public transport accessibility, especially those within or on the edge of town centres would be appropriate for industry led, higher density, mixed use re-development. The redevelopment should not lead to significant net loss of industrial capacity, or compromise the offer of the wider area as an industrial location.
 - Focus consolidation through this process on the periphery of SILs especially where there is a barrier separating the area from the rest of the SIL
 - Establish robust and sensitive industrial relocation arrangements to support redevelopment where necessary;
 - Where necessary, improve the provision of small scale, 'walk to' amenities and services including crèches, which serve the needs of people working within industrial areas.

- 2.44 The need to provide a range of workspaces of different types, sizes and costs to meet requirements of different sectors of the economy is recognised in London Plan Further Alterations policy 3B.1. Adequate provision of a range of types of premises is particularly important for entry, survival and expansion of SMEs. Policy SPG 10 seeks to protect viable industrial sites that can accommodate small industrial units suitable for start ups and SMEs.

Lower Lea Valley OAPF (January 2007)

- 2.45 The Opportunity Area Planning Framework sets out the regeneration strategy for the Lower Lea Valley. The Valley covers an extensive area. The Valley is the main focus of the location of the London 2012 Olympic and Paralympic Games. The London Borough of Hackney constitutes 6% of the LLV Opportunity Area with 79 hectares.
- 2.46 The LLV RS assessed the potential for industrial land release and restructuring in the context of London Plan guidance on sustainable levels of industrial land release within the East London region to 2016. It was determined that the LLV has the potential to release a maximum of 173 hectares of industrial land from 2005 to 2016 for other uses. Within the London Borough of Hackney it was considered that approximately 30% (10ha) of industrial land could be released for other uses, such as new green space.
- 2.47 The LLV seeks to maintain a concentration of mixed use industrial and commercial activities in a 'corridor' along the centre of the valley. The southern and eastern parts of the sub area of Hackney Wick are located within a Strategic Employment Location. The LLV identifies that the cluster of specialised industrial activity at Hackney Wick for printing, food, and creative/cultural should be protected and promoted by the GLA and the boroughs.
- 2.48 The Hackney Wick Area in the Lower Lea Valley SPG (July 2004) outlines the key elements for regenerating the area as follows:
- The majority of development would comprise B1 (business), B2 (general industrial), D1 (non residential institutions), and D2 (assembly and leisure), with a limited proportion of C3 (dwelling houses);
- Employment generating development is sought for the north east, south east and south west of the area. A key objective is to secure some uses of regional, national and even international significance, thereby fulfilling the employment potential of this significant site. B2 (general industrial) development in the area should be of a high quality, and be a demonstrably "good neighbour" use. B8 uses (storage or distribution centres) would be excluded from the area due to their limited impact on employment generation;
- Transport infrastructure improvements, especially to the quality and frequency of the North London Line service to Hackney Wick, alongside station improvements, will be needed to support the new developments and improve access from the area to London's transport network;
- Where reconfiguration of Metropolitan Open Land (MOL) and common land is proposed, it is expected that re-provision will comprise a net gain in MOL accessible to the community.
- 2.49 The OAPF states that 'In Hackney Wick the 2004 Olympics and Legacy Planning Permission (O&LPP 2004) proposed 52,666 sqm industrial floor space (Classes B1b, c, B2 and B8) and 51,757 sqm office space (B1a), focussed on Legacy use of the International Broadcast Centre /Main Press Centre (IBC/MPC). In addition to the 2004 O&LPP outputs further development around Hackney Wick Station could provide up to 3,600 sqm office space and 4,000 sqm of retail space (Class A1 and A3) in the form of a new local centre. Future masterplanning work will be needed to test the viability of retail and office proposals and should ensure that the viability and vitality of existing centres is not undermined'.

- 2.50 It should be noted that the final planning application for the Olympic development at Hackney Wick supercedes these initial estimates in the OAPF, with proposals for the development of the International Broadcast Centre (64,000sq.m of B1c) and the Main Press Centre (31,680sq.m of B1a).
- 2.51 The OAPF continues with 'Post-Olympics employment activities should aim to reintroduce specialised industrial activity and encouraging new and emerging industrial sectors. Industries should investigate use of the waterways as a transport route for the delivery and transshipment of suitable waterborne materials. New commercial activity should also be introduced as part of mixed use redevelopment. Mixed use development should not incur a net loss of industrial capacity. Industrial floorspace suggested to the west of Waterden Road should be designed in such a manner to ensure permeability and accessibility between residential uses in this sub-area and open space to the east of Waterden Road'.

London Industrial Land Release Benchmarks (April 2007)

- 2.52 This study is one of six commissioned by the GLA in 2006, to consider industrial land across London: it is the central study that draws together the different strands of research and provides recommendations for the protection of or release of industrial land across London. The study had four objectives:
- Update indicators and objectives for demand for industrial land in light of new employment projections and recent GLA research;
 - Update supply side estimates based on new information on total stock, trends in provision and changes of use;
 - Provide quantitative sub regional indicators on future release and retention of industrial land; and
 - Provide advice or qualitative indicators for management of industrial land for all London Boroughs.
- 2.53 Baseline data on the existing stock of industrial land within the study area is from various sources, including existing borough employment land reviews. For the North Sub region (which Hackney was in until the Draft Replacement London Plan was published in 2009, where it reverted back to the East sub region) there were 329 ha of built on land for industry, and 410 ha of built on land for warehousing a total of 738 ha. By 2006 this declined to 667 ha in total. The North sub region was the only sub region to decline in warehousing, London as a whole increased. Hackney had a total area of industrial land of 105ha in 2001, which was split equally amongst warehousing and industry. This figure had declined by 2006 to 87ha, with 51 ha of built on land for industry and, and 35 ha for warehousing.
- 2.54 The study identifies vacant industrial land for 2001 and 2006. London as a whole has seen a reduction on vacant industrial land of 185ha over the period 2001-2006. In North London, the amount of vacant land reduced by 32ha from 139ha to 107ha. Hackney followed the sub regional trend with a reduction of 6ha from 20ha in 2001 to 14ha in 2006.
- 2.55 In terms of demand the report uses projected changes in 'general industrial' or 'manufacturing' activities with employment densities to project change in demand for land required by general industry. Employment in this sector is projected to decline overall in London resulting in a release of 934ha 2006 to 2026.
- 2.56 Although traditional uses of industrial land are projected to decline, there are growth sectors. During the period 2006-2026, logistics will require a further 461ha of land, and waste and recycling facilities will require 251ha, there will also be an need for a further 12 additional bus depots throughout London (12ha). In addition to the decline in general industrial and manufacturing, there is a planned restructuring of wholesale markets which would require the

release of 8ha of land. Overall these projected levels of demand suggest there would be a net loss of 254ha of industrial land between 2006 and 2026. The predicted growth in logistics and waste sectors has implications for Hackney. When combined with the recent contraction of industrial land (as identified above), this would suggest that any future release needs to be carefully managed.

- 2.57 Demand will impact on sub-regions in different ways with surplus supply in some areas and supply constraints in others. The study therefore reviews the characteristics of the different property markets within London. Six property markets are identified, these include the Central Services Circle, parts of which are located in Hackney. The Central Services Circle is more fragmented than other market areas and is under threat from other land uses.
- 2.58 The Central Services Circle is described as pockets of industrial activity within central London. Businesses often provide essential service support to employment markets in the West End and City of London. Stock is varied with much old and multi storied premises, there are few industrial development opportunities.
- 2.59 The study identifies key findings for the Central Services Circle: the proportion of demand from logistics/warehousing is about 90%; demand for units of less than 2000 sqm floorspace is 'steady', for units of between 2,000 and 10,000 sqm demand is 'strong' and for units over 10,000sqm demand is weak; typical prime rents are £108-£160 per sqm.
- 2.60 The degree to which current and future demand is transferable, within, and between property markets has been assessed within the study. For the Central Services Circle there is only limited potential for migration of demand from other property markets, whereas migration from the Central Services Circle to other property markets is seen as probable for the Thames Gateway, Lea Valley and Croydon / Wandle Valley. In particular this could be the case as price pressures push existing and potential occupiers towards the western end of the Thames Gateway.
- 2.61 Balance between supply and demand projections for industrial land is an important element in deriving the industrial land release benchmarks. It is recognised that provision of warehousing in inner north London boroughs is declining and is likely to continue to due to market forces, as high value of alternative land uses is encouraged. However the Central Services Circle provides essential services support to employment markets in the West End and City. If a permissive approach were taken to land use change in this area, its likely goods would need to be delivered from further away, resulting in increased road use and congestion. As a result where projecting current demand trends would mean too much land being lost, projections have been amended so that sufficient supply is maintained and sustainability objectives are factored in.
- 2.62 Benchmarks have been derived by looking at a number of factors, existing vacant land, future demand for industrial land, property market and scope for transfer of demand within and between market areas, vacancy, intervention in the Central Services Circle to safeguard industrial land and regeneration programmes including 2012 Olympics and Paralympics, and Lower Lea Valley opportunity area Planning Framework. The benchmarks for North Sub Region set out that 188ha should be released 2006 to 2026, as illustrated in Table 2.2 below..

Table 2.2 – Estimated Industrial Land Release for North Sub-Area (2007)

Period	Land Release (ha)
2006-2011	54
2011-2016	49
2016-2021	44
2021-2026	40
Total	188

- 2.63 Future policy designation and guidance in London is based on the analysis provided in the study. Hackney was recommended to remain within the limited transfer category (which it was originally placed in as part of the Draft Industrial Capacity SPG in 2003), an approach which was reinforced by the later Industrial Capacity SPG 2008 (see above) which also recommended the same classification. Full details of what the limited transfer category means for industrial land release policy are set out in para 2.31

Demand and Supply for Logistics in London (2007)

- 2.64 The Greater London Authority (GLA) commissioned URS to research London's logistics sector, project demand for warehouse land through to 2026 and put forward recommendations on a strategy for accommodating demand in a sustainable and efficient manner. Hackney is located in two the major property market areas, including the Lea Valley and part of the Central Service Circle.

Lea Valley

- 2.65 The Lea Valley is identified as major industrial property market area which stretches from Tower Hamlets north through Hackney, Tottenham, Edmonton, Enfield in a corridor. The area is currently witnessing major regeneration and redevelopment associated with London 2012 Olympics and Paralympics, which is likely to reinforce the demand for 'servicing' property in this area.
- 2.66 The total stock of industrial floorspace has reduced in the area over the last decade, although overall demand has been growing more recently. The range of buildings in demand is between 100m² and 30,000m² for logistics, with a particular focus in the 2-10,000m² range. Overall, demand is probably 85-90% for logistics activities with an annual take up of 50-75,000m². There is also a shortage of sites above two hectares, especially for logistics use in the north, as well as a shortage of buildings over 5,000 m² (new or modern) throughout the area. The take-up is approximately 70-100,000m² per annum. It should be noted that these estimates of demand are for the wider Lea Valley property market area and do not necessarily relate to the entire Borough. The demand for larger premises should also be balanced against the demand from other sectors and from SMEs

Central Service Circle

- 2.67 The Central Service Circle, which includes part of Hackney, provides a service market to the employment market in the West End and the City of London as well as parts of the Docklands. There has been a significant reduction in the overall industrial floorspace base in this area.
- 2.68 Service orientated occupiers preference this area and have an interest in securing new single storey property space. There is demand for all property sizes ranging from the very small (railway arches) to two hectares/5,000m² units, principally for document storage, stationery and retail support activity, from both existing operations in the area and new business set-ups. Overall, demand is probably 80% for logistics activities with a take-up of approximately 20-40,000m² per annum.
- 2.69 The URS property market analysis highlights the importance of inner London boroughs to servicing the demands of central London (Central Service Circle).
- 2.70 The pressure for land use change tends to be greatest closer to the central areas, and it is considered important that the planning system recognises and protects the role that warehousing land in the inner London boroughs plays in servicing the demands of central London.

The Mayor's Economic Recovery Action Plan (2008)

- 2.71 The Mayor's Economic Recovery Plan published in 2006 details the Mayor's action plan to ensure London's economy is well placed to ride the current economic turbulence the capital is experiencing. The Plan is designed to specifically to assist businesses, with the London

Development Agency investing a total of £23.4 million strengthening its advice program and expanding schemes helping SMEs to access finance. The scheme supports small and medium businesses that are struggling to secure finance during the recession and is fully focused on helping businesses retain jobs and support job creation in the capital.

Olympics Legacy Masterplan

- 2.72 As part of the Legacy Masterplan Framework (LMF), Olympic Arc Plans are being developed in conjunction with the overall Olympic Legacy Planning programme for each of the five areas that frame the Olympic Park (Stratford, Hackney Wick, Leyton, Fish Island, and Bromley by Bow), which aims to provide a sustainable legacy for local people and businesses. The LMF is a framework for the entire Olympic Park in Legacy. It will be an outline planning application and as such will have no policy weight. It should be noted that the outline planning application will relate to a land area of 246 hectares, which is greater than that of the three emerging masterplans.
- 2.73 A masterplan is currently being developed for Hackney Wick and Fish Island which aims to intensify existing industrial areas, improve accessibility in the area and make better use of the area's waterways. The masterplan is planned for the end of 2009, which will form the basis of an outline planning application that is due to be submitted in 2010. The Masterplan will clearly set out the future vision for the area and address the following core objectives:
- Achieving intensified industrial areas (which will set new standards for modern, well designed industrial areas and provide a diverse range of employment opportunities);
 - Addressing existing barriers to movement, including the North London Line Viaduct, the River Lea and the A12 to improve pedestrian and cycle access.
 - Harnessing the benefit of the area's waterways;
 - Creating linkages to, along and across the River Lea Navigational Cut and promoting development which maximises the potential of its riverside setting;
 - Creating a strong and distinctive neighbourhood hub around the existing Hackney Wick Station, (promoting mixed, active, high-density uses and looking at opportunities for introducing local retail and community infrastructure provision);
 - Successfully knitting together the urban fabric of the study area, for example Victoria Park to the Greenway;
 - Improving accessibility by providing the necessary local and strategic linkages within and outside the study area;
 - Develop high quality design principals to guide new development and promote preservation and enhancement of buildings of heritage significance
- 2.74 The future sustainability and development of the creative and cultural sector in Hackney is under threat from Olympic driven regeneration. The Artists' Studio Provision in the Host Boroughs report (December 2008) provided a review of the potential impacts of the London Olympic Projects on studio buildings and groups within the Olympic Arc areas. According to the report, Hackney has the highest concentration of the host boroughs' studio groups and studio buildings, with 52% of buildings, 36% of units. However, regeneration and development activity related to the Olympic project has resulted in higher rents placing property pressures on existing practitioners and organisations and reduced the amount of affordable space available to new creative businesses.

Local Policy Context

Core Strategy Proposed Submission (June 2009)

- 2.75 The Hackney Core Spatial Strategy Proposed Submission was published in June 2008 and addresses growth requirements, in terms of employment and housing provision for the borough up to 2025. Following public consultation (29th June – 7th August 2009) the document is subject to an Independent Examination by the Inspectorate which is planned for February 2010.
- 2.76 Hackney loses a significant amount of employment generating land to other uses, mainly residential including the provision of live-work units which the Council no longer supports. Currently the type of employment space that the borough can provide does not meet the needs of existing companies and businesses.
- 2.77 The recent shift away from traditional manufacturing and warehousing firms operating in employment areas towards service industries, in particular creative, arts, tourism and leisure has created an acute need for affordable employment and managed workspace for micro, small and medium companies in the borough.
- 2.78 One of the most relevant strategic objectives concerning employment in the Core Strategy outlines the need to:
- 'Make the borough one of London's most competitive and affordable business destinations by supporting the main growth areas to attract a distinctive mix of enterprises through providing a quality environment around industrial locations and ensuring all employment areas offer high quality, affordable units.'*
- 2.79 Policy 1(Growth Locations) highlights the key growth areas for economic development are identified as:
- Dalston Town Centre as a focus for retail and commercial activity;
 - Hackney Central as a focus for civic and cultural activity;
 - Shoreditch as Hackney's part of London's Central Activities Zone;
 - Hackney Wick as a neighbourhood of employment led mixed development that maximises Olympic Legacy opportunities.
- 2.80 Policy 3 (City Fringe: Shoreditch) supports the growth and vitality of Shoreditch's key economic sectors, including cultural, leisure and creative activities and supports activities in the City Fringe that serve London's financial and business sectors and those activities in the City Fringe which directly serve these sectors.
- 2.81 Policy 5 (Hackney Wick New Community) seeks to secure significant investment for employment led mixed use development , which will take account of strategic industrial and priority employment designations and Olympic Legacy opportunities.
- 2.82 The Core Strategy seeks to encourage economic diversity, support existing businesses and business development by facilitating the location of micro, small and medium companies in the borough and this is supported by policies 16, 17 and 18.
- 2.83 Policy 16 (Employment Opportunities) promotes the development of education and other training facilities within existing or future employment clusters and areas of high unemployment to facilitate employment and access to the predicted 18,000 new jobs to be created in Hackney.
- 2.84 Policy 17 (Economic Development) encourages the regeneration of sites for employment generating uses, development of employment clusters and mixed use development with a strong employment component. Within Priority Employment Areas (PEAs) the preferred mix of employment land use classes are business (B1), hotels (C1) and non-residential institutions (D1).

Hotels and Non-Residential Institutions will only be allowed in PEAs with a PTAL score of 5 or above or PEAs adjacent to identified town centres. Strategic Industrial Locations are the preferred location for general industry (B2) and distribution (B8 uses).

- 2.85 Policy 18 (Promoting Employment Land) supports the protection of employment floorspace or floorspace last used for employment purposes anywhere in the borough. Redevelopment of existing employment floorspace needs to contribute to addressing worklessness within the borough, improve quality and uptake of existing employment floorspace, improve the surrounding area and meet the identified needs of businesses within the area.

Phase 1 Hackney Central, Dalston and Draft Hackney Wick AAPs

The Area Action Plans for Hackney Central, Dalston and Hackney Wick sets out the Council's plans and proposals for land use, physical development and environmental improvements in these areas.

Hackney Central Area Action Plan (Phase 1) - Masterplan (November 2009)

- 2.86 The Phase 1 AAP adopted by Cabinet and Council in November 2009 is a flexible, strategic planning document which sets out the strategic framework for the regeneration of the Hackney Central town centre. Phase 2 of the AAP will be developed after the adoption of the Borough's Core Strategy through further public participation which will proceed to formal DPD submission, examination and adoption stages.
- 2.87 The Phase 1 AAP supports the provision of B1 use-class employment. The Hackney Central Phase 1 AAP aims to provide B1 employment space in various locations across the AAP area as part of a mix of uses on a number of the identified opportunity sites. These are principally located at the bus garage site, Florfield Road, and Sylvester Path.
- 2.88 Policy 6.2 (Employment Provision) indicates that proposals for commercial/employment space within Hackney Central are required to provide B1 workspace and/or alternative employment space that will directly support the following priority sectors:
- Cultural and creative industries;
 - ICT, design and interactive media technologies;
 - Finance and business services;
 - Public services, including government, education, health and social care; and
 - Transport

Dalston Area Action Plan (Phase 1) (AAP) (November 2009)

- 2.89 The Phase 1 AAP adopted by Cabinet and Council in November 2009 is a flexible strategic planning document which sets out the basis for shaping the regeneration of Dalston town centre. Phase 2 of the AAP will be developed after the adoption of the Borough's Core Strategy through further public participation which will proceed to formal DPD submission, examination and adoption stages. The area north of Dalston Lane, around Tyssen Street is identified as a Priority Employment Area.
- 2.90 Policy DTC 06 – Employment Provision and Priority Employment Area, identifies that within the designated priority employment area, development should result in a general uplift of employment-generating floorspace or site area. Site development within this area will

therefore be required to provide B1 workspace and/or alternative employment space that will directly support the following priority sectors:

- Cultural/creative, community and third sector industries;
- ICT, design and interactive media technologies;
- Finance and business services;
- Public services, including government, education, health and social care; and
- Transport

- 2.91 These uses should not displace shops or any other A use. Workspaces that incorporate individual unit sizes of between 50 and 250sq.m will be favoured to provide accommodation for Small and Medium-sized Enterprises (SMEs)

Hackney Wick Area Action Plan (AAP)

- 2.92 The Council is currently developing a Masterplan for Hackney Wick. An initial informal consultation exercise was carried out in May 2008 and the Masterplan has undergone formal consultation from December 2009 to February 2010. The Masterplan is currently scheduled for adoption as an Interim Area Action Plan (Phase 1) in late 2010. Key principles of the masterplan are to:-

Improve accessibility by providing local and strategic links within the study area, as well as addressing existing barriers to movement;

Provide a high quality public realm and open space network based on a clearly defined hierarchy of linked open spaces;

Create a distinct new urban quarter ensuring development is at an appropriate height, scale and grain for this part of the borough;

Cater for a balanced mix of uses, integrating the new local centre or hub into the area, with intensification where appropriate of other uses, and provision of space for the creative and cultural industries.

A Strategic Approach to Inward Investment Strategy (draft, 2009)

- 2.93 Hackney's Local Strategic Partnership commission Invest in Hackney to investigate how inward investment and business retention activity can be utilised to drive forward the Borough's economy. The following sectors were identified as key drivers for the local economy:

Servicing for the City: Financial and business services, property services, legal services, print and publishing, entertainment, office supplies, events and seminars, office cleaning, catering, facilities management/repair;

High Value Manufacturing;

Retail;

Hospitality and entertainment, including the visitor economy and hotel development;

Creative sectors

- 2.94 The following geographical locations were identified as areas of opportunity in relation to particular sectors:

Shoreditch: servicing the city comparison retail, hospitality and entertainment, creative industry and high value manufacturing;

Dalston: servicing the city, convenience retail, hospitality and entertainment and creative industry;

Hackney Central and Broadway Market: comparison and convenience retail, hospitality and entertainment, creative industry and high value manufacturing;

A10 Corridor and Kingsland Basin: servicing the city, hospitality and entertainment.

- 2.95 The commercial property portfolio needs to be developed to accommodate the target sectors and support business and economic growth in the borough, as follows:

The borough needs appropriate A class land to develop, retail, hospitality and leisure and some city services and social enterprises;

B1 Planning permission is required for the target sectors of Social Enterprise and some servicing the city functions, creative functions, financial and professional services;

Industrial space is required to accommodate the high value manufacturing;

C1 uses will be required to increase the provision of Hotels.

Hackney Borough Profile 2006

- 2.96 The Hackney Borough Profile produced by the Hackney Strategic Partnership provides key economic data about the borough. Hackney is within the inner east London region, where growth has remained stable but GVA level is almost half of inner west London.
- 2.97 Hackney suffers from higher levels of unemployed and economically inactive people in comparison to London as a whole. The 2005 Labour Force Survey calculated that Hackney's unemployment level of 11.9 per cent was the fourth highest in inner London (over Southwark, Tower Hamlets and Lewisham which had over 12 per cent). Hackney fell behind boroughs, such as Islington, Camden and Wandsworth, which achieved rates of 6.8%, 6.6% and 4.9% respectively.
- 2.98 In 2003 Hackney provided 10.7 per cent of industrial/warehousing floorspace in the east sub-region of London. Since then there has been a decrease in factory and warehouse space between 2000 and 2003 totalling 17.6 per cent and constituted the largest decrease in the region reflecting the changing nature of the economy.
- 2.99 The long term decline in traditional manufacturing industry has been replaced by growth in the service sector, within real estate, renting and business activities, which makes up 37.6 per cent of industry. There has also been growth in education, health and social work, and community, social and personal services although these occupy a small share of the economy.
- 2.100 Hackney's economy is dominated by smaller and medium enterprises (SME's), which makes up 88.7 percent. The area has few large employers with only 0.5% employing more than 200 people and medium sized firms of 11 – 49 people only constitute 8.49% of employers.
- 2.101 The largest share of commercial buildings was occupied by retail at 37%, the second and third largest occupiers of commercial space are factories (29%) and offices (12%). Warehouses constitute the smallest component at only 12% of commercial premises (*source: Rateable value statistics ODPM 2004*).

Review of Live-Work Policy in Hackney 2005

- 2.102 The London Residential Research (LRR) was commissioned in November 2004 by the London Borough of Hackney (LBH) to review live-work policy in Hackney. The Live-Work Scheme proposed the idea of combining commercial and residential uses to stimulate local employment. The scheme encouraged the development of flats large enough to accommodate adequate workspace.

- 2.103 The Council revoked its guidance on live-work developments in 2003 following a review, which revealed that a significant amount of employment generating land was being lost to the live-work unit scheme. A high proportion of live-work units were found to be ‘wholly residential’ in nature and as there was no obligation for schemes to include affordable housing, developers were using it as a means to obtain approval for residential development without building more affordable housing. As such the scheme was resulting in the loss of employment generating land.
- 2.104 The Review of Live Work Units recommended that in place of schemes led by a live-work component, negotiation should take place with the applicant to achieve mixed use schemes that incorporate ‘pure’ employment and residential uses. This approach would secure some genuine employment use, alongside residential development and affordable housing and lead to a broader regeneration effect.

Creative Hackney 2006

- 2.105 The Creative Hackney – a new cultural policy document sets out the framework within which cultural activities and the cultural and creative industries contribute to the wider social and economic drivers within the London Borough of Hackney.
- 2.106 Hackney is well known for its creative industry clusters, with its cultural quarter in Hackney Centre, publishing and printing businesses in Dalston and galleries Hoxton/Shoreditch. The cultural and creative sector is a significant part of Hackney’s economy accounting for roughly 10% of employment in the Borough and almost 13% of businesses.¹ However, many of these businesses operate as small and medium enterprises (SMEs), which are contrary to the traditional economic growth model.
- 2.107 A key strategy to aiding the development and support of the cultural and creative sector is through the establishment of strong networks and partnerships, which brings together cultural organisations into forming creative clusters.
- 2.108 The key cultural clusters have been grouped as theatre/performance, literature, heritage, music, film and media, carnival, heritage/literature, and the visual arts. The strategy supports the development of these clusters, which in turn supports smaller emerging creative industries and boosts the economic performance of the creative and cultural sector in Hackney.

Study of Small Business Workspace Provision in Hackney (2006)

- 2.109 The Study of Small Business Workspace Provision in Hackney was commissioned to provide evidence based concerning the demand and supply of B use class workspace for SME’s, which could support the borough’s economic development. The study identified a property market imbalance between the demand and supply of small business workspace of a suitable quality across Hackney.
- 2.110 There is growing demand from micro and small professional and business services, media and design related businesses for securing workspace in South Shoreditch, which is closely located to the large customer bases in the City and the West End.
- 2.111 There is identified shortfall in the availability of good quality units below 93 sqm for offices, studios and light industrial use across the borough. South Shoreditch is the area where demand for this type of premises is concentrated.
- 2.112 Professional and business services and the creative sector micro-businesses are being attracted to Dalston and Hackney Central. Whilst this represents a small level of demand, the provision of appropriate managed workspace would attract more businesses to the area.

¹ The Economic Impact of the Cultural Sector in Hackney, Burns Own Partnership, 2005

- 2.113 There is a considerable over-supply of intermediate sized B1 units (93 – 929 sqm), particularly in South Shoreditch. Premises often remain vacant due to high price levels, inappropriate size, quality, type and location.
- 2.114 Live work schemes are considered inadequate in satisfying small businesses as they too expensive.
- 2.115 The Study sets out a number of recommendations to address these issues some of which include:
- Policies should support employment uses within areas where there is a prominent demand for workspace;
 - Developers should reconfigure space (e.g. subdivision) to make it more suitable for SME's;
 - Development sites in highly concentrated residential areas could be released from employment uses, provided that contributions towards re-provision are made where appropriate;
 - Workspace schemes should be initiated in South Shoreditch, Dalston and Hackney Central.

Tower Hamlets Core Strategy (Proposed Submission Version) September 2009

- 2.116 The Proposed Submission version of the Core Strategy sets out the borough's spatial strategy to 2025. The Core Strategy document was consulted upon from 14th September to 26th October 2009, and will be subject to independent examination before its adoption in 2010.
- 2.117 Policy SO25 identifies a number of Local Area Partnership Schemes that are focused on creating locally distinctive and well designed places. Fish Island which is closely associated with the Hackney Wick area is set for major regeneration. Fish Island North is to undergo a mixed-use, heritage-led regeneration which will form part of the wider Hackney Wick Area. A mix of uses will be provided, including commercial, work-spaces, residential and leisure and the development will be set around a transport hub and new neighbourhood centre at Hackney Wick.
- 2.118 There is significant opportunity to regenerate Fish Island, in association with the Olympic Park Legacy Phasing Plans. Its close proximity to the new Olympic media centre is expected to attract new business to the area, which could enhance the small and medium enterprise cluster. In addition, there is opportunity to re-engage with the network of waterways and the new Lea River Park.

Key Messages

- 2.119 Following the appraisal of key strategic policy advancements since the publication of the 2005 report, the core messages for Hackney are summarised below:
- Draft PPS4 promotes a proactive and positive approach to planning for economic development. This includes making provision for a good range of sites (including mixed-use) for large and small businesses. In seeking to engender a more responsive and flexible approach to the provision of employment land, the draft PPS highlights that designating sites for single or restricted activities should be avoided.
 - The proposals for the Mayor's London Plan now place Hackney within the 'east' sub-region as opposed to the 'north' sub-region of London. The Central Activities Zone (CAZ) has also been expanded to include much of the southern section of Hackney, roughly up to around City Road and Hoxton Square.
 - The demand for office based employment floorspace for CAZ and north of the Isle of Dogs from the period 2011 to 2031 is estimated at a total of 175,000 units, which amounts to 2.25 million sqm. Policy 4.2 specifically relates to office development and supports the renewal and modernisation of the office stock in viable locations and urges boroughs to manage

changes of surplus office space to other uses. This is also supported by Policy 4.3 which seeks to encourage mixed use development and redevelopment schemes within CAZ.

The new version of the London Plan also introduces a new policy on the 2012 Games and their legacy. This supports the creation of a high quality and creative industry cluster at Hackney Wick, which would provide premises for local and global businesses. It is envisaged that this area would also provide strong technological infrastructure.

Further support for creative industries is outlined in Policy 4.6, which relates to enhancing the provision for arts, culture and entertainment industries. This replaces Alteration Policy 3B.8, which shares the same focus in supporting the designation and development of Cultural Quarters in order to new accommodate cultural and leisure industries, which will also assist in contributing towards regeneration.

Policy 2.17 addresses Strategic Industrial Locations and identifies in Table A3.1 that a part of Hackney Wick is considered to be a suitable location for an Industrial Business Park. Employment activities within these types of developments require quality surroundings in order to provide for research and development, light industrial and higher value general industrial uses. It is considered that development proposals for employment workspace should meet identified needs for small and medium sized enterprises (SMEs) or new emerging industrial sectors.

Developing London's diverse economy over the years to 2031 is a key focus of Chapter 4. Policy 4.1 seeks to encourage a sufficient and suitable provision of workspaces in terms of type, size and cost, supporting infrastructure and suitable environments to serve the needs of small and medium sized enterprises.

The Major's recently issued SPG on Industrial Capacity highlights that approximately 187 ha of surplus industrial land should be released to other uses in the period 2006-2026. Hackney is placed in the 'limited transfer' category which is the intermediate between the 'restrictive' and 'managed transfer' categories.

Whilst the SPG highlights that SILs represent the core reservoir of industrial land in London, it also identifies that Locally Significant Industrial Sites (LSIS) form an important part of overall supply in London. Boroughs may designate LSIS where industrial sites lie outside the SIL framework but where robust demand assessments and the criteria set out in the SPG show to warrant protection because of their particular importance for local industrial type functions.

The SPG highlights that provision of mixed-use development in LSISs is not a primary aim. Whilst mixed-use may not be completely excluded in LSISs, such proposals must be supported by policies in the London Plan Further Alterations (e.g. in close proximity to public transport hubs and peripherally located and dysfunctional parts of industrial sites).

The Lower Lea Valley OAPF determined that in Hackney approximately 30% (10ha) of industrial land could be released for other uses, such as new green space. Hackney Wick is identified as part Strategic Industrial Location (directly east of the River Lea) and part Other Industrial Location (generally to the west of the River Lea). The OAPF also promotes the development of its specialised cultural/creative clusters. The Hackney Wick SPG supports employment generating uses (mainly B1, B2 and D1) in the north east, south east and south west of the area.

The Hackney Wick masterplan, which forms parts of the Olympic Legacy Masterplan Framework aims to consolidate existing industrial areas, improve accessibility and make better use of the waterways in the area. In particular, specialised industrial activity and new emerging industrial sectors are encouraged as part of a mixed use development, though this should not incur a net loss of industrial capacity. However, the future sustainability of the creative and cultural industries in the area are under threat from such Olympic driven

regeneration, which has resulted in increased rents, reduced the availability of affordable premises that are suitable for smaller businesses.

The London Industrial Land Release Benchmarks study highlighted that industrial and warehousing land supply in Hackney decreased from 105ha in 2001 to 87ha in 2006: approximately 30ha of this was industrial, whilst the remainder was used for warehousing. Similarly, vacant industrial land in Hackney decreased from 20ha to 14ha in 2006. This compares well with the findings of the 2006 Employment Study for Hackney. Despite a fall in demand for general industrial and manufacturing activities, the study highlighted an anticipated increase in demand for logistics, waste and recycling facilities and transport depots. The study emphasised that Hackney has an intermediate supply of industrial land in Hackney and highlighted that the Borough has a role to play in supplying some small scale logistics and industry serving the CAZ.

The Demand and Logistics in London report locates Hackney in the major industrial property market areas of the Lea Valley and Central Services Circle. The proportion of demand for logistics/warehousing premises is 90% in the Central Services Circle and 85-90% in the Lea Valley. In particular, there is a strong demand for premises with a floor space between 2-10,000m² (and above 10,000m² in the Lea Valley) for logistics activities.

The Mayors economic recovery plan sets out a £23.4million investment strategy to increase support to small and medium sized businesses within the current economic turbulence. The scheme is fully focused on assisting businesses in retaining jobs and supporting job creation in London.

The Hackney Core Spatial Strategy Proposed Submission aims to encourage economic diversity, support existing businesses and business development by facilitating the location of micro, small and medium companies within Hackney.

The Strategy encourages the development of employment clusters and mixed use development with a strong viable employment component, with preference for B1, C1 and D1 uses, in Priority Employment Areas and B2 and B8 uses in Strategic Industrial Areas, Locally Significant Industrial Locations and Other Industrial Sites.

Economic growth centres are identified as Dalston Town Centre, Hackney Central Town Centre, Shoreditch, Hackney Wick and East London Expansion Growth Corridor. The Phase 1 Hackney Central and Draft Hackney Wick AAPs support the provision of B1 workspace for priority sectors (cultural/creative industries, ICT, design and interactive media technologies, finance and business services, public services and transport.)

A Strategic Approach to Inward Investment identifies the key drivers for the economy as servicing for the city, high value manufacturing, retail, hospitality and entertainment and the creative sectors. Opportunity areas were identified as Shoreditch, Dalston, Hackney Central and Broadway Market and the A10 Corridor and Kingsland Basin.

The Hackney Borough Profile identified that smaller and medium enterprises (SME's) dominate its economy. There has also been a marked decline in traditional manufacturing industry which has been replaced by growth in the service sector particularly amongst real estate, renting and other business activities (real estate, renting and business activities).

The Live-Work Scheme was revoked in 2003 as it was incurring a loss of employment generating uses. Following the review it was recommended that negotiation should take place with the applicant to ensure that mixed use schemes incorporated 'pure' employment and residential uses.

The Creative Hackney – a new cultural policy document seeks to encourage the development of cultural and creative sectors through the establishment of strong networks, partnerships and business clusters. These creative clusters assist in supporting smaller

creative industries, which in turn will lead to the boosting economic performance of the creative and cultural sector.

The Study of Small Business Workspace Provision in Hackney indicated that the property market is unbalanced, with a strong demand for small units (particularly in South Shoreditch) and an oversupply in large units which are vacant due to high prices and inappropriate size, type and location. The study recommended measures to address this imbalance through policies that secure employment space, reconfiguration of existing space to make it suitable for SMEs and encouraging managed workspace schemes in South Shoreditch, Dalston and Hackney Central.

3. Employment Projections

Introduction

- 3.1 This Section provides a series of quantitative scenarios of workplace employment in Hackney for the period up to 2025. Also provided are our estimates of the future demand for employment floorspace and employment land, which are derived from the employment forecasts. These concentrate on a broad SIC² definition of B-use classes, which are the subject of employment land policies as defined by the Use Classes Order (see Appendix A).

Sub-Regional Context: GLA Forecasts

- 3.2 The latest detailed GLA forecasts were published in February 2007³. GLA use a 'triangulated' set of employment projections to unify the results of forecasts undertaken under three different methods. These methods are:

Trend-based forecasts: Forecasts were undertaken by Volterra⁴ based on output and employment data for London up to 2004. To develop forecasts at Borough level, Volterra used trend-based Borough level forecasts for sectors which have historically accounted for 10 per cent or more of total employment in each Borough. A residual series then covered the remaining sector within each Borough. The sum of the Borough-level forecasts was constrained to match the trend-based forecasts undertaken at the overall level for London.

Transport accessibility forecasts: The forecasts, undertaken by Colin Buchanan and Partners⁵, investigate how employment may be distributed across London according to future changes in accessibility. Future transport infrastructure improvements, as set out in the Mayor's Transport Strategy, provide the key variables for the forecasts, which are constrained by the overall London employment forecast. Analysis was carried out at ward level and simply stated, increased accessibility allowed for increased densities and therefore more employment.

Site capacity forecasts: Forecasts were undertaken by RTP⁶ based on the additional amount of site capacity expected to come on stream in London boroughs before 2026. The forecasts were broken down by office, industrial and the rest of the economy (e.g. retail, hotels, leisure etc) and allowed for the change of use between employment land as sectors expanded and declined.

- 3.3 Appendix 1.3 of the Mayors Economic Evidence Base to support the public consultation drafts of the London Plan, Transport Strategy and Economic Development Strategy also set out updated employment forecasts. Details of the updated forecasts are expected in two forthcoming GLA Economic Working Papers.
- 3.4 Table 3.1 sets out the top level employment forecasts for Hackney, for both the detailed 2007 projections and the updated 2009 projections, as published by the GLA.

² Standard Industrial Classifications

³ Current Issues Note 13: Updated borough-level employment projections to 2026, GLA Economics (February 2007, Greater London Authority)

⁴ Working Paper 20: Employment projections for London by sector and borough, Volterra Consulting (February 2007, Greater London Authority)

⁵ Employment Projections Technical Paper 3, 'Employment, Growth and Distribution'; Colin Buchanan and Partners (GLA, October 2006)

⁶ Employment Projections Technical Paper 2, 'London Employment Sites Database, Technical Notes and Results'; Roger Tym and Partners (GLA, October 2006)

Table 3.1 – GLA Top Level Employment Projections for Hackney (Detailed 2007 Projections and Updated 2009 Projections)

	Employment numbers					Annual growth (%)	Total growth (%)	Annual growth (number)	Total growth (number)
	2006	2011	2016	2021	2026				
2007 Projections									
Trend based	103,000	108,000	112,000	115,000	119,000	0.72%	15.53%	800	16,000
Capacity based	103,000	107,000	112,000	116,000	121,000	0.81%	17.48%	900	18,000
Transport accessibility based	103,000	108,000	113,000	118,000	124,000	0.93%	20.39%	1,050	21,000
Triangulated projections: total employment	102,000	107,000	111,000	117,000	122,000	0.90%	19.61%	1,000	20,000
2009 Projections									
Updated Employment Projections 2009	90,000	95,000	99,000	104,000	108,000	0.92%	20.00%	900	18,000

Source: GLA

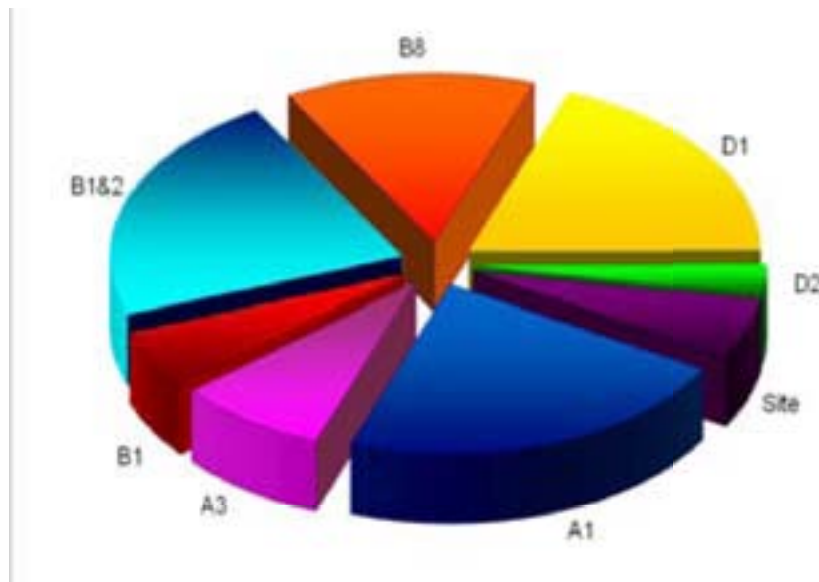
Invest in Hackney

- 3.5 Invest in Hackney produce a quarterly Supply & Demand report providing a snapshot of demand for and supply of various types of commercial properties in Hackney, using data collected from their database (Evolutive) and property enquiries. From data collected in the period 1st April to 30th June 2009 the following patterns have been identified.

Demand

- 3.6 The level of demand for commercial property remains at low levels, which could be attributed to current economic conditions. The recession has impacted upon the business community with many re-evaluating their demand for commercial property space. The majority of property enquiries have been for small spaces (less than 93sqm) suitable for start-up businesses in the key growth sectors of manufacturing, retail and hospitality industries, as identified in Hackney's Inward Investment Strategy. Managed workspace and artist studio providers are seeking to obtain more sites, predicting a rise in start-up businesses.
- 3.7 Figure 3.1 illustrates the number of enquiries by unit type for the first quarter of 2009-10.

Figure 3.1 – Enquiries by Unit Type (Q1 – 2009/10)



Source: Invest in Hackney

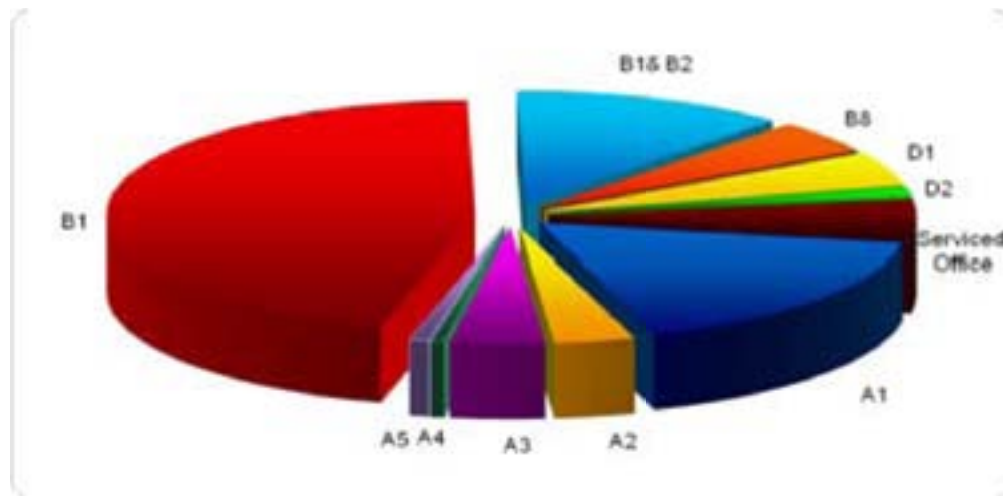
- 3.8 There has been a marked reduction in demand for B1 office space during the past year, with the only enquiries being received from non-traditional users, namely the artistic and creative industries who are attracted by the lower rents and potential for property conversion and renovation. This demand reflects the size of the creative industry and the borough's image as a creative destination.
- 3.9 There were enquiries in to hotel development in Shoreditch, the centre of the borough and to the east near the Olympic Park. This is supported in the Hackney Local Development Framework, which recognises the importance of C1 hotel development as employment generating space.

Supply

- 3.10 There are high levels of commercial space available, with the majority of space being B1 office space. Most of the supply is concentrated in and around Shoreditch and Hoxton.
- 3.11 Mixed use developments around the Kingsland Basin, along with the East London Line extension is likely to improve the viability of this area as a business destination.

3.12 Figure 3.2 illustrates the total supply by unit type for the first quarter of 2009-10.

Figure 3.2 – Supply by Unit Type (Q1 – 2009/10)



Source: Invest in Hackney

3.13 There is a low supply of A3 Restaurants and Cafes and A5 Hot Food Takeaway, D1 Non-Residential Institutions and D2 Assembly and Leisure spaces. The document considers that in mixed use development outside of primary commercial areas these use classes should be encouraged to rectify the shortfall.

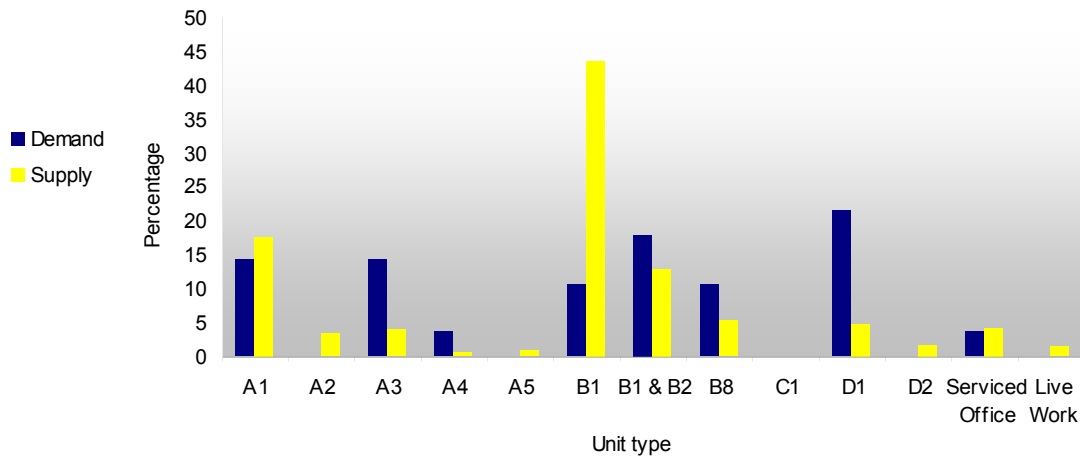
Demand and Supply mismatch

3.14 Figure 3.3 illustrates that almost 50% of the available properties in Hackney in the last quarter were B1 office type properties, whereas demand for this use class constitutes less than 15% of the enquiries received.

3.15 Demand for B1 & B2 light industrial space and B8 warehousing and storage outstrips supply, although a lot of this demand is not from the traditional users of this type of space, but comes from the artistic and creative industries because of the lower rents.

3.16 It is important to note when comparing supply and demand figures that Invest in Hackney's capture of total supply is more comprehensive than the capture of total demand. All available properties listed by major estate agents in the borough are listed by Invest in Hackney; however there is undoubtedly a significant proportion of commercial demand in the borough that does not come through Invest in Hackney.

Figure 3.3 - Demand – Supply Analysis by Unit Type



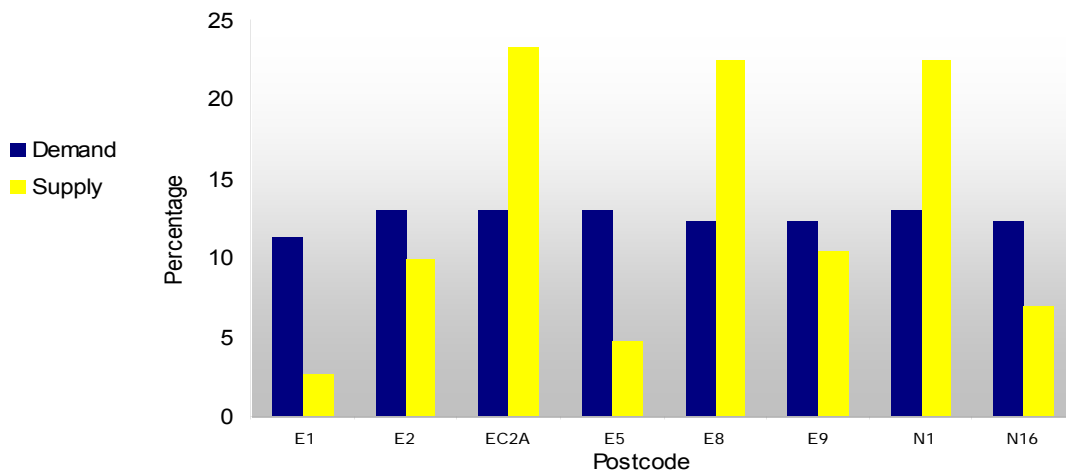
Source: Invest in Hackney

3.17 The transformation of Hackney Wick from the Olympic and private sector developments will attract more businesses to the area. There is also considerable potential for the development of a new East London Digital Media and Creative Hub, which could provide supporting development opportunities.

Demand by Location

3.18 Figure 3.4 illustrates the demand and supply of premises by postcode area for the first quarter of 2009-10. Appendix B provides a map which shows the postcode areas of the Borough.

Figure 3.4 – Demand Supply Analysis by Postcode (Q1 2009-10)



Source: Invest in Hackney

3.19 The figure shows Invest in Hackney do not see great differences between Hackney’s postcode areas in terms of the enquiries they receive for commercial property. Enquirers will generally request information on availability in all areas of the Borough, and as many of the enquiries come from community groups looking for D1 space, or smaller start-up type businesses, they are primarily looking for inexpensive space with location being very much a secondary consideration.

3.20 First choice demand for B1 type properties in the eastern and northern parts of the borough remains low but there is a growing interest in the E5 Clapton area of the Borough. The Shoreditch end of the borough continues to see more first-choice demand than other area, but demand for other areas is growing.

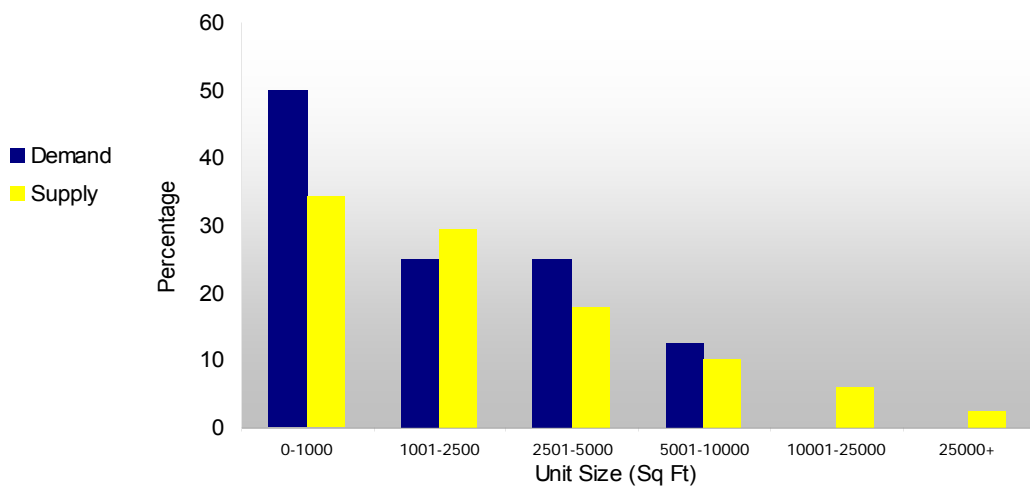
Supply by Location

3.21 While most of the supply is concentrated in and around Shoreditch and Hoxton, the supply of commercial property in other areas is steadily rising. The arrival next year of the East London Line Extension through Haggerston and on up to Dalston will add to the viability of the area as a business destination, and the completion of truly mixed use developments will enhance the Kingsland Road area by providing all of the amenities that are needed to support a business community, such as shops, restaurants and nurseries for example.

Demand and Supply of B1 units by Size

3.22 Figure 3.5 illustrates the supply and demand of B1 office space by unit size for the final quarter of 2008-09.

Figure 3.5 – B1 Office Space – Demand/Supply by Unit Size (Q4 2008-09)



Source: Invest in Hackney

3.23 The low level of demand seen last over the last two quarters has continued with the majority of the enquiries still being for small spaces for start-up businesses. Although there has been demand for larger sites for development purposes, Invest in Hackney have not received any enquiries for large scale office space.

3.24 The majority of the B1 space listed the final quarter of 2008-09 consists of smaller units of less than 2,500 sq ft, suitable for the start-ups and micro businesses that make up a very large proportion of Hackney’s economy. Many of these spaces are located in the Shoreditch and Hoxton areas of the borough, Hackney’s large office space portfolio, especially around the new ELLX corridor along Kingsland Road from Hoxton, Haggerston into the Kingsland Basin and Dalston, is growing, improving the viability of Hackney as a serious business location which will subsequently attract larger organisations. The amenities of this area however need to be improved to create an attractive working environment to attract these larger companies to the area.

Atkins Demand Projections

3.25 The remainder of this section provides a series of independent quantitative projections of workplace employment in Hackney for the period 2010-2015. Also provided are our estimates of the future demand for employment floorspace and employment land, which are derived from the employment forecasts. The forecasts concentrate on a broad SIC⁷ definition of B-use classes, which are the subject of employment land policies as defined by the Use Classes Order (see Appendix A). The latest GLA forecasts were set out earlier in this section. These are based on a 'triangulated' set of employment projections to unify the results of forecasts undertaken using three different methods.

Methodology

- 3.26 Our employment projections for Hackney use a labour demand technique, which conforms to guidance on forecasting methods recommended by the Government's Guidance Notes on Employment Land Reviews. This technique involves the extrapolation and manipulation of historical trends in sectoral employment over the forecast period to provide an estimate of the potential future demand for labour in Hackney. The starting point in history for the trend analysis has a significant impact on the outcome of the modelling process. A medium-term trend, defined as 1995 to 2006 and a short-term trend, defined as 2001 to 2007 form the basis of the forecasts.
- 3.27 Total employment (i.e. B use class and other types of employment) has been forecast by extrapolating trends for the key sectors in the Borough (those accounting for 10 per cent or more of total employment). A residual series was then constructed covering the remaining sectors (i.e. those sectors which account for less than 10 per cent of total employment in the Borough) and forecast in the same way. B-use employment was forecast by extrapolating trends for each of the B-use sectors. The forecasts are constrained by London-wide regional forecasts (GLA) and include modelled anticipated changes in industrial structure. Given the methodological constraints associated with the preparation of forecasts at the local level, it is important to highlight that the forecasts are intended as indicative estimates of future employment change. Consequently, the forecasts should be treated as a guideline to potential future demand trends and should not be used in a prescriptive manner. All forecasts should be subject to periodic revision and have regard to on-going monitoring of employment change and take-up of employment land and premises.
- 3.28 It is important to highlight that the projections have been adjusted to take into account recent national, regional and local trends resulting from the onset of recession in 2007/08. Furthermore, given that the projections are trend-based, no account is taken in respect of the potential additional demand that may arise as a result of the Olympics and its legacy. Consequently, the projections set out below represent a conservative scenario and reflect a fairly cautious outlook in terms of future employment demand. Table 3.2 sets out our projections for all major employment sectors in Hackney whilst Table 3.3 provides future employment demand projections for B-use sectors.

Table 3.2 – Projected Total Employment Change by Broad Sector 2010-2025

Sector	Employment Change	Annual Change (CAGR %)
Agriculture and fishing (SIC A,B)	0	-
Energy and water (SIC C,E)	0	-
Manufacturing (SIC D)	-1,265	-2.00%

⁷ Standard Industrial Classifications

Sector	Employment Change	Annual Change (CAGR %)
Construction (SIC F)	122	0.30%
Distribution, hotels and restaurants (SIC G,H)	4,040	1.75%
Transport and communications (SIC I)	3,317	2.00%
Banking, finance and insurance, etc (SIC J,K)	2,004	0.45%
Public administration, education & health (SIC L,M,N)	3,085	0.80%
Other services (SIC O,P,Q)	1,408	1.50%
Total	12,711	0.89%

Table 3.3 – Projected B-Use Employment Change by Broad Sector 2010-2025

Sector	Employment Change	Annual Change (CAGR %)
B-Use Construction (BC)	122	0.30%
B-Use Distribution and Wholesale (BC)	1,118	1.75%
B-Use Financial Intermediation and Other Business	2,004	0.45%
B-Use Manufacturing (BC)	-1265	-2.00%
B-Use Other Services (BC)	1,157	1.50%
B-Use Transport and Communications (BC)	3,317	2.00%
Total	6,453	0.75%

Conversion of Employment to Employment Land

- 3.29 B-use jobs are converted into employment floorspace by applying standard employment densities (worker / floorspace ratios). An employment density refers to the average floorspace per person in an occupied building and is therefore a measure of how much space each additional job will require. These densities are based on guidance produced by English Partnerships⁸. Table 3.4 sets out our estimates of potential demand for additional floorspace as determined by our projections of future employment change in Hackney.

Table 3.4 – Projected B-Use Floorspace Need by Land Use 2010-2025

Land Use	Employment Change	Worker:Floorspace Ratio (sqm per job)	Floorspace (sqm)
Offices (B1)	4,571	19	86,841
Industrial (B2)	-151	33	-4,999
Warehousing (B8)	1,310	50	65,488
Off-site	725	-	-
Total	6,453	-	147,330

⁸ Employment Densities: A Full Guide; English Partnerships & the Regional Development Agencies (July 2001).

4. Supply Update

Introduction

- 4.1 This section provides an update of the current supply of employment floorspace and land in Hackney, taking forward the original findings from the 2006 study and supplementing this with secondary information gathered from the Valuation Office, the EGI database and planning permissions and completions data since completion of the original site work undertaken in 2004.

2006 Study Context

- 4.2 The 2006 Study identified a total of 107 'clusters'⁹ of employment land and premises. A comprehensive site-by-site appraisal was undertaken using a range of criteria which assessed a range of key attributes related to the quality and functionality of each cluster. Table 4.1 illustrates the UDP designations that relate to each Cluster.

Table 4.1 – Cluster Location Types by UDP Designation

Site Type	Number of Sites	% of Total Sites
New Employment Development	27	25.2
Defined Employment Area	52	48.6
Town Centre and Main Shopping area	10	9.3
New Town Centre Development	9	8.4
Local Shopping Centre	11	10.3
Other	35	32.7

Based on a total of 107 employment clusters (some clusters contained more than one UDP designation)

- 4.3 Collectively, the total amount of employment land identified within the clusters surveyed amounted to 238 ha. Of this, approximately 14ha (5.9%) was identified as vacant land. A high proportion of the vacant land was concentrated in a relatively small number of clusters / sites, with the largest concentration of vacant land identified within the Hackney Wick area.
- 4.4 Table 4.2 illustrates a summary of the employment floorspace recorded in the Borough by type. The Table shows that the total amount of floorspace recorded in the clusters amounted to 2.26 million sqm, of which 1.9 million sqm was identified as employment floorspace¹⁰ (including vacant employment space). The majority of employment floorspace is concentrated in the south of the Borough towards Shoreditch with significant pockets located along Kingsland High Road, Stoke Newington High Street, Mare Street and in Hackney Wick and Homerton.

⁹ Clusters were defined by major agglomerations of businesses in the B Use Class, including all existing DEAs identified in the UDP, town centres and local centres and other significant concentrations.

¹⁰ Employment floorspace refers to floorspace in use for B Class uses and includes Sui Generis.

Table 4.2 – Summary of Employment Floorspace Recorded by Type – 2006 Study

Use	Floorspace (sq.m)	% of Employment Floorspace	% of Total Floorspace
B1 (a) Offices	927,969	48.6	41.0
B1 (b) Research and Development	5,640	0.3	0.2
Total Office floorspace	933,609	48.9	41.3
B1 (c) Light Industrial	131,775	6.9	5.8
B2 General Industry	60,005	3.1	2.7
B8 Storage and Distribution	310,096	16.2	13.7
Sui Generis	180,688	9.5	8.0
Total non-office floorspace	682,563	35.8	30.2
Total occupied employment floorspace	1,616,171	84.7	71.5
Vacant Employment	292,984	15.3	13.0
Total Employment floorspace	1,909,155	100.0	84.4
Total other floorspace	351,853	N/A	15.6
Total Floorspace	2,261,008	N/A	100.0

All floorspace was measured by digitising building footprints and recording number of storeys (by use) on site. 'Total Other Floorspace' relates to uses other than that classified in the B Use Class (including pubs, retail, hotels, education facilities etc). 'Total non-office floorspace' relates to the sum of light industrial, general industry, storage and distribution and sui generis floorspace.

- 4.5 Since the publication of the 2006 study, Hackney has experienced a significant level of change on the ground, especially within the Priority Employment Areas and other sites subject to the recommended employment designations originally identified within the study. This has included the loss of some designated employment land to residential and mixed uses. As a result, it has been necessary to redefine the boundaries of the Submission Core Strategy's employment designations.
- 4.6 Appendix C provides a summary of the changes to the employment designations since the competition of the 2006 study, whilst Figure 4.1 illustrates the changes to each of the employment designations.

Impact of Redesignation on Supply of Floorspace

- 4.7 Table 4.3 below illustrates the amount of B class floorspace recorded within each cluster as per the 2006 study compared to the estimated amount of B class floorspace when changes to the employment designations have been taken into account. A change to the employment designation boundary is likely to reflect the fact that land use has now been transferred to other non-employment uses.
- 4.8 The table demonstrates that, since the site work was completed in late 2004, an estimated 92,000sq.m of employment floorspace is now no longer designated for employment uses, in most cases as a result of it being redeveloped for other non-employment uses. This represents 7.3% of the total B class floorspace stock in 2004.

Table 4.3 – Floorspace now outside of DEA designations

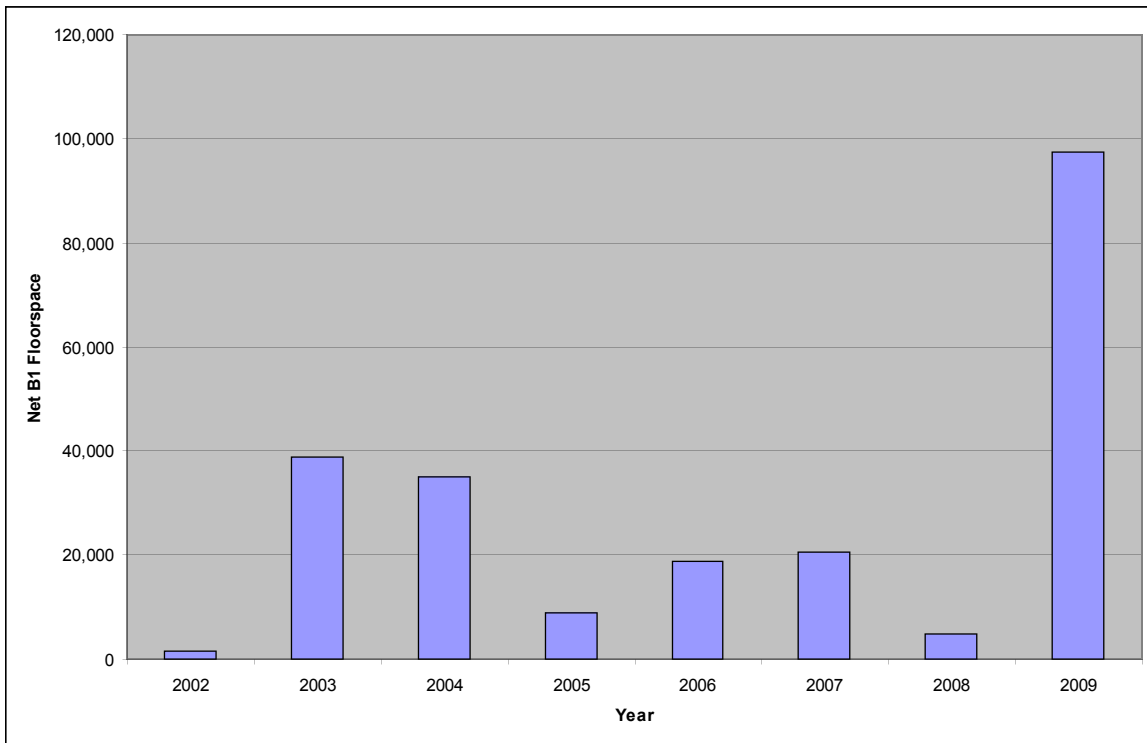
Cluster ID	Designation	Total Floorspace 2004		Total Floorspace 2009		Total Floorspace Change 2009	
		Total Floorspace	Total B Class	Total Floorspace	Total B Class	Total Floorspace	Total B Class
1	DEA	36,708	28,505	36,708	28,505	0	0
2	DEA	72,640	72,640	72,640	72,640	0	0
3	DEA	66,707	61,159	66,707	61,159	0	0
4	DEA	24,950	22,480	24,950	22,480	0	0
5	DEA	52,162	29,471	52,162	29,471	0	0
6	DEA	33,882	30,894	33,882	30,894	0	0
7	DEA	6,886	6,886	6,886	6,886	0	0
8	DEA	34,606	20,213	34,606	20,213	0	0
9	DEA	16,653	5,460	16,653	5,460	0	0
10	DEA	16,722	11,319	16,722	11,319	0	0
11	DEA	1,760	880	1,760	880	0	0
12	DEA	41,295	34,907	41,295	34,907	0	0
13	DEA	8,766	4,129	8,766	4,129	0	0
14	DEA	2,642	-	2,642	-	0	0
15	DEA	66,768	11,065	66,768	11,065	0	0
16	DEA	23,980	15,197	23,980	15,197	0	0
17	DEA	48,894	14,521	48,894	14,521	0	0
18	DEA	52,391	22,808	52,391	22,808	0	0
19	DEA	29,315	14,683	29,315	14,683	0	0
20	DEA	29,897	26,212	29,897	26,212	0	0
21	DEA	28,253	23,986	28,253	23,986	0	0
22	DEA	58,045	30,284	58,045	30,284	0	0
23	DEA	26,403	10,493	26,403	10,493	0	0
24	DEA	14,474	2,186	14,474	2,186	0	0
25	DEA	55,164	13,797	55,164	13,797	0	0
26	DEA	50,572	39,592	50,572	39,592	0	0
27	DEA	24,607	16,757	24,607	16,757	0	0
29	DEA	89,119	78,896	89,119	78,896	0	0
30	DEA	81,856	38,787	81,856	38,787	0	0
31	DEA	67,955	27,387	65,929	25,361	-2,026	-2,026
33	DEA	20,239	14,375	20,239	14,375	0	0
34	DEA	15,588	8,644	15,588	8,644	0	0
35	DEA	46,666	29,878	46,666	29,878	0	0
36	DEA	25,355	17,140	25,355	17,140	0	0
37	DEA	15,249	10,703	15,249	10,703	0	0

41	DEA	29,748	7,367	29,748	7,367	0	0
45	DEA	25,857	17,100	25,857	17,100	0	0
46	DEA	30,270	27,432	30,270	27,432	0	0
47	DEA	37,501	28,798	34,781	26,078	-2,720	-2,720
48	DEA	55,105	18,025	51,271	14,191	-3,834	-3,834
51	DEA	22,934	20,546	-	-	-22,934	-20,546
54	DEA	22,733	17,720	22,733	17,720	0	0
55	DEA	18,666	18,666	18,666	18,666	0	0
56	DEA	3,116	3,116	3,116	3,116	0	0
63	DEA	1,036	1,036	-	-	-1,036	-1,036
65	DEA	77,777	52,104	77,777	52,104	0	0
69	DEA	6,989	2,205	6,989	2,205	0	0
71	DEA	28,113	25,989	-	-	-28,113	-25,989
73	DEA	17,012	3,578	17,012	3,578	0	0
81	DEA	20,705	10,954	8,723	5,372	-11,982	-5,582
83	DEA	11,572	11,483	11,572	11,483	0	0
84	DEA	14,373	10,743	14,373	10,743	0	0
97	DEA	9,197	8,352	9,197	8,352	0	0
98	DEA	18,540	15,344	16,158	12,962	-2,382	-2,382
100	DEA	6,908	4,054	6,908	4,054	0	0
101	DEA	4,299	2,120	4,299	2,120	0	0
104	DEA	40,536	20,268	40,536	20,268	0	0
108	DEA	10,767	8,240	10,767	8,240	0	0
109	DEA	11,442	6,194	6,175	2,439	-5,267	-3,755
57	SEL	51,490	37,132	48,647	34,623	-2,843	-2,509
58	SEL	74,118	60,906	67,173	53,961	-6,945	-6,945
59	SEL	32,156	21,341	8,651	6,777	-23,505	-14,564
Total		1,970,129	1,257,147	1,856,542	1,165,259	- 113,587	- 91,888

Planning Permissions

- 4.9 Figure 4.2 shows the net change in B1 floorspace from planning permissions granted for each year from 2002 to 2009.
- 4.10 The Figure illustrates that the Borough has seen an increase in B1 floorspace for every year since 2002. The large increase in B1 floorspace in 2009 is a result of the planning permission granted for the Olympic Legacy Masterplan (considered later in this Chapter).

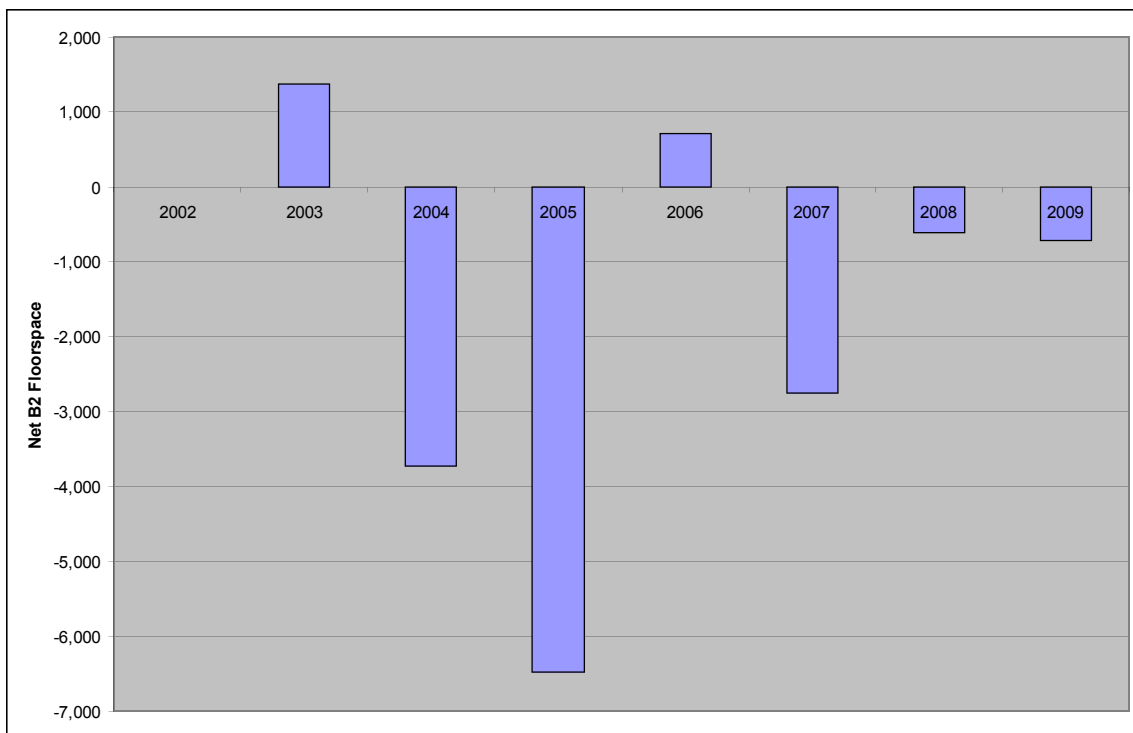
Figure 4.2 – Net Loss/Gain for B1 Floorspace from Planning Permissions Granted



4.11 Figure 4.3 shows the net change in B2 floorspace from planning permissions granted for each year from 2002 to 2009.

4.12 The Figure illustrates that the Borough has seen a decrease in B2 floorspace in all but two years since 2002.

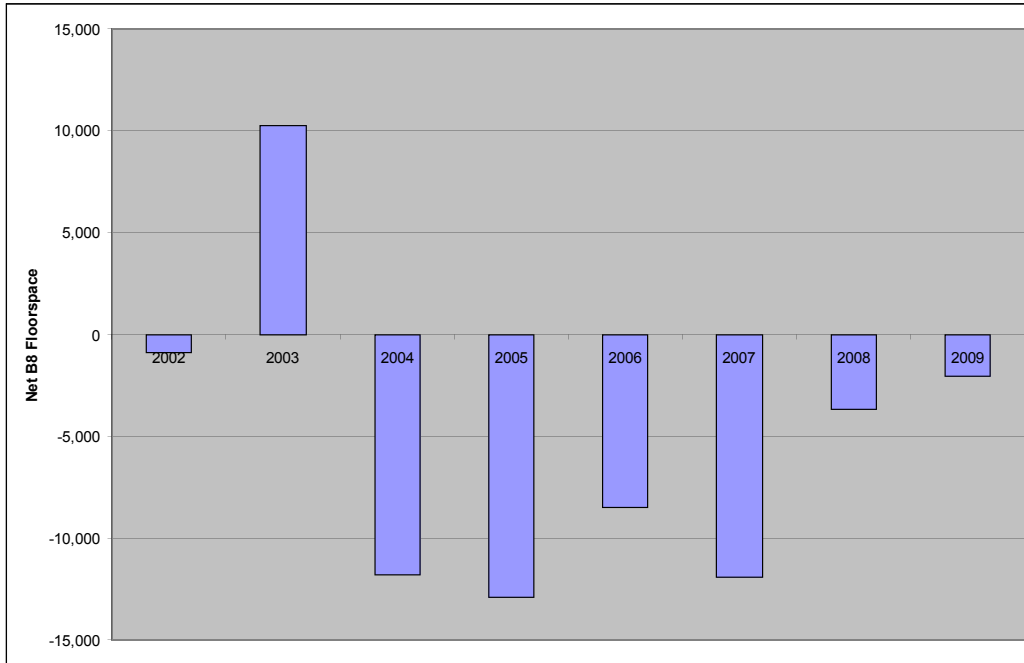
Figure 4.3 – Net Loss/Gain for B2 Floorspace from Planning Permissions Granted



4.13 Figure 4.4 shows the net change in B8 floorspace from planning permissions granted for each year from 2002 to 2009.

4.14 The Figure illustrates that the Borough has seen a decrease in B8 floorspace in all but one year (2003) since 2002.

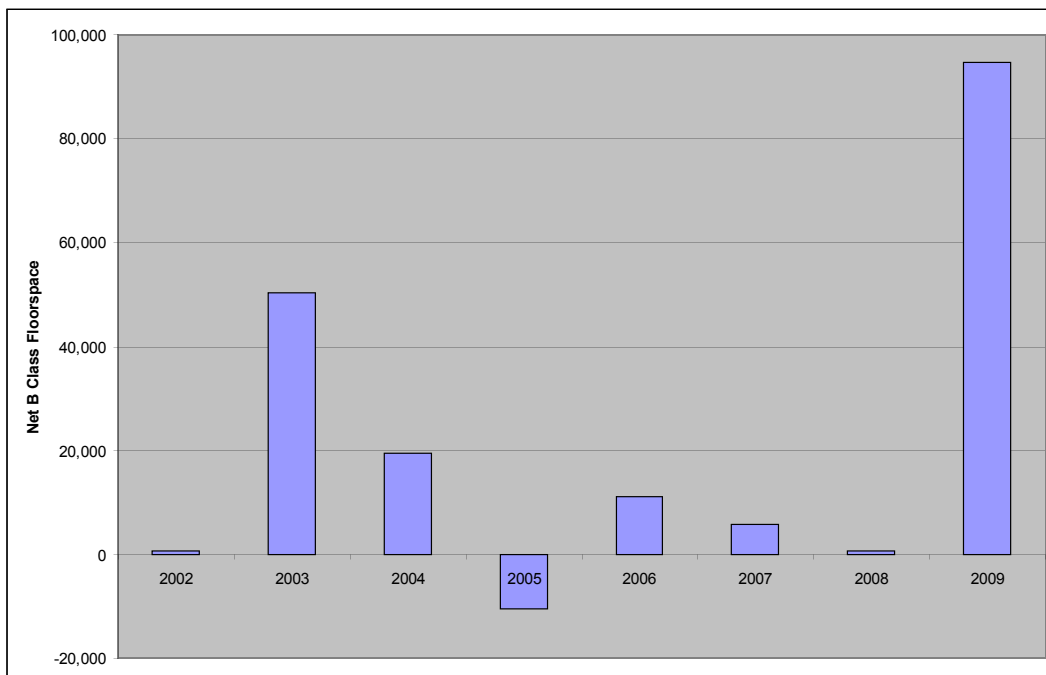
Figure 4.4 – Net Loss/Gain of B8 Floorspace from Planning Permissions Granted



4.15 Figure 4.5 shows the net change in all B Class floorspace from planning permissions granted for each year from 2002 to 2009.

4.16 The Figure illustrates that the Borough has seen an increase in all B Class floorspace in all but one year (2005) since 2002. Again, the large increase in floorspace in 2009 is a result of the planning permission granted for the Olympic Legacy Masterplan (considered later in this Chapter).

Figure 4.5 – Net Loss/Gain of B Class Floorspace from Planning Permissions Granted.



Total Change in B Class Floorspace 2005-2009

- 4.17 Table 4.4 illustrates the total net change in B Class Floorspace from 2005 (the original data for the 2006 Study was collected up to 2004), as a result of planning permissions granted by the Borough. The table also identifies the net effect of permissions that have not yet been started.
- 4.18 Overall, it is estimated that the Borough has granted planning permissions for a net increase of 101,601sq.m of B Class floorspace between 2005 and 2009. However, just 8,482 of this floorspace has been started or completed, with the remaining 93,119sq.m still unimplemented. A large proportion of this unimplemented floorspace is a result of the 96,000sq.m of B class floorspace granted permission as part of the Olympic Legacy Masterplan.

Table 4.4 – Net Change in B Class Floorspace 2005-2009

Use Class	Net / Gain Loss 2005-2009 (sq.m) started or completed
B1	43,386
B2	-9,245
B8	-25,659
Total	8,482
Net / Gain Loss 2005-2009 (sq.m) unimplemented	
B1	107,099
B2	-607
B8	-13,373
Total	93,119
Total All Permissions	101,601

- 4.19 Table 4.5 illustrates the potential net change in B Class floorspace from unimplemented permissions from 2005-2009, excluding the proposals put forward as part of the Olympic Legacy. The table essentially acts as a guide to the potential supply of floorspace by type if all planning permissions were implemented within the Borough (excluding the Olympic Site). The table shows that there is just over 11,000sq.m of B1 floorspace (compared to the 107,099sq.m when Olympic proposals are included) in the pipeline as a result of unimplemented planning permissions. Furthermore, B2 and B8 floorspace is expected to decline as a result of the redevelopment of sites which accommodate these uses to other types of floorspace.

Table 4.5 – Net Change in B Class Floorspace from Unimplemented Permissions 2005-2009 (Excluding Olympic Legacy Proposals)

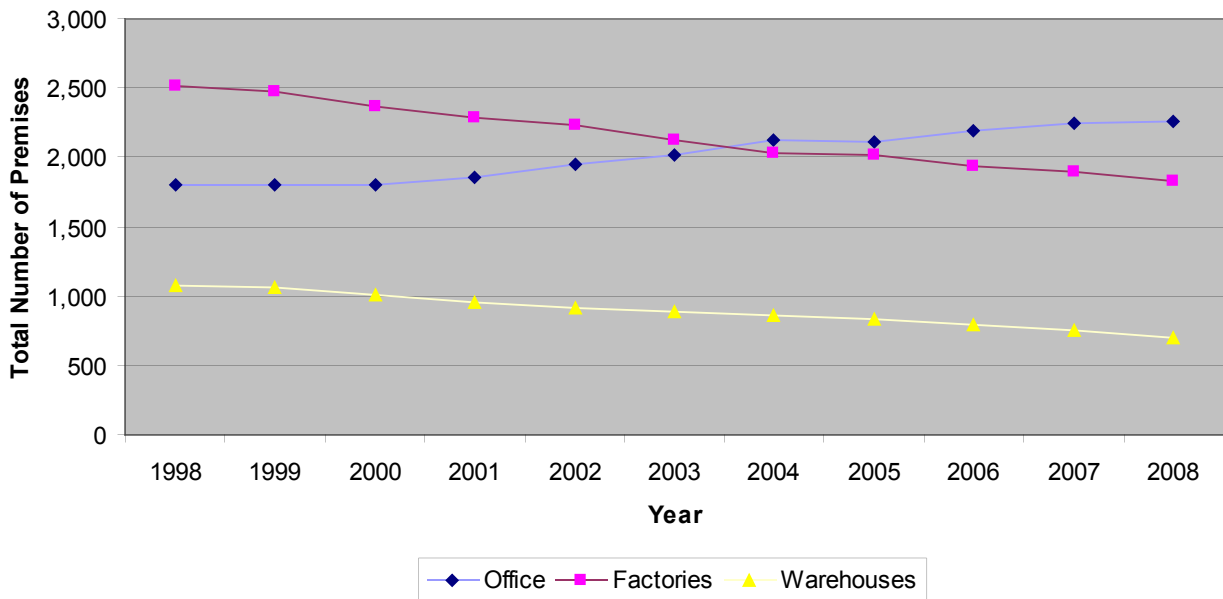
	Net / Gain Loss 2005-2009 (sq.m) unimplemented
B1	11,419
B2	-607
B8	-13,373
Total	-2,561

Floorspace Update

4.20 This section analysis secondary data gathered from the Valuation Office in order to update the 2006 assessment of employment floorspace.

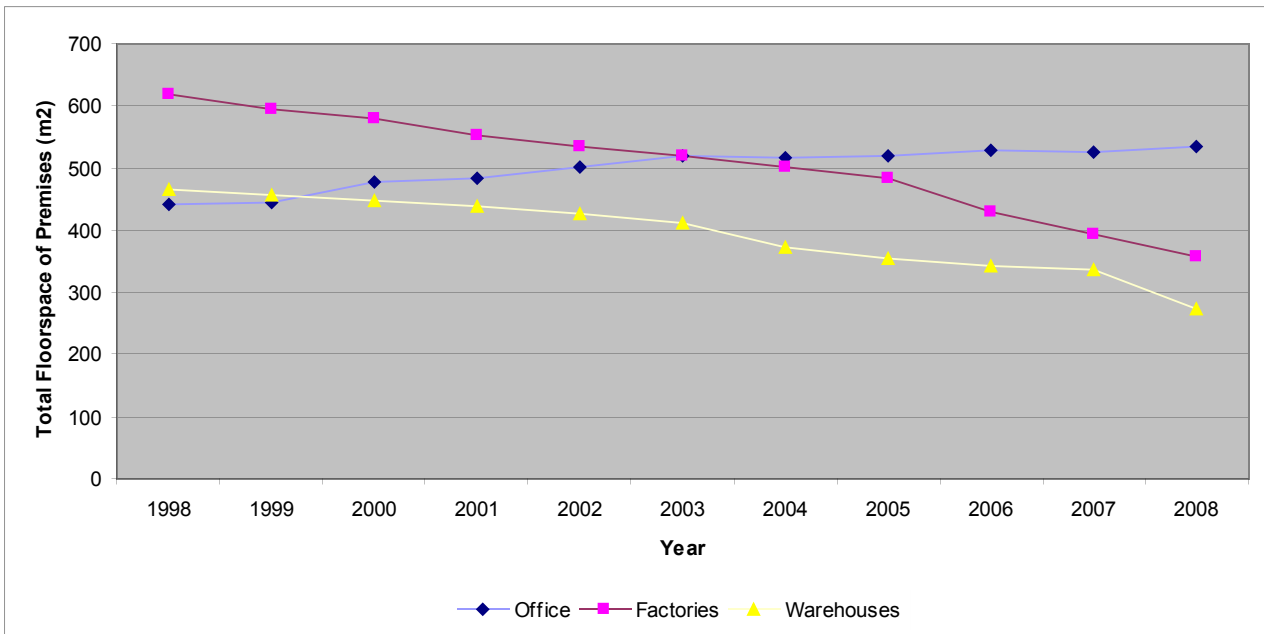
4.21 Figure 4.6 below illustrates the total number of employment premises by type in Hackney from 1998 to 2008. The figure shows that the Borough has seen a consistent decline in the number of warehousing and factory-based businesses whilst the number of office-based businesses has increased.

Figure 4.6 – Total Number of Premises by Type 1998-2008



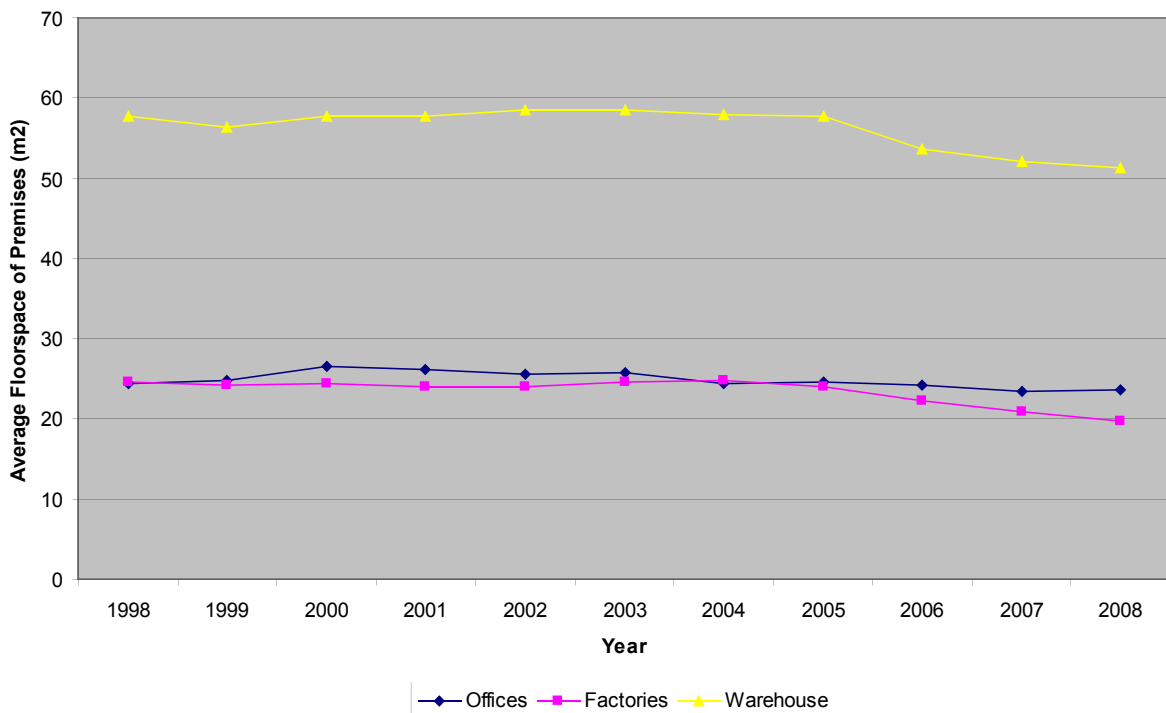
4.22 Figure 4.7 below illustrates the total amount of employment floorspace by type in Hackney from 1998 to 2008. The figure shows that, as with the number of premises, the Borough has seen a consistent decline in the amount of warehousing and factory floorspace whilst the amount of office-based floorspace has increased.

Figure 4.7 – Total Floorspace by Type 1998-2008



4.23 Figure 4.8 below illustrates average size of employment premises by type in Hackney from 1998 to 2008. The figure shows that the average size of warehousing and factory premises has declined, whilst the average size of office premises has stayed relatively constant.

Figure 4.8 – Average Size of Premises by Type 1998-2008



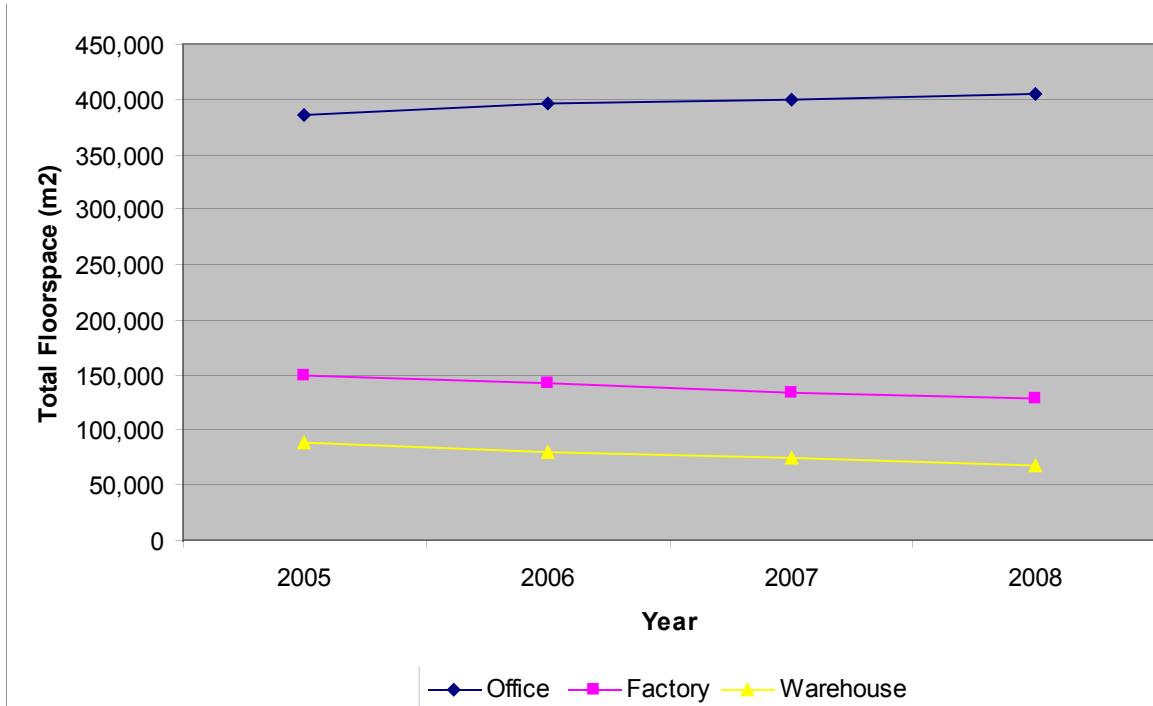
Floorspace by Sub Area

4.24 The Valuation Office provides floorspace data at Middle-Layer Super Output Areas (MSOAs) for the Borough. These MSOAs have been grouped into five sub-areas according to their geographical location, which includes Hackney, Dalston, Hackney Central, North Hackney and

Hackney Wick. The locations of these areas are included in Figure 4.9 (attached at the end of this Chapter)

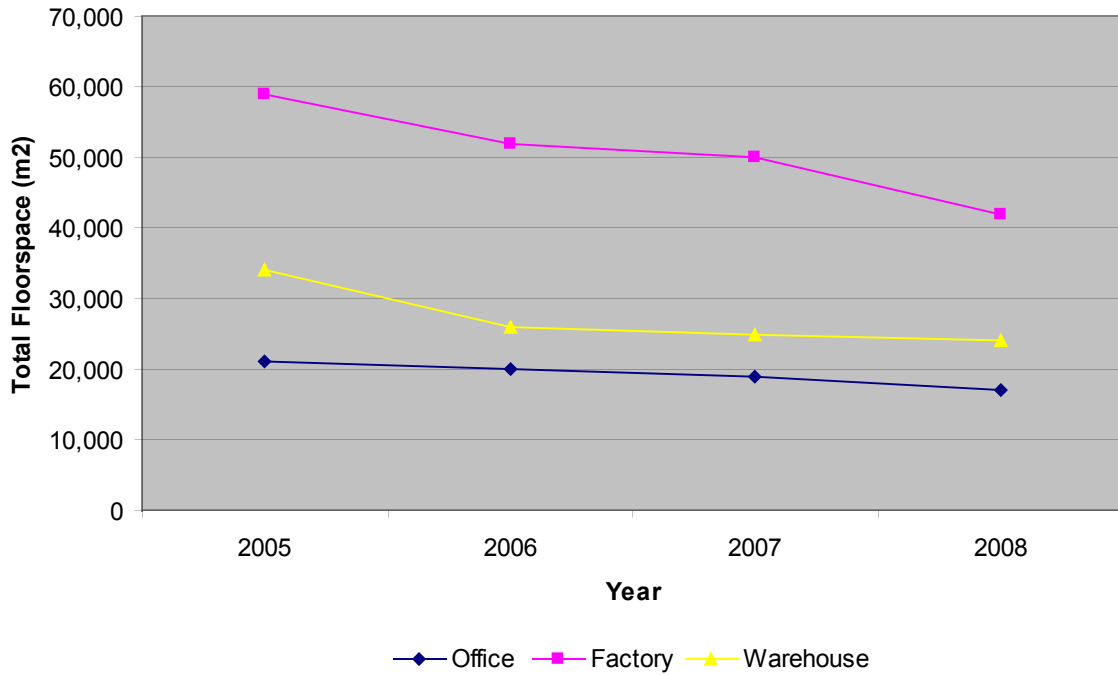
4.25 Figure 4.10 below illustrates the total amount of employment floorspace by type in South Hackney from 2005 to 2008. The figure shows that the sub-area has seen a consistent decline in the amount of warehousing and factory floorspace, whilst the amount of office-based floorspace has increased slightly. The sub-area has a higher proportion of office space in contrast to warehouse and factory space. Overall, South Hackney has a higher concentration of employment floorspace in contrast to the other four sub-areas.

Figure 4.10 – South Hackney Floorspace



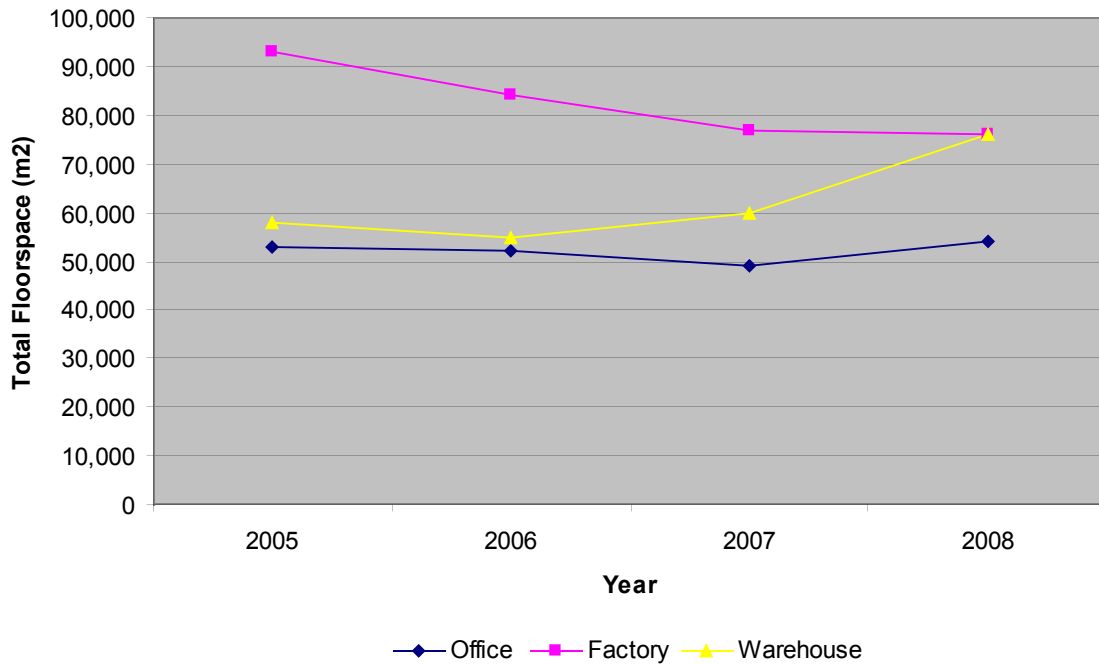
4.26 Figure 4.11 below illustrates the total amount of employment floorspace by type in Dalston from 2005 to 2008. The figure shows that the sub-area has seen a consistent decline in warehousing, factory and office-based floorspace. The sub-area has a higher proportion of factory space in contrast to warehouse and office-based space.

Table 4.11 – Dalston Floorspace



4.27 Figure 4.12 below illustrates the total amount of employment floorspace by type in Hackney Central from 2005 to 2008. The figure shows that the sub-area has seen a consistent decline in the amount of factory floorspace. Office space has also been in decline up until 2007 and has started to increase. Warehousing space declined up until 2006 and has since risen. The sub-area supports a higher proportion of factory and warehouse space in comparison to office space.

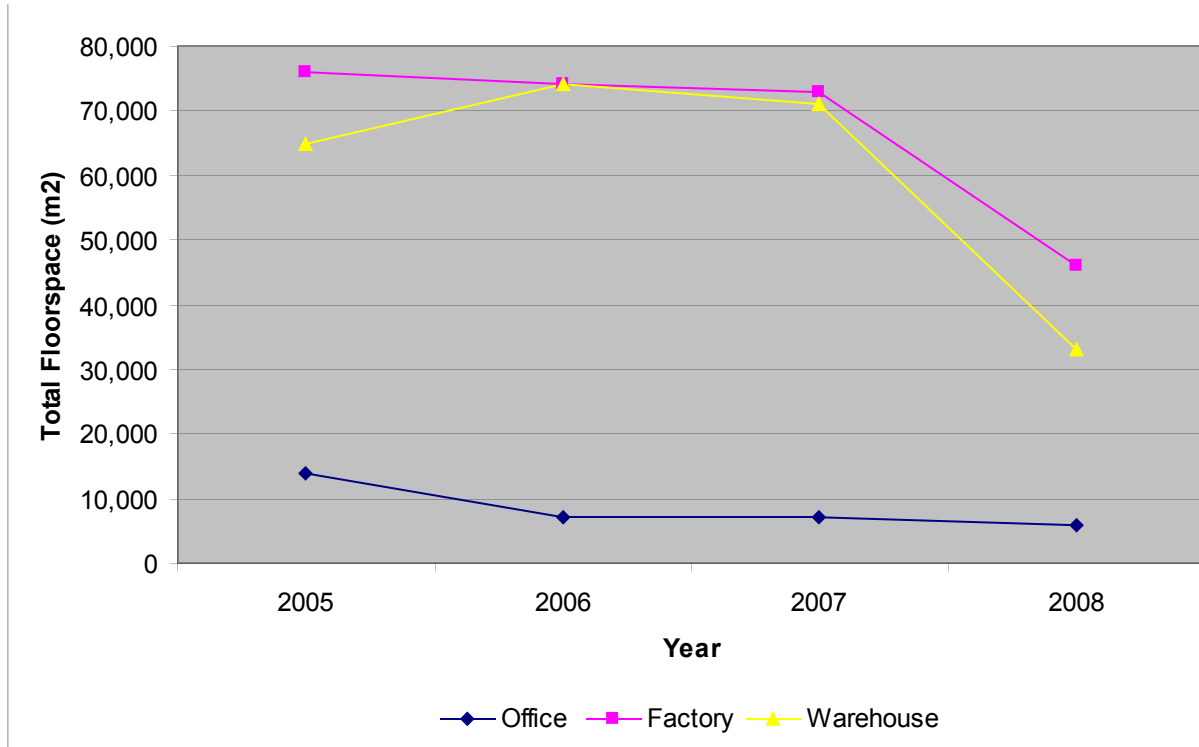
Figure 4.12 – Hackney Central Floorspace



4.28 Figure 4.13 below illustrates the total amount of employment floorspace by type in Hackney Wick from 2005 to 2008.

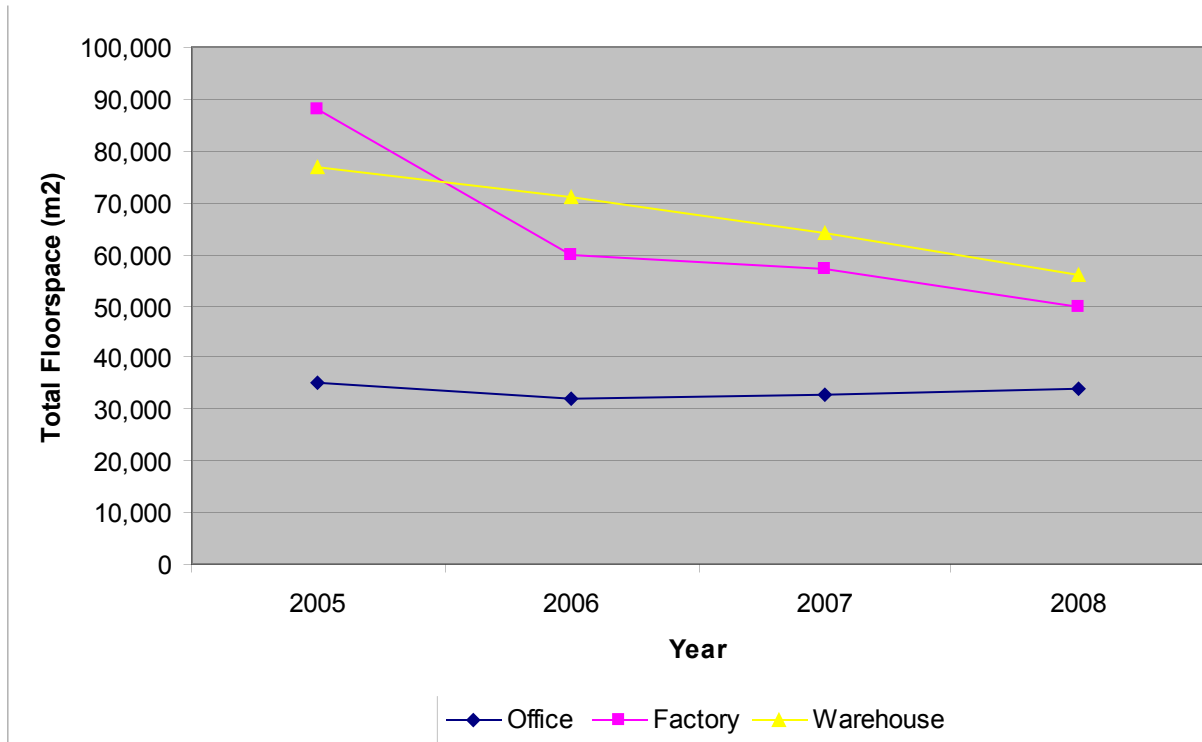
4.29 The figure shows that the sub-area has seen a significant reduction in factory and warehouse space to around the half the amount of that provided in 2005. Warehouse and factory space covered 65,000sq.m and 76,000sq.m in 2005, which has fallen to around 33,000sq.m and 46,000sq.m in 2008. Office space has been in consistent decline over the period and represents a smaller proportion of total employment floorspace in comparison to warehouse and factory space.

Figure 4.13 – Hackney Wick Floorspace



4.30 Figure 4.14 below illustrates the total amount of employment floorspace by type in North Hackney from 2005 to 2008. The figure shows that the sub-area has seen a consistent decline in the amount of factory and warehouse floorspace. Office space has risen but represents a slightly lower proportion of floorspace in comparison to warehouse and factory space.

Figure 4.14 – North Hackney Floorspace



Hackney Wick

Council Aspirations for Hackney Wick

- 4.31 The Council has identified Hackney Wick as an area which will undergo significant change in the coming years, both from the impacts of the Olympic developments, and from developments lead by the private sector outside of the main Olympic site. The Council has the following objectives for the area:

Improving accessibility by providing local and strategic links within the study area, as well as addressing existing barriers to movement;

A high quality public realm and open space network based on a clearly defined hierarchy of linked open spaces;

Creating a distinct new urban quarter ensuring development is at an appropriate height, scale and grain for this part of the borough;

A balanced mix of uses, integrating the new local centre or hub into the area, with intensification where appropriate of other uses, and provision of space for the creative and cultural industries.

- 4.32 The Council has commissioned an Area Action Plan as a tool to manage development pressures and to guide and coordinate regeneration within the area (considered in more detail in Chapter 2).

Lower Lea Valley OAPF

- 4.33 The Lower Lea Valley (LLV) Opportunity Area Planning Framework (OAPF) is the Mayor of London's strategic planning guidance for the Lower Lea Valley, and will be a material planning consideration for the Lower Lea Valley Boroughs, the LTGDC and the ODA.

- 4.34 The proposals within the Lower Lea Valley Opportunity Area include wholesale redevelopment of large parts of the Hackney Wick Strategic Employment Location for temporary uses associated with the 2012 Olympics, as well as the permanent consolidation of employment land where the overall amount of employment land will be reduced, but uses intensified on land that remains.
- 4.35 The large scale release of industrial land within the Lower Lea Valley is central to the vision behind the Planning Framework. Of the estimated total of 173ha of employment land that could be released, paragraph 3.2 of the Planning Framework states that around 10ha will be lost in Hackney Wick: *'The LLV RS proposes release of approximately 30% (10ha) of industrial land in LBH, most of which is allocated to new green space, due to the incorporation of the land use proposals in the Olympic and Legacy Planning Permissions (2004 O&LPP).'*
- 4.36 Figure 4.15 below illustrates the location of employment land surveyed as part of the 2006 study (all areas in pink), whilst Figure 4.16 illustrates the proposed location of employment land (all purple and purple hatched areas) as a result of the Olympic legacy proposals. The purple coloured areas represent the Strategic Industrial Locations whilst the hatched purple area in represents 'other industrial areas' which do not have the same protection as Strategic Employment Locations. The hatched brown area is intended to accommodate mixed use employment and a sports facility retained from the Olympics.

Figure 4.15 – Existing Strategic Employment Locations within Hackney Wick



Source: Atkins

Figure 4.16 – Proposed Strategic Industrial Locations within Hackney Wick



Source: LLV OA Planning Framework

4.37 The boundary of the Olympic site includes all land to the east of the Hackney Cut. As a result, Sites 58 and 59 of the 2006 Study (see Figure 4.15) have now been demolished to make way for infrastructure associated with the Olympic Park. Table 4.6 shows that this has meant the loss of approximately 82,000sq.m of B class floorspace, as recorded by the 2006 study.

Table 4.6 – Loss of Employment Floorspace as a Result of Olympic Proposals

Site ID	B1a	B1b	B1c	B2	B8	Total B class	Other Floorspace
58	7,894	-	1,844	-	51,168	60,906	13,213
59	13,435	-	1,412	2,316	4,179	21,341	10,815
Total	21,329	-	3,256	2,316	55,347	82,247	24,028

Source: Atkins

The Olympic Legacy Proposals

4.38 The 2004 O&LPP proposed 52,666 sqm industrial floor space (Classes B1b, c, B2 and B8) and 51,757 sqm office space (B1a), focussed on the Legacy use of the IBC/MPC. In addition to the 2004 O&LPP outputs, the LLV OAPF identifies further development around Hackney Wick Station which could provide up to 3,600 sqm office space and 4,000 sqm of retail space (Class A1 and A3) in the form of a new local centre.

4.39 It is understood that the Olympic Delivery Authority’s Planning Decision Team has now granted planning permission for the development of the International Broadcast Centre (64,000sq.m of B1c) and the Main Press Centre (31,680sq.m of B1a). These two buildings will be permanent and form part of the overall supply of employment floorspace after the games have finished.

The Southern Section of the Site

- 4.40 In addition to the legacy use of the Main Press Centre and the International Broadcast Centre, it is understood that the southern section of the site will also become available for employment-led mixed use.
- 4.41 The OAPF states that employment activities established after the Olympics should focus on reintroducing the specialised industrial activity and encouraging new and emerging industrial sectors. It is therefore likely that the majority of this site will revert back to industrial uses, although it also has the potential for office and distribution uses as per surrounding land uses and its previous use.
- 4.42 This part of the site is roughly 11ha (as taken from the size of site 58 in the 2006 study). If 1ha is required for the sports centre (estimated), then the site could support up to 55,000sq.m of new employment floorspace, as illustrated in Table 4.7

Table 4.7 – Estimated Floorspace Capacity of Southern Section of Site

Site Area (sq.m)	109,040
Site Area after Deduction for Sports Centre	99,040
Deduction for roads etc (30%)	69,328
Estimated Plot Area (assume 40% plot area)	27,731
Total Floorspace (Average of 2 stories)	55,462

Source: Atkins

Potential Future Employment Role of Hackney Wick

- 4.43 The OAPF designates much of the southern section of Hackney Wick as an 'other industrial area'. This means that the Council should continue to protect industrial capacity but should look to satisfactorily introduce additional uses and activities. For the purposes of the OAPF, 'industrial capacity' is primarily defined as the overall industrial space comprising internal floor areas and all functional external areas.
- 4.44 Non industrial uses could be introduced into such an area without incurring an overall net loss of industrial capacity through more efficient uses of sites, for example, by the reduction in site area occupied by an industrial development through the more compact arrangement of facilities on a site, enabling the release of land for other uses by using the site in a way that increases employment activity on the site.
- 4.45 This will enable the introduction of higher density, mixed use re-development in those industrial sites or parts of sites that have good public transport accessibility.
- 4.46 In summary, this means that Hackney Wick should retain its overall level of existing industrial floorspace, whilst introducing appropriate other uses in order to capitalise on the accessibility offered by the station. This initial policy approach is developed in more detail in Chapter 5.

Vacancy Update

- 4.47 EGI have provided vacancy information for B1a premises in the south of the Borough. The information is available by postcode sector (See Appendix B for an illustration of the location of postcode sectors).
- 4.48 Table 4.8 demonstrates that an estimated 21.2% of all B1a floorspace in the south of the Borough is currently vacant.

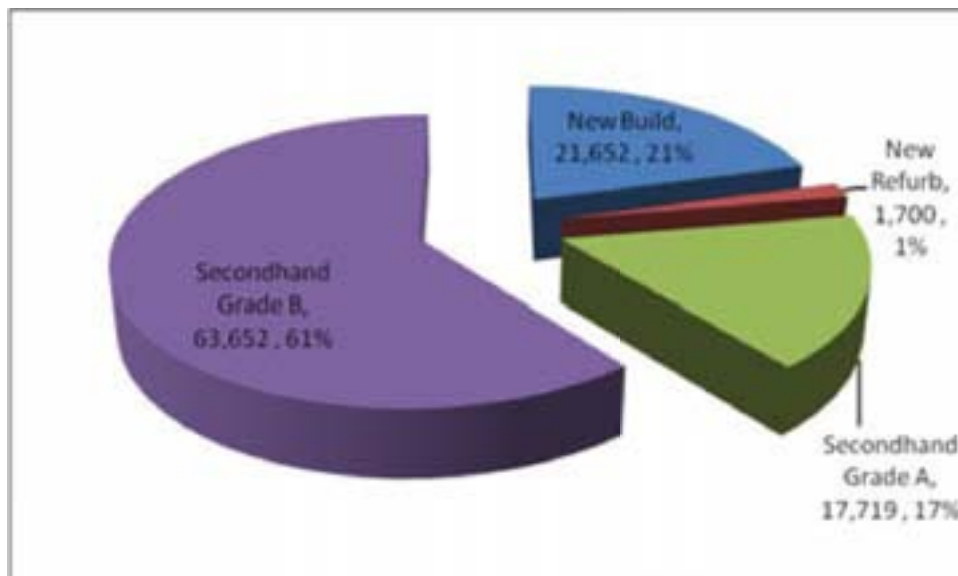
Table 4.8 – Vacancy Rates (Oct 2009) for B1 premises by Postcode Area

	Total Vacant Stock (sq m)	Total Existing Stock (sq m)	Rate (%)
E1 6	5,400	23,250	23.2%
EC1V	3,962	30,561	13.0%
EC2A	77,252	331,727	23.3%
EC2M	2,432	4,156	58.5%
N1 6	5,195	47,434	11.0%
N1 7	10,483	56,067	18.7%
Total	104,724	493,196	21.2%

Source: EGI

- 4.49 Figure 4.17 illustrates the proportion of vacant stock by type of accommodation. The majority (61%) of vacant stock is comprised of second-hand Grade B stock.

Figure 4.17 – Proportion of Vacant Stock by Type (Oct 2008)



Source: EGI

- 4.50 Table 4.9 compares the vacancy rate of B1a premises in the south of the Borough as at October 2009 with Spring 2005. The table illustrates that vacancy rates for B1a premises in the south of the Borough have fallen during this period, from 30.4% to 21.2%. This fall in vacancy rates has been seen in all postcode sectors except EC1V and EC2M, which represents a small proportion of overall stock in the south of the Borough

Table 4.9 – Office Vacancy Rates 2005 and 2009

	Existing Stock (sq.m)		Vacancy Rate (%)	
	2005	2009	2005	2009
E1 6	22,809	23,250	37.4%	23.2%
EC1V	39,680	30,561	2.9%	13.0%
EC2A	344,264	331,727	36.4%	23.3%
EC2M	4,156	4,156	2.3%	58.5%
N1 6	54,742	47,434	15.6%	11.0%
N1 7	50,037	56,067	26.0%	18.7%
Total	515,689	493,195	30.4%	21.2%

Source: EGI

- 4.51 Table 4.10 illustrates the distribution of vacant stock as identified by the 2006 Study. The study identified that approximately 56% of all vacant B class floorspace was located in the south of the Borough (the same area that the EGI data covers) in 2006. Although the 2009 EGI vacancy data is not available for the whole Borough, Table 4.9 suggests that it probably represents a majority of all vacant stock in the Borough.

Table 4.10 – Distribution of Vacant Floorspace – 2006 Study

	Vacant Floorspace (sq.m)	Proportion of Vacant Floorspace
Shoreditch	548,762	34.0%
City Road	174,435	10.8%
Canal Side	85,410	5.3%
Kingsland	88,997	5.5%
Total South Borough	897,604	55.5%
Dalston	89,839	5.6%
Mare Street	113,984	7.1%
Hackney Central	63,503	3.9%
Homerton	53,480	3.3%
Hackney Wick	136,066	8.4%
Stoke Newington	26,632	1.6%
Other	235,064	14.5%
Total	1,616,172	100.0%

Source: Atkins

- 4.52 Table 4.11 shows the total amount of vacant premises currently available outside of the south of the Borough, as identified from the Invest in Hackney Database. The Invest in Hackney Database does not hold information on all vacant premises in the Borough, but is a good source of information on vacancy by type of premises across the whole Borough. See Appendix B for a figure showing postcode areas.

4.53 The Table shows that the Hackney Wick area has the greatest level of absolute vacancy outside of the South of the Borough. Vacancy levels are split roughly equally between industrial and office units, with very little vacant storage space.

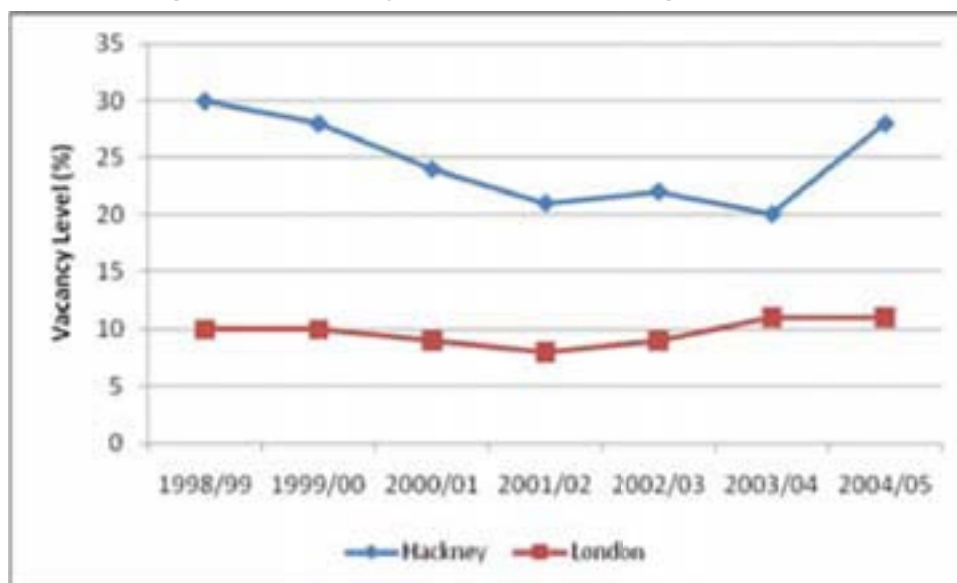
Table 4.11 – Vacant Premises (sq.m) in other Parts of the Borough (2009)

	Industrial	Office	Storage	Total
E2	2,206	1,506	-	3,712
E5	753	2,356	-	3,109
E8	2,519	5,255	-	7,774
E9	7,341	2,915	65	10,321
N1	2,429	5,310	-	7,739
N16	1,613	337	-	1,950
Total	16,861	17,679	65	34,605

Source: Invest in Hackney

4.54 Figure 4.18 illustrates the overall vacancy level for the whole Borough between 1998 and 2005. The figure shows that vacancy levels in the Borough fell to 2003/04 before rising again in 2004/05. Vacancy levels in the borough are consistently higher than in London as a whole.

Figure 4.18 – Vacancy Level for Whole Borough – 1998-2005



Source: DCLG

Conclusions on Vacancy

4.55 Although it appears that vacancy rates for B1a space have fallen since 2004, this is unlikely to be true for the whole Borough. Vacancy rates are likely to be very localised, depending upon the quality and type of units available within each area. Vacancy rates in Hackney are much higher than the rest of London, with relatively large proportions of both industrial and office floorspace currently vacant, although there currently seems to be a very small proportion of vacant warehousing space in the Borough. However, the high level of vacant units in the Borough are largely due to the degree of poor quality units rather than a lack of demand. Hackney has a large amount of older premises which are unsuitable for modern business requirements, especially within the south of the Borough where many premises are over 50 years old. This is an important

consideration in the development of the policy approach to employment land and premises (Chapter 5).

Supply of Vacant Land Update

2006 Study Context

- 4.56 As part of the appraisal process in the 2006 study, the site assessments considered the future potential role each cluster could perform given their supply-side characteristics (including location, accessibility, environmental conditions, existing mix of uses and occupiers, site utilisation and vacancy levels). Potential options for the future role of clusters were developed to inform the scope for physical change whilst taking the findings of the demand analysis into consideration. The options considered the following categories of change:
- No change within all or part of cluster;
 - Potential for renewed employment through intensification and/or redevelopment;
 - Potential for employment-led mixed use; and
 - Potential for alternative use.
- 4.57 The assessment also considered the possible constraints which may affect the choice and type of change options
- 4.58 In assessing the potential options for meeting our estimates of future gross demand for employment floorspace, we assessed the potential supply capacity of the existing employment land and premises portfolio in Hackney. Taking into consideration the potential future role of each cluster identified as part of the site appraisal process, we estimated potential future supply from the following sources:
- Re-occupation of suitable vacant floorspace for employment;
 - Re-use of floorspace for employment through intensification and/or redevelopment;
 - Redevelopment of floorspace for employment-led mixed use; and
 - Development of vacant employment land for employment and employment-led mixed use.
- 4.59 The study identified capacity to generate approximately 390,000 sqm of employment floorspace. This estimate was derived from the following sources:
- Some 189,359 sq.m of existing vacant floorspace has the potential to be immediately re-occupied. The majority of this floorspace is located at sites within designated DEAs;
- Some 70,810 sq.m of existing vacant and partly occupied employment floorspace has the potential to meet a component of future need (41,535 sq.m. for 100% employment use and 29,275 sq.m for employment-led mixed use). However, the quality of this stock does not match the requirements of prospective occupiers in terms of the size, type or quality of premises. There would be a need to upgrade premises through a process of:
- intensification of the employment use through extension, subdivision/modification or conversion of the existing floorspace;
 - re-provision of employment floorspace through site re-modelling, demolition, and redevelopment of the existing building stock; and
 - redevelopment for employment led mixed use where there is a need to upgrade premises but where it is necessary for an enabling non-employment component to the development to maximise the contribution of the site to meeting economic and employment needs within the Borough.

Approximately 129,957 sqm of new employment floorspace potential could be provided through the development of premises on vacant opportunity land. Given the physical and viability constraints associated with much of this land, it is likely that a significant proportion of future employment floorspace being supplied by this source will take place as part of mixed-use schemes.

Together Shoreditch and Hackney Wick provide the main potential source of future supply in terms of floorspace quantity.

2009 Update

- 4.60 Since the original assessment of potential sources of supply was undertaken, many of the opportunities identified have either been developed or have been given planning permission for development. Appendix D provides details on where permission for development has been granted since the original study, and the impact that this has had on the potential source of employment development.
- 4.61 There are also a number of sites where opportunities were originally identified but, due to boundary changes within the submission Core Strategy, are no longer required to come forward for employment uses:
- Site 59E – 2006 Study identified the potential for development of 1,874sq.m of B class floorspace;
 - Site 98B – 2006 Study identified the potential for development of 2,382sq.m of B class floorspace;
 - Site 99 (Opportunity Area) – Site 2006 identified the potential for development on 0.097ha of the site.
- 4.62 The 2006 study provided an estimate of the amount of B class floorspace that could be developed within the Borough, broken down by the potential source of supply (vacant land, redevelopment etc) and by location. These original estimates of supply were informed by detailed and comprehensive site appraisals. In order to update this original estimate of potential supply, it is necessary to take account of the loss of potential opportunities, either through development or because the land is no longer designated for employment issues. Table 4.12 presents the results of this exercise. The table essentially demonstrates the current estimated potential supply of floorspace by source and location. However, it should be noted that the table probably does not represent a complete picture of potential supply throughout the Borough, as there may be other opportunities for employment development that have since come forward since the original site work was undertaken in 2004, and which we are unable to identify without additional comprehensive site visits.

Table 4.12 – Potential Sources of Supply of B Class Floorspace 2010

Sub Area	Employment floorspace yield from premises suitable for redevelopment / intensification (sq.m)	Employment floorspace yield from premises suitable for redevelopment for employment-led mixed use (sq.m)	Employment floorspace yield from vacant opportunity land (sq.m)	Total Employment Floorspace potential (sq.m)
Former DEAs				
Shoreditch	9,926	3,124	39,594	52,644
City Road	1,612	1,851	4,311	7,774
Canal Side	0	500	0	500
Kingsland	5,864	542	0	6,406
Dalston	540	1,734	0	2,274
Mare Street	0	1,619	0	1,619
Homerton	436	0	0	436
Hackney Wick	822	0	0	822
Other	209	0	0	209
Total for all Former DEAs	19,409	9,370	43,904	72,683
Town Centres				
Dalston	1,741	828	0	2,569
Hackney	0	0	0	0
Stoke Newington	0	0	0	0
Total for all Town Centres	1,741	828	0	2,569
Total for Other clusters	0	1,090	0	1,090
Total for Town Centres and former DEAs	21,150	10,198	43,904	75,252
Total for all Clusters	21,150	11,288	43,904	76,342

Source: Atkins. Note that this table is based upon the original estimate of potential sources of employment floorspace as set out in the 2006 study, updated to take account of opportunities lost to recent development and deallocation of employment sites.

- 4.63 Table 4.13 presents a comparison between the potential sources of supply as identified within the 2006 study and the updated estimate of potential supply in 2009. The Table illustrates that an estimated potential of 125,000sq.m of employment floorspace is now no longer available as a result of new development or redesignation of clusters.

Table 4.13 – Potential Sources of Supply of B-Use – Comparison between 2006 and 2009

Sub Area	2006 Study	2009 Update	Difference
Former DEAs			
Shoreditch	67,081	52,644	-14,437
City Road	15,852	7,774	-8,078
Canal Side	6,484	500	-5,984
Kingsland	9,905	6,406	-3,499
Dalston	8,610	2,274	-6,336
Mare Street	11,466	1,619	-9,847
Homerton	436	436	0
Hackney Wick	69,518	822	-68,696
Other	6,861	209	-6,652
Total for all Former DEAs	196,211	72,683	-123,528
Town Centres	-		0
Dalston	2,569	2,569	0
Hackney	-		0
Stoke Newington	-		0
Total for all Town Centres	2,569	2,569	0
Total for Other clusters	1,987	1,090	-897
Total for Town Centres and former DEAs	198,780	75,252	-123,528
Total for all Clusters	200,767	76,342	-124,425

Source: Atkins

Summary of Sources of Supply

4.64 This section considers the cumulative impact of all potential sources of employment floorspace including:

Employment floorspace generated from redevelopment opportunities;

Employment floorspace generated from development on vacant land;

Vacant employment floorspace (where information is available);

Employment floorspace proposed within AAP's;

Planning permissions granted for employment floorspace that have not yet been completed;

The potential supply of employment floorspace at Hackney Wick

4.65 Table 4.14 provides a summary of potential sources of employment supply by sub-region. Altogether, it is estimated that the Borough has the potential to development around 400,000sq.m of employment floorspace. The largest component of supply is from vacant floorspace, the majority of which is located in the Shoreditch area. The pipeline of potential employment

floorspace from as yet unimplemented planning applications also provides a significant proportion of potential supply. It should be noted that the 121,000sq.m of unimplemented planning permissions includes 95,000sq.m of floorspace as part of the Olympic legacy proposals.

- 4.66 Over 80% of all the estimated potential supply is located within either Hackney Wick or Shoreditch, with less than 20% located in all other parts of the Borough.

Table 4.14 – Potential Supply of B Use Space by Sub Area

Sub Area	Employment Floorspace from Redevelopment	Employment Floorspace from Vacant Opportunity Land	Vacant Floorspace	Floorspace proposed in AAP's	Pending Planning Applications (Net increase)	Additional Potential at Hackney Wick	Total
Shoreditch	13,050	39,591	89,046		26,521		168,208
City Road	3,463	4,311	5,195		- 5,398		7,571
Canal Side	500		10,483		- 907		10,076
Kingsland	6,406		3,712		2,073		12,191
Dalston	2,274		7,739		- 3,757		6,256
Mare Street/Hackney	1,619		7,774	18,670	7,838		35,901
Homerton	436				- 175		261
Hackney Wick	822		10,321		97,040	55,462	163,645
Other	209		5,059		- 2,125		3,143
Total	28,779	43,902	139,329	18,670	121,110	55,462	407,252

Source: Atkins.

Note: The 121,000sq.m of unimplemented planning permissions includes 95,000sq.m of floorspace as part of the Olympic legacy proposals.

- 4.67 Table 4.15 illustrates the potential supply of employment floorspace by type. It has been assumed that the employment capacity at Hackney Wick will be split evenly between office, warehousing and industrial floorspace.

- 4.68 The Table shows that there is significant potential for office floorspace (314,515sq.m or 77% of the total potential supply), whilst the potential supply of warehousing is likely to contract due to unimplemented planning permissions.

Table 4.15 – Potential Supply of B-Use Floorspace by Type

	Office	Industrial	Warehousing	Total
Employment Floorspace from redevelopment	22,163	6,617	-	28,779
Employment floorspace from vacant opportunity land	43,902	-	-	43,902
Vacant floorspace	122,403	16,861	65	139,329
Floorspace proposed in AAP's	18,670	-	-	18,670
Pending Planning Applications	88,890	53,700	- 21,480	121,110
Additional Potential at Hackney Wick	18,487	18,487	18,487	55,462
Total	314,515	95,665	- 2,928	407,252

Source: Atkins

Demand-Supply Balance

- 4.69 Table 4.16 illustrates the relationship between the Atkins estimated demand for employment floorspace (147,330sq.m – as identified in Table 3.4) and supply of employment floorspace in the Borough (as a result of the analysis above) by type of floorspace.

Table 4.16 – Demand-Supply Balance

Land Use	Floorspace Projection (sq.m)	Potential Supply (sq.m)	Difference (sq.m)
Offices	86,841	314,515	227,674
Industrial	-4,999	95,665	100,664
Warehousing	65,488	- 2,928	- 68,416
Total	147,330	407,252	259,922

Source: Atkins

- 4.70 Whilst Table 4.16 indicates that theoretically there is a significant pipeline of potential supply which can meet the projected quantitative estimates of future demand, there are a range of key factors that need to be taken into consideration which, in practice, will have an important impact on the actual balance between future demand and supply.
- 4.71 Firstly, for the market to function efficiently and to allow effectively for churn, choice and flexibility, it will always be necessary for pipeline supply to be in excess of projected levels of future demand. In simply planning for an amount of supply which matches future estimates of demand in quantitative terms, the operation of the market will be distorted which would result in a significant element of demand not being met. In allowing employment growth to materialise through new development, a surplus in supply is required to ensure that actual demand can be met in terms of location, type, timing, quality and size.
- 4.72 Secondly, the employment demand projections set out in this report are conservative in nature and do not take into account the potential uplift in future demand arising from the Olympics and its legacy. This element of latent demand could add significantly to our baseline estimates of future need.
- 4.73 Thirdly, it should be noted that 95,000sq.m of floorspace, which have been included as part of the total potential supply, form part of the Legacy proposal and will not be available to meet other employment floorspace demands.
- 4.74 Fourth, future supply may be significantly less than that indicated in Table 4.14 for a range of reasons:

Most future supply is concentrated in Shoreditch and Hackney Wick. Although this will ensure that much of future demand in these areas could be met by planned supply, demand arising in other locations will not be so readily served.

A significant element of vacant floorspace is relatively low quality in nature and is likely to be nearing obsolescence and/or being unsuitable for the needs of modern occupiers. Consequently, it is important not to assume that all vacant floorspace can contribute to meeting future elements of demand. It will be essential that planning policy encourages the refurbishment and/or redevelopment of unsuitable or obsolete business floorspace in the Borough.

Planned and committed supply will not always be translated into the physical provision of floorspace. In this context, it will be important to protect existing, viable employment areas and not rely on potential supply that may not reach the market place.

Given the loss of a significant element of employment land supply for the development of the Olympics Park, it will be important that this provision is replaced and therefore discounted from future supply estimates.

In planning for meeting future demand, it will be essential to ensure that supply can respond to market needs in terms of the type of premises required. For example, the current pipeline of supply includes only a small amount of warehousing space. Consequently, emerging employment land supply policies and associated designations should provide sufficient choice and flexibility to meet the varying needs of the market.

5. Policy Recommendations

5.1 This Chapter sets out our policy recommendations for employment land and premises in Hackney. Our recommendations are based on a comprehensive process of evidence gathering and analysis which included:

- Examination of trends in current and future demand for employment land and premises;
- An update of the existing employment land and premises supply; and
- Analysis of issues related to the quality, unit size and flexibility of premises.

Policy Recommendations within 2006 Study:

5.2 The 2006 study identified three critical issues which it recommended should be addressed by the LDF's employment land policies:

Firstly, the transfer of industrial sites to alternative uses should be carefully managed and strongly restricted to sites which are inherently unsuitable or unviable for industrial, warehousing or business use. The rate and scale of transfer to non-employment uses should be significantly lower than that experienced over the last decade.

Secondly, the current provision of B1 premises represents a mismatch between supply and demand. Whilst there is an overhang in the current or planned supply of large scale, prime office accommodation, there is a significant quantum of unmet need from key business sectors, particularly small enterprises. These businesses have specific needs in terms of the size, location, type and affordability of premises. They also are of fundamental importance to the future prosperity of Hackney's established communities and have a major role to play in reducing levels of deprivation within the Borough. We consider it critical that the LDF provides a framework for creating a balance between accommodating the eastward expansion of the City and facilitating the diversification and expansion of businesses serving the local communities. It is also critical for the future supply of business premises to provide a competitive offer to priority growth sectors which are being targeted by LB Hackney and its partners.

Thirdly, there is a need for the Council to take a strongly proactive approach to facilitating the *qualitative improvement in the supply of employment land and premises in the Borough*. This may involve the redevelopment and/or refurbishment of existing sites and premises; the potential allocation of some new land and/or floorspace for employment purposes; and promoting a new approach to creating employment-led mixed use developments in appropriate locations.

5.3 The 2006 Study's review of the quantitative and qualitative balance between future potential demand for and future potential supply of employment land highlighted that there is limited scope to release existing employment sites to alternative uses. The Study identified that there is a particular requirement to:

- ensure that the existing quantum of employment land assets are not eroded to ensure that the needs of local businesses can be accommodated during the plan period; and
- significant steps are taken to improve the quality and diversity of supply to meet the varied rang of needs in the market.

5.4 As a result the study recommended that the overall strategy which should guide employment land policy should be led by the following principles:

- a) All recommended cluster designations, with the exception of ‘other employment locations’ and ‘opportunity sites’, **should be safeguarded for predominantly on-going employment use based on the premise of no net-loss**. This policy principle should be embedded in the LDF to ensure that development proposals do not result in a net loss of existing employment floorspace with the designated cluster. Development proposals should seek to increase the supply of employment floorspace where feasible although the focus of policy should be on improving the quality of supply. This should include the provision of a varied portfolio of owner-occupied and rented space suitable to the needs of modern occupiers.
- b) In order to introduce flexibility for marginal employment sites, specific designations should be made for parcels of land where an element of non-employment development will facilitate the provision of good quality, modern employment floorspace that would otherwise not be feasible. These sites should be designated as ‘opportunity sites’.

Criteria based policy approach

- 5.5 Based on our original assessment of the demand-supply balance in relation to employment land and premises in Hackney, the 2006 Study recommended a new typology of employment locations to inform policy decisions. The typology includes the following designation types:

Major Office Zone

Strategic Employment Location

Priority Employment Area

Town Centre and Main Shopping Area

Local Centre

Other Employment Locations

- 5.6 Appendix E illustrates the criteria used to specify the recommended employment designations in the 2006 study.

Employment Land Policy within Submission Core Strategy:

- 5.7 The Submission Core Strategy (SCS) recognises that the Central Activity Zone (CAZ) is the country’s most important strategic office location and its purpose is to retain adequate capacity to meet future demand for office and retail space within London.
- 5.8 The SCS also recognises that land and floorspace should be safeguarded for employment, retail and business uses in designated centres and areas where development can take advantage of such a concentration of infrastructure and facilities needed to promote a healthy economy. As a result, the SCS adopts the recommended Priority Employment Areas (PEA) designation.
- 5.9 The SCS seeks to define PEAs in and around town and local centres and other areas of high public transport accessibility or areas where a cluster of employment uses already exists in order to continue to promote the location of such businesses within the area and support the sustainable development of Hackney’s economy. PEAs are also designated in order to accommodate the predicted needs in terms of employment space and the potential for redevelopment of sites.
- 5.10 The SCS recognises that there is an acute need for affordable employment and managed workspace for micro, small and medium companies in the borough. These businesses are essential to Hackney’s economic vitality and are often catalysts for the regeneration of dilapidated areas. The Council seeks to protect and promote affordable locations in the borough, especially in

areas where clusters have developed, such as the creative arts cluster in Shoreditch, Dalston and along Kingsland Road. The proposed agglomerations will benefit businesses provide employment opportunities and tackle climate change, while also assisting in the creation of an identity for an area which creates the distinctiveness of town and local centres.

- 5.11 The Council's spatial strategy takes into account the suitability of sites for a wide range of industrial, commercial and business demands, as well as benefits in terms of co-location, promotion of economic clusters and the existence of supporting services to economic activity. Available space should be provided in the most appropriate locations to accommodate the different types of uses in a sustainable manner that is not prejudicial to the amenity of neighbouring uses. Particular constraints and opportunities occur in the City.
- 5.12 There are two key policies set out in the SCS which seek to manage the location and quantum of employment floorspace in the Borough:

Core Strategy Policy 17: Economic Development

- 5.13 Core Strategy Policy 17 seeks to direct employment (B class) floorspace to either the PEAs or SIL's.
- 5.14 The policy states that 'An appropriate mix of business types and premises will be sought on all employment generating developments providing opportunities for all businesses to prosper in a diverse economic environment.
- 5.15 Although the 2006 Study recommended that PEAs should be comprised predominately of B class floorspace, the SCS proposes that Business (B1), Hotels (C1) and Non-residential (D1) Institutions will be the preferred uses in Priority Employment Areas (PEAs) in line with the emerging PPS4 and local evidence base which stresses the importance of these uses in the creation of employment
- 5.16 Strategic Industrial Locations, Industrial areas or sites are the preferred locations for industrial, manufacturing and storage and distribution uses, specifically General Industry (B2) and Storage and Distribution (B8) uses.
- 5.17 General Industry (B2) and Storage and Distribution (B8) uses may also be allowed outside identified industrial areas where existing or proposed physical barriers for example railway arches, canals, roads or landscaping features, minimise inherent environmental impacts from industrial activity to the surrounding area such as visual intrusion, noise, vibration and general disruption from servicing and vehicular access. In such areas, mixed development proposals which introduce activities incompatible with existing uses will not be approved.
- 5.18 Any development within PEAs and Industrial Areas or sites is expected to make positive contributions to its dynamics and contribute to the Delivering Sustainable Growth chapter and reinforce the character of the area.

Core Strategy Policy 18: Promoting Employment Land

- 5.19 Core Strategy Policy 18 seeks to protect employment land or land last used for employment purposes anywhere in the borough.
- 5.20 Redevelopment of existing employment land will be allowed when this redevelopment will clearly contribute to addressing worklessness within the borough, improve quality and uptake of existing employment space, the surrounding area and meet the identified needs of businesses within the area.
- 5.21 Any employment space provided should contribute to the economic objectives set in the Delivering Sustainable Growth chapter, be of high quality, flexible, inclusive, have natural light and easily adaptable.

Differences between the 2006 Study's Recommendations and the Submission Core Strategy

- 5.22 There are several key differences between the approach to employment land recommended in the 2006 Study and the approach set out in the SCS:

The 2006 Study recommended a policy of no-net-loss of employment land which has not been adopted within the SCS. Instead, Policy 18 seeks to protect employment land but allows redevelopment where it will clearly contribute to meeting employment needs in the Borough, focusing on the improvement of the quality of supply;

The SCS has taken into account the GLA's revised approach to industrial land and refers to Strategic Industrial Locations (SILs) and Locally Significant Industrial Sites, rather than the Strategic Employment Locations (SELS) referred to in the 2006 Study;

Core Strategy Policy 17 now actively allows C1 and D1 uses within PEA clusters, where as the 2006 recommendations sought to restrict these clusters to predominately B class uses wherever possible, but it stresses that these uses will only be allowed in PEAs with a PTAL score of 5 or above or Peas adjacent to town centres

Core Strategy Policy 17 also seeks to locate B1 uses in PEAs, with B2 and B8 uses directed to SILs or Locally Significant Industrial Sites

Analysis of Application of UDP Policy E5

- 5.23 The Hackney Unitary Development Plan, which is still the formal development plan until the Core Strategy is adopted, includes Policy E5, which seeks no net loss of employment generating floorspace.

- 5.24 Although the application of this policy has been successful in many instances, there have been a number of occasions where the policy has been rejected on appeal. The most common reasons for the rejection of Policy E5 are:

Concerns about the practical implications of requiring industry-led mixed use;

Benefits of the proposed development outweighing the negative impact of the loss of employment floorspace;

Demand and need for housing deemed to be greater than need to retain employment floorspace;

Lack of evidence that the application site would be able to attract employment development in its current form;

Property not being suited to employment uses (due to size or quality of premises);

Limited loss of employment floorspace would not be substantially harmful to the Council's broad objective of retaining the wider area in employment use;

UDP is old and should be read alongside more recent government guidance which encourages mixed-use development in sustainable locations;

Precedent of other mixed-use developments granted within employment areas;

Policy E5 allows some flexibility in that a loss of floorspace may be acceptable if it would lead to the provision of higher-quality accommodation or other employment benefits;

Increase in the employment density, which would increase the total number of jobs supported on the application site; and

Amenity issues related to keeping the site in employment uses

Recommended Policy Approach

5.25 Drawing upon the analysis of the relationship between the projected demand and potential supply of employment floorspace, as well as the analysis of the application of existing employment policy in the Borough, we recommend that the LDF employment strategy be guided by the following key policy considerations:

Theoretically, there appears to be sufficient potential capacity to accommodate the projected demand for employment space in the Borough. On this basis, there is no quantitative need to identify new employment sites to provide for future employment demand. However, given the significance of potential constraints to the realisation of identified sources of supply (see Chapter 4), it is apparent that the potential 'over-supply' of sites does not reflect real market circumstances. Indeed, it is likely that the identified capacity for development will be significantly less than that highlighted Table 4.14. Consequently, we recommend that the underlying principle of the employment land strategy should strongly focus on retaining existing, designated employment areas for that use. This is especially important in the context of the boundaries of many PEAs having been revised since the previous study which has resulted in rationalisation in the supply of total employment land in the Borough.

However, given the urgent need to improve the quality of existing employment floorspace in the Borough, as well as the need to ensure that land and premises meets the needs of modern businesses, a loss of employment floorspace may be acceptable if the Council could be satisfied that:

- The proposal would result in an improvement to overall quality of the site / location as an employment area particularly if it shown to meet the needs of target sectors and local businesses;
- The proposal would increase the number of people employed on the site;
- The proposal would facilitate the regeneration of the site and surrounding areas for higher value employment uses;
- The proposal would enhance the day-to-day functioning of the site / area as a predominantly employment location.

In planning for meeting future demand, it will be essential to ensure that supply can respond to market needs in terms of the type of premises required. Consequently, emerging employment land supply policies and associated designations should provide sufficient choice and flexibility to meet the varying needs of the market. As a result, we would recommend that industrial and distribution uses are not solely confined to SIL or LSIS designations but would be acceptable within PEAs subject to scale, amenity, traffic and other critical planning issues.

There is a need to ensure an efficient distribution of employment sites across the Borough to enable reasonable access to employment for residents, particularly those living in deprived areas. The assessment of potential sources of supply identified that most future supply is concentrated in Shoreditch and Hackney Wick. Although this will ensure that much of future demand in these areas could be met by planned supply, demand arising in other locations may not be so readily served. The Council should therefore seek to protect and promote a wide and varied mix of employment-generating opportunities throughout the Borough.

As part of the restructuring and diversification process, the Council should take a strongly proactive approach to facilitating the qualitative improvement in the supply of employment land and premises in the Borough. This may involve: the intensification of some existing employment sites; the redevelopment and/or refurbishment of existing sites and premises; and promoting a new approach to creating employment-led mixed use developments in appropriate locations. The latter can be achieved through the redevelopment of identified premises and the development of vacant land located within opportunity sites.

Hotels and non-residential institutional uses may be suitable for location in some PEAs. However, promotion of these uses should be subject to the principles outlined above which seek to retain the primary function of these area as employment (B use) locations. In considering proposals, particular emphasis should be given to the need not to compromise the ongoing operations of existing businesses in the area. Furthermore, proposals should not be encouraged where they are likely to limit or prevent investment opportunities for B-use businesses in the area. If the proposal is likely to undermine the long-term functioning of the area as an employment (B-use) location, such proposals should be discouraged.

Criteria-Based Policy Designations

- 5.26 In developing appropriate policies for the LDF, we recommend that the employment designations be updated to take account of the changes to the strategic policy framework and to ensure that they reflect the varied employment role of different locations and sites within the Borough.
- 5.27 We recommend the following designations/typologies:
- Strategic Industrial Locations (SILs) - Preferred Industrial Locations and Industrial Business Parks to be safeguarded as designated in the London Plan (industry and warehousing only)
 - Locally Significant Industrial Sites (LSISs) – Sites safeguarded for locally significant industrial and distribution uses. The premises are typically larger and be more sensitive to surrounding land uses than businesses within PEAs
 - Priority Employment Areas (PEAs) – Sites safeguarded for a range of business and smaller scale industrial and warehousing activities, including sites which have the potential for employment development
 - Major Town Centre and District Town Centre – Sites which are largely focused on retail and services, but which contain some B1a and B1c premises
 - Local Shopping Centre - Smaller local centres which are appropriate for some small scale B1a and B1c premises.

Priority Employment Areas

- 5.28 Priority Employment Areas should normally meet the following criteria:
- Form part of established area of existing industrial, warehousing or office-based activity;
 - Support clusters of economic activity which are of particular importance to the future growth of the Hackney economy. Those clusters include cultural and creative industries, financial and business services and other business services;
 - Well located in proximity to the road network and are normally accessed directly from a primary, secondary or local distributor road;
 - Well located in relation to public transport facilities including stations of the planned East London Line Extension;

The quality of the employment building stock and the state of the physical environment and public realm are attractive to business or have the physical potential to be upgraded to meet those needs;

Provides an existing role or offers potential with regard to the provision of premises serving small and medium sized businesses (including start-up, expanding and relocating businesses);

Provides lower cost accommodation suitable for small, start-up or lower-value industrial, warehousing or office uses or other business important to the local economy;

Contributes to local employment objectives and local economic diversity.

Locally Significant Industrial Sites

5.29 The Mayors Industrial Capacity SPG identifies typical criteria for LSISs:

5.30 *Economic criteria*, including whether a site:

- a) meets demonstrable local short term demand for industrial development, and / or strategic long term demand;
- b) offers potential for the in-situ expansion of existing industrial businesses;
- c) supports local or strategically important clusters of industrial activity;
- d) meets demand and addresses the particular needs of waste management, recycling, energy, transport and utilities and enabling waste to be managed in one of the nearest appropriate installations;
- e) meets demand for new or emerging industries, especially those identified in London Plan Policies 3B.5, 7, 8 and 10;
- f) is well located to take advantage of existing or proposed infrastructure or economic development / regeneration funding;
- g) offers potential for the provision of small industrial units serving local residential and commercial areas, particularly where there is little alternative provision in the local area;
- h) is needed to accommodate provision for transport in terms of Mayoral guidance on provision for transport and safeguarding river related uses, for example, bus garages, rail depots, interchanges and terminals, wharves, boat yards and inter-modal sites;
- i) provides lower cost industrial accommodation suitable for small, start-up, or lower-value industrial uses or other industrial related businesses important to the local economy.

5.31 *Land use criteria*, including whether a site:

- a) is well located in relation to the strategic highway network or local highway network, in particular causing minimal traffic impact in residential areas;
- b) is well located in relation to the rail, river or canal network including inter-modal rail heads and safeguarded wharves, offering potential for transport of goods by rail and/or water transport;
- c) is located within or adjacent to a town centre or the Central Activities Zone, recognising that PPS6 and PPG13 promote high trip generating uses at such locations;
- d) is well located in relation to public transport facilities, recognising that many industrial activities have relatively low trip generation and that other land uses (such as offices, leisure and retail) may be more appropriate in locations with high public transport accessibility;

- e) is part of a larger area of existing industrial activity, or area designated for industrial protection, where re-designation of the industrial site would alter the industrial character of the area or inhibit the operations of nearby industrial uses;
- f) offers potential for 24-hour working, or provides facilities for 'bad neighbour uses'⁶⁶ without detriment to residential amenity, being well screened from neighbouring uses, particularly residential areas;
- g) offers potential for waste management or recycling uses;
- h) offers potential for space intensive activities which do not fall within the ambit of this SPG and would not, in this location, compromise wider planning objectives;
- i) provides sufficient space for adequate operational parking (see London Plan Policy 3C.23 and Annex 4) and turning space for goods vehicles.

5.32 *Demand based* criteria including whether a site

- a) has been adequately marketed through a commercial agent at a price that reflects market value for industrial use for a reasonable period (normally at least two years) and with potential for industrial redevelopment where this is required to meet the needs of industrial users;
- b) has been vacant for a considerable period (normally at least two years, and up to five years in areas of generally strong demand), without realistic prospect of industrial re-use.

Revision of Clusters by Policy designation

5.33 Appendix F provides our recommendations for each cluster according to the typology of employment sites identified above. Figure 5.1 illustrates the recommended designations for each cluster

5.34 It is also recognised that there are other locations in the Borough which offer potential to support viable B use class activities in mainly residential locations. Given the size of these sites, they do not meet the criteria of either a Strategic Industrial Location or Priority Employment Area but are justified for safeguarding in terms of their local importance.

5.35 Whilst these sites should be prioritised for employment use, flexibility should be introduced to enable non-employment and mixed-use proposals to be considered where marketing evidence clearly demonstrates that the site's use predominantly for employment is commercially unviable or clearly unsuitable.

Hackney Wick

5.36 The LLV OAPF identifies the proposed employment allocations within the Hackney Wick area (see Figure 5.2). The OAPF shows that the large purple area in the north east of the site should remain as a SIL, with a small corner of the south west of the site also remaining as a SIL. The purple hatched area represents the 'Other Industrial Area' allocation, which is not afforded the same level of protection as either a SIL or a LSIS.

Figure 5.2 – Proposed Strategic Industrial Locations within Hackney Wick



Source: LLV OA Planning Framework

- 5.37 The Consultants visited the Hackney Wick area in November 2009 as part of the update to the assessment of the supply of employment land. The assessment revealed that there are still a significant number of B class businesses located north of Hackney Wick station and that the cluster is now the largest single industrial location in the Borough. The cluster appears to meet many of the criteria for an LSIS (see above). However, given the potential for significant regeneration benefits as a result of the Olympic legacy proposals, as set out in the Hackney Wick and Fish Island masterplan as well as the Lower Lea Valley OAPF, restricting the site strictly to employment uses is likely to be counterproductive to the creation of high quality employment floorspace to meet the needs of the Borough. Additional employment floorspace is likely to come forward as part of mixed use proposals, including residential, retail and other commercial space. As a result, we would recommend that the area is designated as an 'other' industrial location, which allows the introduction of other non B-class floorspace.
- 5.38 It is understood that the south west corner of the site is currently in use as a temporary gypsy and traveller's site and will remain so until 2014. As a result, we recommend that the employment allocation on this part of the site should be reviewed after the temporary use has expired. The review should take into account the potential to accommodate employment uses within the context of the site as it stands in 2014.
- 5.39 The south east of the site is designated for the legacy sports facilities. However, although it is understood that a sports centre will remain in this area, there is potential for industrial and distribution uses to be developed here, linking in with the existing employment uses to the west and the proposed legacy use of the International Broadcast Centre and Press Centre to the north. As a result, this area should be designated as an Other Employment Site.

6. Conclusions and Recommendations

Introduction

- 6.1 This Section summarises the findings of the employment study update and sets out the Consultants policy recommendations. It seeks to supplement the conclusions and recommendations of the 2006 report having regard to available up-to-date information and recent changes in national and regional policies.

Policy Update

- 6.2 Following the appraisal of key strategic policy advancements since the publication of the 2005 report, the core messages for Hackney are summarised below:

Draft PPS4 promotes a proactive and positive approach to planning for economic development. This includes making provision for a good range of sites (including mixed-use) for large and small businesses. In seeking to engender a more responsive and flexible approach to the provision of employment land, the draft PPS highlights that designating sites for single or restricted activities should be avoided.

The proposals for the Mayor's London Plan now place Hackney within the 'east' sub-region as opposed to the 'north' sub-region of London. The Central Activities Zone (CAZ) has also been expanded to include much of the southern section of Hackney, roughly up to around City Road and Hoxton Square.

The demand for office based employment floorspace for CAZ and north of the Isle of Dogs from the period 2011 to 2031 is estimated at a total of 175,000 units, which amounts to 2.25 million sqm. Policy 4.2 specifically relates to office development and supports the renewal and modernisation of the office stock in viable locations and urges boroughs to manage changes of surplus office space to other uses. This is also supported by Policy 4.3 which seeks to encourage mixed use development and redevelopment schemes within CAZ.

The new version of the London Plan also introduces a new policy on the 2012 Games and their legacy. This supports the creation of a high quality and creative industry cluster at Hackney Wick, which would provide premises for local and global businesses. It is envisaged that this area would also provide strong technological infrastructure.

Further support for creative industries is outlined in Policy 4.6, which relates to enhancing the provision for arts, culture and entertainment industries. This replaces Alteration Policy 3B.8, which shares the same focus in supporting the designation and development of Cultural Quarters in order to new accommodate cultural and leisure industries, which will also assist in contributing towards regeneration.

Policy 2.17 addresses Strategic Industrial Locations and identifies in Table A3.1 that a part of Hackney Wick is considered to be a suitable location for an Industrial Business Park. Employment activities within these types of developments require quality surroundings in order to provide for research and development, light industrial and higher value general industrial uses. It is considered that development proposals for employment workspace should meet identified needs for small and medium sized enterprises (SMEs) or new emerging industrial sectors.

Developing London's diverse economy over the years to 2031 is a key focus of Chapter 4. Policy 4.1 seeks to encourage a sufficient and suitable provision of workspaces in terms of type, size and cost, supporting infrastructure and suitable environments to serve the needs of small and medium sized enterprises.

The Major's recently issued SPG on Industrial Capacity highlights that approximately 187 ha of surplus industrial land should be released to other uses in the period 2006-2026. Hackney is placed in the 'limited transfer' category which is the intermediate between the 'restrictive' and 'managed transfer' categories.

Whilst the SPG highlights that SILs (including the SIL at Hackney Wick) represent the core reservoir of industrial land in London, it also emphasises the need for local authorities to identify Locally Significant Industrial Sites (LSIS). Like the SILs, the LSIS should be protected for a range of industrial uses. It will be important for the LDF to identify its portfolio of LSIS. The SPG sets out the criteria which should be applied by local authorities to identify LSISs.

The SPG highlights that provision of mixed-use development in LSISs is not a primary aim. Whilst mixed-use may not be completely excluded in LSISs, such proposals must be supported by policies in the London Plan Further Alterations (e.g. in close proximity to public transport hubs and peripherally located and dysfunctional parts of industrial sites).

In planning for the release of industrial land, the SPG highlights that most surplus land will be on smaller sites outside SILs and LSISs.

The Lower Lea Valley OAPF determined that in Hackney approximately 30% (10ha) of industrial land could be released for other uses, such as new green space. Hackney Wick is identified a Strategic Employment Location and promotes the development of its specialised cultural/creative clusters. The Hackney Wick SPG supports employment generating uses (mainly B1, B2 and D1) in the north east, south east and south west of the area.

The Hackney Wick masterplan, which forms parts of the Olympic Legacy Masterplan Framework aims to intensify existing industrial areas, improve accessibility and make better use of the waterways in the area. In particular, specialised industrial activity and new emerging industrial sectors are encouraged as part of a mixed use development, though this should not incur a net loss of industrial capacity. However, the future sustainability of the creative and cultural industries in the area are under threat from such Olympic driven regeneration, which has resulted in increased rents, reduced the availability of affordable premises that are suitable for smaller businesses.

The London Industrial Land Release Benchmarks study highlighted that industrial and warehousing land supply in Hackney decreased from 105ha in 2001 to 87ha in 2006: approximately 30ha of this was industrial, whilst the remainder was used for warehousing. Similarly, vacant industrial land in Hackney decreased from 20ha to 14ha in 2006. This compares well with the findings of the 2005 Employment Study for Hackney. Despite a fall in demand for general industrial and manufacturing activities, the study highlighted an anticipated increase in demand for logistics, waste and recycling facilities and transport depots. The study emphasised that Hackney has an intermediate supply of industrial land in Hackney and highlighted that the Borough has a role to play in supplying some small scale logistics and industry serving the CAZ.

The Demand and Logistics in London report locates Hackney in the major industrial property market areas of the Lea Valley and Central Services Circle. The proportion of demand for logistics/warehousing premises is 90% in the Central Services Circle and 85-90% in the Lea Valley. In particular, there is a strong demand for premises with a floor space between 2-10,000m² (and above 10,000m² in the Lea Valley) for logistics activities.

The Mayors economic recovery plan sets out a £23.4million investment strategy to increase support to small and medium sized businesses within the current economic turbulence. The scheme is fully focused on assisting businesses in retaining jobs and supporting job creation in London.

The Hackney Core Spatial Strategy Proposed Submission aims to encourage economic diversity, support existing businesses and business development by facilitating the location of micro, small and medium companies within Hackney.

The Strategy encourages the development of employment clusters and employment-led mixed use developments with a preference for B1, C1 and D1 uses in Priority Employment Areas and B2 and B8 uses in designated industrial sites or areas.

Economic growth centres are identified as Dalston Town Centre, Hackney Town Centre, Shoreditch and Hackney Wick. The draft AAPs for Hackney Central and Hackney Wick supports the provision of B1 workspace for priority sectors (cultural/creative industries, ICT, design and interactive media technologies, finance and business services, public services and transport.)

A Strategic Approach to Inward Investment identifies the key drivers for the economy as servicing for the city, high value manufacturing, retail, hospitality and entertainment and the creative sectors. Opportunity areas were identified as Shoreditch, Dalston, Hackney Central and Broadway Market and the A10 Corridor and Kingsland Basin.

The Hackney Borough Profile identified that smaller and medium enterprises (SME's) dominate its economy. There has also been a marked decline in traditional manufacturing industry which has been replaced by growth in the service sector particularly amongst real estate, renting and other business activities (real estate, renting and business activities).

The Live-Work Scheme was revoked in 2003 as it was incurring a loss of employment generating uses. Following the review it was recommend that negotiation should take place with the applicant to ensure that mixed use schemes incorporated 'pure' employment and residential uses.

The Creative Hackney – a new cultural policy document seeks to encourage the development of cultural and creative sectors through the establishment of strong networks, partnerships and business clusters. These creative clusters assist in supporting smaller creative industries, which in turn will lead to the boosting economic performance of the creative and cultural sector.

The Study of Small Business Workspace Provision in Hackney indicated that the property market is unbalanced, with a strong demand for small units (particularly in South Shoreditch) and an oversupply in large units which are vacant due to high prices and inappropriate size, type and location. The study recommended measures to address this imbalance through policies that secure employment space, reconfiguration of existing space to make it suitable for SMEs and encouraging managed workspace schemes in South Shoreditch, Dalston and Hackney Central.

Future Floorspace Need

- 6.3 Our employment projections for Hackney use a labour demand technique, which conforms to guidance on forecasting methods recommended by the Government's Guidance Notes on Employment Land Reviews. This technique involves the extrapolation and manipulation of historical trends in sectoral employment over the forecast period to provide an estimate of the potential future demand for labour in Hackney. The starting point in history for the trend analysis has a significant impact on the outcome of the modelling process. A medium-term trend, defined as 1995 to 2006 and a short-term trend, defined as 2001 to 2007 form the basis of the forecasts.
- 6.4 Table 6.1 sets out our estimates of potential demand for additional floorspace as determined by our projections of future employment change in Hackney.

Table 6.1 – Projected B-Use Floorspace Need by Land Use 2010-2025

Land Use	Employment Change	Worker:Floorspace Ratio (sqm per job)	Floorspace (sqm)
Offices (B1)	4,571	19	86,841
Industrial (B2)	-151	33	-4,999
Warehousing (B8)	1,310	50	65,488
Off-site	725	-	-
Total	6,453	-	147,330

Supply Update

- 6.5 Table 6.2 provides a summary of potential sources of employment supply by sub-region. Altogether, it is estimated that the Borough has the potential to develop around 400,000sq.m of employment floorspace. The largest component of supply is from vacant floorspace, the majority of which is located in the Shoreditch area. The pipeline of potential employment floorspace from as yet unimplemented planning applications also provides a significant proportion of potential supply. It should be noted that the 121,000sq.m of unimplemented planning permissions includes 95,000sq.m of floorspace as part of the Olympic legacy proposals.
- 6.6 Over 80% of all the estimated potential supply is located within either Hackney Wick or Shoreditch, with less than 20% located in all other parts of the Borough.

Table 6.2 – Potential Supply by Sub Area

Sub Area	Employment Floorspace from Redevelopment	Employment Floorspace from Vacant Opportunity Land	Vacant Floorspace	Floorspace proposed in AAP's	Pending Planning Applications (Net increase)	Additional Potential at Hackney Wick	Total
Shoreditch	13,050	39,591	89,046		26,521		168,208
City Road	3,463	4,311	5,195		- 5,398		7,571
Canal Side	500		10,483		- 907		10,076
Kingsland	6,406		3,712		2,073		12,191
Dalston	2,274		7,739		- 3,757		6,256
Mare Street/Hackney	1,619		7,774	18,670	7,838		35,901
Homerton	436				- 175		261
Hackney Wick	822		10,321		97,040	55,462	163,645
Other	209		5,059		- 2,125		3,143
Total	28,779	43,902	139,329	18,670	121,110	55,462	407,252

Source: Atkins

- 6.7 Table 6.3 illustrates the potential supply of employment floorspace by type. It has been assumed that the employment capacity at Hackney Wick will be split evenly between office, warehousing and industrial floorspace.
- 6.8 The Table shows that there is significant potential for office floorspace (314,515sq.m or 77% of the total potential supply), whilst the potential supply of warehousing is likely to contract due to unimplemented planning permissions.

Table 6.3 - Potential Supply of Floorspace by Type

	Office	Industrial	Warehousing	Total
Employment Floorspace from redevelopment	22,163	6,617	-	28,779
Employment floorspace from vacant opportunity land	43,902	-	-	43,902
Vacant floorspace	122,403	16,861	65	139,329
Floorspace proposed in AAP's	18,670	-	-	18,670
Pending Planning Applications	88,890	53,700	- 21,480	121,110
Additional Potential at Hackney Wick	18,487	18,487	18,487	55,462
Total	314,515	95,665	- 2,928	407,252

Source: Atkins

Demand-Supply Balance

- 6.9 Table 6.4 illustrates the relationship between the estimated demand and supply of employment floorspace in the Borough by type of floorspace.

Table 6.4 - Demand-Supply Balance

Land Use	Floorspace Projection (sq.m)	Potential Supply (sq.m)	Difference (sq.m)
Offices	86,841	314,515	227,674
Industrial	-4,999	95,665	100,664
Warehousing	65,488	- 2,928	- 68,416
Total	147,330	407,252	259,922

- 6.10 Whilst Table 6.4 indicates that theoretically there is a significant pipeline of potential supply which can meet the projected quantitative estimates of future demand, there are a range of key factors that need to be taken into consideration which, in practice, will have an important impact on the actual balance between future demand and supply.
- 6.11 Firstly, for the market to function efficiently and to allow effectively for churn, choice and flexibility, it will always be necessary for pipeline supply to be in excess of projected levels of future demand. In simply planning for an amount of supply which matches future estimates of demand in quantitative terms, the operation of the market will be distorted which would result in a significant element of demand not being met. In allowing employment growth to materialise through new development, a surplus in supply is required to ensure that actual demand can be met in terms of location, type, timing, quality and size.
- 6.12 Secondly, the employment demand projections set out in this report are conservative in nature and do not take into account the potential uplift in future demand arising from the Olympics and its

legacy. This element of latent demand could add significantly to our baseline estimates of future need.

6.13 Thirdly, it should be noted that 95,000sq.m of floorspace, which have been included as part of the total potential supply, form part of the Legacy proposal and will not be available to meet other employment floorspace demands.

6.14 Fourth, future supply may be significantly less than that indicated in Table 6.4 for a range of reasons:

Most future supply is concentrated in Shoreditch and Hackney Wick. Although this will ensure that much of future demand in these areas could be met by planned supply, demand arising in other locations will not be so readily served.

A significant element of vacant floorspace is relatively low quality in nature and is likely to be nearing obsolescence and/or being unsuitable for the needs of modern occupiers. Consequently, it is important not to assume that all vacant floorspace can contribute to meeting future elements of demand. It will be essential that planning policy encourages the refurbishment and/or redevelopment of unsuitable or obsolete business floorspace in the Borough.

Planned and committed supply will not always be translated into the physical provision of floorspace. In this context, it will be important to protect existing, viable employment areas and not rely on potential supply that may not reach the market place.

Given the loss of a significant element of employment land supply for the development of the Olympics Park, it will be important that this provision is replaced and therefore discounted from future supply estimates.

In planning for meeting future demand, it will be essential to ensure that supply can respond to market needs in terms of the type of premises required. For example, the current pipeline of supply includes only a small amount of warehousing space. Consequently, emerging employment land supply policies and associated designations should provide sufficient choice and flexibility to meet the varying needs of the market.

Policy Recommendations

6.15 Drawing upon the analysis of the relationship between the projected demand and potential supply of employment floorspace, as well as the analysis of the application of existing employment policy in the Borough, we recommend that the LDF employment strategy be guided by the following key policy considerations:

Theoretically, there appears to be sufficient potential capacity to accommodate the projected demand for employment space in the Borough. On this basis, there is no quantitative need to identify new employment sites to provide for future employment demand. However, given the significance of potential constraints to the realisation of identified sources of supply (see Chapter 4), it is apparent that the potential 'over-supply' of sites does not reflect real market circumstances. Indeed, it is likely that the identified capacity for development will be significantly less than that highlighted Table 4.14. Consequently, we recommend that the underlying principle of the employment land strategy should strongly focus on retaining existing, designated employment areas for that use. This is especially important in the context of the boundaries of many PEAs having been revised since the previous study which has resulted in rationalisation in the supply of total employment land in the Borough.

However, given the urgent need to improve the quality of existing employment floorspace in the Borough, as well as the need to ensure that land and premises meets the needs of modern businesses, a loss of employment floorspace may be acceptable if the Council could be satisfied that:

- The proposal would result in an improvement to overall quality of the site / location as an employment area particularly if it shown to meet the needs of target sectors and local businesses;
- The proposal would increase the number of people employed on the site;
- The proposal would facilitate the regeneration of the site and surrounding areas for higher value employment uses;
- The proposal would enhance the day-to-day functioning of the site / area as a predominantly employment location.

In planning for meeting future demand, it will be essential to ensure that supply can respond to market needs in terms of the type of premises required. Consequently, emerging employment land supply policies and associated designations should provide sufficient choice and flexibility to meet the varying needs of the market. As a result, we would recommend that industrial and distribution uses are not solely confined to SIL or LSIS designations but would be acceptable within PEAs subject to scale, amenity, traffic and other critical planning issues.

There is a need to ensure an efficient distribution of employment sites across the Borough to enable reasonable access to employment for residents, particularly those living in deprived areas. The assessment of potential sources of supply identified that most future supply is concentrated in Shoreditch and Hackney Wick. Although this will ensure that much of future demand in these areas could be met by planned supply, demand arising in other locations may not be so readily served. The Council should therefore seek to protect and promote a wide and varied mix of employment-generating opportunities throughout the Borough.

As part of the restructuring and diversification process, the Council should take a strongly proactive approach to facilitating the qualitative improvement in the supply of employment land and premises in the Borough. This may involve: the intensification of some existing employment sites; the redevelopment and/or refurbishment of existing sites and premises; and promoting a new approach to creating employment-led mixed use developments in appropriate locations. The latter can be achieved through the redevelopment of identified premises and the development of vacant land located within opportunity sites.

Hotels and non-residential institutional uses may be suitable for location in some PEAs. However, promotion of these uses should be subject to the principles outlined above which seek to retain the primary function of these area as employment (B use) locations. In considering proposals, particular emphasis should be given to the need not to compromise the ongoing operations of existing businesses in the area. Furthermore, proposals should not be encouraged where they are likely to limit or prevent investment opportunities for B-use businesses in the area. If the proposal is likely to undermine the long-term functioning of the area as an employment (B-use) location, such proposals should be discouraged.

6.16 We recommend the following designations/typologies:

Strategic Industrial Locations (SILs) - Preferred Industrial Locations and Industrial Business Parks to be safeguarded as designated in the London Plan (industry and warehousing only)

Locally Significant Industrial Sites (LSISs) – Sites safeguarded for locally significant industrial and distribution uses. The premises are typically larger and be more sensitive to surrounding land uses than businesses within PEAs

Priority Employment Areas (PEAs) – Sites safeguarded for a range of business and smaller scale industrial and warehousing activities, including sites which have the potential for employment development

Major Town Centre and District Town Centre – Sites which are largely focused on retail and services, but which contain some B1a and B1c premises

Local Shopping Centre - Smaller local centres which are appropriate for some small scale B1a and B1c premises.

- 6.17 Recommended employment cluster designations are set out in Appendix F and illustrated in Figure 5.1.

Appendix A

Definition of B Use Activities by SIC

A.1 Definition of B-Use Activities by Standard Industrial Classification

Table A.1 – B Use Class Activities

B-Use Class	Activities
Banking, finance & insurance	65 : Financial intermediation, etc
	66 : Insurance and pension funding, etc
	67 : Act auxiliary financial intermediation
	70 : Real estate activities
	71 : Renting machinery/equipment, etc
	72 : Computing and related activities
	73 : Research and development
	74 : Other business activities
Construction	45 : Construction
Distribution & wholesale	50 : Sale, maintenance/repair motor vehicles
	51 : Wholesale trade/commission trade, etc
Manufacturing	15 : Manuf food products and beverages
	16 : Manuf tobacco products
	17 : Manuf textiles
	18 : Manuf apparel;dressing/dyeing fur
	19 : Tanning/dressing of leather, etc
	20 : Manuf wood/products/cork, etc
	21 : Manuf pulp, paper and paper products
	22 : Publishing,printing,repro recorded media
	23 : Manuf coke, refined petroleum products
	24 : Manuf chemicals and chemical products
	25 : Manuf rubber and plastic goods
	26 : Manuf other non-metallic products
	27 : Manuf basic metals
	28 : Manuf fabricated metal products, etc
29 : Manuf machinery and equipment nec	
30 : Manuf office machinery and computers	
31 : Manuf electrical machinery/apparatus nec	
32 : Manuf radio, tv/communications equipment	

	33 : Manuf medical, precision instruments, etc
	34 : Manuf motor vehicles, trailers, etc
	35 : Manuf other transport equipment
	36 : Manuf furniture; manufacturing nec
	37 : Recycling
Other services	90 : Sewage/refuse disposal, sanitation, etc
	91 : Activities membership organisations nec
	92 : Recreational, cultural and sporting
Transport & communications	60 : Land transport; transport via pipelines
	61 : Water transport
	62 : Air transport
	63 : Supporting/auxiliary transport, etc
	64 : Post and telecommunications

Table A.2 – Industrial Sector Activities

Sector	SIC (1992)	Activities
Manufacturing	15.11 – 37.20 (excluding 22.11 - 22.15)	Includes all manufacturing as detailed under the B-Use classification table, but excludes publishing
Some construction	45.33 – 45.45	Plumbing
		Other building installation
		Plastering
		Joinery installation
		Floor & wall covering
		Painting & glazing
		Other building completion
Motor vehicles activities	50.20, 50.40	Maintenance & repair of motor vehicles
		sale, maintenance & repair of motor cycles & related parts & accessories
Sewage & refuse disposal	90.00	Sewage & refuse disposal
		Sanitation & similar activities

Table A.3 – Warehouse Sector Activities

Sector	SIC (1992)	Activities
Freight transport by road	60.24	Freight transport by road
Cargo handling	63.11	Cargo handling
Storage & warehousing	63.12	Storage & warehousing
Other supporting land activities	63.21	Other supporting land activities
Post & courier activities	64.11 – 64.12	National post activities
		Courier activities
Wholesale	51.11 – 51.70	All wholesale activities

Appendix B

Postcode Areas

Appendix C

Summary of Changes to Employment Areas since 2006 Study

C.1 Summary of Changes to Employment Areas since 2006 Study

Site No.	Cluster Name	Recommended Designation	2006 Study Recommendations	Site information used for Proposed Submission of Core Strategy
1	Pinder Street	PEA	Remove Employment Development Designation from whole of cluster and designate as PEA. Include Opportunity designation for sites D&F – currently vacant land, (site F situated on the corner of Earl Street and Finsbury Market) and vacant building (D).	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street, Old Street tube and the future Shoreditch High Street Station. Sites D&F are no longer vacant and have been redeveloped for employment uses.
4	Luke Street	PEA	PEA to follow existing DEA boundaries. Designate car park at K as an Opportunity Site. Cluster lies within the Central Activities Zone and so should be included within the major office Zone designation. The purpose of this designation is to restrict large scale office development to the Central Activities Zone with a view to reinforcing its economic role.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street, Old Street tube and the future Shoreditch High Street Station.
5	Hollywell Street	PEA	PEA to follow existing DEA boundaries. J to be designated as Opportunity site. Building is ok at present but has potential in long term for new B class office use. Cluster lies within the Central Activities Zone and so should be included within the Major Office Zone designation. The purpose of this designation is to restrict large scale office development to the Central Activities Zone with a view to reinforce its economic role.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street, Old Street tube and the future Shoreditch High Street Station. 32 – 38 Scrutton Street is not vacant, but could benefit from redevelopment.
7	Leonard Street	PEA	Remove Employment Development Designation from site to west of Kiffin Street. Include Opportunity designation for vacant land east and west of Kiffin Street. Rest of PEA to follow existing DEA boundaries. Cluster lies within the Central Activities Zone and so should be included within the Major Office Zone designation. The purpose of this designation is to restrict large scale office development to the Central Activities Zone with a view to reinforce its economic role.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Old Street Tube Station. Site currently used as a car park could be redeveloped for major office/employment development.
9	Shoreditch High Street	PEA	Designate cluster as PEA to follow existing DEA boundaries, but designate car park sites to south and west of D, on the corner of Batemans Row and Shoreditch High Street, as well as D itself, as an Opportunity site.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street and the future Shoreditch High Street Station. Extend to include area that was previously designated as proposed local town centre as this

				designation has not been carried forward.
11	Worship Street (East)	PEA	Remove Employment Development Designation from whole of cluster as a PEA and a Opportunity Site. Cluster lies within the Central Activities Zone and so should be included within the Major Office Zone designation. The purpose of this designation is to restrict large scale office development to the Central Activities Zone with a view to reinforce its economic role.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street and the future Shoreditch High Street Station. Vacant sites could be redeveloped for major office/employment development.
12	Folgate Street	PEA	Designate cluster as PEA, to follow existing DEA boundaries. Designate B as an Opportunity site. Cluster lies within the Central Activities Zone and so should be included within the Major Office Zone designation. The purpose of this designation is to restrict large scale office development to the Central Activities Zone with a view to reinforce its economic role.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street and the future Shoreditch High Street Station. Vacant site, being used now as a football pitch, could be redeveloped for major office/employment development.
13	Norton Folgate	PEA	Designate cluster as PEA to follow existing boundaries. Designate H and surrounding land as opportunity Site. Cluster lies within the Central Activities Zone and so should be included within the Major Office Zone designation. The purpose of this designation is to restrict large scale office development to the Central Activities Zone with a view to reinforce its economic role.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street and the future Shoreditch High Street Station. Vacant site, used as an unofficial car park, could be redeveloped for major office/employment development.
14	Commercial Street	PEA	Designate cluster as PEA. Land south of Commercial Street to be designated as an Opportunity Site in line with South Shoreditch AAP. Bishopsgate Goodsyrd (vacant land just south of Bethnal Green Road) to be designated as Opportunity Site. The southern part of this cluster (south of Commercial Road) lies within the Central Activities Zone and so should be included within the Major Office Zone designation. The purpose of this designation is to restrict large scale office development to the Central Activities Zone with a view to reinforce its economic role.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street and the future Shoreditch High Street Station. Vacant sites likely to be redeveloped as part of the Bishopsgate Goodsyrd, which includes major office development.
15	Boundary Street	PEA	Designate cluster as PEA – to follow existing DEA boundaries. Sites D&E to be designated as Opportunity Areas for small start up premises.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street and the future Shoreditch High Street Station. Vacant sites are being developed therefore should not be named or included as opportunity sites.
16	New Inn Yard	PEA	Designate cluster as PEA – to follow existing DEA boundaries. Designate vacant land just north of Holywell Street and west of Shoreditch High Street as an Opportunity Site.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street and

				the future Shoreditch High Street Station.
17	Rivington Street	PEA	Designate cluster as PEA – to follow existing DEA boundaries. Designate vacant land south of P, at Curtain Place, as an Opportunity site as well as vacant building at Q.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street, Old Street tube and the future Shoreditch High Street Station. Vacant sites have recently been redeveloped.
18	Great Eastern Street	PEA	Designate cluster as PEA – to follow existing DEA boundaries. Designate car park site to south of R, to the west of Curtain Place, as an Opportunity site.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street and the future Shoreditch High Street Station. Vacant sites have recently been redeveloped.
19	Charlotte Road	PEA	Designate cluster as PEA – to follow existing DEA boundaries. Site H and adjacent vacant land parcel, situated on the corner of Old Street and Great Eastern Street, to become Opportunity site and included as part of the PEA.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street, Old Street tube and the future Shoreditch High Street Station. Council is expecting planning application to come forward for vacant site (Pre-App Ref: 00379).
20	Willow Street	PEA	Designate cluster as PEA – to follow existing DEA designations. Vacant land south of Great Eastern Street to be given Opportunity Site designation. Vacant land on the corner of Leonard Street and Great Eastern Street as well as surrounding buildings at J, L and M to be given Opportunity designation. Cluster lies within the Central Activities Zone and so should be included within the Major Office Zone designation. The purpose of this designation is to restrict large scale office development to the Central Activities Zone with a view to reinforcing the economic role.	Designate cluster as PEA. Well established and heavily utilised PEA. High concentration of businesses and companies within the area, proximity to Liverpool Street, Shoreditch High Street, Old Street tube and the future Shoreditch High Street Station. Sites still vacant, nevertheless, redevelopment should incorporate a high level of business uses, restricting large scale office development to the Central Activities Zone with a view to reinforcing the economic role
22	Cremer Street	PEA	Designate cluster as PEA – to following existing DEA boundary. Designate Opportunity site at vacant land parcel just south of H, just north of Waterson Street. Designate Opportunity Site at building I. Designate Opportunity Site at vacant land parcel on the corner of Gursuch Place and Long Street as well as buildings R, S and T. Designate Opportunity Site at building N.	Designate cluster as PEA. The cluster in this area should continue to be designated as PEA, namely to protect SMEs, artist studios and other creative industries in the Borough that can not afford high rents in other areas of Shoreditch, nevertheless, the area could benefit from some degree of redevelopment. Amend boundary to delete sites that have been lost for purely residential use.
24	Shenfield Street	PEA	Designate cluster as PEA – to following existing DEA boundary.	Designate cluster as PEA, namely to protect SMEs, artist studios and other creative industries in the Borough that can not afford the rents in other areas of Shoreditch, nevertheless, the area could benefit from some degree of

				redevelopment. Amend boundary to include the university uses within the area as they play a role in the establishment of employment which should be located and promoted in proximity to businesses.
25	Hoxton Square	PEA	Remove site A, sites H (x3) and car park just north of Cluster, all not in B class use. Site J now developed so remove Employment Development designation and keep as PEA.	Designate cluster as PEA. Site B and C being occupied by creative industries at the moment and no longer vacant. In close proximity to Old Street tube and the future Shoreditch High Street Station.
26	East Road Shoreditch	PEA	Designate cluster as PEA – to follow existing DEA designation except remove small part of area to east of L where B class uses exist.	Designate cluster as PEA. Established PEA within the area. Existing businesses and offices within the area, as well as its proximity to Old Street tube and City Road justify the PEA designation.
27	Provost Street	PEA	Remove open space from DEA just south of site A. Rest of cluster to be designated as PEA – following existing DEA boundaries.	Designate cluster as PEA. Established PEA within the area. Existing businesses and offices within the area, as well as its proximity to Old Street, City Road. Justify PEA allocation.
28	Britannia Walk	PEA	Remove site D,E,C and the under construction site just north of C from Employment Development designation. Now largely residential. Both car parks north and south of site G, as well as buildings F&G, to have their designation changed from Employment Development Opportunity sites and PEA. Sites A and B to be included as PEA as per existing DEA designation.	Designate cluster as PEA and include sites D, E and C as part of the PEA. This is justified by the location of some office/B1 use on the ground floor of these buildings and in order to establish a more coherent approach to the sites in close proximity with City Road/Old Street Tube.
29	Westland Place	PEA	Remove Employment Development designation just north of site K. Now residential. Rest of cluster to be designate as PEA to follow existing DEA designation with Employment Development site to the south of M, on the corner of Shepherdess Walk and City Road, to become Opportunity site.	Designate cluster as PEA. Established PEA within the area. Remove site north of K as it is now residential. Existing businesses and offices within the area, as well as its proximity to Old Street, City Road justify the PEA allocation.
30	Wenlock Road	PEA	Remove site A from DEA designation – no B class uses exist on this site. Rest of cluster to be designated as PEA – follow existing DEA designation. Designate site L as an Opportunity Site.	Designate cluster as PEA. Site G has been redeveloped but includes office component. Site L could benefit from redeveloped but should still be included as part of the PEA. Strong presence of businesses and employment generating uses within the area. Maintain the designation.
31	Eagle Wharf	PEA	Remove Employment Development designation just south of cluster. Now residential. Change site F from Employment Development PEA designation, now developed into B class use. Car park just south of site E, on the corner of New North Road and Eagle Wharf Road, to have Opportunity and PEA designation. Vacant land between B&C, at northern end of Cropley Street, to be designated as an Opportunity Site. Rest of cluster to be given PEA designation – to	Designate cluster as PEA. Site A is now residential and should be removed from the PEA designation. Site F has been recently redeveloped but it does include workshops and studios alongside residential use. Should be kept as part of the PEA. Site E could benefit from redeveloped but should still be included as part of the PEA. PEA area to be expanded in order to include Eagle House as currently being used for employment uses as well as other uses. Site B occupied

			follow existing DEA designation.	with SMEs.
33	Orsman Road	PEA	Cluster to be designated as PEA – follow existing DEA boundaries with buildings I, K and L given Opportunity Site designations. Remove buildings to west of M – not in B class use.	Designate cluster as PEA. Cluster includes several warehouses and industrial sites that could benefit from redevelopment. To secure some employment land as part of the redevelopment of the site, cluster should be designated as PEA. Occupied buildings are home to SME and other creative or light industry activities.
35	Hertford Road	PEA	Cluster to be designated as PEA – follow existing DEA boundaries. Designate E&R as Opportunity Sites.	Planning application pending for the site: Kingsland Wharfs. Some sites still being sued for employment purposes but in need of redevelopment and possible intensification of uses. Continue to designate as PEA as it falls within the spirit of PEA's policies.
37	Arbutus Street	PEA	Designate cluster as PEA – Extend PEA designation to include sites E and F. Now in B class uses. Remove sites B and under construction site from DEA designation. No longer B class uses. Remove Employment Development designation from site H, now residential.	Designate cluster as PEA, including site A and C, but excluding site B as lost to residential development and site H. All other sites include some employment component. Sites located under the railway arches to be designated as Locally Significant Industrial Sites, as being occupied at the moment and nearby development and the park provide an appropriate buffer for such uses.
39	Tottenham Rd	TC	4 B class premises to the west of the town centre designation have been assessed, but no designation changes are recommended.	Keep cluster designation as Town Centre but designate site sites A, B, C, D E as PEA due to the character of the area being more suitable to employment and business premises rather than retail and other town centre uses. Sites are relatively isolated from the rest of the town centre and do not contribute to an active shop frontage in the area.
41	Dalston Lane	PEA	Cluster to be given PEA designation to follow existing boundaries except: remove sites E and G from PEA designation. Include car park to north of cluster, just north of Tyssen Street, as PEA but designate it s an Opportunity Site. Vacant site just south of L, north of Dalston Lane, as well as L itself, to be given Opportunity site designation. Area surrounding buildings A, I and H as well as the buildings themselves to be given Opportunity designation.	Designate cluster as PEA. Sites and G and E being redeveloped at the moment with residential uses. Unlikely sites will come forward for redevelopment in the lifetime of the plan. Exclude from PEA.
45	Sheep Lane	PEA	Designate cluster as PEA as per DEA boundary – Extend PEA designation to include site G. Change Employment Development designation, or remove designation completely, as it is now a bus garage. Include D as an Opportunity Site as well as I and vacant land to south of I, immediately to the West of Mare Street.	Designate whole cluster as PEA. Although site C is being used as a bus garage, this site is providing some form of employment within the borough and such provision should be protected. Redevelopment of the site and intensification of employment uses would be feasible.
46	Exmouth Place	PEA	Site to be given PEA designation as per DEA boundary except: Site just north of AD, situated on the corner	Cluster to be given designation as PEA with the exception of railway arches off Helmsley Place to be

			of Lamb Lane and Mentmore Terrace, should be given Opportunity site designation. Retail/residential uses towards the northeast of the site (fronting Mare Street) should be removed from PEA designation.	designated as Locally Significant Industrial Sites (sites L and K). These site should be protected for industrial uses as located by the railway arches are with a buffer of other employment uses that will protect local amenity. Also, include Council offices East of site S.
47	London Lane	PEA	Site to be given PEA designation as per DEA boundary except: Remove retail/residential uses fronting Mare Street from DEA designation. Remove northeast part of the DEA, to west of footpath that joins Martello Road and Richmond Road, from cluster. No B class uses. Extend PEA designation to include sites F and G. remove all Employment Development designations from site. Now developed as mixed use/B class. Y, N and O as Opportunity Sites.	Designate cluster as PEA, but exclude retail/residential uses where no other type of employment space is provided as part of the site. Also, delete site Z as it is purely residential, but includes sites north of and West of site Z that have an employment component.
48	Tudor Lane	PEA	Designate cluster as PEA as per DEA boundary except remove residential units east of unit L from PEA designation. Designate sites A, B, C, D, H, G, N, O and Q as Opportunity Sites.	Designate cluster as PEA as per previous recommendation. Delete sites P, AA, W, Q and Y as redeveloped for residential purposes.
49	Mare Street	TC	Change designation at site E from Employment Development to PEA designation. No other changes to Town Centre designation.	See site 47.
51	Morning Lane	PEA	No change.	As recommended previously in 2006 assessment.
54	Digby Road	PEA	Designate cluster as PEA along existing DEA boundary – Remove employment development designation from site D. vacant just east of K has existing Planning Permission so cannot designate as Opportunity site.	As recommended previously in 2006 assessment.
55	Kingsmead Way	PEA	Designate cluster as PEA – to follow existing DEA boundaries.	As recommended previously in 2006 assessment, but consider that planning application for mixed use development.
56	Lee Conservancy Road	PEA	Change all cluster from Employment Development to PEA designation. B class uses currently on site and meets criteria for PEA designation (i.e. good proximity to national road network).	Site very appropriate for industrial uses due to its relative isolated location and unappealing surrounding environment. Designate as LSIS.
60	Millfields Road	PEA	Cluster to be removed from New Employment Development designation as LBH requires the site for waste processing centre.	Designate as LSIS in 2006 assessment.
63	Tilia Street	PEA	Designate Cluster as a PEA and an Opportunity site. Site is small but provides valuable small starter units and could be redeveloped to provide higher quality start up units. Remove Employment Development designation east of B. Now residential.	As recommended previously in 2006 assessment.

65	Theydon Road	PEA	Sites A-I should be designated as PEA along existing DEA boundaries. Site J is vacant land but has existing Planning Permission for mixed use. K&L also subject to redevelopment proposals. PEA boundary to change according to form of new proposals.	As recommended previously in 2006 assessment.
69	Belfast Road	PEA	PEA to follow existing DEA boundaries.	As recommended previously in 2006 assessment.
71	Maple Close	PEA	Cluster to be designated as PEA along existing DEA boundary. Whole of cluster should be marked as an opportunity site, intended for employment led mixed use.	Remove PEA designation for the site as site has been redeveloped for residential purposes.
73	Red Square	PEA	Cluster to be designated as PEA – to follow existing DEA boundaries.	As recommended previously. Although development includes Live-Work units which the Council no longer promotes, the principal that some of the space within the site should be used for employment purposes should be protected.
83	Amhurst Terrace	PEA	Designate all buildings A-F as a PEA. Cluster meets criteria for PEA including cluster of B class uses.	Designate all buildings A-F as a PEA. Cluster meets criteria for PEA including cluster of B class uses. Also, expand cluster to include building under railway arches as suitable for employment (light industry perhaps) uses.
84	Andre Street	PEA	Designate all buildings A-I as a PEA. Cluster meets criteria for a PEA including cluster of B class uses and small unit provision. Designate site I as an Opportunity site – quality of building stock is poor and has potential for redevelopment.	Designate all buildings A-I as a PEA. Site does include employment generating uses, especially under the railway arches, which should be protect. Such sites are rare in the area and provide opportunities for local jobs. Possibility of redevelopment of some of those sites should be considered.
87	Prout Road	PEA	Cluster (just sites B, C and D) to be given PEA designation. These sites represent a relatively large amount of B class uses.	As recommended previously in 2006 assessment.
97	De Beauvoir Rd.	PEA	Designate sites A-I as a PEA. Cluster meets criteria including cluster of B class uses and provision of small units.	Cluster still fills in a gap within the area in terms of employment space. Sites being currently used for SME's and as workshop studios. Maintain designation as PEA.
98	Bevenden Street	PEA	Designate all of cluster as PEA. Site meets criteria including cluster of B class uses.	Site B has been developed for Student Accommodation and should be deleted from the PEA. Designate the rest of the cluster as PEA.
100	Pitfield Street	PEA	Designate whole of cluster as PEA. Site meets criteria including cluster of B class units.	Cluster of employment activities in this location. Site suitable especially for SME which the Borough is trying to promote and protect within the area.
101	Lea Bridge Road	PEA	Designate all of cluster as PEA and as an opportunity site for employment led mixed use. Cluster of B class uses and smaller units makes PEA designation possible but site is generally in poor condition and could be developed	Remove PEA designation for the site as site has been redeveloped for residential purposes.

			as employment led mixed use.	
103	Rendelsham Road	Other	Other employment site	Update site boundary and delete 1-7 Rendlesham Road. Now Travellers Site.
104	Somerford Grove	Part PEA	Both buildings to form PEA with building L,M,I,J,O,K from cluster 81.	As recommended previously in 2006 assessment.
107	Trafalgar Mews	PEA	Whole cluster to be given PEA designation. Contains a number of small start up units.	Site very appropriate for industrial uses due to its relative isolated location and unappealing surrounding environment. Designate as LSIS.
108	Flandersway /Morning Lane	PEA	Designate whole cluster as PEA. Site meets criteria for PEA including cluster of B class uses.	As recommended previously in 2006 assessment.
109	Southgate Road/Canal Walk	PEA	Designate whole cluster as PEA. Site meets criteria for PEA. Designate buildings A&B as Opportunity Site. Designate building E as Opportunity Site.	Site E&D have been developed for residential use. No employment component is included within the site. Site B has also redeveloped but it does include office space that is let and occupied. Update boundary of PEA accordingly. Also, consider including designation of site south of the canal, opposite site 109, as it presents the same characteristics as site north of the canal and falls within the spirit of PEA's policies.
110	Shacklewell Lane	PEA	Site B is a cluster of small units which could be given PEA designation to protect them from future housing development. Site A is in B class use. Designate whole cluster as a PEA.	Site B worth continuing to be protected as it is now being occupied and used as affordable employment site. Site A could be redeveloped.

Appendix D

Schedule of Development on Opportunity Sites

Site	Building Ref	Site Size (ha)	Vacant Land (ha)	Potential for Emp led Mixed Use	Potential for B Class Development	Hackney Planning App Ref	Size of Planning App Site	Summary Proposal	Status	Impact on Opportunity
1	D	0.10			7,021	2005/2681	0.15	20980 of B class	Completed	Site now developed. Opportunity no longer exists
5	J	0.24			2,423	2004/1486	0.05	Additional 1342 of B class via rooftop extension	Not started	No change
7	Opp Area		0.28			2007/1175	0.10	New mixed use building including 3700sq.m of B Class	Not started	Estimated 0.102ha of opp site now with planning permission
11	Opp Area		1.14			2001/0450	0.20	23,634 of B class	Started	Remove 0.2ha from opportunity site
17	Opp Area		0.12			2005/0658	0.06	New office building including 1288sq.m of B class	Started	Opportunity no longer exists
20	M	0.04		1,083		2004/2757	0.02	Resi-led mixed use	Not started	Opportunity no longer exists
20	L	0.01		252		2006/1174	0.01	Change of use to resi/retail	Completed	Opportunity no longer exists
22	Opp Area		0.06			2004/0034	0.03	Mixed use with 465sq.m of office	Completed	Opportunity no longer exists
22	S	0.07		2,624		2006/0280	0.08	Resi-led mixed use with 1020sq.m of B class	Completed	Opportunity no longer exists
22	T	0.06		1,272		2004/0738	0.04	Resi-led mixed use with 655sq.m of B class	Completed	Opportunity no longer exists
22	I	0.03			305	2005/0970	0.03	Resi led mixed use with 630 of B1	Started	Opportunity no longer exists
28	F	0.13		8,088		2006/0201	0.43	Resi-led mixed use with 3486 of B1	Started	Opportunity no longer exists

30	G	0.05		1,404		2006/1581	0.31	Resi-led mixed use with 5,908sq.m of B class	Completed	Opportunity no longer exists
31	Opp Area		0.29			2002/0605	0.51	B8 building - 6,780sq.m	Completed	Opportunity no longer exists
31	Opp Area		0.29			2006/2696	0.27	Resi led mixed use with 914 of B8 and 1643 of B1	Not started	Opportunity no longer exists
33	L	0.02			209	2005/1775	0.02	Resi led mixed use with 260 of B1	Not started	Opportunity no longer exists
35	E	0.07				2003/1259	0.10	Mixed use with 2203 of floorspace	Completed	Opportunity no longer exists
41	Opp Area		0.69			2002/0403	0.4*	Development of 3,800 of retail	Not started	Opportunity no longer exists
45	D	0.16			3,184	2009/0033	0.24	Resi led mixed use with 2350sq.m of B class	Started	Opportunity no longer exists
45	Opp Area		0.16			2005/2510	0.36	Resi-led mixed use with 1100sq.m of B class	Completed	Opportunity no longer exists
46	Opp Area		0.08			2002/0928	0.17	900sq.m of B class with live work	Started	Opportunity no longer exists
48	A	0.18		7,208		2005/2660	0.18	Resi-led mixed use with 490sq.m of B1 space	Completed	Opportunity no longer exists
48	B	0.06		1,677		2007/2312	0.05	Part demolition of existing building	Started	Opportunity no longer exists
59	Opp Area		7.22			09/90059/RE MODA	10.90	International Broadcast Centre (64,000sq.m) and Main Press Centre (31,680sq.m) for Olympics	Not started	Opportunity no longer exists
84	I	0.23			4,502	2008/0604	0.10	Resi led mixed use with 842sq.m of B space	Not started	Opportunity no longer exists
98	D	0.08		2,490		2007/0987	0.12	Resi-led mixed use with 1600sq.m of B1 space	Started	Opportunity no longer exists
98	F	0.08		3,196		2005/1853	0.15	Resi-led mixed use with 349sq.m of B1	Completed	Opportunity no longer exists
101	All	0.66		4,299		2005/3039	0.69	Resi with 943sq.m of B class	Started	Opportunity no longer exists

Appendix E

Criteria Based Policy Approach – 2006 Study

E.1 Criteria Based Policy Approach – 2006 Study

Designation Type	Description
Major Office Zone	<p>The Major Office Zone is an overlying policy designation which identifies the key area within the Borough where large office buildings should be provided. It would be appropriate to define a threshold by which to assess whether or not proposals represent major office development. Proposals over 2,500 sqm should be classified under the major office designation.</p> <p>The purpose of the Major Office Zone is to restrict large scale office development to appropriate sites and locations with a view to reinforcing the economic role of the Central Activities Zone.</p> <p>The requirement to deliver tangible benefits to local communities with high levels of deprivation (identified in the LDF) should clearly accompany the policy. These benefits should be flexible but aimed directly at facilitating economic inclusion, increasing employability, and/or providing local jobs or training for local people. Contributions should be of a nature and scale appropriate to the proposed development.</p>
Strategic Employment Location (SEL) – Industry & Warehousing	<p>SEL's represent London's strategic reserve of industrial capacity. These sites are mostly more than 20 ha in size and represent Preferred Industrial Locations (PIL's) and Industrial Business Parks (IBP's). SEL's are designated in the London Plan and should be safeguarded for this use in the LDF..</p>
Priority Employment Area (PEAs)	<p>Priority Employment Areas represent Locally Significant Employment sites that should be safeguarded for predominantly employment uses. The clusters that have been recommended for this designation reflect their existing and future potential as viable locations for supporting B1, B2 and B8 land uses. Within Hackney, Priority Employment Sites should normally meet the following criteria:</p> <p>Form part of established area of existing industrial, warehousing or office-based activity;</p> <p>Support clusters of economic activity which are of particular importance to the future growth of the Hackney economy. Those clusters include cultural and creative industries, financial and business services and other business services;</p> <p>Well located in proximity to the road network and are normally accessed directly from a primary, secondary or local distributor road;</p> <p>Well located in relation to public transport facilities including stations of the planned East London Line Extension;</p> <p>The quality of the employment building stock and the state of the physical environment and public realm are attractive to business or have the physical potential to be upgraded to meet those needs;</p> <p>Provides an existing role or offers potential with regard to the provision of premises serving small and medium sized businesses (including start-up, expanding and relocating businesses);</p> <p>Provides lower cost accommodation suitable for small, start-up or lower-value industrial, warehousing or office uses or other business important to the local economy;</p> <p>Contributes to local employment objectives and local economic diversity.</p> <p>Some sites were identified because they offer potential for 24 hour working, or provide facilities for 'bad neighbour' uses without detriment to residential amenity.</p>
Town Centre and Main Shopping Area	<p>Town Centres represent Locally Significant Employment sites encompassing viable locations for supporting B1(a) land uses due to their accessibility by public transport. Sites on the periphery of town centres are also established locations for selected B1(c) and Sui Generis employment generating uses. Employment uses within town centres should normally be protected. The same policies and criteria applicable to PEAs are also appropriate for use in relation to town centre employment uses.</p>
Local Centre	<p>Local Centres in Hackney represent Other Employment Locations. Many local Centres represent viable locations for supporting B1(a) land uses. Sites on the periphery of local centres are established locations selected B1(c) and Sui Generis employment generating uses. The same policies and criteria applicable to Other Employment Locations are also appropriate for use in relation to local centre employment uses.</p>
Other Employment Locations	<p>Other Employment Locations represent areas of employment uses which offer potential to support viable B use class activities in mainly residential locations. Give the size of these sites, they do not meet the criteria of either a Strategic Employment Location or Priority Employment Area but are justified for safeguarding in terms of their local importance. Whilst these sites should be prioritised for employment use, flexibility should be introduced to enable non-employment and mixed-use proposals to be considered where marketing evidence clearly demonstrates that the site's use predominantly for employment is commercially unviable or clearly unsuitable.</p> <p>Other employment locations are not identified in Figure 6.1. They comprise all existing employment</p>

	sites in the Borough which do not fall within any other designation described in this table. The Atkins study identified some but not all of the sites which should, for planning purposes, be categorised as 'other employment locations.' Consequently, the clusters identified in Appendix D as 'other employment locations' represent most but not all of these sites in the Borough.
Opportunity Sites	<p>The opportunity site designation has been proposed in relation to SEL or PEAs where there is a need to use an element of facilitating development to secure improvements in the quality of the employment building stock. The designation could relate to all or part of the employment site and should reflect circumstances where a component of non-employment development will ensure the provision of good quality employment floorspace as part of the same development proposal.</p> <p>The opportunities relating to individual PEAs and SELs are described in Appendix D which identifies which part of the PEA and SELs the opportunity area applies to and provides justification for the designation of such an area.</p> <p>The potential opportunities identified in relation to opportunity sites include:</p> <ul style="list-style-type: none"> Intensification of the existing employment premises (for example through extension or subdivision of existing premises); Introducing complementary ancillary employment uses that fall outside the B use class; Redevelopment of existing sites for continued employment use; and Redevelopment of existing employment sites for employment-led mixed use development. <p>Where the potential for employment led mixed use has been identified the purpose is to secure improvements in the type and quality of the employment building stock. The resulting employment floorspace should meet the qualitative requirements of businesses in the Borough. At each site the quantity of enabling non-employment floorspace should be limited to the quantity necessary to secure provision of appropriate employment premises.</p>

Appendix F

Recommended Employment Cluster Designations

F.1 Recommended Employment Cluster Designations

Site No.	Cluster Name	Recommended Designation (2006 Study)	Hackney Designation (from Council's recent update work)	2009 Recommendation
1	Pinder Street	PEA	PEA	PEA
2	Clifton Street	PEA	N/A	PEA
3	Worship Street	PEA	N/A	PEA
4	Luke Street	PEA	PEA	PEA
5	Hollywell Street	PEA	PEA	PEA
6	Sinitton Street	PEA	N/A	PEA
7	Leonard Street	PEA	PEA	PEA
8	Mark Square	PEA	N/A	PEA
9	Shoreditch High Street	PEA	PEA	PEA
10	Phipp Street	PEA	PEA	PEA
11	Worship Street (East)	PEA	PEA	PEA
12	Folgate Street	PEA	PEA	PEA
13	Norton Folgate	PEA	PEA	PEA
14	Commercial Street	PEA	PEA	PEA
15	Boundary Street	PEA	PEA	PEA
16	New Inn Yard	PEA	PEA	PEA
17	Rivington Street	PEA	PEA	PEA
18	Great Eastern Street	PEA	PEA	PEA
19	Charlotte Road	PEA	PEA	PEA
20	Willow Street	PEA	PEA	PEA
21	Tabernacle Street	PEA	N/A	PEA
22	Cremer Street	PEA	PEA	PEA
23	Waterson St	PEA	N/A	PEA
24	Shenfield Street	PEA	PEA	PEA
25	Hoxton Square	PEA	PEA	PEA
26	East Road Shoreditch	PEA	PEA	PEA

27	Provost Street	PEA	PEA	PEA
28	Britannia Walk	PEA	PEA	PEA
29	Westland Place	PEA	PEA	PEA
30	Wenlock Road	PEA	PEA	PEA
31	Eagle Wharf	PEA	PEA	PEA
32	Hoxton Street	LC	N/A	LC
33	Orsman Road	PEA	PEA	PEA
34	Laburnum Street	PEA	N/A	PEA
35	Hertford Road	PEA	PEA	PEA
36	Acton Mews	PEA	N/A	PEA
37	Arbutus Street	PEA	PEA	PEA
38	Kingsland Road	LC	N/A	LC
39	Tottenham Rd	TC	Part PEA/Part TC	part PEA
40	Forest Close	TC	N/A	TC
41	Dalston Lane	PEA	PEA	PEA
42	Stanborough Passage	TC	N/A	TC
43	Birkbeck Mews	TC	N/A	TC
44	Broadway Market	LC	N/A	LC
45	Sheep Lane	PEA	PEA	PEA
46	Exmouth Place	PEA	PEA	PEA
47	London Lane	PEA	PEA	PEA
48	Tudor Road	PEA	PEA	PEA
49	Mare Street	TC	PEA	Part TC, Part PEA
50	Valette Street	TC	N/A	TC
51	Morning Lane	PEA	PEA	PEA
52	Well Street	LC	N/A	LC
53	Victoria Park Rd	LC	N/A	LC
54	Digby Road	PEA	PEA	PEA
55	Kingsmead Way	PEA	PEA	LSIS
56	Lee Conservancy Road	PEA	LSIS	LSIS
57	Whitepost Lane	SEL	N/A	Other
58	Waterdown Road South	SEL	N/A	Other

59	Waterden Road (North)	SEL	N/A	SIL
60	Millfields Road	PEA	LSIS	LSIS
61	Lower Clapton Road South	TC	N/A	TC
62	Chatsworth Road	LC	N/A	LC
63	Tilia Street	PEA	PEA	PEA
64	Downs Road	LC	N/A	LC
65	Theydon Road	PEA	PEA	PEA
66	Upper Clapton Road	LC	N/A	LC
67	Stoke Newington High Street	TC	N/A	TC
68	Cazenove Road	TC	N/A	TC
69	Belfast Road	PEA	PEA	PEA
70	Stamford Hill	LC	N/A	LC
71	Maple Close	PEA	PEA	No Employment Designation
72	Blackstock Road	LC	N/A	LC
73	Red Square	PEA	PEA	PEA
74	Stoke Newington Church St	LC	N/A	LC
75	Culford Road	Other	N/A	No Employment Designation
76	Montgrove Road	Other	N/A	No Employment Designation
77	Woodbury Grove	Other	N/A	No Employment Designation
78	Albian Road	Other	N/A	No Employment Designation
79	Green Lane	Other	N/A	No Employment Designation
80	Fouldon Road	Other	N/A	No Employment Designation
81	Stoke Newington Road	part PEA	N/A	Part PEA
82	Amhurst Road	Other	N/A	No Employment Designation
83	Amhurst Terrace	PEA	PEA	PEA
84	Andre Street	PEA	PEA	PEA

85	Marcon Place	Other	N/A	No Employment Designation
86	Southwold Road	Other	N/A	No Employment Designation
87	Prout Road	PEA	PEA	PEA
88	Atterton Rd	Other	N/A	No Employment Designation
90	Furrow Lane	Other	N/A	No Employment Designation
91	Darnley Road	Other	N/A	No Employment Designation
93	Brookfield Road	Other	N/A	No Employment Designation
95	Chamond R.D.	Other	N/A	No Employment Designation
96	Haggerston Road	Other	N/A	No Employment Designation
97	De Beauvoir Road	PEA	PEA	PEA
98	Bevenden Street	PEA	PEA	PEA
99	Hackney Road	Other	N/A	No Employment Designation
100	Pitfield Street	PEA	PEA	PEA
101	Lea Bridge Road	PEA	Resi	Residential
102	Beatty Road	Other	N/A	No Employment Designation
103	Rendelsham Road	Other	Other	No Employment Designation
104	Somerford Grove	part PEA	PEA	PEA
105	East Bank	Other	N/A	No Employment Designation
106	Shacklewell Green	Other	N/A	No Employment Designation
107	Trafalgar Mews	PEA	LSIS	LSIS
108	Flandersway/Morning Lane	PEA	PEA	PEA
109	Southgate Road/Canal Walk	PEA	PEA	PEA
110	Shacklewell Lane	PEA	PEA	PEA

Justification where recommended employment designations differ to those set out in the 2009 Submission Core Strategy

Site 49, Mare Street – Site was originally recommended as Town Centre in 2006 Study. Core Strategy Submission designated site as PEA. Site straddles both uses and so is part PEA, part Town Centre

Site 55, Kingsmead Way – Site originally recommended as PEA. Site not part of a cluster of wider uses, so probably more suited to LSIS designation

Site 57, Whitepost Lane – Site was SEL, but is now the focus of potentially significant inward investment as a result of the Olympic legacy. Site likely to attract mixed uses which will deliver improvements to B class floorspace. As a result, the site is recommended as an ‘other’ employment site

Site 58, Waterden Road South - Site was an SEL but has now been demolished as part of the Olympic Site. The Olympic legacy proposals recommend that this site should accommodate a mix of industrial and other uses. As a result, we recommend that the site should be designated as an Other employment site.

Site 59, Waterden Road North – Site was an SEL – site remains designated as a SIL due to significant amount of floorspace on site from Olympic legacy

Site 71, Maple Close – Site was PEA but is believed to have been redeveloped for residential uses. Employment designation should be removed.

Sites 75,76,77,78,79,80,82,85,86,88,90,91,93,95,96,99,102,103,105,106 – Sites were originally recommended as ‘Other’ employment sites. These sites are very small and do not need to be designated as ‘other’ employment sites. However, any change of uses should be considered as part of the wider recommended approach to employment uses in the Borough

