Borough Portrait of Tower Hamlets

Providing the Context for the Development of a Spatial Strategy
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Executive Summary

1. London’s spectacular growth over the last ten to fifteen years has not only transformed the economy of Tower Hamlets; it has transformed the makeup of its population and the physical spaces within it. Consequently, over this period, the borough’s town centres have also been transformed, some changing almost beyond recognition, with others taking on new roles - all having to cope with the economic and social impacts of rapid growth in a global city.

2. The purpose of this borough portrait is to set out the wider context including the trends, characteristics and future drivers of change impacting upon Tower Hamlets and present a portrait of the functional geographies that will fashion the future development of town centres. From the evidence considered, three broad geographies emerge that serve to frame the development of the Town Centre Spatial Strategy (TCSS). To the west of the borough the City Fringe area has come under significant pressure from the City of London as London has grown as a world city. This pressure for development is likely to continue in the long term bringing further pressures for new leisure and cultural uses and office development placing further strain on the existing urban form and the diverse communities living there. The remaking of Docklands is well documented and has contributed significantly to the economic and social transformation of the borough over the last 10 years. It too will continue to grow in the long term in line with London’s economic and population growth including its role as a major retail centre. The growth of Canary Wharf, and how this growth can make a contribution to the well being of local people is of critical concern. Finally, the central and eastern areas of the borough, contain many smaller town centres, where there is less pressure for growth but where the population is likely to continue to grow and change in make up. Many of these town centres provide very local, but vitally important, services to many deprived neighbourhoods and how they operate and how they are developed will be critical to delivering some of the aspirations set out in the Community Plan.

3. All of the town centres in these three areas, have been, and will be subjected to the continuing economic and social remaking of the borough driven by London’s expected continued position as a world or global city. Each area has been impacted upon in slightly different ways by this rapid growth, the town centres within them have different strengths and weaknesses and therefore will require different approaches to securing their futures. At the present time the economic outlook is bleak and some commentators have suggested that London will be the worst hit out all major global cities with others going so far as to say that the financial services will re-locate to other global cities. However, the Town Centre Spatial Strategy is to 2025 and the majority of economic forecasts indicate a return to growth in the short to medium term with the main bulk of London’s present financial services industry remaining in London. Development opportunities will be crucial to the remaking of the boroughs town centres over the term of the strategy. The recession has seen development activity fall, however when it does return it too is likely to have an uneven geography similar to the one painted above, and how town centre development is managed will be critical to the successful delivery of the strategy.

4. Taking into account the objectives set in the Community Plan and their spatial manifestation in the Core Strategy and the particular functional geography of the borough provided by this portrait the emerging spatial vision for Tower Hamlets’ town centres should be:-
“By 2025 Tower Hamlets will be refocusing on its town centres, ensuring they are places at the heart of local civic life, which are vibrant, inclusive and accessible. The role of each town centre will differ, in order to serve all members of the community, according to its character and function. Each of the town centres in Tower Hamlets will form part of a rejuvenated, interconnected network of hubs for shopping, leisure, civic and associated housing uses.”

5. To achieve this vision, four overarching aims are recommended that can be applied across all the town centres.

- **Planning town centres** - Town centres should be proactively planned in a way that a clear and compelling vision for each town centre is established based on sound evidence and effective consultation. An appropriate hierarchy and boundaries are determined with a distinctive balance of uses in each town centre.

- **Designing town centres** – Town centres should be designed in such a way that ensures high quality public realm and good urban design, (re)introduces safe and secure street patterns and maximises the use of public assets.

- **Managing town centres** – Town centres should be managed in such a way that enables them to attract investment, exploit the presence of successful street markets, support thriving independent enterprises and effectively manage the evening economy.

- **Connecting town centres** – Town centres should be developed in a way that maximises local accessibility and exploits their role as strategic transport interchanges.
Introduction - Why A Borough Portrait?

6. The London Borough of Tower Hamlets commissioned a consortium of Renaisi, Space Syntax and Roger Tym and Partners to develop a Town Centre Spatial Strategy (TCSS) covering the period from 2009 to 2025. The purpose of the TCSS is to provide a framework within which town centres in Tower Hamlets can develop consistently with the aspirations of the Council and its partners over the period of the strategy. The TCSS will form part of the evidence base of the Local Development Framework (LDF) Core Strategy to be published in early 2009. It will also have a key role to play in linking the aspirations and outcomes set out in the new Tower Hamlets Community Plan 2008 to 2020 and the targets included in Tower Hamlets’ Local Area Agreement 2008 to 2011.

7. In producing and supporting the TCSS an evidence base was built consisting of three elements:-

- A ‘Borough portrait of Tower Hamlets: context for the development of a spatial strategy’ (this document) setting out the strategic context for town centres and their development in Tower Hamlets. It draws out:-
  - the policy framework governing town centre development;
  - the local context and character of the borough;
  - the socio-economic characteristics of the borough;
  - the physical, social and economic impacts on the borough’s town centres resulting from London’s recent rapid growth; and
  - the likely key future social, economic and environmental drivers of change that will shape the future of town centres in the borough.

- A ‘Spatial Baseline of Tower Hamlets’ providing a detailed and rich picture of:-
  - the different physical typologies, or urban form, of town centres in Tower Hamlets;
  - the different levels of town centre connectivity and accessibility within Tower Hamlets;
  - the vitality and viability of town centres in Tower Hamlets; and
  - the identification of town centres, and town centre boundaries, not currently recognised as indicated by patterns of land use.

- A ‘Retail Capacity Study of Tower Hamlets’ providing a detailed picture of
  - retail patterns, trends, and projections for each town centre; and
  - the potential the borough has to accommodate extra retail and leisure floorspace and employment in the future to cater for changes in population.

8. These three different, but complementary pieces of research, have been brought together to form the evidence base for the TCSS. The approach adopted provides a source of robustness and understanding that town centre strategies usually lack and a focus on the wider role town centres can play in boosting economic competitiveness, building cohesion and reducing inequality in the borough.

9. The Borough portrait provides a strategic framework for assembling the evidence and data produced by the research reports to support the development of the TCSS.
Developing a Spatial Strategy

10. Town centres can no longer be thought of as simply traditional high streets with the traditional functions of retailing and services that implies. London has a complex network of town centres each performing different functions according to their physical location, accessibility and the local area and community they serve. However, the economic and social restructuring of London over the last 10 to 15 years has impacted on the spatial form of town centres as much as the physical impact of World War Two and the subsequent development of the post war period had on their physical form. As a result town centres are used and accessed in a significantly different manner from the traditional linear high streets reflecting a much greater plurality of spatial forms and uses. Tower Hamlets’ linear centres such as Roman Road and Whitechapel, have some particular challenges in adapting to these trends in the 21st century.

11. However, what still unites town centres is still arguably what has always made a centre a ‘town centre’. That is, they provide a place of economic, social and cultural exchange and in Tower Hamlets case meet essential local needs. These aspects are given greater importance and focus as the economic and social impacts of London’s elevation to a World City take on spatial meaning in town centres as places to actively promote economic competitiveness and social cohesion. Consequently the focus for spatial policy is now clearly concerned with promoting development and exploiting local strengths.

12. Another major change is the relationship between the town centre and its immediate neighbourhoods. In the past, a centre’s immediate hinterland was essential to its survival and provided a significant amount of the demand for its services. However, increases in accessibility, afforded by better public transport and improvements in the road network, have radically expanded their competitive catchment and brought major economic and social restructuring to many centres.

13. These changing circumstances require policy-makers and practitioners alike to think radically. Town centres, as places, need to be understood, celebrated and nurtured as competitive locations that can play a role in tackling inequality and engendering cohesion. Reflecting this shift in thinking, the Department for Communities and Local Government (DCLG) has published substantial research to underline the importance of ‘place’ in policy making. Their recent research paper provides a strong rationale for spatial policy. It has suggested a stronger place-focused policy for a number of reasons:

- Drivers of productivity come together in places. Places offer a combination of assets which can boost the productivity of firms and attract the skilled workers they need. Place is becoming increasingly important in a globalising world of mobile investment and people.
- Place can and does impact on economic and social outcomes: Market failures may impact differently in different places; government policies can have unintended spatial impacts; the way people interact once concentrated within specific places can undermine life chances; and the way place specific factors impact on individuals can impact on quality of life and undermine life chances.
- There are limits to people’s ability to move and commute. The financial and social costs of mobility can act as a barrier to mobility. Where there are market failures that limit people’s mobility, there is an efficiency rationale for policies to increase mobility. However, there will always be limits to mobility – especially for the low skilled, for those who have invested in location specific skills and for those who own geographically fixed assets – which can provide an equity justification for investing in places.
Place enables targeting of concentrated groups. As vulnerable groups have tended to be concentrated in particular places, place can offer a way of targeting and tailoring services to these groups. There is also a need to co-ordinate the way in which policies come together in particular places.

14. This rationale for spatial policy highlights the importance of identifying the right spatial level at which public policy should be developed. Any spatial strategy, and set of associated policies, has to be developed with this in mind. To achieve this, the approach to spatial strategy development taken here, considers the spatial elements that influence the development of centres, or places, within any given geography. This is the purpose of the Borough portrait. For the borough of Tower Hamlets the key spatial elements that contribute towards the development of centres or places are derived from work done by the Royal Town Planning Institute4. These are set out below:-

- **Policy**: the wider policy framework, including the Community Plan, Local Area Agreement, Core Strategy, associated Local Development Documents and other relevant strategies that affect the development and management of town centres and the management of town centres.
- **Place**: the spatial connectivity and accessibility features of a place and its inherent quality and character, landscape, role and function;
- **People**: the demographic and socio-economic features of what make up a place and the kind of place that it is; and
- **Projections**: the key social, economic, physical and environmental trends and drivers of change impacting on place.

15. Understanding these interlocking aspects of place, through the production of a Borough portrait can enable the production of a coherent evidence base for building a spatial vision and developing spatial strategy and policy. The purpose of this Borough portrait is to provide a picture of Tower Hamlets using this framework.
Policy – Shaping The Borough

Spatial Planning Policy

16. This section gives a brief overview of the local place shaping and spatial planning policy framework. It is intended to provide context for understanding the existing policies that are in place, how these relate to town centres in Tower Hamlets and how town centre development is managed through their application. It also enables some thought to be given to spatial scale of the policies that flow from the TCSS and what this may mean for implementation.

National Planning Policy

17. Planning Policy Statement (PPS) 12- Local Spatial Planning sets out the government’s requirements for the production of Local Development Frameworks (LDF) in England. The document represents a shift in spatial planning away from a highly regulated series of ‘tests of soundness’ towards a more ambitious and flexible system. The new PPS12 stresses that planning must ‘join up’ the delivery of infrastructure with housing, employment and other key uses through spatial policy. This sees planners in a new guise as ‘spatial managers’ rather than just ‘plan-makers’. Central to this approach is the importance of the Core Strategy (CS) and its relationship to the Community Plan (CP). The CS is therefore the spatial expression and means of delivery for the CP. In the short term the Local Area Agreement (LAA) provides the detailed objectives, targets and indicators for implementation.

18. In order to facilitate this new approach to spatial planning, the ‘tests of soundness’ for Development Plan Documents (DPDs), within the LDF, have been reshaped into three key tests:

- **Consistent**: they must be consistent with national policy;
- **Justified**: they must be justified through a robust evidence base and a consideration of the alternatives; and
- **Effective**: they must be effective, deliverable, flexible and capable of having their impacts be monitored.

19. These tests should enable the CS to move away from being a static plan to a dynamic document at the heart of place shaping a local area.

20. Planning Policy Statement 6: Planning for Town Centres (PPS6, March 2005) is the government’s national planning policy on town centres. It provides guidance for regional and local planning authorities developing policies for all town centres from international centres, such as the West End, to neighbourhood centres, such as Wapping Lane. PPS6 maintains the Government’s key objective of promoting the vitality and viability of town centres. This is to be achieved through planning for their growth and focusing new development and services within town centres using the sequential approach to site selection.

21. PPS6 includes town centre definitions that are focused on the level of retail floorspace. This is based on the notion that, as retail generates the greatest number of trips, it should result in being a centre of activity, however, there remain some issues with an approach that places too greater emphasis on retail at the expense of other uses in town centres.

22. In the proposed changes to PPS6, a new ‘impact test’ is proposed to replace the ‘needs-test’. The changes propose a that the test should take account of economic,
social and environmental impacts of proposals, impact of in-centre investment and future consumer expenditure, accessibility and sustainable transport considerations, design quality and mitigating climate change. Arguably, the changes proposed to PPS6 do not change the original framework for governing town centre development. Instead it seeks to broaden and refine the model to take account of a wider range of considerations, without altering the model.

23. PPS6 and the Competition Commission: a more radical challenge to the framework comes from a recent report by the Competition Commission (CC) on grocery retailing. The report found that several grocery retailers have very strong positions in a number of local markets and, therefore, new entrants face ‘barriers to entry’. The CC proposes that the Office of Fair Trading becomes a statutory consultee on all grocery retail planning applications over 1,000 sqm. The ‘test’ would be based on a ten minute drive time area. The key element of the test would be the 60% local market share: an applicant could ‘pass’ the test if it meant that the new store would result in the grocery retailer having less than 60% market share. This could have major implications for some key development opportunities in Tower Hamlets.

24. More recently, there are proposals to combine Planning Policy Statements 4 and 6 into a new Planning Policy Statement 4 entitled “Planning for Prosperous Economies” that seeks to combine town centre (retail) with employment area policy into one succinct economic development policy statement. In terms of town centre policy, the new statement does not represent a significant departure from previous policy but does lay a greater stress on promoting diversification of town centres including a strong retail mix, encouraging smaller shops, retaining and (re)introducing markets, and planning for cultural and tourist events to draw in a diversity of town centre users.

Regional Planning Policy

25. London Plan (Consolidated with Alterations since 2004): The London Plan is the spatial development strategy for London. It is part of every London Borough’s planning framework and all local plans must be in conformity with policies contained within the plan. Like Core Strategies, the London Plan is a spatial plan that covers a range of areas including town centres. The London Plan is currently undergoing a review that will take approximately three years to complete. However it is unlikely a radically different vision for London will emerge with broad emphasis likely to continue to be maintaining London’s position as an exemplary sustainable world city based on three interwoven themes: strong economic growth; social inclusivity; and radical improvements to the environment and the use of resources. The Plan translates this vision into policy at a number of spatial scales including that of town centres.

26. London Plan policies 2A.8, 3D.1, and 3D.2 relate specifically to town centres. These policies strongly state that the vitality and viability of town centres should be sustained and enhanced. Town centres having a key role to play in meeting the needs of Londoners and making London’s development sustainable. Development should always take place within existing town centres and not take place outside of boundaries. Town centres should also promote a range of choice and quality shopping, but also be promoted as a destination for business, leisure and public and community services.

27. The London Plan also designates Opportunity Areas and Areas for Regeneration. Opportunity Areas that are key development areas for delivering housing and employment, whilst enabling wider social and economic inclusion through balanced and sustainable local policies. Within Areas for Regeneration, the boroughs are expected to seek to tie wider physical development with neighbourhood renewal strategies to ensure the benefits of development flow into these deprived communities.
28. The City Fringe, the Isle of Dogs and the Lower Lea Valley are all identified as Opportunity Areas. Most of the borough, along with vast sections of East London is designated as Areas for Regeneration.

29. The Central Activities Zone (CAZ) is a specifically defined area in the London Plan comprising what is perceived to be Central London. The boundary for the CAZ itself is indicative and is a 'work in progress' and open for further review. The CAZ contains a unique cluster of vitally important functions to not just the UK, but the world’s economy. It is a classic ‘command and control’ centre for the global economy. The wealth of the CAZ is unsurpassed. 30% of all jobs in London are concentrated in the CAZ alone. The CAZ is central to retail in London, with the two international centres contained within the CAZ. Retail capacity should be identified, enhanced and expanded focused on central area frontages. Wentworth Street is currently part of the active frontage of the CAZ within Tower Hamlets.

30. The London Plan is currently undergoing a review of its policies. In terms of town centre policy, the review is planning to make changes to a number of policies. In essence, the review is trying to make the town centre hierarchy for London more dynamic and spatial reflecting a broader range of considerations than it did previously including evening and night-time economy clusters of activity and, most importantly, the potential for development, growth and regeneration opportunities within and around town centres. In the case of Tower Hamlets this is pertinent for two reasons. Firstly, Brick Lane is an evening and night time economy cluster of activity and therefore will be affected by such changes. Secondly, due to the review taking account of growth opportunities, Bromley-By-Bow and Crossharbour, where major growth is planned, will be affected, positively, by the review.

31. The Mayor’s Transport Strategy sets the strategic direction for transport policy across London and drives the direction and shape of the Transport for London (TfL) Investment Programme. This strategy is now arguably superseded by Transport 2025: Transport Vision for a Growing World City5, which outlines TfL’s vision for transforming London’s transport network over the long term. In conformity with the Mayor’s strategy, it strives to meet London’s economic growth by expanding the capacity of the public transport network, tackling the environmental impacts of travel and creating safer and more accessible transport. Key to this, and strategically important for the centres in Tower Hamlets, is the delivery of the Crossrail project.

32. The Mayor’s Economic Development Strategy sets (EDS) out the Mayor’s plan for sustainable, equitable and healthy economic growth. The EDS sets out a key role for town centres in London. They are expected to facilitate a ‘polycentric form’ of economic growth that helps to shift development away from central London and into the region’s wider network of town centres6.

33. The North East London Sub-Regional Development Framework provides guidance on the implementation of policies set out in the London Plan. The strategy encourages strong retail growth as a key driver of town centre regeneration. It also indicates that there is an estimated 50% increase in resident based consumer expenditure expected in East London between 2001 and 2016. It also identifies the need for private and public partnership working to achieve sustainable town centres and enhance and maintain the office, industrial and town centre environments7.

Local Planning Policy

34. The existing Development Plan at present is the Unitary Development Plan (UDP) (1998). Chapter 7 of the UDP specifically relates to town centres. Town centre policy seeks to maintain the viability and vitality of town centres either by strengthening existing district centres or improving provision in other parts of the borough. The UDP states that retail uses (A1) should be the core use in all primary shopping areas in
town centres. Applications for change of use from A1 to other uses, such as restaurants and hot food take-aways will have to demonstrate that they do not harm the character, function and vitality of the primary shopping area.

35. As part of the 2004 Planning and Compulsory Purchase Act, Tower Hamlets must prepare a Core Strategy (CS) as part of its Local Development Framework (LDF). The LDF refers to the suite of spatial planning documents that set the framework for planning decisions at the local level. The CS is the key document in the LDF. It is intended to provide the spatial direction for all other planning guidance in the borough and should be the spatial expression of the Community Plan.

36. 2007 Interim Planning Guidance- Core Strategy and Development Control Plan sets out to provide interim planning guidance on implementing national and regional policy at a local level and on development control in Tower Hamlets. The document seeks to address local, needs, issues and opportunities, as identified through extensive public consultation and a sustainability appraisal.

37. There are a number of policy areas that relate to town centres:

- The council should provide essential convenience and specialist shops to improve and maintain it’s offer;
- The council should promote and enhance the distinctive role and functions of the town centre hierarchy through designating town centres, supporting retail uses and development within designated centres, seeking active frontages in town centres and the Central Activities Zone (CAZ), and promoting investment in town centres in need of revitalisation;
- Night time and evening activities should be promoted and developed within town centres to sustain vitality and viability especially in Brick Lane, Whitechapel, Canary Wharf, Canary Riverside, West India Quay, Tobacco Dock and St Katharine Dock; and
- The council should protect and enhance the function of street markets, which add character, variety and economic and social diversity to the area.

38. The borough also designates ‘tourist focus areas’. These are places where the planning system should seek to protected and enhance these uses. These areas include include Columbia Road, the Tower of London, Whitechapel Art Gallery and Brick Lane.

39. The borough also has interim Area Action Plans (AAPs) that are development plan documents within the LDF. These provide more detailed guidance on specific areas of major change. These plans are a material consideration in the planning process.

- 2007 Interim Planning Guidance- City Fringe Area Action Plan. This plan aims to guide development and growth which will provide long-lasting benefits to local communities. It recognises the need to maintain and enhance key characteristics of the City Fringe area, such as the traditional street markets. It also recognises that whilst shops within the CAZ are not organised as town centres, they serve a large variety of needs. The document refers to specific sub-areas within the City Fringe area and makes recommendations about future growth and development in them:
  - Aldgate and Spitalfields market: the council should protect and enhance the CAZ which consists of higher education, entertainment, leisure, tourism and retail uses.
  - St Katharine’s: the vibrant character of these areas should be capitalised upon through encouragement of retail, tourism and evening and night time economy growth.
- **Banglatown and Brick Lane**: Sensitive development should be encouraged and key retail areas should be enriched through the reinforcement and diversification of the tourism, cultural, and creative activities. Any new retail development in the area should be focused on areas where retail is necessary to support the community; it should not compromise the vitality and viability of existing town centres.

- **Whitechapel**: Although the majority of new developments in the area will be residential-led, there will be an element of business development in the area.

- **2007 Interim Planning Guidance - Isle of Dogs Area Action Plan**: This plan intends to guide development in the unique area of the Isle of Dogs. The following sub-area based suggestions have been made.
  
  - **Crossharbour**: Maximising the growth and development potential in the town centre will assist in the creation of a lively community node, with sufficient retail and community offers.
  
  - **Canary Wharf**: As the Isle of Dogs major centre is a popular consumer and evening economy destination, ongoing development can ensure that it continues to serve the resident and worker population. Additionally, provision must be made for the retail and leisure sectors in this area to prosper and grow.

40. The borough has also developed masterplans for more specific areas that will experience major change. There are masterplans covering Whitechapel, Wood Wharf, Aldgate and a draft masterplan for Bromley-by-Bow. These plans include an extensive analysis of each area’s strengths, weaknesses, opportunities and threats and provide guidance on the preferred land uses and functions within the area.

41. Running alongside ‘land-use plans’ is the borough’s Local Implementation Plan (LIP). The LIP sets out the borough’s local investment priorities for the borough’s transport network. This plan is agreed with TfL and sets out transport priorities for the roads and other transport assets that come under the control of the borough.
Planning Policy and Town Centres

42. The planning policies set out above, and in particular the proposed changes to PPS6, are framed to ensure town centres primarily remain competitive and promote consumer choice whilst at the same time not unduly or disproportionately constraining the market. However the important functions of centres are recognised, and the need for the vitality and viability of town centres being sustained and enhanced is clear. Their role as destinations for business, leisure and public and community services is also underlined. Tower Hamlets has a range of local policies that reflect these priorities in the way in which development and land use is to be managed.

43. There is a change at national level, clear with PPS6 and PPS4, that there is a greater emphasis being put on economic competitiveness in relation to town centres. This is reflected in the requirement of PPS6 that local authorities use ‘market information and economic data’ in developing planning policy and considering applications.

44. What is also evident is the absence of specific policy tools, such as town centre management and business improvement districts, to manage spatial development at the town centre level in tandem with other social and economic programmes important to the viability and vitality of a town centre.

Figure 1 Current Planning and Regeneration Areas
Local Place Shaping

45. This section gives a brief overview of the emerging policy context in Tower Hamlets in relation to the role of the local authority and its partners in shaping the place that is Tower Hamlets. It is intended to provide further context for understanding the future direction of travel for spatial policies relating to town centres and the development of the spatial strategy.

The Community Plan

46. The new place shaping architecture of local government is critical for understanding how local authorities can make substantial improvements to places. The Local Strategic Partnership has been placed at the heart of the process through the requirement to produce a Community Plan. The Community Plan reflects the priorities of the Council and its public, voluntary and private sector partners. The Core Strategy has the vital task of giving spatial expression to the vision laid out in the Community Plan. The TCSS provides a critical link within this architecture providing a link upwards into the Community Plan and downwards into the Core Strategy and other spatial planning documents related to town centres. It will also be used as steer for developing the refresh of the current Local Area Agreement (LAA), and future LAAs, helping to focus in on town centre priorities in years to come. This section sets out the current ‘place shaping’ architecture in Tower Hamlets. It provides a clear understanding about how the TCSS can be delivered, and in doing so, it captures the relevant policies that will guide the development of the TCSS.

47. The Community Plan has two cross-cutting aims that run throughout; to reduce inequality and enhance cohesion. The plan also has a number of headlines themes:-

- A Great Place to Live
- A Prosperous Community
- A Safe and Supportive Community
- A Healthy Community

48. The overarching aim of the Community Plan 2020 is to “improve the quality of life for everyone who lives and works in the borough”. Underpinning these themes and aims is a desire to “build One Tower Hamlets – a borough where everyone has an equal stake and status; where people have the same opportunities as their neighbours, where people have a responsibility to contribute and where families are the cornerstone of success”.

Tower Hamlets Core Strategy

49. Tower Hamlets, at the time of writing, is developing its Core Strategy. The consultation draft sets out the key spatial choices facing the borough over the next 15 years. The document also contains a number of key spatial themes related to the overarching objectives of the Community Plan. These are:-

- Strengthening neighbourhood well being
- Enabling prosperous communities
- Designing a high quality city
- Living and working within environmental limits

Tower Hamlets Places Plan 2025 and Beyond

50. Behind the development of the Core Strategy is the concept of reinventing the Hamlets. Consequently the Council and its partners are developing a series of local Places Plans for each of the places defined within each of the eight Local Area Partnerships as defined by the LSP. These plans will set out distinctive and local spatial
policies that reflect and support the socio-economic priorities of the LAP. Each places plan will set short and long term social, economic, environmental and physical development objectives for the place as well as setting a number of physical development principles that will guide development in the locality. The aim is to recognise that each place within Tower Hamlets has its own set of challenges and priorities and all can play a part in delivering the 2020 Community Plan objectives.

51. The map below illustrates the places within the Places Plan to 2025.

**Figure 2 Map of Places in the Places Plan 2025**
Other Relevant Tower Hamlets Strategies and Plans

52. There are a number of other and emerging strategies and initiatives that will have spatial implications and will need to be reflected in the TCSS as far as practicable. These include:

- The Localisation Strategy: the localisation strategy will seek to co-ordinate the provision and development of public services in each neighbourhood and town centre;
- The Public Realm Strategy: the public realm strategy will provide a strategic framework to ensure that the public realm is attractive, clean, unpolluted and safe and will aim to ensure better coordination of those involved in the design, management and maintenance of the public realm including the design, management and maintenance of the streetscape.
- The Markets Strategy: the markets strategy will seek to create a strategy for the borough’s street markets looking at ways in which their viability can be enhanced and their management and operation improved.
- High Street 2012: H2012 provides a plan for improving the streetscape of the key thoroughfare from the city to the 2012 Olympic Games site and will set a vision for improving this key route that runs from Aldgate to Stratford through Whitechapel and Mile End, which improves the overall public realm for visitors and most importantly its residents. The project called High Street 2012 aims to act as a catalyst for the further regeneration of east London.

53. All of these plans and strategies will have implications for the TCSS and this borough portrait will, where possible, reflect the on-going work.
The Place Shaping Architecture

54. The diagram below outlines the ‘place shaping architecture’ of Tower Hamlets. From the diagram it is clear that a number of different policy strands, including spatial policy, feed into the development of town centres and will contribute towards the development of spatial vision for each centre. Critical to the development of the TCSS will be establishing the correct spatial level for the policies recommended.

Figure 3 Place Shaping Architecture of Tower Hamlets
Place – Physical Characteristics of the Borough

55. In order to understand how town centres in Tower Hamlets currently operate, a broader understanding of the urban form and the physical, social and economic characteristics of Tower Hamlets, the place, is needed. This section gives a broad overview of geography, accessibility, transport, demographics and other key themes that influence how the borough works. It is intended that this section will present a spatial view of the borough and provide an evidence-based grounding and rationale for developing spatial policy for town centres in the borough. The information presented in this section is on ‘where we are now’. It does not include projections (dealt with in the following section).

Urban Form

56. Located on the border of the City of London and forming part of Central London, Tower Hamlets forms the natural link between central and east London. This gives the borough a dual-identity: part of it is quite ‘Central London’ and part of it is very ‘east London’. One of the greatest natural assets in the borough is its access to water. The borough benefits from having the Thames, the River Lea, Regents Canal and the Hertford Union Canal on its edges or running through it. These natural highways bring aesthetic and biodiversity benefits to the borough however they also serve to sever the borough into distinct pieces and form natural barriers between communities and neighbourhoods. However, while the River Lea forms an aesthetically pleasing natural barrier and potential pedestrian crossing between Tower Hamlets and Newham it is hidden behind the Blackwall Tunnel Approach Road.

57. The borough also has a collection of green and open spaces strung out at different points. Victoria Park and Mile End are the two biggest open spaces in the borough. Victoria Park forms a natural buffer between Tower Hamlets and Hackney creating a clear dividing line between communities living on either side of the park. Mile End forms a central green spine running through the borough with varying levels of activity around the park’s edges.

58. Natural geography has shaped the borough’s social and industrial past. In the recent past, and today, it has, and continues to strongly influence the choices and mobility of people and enterprises living and working in the borough, thereby influencing the functioning of town centres.

Accessibility and connectivity

59. The transport network brings major economic and social benefits to Tower Hamlets and its town centres. The borough has a number of underground lines, mainline railways and also important strategic roads, such as the A11 and A12, running through it. The network offers efficient regional accessibility into Central London and out to East London. Tower Hamlets not only has efficient radial access into Central London via the road network or London Underground and Docklands Light Railway (DLR) lines, but also strong orbital links through the Jubilee Line and the often overlooked Burdett Road, which runs north to south from Hackney to the Isle of Dogs.

60. It comes as little surprise that the pattern of land use has historically clustered around the borough’s major thoroughfares. Commercial land uses are normally spilling over designated boundaries along key arterial routes, because commercial uses tend to agglomerate in the most accessible locations. This is a reflection of the positive role the key arterial routes and borough’s accessibility has played in the long-term economic development of Tower Hamlets.
61. However, roads also play a dividing role in the borough. While East India Dock Road and Aspen Way enable an unparallel ‘ease of reach’ for surface transport into and out of Central London to the Docklands and East London, they also physically sever the Isle of Dogs and reduce local accessibility between the Isle and its northern hinterland. Similar impacts can be viewed from the Blackwall Tunnel Approach Road between the borough and neighbouring Newham.

62. A number of roads reduce local accessibility, in terms of ‘ease of reach’, for pedestrians between different parts of the City Fringe and the City. The foremost of these are the former Aldgate Gyratory and Tower Bridge Road⁹.

**Figure 4 Natural and Physical Form of the Borough**
**Urban form of Town Centres in Tower Hamlets**

63. The urban form of the town centres in the borough has developed over time influenced by the changing economic and social forces at play within London and the east of London in particular over the last hundred years. During that time the east of London and Tower Hamlets in particular has been subject to rapid and substantial urban industrialisation and de-industrialisation not only changing the economic role of the local town centres but also their social uses and the demographic make up of the people who live in them and near them.

64. Tower Hamlet’s town centres have a very different urban form and layout to traditional town centres. Although there are some ‘traditional’ high street centres there are a variety of centres with a range of styles and urban form. These changing forms are largely the result of increasing urbanisation and especially the impact of surface transport development since the Second World War. These changes have an important impact on how the town centres function today. The Spatial Baseline\(^{10}\) identifies four key types:

- **Contiguous Pervasive Centres**: these are centres that do not have defined edges; rather they merge into each other due to the intensity of activity. Central London is unique in this respect as the only place in London with such town centres and the West End is the prime example. The City Fringe of the borough, including Brick Lane and Wentworth Street, in particular, form part of the web of CAZ centres merging in with the rest of London.

- **On-line Centres**: these are centres normally located on a main arterial route, which is normally their greatest strength, but also greatest weakness. Accessibility acts a double-edged sword providing the centre with maximum visibility, but also bringing the challenge of accommodating road traffic with pedestrian traffic. Prime examples of this in Tower Hamlets are Whitechapel, Bethnal Green, Roman Road East and Roman Road West.

- **Off-line on-line Centres**: in response to the rise of the automobiles, some centres were created to gain maximum advantage from accessibility, whilst accommodating a pedestrian-friendly environment. These centres are located on main arterial routes, but the actual shopping area is built off the main road and is pedestrianised to minimise disturbances caused by road traffic. Watney Market and Chrisp are the borough’s two main examples.

- **Off-line Pods**: are those centres that are located off the main road network in ‘big box’ style development. Such centres may have high accessibility, but a poor relationship with its surrounding hinterland. Canary Wharf and Crossharbour are examples of off-line pods.
Figure 5 Typology of town centre types

Contiguous Pervasive Centre
- Brick Lane
- Wentworth Street

Online Centre
- Whitechapel
- Roman Road East
- Bethnal Green

Offline Online Centre
- Chrisp Street
- Watney Market

Offline Pod
- Canary Wharf
- Crossharbour
Property Market

The Property Terrain

65. An important feature of the physical make of the borough is its land and property and the ownership and use that are made of these. Land use will shape the social and economic life in the borough and is therefore and understanding of the pressures and influences on land use is critical to the development of a borough portrait of the borough.

66. The property terrain of Tower Hamlets reflects its history as a number of individual settlements that grew up to the east of the City of London, providing accommodation and local services for those who worked in the markets, docks and trading routes out of the city. There was historically no single focus for retailing, as each hamlet had its own local function and focus. In terms of commercial development, the pattern of land use was dictated by the river and waterway routes, and the developing road network. Historically, industrial uses developed along the river and around the docks, and in the Lea Valley where the Bow Back Rivers provided water and access to raw materials via the canal network. Commercial uses, in particular the garment trade, spread out from the City and developed along the arterial routes out to the east.

67. In recent years the land use pattern has been altered by interventionist and opportunist development. The area of opportunism has largely been on the City Fringe, around Aldgate, where office development grew first during the 60s with the development of public sector buildings, such as the former Post Office development at Docos House, and later during the 1980’s and early 1990’s with growth in the banking sector. This pattern has since declined to some extent, with some of the older office buildings, including Docos House on Commercial Road, being converted to residential use.

68. The interventionist change is concentrated around the development of Canary Wharf, which has created a significant modern commercial and retail focus within the Borough, and has acted as a catalyst for the development of residential accommodation for city workers on former dockland sites on the waterfront, and in redundant industrial areas. Canary Wharf now comprises over 14 million square feet of office and retail space, accommodating over 50 major companies. This has led to a feeling of an area in transition, with traditional residential accommodation for local workers, in close proximity to islands of high value development, and increasing land values. This trend is set to continue with the implementation of the Pan Peninsula, part of the Millennium Quarter, being led by Ballymore Securities. This will provide 762 luxury apartments in 2 tower blocks, together with supporting private leisure facilities, restaurant and rooftop bar, scheduled for completion in early 2009.

69. The next areas of intervention to impact significantly on Tower Hamlets will be the development of Stratford and the Lower Lea Valley to accommodate the focus of the London Olympics in 2012, and the associated Lea Valley regeneration which is anticipated to provide up to 40,000 new homes; and the implementation of the Crossrail proposal, opening up the accessibility of the more central and northern areas of the Borough.

70. Tower Hamlets is therefore characterised not by one single market, rather by the sheer diversity of market influences that prevail within this complex London borough, and by the interventions that continue to impact upon its development.
City Influence on the Property Market

71. As mentioned above, Tower Hamlets at its western and southern edges has increasingly become identified with City expansion through redevelopment of former derelict docklands and on the City Fringe. Although there have been setbacks to development from time to time, this gradual expansion of the City eastwards and south into the Isle of Dogs looks set to continue. Expansion has brought with it a new population to Tower Hamlets. This is nothing new to a borough that has witnessed successive waves of immigration and settlement over the course of history. The difference this time is that the immigration is of the affluent middle class who can afford to buy what they want in environments they are prepared to create to separate themselves from the rest of the borough. This is changing the nature of retail demand in these parts of the Borough, as evidenced by the contrast between the major retail centre of Canary Wharf, and the more local district centres which still address a more traditional local need.

72. The change in character is typified by developments at Canary Wharf which have retained virtually no element of the area’s past other than the docks themselves as a “feature”. The new environments have swept away any hint of the former pattern of retailing or of the Isle’s indigenous traders.

73. Key to these changes has been:

- The availability of large amount of semi derelict land available at what was historically a relatively low cost
- The close proximity of the City which has traditionally commanded high rents and property values
- Potential demand from City businesses and workers to relocate to nearby modern and more economical accommodation
- Successive improvements in the area’s transport infrastructure

74. As the docklands development has become more established and widespread, the availability of land has decreased and that which remains has dramatically increased in value. This has effectively sealed the fate of low value former land uses and will also encourage the ongoing spread of development into surrounding areas where land is still comparatively cheaper as a result of generally lower rental values and house prices.

Waves of Change

75. The demand created by City expansion and population changes are already spreading from Canary Wharf into the Isle of Dogs, as evidenced by the Ballymore Pan Peninsula scheme, and from the City towards Whitechapel to accommodate shopping and restaurant demand from city workers. A good illustration of this has been the “Spitalfields effect”. The area has increasingly been identified as up and coming with a vibrant nightlife, busy at weekends and with ready access to the tube. The buzz created has attracted mainstream commercial and residential development to the area. Increasingly national multiple retailers are also being attracted to the area causing rents and rates to rise and in so doing impacting on the viability of some established local restaurants and businesses. Those who cannot afford increased costs either close or move away.

76. With this type of up and coming location there is the opportunity to see more co-ordinated development take place where sites can be assembled. The market will often take the lead in this. However it is important that the unique factors that have served to make the area popular are not lost in the process of its regeneration.
Eastern End of the Borough

77. Retailing at the eastern end of the borough looks set to be dominated by the redeveloped Stratford and the Lea Valley. The domination of Westfield Stratford Shopping Centre will effectively ensure that any other centres within the catchment perform a secondary, specialist or district function. This will have significant implications for development in the borough as it will place a limit on the expansion of lower order town centres and in some instances reduce their primary roles to convenience based retailing. This is particularly relevant to the Roman Road centres, which are likely to change as the Lea Valley expansion becomes established.

78. There are, as already mentioned, a number of complexities to the market in the borough and one factor is the cultural and ethnic make up of its population. The Borough is ethnically diverse with almost half of its population being from minority ethnic groups, with Bangladeshi residents comprising some 34%. Examination of ethnicity for school aged children shows more than 57% of children are Bangladeshi\textsuperscript{14}. This suggests that the proportion of the boroughs population derived from ethnic minorities is actually likely to increase over time.

79. Any examination of the market must reflect the different cultural and social backgrounds existing within the borough. Many Asian communicates retain a strong sense of community and have recreated “villages” within the borough, reflecting to some extent its history as a group of linked but individual hamlets. Each of these villages is a self supporting community and is largely isolated from pressures created by the enlargement of regional centres in terms of the type and range of retailers that can be present even within relatively close proximity of national multiples in larger more vibrant centres. An example is Chrisp Street, which trades effectively despite relative proximity to Canary Wharf.

80. It has already been mentioned that where there is competition for land in the eastern end of the borough existing, particularly industrial, uses are being displaced, however in the centre of the borough, which remains predominantly residential, this pressure is not yet as evident.

Pressure of Expansion

81. The borough is expanding and already has one of the highest levels of population density in London. Despite the close proximity of the City there are high levels of deprivation and much of the employment (40%)\textsuperscript{15} remains within the newly developed financial sector which does not draw on the borough’s existing population for its workforce. There are many issues associated with deprivation, such as high levels of crime that, in combination, make investment in property serving this population of limited interest to main stream developers, who generally prefer more affluent populations in which to invest.

82. Nonetheless, population growth will inevitably raise the need for additional retail provision, although in many of the traditional streets within the borough this will occur organically and be limited by existing land ownership patterns unless controlled and managed by the Council into larger scale developments.

83. Facilitating development can be high risk and involve speculation in land assembly and gauging market demand for assembled sites. The lack of a proven market for national multiples in many locations makes them likely to be less attractive to investors and retailers alike.
Ownership Patterns

84. The Borough has a number of major land owners from both the private and public sectors. On the private sector side, clearly Canary Wharf Group (primarily in the ownership of Songbird) and Ballymore have a major impact on future expansion and developments around Canary wharf. To the west, on the City Fringe and around Aldgate, there will be a mixture of major investors and owner occupiers (such as the Royal Bank of Scotland), and increasingly investment funds. Since the 1990s there has been a significant shift both in the nationality and the nature of investors and owners. Foreign ownership of core City property is estimated to have increased from around 20% in 1990 to over 45% by 200516, and the same period has seen a significant shift away from direct ownership by institutions and financial services firms to greater ownership by specialist property funds. Shares in these funds can be held by a wide range of investors, generating a complex ownership pattern. On the City Fringe financial and insurance occupation is less significant, and there is greater ownership by business and professional services firms, retailers, media companies and the public sector including both Tower Hamlets and the City of London Corporation.

85. Traditional trading areas such as Whitechapel and other district centres often have a significant number of individual owner occupiers, or local investors who own a mixture of freeholds subject to a wide range of occupational interest. Such locations can be more problematic for the private sector to develop as they require complex site assembly. This acts as an obstacle to major investment as the land assembly risk is higher and timescales for securing a developable area of a significant size much longer.

86. Major landowners towards the centre and east of the Borough include higher representation from the public or quasi public sector, including the Local Authority, and registered social landlords such as Poplar HARCA. Examples include Watney Market, which currently remains in the Council’s freehold ownership, and nine estates: Aberfeldy, Bow Bridge, Coventry Cross, Burdett, Devons, Lansbury including Crisp Street, Lansbury West, Leopold, Lincoln and Teviot, which are owned by Poplar HARCA. Where land is in a larger single ownership the ability to influence future development and regeneration is greater.

87. On the Isle of Dogs, the Crossharbour centre is in the ownership of ASDA, who will primarily consider this location as a trading opportunity rather than from a development perspective.

88. The mix of land ownership in the higher value City Fringe areas represents both an obstacle and an increased financial risk to future major investment, unless this can be overcome through intervention. The areas where there are larger blocks of single ownership and a greater public sector influence offer more immediate opportunities for development sites to be created.

89. The Council has a number of both operational and non-operational ownerships spread across the borough, which where located in established retail centres can be used to act as a catalyst to enable development opportunities to be brought forward. In other places where there are major landowners, such as ASDA at Crossharbour, the Council will need to work in close partnership with those stakeholders to manage development in a proactive manner.

Developer interest

90. Over recent years, developer interest in all areas of London has been very strong, driven by a rising housing market and increased demand for new homes. This has resulted from both population changes and structural changes to the nature of
households. Residential demand has led to the development of mixed use schemes in smaller retail centres that would historically have been expected, as the marginal value of the commercial elements has been underpinned by residential development. This drove land values and developer demand up until around mid to late 2007.

91. The City and its immediate fringe has always attracted interest from major developer investors. Large nationally recognised developers such as Land Securities (Dashwood House EC2, One New Change EC4 and 20 Fenchurch Street EC317) and Heron International, (Heron Tower and The Heron), are actively involved in developing mixed office and retail schemes. The only other area that is likely to attract developers of such stature in Tower Hamlets is Canary Wharf, as already mentioned above. There are however, reports of recent developer interest at other locations in the Borough, such as Chrisp Street, where St. Modwen have shown interest in progressing a scheme.

92. Given the current international financial crisis, and the impact that this is having on residential house prices and land values, evidenced by of falls of up to 20% in the first 6 months of 2008 and worst case falls of 40%-50% forecast for the period to 2010, it is now likely that developer interest in any scheme underpinned by residential uses will be in decline. Underlying commercial values in the district centres in Tower Hamlets (see below) are unlikely in isolation to sustain new development, particularly in a period of higher interest rates and greater retail uncertainty. This is likely to impact on the timescale within which pressure for change will come forward in the retail centres in the Borough.

93. The property market in Tower Hamlets is part of a much larger London market. As part of this larger regional market, Tower Hamlets’ property market continues to be shaped by much larger global forces. Whilst in the past this has brought prosperity and opportunity to certain areas, the current economic downturn could possibly bring some negative impacts on certain parts of the borough’s property market. However, actual about the impacts of the current economic downturn on the borough’s property market is still limited.

94. Historically, development was driven by largely by geography and in particular routes of the City of London. ‘Hamlets’ developed along stagecoach routes or along rivers, such as the ‘Bow Back Rivers’, whilst later on industry located along the Lea Rivers and Lea Valley. The borough also served an important function providing a space for accommodation and other local services that could not be accommodated within the ‘Square Mile’. The ‘property terrain’, with one major exception, still resembles terrain from previous centuries with commercial development focused around major thoroughfares, rivers, canals and more modern transport infrastructure. Whilst town centre may be changing in a number of ways, it is unlikely that the overall pattern of town centre uses clustering in the most accessible routes is likely to change.

95. That major exception is Canary Wharf. Opportunistic and interventionist development has led to the opening up of a significant new commercial and retail property market on the northern section of the Isle of Dogs. Not only has the property market expanded, but continues to expand with further development, such as Wood Wharf, the Millennium Quarter and Crossrail-related development.

96. Land ownership and developer interest in Canary Wharf is from major institutional investors and large-scale developers. Land is in the hands of a few ‘big players’, such as the Canary Wharf Group or Ballymore who are increasingly foreign-owned. With the development of transport infrastructure into the Isle of Dogs, the developer interest became more conventional and mainstream bringing developers, such as land securities. However, the current financial crisis could affect the very nature of this market.
97. Land ownership and developer interest in the City Fringe is varied. On the one hand significant portions of land still reside in small individual ownerships and developer interest may be from very small developer seeking to develop one or two small sites. On the other hand, the same players operating in the City and Canary Wharf are gradually investing more and more to assembling sites in this area; Aldgate has been a particular focus for major investors so far. However, the nature of diffuse land ownership has brought, in the recent past, less risk-averse ‘creative’ developers into the borough, such as Igloo Regeneration, who are more willing to develop high risk sites. The influx of such developers however will probably decrease in medium-term as there are fewer investors willing to back such sites.

98. The central and eastern sections of the borough have very different ownership patterns to the rest of the borough. A larger degree of land is in public or third sector ownership, such as Watney Market or Chrisp Street. There is also a strong degree of individual ownership of retail properties along the linear centres, such as Bethnal Green.
People – Socio-economic Characteristics of the Borough

Docklands

99. The remaking of London from an industrial capital city to a post industrial global or world city is no better illustrated than in the urban form of Tower Hamlets. Whereas Tower Hamlets once housed 'the docks of the world', now it is the 'office of the world' providing a home to global financial and business services institutions. Global economic restructuring can be observed in no better place than in the Isle of Dogs. Over the last 30 years this area has been transformed from 'an industrial relic' into a global financial hub of the world’s financial capital system. There is a very cosmopolitan feel to industry in the borough. From global headquarters for financial and banking conglomerates to the creative start-ups lining the streets of the City Fringe, Tower Hamlets' resembles a truly 'Global City District'.

100. Canary Wharf is the financial and legal services hub of London second only to the City of London. It has been expanding at a tremendous rate. Between 2000-07 there was employment growth of 39,288 in financial services. Unlike the Central Activities Zone, Canary Wharf has undergone a concentration of one particular sector, financial services, but not an agglomeration of different sectors. It is Europe’s largest business centre to offer wireless broadband (WiFi). Growth has been experienced in other knowledge-led sectors in the borough. This has included hospitality, tourism and business-to-business. Business services alone have accounted for a growth of 13,037 between 2000 and 2007. Employment growth has also triggered the growth of Canary Wharf into a prime retail and leisure location for south-east London.

101. Some commentators have suggested that London, and in particular Canary Wharf, will be badly affected by the recession. However, the majority of economic forecasts indicate a return to growth in the short to medium term with the main bulk of London’s present financial services industry remaining in London and in Canary Wharf.

102. However, there remain areas of the borough without such strong vibrant economies. Leaside, part of the larger Lea Valley sub-region was once home to major industrial and manufacturing uses. However, the processes of de-industrialisation swept away the manufacturing industries. A number of cross-borough planning frameworks, including the Olympic Legacy master planning framework, are now attempting to regenerate the Lea Valley. The legacy of economic restructuring has left an indelible mark upon Tower Hamlets and had far reaching social and economic impacts as well as physical ones.

The City Fringe

103. It can be claimed that ‘enterprise culture’ is concentrated in the city fringe area more predominantly than any other area in London. The City Fringe Partnership’s City Growth Strategy states that these areas are so vibrant that only half of all enterprises are registered. The City Fringe is a cross-borough sub-regional area. Its activity or functional geography spreads across borough, town and neighbourhood centre boundaries. Enterprise spreads along the edges of boroughs and particularly west and north into the City of London, Hackney and Islington creating enterprising edges. Evidence indicates that there has been ‘clustering’ of certain sectors. Key industries to develop have been intermediate financial services, information and communications technology, catering and hospitality, creative industries, printing and publishing,
jewellery and furniture. Unlike, Canary Wharf these areas have witnessed horizontal agglomeration of different sectors and vertical integration within some sectors, such as creative industries\textsuperscript{25}. Allied to this has been the growth of the evening economy, in these areas, which has tapped into the wealth of the emerging creative class and an emerging visitor economy\textsuperscript{26}.

104. An often overlooked sector is the visitor economy. The Tower of London, alone, draws in 2 million visitors every year\textsuperscript{27}. There has also been a growing niche visitor economy centering on locations in the City Fringe, such as Brick Lane and Columbia Road.

105. The burst of enterprise activity in the City Fringe has altered its resident population, but also the more transient elements that work and visit this area. This has begun to change the character of town centres in these areas.
The Role of Street Markets

106. Street Markets can provide economic, social and cultural benefits to those who use them and live close to them. They can also provide pleasant places to shop and form a hub for local communities supply people – especially those on low incomes – with affordable high quality food. They also attract jobs and income to the local economy and some of them are important tourist attractions in their own right. However markets are generally seen to be in decline with fewer customers and dwindling numbers of traders. There has been a growth in markets in London however with at least 63 more than ten years ago. However this increase hides the facts that the growth is accounted for by new privately run retail or specialist farmer’s markets with a significant number of borough-managed street markets shrinking or closed altogether. Public policy intervention to support struggling markets is however not universally welcomed to reverse this trend with One London commenting that taxpayers’ money should not be spent on “protecting or promoting possibly unsuccessful commercial enterprises.”

107. It is clear that street markets play an integral function in the social and economic life of Tower Hamlets.

Figure 6 Locations of Street Markets in Tower Hamlets
Retail and Leisure Expenditure in Tower Hamlets

108. Retail expenditure has similar patterns in Tower Hamlets to the rest of London but does differ in some key respects. The study area used for the retail study used a defined catchment area covering areas within the surrounding boroughs. The study showed the area retaining 21% of comparison and 72% of convenience expenditure, which is in line with figures for other inner London boroughs. Tower Hamlets’ convenience stores retain around 60% of convenience expenditure in the study area. Like the rest of London, the West End takes the largest market share of Tower Hamlet’s comparison expenditure (20%) of all town centres in London and the south-east. It is significantly lower than in other boroughs where the West End has a share approaching 40-50%.

109. The West End is the most popular location for a number of different types of comparison shopping. It is the most popular centre for clothes and shoes, domestic appliances, furniture, carpets and furnishings and specialist comparison goods.

110. At 7%, the share of comparison expenditure for Canary Wharf is higher than the average. The centre stands out as a strategically important comparison centre for the borough and East London. It is the 2nd most popular centre for clothes and shoes after the West End. No other centre in the borough has a proportion approaching this and ranks as the most popular or 2nd most popular for any major category of comparison expenditure.

111. The key convenience stores in the borough are Sainsbury at Whitechapel, ASDA at Crossharbour and the Tesco Store at Bromley-by-Bow. Together these stores account for 30% of all convenience expenditure in the survey area. Looking area-by-area, ASDA at Crossharbour has the biggest local share with 52% of the Isle of Dogs. Expansion of ASDA could be at risk if the ‘potential’ competition test was applied in this case.

112. Most areas are dominated by one of the top four convenience retailers. However, independent convenience retailers have a substantially stronger presence in Whitechapel area and Roman Road.

113. Stratford is only the most popular and 2nd most popular in the Stratford and Roman Road survey areas for comparison expenditure. However, these patterns could significantly change over the next 15 years as Stratford City is completed.

114. E-tailing appears to be an intrinsic part of comparison expenditure of residents. 15% of comparison spend is through the internet: twice the estimated national average. In 3 out of the 5 major comparison expenditure categories, the internet ranked as 2nd or 1st. Unsurprisingly it was the most popular ‘place’ for purchasing domestic appliances, which tend to be ‘bulky’ goods.

115. London town centres have undergone a significant change over recent years with the consolidation of larger metropolitan and regional centres at the expense of more traditional district centres. Shopping patterns, especially for the more affluent, have become more mobile and ‘regionalised’. There have been a number of factors behind these changes. Research from GLA Economics strongly suggests that the growth of the leisure economy in town centres has been a key factor. However, a key driver has been increases in global accessibility caused by both actual improvements in transport and rising incomes. The rise in accessibility has opened up many town centres to a much larger competitive catchment; enabling town centres to compete for a much larger numbers of shoppers.
116. Like shopping, leisure, such as entertainment and the evening economy, has increasingly become regionalised. As in the rest of London, the last Retail Capacity Study found that residents regularly go outside the borough for entertainment, leisure and night time activities. ‘After-work socialising’ is normally focused around work-place location. This has resulted in popular night-time locations springing up in across employment-concentrated locations.

117. The rise in the broad church of leisure uses has caused some issues to arise with the hierarchy. Firstly, size does not always correlate with activity: Brick Lane is a neighbourhood centre, but has more activity than most district centres and even some major centres. Secondly, the hierarchy does not accept the importance of the broad church of leisure uses. Ambient leisure, such as dining and drinking, can be the economic backbone of places, such as Angel Town Centre (LB Islington 2005) and increasingly Canary Wharf.

Population, Migration and ‘Churn’

118. The demographics of Tower Hamlets can be seen as a microcosm of London as a global city. It is not just fluid and global in a purely economic sense, but socially as well. The major economic transformation of London has had major social knock-on effects. Like other major global cities, this has heralded increased major changes in the occupational and demographic structure of the city and in Tower Hamlets in particular. This has important ramifications for how town centres are used and consequently their viability and vitality.

119. Over the past twenty years there have been major changes in the occupational structure across the borough and the rest of London. Recent research, based on the census, confirms that since 1981 the borough has experienced waves of professionals and managers moving into the borough well in excess of inner London borough averages. These shifts have been driven by London’s growing financial and business services requiring greater numbers of highly skilled workers.

120. As London’s economy required greater numbers of highly skilled workers, Tower Hamlet’s population has increased significantly. Inward international and national migration from skilled workers has significantly increased the numbers of professionals living and working in the borough, changing the nature of communities in the borough. The map overleaf represents the concentrations of young professionals in the borough.

121. Although being one the most diverse places in the world, Tower Hamlets has intensified its diversity. For instance, 76% of primary school pupils’ 1st language is not English. Tower Hamlets ranks as the 2nd most diverse borough in the country behind Newham.

122. The turnover of population, popularly known as ‘churn’, is significantly higher in inner London than the rest of the country. A staggering 20% of Tower Hamlet’s population moves annually; whilst this is not the highest (LB Camden is over 30%), it is reflective of inner London patterns. This probably also reflective of its young, affluent and highly mobile population.

123. Migration data from the ONS Snap-shot indicates that, in overall terms, families with children and couples are leaving the borough whilst single people are moving into the borough. Tower Hamlets’ tends to be gaining economically active younger people (20-25 years), whilst losing older residents.

124. Managing these recent demographic shifts will have implications for the developing town centres over the next twenty years. The town centres must have a role in
tackling what has been called a phenomena of ‘social tectonics’ where new more affluent residents move in and live side by side with existing communities changing the nature of neighbourhoods and the services consumed. Tectonics refers to where these neighbouring communities behave like slowing shifting land masses that sit alongside each other but rarely mix and integrate.

125. The maps overleaf illustrate concentrations of young professionals in Tower Hamlets (urban intelligence) and those on low-incomes or welfare (welfare borderline).

**Figure 7 New demographic make up of Tower Hamlets**
**Housing: From Mono to Mixed Tenure**

126. In 1985 13% of housing in the borough was in private ownership. By 2005 this had risen to 58% representing a radical shift from a mono-tenure borough to a mixed community. This shift did, unlike other places result from the construction of thousands of new homes across locations in the borough. However, Tower Hamlets Homes (the borough’s Arms-Length-Management Organisation) remains the biggest landlord in the borough. The real consequence of this shift, as in other places, has been the residualisation of deprivation within tightly concentrated places across the borough.

127. Despite the increase in private ownership, there still remains significant housing need for social and affordable housing over the next 15 years. A quarter of all households are in unsuitable homes that do not meet their needs. Specifically, the borough is the most overcrowded in London: 12% of households are overcrowded.

128. Tower Hamlets is one of the densest places in London. It has nearly twice the density than London. However, in perspective Tower Hamlets had nearly double its present population in 1911. As the borough undergoes a ‘renaissance’ of demographic expansion, it is vital that mixed communities and sustainable town centres are constructed that meet the needs and aspirations of these communities. In most parts of the borough Tower Hamlets has got people from different backgrounds living in close spatial proximity. Different social groups live together at most locations across the borough; from high earning young professionals, working families to more vulnerable groups. Despite this physical proximity they remain physically spatially divided by tenure. One clear relationship here is between ‘mixed’ communities and town centres. The most socially and physically segregated areas appear in those locations with least town centre activity in places such as Wapping or Poplar (see figure 7 above).

129. On closer examination a key driving factor is tenure. Mono-tenure private housing remains tends to be more wealthy and social housing still contains many those residents suffering from aspects of multiple deprivation reflecting the residualisation effect of the housing market. Evidence from the Retail Capacity Study indicates that residents do not always use the borough’s centres as their main shopping centres. A significant proportion of the spending power within the borough is not being spent within the borough’s town centres. Whilst these trends may resemble patterns across London, as more affluent professionals become increasingly mobile and less rooted their immediate neighbourhoods, it is an important consideration when determining town centre strategy.

**Deprivation and Inequality**

130. Multiple deprivation is spread across many areas in the borough. 43.3% of households in 2004 had a gross household income of less than £10,000 and over 60% of people have an income of less than £20,000. Tenure is a key factor to understanding deprivation and poverty in Tower Hamlets. A privately rented household’s median income was £29,301, whereas a social housing household was approximately £7,000.

131. However, place is also equally important. The western and riverside edges tend to be more affluent than the central and eastern sections. Household income demonstrates the disparity between areas. A resident’s median income in area defined by the Local Area Partnership (LAP) 8 area (Isle of Dogs) is £25,561 and a resident living a few hundred yards away in LAP 7 area (Poplar) is £9,653. Further evidence from the Index of Multiple Deprivation gives an even more refined understanding. The
edges of the borough, such as the Thames or the City Fringe, demonstrate a lower level of deprivation to other places in the borough. Unlike other places in the borough, these areas are not in the 10% or even 20% most deprived in England & Wales.

132. The strongest concentration of deprivation is in the southern-central section of the borough above the Isle of Dogs. Encompassing Poplar and Stepney among other neighbourhoods, it suffers from a concentration of social housing estates, industrial sites and the physical dislocation caused by major roads and railways. It remains one of the poorest places in the UK despite being on the doorstep of a global financial hub.

Figure 8 Multiple Deprivation in Tower Hamlets
Policy, Place and People - Conclusions

133. The geography of Tower Hamlets is quite unusual. Most cities would encapsulate many of the features of Tower Hamlets, but few areas of the city and even sub-regions would contain as many features of what we now associate with world or global cities as Tower Hamlets does. Tower Hamlets can only be understood as a global city district at the forefront of changes in global geography taking place in many what are now called World Cities. There are some key elements to understanding physical, social and economic circumstances of Tower Hamlets that are important for developing spatial strategy and policy.

134. The boroughs town centres have developed within an historical urban form that was fashioned by the economic development of east London in the late 19th century and the early part of the 20th century. As a result the pressures on the urban fabric come in distinct forms and locations.

- the City Fringe’s dense and urban streetscape is under pressure from an expanding financial district in the city and the demands of growing cultural and leisure sectors;
- the Lea Valley and Blackwall Tunnel Approach Road, along with Victoria Park, forms physical barriers to the north and west; and
- the arterial road network also forms physical barriers especially severing Canary Wharf from its surrounding communities; and
- the majority of town centres have developed along the main thoroughfares, that are now busy arterial roads, and this has contributed to their physical form and their resulting accessibility and connectivity.

135. The borough’s physical proximity to, and its excellent links into, the rest of London open up its town centres to major competition. In recent years its accessibility has increased particularly for Docklands and City Fringe areas leaving the central areas less well served.

136. Associated with this rising accessibility there has been major economic and social transformation over the past thirty years. The borough is left with a patchwork quilt of success and decline that naturally falls into three broad areas. The City Fringe and the Isle of Dogs are ‘spatial winners’ in this process, the rest of the borough and its town centres have not yet fully connected into these processes.

137. The property market, although complex, has a distinct geography mainly driven by the perceived opportunities for development. The City Fringe and docklands again are attractive to investors and developers given their accessibility and forms of land ownership albeit they have very different patterns of ownership. Once again the central and eastern appear less attractive in terms of property development mainly due to lower values and weaker accessibility.

138. The restructuring of London’s economy over the past thirty years has radically altered the occupational and demographic profile of Tower Hamlets. Consequently, not only is the borough incredibly diverse, but it also has witnessed an increase of young, affluent and mobile professionals. These changes have brought new communities into the borough. This reflected in the housing market with new more affluent communities moving into town centre areas either into new build development or existing family housing whilst the less affluent population remain largely in mono-tenure estates. Again this has a broad geography of the City Fringe and Docklands areas becoming more affluent whilst the central areas, containing the most social housing, remain relatively less prosperous.
139. The broad functional geography of Tower Hamlets can be described as falling into three main areas that share, very broadly, similar social, economic and physical characteristics that will in turn shape the role, form and function of the town centres within them. The following sections describe these three areas.

City Fringe: Spilling over borough boundaries

140. The City Fringe in Tower Hamlets is part of a cross-borough sub-regional area that wraps itself around the northern and eastern edges of the City of London. Accessibility has naturally been key to the development of the area. On the one hand, most centres, in the area, have high levels of ‘reachability’ into the City and relative ease of access. Strategic accessibility is also strong in places with most places linked onto the underground network and road network. The City Fringe has a collection of small ‘chic’ centres serving a wide catchment at the forefront of change. These range from the heritage-focused St Katharine Dock area to the creative and ethnically diverse Brick Lane. These areas are all characterised by being highly compact centres with a high intensity of use.

141. Whilst employment has been a key driver of growth, the ‘City Fringe’ has a vibrant leisure economy. Ambient leisure has driven growth in Brick Lane and Columbia Road, whilst more traditional ‘Heritage Leisure’ brings in thousands of visitors to the Tower London. A strong feature of the City Fringe has been the mutually reinforcing growth of the creative sector with a vibrant evening economy. This has helped, for better or worse, to create a vibrant 24-hour economy in places, such as Hoxton and Shoreditch.

142. Despite being at the heart of economic and social change, all types of markets remain a key feature of economic and social life. Within Tower Hamlets’ fringe area there are traditional street markets, such as Wentworth St and Petticoat Lane, to the more tourist-focused markets of Columbia Road and Brick Lane. Like the rest of the borough, markets remain an essential element supporting the vibrancy and health of these centres.

143. Despite the growth experienced in the City Fringe there remains poverty and deprivation. As the demand for private residential living in the City Fringe has increased, deprivation has become increasingly concentrated, residualised and sometimes ‘masked’ within the remaining social housing estates in the fringe. Unfortunately, a lack of opportunity and access to opportunities still persists in estates across the City Fringe.

Remixed Docklands: London’s New Riverside

144. The remixed docklands is a fluid riverside area extending along the riverside edges of the borough. The remixed docklands is part of a much larger social and economic geography covering London’s new riverside from Surrey Quays to the Royal Docks. These new riverside communities, living on the doorstep of the Thames form part of larger social geography spreading West from Tower Bridge to as far east as the Royal Docks. However, alongside these new communities are more established communities living in older mono-tenure social housing estates in the interiors of these places.

145. The development of the docklands, over the past 20 years, has been arguably an accessibility-led development. Public transport improvements, such as the Jubilee Line, East London Line and DLR line, along with major enhancements to the road network, brought high levels of accessibility to these areas. This has been a two-way process. On the one hand, helping to transform Canary Wharf into one of the major town centres in London; and on the other hand enabling the development of mono-use private residential riverside communities across large swathes of the former docks.
146. With the exception of Canary Wharf, areas tend to resemble, in land use terms and culturally, suburban communities in outer London. There is a relatively low provision of shopping and leisure facilities, especially in Wapping. This in part a reflection of a highly affluent and mobile community who increasingly shop across a range of town centres London and do not perceive their immediate town centre as their main shopping destination

**Urban Hamlets: ‘Local Centres’ serving local needs**

147. The ‘Urban Hamlets’ are a wider geography of district and neighbourhood centres serving mainly local needs in east London. This functional area spreads over borough boundaries into the rest of east London into Canning Town, Hackney and Leyton. Partly due to the residential nature of land-use in this area, centres are highly embedded within a residential context. In short, ‘Urban Hamlets’ serve a very local catchment supplying local needs. The centres meet diverse minority ethnic communities, such as the Bengali community and increasingly new Eastern European communities.

148. What characterises these centres is their wider range of functions. These are places not just for economic, but also social and increasingly civic exchange (with the advent of IDEA Stores and 1-stop shops). However, these centres have been on the losing side of town centre trends. Increases in accessibility have meant that more mobile residents would increasingly shop in other centres. Whilst no centre in this area has been in ‘top 10 worst performing’, none of these centres has grown considerably⁵⁴. Consequently, the impact of newly arrived affluent residents living close to these centres has been limited. These patterns mirror trends across residentially-focused areas in east London⁵⁵.
Figure 9 Functional Geographies of Tower Hamlets
Projections - Understanding the Future of The Borough

149. The functional geography of the borough, as described above, will continue to develop as a result of the continuing social, economic and physical pressures brought to bear on them as London grows. This section looks broadly at the key drivers of change over the proposed term of the TCSS. This approach fits in with the spirit of PPS 12 that requires Core Strategies to be forward looking documents that plan at least 15 years in advance. The information presented in this section is solely on projections from existing evidence and does not represent new research.

Predicted Economic Change

150. Tower Hamlets’ economic projections predict that the borough will accommodate an extra 107,208 jobs by 2020 whilst the GLA’s borough-based employment projections predict a more modest 93,000 growth in jobs. According to these projections the borough still comes at out with the highest proportional growth than any other borough in London. These predictions were prepared before the economic problems associated with the global economic recession that will impact on the borough had become clear.

151. 83% of new jobs will be in commercial (office-based) services. Despite the major growth in housing and the borough’s economy only 5% (5,000) of new jobs will be in the retail sector, which like other east London boroughs is already comparatively small compared to other boroughs outside east London. A majority of employment growth will take place in the Isle of Dogs: 65,411 of new jobs will be in this area. There will also be significant employment growth in the City Fringe area as well.

152. From the available evidence, it is clear that employment will reinforce growth areas in the western and southern edges of the borough. A key issue for the borough over the next 15 years is how this growth in employment is translated into growth and renewal across other areas of the borough. It is important to note that these projections are based on long-term growth and do not take account of the current economic downturn.

The Economic Downturn

153. The current recession is expected to have a lasting impact on the United Kingdom and London economy over the medium term and perhaps the longer-term. However, over the period of realising this vision we would expect to see, from even the most pessimistic of economic forecasting, growth recovering and pushing on again in the UK economy in the short to medium term. At this point in time it is unfortunate that few medium and no long-term economic forecasts have been updated for the region. From the information currently available we know the following:

- The UK economy is likely to enter into a technical recession in Q3 and Q4 2008 with Gross Domestic Product (GDP) shrinking by 0.2% each quarter.
- The Organisation of Economic Co-operation and Development (OECD) has stated that the breakdown of financial markets – even if largely reversed through government interventions – will affect the short and medium-term prospects of activity and inflation throughout the world with at least several quarters of weak growth ahead for most OECD economies.
- The International Monetary Fund (IMF) has produced a similar forecast, predicting that growth will only pick up late in 2009 and then only slowly with advanced economies lagging behind developing economies\(^{59}\).

- The UK has seen a period of consistent economic growth from 1992 to 2008. However, falls in UK growth are now predicted. Most forecasters are predicting a contraction in the UK economy of over 1 per cent in 2009 with different views on the speed of recovery. The graph below shows the latest forecast from the Bank of England (including a margin of error around the central forecast)\(^{60}\). As the graph shows a return to growth is predicted by the end of 2010 using the lowest forecast.

**Figure 10 Economic Growth Prediction 2004 to 2010**

154. The knock-on effect of the shrinking finance and business sector in London is difficult to evaluate with any precision, but estimates to date suggest that 20–40,000 business and finance sector jobs may disappear between mid-2008 and the end of 2009. The rate of job loss is likely to exceed that suffered in the fall-out from the dot.com bubble bursting in 2001/02\(^{61}\).

155. An important consideration is the secondary impact of job losses in other sectors linked to finance and business services. The dip in fortunes of the business and financial services sector after the 2001/02 dot.com crash led to a drop in employment in the creative industries in London in the period 2001-04. This amounted to a fall of almost 10 per cent, or approximately 50,000 jobs in the creative sector\(^{62}\).
The Property Market and Development

156. Since the ‘credit crunch’ and proceeding recession began, property prices have fallen with significant drops in transaction levels in office, residential and retail markets. The property market has, unsurprisingly, witnessed some of the major initial impacts of the ‘credit crunch’ and the recession with estimates of rents and capital values projected as falling. However, a CB Richard Ellis report for the GLA on the short to medium term outlook for office and retail rent and capital values predicts that outer London will suffer less than central London in a downturn or a recession, partly due to inner London’s reliance on the Central London’s economy.

157. Medium-term projections are at present highly uncertain for the property market. What is more certain is that in the short-term (1-3 years) we will see a greater shortage of available credit for major development, especially in higher risk areas, and a continued slackening of demand for residential properties. Complex sites with dispersed land ownerships are unlikely to experience major land-assembly and comprehensive redevelopment in the future. This is likely to affect sites in the City Fringe and the central areas of the borough.

158. In contrast, when the market does pick up larger sites with major land owners are likely to come forward. Developers will be more willing to invest their limited capital in major sites along the Lea Valley and the Isle of Dogs. The areas most likely to benefit from these changes are Leamouth and Bromley-by-Bow, Fish Island and the Isle of Dogs.

159. Some of the retail destinations in Tower Hamlets have seen significant change over the last twenty years as a result of investments in Docklands and the encroachment of the City. This has changed the nature of retailing in these areas to increase its quality and value, and has started to dilute the local and ethnic focus of the recent past. It has also led to increased values in a few areas that can support future commercial development. Other areas of development pressure across the borough have largely been driven by the buoyant housing market, which has now come to an end.

160. The next waves of change are likely to come from the East, through the investment in Stratford in advance of the 2012 Olympics, and the developments proposed for the Lea Valley, and from the south as Pan Peninsula is completed and occupied, and the rest of the area known as the Millennium Quarter comes forward for redevelopment. These changes to the local residential and population structure of the borough, together with the anticipated growth in population is likely to lead to qualitative changes in retail demand, although it is not anticipated that those to the East will be as fundamental as the changes instigated by the development of Canary Wharf and Docklands. The timescale over which this will translate to development pressure will be dependant to some extent on the outcome of the current credit crisis, and the speed at which market confidence returns and capital becomes more readily available again.

161. Overall, it is anticipated that the nature of retail provision will generally be subject to pressure for an increase in quality on the periphery of the borough, and that the population growth will create more interest from major supermarket chains and (in the longer term) high street retailers. Given the existing retail patterns, and the location of the development drivers, it is likely that change will be much slower in the central and more deprived areas, and where the impact of Stratford draws expenditure growth out of the borough.

162. Based on the experience of Docklands, it is our view that local and ethnically oriented traders will concentrate in the poorer central areas as new developments cause the north, west and south to become increasingly expensive. Development
pressure will concentrate first in the most viable areas, such as Canary Wharf, Whitechapel, Spitalfields and Bethnal Green. The collapse of the housing market is likely to reduce developer interest initially in the more marginal value areas, such as Chrisp Street, Watney Market and Roman Road. To secure inward investment in these locations may therefore require public intervention.

163. In the immediate term, it is unlikely that much pressure for redevelopment will be felt, as overall market conditions will inhibit activity in all areas other than prime locations such as the City and the West End. For development pressure to return in more secondary locations, there will need to be either a return of strength in the residential market, or specific demand from occupiers such as major food store operators, responding to population expansion and the opportunity to increase market share.

164. Another important impact in the short term influencing the physical infrastructure of town centres, and the provision of affordable housing, will be the rapid reduction in anticipated S106 monies as development stalls and developers seek to renegotiate deals.

**Consumer Behaviour**

165. Comparison retail expenditure is expected to grow over the next twenty years at approximately 3.5% per year and convenience expenditure by 0.7% annually over the long-term. Likewise convenience expenditure is predicted to increase by 0.7% annually over the long-term. The lower rate of growth for convenience spending is constrained by the natural limit people are able to spend on food and other ‘essential items’.

166. It is likely that shopping patterns will become more complex over the next 15 to 20 years. E-tailing, people purchasing goods and service over the internet and mobile phones, will continue to grow making up around 10% of total retail expenditure by 2015 alone.

167. Leisure is expected to grow by 2.0% annually over the next 15 years. The leisure economy looks to set to become more complex in London as the population becomes increasingly diverse and their tastes and preferences becoming equally diverse.

**Demographic Growth and Diversity**

168. Tower Hamlets is set to see a 25% increase in population over the 15 years which will continue the transformation of the character of the borough. The borough is currently one of the most ethnically diverse boroughs in London. However the increase in resident population predicting to occur over the next 10 to 15 years will results in numbers of residents from different backgrounds increasing even more. Research suggests that by 2020 ethnic diversity will continue and over 50% of residents will come from BAME communities and will increasingly come from different ethnic communities.

169. In the medium term to long term the economic base of the borough is expected to remain financial and business services and this sector is predicted to grow by over 80,000 jobs in the borough. This will mean the continued growth of more mobile and affluent households. The household structure of the borough looks set to change, similar to the rest of London, with Tower Hamlets acquiring more single households and losing families in particular. The growth in the population over the long term is likely to continue the trend of greater diversification by ethnic grouping, social class and occupation. The biggest influence on where these new groups will live will be the
operation of housing market and the related residential sorting effect placing less affluent groups into social housing and limiting access to private stock.

**Housing and Commercial Development**

170. Predicted development in Tower Hamlets over the next 15 years will see major regeneration on a scale unparalleled in the rest of London. The number of households will increase from 78,530 to somewhere close to 110,000 households representing a 42% rise in the number of households in the borough. 65% of new units will be private working out to roughly 19,953 to 23,297 units depending on density levels. This will potentially bring additional wealth and affluence into the borough.

171. There could be 42% more households living in the borough with at least 6,000 units in each of the borough's main areas and over 11,000 new units in the Isle of Dogs alone. These new residential communities represent a fantastic opportunity to build economically and socially vibrant town centres where there are truly mixed communities of not just housing, but of mixed uses as well.

172. Major residential planning applications illustrate that residential development pressure is located along the most accessible locations as well as being located in waterfront locations. The most pressure is currently focused around the Isle of Dogs including the northern fringe of Leamouth, Poplar Riverside and East India. The map below illustrates where major residential permissions have been granted.

**Figure 11 Major Residential Planning Permissions**
**Transport**

173. East London will witness a massive evolution in its transport infrastructure by 2020. The combined impact of transformed orbital (East London Line Extension) and radial links (Crossrail) will bring challenges and opportunities to town centres. ‘Ease of reach’ will be radically reduced as town centres across these lines experience radically larger competitive catchments. The East London Line Extension will form an orbital route linking south-east to north-east London. In particular stations in Tower Hamlets, such as Whitechapel and Canada Water, will be at the apex if this system. This will put town centres in the borough in competition with those in Hackney, Southwark and Lambeth and possibly Croydon.

174. Crossrail will form a central spinal railway linking west to east London. This will radically alter the global accessibility between east and west London. By increasing the global accessibility of town centres and their neighbourhoods, Crossrail will have the potential to deeply impact on existing shopping, employment and residential patterns. Managing these impacts will be crucial in ensuring Tower Hamlets, the place, benefits from such major changes to infrastructure.

**2012 Olympic and Paralympic Games**

175. The twin drivers of Stratford City and the 2012 Olympic and Paralympic Games will have the potential to transform the economic geography of east London. In short, there could be a massive shift of economic activity from west to east London, acting as a spur to drive the regeneration of Thames Gateway and the Lea Valley. Stratford City represents a £1.5 billion pound town centre extension. This investment will bring forth a range of high quality department stores and other multiple chains to Stratford. It will turn Stratford into a regional centre and make it the prime shopping location for East London.

176. It is too early to judge what impact it will have on town centres across east London. To a large extent it depends on the nature of each centre and their response to Stratford City. Canary Wharf as the borough’s only major centre with high street multiple chains faces the only serious threat. Negotiating a viable response to Stratford City will be the key challenge for Canary over the coming years.

177. ‘High Street 2012’ is a key Olympic project. The aim is to transform and improve the Whitechapel Road, which connects Aldgate to Stratford. The project will develop a strategy for the whole road and a series of interventions at key points along the path. A particular issue that will need to be more explored is how town centres link to ‘legacy communities’ and how the urban fabric of Fish Island in the north-east of the borough knits into the wider fabric of Roman Rd district centre.
Conclusions - Developing Spatial Policy for the Borough

178. The purpose of this borough portrait is to provide a framework within which the TCSS can be prepared. In doing so it has established the functional geographies of the borough that can be clearly related to the future development of town centres in the borough. It also reflects the importance of ‘place’ in developing spatial policy and how the TCSS may be located in the wider ‘place shaping architecture’ within Tower Hamlets.

179. The portrait establishes three distinct geographies – City Fringe, Remixed Docklands and Urban Hamlets. Each of these areas reflect to a greater or lesser extent the distinct socio-economic and physical characteristics that impact on how the borough ‘works’. The TCSS will have to address these specific characteristics and seek to set strategy and policy in a way that maximises the benefits and opportunities they afford.

180. By 2025, with the expected return to economic growth, Tower Hamlets will have grown tremendously bringing more people, jobs and houses to the borough. This growth is likely to continue the socio-economic and spatial trends already apparent especially in the growth of a younger, more mobile and more professional workforce and the associated development of more private housing. At the same time those less affluent are likely to remain in social housing continuing the spatial separation of these groups. The mobility and consumption patterns of these different groups will also continue to differ. How the TCSS responds to the challenges of the continuation of current trends in the socio-economic make up of their immediate residents, and what this means for the demands made upon them, will have to be addressed by rethinking approaches to how centres are managed and developed over the long term.

181. The physical form of the borough will continue to influence its development. The physical form of some town centres and the streets that surround them, developed on large arterial roads or hemmed in by large estates, hinders their development and their local accessibility. There also remain large and significant barriers of water, road and rail that sever some town centres from their immediate residents and possible catchment areas. Land ownership and land use patterns will dictate what is developed where as in the previous decades of development. The connectivity of town centres, with each other and strategically, is critical to their competitiveness and how these barriers are overcome by taking advantage of development opportunities of public sector intervention will be key. How the town centres are designed is critical to their local accessibility and their functioning at centres.

182. Tower Hamlets in 2025 will be equipped with world-class public transport infrastructure. Crossrail and the East London Line Extension will transform the accessibility levels in the borough, for an already highly accessible place. As town centres experience a greatly enlarged competitive catchment, the ‘travel to work’, shop and play patterns of residents, workers and visitors will redefine the role of town centres to 2025.

183. In addition to the extraordinary scale of private investment (over the long term), the Olympic Games will deliver an unprecedented level of public investment into east London. The challenge for the town centre spatial strategy is to provide a framework for knitting together public and private investment programmes through proactive planning. This could have a dramatic spatial impact providing town centres with the opportunity to serve as a lens through which to coordinate these programmes.
184. Therefore when growth returns the physical interventions required to address some of these connectivity and accessibility problems, within and between centres, will have to be properly identified and then proactively planned to ensure development is consistent with the aspirations for each town centre and can take advantage of development opportunities when they arise. Where the functioning of centres can be improved by better design the development opportunities that exist should also provide the opportunity to do this. However how the centres are actively managed on a day to day basis will be critical to their success in meeting the needs of local people and delivering some of the aspirations of the local partners for the local area.

185. Taking into account the objectives set in the Community Plan and their spatial expression in the Core Strategy and the particular functional geography of the borough provided by this portrait, the emerging spatial vision for Tower Hamlets’ town centres should be:

“By 2025 Tower Hamlets will be refocusing on its town centres, ensuring they are places at the heart of local civic life, which are vibrant, inclusive and accessible. The role of each town centre will differ, in order to serve all members of the community, according to its character and function. Each of the town centres in Tower Hamlets will form part of a rejuvenated, interconnected network of hubs for shopping, leisure, civic and associated housing uses.”

186. To achieve this vision, four overarching aims are recommended that can be applied across all the town centres.

- Planning town centres - Town centres should be proactively planned in a way that a clear and compelling vision for each town centre is established based on sound evidence and effective consultation. An appropriate hierarchy and boundaries are determined with a distinctive balance of uses in each town centre.

- Designing town centres - Town centres should be designed in such a way that ensures high quality public realm and good urban design, (re)introduces safe and secure street patterns and maximises the use of public assets.

- Managing town centres - Town centres should be managed in such a way that enables them to attract investment, exploit the presence of successful street markets, support thriving independent enterprises and effectively manage the evening economy.

- Connecting town centres - Town centres should be developed in a way that maximises local accessibility and exploits their role as strategic transport interchanges.
Figure 12 Town Centre Spatial Strategy Vision and Overarching Aims
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