

LB Tower Hamlets

Article 4 Evidence Note –
E-class (retail, office and industrial) to C3

August 2021

Introduction

The purpose of this paper is to provide the justification for a Direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015 (as amended) in Tower Hamlets designated employment locations and town centres (please see Appendix 1 for a plan showing the boundaries of the Article 4 direction). The purpose of the Article 4 Direction is to remove permitted development rights conferred by Class MA of the Town and Country Planning (General Permitted Development Order etc.) Class MA comes into force on 1 August 2021, linked to the end of transitional arrangements after the introduction of new use classes in 2020. It permits development consisting of a change of use of a building and any land within its curtilage from a use falling within Class E (commercial, business and service) of Schedule 2 to the Use Classes Order to a use falling within Class C3 (dwellinghouses) of Schedule 1 to that Order. Any existing Article 4 directions will cease to have effect immediately, except for those affecting permitted development rights to change from former class B1 (offices and light industrial) to residential which may remain in force for a further 12 months.

The proposed Article 4 Direction would mean that such specified changes of use would require planning permission and hence will be assessed against relevant policies in the development plan, including Tower Hamlets Local Plan.

The Council will be in a position to manage the provision of retail, commercial, community and business floorspace through the planning process, within the key town centre and employment locations. The Council would also be able to take into account the full range of planning considerations, where changes of use to residential are deemed acceptable in principle, including the provision of affordable housing.

Section 1 of this report provides an overview of the relevant policies supporting the health of town centres and employment sites at the national, regional and local level.

Section 2 of this report sets out the LB Tower Hamlets context, highlighting the importance of our office and industrial hubs and town centres.

Section 3 of this report reviews the strategic evidence around the value and importance of designated office and industrial sites and town centres, including the broad trends in the office, industrial and retail markets leading up the Covid-19 pandemic.

Section 4 of this report discusses the impacts of the Covid-19 pandemic on the office, industrial and retail markets.

Section 5 of this report discusses the potential impacts of the permitted development right on town centres and designated employment locations, having regard to the capacities for growth supporting Local Plan and the London Plan policies.

Section 6 discusses the geographic scope of this Article 4 direction and summarises the justification.

1. Policy Basis

This Article 4 direction is supported by national, regional and local policies that support the designation of town centres and employment sites, and that protect specific uses. These policies are listed and discussed below.

National Planning Policy Framework (2019)

Objectives

The NPPF includes three objectives for the planning system under the heading of Sustainable Development:

- An economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; [...]
- A social objective – to support strong, vibrant and healthy communities, [...] by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being; and
- An environmental objective – to contribute to protecting and enhancing our natural, built and historic environment; including making effective use of land, [...] and mitigating and adapting to climate change, including moving to a low carbon economy.

Chapter 3: Plan-making explicitly requires strategic policies to make sufficient provision for employment, retail, leisure and other commercial development.

Employment & Offices

Chapter 4: Building a strong, competitive economy expects planning policies and decisions to support economic development by setting out a clear economic vision and strategy which positively and proactively encourages sustainable growth; seeking to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; being flexible enough to accommodate needs not anticipated in the plan, allowing for new and flexible working practices, and enabling a rapid response to changes in economic circumstances.

Paragraph 82 expects planning policies and decisions to recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations. As will be discussed in the following section, this point has particular relevance for Tower Hamlets, which has several identified clusters of businesses in the above sectors.

Town Centres & Retail

Chapter 7: Ensuring the vitality of town centres places great emphasis on supporting town centres. It expects local plan policies to:

- Define a network and hierarchy of town centres and promote their long-term vitality and viability – by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive character;

- Define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each centre;
- Allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead. Meeting anticipated needs for retail, leisure, office and other main town centre uses over this period should not be compromised by limited site availability, so town centre boundaries should be kept under review where necessary.

The NPPF also establishes the town centre first approach and the sequential test and impact assessment that support it. Any town centre use proposed outside of a designated centre must demonstrate that no suitable sites are available within a town centre or in an edge of centre location within a reasonable distance; and town centre development outside a designated centre and above a threshold must demonstrate that it will not have a negative impact on the health of existing town centres. This has had a significant positive impact on town centres, limiting the expansion of out-of-centre retail that was harming town centres in the 1990s and 2000s.

Chapter 8 Promoting safe and healthy communities includes an expectation that planning policies and decisions will:

- plan positively for the provision and use of shared spaces, community facilities (such as local shops, meeting places, cultural buildings) and other local services to enhance the sustainability of communities and residential environments;
- guard against the loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs;
- ensure that established shops, facilities and services are able to develop and modernise, and are retained for the benefit of the community; and
- ensure an integrated approach to considering the location of housing, economic uses and community facilities and services.

In addition, chapter 8 expects planning policies to support an appropriate mix of uses across an area, and within larger scale sites, to minimise the number and length of journeys needed for employment, shopping, leisure, education and other activities.

Chapter 9 Promoting sustainable transport expects transport issues to be considered from the earliest stages of plan-making, so that:

- opportunities from existing or proposed transport infrastructure, and changing transport technology and usage, are realised – for example in relation to the scale, location or density of development that can be accommodated;
- opportunities to promote walking, cycling and public transport use are identified and pursued; and
- patterns of movement, streets, parking and other transport considerations are integral to the design of schemes, and contribute to making high quality places.

London Plan (2021)

Offices

Policy SD4 The Central Activities Zone (CAZ) establishes the strategic importance of the CAZ and the various functions it supports. Part B of the policy expects the nationally and internationally significant office functions of the CAZ to be supported and enhanced by all stakeholders, including the intensification and provision of sufficient space to meet demand for a range of types and sizes of occupier and rental values. It also expects boroughs to develop locally sensitive policies to meet the London Plan's objectives for the CAZ.

The supporting text for Policy SD4 explains that the City of London and Northern Isle of Dogs are nationally important locations for globally-oriented financial and business services. As a whole, the CAZ supports a nationally and internationally significant scale and agglomeration of offices, enabled by the hyper-connectivity of its transport infrastructure. The CAZ has important clusters in areas such as tech, the creative industries and life sciences, adding to its strengths in the business, professional and financial services sector, arts and culture, health, education and law. A supportive policy approach to the wide variety of business space requirements, quality and range of rental values is essential to enable these sectors to flourish and for small and medium-sized enterprises to fulfil their economic potential alongside larger businesses.

Policy SD5 Offices, other strategic functions and residential development in the CAZ provides decision-making guidance to help balance the range of uses in the CAZ. It expects that residential development will not compromise the strategic functions of the CAZ and explains that residential development is not appropriate in defined parts of the City of London and Northern Isle of Dogs. Offices and other CAZ functions are to be given greater weight relative to new residential development in all other areas of the CAZ except in several specific regeneration areas (none of which are in Tower Hamlets) and in wholly residential streets or predominantly residential neighbourhoods.

The supporting text for Policy SD5 reiterates that the CAZ is an internationally and nationally significant office location, complemented by the Northern Isle of Dogs (NIOD) and Tech City. It explains that the CAZ and NIOD are projected to accommodate more than 367,000 additional office jobs and a net increase of 3.5 million sqm of office floorspace over the period 2016-2041, an average of 140,000 sqm per annum. The provision of a range of office floorspace in terms of size, quality and cost should be supported through a combination of intensification, redevelopment and refurbishment whilst ensuring a suitable supply of secondary stock, which provides relatively affordable lower-cost market provision of business space. The principle of greater weight being given to office and other non-residential uses over residential is designed to ensure that the agglomerations of offices and other CAZ strategic functions are not compromised by new residential development. The principle should inform Local Plan preparation and development management. This policy will ensure that the current and future potential to assemble and deliver office development in these locations is not compromised by residential development.

The policy also supports a co-ordinated approach to the introduction of Article 4 directions by the CAZ boroughs to ensure that London's nationally-significant offices in and around the CAZ are safeguarded.

Policy E1 Offices supports improvements to the quality, flexibility and adaptability of office space of different sizes (for micro, small, medium-sized and larger enterprises) through new office provision, refurbishment and mixed-use development. It supports increases in the current stock of offices in the CAZ, NIOD and other nationally-significant office locations (such as Tech City). It also supports the consolidation and – where feasible – extension of office markets outside of the above listed areas in other town centre locations (having regard to the potential for office expansion shown in Annex 1) and locally-oriented town centre office provision to meet local needs.

Policy E1 also supports the retention of existing viable office floorspace in locations outside the nationally-significant office locations, supporting borough Article 4 directions to remove permitted development rights where appropriate, facilitating the redevelopment, renewal and re-provision of office space where viable and releasing surplus office capacity to other uses. It also encourages boroughs to consult upon and introduce Article 4 direction to ensure that the CAZ, NIOD, Tech City, Kensington & Chelsea and geographically-defined parts of other existing and viable strategic and local office clusters (such as those in and around the CAZ, in town centres and other viable business locations) are not undermined by office to residential permitted development rights.

The supporting text for Policy E1 provides more detail regarding the expected changes to and expansion of office floorspace. The office market is going through a period of restructuring with increasing numbers of micro, small and medium-sized enterprises (SMEs), changing work styles supported by advances in technology, and new forms of accommodation such as flexible and co-working space. Office employment projections suggest an increase of 619,300 jobs, from 1.98 million in 2016 to 2.60 million in 2041, a rise of 31 percent. This could translate to demand for between 4.7 and 6.1 million sqm of office floorspace over the period 2016 to 2041. It is important that the planning process does not compromise potential growth and so Table 6.1 provides a broad monitoring benchmark which needs to be set against other drivers such as development trends, employment densities, rents, take-up and vacancy.

Table 6.1 shows the projected increase in office employment between 2016 and 2041 and the consequent office floorspace demand for the CAZ+NIOD – 367,700 new jobs (59% of overall growth) and 3.5 million sqm of new office floorspace; and for the rest of inner London – 109,400 new jobs (18% of overall growth) and 1.1-1.1 million sqm of new office floorspace.

While there is broadly sufficient capacity across the CAZ and NIOD to accommodate the demand for new office floorspace when complemented by Tech City and Kensington & Chelsea, the London Plan identifies Stratford and Old Oak Common as future satellite CAZ locations to ensure office floorspace capacity. The supporting text also explains that, outside the office to residential permitted development rights (PDR) exemption areas, more than 1.9 million sqm of office space had received prior approval to change to residential by March 2018 mostly, but not exclusively, in town centres and in areas around the CAZ fringe. There are concerns that office to residential PDR is having disproportionate impacts on occupied office floorspace and on SMEs and that it could undermine the potential to deliver significantly more housing through more intensive forms of mixed-use development, particularly in town centres. The London Plan therefore supporting boroughs to consult upon and introduce Article 4 direction for areas in and around the CAZ and for geographically-defined parts of other existing and viable strategic and local office locations, to ensure that their office functions are not undermined by office to residential PDR and to protect local amenity or the wellbeing of an area.

Industrial Sites, Flexible Workspace and Other Employment Sites

Policy SD4 The Central Activities Zone (CAZ) expects sufficient capacity for industry and logistics to be identified and protected, including last mile distribution, freight consolidation and other related service functions within or close to the CAZ and Northern Isle of Dogs to support the needs of businesses and activities within these areas. The supporting text for Policy SD4 explains that, in the high-value land market within the CAZ there is very limited industrial and logistics capacity. Differentials between industrial and non-industrial land values within the CAZ boroughs put immense pressure on sites in industrial use for conversion to non-industrial uses. In development and development decisions, boroughs (particularly but not exclusively those in CAZ and inner London) should take into account the support and demand for industrial and related uses providing essential functions and services to the CAZ. These functions include: sustainable distribution and logistics; 'just-in-time' servicing such as food service activities, printing, administrative and support services, office supplies, repair and maintenance; construction; waste management and recycling; and land to support transport functions.

Policy E2 Providing suitable business space expects boroughs to include policies in local Development Plan Documents that support the provision, and where appropriate, protection of a range of B Use Class business space, in terms of type, use and size, at an appropriate range of rents, to meet the needs of micro, small and medium-sized enterprises and to support firms wishing to start-up or expand. The supporting text for policy E2 explains that the provision of a sufficient supply of business space of different types, uses and sizes will ensure that workspace is available for occupation by SMEs and businesses wishing to start- up or expand. It will also help to ensure that workspace is available at an appropriate range of rents. Smaller occupiers and creative businesses are particularly vulnerable and sensitive even to small fluctuations in costs. To support a diverse economy, it is important that cost pressures do not squeeze out smaller businesses, particularly in fringe locations around central London, but also across the capital as a whole. There is evidence that the conversion of occupied or partially-occupied offices to residential use, through permitted development rights, is having a particular impact on secondary space in outer London and on the fringes of the CAZ.

Policy E4 Land for industry, logistics and services to support London's economic function expects a sufficient supply of land and premises in different parts of London to meet current and future demands for industrial and related functions to be provided and maintained, taking into account strategic and local employment land reviews, industrial land audits and the potential for intensification, co-location and substitution. This should make provision for the varied operational requirements of:

- 1) light and general industry
- 2) storage and logistics/distribution including 'last mile' distribution close to central London and the Northern Isle of Dogs, consolidation centres and collection points
[...]
- 8) flexible hybrid space to accommodate services that support the wider London economy and population
- 9) low-cost industrial and related space for micro, small and medium-sized enterprises
- 10) research and development of industrial and related products or processes

Policy E4 expects the retention, enhancement and provision of additional industrial capacity across designated and undesignated industrial sites to be planned, monitored and managed. Any release of industrial land in order to manage issues of long-term vacancy and to achieve wider planning

objectives, including the delivery of strategic infrastructure, should be facilitated through the processes of industrial intensification, co-location and substitution set out in Policy E7 and supported by Policy E5. Any release of industrial capacity should be focused in locations that are (or are planned to be) well-connected by public transport, walking and cycling and contribute to other planning priorities including housing (and particularly affordable housing), schools and other infrastructure. Finally, Policy E4 expects boroughs to ensure that the need to retain sufficient industrial and logistics capacity is not undermined by permitted development rights by introducing Article 4 directions where appropriate.

The supporting text for Policy E4 explains that London depends on a wide range of industrial, logistics and related uses that are essential to the functioning of its economy and for servicing the needs of its growing population, as well as contributing towards employment opportunities for Londoners. This includes a diverse range of activities such as food and drink preparation, creative industry production and maker spaces, vehicle maintenance and repair, building trades, construction, waste management including recycling, transport functions, utilities infrastructure, emerging activities (such as data centres, renewable energy generation and clean technology) and an efficient storage and distribution system which can respond to business and consumer demands.

Industrial floorspace provides the capacity for the activities described above to operate effectively. Over the period 2001 to 2015 more than 1300 hectares of industrial land was released to other uses. This was well in excess of previously established London Plan monitoring benchmarks. Research for the GLA indicates that there will be a net positive demand for industrial land in London over the period 2016 to 2041, mostly driven by strong demand for logistics to service growth in London's economy and population. The GLA's assessment indicates that after factoring in both the positive net land demands and the management of vacancy rates, there would be scope to release a further 233 hectares of industrial land over the period 2016 to 2041. However, the demand assessment shows that in 2015, 185 hectares of industrial land already had planning permission to change to non-industrial use and a further 653 hectares were earmarked for potential release in Opportunity Area Planning Frameworks, Local Plans and Housing Zones. Based upon this evidence, the London Plan addresses the need to provide sufficient industrial, logistics and related capacity through its policies.

All boroughs in the Central Services Area should recognise the need to provide essential services to the CAZ and Northern Isle of Dogs and in particular sustainable 'last mile' distribution/logistics, 'just-in-time' servicing (such as food services activities, printing, administrative and support services, office supplies, repair and maintenance), waste management and recycling, and land to support transport functions. This should be taken into account when assessing whether substitution is appropriate.

Policy E5 Strategic Industrial Locations (SIL) expects SILs to be managed proactively through a planned process to sustain them as London's largest concentrations of industrial, logistics and related capacity for uses that support the functioning of London's economy. Development proposals within or adjacent to SILs should not compromise the integrity or effectiveness of these locations in accommodating industrial-type activities and their ability to operate on a 24-hour basis. Residential development adjacent to SILs should be designed to ensure that existing or potential industrial activities in SIL are not compromised or curtailed. Particular attention should be given to layouts, access, orientation, servicing, public realm, air quality, soundproofing and other design mitigation in the residential development.

The supporting text for Policy E5 explains that SILs are given strategic protection because they are critical to the effective functioning of London's economy. They can accommodate activities which, by virtue of their scale, noise, odours, dust, emissions, hours of operation, and/or vehicular movements, can raise tensions with other land uses, particularly residential development. SILs are important in supporting strategic logistics operations serving the capital as well as providing relatively low-cost industrial space for SMEs. Typically, they are located close to the strategic road network and may also be well-located with respect to rail, river, canals and safeguarded wharfs which can support the sustainable movement of goods, construction materials and waste to, from and within London.

Policy E6 Locally Significant Industrial Sites (LSIS) expect local authorities to designate and define boundaries for LSIS based on evidence in local employment land reviews. The supporting text explains that Inner London sites providing sustainable distribution services for the CAZ and NIOD may be particularly appropriate for this designation.

Policy E8 Sector growth opportunities and clusters supports a diverse range of employment opportunities for Londoners in different sectors. It expects the evolution of London's diverse sectors to be supported, ensuring the availability of suitable workspaces including:

- 1) start-up, incubation and accelerator space for micro, small and medium-sized enterprises
- 2) flexible workspaces such as co-working space and serviced offices
- 3) conventional space for expanding businesses to grow or move on
- 4) laboratory space and theatre, television and film studio capacity
- 5) affordable workspace in defined circumstances.

The supporting text for Policy E8 explains that the London Plan provides the planning framework to complement the Mayor's Economic Development Strategy (EDS) to ensure that the varied innovation and workspaces requirements of London's businesses are met. This includes the retention and provision of flexible and other forms of workspace to support start-up, existing and growing SMEs. Incubator, accelerator and co-working spaces can provide support and collaboration opportunities for fledgling and growing businesses. Support should meet the requirements of a broad range of SMEs and, in particular, should be tailored to provide opportunities for women and people from BAME backgrounds.

Town Centres

Policy SD6 Town centres and high streets expects the vitality and viability of London's varied town centres to be promoted and enhanced by:

- 1) encouraging strong, resilient, accessible and inclusive hubs with a diverse range of uses that meet the needs of Londoners, including main town centre uses, night-time economy, civic, community, social and residential uses
- 2) identifying locations for mixed-use or housing-led intensification to optimise residential growth potential, securing a high-quality environment and complementing local character and heritage assets
- 3) delivering sustainable access to a competitive range of services and activities by walking, cycling and public transport
- 4) strengthening the role of town centres as the main focus for Londoners' sense of place and local identity in the capital
- 5) ensuring town centres are the primary locations for commercial activity beyond the CAZ and important contributors to the local as well as London-wide economy

- 6) supporting the role of town centres in building sustainable, healthy and walkable neighbourhoods with the Healthy Streets Approach embedded in their development and management

The adaptation and diversification of town centres should be supported in response to the challenges and opportunities presented by multi-channel shopping and changes in technology and consumer behaviour, including improved management of servicing and deliveries.

The potential for new housing within or on the edges of town centres should be realised through mixed-use or residential development that makes the best use of land, capitalising on the availability of services within walking and cycling distance, and their current and future accessibility by public transport.

The particular suitability of town centres to accommodate a diverse range of housing should be considered and encouraged, including smaller households, Build to Rent, older people's housing and student accommodation.

The redevelopment, change of use and intensification of identified surplus office space to other uses including housing should be supported, taking into account the impact of office to residential permitted development rights and the need for affordable and suitable business space.

The management of vibrant daytime, evening and night-time activities should be promoted to enhance town centre vitality and viability, having regard to the role of individual centres in the night-time economy and supporting the development of cultural uses and activity.

The varied role of London's high streets should be supported and enhanced.

The supporting text for Policy SD 6 explains that the spaces within and around town centres have an important public function, with high streets, public squares, markets, parks, gardens and other open spaces providing opportunities for people to gather, meet socialise, and be entertained. Town centres are usually transport hubs, served by rail, tram and bus networks, and are accessible for people walking and cycling. Town centres and high streets have social value, providing access to a range of shops and services, employment opportunities, social contact, and information and support. The agglomeration of town centres gives rise to formal and informal networks of businesses, supply chains, customers, employees, institutions, and volunteers that can provide mutual support, advice and economic benefit.

High streets are one of London's most characteristic urban features which play an important role in terms of local economic and social infrastructure, providing employment opportunities and promoting community and cultural exchange. The character and function of high streets within town centres should be promoted and enhanced. Over the years, town centres have absorbed change and new technologies. To continue to thrive they will need to evolve and diversify in response to current and future economic trends, technological advances, consumer behaviours, and the development of the 24-hour city. This need for adaptation and diversification, together with their good public transport accessibility, makes many town centres appropriate locations for residential-led intensification or mixed-use development that makes best use of land. Bringing new residents into town centres can enhance their commercial role, increasing footfall, particularly to support convenience retail, leisure uses and the evening and night-time economy. Town centres will also need to diversify the range of commercial uses, particularly smaller centres and those with projected decline in demand for retail floorspace. Boroughs and others should ensure their strategies, policies and decisions encourage a broad mix of uses while protecting core retail uses to meet demand.

Trends towards the polarisation of retailing, with larger centres drawing a disproportionate proportion of new retail floorspace and retail businesses, present significant challenges and opportunities for retailing in all town centres and associated high streets including adapting to new innovative forms of retailing, accommodating new space where there is identified demand, and managing the transition of surplus retail floorspace to other uses, such as leisure, business, and more intensive forms of mixed-use development that include a residential component, in appropriate locations. Boroughs and other stakeholders will need to proactively manage their town centres to take account of these trends and the impacts on centres of different types and sizes. Residential development plays an important role in ensuring town centre vitality, particularly through the delivery of diverse housing. Residential-only schemes in town centres may be appropriate outside the primary shopping area and primary and secondary shopping frontages where it can be demonstrated that they would not undermine local character and the diverse range of uses required to make a town centre vibrant and viable.

Policy SD7 provides further policies and guidance to support the NPPF's town centres first approach. It expects boroughs to support the town centres first approach in Development Plans by:

- 1) assessing the need for main town centre uses, taking into account capacity and forecast of future need
- 2) allocating sites to accommodate identified need within town centres, considering site suitability, availability and viability. If suitable and viable town centre sites are not available, boroughs should allocate appropriate edge-of-centre sites that are, or can be, well integrated with the existing centre, local walking and cycling networks, and public transport
- 3) reviewing town centre boundaries where necessary
- 4) setting out policies, boundaries and site allocations for future potential town centres to accommodate identified deficiencies in capacities

Policy SD7 also expects borough Development Plans to:

- 1) define the detailed boundary of town centres in policy maps including the overall extent of the town centre (taking into consideration associated high streets which have particular economic or social value) along with specific policy-related designations such as primary shopping area, primary and secondary shopping frontages and high-time economy in light of demand/capacity assessments for town centre uses and housing
[...]
- 5) identify centres that have particular scope to accommodate new commercial development and higher density housing, having regard to the growth potential indicators for individual centres in Annex 1.
- 6) identify sites suitable for higher-density mixed-use residential intensification capitalising on the availability of services within walking and cycling distance and current and future public transport provision.
- 7) support flexibility for temporary or 'meanwhile' uses of vacant properties.

The supporting text for Policy SD7 emphasises the importance of boroughs planning positively to meet the needs of their communities. Being able to access convenience retail, specialist shops and services is important for supporting the daily lives of Londoners and for creating and sustaining strong and inclusive communities. Many town centres and high streets serve specific communities, for example, they may provide specialist food or clothing that meet the cultural or religious needs of one or more particular group. Boroughs should use their evaluation of the area and engagement with local communities and stakeholders to draw up local Development Plan policies, designations

and site allocations, and develop town centre strategies that seek to meet the needs of their communities.

Policy SD9 Town centres: Local Partnerships and implementation provides guidance on the establishment of partnership approaches to manage change in town centres. It also encourages boroughs to introduce targeted Article 4 directions where appropriate and justified to remove permitted development rights for office, light industrial and retail to residential in order to sustain town centre vitality and viability and to maintain flexibility for more comprehensive approaches to town centre housing and mixed-use intensification. It also encourages boroughs to take a pro-active and partnership-based approach to bring sites forward for redevelopment, supporting land assembly in collaboration with local stakeholders including, where appropriate, through the compulsory purchase process; and to consider the range of mechanisms to deliver housing intensification, mixed-use development and ongoing asset management such as town centre investment models and the contribution of specialist forms of housing investment.

The supporting text for Policy SD9 further encourages boroughs to develop town centre strategies, recognising that each town centre is unique and that they have their own economic geographies, specialisms and character. Strategies are particularly important for town centres that are seeing declining demand for traditional retail to ensure that the local community continues to be well served and that the network of town centres across London continues to function successfully.

The supporting text for Policy SD9 also explains that, in many town centres in London, there is particular pressure on commercial floorspace to be converted into residential use. In order to ensure the vitality and vibrancy of town centres, it is important that they contain an appropriate mix and quantity of offices and other commercial floorspace, which can be supported through Article 4 directions. Article 4 directions can also be a useful tool for ensuring that development is undertaken in accordance with the Development Plan, particularly where comprehensive redevelopment is planned. In putting in place Article 4 directions, boroughs should have regard to local evidence such as employment land and premises studies and the indicative categorisations for individual town centres set out in Annex 1.

Annex 1 lists the designated town centres within London alongside indications of their capacity for growth in different sectors. Tower Hamlets includes one Metropolitan Centre – Canary Wharf, 7 district centres, and one CAZ retail cluster. In addition, two undesignated centres are identified as future potential district centres. Both Canary Wharf and Brick Lane are classified as NT2, meaning that they have regional or sub-regional significance to the night time economy. Canary Wharf also has high commercial and residential growth potential. Brick Lane and Whitechapel have medium commercial growth potential. The two potential future district centres – Bromley-By-Bow and Crossharbour have medium and high commercial growth potential respectively.

In addition to the London Plan, the GLA has produced the High Streets for All report. This report investigates the importance of town centres and high streets to those who use them and provides a strategy to support the unique role of these places. This report is discussed in more detail in the following section.

Tower Hamlets Local Plan (2020)

The Tower Hamlets Local Plan establishes the overall objective for planning in the borough, and sets out strategic and development management policies to meet those objectives. The objectives focus on managing growth in such a way that it meets social, economic and environment needs and reduces inequalities and supports community cohesion. Strengthening town centres and ensuring that neighbourhoods include a healthy mix of uses and employment opportunities are key to the implementation of those objectives.

Offices, Industrial Locations, Flexible Workspaces and Other Employment Sites

Chapter 10 of the Tower Hamlets Local Plan details how the plan will deliver economic growth. IT includes borough-wide projections for growth in jobs and demand for office and industrial floorspace. In the period 2015 to 2030, Tower Hamlets is expected see 35,716 additional office jobs, and demand for an additional 435,879 sqm of office floorspace. The borough is expected to see 765 additional jobs in industrial sectors and additional demand for 36,366 sqm of additional industrial floorspace.

Policy S.EMP1 Creating investment and jobs supports development that supports protects and enhances the role and function of the borough's designated employment locations (as defined on the policies map) and maximises the provision of employment floorspace to contribute towards the borough's target of creating 125,000 new jobs over the period to 2031, having regard to the roles and functions of the LBTH's designated office and employment sites:

Primary Preferred Office Location (POL): This predominantly consists of offices, and is most suitable for buildings with large floor-plates that can provide significant numbers of jobs. It is unsuitable for housing or any other non-strategic CAZ use which could undermine its strategic function and prevent the delivery of sufficient land for employment use.

Secondary Preferred Office Location (POL): These contain, or could provide, significant office floorspace to support the role and function of the Primary POL and the City of London. Greater weight is given to office and other strategic CAZ uses as a first priority. Although residential uses can be accommodated, these should not exceed 25% of the floorspace provided.

Central Activities Zone (tertiary area): This designation contains areas of the CAZ outside of the Primary and Secondary POLs. They are relatively peripheral compared to the primary and secondary locations but also provide significant existing employment floorspace and capacity to accommodate future growth. There are opportunities for significant provision of office and other strategic CAZ uses as part of employment-led or mixed-use schemes. Residential uses are supported as part of mixed use schemes although the proportion of residential floorspace should not exceed 50% of the total floorspace.

Local Employment Locations (LEL): These are areas of high accessibility that provide or could provide significant capacity for employment accommodation meeting secondary, local or specialist employment needs, and to support the needs of start-ups, small-to-medium enterprises, grow-on space and creative and digital industries. These locations are:

- a) Blackwall – which provides secondary large floorplate offices, smaller units suitable for small-to-medium enterprises and data centres which support the needs of Canary Wharf and the City of London

- b) Cambridge Heath – which provides a range of office, industrial and studio workspaces meeting the needs of businesses serving a more local need, start-ups, small-to-medium enterprises and creative industries.
- c) Tower Gateway East – which provides a variety of units supporting both local need and the needs of businesses within the surrounding POLs and the City of London.
- d) Whitechapel – which provides small office spaces meeting local needs alongside a bio-tech and life sciences sector, creative and knowledge-based industries and growing demand from an eastwards expansion of the City of London.

Strategic Industrial Location (SIL): This designation plays an important sub-regional industrial, warehousing and waste management role serving not just the borough but other parts of central London. Housing is not suitable in this location due to potential conflict with existing and future industrial uses.

Local Industrial Locations (LIL): LILs provide important areas of light-manufacturing/industry and warehousing to meet a more local need and provide local employment opportunities, as well as to support the needs of the global business centres of Canary Wharf and the City of London.

Tower Hamlets Activity Areas and Major, District and Neighbourhood Centres: These areas also provide opportunities for purpose-built office buildings with ground-floor retail and leisure uses. The Activity Areas in particular have the potential to accommodate substantial employment growth to support the strategic role of the primary and secondary POLs and other parts of the CAZ.

Policy S.EMP1 goes on to require proposals that exceed the residential floorspace thresholds to demonstrate why it is not viable to deliver the required CAZ strategic uses and that the supply of sufficient employment capacity to meet future need is not being compromised. Proposals will be supported which provide opportunities to maximise and deliver investment and job creation in the borough through: supporting and promoting the competitiveness, vibrancy and creativity of the Tower Hamlets economy; protecting the borough's global, national, regional and local economic roles in delivering jobs and supporting businesses; ensuring a range of job opportunities at all levels are provided throughout the borough, particularly within designated employment locations, the CAZ, Tower Hamlets Activity Areas and Major, District and Neighbourhood Centres; and ensuring the borough's residents have access to education and skills that will enable them to benefit from local employment and enterprise opportunities.

Under Policy S.EMP1, proposals will be supported which provide opportunities to promote the creation of a sustainable, diverse and balanced economy through ensuring availability of a range of workspaces and unit sizes, start-up space, co-working space and 'grow-on' space by protecting existing floorspace and encouraging the provision of new floorspace; and working with affordable and shared workspace providers to bring forward affordable, flexible and shared workspace.

The supporting text for Policy S.EMP1 explains that additional office floorspace forms a substantial element of the borough's future employment projections. Canary Wharf and the City Fringe contain a high proportion of primary and large floorplate offices which form part of globally-significant employment clusters. As such, these areas need to be protected and supported to ensure the delivery of sufficient high quality employment land to meet borough-wide needs. This will be achieved through the designation of Preferred Office Locations (POLs). The CAZ and the north of the Isle of Dogs (including Canary Wharf) has been subdivided into three distinct areas. Commercial core areas (Primary POL) are deemed to be unsuitable locations for housing or other uses which would undermine the functions of the CAZ and the north of the Isle of Dogs. Employment and defined

strategic functions/uses must be given greater weight than residential (Secondary POL) or equal weight to residential use (tertiary areas within the CAZ).

The borough's Primary POL corresponds with the 'commercial core area' of the north of the Isle of Dogs. This area has a high concentration of significant office functions, with high levels of activity and accessibility to London and the wider region. The Secondary POL covers parts of the City Fringe and north of the Isle of Dogs. These areas are also key existing or potential employment locations with offices and other strategic functions as the dominant land use. However, in contrast to the Primary POL, residential uses will be acceptable so long as they do not undermine the supply of offices and other strategic uses. This approach seeks to ensure residential development does not prejudice the future intensification of employment floorspace or undermine the predominant employment function of these areas. This will help achieve a sensitive transition between the Primary POL and surrounding areas.

The remainder of the CAZ which is outside of the secondary POL (the CAZ tertiary area) contains a more diverse range of uses and is more peripheral to the 'commercial core areas'. Within this zone, proposals should consist of or provide a significant quantum of employment floorspace or other strategic CAZ uses relative to the surrounding context of the site. Other uses which may include residential will be encouraged. The borough's Local Employment Locations (LELs) have relatively high public transport accessibility levels and support significant numbers of jobs, but have unique individual characteristics. Applicants should aim to ensure that new employment space that is brought forward contributes to and meets the demands of each areas; in particular within the Whitechapel LEL. New development within LELs will be expected to provide high-quality flexible workspace designed to meet the needs of emerging and growing sectors (e.g. research and development) as well as other small-to-medium enterprises and creative businesses.

Tower Hamlets has a relatively limited supply of industrial land and floorspace, despite high levels of market demand, in the face of increasing competition from other land uses, such as housing. There are clusters of existing industrial activity predominantly in the northeast of the borough along key transport routes. These sites need to be protected to support the long-term needs of the borough and the role of the City of London and Canary Wharf as global economic hubs (some services need to be in close proximity to the end user and immediately available). This will be achieved through the designation of the Strategic Industrial Location (Empson Street) and Local Industrial Locations.

Part 1 of Policy S.EMP1 also highlights that town centres are locations in which non-retail employment uses will be supported, subject to the provision of active uses at ground floor level. This is because town centres are located throughout the borough and are able to offer smaller spaces which meet the needs of businesses serving the local community. Within the Tower Hamlets Activity Areas and some District Centres and Neighbourhood Centres (as shown on the Policies Map), purpose-built office buildings can be supported where they are of a nature and scale which corresponds with their surroundings. Within the Primary and Secondary Frontages, employment spaces should be located on upper floors so as not to undermine the retail and leisure functions of those areas.

The supporting text further explains that Tower Hamlets has a diverse economy ranging from the globally significant financial centre of Canary Wharf and the associated services required to support it (and the neighbouring City of London) to creative and cultural industries, industrial uses, secondary offices and businesses, meeting a very local need. Employment activities are distributed across the borough with specific locations supporting clusters of particular businesses or unit types. The policy also supports the provision of a range of workspaces including affordable workspace,

emphasising that spaces suitable for small-and-medium enterprises and microbusinesses are a vital element of the overall mix. This has the dual benefit of supporting new and emerging economic sectors and providing additional space for small-and-medium enterprises and micro-businesses that provide employment for a significant proportion of the borough's population. Development incorporating a range of unit types and sizes will be encouraged, including where these are clustered within a single building and provide shared and networking facilities.

Policy D.EMP2 New employment space directs new or intensified employment floorspace to particular locations in the borough, having regard to the hierarchy of locations established in Policy S.EMP1. It also expects major commercial and mixed-use schemes to provide at least 10% of the employment floorspace as affordable workspace.

Policy D.EMP3 Loss of employment space explains that development resulting in loss of employment floorspace within Preferred Office Locations, Local Industrial Locations and the Strategic Industrial Location will not be supported. Development should not result in the net loss of viable employment floorspace outside the designated employment locations or Local Employment Locations, except where they provide evidence of active marketing over a continuous period of at least 24 months at a reasonable market rent which accords with indicative figures, or provide robust demonstration that the site is genuinely unsuitable for continued employment use due to its condition; reasonable options for restoring the site to employment use are unviable; and that the benefits of alternative use would outweigh the benefits of employment use. Proposals involving loss or reduction of employment floorspace within LELs must also demonstrate that the alternative employment uses would not be viable and the loss of employment floorspace would not compromise the operation and viability the wider LEL.

Policy D.EMP4 Redevelopment within designated employment locations expects redevelopment within the Primary POL to result in an improvement and/or increase of office floorspace. Redevelopment to include residential uses will not be supported in the Primary POL. In the Secondary POL, redevelopment must be employment-led and deliver the maximum viable level of office floorspace, or other non-residential strategic functions within the CAZ. Where residential uses are proposed these should not exceed the proportion set out in Policy S.EMP1. Redevelopment within the CAZ (tertiary area) should be employment-led or mixed-use to include office or other non-residential floorspace that supports the strategic function of the CAZ. Residential uses are supported as part of mixed-use schemes although the proportion of residential floorspace should meet the requirements set out in Policy S.EMP1. The redevelopment of Local Employment Locations (LELs) to include non-employment uses will only be supported if the existing level of employment floorspace is re-provided on-site and meets a specific set of criteria to ensure it properly serves the area in which it is located. Part 5 of the policy similarly imposes conditions on the inclusion of non-employment uses in Local Industrial Locations, ensuring that they would not compromise the ability of the location to continue playing its employment role. Part 6 of the policy expects development that is likely to adversely impact or displace an existing businesses to find a suitable replacement accommodation within the borough unless it can be shown that the needs of the business are better met elsewhere.

Town Centres

Policy S.TC1 explains how growth should be supported in the different town centre designations and introduces the Neighbourhood Centre and Neighbourhood Parade designations. Both types of centre play an important role in meeting the day-to-day needs of their local catchment in locations that are accessible. It also identifies two neighbourhood centres - Redchurch Street and Columbia

Road – that, despite their small size, play an outsized role in the borough’s specialty retail and leisure sectors. To preserve that role, the Local Plan includes them in policies that otherwise only cover district centres.

The supporting text for Policy S.TC1 includes a table setting out the capacity for additional new retail floorspace to 2031. Across all designated town centres in the borough there is a need for an additional 7,941 sqm of convenience retail floorspace. While there is no need for additional comparison retail floorspace when measured borough-wide, most of the borough’s town centres will require additional comparison retail floorspace to 2031, ranging from 3,105 sqm in Whitechapel to 63 sqm in Brick Lane. The supporting text also explains that the table takes into account committed development, which accounts for the lack of need for additional comparison retail floorspace borough-wide – committed developments in Canary Wharf and Crossharbour will deliver substantial additional floorspace. These figures should not represent a ceiling to new development. New floorspace and investment may enhance the profile of a town centre, helping to claw back expenditure and increase market share and trade retention. Furthermore, there is still no certainty that committed development will come forward as planned in the short term, highlighting the importance of ensuring these figures are kept under review throughout the plan period.

Policy D.TC2 specifically seeks to protect the town centres’ retail function by ensuring that primary shopping streets retain a minimum of 60% of their ground floor units as retail uses. It directs other uses primarily onto non-designated frontages within town centres to ensure that less active uses do not undermine the vitality of the main shopping areas.

Policy D.TC5 supports the provision of food, drink and entertainment uses in designated town centres provided they do not undermine the retail function. The Local Plan acknowledges that town centres have seen a shift in recent years from a primary focus on retailing to a wider mixture of uses, including a high proportion of leisure uses. The policy seeks to manage this transition while ensuring that town centres continue to fulfil their other functions.

2. Office and Industrial Locations and Town Centres in Tower Hamlets

This section provides an overview of the locations that will be covered by this Article 4 direction. It establishes their role in the strategic provision of employment space and town centre uses within the borough and across London, as well as identifying where these locations serve specific communities.

Office Locations

LBTH includes the entirety of the North Isle of Dogs which is treated as a satellite to the Central Activities Zone by the London Plan, and to which all the CAZ policies apply. It also includes several areas that form part of the CAZ itself – Aldgate, Tower Gateway South, Tower Gateway West and Bishopsgate Road Corridor. Beyond the CAZ and NIOD, LBTH has designated several Local Employment Locations (LELs), that primarily serve the local office market, provide flexible workspace or provide additional necessary capacity for businesses pushed out of the POLs: Blackwall, Whitechapel, Cambridge Heath, and Tower Gateway East.

North Isle of Dogs

The LBTH Local Plan explains that Canary Wharf contains some of the world's largest financial and professional services firms. The Employment Land Review (2016) that provides evidence to support the Local Plan identifies Canary Wharf as by far the largest office location in Tower Hamlets, providing around 1.4 million sqm of high quality modern office floorspace. Public transport in this area is excellent, with a PTAL of 6a. The Canary Wharf Preferred Office Location (POL) has one of the largest, if not the largest, reservoirs of potential new office space in London. The POL accommodates around 50% of the borough's current office pipeline (650,000 sqm).

The GLA's CAZ SPG also identifies the North Isle of Dogs as a strategically important cluster of financial businesses and considers that the office policies governing development in the City of London should be applied equally to the North Isle of Dogs.

The GLA's Strategic Evidence to Support Article 4 Directions (2021) describes the Northern Isle of Dogs as a nationally-important location for globally-oriented financial and business services. The NIOD contains 165,000 workforce jobs, of which around 85 percent are estimated to be office-related jobs. With its excellent public transport connectivity and significant development site availability it provides strategically important capacity for office demand that may not be accommodated within the CAZ itself due to its capacity constraints. Canary Wharf, which lies at the heart of NIOD is classified as a Metropolitan town centre in the London Plan, reflecting the scale and range of office, retail, leisure and complementary service uses present.

Aldgate

The Aldgate Preferred Office Location (POL) is located within the CAZ, in the area designated City Fringe in the CAZ SPD. It is the second largest POL in the borough and office activity is the principle use. Public transport access is excellent, with access from all directions via stations at Aldgate East, Aldgate, Tower Gateway, Tower Hill and Fenchurch Street (PTAL 6b). There has been a significant amount of redevelopment in recent years with recent/current schemes coming forward including the mixed-use redevelopment of the land at Aldgate Place, to provide 463 residential units alongside 1,800sqm of office, hotel, retail and leisure floorspace.

Tower Gateway South

Tower Gateway South POL is located in the southwest corner of the borough, within the CAZ, and is also within a designated conservation area. The Thomas More Square office complex that was completed in 1997 anchors the POL providing approximately 60,000sqm of office floorspace. The office occupiers are a mixture of business uses, including IT, real estate, financial, and engineering and architectural consultancies. A recent trend has seen a number of permissions for change of use of ground floor offices to retail and leisure uses, with a large Waitrose supermarket acting as a retail anchor. These changes are providing ancillary services and facilities to support and reinforce the office functions of the area.

Tower Gateway West

Tower Gateway West POL is located at the southwest corner of the borough, within the CAZ, and is also located in a conservation area and includes a number of listed buildings. The office stock in the POL is a mix of periods with some buildings providing relatively low density use of the site. Fenchurch Street, Tower Hill and Tower Gateway stations are located less than 400m away, providing Underground, DLR and rail access. The redevelopment of the old Royal Mint, to create a new employment-led, mixed use development is ongoing, providing up to 75,000sqm of employment floorspace, of which 61,500-65,000sqm is office floorspace.

Bishopsgate Road Corridor

The Bishopsgate Road Corridor POL is within the CAZ, bordering on the City, and forms part of the City Fringe area as designated in the CAZ SPG. It has experienced considerable redevelopment in recent years, including large-scale office development developments, such as the development of Eden House. The significant amount of redevelopment in recent years and the absence of vacant units demonstrates that the area is a viable office area and will continue to be so for the foreseeable future, albeit opportunities to intensify the amount of office floorspace are limited.

Blackwall

Blackwall Local Employment Location is a 10ha office site in the east of the borough. The offices are relatively modern and good quality and set in an attractive public realm. Occupiers include LBTH and telecoms companies Telehouse and Global Switch; there is no sign of any vacant offices. The area has easy access to the fibre optic cable network and includes data centres that support Canary Wharf, the City of London and the wider area. There is an extant planning permission to redevelop the LBTH town hall building to provide student housing and ancillary retail and leisure floorspace, resulting in a loss of 53,800sqm of office floorspace, which will be partially counter-balanced by the development of Telehouse 2.

Whitechapel

Whitechapel is both a designated LEL and a large District Centre, and is primarily composed of town centre retail, service and leisure uses. Whitechapel Road is the 'spine' of the centre and is home to a very vibrant street market. The centre is largely bounded by residential, school and sports centre to the north and the Royal London Hospital to the south. The Hospital is the major occupier/employer in the area. The Royal Mail site adjacent to the hospital is the only large office building in the area. The office activity in the centre is mostly composed of small scale professional serviced occupying upper floors above shops. There appears to be a considerable amount of office space above the shops, and no evidence of vacancy in the current provision. The centre is served by Whitechapel Station which, in addition to existing District and Hammersmith and City line and Overground

services, will include a Crossrail interchange, significantly enhancing the connectivity of this already well-connected centre.

The office space in Whitechapel currently serves a primarily local market, providing floorspace for small businesses that provide services to the local community, including essential services such as solicitors and accountants.

Whitechapel forms part of the City Fringe/Tech City Opportunity Area, which will play a key role in facilitating growth in commercial and economic functions. The City Fringe Opportunity Area Planning Framework identified Whitechapel as part of Med-City, a network of areas with high concentrations of medical and life-sciences institutions and businesses. As a result, Whitechapel plays a nationally-significant strategic role in life-sciences, with the Royal London Hospital, Queen Mary University, the Blizzard Institution, the Queen Mary Bio-innovation Centre and numerous spin-off businesses and smaller institutions. Tech City is discussed in more detail in the Strategic Evidence section below.

Cambridge Heath

Cambridge Heath LEL provides a range of office, industrial and studio workspaces meeting the needs of businesses serving a more local need, start-ups, small-to-medium enterprises and creative industries.

The Employment Land Review (2016) identifies the Marian Place Gas Works and The Oval, within the Cambridge Heath LEL, as an opportunity for redevelopment including a mix of local industrial units and SME start-up units, particularly given the lack of potential new employment use sites in the wider area.

Cambridge Heath forms part of Tech City, which is discussed in more detail in the Strategic Evidence section below.

Tower Gateway East

The Tower Gateway East LEL is located in the west of the borough and supports a mix of uses, with increasing residential use, office uses and limited store provision. The on-going redevelopment of the former News International site immediately to the south, which will include around 10,000sqm of office space will help to improve the critical mass of use office use in the area.

Mile End

The Employment Land Review (2016) identified Mile End neighbourhood centre as a potential location for local businesses displaced from office locations closer to the City of London and Canary Wharf by redevelopment and rising rents. It encouraged LBTH to make an Article 4 direction removing office to residential permitted development in the area to ensure it remains available for local businesses.

Industrial Locations

Tower Hamlets has one designated Strategic Industrial Location (SIL) – Empson Street. This site is designated by the London Plan and serves a city-wide strategic function. Tower Hamlets also has five Local Industrial Locations (LILs), which are designated at the local plan level and ensure that the borough retains enough industrial land to support local businesses, provide employment and serve the needs of the borough – Blackwall Trading Estate, Gillender Street, Poplar Business Park, The Highway and Thomas Road.

Empson Street

Empson Street SIL is located in the east of the borough, and includes three distinct areas – warehousing/distribution units on St Andrews Way, older industrial stock on Empson Street and smaller storage/distribution units and an arts centre on Towcester Road. The site has access to the A12 via Devas Street to the north of the site, and it has good public transport accessibility, with Devons Road DLR station adjacent and Bromley-by-Bow underground station 500m away.

Vacancy within the CIL is low, with only one of the modern warehouse units on St Andrews Way vacant at the time of the site visit for the Employment Land Review (2016). The industrial stock behind Empson Street is relatively historic, not built for modern industrial purposes and unlikely to meet modern industrial requirements. Nevertheless, all the stock appeared to be full let. The main occupiers are a cement batching plant and a large area of open storage. The old college building is occupied by Limehouse Arts Foundation, which provides affordable studio space and has attracted a number of SMEs. There is scope for an upgrade of redevelopment of the older industrial units and in particular the Old College Building. However, the building has more scope for the creative industries as evidenced by the art studios rather than for industrial uses. The open concrete batching plant provides a low-intensity use that could, subject to alternative suitable premises being available, open up the area for more intensive use providing space for the creative industries.

Gillender Street

Gillender Street LIL is a 2ha site between the A12 and the River Lea, at the eastern edge of the borough. Across the River Lea, it faces a large warehouse and distribution park that houses logistics facilities for Amazon and Sainsbury's. The site is divided into three sub-sites – A, which was recently redeveloped for ca.200 residential units and 1,730sqm of commercial floorspace; B, which is currently occupied by industrial units in the Barratt Industrial Park; and C, which is occupied by a vacant former warehouse building. Some of the units within the Barratt Industrial Park (sub-site B) appear to be vacant, but the reasons for this are unclear and could relate to a current planning application for the replacement of the Barratt Industrial Park with a mixed-use development including 1,730 sqm of commercial floorspace and 196 residential units.

Poplar Business Park

The Poplar Business Park LIL is in the southeast of the borough and currently provides employment space in two modular units. However, the site is under redevelopment as a mixed-use development with 8,104sqm of workspace and 392 residential units. The site is immediately north of Aspen Way (A1261), which is the primary dual-carriageway between the City of London, Canary Wharf and the north side of the Thames Estuary. The site is 100m from Blackwall DLR station and close to the public transport offered at Canary Wharf. The redevelopment is designed to provide a mixture of workspace to support SMEs, including office space and light industrial space.

The Highway

The Highway LIL is a 2.8ha site in the southern part of the borough, between Shadwell and Limehouse. It is a long-established site supporting a range of uses; most notably a concrete batching plant, but also a number of small warehouse units serving the building trade, with a former warehouse building providing studio space to a number of SMEs with a block of residential units to the rear of the site. The LIL wraps around a Holiday Inn on the Highway frontage and is bounded by residential to the west and Butchers Row and the St James Gardens to the east. Limehouse railway and DLR station is approximately 150m to the east, providing a high level of public transport accessibility; and the site's location on The Highway provides good connection to the Strategic Road Network. The site is currently home to approximately 5,000sqm of employment uses.

Thomas Road Industrial Estate

The Thomas Road LIL is a long established industrial estate that backs onto the Limehouse Cut, and is surrounded on other sides by residential uses. The market analysis work identified that because space in this estate is only available on short-term lets, units take time to let. However, the fifteen warehousing units contained in four large sheds appear to be fully let currently, predominantly to construction trade counter businesses and local small-scale distribution companies. Indicating that there is no shortage of businesses prepared to take on such space even if it is only available on a two-year lease. Access to the estate is reasonable, and it is very close to Canary Wharf and the City Fringe.

Blackwall Trading Estate

Blackwall Trading Estate LIL is a 2.2ha site in the east of the borough, backing onto Bow Creek. It provides well-maintained small to medium scale industrial units that are occupied in the main by light industrial/manufacturing and small-scale distribution. The site is adjacent to the A13 and access to the road is via a nearby junction.

Town Centres

Tower Hamlets has one Metropolitan Centre – Canary Wharf – and 9 District Centres. Metropolitan and District Centres are designated through the London Plan, which also establishes their positions in the London town centre hierarchy with respect to growth in retail, office, residential and night-time economy uses.

Tower Hamlets also has 18 neighbourhood centres and 13 neighbourhood parades. These are smaller-scale clusters of retail and other uses that primarily serve their local communities and ensure that all residents have access to their day-to-day needs in locations that are convenient and accessible.

This section will discuss the Metropolitan Centre and District Centres in detail, and will provide a more general overview of the neighbourhood centres and parades, with the exception of Columbia Road and Redchurch Street, which include clusters of specialist businesses that attract users from beyond their immediate catchment areas.

Canary Wharf

Canary Wharf was designated a Metropolitan Centre in the 2021 London Plan, having previously been a Major Centre. In addition to its role as a strategic office location, with a globally significant cluster of finance and business-services businesses, which is discussed above, Canary Wharf is a major retail centre. It includes a wide range of high street branded stores as well as a large convenience and leisure offer. The town centre predominantly serves a weekday worker population; however, with its cultural and seasonal activities, is bringing an increasing weekend and evening user base.

The vacancy rate at the time of the Town Centre Capacity Study was extremely low, at only 0.60%. This is likely in part because the majority of the retail floorspace is in managed shopping centres, but also reflects a significant pent up demand for new floorspace. The development of the Wood Wharf site to the immediate east of Canary Wharf will expand the retail floorspace and is projected to meet the medium-term capacity needs of the town centre.

Canary Wharf is extremely accessible, as discussed with respect to its office function above, and most of the shopping area is connected internally to the underground and DLR stations. It is considered by survey respondents to have a high environmental quality.

Bethnal Green

The Retail Capacity Study (2016) identifies Bethnal Green as a popular District Centre with a range of comparison and convenience retailing. It has a stronger comparison retail sector which is occupied predominantly by independent retailers reflecting the local traditional retailing nature of the centre.

Bethnal Green Road is the main focus of the town centre, which also extends into Cambridge Heath Road. The centre's comparison offer is marketed primarily towards the local Bangladeshi population with comparison retail units mainly occupied by local members of the Bangladeshi community.

The vacancy rate in Bethnal Green is extremely low, at 1.92%, compared to a national average of 11.17%.

The town centre is highly accessible, with Bethnal Green underground station at its eastern end, and numerous buses serving the high street. Bethnal Green Overground Station is outside the town centre boundary to the south.

Brick Lane

Brick Lane District Centre is within the City Fringe Activity Area on the western boundary of the borough. It is in close proximity to office hubs and Liverpool Street Station in the City of London, as well as London Metropolitan University and the Royal London Hospital.

Brick Lane has a character that makes it distinctive in Tower Hamlets. The types of the land uses found along Brick Lane are different to the rest of the town centres in the borough by virtue of its large concentration of leisure uses including an evening economy appealing to both local residents and visitors. Brick Lane has also become a focus for the creative industries, fashion industries and a strong evening economy, particularly for Bangladeshi restaurants.

The town centre boundaries encompass the Old Truman Brewery, which spans both sides of Brick Lane. The brewery complex is occupied by a combination of offices, event spaces, creative industries, cafes, boutiques, restaurants, and bars.

The town centre's retailers are highly diverse, including those who specialise in the sale of leather, a number of vintage clothing stores, seven art galleries, three record shops and four textile shops.

In terms of leisure provision, Brick Lane's café and restaurant provision is one of the strongest across the borough's centres. The centre is famous for its many South Asian restaurants along Brick Lane. This helps to make Brick Lane a distinctive and diverse visitor destination. Brick Lane is also adjacent to Shoreditch to the north, which straddles the borough boundary with Hackney and is a major centre of the night-time economy. Indeed, Brick Lane's night-time economy is considered to be one of the strongest in the borough.

An in-person survey was carried out as part of the Retail Capacity Study (2016), with short interviews conducted with users of the town centre. The survey found that a high proportion of users were visiting Brick Lane for the first time, which correlates to its role as a tourist centre. The survey also found that users of Brick Lane also regularly visit Oxford Street and Westfield Stratford, which suggest that the unique nature of the town centre gives it London-wide significance.

Brick Lane is one of the oldest centres in London, being part of the very first expansions beyond the original City walls. Historic buildings line the street, many of which are listed. The diverse architecture across the centre is a factor which contributes to Brick Lane's distinctive character and charm. It is important that the architectural character of Brick Lane is maintained as the centre continues to expand as it is key to the centre retaining its competitiveness as a visitor destination.

The street market operating on Sundays is one of the most popular markets in London and attracts visitors from across the city. The traditional market is known for selling a wide variety of goods, including bicycles, clothing, jewellery, antiques and vintage clothing. There are also five markets held within the Truman Brewery including the Boiler House Food Hall, which hosts street food stalls selling food from around the world.

Street art is another major attractor, with street art and murals across the centre and in the adjacent streets and public spaces being a major element of the town centre's distinctiveness.

Chrisp Street

Chrisp Street District Centre is in the eastern part of the borough, at the centre of Poplar. It is a classic and distinctive post-war open-air shopping centre built as part of the model Lansbury Estate, constructed to celebrate the Festival of Britain in 1951.

Chrisp Street was originally a Victorian street market and was redeveloped as Britain's first post-war covered pedestrian shopping precinct. The market continues to contribute to a strong sense of the neighbourhood's identity.

The vacancy level in Chrisp Street is well below the UK average, at 6.71%. The majority of the vacant units are located in the peripheral areas of the town centre.

The Open Poplar initiative involved Poplar HARCA (the main landowner in the town centre) opening up underused spaces for bids from businesses and social enterprises that were able to receive subsidised space if their initiative was of a benefit to the local community. The social enterprise Somewhereto received a vacant commercial unit in the town centre to support its programme helping young people to develop creative, entrepreneurial and charity projects. Chrisp Street Exchange is a co-working space supported by the Mayor's Regeneration Fund that has taken over a vacant commercial unit.

Survey respondents valued the traditional feel of the town centre and its market, emphasising its importance to East End identity. In contrast, Canary Wharf was identified by town centre users as the primary competing centre, demonstrating the value and importance of diverse and distinctive centres that can provide for different needs.

Crossharbour

Crossharbour district centre is located in the southern part of the Isle of Dogs. While it is currently one of the borough's smallest district centres, it is projected to experience significant growth in the coming years, with a planning application under consideration for a major town centre expansion. It was designated, in part, to ensure that there would be a sufficiently large town centre to serve the future residents of the Isle of Dogs, which has the largest growth targets in the borough.

The existing centre consists of a large Asda supermarket, with some smaller commercial units on the surrounding streets. The application under consideration proposes reprovision of the supermarket, and significantly expanding the comparison and convenience retail floorspace in the centre. The Retail Capacity Study (2016) identified no vacant units, reflecting the nature of centre and the high density of residential development in its hinterland.

Roman Road East

Roman Road East district centre is located in the northeast part of the borough, encompassing the eastern end of Roman Road (the part of Roman Road east of the canal). It is a historic linear centre and is larger and more prominent than Roman Road West. The eastern part of this centre is semi-pedestrianised and contains the well-known Roman Road street market. The western part of the centre contains a mix of retail and residential uses, with the commercial uses only on the north side of the street. The centre also includes several side streets that have a mix of commercial and community uses.

Roman Road Market is the largest in the borough, with 280 stalls lining both sides of the street. This section of Roman Road is pedestrianised when the market is in operation, making the market a more comfortable pedestrian environment than Bethnal Green. The public realm in the area where the

market operates contributes the pedestrian environment and to the character of the area, with two large archways defining the entrances to the market. An additional Saturday market has been launched by the Roman Road Trust in a car park at the entrance to the traditional market. It includes a range of antiques and homemade arts and crafts, alongside a large number of prepared food stalls.

Like Chrisp Street, the high proportion of independent businesses in Roman Road help to support the area's East End identity and ensure that the town centre serves the needs of its local communities.

The current vacancy rate in the town centre is 12.10%, slightly higher than the national average; however, it should be noted that this has decreased from the previous town centre health check in 2008/09.

Roman Road West

Roman Road West District Centre is located in the northwest of the borough, within Globe Town. It occupies the part of Roman Road west of the canal and is the smaller and less prominent of the two Roman Road centres. At the core of the town centre is Globe Town Square, which also hosts a small market.

Watney Market

Watney Market District Centre is in the south of the borough, adjacent to Shadwell Station. It includes the post-war, purpose-built Watney Market, which is an open-air, pedestrianised market area with shops on either side and flats above. The town centre also includes short stretches of Commercial Road either side of Watney Market itself, and the cluster of businesses around Shadwell Station to the south.

While the street market is small relative to the other markets in the borough, it plays an important role for the local Bangladeshi community, both in terms of the products it provides and as a venue for social interaction. The railway arches within the town centre also provide important spaces for the local Bangladeshi community, with a large number of specialist food suppliers and halal butchers.

The town centre vacancy rate at the time of the Town Centre Capacity Study (2016) was 7.83%, below the national average. The majority of the vacant units are small and in the peripheral areas of the town centre.

Whitechapel

Whitechapel District Centre is located in the west-central part of the borough. It is focused on Whitechapel Road and has, at its centre, Whitechapel Station and the Royal London Hospital. As discussed with reference to the its office function, Whitechapel is extremely well connected and will become even more so with the opening of Crossrail. The hospital and the Queen Mary University life sciences campus bring large numbers of people into the town centre on a regular basis.

The retail offer in Whitechapel is anchored by a large Sainsbury's superstore to the north of the high street.

LBTH is constructing a new town hall and civic centre, which includes the listed former Royal London Hospital building. As part of this development, the council will build a new public square connecting the new town hall with the existing hospital entrance and creating a pleasant public space away

from the busy high street. This development will bring additional daytime town centre users and will enhance the character and environmental quality of the town centre.

The market includes a large number of stalls selling specialist food and spices, serving the local Bangladeshi community. This complements the many permanent shops selling South Asian foods and other products, making Whitechapel a major centre for the South Asian communities across the borough.

At the time of the Retail Capacity Study (2016) there was significant demand among retail and leisure operators for space within Whitechapel, including for large Aldi and Wilko shops. The Study also acknowledges that the opening of Crossrail is likely to increase demand for floorspace among larger, mid-market national retailers.

Neighbourhood Centres

For the most part, neighbourhood centres in Tower Hamlets are composed by convenience retail uses, and many are clustered around public transport stations. They serve a small catchment and are generally healthy.

Several neighbourhood centres serve a more specialised function. Cambridge Heath has a high proportion of comparison goods businesses and of leisure uses; it benefits from its location on the main movement route between Bethnal Green and Broadway Market/London Fields/Hackney Central and includes a large amount of flexible workspace (as discussed in the previous section).

Columbia Road hosts the nationally-significant Columbia Road Flower Market on Sundays, which draws large numbers of visitors and makes the area a tourist destination. It also includes a very high proportion of comparison retail, with most of the street's units occupied by small-scale artisanal boutiques. It also has a significant leisure component, with two cafes and three pubs in a relatively small area.

Redchurch Street is a specialist retail area with a regionally significant cluster of fashion brands.

Neighbourhood Parades

Neighbourhood parades are the smallest town centre designation in the Local Plan. They typically include a small cluster of businesses in an otherwise predominantly residential area. They ensure that residents can access their day-to-day needs in locations that are easily accessible, and they often play a particularly important role for residents with mobility constraints, who cannot easily travel to a larger centre. In some cases they are located within housing estates and provide a space for neighbours to meet and connect. Neighbourhood parades often include residential uses above the shops and are often well-suited to higher-density, mixed-use redevelopment.

3. Strategic Evidence

Offices

Agglomeration benefits

The concentration of offices and other types of commercial, business and service uses within the CAZ and NIOD give rise to what are termed economies of agglomeration. Agglomeration refers to the concentration of economic activity in a particular location or area.

Agglomeration benefits arise because firms increase their productivity levels by being located in close proximity to one another and by having access to a large pool of labour enabling businesses to attract and retain skilled labour. Clustering and agglomeration offer several other benefits including fostering collaboration and transfer of knowledge, innovation and technology between business and sectors, and promoting competition which drives efficiency and London's global competitiveness.

It is the significant concentration of office-based activities combined with its character and global reputation for business, shopping, culture, tourism and heritage that make the CAZ unique in a London, national and international context. The connectivity of public transport in the CAZ is widespread, high-frequency and high-capacity. Prior to the coronavirus pandemic, the rail, underground, road, bus, river, walking and cycle networks facilitated around 3.5 million trips to, from and within the central London boroughs on a daily basis. Around 90 percent of trips to the CAZ in the morning peak were made by public transport modes and rail-based transport accommodated 80 percent of the 1.2 million trips to the CAZ in the morning peak.

Whilst the pandemic has led to widespread disruption and change to travel in London and there remains uncertainty around the longer-term impacts of the pandemic on travel demand, it is expected that the transport connectivity and capacity provided by the rail network and TfL's tube, rail and DLR services will continue to play a primary role in facilitating employment in all of London's nationally significant office locations. In addition, the bus network plays an essential role in enabling lower income workers living in inner and outer London to access employment in the CAZ in activities which support the wider CAZ ecosystem including the hospitality sector, for example.

These networks, complemented by active modes including cycling and walking, provide the concentrations of business activity in the CAZ with a large labour market catchment across London and beyond. They also drive the agglomeration economics that benefit businesses there, allowing them to play a unique economic role within the UK. The connectivity and agglomeration benefits will be strengthened further with new infrastructure including, for example, the Elizabeth line, Thameslink programme, Northern Line extension and the Underground investment programme.

Serving Different Markets

LBTH's Employment Land Review identified that two parallel office markets exist in Tower Hamlets. The first market is composed of larger and higher value companies looking for office space in Canary Wharf and the CAZ and locations in the City Fringe. These businesses serve a national or global market and seek out prestige locations. These are also the businesses that are mostly likely to seek out the type of agglomeration benefits discussed above. This market also includes creative industries and TMT firms, that may be looking for lower rents than the high-value financial services companies, but serve a London-wide, national or international customer base. These firms often take on non-standard workspaces and look for spaces with minimal or no fit-out.

The second market is composed of properties that are primarily aimed at servicing the borough's population. This includes secondary office space and some (limited) remaining 'local quality' industrial space including garages and trade-counters and businesses supporting the borough's ethnically diverse population. These firms need to be close to the communities they serve. This market is extremely important as it provides space for new businesses and move-on space for businesses that are expanding. These businesses are also more likely to hire local residents.

Trends

Taking into account projected growth in office employment, employment densities and emerging trends in homeworking, research for the GLA in 2017 indicated that there is demand for around 3.5 million sqm of office floorspace in the CAZ and NIOD combined over the period 2016-2041. The study included a series of sensitivity tests around the central employment-based forecast looking at different levels of employment growth, alternative employment density ratios and desk-sharing/homeworking ratios.

While there are emerging trends that could affect the nature of office working and the extent of remote working, as well as broader cyclical and structural shifts in demand for office space as a result of the pandemic, the extent of this and its impact on the need for office space in London has yet to emerge fully. However, the CAZ Economic Futures work undertaken by Arup, Gerald Eve and LSE identified a wide variety of potential scenarios, including situations where office demand remains high.

The GLA's Strategic Evidence Document indicates that spatial planning provides an important mechanism to ensure that there is sufficient office capacity through the existing stock and the planning pipeline to maintain an appropriate level of choice for occupiers in terms of location, type of space and cost. Given the unprecedented uncertainty associated with the impact of the Covid-19 pandemic, care must be taken when interpreting data on property market indicators at the present time. The analysis below is drawn from the GLA's Strategic Evidence Document, which caveats that it is based upon a factual assessment of the available data and is not intended to be an assessment of the impact of the pandemic on the central London office market.

Office Stock: In 2020, the ten CAZ boroughs combined contained 20.2 million sqm of office floorspace, which accounts for 77 percent of the London total and 23 percent of the total for England and Wales. The stock of offices in the ten CAZ boroughs increased by 14 percent since 2001 at an average rate of around 125,000 sqm per annum.

Office rental growth: There was strong growth in office rents in the early 2000s followed by a sharp downturn following the 2008 global financial crisis. Rents then recovered strongly up to 2017 followed by marginal declines in 2018. Since the unprecedented shock of the coronavirus pandemic and the subsequent recession, office rents in central London have declined on average by around 3 percent between 2020 and 2021. However, in the context of the past two decades the recent decline in rents is not significant, particularly when compared with the aftermath of the 2008 global financial crisis. Recently, central London agents are reporting more positive signs for the central London office market.

Office Vacancy: The planning process provides an important mechanism to ensure that there is sufficient office capacity (through the existing stock and the planning pipeline) to maintain an appropriate level of choice for occupiers in terms of location, type of space and cost. A vacancy rate of around 8 percent in central London has been identified as an indication of the market being broadly in balance. When vacancy rates rise above 8 percent it is regarded as offering occupiers a

wider choice of accommodation, and tendency for rents to fall, whereas vacancy rates below 8 percent reflect a narrowing of choice for occupiers and rents tend to rise.

There is an indication of rising vacancy rates since the onset of the pandemic, but seen in their historical context, these rates do not appear excessive and are currently on par with the equilibrium benchmark of 8 percent. For the CAZ as a whole, the current vacancy rate of 7.9 percent (based on Co-Star data) is only marginally above the long-term average of 7.1 percent (2003-2021). Vacancy rates in the NIOD have been fairly volatile, owing in part to the size of individual offices relative to the total stock and due to large amounts of space put back on the market in the wake of the dot-com crash of the early 2000s and the global financial crisis of 2008. Illustrative of this volatility, the current vacancy rate (2021) is estimated around 12 percent (based on Co-Star data), compared to only 4 percent in 2018. The current NIOD vacancy rate however is lower than peaks witnessed in the past (for example 19 percent in 2004 and 14 percent in 2009). Within the NIOD the office vacancy rate for Canary Wharf is estimated at around 9 percent according to a recent agent report and lower than that suggested by Co-Star for NIOD as a whole. Over the past two decades the NIOD, just like the CAZ itself, has proved resilient and vacancy rates have fallen dramatically from previous peaks.

Office market yields: Yields are a measure that reflects the annual rental income compared to the value of a property. Low yields tend to reflect greater investor confidence in an asset. The global financial crisis in 2008 had a marked impact on central London office yields rising from 5 percent to around 7 percent on average. Since then central London office yields have fallen steadily averaging 4.5 percent in the CAZ and 5.5 percent in NIOD.

Office development starts and pipeline: Average three year starts fell sharply between 2008 and 2010 following the recession. Starts then lifted again in 2012, rising for four years. Since 2016 the three-year average has been falling and in 2019 it was at its lowest level since 2012. It is anticipated that the figures for starts in 2020 and 2021 will be impacted by the pandemic. Unimplemented office permissions at the end of 2019 totalled 3.8 million sqm according to the EGi data (compared to 3.2 million sqm at the end of 2018). The 2019 figure compared to a ten year average 3.7 million sqm and a long run average of 3.5 million sqm, putting the 2019 figure well above the trend.

Outside of the CAZ

Whitechapel and Cambridge Heath, in addition to other locations within the City Fringe, are part of Tech City. Tech City is recognised as a digital, creative and tech cluster and a business hub of major international significance. It is strategically important to the economy of London and the UK and contains an agglomeration of business functions and commercial development capacity in relatively central areas. Within Tech City there is scope to support the expansion of diverse clusters of digital-creative businesses in the area as well as business and professional services.

Tech City contributed almost £15 million to London's GVA output in 2019. The Tech City area is estimated to contain more than 190,000 workforce jobs in 2019 and accounts for approximately 25% of the total employment in its three constituent boroughs. In the City Fringe/Tech City Opportunity Area there is estimated capacity for an additional 50,000 jobs over the period 2016 to 2041.

The area is increasingly the home of new and emerging sectors of the economy with particular clustering and accommodation requirements, including co-working, start-up and grow-on space, artist studio space and corporate office space. The Opportunity Area Planning Framework set out the key growth conditions that planning can affect in Tech City and the City Fringe including its

available, affordable, suitable business space; its location and 'creative vibe'; its dense, urban collaborative environment; its connectivity; and its mix of uses.

The availability of plentiful and relatively low-cost business space associated with the industrial legacy of the City Fringe has been one of the most significant factors in the rise of Tech City. Many of the old warehouses and printworks have now either been redeveloped or refurbished and competition for leases is increasing, as the core office market expands and more traditional City businesses look to locate in the area.

Industrial Sites and Flexible Workspace

London depends on a wide range of industrial, logistics and related uses that are essential to the functioning of its economy and for servicing the needs of its growing population, as well as contributing towards employment opportunities for Londoners. This includes a diverse range of activities such as food and drink preparation, creative industry production, maintenance and repair, storage and distribution, waste management, utilities, transport functions and a wide range of emerging activities such as data centres, renewable energy production and clean technology.

Over the period 2001 to 2015, more than 1,300 hectares of industrial land was released to other uses and this far exceeded previously established London Plan monitoring benchmarks. Research for the GLA indicates that there will be positive net demand for industrial land in London over the period 2016 to 2041, mostly driven by strong demand for logistics to service growth in London's economy and population. This is reflected in the Tower Hamlets Employment Land Review (2016), which demonstrates that industrial locations in Tower Hamlets have low to no vacancies and a very high demand for industrial floorspace.

Industrial sites in Tower Hamlets support the continued operation of the CAZ and NIOD, providing space for logistics, food preparation, wholesaling, creative industries and construction among others. Greater proximity of these functions to the locations they serve reduces the cost of transport and its environmental impact.

Industrial sites also provide key locations for local employment. This is particularly important in Tower Hamlets, where industrial sites are, for the most part, easily accessible by public transport. This allows industrial employment to be accessed easily by those with mobility constraints or without access to a private car.

Town Centres

Town centres and high streets fulfil a number of important functions in their communities. Researchers have only recently begun investigating the range and importance of these functions; much of the earlier discussion of town centres and high streets focused exclusively on the role of their retail businesses in the consumer economy. The role of retail and businesses more broadly should not be discounted – they typically provide most or all of the day-to-day needs of their communities and provide the majority of the local employment in most neighbourhoods. However, it is important to recognise that retailing is one element of a complex and essential ecosystem.

Town centres act as hubs for social services, both formal (e.g. GP surgeries, Job Centres) and informal (e.g. community networks of support). They provide space in which people from different backgrounds can and often must interact in ways that are constructive and non-confrontational. One of the functions of a large city is to expose its residents to difference, and town centres are the settings in which that exposure occurs. They also provide safe spaces for marginalised people to

access their daily needs, to socialise and to occupy the public realm. The critical mass of activity on a high street grants town centres a feeling of safety that may be absent in other urban spaces. The most recent research on town centres suggests that these functions are all interconnected; they each rely on the critical mass of people drawn by all the other functions in order to work. This is why the concept of vitality is so important to town centres – it means maintaining that critical mass of people to keep all the functions of the town centre healthy.

The new Class MA permitted development right, allowing units in commercial uses (Class E) to change to residential use (Class C3) without the need for a planning application and assessment by the LPA, poses an existential threat to the vitality of town centres. This right risks eliminating the critical mass in retailing (especially the small, independent shops that most support town centres) and other commercial uses that acts as the most significant attractor, bringing people into the town centre and ensuring that all the other functions can continue.

Employment & Entrepreneurship

The GLA's High Streets for All report identifies a range of functions and roles that town centres and high streets support in their local communities. The first of these that the report addresses is employment. 45% of businesses outside of central London are located on a high street; and 1.45 million people work within 200m of a high street, and this number is increasing. The report recognises that high streets play a particularly significant role in providing flexible employment and opportunities for workers who may be excluded from other forms of employment.

A report by the All-Party Parliamentary Small Shops Group (APSSG) found that, in 2005, 61% of all retail employees in the UK were women. The report argues that retail employment provides a degree of flexibility and accessibility that is less common in other sectors. Women are significantly more likely than men to have caring responsibilities that can restrict their access to the waged labour market; the flexibility of the retail sector and the accessibility of town centres can allow workers to balance their caring responsibilities alongside their employment.

Retailing also offers low barriers of entry for entrepreneurs and, as a result, provides an opportunity for self-employment for migrants to the UK. The APSSG report links that that opportunity to the high rates of small business ownership on high streets among BME people. This has particular significance for LBTH, where the 2016 Retail Capacity Evidence Base Study shows that town centres have a significantly higher rate of independent businesses and businesses operated by BME people than London or the UK.

These small businesses require small commercial units, in locations that have sufficiently high footfall, at rents that do not present an insurmountable barrier to access for entrepreneurs. The new Class MA permitted development right would have the effect of reducing the overall stock of these units, reducing their availability and increasing the cost due to lack of supply. The alternative use value presented by conversion to residential use would also drive up rents as landlords seek the highest return. These businesses are important to the overall economy of LBTH and to the provision of economic opportunities for new immigrants, as well as employment opportunities for those who face barriers to other forms of employment. Therefore, the retention of commercial units in town centres that can accommodate those businesses is of overriding importance and justifies the withdrawal of permitted development rights in the identified areas.

Social Interaction & Integration

Town centres also provide a social benefit. They act as forums for casual social interaction, reducing loneliness and allowing people to meet and interact with those different from them, increasing social integration. This function of town centres has become increasingly prominent in academic research and policy, particularly as the impacts of social isolation have become better understood. Suzanne Hall's (2012) study of Walworth Road demonstrates that the social value of high streets lies in the "mixing, touching base and updating [that] emerges out of small-scale intimacies or relationships." Her study demonstrates that the social structures that underpin high streets are fragile and that the need for the familiarity that they provide becomes more acute in face of rapid change.

The government's strategy for tackling loneliness, A Connected Society, emphasises the important role that planning plays in encouraging social integration and combating loneliness. It points to the importance of providing spaces where neighbours can meet in both formal and informal ways. As the research on town centres (in particular, Hall 2012) demonstrates, small shops and other small businesses often function as hubs that allow for the type of informal social interaction that leads to stronger neighbour relationships. Retailing and other businesses also support the social integration function of public spaces – they draw people out of their homes and into the public realm.

This is such a key consideration that it is one of the primary objectives of the national planning policy as shown in the NPPF: "a social objective – to support strong, vibrant and healthy communities, [...] by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being". As both the government's strategy to combat loneliness and the existing research on town centres demonstrates, healthy town centres and high streets are paramount to supporting communities' social well-being.

The High Streets for All report demonstrates that these benefits are felt most acutely by those who are marginalised or face barriers to participation in some parts of society. For example, the report explains that disabled people face barriers to mobility, including inaccessible stations, that limit their range of movement around the city. They rely heavily on their local town centres both to meet their day-to-day needs and to provide a forum for social interaction, both planned and unplanned. High streets and town centres also play a particularly important role for job seekers and those on low incomes. The cost of transport – either public or private – can be prohibitive for those on low incomes, and they may not have time available to travel longer distances.

A 2005 report by the Office of the Deputy Prime Minister investigated the importance of high streets specifically to older people. It found that for many of them a trip to the shops was their only regular source of social interaction.

The mental health impacts resulting from the Covid 19 pandemic are only beginning to be understood. It will be imperative that all avenues and opportunities for social interaction are supported in the coming years to mitigate the isolation and loneliness impacts of the pandemic. As shown, town centres and high streets are, for many, the primary venues for social interaction and the development of social networks. Given the importance of small shops and other small businesses that occupy units below 150sqm to the health and function of the overall town centre, in addition to their documented individual roles in fostering social interaction and community cohesion, the new Class MA permitted development right threatens to undermine this important function of LBTH's town centres.

Accessibility & Sustainability

The primary function of the town centres – their reason for being – is the provision of day-to-day needs for the residents of their surrounding neighbourhoods. By providing these services in locations that are easily accessible on foot and by public transport, town centres and high streets play an important role in supporting sustainable transport.

As with social interaction, the need for accessible day-to-day needs falls more heavily on those with mobility impairments and those with time or monetary constraints. The APSSG report highlights the risk of ‘food deserts’ emerging where town centres are in decline. These are areas where fresh fruit and vegetables are absent or are excessively expensive. While the new Use Class Order makes special provision for the retention of local shops where there are no others in the vicinity, it does not require that these shops provide healthy, fresh food at an affordable price. The APSSG report emphasises that the impacts of food deserts are most likely to be felt by the elderly or those with young children, who are least mobile and most likely to suffer poor health as a result of malnutrition. The removal of hot food takeaways to a separate use class has helped avoid these problems by ensuring that food shops cannot change to hot food takeaways without applying for planning permission, and LBTH has introduced policies to restrict the locations of hot food takeaways.

Trends – London and National

As part of the evidence base for the London Plan (2021), the GLA carried out a high level town centre health check in 2017. It found that there is increasing diversification in many town centres as they adapt to a reduction in comparison retail floorspace. There has been increasing polarisation, with the proportions of comparison retail rising in the international and metropolitan centres and the largest major centres. In other centres, leisure uses are making up an increasing proportion of units. It found that the vacancy rate for town centre units was around 6%, which is considered healthy to ensure that there is sufficient flexibility in the market.

Also as part of the London Plan evidence base, Experion carried out a study of the demand for new comparison retail floorspace across London. It found that there was capacity for roughly 1.2 million sqm, after subtracting floorspace already in the planning pipeline. It also identified a polarising trend whereby comparison retail is concentrating in the largest centres and declining in the smaller centres. The Experion study also looked at the impacts of e-commerce on comparison retailing. While it found that the proportion of comparison retailing occurring online was increasing, with particular impact on fashion and footwear shops, there are indications that e-commerce has a natural plateau. Books and record shops were some of the earliest businesses to be affected by e-commerce, and they saw significant reductions in unit number in the previous plan periods. However, their numbers have been stable or increasing for the past several years, suggesting that e-commerce in these sectors has reached a natural plateau and that physical shops are able to provide a service that appeals to customers.

In 2019, the House of Commons Housing, Communities and Local Government Committee carried out a study of the changes taking place in town centres across the UK. This was carried out in response to numerous reports of retailers failing, and it looked at how changes can be managed and how town centres can be strengthened. It finds that the most significant costs for retailers and other town centre businesses are business rates and rents. Online retailers are able to undercut high street retailers by paying significantly lower rents and business rates due to their more efficient use of floorspace and the locations of their warehouses – typically in lower value locations.

The report encourages local authorities and town centre communities to develop a shared vision of their area that would sit alongside the Local Plan and would be able to adapt to changes in the economy. It advocates for greater community input into changes in town centres to reinforce the sense of ownership residents, business operators and town centre users feel over their town centre. It recognises that permitted development rights can alienate local residents and business operators, who have no say in changes that can be substantial. It discourages them from engaging with the planning system by presenting changes of use as a *fait accompli* and by reducing the value of documents developed through extensive community engagement, such as local plans and SPDs.

The report identifies several cases where stakeholders, including the local planning authority, worked together to address the loss of a retail business – particularly in the case of larger department stores. This includes converting upper storeys to residential or office uses, while keeping retail at the ground level to retain the vibrancy of the street.

Trends – Tower Hamlets

The 2016 Town Centre Retail Capacity Study, which provided evidence for the Local Plan (adopted 2020), demonstrates that all of the designated town centres in Tower Hamlets are healthy. Some fulfil specific roles related to the areas in which they are located; for example, Canary Wharf mainly serves the large number of office workers in the area and contains a large proportion of comparison retail multiples and a relatively small proportion of convenience retail and independent businesses. Similarly, Brick Lane serves a large tourist market and contains a relatively low proportion of convenience retailers, and no large food shop.

All town centres have net positive capacity for new convenience and comparison retail during the plan period, apart from Canary Wharf and Crossharbour, where large consented schemes will introduce significant new floorspace.

Most of the borough's town centres have a relatively low proportion of multiples, especially among comparison retailers, with a high proportion of independents. In many cases, this reflects the nationalities and cultural make-up of the borough, especially the Bangladeshi community in Watney Market, Whitechapel and Bethnal Green. While suggesting that multiples could enhance those town centres, the study emphasises that these should not undermine the existing independents.

The Study also identifies gaps in provision across the borough, the most significant being food and beverage provision. It encourages increased provision of food and beverage businesses in several of the town centres, particularly Roman Road East and West and Chrisp Street Market, which attract relatively fewer customers from their immediate catchment areas for food and drink.

It should also be noted that Brick Lane District Centre relies disproportionately on restaurants – 20% of the shopfronts in the town centre are occupied by uses in the former A3 category, substantially higher than all other town centres in the borough. Nearly all of these businesses are independents - in contrast to Canary Wharf which also has a relatively high proportion of restaurants but is dominated by multiples. This concentration contributes to the distinctive character of the area and its renown across London and the UK.

Overall, the study demonstrated that all the borough's town centres could expect to experience growth in retail businesses. It also showed that town centres in the borough experience relatively low vacancy rates, and that many of the visibly vacant units in town centres were undergoing renovation at the time of the study, suggesting strong investment in retailing.

4. Impacts and Implications of Permitted Development

Office Locations

This section sets out the potential impacts of the permitted development right on strategic and local office locations within Tower Hamlets. It builds on the discussion of the context and role of these locations in Section 2 and the discussion of commercial trends in Section 3 to show that these locations require protection from permitted development to ensure that they can continue to fulfil their strategic functions.

CAZ and NIOD

In the absence of Article 4 directions, the new Class E to residential permitted development rights could threaten the future sustainability of the CAZ and NIOD. It would cause unacceptable harm to their role as internationally significant office locations and cause irreparable harm to the contribution of these areas to the London economy and employment and the prosperity of the UK.

Small and Medium-Sized Enterprises (SMEs) play an important role in the CAZ business ecosystem. More than 99 percent of business units in the CAZ are in the SME size band of 0 to 249 employees and the corresponding figure in the NIOD is 98 percent. The new Class E to residential permitted development right includes a size limit of 1,500 sqm which, at an office employment density of 10sqm per worker, would equate to 150 employees. From a qualitative perspective, Article 4 directions in the CAZ and NIOD would be particularly beneficial to safeguard business space and enable SMEs to flourish.

The new permitted development rights could also result in significant harm to the West End and other shopping leisure and tourism destinations across the CAZ through uncoordinated piecemeal conversions of commercial uses to residential and undermine their contribution to the economic and social recovery of London and the UK.

For central London, the new Class E to residential PDR comes at a time of high risk, given how central London's economy has been severely impacted by the pandemic. While there are emerging trends that could affect the nature of office working and the extent of remote working, as well as broader cyclical and structural shifts in demand for office space as a result of the pandemic, the extent of this and its impact on the need for office space in central London has yet to emerge fully. There is a wide variety of potential scenarios, including situations where office demand remains high, supported by a strong economic recovery and growth in emerging office-based sectors.

Central London has the highest residential property prices in the country. The strategic evidence indicates that the average capital values for residential use in the CAZ exceed average values for offices and other commercial uses. While there may be some limited localised exceptions where the opposite is the case, there is a degree of volatility in office rental values over time. It is likely therefore that at different points in the business cycle residential values could exceed office values in all areas of the CAZ within the foreseeable future.

Other Office Locations

As discussed in the Strategic Evidence section, Tech City has capacity for an additional 50,000 jobs over the period 2016 to 2041. Class E to residential permitted development rights could temper the realisation of this potential growth in employment. The increasing attractiveness of the City Fringe and the arrival of Crossrail mean that higher value residential uses can often outbid and displace

lower value office and light industrial uses when new sites become available. Over time, unfettered Class E to residential permitted development could contribute to the weakening and dissipation of the digital-creative cluster. This would be detrimental to London's wider knowledge economy and the ambition to support a world leading digital creative business hub based around Tech City.

Office locations that serve the Tower Hamlets local office market are particularly threatened by Class E to residential permitted development rights. These locations are already under threat from higher-value businesses pushed out of traditional City and NIOD locations, as well as creative businesses and TMTs pushed out of other parts of the City Fringe. Local office-based businesses rely on particularly low rents in order to serve their local low-income communities. They typically occupy small units – well below the 1,500 sqm threshold for the PDR, often above shops. As this section shows, residential values are ahead of office rents affordable even for high-value businesses. They would be many times greater than the rent levels affordable to the businesses that serve the local communities.

These local businesses are more likely than the average to be operated by BME people and by those born outside the UK. Reducing the stock of office space available to them through the Class E to residential permitted development right would place disproportionate barriers to those groups' participation in entrepreneurialism and in the labour market. Therefore, Article 4 directions are necessary in all designated employment locations to ensure that local businesses can continue to have access to workspace at rates that they can afford.

Industrial Locations

This section builds upon the context and role of the borough's industrial locations presented in Section 2 and the strategic evidence around industrial occupiers discussed in Section 3 to show the potential impacts of the permitted development right on designated industrial locations. It shows that, in the absence of this Article 4 direction, the permitted development right risks undermining the strategic role that the borough's designated industrial locations play for Tower Hamlets and London.

The GLA's Strategic Evidence Paper to support Article 4 directions explains that London's industrial capacity can be impacted by Class E to residential PDR in two principle ways: directly – through the loss of light industrial and creative production uses that fall within Class E; and indirectly – through the introduction of residential uses in areas that contain a range of industrial uses (including uses outside of Class E) which can compromise the integrity or effectiveness of these locations in accommodating industrial-type activities and their ability to operate on a 24-hour basis.

Strategic Industrial Locations and Local Industrial Locations are particularly suitable for accommodating a range of industrial and related uses which, by virtue of their scale, noise, odours, dust, emissions, hours of operation and/or vehicular movements, can raise tensions with other land uses, particularly residential development. This is recognised by government in the legislation related to Class E to residential permitted development; which includes a clause (MA.2.(2)(g)) that allows consideration of the impacts on intended occupiers of the residential use introduced through the PDR in an area that a local authority considers to be important for general or heavy industry, waste management, storage and distribution, or a mix of such uses. However, given the mix of uses and the unique layouts of all industrial locations, the GLA's evidence paper recognises that it may be problematic for local authorities to rely on clause MA.2.(2)(g), such as where a sub-area of a SIL or LIL has a mix of industrial uses at the lighter end of the spectrum. In the absence of more explicit protections for all industrial uses, the use of Clause MA.2.(2)(g) could leave local authorities open to

costly legal challenge. The GLA therefore advocates for Article 4 directions in designated locations that include mixes of industrial uses or are primarily in light industrial use.

Estimates suggest that 99.8% of all industrial businesses in London employ fewer than 250 employees and that 90% of those businesses are micro-businesses employing fewer than 10 people. Despite the size limit of 1,500sqm, the permitted development right would have a direct disproportionate impact on industrial SMEs in addition to indirect impacts on industrial businesses (of any size) located in proximity to PDR conversions.

In the high-value land market within the CAZ there is very limited industrial and logistics capacity and many of the essential support functions for the CAZ and NIOD are provided by businesses occupying industrial land typically lying in close proximity to the CAZ and NIOD. The differentials between industrial and non-industrial land values in London puts immense pressure on sites in industrial use for conversion to non-industrial uses. To address this issue, the London Plan and the LBTH Local Plan include policies to ensure that sufficient capacity for industry and logistics is identified and protected, including last mile distribution, freight consolidation and other related service functions within or close to the CAZ and NIOD to support the needs of businesses and activities within these areas.

Given the importance of industrial capacity providing essential support functions to the CAZ and NIOD, the use of Article 4 directions to remove Class E to residential PDR will be particularly relevant for industrial sites performing this function.

Town Centres

This section builds upon the discussion of LBTH's town centres in Section 2, where the context and role of each town centre is presented in detail, and on the strategic evidence in Section 3, where the trends in retailing and other town centre uses are discussed and analysed, to show how the new permitted development right risks undermining the important roles that town centres play in the borough and across London.

The average capital values in residential use exceed average capital values in the range of commercial uses in Class E in almost all parts of London. Active commercial uses and the jobs they support will be at risk of being turned into higher value use. The new PDR in the absence of targeted Article 4 directions, could impact the adaptation of London's town centres and high streets to be (and remain) vibrant, successful locations for a range of business, culture, civic and community activities complemented by well-planned housing and mixed-use development.

The introduction of piecemeal residential development on the ground floor in thriving areas could lead to sterile and incoherent high street frontages, impacting their sense of place, natural surveillance and weakening their function, resilience and attractiveness as places to visit, work and interact. The piecemeal loss of commercial will reduce overall footfall, depriving other businesses and potentially driving the loss of a far more significant number of premises than those who choose to convert to residential.

While town centres and high streets can benefit from additional homes in the area, this should be well planned and should not come forward at the expense of successful commercial and community uses. Residential uses have different characteristics to commercial, business and service uses. Once conversions to residential occur the inherent flexibility of high street premises in commercial and community uses is lost, undermining the ability of the high street to adapt to future circumstances.

Thriving neighbourhood and local centres are as much at risk as larger town centres and loss of essential services will have a disproportionate equalities impact on Londoners who rely on local access to services in walkable distance from where they live. Too much erosion of commercial and community services via PDR in town centres and high streets could also create dormitory areas where residents must travel further afield to get to shops and places of work, undermining efforts to support walking and cycling and the creation of a sustainable city.

It is also important to note the role that LBTH's town centres play for the borough's migrant and minority ethnic communities. Town centres provide space for small businesses, often at a relatively low cost, supporting entrepreneurs from minority communities that may face barriers to starting businesses in other locations. These small businesses also often provide employment opportunities for others from their communities who may face discrimination and other barriers to accessing employment. These businesses also act as connections to countries of origin for new migrants, easing the transition into life in the UK, providing familiar goods and social interaction. For the most part, this role is carried out by small businesses that rely on relatively inexpensive retail floorspace in town centres. These are the types of businesses that are most likely to be displaced by the permitted development right, as business operators are forced to compete for floorspace in town centres with residential uses that can command higher rents.

There is a strong case for targeted Article 4 directions to remove Class E to residential PDR and ensure that the social and economic functions of high streets and town centres are sustained and to support the economic and social recovery following the pandemic.

5. Pandemic Impacts

Office Locations

The CAZ faces a significant challenge as a result of the pandemic and associated lockdown measures, characterised by a reduction in office workers commuting to their usual places of work, a sharp halt to domestic and international tourism, and changes to how Londoners spend their leisure time. In November 2020, the GLA appointed Arup, together with Gerald Eve and the London School of Economics, to carry out research into the different economic futures facing the CAZ. The study developed a robust evidence base to help us understand the nature and extent of the medium and long-term economic transformation facing the CAZ and London as a whole.

Phase 2 of the CAZ economic futures work built three scenarios to test the scale of the economic impact on the CAZ of the medium and long term. The Phase 2 report concluded that in the long term, if the right action is taken, central London will be well placed to recover strongly. Its diverse ecosystem with a unique combination of world-leading businesses, retail, culture, government, education and other anchor institutions will continue to be the beating heart of London's and the UK economy. This is borne out by the data discussed in the Strategic Evidence section, demonstrating that rents, vacancies and yields in the office sector of the CAZ and NIOD have remained relatively stable in spite of the pandemic and are nowhere near the level of the impacts of previous recessions.

Continuing low vacancy rates in the CAZ will continue to place pressure on office locations in the City Fringe and other locations within Tower Hamlets. Local businesses are likely to be facing considerably pressure as a result of the pandemic, including lost working time and a reduction in consumer demand. As a result, they will be less able to compete for high office rents with larger companies relocating from more central locations. While the pandemic may result in a moderate reduction in rents resulting from slightly higher vacancy rates, this is not guaranteed, and it will be important to protect the existing office locations that primarily serve the local market alongside the CAZ and NIOD.

Industrial Locations

The pandemic has had a very different impact on industrial sites to that on office locations and town centres. Prior to the pandemic, London was already facing a deficit of industrial land, with demand exceeding supply in most boroughs. This was highly acute in Tower Hamlets, where loss of industrial land in previous plan periods had left a very small amount of designated industrial land remaining.

The nature of the activities carried out in industrial locations mean that they, by and large, cannot be carried out from home, unlike many office-based jobs. And unlike most town centre uses, many industrial activities carried on during the lockdowns.

Exacerbating these trends, some specific industrial uses expanded rapidly during the pandemic. Online shopping required an expansion of logistics and warehousing uses, and a rapid increase in cooked food delivery led to the expansion of 'ghost kitchens' – kitchens that only supply deliveries.

In addition, there was some anecdotal evidence before the pandemic of an increase in warehousing as businesses sought to withstand any disruptions to their supply chains caused by the UK's exiting the European Union.

Town Centres

The GLA has produced a study looking at the impacts of the Covid-19 pandemic on retailing in London. It identifies a series of challenges facing retailers and other town centre business. The gaps produced by businesses that failed during the pandemic may reduce trips into centres, leading to reduced footfall, and an insufficient recovery for other businesses, ultimately leading to cycle of decline. Conversely, the trend towards greater concentration of retail growth in International and Metropolitan centres may be disrupted by the pandemic, but any such disruption is likely to result in this demand being met across a wider range of centres, reversing the centralising trend of recent decades, but not reducing overall demand.

While the London Plan evidence base identifies tourist spend as a significant driver of retail growth in London, it also explains that this is largely restricted to specific centres – the West End and Knightsbridge International Centres, the Westfield shopping centres at Stratford and Shepherd's Bush and other key tourist destinations such as Camden and Kensington. It is important to note, therefore, that the impacts from the loss of tourism over the course of the pandemic, and any knock-on impacts over the following years, are unlikely to impact any of the centres in Tower Hamlets.

Spending by commuters is also identified in the London Plan evidence base as a key driver of comparison retail growth; however, like tourist spending, this is felt most significantly in a handful of centres. This includes the CAZ, Canary Wharf, and some parts of the City Fringe within Tower Hamlets. The pandemic is likely to have significant short to medium term impacts on spending related to commuting, as fewer workers commute to office locations. It should be noted, however, that the retailing in Canary Wharf, where these impacts are likely to be felt most significantly, is located almost entirely within shopping centres and would be unsuitable for conversion to residential use. The only CAZ retail cluster located within Tower Hamlets is Wentworth Street, which fulfils a particular function in London's garment industry and is not reliant on commuters or on the office function of the CAZ.

Conclusion

In order to ensure that LBTH can continue to plan effectively for its future needs and can support the objectives of the NPPF and the London Plan, it is essential that this Article 4 apply to the entirety of the Preferred Office Locations (Primary, Secondary and Tertiary) and Local Employment Locations. The Employment Land Review is clear that all sites within this designation are essential to meet the demand from both the high-value, corporate office market and the local office market that requires lower-cost space, in addition to allowing flexibility for the expansion of creative industries and TMTs.

The Employment Land Review (2016) demonstrates that demand significantly exceeds capacity within the existing designated Strategic Industrial Location and the Local Industrial Sites; however, there is no scope within the borough to designate new industrial sites. Therefore, all designated industrial sites must be covered by this Article 4 direction to ensure that they can continue to fulfil their functions.

The Retail Capacity Study (2016) demonstrates that all the town centres in the borough are healthy and that their boundaries are appropriate. For the most part, LBTH's town centres are linear, with the designation only covering the main high street. In some cases sites are included within the town centre designations where they include an important town centre use (e.g. the large Sainsbury's in Whitechapel, though away from the main shopping street, is a key retail anchor for the town

centre). As such, there is strong justification for including all areas of the designated town centres in the Article 4 direction. Similarly, neighbourhood centres and neighbourhood parades play an important role in ensuring that all residents of Tower Hamlets can access their day-to-day needs in a location that is easily accessible. If neighbourhood centres and/or neighbourhood parades were excluded from the Article 4 designation it would give rise to equalities impacts, with a disproportionate negative impact on those with mobility impairments.

Summation

One of the fundamental roles of the planning system, as expressed in the objectives of the NPPF, the London Plan and the Local Plan is to ensure that there is a sufficient supply of land to meet the objectively assessed needs of the area for a variety of land uses. With the support of the NPPF, the London Plan and the Local Plan designate locations for particular uses – Preferred Office Locations and Local Employment Locations for office space, Strategic Industrial Locations and Local Industrial Locations for industrial uses, and town centres for retail, services, leisure and community uses. The policies listed in Section 1 support and enforce these designations. These policies have all been subject to examination, tested, and found both viable and necessary to ensure a sufficient supply of land to meet the objectively assessed needs of the community. In the absence of a targeted Article 4 direction, all of these policies will either lose substantial weight or be rendered entirely inoperable.

The commercial data supplied by the GLA, as well as LBTH's Employment Land Review, demonstrates that the values of residential uses exceed those for nearly all commercial uses in nearly all locations. This means that, even with the limitations posed by the Prior Approvals process, commercial uses in all locations are under threat by this permitted development right. In order to ensure that the borough can maintain a sufficient supply of land and floorspace to meet its objectively assessed needs for office, industrial and town centre uses, it is necessary to introduce an Article 4 direction to remove Class E to residential permitted development rights in all designated employment locations and town centres.

The Covid-19 pandemic has had a substantial impact on the way in which people interact with their environment, from changes in working and shopping to changes in how people socialise and interact with one another. The medium to long term effects of the pandemic on the urban environment are unknown at this point and the permitted development right introduces a new level of uncertainty for businesses that may be facing significant losses. It is imperative at this point to protect premises for all types of businesses, and this justifies the introduction of an Article 4 direction covering all of the borough's designated employment locations and town centres. Over time, the GLA and LBTH will review the longer-term changes in these locations and change the boundaries and designations as justified by objective evidence.

Appendix 1

LBTH Town Centre and employment designations