

Cabinet 5 February 2014	 TOWER HAMLETS
Report of: Aman Dalvi – Corporate Director Development & Renewal	Classification: Unrestricted
Whitechapel Vision Economic and Employment Impacts Study	

Lead Member	Councillor Rabina Khan
Wards affected	Whitechapel Bethnal Green South Spitalfields and Banglatown St Dunstons and Stepney Green
Community Plan Theme	A Prosperous Community
Key Decision?	Yes

Executive Summary

- 1.1 The Whitechapel Vision Masterplan Supplementary Planning Document (SPD) will ensure a co-ordinated approach is taken to the physical and socio-economic regeneration of Whitechapel to 2025. It sets out a clear and unique vision for Whitechapel, provides guiding planning principles across the area as a whole and identifies six 'Key Place Transformations' which outline the development priorities on private sites and public land.
- 1.2 The implementation of the masterplan will be likely to have a significant impact on the economy of Whitechapel and more widely in Tower Hamlets, and in particular on the availability of job opportunities. Its delivery could create up to 5,800 net additional jobs in Whitechapel and up to 3,600 net additional jobs in Tower Hamlets as a whole.
- 1.3 The Masterplan recognises the importance of Whitechapel's existing vibrant and diverse business base, including businesses operating as part of Whitechapel market. Delivery of the masterplan will create opportunities to support and grow the existing business base.
- 1.4 The proposed Civic Hub in Whitechapel would have the greatest economic impact of the transformations proposed in the masterplan, creating 2,500 direct jobs and acting as a catalyst for the wider delivery of the masterplan.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the contents of the report in terms of the anticipated economic and employment impacts of the delivery of the Whitechapel Vision masterplan; and
2. Note in particular the report's analysis with regard to the likely impacts of the delivery of the new civic hub which the masterplan proposes.

1. REASONS FOR THE DECISIONS

- 1.1 The Whitechapel Vision masterplan itself has been considered by Cabinet separately on 4 December 2013. The implementation of the masterplan will be likely to have a significant impact on the economy of Whitechapel and more widely in Tower Hamlets, and in particular on the availability of job opportunities. The Whitechapel Vision Economic and Employment Impacts Study, which is provided at Appendix One, presents an analysis of these impacts.
- 1.2 This report is presented for noting in order to provide Cabinet members with an opportunity to consider the economic impacts of implementation of the masterplan, and in particular the economic impacts of the delivery of the six "key place transformations" which the masterplan recommends.

2. ALTERNATIVE OPTIONS

- 2.1 Alternative options to the adoption of the Whitechapel Vision masterplan were considered when that document was presented to Cabinet on 4 December 2013. The report presented here identifies potential benefits which may flow from implementation of the masterplan and is for noting only.

3. DETAILS OF REPORT

- 3.1 The Mayor for Tower Hamlets considers Whitechapel and its surroundings as a major development and growth opportunity waiting to happen, linked to the new TfL Crossrail station opening in 2018. It can make a significant contribution to the Mayor's overarching priorities for the Borough, including the delivery of more affordable family homes, promotion of skills and employment, increasing educational attainment, and creating safer, cleaner and inclusive neighbourhoods for all to enjoy.
- 3.2 The Whitechapel Vision masterplan sets out the vision for the area and provides guiding principles to direct and focus regeneration delivery. It recommends six "key place transformations" which it argues will bring about "regeneration through transformational and significant interventions... to make

Whitechapel a world class destination for living, working and visiting.” These are:

1. **Revitalising Whitechapel Road** – supporting the town centre through making the main road easier for pedestrian and cycling movement, as part of a major public realm improvement scheme, including enhancement to the street market and building a new iconic structure.
 2. **New Civic Hub** – bringing back the former Royal London Hospital buildings into civic use to improve the range of public services provided in the town centre, as well as creating wider employment opportunities set around a new civic open space.
 3. **Durward Street Gardens** –a new high quality urban quarter to enliven the area around the new Crossrail Station providing new homes, retail and public spaces, including modernising and redeveloping the leisure centre and building over the station and railway track.
 4. **Med City Campus** – supporting the expansion of the health, bio-tech and life sciences research activities of Queen Mary University of London and the Royal London Hospital based around a new ‘green spine’ open space with a significant number of new homes at the former Bart’s Charity Trust site.
 5. **Raven Row** – a new neighbourhood within Whitechapel centred on residential led development with supporting employment space and open space with improved links to the town centre and hospital.
 6. **Cambridge Heath Gateway** – redevelopment of the Sainsbury’s site with a new larger store, residential and community facilities, including the potential relocation of the leisure centre, focused around a future secondary Whitechapel station entrance and new open spaces linking Brady Street to Cambridge Heath Road.
- 3.5 The Whitechapel Vision Economic and Employment Impacts study was commissioned to assess the likely effects of the masterplan’s delivery on economic opportunity in the area, particularly in terms of jobs. It is anticipated that the implementation of the masterplan will generate economic investment and growth in the area and will have a positive impact on the quantity and variety of employment opportunities and sectors.
- 3.6 The key findings of the Economic and Employment Impacts Study are as follows:
- The Whitechapel Masterplan could create up to 5,800 net additional new jobs in Whitechapel. This figure includes up to 1,800 construction jobs (lasting ten years), 2,500 jobs at the Civic Hub, 270 jobs generated by additional indirect and induced spending related to the Civic Hub and new housing, and up to a further 1,200 jobs generated by the wider catalytic effects of the regeneration scheme, accommodated in the area as a result of the new commercial development. Delivery of the masterplan would also

create opportunities to expand and enhance the existing cluster of biomedical facilities in Whitechapel, which would contribute to the additional jobs created in the area.

- As some of the impacts in Whitechapel will be displaced from elsewhere in Tower Hamlets, the impacts at the borough wide level will be lower. However it is still anticipated that the Whitechapel Masterplan could generate up to 3,600 net additional new jobs in Tower Hamlets.
 - The Civic Hub investment itself would be expected to create 2,500 direct jobs and a further 40 indirect and induced jobs in the Whitechapel area, as well as supporting the wider catalytic impacts of the masterplan (eg increasing inward investment, providing new space for growth sectors), which could generate up to an additional 1,200 net additional jobs.
 - In addition to the economic impacts, the analysis in this study of a series of other civic hub developments highlights that a new civic hub building could provide a range of wider benefits including annual cost savings for the local authority, improved accessibility of public services, enhanced local heritage and civic pride, and demonstrating leadership in developing environmentally sustainable buildings.
- 3.7 The Masterplan recognises the importance of Whitechapel's existing vibrant and diverse business base, including businesses operating as part of Whitechapel market. Delivery of the masterplan will create opportunities to support and grow the existing business base.
- 3.8 Promotion of employment and skills by the Council and other partners will be necessary to maximise the potential for local residents to take up the new job opportunities which may arise as a consequence of the delivery of the Masterplan.
- 3.9 The improved climate for investment in Whitechapel which the development of a new Civic Hub would catalyse may create opportunities to support the "healthy high streets" agenda which is set out in the recent report of the Tower Hamlets Fairness Commission.
- 3.10 The full findings of the assessment are set out in the Study which is provided at Appendix One.

4. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 4.1 On 4 December 2013, the Mayor in Cabinet approved the adoption of the Whitechapel Vision Masterplan Supplementary Planning Document. Following this approval, this further report sets out the anticipated economic and employment impact of the delivery of the Masterplan.
- 4.2 As outlined in previous reports to Cabinet, the Whitechapel Vision Masterplan provides a framework to guide development and a programme for infrastructure

delivery within the Masterplan area. It will provide evidence to inform and assist future decisions on resource allocation in this part of the Borough, and will assist the Authority in determining and prioritising contributions due from developers as part of the current Planning Obligations or the future Community Infrastructure Levy systems. All of these factors will contribute towards the potentially significant economic and employment opportunities that will arise within the area. These are summarised in paragraph 3.6 of the report.

- 4.3 The report is for noting, and thus has no immediate significant financial implications. But it makes particular reference to the local economic and employment benefits of the Civic Hub, for location of Borough services. Any further decisions in this regard are likely to have significant capital and revenue finance implications and will need to be addressed in accordance with the Council's budget process.
- 4.4 The costs of preparation of the Economic and Employment Impacts study have been met from within existing budgets.

5. LEGAL COMMENTS

- 5.1. The report outlines the potential economic impact of delivering the Whitechapel Civic Hub. As the information is provided only for noting, there are no legal implications immediately arising. However, re-development of the Royal London Hospital Buildings will require approvals (planning permission for example) and compliance with a number of other statutory regimes, including those relating to capital finance, procurement and best value.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 An equality analysis has been undertaken in support of the Whitechapel Vision masterplan to meet the Council objective of achieving 'One Tower Hamlets'. The analysis reviews and assesses any impacts of the masterplan relating to the diversity of the borough including, race, gender, disability, age, sexual orientation, faith and deprivation.
- 6.2 The analysis identifies some positive impacts likely to arise from the implementation of the masterplan. In particular it highlights positive impacts relating to the economy and in terms of employment which in turn have the potential to increase the quality and range of economic opportunities available to local communities including members of the ten equalities groups.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 Delivery of the Whitechapel Vision masterplan will help ensure a greener environment in a number of ways, including: helping improve existing areas of open space and secure new areas of open space; promoting biodiversity;

promoting sustainable transport options; and ensuring new buildings meet the highest environmental standards.

- 7.2 The report on the masterplan itself, which was presented to Cabinet on 4 December 2013, provided detailed information on the masterplan's compliance with regulatory requirements relating to environmental impacts and their assessment.
- 7.3 The Economic and Employment Impacts study which is the subject of this report has found no additional environmental impacts other than those considered in the masterplan itself and in the accompanying report to Cabinet.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 The Whitechapel Vision Masterplan has being reported through the Council's Asset Management and Strategic Capital Board who consider risk management issues and mitigation. The Board will continue to monitor risk regarding impact on Council services and assets.

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 9.1 The Whitechapel Vision Masterplan SPD contains design and publicrealm principles to ensure new development improves security and safety in the area. This is achieved by influencing the siting of new developments, and setting out public realm improvements to create safe living environments.
- 9.2 New developments will also have to satisfy the relevant polices in the Council's Local Plan relating to 'Secured by Design' principles. Development will be required to ensure crime prevention measures are considered to assist with reducing the opportunity for crime and the fear of crime, by creating a safer and more secure environment.
- 9.3 The Economic and Employment Impacts study which is the subject of this report has found no additional implications for crime and disorder reduction other than those considered in the masterplan itself and in the accompanying report to Cabinet.

10. EFFICIENCY STATEMENT

- 10.1 The Whitechapel Vision Masterplan SPD will enable the sustainable regeneration of underused land to maximise the full potential of development opportunities for the area and for local communities. This regeneration will release further S106 and CIL contributions from forthcoming development sites, which in turn will deliver new affordable housing, local enterprise and employment opportunities, public realm enhancements, and community infrastructure.

Linked Reports, Appendices and Background Documents

Linked Report

NONE

Appendices

- Appendix 1: Whitechapel Vision Employment and Economic Impacts Outcomes

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE.

Officer contact details for documents:

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