

The Future of Our Local Economy

An Economic Review of London's Growth Opportunity

Commission 1 of the Future of our Borough Series

BRIEF FOR APPOINTMENT OF CONSULTANT

March 2017

Summarising the Two Commissions

- 1.1 The Council appointed an independent Growth Commission to examine options, and the likely impact of pursuing those options, for the future development of the borough¹. In summary, it endorsed the Council's ambitious growth strategy of 35,000 new homes and a minimum of 10,000 new jobs by 2035, but that no one should be left behind in its pursuit^{2 3}. The key to achieving this is through the development of communities where people choose to live and can afford to stay. Also, key is the development of an economic vision which creates opportunities for borough residents to work in good jobs inside and outside the borough. The Council's Local Plan will be focused on achieving this and this will require an understanding of the strengths and weaknesses of the borough's employment base. It will also require an understanding of future growth projections/ scenarios and in particular the growth sectors we should be attracting and the skills and the capacities residents needs to compete for new jobs both locally and within adjacent growth areas. This is the overarching aim of Commission 1 – the Future of Our Local Economy.
- 1.2 The Growth Commission also endorsed the Council's proposals to release over 135 hectares of employment land across four major areas of Strategic Industrial Land, (Thames Road, Creekmouth, Castle Green⁴ and Chadwell Heath), for sustainable mixed used development to deliver over new homes and new jobs, see figure 1⁵ (from here on in referred to as strategic release sites). The Council's vision for these sites is for genuine mixed used schemes incorporating space for growth sectors within residential blocks, thus moving away from the traditional approach of separate zones for employment and housing but instead planning for them both within sustainable new communities. Therefore, the viability of achieving genuinely mixed use developments on the release sites needs to be tested in terms of function, form and financing. The aim is to create vibrant mixed use urban quarters fit for the 21st Century. This is the overarching aim of commission 2 – the Future of Our Employment Land⁶.
- 1.3 Both commissions support each other; together they come together to provide recommendations for how we shape the future of Barking and Dagenham; London's best and biggest growth opportunity. As outlined in both briefs, the chosen consultants will need to work closely with each other for tasks where there is significant cross over^{7, 8}.

Purpose and Aims of Commission 1: The Future of Our Local Economy

- 1.4 The economy, locally, nationally, and internationally is shifting, and the borough wants to position itself in the best way to capture future opportunities. In the context of a shifting economic environment, London, has positioned itself well, reaffirming its role as a global and financial capital. It now sits as one of a small number of world cities⁹. However, not all parts of London, have been able to share in its success. Whereas, GVA per capita, was £135,888 in Inner West London 2013, at the same it stood at only £14,731 per capita, in Outer East and North East London¹⁰ (NUTS3 Region, 2013, ONS). And whilst, the average Greater London worker contributed £56,970 (average) to the wider economy, in Barking and Dagenham a worker contributed less than half, £24,600¹¹ (average). Disparities, are just as prominent at the household

¹ Growth Commission document here: <https://www.lbld.gov.uk/business/growing-the-borough/our-strategy-for-growth/overview-2/>

² This is the basis for the spatial vision for the borough. It has been set out in the Issues and Options Local Plan which is reinforced in the London Riverside Opportunity Planning Framework. Local Plan Issues and Options <https://www.lbld.gov.uk/residents/planning-and-building-control/planning-guidance-and-policies/local-plan-review/one-borough-one-community-one-plan/> London Riverside Opportunity Planning Area Framework <https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/opportunity-areas/opportunity-areas/london-riverside>

³ Since the growth commission was published, the Council has identified capacity for 50,000 homes (rounded) and 20,000 jobs. More detail regarding these numbers will be made available to the successful bidder.

⁴ Please note that Castle Green is also referred to as Rippleside. Please note that the Council is also release industrial land at the Ford Stamping Plant and Wantz Road sites. This is set out at figure 1.

⁵ These are the following: Thames Road, Chadwell Heath, Creekmouth, Castle Green. Please also note that the Council intends to release two other sites which are currently designated as employment land; Wantz Road sites.

⁶ Consultants will be welcome to bid on both tenders. Those commissioned for both tenders will be expected to work with each other.

⁷ Where there is cross over it is identified in the scope of services of the two briefs (section 2 of both briefs).

⁸ The commissions has been split up so that commission 1 deals with economic analysis and urban planning issues with commission 2 dealing with urban design and commercial viability matters.

⁹ According to the World Cities Index - London is Alpha ++ World City. Only London and New York share this ranking <http://www.lboro.ac.uk/gawc/gawcworlds.html>

¹⁰ This forms the NUTS3 area that Barking and Dagenham forms part.

¹¹ This refers to average GVA per worker in 2013 – Experian Data.

level. Equivalised median household income stands at £20,796 for Barking and Dagenham, a significant, £10,000 (rounded) less than the Outer London average (CACI, 2016).

- 1.5 Despite the imbalances mentioned above, the Council remains firmly and resolutely optimistic regarding our growth prospects. The independent Growth Commission confirmed such optimism, stating; London is moving east. Recent investment decisions, new developments and a growing entrepreneurialism are changing the borough. Housing values have grown significantly, faster than anywhere else in London in 2016. Structural changes appear to be afoot but fixing the imbalances requires more significant action. Focusing on making our local economy more dynamic, attracting high-value sectors, and supporting our existing businesses to become more productive is a core theme, but this is just part of the story. Our residents' skills base are both low, we need to make sure we improve this, not just to align to the future economic sectors of the borough, but also so our residents can compete for the most productive jobs, in London's highly competitive labour market¹². These themes were enshrined within the Independent Growth Commission¹³ and part of this Commission will be tasked with providing further evidence to support the recommendations of the Commission. At its heart, this study will provide new evidence and clear recommendations to inform how we harness future growth and reduce the material imbalances, to ensure no one is left behind.
- 1.6 Currently, the Council counts the following as our growth sectors; green technology, biotech, health and social care, creative industries, logistics and manufacturing. However, the Growth Commission questioned the evidence behind these sectors and recommended that the Council should develop an in-depth evidence base, including baseline studies, around the potential growth sectors within the borough. Both to understand what needs to be done to steward the existing business base and to ensure the ready supply of sites and premises to attract potential new growth sectors. The recommendations of this study will provide the basis for the Council's emerging Local Plan, skills and economic strategies which collectively will implement the economic development recommendations of the independent Growth Commission.
- 1.7 The overarching objectives of this study are as follows:
- An economic review of the borough's existing economy setting out the key economic conditions within the borough and disparities with the rest of London and UK (work stream 1).
 - Development of an economic atlas of the borough, this will provide an overview of the businesses across the Borough, identifying all employers and economic activities. The atlas will go into more detail on the four key release sites and Barking Town Centre¹⁴, setting out a full inventory of all sites to understand both the productive and land supply aspects of our release sites (this will support recommendation 99 and 101 of the independent growth commission). Identify the existing strengths and weaknesses of the borough economy, setting out a granular analysis of the local economy, through stakeholder involvement and providing a property market assessment. This will help understand existing market perceptions of the borough (this will support recommendation 100 of the independent growth commission) (work stream 3)
 - Develop employment growth projections and growth scenarios and through this process identify the growth sectors which are compatible with the borough's future as a dynamic inner London Borough. These scenarios should set out future employment growth in each sector (work stream four).
 - Convert growth projections and scenarios into land (ha) and floor space (square metre) requirements to the year 2045 (in five year cohorts) to understand if the borough has sufficient land supply to meet future employment demand. This links to Commission 2 as the process will need to consider, the loss of employment floor space if any, overtime of the employment release sites and factor in the possibility of businesses needing to be re-housed in new developments (work stream 5).
 - Map the existing skills base and any skills gaps and from this make recommendations as to what needs to be done to ensure residents are equipped with the skills and capacity to access future employment opportunities both within and outside the borough particularly in the growth sectors.

¹² Running concurrently with these goals is the need to change the physical environments of the borough, this is a core requirement of commission two.

¹³ The Independent Growth Commission states that the Council should develop an in-depth evidence base, including baseline studies, around the potential growth sectors within the Borough (recommendation 87).

¹⁴ The four key release sites here are defined as Thames Road, Creekmouth, Chadwell Heath and Castle Green.

(this will support recommendation 87, 88, 89 and 90 of the independent growth commission) (work stream 6).

- Set out more wider recommendations, supplementing, those of the independent Growth Commission regarding economic development direction of the borough (work stream 7).
- 1.8 This is a unique commission. It includes elements of macro-economic analysis, employment land review, detailed survey work and public policy expertise. It will form core evidence in informing the emerging Local Plan (2018 to 2033), as well as corporate, economic and skills strategies over the short and medium terms. Please also note, it will be an overarching requirement to work with the chosen consultant of commission 2 – *The Future of Our Employment Land*. Where joint working is required is specified through the brief.

Figure 1: Employment Sites and Proposed Employment Release Sites

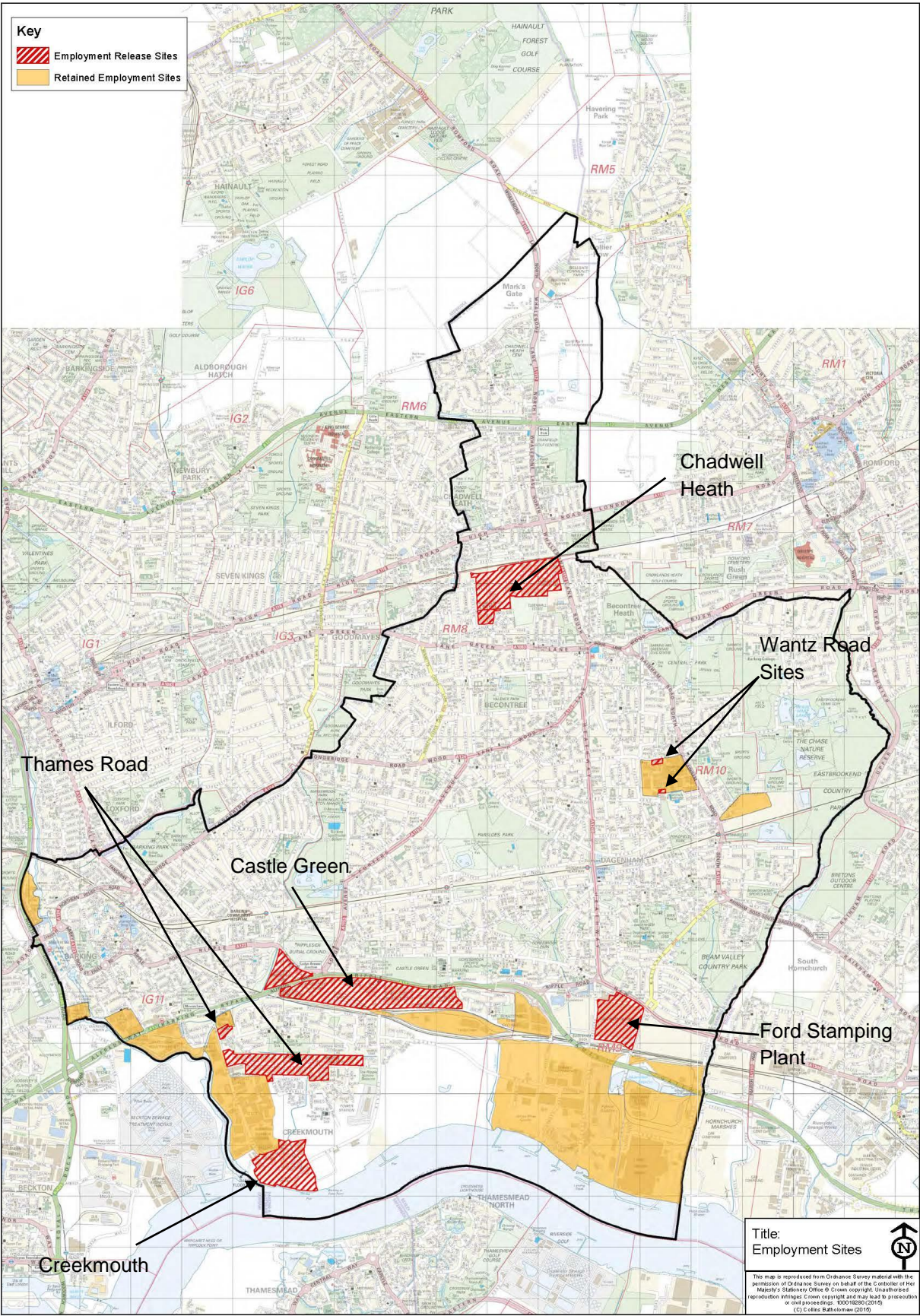
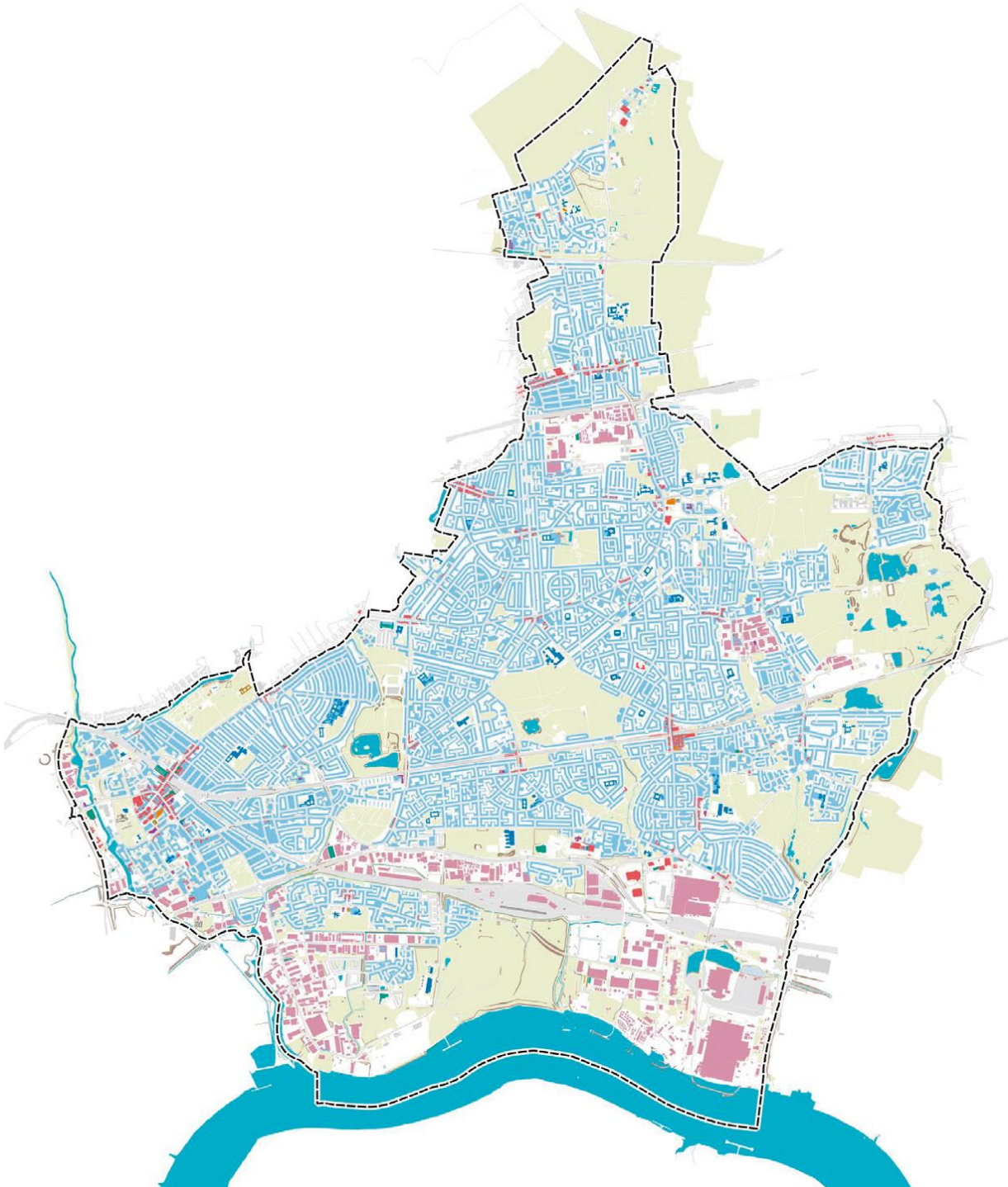


Figure 2: Land Use In The Borough



Employment Land Use in Pink

2 Scope of services required

2.1 The study will have seven main parts:

- Work Stream 1: Our local economy – an economic review of the borough.
- Work Stream 2: An economic atlas
- Work Stream 3: Our existing sector strengths and economic capabilities.
- Work Stream 4: Drivers of change and growth projections/ scenarios.
- Work Stream 5: Supply side: land and floor space requirements.
- Work Stream 6: Supply side: skills needed for the future.
- Work Stream 7: Policy recommendations to harness future growth.

Work Stream 1: Our Local Economy – An Economic Review of the Borough

2.2 The study should provide a detailed review of the borough's economy, in the context of its position within the London economy, and its wider connections to the national and international economy¹⁵. This should include an understanding of:

- Number of jobs (across the borough) broken down by economic sector. This should go beyond the SIC level providing a more comprehensive analysis.
- Quality of jobs.
- Explore the economic and social imbalances/ disparities between the borough and the rest of London.
- Public sector jobs density and private sector jobs density.
- The importance of the public sector in the economy, in particular the importance of schools and further education institutions, in both providing employment and increasing human capital.
- Structure of employers^{16, 17}.
- Productivity indicators (such as Gross Value Added (GVA) growth, GVA per full time worker per capita). Provide an understanding if there is evidence of a performance gap (regarding productivity) relative to other London Boroughs, outer London, regionally and nationally¹⁸.
- Long term trends in employment.
- Sectoral mix and which sectors are over and underrepresented.
- Existing sectoral strengths and weaknesses of the borough.
- Skill deficiencies and more general analysis of skills issues.
- Historic growth rates in employment, GVA (where available), GVA per job (where available) and population.
- Provide data and analysis about the boroughs economic performance over the past twenty years relative to London, other London Boroughs and nationally.
- The boroughs history of attracting investment (e.g. number of jobs created through Foreign Direct Investment (FDI) – where available).
- Enquire into household income in the borough, and full time (personal) incomes and how this compares to national and London trends.
- The skills base of the borough and changes to the labour market overtime.
- Enquire into the differences between the boroughs employment and economic activity and its residential economy (where people go to work).
- Commuting patterns and connectivity between the borough and key economic markets.
- Other indicators that build on chapter two of the Economic Development Study (2014) and the Barking and Dagenham Growth Commission.
- Review existing economic strategies for the Borough.

¹⁵ This review should go in more detail than the previous review set out in chapter two of the chapter two of the Economic Development Study (2014)

¹⁶ Does the borough have a good mix of big, medium and small employers or is the boroughs private sector enterprises unbalanced relative to the national average, London average and what is considered optimal.

¹⁷ The borough would like this analysis to explore the largest employers in the borough. Databases such as TBR would possibly be able to help in this task. However, those bidding may know of even more powerful tools.

¹⁸ The council understands that it may be difficult to acquire productivity data at the borough level. We will look to bids to give advice on how we could understand our productivity at the borough level.

- 2.3 The review should be underpinned by convincing data, evidence, and intelligence. It should identify the extent of economic problems between the borough and the rest of London (the economic imbalances). Additionally, it should highlight the role the borough plays in the wider economy and set out evidence (if any) that the borough has seen structural shifts in the makeup of its local economy¹⁹.
- 2.4 The economic review will form an important part of the overall study, it will set the context for the growth projections and scenarios that will help inform the future economic and planning policy for the borough. It should be a full assessment on the health of the borough economically, both from the perspective of its residential population and workforce population.

Work Stream 2: An Economic Atlas

- 2.5 The study will undertake a fine grain analysis of the existing economic assets of the borough. This will be heavily focused on the four-key strategic release sites and Barking Town Centre. It is these areas which are expected to take the lion share of future economic growth²⁰ therefore the atlas will comprehensively review these areas. The atlas should start with a Borough wide understanding of the existing economic assets. Four key sub tasks have been identified, these are set out below:

Sub Task 1: The Businesses and Economic Assets of the Borough

This would include a comprehensive review of all meaningful job economic assets that operates in the borough. This would include the following:

- Provide a register of businesses and a survey of businesses²¹. The principal aim of this would be to establish immediate locational issues such as the potential for growth or indeed withdrawal, satisfaction with existing services and identification of business needs. Bidders should explore methods which would help keep costs down for this component of the worst stream without eroding the integrity of the survey. The number of jobs in each economic sector should form part of this component of the study.
- Explore the contribution of the public sector alongside the charity, social enterprises and voluntary sectors within the local economy. This would include the contribution of schools, further education institutions, health care and other organisations (such as the Council) to the economy of the borough. This should explore the number of jobs in these sectors.
- A brief analysis of the hidden economy should be undertaken exploring the role and contribution of this often-neglected part of the economy.
- Provide profiles of typical employers and employees in Barking and Dagenham. This will make sure that raw numbers and data has a human face and will help illustrate the economic assets across the borough.

Sub Task 2: The Businesses within our Key Strategic Sites and Barking Town Centre

- 2.6 The Council acknowledge that there are gaps in our understanding of the businesses based on our key strategic sites and Barking Town Centre. The Growth Commission recognised this, recommending the preparation of a register of all businesses²². Consequently, this study should provide a full business survey²³. The commission will provide:

- Survey each business and economic activity operating on each of the four key strategic release sites and the town centre.
- Name of each business operating within our employment sites and number of jobs at time of assessment.

¹⁹ Such as those described in paragraph 1.5. However, the commissioning team understand that this narrative is from a speculative view point and we are looking for the commission to investigate these observations in more detail.

²⁰ Referring to Thames Road, Creekmouth, Chadwell Heath and Castle Green (see figure one for spatial location of these areas).

²¹ This formed a key recommendation of the growth commission (Recommendation 99).

²² See Recommendation 99 in the Growth Commission report. It is understood by the Commissioning Team that this study would only be able to explore businesses on the employment sites (both the employment release sites and the retained employment sites) and not businesses outside of these areas.

²³ Please note that some evidence has been undertaken as part of this study, Creekmouth Industrial Area Site Survey July 2015.

- An understanding/ estimation of the number of employees/ jobs of each business (at time of assessment).
- An understanding of the jobs density for each business/ sample of businesses²⁴.
- Establish the economic sector of each business.
- Provide an estimation of each business/ sample of businesses contribution (productivity/ output) to both the local, regional and national economy. Connected to this, provide an understanding of the services or goods provided by business. Connected to this are they predominantly for local consumption or if they export services and goods regionally, nationally or internationally²⁵.
- Provide an indication of what businesses need (in locational terms) in order to increase/ improve output/ productivity. Connected to this, provide an understanding of whether de-designation (on those sites that are 'release sites') offers a threat or potential opportunity for businesses impacted (over the medium to long term).
- Review of other economic assets on each key strategic sites and within Barking Town Centre.
- Provide profiles of typical employers and employees on each of the key strategic sites and within Barking Town Centre. This will make sure that raw numbers and data has a human face and will help illustrate the economic assets across the borough.
- Other objectives that the bid team considerer would be of value to the project.

2.7 It is accepted that to undertake a comprehensive survey of all businesses may be time consuming and cost intensive. The commissioning team will look favourably on bids which explore how costs can be reduced.

2.8 It is an aspiration of our emerging spatial strategy to make sure we plan for the same amount of jobs on release sites as currently exists today²⁶. The Council therefore needs detailed evidence exploring the amount and nature of jobs. This will help test our objectives and inform later parts of this study.

Sub Task 3: The Buildings and Land of Our Key Strategic Sites and Barking Town Centre

2.9 This part of the commission will involve the preparation of a comprehensive site assessment for the key strategic sites and Barking Town Centre. This will include the following tasks:

- Vacancy rate of employment sites/ existing building stock.
- The age of building stock.
- An analysis of the different building typologies that exist on site (e.g. large industrial warehouse/ distribution centre, small waste facility, artist studio etc).
- Understanding of where the most productive and most employment generating businesses are located for each strategic release site.
- A broad understanding of each businesses use space and how much space they currently use (illustrations should be included).
- Mix of uses and churn of the existing building stock analysis for each employment site.
- Exploration of how fit for purpose the existing building stock is for modern employment activity.
- Explore if any buildings can be retained (on release sites) which would be of use to creative industries or small businesses and be compatible with residential development.
- If existing building stock/ employment sites have seen significant redevelopment over the previous, 5, 10, 15, 20, 30 years, or if activity/ use has meanly stemmed from reuse.
- An understanding of the number of jobs density and estimation of number of employees.
- An understanding of the leasehold and freehold interest of each site including name of land owner, leaseholder and the length of time of each leasehold
- Other objectives that the bid team considerer would be of value to the project.

²⁴ We would like this analysis to go beyond the employment density guide as set out by the Homes and Community Agency (HCA) to provide an actual understanding of the jobs density for each business.

²⁵ It is considered that businesses that export services and goods outside their immediate area have wider external benefits than other businesses that mainly cater for local consumption. See 'Trading Places' Centre for Cities (August 2016)

<http://www.centreforcities.org/publication/trading-places-why-firms-locate-where-they-do/>

²⁶ For example Thames Road will need to have the same amount of jobs once complete as currently exists on site. This part of the commission will be able to inform this policy aspiration.

Sub Task 4: Completions and Pipeline of Our Employment/ Economic Sites (across the borough):

- 2.10 This part of the commission will seek to understand the recent completions of employment space across the borough and will explore in more detail changes (in land use planning terms) in the pipeline and completions on our employment sites. This would include the recent pattern of employment land supply and loss to other uses²⁷

Need for Information

- 2.11 With regard to all sub tasks relating to this work stream, the commissioning team understand that what we are asking for goes beyond NPPF and NPPG requirements. However, the need for this information stems from the boldness of our spatial strategy. We need to know as much as possible about our businesses in order to understand if we can re-provide space for those on de-allocated sites elsewhere in the borough. Or alternatively, as part of mixed use development or to understand if we can intensify our employment supply. Therefore, we feel there is a need to go beyond what is customary in planning evidence base documents such as Employment Land Reviews (ELR) or Housing and Employment Development Needs Assessments Needs (HEDNAs). Those bidding should also be sensitive to the fact that this document is not purely for planning purposes but is undertaken to satisfy, in part, the recommendations of the Growth Commission (recommendation 99).
- 2.12 We expect bids to set out innovative methodologies which could be used to improve the study and keep costs down. Especially for resource heavy parts of the project such as the business survey. We therefore ask bids to explore where this part of the study could be expanded and where innovative methods can help establish efficiencies and reduce costs. However, bids must carefully balance efficiencies and make sure they do not erode the substance behind the sub tasks.

Work Stream 3: Our Existing Sector Strengths and Capabilities

- 2.13 This work stream will construct a narrative of the boroughs existing capabilities; its sectoral strengths, wider strengths, key specialisms, economic assets, and its economic weaknesses²⁸. The commissioning team have identified four sub tasks as part of this work stream²⁹. The sub tasks are set out below.

Sub Task 1: Engagement with Economic Stakeholders regarding the Boroughs Existing Sector Strengths and Capabilities

- 2.14 Work streams 1 and 2 will provide important context for establishing the existing sectoral strengths and capabilities of the borough. However, we feel engagement with key economic stakeholders will be important to help provide a balance between economic data and a more granular, bottom up understanding of the boroughs core strengths and capabilities. The commissioning team will leave it to bids to take view on the form of engagement, but stakeholder events or interviews may be a possible solution. We would expect leaders from the key businesses and economic sectors to engage in the process. Additionally, we would like other stakeholders to be involved, from investors, public sector leaders and other key actors. A report detailing the views of stakeholders could form an appendix to the main study document.

Sub Task 2: Analysis of the Existing Skills Base of the Boroughs Economy (Residents and Workforce)

- 2.15 The chosen consultants will also be expected to engage with those engaged in skills policy to understand in more granular detail the existing skills strengths and weaknesses within the borough. These conversations should draw out the capabilities of the existing borough workforce and residents to help inform future requirements and policy. This will help inform work stream 6.
- 2.16 An analysis of the boroughs existing skill base should be provided drawing out evidence on skills set out in work stream one and adding to it based on expert opinion. The study should explore at this stage the

²⁷ See bullet point 1 of Planning Policy Guidance (PPG) paragraph 030 Reference ID: 2a-030-20140306.

²⁸ It is hoped information set out in work stream 1 and 2 will provide a good basis for understanding the existing sector strengths and capabilities.

²⁹ The commissioning team do not want to be overly prescriptive about the structure of the brief and will invite bids to explore where value can be added and where efficiencies can be made regarding this component of the brief.

existing deficiencies within the boroughs skills base and start to formulate recommendations which will form a key aspect of work stream six.

Sub Task 3: Property Market Assessment and Engagement with the Development Industry

- 2.17 The property market and development industry experts are well placed to help understand the boroughs existing sectoral strengths and capabilities. In general, the property market and development industry help provide the physical supply that houses the core productive functions of the boroughs local economy. Consequently, a property market assessment will help provide an understanding regarding how the property market functions on our employment/ economic sites and across the borough. This will provide a unique insight into what; investors, occupiers and core economic actors make of the borough and its place within the wider regional and national economy and linked to this what the boroughs feel are the existing sector strengths.
- 2.18 From a planning perspective, the need for a property market assessment is backed up by national planning policy guidance (PPG). The PPG makes clear that planning making should be supported through clear market intelligence as well as market/ price signals³⁰. Additionally, the Growth Commission set out the need for a property market assessment to be undertaken³¹.
- 2.19 Those looking to submit bids should be aware of the Planning Advise Service (PAS) advice³² and paragraphs 30 and 31 of the Planning Policy Guidance. The commissioning team feel that the property market profile needs to have significant input from chartered surveyors who know the local area as well as those that know the wider regional property market. Additionally, it is considered that the property market profile, reflecting the PAS advice should be explored at the market sector level.
- 2.20 The property market analysis will need to understand the supply and demand characteristics from the perspective of the property market. This should explore the following:
- Recent floor spaces take-up across the borough.
 - The recent purchases/ leaseholders who they are and what they do.
 - What recent occupiers have been looking for and what are perspective occupiers looking for.
 - Can perspective occupiers get what they want or are there shortages in certain supply?
 - What developers want to provide and how this could change in future years.
 - Have the employment sites (both the employment release sites and the retained employment sites) seen much investment over the last 5, 10, 15 years, or has investment been sluggish? It would be good to explore this point relative to other large employment sites.
 - What do developers want to provide, on our employment sites and across the borough?
 - What the key drivers of change from a property specialist's perspective?
 - Provide an understanding of the start up/ small firm facilities and the property market sentiment for providing such facilities.
 - Provide an understanding, from the perspective of the property market, as to whether the market is providing supply for the Council's growth sectors³³ and if, from the perspective of those within the property market, there is demand for these sectors to grow in the borough and if not how the conditions can be created to attract them and what interventions are necessary.
 - What is determining and influencing price signals/ market activity currently and what is the consensus on the direction of future price signals/ market activity, are there any interesting alternative views? The views of property experts will be useful, so too will those with specialism in urban economics.

³⁰ See Planning Policy Guidance (PPG) Paragraph 031.

³¹ This is set out in recommendations 100. Recommendation 100 states 'a market assessment should be undertaken drawing in property agents and advisors from across London to establish market perceptions of the borough and the kinds of projects for which the borough needs to create capacity in terms of available sites and premises. The commissioning team recognise that this study through the property market profile could provide much value with reference to employment requirements.

³² See Slide 47 – Advise given by Peter Brett for PAS event Introducing EDNAs and SHEILAs. Although this commission is not for the preparation of these documents, it is considered that this best practice advise should be enshrined in this study.

http://www.pas.gov.uk/web/pas1/events-support/-/journal_content/56/332612/7580450/ARTICLE

³³ It is acknowledge that the growth sectors won't be known until sub task 4 is complete, the property market assessment will therefore need to be timed carefully to allow the property market to influence the growth sectors but also to understand from the property markets perspective if such supply for the growth sectors is being provided currently.

- Draw out property agents and advisors from across London to establish market perceptions of the Borough and the kinds of projects for which it needs to create capacity in terms of available sites and premises. (Recommendation 100).

2.21 The outputs of this task should help provide additional evidence regarding the economic strengths and weaknesses of the borough.

Sub Task 4: Our Existing Sectoral Strengths and Weaknesses

- 2.22 The primary purpose of this section is to distil the boroughs principal sector strengths at present and identify any opportunities for the future. The approach should explore what makes the economy of the borough distinctive in the London context. It should explore the competitive advantage of the borough and if any evidence exists of specialisation in the boroughs economy. Where possible it should contextualise our existing capabilities against productivity performance at a sector level³⁴. It would be advantageous if this sub task explored the productivity growth and export potential of our key sectoral strengths. The study should explore if there is evidence of agglomeration in key parts of the borough or across key sectors. This exercise should be undertaken in the context of boroughs blight industries which the Council may not want to maintain over the medium to long term (e.g. waste and some distribution activities).
- 2.23 The outcome of this work should clearly show the specialised and high productivity sectors, those sectors where the borough has a mixed record and poor record in terms of sectoral strength. It will be important to explore the boroughs existing capacities in the context of the role the borough plays in the London economy and its interactions with the national and international economy. Connected to this, are there opportunities to enhance and had better integrate our key economic sectors with the wider London economy.
- 2.24 The businesses and sectors that contribute strongly to employment and productivity should be mapped and explained to understand in detail where these are (in the borough), how they integrate and what they are specifically. This sub task will also need to explore the boroughs sectoral weaknesses and where the borough needs to improve to become a more prosperous and productive economy. It should explore the high productivity sectors which are not present in the borough. Another important consideration is the threats and global disruption that could impact on our existing key sectors in the medium to long term. This could include factors like mechanisation and off shoring.

Work Stream 4: Drivers for Change and Growth Projections/ Scenarios

- 2.25 This work stream forms the 'meat and bone' of the overall commission, providing the growth projections and scenarios which will establish the boroughs key economic growth sectors. It is considered that this section will have six sub tasks which are set out below. Bidders should be aware that as labour growth and population growth are closely intertwined, an understanding of population growth will need to be explored and checked prior to constructing sector and labour market projections and scenarios. More information regarding this concern is set out in sub task 3 (of this work stream). It is considered strong economic analysis will be required for this section of the brief.

Sub Task 1: Wider Engagement with Key Economic Stakeholders (Local and London Wide) on the Drivers for Change

- 2.26 A qualitative understanding of stakeholder views on what they feel will influence the economy over the medium to long term will be explored. The commissioning team will leave it to bids to take a view on the form of engagement, but stakeholder events or interviews may be a possible solution. We would expect leaders from the key businesses, economic sectors, public policy to engage in the process and other key actors. The purpose of this task will be to provide more granular information to help inform³⁵.

³⁴ GVA data is limited at borough level.

³⁵ Bidders may wish to undertake this consultation alongside the engagement required in Works Stream 3 Sub Task 1 - Engagement with Economic Stakeholders on the Boroughs Existing Sector Strengths and Capabilities or alternatively bidders may find it of value to keep engagement separate so both issues can be explored in-depth.

Sub Task 2: Identifying the Drivers for Change and Future Economic Sectors

- 2.27 As noted in previously the Councils existing growth strategy identified six growth sectors³⁶ but as part of this exercise the Council did not have a comprehensive understanding of the drivers for change which will influence the borough over the medium to long term. This sub task will explore drivers change which will be the basis for developing growth projections and scenarios³⁷.
- 2.28 The growth commission and the Issues and Options Local Plan both alluded to structure change in the boroughs economy as London moves east, we expect our economy to change substantially, this should be investigated as a driver for change.

Sub Task 3: Considering Future Population

- 2.29 As noted in the introduction, the independent Growth Commission endorsed the development of 35,000 new homes between 2015 and 2035. Further to this, the Housing Land Assessment and Housing Trajectory has identified capacity for 50,000 homes (rounded) between 2016 and 2045³⁸. The emerging Local Plan will support this level of growth³⁹.
- 2.30 If growth occurs at the rate planned for in the Housing Land Assessment and Housing Trajectory, this could result in growth exceeding that set out in official (trend based) population projections. For example, utilising the Greater London Authority (GLA) Long Term Population Projections (2015), outlines population reaching 240,207 by 2033⁴⁰. However, a rather simple analysis renders this projection as a significant underestimation, when considering the level of housing supply planned in the borough. Population is expected to grow by 31,614 between 2018 and 2033⁴¹. Housing growth between these dates is expected to grow by 34,000 (rounded)⁴². Utilising average household size of 2.65 as outlined by census data⁴³, this would yield a population growth of 90,100 between 2018 and 2033⁴⁴ - with overall population by 2033 of 298,693 – significantly higher than the 240,207 as estimated by the long-term projections. This analysis is a crude simplification, but helps illustrate the wider point; that official population projections can be said to underestimate future population growth in the context of abundant housing supply being brought online as identified in the Housing Trajectory⁴⁵. This concern is material to this commission. Understanding labour growth projections is intertwined with population growth – the labour market balance. Population projections often form the basis of growth scenarios and consequently, underestimating population growth may result in limiting growth assumptions.
- 2.31 The commission will need to explore how to factor in population growth, especially in the face of the underestimation problem, as set out above. Bids should set out how they would overcome possible problems with population data⁴⁶ ⁴⁷. It may be that bids decided to include modelling scenarios of future population based on the Councils Housing Land Assessment and Housing Trajectory to make sure economic growth scenarios are aligned to a supply side understanding of future housing growth and other drivers of population growth. In any event the estimate of labour supply over the commission period (2045) will be material to the growth projections (sub task four), which forms the ‘meat and bone’ of the commission. Factors, such as migration, the changing structure of the population, changing employment

³⁶ green technology, biotech, health and social care, creative industries, logistics and manufacturing.

³⁷ This analysis could well be informed by work streams 1,2 and 3.

³⁸ The Housing Land Assessment and Housing Trajectory has identified that it is likely some 34,000 homes (rounded) are likely to be built between 2018 and 2033. 50,000 homes (rounded) are likely to be built between 2016 and 2045.

³⁹ With the creation of allocations and designations. Existing planning permissions will also support housing growth.

⁴⁰ The end of our emerging plan period (2018 – 2033).

⁴¹ Utilising the 2015 Greater London Authority Long Term Population Projections: <https://data.london.gov.uk/dataset/2015-round-population-projections>

⁴² These are draft figures and should be treated with caution.

⁴³ <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/articles/householdsandhouseholdcompositioninenglandandwales/2014-05-29>

⁴⁴ 34,000 (homes) x 2.65 = 90,100 + (estimated 2018 population) 208,593 = 298,693.

⁴⁵ The GLA Short Term Population Projections (2015) also underestimate population for the end of the plan period when considering the level of growth planned within the Housing Trajectory.

⁴⁶ Such as the underestimation argument set out above.

⁴⁷ At time of publication of this tender the Council undertook a population scenario based on the Councils Housing Trajectory to understand the implications of developing 50,000 homes by 2045 – the Borough Preferred Option (BPO) and was preferred by the Greater London Authority.

rate and external factors such as the planned changes to the state pension and school leaving ages are likely to be important in understanding the basis for future economic growth projections/ scenarios.

- 2.32 Bidders are welcome to include population modelling within their bids regarding work on modelling population. However, this is only considered necessary if bids feel in their professional opinion, that it is core to ensuring growth projections/ scenarios are robust. Bids may set out the cost of population modelling as optional extras within their bids, where it is considered this would be helpful but not critical to the study as a whole. Alongside, modelling population scenarios as mentioned above, it may be that bids would hedge any risk of population scenarios based on the Housing Trajectory against using more conventional methods such as the use of historic trends. The commissioning team are leaving this issue open in order that expert advice gives us the best recommendations going forward.

Sub Task 4: Economic Growth Projections and Scenarios for Growth for Growth

- 2.33 The study should provide a series (structural) and conventional (trend based) projections/ scenarios which are capable of estimating future employment growth in each sector. A minimum of five scenarios/ projections should be undertaken. This will help inform the basis for the quantitative demand for employment floor space / land and jobs/ labour growth to inform the emerging Local Plan. However, it will also have wider use as in supporting wider economic and skills strategies.
- 2.34 This should include conventional methods to account for future employment demand (such as trend based job based estimates⁴⁸) as well as more innovative methods which can give assumptions for possible structural changes in employment growth over the period to 2033, 2035 and 2045. The innovative scenarios (mentioned above) would be balanced by more conservative projections, rooted in the requirements of national planning guidance⁴⁹. All scenarios would need to explore employment growth at sector level, going beyond the SIC definition where ever possible. This would help create a diverse and distinctive understanding of how future employment demand, plus how it could manifest to the years 2033, 2035 and 2045⁵⁰.
- 2.35 Although the trend based projections give much value in conventional situations, such methods can have their limitations in context of structural changes in growth patterns⁵¹. This goes back to the independent Growth Commissions' findings, which notes that the borough is changing considerably and that growth is likely to be different from the past. Recommendation 87 of the Growth Commission asks the Council to develop an in-depth evidence base, including baseline studies around the borough's potential economic growth sectors⁵². The study will need to investigate, through new borough related employment projections/ scenarios which sectors the Council should be attracting. This should not be limited to sectors which traditionally locate within designated industrial land but should consider all growth sectors. It should consider:
- The nature of the land and premises which are likely to be available in the future within the released mixed use sites as well as within the retained industrial sites. Not all growth sectors will be compatible with the mixed used developments the Council is pursuing on its released sites or compatible with the Council's objective to intensify retained employment sites.
 - The existing skills base of the borough, striking the right balance between attracting sectors which local residents have the skills to access but also sectors which demand different skills and which help achieve the objective of increasing local incomes. Linked to this, recommendations should be made for a skills development strategy and how the Council can best work with businesses, education and training sectors to ensure local skills training is matched to existing and future employment opportunities inside and outside the borough including Stratford and Canary Wharf.

⁴⁸ E.g. Experian Floor space Demand Estimates, GLA Labour Market Projections.

⁴⁹ See Planning Policy Guidance (PPG) paragraph 32.

⁵⁰ Paragraph 32 of the Planning Policy Guidance asks local planning authorities to explore take-up of employment land, it is important to consider projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses.

⁵¹ The outcomes of work streams 1, 2 and 3 should help understand this point.

⁵² The Borough considers the following to be the boroughs key growth sectors; bio tech, health and social care, creative industries, logistics, advanced manufacturing and wholesale markets. However, these need to be tested.

- Barking and Dagenham has an ambitious investment strategy and is committed to using its land, planning powers and access to low cost borrowing to make interventions to attract growth sectors to the borough.
- The success the borough has had to date, in attracting creative industries from inner London and the potential to attract more such businesses to the borough.

- 2.36 Alongside the bullet points above, bids should consider scenarios such as, 'businesses as usual' (policy off scenario, trend base scenarios) alongside 'transformational scenarios' which look at developing futures for the various growth sectors of the economy. Bidders should reassure themselves that bids strike the right balance to provide both trend based and bespoke projections⁵³.
- 2.37 The outputs of this sub task should be a range of employment estimates for each economic sector, up to the year 2045⁵⁴ for each projection or scenario.
- 2.38 The bidders should be aware of the impact of Council intervention on the employment release sites. This relates to the redevelopment of Thames Road, Creekmouth, Castle Green and Chadwell Heath into sustainable mixed use housing led development sites. Over the next 30 years, the employment on the site will be redeveloped and employment activity will be displaced. Bids should consider the need, in planning terms, for this need to be factored into projections/ scenarios or if it should be part of the wider analysis⁵⁵.

Sub Task 5: Demand for Employment Floor Space and Land

- 2.39 Based on the outcomes of sub task four (above), the growth in employment estimates should be converted into floor space estimates (square metres) and land (hectares) . Bidders would provide their own methodology for this work, but this is usually based on jobs densities and land/ floor space conversions. Bidders for this commission should note that a component of commission 2 explores how employment land can be intensified. Bidders, should consider this evidence at the time of undertaking this component of the study.

Sub Task 6: Conclusion on Borough Demand Side Land Requirements and Understanding of Our Growth Sectors

- 2.40 After analysing both the property market, quantitative demand (from both a trend and structural perspective) and dealing sensitively to demand attributed from de-designation/ demolition of release sites; the document will then need to come to firm conclusions on demand side requirements over the emerging plan period and years to 2045. Demand side requirements should be presented in a suitable format; this should include demand (at jobs, floor space and land level) over five year periods as well as presenting demand to 2033 ,2035 and 2045 (where possible) as aggregate amounts and also broken down to sector and use class level. All analysis should be articulated clearly and should be defensible at Examination in Public.
- 2.41 The commissioning team feel that they have set out the main factors influencing demand. However, we invite bids to build on the requirements set out above.

Work Stream 5: Future Supply of Employment Floor Space/ Land to 2045

- 2.42 This section will explore if there is sufficient overall land supply to meet demand over the emerging plan period and years to 2045. There will be a need to work with the chosen consultant of Commission 2, to understand the supply side position of the borough in meeting projected employment demand. The commissioning team are of the view there are three sub tasks as part of this work stream. However, bids will have the opportunity in their submissions to refine the approach.

Sub Task 1: Understand Aggregate Future Demand for Floor Space

⁵³ Bidders may want to review the Northern Powerhouse Independent Economic Review (Work stream 4) which explored in comprehensive detail a set of growth scenarios for Northern England:
<http://www.transportforthenorth.com/Reports-and-Information.html>

⁵⁴ We would like bids to let us know if creating growth projections and scenarios to 2045 is problematic.

⁵⁵ As noted in the NPPF, local plans must be rooted in an understanding of the needs and requirements of existing businesses (Para 160).

- 2.43 The study would need to utilise data set out in work stream 4 to understand if existing and future supply is capable of satisfying the demand side projections and scenarios. This is usually explored through a job based density for each sector, coupled with land floor space ratio. This should actively input the loss of the employment release sites.
- 2.44 As noted previously, the loss of the employment release sites will not be purely for residential development. The Council envision that these will form mixed use sites which will accommodate employment space. Understanding the role these sites can play in providing employment sites will be a task shared by the consultants of commission 1 and 2. The commissioning team will require joint working between the two chosen consultants.

Sub Task 2: Employment/ Economic Floor Space Gained from the Vertical and Horizontal Mixed Use Approach

- 2.45 The second commission within this series '*the future of our employment land*' will have tested the deliverability of the merged mixed use employment and residential developments (vertical mixed use and horizontal mixed use⁵⁶, within the strategic release sites. There is a clear need for joint working regarding this issue. The commissioning team acknowledge that only certain sectors and business types would be suited in this form of development⁵⁷. The role of this study will be to provide recommendations of which sectors and businesses, identified as sectors of growth within work stream 4,⁵⁸ could be reasonably accommodated within this form of development and which cannot be accommodated within this form of development. Agreement should be reached with the chosen consultant of commission 2 on the acceptability of these sectors within these uses.⁵⁹
- 2.46 Once the chosen consultants of both briefs have agreed the acceptability of which sectors could locate within the vertical and horizontal mixed use typologies, the next stage will be to explore how much employment floor space and land is required on each of the four key strategic release sites to satisfy employment demand (as identified in work stream 4) over the study period to 2045⁶⁰. This will need to consider how much employment demand should be accommodated on the key strategic release sites, how much should be assigned to each employment release site, it may be that some sectors are more naturally attracted to some sites over others. Once this is understood, the chosen consultant should set out the amount of employment floor space required on each release site.
- 2.47 The chosen consultant of both briefs, with the agreement of the commissioning team, should then come to an agreement of the scale of employment floor space required on each employment release site. Conceptual masterplans setting out the scale of the vertical approach/ amount of employment space will then be constructed as part of Commission 2.
- 2.48 The approach set out above should make sure that sufficient employment space is assigned through the redevelopment process. However, bids should set out how this approach could be refined, improved or if alternative approaches offer could be more effective.

Sub Task 3: The Overall Supply – Demand Balance

- 2.49 This section will identify the global supply available to meet demand side requirements. It should set out if, relative to the demand side requirements, there is sufficient identified supply. It should be noted that the GLA⁶¹ (London Plan Team) has challenged the Council's approach during the Issues and Options consultation. This identified the tension and challenge faced by the borough's ambitions for housing with its

⁵⁶ It is our vision that the redevelopment of Castle Green, Chadwell Heath, Creekmouth and Thames Road (see figure one) will include building typologies where employment space is located at ground floor level and residential above (vertical mixed use). These sites are also likely to include conventional employment buildings located in close proximity to residential development (horizontal mixed use). This will ensure genuine mixed use development and help bring back some employment space lost in the redevelopment of the release sites. See commission 2 brief for more details.

⁵⁷ Certain sectors such as bio technology and certain manufacturing and industrial processes would not be suitable in such accommodation, due to reasons such as health risks and environmental impacts.

⁵⁸ Referring to work stream four of this commission.

⁵⁹ The chosen consultant of commission 2 will have been tasked with undertaking research and market analysis of this form of development.

⁶⁰ The Key strategic release sites are the following Thames Road, Creekmouth, Chadwell Heath and Castle Green.

⁶¹ Set out in the GLA and TFLs response to the Barking and Dagenham Local Plan.

local and strategic role in providing for employment land. The GLA stated that the borough should ensure that the employment lost (through the redevelopment of the strategic employment release sites) is surplus to local and strategic industrial need and that if release it will be managed in ways which maintain economic performance. The study should note this requirement, as well as the overarching approach to land supply loss set out in London Plan Policies 2.17 and 4.4 and support the Industrial Land Supplementary Planning Document. Therefore, the demand/ supply balance is important to the further progression of the emerging Local Plan.

- 2.50 It is likely that office demand will be able to be fully met in Barking Town Centre. This should be acknowledged in the study and thus is not likely to impact on the employment release sites.
- 2.51 In the case of a supply side deficit against demand side requirements, the study should identify where demand could be channelled in both London and the wider South East region.

Work Stream 6: Skills Needed for the Future

- 2.52 The growth projections set out in work stream 4 will also provide an understanding of the skills requirements over the medium and long term. The Council want to utilise the growth scenarios/ projections to understand how we develop an effective skills policy to make sure our residents and workforce are well equipped to meet future requirements.
- 2.53 An analysis of the borough's existing skills base is required (this has been set out in sub task two of work stream 3). This part of the study should set out a gap analysis between existing skills levels and what is required in terms of up skilling our work force and residents to meet future economic challenges.
- 2.54 This part of the study should provide recommendations regarding what growth sectors require in terms of skills and how we develop our skills policy for the future. The commissioning team will leave it to innovative bids to make recommendations of how they would develop skills policy recommendations.
- 2.55 The previous steps will mainly focus on improving skills so that residents are best placed to meet the challenges of the boroughs territorial economy⁶². However, most of the boroughs residents commute to other parts of the borough for work. The Growth Commission, said the Council should identify employment growth potential in other areas of London, including Stratford, Canary Wharf and ensure training and skills provision is aligned (recommendation 88⁶³). The commission will therefore be required to explore employment opportunities outside the borough. This could be done in the following ways:
- Exploring London labour market trends and labour market projections
 - Exploring emerging London wide sectors that are growing in London
- 2.56 The chosen consultants will also be well placed to provide recommendations, given their understanding of the boroughs economy and its future growth. The study should set out advice regarding how the Council should provide pre-employment and employment preparation into the emerging growth sectors and emerging new industries across London. This was a key recommendation of the independent Growth Commission (recommendation 89⁶⁴) we would like the commission to explore how pre-employment support could operate in practice.
- 2.57 The consultants given their knowledge of the boroughs economy and the connected issues the borough has around its low employment rate and high unemployment rate should explore how people at a distance from the labour market could be supported into growth sector industries. This partially formed a key recommendation of the independent Growth Commission (Recommendation 90).

⁶² i.e the economic activities that take place in Barking and Dagenham.

⁶³ Recommendation 88 - Given the role of the Borough within London's wider economy, notably as a net exporter of labour, the Council should identify employment growth potential in other areas of London, including Stratford and Canary Wharf, and ensure training and skills provision is aligned.

⁶⁴ Recommendation 89 - New business and retail developments, with job growth potential, should be accompanied by Council co-ordinated stakeholder engagement that provides targeted, integrated support in neighbourhoods to provide pre-employment and employment preparation. (Recommendation 89) Working in this way can help to ensure that residents are job ready for the employment opportunities that accompany new developments.

- 2.58 The outputs of this work stream should be a series of recommendations regarding skills which will help inform future skills and economic policy.

Work Stream 7: Policy Recommendations to Harness Future Growth

- 2.59 The consultants of this commission will be well placed to provide to us recommendations on how we harness the potential of the growth sectors and broader recommendations regarding how we stimulate growth more generally over the short, medium, and long terms. Ideally, this should build on the recommendations of the Growth Commission. This should include the following:
- What investment is needed to improve productivity in the borough?
 - How do we support and mobilise development of the growth sectors?
 - How do we improve governance in driving economic development of the borough?
 - How do we reduce economic imbalances between the borough and other areas and ensure no one is left behind?
 - How do we compete effectively against other territories?
 - How do we improve identified sectoral weaknesses?
 - How should the Council use its economic development functions to stimulate growth
 - How do we monitor the outputs of this study to inform local economic and skills policy going forward. Connected to this, is there any way we can easily update this work stream to keep the evidence base fresh and up to date?
 - How do we increase the development of indigenous start up businesses and SMEs?
 - How do we drive the development of identified untapped economic resources?
 - How do we attract and embed exogenous resources into the borough (e.g. foreign direct investment)?
- 2.60 The study should also set out recommendations which the chosen consultants feel are pivotal to the success of meeting the challenge of future growth.

An Innovative Approach

- 2.61 The commissioning team are open to suggestions regarding how this work stream could be improved and we welcome suggestions within bids submissions. We will look to bids to see where added value can be identified through alternative approaches to strengthen the studies core objectives.

3 Methodology

- 3.1 Studies such as Economic Assessments, Employment Land Reviews or Housing and Economic Needs Assessments become a desk top exercise. We want this study to be a multi-disciplinary effort. As noted we will expect this study to have input from economists (economic forecasters), town planners (RTPI planners), surveyors (RICS surveyors)⁶⁵, those with experience of surveys and Geographic Information Systems (GIS) specialists. However, as noted we will leave it to bids to assemble a team that are competent to fulfil the commission.
- 3.2 Bidders should explore the role academics could play within the study and actively welcome academic institutions playing a role as part of submitted bids. Especially for the more innovative parts of the brief, such as those who specialise in economic analysis. The commissioning team think that urban economists will add much value to the commission.
- 3.3 This study will need to be accessible to professionals and lay people, the study should therefore be well illustrated and prepared, with strong graphic design to aid a strong final document.

⁶⁵ These specialists, surveyors are required for the Property Market Assessment which forms part of sub task 2 of work stream 3.

- 3.4 Engagement with the businesses community is essential and this should be inbuilt into the project time table and resources and costs factoring to provide for this.
- 3.5 The Council will require any underlying primary data that backs up the main work stream to be sent to the Council alongside the final report.
- 3.6 The Council will welcome bids from organisations or a collective of organisations who want to deliver both Commissions (Commission 1 and Commission 2).
- 3.7 For the purposes of the commission a total of **seven** meetings should be accommodated and costed for.

4. Tender Process

- 4.1 Interested consultants are asked to submit an outline of their proposed methodology to meet the above requirements and provide a detailed breakdown of costs. The Appraisal must be capable of withstanding examination and close scrutiny. The proposal should indicate the timing for the completion of the work, including the submission of a draft report for comments before submission of a final report. The Council is seeking to receive the draft results of the Study by **w/c 28th August 2017**.

Tender Submission Structure

Tender submissions should be structured to contain the following information, based on the **evaluation criteria** in **paragraph 4.7**:

- Understanding of the brief and its requirements.
- Proposed methodology that sets out the key stages, activities and outputs, including staff allocation for the various activities to be undertaken.
- Relevant skills, experience and track record.
- Proposed team, including sub-consultants. Qualification details of key staff that will be assigned to the project.
- Examples of similar commissions undertaken.
- Details of the information/materials which will be required from the Council.
- Confirmation that work can start immediately.
- Financial proposals – to be provided on a separate sheet(s).

The following requirements should be taken into account when constructing financial proposals:

- It is anticipated that the award of the contract will be on a fixed sum basis, including expenses but excluding VAT.
- The financial proposal should be set out in a way that clearly identifies the cost for each individual element of the brief.
- The financial proposal should identify the breakdown of staff costs including the number of days and daily rate equivalents. Details should also be provided concerning non-staff costs including assumptions for expense/disbursements. Consultants should ensure that the costs of any presentations and attendance at meetings are covered in the fee proposal.
- Submissions should include a statement of any involvement and potential conflict of interest there may be between this project and any other associated projects.

Tender Submission

4.2 Consultant teams should provide the following number of tender submissions in the formats specified:

- Two bound copies
- One electronic copy on CD-Rom

Tender submissions must be returned by **5pm 11 April 2017**, and should be addressed as follows:

**FAO: Peter Wiltshire
London Borough of Barking and Dagenham
Room 111
Town Hall
1 Town Square
Barking
IG11 7LU**

Submissions must be labelled '**The Future of Our Local Economy– Private and Confidential**' and submitted in a plain, sealed envelope or package containing your complete tender. No markings or other means of identifying the sender shall be made on the outside of the parcel. Failure to comply with this instruction will invalidate the Tender and it will, therefore, not be considered.

Tender submissions should include a signed and dated **Form of Tender** and **Statement of Bona Fide Tender**. Both of these documents are included in the tender pack.

- 4.3 The Council will not be liable for any expenses incurred by bidders in the preparation of their tender returns. No Quotation will be considered if it is not received by the date and time specified. Following receipt of Quotations, they will be arithmetically checked. Any arithmetical errors will be corrected, and a revised Quotation price calculated. The Bidder(s) concerned will be notified of any errors and amendments and asked either to confirm the revised Quotation price or withdraw the Quotation. The Council reserves the right to investigate further any Quotation where it believes that the rates and price(s) submitted may be unrealistic, and this will be grounds for rejecting such a Quotation and for referring the same to the Office of Fair Trading for further investigation.
- 4.4 Following appointment, the Consultant will be required to attend an inception meeting at which the work programme will be confirmed. Consultants will be expected to attend and minute regular interim progress meetings with the Council. **For the purposes of the commission a total of seven meetings should be accommodated and costed for.**
- 4.5 The Study will first be produced as a draft and then as a final report. The form of the report and any presentation of data must be compatible with the Council's existing computer software (Microsoft Word 2007 and Microsoft Excel 2007) and be provided both electronically on CD-Rom and in coloured bound hard copy (20 copies). The documents should also be legible when reproduced in black and white. Graphic material produced should also be compatible with the Council's GIS software (ESRI shapefile).

Ownership of Material

- 4.6 The Council shall hold the copyright to all material related to the Appraisal and shall be able to distribute the material in part or whole to any organisation or individual it determines, at no extra cost.

Project Timetable

The timetable for the process is as follows:

Date	Event
16 March 2017	Invitation to quote documents dispatched

6 April 2017	Deadline for submission of queries
11 April 2017	Tender Submission deadline 5pm
w/c 24 April 2017	Shortlisted tender interviews
w/c 1 May 2017	Scheduled tender interviews
w/c 1 May 2017	Anticipated award of contract
w/c 8 May 2017	Contract start date and inception meeting
w/c 3 May 2017	Progress review meeting
w/c 28 August 2017 (subject to confirmation with the appointed consultant)	Submission of full draft report
w/c 28 August 2017	Presentation on the Draft Report and Meeting to Discuss Final Changes
w/c 2 October 2017	Submission of final report

Evaluation Criteria

- 4.7 Submissions in relation to the requirements for this service will be evaluated on the basis of the criteria below. The London Borough of Barking and Dagenham does not bind itself to accept the lowest or any offer received, but if it does accept a Quotation then all Bidders will accordingly be notified of the outcome of the Quotation exercise.
- 4.8 An Evaluation Panel will consider tender submissions in accordance with the following criteria and associated weightings:

Quality <i>Consisting of:</i>	70%
<ul style="list-style-type: none"> Understanding the brief and its requirements 	40%
<ul style="list-style-type: none"> Organisational structure, management and supervision Any relevant technical skills and resources to be made available for supplying the services 	20%
<ul style="list-style-type: none"> Examples of similar services/contracts undertaken with contact details for seeking references 	20%
<ul style="list-style-type: none"> Ability to deliver the contract in accordance with the timetable outlined 	20%
Cost/Financial Proposals	30%

- 4.9 Further information on the scoring process for tender submissions can be found in the tender pack under 'Tender Evaluation Criteria and Scoring Matrix'.

Interviews

- 4.10 Preliminary dates for interviews have been scheduled for the week commencing 1 May 2017. Shortlisted consultant teams will be invited to interview for the purpose of clarifying, and where necessary re-evaluating, their tender submission scores.

- 4.11 Consultants will be required to make a short presentation (no longer than 15 minutes) to the Evaluation Panel to demonstrate their approach to the project and their methodology. The presentation will be followed by questions from the Panel relating to the proposals.
- 4.12 Each interview is anticipated to last no longer than 1 hour. Interviewees will be asked questions from a standardised list which will be provided in advance of the interview, as well as any specific questions relating to their tender. The decision to award the contract will be based on the tender submission which has the highest score following the interview process.

Queries and other matters

Client Body

- 4.13 The Regeneration and Economic Development Service will commission the study, issue fees and instructions and will manage the project as Client. The nominated point of contact for the tender submission is Jamie Simpson (Principal Planning Policy Officer)

Queries relating to the tender process should be **emailed** no later than **5pm, 6 April 2017** to:

Name: Jamie Simpson

Email: jamie.simpson@lbbd.gov.uk

Telephone: 020 8227 5816

Other matters

- 4.14 Payments will be phased with 80% of the fee payable on satisfactory completion of a draft report and the final 20% on approval of the final report.
- 4.15 Consultants should give a fixed fee quote, including expenses.
- 4.16 The Contractor will be responsible for ensuring that in the undertaking of any work for the Council that it fulfils all the requirements of UK and EU law together with all health and safety and equality and diversity legislation. The Contractor must inform the Council immediately if it suspects that it has in anyway breached any UK and EU legislation in the performance of the Contract.
- 4.17 The Contractor must hold the following insurance levels throughout the life of the contract.
- Minimum cover for any one incident of the following must be held:
- Public Liability - £1,000,000.00
- 4.18 Details of Insurance must be provided with the submission. Should the Contractor's existing insurance policies not be at the level indicated the Council could require confirmation that the Contractor will be willing to increase the level if awarded the contract and it felt necessary.

References

- 1.) Barking and Dagenham Economic Development Study 2014, Nathaniel Litchfield and Partners
- 2.) Barking and Dagenham Growth Commission, 2016, Report of the Independent Growth Commission
- 3.) London Riverside Opportunity Area Planning Framework, 2015, Greater London Authority
- 4.) Barking and Dagenham: Local Plan: Issues and Options, 2015, Barking and Dagenham Council
- 5.) Land for Industry and Transport, Supplementary Planning Guidance (SPG), 2012, Greater London Authority
- 6.) London Plan, 2015 (consolidated with alterations since, 2011) Greater London Authority
- 7.) Industrial Land Demand and Release Benchmarks in London, 2010 Roger Tym and Partners
- 8.) London Industrial Land Supply Study, 2015 AECOM

Appendix 1: Issues Raised By Greater London Authority

Employment

It is recognised that there is a tension and challenge in balancing the borough's ambitions for housing with its local and strategic role in providing employment land. The quantum of proposed release of industrial land is substantial. The borough should ensure that it will be surplus to local and strategic industrial need and that its release will be managed in ways which maintain economic performance. London Plan policies 2.17 and 4.4 provide the broad strategic approach to this, and the Mayor's Industrial Land SPG provides more detailed guidance to retain and improve a sufficient stock of land and premises to meet the future local and strategic needs of different types of industrial and related uses. The London Riverside OAPF sets out a direction of travel within the Opportunity Area for the key riverside industrial sites and their fit with existing and proposed residential development and Transport for London transport investment.

It is acknowledged that the loss of the Chadwell Heath Industrial Site will ensure an efficient use of land and maximise the benefits of transport improvements. However the borough could look at potential mixed use schemes for this and other areas proposed to be released. Emerging employment sectors that require specific design features may be more compatible with residential use than traditional industrial uses. In addition to investigating the potential to accommodate mixed use schemes, the borough should investigate the potential to reinvigorate existing industrial areas before they are considered for loss to alternative uses. The borough should be satisfied that it has a robust understanding of current and future housing potential of some of the proposed sites to be redeveloped given viability and derivability issues. In line with London Plan policy 4.4, where the loss of industrial land can be justified, priority should be given to the loss of sites near good public transport provision, such as those identified in the London Riverside Opportunity Area Framework.

The evidence base suggests neighbouring authorities have a large supply of employment land or approvals for employment uses. However it does not appear to consider the level of industrial land being lost across London, specifically in more central London locations and especially for logistics uses. In addition, it may be useful to identify the type of employment space that is being lost or developed and the type of accommodation that is being provided. It is unclear if the 146 hectares of outstanding planning permissions applies to existing industrial land and whether this is already occupied for employment / industrial purposes.

Where fully justified, the Council should outline how it proposes to release industrial sites in a coordinated manner. In line with the London Plan (policies 2.17 and 4.4) and the borough's evidence study, Barking and Dagenham should have a strategy to first release non-designated industrial land subject to criteria on quality, accessibility, vacancy, marketing and availability of suitable alternatives. A policy approach should be introduced that phases the release of industrial land so that it occurs in a coordinated fashion and so that all the industrial areas to be released are not pepper potted with other land uses making them less attractive or restricting operations at the same time. In developing the London Riverside Opportunity Area with the Greater London Authority the borough has adopted this approach and the additional work done on identifying in more detail the types of business occupying industrial sites will help inform the phasing of future release. A review mechanism for the release of industrial land could be introduced to ensure the plan, monitor and manage approach as set out in London Plan policy 4.4.

The borough should be satisfied that the remaining industrial land will meet the growing and changing demands of a variety of industrial and related uses to meet local and strategic need over the lifetime of the Plan and that the size of the areas support their servicing and act as a buffer to other land uses.

Appendix 2: Barking and Dagenham Growth Commission

The Barking and Dagenham Independent Growth Commission provided 109 recommendations to the Council. This work stream will help to develop evidence base to support 7 of its recommendations. The recommendations this review will support are set in the table below.

Recommendation	Description
Recommendation 87	The Council should develop an in-depth evidence base, including baseline studies, around the potential growth sectors within the Borough.
Recommendation 88	Given the role of the Borough within London's wider economy, notably as a net exporter of labour, the Council should identify employment growth potential in other areas of London, including Stratford and Canary Wharf, and ensure training and skills provision is aligned.
Recommendation 89	Recommendation No: New business and retail developments, with job growth potential, should be accompanied by Council co-ordinated stakeholder engagement that provides targeted, integrated support in neighbourhoods to provide pre-employment and employment preparation.
Recommendation 90	The Council should work with stakeholders, including employment support organisations, and demonstrably successful organisations, to identify how people at a distance from the labour market can be supported into work.
Recommendation 99	A register of businesses should be compiled and a survey of all businesses undertaken.
Recommendation 100	A market assessment should be undertaken drawing in property agents and advisors from across London to establish market perceptions of the Borough and the kinds of projects for which it needs to create capacity in terms of available sites and premises.
Recommendation 101	A full inventory of available sites and premises should be undertaken to analyse the stock.

The Independent Growth Commission document can be found here: <https://www.lbbd.gov.uk/wp-content/uploads/2015/11/No-one-left-behind-in-pursuit-of-growth-for-the-benefit-of-everyone.pdf>