

London's Growth Opportunity

The Future of Our Local Economy and Employment Land

BRIEF FOR APPOINTMENT OF CONSULTANT

November 2016

Purpose and Aims

- 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 borough.¹ 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. This is the basis for the spatial vision for the borough for the next fifteen years in its Issues and Options Local Plan², and which is reinforced by the London Riverside Opportunity Area Planning Framework³. The key to ensuring no one is left behind is a coherent economic development, employment land and skills strategy. Evidence is needed to understand the strengths and weakness of the borough's existing business base, 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.
- 1.2 A core principle proposed by the Commission and agreed by the council is that a vibrant local business base should be established, providing a home for entrepreneurs and businesses, large and small both local and from around the world. It 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 Green and Chadwell Heath, for sustainable mixed-used development in order to deliver 35,000 new homes and at least 10,000 new jobs, see figure 1⁴ (from here on in referred to as employment release sites).
- 1.3 The council's growth strategy identifies six growth sectors, green technology, biotech, health and social care, creative industries, logistics and manufacturing. However, the 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. It recommended that this should be mapped to skills in the area and a strategy developed in partnership with a range of stakeholders from the business, and education and training sectors to develop the right skills amongst local people.
- 1.4 These growth sectors will not be confined to industrial land. The traditional land use classifications are becoming increasingly blurred and therefore whilst the borough has the largest concentration of industrial land in London it is the case that the majority of the jobs in the borough are outside the 20% of the urban area which is set aside for industrial uses. This is because much of the borough's industrial land is underused. This is a profligate use of scarce brownfield land at a time when there is not sufficient land to meet identified housing need across London. Therefore, in identifying existing and potential new growth sectors it is necessary to ensure land and premises can be provided in a way which makes best use of scarce brownfield land. This means on release sites creating vibrant mixed-use communities, not only providing new homes for London's workers but also new space for London's businesses within those growth sectors which can thrive in such developments. This requires moving away from traditional land use zoning and instead mixing up housing and business space facilitated by flexible land use allocations. It is no longer tenable, in a borough less than 20 minutes from central London to set aside vast swathes of industrial land when there are not enough homes for people to live in.⁵ Many of these underused sites, particularly in River Road and Thames Road, are unattractive, harming the image of the borough as a place to invest for new homes and new jobs in growth sectors. The council recognises this is innovative but due to the scarcity of land in London for new homes and new jobs it is necessary for the property industry to make better use of industrial land and develop typologies which provide space for commerce and homes within the same development. Equally, this demands that much better use is made of the industrial areas the council plans to retain. The council needs a better understanding

¹ Referred to in this document as the 'Growth Commission' Please see here: <http://www.barkinganddagenhamgrowthcommission.com/>

² 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/>

³ <https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/opportunity-areas/opportunity-areas/london-riverside>

⁴ These are the following; Thames Road, Chadwell Heath, Creekmouth, Rippleside and the Wantz Road sites. Set out spatially in Figure One.

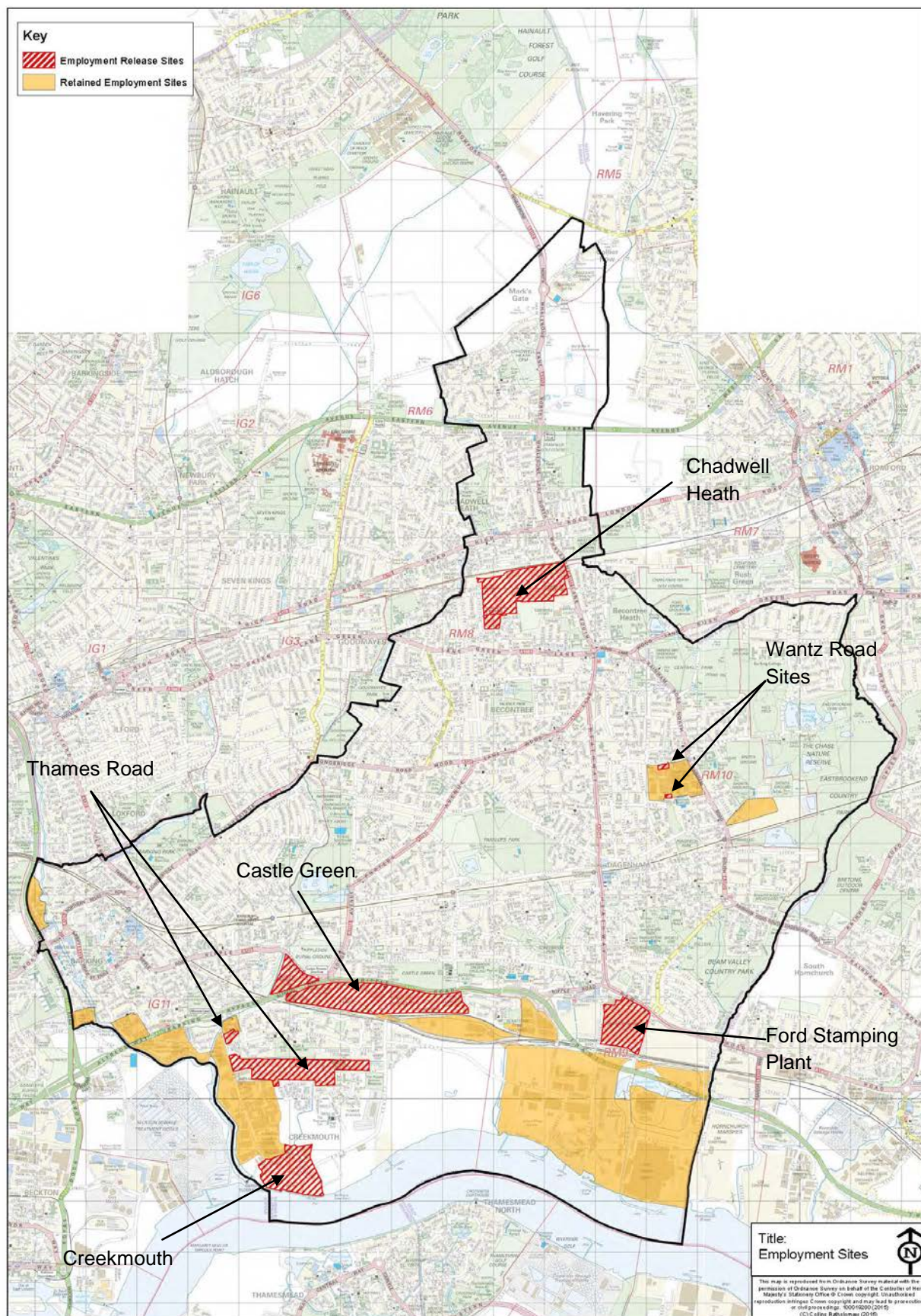
⁵ The Council's Issues and Options report explains that despite the number of people employed in industry having fallen by two thirds since 1950, the extent of industrial land remains very similar. If national average employment densities are applied to the current number of industrial jobs in the borough these jobs could be provided on half the amount of land currently safeguarded for this purpose.

of the businesses and premises within these sites and what improvements need to be made to increase employment densities and grow and attract businesses in the growth sectors.

1.5 This commission is unique; it includes elements, of economic development strategy, employment land review, economic audit, viability assessment, quantitative survey work and urban design analysis. This work has been brought together to assess how we develop our local economy, skills our residents and plan employment sites. The overarching objectives of the study are as follows:

- Identify existing growth sectors within the borough and potential new growth sectors that the council should be prioritising, taking into account that the council's Growth Commission report identified that the borough is undergoing structural change and that the Council is prepared to use its land, access to low cost borrowing and planning powers to attract modern businesses. This should be mapped to skills within the area and recommendations should be made to address the skills gap to ensure residents are equipped with the skills and capacity to access employment opportunities both within and outside the borough in areas of job creation potential.
- Understand the buildings and land that make up the boroughs employment areas, both release sites and retained sites, to help inform the identification of businesses that can be retained within mixed-used development. Providing a comprehensive understanding of existing employment densities and how many jobs are located on each site.
- Respond to the Mayor of London's concerns voiced during the Issues and Options consultation, set out in appendix one.
- Provide an assessment of the borough's property market, drawing on property agents across London, to understand market perceptions of the borough's employment land.
- Provide a full inventory of the qualitative and quantitative strengths and weaknesses of all employment sites through comprehensive site assessments.
- Set out the demand for employment land over the plan period (2018 to 2033) and years to 2045 and what needs to be done to attract investment in the growth sectors and what type of space they require.
- Investigate how supply could be delivered through innovative approaches to meeting demand side requirements. Provide recommendations for how space for businesses in the growth sectors can be provided within mixed use development and what impact this has on current and future land values.
- Provide scenarios of future supply based on the demand side requirements. Investigate, if the borough can meet its demand side requirements.
- Provide an understanding of the qualitative and quantitative benefits of residential, mixed-use development. This should include an indication of the projected employment likely to be generated from the sites in the future.

Figure One: Employment Sites and Proposed Employment Release Sites



2 Scope of services required

2.1 The study will have five main parts:

Part 1: The composition of our borough's employment sites

Part 2: The development of new growth projections and scenarios and understanding of future demand for employment space and employment land (across the borough) (2018 to 2033 and years to 2035 and 2045)

Part 3: Testing alternative approaches to future employment supply

Part 4: Future supply for employment space and employment land (across the borough) (2018 to 2033 years to 2035 and 2045) and the quantitative (demand – supply) balance

Part 5: The quantitative and qualitative benefits of releasing the employment sites

Baseline: Our Local Economy

2.2 Prior to undertaking these components the chosen consultant would be required to undertake a review of the economic indicators of the borough as whole. This should update and supplement chapter two of the Economic Development Study (2014). This should include an understanding of:

- Number of jobs.
- Quality of jobs.
- Public sector jobs density and private sector jobs density.
- Structure of employers⁶⁷.
- 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 nationally⁸.
- Long term trends in employment.
- The boroughs history of attracting investment (e.g. number of jobs created through Foreign Direct Investment (FDI)).
- The skills base of the borough and changes to the labour market overtime.
- Commuting patterns.
- Other indicators that build on chapter two of the Economic Development Study (2014) and the Barking and Dagenham Growth Commission.

Part 1: The Composition of Our Employment Sites

2.3 Although much evidence has already been prepared, the council believe that there are four knowledge deficits in our understanding of our employment sites.

1: The Historical Development of Our Employment Sites:

2.4 The study should detail the historical evolution of each employment site, charting the development up to the present day. This should be kept relatively brief but should provide insight and inform future components of the study. This will help explain why, although employment is manufacturing has decreased by over two thirds, the amount of land designated for industry in the borough has changed little over the last sixty years. The availability of industrial land in the borough has resulted in a concentration of low skilled, low employment density businesses, particularly in River Road and Dagenham Dock, which contribute little to the local economy. Across the board employment densities are half those of modern industrial businesses. However, there are clusters of skilled high employment density businesses which are vital to the local economy.

⁶ 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.

⁷ 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.

⁸ 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: The Businesses within our Employment Sites:

2.5 The council acknowledge that there are gaps in our understanding of the businesses based on our employment sites. The Growth Commission recognised this, recommending the preparation of a register of all businesses⁹. Consequently, this study should provide a full business survey of our employment sites¹⁰. The commission will provide:

- Name of each business operating within our employment sites.
- An understanding/ estimation of the number of employees/ jobs of each business (at time of assessment).
- Estimation of the jobs density for each business/ sample of businesses¹¹.
- 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, are they predominantly for local consumption or if they export services and goods regionally, nationally or internationally¹².
- 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).
- Other objectives that the bid team considerer would be of value to the project.

2.6 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.

2.7 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 today¹³. 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.

3: The Buildings and Land of Our Employment Sites:

2.8 This part of the commission will involve the preparation of a comprehensive site assessment for all employment sites. 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 particular use to creative industries or small businesses.

⁹ 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.

¹⁰ Please note that some evidence has been undertaken as part of this study, the was assembled as part of the Creekmouth Industrial Area Site Survey July 2015

¹¹ 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.

¹² 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/>

¹³ 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.

- If existing building stock/ employment sites have seen significant redevelopment over the previous, 5, 10, 15, 20, 30 years, or if activity/ use has mainly stemmed from reuse.
- An understanding of the number of jobs density and estimation of number of employees.
- Please note that as part of the Economic Development Study (2014) a site assessment was undertaken, where the principle methodology is based on a scoring system. The commissioning team would like bids to explore how they could improve on this method¹⁴. As practitioners, we feel that the scoring system has not given much value and is perhaps too simplified to aid policy actions. We would like this work stream to provide a comprehensive site survey of employment land and also provide an understanding of recent changes in the use, character and quality.
- Other objectives that the bid team considerer would be of value to the project.

4: Completions and Pipeline of Our Employment Sites:

- 2.9 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.
- 2.10 The commissioning team understand that what we are asking for¹⁵ 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 (see part three). This is why 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).
- 2.11 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.

Part 2: Future Demand for Jobs, Employment Space and Employment Land (across the borough) (2018 to 2045)

- 2.12 This section should examine the demand side requirements for employment activity¹⁶ at the borough level for years to 2045. It will go beyond the Economic Development Study (2014)^{17 18} and be tasked at providing new quantitative scenarios and a new property market profile¹⁹. It will undertake these tasks with reference to the aforementioned Economic Development Study (2014), Industrial Land Demand and Release Benchmarks in London (2010) and the London Industrial Land Supply Study (2015).

The Property Market Profile of Our Employment Sites and Borough:

- 2.13 This component of the study should provide a property market assessment in order to understand how the property market functions on our employment sites and across the borough. As the property market is a good barometer to understanding the supply/ demand balance this part of the commission should inform the overall demand side requirements. The need for this is backed up by national planning guidance. The PPG makes clear that planning making should be supported through clear market

¹⁴ Description and analysis led as opposed to a numbering system.

¹⁵ For all three subsections; the historical development of our employment sites, the businesses of our employment sites and the buildings and land of our employment sites.

¹⁶ By employment demand we mean in terms of land requirements (hectares) and in terms of floor space requirements (square metres)

¹⁷ See Chapters Five, Six and Seven – Economic Development Study (2014). These chapters provided a property market assessment and quantitative assessment of employment floor space. This commission will be tasked at going beyond the NLP Study.

¹⁸ Although most of this commission focuses on the employment sites (both the employment release sites and the retained employment sites) this part of the study is unique in so far as it relates to the borough as a whole.

¹⁹ According to the PPG, assessing employment needs has two distinct components; an understanding of qualitative demand as assessed through a property market profile and quantitative demand assessed through exploration through a range of scenarios. This commission will need to undertake these two distinctive assessments. These two tasks are set out in more detail below.

intelligence as well as market/ price signals²⁰. Additionally, the Growth Commission set out the need for a property market assessment to be undertaken²¹.

- 2.14 Those looking to submit bids should be aware of the Planning Advice Service (PAS) advice²². 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.
- 2.15 The property market analysis will need to understand the supply and demand characteristics from the perspective of 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.
 - The market perception of ground floor employment space above residential development (see step three for the rationale of this requirement).
 - 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?
 - 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 sectors 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 specialisms in urban economics.
- 2.16 A weakness of property market assessments is that it inevitably becomes a point-in-time assessment and consequently becomes out of date rather quickly. This is a weakness in general, but especially in the context of our borough as it is undergoing structural changes in terms of the rate and type of development. We therefore welcome innovative bids which explore how the property market could change over time and how the analysis could be geared to achieve this objective. This is likely to need the expertise of urban/ land use economists well versed in understand future spatial economic trends²³. The study should understand how this qualitative part of understanding could inform the quantitative element set out below.

Exploring Quantitative Demand (Trend Based and Structural Change Scenarios/ Projections):

- 2.17 The study should provide at least five (structural) and conventional (trend based) scenarios to assess quantitative demand for both employment floorspace / land and jobs/ labour growth). This should include conventional methods to account for future employment demand (such as trend based job based estimates²⁴) as well as more innovative methods which can give assumptions for possible structural

²⁰ See PPG Paragraph 031.

²¹ 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.

²² See Slide 47 – Advice 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 advice should be enshrined in this study.

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

²³ As part of the Economic Development Study (2014) a property market profile has been completed, this is set out in chapter five.

²⁴ E.g. Experian Floor space Demand Estimates, GLA Labour Market Projections

changes in employment growth over the period to 2033, 2035 and 2045. This assessment would need to be rooted in the requirements of national planning guidance but also give a more innovative insight into how future employment demand, plus how it could manifest to the years 2033, 2035 and 2045²⁵.

2.18 Although the trend based projections give much value in conventional situations, such methods can have their limitations in context of structural changes in growth patterns. This goes back to the Growth commissions' findings, which note 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 sectors²⁶. The commission 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 take into account that:

- 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.
- 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 is having in attracting creative industries from inner London and the potential to attract more such businesses to the borough.

2.19 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 projections²⁷.

2.20 Based on the outcomes of this the study will explore the possible quantitative demand of these sectors (in floorspace, land and jobs terms).

Demand from Relocating Businesses (affected by de-designation/ demolition) Departing from the Employment Release Sites:

2.21 The study must also take into account businesses impacted by our employment release strategy into our quantitative growth projections (for land and space). However, we seek advice to understand this aspect more comprehensively. As noted in the NPPF, local plans must be rooted in an understanding of the needs and requirements of existing businesses (Para 160). Consequently, the study should consider the businesses which are displaced by de-designation. These businesses (and their floor space

²⁵ 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.

²⁶ 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.

²⁷ 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>

requirements) are likely to add to demand (at specific points²⁸) over the emerging plan period and years to 2045.

- 2.22 The quantum, type and character of these businesses would have been identified in part one of this study. Many of these businesses could also add to demand over the emerging plan period and years to 2045.
- 2.23 Demand, likely to be generated from existing businesses departing from the employment release sites due to de-designation/ demolition, could need to be considered within the scenarios as required in paragraph 2.18. We will be looking for bids to explore this issue and how it could be embedded into demand side requirements. Bids should consider the issue of time as demolition is likely to be phased over the medium to long term. The issue of the business composition at the time of demolition is also likely to be a relevant factor. Some businesses which exist now (and are identified in the business analysis set out in section one) may no longer exist by time of demolition. New businesses may take over premises on the employment release sites; however, the demand from these businesses may already be within the demand side scenarios. This could lead to double counting. Therefore, we ask bids to consider these points. Additionally, we ask bids to explore the issue of how many businesses would need to be relocated. It is natural that some businesses would decide to move away from the borough due to better locational advantage. We would like the study to consider all these points.

Conclusion on Demand Side Requirements

- 2.24 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 over five year periods as well as presenting demand to 2033, 2035 and 2045 (where possible) as aggregate amounts. All analysis should be articulated clearly and should be defensible at Examination in Public.
- 2.25 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.

Part 3: Testing Alternative Approaches to Future Employment Supply

- 2.26 This part of the commission will identify innovative approaches aimed at accommodating future employment demand. The commissioning team acknowledge that a significant amount of employment land supply will be lost over the emerging plan period and years to 2045, due to the de-designation strategy²⁹. However, the council remains committed to providing for future employment needs especially within Growth Sectors. Land supply for purely employment uses, will be limited, novel approaches which depart from the traditional approach of providing for employment space on land purely for employment activity (e.g. Strategic Industrial Land) could be the solution. These approaches include:
- Providing employment space within mixed use residential led development on the redeveloped employment release site.
 - Retaining high density clusters of businesses within mixed use schemes.
 - Multi-storey premises for businesses.
 - Intensification of employment floorspace and employment land on retained employment sites through increased employment densities (natural change and influenced change) and through emerging themes around how land is used (e.g. shared loading bays, multilevel distribution and manufacturing activity, rooftop workspaces).
- 2.27 The council's vision is that the above approaches, combined with conventional approaches of employment land provision, could contribute to providing for future employment demand³⁰. However,

²⁸ They would likely add to demand at time of demolition of the buildings they currently inhabit, the Council can provide more details of when certain parts of sites will be demolished and will happily assist the chosen team. The Councils Housing Land Assessment (draft) will help the successful team understand when sites are likely to come forward.

²⁹ Employment land will be lost if the emerging local plan is found sound and once development begins on the redevelopment of employment release sites.

³⁰ This would have been identified in section two of the commission.

these approaches need to be tested, especially with regard to the viability/ achievability (NPPF, Para 173). The study should include recommendations for how to make these strategies viable (over the short, medium and long term) and if they are conducive to providing the employment space the borough needs³¹.

- 2.28 This section of the study needs the expertise of; property market specialists³², economic forecasters³³, and those with urban design and planning skills to help illustrate how these approaches will provide for employment demand³⁴. In the context of a substantial loss of employment land, we will look to innovative bids to inform us of other novel solutions to provide for employment space.

Employment Floorspace at Ground Floor Level as Part of Mixed Use Residential Developments on Redeveloped Employment Release Sites

- 2.29 A key goal of the council is that, once complete, the de-designated, employment sites will have, as a minimum, the same level of employment on site as they currently have at the moment³⁵.

- 2.30 This will require the following outputs: study should undertake the following tasks:

- Provide recommendations on how business floorspace for growth sectors and compatible existing businesses can be incorporated into mixed use residential development and what impact this has on current and future residential land values.
- What local initiatives both Local Plan Policy and fiscal policy are necessary to increase the viability of this form of mixed use development.
- An analysis of how receptive developers are to providing such developments. The property market analysis, set out in part one of this study, is likely to help aid this analysis. The commissioning team are conscious that this is innovative, especially in the UK, but equally in London where businesses and housebuilders are competing for scarce land resources it is unavoidable.
- What demand this supply could deliver. Also noted, the demand level analysis in part two should set out the aggregate demand needs by sector. We would like the study to explore the scale of floor space employment demand that could be delivered at ground floor level as part of mixed use residential development.
- On the supply side, we would like the commission to look at how much supply could be delivered through mixed use development on the 135 hectares of industrial land earmarked for release. The commissioning team is likely to need urban design skills as we would like the study to (in a simple way) illustrate how much supply could be identified through this approach.

- 2.31 In connection with paragraph 2.25 above, there will be a need to understand if this novel form of mixed use development is viable³⁶. Consequently, the study should undertake the following tasks:

- Does providing ground floor employment above residential development have an impact on the underlying land value and economic viability?
- In the context of the employment release sites, is this novel form of mixed use development viable based on existing land values/ price signals and projected land values/ price signals?
- Where a viability challenge has been identified, what factors could influence making such development viable? (E.g. would increasing site yield/ densities help).

This question is fundamental to how we masterplan our release sites at Thames Road, Creekmouth, Castle Green and Chadwell Heath. Thames Road is within the Barking Riverside Gateway Housing Zone and the council is due to appoint a development partner shortly to deliver the emerging

³¹ The demand side component of the study undertook in part two should provide an understanding of the sectors that make up future demand; this should give an understanding of if the innovative approaches are conducive to these type of sectors.

³² To understand if residential led scheme with commercial at ground floor level is viable based on current market values and if there is development appetite for this type of development.

³³ Or those able to understand if such development will be viable over the medium to long term. This may require an exploration of what market/ land values are likely to be in future years.

³⁴ If it is considered viable we would like the study to understand how much supply could be identified through these approaches.

³⁵ This commission will provide evidence on number of jobs currently on site as part of part one of this study.

³⁶ Employment on ground floor and residential above.

masterplan for a genuinely mixed-use residential/employment development. Therefore, property development and surveying expertise will be necessary as part of the chosen consultant team. The chosen consultant will provide the masterplanners of the Barking Riverside Gateway Housing Zone with advice on the outputs of this part of this study. The chosen consultant should add this cost within their proposal. This should include assistance with the composition of the masterplan, based on the viability outputs of this part of the study. This will help make sure the masterplan strikes the right balance between the economic realities and the aspiration of providing for sustainable mixed use areas. Bidders may want to set out how they will engage with the masterplanners, but costs for one written advice note explaining viability issues of this form of mixed-use development should be factored in³⁷.

Intensification of Retained Employment Floorspace/ Employment Land at River Road, Dagenham Dock, Hertford Road, Kingsbridge, Gascoigne and Wantz Road

- 2.32 The study needs to explore how retained employment sites could be intensified and how growth sector businesses can be attracted. The council is willing to use its land, resources and planning powers to attract these sectors. This should include:
1. An understanding of how feasible it is increase employment densities for new development (through policy intervention). An understanding of the realities of shared loading bays, multilevel distribution and manufacturing activity roof top workspaces.
 2. An urban design led analysis, showing illustratively how intensification could work.
 - Who are the major landowners/leaseholders in the retained industrial sites.
 - What local initiatives both Local Plan Policy and fiscal policy are necessary to intensify employment sites and attract growth sector businesses.

Supply Gained Through Alternative Approaches

- 2.33 The assessment should come to an understanding on how much supply (considered both viable and realistic to provide) can be achieved through these alternative approaches this should be factored in to the next section.

Part 4: Future Supply for Employment Land (across the borough)

- 2.34 This section will explore if there is sufficient overall supply to meet demand over the emerging plan period. Part two of the study would have provided an indication of future demand over the plan period (as well as years to 2045). Part three would have given an indication of how much future supply could be delivered through alternative approaches. 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 GLA³⁸ (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 local and strategic role in providing for employment land. The GLA stated that the borough should ensure that the employment lost (through the 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.
- 2.35 It is likely that office demand (identified in part two) 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.
- 2.36 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.

³⁷ The commissioning team has set out in paragraph 4.4 that seven meetings should be factored into budget costs, it is likely that a meeting with the masterplanners will form one of these meetings.

³⁸ Set out in the GLA and TFLs response to the Barking and Dagenham Local Plan.

Part 5: The Quantitative and Qualitative Benefits of Releasing the Employment Sites

- 2.37 The commissioning team hope that the first four steps clearly articulate that the demand side requirements over both the emerging plan period (plus years to 2045) can be met through both the alternative approaches to supply and the conventional approaches identified and if not that surplus space could be identified elsewhere.
- 2.38 We would like the commission to set out the following:
- Jobs based estimates from the residential mixed use vision (from the commercial elements of the development, likely school places, medicinal facilities and other jobs associated with residential development compared to the current arrangement). GLA research has found that for every 100 new homes built 23 jobs are generated to support this new population.
 - The qualitative benefits of a residential led mixed use development (better environment, responding to London's housing challenge).
 - Estimation of the business rates impact the release strategy will have, this should be a quantitative as well as quantitative assessment, with considerations of the financial gains made through additional Council Tax, New Homes Bonus, Business Rates Retained etc.
 - Present case studies of benefits from other parts of London, UK, world wide – where redeveloping employment sites has benefited the local economy and local area.

An Innovative Approach

- 2.39 The commissioning team are open to suggestions regarding how this work stream could be improved and we welcome suggestions in the bids. The five step approach described has been suggested to make sure that the boroughs de-designation strategy is sustainable in providing for the employment demand sides of economic growth. We will look to bids to see where added value can be identified or where an alternative approach or new innovative techniques will provide score to meet the commission's core objectives.

3 Methodology

- 3.1 All too often studies such as 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 town planning (RTPI planners), urban design, economist (economic forecasters), values/ surveyors (RICS surveyors), 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 our 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 how property/ land market dynamics could evolve in the future. The commissioning team think that urban economists will add much value to the commission.
- 3.3 Urban designers, architects or those with master planning experience will add value to the project. Especially with regards to how mixed use residential led development will work and, how intensification of retained businesses sites will work. We would also advise that urban designers could also add much value in part five, where the quantitative and qualitative benefits of the Councils spatial option could be set out illustratively.
- 3.4 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.
- 3.5 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.

- 3.6 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.

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 27 March 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 8 December 2016**, 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 and Employment Land – 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 tender submission 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
11 November 2016	Invitation to quote documents dispatched
1 December 2016	Deadline for submission of queries
8 December 2016	Tender Submission deadline 5pm
w/c 2 January 2017	Shortlisted tender interviews
w/c 9 January 2017	Scheduled tender interviews
w/c 9 January 2017	Anticipated award of contract
w/c 16 January 2017	Contract start date and inception meeting
w/c 20 February 2017	Progress review meeting
w/c 27 March 2017 (subject to confirmation with the appointed consultant)	Submission of full draft report
w/c 3 April 2017	Presentation on the Draft Report and Meeting to Discuss Final Changes
w/c 8 May 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	70%
<i>Consisting of:</i>	
<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 9 January 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, 1 December 2016** 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 One: 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.