

The background image is a photograph of a river or canal. On the left, there is a large electricity pylon and several power lines stretching across the sky. The right side of the image shows a grassy bank with some trees and a fence in the distance. The sky is blue with some clouds. A diagonal blue line divides the image from the top left to the bottom right.

# ***Edmonton Leaside Area Action Plan:***

**Evidence Base for  
Employment Land,  
Industries and Jobs**

***Final Report***

***Date November 2016***

***Prepared for  
Enfield Borough Council***

## Revision Schedule

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## **ABBREVIATIONS**

AAP	Area Action Plan
BRES	Business Register and Employment Survey
CAZ	Central Activity Zone
GLA	Greater London Authority
HCA	Homes and Communities Agency
LBB	London Borough of Barnet
LBE	London Borough of Enfield
LBH	London Borough of Haringey
LBHI	London Borough of Hillingdon
LBHO	London Borough of Hounslow
LBWF	London Borough of Waltham Forest
ONS	Office of National Statistics
SIL	Strategic Industrial Land

# 1 INTRODUCTION

## 1.1 Context

- 1.1.1 Meridian Water, in LB Enfield (LBE), is the name broadly given to the area bounded by Conduit Lane, the A406 North Circular Road, Kimberley Road and the Lee Valley Regional Park. It lies at the geographical heart of the Upper Lee Valley (ULV) Opportunity Area (OA), which has a regeneration vision to deliver over 20,100 new homes and 15,000 new jobs across a range of industries by 2031.<sup>1</sup>
- 1.1.2 Within the ULV, Meridian Water is identified as an area for growth. Policy 38 of the Enfield Core Strategy (adopted 2010) makes provision for 5,000 new homes and 1,500 new jobs. However, since then, LBE has developed a vision to realise higher levels of growth and create 40,000 new jobs by 2036. At the forefront of this vision is Meridian Water and the Council's stated aspiration is to deliver 10,000 new dwellings and 6,700 net additional permanent jobs on the site over the next 20 years, beginning in 2017<sup>2</sup>.
- 1.1.3 This report – **Task B** – complements our Task A work on housing and supporting infrastructure by providing an assessment of the potential demand for employment at Meridian Water and the number and type of employment opportunities which redevelopment could support. Both Tasks A and B form part of the evidence base to support the Edmonton Leaside Area Action Plan (AAP), which is currently being updated by LBE.
- 1.1.4 At present, a proportion of Meridian Water is designated as industrial land. However, the Opportunity Area Planning Framework (OAPF) states that the existing level of public transport accessibility and the planned improvements mean that Meridian Water could see a proportion of existing industrial land released to support residential development and new non-industrial commercial space.
- 1.1.5 This assessment therefore considers four spatial employment scenarios, which differ primarily by the amount of industrial land which could be released from Meridian Water, and the potential for these scenarios to support employment in line with growth aspirations. These are presented in Section 2.

## 1.2 Objectives

- 1.2.1 The objectives of this assessment are:
- To justify the requirement for 3,000 new jobs or 6,000 new jobs (both net), taking into account the four spatial scenarios;
  - To determine what types of employment, in terms of broad sector activities and their broad use classes, could potentially be supported;
  - To estimate the likely density of employment on-site; and
  - Building on **Task A**<sup>3</sup>, to calculate the likely spend by residents of the new homes.<sup>4</sup>

<sup>1</sup> GLA, (2013); Upper Lee Valley Opportunity Planning Framework (page 6).

<sup>2</sup> The jobs figure excludes those provided through the public sector. See <http://meridianwater.co.uk/employment/>.

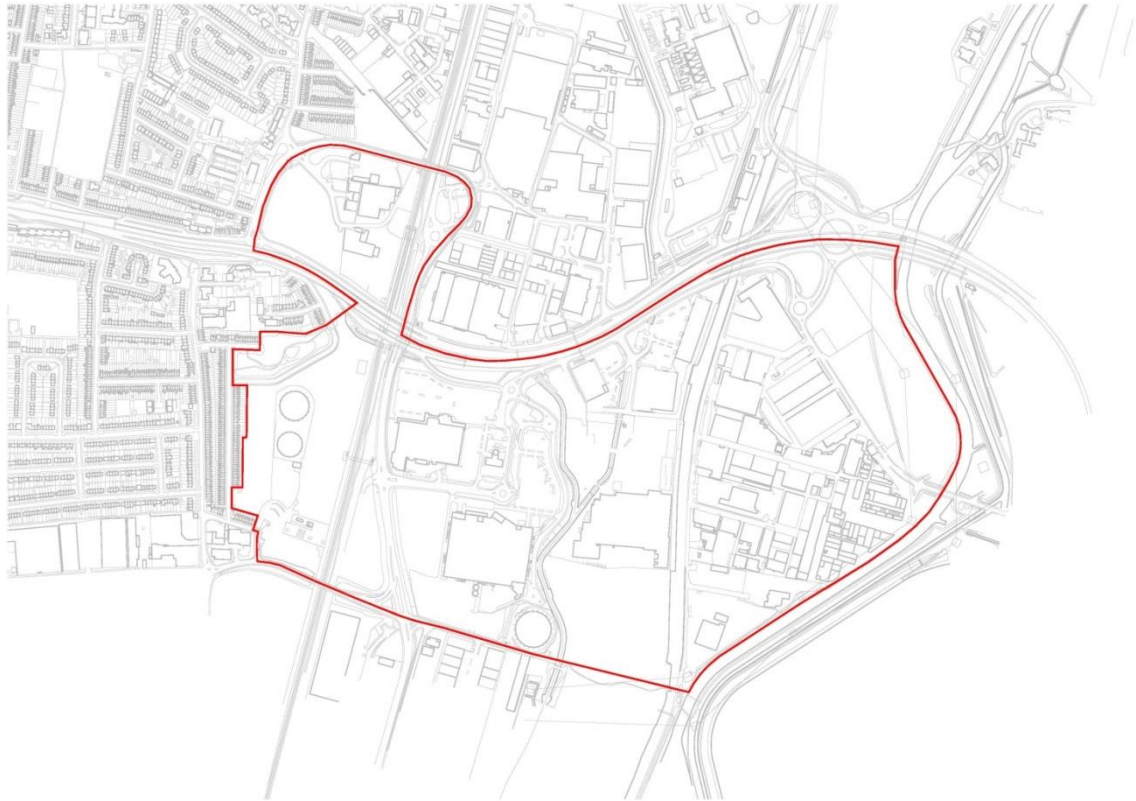
<sup>3</sup> AECOM commissioned by LBE, (2016); Edmonton Leaside Area Action Plan; Task A.

<sup>4</sup> Workstream A includes an estimate of the number of new residents associated with four different dwelling scenarios at Meridian Water of between 5,000 and 12,000 new homes.

### 1.3 Study Area

- 1.3.1 Meridian Water covers an area of approximately 85ha. It is one of the largest areas of developable land in North London and a significant regeneration opportunity in the ULV. Meridian Water is defined by the red line boundary set out in **Figure 1.1**, which is the assessment area

**Figure 1-1 Assessment Area: Boundary defining Meridian Water**



Source: LBE, AECOM 2016.

- 1.3.2 Within this area there is a mix of employment-generating activities. Existing uses by broad sector include: transportation and storage; wholesale; manufacturing; construction and utility companies; as well as retail provided by out of centre stores.
- 1.3.3 Harbet Road Industrial Estate, adjacent to the eastern side of the red line, and which is designated as Strategic Industrial Land (SIL), supports the majority of industrial activities found in the study area. A smaller area within the boundary north of the North Circular and directly west of Angel Road station is designated as a Locally Significant Industrial Site (LSIS).
- 1.3.4 Across the site there is a significant retail element located in large stores including Mothercare, Wickes, Argos, Carpetright and Maplin amongst others at Ravenside Retail Park, as well as Tesco and Ikea stores.

### 1.4 Definition of Employment

- 1.4.1 For the purposes of this assessment, employment refers to jobs from activities occupying B-use class land and premises such as office (B1a/b), manufacturing (B1c/B2) and warehousing (B8), as well as jobs supported through retail provision. There will also be jobs arising from the provision of leisure and community uses (such as schools and GP or dentist surgeries) on-site

to support the new residents. The largest proportion of anticipated employment demand is expected to be from B-use class businesses and retail.

1.4.2 This assessment considers jobs associated with the operational phase, i.e. once a scheme has been built out and is fully functioning, not the construction phase (which in itself will also generate employment opportunities, though temporary).

1.4.3 The measure of employment or jobs is full time equivalent (FTE).

## **1.5 Structure of Report**

1.5.1 Following this introduction, the assessment:

- outlines the four employment growth sector scenarios (Section 2);
- estimates the existing employment supported within the red line boundary (Section 3);
- considers the demand for employment across the LBE and the surrounding area, and the potential for Meridian Water to capture a proportion of this demand while also estimating spending generated by new residents (Section 4); and
- Section 5 reports on the potential types of jobs by sector and calculates the job density across Meridian Water.



## **2 SPATIAL SCENARIOS**

### **2.1 Introduction**

- 2.1.1 The quantum and type of commercial floorspace delivered at Meridian Water will be influenced by the proportion of existing uses and land designations which could be retained or released. The differing levels of retention / release are described by the four spatial scenarios.

### **2.2 Spatial Scenarios**

- 2.2.1 The four scenarios vary by the amount of SIL release:
- Spatial Scenario 1: 100% existing SIL retention;
  - Spatial Scenario 2: Area Action Plan SIL release (about 50% retention);
  - Spatial Scenario 3: Southern part of SIL release (about 25% retention); and
  - Spatial Scenario 4: 100% existing SIL release.

### **2.3 Retention and Release of Existing Employment Uses**

- 2.3.1 For all four scenarios the existing out of centre retail premises currently used by Tesco and Ikea, and those within the Edmonton Ravenside Retail Park which include Mothercare, Wickes, Argos and Maplin stores amongst others, are to be retained.<sup>5</sup>
- 2.3.2 Section 3 identifies the current provision of employment within the Meridian Water area, which informs the potential loss of existing employment under each spatial scenario.

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<sup>5</sup> As advised by LBE.

### 3 EXISTING EMPLOYMENT IN STUDY AREA

#### 3.1 Introduction

- 3.1.1 This section estimates the FTE employment currently supported across the study area.

#### 3.2 Approach

- 3.2.1 FTE employment on-site has been estimated by the availability of up to date and accurate information. The Office of National Statistics' (ONS) Business Register Employment Survey (BRES) provides FTE employment count data by standard industrial sector classification at different geographical levels<sup>6</sup>. The Lower Layer Super Output Area (LSOA) level is the smallest geography for which data is available and LSOA polygon Enfield 033F corresponds closely with the Meridian Water study area boundary. Where the LSOA overlaps areas outside the Meridian Water boundary it does so with primarily residential uses. This means that BRES LSOA data for Enfield 033F provides a good starting point to estimate existing employment.
- 3.2.2 An area within Meridian Water's red line boundary north of the North Circular and directly west of Angel Road station lies outside LSOA polygon Enfield 033F and within LSOA Enfield 030C. LSOA Enfield 030C covers a much larger area which includes Montagu Industrial Estate, Eley Estate and Edmonton EcoPark amongst others, which spread north of the North Circular bordering the study area. It is therefore inappropriate to apportion total employment from polygon Enfield 030C and so there is a need to estimate the level of employment in this smaller area.<sup>7</sup>
- 3.2.3 Employment for this segment of the study area has been estimated based on the building footprint, discounting for GEA to NIA<sup>8</sup> space ratios and applying employment densities guided by benchmarks.<sup>9</sup> Aerial imagery dated 2016 suggests these units are not vacant and therefore no vacancy has been discounted.
- 3.2.4 It should be noted that the extent of the LSOA boundary of Enfield 033F marginally exceeds that of the southern portion of Meridian Water. Aerial mapping suggests there are two small employment-supporting units in the LSOA outside of the Meridian Water boundary; however, the estimated level of employment at these units is low.
- 3.2.5 The estimate of existing employment across the study area was compared with analysis undertaken by Regeneris Consulting which applied a different approach and drew upon a different range of datasets including EGi data and address point data<sup>10</sup>. Regeneris' upper end estimate of employment on-site is in line with the estimate using BRES LSOA data.
- 3.2.6 To estimate existing employment affected by each spatial scenario, assumptions regarding employment land and premises retention and release, as per Section 2, were applied. Estimates were established using a combination of aerial imagery, knowledge of the study

<sup>6</sup> BRES data is updated and published every year during September and presents data for the previous year. This report uses BRES data from 2016.

<sup>7</sup> A map showing the alignment of LSOAs with the AAP and Meridian Water study area is presented in the report 'Analysis of Current and Projected Employment in Central Leaside' (AECOM, May 2015).

<sup>8</sup> GEA refers to Gross External Area, NIA to Net Internal Area.

<sup>9</sup> Homes and Communities Agency, (2015); Employment Density Guide, 3<sup>rd</sup> Edition.

<sup>10</sup> Regeneris Consulting commissioned by LBE, (2015); Meridian Water Business Analysis. The report concludes that the existing area supports between 1,500 and 2,500 jobs.

area, review of address level data presented by Regeneris Consulting in their analysis of Meridian Water's employment, and professional judgement.<sup>11</sup>

### *Existing Employment Affected by Spatial Scenarios*

3.2.7 **Table 3-1** presents the number of jobs currently supported by employment activities at Meridian Water.

**Table 3-1 Employment Currently Located within Meridian Water, 2016 estimate**

<i>Broad Use Classes<sup>12</sup></i>	<i>Current Employment</i>
Office	100
Industrial	1,100
Retail	1,100
Administration Support Services, Education, Health and Public sector	300
<b>Total current employment</b>	<b>2,600</b>

Source: ONS, (2015); BRES; AECOM. Note: Figures rounded to nearest hundred as per ONS BRES requirements.

3.2.8 BRES data presents employment at a moment in time. As employment can vary over time, due to business growth/contraction, it is worth analysing the historical data for LSOA Enfield 033F to check for any trend or any significant variation which could suggest whether the latest BRES derived figure could be over/underestimated. Analysis reveals that the variation from the average BRES employment figure at Enfield 033F ranges between -9% and +7%, for the period 2007 to 2015.<sup>13</sup> This variation is not considered to be significant and is to be expected given that there will be a certain level of churn in stock (businesses moving in/out of the area) and a degree of frictional land or floorspace vacancy which would typically measure between 5% and 8% of stock.

3.2.9 It is also worth considering whether employment on-site could have changed significantly since September 2014 when BRES data was published. Since September 2014, there have been no wider economic impacts which would have had a significant effect on the operations of existing employment activities within the area.<sup>14</sup> However, employment could be affected by property market specifics; for example, landowners seeking to redevelop their sites may have not sought to renew leases or invested in property, which would impact on the retention of existing businesses. In the absence of any wider economic impacts, any substantial variation

<sup>11</sup> It is worth noting that BRES data could potentially provide an underestimate of overall employment as the dataset does not capture non-VAT (Value Added Tax)/ PAYE (Pay As You Earn) businesses. AECOM's analysis of employment in industrial activities not registered for VAT/PAYE for the London Industrial Land Supply and Economy Study (GLA, 2016) using BIS Business Population Estimates found that approximately 23% of industrial employment is provided in VAT / PAYE unregistered businesses. However, from experience, it is not expected that many businesses operating within premises at an established industrial estate such as Meridian Water would have a turnover lower than the VAT threshold.

<sup>12</sup> Appendix A includes details on the breakdown of sector to broad industry group.

<sup>13</sup> With a standard deviation of 149 (jobs).

<sup>14</sup> Brexit has created economic uncertainty and the actual impact on employment has yet to materialise. In the short term, with political and economic financial uncertainty there will be a knock-on effect on business confidence and investor demand as markets will move towards a new equilibrium. Over the long term the economic implications are less clear. A recent study by Open Europe 'What if there were a Brexit?' assumes Brexit on 1 January 2018 and models the impact on UK GDP in 2030 and concludes that the UK's GDP could in the best case scenario grow by 1.6% or under the maximum scenario fall by 2.2%.

in employment on-site away from the estimate of 2,600 is likely to be due to landowner decisions rather than the suitability of place and premises to support employment activities.

3.2.10 **Table 3-2** presents the potential total displacement of employment from existing activities, at existing sites, as a consequence of Meridian Water redevelopment by spatial scenario.

**Table 3-2 Estimated Existing Employment Displaced by Meridian Water Redevelopment**

<i>Broad Use Class<sup>15</sup></i>	<i>1: 100% existing SIL Retention</i>	<i>2: Area Action Plan SIL Release</i>	<i>3: South of Causeway Route SIL Release</i>	<i>4: 100% existing SIL Release</i>
Office	-	-	100	100
Industrial	300	400	1,000	1,100
Retail	100	100	200	200
Administration Support Services, Education, Health and Public sector	-	-	100	100
<b>Total</b>	<b>400</b>	<b>500</b>	<b>1,400</b>	<b>1,500</b>

Source: ONS, (2015); BRES; AECOM 2016.

Note: Figures for each Broad Use Class are rounded to nearest hundred as per ONS BRES requirements. Figures may not sum due to rounding.

3.2.11 The employment target for Meridian Water is for a net gain of 3,000 or 6,000 FTE jobs on-site. The displacement of existing employment activities from Meridian Water will mean that the actual job generation requirement from activities on-site will need to be higher by between 400 and 1,500 jobs, as set out in the following table.<sup>16</sup>

**Table 3-3 Employment Net Requirement by Spatial Scenario**

<i>Broad Use Class</i>	<i>1: 100% existing SIL Retention</i>	<i>2: Area Action Plan SIL Release</i>	<i>3: South of Causeway Route SIL Release</i>	<i>4: 100% existing SIL Release</i>
At +3,000 jobs	3,400	3,500	4,400	4,500
At +6,000 jobs	6,400	6,500	7,400	7,500

Source: ONS, (2015); BRES; AECOM 2016.

Note: Figures rounded to nearest hundred as per ONS BRES requirements. Figures may not sum due to rounding.

<sup>15</sup> Appendix A includes details on the breakdown of sector to broad industry group.

<sup>16</sup> Businesses displaced as a consequence of redevelopment may relocate to other sites/premises within the Borough, or potentially within the site itself, depending on their operational suitability with those uses proposed at Meridian Water and the property market profile. Enfield has a large stock of industrial floorspace, in the region of 1.3m sqm, so though vacancy is relatively low (in the region of 5%) the scale of provision suggests businesses could find other premises to move to. The quantity of office floorspace is smaller, in the region of 220,000 sqm, of which less than 2% is vacant (CoStar data as of August 2016).

## 4 FUTURE DEMAND FOR EMPLOYMENT SPACE

### 4.1 Introduction

4.1.1 This section considers the scale and nature of demand for future employment at Meridian Water.

### 4.2 Approach

4.2.1 When considering the potential demand for employment space, trends in employment or commercial floorspace provision can be an indicator of future provision. The planned and committed investment in infrastructure and the regeneration vision for Meridian Water as set out in the Council's Masterplan Framework also represents a significant driver that could lead to a step change in economic growth<sup>17</sup>. Therefore, in the case of Meridian Water, historic trends in economic growth and employment space provision are considered to be less of a factor in determining the potential direction and rate of growth in employment or commercial floorspace.

4.2.2 The approach to considering the potential demand for employment space at Meridian Water is based on the following:

- Employment forecasts: The growth potential of the wider economy within which Meridian Water is located, in terms of employment forecasts; and
- Potential to capture growth: In light of the wider growth and the additional factors driving a step change in demand, the potential for Meridian Water to capture a significant proportion of economic growth considering:
  - Demand-push factors for industrial and office provision; and
  - Demand-pull factors such as the characteristics and assets of a regenerated Meridian Water.

### 4.3 Projected Growth in Employment

4.3.1 This section considers the employment growth potential of the Borough and the wider economic area, drawing on GLA Economics employment forecasts<sup>18</sup>. A key limitation of these forecasts is that they are trend based, and so future projections are defined in part by the historic performance of sector, as well as being shaped by place specific factors (such as supply conditions, accessibility, perception of place etc.). In spite of this, the forecasts provide a useful starting point and context for the growth potential in terms of scale and rate of change.

#### *LBE's Links with the Surrounding Economic Area*

4.3.2 The flow of goods and services, and the movement of labour within a well-connected and complex urban area such as London featuring interdependent economies and property market

<sup>17</sup> Karakusevic Carson Architects (KCA) commissioned by LBE, (2016); Draft Meridian Water Master Plan Framework.

<sup>18</sup> GLA Economics, (2016); London Labour Market Projections: June 2016.



areas means that an analysis of a location's economic growth prospects needs to be set within the context of the surrounding economic area.<sup>19</sup>

- 4.3.3 A number of different property markets operate across London. They range from small premises orientated towards businesses serving local markets (customers, clients, including supply chains and end markets), to those with a regional reach and larger businesses operating nationally or internationally from headquarters space. Those markets which best describe the current operation of B-use class commercial space in Enfield and its surrounding area are local markets for businesses operating out of offices and from local to national markets for industrial businesses (manufacturing and warehousing uses).
- 4.3.4 LBE and Meridian Water are well linked to the London boroughs of Barnet (LBB), Haringey (LBH), Waltham Forest (LBWF) and Redbridge (LBR) through the North Circular Ring Road (A406), M25 and rail connections such as the West Anglia Mainline (WAML), as well as the London Underground and other rail links in the west of the Borough. Additionally, Census 2011 origin and destination data shows that a good proportion of LBE residents out commute to the boroughs and residents of the other boroughs commute to these four boroughs<sup>20</sup>. For the purposes of this assessment the focus is on LBE and four boroughs which lie in proximity to LBE (LBB, LBH, LBWF and LBR) as they best describe the potential scale of growth of the local economic environment.
- 4.3.5 It is acknowledged that LBE also has clear links with the Central Activity Zone (CAZ) and inner London boroughs, as well as local authorities outside of Greater London such as Broxbourne, Epping Forest and Welwyn Hatfield. LBE's economy benefits from the strategic links afforded by existing road and rail connections (including to Stansted airport) which support the flow of goods and services to, from and through LBE, and access to a large and diverse labour market. In particular, there is potential for growth from inner London boroughs to be captured through push factors such as relocation of businesses driven by supply constraints, rising rental values or congestion factors related less directly to the market. As such, the scale of employment growth for inner London boroughs whose economy interlinks with Enfield is also considered.

### *Employment Forecasts*

- 4.3.6 **Table 4-1** presents the GLA Economics employment forecast for each broad industry group in LBE and its wider economic area (excluding LBE) from 2016 to 2036<sup>21</sup>.
- 4.3.7 The GLA uses a forecasting method known as triangulation to produce its borough level forecasts. The method brings together employment sector trend projections, site capacity projections and accessibility projections.<sup>22</sup> Our understanding of the forecast method is that it would take into account the potential capacity of Meridian Water to accommodate economic growth, in line with the capacity as published in the ULV OAPF (3,000 jobs, 5,000 homes), but would not capture the additional economic impact or redistribution effects arising from this redevelopment. As such, the Meridian Water proposals would bring about an additional

<sup>19</sup> The surrounding economic area is not the same as the 'functional economic market area' (FEMA) as used in PPG. The focus here is on providing a simple contextual understanding of growth forecast across an area within which Meridian Water sits.

<sup>20</sup> ONS, (2011); Census 2011.

<sup>21</sup> Employment forecasts from the GLA's Economic Working Paper, June 2016. The forecast period 2016-2036 aligns well with the expected 20 year development period for Meridian Water.

<sup>22</sup> London Labour Market Projections: June 2016 (GLA Economics).

positive impact on employment demand levels over and above those expressed in the GLA Economics forecast.<sup>23</sup>

**Table 4-1 Employment Forecast for LBE and the Wider Economic Area, 2016-2036**

Area	Activity Groups	2016	2036	Absolute Change	% Change
LBE	Office and Research Activities	13,200	17,200	4,000	30.3%
	Industry and Utilities	37,100	35,400	-1,700	-4.6%
	Retail and Leisure	21,900	24,000	2,100	9.6%
	Administration Support Services, Education, Health and Public Sector	46,100	55,200	9,100	19.7%
	<b>Total</b>	<b>118,400</b>	<b>131,800</b>	<b>13,400</b>	<b>11.3%</b>
Sum of LBB, LBH, LBWF and LBR	Office and Research Activities	61,300	80,800	19,500	31.8%
	Industry and Utilities	94,600	92,100	-2,500	-2.6%
	Retail and Leisure	82,900	91,600	8,700	10.5%
	Administration Support Services, Education, Health and Public Sector	159,900	191,500	31,600	19.8%
	<b>Total</b>	<b>398,700</b>	<b>456,000</b>	<b>57,300</b>	<b>14.4%</b>

Source: AECOM 2016. All figures are rounded to the nearest hundred jobs.

**4.3.8 Forecast growth within LBE and across the surrounding area:** Overall, the GLA Economics data suggests LBE is expected to grow at a slightly lower aggregated rate than seen more widely across LBB, LBH, LBWF and LBR. The planned and committed capital investment in infrastructure, and regeneration and place making aspirations at Meridian Water will raise the profile of the area as a place to live and work and provide an opportunity for LBE to attract growth forecast from across the wider area.

**4.3.9** The GLA Economics dataset suggests that the Borough has the potential to generate an additional 13,400 jobs over the next 20 years and an additional 57,300 jobs (excluding LBE) across the wider area. The majority of jobs created in the Borough are expected to be in office based businesses and research activities (information and communication; and professional, scientific and technical activities [30.3%] and administration support services and public sector activity group including health and education [19.7%])<sup>24</sup>. The forecast growth rate in employment for these two activity groups is in line with the rate of growth for the wider

<sup>23</sup> The forecasts do not take into account the effects of schemes which could potentially deliver significant economic impact but which have yet to be approved, such as Crossrail 2.

<sup>24</sup> Note that the forecast data for Education and Health sectors include organisations/enterprises operating in the public and private sectors. ONS records the proportion of total employment of these sectors which is public or private. In the Education sector 58.7% of all employment is in the public sector; in the Health sector 48.1% of all employment is in the public sector.

economic area for the same activity groups<sup>25</sup>. Industry and utilities jobs for both the Borough and the wider economic area are forecast to decrease marginally, driven by the long term structural decline in manufacturing rather than by distribution activities<sup>26</sup>. These trends, which are reflective of wider pan London trends, suggest the business base in both LBE and its surrounding area is continuing to move towards an economy with more office based activities, research and development, and education and health jobs, as well as supporting administration activities. These activities are typically associated with higher value added outputs and require commercial space of B1a/b and B1c use classes.

- 4.3.10 **Forecast growth across key inner London boroughs:** The Boroughs benefits from good strategic transport connectivity via road and rail which drives the flow of goods, services and people. As such the Borough has good economic linkages with sub-markets to the south including locations within LB Camden, Hackney and Islington, and more broadly across the North City Fringe and East City Fringe. Employment within these three inner London boroughs is forecast to grow significantly over the forecast period by approximately 160,000 between 2016 and 2036, primarily driven by jobs in office and research activities (92,000); and support services, education, health and the public sector (49,000).
- 4.3.11 Of particular interest is the absolute growth forecast in office-based activities in these three boroughs compared with LBE's forecast. The figures suggest that, with sufficient transport infrastructure in place which enables enhanced access, and attractive property market offer (the right type of accommodation – size, specification and quality - provided at the right rental and contractual terms) there would be good opportunities for Meridian Water to attract a proportion of the growth arising within these sub-markets, traditionally focused on the CAZ and North and East City Fringe, through business relocation.
- 4.3.12 The growth of office and research activities in LBE also aligns with the London Stansted Cambridge Corridor Consortium's (LSCCC) projection in terms of the LSCC experiencing further growth in high value sectors (such as life sciences)<sup>27</sup>. The LSCCC's Growth for Life Sciences: Future Growth and Demand report (2015) illustrates LBE's unique position as the only local authority which is located within both the Stansted-Harlow-Broxbourne and LSCC London life science clusters. At a key interface between the LSCC and inner London, the Borough is well positioned to capture growth in the life sciences sector and the 11,000 new jobs projected in the LSCC between 2013 and 2023. Growth in this sector would support the Council's stated aspiration to support new business enterprise, inward investment and economic diversity in higher wage growth sectors including knowledge based industries, of which life sciences are a part<sup>28</sup>.
- 4.3.13 **Reflecting on historic rates of growth:** It is worth briefly reflecting on the historic rate of change in employment and commercial floorspace with LBE and its surrounding area as an indication of how the focus of the local economy is projected to change. Analysis of BRES time series data suggests that the number of employees associated with all office based activities in LBE contracted between 2000 and 2014 at a rate of -0.9% pa, though more widely across the surrounding four boroughs of LBB, LBH, LBWF and LBR the number of employees

<sup>25</sup> Approx. 1.3% pa for Office and Research Activities and 0.9% pa for Public and Support Services (expressed as a compound annual growth rate, CAGR).

<sup>26</sup> The Employment Land review (RTP for LBE, 2012) expects that LBE will see a reduction in the amount of industrial land filled by general industrial uses and an increase in the amount of land (roughly 30ha) taken up by facilities for logistics and distribution. However, the GLA Economics forecast figures for the Borough and the surrounding economic area suggest that employment in the Transport and Storage sector is forecast to fall at a rate of -0.5% CAGR over the long term. Comparatively, the Manufacturing sector is forecast to fall faster at -2.0% CAGR.

<sup>27</sup> LSCCC, (2015); Growth for life Sciences: Future Growth and Demand.

<sup>28</sup> The Enfield Plan Core Strategy (2010-2015); Strategic Objective 6: Maximising economic potential.

increased by 0.5% pa. Office floorspace (B1a/b use classes) increased over this same period by around 0.6% pa for LBE (15,000sqm) and by 0.5% across the four boroughs considered (13,000sqm). This contrasts with the industrial activities trend. For both LBE and its surrounding area, the number of employees contracted by -2.4% and -2.6% respectively. This contraction was paralleled in the stock of industrial floorspace (B1c, B2 and B8 use classes) which fell by -0.8% pa and -1.7% pa for LBE and its surrounding area respectively.

- 4.3.14 In conclusion, the GLA Economics employment forecasts suggests that there is significant growth anticipated across areas which have economic links with the Borough. In addition, the Borough's location within the LSCC and London life sciences cluster provides opportunities for LBE to capture growth from this high value added sector. The projected level of growth across the surrounding area and more widely when considering key inner London Boroughs is far in excess of the aspirations to provide employment levels on-site of 3,000 or 6,000 jobs at Meridian Water. Moreover employment forecasts illustrate that the future profile of demand for employment space in LBE and the surrounding area is positive and growing for office based sectors, but declining for industrial activities, thus reinforcing a longer term trend. In reaching its aspiration to support 3,000 or 6,000 net jobs on-site, the key question then is whether LBE, and in particular Meridian Water, has comparative advantages that could attract and capture a suitable proportion of growth from business relocations and expansion.

#### 4.4 Potential for Meridian Water to Capture Growth

- 4.4.1 This section considers whether Meridian Water has the potential to capture economic growth forecast across the surrounding economic area, and thus deliver a step change in demand for commercial space. It considers:

- the policy and strategy context;
- how the development scale, regeneration and infrastructure investment could promote and support the location as a place to do business; and
- how trends in the commercial property market (land and premises) could favour demand for Meridian Water.

#### *Planning Policy and Economic Strategy*

- 4.4.2 A supportive position for growth set out in planning policy documents will give confidence to the development community (landowners, builders, investors, etc.).
- 4.4.3 The aspiration to see regeneration at Meridian Water and more widely across the ULV is set out in planning policy and reflected in the Council's economic development objectives. The London Plan (2016)<sup>29</sup> and Upper Lee Valley Opportunity Area Planning Framework (OAPF) (2013)<sup>30</sup> both support substantial development of new dwellings and jobs. The aim is to deliver 20,100 new dwellings and 15,000 new jobs in the ULV by 2031. The OAPF identifies that Meridian Water is one of the key schemes that will help deliver a substantial proportion of this growth. Additionally, Meridian Water is identified as one of the developments which will play a key role in delivering the growth aspirations of 117,000 new dwellings and 170,000 new jobs within the LSCC by 2034<sup>31</sup>. Appendix B holds more details on planning policy and economic strategy.

<sup>29</sup> GLA, (2016); London Plan.

<sup>30</sup> GLA, (2013); Upper Lee Valley Opportunity Area Planning Framework.

<sup>31</sup> LSCCC, (2014); An Agenda for Jobs, Growth and Improved Liveability.

### *Scale, Regeneration and Infrastructure Investment*

- 4.4.4 There are a number of characteristics of place and infrastructure investment (existing and planned) which support the opportunity for growth.
- 4.4.5 **Development scale:** Meridian Water is one of the largest areas of brownfield land (85ha) in North London and is the most significant regeneration opportunity in the ULV north of Stratford. The scale of the area offers the opportunity for multiple developments to come forward simultaneously and, depending on the number and type of commercial uses provided, the potential for a critical mass of business activities and agglomeration benefits.<sup>32</sup>
- 4.4.6 **Regeneration and place making:** Redevelopment will result in significant environmental improvements and thus deliver a new high quality neighbourhood for living and working. Currently, Meridian Water faces a number of existing constraints and challenges which limit and detract from growth. In particular, physical and natural barriers constrain the area's east-west connections and divide communities. The Meridian Water Masterplan (July 2013) notes that that industrial development along the River Lee creates '*dominant physical, visual and psychological barriers between the east and west*'. Comprehensive masterplanning, with a focus on place making and environmental quality, will overcome these issues and unlock the site's positive characteristics and growth potential.
- 4.4.7 Redevelopment will provide a range of complementary amenities and a higher quality environment. This will include improved integration between the site and Lee Valley Regional Park, shops and eating/drinking outlets along the Causeway and schools among other supporting infrastructure<sup>33</sup>. A high quality environment is considered a key requirement to attract the right workers<sup>34</sup>.
- 4.4.8 **Accessibility:** Transport connectivity drives access to labour markets, supply chains and end markets. The location and connectivity of Meridian Water covers a large travel to work area within Greater London with access to a large, diverse and highly skilled workforce. LBE has a highly educated population, with 40.9% of working age residents holding a degree level qualification<sup>35</sup>. The skill and education base and profile is a key determinant of business location decisions, which makes public transport accessibility a strategic demand driver for commercial office space. Public transport access will be greatly improved with an approved £122m of rail investment to provide 4 trains per hour (tph) service at Angel Road from 2018 alongside improvements to the station. There is significant planned investment in track and stations along the Main Line to achieve a regular 4 tph with the rail industry developing a phased programme of enhancements. Initially, enhancements will be made to introduce a 4 tph service between Stratford, Tottenham Hale and Angel Road (the STAR scheme). This will strengthen the link between the ULV and Stratford, the Lower Lee Valley and the Isle of Dogs, and is a vital catalyst to unlocking development potential at Tottenham and Meridian Water.<sup>36</sup>
- 4.4.9 The proposed route of Crossrail 2, which is in its early stages of assessment and planning, runs through the Meridian Water site and could potentially stop within the site at Angel Road. Crossrail 2 could have a significant impact on accessibility and the ability of the location to attract employees from a wider catchment area, which would act as a significant driver of

<sup>32</sup> The regeneration of Stratford, the Olympic Park and Westfield Stratford City is a good example of a large scale project combining new homes and commercial space. Underpinning the project was significant investment in public transport and place making.

<sup>33</sup> Karakusevic Carson Architects (KCA) commissioned by LBE, (2016); Draft Meridian Water Master Plan Framework.

<sup>34</sup> Jones Lang LaSalle (JLL), (2014); The new Geography of Office Demand 2: Business Parks – Rising to the Challenge.

<sup>35</sup> ONS, (2016); Annual Population Survey: December 2015.

<sup>36</sup> GLA, (July 2013); Upper Lee Valley Opportunity Area Planning Framework.



demand by businesses, and would act as a catalyst for regeneration. The success of Crossrail 2 in driving demand would also be dependent on the extent to which accessibility from Meridian Water to the surrounding area of the Lee Valley is improved, e.g. the capacity of bus services to be upgraded. Given that Crossrail 2 is at this early stage of planning, there is no guarantee that the scheme will go ahead. To ensure consistency with the AAP, the impact of the rail scheme is not considered in this assessment of employment opportunities.

- 4.4.10 Road infrastructure is one of the area's major assets and a strategic driver of industrial activities, especially for the distribution sector. Industrial activity is anchored to the strategic north-south routes into London from neighbouring counties (the A406 and A1055) and east-west links (M25). Though the new industrial geography envisaged by the ULV OAPF, and the growth of new eco-industries, emphasises the importance of devising alternative methods of freight movement, roads will still continue to play a significant role in transporting freight through the ULV. The locations benefits derived by businesses from the road network are already captured in past trends and therefore carry through to employment forecasts and in the absence of any new investment will not therefore in themselves drive a step change or higher rate of economic demand at Meridian Water or more widely across Edmonton Leaside.

### *Commercial Property Market Drivers*

- 4.4.11 There are a number of emerging or strengthening market forces influencing demand for commercial property in outer London, which are likely to be under-represented in forecasts based on past trends.<sup>37</sup>
- 4.4.12 **Demand for office space:** The supply of new high quality office space being currently built out or planned in the Central Activities Zone (CAZ) and areas such as East London and Fringe London, is large. In the CAZ there are a number of individual developments proposed for the City and schemes with critical mass at King's Cross and Paddington (mostly built out), Victoria (under construction/yet to be implemented), at Euston and at Waterloo (yet to be implemented). Large scale high quality office space is also proposed and/or consented in the West End and across East London in areas such as the Canary Wharf/Isle of Dogs, Stratford, Greenwich Peninsula and the Royal Docks.
- 4.4.13 This pipeline is in response to projected demand. The LOPR (2014)<sup>38</sup> forecasts an additional requirement of 5,593,000m<sup>2</sup> of office floorspace across London between 2001 and 2036. Total office stock in LBE is forecast to grow by 74,000sqm (based on a gain of 6,000 office based jobs) and across the four boroughs of LBB, LBH, LBWF and LBR growth is forecast to be 355,000sqm (based on a projection of 30,000 jobs). However, this floorspace growth is driven primarily by employment forecasts which do not take into account the new opportunities at Meridian Water.
- 4.4.14 A Savills report published in January 2016 showed that the wider Greater London and South East office rental market was strong. During 2015 floorspace take-up reached pre-2007 recession levels, with total take-up of 4.25 million sq ft (394,000 sqm). The strongest performing area of the market was the western corridor along the M4 with overall take-up of 1.91 million sq ft (177,000 sqm). Savills expect take-up to increase to 4.5 million sq ft (418,000 sq m) in 2016, suggesting that the office market will remain strong in the near future<sup>39</sup>.

<sup>37</sup> Under represented on the basis that the GLA Economics forecasts project forward past trends and so any trends which may be significantly changing away from that past central trend may not be fully accounted for.

<sup>38</sup> LOPR (2014); Mayor of London (GLA). This report is somewhat out of date now and the GLA are in the process of updating the LOPR. However it provides useful context on the scale of growth anticipated.

<sup>39</sup> Savills, (2016); Greater London and South East Office Markets: January 2016.

- 4.4.15 This implication of strong demand is that locations which also have good transport accessibility and access to end markets and labour, but which have lower land values, are likely to be sought by developers looking to make returns.
- 4.4.16 Office space is increasingly being included as part of large scale multi-use developments fringing the perimeter of Central London and in the outer London boroughs. The re-development of Old Oak and Park Royal is arguably the most ambitious multi-use regeneration scheme in Greater London. There are plans to deliver 55,000 new dwellings and up to 645,000sqm of office space<sup>40</sup>. The scheme will benefit from good accessibility due to separate Crossrail and High Speed 2 (HS2) stations. Further west in LB Ealing, there are plans to develop 3,750 new dwellings and 500,000sqm of new commercial space and community facilities upon the 88 acre gasworks site adjacent to Southall station<sup>41</sup>. The gasworks is well connected to Central London via the Great Western Mainline and will gain further accessibility through the opening of Crossrail in 2018. In terms of accessibility, Meridian Water is not dissimilar to Southall in that it is located on the WAML and the proposed Crossrail 2 route. Both of these large schemes are driven by the potential improvements in accessibility, which is a key characteristic of the Meridian Water scheme.
- 4.4.17 **Cost driven location decisions:** As the central London office market has strengthened over time, with occupier confidence rising and office supply level decreasing, rental values have increased. Between 2010 and 2014 prime rents in the West End increased by 37%. Rents in King's Cross have increased from £40 per sq ft (£430 per sqm) to £70 per sq ft (£753 per sqm) in the space of five to seven years prior to May 2015. Rents at Silicon Roundabout (Old Street) in the same month were around £70 per sq ft (£753 per sqm), similar to prime core rents in the City of London<sup>42</sup>. Savills identify affordable accommodation as being a key driver in the movement of office based businesses from more central London locations. Savills observe that *'tenants are increasingly prepared to move from traditional locations in search of more affordable locations'*.<sup>43</sup>
- 4.4.18 The potential to attract large occupiers to cost competitive locations which are well served by public transport networks is evidenced by the recent decision of HM Revenue and Customs to take 184,000 sq ft (17,000sqm) office block on a 25-year lease at One Ruskin Square next to East Croydon station, which will see more than 2,500 civil servants set to be employed in the nine-storey building.<sup>44</sup>
- 4.4.19 **Contracting supply of industrial land:** The occupiers of industrial land provide goods and services to support the effective functioning of the city as well as exports to national and world markets. Accordingly, industrial land has been protected and classified as either: strategic (SIL); locally significant (LSIS); or local employment sites (non-designated or various Local Plan designations). LBE has 11 SILs and 14 LSIS designations, providing a relatively large stock of land designated for industrial activities and associated uses.
- 4.4.20 Industrial land requires protecting given the low value of industrial land relative to other uses, primarily residential but also office or retail, and the high demand for these alternative uses.<sup>45</sup> This dynamic creates significant market pressure for the release of industrial land to alternative higher value uses. This pressure has been particularly strong in inner London

<sup>40</sup> Old Oak and Park Royal Development Corporation, (2016); Development Capacity Study.

<sup>41</sup> <http://www.berkeleygroup.co.uk/press-releases/2016/new-masterplan-to-create-3750-homes-in-southall>, accessed August 2016.

<sup>42</sup> ARUP commissioned by LBE, (2015); Meridian Water Enfield: Business Park Development at Meridian Water.

<sup>43</sup> Savills, (May 2015); Meridian Water Development: Evidence report to support the development of Meridian Water (p.12).

<sup>44</sup> <http://developcroydon.com/> (accessed 26<sup>th</sup> August 2016).

<sup>45</sup> The London Plan (2016) states that the capital could grow by 91,000 – 106,000 pa in the decade to 2021, and over the term of the Plan to 2036 by 64,000 - 88,000 pa.

boroughs and has led to some businesses being relocated from these sites to outer borough locations.

- 4.4.21 AECOM's recent update for the GLA on the supply of industrial land identified that 528ha of industrial land was lost between 2010 and 2015 - a release rate well in excess of that planned and set out in the GLA's Land for Industry and Transport SPG (2012)<sup>46</sup>. Over the same time period, LBE was estimated to have lost 23ha, against an indicative release of 33ha for the 20 year period. Furthermore, this rate of loss is estimated to be faster than seen historically.
- 4.4.22 As release of industrial land has outpaced the contraction in industrial employment, land and rental values have also increased. Coupled with this, the increase in demand for land by competing uses and consequent increase in land values have also seen non-designated industrial land lost to higher value uses such as residential. Evidence suggests that there has been an outward movement of industrial businesses seeking lower cost locations in outer London boroughs. However, London's growth can also be considered within the context of the wider South East of England. As industrial land within London's borders is released, it may be the case that some of London's operational functions move beyond its borders to seek locations which still allow for access to key markets, whilst meeting the accommodation needs of businesses. In this context, demand from industrial users for sites in LBE may be tempered.<sup>47</sup>

### *Summary of Demand Drivers*

- 4.4.23 Following the above, Table 4-2 summarises the effects of factors which could support a potential step change in demand for commercial space at Meridian Water over and above past rates of growth. This is presented in the form of either a positive impact on demand (↑), a negative impact on forecasts (↓) or no overall impact (↔), and aligned to those uses which are either office or retail based, and those which are industrial in nature. One arrow suggests minor positive additional effect on demand, three arrows a major effect.

<sup>46</sup> The SPG suggested that between 2011 and 2031 only 733ha of industrial land could be released across London.

<sup>47</sup> AECOM's Industrial Land Supply and Economy study for the GLA (2016) estimated that the industrial land capacity of the inner South East – areas closest to Greater London – was in the region of 4,900ha, of which 40% was held in the north quadrant of the South East. Tempering this fact is AECOM's analysis of industrial land in some boroughs on the periphery of London, such as Broxbourne, which found that though demand for distribution activities was strong, the willingness of some councils to accommodate this demand was low as there is often a preconceived idea that these types of business activities do not deliver significant economic gain unlike higher value added sectors which provide occupations with higher wages.

**Table 4-2 Factors Driving a Step Change / Elevated Growth in Employment Floorspace**

<i>Driver</i>	<i>Office Based</i>	<i>Industrial Uses</i>
Policy and economic strategy	↑	↔
Scale / critical mass	↑↑	↑
Regeneration	↑↑↑	↔
Investment in infrastructure	↑↑↑	↑
Demand for office space	↑	<b>n/a</b>
Cost driven locations	↑	↑
Loss of industrial land in excess of strategic planning benchmarks	<b>n/a</b>	↑

4.4.24 In conclusion, the demand drivers listed above suggest there could be more positive impacts on the commercial office market rather than the industrial market, though the local property market for both broad use class groups would be enhanced as a consequence of Meridian Water redevelopment. These drivers suggest the potential to deliver an elevated rate of growth above that forecast in Section 4.3, Table 4.1.

## 4.5 Summary

4.5.1 In light of the GLA Economics forecast and evidence supporting the assertion that economic and property market drivers could further increase the demand for commercial space, the key question is whether Meridian Water has favourable characteristics able to capture a suitable portion of office based demand from companies seeking growth or relocation.

4.5.2 There are a number of characteristics which can help distinguish between the attractiveness of places for large scale high quality office provision. These include factors such as (in no particular order) the potential for expansion; public transport connectivity; proximity to Central London core market; availability of social and cultural infrastructure; and affordability.

4.5.3 Reflecting on these characteristics, Meridian Water competes well with other key locations in outer London in terms of:

- Its potential for expansion: As noted previously the scale of Meridian Water is large compared to many other development locations, and the masterplanning approach allows locational requirements to be considered carefully to maximise benefits for occupiers.
- Public transport connectivity: Through the provision of new rail infrastructure and non-vehicular linkages leading from /to the site, PTAL ratings will be further improved. Enhanced capacity and frequency of rail infrastructure will provide a greater sense of proximity to central London.
- Social infrastructure: Core to the regeneration of the site is new and improved social and community uses as part of masterplanning to support the new residential

development. There are good links to other key locations such as the Lee Valley Regional Park.

- **Affordability:** It is expected that the location will be relatively reasonably priced compared to other competing locations.

4.5.4 On balance, we consider that there is a reasonable chance that Meridian Water can capture a critical level of demand from the inner London office market to fulfil its development plans, be it a net gain of 3,000 jobs or 6,000 jobs on-site.

## 4.6 Spending by New Residents

4.6.1 A key objective of this report is to estimate the total additional expenditure arising from new residents of Meridian Water.

4.6.2 The **Task A Report** estimates the total population arising from four dwelling size mixes (Core Strategy, SHMA and Development Partner) and the population size arising for each. To estimate the potential additional local expenditure for each population generated by the dwelling size mixes tested, spend per annum for residents in Greater London has been applied to the accommodation schedule.

4.6.3 To ensure a conservative estimate of new local spending, it is assumed that some of those moving to the new market and intermediate tenure units would already be resident in Greater London and would thus not generate net new expenditure. To account for this, a displacement rate of 25% has been applied based on HCA ready reckoners<sup>48</sup>. Also, those residents occupying social rented accommodation are likely already to reside in London and be on housing waiting lists; as such, these residents have been excluded from the expenditure calculation.

4.6.4 Leakage is estimated to take into account the level of expenditure that is likely to take place outside of Greater London. As Greater London is a large urban economy with a strong retail and services offer, it is anticipated that 90% of household expenditure will be retained within the metropolitan area.

4.6.5 The application of these assumptions results in a total net expenditure of £8,473 per person per annum in Greater London<sup>49</sup>. Applying the average expenditure figures to the estimated residents of the dwelling size mix scenarios generates the total net additional expenditure as set out in **Table 4-3**.

<sup>48</sup> Homes and Communities Agency (HCA), (2014); Additionality Guide, Fourth Edition 2014.

<sup>49</sup> ONS, (2015); Family Spending Survey.



**Table 4-3 Total Net Expenditure by Residents per annum of the Four Dwelling Mix Scenarios**

<i>Total Number of Dwellings</i>	<i>Core Strategy Mix (£ Million)</i>	<i>SHMA Mix (£ Million)</i>	<i>Development Partner Mix (£ Million)</i>
5,000	72	69	62
8,000	115	110	100
10,000	143	138	125
12,000	172	165	150

Source: AECOM 2016.

## 5 EMPLOYMENT TYPES AND DENSITIES

### 5.1 Introduction

- 5.1.1 This section concludes with a high level view on the anticipated type of employment which could come forward at Meridian Water and an indication of the potential quantity of floorspace required to accommodate that employment.

### 5.2 Types of Employment by Spatial scenario

- 5.2.1 Analysis of BRES data in section 4.3 provides an indication of the potential types of use classes which could be in demand. This shows that the higher valued added office and research sector, as well as the administration and support services, education, health and public sectors, are forecast to see substantial growth in employment.
- 5.2.2 Meridian Water's aspiration to become a new hub of employment and to deliver sustainable economic prosperity will require private sector inward investment. It is reasonable to assume, then, that although the sectors of education, health and public sector are forecast to grow positively, the offer will be pitched at securing more private sector business.
- 5.2.3 Based on this data, and professional judgement, the breakdown of the net employment on-site could be in the region of:
- 70% to 90% for higher value added office and research activities (B1a/b and B1c use classes) as a reflection of the forecast growth in information and communication, professional services such as finance and insurance, and scientific and technical activities. This broad sector group is forecast to grow the fastest in LBE and the surrounding area, underpinned by the wider Greater London trend towards higher value added activities. The aspiration of Meridian Water and the wider ULV OA is to attract growth in high value added sectors and this aspiration will be reflected in the new places to work (and live), infrastructure, design quality and public realm.
  - In the region of 10% of employment could be supported by administration support services, education, health and public sector activities. This broad sector group is forecast to grow, with a large proportion of this group defined as being in the public sector. As a key regeneration site Meridian Water will look to align its economic aspirations more closely with supporting private sector growth and additional employment opportunities, and in so doing create a more resilient local economy.
  - Retail (A use class): 4% to 12% of all employment in the 3,000 jobs scenario<sup>50</sup> or 2% to 6% for the 6,000 jobs scenario. This proportion has been informed by outputs from Task A's gross floorspace requirement and the floorspace to job ratio assumptions of LBE's Retail and Town Centre Study (2014); and.
  - Industrial (B2 and B8 use classes): 0%, assuming that loss of businesses from Harbet Road under spatial scenarios 2, 3 and 4 can be accommodated elsewhere in the Borough through intensification of existing SIL and LSIS areas, including through take up of vacant floorspace, development of vacant land or land / estate management

<sup>50</sup> The lowest employment proportion of 4% is based on the 'developer dwelling size mix' and 5,000 dwelling scenario; and the highest employment proportion of 12% is based the 'Core Strategy dwelling size mix' and 12,000 dwelling scenario.

leading to space efficiencies.<sup>51</sup> The long term structural economic trend for this sector is to contract in size, paralleling the economy's shift towards the service sector. The strategic vision and aspiration of Meridian Water is to be a place which supports alternative value added activities and, given the need to co-locate housing on-site, there are likely to be fewer opportunities to provide space for manufacturing and distribution activities.

- 5.2.4 The percentage ranges of net employment for different uses provide an illustration of the potential breakdown of employment generating floorspace by broad sector. These percentages will be used to inform the spatial planning of Meridian Water. Being illustrative they should not be seen as being fixed but used as a guide and applied with flexibility given the percentages are likely to be driven by various factors such as, scale of residential units and other related uses coming forward, the size/density of employment development, the retention of existing uses; and the spatial layout and interaction of uses.

### **5.3 Density and Floorspace Requirement by Spatial Scenario**

- 5.3.1 The potential density and floorspace requirement by spatial scenario is set out in the following tables. The calculation is indicative only to guide thinking on the high-level masterplanning and design. For example, the retention of SIL under spatial scenarios 1, 2, and 3 would require consideration of how non-industrial uses could be accommodated adjacent to the existing manufacturing and distribution operations at Harbet Road.
- 5.3.2 The floorspace requirement calculation takes into account the loss of existing employment on-site at Meridian Water as a consequence of redevelopment, as set out in Section 3.

<sup>51</sup> This also assumes that Enfield will manage any contraction in industrial land broadly in line with the Land for Industry and Transport SPG release benchmark (considered to be representative of falling demand), so that demand is met.

**Table 5-1 Floorspace Requirement (sqm NIA) by Spatial Scenario, Based on 3,000 Jobs On-Site**

	<i>Density (Floorspace to FTE Job)</i>	<i>1: 100% existing SIL Retention</i>	<i>2: Area Action Plan SIL Release</i>	<i>3: South of Causeway Route SIL Release</i>	<i>4: 100% existing SIL Release</i>
Higher value added office and research activities	11	26,000 – 33,000	27,000 – 34,000	33,000 – 42,000	34,000 – 44,000
Admin support services, education, health and public sector	12	4,000	4,100	5,100	5,300
Retail <sup>52</sup>	15	2,000 – 5,000	2,000 – 5,000	2,000 – 5,000	2,000 – 5,000

Source: AECOM.

Note: Floorspace to FTE densities informed by the HCA Employment Densities Guide (2015). Further details on the employment densities used are provided in Appendix C.

**Table 5-2 Floorspace Requirement (sqm NIA) by Spatial Scenario, Based on 6,000 Jobs On-Site**

	<i>Density (Floorspace to FTE Job)</i>	<i>1: 100% existing SIL Retention</i>	<i>2: Area Action Plan SIL Release</i>	<i>3: South of Causeway Route SIL Release</i>	<i>4: 100% existing SIL Release</i>
Higher value added office and research activities	11	49,000 – 63,000	50,000 – 64,000	56,000 – 72,000	57,000 – 74,000
Admin support services, education, health and public sector	12	7,600	7,700	8,700	8,900
Retail	15	2,000 – 5,000	2,000 – 5,000	2,000 – 5,000	2,000 – 5,000

Source: AECOM.

Note: Floorspace to FTE densities informed by the HCA Employment Densities Guide (2015). Further details on the employment densities used are provided in Appendix C.

<sup>52</sup> Retail floorspace is converted from GEA to NIA using a conversion ratio informed by the HCA (2015) Employment Densities Guide: 3rd Edition. See the Task A report for further details.

## APPENDIX A EXISTING EMPLOYMENT

**Table A-1 Definition of Broad Use Class by Sector**

<i>Broad Use Classes<sup>53</sup></i>	<i>Sector</i>
Office and Research Activities	Information and Communication; Financial and insurance activities; and Professional, Real Estate, Scientific and technical activities
Industrial and Utilities	Primary & utilities; Manufacturing; Construction; Wholesale; Transportation and Storage; and Other services
Retail	Retail; Accommodation and food service activities; and Arts, entertainment and recreation
Administration Support Services, Education, Health and Public Sector	Administrative and support service activities; Public Admin and defence; Education; and Health

**Table A-2 Retention and Release of Existing Employment Activities On-Site**

<i>Industry Group</i>	<i>Key Assumption</i>
Primary & Utilities	The metal and waste recycling facility adjacent to Kenninghall Open Space released under all scenarios.
Manufacturing	Argon Road Industrial Estate released under all scenarios. The remainder of the employment is assumed to be located within the Harbet Road Industrial Estate.
Construction	Argon Road Industrial Estate released under all scenarios. The remainder of the employment is assumed to be located within the Harbet Road Industrial Estate.
Wholesale	Garage located adjacent to Kenninghall Open Space and Argon Road Industrial Estate released. The remainder of employment is assumed to be located in Harbet Road Industrial Estate
Retail	Tesco, Ikea, retail units at Ravenside Edmonton Retail Park are retained. Review of aerial imagery suggests there is little retail employment outside of these areas, so reduction in employment due to each land use scenario is limited.
Transportation & Storage	Argon Road Industrial Estate released under all scenarios. The remainder of the employment is assumed to be located within the Harbet Road Industrial Estate.
Accommodation & Food Service Activities	Argon Road Industrial Estate released under all scenarios. The remainder of the employment is assumed to be located within the Harbet Road Industrial Estate.
Information & Communication	Information and communication employment is located on the Harbet Road Industrial Estate.



Financial & Insurance Activities	Financial and Insurance Activities employment is located on the Harbet Road Industrial Estate.
Professional, Real Estate, Scientific & Technical Activities	Argon Road Industrial Estate released under all scenarios. The remainder of the employment is assumed to be located within the Harbet Road Industrial Estate.
Administrative & Support Service Activities	Argon Road Industrial Estate released under all scenarios. The remainder of the employment is assumed to be located within the Harbet Road Industrial Estate
Health	Health jobs retained
Arts, Entertainment & Recreation	Employment located in Harbet Road Industrial Estate.
Other services	All jobs located within the Hastingwood Trading Estate portion of the main Harbet Road Estate based upon Regeneris Report.

Source: ONS, (2015); BRES; AECOM 2016.

## APPENDIX B PLANNING POLICY AND STRATEGY

### *Overview of Relevant Planning Policy and Economic Strategy*

The **Mayor's Economic Development Strategy (2010)** outlines that delivering the widest possible contribution to growth will be key to Greater London's future economic success. Growth in outer London is considered particularly desirable and "*essential to consolidate the unique strengths of central London*"<sup>54</sup>. This approach is supported by Policy 2.7 (Outer London: Economy) of the London Plan (2016) which aims to change the trajectory of outer London's economy"<sup>55</sup>, beating past economic trends. The Policy states that the Mayor will work with Boroughs and stakeholders to enable "*existing sources of growth to perform more effectively and increasing the competitive attractiveness of Outer London for new sectors or those with the potential for step changes in output*". Two ways foreseen to have the potential to increase growth are expanding knowledge based industries in outer London and attracting private office-based activities from the South East.

The **London Plan (2016)** includes 45 Opportunity Areas and Areas for Intensification. These areas are Greater London's major reservoirs of brownfield land that have capacity for further development. The areas in total have capacity for an additional 575,000 jobs and additional 303,000 dwellings. Edmonton Leaside and Meridian Water are located within the Upper Lee Valley Opportunity Area, in which there are ambitious plans to deliver an additional 20,100 dwellings and 15,000 jobs by 2031<sup>56</sup>.

The **Upper Lee Valley Opportunity Area Planning Framework (OAPF) (2013)** identifies Meridian Water as one of the growth areas within the Upper Lee Valley.

The OAPF identifies areas which have good public transport accessibility or planned improvements, which could allow a measured amount of SIL / LSIS industrial land to be released around four growth areas, one of which is Meridian Water. The OAPF also recognises that "*notwithstanding some industrial land release, there is still healthy demand for employment land and the retention and renewal of some part is also an important element to the success of the Upper Lee Valley.*"

The OAPF, which runs to 2031, states the scale of new jobs and homes at Meridian Water anticipated drawing up the LB Enfield Councils Core Strategy<sup>57</sup>. The strategic and spatial vision for Meridian Water is that it will contribute an additional 3,000 jobs and 5,000 dwellings towards the targets set for development in the Opportunity Area<sup>58</sup>. The Meridian Water Masterplan provides a framework for managing change in the area. It states the importance of forming sustainable business and economic growth in the area which will seek to "*retain and improve the existing employment and retail provision on-site through supporting modernisation and renewal of facilities, improved accessibility and greater patronage. At the same time, the Masterplan creates new opportunities for higher density businesses and green industries, supporting a greater diversity of new jobs.*"<sup>59</sup>

Edmonton Leaside and Meridian Water are located in the **London Stansted Cambridge Corridor (LSCC)** which connects Greater London with Cambridge, and forms part of the UK's

<sup>54</sup> GLA, (2010); Economic Development Strategy.

<sup>55</sup> Outer London comprises the following Boroughs: Barking and Dagenham; Barnet; Bexley; Brent; Bromley; Croydon; Ealing; Enfield; Haringey; Harrow; Havering; Hillingdon; Hounslow; Kingston; Merton; Redbridge; Richmond; Sutton; and Waltham Forest.

<sup>56</sup> GLA, (2016); London Plan.

<sup>57</sup> LBE, (2010); Core Strategy.

<sup>58</sup> GLA, (2013); Upper Lee Valley Opportunity Planning Framework.

<sup>59</sup> LB Enfield (2013); Meridian Water Masterplan Approved July 2013.

'Golden Triangle' along with Oxford<sup>60</sup>. The London Stansted Cambridge Corridor Consortium (LSCCC) Prospectus sets out the potential to deliver 117,000 new dwellings and 170,000 new jobs by 2034 within the Corridor. Meridian Water is identified as one of the key opportunity sites within the Corridor that can contribute to delivering the future envisaged in the Prospectus.

LSCCC's Growth Spaces for Life Sciences: Land, Floorspace and Facilities (2015) report outlines that potential future workspaces at Meridian Water could include<sup>61</sup>:

- *"Manufacturing and Distribution: warehouse; Manufacturing plants and related facilities; storage and distribution related facility.*
- *Flexible Options and Multi-tenant spaces: R&D Suites; pre-let spaces; managed offices.*
- *Incubator facilities with R&D suites, laboratories and managed offices (With Institutional Support)"*

The introduction of flexible and multi-tenant spaces and incubator facilities would represent a change from current employment activities within Meridian Water, which largely comprise light industrial, manufacturing and logistics and food industries.

The original **Edmonton Leaside Area Action Plan** (AAP) (2014) identified Meridian Water as the key development in Edmonton Leaside, with a vision to develop at least 5,000 new dwelling and provide 3,000 new jobs. Alongside the AAP, a Masterplan was published for Meridian Water that showed how the vision could be achieved. Now a revised AAP is currently being prepared to reflect the Council's changing view of what can be achieved in Edmonton Leaside and Meridian Water.

<sup>60</sup> London, Stansted, Cambridge Corridor Consortium (LSCCC), (2014); An Agenda for Jobs, Growth and Improved Liveability.

<sup>61</sup> LSCCC, (2015); Growth Spaces for Life Sciences: Land, Floorspace and Facilities.

## APPENDIX C EMPLOYMENT DENSITIES

Table A-3 Employment Densities by Activity Group

<i>Activity Group</i>	<i>Density Name</i>	<i>sqm (NIA) per job</i>
Office and Research Activities	Office: Technology, Media and Telecoms	11
Industrial and Utilities	Light Industrial	47
Retail	Retail: High Street	15
Administration Support Services, Education, Health and Public Sector	Office: Public Sector	12

Source: HCA, (2015); *Employment Densities Guide*.

