Barking & Dagenham
Economic Development Study

London Borough of Barking & Dagenham

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Nathaniel Lichfield & Partners
14 Regent's Wharf
All Saints Street
London N1 9RL

nlplanning.com
Executive Summary

This Economic Development Study has been prepared by Nathaniel Lichfield & Partners (NLP) on behalf of London Borough of Barking and Dagenham (LBBD). It is intended to form part of the evidence base for the emerging Local Plan which will cover the period to 2032.

The study provides an up to date understanding of the potential employment growth including main town centre uses in the Borough to help inform employment targets and land allocations in the development plan, as well as an updated assessment and review of existing employment land, premises and town centres. It also considers the current and future balance of demand and supply for employment land and town centre uses in the Borough, and potential policy approaches for the emerging development plan. The key findings of the study are set out below.

Economic Context

The Borough has recorded negative job growth over the last 16 years (-2%), underperforming both regional and national trends, partly driven by job losses associated with a small number of large firms (including Ford and Sanofi Aventis).

The key employment sectors in LBBD are education, administration & support services and manufacturing, with the wholesale, construction and retail sectors also accounting for a significant share of employment. The largest growth sectors between 1997 and 2013 were utilities, recreation, business service and health care, while the manufacturing and transport sectors declined.

LBBD’s residents hold below average workforce skills and occupations and unemployment levels are among the highest in Greater London. The Borough’s labour market continues to face a number of challenges to achieve high economic activity and to reduce unemployment. Significant levels of out-commuting results in stark contrasts between workplace and resident earnings, while deprivation remains entrenched in pockets of the Borough including parts of Chadwell Heath, Village, Abbey, Thames and Heath.

Overview of the Existing Situation

LBBD’s employment space is dominated by industrial uses and the Borough has a larger supply of industrial space than adjoining authorities. Industrial space is distributed across a number of key employment sites, including the SILs at Dagenham Dock, Rippleside and River Road. Office space tends to be concentrated in and around Barking town centre.

LBBD has a fairly ageing stock of employment space and lacks modern business premises relative to other parts of the region. The Borough has seen moderate levels of manufacturing (B1c/B2) and warehousing (B8) development.
over the past ten years, but has lost B class space – largely industrial – to higher value uses such as retail and D1 uses.

NLP’s assessment of existing and allocated sites indicate that LBBD contains a reasonable range of employment sites of differing quality and type, totalling just over 591 ha. Although a range of the sites comprise of low quality stock, vacancy levels are low indicating that rents are relatively affordable. The overall quality of existing employment sites is adequate to meet future needs with 83% of sites of at least average quality. The assessment process identified five high performing, good quality sites and two poor quality sites.

The supply of employment space in LBBD’s development pipeline is 146ha of outstanding planning permissions (at March 2013) and undeveloped or cleared sites. This supply is concentrated within a small number of large sites along the A13 corridor, including Barking Riverside, Dagenham Dock and Beam Park.

Neighbouring local authorities have significant amounts of employment land available or underway (particularly industrial land) which provides significant competition for investment.

LBBD is perceived as a good industrial location, with local commercial agents reporting strong demand for industrial space in recent months. However supply has tightened as new development has been limited, with industrial vacancy amongst the lowest in East London. The main gap in supply is good quality (‘Grade A’), modern industrial premises particularly of a large scale.

By contrast, LBBD is not a particularly strong office location. It has limited levels of demand and lacks the necessary critical mass to attract larger office occupiers. It suffers from strong competition from larger established and growing office centres nearby. Demand in LBBD generally comes from local SMEs in and around Barking Town Centre. The office stock is generally poor quality, characterised by a number of larger buildings that are functionally obsolete. Local agents believe that LBBD’s office economy still has a role to play, but that the future health of the office market relies upon providing small scale, good quality and flexible space to meet the needs of local SMEs.

LBBD has a reasonable provision of small start-up businesses, and there is limited scope to expand this type of accommodation in the short to medium term, particularly in light of low levels of demand for small scale offices uses.

Business feedback indicates that a number of local firms are constrained by inadequate premises and are considering re-locating outside of LBBD. An underlying shortage of good quality accommodation could threaten LBBD’s ability to attract and retain businesses needed to achieve continued economic growth. The availability of a good local labour force, proximity to established business base and good transport connections continue to maintain the Borough’s popularity and sustainability as a business location.

Barking town centre is the main shopping centre in LBBD (a GLA major Centre). Dagenham Heathway, Chadwell Heath and Green Lane are smaller district centres. These four centres are supported by 32 neighbourhood centres.
of varying in size. The existing provision of local shopping centres within the Borough offers a balanced distribution of local facilities serving local communities.

LBBD’s centres falls within the catchment areas of much larger competing centres e.g. Ilford, Romford, Lakeside and Central London and the strength of this competition restricts the Borough’s market share of expenditure and its ability to attract new multiple operators.

Barking town centre has a reasonable number of convenience and comparison retail units and a mix of both multiple and independent traders. The proportion of multiple operators is below average and there is no high profile department store. There are gaps in the general clothing sectors i.e. limited middle/mass market level shops and no upper market/luxury level shops. However the centre is particularly strong within the value/discount sector supported by the street market stalls. Shopping facilities are supported by a variety of non-retail services, community and leisure facilities. The centre has a good provision of banks, hairdressers, estate agents, café, takeaways and community facilities including a library, sports centre, theatre, health centres and places of worship.

Barking town centre has recently received a significant amount of investment in new buildings such as the health centre, learning centre, travel lodge hotel and new apartments. These developments have brought with them associated improvements to the public realm.

Barking town centre has a large number of non-retail service uses, but the evening economy in terms of restaurants, leisure and entertainment facilities, is relatively under-represented.

Dagenham Heathway, Chadwell Heath and Green Lane are strong community based centres. As a medium sized district centres, they have a good range of retail and non-retail services which primarily serve the day to day needs of their local catchment area. Their comparison shopping offer is focused on lower order day to day products. Food and grocery shopping is a key element of these centre’s overall attraction.

Proposals to extend the existing Morrison’s store at Becontree Heath will attract more customers to this area and may provide an opportunity to create a new district centre in this location to the East of Green Lane.

LBBD has three retail warehouse parks and one leisure park. Abbey Retail Park near Barking town centre has declined in recent years. The Beckton area has many retail warehouse operators, which serve also serve LBBD. Whalebone Lane Retail Park has also declined and an Asda food superstore now has planning permission on the site. Merrielands Crescent is the most successful retail warehouse park in LBBD but it may be redevelopment potential in the future to provide a higher quality shopping environment and more modern accommodation for operators.
**Future Requirements**

Future employment space requirements have been considered, based on a number of approaches which reflect economic growth, past development trends and potential housing supply factors. The majority of these reflect assumptions of higher future economic growth in LBBD than that achieved in the recent past.

The overall space requirements related to these different scenarios range from 61,020sq.m to 437,230sq.m of all types of employment space to 2032, implying in broad terms a need for between 11.0ha and 102.7ha of employment land. The majority of this spatial requirement relates to industrial (B1c/B2/B8) uses, with office uses generating a negligible requirement, equivalent to less than 0.5ha per annum even under the highest scenario (past take-up).

Given an uncertain economic outlook, the Council should consider planning to accommodate at least the Experian baseline job growth requirement to ensure that the Borough’s economy is not constrained by lack of spatial capacity in future.

Based on available employment space, LBBD has sufficient employment floorspace in quantitative terms to meet future needs up to 2032 under all scenarios of future growth, with a relatively significant surplus arising under all four approaches. However this conclusion assumes that a number of Key Regeneration Area sites including Barking Riverside, Beam Park and South Dagenham (West) will come forward for purely B class employment uses, despite having no current status or protection for employment uses. Excluding these sites would result in a shortfall of employment space under three of the four growth scenarios. The Council should therefore carefully consider the role that these sites should play in meeting future B class requirements, to ensure that business needs can be met in full.

In qualitative terms, LBBD lacks readily deliverable industrial sites and good quality, modern industrial premises to satisfy occupier requirements. Although on paper there seems to be a significant amount of industrial land available, this space does not reflect the tightening of the industrial market reported by local agents, which points to deliverability factors preventing the Borough’s sites coming forward for industrial development.

With regards to offices, the combination of a lack of demand and viability factors is likely to inhibit new development of any significant scale coming forward in the short to medium term. Nevertheless, the existing office stock is generally poor quality and is unlikely to be suitable to meet the majority of needs arising over the plan period, particularly from professional services firms which are expected to account for the majority of office based job growth over the period to 2032. Older office space will need to be replaced with newer, good quality flexible stock that specifically caters for the local SME market.
The retail needs assessment indicates that retail commitments will absorb convenience goods growth in the short to medium term, but continued population and expenditure growth could support around 6,300 sq.m gross of convenience goods floorspace in LBBD as a whole by 2032. Due to commitments there is limited requirement for food store development in Dagenham, Chadwell Heath/Green Lane.

Commitments will also absorb comparison goods growth in the short to medium term, but continued growth could support about 5,400 sq.m gross of comparison goods floorspace in LBBD as a whole by 2032. There is a requirement for additional comparison goods floorspace in Barking and in Dagenham, and there is limited capacity identified in the Chadwell Heath and Green Lane areas.

There is a potential requirement for an additional 6,400 sq.m gross of Class A3/A4/A5 floorspace in LBBD’s centres up to 2032, over and above commitments, plus a requirement for an additional 1,000 sq.m gross of Class A1/A2 services floorspace.

The commercial leisure assessment concludes current cinema provision within LBBD is sufficient and there is limited scope for additional provision. However, our analysis suggests that the existing cinemas in LBBD are not performing well in terms of attracting local customers. There could be scope for between two and four additional health and fitness clubs in LBBD, but this need will be partly met by the new leisure centre in Barking town centre and 3,000 sq.m of D2 leisure permitted within the Barking Riverside development.

Population growth is likely to increase demand for further community facilities such as libraries, community halls and health facilities. For example two new libraries could be required to serve new residential areas in the south of the Borough. These facilities could be provided in new neighbourhood/local centres within the Riverside area to serve new residential development.

The hotel assessment suggests there is a need for an additional 400 bedrooms in LBBD over the period to 2036, based on the recent study produced by GLA Economics. There is planning permission for 294 additional hotel bedrooms, suggesting that there is a further requirement for around 100 bedrooms over the study period.

Growth of Non B Class uses is likely to make an important contribution to employment growth in LBBD. The growth needs of a number of Non B sectors have been considered where job growth is forecast although there is limited potential for this to create pressures on employment land. These sectors include energy generation, public admin, education and healthcare uses.

**Recommendations**

The principles of the NPPF indicate that the Council’s policy approach should aim to at least fully meet needs, so that the local economy is not constrained and potential investment is not diverted elsewhere or lost.
The adopted Core Strategy’s focus on the primacy of Barking town centre for office development (in line with the sequential approach more broadly) is appropriate. Additional policy support could be provided to encourage new office accommodation to be delivered as part of mixed-use developments within the town centre or through refurbishment/conversion of older buildings. The indicative capacity figures for office accommodation set within individual site specific allocations may need to be reviewed in light of the range of overall office floorspace requirements.

The Borough’s policy approach to industrial land is framed by the London Plan tiered designations (i.e. SILs and LSISs), and the Core Strategy reflects these by safeguarding employment land supply. Depending on the scenario, the analysis in this study indicates potential to release between 42 and 132 ha of industrial land which equates to between 2.3 and 7.1 ha per annum, in excess of the SPG benchmark. Any releases of land need to be undertaken in a managed way reflecting the need to balance the quantitative and qualitative requirements. The starting point for any releases of surplus industrial land is undesignated sites, subject to criteria on vacancy, marketing and availability of suitable alternatives. Where sites are currently occupied, determination of applications should have regard to whether existing activities can be retained on other sites within the Borough.

The Council’s future policy position on the key regeneration sites could set clearer parameters for the amount of employment space to be provided, which would help provide greater certainty to potential investors.

The Council should evidence how its portfolio of sites will support delivery of new space by identifying a realistic delivery trajectory for employment sites. The assessment provides the opportunity to identify and map out the ‘when’, ‘who’ and ‘how’ employment space delivery actions for each site.

The sequential approach suggests that designated town centres should be the first choice for retail, leisure and main town centre uses. All development should be appropriate in terms of scale and nature to the centre in which it is located. A minimum 2,500 sq.m gross threshold for impact assessment, as suggested by the NPPF, is likely to be inappropriate as a blanket threshold within LBBD. Development smaller than 2,500 sq.m gross could have a significant adverse impact, therefore a 1,000 sq.m gross threshold is recommended for Barking, Dagenham Heathway, Chadwell Heath and Green Lane, and 500 sq.m gross elsewhere in LBBD.

Vacant premises should help to accommodate growth. The reoccupation of vacant units could reduce the Class A1 to A5 floorspace projection from 19,100 sq.m gross to 13,100 sq.m gross.

It may be appropriate to identify a restaurant quarter within the town centre, potentially within the Barking Station redevelopment, that could provide a range of family restaurants and leisure units to aid the evening economy.
Within Dagenham Heathway, Chadwell Heath and Green Lane, development options for additional retail floorspace are limited. The future strategy for these centres should focus on the reoccupation of vacant units and small scale intensification and extensions. There is an opportunity to create a new district centre to the east of Green Lane. If Green Lanes and Chadwell Heath cannot accommodate future demand for shops, services and leisure facilities within the local area, then the Becontree Heath area could be expanded to provide an integrated centre.

Emerging development plan policies should define Primary Shopping Areas and Town Centre Boundaries for Barking, Dagenham Heathway, Chadwell Heath and Green Lane, and centre boundaries for the neighbourhood centres. Emerging policies also need to distinguish between the Primary Shopping Area (PSA) and the Town Centre in terms of the location of different town centre uses.

In Barking town centre the primary shopping area should be tightly drawn around the designated primary and secondary shopping frontages, and policies should make clear that the designated PSA is the appropriate and sequentially preferable location for retail development. The existing town centre boundary is appropriately defined.

In the district centres of Dagenham Heathway, Chadwell Heath and Green Lane, the centre boundary should be tightly drawn around the commercial properties, i.e. those that are designated as retail frontages. Supporting text to new policies should make clear that designated shopping frontages in these centres constitute the town centre boundary.

Emerging policy should indicate that the first preference for the main town centre uses will be the Primary Shopping Areas (i.e. the combined primary and secondary frontages) within Barking town centre, and within the Primary Shopping Areas of Dagenham Heathway, Chadwell Heath and Green Lane district centres. Development outside of these areas will need to comply with the sequential approach and impact tests as set out in the NPPF.

The extent of the retail frontages in Barking town centre is appropriately drawn, but could be extended to include the new London Road/North Street development. The designation of primary and secondary frontages remains an appropriate approach in Barking, Dagenham Heathway, Chadwell Heath and Green Lane. Existing policy is appropriate and allows sufficient flexibility.

It is appropriate to define boundaries for all the neighbourhood centres. Given the small scale of the centres, it would not be appropriate to define primary shopping areas.

The development of retail floorspace within Barking Riverside will absorb some of the retail capacity in LBBD. If residual floorspace requirements for LBBD over and above commitments cannot be accommodated in the existing town and district centres in the Borough, there may be scope to provide further retail facilities within the Barking Riverside area.
Retail warehouse parks in the Borough are likely to continue to be the focus for large format retail units selling bulky comparison goods. In qualitative terms the Borough is well served with retail warehouses and this sector is not a priority for growth. However the Abbey Retail Park is in need of regeneration. Merrielands Crescent could also be redeveloped and modernised. Facilities within Whalebone Lane Retail Park and Merrielands Crescent should be consolidated and environmental improvements implemented.
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1.0 Introduction

1.1 Nathaniel Lichfield & Partners (NLP) was commissioned by the London Borough of Barking & Dagenham (LBBD) to prepare an Economic Development Study. This will inform a review of the Local Plan to consider economic development requirements in the Borough over the period to 2032.

Study Objectives

1.2 The study takes an integrated approach to consideration of future needs for business (B-class) and other employment-generating uses, retail and town centre uses. The requirements of the Council's brief are to assess the following:

Business and employment
1. Existing business profile and space requirements, including likely changes in the market to 2032;
2. Changing needs of local businesses and identify barriers to investment;
3. The need for land or floorspace for commercial development, including both the quantitative and qualitative needs for all foreseeable types of economic activity to 2032. This includes B1-B8 uses and those sui generis uses found in designated employment areas; and
4. Existing and future supply of land available for employment uses (both designated and undesignated sites) and its sufficiency and suitability to meet the identified business needs.

Retail and other town centre uses
5. Detailed quantitative and qualitative need for convenience and comparison floorspace for main town centre uses in Barking and Dagenham from 2012-2016, 2017-21, 2022-2027 and 2028-2032;
6. Identify any deficiencies in the provision of convenience and comparison shopping and other facilities which serve people's day to day needs;
7. Capacity of existing centres to accommodate new town centre development, taking account of the role of changes in the hierarchy;
8. Centres in decline where change needs to be managed; and
9. Capture additional population growth spend, taking into account new and planned residential developments.

Scope of Study

1.3 The study has been prepared in the context of the National Planning Policy Framework (NPPF) and London Plan, related guidance (including the draft National Planning Practice Guidance) and other relevant background technical studies relating to the Borough.
An important consideration for any work of this type is that it is inevitably a point-in-time assessment. This study has incorporated the latest data and other evidence available at the time of preparation. The accuracy and sources of data derived from third party sources has not been checked or verified by NLP. In line with market conventions, values (i.e. rents) for commercial space are expressed in £ per ft$^2$ although metric units of measurements (i.e. m$^2$) have generally been used elsewhere in the report.

As part of the study, consultation was undertaken with a range of stakeholders including commercial agents, economic development and business organisations. A list of consultees is included at Appendix 1. The study has also been informed by a household retail survey and a business survey.

**Structure of Report**

The report is structured as follows:

- a review of current economic conditions and recent trends in the Borough, and analysis of the current stock of employment space and retail provision in the Borough (Sections 2.0 – 5.0);
- analysis of the portfolio of employment sites in the Borough (Section 6.0);
- assessment of future needs for employment, retail and other town centre uses and other non-B class uses in the period to 2032 (Sections 7.0 – 9.0);
- implications and recommendations for future planning policy are considered in Section 10.0.
2.0 Economic Context

2.1 This section establishes the economic context for the study by reviewing recent economic conditions and trends within the LBBD, relative to Greater London and the national economy. This is important in identifying the existing strengths and weaknesses of the local economy, and the factors likely to influence the nature and level of future demand for employment and retail space. A summary of national retail trends and key relevant economic development strategies and background documents are presented in Appendices 2 to 4 insofar as they relate to the potential future economic direction and employment space requirements of LBBD.

Overview

2.2 LBBD was created in 1965 by the re-organisation of local government for Greater London. It is situated approximately 18 kilometres east of central London and covers an area of 3,611 hectares. Neighbouring London Boroughs are Newham to the west, Havering to the east, Redbridge to the north and Greenwich and Bexley to the South.

Figure 2.1 Context of Barking & Dagenham
2.3 The Borough is predominately residential in character but also has significant areas of employment land, a Major Town Centre at Barking, District Centres at Dagenham Heathway, Chadwell Heath, Green Lane, a network of smaller Neighbourhood Centres as well as 530ha of Green Belt land.

2.4 In terms of transport, the Borough is well served by radial east–west rail, tube and highway networks (particularly Barking Town Centre) while bus services also tend to follow a similar pattern. However, north–south transport links are comparatively poor resulting in isolated pockets within the Borough.

2.5 LBBD is characterised by generally high levels of deprivation, and is ranked as the 8th most deprived local authority area out of 326 in England, which places it well within the 3% most deprived areas in the country. While the entire Borough is relatively deprived on a national scale, there are pockets of extreme deprivation entrenched in certain wards including; Chadwell Heath, Village, Abbey, Thames and Heath.

**Functional Economic Market Area**

2.6 Examining commuting flows can help in defining the functional economic market area of a particular local economy. In 2001, some 63% of Barking & Dagenham’s working residents worked outside the Borough indicating a very high rate of out-commuting. In total, just over 41,400 residents worked elsewhere, predominantly in the London Boroughs of Havering (15%), Redbridge (14%), Newham (11%) and Tower Hamlets (10%), as well as the more central Boroughs of the City of London (9%) and Westminster (8%) (Figure 2.2). The scale of out-commuting appears to have increased since the 2001 Census, with 2011 Annual Population Survey data indicating that approximately 72% of the Borough’s working residents commute elsewhere for work. It also identifies the City of London as the most popular destination for the Borough’s out-commuters.

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1 IMD 2010, Rank of Average Rank
2 Functional Economic Market Areas: An economic note, CLG 2010
3 ONS Area Based Analysis, Commuting Patterns from the Annual Population Survey, Local Authorities, 2011
2.7 At the same time, approximately 27,800 workers commuted into Barking & Dagenham, predominantly from the adjoining Boroughs of Havering and Redbridge (Figure 2.2). On this basis, Barking & Dagenham is a net exporter of labour, with a net outflow in the order of 13,620 residents, some 21% of its resident workforce (based on 2001 Census data). Over the last 10 years or so, this net outflow has increased to around 23,800 or 32% of the Borough’s resident workforce (based on 2011 Annual Population Survey data).

2.8 A commonly accepted approach to defining Functional Economic Market Areas is where at least 75% of a Travel to Work Area’s economically active residents also work in that area, and of all those working in the area at least 75% also
live there. On this basis, Barking & Dagenham would fall within a wider economic area of Greater London, within which some 93% of the Borough’s residents work, with a strong functional relationship with East London in particular.

Beyond Greater London, there is also a strong functional relationship between LBBD and the Districts in Essex. Almost 15% of the workers that commute into the Borough, live in Essex. Inward flows are particularly high from the Districts of Thurrock and Basildon. Outward migration to Essex for employment is less significant, only 4% of LBBD residents commute to Essex for employment.

### Economic Conditions and Trends

Current economic conditions and trends in LBBD are summarised below, with comparisons made, where appropriate, with regional and national averages. Data is drawn from published Office for National Statistics (ONS) sources via Nomis unless indicated otherwise.

#### Demographic Change

The overall population of LBBD, currently 190,600, grew by 13% between 2002 and 2012, slightly above both regional (11%) and national (7%) averages. The 2013 population of LBBD is about 196,000, and based on GLA projections this is expected to increase to over 251,000 in 2032. LBBD has a higher proportion of children (under 16) and young adults (16 to 25 years) and lower proportions of middle aged and old aged people when compared with the Greater London average, as shown in Table 2.1.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>0 to 15</td>
<td>25.8</td>
<td>19.8</td>
<td>23.6</td>
<td>18.8</td>
<td>-2.2</td>
<td>-1.0</td>
</tr>
<tr>
<td>16 to 25</td>
<td>14.2</td>
<td>13.9</td>
<td>13.8</td>
<td>13.1</td>
<td>-0.4</td>
<td>-0.8</td>
</tr>
<tr>
<td>26 to 35</td>
<td>16.6</td>
<td>19.9</td>
<td>14.9</td>
<td>17.5</td>
<td>-1.7</td>
<td>-2.4</td>
</tr>
<tr>
<td>36 to 45</td>
<td>14.8</td>
<td>15.1</td>
<td>15.6</td>
<td>15.5</td>
<td>+0.8</td>
<td>+0.4</td>
</tr>
<tr>
<td>46 to 65</td>
<td>19.2</td>
<td>20.7</td>
<td>21.6</td>
<td>22.0</td>
<td>+2.4</td>
<td>+1.3</td>
</tr>
<tr>
<td>66 and over</td>
<td>9.4</td>
<td>10.6</td>
<td>10.5</td>
<td>13.1</td>
<td>+1.1</td>
<td>+2.5</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Experian 2013 / NLP analysis  
Note: * Sub-Region as defined by the London Plan

The population structure is expected to change with an increase in the proportion of people over 35 years old and a decrease in children and young adults. This trend will be experienced across Greater London, but in comparative terms, LBBD will remain a relatively young population.

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4 Functional Economic Market Areas: An economic note, DCLG (February 2010) based on 2001 Census data
5 ONS mid-year population estimates (2012)
Employment

2.13 Barking & Dagenham recorded 55,180 workforce jobs in 2013\(^6\), representing a decrease of 2% from its 1997 level\(^7\). This compares with positive job growth of 26.7% and 13.6% across Greater London region and the UK over this period. In terms of the recession, Barking & Dagenham recorded a net loss of just under 1,000 workplace jobs during the period 2007-2010, but has since recorded some employment growth.

2.14 The proportion of B class jobs (i.e. offices, industrial and warehousing activities) in the Borough has remained relatively constant over the last 16 years, representing between 40% and 51% of all jobs in Barking & Dagenham. B class jobs peaked at 29,120 in 1998, and have declined by 7,295 to 21,825 in 2013. During this period, office jobs have gradually represented an increasing contribution of all B class jobs (Figure 2.3).

Figure 2.3 Total Workforce and B Class Jobs in Barking & Dagenham, 1997-2013

2.15 Whilst the Borough recorded a net loss of jobs overall over the last 16 years (equating to a reduction of 1,150 jobs between 1997-2013), it should be noted that this is likely to have been driven by significant job losses associated with a small number of large firms in the Borough, most notably Ford and Sanofi Aventis (both of which have significantly scaled back or ceased activities within Barking & Dagenham in recent years), rather than reflecting broader local economic trends and growth within the rest of the Borough’s economy. It is estimated that these two firms alone accounted for around 3,700 job losses between 1997 and 2013. If these job losses were discounted from the above analysis, this would indicate that the Borough experienced positive employment growth of 2,500 jobs (or around 5%) over the 16 years 1997-2013. Or, to put it another way, ambient job growth in the wider local economy has

\(^6\) Experian 2013
\(^7\) This decline has been driven by significant job losses associated with a small number of large firms in the Borough – described in more detail below
gone a long way to compensate for the job losses experienced in those two large employers, even if the types of jobs in terms of sectors and skills may well be different.

2.16 In employment terms, the Borough’s largest sectors in 2013 were education (11%), admin & support services (11%) and manufacturing (11%), with the wholesale (10%), construction (8%) and retail (8%) sectors also accounting for a significant share of employment (Figure 2.4). The higher value business and financial services sectors are under-represented compared with the regional and national averages. Meanwhile the manufacturing, wholesale, construction, transport and education sectors are all over-represented in Barking & Dagenham in employment terms, to a large extent reflecting the important role of the Borough’s industrial economy. The public sector accounts for around 5% of all jobs in the Borough, similar to the Greater London and UK average.

Figure 2.4  Main Economic Sectors in Barking & Dagenham by Share of Employees, 2013

Source: Experian 2013 / NLP analysis

2.17 Some of the Borough’s key employers include Ford, the Primary Care Trust, Barking & Dagenham College, Metropolitan Police Authority, Gala Coral Group and Asda.

2.18 Over the last 16 years (1997-2013), the largest contributors to job growth in the Borough have been utilities (217% - albeit starting from a very low base of around 250 workforce jobs), recreation8 (112%), business services (98%) and healthcare (83%), where Barking & Dagenham outperformed regional and national growth rates. At the same time, the Borough saw significant job losses in the manufacturing and transport sectors (Figure 2.5).

Figure 2.5  Employment Change in Barking & Dagenham by Sector, 1997-2013

8 Recreation includes creative, arts and entertainment activities; libraries, archives, museums and other cultural activities; gambling and betting activities; sports activities and amusement and recreation activities – gambling and betting activities represent just over half (56%) of all employment within this sector
Source: Experian 2013 / NLP analysis

2.19 Productivity

Productivity (measured by Gross Value Added (GVA) per worker) within Barking & Dagenham’s labour force is relatively low compared with regional and national averages. Whilst average GVA generated by workers in Barking & Dagenham (£24,600) is higher than other outer East London centres such as Redbridge and Havering, it falls well below comparator economic centres within Greater London including Newham (£56,250) as well as the East London (£45,100), Outer London (£41,820) and Greater London (£56,970) averages (Table 2.2).
Table 2.2  Average GVA per Worker

<table>
<thead>
<tr>
<th>Location</th>
<th>GVA Per Worker (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barking &amp; Dagenham</td>
<td>24,600</td>
</tr>
<tr>
<td>Newham</td>
<td>56,250</td>
</tr>
<tr>
<td>Redbridge</td>
<td>21,850</td>
</tr>
<tr>
<td>Havering</td>
<td>22,650</td>
</tr>
<tr>
<td>Thurrock</td>
<td>37,920</td>
</tr>
<tr>
<td>East London*</td>
<td>45,100</td>
</tr>
<tr>
<td>Outer London</td>
<td>41,820</td>
</tr>
<tr>
<td>Inner London</td>
<td>66,620</td>
</tr>
<tr>
<td>Greater London</td>
<td>56,970</td>
</tr>
<tr>
<td>UK</td>
<td>41,950</td>
</tr>
</tbody>
</table>

Source: Experian 2013 / NLP analysis  Note: * Sub-Region as defined by the London Plan

2.20 This may reflect the existing sector profile in the Borough, which tends to be characterised by lower skilled, lower paid industries and employment (such as admin & support and retail), particularly when compared with other larger centres within East London. This leaves the Borough less well placed to capture higher value activity and opportunities compared with other locations within Greater London and the wider South East/East of England.

Business Demography

2.21 Looking at the size of businesses in Barking & Dagenham, the Borough has a slightly higher proportion of small firms with 1-9 employees (90%) than the regional (89%) and national (89%) averages, with relatively fewer large firms (Figure 2.6). The above average proportion of smaller firms is likely to partly reflect the relatively high levels of business start-up in the Borough, described in more detail below.

Figure 2.6  Firm size by number of employees

Source: ONS Business Demography Statistics 2012
2.22 Analysis of Inter-Departmental Business Register (IDBR) data indicates that the largest private sector company in the Borough in terms of employment is Ford, with the Primary Care Trust representing the largest public sector employer. Beyond this, the majority of the Borough’s firms are relatively small in employment terms, with nearly three quarters (72%) employing five or fewer people.

2.23 Between 2004 and 2010, the number of VAT registered firms in the Borough grew by just over 23%, a higher rate than the Greater London (12%), outer London (10%) and UK averages (7%). Barking & Dagenham has an average rate of self-employment, with 9.7% of the working-age population falling within this category compared with 11.7% across London and 9.5% nationally in 2013. These indicators indicate a relatively healthy picture of entrepreneurial activity in Barking & Dagenham.

2.24 Drawing on IDBR data, Figures 2.7 to 2.11 below provide an overview of the spatial distribution of key business clusters within Barking & Dagenham. A map of all sectors in Barking & Dagenham is presented in Appendix 5, indicating the presence of a wide range of business sectors in the Borough but with a particular focus upon the transport and wholesale, manufacturing, administration and support services, business services and recreation and retail sectors, each of which are considered in turn below. Further information on activities that fall within each IDBR sector category can be found in Appendix 6.
LBBD’s industrial economy is driven to a large extent by distribution activities and Figure 2.7 sets out how this activity is distributed across the Borough. Although the Borough’s three SILs (River Road Employment Area, Rippleside and Dagenham Dock) including the A13 corridor, represent the focus for much of this activity, the analysis also emphasises the importance of the smaller LSISs for accommodating wholesale and transport related firms, including Sterling and Wantz Industrial Estate, Fresh Wharf (southern part) and Gascoigne Business Area. In land use terms, much of this activity is accounted for by distribution and warehousing (B8) uses, as well as some non B class uses such as transport related activity.
LBBD is a traditional manufacturing location on account of the Ford Motors plant. Although this sector has suffered a decline over the past number of decades, it continues to make a significant contribution to the local economy, as set out above it represents 11% of total workforce jobs. This is slightly higher than the national (8%) level and significantly higher than the Greater London level of 2%. The spatial distribution of manufacturing in LBBD is shown in Figure 2.8, all of which is assumed to take place within the industrial use classes (B1c and B2). Despite appearing to be less significant based on the spatial distribution when compared to other sectors such as administration and support services, manufacturing firms tend to be larger and employ more people.
2.27 Administration and support services are an important component part of LBBD’s local economy representing 11% of total workforce jobs. Figure 2.9 shows the spatial distribution of these sectors across the Borough and it is apparent that activity is concentrated within both town centres of Barking, Dagenham, Chadwell Heath and Green Lanes, where office space is located as well throughout residential areas. There is less necessity for these types of services to locate along the strategic road network and as such, they are less concentrated along the A13 corridor. In land use terms, some of this activity is aligned to traditional B use classes (such as offices) although the majority is more closely aligned with a combination of retail (A1-A2) and sui generis use classes.
Figure 2.10 summarises the broad distribution of business services\(^9\) related firms in LBBD. As might be expected, the spatial distribution of these firms across the Borough largely echoes that of the administration and support services sector (Figure 2.8), with activity concentrated around the Borough’s town and district centres including Barking town centre, Chadwell Heath and Dagenham town centre. The analysis also highlights the prevalence of finance and insurance sectors locating in town centre locations while business services are more evenly distributed throughout the Borough. The presence of business services in SILs is particularly limited. In land use terms, business services, communications, IT and financial services activity is almost exclusively aligned to office based (B1a/b) premises.

\(^9\) Business services include computing and IT, financial and professional services, media activities, real estate
2.29 Figure 2.11 demonstrates that while there are concentrations of recreation and retail sectors in the Borough’s town and district centres, further ribbon developments of retail are evident along the road network and dispersed throughout residential areas. In land use terms, retail activity is dominated by the A1-A5 use classes in both town centre and out-of-town locations while recreation activity is most closely aligned with assembly and leisure use (D2).

**Labour Market**

2.30 LBBD’s economic activity rate, the proportion of working age residents in or seeking employment, at 73.4% is lower than both the Greater London (76.4%) and national (77.3%) figures\(^\text{10}\). This indicates that there is some scope to expand local labour supply from current residents.

\(^{10}\) ONS Annual Population Survey July 2012-June 2013
2.31 Claimant unemployment increased by almost 50% in LBBD since the onset of the recession in early 2008 to 4.6% in October 2013. This rate is higher than both the London (3.2%) and national rate (3%). Based on the wider Annual Population Survey measure, the Borough’s unemployment rate is higher at 14.6% this is significantly higher than the regional rate (8.9%) and that of Great Britain (7.8%)\textsuperscript{11}. According to London’s Poverty Profile 2013\textsuperscript{12}, LBBD has the highest rate of unemployment in London with almost 1 in every 10 working-age people unemployed\textsuperscript{13}.

Figure 2.12 Quarterly Claimant Unemployment 2008-2013

![Quarterly Unemployment Graph](image)

Source: Nomis 2013

2.32 In November 2012, there were over seven claimant unemployed workers for every unfilled job centre vacancy in the Borough. This was higher than the ratio in Greater London (5.8) and substantially higher than the Great Britain ratio of 3.1. This indicates that local residents are likely to experience difficulty in securing employment due to a lack of locally available jobs (as also evidenced by above average rates of unemployment).

2.33 As shown in Figure 2.13, the Borough’s resident workforce has lower than average skill levels when compared with London and the rest of the Country, with a lower percentage of graduate level workers (26% compared to 47.6% across London), and a comparatively high level with no qualifications (13.9% compared to 8.4% in London). Skills levels also rank below the national average and the percentage of residents with no formal qualifications is higher than the percentage in Great Britain (13.9% compared to 9.7%). Further information on qualification levels and educational attainment is presented in Appendix 7.

\textsuperscript{11} ONS Annual Population Survey July 2012-June 2013
\textsuperscript{12} Published by the Trust for London, October 2013
\textsuperscript{13} London Borough of Newham recorded an equivalent level of unemployment
2.34 Turning to the types of jobs required in the Borough, the most sought after occupations amongst claimant unemployed workers are ‘Sales and Customer Services Occupations’, followed by ‘Elementary Occupations’ and ‘Administrative and Secretarial Occupations’. The least sought after occupations are ‘Managers and Senior Officials’ and ‘Professional Occupations’. This is reflective of the low skills base of unemployed workers in the Borough and the fact that some higher skilled occupations tend to be filled by in-commuters travelling into the Borough from elsewhere.

2.35 As Figure 2.14 illustrates, at £552, resident wage levels are approximately 8% higher than mean gross weekly pay across Great Britain (£508), despite this they are 10% lower than the Greater London area (£613). In terms of workplace pay, at £656 per week, LBBD is broadly similar to the Greater London mean and 22% higher than the Great Britain mean. Notably, workplace pay In LBBD is almost 16% higher than resident pay. This indicates that residents migrate outside the Borough for less well paid employment and higher paid jobs within the Borough are occupied by non-residents.

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14 ONS October 2013, Claimant count figures do not include claimants of Universal Credit.
2.36 Drawing together the above analysis, the Borough’s economic strengths and weaknesses, together with potential opportunities and threats, which will influence future demand for employment space are summarised in Table 2.3.

2.37 The Borough has recorded negative job growth over the last 16 years (-2%), underperforming both regional and national trends reflecting the impact of the recession, although this trend has been driven by significant job losses associated with a small number of large firms in the Borough (including Ford and Sanofi Aventis) rather than reflecting broader local economic trends and growth within the rest of the Borough’s economy.

2.38 The key sectors in employment terms in LBBD are education, administration & support services and manufacturing, with the wholesale, construction and retail sectors also accounting for a significant share of employment. The largest growth sectors in terms of employment between 1997 and 2013 were utilities, recreation, business service and health care while the greatest level of decline was experienced by the manufacturing and transport sectors.

2.39 LBBD’s residents hold below average workforce skills and occupations and unemployment levels are among the highest in Greater London. The Borough’s labour market continues to face a number of challenges to achieve high economic activity and to reduce unemployment. Significant levels of out-commuting results in stark contrasts between workplace and resident earnings, while deprivation remains entrenched in pockets of the Borough including parts of Chadwell Heath, Village, Abbey, Thames and Heath.

2.40 A range of ambitious local economic strategies and initiatives emphasise the need to attract and retain new business, develop an environment that supports the creation of jobs, and make best use of vacant land across the Borough to
support sustainable employment. These strategies suggest that LBBD has experienced a loss of large employers such as Sanofi Aventis and a reduction in the size of Ford Motors and as a result a step change is needed in order for the Borough to achieve its true economic potential.

Table 2.3  SWOT Analysis of the LBBD Local Economy

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proximity to central London</td>
<td>Below average skills amongst local residents</td>
</tr>
<tr>
<td>Excellent transport links, particularly to London, the M25 and M11, and</td>
<td>High levels of unemployment</td>
</tr>
<tr>
<td>particularly from Barking Town Centre</td>
<td>High levels of deprivation</td>
</tr>
<tr>
<td>Strong population growth (both historically and projected)</td>
<td>Relatively low levels of workforce productivity (measured by GVA)</td>
</tr>
<tr>
<td>Strong business growth levels and start-up activity</td>
<td>High levels of out commuting with this trend increasing over the last decade</td>
</tr>
<tr>
<td>Low cost location</td>
<td>Few large employers with the exception of Ford Motors and Primary Care Trust</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of good value land for development (particularly for industrial uses)</td>
<td>Trend of negative job growth (albeit driven by job losses associated with a small number of large employers)</td>
</tr>
<tr>
<td>Availability of affordable premises (compared with nearby centres)</td>
<td>Skills shortages</td>
</tr>
<tr>
<td>Location of Barking Riverside- one of the largest residential developments in the UK</td>
<td>Increasing pressure on employment land to be released for other uses (such as D1 religious uses)</td>
</tr>
<tr>
<td>Growth in new emerging sectors such as sustainable green industries and creative industries</td>
<td>Competition from similar locations within the sub-region (such as Stratford, Rainham and Romford)</td>
</tr>
<tr>
<td>Availability of key housing growth/Regeneration Areas for future development (London’s Newest Opportunity) – much of which is owned by LBBD/GLA</td>
<td>Lack of speculative development in recent years</td>
</tr>
</tbody>
</table>

Source: NLP analysis
3.0 Overview of Employment Space

3.1 This section provides an overview of the current stock of employment space in Barking & Dagenham including Town Centres where applicable, and the recent trends and variations to the supply of this space. Both the amount of employment land and quantity of built employment floorspace are considered across the main categories of employment uses, i.e. offices (B1(a/b)), warehousing/storage and distribution (B8) and manufacturing industry/factories (B1(c)/B2). This analysis is based on data from the following sources:

- commercial floorspace data from ONS and Valuation Office Agency (VOA);
- Barking & Dagenham Council's annual monitoring data on commercial floorspace; and
- the EGI Property Link database and other commercial property sources.

3.2 Current Stock of Employment Space

In 2008, Barking & Dagenham contained 1,797,000 m² of B class floorspace. A breakdown of this space by main uses and a comparison with employment floorspace levels in adjoining boroughs is shown in Figure 3.1. This indicates that the supply of employment space in Barking & Dagenham is almost fully taken up by industrial stock (95%), with only a small amount of office stock available (5%). The existing stock of factory and warehousing floorspace are the largest respectively of all six adjoining boroughs, while the stock of office floorspace is the smallest amongst all six adjoining boroughs.

Figure 3.1 Employment Floorspace by Borough (m²)
3.3 The total amount of employment floorspace in Barking & Dagenham remained relatively stable over the period 2000 to 2012, decreasing by a negligible 0.5%. Commercial office floorspace decreased by nearly 2% over the same monitoring period according to published VOA data (shown in Figure 3.2), compared with a 12% increase in London as a whole. Total industrial floorspace also decreased by a slight 0.3% over the same period, compared with a substantially greater decrease of 19% in London. These trends were broadly similar to those recorded in the adjoining Boroughs of Redbridge and Havering (Figure 3.2).

![Figure 3.2](image)

Source: VOA Business Floorspace Statistics / NLP analysis

3.4 Compared with London as a whole, Outer London recorded lower levels of office space growth between 2000 and 2012 and a lower level of industrial space decline (Figure 3.3).
Spatial Distribution

3.5 The latest available VOA data shows the distribution of B use class floorspace across Barking & Dagenham (shown in Figure 3.4). These figures indicate that industrial space tends to be distributed across a number of the Borough’s key employment sites, including the three main areas of strategic industrial land at Dagenham Docks, Rippleside and River Road. There are also a number of other locally significant employment areas that tend to be located within the southern part of the Borough close to the A13.

3.6 In contrast, office space in Barking & Dagenham is concentrated within and surrounding Barking town centre, which accounts for around 80% of all office space recorded in the Borough\(^\text{15}\). Beyond these more substantial clusters, employment space tends to be relatively dispersed and small in scale.

\(^{15}\) As defined by the Barking Town Centre Area Action Plan boundary
3.7 Although only covering the period up to 2003, ONS data on the age of commercial premises can give a broad indication of the age of the stock in Barking & Dagenham. This data shows that the majority of the employment floorspace in the Borough is of relatively older stock, with 69% of industrial premises and 64% of office premises developed prior to 1970. In addition, relatively little new commercial floorspace has been built within the Borough since 1990, with just 8% of the industrial stock and 11% of the office stock developed over the last couple of decades.

3.8 The data also indicates that more significant periods of development occurred for office premises in the 1970s and industrial premises in the 1980s, with some 16% of the existing stock for each type of employment floorspace built during these periods respectively (Figure 3.5).
3.9 The relatively old nature of much of the Borough’s office and industrial stock means that Barking & Dagenham is potentially missing out on attracting and retaining occupiers seeking modern workspace, particularly as newer space is available in nearby centres such as Stratford which has benefited from new commercial development in recent years. These trends are explored in more detail in Chapter 5.0.

Development Rates

3.10 The gross amount of floorspace developed for employment uses in Barking & Dagenham over the last ten years is shown below in Figure 3.6.
These figures indicate that a gross figure of just under 31,000 m² of B class floorspace was developed per annum across the Borough between 2003 and 2013. The vast majority of new space built was for industrial and warehousing uses, with 48% for B1c/B2 class uses and 45% for B8 class uses. Only 7% of the new employment space over this period was built for B1a/B1b office uses.

Development levels peaked in the 2007/08 monitoring year with the Borough recording gross completions that were more than two and a half times higher than the annual average over the last ten years. It should be noted that around 71% of the B class employment space completions in that year related to the large B2/B8 use development on Choats Road in Dagenham, taking up some 60,000 m² of floorspace. No other significant commercial developments were identified to have been completed over the last ten years, with most of the remaining take up of employment space coming from smaller developments.

The net amount of employment floorspace developed in Barking & Dagenham over the last ten years is shown in Figure 3.7. Across the period as a whole, the net development rate was substantially lower than the gross development rate at just under 12,450 m² per annum. This reflects losses of B class floorspace through redevelopment to other uses, as detailed further below. During this ten year period, a net development rate per annum of 6,189 m² was recorded for B1c/B2 space, 4,498 m² for B8 space and 1,765 m² for B1a/B1c space.

**Figure 3.7  Net Development Rates (2003 - 2013)**

**Source:** Barking & Dagenham Council

### Losses of Employment Space

Council monitoring data indicates that past losses of employment land to other uses have been significant and variable by year and by B class (shown in Figure 3.8). In particular, 2007/08 stands out as recording substantial losses in both industrial and warehousing floorspace.
Barking & Dagenham recorded an annual average loss of employment space of some 18,500 m² for the period 2003 to 2013, with nearly all of this involving losses of B8 warehousing space (50%) and B1c/B2 factory space (48%). Much of these losses were attributed to changes to residential, retail and D1 uses.

Emerging Supply of Employment Space

The supply of employment space in the development pipeline comes from outstanding planning permissions that are either yet to be implemented or are currently under construction and undeveloped or cleared sites as identified by the site assessment exercise undertaken as part of this study (see Section 6.0). This space relates to a range of sites across the Borough, including both existing allocated employment sites as well as sites not currently being used for employment uses.

Based on Council monitoring data at March 2013 and site assessments undertaken in December 2013, the Borough’s employment land supply totals approximately 146ha, broken down as follows in Table 3.1.

Table 3.1 Available Employment Floorspace in Barking & Dagenham

<table>
<thead>
<tr>
<th>Use Class</th>
<th>Supply (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding Planning Permissions</td>
<td></td>
</tr>
<tr>
<td>B1 (Offices and light industrial)</td>
<td>5.3</td>
</tr>
<tr>
<td>B2/B8 (Industrial)</td>
<td>10.8</td>
</tr>
<tr>
<td>B1-B8 Mixed</td>
<td>n/a</td>
</tr>
<tr>
<td>Undeveloped/Cleared Sites (as identified through site assessments)</td>
<td></td>
</tr>
<tr>
<td>B1 (Offices and light industrial)</td>
<td>n/a</td>
</tr>
<tr>
<td>B2/B8 (Industrial)</td>
<td>1.5</td>
</tr>
<tr>
<td>B1-B8 Mixed</td>
<td>128.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>B1 (Offices and light industrial)</td>
<td>5.3</td>
</tr>
<tr>
<td>B2/B8 (Industrial)</td>
<td>12.3</td>
</tr>
<tr>
<td>B1-B8 Mixed</td>
<td>128.3</td>
</tr>
<tr>
<td>Total</td>
<td>146.0</td>
</tr>
</tbody>
</table>

Source: Barking & Dagenham Monitoring Data (March 2013) and NLP analysis
3.18 The majority (88%) of this available supply relates to sites that have been assessed by NLP as being suitable for mixed B1-B8 uses, although in reality these are most likely to accommodate industrial (B1c/B2/B8) uses, given their location within the Borough’s predominately industrial zone, as well as local market characteristics. Less than 4% of this identified supply relates to B1 uses (as defined by LBBD monitoring data), although this B class category is likely to include B1c light industrial uses as well as office (B1a/b) uses.

3.19 As shown in Table 3.2 below, a small number of key sites make up the majority of this employment land supply, including the employment area of Barking Riverside, Dagenham Dock and Beam Park (South Dagenham East). The majority of the identified supply is concentrated in and around the A13 corridor to the south of the Borough, where the majority of existing employment activity is located.

Table 3.2 Location of Available Employment Floorspace in Barking & Dagenham

<table>
<thead>
<tr>
<th>Site</th>
<th>Location in the Borough</th>
<th>Available Employment Space (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dagenham Dock</td>
<td>Dagenham</td>
<td>44.0</td>
</tr>
<tr>
<td>South Dagenham (West)</td>
<td>Dagenham</td>
<td>15.9</td>
</tr>
<tr>
<td>Sanofi Aventis</td>
<td>Dagenham</td>
<td>8.9</td>
</tr>
<tr>
<td>Rippleside</td>
<td>Barking</td>
<td>3.5</td>
</tr>
<tr>
<td>Kingsway Industrial Estate (including Rose Business Park)</td>
<td>Barking</td>
<td>3.0</td>
</tr>
<tr>
<td>Freshwater Road</td>
<td>Chadwell Heath</td>
<td>1.1</td>
</tr>
<tr>
<td>River Road Employment Area</td>
<td>Barking</td>
<td>0.5</td>
</tr>
<tr>
<td>Northgate Industrial Park</td>
<td>Chadwell Heath</td>
<td>0.4</td>
</tr>
<tr>
<td>Barking Riverside Area (employment part)</td>
<td>Barking</td>
<td>48.3</td>
</tr>
<tr>
<td>Beam Park (South Dagenham East)*</td>
<td>Dagenham</td>
<td>20.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>146.0</strong></td>
</tr>
</tbody>
</table>

Source: Barking & Dagenham Monitoring Data (March 2013) and NLP analysis
Note: Totals rounded *Key Regeneration Area sites which are predominately residential zoned

3.20 Some of these undeveloped or cleared sites\(^\text{16}\) are not designated or allocated for specific employment use, but are instead designated as ‘Key Regeneration Areas outside Barking Town Centre (CM2)’ in the Local Development Framework Proposals Map (Adopted February 2012). The Site Specific Allocations Development Plan Document refers to the potential for some employment generating uses on these sites although residential development represents the main intended use, alongside a range of other mixed uses. They therefore have no current policy status or protection as employment sites, and subsequently no guarantee that B class employment development will come forward on these sites over the plan period. As it is therefore unclear how much of this land will be available for employment uses in the future, the study has tested the implications of both including and excluding these sites from the pipeline of supply (see Section 7.0).

\(^\text{16}\) Including Barking Riverside Area, Beam Park (South Dagenham East) and South Dagenham (West)
It should also be noted that approximately 16ha (11%) of this identified supply relates to outstanding planning permissions (i.e. permissions that have not yet been started or are under construction) for B class development, and there is no guarantee that these permissions will be implemented over the plan period, whereby bringing forward land for employment use. It is also important to note that these permissions relate to specific schemes and users and may therefore be less able to meet general future needs.

**Employment Space in Adjoining Areas**

It is important to understand the extent of available employment land in adjoining authorities and any major new economic developments emerging in these locations which might compete with LBBD for future demand. A review has been undertaken of the current position in each area.

**Newham**

The Employment Land Review (ELR) for Newham was published in February 2011. It suggests that there is an oversupply of employment land in the London Borough of Newham for the period 2006 to 2027, and recommends that the release of industrial employment land will be required over this period.

While the research suggests that demand for industrial land is set to decline between 2006 and 2027, the business survey indicates that the majority of industrial businesses have no plans to relocate from their current location. In addition to this, there may be future demand requirements associated with the Mayor’s Waste Strategy and the Green Enterprise District.

Newham has a significant proportion of land identified by the London Development Agency as Preferred Industrial Location (PIL) through the London Plan, and it is considered as a prominent industrial location within London.

In terms of offices, Stratford City is the principle centre in the Borough. However, the ELR suggests that the scale of the proposed office floorspace at Stratford City is significantly higher than any economic forecast projects and it recommends infrastructure improvements to increase Stratford’s attractiveness as an office location.

Across the Borough, 8% of the office stock and 6% of the industrial stock is vacant. This translates into 1.7 ha of vacant office employment land and 23.5 ha of vacant industrial land.

Taking into account future demand and supply, there is an oversupply of approximately 83 ha of employment land between 2006 and 2027.

Likely drivers of growth in the future in Newham are identified to be the public sector, retail, financial services, construction, recycling and specific manufacturing activity such as basic metals. This means that a diverse mix of
employment premises must be provided in the future, both in B class and non B class uses.

**Redbridge**

3.30 With regards to offices, the London Borough of Redbridge exhibits many of the same characteristics as other east London Boroughs with low demand and low supply. Only Ilford has any significant office provision within the boroughs. However, none of the centres in the borough show any indication of becoming an office centre, nor would they benefit from office-led regeneration.  

3.31 The GLA estimates that the London Borough of Redbridge has around 70 ha of industrial land, with 44 ha on designated land and 25 ha away from them. As an industrial location, Redbridge is a relatively attractive choice for firms owing to its strategic location in outer London and cheaper industrial accommodation. While the stock of industrial sites has greatly decreased within the Borough in recent years, a Policy Review for Redbridge indicated the protection of a higher number of these employment sites is necessary to promote growth.

**Havering**

3.32 The current employment land supply in the London Borough of Havering is 360 ha (309 ha built-on and 51 ha vacant) and a demand by 2018 for 326 ha of employment land. Therefore the ELR recommends the release of 34 ha of land from employment use.

3.33 Within the Borough there are three Strategic Industrial Locations (SILs) as identified by the London Plan. These are Rainham Employment Area, Coldharbour Lane and Harold Hill Industrial Estate. In addition to this, Havering Council considers that the King George Close Estate in Romford shares similar qualities to Rainham and Harold Hill areas and classifies this as a SIL. The Council however has de-designated Coldharbour Lane as a SIL.

3.34 The Council prioritises higher value advanced manufacturing in Beam Reach Business Park, with a mix of light and general manufacturing, and some warehousing focused in the Ferry Lane area. The Havering Core Strategy identifies Ferry Lane, Harold Hill and King George Close Estates as acceptable locations for B1b research and development and B1c light industrial uses, B2 general industrial, and B8 storage and distribution uses.

3.35 Romford is Havering’s major centre for office development. It accounts for 79% of B1 accommodation within the Borough. The majority of this is concentrated within the Romford Office Quarter. However, there is a high level of vacancy due to several recent closures. Hornchurch and Upminster also contain office space.

3.36 Supply and demand for offices are identified as being low in Havering and large scale speculative office development is not considered viable in Romford and new offices are only likely to be secured as part of a mixed use residential

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or retail-led scheme. The ELR identifies there will be demand for a further 2 ha of office space by 2018 in Romford.

Conclusions

3.37 Barking & Dagenham’s employment space is dominated by industrial uses which account for 95% of total stock. In contrast, the Borough’s commercial office stock amounts to just 5% of total employment space. Barking & Dagenham has a larger supply of industrial space overall than all of its adjoining Boroughs including Newham, Redbridge and Havering.

3.38 The Borough’s industrial space tends to be distributed across a number of key employment sites, including the SILs at Dagenham Dock, Rippleside and River Road. By contrast, office space tends to be concentrated in and around Barking town centre.

3.39 Barking & Dagenham has a fairly ageing stock of employment space and lack of modern business premises relative to other parts of the region. The Borough has seen moderate levels of new development over the past ten years, the vast majority for manufacturing (B1c/B2) and warehousing (B8) uses. At the same time, Barking & Dagenham has been losing B class space – largely industrial – to higher value uses such as retail and D1 uses.

3.40 Echoing wider East London and Outer London trends, neighbouring local authority areas have significant amounts of employment land available (particularly industrial land), and while gradual release of this land will be required over their respective plan periods, this nevertheless represents significant competition for Barking & Dagenham when competing for future investments and relocations. A number of major employment land developments are underway or proposed in a number of adjoining areas, including the Rainham area of Havering.

3.41 The supply of employment space in the Borough’s development pipeline comprises 146ha of outstanding planning permissions (at March 2013) and undeveloped or cleared sites. This supply is distributed across the Borough but concentrated particularly strongly within a small number of large sites along the A13 corridor, including Barking Riverside, Dagenham Dock and Beam Park.
Overview of Retail and Town Centre Uses

This section assesses the hierarchy and role of centres within LBBD, and their relationship within the sub-region.

The London Plan Hierarchy

LBBD is located in the East of London, north of the River Thames and is bounded by Havering to the east, Redbridge to the north and Newham to the west. The Borough contains one major centre and three district centres:

Major Centres
- Barking

District Centres
- Dagenham Heathway
- Chadwell Heath
- Green Lane

The major and district centres are supported by 32 neighbourhood centres, these vary in size, range and quality but all perform a local shopping function with a mix of retail and service uses. A map showing all centres in LBBD is shown at the end of Appendix 10. The centres within LBBD compete with major shopping destinations outside the Borough including:
- Central London;
- Westfield Shopping centre in Stratford;
- Romford;
- Ilford;
- Canary Wharf;
- intu Lakeside Shopping Centre in Thurrock;
- Bluewater Shopping Centre;
- Beckton Triangle Retail Park/Gallions Reach.

LBBD economic context is shown in Figure 2.1 in Section 2. The London Plan sets out the London wide shopping hierarchy, as shown below. International Centres are located in Central London. Westfield Stratford is expected to become a new international centre within the proposed alterations to the London Plan. The outer London suburbs are served by a series of Metropolitan Centres. North East London, including LBBD, is served by Stratford and two Metropolitan Centres, i.e. Ilford and Romford. Barking is a third tier Major Centre, whilst Dagenham Heathway and Chadwell Heath are four tier District Centres.
4.5 The major and district centres also compete with other town and district centres in the surrounding area including: Ilford, Romford, Stratford, Beckton, Hornchurch, Brentwood, Upminster and East Ham. LBBD’s centres also compete locally with the out-of-centre retail provision at Merrielands Retail Park in Dagenham.

### Relative Attraction of Centres

4.6 Venuescore ranks the UK’s top 2,000 retail destinations including town centres, malls, retail warehouse parks and factory outlet centres. The results for the Borough and other relevant centres are shown in Table 4.1 and the main centres are shown on plan below.

4.7 Each destination is given a weighted score for the number of multiple retailers present; the score attached to each retailer is weighted depending on their overall impact on shopping patterns. The Venuescore usually closely correlates to the actual market size of the shopping destination in terms of consumer expenditure, however some larger shopping centres such as Westfield with fewer but larger stores and town centres with a high proportion of independent stores can generate spending levels in excess of their relative Venuescores.

4.8 Venuescore also assess the market position of the larger town centres based on the retailers present and the centre’s relative position along a spectrum running from discount to luxury (i.e. lower, middle to upscale).
Table 4.1 Venuescore UK shopping Index 2013.

<table>
<thead>
<tr>
<th>Centre</th>
<th>UK Rank</th>
<th>Venuescore</th>
<th>Market Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>London, West End</td>
<td>1</td>
<td>1,393</td>
<td>Upscale</td>
</tr>
<tr>
<td>Bluewater Shopping Centre</td>
<td>21</td>
<td>321</td>
<td>Upscale</td>
</tr>
<tr>
<td>Westfield Shopping Centre, Stratford</td>
<td>30</td>
<td>288</td>
<td>Upscale</td>
</tr>
<tr>
<td>Romford</td>
<td>45</td>
<td>243</td>
<td>Middle</td>
</tr>
<tr>
<td>intu Lakeside Shopping Centre</td>
<td>49</td>
<td>237</td>
<td>Upper Middle</td>
</tr>
<tr>
<td>Ilford</td>
<td>90</td>
<td>181</td>
<td>Middle</td>
</tr>
<tr>
<td>Docklands (Canary Wharf)</td>
<td>112</td>
<td>164</td>
<td>Upscale</td>
</tr>
<tr>
<td>Brentwood</td>
<td>209</td>
<td>110</td>
<td>Upper Middle</td>
</tr>
<tr>
<td>Stratford</td>
<td>307</td>
<td>81</td>
<td>Lower Middle</td>
</tr>
<tr>
<td>East Ham</td>
<td>309</td>
<td>80</td>
<td>Lower</td>
</tr>
<tr>
<td><strong>Barking</strong></td>
<td><strong>320</strong></td>
<td><strong>77</strong></td>
<td>Lower</td>
</tr>
<tr>
<td>Beckton Gallions Reach</td>
<td>450</td>
<td>57</td>
<td>Middle</td>
</tr>
<tr>
<td>Upminster</td>
<td>573</td>
<td>47</td>
<td>n/a</td>
</tr>
<tr>
<td>Hornchurch Centre</td>
<td>681</td>
<td>39</td>
<td>n/a</td>
</tr>
<tr>
<td>Beckton Triangle/Gateway Retail Park</td>
<td>930</td>
<td>29</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Dagenham Heathway</strong></td>
<td><strong>1,024</strong></td>
<td><strong>26</strong></td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Merrielands Retail Park</strong></td>
<td><strong>1,061</strong></td>
<td><strong>25</strong></td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Chadwell Heath</strong></td>
<td><strong>1,605</strong></td>
<td><strong>16</strong></td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: Venuescore, Javelin Group 2013

BOLD: Indicates shopping destinations located within LBBD

4.9 Consistent with the London Plan, the Venuescore index ranks Barking as the main centre within the Borough, ranked 320th out of all centres in the UK. Dagenham Heathway and Chadwell Heath district centres and Merrielands Retail Park feature in the rankings but achieve a relatively low scores. Central London, Bluewater, Westfield and intu Lakeside are ranked at the top of the hierarchy. Major centres including Ilford, Brentwood and Romford are all ranked within the top 250, their scores reflect the fact they contain a higher number of national multiple retailers and serve a wider catchment than Barking. The lack of national multiple retailers in the district centres in LBBD results in a relatively low Venuescore.

4.10 The top three ranked centres also have the higher market position, with a focus on luxury rather than discount products. These three centres attract customers from across East London, and a higher proportion of the most affluent customers when compared with other centre. Romford and Ilford are considered to be middle market by Venuescore, whilst Barking and East Ham are considered to be lower market, i.e. focusing on discount and value sectors.
Property Indicators

4.11 The relative performance of and influence of retail centres can be demonstrated by reviewing the commercial property values, for example zone A rental levels achieved for rental property. Figure 4.1 below shows the change in prime rental values in £ per square foot (£/sq.ft) for Barking and nearby competing centres for each year from 2003-2013. The graph in Figure 4.2 shows prime (zone A) retail rents in LBBD district centres and competing district centres of Hornchurch and Upminster obtained from the Valuation Office.

Figure 4.1 Zone A Rents (£/sq.ft)

Source: Colliers 2010 and VOA 2013

4.12 Barking's prime retail rents decreased during the recession, but this trend was also experienced in Ilford and Romford. Recent evidence suggests rental levels have improved since 2010, but have not recovered to pre-recession (2008) levels.

4.13 Figures 4.1 and 4.2 indicate that prime Zone A retail rents vary significantly from centre to centre i.e. over £200 per square foot in Romford to around £10 per square foot in Green Lane. Prime Zone A retail rents tend to reflect a centre’s position within the shopping hierarchy, therefore larger centres will tend to command higher rents. This trend is evident in East London with much higher retail rents in Ilford and Romford, much lower rents in Barking and East Ham and the lowest rents in smaller centres. As a result retail property values are generally linked to the size of the centre and its position within the hierarchy.
An assessment of the existing retail provision in the main centres is provided in the centre audits included at Appendix 10. For the main centres of Barking, Dagenham Heathway, Chadwell Heath and Green Lane, the audit reviews the centre against indicators of vitality and viability, using the national average for all centres within the UK (all town centre Goad across the UK). A summary of existing retail provision is provided in Table 4.2 below.

### Table 4.2 Existing Retail Provision

<table>
<thead>
<tr>
<th>Centre</th>
<th>Town Centre Shop Units</th>
<th>Convenience Goods Floorspace (sq.m net)</th>
<th>Comparison Goods Floorspace (sq.m net)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barking</td>
<td>266</td>
<td>8,723</td>
<td>13,335</td>
</tr>
<tr>
<td>Dagenham Heathway</td>
<td>113</td>
<td>2,092</td>
<td>4,502</td>
</tr>
<tr>
<td>Chadwell Heath</td>
<td>119</td>
<td>3,272</td>
<td>3,162</td>
</tr>
<tr>
<td>Green Lane</td>
<td>121</td>
<td>2,345</td>
<td>3,184</td>
</tr>
<tr>
<td><strong>Main Centre Total</strong></td>
<td><strong>619</strong></td>
<td><strong>16,432</strong></td>
<td><strong>24,183</strong></td>
</tr>
<tr>
<td>Abbey Retail Park</td>
<td>n/a</td>
<td>n/a</td>
<td>3,301</td>
</tr>
<tr>
<td>Merrielands Retail Park</td>
<td>n/a</td>
<td>4,355</td>
<td>5,918</td>
</tr>
<tr>
<td>Other out of centre</td>
<td>n/a</td>
<td>10,588</td>
<td>4,240</td>
</tr>
<tr>
<td><strong>LBBD Total</strong></td>
<td></td>
<td><strong>31,375</strong></td>
<td><strong>37,642</strong></td>
</tr>
<tr>
<td>Romford</td>
<td>453</td>
<td>8,806</td>
<td>76,157</td>
</tr>
<tr>
<td>Ilford</td>
<td>414</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>East Ham</td>
<td>285</td>
<td>7,935</td>
<td>13,549</td>
</tr>
</tbody>
</table>

Sources: Tables 11 Appendices 18 and 19, Goad, IGD and VOA- Retail Studies neighbouring authorities.
4.15 Barking is the main centre in the Borough in terms of number of outlets and the amount of floorspace and is comparable in size to East Ham. It is the primary destination for comparison shopping within the Borough, but has a much lower number of shop units when compared with Romford and Ilford.

4.16 It is important for the Borough’s main centres to maintain and strengthen their role in the retail hierarchy. The smaller centres should continue to perform a more local function.

**Diversity of Main Town Centre Uses**

4.17 Figure 4.3 below shows the composition on each retail centre in terms of the mix and proportion of different uses i.e. the proportion of shop units within each use class. This is compared with the Goad Plan average mix for all centres across the country.

Figure 4.3: Mix of Uses by Unit

Source: Goad

4.18 Generally larger centres have a higher proportion of comparison shop units than smaller centres. Smaller centres tend to have a higher proportion of convenience goods units and service uses, serving the local/day to day needs of their catchment area. This pattern is reflected in LBBD. For example, Barking has a higher proportion of comparison shops when compared with the three smaller centres in the Borough and a similar proportion when compared with East ham, but it has a lower proportion than Romford. Larger centres tend to have a stronger focus on fashion shopping and therefore have a higher
proportion of comparison shops. Vacancy rates are relatively low across the LBBD’s centres when compared with the national Goad town centre average.

Retailer Representation

4.19 Figure 4.4 compares the proportion of convenience and comparison retail units within the four main LBBD centres against the national average. All LBBD centres have a higher proportion of convenience goods units and a lower proportion of comparison goods units, when compared with the national average. Whilst Romford has higher proportion of comparison shopping. The provision of food stores and convenience shops is generally higher in lower tier centres, which have a more limited range and choice of comparison shops. Smaller retail centres tend to have a higher proportion of convenience goods, reflecting their more local attraction and function to serve residents’ day to day needs.

Figure 4.4 Convenience and Comparison Goods by Proportion of Units

4.20 Within the comparison retailer category, Figure 4.5 provides a summary of the representation of different types of retailers in the four main centres, compared with the national average. As the largest centre in LBBD, Barking most closely reflects the national average break down of uses in a number of categories.

Figure 4.5 shows the proportion of comparison shops within each Goad goods category. In terms of the number of shops in each category, Barking has a better choice of comparison shops than the three smaller centres (see centre audits in Appendix 10 for more details).

4.21 As indicated in the Venuescore analysis above, although Barking has a reasonable proportion of comparison shopping facilities for a centre of its size, the focus of the shops is toward the discount and lower sector of the market
rather than luxury/upmarket sectors. The “other comparison retailers” category includes charity shops. There are 18 charity shops within the four centres.

Figure 4.5 Comparison Goods Proportion of Units

- Clothing and footwear
- Furniture, carpets and textiles
- Booksellers, arts, crafts and stationers
- Electrical, gas, music and photography
- DIY, hardware and homewares
- China, glass, gifts and fancy goods
- Cars, motorcycles and motor access
- Chemists, drug stores and opticians
- Variety, department and catalogue
- Florists, nurseymen and seedsmen
- Toys, hobby, cycle and sport
- Jewellers
- Other comparison retailers

UK Average  Barking  Dagenham Heathway  Chadwell Heath  Green Lane
Service Uses

4.23 Service uses perform an important role in the overall offer of a centre, and encourage customers to shop locally. Figure 4.6 below summarises the proportion of units in different service uses compared to the national average. The service uses are categorised as follows:

- **Class A1 services** cover a range of uses, including hairdressers, dry cleaners, travel agents, some sandwich shops (those not categorised as Class A3), funeral parlours and post offices.

- **Class A2 services** include banks, building societies, financial services, betting offices, pawnbrokers, estate agents and employment agencies.

- **Class A3/A5** includes restaurants, cafés (A3) and takeaways (A5). Pubs/bars (Class A4) are not included in this category.

4.24 Barking has a similar mix of services uses when compared with the national average, but has a higher proportion of Class A5 takeaways. The three other main centres in LBBD all have a higher than average proportions of Class A1, Class A2 services and Class A5 takeaways than the national average, but have a lower proportion of Class A3 restaurants/cafés. This is representative of the lower overall comparison retail function of the centres and the importance of their day-to-day service role. The high proportion of Class A2 services is particularly noticeable in Dagenham Heathway. The high proportion of Class A2 in LBBD is partly due to the high number of betting shops, money lending and pawnbrokers, as shown below. Romford has a stronger retail offer and has a lower proportion of services uses.

Figure 4.6 Service
Figure 4.7 below provides a more detailed breakdown of service uses within the main centres and the Goad Plan national average.

**Figure 4.7 Service – (based on Goad Plan Data)**

All four centres have a lower proportion of restaurants/cafés but a higher proportion of takeaways, when compared with the national average. There is a high representation of takeaways within all four centres, but the selection of restaurants is relatively poor.

All four centres have a high proportion of betting shops when compared with the national average.

**Vacant Units**

One of the key measures of vitality and viability is the proportion of vacant retail units within a centre. Shop vacancy rates are generally low in LBBD when compared with the national average. Figure 4.8 below identifies the proportion of vacant units in the LBBD centres, compared to the national average (12.1%, March 2014. Only Green Lane had a higher vacancy rate at
14%. Chadwell Heath had the lowest vacancy rate at 5.9%. This suggests that all of the centres in LBBD are reasonably healthy, with no centres having a significantly high vacancy rate.

Figure 4.8 Proportion of Vacant Units (based on Goad Plan data)

Figure 4.9 shows the vacant units in terms of total floorspace (see yellow columns and figures on left axis) and number of units (see red dots and figures on right axis). Barking has the highest number of vacant units and just over 4,000 sq.m gross of vacant retail floorspace.

Figure 4.9 Number of Vacant Units and Vacant Floorspace
Perception of Centres

A business occupier survey of 152 businesses in LBBD was undertaken by NEMS in October 2013. The results of this survey are analysed in Appendix 11.

Business occupiers were asked their opinions on the town and district centres in shopping terms. As shown in Figure 4.10, over 50% of respondents in all centres considered the centres were ‘too down market’. This was highest in Dagenham Heathway with 67% suggesting the centre is ‘too down market’. Very few respondents believe any of the centres are ‘too upmarket’.

![Figure 4.10 Opinions on Centres in Shopping Terms](source, NEMS October 2013)

Business occupiers were also asked their opinions on the town centres shopping and service mix, as shown in Figure 4.11.

The majority of respondents in Barking Town Centre and Dagenham Heathway District Centre suggest the centres to have too few large chain stores (66% and 63% respectively).

Chadwell Heath had the highest number of respondents saying that there was ‘about the right mix between small and large shops’ (39%), although the centre had the highest number of respondents suggesting there is ‘not enough small independent shops’ (23%).
In addition to the four main centres in LBBD, we have undertaken a local needs index of the neighbourhood centres and parades within the Borough (Appendix 10). The key focus in auditing local centres has been in assessing the “needs” of local residents and to what extent each is meeting these “needs”. The local needs index assesses each centre against 16 shops, services and community uses that residents might expect to find within easy walking distance of their home, and each centre is given a score accordingly.

Table 4.4 below identifies the size of each centre in terms of the total number of shop units and the “Local Need Index” score (out of 16) for each centre, as well as the number of convenience stores and vacant units within each centre. See local centre analysis in Appendix 10 for more detailed analysis.

The plan at the end of Appendix 10 plots local centres and their respective Local Need Index score. A 500 metres and 800 metres radius from each centre is also shown, which represents what should be considered to be a reasonable and maximum walking distances.

Based on the distribution of local centres, their Local Need Index scores and the 500 to 800 metres walking distances, there appear to be no areas of
deficiency in terms of the provision of local centres in the Borough, with the exception of the Riverside area, where the significant additional housing and new local shopping provision is proposed.

Table 4.4 Local Needs Index Summary

<table>
<thead>
<tr>
<th>Centre Name</th>
<th>Total No. of units</th>
<th>Local Needs Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barking</td>
<td>266</td>
<td>16</td>
</tr>
<tr>
<td>Chadwell Heath</td>
<td>119</td>
<td>14</td>
</tr>
<tr>
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Town Centre SWOT Analysis

This section provides a strengths, weaknesses, opportunities and threats (SWOT) analysis of the four main town centres in LBBD. Each centre’s relative position within the sub-regional shopping hierarchy is set out in Section 4.0. An audit of existing retail and service uses within each centre is set out in
Appendix 10. Customer and business views and perceptions have been obtained from household and business telephone surveys. The results of these surveys are set out in Appendix 9, 11 and 12. The SWOT analysis in this section is based on this research.

Barking Town Centre

Strengths

4.37 For a medium sized town centre, Barking offers a reasonable number of convenience and comparison retail units (about 140 units). There is a mix of both multiple and independent traders. The centre is particularly strong within the value/discount sector supported by the street market stalls.

4.38 The street market has up to 180 stalls selling a variety of clothing, household products, food and hardware. It helps to differentiate Barking from other competing town centres and provides an added attraction for customers. It adds to the vibrancy of the high street.

4.39 Shopping facilities are complimented and supported by a variety of non-retail services, community and leisure facilities. The centre has a good provision of banks, hairdressers, estate agents, café, takeaways and community facilities including a library, sports centre, theatre, health centres and places of worship.

4.40 The centre has a relatively low vacancy rate when compared with the national average, and this vacancy rate has fallen in recently, which suggests operator demand for space has improved.

4.41 The centre is relatively compact and there is high footfall within the retail core. The centre provides a variety of covered, pedestrianised and traditional high street shopping areas. The centre has a strong community feel.

4.42 Barking has excellent public transport links. National rail services operate from the station in addition to the Hammersmith & City and District underground lines. There are 10 local bus services serving the centre making it very well connected to the surrounding area. Road accessibility to the A12, A13, north circular and M25 are also excellent. These linkages adequately serve the centre’s primary catchment area. Car parking is conveniently located within and around the centre.

4.43 The centre has recently received a significant amount of investment in new buildings such as the health centre, learning centre, travel lodge hotel and new apartments. These developments have brought with them associated improvements to the public realm in the form of new paving, lighting, planting and street furniture.

Weaknesses

4.44 Barking town centre is a third tier centre within the East London shopping hierarchy. It falls within the catchment areas of much larger competing centres e.g. Ilford, Romford, Lakeside and Central London. The strength of this...
competition restricts the extent of Barking’s primary catchment area and its market share of expenditure. It also restricts its ability to attract multiple operators.

4.45 Barking has a below average proportion of multiple operators. There is no high profile department/variety store operator to anchor the centre, such as Debenhams or Marks & Spencer. There are gaps in the general clothing sectors i.e. limited middle/mass market level shops and no upper market/luxury level shops.

4.46 The retailer gap analysis undertaken in 2012 identified 33 ‘gap’ comparison outlets not present in Barking, which are present in many similar sized centres. In addition 34 outlets within Barking were identified as being under-spaced (i.e. premises smaller than average) when compared with selected benchmark centres.

4.47 The household and business survey results suggest there is a degree of dissatisfaction with the choice and quality of non-food shops across all four main centres in the Borough. Most businesses suggested the centres are “too down market”.

4.48 Although the range and choice of shopping in Barking meets the needs of many customers in the primary catchment area, the centre does not meet the needs of all customers, particularly more affluent households. As a result there is a significant amount of comparison goods expenditure that leaks from the centre’s primary catchment area to competing centres.

4.49 Despite the large number of non-retail service uses within Barking there are gaps in provision, such as restaurants and bars (rather than takeaways). In addition the evening economy in terms of leisure and entertainment facilities is relatively under-represented.

4.50 The interior of Vicarage Fields Shopping Centre is relatively dated and there is a concentration of vacant units.

4.51 Along the Station Parade, heavy traffic flows and the presence of HGV vehicles act as a barrier to pedestrian access and reduce safety for other road users.

Opportunities

4.52 Population within the study area is expected to increase between 2013 and 2032 by 23%. As a consequence of growth in population and per capita spending, convenience goods spending within the study area is forecast to increase by 36% by 2032, and comparison goods spending is forecast to increase by 98%. Barking will benefit from this significant growth by attracting more customers and expenditure, which in turn should increase demand form operators. Barking is well place to benefit from major residential development at Barking Riverside.
4.53 The high level of comparison goods expenditure leakage from Barking town centre’s catchment area may provide an opportunity for new development to increase the Barking’s market share of expenditure and reduce expenditure leakage.

4.54 The mixed use development at London Road/North Street in Barking, including a new Asda store should help to anchor Barking town centre and attract more customers to the centre. There are further opportunities for development/regeneration within the centre, including under-used office stock and areas where high density mixed use development including residential uses could be brought forward. These developments should bring associated improvements to the public realm, and shop fronts can be improved. Collectively these developments and improvements should significantly enhance Barking as a place to shop, live, work or visit.

4.55 Although Barking’s vacancy rate has reduced recently, there is still a concentration of vacant units in Vicarage Fields, which could provide an opportunity for refurbishment and the attraction of new operators to Barking.

4.56 The gap analysis suggests there are a number of mass market and lower-middle level operators who could be attracted to the centre in the future, i.e. when growth returns and if suitable premises are made available.

4.57 The importance of the evening economy within shopping centres is recognised by shopping centre owners, and this has led to an increase in leisure, restaurants uses. There is an opportunity to improve this sector in Barking and other main centres in the Borough.

4.58 The Abbey Retail Park is located close to the town centre. A number of retailers have closed their store in the retail park and emerging development proposals could help to attract additional investment and customers to Barking.

4.59 Barking’s excellent accessibility and public transport links provide the potential to extend the centres catchment area if other improvements are made within the town centre.

**Threats**

4.60 The survey results suggest there is a perception Barking town centre is too downmarket. This perception will need to change over time in order to avoid negative impacts on investment confidence.

4.61 The continuation of national trends including the polarisation of investment from multiple operators into the largest centres and multi-channel/home shopping increasing real terms could undermine Barking’s position in the shopping hierarchy reducing the number of customers and expenditure.

4.62 Competing centres will inevitably improve in the future. If Barking does not improve it will not maintain its position in the hierarchy and the high level of comparison goods expenditure leakage to areas outside the Borough will increase further.
4.63 The age structure in Barking’s catchment area is expected to change in the future with growing proportions of middle aged and old aged people, which may change retail, leisure and entertainment expenditure/participation patterns and reduce demand for the types of facilities currently available within Barking.

**Dagenham Heathway**

**Strengths**

4.64 Dagenham Heathway is a very compact purpose built shopping centre. It is a strong community based centre with strong footfall along the Heathway and in the Mall.

4.65 As a medium sized district centre, Dagenham Heathway has a good range of retail and non-retail services which primarily serve the day to day needs of the local catchment area. Its comparison shopping offer is focused on lower order day to day products. Service uses include banks, hairdressers, estate agents, travel agents and dry cleaners. The library is an important asset that helps to attract customers.

4.66 The centre is anchored by two supermarkets (Lidl and Iceland). The centre has a good provision of independent specialist food stores including butchers, bakers, seafood store and a number of international food shops which supplement the main food store offer within Lidl/Iceland. Food and grocery shopping is a key element of the centre’s overall attraction.

4.67 The vacancy rate is below the national average and the proportion of long term vacant units is low, which suggests independent outlet demand for shop units is in line with supply.

4.68 Accessibility in to the centre is good with Dagenham Heathway Tube Station on the District line and a number of local bus services stopping along the Heathway. The Centre is very well connected to the wider local area through a network of local bus routes.

4.69 The area has received a substantial amount of investment in the new library building, new high quality paving and street furniture such as planters, seating and bus stops.

**Weaknesses**

4.70 Dagenham Heathway’s comparison role if relatively limited and lacks national multiple comparison retailers that can draw customers to the centre from a wider area.

4.71 For a medium sized centre Dagenham Heathway has a low proportion of comparison goods retailers and a low proportion of national multiple retailers. The centre has a limited provision of shops selling higher order comparison goods bought on an occasional basis where customers will generally want to shop around in more than one outlet.
4.72 The centre has a relatively weak evening economy including leisure uses, restaurants and bars. The proportion of A3/A5 services is lower than the national average and the majority of these are takeaways and not eat in restaurants.

4.73 Heavy traffic flows along the Heathway act as a barrier to pedestrian flows. The junctions at each end of the Heathway are particularly busy.

4.74 The general appearance of some shop fronts is poor due to lack of maintenance which detracts from the quality of the built environment.

4.75 The household and business survey results suggest there is a degree of dissatisfaction with the choice and quality of non-food shops. Most businesses suggested the centre is “too down market”.

4.76 Dagenham Heathway has limited physical potential to expand.

**Opportunities**

4.77 Dagenham Heathway is well located to benefit from population and expenditure growth generated by major residential development at Barking Riverside.

4.78 Despite the relatively low vacancy rate there are units available to accommodate new outlets.

4.79 The Merrielands Retail/Leisure Park is relatively close to Dagenham Heathway. This area is the main focus of large format retail stores and leisure facilities in the Borough. It should continue to generate some spin off trade for Dagenham Heathway. If Dagenham Heathway cannot accommodate future demand for shops, services and leisure facilities within the local area, then the range of uses within the Merrielands area could be broadened, e.g. the provision of smaller shops and services to create a more integrated centre.

4.80 Dagenham Heathway’s good accessibility and public transport links provide the potential to extend the centres catchment area.

**Threats**

4.81 The lack of opportunities to expand will affect the centre’s ability to accommodate growth and the role of the centre within the hierarchy could decline.

4.82 The impact food store commitments e.g. at Sanofi Aventis will reduce the turnover of existing food and grocery facilities in the centre, but the vitality and viability of centres is not expected to be harmed.
Chadwell Heath

Strengths

4.83 As a medium sized district centre, Chadwell Heath has a good range of retail and non-retail services which primarily serve the day to day needs of the local catchment area. Its comparison shopping offer is focused on lower order day to day products. Service uses include banks, hairdressers, estate agents, travel agents and dry cleaners. The bingo hall and community centre helps to attract customers.

4.84 The centre is anchored by a Sainsbury and Tesco Express food stores. The centre has a good provision of independent specialist food stores including a baker and off license. Food and grocery shopping is a key element of the centre’s overall attraction.

4.85 The vacancy rate is significantly below the national average, which suggests independent outlet demand for shop units is in line with supply.

4.86 Accessibility in to the centre is reasonable with an over ground station and 5 bus routes serving the centre. The Sainsbury’s store car park helps to generate linked trips.

4.87 The public realm has been improved and there are wide pavements with street furniture provided in areas, which encourages people to stay longer in the centre. The unique street lights are a benefit to the area and are an attractive addition to the centre.

Weaknesses

4.88 Chadwell Heath’s comparison role if relatively limited and lacks national multiple comparison retailers that can draw customers to the centre from a wider area. The centre has a below average number of comparison retailers, especially clothing and footwear retailers and only one national multiple retailer is represented.

4.89 The centre is a linear shopping street that lacks a main focal point and does not provide a natural for pedestrians. The busy road running through the centre creates a noisy, polluted environment and can make it difficult to cross the road.

4.90 The household and business survey results suggest there is a degree of dissatisfaction with the choice and quality of non-food shops. Most businesses suggested the centre is “too down market”.

4.91 Chadwell Heath has limited physical potential to expand.

Opportunities

4.92 Chadwell Heath station is on the Cross Rail route which will enhance the attraction of the area as a place to live and commute, which in turn have
economic benefits for Chadwell Heath centre, including increase footfall through the centre and station.

**Threats**

4.93 The lack of opportunities to expand will affect the centre’s ability to accommodate growth and the role of the centre within the hierarchy could decline.

4.94 The impact food store commitments will reduce the turnover of existing food and grocery facilities in the centre, but the vitality and viability of centres is not expected to be harmed.

**Green Lane**

**Strengths**

4.95 Green Lane has a good range of retail and non-retail services which primarily serve the day to day needs of the local catchment area. Its comparison shopping offer is focused on lower order day to day products. Service uses include takeaways and hairdressers.

4.96 The centre is anchored by Tesco Express and Co-op food stores. The centre has a good provision of independent specialist food stores including baker’s and off license. Food and grocery shopping is a key element of the centre’s overall attraction.

4.97 The centre has wide pavements which facilitate pedestrian flows and prevent overcrowding during busier times. The provision of on-street parking outside the shops enables easy access. The centre is next to Goodmayes Park which provide a pleasant area to rest and enjoy.

**Weaknesses**

4.98 Green Lane’s comparison role if relatively limited and lacks national multiple comparison retailers that can draw customers to the centre from a wider area. The provision of community facilities is more limited than other district centres.

4.99 The centre is a linear shopping street that lacks a main focal point and does not provide a natural for pedestrians. The busy road running through the centre creates a noisy, polluted environment and can make it difficult to cross the road.

4.100 The household and business survey results suggest there is a degree of dissatisfaction with the choice and quality of non-food shops. Most businesses suggested the centre is “too down market”.

4.101 The centre has a higher than average shop vacancy rate. This reduces the attractiveness of the street as many of the vacant units are run-down.
The parking provision is fairly limited. Even though parking is provided on-street, it was full when surveyed, which suggests that some people find it difficult to find a parking space.

The household and business survey results suggest there is a degree of dissatisfaction with the choice and quality of non-food shops. Most businesses suggested the centre is “too down market”.

Opportunities

Green Lanes is less accessibility in terms of public transport when compared with the other district centres, but is within walking distance of the proposed Cross Rail route. The Cross Rail route which will enhance the attraction of the area as a place to live and commute, which in turn have economic benefits for Green Lanes.

Proposals to extend the existing Morrison’s store at Becontree Heath will attract more customers to this area and may provide an opportunity to create a new district centre in this location to the East of Green Lane. If Green Lanes and Chadwell Heath cannot accommodate future demand for shops, services and leisure facilities within the local area, then the Becontree Heath area could be expanded to provide an integrated centre.

Threats

The impact food store commitments will reduce the turnover of existing food and grocery facilities in the centre, but the vitality and viability of centres is not expected to be harmed.
5.0 Barking & Dagenham Commercial Property Market

5.1 This section describes current property market conditions in Barking & Dagenham and its relationship with surrounding areas, including recent trends in the demand for and supply of office and industrial premises. These findings are based on discussions with a number of commercial property agents and various economic development and business organisations and firms active in the area (see Appendix 1).

Overview

5.2 The UK commercial property market is still recovering from the financial crisis of 2007/8 and the ensuing recession and property slump. Falls in the capital value and rental levels of office and industrial premises of up to 40% combined with stricter lending criteria from banks and the abolition of tax relief on empty property mean that property development is less profitable, finance is hard to obtain and the risks of developing space without an end-user identified are high. As a result, speculative development has become very rare across virtually all of the UK outside of prime London markets. This is particularly the case in more economically marginal locations, and those without a significant existing commercial property market, where lenders and developers are likely to be especially cautious.

5.3 There are differing views on how the market will evolve in the coming years. For example, competing forces such as a scaling back of public sector space requirements but a fall in employment land prices may play out in different ways in different locations. In any case, this study looks over the long term of the plan period up to 2032 and the inherent qualities of the Borough as a commercial location must therefore be considered.

Market Segments

Industrial

5.4 Barking & Dagenham is perceived as a good industrial location, benefiting from a strong industrial heritage/legacy, competitive transport links and proximity to key arterial routes (such as the A12, A13 and M25) and access to a good local labour supply. The role and function of the Borough’s industrial economy has changed in recent years, with traditional, heavy industry gradually being replaced by high tech and environmental industries, exemplified by the development of The London Sustainable Industries Park (LSIP) at Dagenham Dock.

5.5 Although affected by the recession, commercial agents report that both demand for, and take-up of, industrial space has picked up in recent months,
with industrial demand reported to be at its highest level since pre-recession in 2007 (Figure 5.1).

Figure 5.1  Glenny Industrial Market Requirements

5.6 Demand tends to come from the Borough’s key sectors of distribution/warehousing, logistics and wholesale (such as cash and carry), as well as lower value uses such as car repair and waste processing.

5.7 Whilst the Borough has a sizeable stock of industrial accommodation (at around 928,000sqm), supply has continued to tighten as available stock is taken-up and limited new development has been completed. Industrial vacancy currently amounts to some 66,000 m² of floorspace, equivalent to a vacancy rate of around 7%. This is reported to be one of the lowest rates in the wider East London market area.

5.8 A review of commercial premises currently listed on the EGi Property Link database\textsuperscript{18} indicated that most vacant industrial premises within the Borough were smaller workspaces of less than 2,000 m². The majority of available industrial spaces were located in commercial estates, including several in Maybells Commercial Estate and Heathway Industrial Estate. While the average available floorspace size in Barking & Dagenham was around 2,000 m², this was somewhat skewed by six larger warehouse listings at the Rippleside SIL (8,788 m² and 5,574 m²), River Road Employment Area (4,710 m²), and

\textsuperscript{18} At December 2013
m$^2$), Freshwater Road industrial area (3,558 m$^2$) and two large properties on Ripple Road in Barking (5,891 m$^2$ and 3,572 m$^2$). These six premises took up around half of the available industrial floorspace in the Borough.

5.9 Local commercial agents report a general shortage of readily deliverable industrial sites and given that the Borough’s industrial market is relatively tight, a lack of surplus space to enable churn, intensification and upgrading of existing sites. The main gap in supply at present is good quality (‘Grade A’), modern industrial premises across all size brackets, but particularly of a larger scale over 15,000 sqft in size (Figure 5.2).

![Percentage of sq ft demanded](as at Sept 2013)

Source: Glenny Databook Q3 2013

5.10 As a result, many enquiries for immediate industrial space cannot be met in Barking & Dagenham, and there is an increasing risk that both existing and potential industrial occupiers are displaced to nearby areas (such as adjoining Havering) where new industrial development is being delivered.

5.11 As shown in Table 5.1, industrial rental values in Barking & Dagenham are relatively competitive within the context of the wider East London and Thames Gateway area, at just under £9 per sqft for prime industrial accommodation and £7.50 per sqft for secondary stock. The Borough offers a cost advantage over locations such as Beckton and the Royal Docks to the west and Stratford to the North West which are more central commercial centres. Within the Borough, sites benefiting from proximity to key routes such as the A13 corridor command the highest industrial rental values, due to their attractiveness and convenience for occupiers. Meanwhile, industrial sites located away from these key routes and accommodating poorer quality stock are characterised by lower rental values and lower market demand.
### Table 5.1  Industrial & Office Rents in Barking & Dagenham and Comparator Centres

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<th>Offices (£ / sqft)</th>
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<td>Secondary</td>
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<tr>
<td>Barking &amp; Dagenham</td>
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<td>20.50</td>
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</table>

Source: Glenny Databook Q3 2013

#### 5.12

The view amongst local agents is that Barking & Dagenham should retain the bulk of its industrial sites and make more efficient use of its existing space to accommodate growth of indigenous firms, attract new occupiers and enable the churn and re-configuration of existing sites to better meet the needs/demands of firms. This broadly accords with the GLA’s Land for Industry and Transport SPG which sets an indicative annual release benchmark of 1.8 ha per annum for the Borough over the period 2011-2031.

#### 5.13

There could potentially be scope to diversify the type of industrial activity accommodated in the Borough, building upon the presence of the LSIP and higher value supply chain opportunities associated with major employers such as Ford, which is expected to continue to play an important role in the Borough’s industrial economy. Given that speculative development is unlikely in the current climate, it could be more feasible that any new development follows a phased approach, similar to that being undertaken at Thames Gateway Park (opposite Dagenham Dock station) which is currently promoting a Phase Three design and build development, with permission in place for units ranging in size from c.40,000 to 300,000 sqft across a range of B1c/B2/B8 use classes.

#### Offices

Barking & Dagenham is not viewed as a particularly strong office location, with limited levels of demand driven by the continuing economic downturn and challenging business environment. The Borough lacks the necessary critical mass to attract and sustain larger office occupiers and faces strong competition from larger established and growing office centres nearby including Stratford, Beckton/Royals and Dartford (echoed by average rental levels for office premises in the Borough which remain relatively competitive – Table 5.1). As a result, the office market is relatively localised and what limited demand there is generally comes from local SMEs (operating across a range of business service sectors) for good quality, small modern premises.
5.15 Barking Town Centre represents the Borough’s strongest area of office market demand, reflecting its good public transport links into central London and range of services and facilities. The town centre’s stock of office space is focused around Linton Road, Cambridge Road and the railway station and is dominated by a number of large buildings such as Crown House, Wigham House, Roding House and Maritime House. The Town Centre had a relatively active office market in the 1970s and 1980s benefiting from office re-locations from more central locations such as the City (particularly within the shipping, insurance and construction sectors) taking advantage of their traditional east London labour catchment areas, low cost but decent quality office space, and excellent public transport to The City.\(^{19}\)

5.16 The overarching market trend in recent years has been a notable lack of new office development in Barking & Dagenham, with negligible amounts of new space being brought forward in the last 40 years. This reflects wider market trends whereby office space has gradually been consolidated towards central London/Central Activities Zone, and away from outer Boroughs that may have traditionally attracted larger scale office activity in the past. Local agents report that demand for office space in the Borough has fallen away over last 15 years, as the suburban office market has declined and occupiers gravitate towards more central locations. The resulting stock of office space in Barking & Dagenham is therefore of a generally poor quality, dominated by 40-50 year old, purpose built buildings that are functionally obsolete and redundant to modern business needs. This space tends to be characterised by large floorplates and internal layouts that do not meet modern business requirements, and would require major refurbishment to be attractive to occupiers. Consequently, significant amounts of office stock (particularly within Barking town centre) remain vacant. For example, Crown House next to Barking station is reported to be only 50% occupied, and is currently being marketed to occupiers with a first year rent free incentive.

5.17 This trend is echoed by recent LOPRs undertaken on behalf of the GLA, which notes that Barking & Dagenham is still dealing with the legacy of deindustrialisation and faces a number of challenging indicators to supporting a successful office economy. Whilst previous LOPRs suggested that Barking town centre may be appropriate for office-led, mixed use development, the current view is that significant office development is likely to concentrate on other East London centres notably Stratford, therefore the latest LOPR suggests that the town centre be re-classified for non-office led development.\(^{20}\) It also recommends the immediate and likely future removal of Dagenham and Barking Reach respectively as Outer London potential strategic office locations, concluding that at best they serve only local demand.

5.18 A review of commercial properties currently listed on the EGi Property Link database in December 2013 indicated that the majority of vacant office premises within the Borough are concentrated in the Barking town centre.

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\(^{19}\) Mayor of London, London Office Policy Review 2004

vicinity, reflecting the dominance of the centre in the local office market. Other listed premises were also identified in Dagenham and Chadwell Heath. For the most part, the listed floorspaces were of smaller size ranging from 500 m$^2$ to 1,000 m$^2$, with only four premises advertising more than 1,000 m$^2$ of commercial office space. These four office premises accounted for around 57% of the existing vacant office space in Barking & Dagenham, and included The Clockhouse (1,884 m$^2$), Morline House (1,617 m$^2$), The Granary (1,567 m$^2$) and office units located in Chadwell Heath (1,818 m$^2$). In total, around 12,034 m$^2$ of commercial office floorspace was identified as vacant, equivalent to a vacancy rate of around 12% within the Borough, which is slightly higher than typical rates within a normal market. The vacancy rate was higher within Barking town centre, at around 16% of total stock$^{21}$.

5.19

The recent introduction of Permitted Development (PD) rights for change of use from office to residential are reported to have so far had a limited impact upon the Borough’s office market$^{22}$. Where the PD rights have been implemented, this has generally involved the redevelopment of older office accommodation in and around Barking town Centre, where residential values significantly exceed office, despite Barking & Dagenham’s residential values being amongst the lowest anywhere in London. This is effectively removing functionally obsolete stock from the Borough’s portfolio. The latest LOPR (2012) also notes that in recent years, the majority of new residential development in the Borough has been on previously industrial sites or brownfield sites, resulting in very little pressure on B1 conversions to residential. This trend is not uncommon across other East London Boroughs, the majority of which have many brownfield sites and land values that are not high enough to make office to residential conversions viable.

5.20

Despite relatively modest demand for and take up of office space in recent years, local agents believe that Barking & Dagenham’s office economy still has a role to play, but that the future health of the office market relies upon providing small scale, good quality and flexible space to meet the needs of local SMEs. Agents cite Maritime House and Barking Enterprise Centre in Barking town centre and The Granary building in Abbey Road as examples of some of the best quality office accommodation in the Borough. Maritime House was originally built in the 1970’s and has been recently refurbished to a high standard, while the Granary building – which forms part of the Ice House Cultural Quarter – represents a recently renovated courtyard development specifically targeted towards creative firms, providing a mix of office, studio and workshop space. These schemes are likely to reflect the type of new office space required in the Borough in future years, for example as the local population growth increases demand for small scale, high grade workspace within proximity to new residential development. Nevertheless, agents believe that office demand in the short to medium term is unlikely to warrant new development of any significant scale, coupled with the fact that standalone

$^{21}$ As defined by the Barking Town Centre Area Action Plan boundary
$^{22}$ Council monitoring data shows that three prior applications have been submitted since the new PD rights came into force in early 2013, generally relating to for small scale residential conversion
office development is likely to be unviable across the Borough in the near future.

**Provision for Small Firms/Start-ups**

5.21 The Borough has a reasonable amount of space specifically designed for small and start-up businesses. The Regus serviced office building (Fortis House) adjoining the A406 in Barking is reported to be doing reasonably well, and benefits from being in walking distance of Barking station. Sameday Offices operate a serviced office business centre next to Barking Station (Trocoll House and Wigham House) while the Council run Barking Enterprise Centre (also near the station) provides office space, flexible meeting space, networking opportunities as well as free business advice and support and is also reported to be at nearly full occupancy. Other examples of small scale, flexible workspace include the Granary and Malthouse on Abbey Road in Barking, offering office, studio and creative workspace. Meanwhile, the Dagenham Business Centre (located in the centre of Dagenham) provides 21 light industrial/office units for small local businesses with flexible lease terms and relatively affordable rents (advertising rent from £5 per sqft).

5.22 Local commercial agents felt that local SMEs are currently well served by this existing provision, and that the level of latent demand at the present time is insufficient to require any new enterprise centre/serviced office style accommodation. There may however be scope in the future for additional small scale provision of flexible work space to accommodate both start-ups and expansion of the Borough’s growing SME business base, particularly in light of strong anticipated growth in the Borough’s population.

**Wharves**

5.23 LBBD is home to a number of safeguarded commercial wharves and these form a significant proportion of the Borough’s employment land. In many cases, these wharves play an integral role within the site’s operation, and attract industrial firms to the Borough who require on-site cargo handling facilities. When Barking & Dagenham’s wharves come onto the market (a recent example being the De Pass Wharf in Barking), local agents report a great deal of interest amongst potential occupiers. The view amongst commercial agents is that they provide a unique USP and should continue to be protected for industrial use by future planning policy.

**Needs of Local Businesses**

5.24 A business survey was undertaken as part of the study in order to gain a better understanding of the needs of businesses operating within the Borough and the main factors that support and inhibit business growth. This involved a sample of 67 firms across a range of sectors and locations in Barking & Dagenham. A summary of the key findings is set out below, with a selection of business quotes presented in Appendix 12.
**Business Profile**

5.25 The majority of survey respondents were located within the main employment centres of Barking (52%), Dagenham (27%) and Chadwell Heath (8%). The remaining 13% were scattered throughout Barking & Dagenham in such locations as Ilford and Rush Green. Reflecting the London Borough’s business base, 63% of the firms surveyed had less than 10 employees and 37% had 10 or more employees.

**Current Business Premises**

5.26 The type of employment sites that respondents presently occupy are relatively evenly spread across locations within town centres (29%), industrial estates or sites (27%), business and office parks (20%), and working from home (22%). The most important factors for these locational decisions were the availability of skilled labour and proximity to other businesses. The majority of companies were satisfied with their current premises and sites, which were generally cited as adequate for meeting current requirements.

5.27 However the 13% that were not satisfied with their existing business premises cited a lack of space, poor road infrastructure and car parking, an unattractive surrounding commercial environment, and high rents and rates, as key issues. Some 32% of respondents also indicated that they did not have enough space to meet their existing business needs.

5.28 When looking for suitable premises and sites to expand, upgrade or relocate to within Barking & Dagenham, a third of respondents had experienced difficulties. The most commonly cited difficulties include a lack of affordable business units (for both office and industrial uses) despite the Borough offering cost advantages in premises terms over nearby areas (see Table 5.1). Respondents also cited availability of small commercial workspace of up to 2,000 sq ft, a shortage of modern, purpose-built sites that are serviced by good access, and high rents and rates throughout the London Borough.

5.29 In assessing the current condition of the commercial property market in Barking & Dagenham, the majority identified a limited supply of available premises as a key issue. In addition, most respondents felt there was a lack of modern sites, mix of tenures and range of rental levels to serve local business requirements. Feedback gained on the variety of locations and sizes for premises within the London Borough were generally more positive (as shown in Figure 5.3).
Future Growth Plans

Some 63% of respondents are considering expanding their premises in the next five to ten years, with the majority (68%) believing they would be able to find a suitable site within Barking & Dagenham to accommodate this expansion. This business growth would be through either expansion on their existing site (22%), relocating to another site within the same locale (14%), or relocating to another site within the same Borough (32%) (Figure 5.4).

However of the 32% that feel they would not be able to find suitable premises within the Borough to accommodate their future growth, the majority identified other commercial areas like Havering, Redbridge, Epping Forest and the South of London as potential alternative locations.
5.32 The most common factors that businesses cited for why they are located within Barking & Dagenham include:

- availability of a reasonably well-skilled, local labour force;
- proximity to an established and successful business/client base; and
- a reasonably attractive local residential area, with many business owners and employees choosing to live and work locally.

5.33 This feedback underlines the strength of Barking & Dagenham as a traditionally strong business area that has benefited from accommodating and sustaining well performing manufacturing and warehousing markets over the years. Such a concentration of industrial activity has helped develop the infrastructure needed to maintain and attract business interest into the London Borough.

**Summary**

5.34 The Borough is perceived as a good industrial location, with local commercial agents reporting that both demand for, and take-up of, industrial space has picked up in recent months and tends to be driven by the key sectors of distribution/warehousing, logistics and wholesale. However, supply has tightened in recent years as new development has been limited, with industrial vacancy reported to be amongst the lowest in the wider East London market area. The main gap in supply is good quality (‘Grade A’), modern industrial premises particularly of a larger scale (typically over 15,000 sqft in size).
5.35 There is an increasing risk that requirements for industrial space are unable to be met within Barking & Dagenham, which could result in both existing and potential industrial occupiers being displaced outside of the Borough. The view amongst local agents is that Barking & Dagenham should retain the bulk of its industrial sites and make more efficient use of its existing space to accommodate growth of indigenous firms, attract new occupiers and enable the churn and re-configuration of existing sites to better meet the needs/demands of firms. There could also be scope to diversify the type of industrial activity accommodated in the Borough, for example by building upon the presence of the LSIP and associated supply chain networks.

5.36 By contrast, Barking & Dagenham is not a particularly strong office location, with limited levels of demand, a lack of the necessary critical mass to attract and sustain larger office occupiers and strong competition from larger established and growing office centres nearby. What limited demand there is generally comes from local SMEs for good quality, small modern premises in and around Barking Town Centre. Negligible amounts of new office development over the last 40 years reflects the wider decline of the suburban office market, resulting in a remaining stock of generally poor quality office space, characterised by a number of larger buildings that are functionally obsolete and largely redundant to modern business needs.

5.37 Nevertheless, local agents believe that Barking & Dagenham’s office economy still has a role to play, but that the future health of the office market relies upon providing small scale, good quality and flexible space to meet the needs of local SMEs, albeit that future office demand is unlikely to warrant new development of any significant scale.

5.38 The Borough has reasonable existing provision for small, start-up businesses, and there is limited scope to expand this type of accommodation in the short to medium term, particularly in light of low levels of demand for small scale offices uses.

5.39 Business feedback indicates that a number of Barking & Dagenham’s firms are being constrained by inadequate premises and in the absence of a readily available supply of sites in the Borough, some firms are considering re-locating outside of Barking & Dagenham to accommodate their growth aspirations. An underlying shortage of good quality business accommodation could potentially threaten Barking & Dagenham’s longer term ability to attract and retain the business base needed to achieve continued economic growth. Nevertheless, the availability of a good local labour force, proximity to established business base and good transport connections continue to maintain the Borough’s popularity and sustainability as a business location.
Review of Employment Sites Portfolio

6.0

This section presents the findings of an assessment of employment land in LBBD which considers the characteristics and quality of existing and allocated employment sites in LBBD and their suitability to meet future employment development needs.

6.1

In consultation with the Council it was agreed that the assessment should focus on 40 existing employment sites as shown in Figure 6.1. Collectively these sites amount to almost 591 ha in total area. This includes three Strategic Industrial Locations (SILs), eight Locally Significant Industrial Sites (LSISs) and fourteen Wharves. These sites comprise the main employment areas and allocations, as identified by LBBD, but do not include every employment site within the Borough, therefore, a sample of other sites that are not specifically designated for employment has also been considered.

Figure 6.1  Map of Employment Sites Assessed