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# Examination of the Tower Hamlets Local Plan

## London Borough of Tower Hamlets

### Response to Main Matter 7

#### Matter 7: Employment & Economic growth

#### **Issue 7 - Are the policies justified, deliverable and consistent with national policy? Are the site allocations proposed by the LP in relation to employment and economic growth clearly justified and appropriately defined?**

#### **7.1 Is the overall amount of employment provision and its proposed distribution consistent with the evidence base?**

- 7.1.1 It is considered that both the quantum of employment proposed and its distribution is consistent with the evidence base.
- 7.1.2 The borough's employment evidence base is set out in the Employment Land Review (ELR) (SED28) and the Preferred Office Location Boundary Review (SED29). We also draw on the London Industrial Land Demand (2017) and the London Office Policy Review (2017).
- 7.1.3 In order to meet the scale of economic growth expected in Tower Hamlets, the ELR (in particular in chapter 8) sets out a series of policy recommendations required to meet identified demand. The LP's approach to employment provision is consistent with these findings and recommendations, as set out within policy S.EMP1.
- 7.1.4 In summary, Tower Hamlets lacks a supply of new land for employment uses and therefore, any employment needs can only be met through the careful control of the existing stock of property and (re)development sites.
- 7.1.5 For industrial uses, where demand clearly exceeds the supply of land, the LP takes a strong policy approach to protect remaining industrial land. By protecting this land we hope to encourage redevelopment and renewal for new industrial uses to the maximum practical extent. The Greater London Authority (GLA) have welcomed our approach to protecting our remaining industrial stock (see the GLA regulation 19 representation: ID LP672).
- 7.1.6 For office uses, a more flexible approach is taken in line with the borough's evidence and the GLA's Central Activities Zone Supplementary Planning Guidance (CAZ SPG) (SED32).
- 7.1.7 The LP designates a number of Preferred Office Locations (POLs) and proposes to manage development coming forward in line with local evidence (the ELR and the Preferred Office Location Boundary Review) and in line with the Mayor of London's CAZ SPG. Note: For consistency, Primary POL in the LP refers to the "CAZ zone A" in the CAZ SPG; Secondary POL refers to "CAZ zone B"; and the CAZ tertiary area refers to "CAZ zone C".
- 7.1.8 For the POL designations, the LP recognises the GLA's stated objective to protect the commercial core of the CAZ from residential uses. In line with the evidence and the CAZ SPG, the LP limits residential development within this commercial core. As explained in the SPG (see paragraph 1.3.1), this is because evidence shows that an overly-positive approach to residential mixed use development risks the future supply of new office space in London.
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- 7.1.9 Outside the commercial core of the CAZ (Primary POL), the SPG requires strong support to be given to 'employment led proposals' on 'appropriate sites', and notes that in 'appropriate' locations residential development should be 'supplementary' to other uses (see paragraph 4.4.2 of the CAZ SPG).
- 7.1.10 In line with this guidance, the borough has identified a number of highly accessible sites adjacent to the commercial core that can accommodate further office growth. Many of these have been promoted for large office schemes in recent years. For these areas, our approach to the 'Secondary POL' policy seeks a maximum of 25% residential use to ensure that future development is employment-led. This is in line with CAZ SPG and in our view setting a threshold at 25% ensures that proposals stand the best chance of meeting the GLA objectives.
- 7.1.11 In less appropriate areas (i.e. the CAZ tertiary area), the LP does not promote office (or other CAZ use) led development. Instead, we seek a 50/50% split between CAZ uses and residential.
- 7.1.12 Although the policy sets indicative thresholds within the Secondary POL and CAZ tertiary area, there is sufficient flexibility in the application of the residential thresholds depending on the site-specific evidence available at the time. This should allow development to respond to market signals at the time an application is made while still encouraging employment-led development proposals in preference to those with a greater mix of residential uses (i.e. Secondary POL).
- 7.1.13 Some parties seek to apply maximum targets on our office development, with the impression that sites over and above any target should be de-allocated from any office related policy, thereby suggesting that the policies promote too much office space. Our view is that in the very special circumstances of Tower Hamlets and the Isle of Dogs a very cautious view is needed to protect the long-term reservoir of what is an internationally significant supply. Any target should not be viewed as a maximum.
- 7.1.14 More importantly, seeking perfect alignment between the pipeline and demand overlooks the fact that job or floorspace numbers relate to 'built' floorspace and not the 'paper' pipeline. In this area the pipeline of possible supply has always grossly exceeded actual delivery of floorspace with developers offering their pipeline supply for pre-let development with various pre-let schemes competing against each other. It is also the case that the current pipeline is restricted to a very small number of sites and much more fragile than a simple comparison of numbers may suggest – especially with scope to release sites or property via permitted development rights.
- 7.1.15 This feature of the local market is a fact long recognised by the GLA in the London Office Policy Review (2017) and also in the borough's evidence (see paragraph 6.15 of the ELR, for example).
- 7.1.16 Finally, we note that the GLA - from where we draw much of our evidence and policy guidance - strongly supports the LP's approach to managing the future demand and supply of office space. In their regulation 19 representation to the council (ID LP672), they note:
- "The Mayor supports the strong policies to protect office space within the Preferred Office Locations and set out a strategy to enable the growth of office floorspace, especially at Canary Wharf and City Fringe".*
- 7.1.17 The GLA goes on to suggest that they consider that Tower Hamlets has correctly interpreted and applied their SPG:
- "This approach is reflected in the Central Activity Zone (CAZ) SPG and emerging Isle of Dogs OAPF".*
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7.1.18 More detail regarding our polices is given in response to question 7.3 of the inspector’s main matters.

**7.2 Is the job growth target informed by robust and up to date evidence? In what way does the target relate to the planned level of housing growth?**

7.2.1 The evidence base has considered a number of robust and up-to-date sources to inform the LP.

7.2.2 The ‘headline’ job target (125,000 jobs) is derived from GLA Economics Employment Projections. These cover all jobs, across all sectors and inform GLA policy and the London Plan.

7.2.3 To inform the employment policies in the LP, the headline job target has been refined using the London Industrial Land Demand (2017) and the London Office Policy Review (2017), which provide the GLA’s view of local demand in the context of the GLA employment projections.

7.2.4 Our ELR also considered independent economic forecasts from Experian; partly because more detailed GLA sector data (i.e. the London Office Policy Review) was not available at the time of its preparation, but also to help better understand our local economy. The ELR also provided local market evidence of demand from local agents and consultation.

7.2.5 The forecasts and projections used are considered to be robust and up-to-date.

7.2.6 Regarding the link between LP employment targets and planned housing growth, this issue is addressed at the strategic level through the London Plan and the supporting London Strategic Housing Land Availability Assessment (SHLAA) (2013 and 2017) which ensures that the assessment of housing and employment are integrated in accordance with the NPPF (paragraph 158). As confirmed by the GLA, the Mayor of London supports the LP employment policies (see question 7.1).

**7.3 What evidence is there to support the approach to designated employment locations adopted by policy S.EMP1 – how will the policy be implemented effectively?**

7.3.1 As set out in question 7.1, the LP’s approach to designated employment destinations is justified and supported by evidence (the ELR and Preferred Office Location Boundary Review).

**Preferred Office Locations (POLs)**

7.3.2 As set out in paragraphs 7.1.6 – 7.1.12 above, the LP applies a flexible approach to POLs and office development in accordance with our evidence and the Mayor of London’s CAZ SPG.

7.3.3 In summary, the LP protects Primary POL from residential development and also sets indicative employment thresholds for secondary POL and tertiary areas (which were key recommendations in the Preferred Office Location Boundary Review). The table below sets out how the LP takes account of the CAZ SPG and our evidence.

Designation	CAZ SPG approach (table 1.1 of the document)	Proposed LP policy based on the evidence base recommendations	Justification

Primary POL (CAZ Zone A)	Residential development not appropriate	100% employment and CAZ strategic uses	Absolute protection of the commercial cores in line with evidence and the CAZ SPG.
Secondary POL (CAZ Zone B)	Offices and other CAZ strategic functions should be given greater weight relative to new residential	At least 75% employment and CAZ strategic uses	A guide to achieve at least 75% employment/strategic CAZ uses would ensure that 'greater weight' is secured for employment and CAZ uses.
CAZ tertiary area (CAZ Zone C)	Offices and other CAZ strategic functions may be given equal weight relative to new residential	At least 50% employment and CAZ strategic uses	A guide to achieve at least 50% employment/CAZ uses would achieve 'equal weight' between employment/CAZ strategic uses and residential uses.

7.3.4 These guides are important as they help to ensure the protection of the employment and strategic function of the CAZ and the north of the Isle of Dogs in accordance with the CAZ SPG. As confirmed by the GLA in their regulation 19 representation, this guidance has been correctly applied here and they support the policies as drafted.

7.3.5 The application of this policy is sufficiently flexible and a starting point for negotiation depending on site-specific evidence available at the time. Our proposed modifications to the LP have sought to strengthen this resilience where appropriate (see MM120 and PSMM68).

#### **Local Employment Locations (LELs)**

7.3.6 The approach set out in the LP is to provide bespoke location specific policy on the role and function of each of the five LELs (previously known as LOLs). This approach is consistent with the recommendations in the ELR.

7.3.7 The aim of the policy is to ensure that new proposals in LELs seek to retain the existing employment function and character of the LELs, whilst promoting the delivery of additional employment space of the types specified in policies S.EMP1 (part 1) and D.EMP4 (part 4). This will help meet the borough's overall employment projections whilst allowing mixed-use development (including residential uses) where appropriate through a flexible approach.

#### **Strategic Industrial Location (SIL)**

7.3.8 The LP includes the designation of a single Strategic Industrial Location (SIL) at Empson Street. SILs are a strategic designation and dealt with in London Plan policy 2.17. The London Plan is explicit in how future development should be managed within and adjacent to SILs in order to safeguard their effectiveness as strategic industrial locations. The future direction for SILs within the emerging London Plan is even more detailed.

7.3.9 It is not for the LP to repeat the London Plan's approach to SILs, but to ensure that the role of Empson Street as an 'important sub-regional' industrial designation is safeguarded (policy S.EMP1) and that new development will not result in the loss of existing employment floorspace in the SIL (policy D.EMP 3).

## **Local Industrial Locations (LILs)**

7.3.10 A flexible approach has been applied to the borough's LILs to protect the local industrial function of these areas whilst allowing appropriate non-employment uses subject to a number of criteria.

### **7.4 Are the proposed employment locations which have been identified by policy S.EMP1 the most appropriate when considered against all other reasonable alternatives?**

7.4.1 As stated with the Integrated Impact Assessment (IIA) (SD6) (paragraph 3.2.2), *'the Local Plan must be in conformity with the London Plan'* and this *'limits the potential to consider reasonable alternatives associated with the scale and location of... employment in the Borough, as the London Plan contains policies on both these aspects'*.

7.4.2 Given that the London Plan gives an indication of the scale of job growth to 2031, the IIA has not considered options associated with employment provision. In consequence, the reasonable alternatives to key aspects of the plan that would usually have been considered have in the case of the borough been significantly restricted.

7.4.3 As stated in paragraph 3.2.4 of the IIA, this approach was corroborated by the inspector's report on the Local Plan for the London Borough of Hounslow (31<sup>st</sup> July 2015).

*"London has a two-tier planning system in which the London Plan and the Local Plan are both part of the Development Plan. The London Plan sets out the broad strategy for the city as well as some more detailed provisions. It includes key policy requirements and the Local Plan is required to be in general conformity with it. This limits the scope for the consideration of alternative strategies on matters such as: the supply of housing (for which the London Plan sets a target for the Borough); the location of employment (for which the London Plan identifies some locations and employment types to be provided or protected); and the hierarchy of town centres..."*

7.4.4 Paragraph 39 of the IIA goes on to state: *"For these reasons the preparation of the Local Plan and the requisite sustainability appraisal explicitly only explored policy options where the opportunity for proposing reasonable alternatives to national and regional policy existed, whether to meet local objectives or to respond to local distinctiveness."*

7.4.5 It is important to note that the targets for growth set out in the LP are capacity-led i.e. they are based on an assessment of the anticipated capacity of sites in the borough identified in the London SHLAA. As a consequence, there is no scope to consider spatial options associated with the development of different sites at this time (as explained in paragraph 3.26 of the IIA). All the possible sites have been identified and either included in the LP because they are required to deliver strategic infrastructure or are not included in the LP but will be relied upon to deliver housing or employment or a mix of these and other uses.

7.4.6 Taking into account the above, the ELR carried out a comprehensive capacity assessment of all the designated and allocated employment sites in the borough, reviewing current conditions and future potential to provide employment use and meet identified need.

### **7.5 Has sufficient land been identified to meet the short and long term employment needs of the borough over the plan period?**

- 7.5.1 As set out in question 7.2 above, the ELR considered two alternative views of demand: the GLA economic projection (2016) that informs the new London Plan and the economic forecast from Experian (2016), one of the main UK forecasting houses.
- 7.5.2 For industrial uses we have insufficient land to meet market demand and no practical way to address this within the borough boundary. While the ELR finds that industrial development is viable to deliver it cannot compete with residential (and most other uses). Our policy is drafted to protect the stock of land we have and to encourage redevelopment, free of residential hope value, where possible. The GLA is aware of this problem and working to address this across London.
- 7.5.3 For offices, our policies have been drafted in accordance with the Mayor of London's CAZ SPG that encourages the protection of the commercial core (Primary POL) and encourages employment land development proposals on appropriate sites adjacent to the core (Secondary POL). As confirmed by the GLA in their regulation 19 representation, this guidance has been correctly applied here and they support the policies as drafted (further detail is set out in question 7.1).
- 7.5.4 As noted in question 7.1, we have a planning pipeline of unbuilt floorspace in excess of that which may be needed to simply address current estimates of demand.
- 7.5.5 However, we consider this to be justified given the nature of the borough's office market. The borough's pipeline is focused on a small number of very large sites and evidence from repeated London office policy reviews dating back to 2004 show that the ratio between our pipeline supply and demand today is not unusual. Historically, the availability of a large pipeline has allowed London to respond positively to shifts in demand and across property market cycles.
- 7.5.6 The Preferred Office Locations Boundary Review<sup>1</sup> (that updated the ELR) found that gross demand for new office floorspace was 729,136 square metres and our pipeline, which includes sites within Secondary POL, stands at 1,369,225 square metres. In the context of the priority given to supporting office uses in Tower Hamlets, the fact that the targets should not be used as minimums; the historic ratio between demand and supply; and the need to maintain choice in the market that can respond rapidly to changes in global demand, this is not considered an excessive supply.
- 7.5.7 We note that the LP is not promoting sites for new office in areas where there is no discernible property market interest in large office schemes. Also, for some areas, which were previously promoted as 100% office led development, emerging policy will allow schemes to be renegotiated with less office (and more residential) than earlier proposals.
- 7.5.8 The borough's projected demand versus supply is set out in a major modification to the LP (MJM15).

## **7.6 Is policy D.EMP4 consistent with paragraph 22 of the NPPF in terms of the context of the long term protection of allocated employment sites?**

- 7.6.1 As set out in question 7.1 above, Tower Hamlets has a significant projected demand for employment floorspace but only a finite reservoir of allocated employment land to meet that demand. Our sites have also been regularly reviewed as required under paragraph 22 of the NPPF to ensure that the portfolio of land has a reasonable prospect of being used in line with the allocation of land.

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<sup>1</sup> Table 2.1 of the Preferred Office Location Boundary Review, PBA July 2017 - this updated the ELR (November 2016) Table 7.5 to correct the supply data.

- 7.6.2 The approach taken in policy D.EMP4 (which should be read in conjunction with policy S.EMP1) is to provide a strong but flexible approach to redevelopment within our designation employment locations.
- 7.6.3 As set out in our evidence and the Mayor of London's CAZ SPG, the Primary POL, as the commercial core, is a strategic policy direction that promotes office and other strategic functions. The SPG specifically states that residential uses are not appropriate in these areas (see paragraph 6.8 of the ELR) and this accords with part 1 of policy D.EMP4.
- 7.6.4 For the secondary POL and CAZ tertiary area destinations (parts 2 and 3 of policy D.EMP4), the onus has been put onto the developer to demonstrate that the employment guides cannot be met depending on site-specific evidence available at the time, thus meeting the requirements of NPPF to 'avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose' (paragraph 22). This should allow development to respond to market signals at the time an application is made while still encouraging employment led development proposals in preference to those with a greater mix of residential uses (i.e. Secondary POL).
- 7.6.5 Similarly, policy EMP.4 sets out a flexible approach to redevelopment within the LELs and LILs (parts 4 and 5 of policy D.EMP4), whereby appropriate mixed use development might be acceptable on a case-by-case basis where existing employment floorspace is re-provided on-site.
- 7.6.6 For the reasons set out above, we consider policy D.EMP4 to be consistent with paragraph 22 of the NPPF.

## **7.7 Which policy addresses the protection of the Strategic Industrial Locations (SIL)?**

- 7.7.1 The LP includes the designation of a single Strategic Industrial Location (SIL) at Empson Street. The SIL is included within policy S.EMP1, where it states that Empson Street should be safeguarded in accordance with London Plan policies which seek to retain SIL for uses not compatible with residential (or other non SIL) use. Similarly, the SIL is included with policy D.EMP3 (part 1) which seeks to prevent the net loss of existing employment floorspace within the SIL.
- 7.7.2 Policy S.EMP1 states in regards to the role and function of SILs:
- This designation plays an important sub-regional industrial, warehousing and waste management role serving not just the borough but other parts of central London. Housing is not suitable in these locations due to potential conflict with existing and future industrial uses.*
- 7.7.3 The SIL is a strategic London Plan employment designation and the London Plan is explicit that applications for non SIL uses should be refused in this designation (policy 2.17). As such, it is considered that there is no need to introduce additional development management policies in the LP.
- 7.7.4 The justification for our approach is set out in the ELR (see paragraphs 41 and 8.80):
- Future change at Empson St should continue to be controlled through application of key London Plan policy 2.17B and promote industrial type uses which service the local residential and business population and the CAZ.*

## **7.8 Policy D.EMP2: 4 refers to at least 10% of new employment floorspace to be provided as affordable workspace. The supporting text at para 5.24 refers to letting the space at least 10% below the indicative market rate for a period of**

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**at least 10 years. Are the thresholds reasonable? What evidence is there to support this approach? Will it be effective in implementation?**

- 7.8.1 The need for affordable workspace in London is increasingly of concern to the Mayor of London and this is reflected in the emerging London Plan where explicit policies are being drafted to secure this provision in the future (policies E2 and E3 of the emerging London Plan). These policies are particularly relevant to Tower Hamlets, notably in relation to the Central Activities Zone and City Fringe as an area the Mayor of London is concerned about<sup>2</sup>.
- 7.8.2 Although the emerging London Plan is not yet adopted, we recognise that many of our local firms struggle to find affordable space in the borough<sup>3</sup>. There is a risk that our communities will be unable to access a full range of employment opportunities close to where they live. There is also a risk that our offer does not meet the full qualitative needs of employers in the borough – most obviously that all B1(a) development will be for 'standard' office provision and no new space is made available to those with different needs such as the creative industries.
- 7.8.3 Reflecting this, we commissioned explicit evidence to examine this issue and support our policies: the Tower Hamlets Growth Sectors and SME Workspace Study (SED30). The ELR also identified a dual process of the City Fringe displacing local firms creating a 'eastward shift' of small and medium sized enterprises (SMEs); as well as the loss of small and affordable stock (paragraphs 7-9 of the executive summary). We have also, as part of our evidence base, considered policies in other relevant local plans in London boroughs, such as Hackney and Camden, and how they have been scoped and drafted. This review is reflected in the Tower Hamlets Affordable Workspace Evidence Base: Policy Review (2018) (SED31).
- 7.8.4 The choice of quantum and discount is a matter of some judgement and given this is the first such policy in the borough, it is an issue we are treating with some care. Hence, the rationale behind why the discount has been set at only 10% as a minimum. We consider from our viability evidence<sup>4</sup> that this level of provision as a minimum remains viable to deliver. This is similar to the policy recently adopted in Hackney's Local Plan where we understand, from officers, they consider the policy to be effective.
- 7.8.5 However, with regards to the discount and how effective the policy may be, the issue is not one simply of cost – demand for space below market rent is by definition almost infinite. Instead, the plan seeks to secure engagement with approved affordable workspace providers in the borough and property developers to ensure that the space delivered under this policy is effective.
- 7.8.6 In drafting the policy we considered whether further advice should be provided to make the policy more prescriptive. However, our consultations and evidence highlighted that there is no 'one fit' model for affordable workspace. Affordable workspace for an artist may take a very different form (and rent) to one targeted at an IT start-up firm, for example. Hence, we have taken the less prescriptive approach set out in policy D.EMP2. It should be noted that the policy enables greater provision or deeper discounts should local evidence suggest this is needed or in demand in the location – so the thresholds should only be taken as the starting point. Please note that modifications have been

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<sup>2</sup> Part B.2. of London Plan Policy E3 states that particular consideration should be given to the need for affordable workspace in areas where cost pressures could lead to the loss of affordable workspace for micro, small and medium-sized enterprises (such as in the City Fringe around the CAZ and in Creative Enterprise Zones).

<sup>3</sup> The shortage of affordable workspace for small and medium-size enterprises (SMEs) has long been a recognised issue in Tower Hamlets since the adoption of the Core Strategy (2010) and the Tower Hamlets Enterprise Strategy (2012) as a result of increasing rental values for employment floorspace.

<sup>4</sup> The viability testing of this policy is set out in the Tower Hamlets Local Plan Viability Assessment (2018) (SED9) (paragraph 7.11-7.12) and Aspinall Verde reviewed the results of the assessment as part of the Tower Hamlets Affordable Workspace Evidence Base: Policy Review (2018) (SED31) in chapter 3. This testing demonstrated that this policy is viable and can be effectively implemented along with other LP policies.

made to the supporting text of policy D.EMP2 (paragraph 5.24) to reflect these changes (PSMM76).

7.8.7 Finally, we have a clear understanding of the implementation of this policy. For implicated schemes, experience representatives from the council's enterprise team would provide a key supporting role throughout the development management process in relation to affordable workspace. This includes support in securing a registered affordable workspace provider<sup>5</sup> at the earliest stage of the process.

7.8.8 Section 106 negotiations will be used to secure workspace in new developments, which would include proof of management arrangements to ensure the space is suitable for immediate occupation and remains available for business in need of below market rent floorspace. The enterprise team have in place the means to monitor these planning obligations to ensure that the terms are fully met.

7.8.9 The effectiveness of the policy will be monitored as part of the annual monitoring report process (see minor modification PSMM199 which includes a new indicator and target to specific to this policy).

## **7.9 Is the scope of defined employment uses sufficiently clear or should a definition be provided with the glossary?**

7.9.1 Paragraph 5.6 of the LP set out the scope of employment uses within this chapter:

*"This chapter relates to employment uses within the 'B' use classes (business, general industrial and storage and distribution) and sui generis industrial functions. While other use classes create employment these are covered within other policy sections within the Local Plan".*

7.9.2 Note: in the context of above, sui generis industrial functions relates to uses such as scrap yards.

7.9.3 We feel that this is sufficient clarification on what is meant by employment uses. We have decided not to include this definition in the glossary on the basis that the plan should be read as a whole and repeating the same message can lead to duplication.

## **7.10 Part 3 policy D.DH2 – does this policy adequately address the letter from the Government's Chief Planning Officer to Local Authority Chief Executives dated 12 July 2017 in relation to crime prevention security?**

7.10.1 Policy D.DH2 requires development to incorporate the principles of 'secured by design' to improve safety and perception of safety for pedestrians and other users - see (parts 1 and 2) and the supporting text in paragraph 3.18.

7.10.2 It is acknowledged that the threat of crime and terrorism is not specifically referenced, although paragraph 3.18 does require developments to ensure the safety of streets and crowded places through the correct level of protection whilst not compromising the creation of aesthetic and functional public spaces. A further main modification, as follows, is proposed to this paragraph to ensure clarity is provided regarding how developers should specifically consider counter-terrorist and crime prevention, as described in the latest guidance.

*3.18 In addition, part 1 seeks to embed the principles of secured by design into the design and layout of new development. **Developers should refer to the relevant guidance in relation to counter-terrorist and crime prevention security and engage fully in the pre-application process in order to ensure that measures to mitigate risks are***

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<sup>5</sup> Our enterprise team have started the procurement process of creating a framework of workspace providers (workspace provider list).

*incorporated into developments, where appropriate. Where there is a need to ensure the safety of streets and public spaces, particularly crowded places, the correct level of protection should be provided without compromising the ability to create aesthetic and functional public spaces. Proposals should not impose undue restrictions on other occupiers in the area.*

**7.11 Policy D.EMP3 - this policy refers to an active marketing period of 24 months. Is this figure justified and what is the evidence to support this approach? Is the policy sufficiently flexible?**

7.11.1 The ELR highlights a need for significant additional floorspace in the borough to meet projected need, partially addressed through maintaining existing floorspace where it meets need. It recommends that more stringent requirement is needed for the market testing of occupier interest, and that 24 months is a suitable period because it will allow for remarketing should a first market offer fail to attract interest, but with scope for this to be varied in discussion with the council (see paragraph 37 of the ELR).

7.11.2 Policy D.EMP3 has sought to adopt the approach recommended in the ELR and in line with the report's recommendations (see paragraph 8.70), flexibility has been built into the policy where it is can be demonstrated that the 24-month marketing is too onerous in cases whether the condition of the site or property is not viable to let, and where the redevelopment of the site for employment use is also not viable.

7.11.3 We also note that we requested a 24-month marketing period within the Tower Hamlets Managing Development Document (2013) but this was reduced to 12 months, prior to adoption. Since then, we have lost significantly more industrial space than our GLA 'benchmarks' suggest which shows that for this plan, a harder line is required before releasing sites.

**7.12 Does policy D.EMP4 provide sufficient flexibility in terms of redevelopment within designated employment areas?**

7.12.1 Policy D.EMP4 links directly to policy S.EMP1 of the LP in regard to the approach taken to the POLs and the CAZ tertiary area. As explained in questions 7.1, 7.3 and 7.6, the LP takes a flexible approach to office redevelopment proposals in Secondary POL and CAZ tertiary area in accordance with the Mayor of London's CAZ SPG, and further modifications have been made to both policy S.EMP1 and D.EMP4 to ensure that the employment thresholds can be applied to redevelopment proposals on a case by case basis in order to take account of market trends (see MM120, MM136, PSMM68 and PSMM79).

7.12.2 Similarly, it is considered that the approach taken for redevelopment in LELs and LILs (parts 4 and 5 of policy D.EMP4) is also very flexible in its application. The policy direction for these designations is to at least ensure that redevelopment protects the employment character and re-provides existing levels of floorspace, but through intensification, also support new non-employment uses where appropriate.