



ROYAL TOWN PLANNING INSTITUTE
LONDON BRANCH

LONDON'S SPATIAL ECONOMY : THE DYNAMICS OF CHANGE

FOR



LONDON DEVELOPMENT PARTNERSHIP

BY

**SIR PETER HALL AND MICHAEL EDWARDS OF BARTLETT SCHOOL,
UNIVERSITY COLLEGE LONDON, AND
DRUMMOND ROBSON, ROBSON PLANNING CONSULTANCY AND
SECRETARY, LONDON PLANNING AND DEVELOPMENT FORUM**

Part 1 : Transport Infrastructure and Urban Regeneration

Part 2 : Spatial Structure and London's Real Estate "Offer"

Part 3. Town Centres and Shopping

Part 4. Synthesis and Further Investigation

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November 1999

INTRODUCTION

The London Development Partnership (LDP) has commissioned these essays on Transport Infrastructure, London's Real Estate Offer and Town Centres as a contribution to decision making by the Mayor and Greater London Authority. The RTPI and its London Branch is keen to promote this initiative. The analysis will also help inform the draft Economic Development Strategy being prepared by the LDP to be presented to the Mayor in May 2000.

The issues have been discussed in a practical way to help explore how far the proposals could be taken forward by the new London Government as real contributions to improving the working of the London economy, helping to provide more and better jobs, and to making transport more efficient.

The essays are not the last word. The topics and issues discussed are major and difficult issues for London. There is a variety of solutions and further analysis is required. The fourth section of this booklet sets out a prospectus for this further work which will relate to parallel work by the London Planning Advisory Committee (LPAC) in preparation for the Mayor's Spatial Development Strategy.

London Development Partnership

Key findings of sections 1-3 are:

1. Infrastructure

- 1.1 The major likely infrastructure proposals concentrate on improving public transport access in Central London and the corridors east and west of it.
- 1.2 There is scope to provide significant Inner London improvements largely using existing corridors at lower cost and more quickly than wholly new routes : notably "Ringrail". This will give rise to interchange and other development opportunities and improve orbital services in Inner London. (There is thus scope for improving public transport access between suburban areas where car-dependence is such a problem).
- 1.3 A reduced cost version of Crossrail is possible and should be considered.
- 1.4 There are few planned road improvements; key ones are likely to be removal of bottlenecks on the primary network, such as the North Circular Road. If these can be designed to favour public transport they could transform accessibility between outer suburbs as the ring rail could closer in.

2. Employment

- 2.1 Locational choices for employment are excessively restricted or prescribed under current policy which has not kept pace with business practice.
- 2.2 London's labour force is highly diverse with a rich range of skills and people are increasingly mobile between jobs.
- 2.3 Home to work distances have increased as the result of these two forces to the disbenefit of the economy, environment and citizens.

3. Town Centres

- 3.1 Town centre growth has polarised towards the central and outer areas of London in the last decade or so with declines in the Inner London area where space is short and access deficient.
- 3.2 The development of retail employment sites away from Town and Managed Centres is almost entirely of poor quality sheds in a low grade environment, and entirely car dependent.
- 3.3 PPG6 policies should restrict further Out of Town Centre growth in and around London. Within the framework of these policies there is scope – and an urgent need – to innovate ways which will give centres and local shops a new lease of life and reduce Londoners' needs to travel.

PART 1: TRANSPORT INFRASTRUCTURE AND URBAN REGENERATION

Major transport schemes, at various stages of programming, could have a major impact on the regeneration prospects of key sites. Most are rail schemes; a few are road schemes remaining in the DETR programme after the cuts of recent years.

The Key Regeneration Sites

1. Central London Fringes

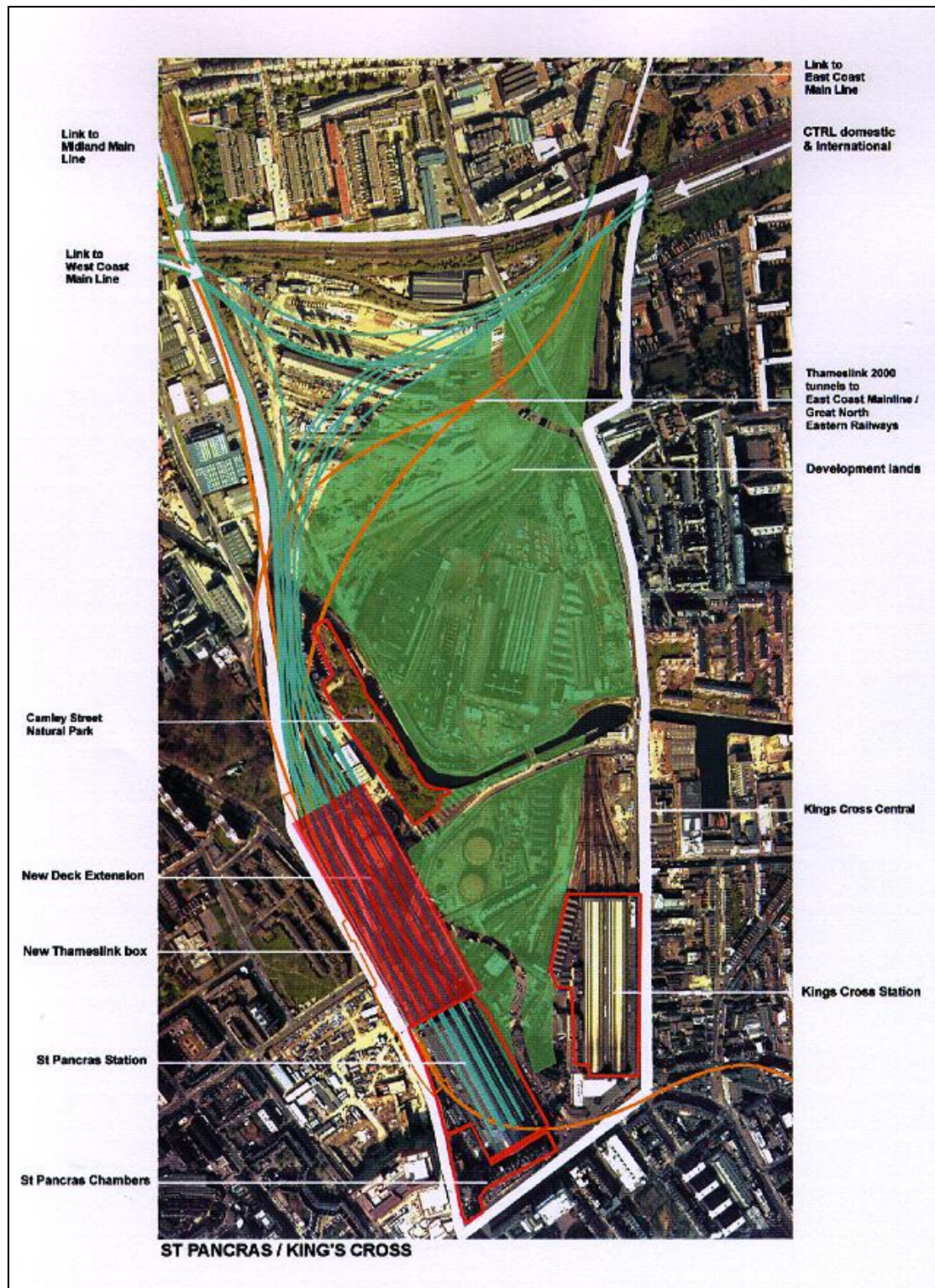
At the fringes of the Central Area, there are five key regeneration sites:

Paddington, where three separate development consortia (Railtrack, Chelsfield, Regalian, Rialto) have schemes at various stages of preparation around the station and the Paddington Canal Basin. These involve a Stage 2 reconstruction of the station, including a new road and car access on the north-east side together with new pedestrian and underground access from Bishops Bridge Road. The development is associated with a detailed community support programme.



Paddington Basin : Proposals

Kings Cross, where development has been long postponed due to disputes between developers and community groups, and now by the delay to construction of CTRL Stage 2. There is obvious potential from the proximity of the future CTRL terminal, there are no firm plans for the area, but various proposals have been made, including a proposal by a group of learned societies for a Conference Centre which failed to gain funding. London and Continental Railways are selecting a preferred development partner whose initial task will be to prepare a development masterplan.



King's Cross Rail Lands

Spitalfields/Shoreditch, where large potential sites exist close to the existing piecemeal development along Bishopsgate. The main questions here concern the Spitalfields Market, where Liffe have dropped a major proposal after transferring from open outcry to electronic trading, and the very large Bishopsgate Goods Yard site which is currently the subject of an architectural competition organised by the Architecture Foundation. The latter in particular suffers from poor accessibility, located half a mile north of Liverpool Street station although close to the present Shoreditch terminus of the East London Line.



Bishopsgate Goods Yard : Opportunity associated with Ringrail and Crossrail

South Bank-Bankside, an area that is benefitting from big regeneration pressures, but continues to suffer from continuing uncertainty at the South Bank Centre where the redevelopment of the existing complex – added to by Millennium Ferris Wheel and the huge IMAX cinema complex - is now being examined yet again. Further east on Bankside, there are the Globe Theatre and the Tate Gallery of Modern Art, together with the newly opened Vinopolis. Downstream are London Bridge City and the Butler's Wharf leisure and living complex, with Norman Foster's Greater London Authority building on the vacant site between them. The development is mainly cultural- and tourist-related, but with a major high-density residential emphasis on the riverside between London Bridge and Bermondsey, related to the opening of the Jubilee Line extension. Immediately to the south at Elephant and Castle major redevelopment proposals are now being planned to create mixed uses supported by an improved transport node.

Vauxhall Cross-Nine Elms-Battersea Power Station, where there are a variety of major development proposals including high-density residential at Nine Elms, with the prospect of total or partial closure of the market site, and the leisure proposals for the power station itself. The east end of this linear site has excellent rail accessibility through the South West Trains/Victoria line interchange at Vauxhall, but the western end has only the peripheral Battersea Park station; a new station on the Victoria-Brixton (Connex South Central) line has been proposed to serve the Power Station complex.

2. Docklands/Thames Gateway

The *Docklands* development is at last nearing completion with major developments on the Royal Docks: on the north side, with excellent road and DLR access, the ExCel international exhibition centre served by the Custom House interchange (DLR/Silverlink Metro) station, which will grow into a major centre rivalling Birmingham, a science/business park (still under exploration), the new campus of the University of East London, Stage One of which will open in September 1999, and the headquarters of a large health care company; on the south side, the Britannia urban village at West Silvertown, other housing complexes next to the Thames Barrier and the new park and at the extreme east end, Gallions Point, and the commercial development opportunity at Pontoon Dock next to London City Airport. The south side relies on a road access, which will be added to by completion of the DLR City Airport extension around 2003.

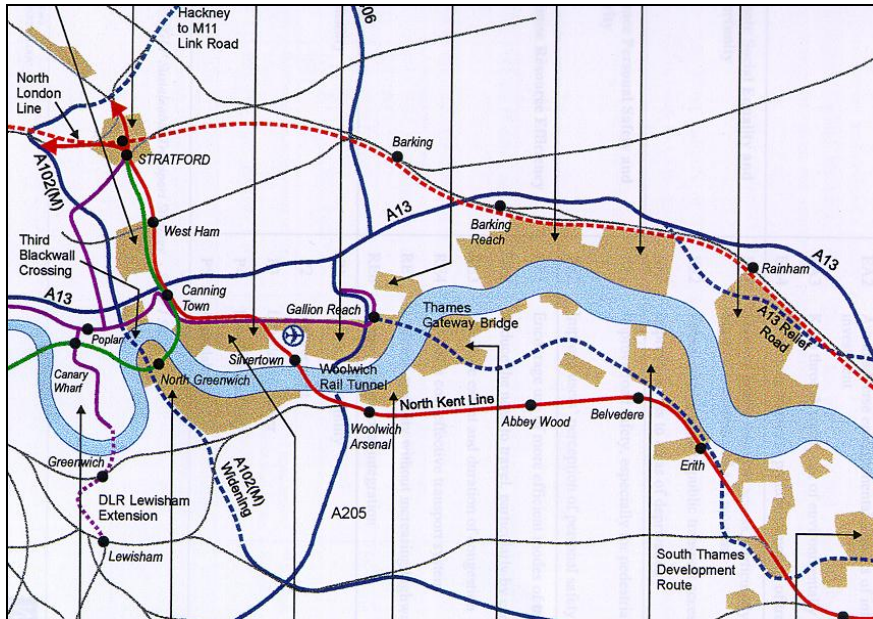


Stratford Railway Lands

Greenwich Peninsula: Opposite Britannia Village on the south bank, the Millennium Dome and Village essentially complete development of the east side of the Greenwich Peninsula, but this leaves very large opportunities on the west side, where a large area of industrial and warehouse units lies between the Dome and the central Greenwich cultural complex. Given the area's accessibility though the North Greenwich station on the Jubilee Line, this seems likely to experience major development pressures.

Other than this, the main future emphasis will be on the *Stratford Railway Lands*, where a major developer is proposing a regional shopping centre similar to White City, with possible hotel, leisure and residential elements. Essentially this complex is very well served by rail (Great Eastern, Silverlink Metro, Central, Jubilee, DLR), but there is a problem with the awkward position of the proposed CTRL station some half-mile north of the existing domestic station. It is proposed to extend the DLR to the international station, but there is a remaining concern about its distance from existing rail connections, and it would have been better if the widely-admired JLE station had been designed with a view to future extension, which is now insuperably difficult. A possible solution is proposed in the conclusions below.

Between Stratford and the Royal Docks the *Lower Lea Valley* forms a bewildering mix of heritage buildings (the Three Mills complex and the adjacent Abbey Mills Pumping Station) and low-grade industrial development. Recently the subject of an architectural design competition sponsored by the London Borough of Newham, it enjoys excellent accessibility via the Jubilee Line and parallel Silverlink Metro, with interchanges at West Ham (District and LT&S) and Canning Town (DLR). It will also benefit from improvements on the A13 at Iron Bridge/Canning Town, but has poor access from Stratford and the Hackney/M11 link to the north. Because of its position it should become increasingly attractive for regeneration in the medium term, assisted by the Hackney M11 link referred to below.



*Docklands and Thames Gateway : Source TGLP Interim Transport Plan 2000-2001
WS Atkins July 1999*

The next major site is *Barking Reach*, where a master plan for a major 6000-unit housing development and associated manufacturing has made slow progress due to disagreements between the public and private partners and delays in providing necessary infrastructure in the form of a spine road and removal of overhead power lines. It has good road access via completed and programmed improvements to the A13, but awaits construction of a station on the LT&S, which could eventually be linked into one or another Crossrail variant.

Beyond the Ford Works, where a major regeneration programme has recently been announced, the large *Havering Riverside* site is one of the major Thames Gateway regeneration sites so far awaiting firm proposals. Although excellently served by the new A13, with interchanges at Manor Way, Ferry Lane and New Road, it suffers from peripheral rail access at the existing Rainham station, and essentially requires a more central access via a new station about half way between Rainham and Purfleet. Connection of LT&S to a Crossrail variant would also massively improve the attractions of this site, which presently is one of the most peripheral in the whole of Greater London.

On the south bank, the London part of Thames Gateway essentially consists of the *Woolwich Arsenal*, likely to be developed for leisure and tourism uses, and the adjacent *Thamesmead West* residential area, the last substantial part of Thamesmead Town to be completed. The major obstacles, apart from site clearance in this heavily contaminated area, lie in the relatively poor accessibility from Central London and from the north bank generally. A Woolwich rail crossing (Thames Gateway Metro) and the East London River Crossing, incorporating either DLR or a guided busway connecting to Central Woolwich, appear to be the essential investments necessary to trigger the interest of developers.

There is some potential for regeneration downstream in the *Belvedere/Erith* area, based on the recently-completed new stretch of the A2106 South Thames Development Route and a future Thames Gateway Metro.

3. The Middle Ring

In the middle ring, the main opportunities are provided by redundant railway or industrial sites, most of which are close to arterial roads. Although they are invariably traversed by railways, oddly they often lack stations, particularly good interchange stations with other railways. The most significant sites are in West London.

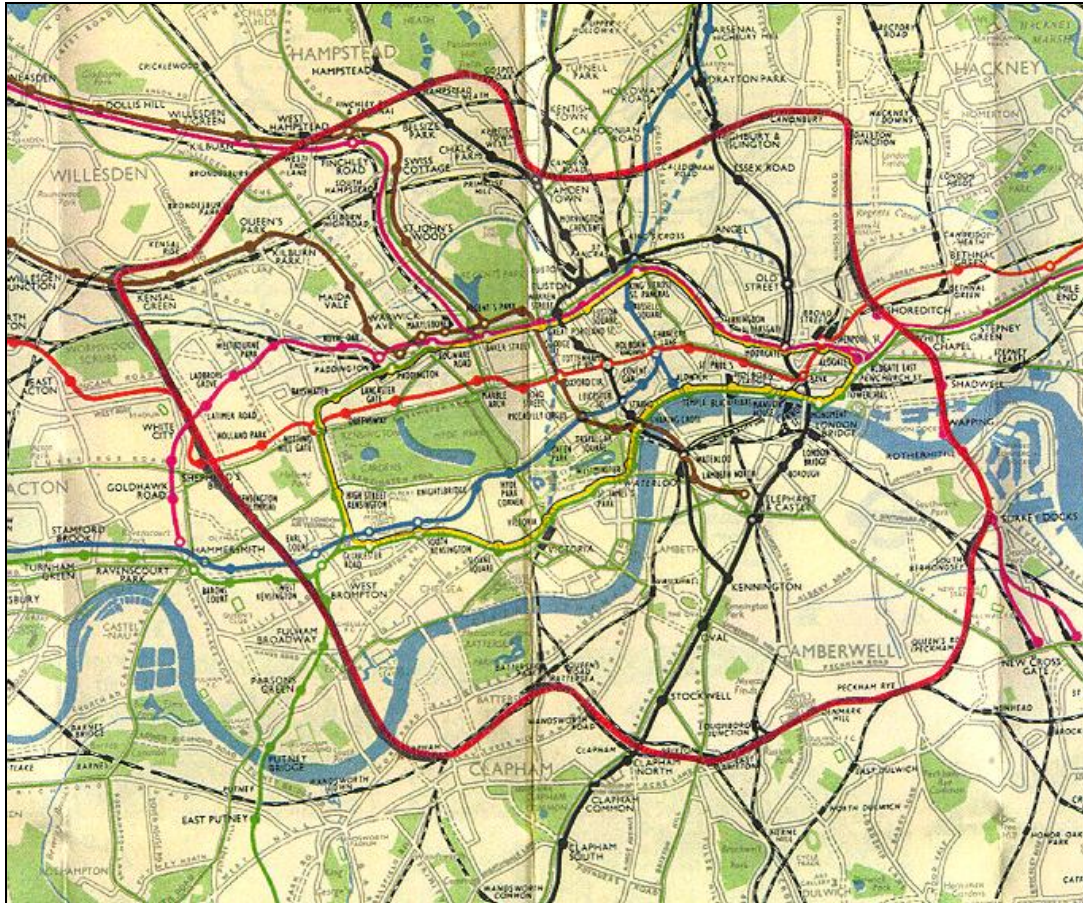


Eurostar between Clapham Junction and Battersea (Part of Ringrail)
Photograph by Brian Morrison - February 1995, from Modern Railways October 1999

Clapham Junction has remained a largely neglected site despite the extraordinary density of its rail services from Central London. It suffers from rather poor road access, not easily capable of being remedied. Its position could be enhanced by the Ringrail proposal (assuming this could be diverted to serve the location) and by Crossrail South, both utilising the West London Line.

Between *Fulham Broadway* and *Earls Court* there are a variety of railway and other sites which could be intensively developed for high-density residential development, given the position adjacent to the A4 and the new West Brompton interchange station. Again, Ringrail and Crossrail South could be the critical development triggers.

Between *Shepherds Bush* and *Willesden Junction*, a variety of low-grade railway and industrial sites will be transformed by the construction of the new regional shopping centre at White City and by associated rail interchanges on the West London Line (future Ringrail) at Shepherds Bush and White City, to which it would appear essential to add a further interchange with Crossrail variants at North Pole Road (close to Wormwood Scrubs). Additionally, a new Crossrail/Central Line interchange at North Acton would help release the potential of the western side of this huge regeneration area. The A40 bottleneck could be an additional severe constraint to regeneration here, unless remedied. With better access, it should be possible to develop a mixed-use scheme incorporating high-density housing, which would take advantage of the huge and neglected open space asset of Wormwood Scrubs. These new public transport interchanges would enhance Park Royal's commercial links with other parts of London and hopefully increase the proportion of the workforce on Park Royal who could travel to work without using cars.



Ringrail superimposed on Underground Map at time of Victoria Line construction

At *Chiswick Park*, proposals for a business park on a large clear site have languished for many years, despite its closeness to the M4/A4/North Circular interchange. The proposal was associated with a new interchange station between Silverlink Metro and the district/Piccadilly Line. It seems appropriate, in the light of the high residential land values in adjacent areas and the proposals in the Urban Task Force report, to consider a mixed-use development here.

At *Finchley Road/West Hampstead* there is a major new superstore at the Finchley Road end, but considerable potential around the West Hampstead interchange (Thameslink, Silverlink Metro, Jubilee Line) for which enhancement proposals have recently been made.

4. The Outer Ring

The Outer Ring is characterised by a relatively small number of major regeneration potentials, mainly on old industrial areas, along or near to interwar arterial roads, which have been wholly or partially converted into business and/or retail parks (Western Avenue, Park Royal; Victoria Road, Northolt; Wembley/Neasden; Cricklewood; The Hyde, Edgware; New Southgate; Tottenham Hale-Angel Road; Purley Way, Croydon). Some of these are almost certainly capable of being upgraded, especially where they are well served by public transport as well as highways:

Hayes (M4, A312, Thames Trains, future Heathrow Express);

Western Avenue, Park Royal (A40, Central Line, Piccadilly Line; new interchange as part of Guinness site redevelopment);

Victoria Road, Northolt (A40, Central Line, Chiltern Line);

Wembley/Neasden (A406, Jubilee Line, Metropolitan Line, Chiltern Line);

Cricklewood (A406, Thameslink);

New Southgate (A406, Piccadilly Line);

Tottenham Hale-Angel Road (A406, Victoria Line, WAGN, Silverlink Metro);

Purley Way, Croydon (A23, Croydon Tramlink).

Other sites present more problems in public transport access.

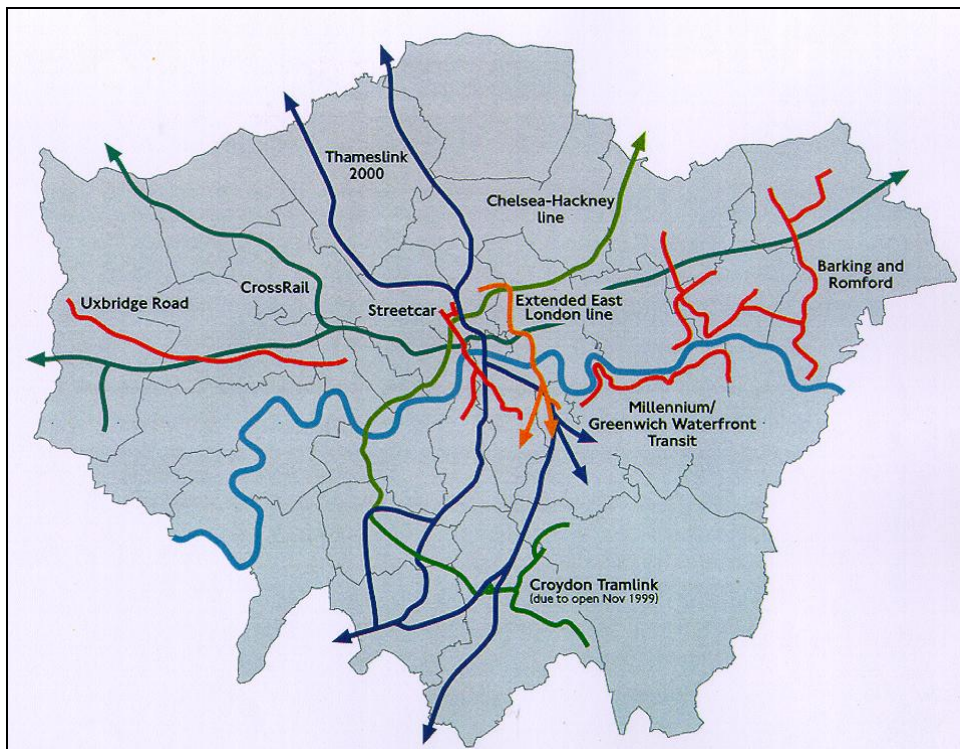
Some of these sites are close to existing town centres, but most are not. Therefore they would need to be considered as possible supplements to (or replacements of) existing centres.

This is complicated by the fact that the larger centres seem to be growing in importance while the smaller ones are finding it increasingly difficult to compete, with large numbers of vacancies and of non-retail uses. It may prove a sensible strategy to allow these centres to revert to other uses, such as housing, while encouraging the growth of alternative retail centres that are nodal in terms of both road and rail access.

Priorities for Investment

With notable exceptions - the DLR and the LDDC road network, and the CTRL - virtually no recent transport investment in London has been evaluated in terms of its regeneration potential. Here we try to provide some pointers.

1. Schemes under Construction and Firmly Programmed (Short-Term) (1999-2001)



Rail : Thameslink, Crossrail, Chelsea Hackney, Extended East London Line, Croydon Tramlink.
Intermediate Mode : Uxbridge Road, Streetcar, Barking and Romford, Millennium/Greenwich Waterfront Transit
Source : London Transport

Rail

The *Jubilee Line extension*, open in November 1999, will have major regeneration impacts on Bankside (Tate Gallery, Globe Theatre, GLA), the Greenwich Peninsula (Millennium Dome, Millennium Village), the Lower Lea

Valley and Stratford Broadway. Indirectly, through connection with the DLR at Canning Town, and with the North London Line it will also impact on the Royal Docks (ExCel, Science Park, University of East London).

Croydon Tramlink, now almost open, is expected greatly to enhance the regeneration prospects of the existing retail and office centres at central Croydon, and possibly at Wimbledon.

The *DLR Greenwich-Lewisham extension*, open in November 1999, will aid regeneration at the Greenwich historic tourist site and town centre, at Deptford Creek and in Lewisham town centre.

Busway

The *Millennium Busway*, now under construction between the Dome at North Greenwich and Charlton Station, is the first fixed guideway in London. It will aid regeneration on the Greenwich Peninsula and (if extended) at Woolwich and Thamesmead West.

Road

The *Hackney-M11 link*, opened in October 1999, runs from the present end of the A102 (M) motorway north of the Blackwall Tunnel, parallel to the present A12 through Leytonstone, to the southern end of the M11 at Wanstead. It will massively enhance the development prospects of Stratford Broadway and the Lower Lea Valley.

The *A13 Comprehensive Package Improvements*, from Iron Bridge eastwards to the M25, will help release the development value of key Thames Gateway sites at Barking Reach and (via the recently completed section to the east) Havering Riverside, including the recently-announced plans for the redevelopment of the Ford works.

The *A206/A2106 South Thames Development Route* a high-quality dual carriageway from the Blackwall Tunnel southern portal (Greenwich Peninsula) to the M25 and Bluewater/A2 has major significance for regeneration on the Greenwich Peninsula, Woolwich Arsenal and Thamesmead West.

2. Schemes Still Under Consideration: Suggested Priority

Rail Schemes

DLR Extension to London City Airport: this is at advanced stage of programming, having received government approval in principle for an early start. It should attract considerable private funding and it yields regeneration benefits along its entire length, at the River frontage, Britannia Village, Thames Barrier, Pontoon Dock, London City Airport and (if extended) Gallions Point. Extended under the river to Woolwich, it could yield further benefits at Woolwich Arsenal. The question is whether Thames Gateway Metro (see below) is a better candidate for this purpose.

Thameslink 2000: This should be regarded as effectively programmed, albeit in conjunction with CTRL. It brings very big potential benefits at Kings Cross, Farringdon/Clerkenwell and Bankside. It should therefore be regarded as second priority, though it might be completed later than East London Extensions/ Ringrail (see below). There is a remaining problem with the City of London Corporation objections to loss of the existing Moorgate services, which we think could be substantially addressed by early construction of Crossrail North (see below). There are missing interchanges that affect regeneration potential: at Southwark (with JLE) and Bermondsey (with East London extension/Ringrail).

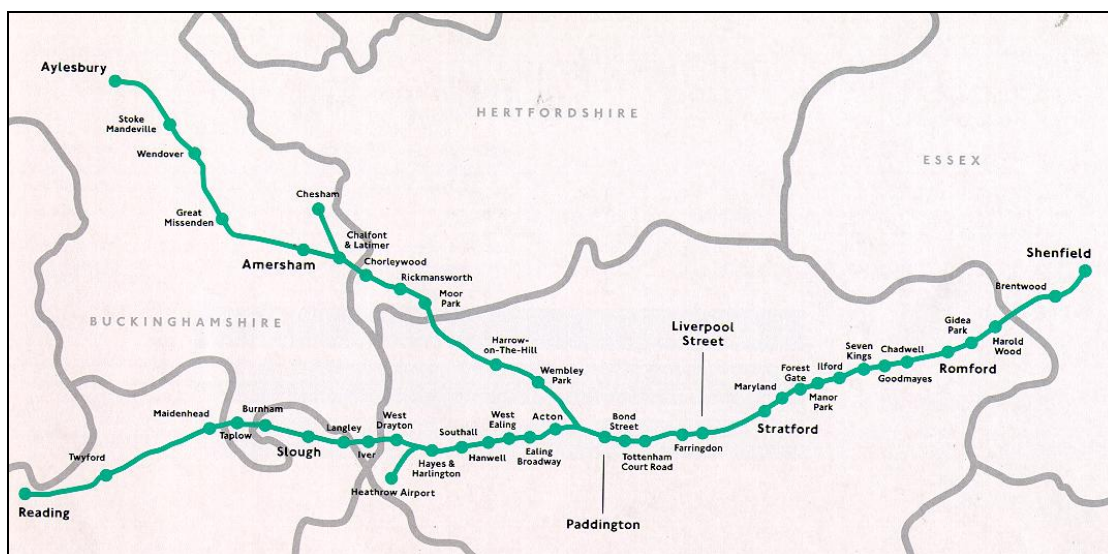
East London Extensions and Ringrail: This is also a scheme at an advanced stage of preparation. It could yield big regeneration benefits at Bishopsgate/Spitalfields/ Shoreditch, and ought to be able to attract major private contributions. However, it really needs to be seen in terms of an interchange with a Crossrail variant (see below). It might also encourage regeneration at south Bermondsey, adjacent to the Surrey Docks development (though interchange with Thameslink 2000 is desirable here). The wider Ringrail scheme would assist regeneration at Clapham Junction, Fulham Broadway-West Brompton-Earls Court and Shepherds Bush-White City-Willesden Junction, though only with full interchanges with radial lines including a Crossrail variant. Because of these large

and widespread benefits, as well as the relatively low cost, this should be regarded as the third priority scheme; in practice, it might be completed ahead of Thameslink 2000, but both should be regarded as cases for construction in the period 2001-2006.

Channel Tunnel Rail Link Stage Two: This cannot and should not be evaluated on the same basis as the other schemes, since it is a major European link and will not compete for London funding. But it is an absolutely essential element of the Thames Gateway strategy as well as a vital catalyst for regeneration of the Kings Cross Railway lands. There is an additional danger that if Stage One were prolonged to a temporary terminus at Ebbsfleet, as rumoured, this would further reduce the pressure to complete Stage Two and lead to a permanent and serious imbalance between the Kent and Greater London halves of the Thames Gateway project. Therefore, completion should be regarded as essential in the period 2005-2010.

Thames Gateway Metro: This stands on its own as a simple and relatively self-contained scheme which could trigger regeneration potential at Woolwich Arsenal and Thamesmead West, as well as downstream outside the GL area. It would also add value in the Lower Lea Valley and at Stratford. It has always been seen as a critical accompaniment to CTRL Stage Two, though it does not depend on this. However, its maximum value would come as a branch of Crossrail, particularly as it could be configured to offer direct service to the Stratford International Station development, thus aiding regeneration at this key site. It could be further enhanced by a short extension of the Jubilee Line from a stipulate junction at North Greenwich (already constructed) to Custom House, from where Jubilee trains could share TG Metro tracks to Woolwich Arsenal. From here the Jubilee line could be further projected to Thamesmead West and Central, but this is probably less effective in cost-benefit terms than either a DLR extension or guided busway (see below).

Crossrail North and Crossrail South: These are the relatively economical small-scale schemes involving Railtrack connections into the northern and southern halves of the Circle Line, respectively. Crossrail North is however more ambitious than the schemes so far considered, because it involves new construction, some of it expensive, albeit mostly shared with an eventual full-scale Crossrail Central. It would yield major regeneration benefits at Shepherds Bush-White City-Old Oak-Willesden Junction (but only with interchanges with Silverlink Metro at North Acton and with Ringrail at North Pole), Paddington, Kings Cross, Farringdon, Bishopsgate/ Spitalfields/Shoreditch (dependent on construction of a station with interchange to Ringrail) and Stratford, and is synergistic with Thames Gateway Metro (above). It would also partially help to resolve the problem of loss of the Thameslink Moorgate service, particularly if a Farringdon sub-surface station were included in the scheme. It should therefore be considered as an equal priority with Thames Gateway Metro, albeit more ambitious and therefore likely to be completed slightly later. Crossrail South would yield benefits at Clapham Junction and at Fulham Broadway-West Brompton-Earls Court, and in the Lower Lea Valley at West Ham.



Crossrail : Source Crossrail Environmental Statement

Other Rail Schemes: Beyond this point in the evaluation, it appears to us that there is a major break. The remaining rail schemes – Crossrail Central and Chelsea-Hackney – are very expensive, and their potential value would be

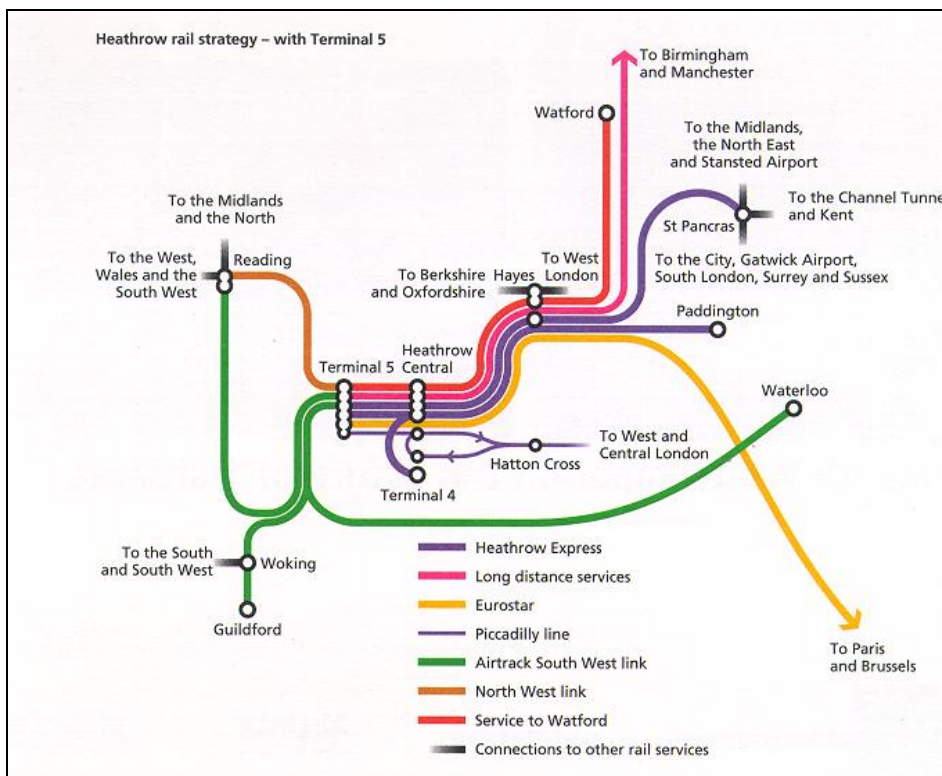
somewhat reduced by early completion of the much cheaper Crossrail North and Crossrail South. We also believe that there would be scope for redesigning Crossrail Central at significantly lower cost and with greater benefits.

Road Schemes (with associated fixed-link Public Transport provision)

East London River Crossings: These should be the earliest road priorities because of their contribution to Thames Gateway regeneration. Of these two, ELRC is a higher priority. Both should carry fixed public transport links, as extensions either of the DLR (Beckton-Woolwich; Silvertown-London City Airport-Woolwich) or Millennium Busway (Silvertown-North Greenwich-Charlton-Woolwich-Beckton).

North Circular Improvements: There should be a technical study of the possibility of completing the North Circular upgrade with a continuous express bus system using priority lanes (which could be shared with other High Occupancy Vehicles), either as an unguided busway or an electronically-guided busway as proposed (but now abandoned) for Liverpool. This would connect existing major centres along the highway (Ealing; Brent Cross; Wood Green; Milford) and would assist regeneration at Park Royal, Neasden, New Southgate and in the Lea Valley (Angel Road-Tottenham Hale). It should be a second road priority.

A40 Western Circus/Gypsy Corner: The uncertainty surrounding this major scheme has brought prolonged planning blight and is compromising regeneration prospects in the Shepherds Bush/White City/Old Oak/Park Royal/Willesden Junction area. It should be urgently reconsidered, with a toll element to discourage an increase in car commuting into Central London.



West London Rail Strategy : with Terminal 5. Source BAA

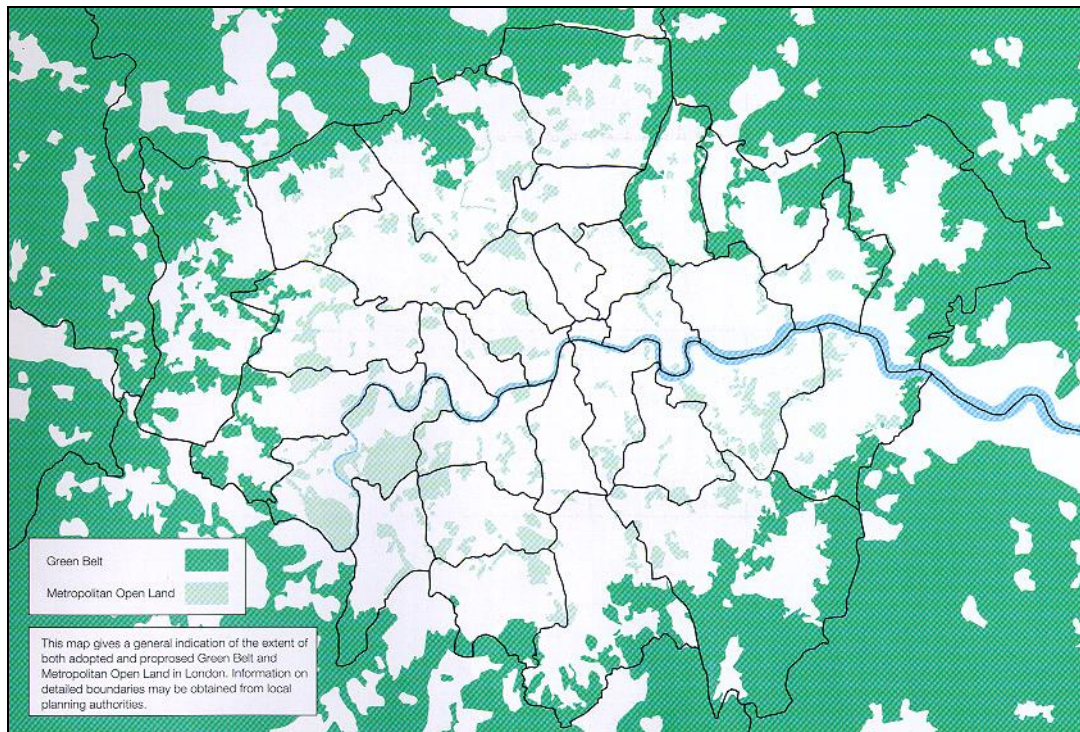
PART 2 : SPATIAL STRUCTURE

AND LONDON'S REAL ESTATE "OFFER"

PROPERTY MARKETS AND LONDON'S COMPETITIVE ADVANTAGE

A Nutshell Account: How The Property Market Affects London

In south east England we have an acute form of the familiar metropolitan problem of inadequate land supply, strongly moulded in our case by the intended and unintended effects of urban and regional planning. The dismantling of regional policy over the last two decades has increased the relative pressures in the south east and there are some interesting parallels with the experiences of Paris and the Île de France. But the competition for prime locations which characterises every great metropolis takes place in the context of London's uniquely effective green belt and the 50-year history of containment policies in the surrounding counties.



Containment : London's Green Belt (and Metropolitan Open Land). Source RPG3, May 1996

The green belt and containment policies followed by all governments since 1945 and still strongly supported have been both a blessing and a curse.

On the positive side they have protected the countryside and led us to intensify the use we make of the built-up area. On the negative side they have created an enduring scarcity of space, high housing and premises costs, leading to social exclusion, labour market inefficiency and long travel distances at the regional scale. The increasing dependence of national economic growth on the performance of London and the South East means that some quite new creative thinking is needed to square this circle.

Employees By Industry: (Not seasonally adjusted) (Workplace Based)	Greater London and UK					
	Greater London (000)			Proportion of 99 Total	UK (000) Mar-99	Proportion of 99 Total
				22.40	3,391	14.24
	Mar-97	Mar-98	Mar-99			
Wholesale, Retail Trade And Repairs	502	554	565	15.80	4,080	17.13
Transport, Storage and Communications	271	295	315	8.81	1,440	6.05
Health and Social Work	298	307	313	8.75	2,573	10.80
Financial Intermediation	332	301	302	8.45	1,031	4.33
Manufacturing	270	282	273	7.63	4,009	16.83
Education	215	218	221	6.18	1,943	8.16
Hotels and Restaurants	190	217	213	5.96	1,287	5.40
Public Admin. Defence, Social Security	211	208	205	5.73	1,324	5.56
Construction	87	136	120	3.36	1,093	4.59
Agriculture, Mining, Utilities	19	15	16	0.45	517	2.17
Other	179	225	232	6.49	1,127	4.73
Total	3,285	3,581	3,576	100.00	23,815	100.00
(includes 700,000 commuters)						
Source : Labour Market Trends ONS						
Reproduced in LCCI Quarterly Review August 1999						

From the standpoint of households and firms seeking accommodation, the situation gives us...

- (i) a severely limited supply of development land which,
- (ii) combined with real growth of incomes for roughly half the population,...
- (iii) ...combined with the income elasticity of demand for housing
- (iv)...creates a tendency towards relatively high housing, retail and other prices in our region. Living standards are thus depressed and/or salaries pushed up, reducing the competitiveness of employers in London and a wide belt around it, especially in the west. By the same logic it also increases the volatility of prices because fluctuations in demand can't be met by quick adjustments of supply and must be soaked up mainly by price changes. One of our surges of house prices is upon us now.
- (v) Combined further with the impoverishment of part of the population, the market price/rent of housing excludes a growing proportion of people or forces them into less space or worse conditions.
- (vi) There can be a powerful distortion whereby real investment (in new construction, repair and maintenance) is lower than it would be in conditions of lower land cost. For example
 - * For households there is the familiar experience that you pay so much to service your mortgage that paying so much to service a mortgage challenges the ability to maintain or extend the dwelling;
 - * Housebuilders in London and the South East have to spend so much on sites that they are constrained to skimp on floorspace, garden space and building quality so far as the planning rules allow. This low standard of development may nowadays gain some legitimacy where it is built at high density but in most suburban cases any such 'sustainability' benefits must be outweighed by the car-dependency of these developments and their sheer low value for money.
- (vii) Structurally, it means that London's regional decentralisation has been over long distances. London firms decentralising, or moving their 'back office' functions out from the centre, confront a much narrower set of choices than they would in most metropolitan areas abroad. In particular there are very few well-connected business locations available in the outer parts of Greater London (and Croydon, the main exception, will only really have all-round accessibility with the tramlink). Beyond the Greater London boundary the green belt has largely prevented the development of business locations except within the towns of the dispersed region - towns where car-dependence for trips within and between settlements is extremely strong.
- (viii) Within the towns, and especially in London, this set of mechanisms produces economic as well as policy pressure for densification and in-filling of suburbs, re-use of abandoned and derelict land. This intensification is

now generally seen as benign in terms of reducing the need to travel and improving support for local services (Urban Task Force 1999); but in the suburbs, towns and villages this intensification is often perceived as being at the expense of the environmental qualities and seclusion enjoyed by established residents. Intensification is thus politically very tense, and the contradictions emerge in the NIMBY politics of the region very strongly - for example in the public hearings on Regional Planning Guidance.

(ix) So far as the volume house building industry is concerned, these are unfavourable conditions. High costs of land acquisition, protracted negotiation of permissions, and in some cases the costs of decontamination, combine to make it hard for builders to offer productivity gains, creative design or good value for money. In fact, the vast majority of construction activity in London is repair, maintenance and the modification of buildings and these activities are even more difficult to organise on modern production principles than small-site new building. London's construction sector has to cope with an awkward pattern of demand and in a very cyclical market, which is bad for the sustainable development of technologies and skills.

(x) The need for social housing becomes ever greater in these conditions because London's low- and middle-income people cannot afford what the market mainly offers. In the UK, social housing is hardly produced any more except by non-profit, semi-autonomous, Housing Associations. For this housing association sector, the combination of

- * high land prices,
- * falling Housing Association Grant from government (HAG),
- * and rising proportions of open market borrowing means that
- * space and quality standards are under intense pressure;
- * rents for social housing have to be high and rising;
- * You can afford a housing association dwelling only if you are prosperous enough (but then you may be ineligible), or if you are poor enough to get housing benefit (HB). This is a problem for those excluded, for the occupiers, for management and for the social composition of schemes.
- * only housing benefit underwrites the market risk for lenders – a curious paradox.

While Housing Associations, and the reduced pool of Council housing, do continue to offer housing to some of those most in need, there are many households who are very badly served by the London housing "offer". They have to cope by accepting poor or cramped conditions, involuntary sharing with parents or accepting long and costly journeys to sub-regions (e.g. Essex and Kent) where prices are lower.

This nutshell account of London's property markets has emphasised what appear to be the problems - the needs which the market fails to serve well. There are, however, successes:

The central London office stock has been substantially renewed in the last 20 year - greatly expanded in quantity and with many earlier buildings modernised.

Much of London's older building stock has proved to be highly adaptable over long historical periods:

The terraced house, adaptable to flats, to offices, to workrooms, to shops (though often with under-use of upper floors) to small hotels and back to the original single-family use. This ubiquitous form of building continues to play a key role in the social and economic vibrancy of London.

Much of London's stock of multi-storey factories and warehouses, especially in the fringes of the central area, has found new uses as up-market housing or as offices or combined live/work space. The transition was often wasteful and inefficient, but the outcome has been generally positive.

Many of the office blocks of the first post-war decades have proved adaptable to re-use as housing, helping to meet student and housing association needs in the early 90s but now increasingly serving only the expensive end of the market. Some 10,000 dwellings have been gained in this way but the process is thought to be nearing completion.

The "Offer" To Business : Offices

At the top of the hierarchy, corporate demand for central London office space is the subject of intense study by the planning system and by those involved in investment, development, and agency. Most commentators now consider that the extreme of overproduction of the late 1980s is unlikely to be repeated but it is clear that this market is a very curious one with strong overlaps between those who own, rent and occupy the buildings (firms in the Finance, Insurance and Real Estate sectors being heavily involved in all three roles) and with high volatility un-matched by high returns. It is a sector in which user needs are relatively well cared for by developers and the planning system and where the growing strength of Docklands as an extension of the City helps to keep occupation costs down. However the very fact that developers and investors are willing to back projects in the centre - to a greater extent than rational analysis would indicate - means that the rest of London tends to be relatively deprived of investment.

In other words, investment projects outside the extended central area have to appear much more profitable or much less risky to secure funding.

One strong feature of the corporate office market in London has been the re-thinking by firms of how they use space, with consequent decentralisation of entire firms or of functional parts of firms. The opportunities open to such firms appear to be very few. Outside of the extended central area London offers very few locations where firms can draw on a large labour market area with public transport as the main means of travel and where there is a substantial stock of office accommodation.

Croydon is the main exception outside the centre, with Canary Wharf as a second exception at its eastern edge. Otherwise London's suburban centres are relatively small, un-modernised and heavily dependent on car-borne travel for the workforce.

The 'office park', so ubiquitous around provincial towns and other European capitals, is largely absent because the Green Belt has prevented what would otherwise have been a rash of developments around the M25. Many exist, however, in other towns of the region and they - along with the town centres of the region - constitute the main opportunities available to decentralising and large new firms.

In view of the heavy car-dependence of standard office parks, and their severe lack of shopping and other facilities for staff, they are something London may be glad to be without. However there does seem to be a prima facie case for trying to improve London's "offer" in this field in order to intercept some of the employment now lost to the region beyond the M25 and to facilitate greater self-sufficiency in suburban areas. Specifically a target for further study should aim to explore the scope for the encouragement of new centres, which would in most cases include office space.

On the demand side the study would need to explore

- * the possible magnitude of demand from decentralising, new and other firms. It would be important not to base these studies on crude market research since there scarcely is an effective market for such locations in today's London. Latent or potential demand will not be very visible:

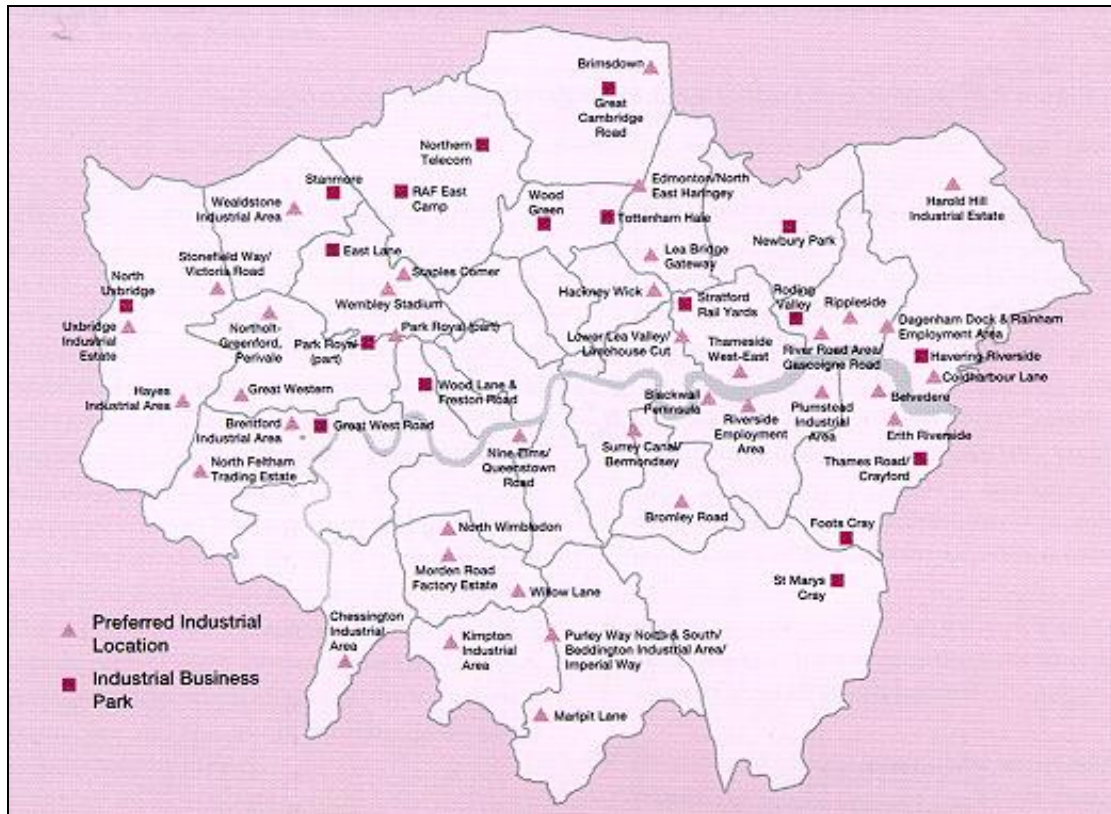
London would be offering a new kind of product and would have to create a new market.

- * the degree to which such firms need to draw on region-wide or more ubiquitous labour markets;
- * the degree to which firms may need physical proximity to suppliers, customers or to services and facilities for staff.

On the supply side the study should explore

- * The labour force characteristics of the areas linked to each centre by good public transport;
- * The scope for office and other workplace development at each transport node under various assumptions about the level of transformation which can be envisaged there. We do not envisage transformation of the scale of La Défense anywhere in London, but in some places (e.g. Stratford, Park Royal) conditions lend themselves to major re-structuring while at others (e.g. Finsbury Park, Brent Cross/Hendon) the scope for transformation would be less and potential demand thus different.
- * The nature of the technical, ownership, infrastructure or other barriers preventing the realisation of development opportunities.
- * The degree to which car access (for workers, for customers) could also be accommodated.

The Offer : Manufacture, Warehousing and Distribution.



LPAC's Preferred Strategic Employment Sites : Source RPG3, May 1996

It is now beginning to be recognised that manufacturing (subject to the definition problems) has not disappeared from London - even less from the wider region - and must continue to form a valuable part of a robust and diversified economy. It has recently been argued by Hirmis that not only output but also productivity and even employment have now started rising within Greater London. This argument has been well developed in the recent report by the London Manufacturing Group and the case has been made that the space available for manufacturing needs to be secured by the planning system from further attrition. LPAC is exploring this problem. The stock of premises ranges from high-specification modern sheds through old factory buildings of various dates down to the railway arches, flatted factories and converted workrooms of small rag trade operations.

From the point of view of the enterprises which use space, all of these quality levels have some importance, although only those at the top end of the scale tend to be of interest as industrial investment property. The need is for a pooling of data and knowledge, now in the hands of surveyors, trade associations, TECs, LPAC and other bodies in order to evaluate what steps, if any, need to be taken to facilitate the effective supply of space to those who seek it. A strategic steer to policy might well be called for - for example to contain excessive diversion of space to housing use in response to the twin stimuli of strong house prices and the imperatives of the Task Force.

The borderline between production and distribution activity is very imprecise, with many enterprises doing both, or switching their emphasis between making and dealing as conditions change. It may therefore be most effective to examine these related functions and building types in tandem.

The Space Needs of Activity Clusters

Supply and demand trends for business space of all kinds could best be clarified, we consider, by linking these studies of different kinds of space to an analysis of some of London's key clusters of activities. The aim would be (a) to build on the extensive research which has been done on the economics of clusters, examining the kinds of space which is needed and used in each;

(b) to do this in a way which cuts across the limiting categories of office, industrial, retail, warehouse (and even residential) buildings.

Some of the important clusters in the region operate with very long-distance links and immediate localised clustering may have little to offer. For example the defence and aerospace cluster in west London and in an arc around London to the north and west probably gains sufficient benefits from that degree of contiguity. There may be similar 'loose' patterns in the automotive industry.

However there are other sectors in which immediate spatial proximity are held still to be of great importance to innovation and growth, for example the networks of production companies, specialist sub-contractors and facilities linked with film studios and with the TV broadcasters. Advertising, printing, graphic design and multimedia would be another.

Here the hypothetical 'cement' holding the clusters together may be access to information about market opportunities and participation in a specialised labour pool. At a more mundane level are the clusters associated with the rag trade and leather, in Haringey, in Tower Hamlets and Hackney and elsewhere.

A further instance - at a micro scale - is the cluster of activities to be found around major exhibition and conference centres. Research in Olympia, Earl's Court and Wembley would cast valuable light on what the potentialities may be around the Excel centre in the Royal Docks and in the transformation of Wembley itself. These are instances of visitor-related clusters, and help to sharpen the focus of the rather diffuse 'tourism sector' which - as a whole - is one of London's key income-generators.

It is necessary to bear in mind that these clusters are much less visible in London than in many other places because they typically occupy whatever buildings happen to be available, not, for the most part, custom-built accommodation. Thus we know that University College London is the core of a whole series of activity clusters. The science and medical faculties, alongside the hospitals and the adjacent Wellcome Institute are the core of a network of research units and related firms - including developments by Japanese and Swiss research companies which actually took place within the College campus - and private professional practices. This group of public and private enterprises would, if laid out by themselves as a campus, be quite evidently an important 'science park'. The same College is linked in other important economic networks, some more visible than others: a legal network involving the Courts and Inns but also a great multiplicity of firms in ordinary office space; an architecture, planning and engineering network with consultant firms in the university area helping each other with shared staffing, recruitment and expertise.

The Offer to Households

The essential problems of London housing are not the main focus of this study. However the impact of the outcome on the economy will always be profound and any planning for the economy of London must be conditional on what happens in the housing field.

If the current policy and economic environment continues unchanged we could see a worst case scenario in which demand continues to surge ahead of supply, driven by

- * income growth for at least half the population
- * demands for more space or higher standards among those consumers
- * low interest rates
- * inheritance, and
- * inflow of demand from abroad

Unless met by supply expansion, this demand growth will continue to work through into higher prices.

On the supply side the restrictive planning policies in the south east will continue to limit production.

The effects on the economy would be

- * a continuing pressure upwards on wages - where firms have to pay premiums to attract and retain labour in these conditions -
- * or labour shortages where salaries cannot or do not rise,
- * and yet further growth in long-distance commuting.

Socially this scenario is the worst context for continuing social exclusion.

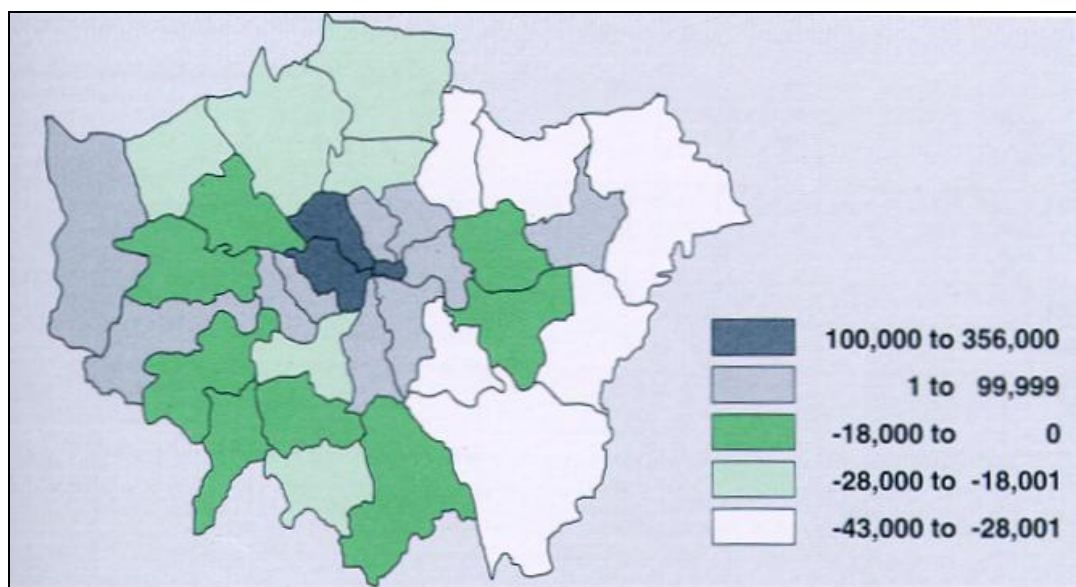
The proposed study would quantify these - so-far purely qualitative - hypotheses and also quantify the sensitivity of the outcome to different policy assumptions.

Policy Measures

The policy options available for the management of the London system and its property markets are relatively few. Dramatic relaxation of containment policy in the south east – especially any threat to green field areas and the green belt - would be seen politically as unacceptable. This consensus shows few signs of changing. Yet the UK's economic performance depends increasingly on growth in London and the South East.

Thus the main avenues open to policy-makers are probably the following

1. To make the urban area we already have (plus whatever extra can be secured) as productive as possible in its environmentally- sustainable carrying capacity - through intensification of use and denser development at the points where public transport is best, through innovation in new types of location and by re-thinking the management of existing resources, notably the detailed design and management of inner city shopping streets, suburban centres and parades, retail warehouse parks and industrial estates.
2. To improve the connectivity between homes, workplaces and the services people need so that the system as a whole can be more efficient and have a lower transport content and reduced environmental impact. This mainly means, above all, improving non-car communication between suburban areas.
3. Measures to improve the access of excluded sections of the population to employment, incomes and decent housing as a means of both reducing social polarisation and reducing the labour supply problems facing employers.



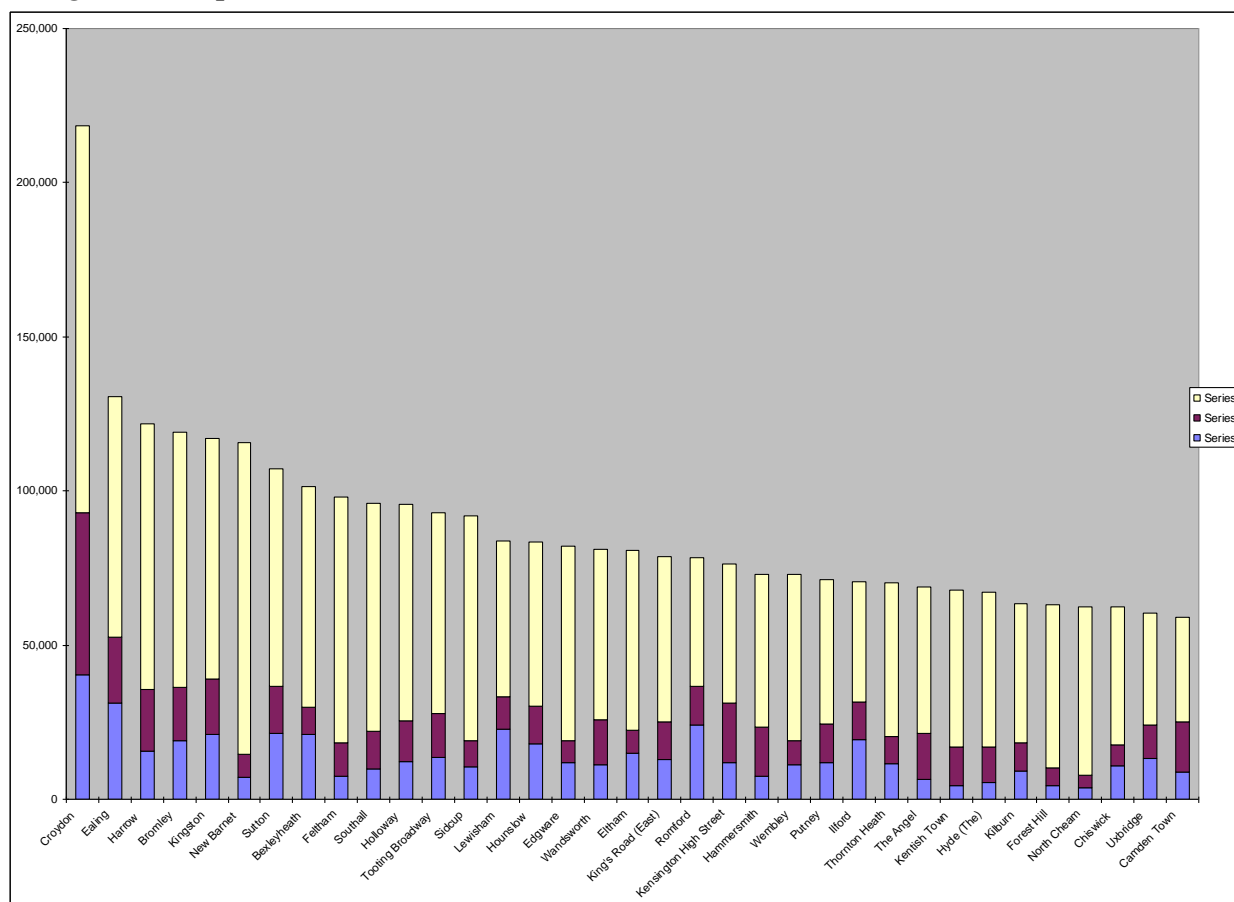
Net Commuting By Borough 1991 : Source OPCS

PART 3: TOWN CENTRES AND SHOPPING

London's shopping patterns are a key determinant of the spatial organisation of the Capital. Shops both reinforce and are reinforced by their accessibility. They attract business and leisure activity, reflect centrality (town centredness) or dispersal and are the focus for community. They determine the structure of distribution. They provide identity.

A. The Present Shopping Picture in London

1. The Regional Perspective



Modal Split For All Trips To Town Centres : Source LATS 1991 (Blue: Shopping Trips, Maroon: Work, Yellow: Other)

London has a much wider shopping choice than any other part of the United Kingdom. It has the flagship stores of the national chains in all but a few cases. It has major international specialist representation. It also includes large out of centre shopping centres such as Brent Cross, Lakeside and Bluewater available to its residents. It offers cultural diversity much greater than any other part of the UK, providing for Black Caribbean and African, Indian, Pakistani, Bangladeshi and Chinese populations in significant local areas as well as smaller specialist ethnic groups.

With statistical caveats because of the absence of reliable comparable data some key facts about London's shopping are set out below to make some statistical comparisons between the shopping picture in 1971 and 1991 from which certain inferences may be drawn.

Westminster has about 25 million square feet of shopping space (including restaurants, cafes and public houses both within centres and dispersed). The rest of London has about 80 million square feet of space in shopping areas, both in and out of town.

There are about 50 London town centres with more than 500,000 square feet of gross floorspace, which can support both comparison and convenience (food) shopping.

Central London (principally in Westminster and the City and including Oxford Street, Regent Street, Knightsbridge and the City) continues to provide the widest range of goods and services in the Country. It comprises roughly some 1.8 million square metres (20 million square feet) of gross shopping floorspace, which represents something like a quarter of the London total and is over 12 times the size of Croydon or 20 times the size of Brent Cross. It employs in the region of 1/10th of the London distribution workforce. It is nonetheless claimed that Central London is declining relative to other regional capitals, particularly with the impact of large out of town centres such as Bluewater. Plans to counter this include forming a new centre from John Lewis Partnership and neighbouring stores, reflecting the successful investments in Selfridges refurbishment.



*Bluewater: Above : New use and clear identity in former quarry
Below : Clarity and quality of pedestrian access*



The most major shopping initiatives under current consideration are at White City and Stratford. Chelsfield at White City on the edge of Shepherd's Bush has permission to develop 57,600 square metres (620,000 square feet) of new shopping space as part of a 1,000,000 sq. ft. development which also, includes leisure facilities (9,500 square metres) a food court and restaurant, a limited area of housing, 930 square metres (10,000 sq.ft) of business units and space for 4,500 cars. The Stratford proposals are needed to replace the present Centre and are currently

dependent on the pattern of rail infrastructure services. They are unlikely to be realised for some time until infrastructure uncertainties are resolved. A realistic catchment assessment is required.

Plans to expand Brent Cross are currently under review.

Croydon has plans by Minerva for a three level shopping mall and 97,000 square feet of new offices as a response to the perceived loss of % of its trade to Bluewater. There is also a proposal for a mixed used scheme on 3.5 ha. adjoining East Croydon station. Schemes are in preparation for the Elephant and Castle replacement.

As a generality, outside the Central London Area the outer suburban centres have expanded faster than the Inner suburban, fuelled by four factors: declining Inner London populations, growing suburban affluence, car accessibility and access, and larger sites.

Information about London's retail employment is confused by the changing pattern of shop opening; with many shops now open throughout the evening and at weekends (including always-open stores, which are now not uncommon). The DETR Working Party on Retail Statistics may give more clarity here.



*The Chimes : Uxbridge (420,000 square feet - 39,018 sq m)
Opens Spring 2001. Source: Estates Gazette*

London's shopping is increasing in its range, elaboration and diversity. Market stalls continue to survive, albeit in declining numbers, whilst at the other end of the spectrum fantasy world's are created to compete with the home attractions of television and the Internet, with the simple objective of providing for the whole family and holding shoppers longer so they spend more. The most recently opened is the Burford Group's 27,200 square metres (net) centre on the Finchley Road known as O₂. In Uxbridge the Chimes is a more major modern development of some 40,000 square metres (420,000 square feet), with notably a new piazza. Parkfield Exchange Islington is due to open in Islington in 2001 to help unite Upper Street and Liverpool Road as a constructive piece of urban darning.

2. The High Street : Multiples and Independents

Between these two ends of the spectrum it is clear that High Streets continue to dominate London's shopping pattern, the larger ones with one or more (usually covered) shopping centres. Their tenacity is partly a product of the adaptability of the unit shop with a limited frontage and variable depth depending on the nature of the goods or services offered, united by a footway with other shops competing for the attentions of the potential customer. Equally importantly the High Street owes its survival to the absence of an alternative, particularly for Inner London.

The High Street accommodates every kind of shop from Gucci to the shutter frontages of Green Street, Newham, providing for the haves and less for the have nots.

The comparison goods offer in Inner London is poor and getting worse. If not drawn to central London much comparison shopping is pulled to the largest suburban centres of Croydon, Kingston, Bromley, Ealing, Harrow, Brent Cross, Ilford and Wood Green, leaving a vacuum in the inner ring. Particular areas of deficiency include

1. Inner North West : Kilburn, Harlesden/Willesden and Wembley in the catchment watershed between Harrow, Brent Cross and Ealing.
2. Inner North East : Hackney, Lee Valley and Newham where poor communications combine with deprivation and low spending so that comparison shopping is not supported. Also centralised shopping is fragmented by the effects of retail warehouse trade.
3. Inner South : Wandsworth, Lambeth and Southwark, notably Walworth to Peckham, Catford and extending to Beckenham between the powerful catchments of Bromley and Croydon.
4. Inner East : The East Thames Corridor, where identity is hard to find and trade is being drawn out to Lakeside, Bluewater as well as Ilford, Romford, and Bromley.

In some of these areas SRB and other public funding has been applied with varying degrees of success but much remains to be done.

Traditionally shopping catchments attract from an area equating to some 20 minutes travel from home for comparison goods, and shorter journeys for convenience. (Over 60% of all shopping trips in London are between 1 and 15 minutes and over 85% in 30). However the price of ever greater choice is ever greater journey times and the catchment of some of the larger centres such as Croydon, Kingston, Ilford, Bromley, Sutton, and Romford is increasing. Bluewater draws considerable trade from between 40 and 60 minutes. Others are more limited by their competitors, potential to grow, or accessibility by car such as Harrow, Wood Green, Lewisham etc. In both cases shopping trips by are increasing. Furthermore car borne expenditure is much higher than that of public transport (outside the central area) - generally for the obvious reason that you can take home more in the car. Half the trips to town centres are by car (irrespective of the purpose) compared with about ¼ by public transport and the remainder on foot.

The environmental quality of London's town centres is largely related to how the car has been treated. For those centres where the car has been designed out or managed out the pedestrian experience is largely successful. For those where through traffic is still accepted, or indeed recognised as a matter of policy, the quality, and indeed the prospects, are less good. This issue impacts particularly severely on the Inner Urban centres, such as Kilburn, Wandsworth and Peckham.

3. Shopping Centres

Where there is sufficient demand these two requirements also create the conditions for managed Shopping Centres. Prime frontage land is now also becoming the polluted environment of the traffic artery from which the customer wishes to escape. As at Finchley Road, where backland makes it possible to assemble a site large enough to form a new centre, this is being done. Good examples are the Exchange Centre in Putney, The Spires in High Barnet and King's Road Chelsea. Others are less successful or even notorious (Elephant and Castle, Arndale in Wandsworth, Concord Centre, Shepherds Bush Green). Many shopping centres are there to create an artificial world, particularly to attract fashion trades, although natural light is much more of a feature of covered centres than it used to be.

Many town centres however, particularly in Inner London, suffer from the absence of available backland space since it is the very houses which the shops need to be near that have occupied the site first. It requires a particular (probably centre left) political climate to consider the shopping environment in the collective interest of local communities before the more direct concerns of the householder as voter. Any view of the future of London's shopping needs to address this question, (including the scope for compulsory acquisition) since it offers the stark choice of meeting the market part of the way or adding to the current trend of shops to move further away from central London.

4. Out of Town Stores, Retail Warehouses and Retail Parks

Out of town stores are more the exception than the norm as freestanding stores. Superstores and hypermarkets of the larger grocer chains have been normally contested for their impact on the High Street. Around 100 succeeded in an uneven spread throughout London. They have tended to reinforce a pattern for many of the separate, methodical and almost ritualistic weekly food shopping trip to become distinct from more considered purchasing for fashion, durable and comparison goods. A few of these have become a combined food and variety store group with associated large surface car parks such as Tesco with M & S (Brookfield Farm, Cheshunt), or Savacentre (Sainsbury with BHS eg M25).

Retail parks in London are concentrated predominantly, many on former factory sites, on the main radial routes from London : A4, A5, A10, A23 and A237. More recently the North Circular Road has attracted significant growth such as at the former Friern Hospital site. Others are special locations such as Wembley, Woolwich and Harold Wood. The pattern is also significant in that many are grouped on Borough boundaries. (This illustrates a strange truth about shopping in London that shopping catchments and local authority areas are not coterminous with the consequence that retailers have been effective in exploiting differences in attitudes by neighbouring Boroughs to the same shopping proposal).

Retail parks have been justified on the grounds that they are needed for bulky goods, which need to be collected by car, that the customer needs them instantly and that home delivery is no substitute. However it is increasingly apparent that planning controls on bulky goods are seldom effective and so competition continues with the High Street for the same custom, notably in comparison goods. It is claimed that retail parks compete with each other and not with the High Street although this is strongly disputed. Although convenient for car customers the quality of the retail park shopping experience is currently generally poor in London, with little variety or diversity.



***Retail Park Fashion Comparison Centre – A Prospect or a Step Too Far for London?
(The Fort – Birmingham)***

Retail warehouses are also the new home of “category killers” - shops offering a clearly defined product category offering the maximum stock in that category - the most obvious examples are in shoes and sportswear.

The policy regime is opposed to non-central shopping activity both because it is believed to erode the vitality and viability of town centres and also because it diffuses the transport pattern, adding a further car based travel destination to an already congested road network. The challenge for High Streets is to find ways of ensuring access by those wishing to do so that currently rely on the car. This challenge is fuelled by the recognition of higher sales densities out of town (by up to a factor of 10).

5. Other forms of Shopping

Franchise shopping in Britain accounts for between 3 and 4% of total trade. It would appear one of the few futures for the independent and sole trader who will otherwise be unable to compete against familiar brands, or the more sophisticated distribution networks of the multiples.

There is a growing diversity of new concession format stores - almost all for the car traveller - at petrol stations, motorway service stations, theme parks, warehouses and industrial parks. For example Safeways has formed a link with BP to create 100 forecourt stores, Tesco has Express stores at its own brand petrol stations, Shell has its Select shops.

Mail order shopping accounts for a small percentage of trade. Ecommerce and Internet shopping have not yet had much impact, except in some specialist areas.

The impact of international competitors has yet to be felt, although is now emerging - notably in cost cutting sectors - with names like Costco, Walmart, Netto, Aldi and Lidl. This is also an expression of increasingly complex supply chains and networks.

Markets. There are around 80 retail markets in London, ranging from a few stalls (Leather Lane) to major street markets such as Walthamstow with over 400 stalls, and trading variously from one day to 7 a week. The main wholesale markets have relocated from their traditional Central locations (with the exceptions of Smithfield, supported by the City and Borough Market, still hanging on by its fingernails) to locations such as Nine Elms (for Covent Garden), Walthamstow (for the former Spitalfields).

B. Future Trends and Options

There is no future for a London which does not strongly support its town centres. Their role as centres in the supply chain cannot be overstated, just as they are the most obvious foci for public transport networks on the hub and spoke principle.

The key to the future of town centres lies in the future nature of distribution of goods and services in the supply chain which in turn is concentrated increasingly in the hands of the multiple and international retailer and corporate enterprises.

In this context, however, we should draw attention to what - from the users' point of view - is one of London's assets: the 'oversupply' of shop premises. Those with a property orientation to the retail sector sometimes describe London as being 'over-shopped' and indeed there are many premises which the retail sector, strictly defined, no longer uses. Some of these need physical improvement - often redevelopment to increase depth and / or service access and strategic actions of this type may need to be taken to trigger the revival of suburban parades (and this may entail compulsory purchase or property redistributions in some cases). Elsewhere such premises may remain permanently in non-retail use but be of great economic value none the less.

The future will either be home centred or town centred. One extreme picture is of an Internet dominated and customer led system, the other is of a retailer led system.

The immediate future for online shopping is being strongly talked up by the IT industry. More realistic predictions by Corporate Intelligence Group are for about 5% of shopper purchases on the Internet by 2020. What is certain is that the picture is patchy. Perishable greengroceries need normally to be bought direct, whereas a new computer can be ordered over the Internet with ease and the infrequency of the purchase together with economics justify home delivery. It is clear however that business to business Ecommerce will be on much greater scales, which in turn suggests a business driven future.

The impact of internet shopping may, on balance, accelerate the abandonment of floorspace by retailers. But it is also likely to bring some very significant changes and London should ensure that it is poised to benefit from these:

(i) It seems desirable to accelerate the growth of delivery services - both through the adaptation and growth of existing forms of mail-order and through the orders placed through the shops mentioned in (ii) below. While some of these deliveries will continue to be made to people's homes and workplaces, the need is foreseen for very local 'depot' facilities to which goods (especially perishables) can be delivered for local pick-up by customers. The scope for this needs more exploration with major chains and with grouped independents.

(ii) It could slightly redress the balance of power between small and large retailers, enabling small retailers to reach large numbers of customers and / or to offer "kiosk" services at low cost in very local shops which give access to very wide product ranges (without actually having to stock the wide product ranges themselves). This potential could help to strengthen the attractions offered by dispersed 'corner' shops and of specialist shops which could then be located wherever demand and suitable cheap space is available. This needs more testing before it can be firmly recommended.

Both these potentialities are being pursued as ways of sustaining the rural 'village' shop but they are evidently potentially valuable as part of London's attempts to sustain local shopping.

While these benefits from e-commerce may change the balance of competition, it is to be expected that 'surplus' shops will remain numerous. These premises are, however, a valuable resource of business locations requiring public visibility which could find a diversity of other uses through normal market activity - though often this is currently in some conflict with Development Plans.

There are two main groups of such properties: (i) the (mainly older) terraces of shops along radial roads in Inner London and (ii) the suburban shopping parades.

These buildings survive for a variety of historical reasons, not least being the fundamental suitability of premises on main routes for all activities which benefit from visibility and passing trade - explicitly demonstrated in the work of Hillier and Penn on street configurations (Major, Stonor et al. 1998) . Hebbert (Hebbert 1998) has demonstrated the continuing importance and durability of these streets. While some remain active as shopping centres and even retain multiple retail traders (Walworth Road, Kilburn), many others have developed cultural or other specialisations (Green Street Newham, , Southall) or dropped out of strict retail use. From a property development point of view these places are rarely of interest to investors but, taken together, they have a great strategic importance as cradles for business activity 2 and as our best hope for the revival and sustaining of local shopping and services.



West Hendon. Lost Identity. Conflict of unco-ordinated through movement and sense of place. Poor quality environment.

Action here will almost certainly need to include the following ingredients:

- management of traffic and parking on red and yellow routes to secure at least a minimum of short-stay and service delivery parking;
- a willingness to make selective use of compulsory purchase or land pooling to permit the deepening of some plots where - as often - a greater plot depth is necessary to accommodate key stores or service access;
- active management measures or incentives to make effective use of space above business premises - with or without redevelopment.

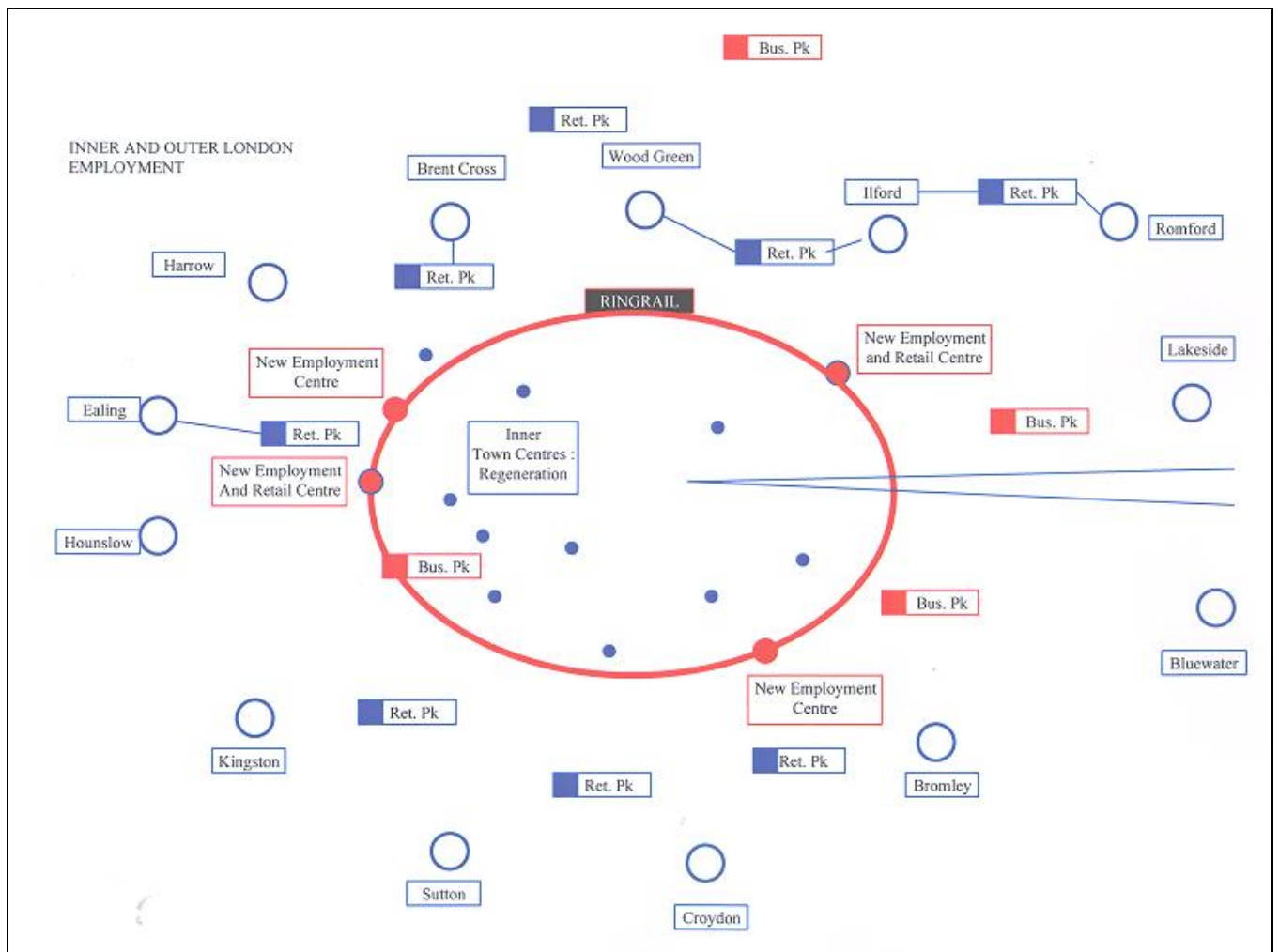
The picture from the industry's perspective is somewhat different. For example the focus on customer loyalty by retailers has become intense. The main grocery retailers have all implemented data warehousing technology to enable them to collate and analyse shopping purchases using loyalty cards. Safeway for example has 7.5 billion records from its 6 million card holders which it can use to analyse collective buying trends and product associations. This leads to micromarketing - matching goods to shopper demographic profiles for individual stores. Little scope for the individual trader here.

Key market led trends are :

- The growing dominance of multiples
- Amalgamations of business enterprises into larger and more diverse buying chains
- The drive for efficiency requiring more space for more choice of goods under one roof
- One stop shopping and open all hours
- Pressure for car borne shopping
- The growth of outer London centres at the expense of inner
- Fortunes of Central London affected by international shopping and the value of the £
- Wider use of IT

The way forward for the small trader is in the areas of distress/ top up purchasing, convenience store association and specialist services, combined with quality and personal service. They will not succeed without collaboration, with a voluntary buying group, franchise or being part of an integrated supply chain. It will be interesting to see if the smaller and declining centre can survive by developing its local and individual identity, as is being currently explored in West Hendon.

The London demographic picture is of some growth in population between now and 2011 (by about 350,000 people) with Outer London growing faster than Inner London (212,000 compared with 136,000), the younger working age population reducing by about 160,000 and the 45 to retiring age cohort growing significantly faster than others (by about 430,000). This will result on greater pressure for comparison shopping with slightly less emphasis on family shopping activity.



The emerging pattern is of successful outer London town and shopping centres, some loosely associated with retail parks, and a congested inner urban ring, which require regeneration, greatly assisted by Ringrail. The relationship to and pattern of business parks requires more investigation.

C. Future Directions and Initiatives

The areas of comparison deficiency are unlikely to be reversed except associated with other major regeneration initiatives in infrastructure, employment and leisure provision. These areas are dominated by independent shopping and constructive interventionist planning and developer action is required to reintroduce multiple trading, assist with site assembly, environmental improvement and progressive town centre management. They are some of London's greatest areas of town centre challenge.

The future pattern of town centres in London should be seen as an integral to the land use-transport network. The quality of the pedestrian environment of all London's town centres could be improved. An accompanying plan identifies London's town centres, which are on through arterial routes. The alternative options of reducing/diverting through traffic away from them should be compared with the scope to create expansion and growth on backland areas or associated with rail and bus interchanges.

Town centres should seek to develop specific and stronger identities, either individually or as a town centre group, proving both comparison and convenience shopping in a diversity of formats and associated with business and or leisure activity.

Existing out of town retailing sites should be encouraged to contribute more positively to the support of in town sites.

Congestion charging structures should reinforce established 10 and 20 minute catchments to the established pattern of town centres, to encourage greater local loyalty and a reduction in the need to travel.

Town centres should be recognised for their roles in providing natural locations for mixed use development for business, shopping, leisure and housing.

The future of small shopping parades is problematical. In many cases residential development would be more appropriate to respond to the current housing shortage.

Inner London Town Centres need significant multiple investment through site assembly - including political understanding in the case of those lacking room to expand that sound housing may be acquired, by compulsion.

The role of Chambers of Commerce should be strengthened to encourage greater collaboration by small and medium sized enterprises, including reinforcing their position in the supply chain.

Much more active engagement between government and the principal retail chains should be undertaken to develop more effective home delivery services to the customer from the store, to make them more comparable to the much more effective distribution systems to the store. The costs of this to the industry need to be recognised and incentives given to achieve it in the interests of greater efficiency in the use of the road network. Home delivery already is linked to Ecommerce, but somewhat erratically, delivery reliability at fixed times remains a problem. It is clearly most successful for standard and bulky items. The aim should be to reduce take home shopping to perishables and basket shopping to reduce car dependence and increase pedestrian usage of the centre, whilst maintaining popularity of the town centre as the focus of the community. Effective action in this area needs much more work beyond the rhetoric of green travel theory.

The Statistics of Trade Act 1947 should be invoked at 5 year intervals to provide reliable floorspace, employment and turnover data for town centres and retail parks throughout Britain.



White City: New Brown Field Shopping and Mixed Use Development with New Public Transport Interchanges including linking the West London Line with the Central Line at Shepherds Bush

4. GREATER LONDON AUTHORITY SPATIAL DEVELOPMENT STRATEGY

PROPOSAL FOR SPATIAL SCENARIOS

This proposal will develop and evolve in the light of discussion with public and private organisations and individuals, applying Nolan's seven principles of public life : selflessness, integrity, objectivity, accountability, openness, honesty and, it is hoped, leadership. It is important that the work builds on what has already been done and avoids duplication.

Background

1. The Mayor of London, who will assume office on 3 July 2000, will have a duty to prepare a Spatial Development Strategy (SDS) and a London Development Agency Strategy (LDAS) for the future development of London. Work needs urgently to be done, in the interim, to prepare independent professional, academic and practitioner advice to the incoming Mayor and Assembly. This should outline the main lines of the SDS and its relationship to the LDAS. This should place the key strategic needs of London 'on the table' and should, in particular, come forward with constructive, feasible, proposals which would enable London to function better for its citizens and for its economy.
2. Following discussions with the London Planning and Development Forum, the London Development Partnership, the Bartlett School of Planning at University College and London First, this proposal invites sponsorship from professional and other organisations concerned with the future of London to carry this programme forward.
3. It is proposed that the London Planning and Development Forum acts as an Independent Steering Group.
4. The SDS will probably cover transport, economic development and regeneration, housing, retail development and town centres, leisure, community, cultural and tourist facilities, the natural environment, built heritage and urban quality, waste management, the use of energy and other resources, London's capital and world city roles. The first four of these will be especially important.

Work So Far

5. The London Development Partnership is well advanced in the preparation of its draft Economic Development Strategy, for submission to the mayor. Work on the SDS should seek to translate the main elements of this strategy into spatial terms. The most important are:

- * The need to sustain and strengthen the diversity of the London economy, including the 300,000 jobs still classified as 'manufacturing';
- * The need to retain in London those enterprises which benefit from being here but which, at present, are often driven to move out to meet their premises and access needs;
- * The high priority attaching to improved public transport connectivity in the suburbs and for better interchange between lines and modes of travel;
- * The need to increase housing supply substantially, both in the interests of labour supply and to reduce social exclusion - and to do so without taking the space in which economic activity needs to expand and develop and without making unrealistic assumptions about the relaxation of containment policies in the region;
- * The need for many of London's town centres to find new or enhanced roles for themselves and new ways of attracting customers.

As a first step "SYNOPTIC OVERVIEW OF LONDON'S SPATIAL ECONOMY AND ITS PROSPECTS" has been prepared for the London Development Partnership by Sir Peter Hall and Michael Edwards of the Bartlett School, University College London, and Drummond Robson, Robson Planning Consultancy and Secretary, London Planning and Development Forum. The summary is supported by the London Development Partnership as the basis for further work. Some key findings are :

A. Infrastructure

A1. The major likely infrastructure proposals concentrate on improving public transport access in Central London and the corridors east and west of it.

A2. There is scope to provide significant Inner London improvements largely using existing corridors at lower cost and more quickly than wholly new routes : notably "Ringrail". This will give rise to interchange and other development opportunities and improve orbital services in Inner London. (There is thus scope for improving public transport access between suburban areas where car-dependence is such a problem).

A3. A reduced cost version of Crossrail is possible and should be considered.

A4. There are few planned road improvements; key ones are likely to be removal of bottlenecks on the primary network, such as the North Circular Road. If these can be designed to favour public transport they could transform accessibility between outer suburbs as the ring rail could closer in.

B. Employment

B1. Locational choices for employment are excessively restricted or prescribed under current policy, which has not kept pace with business practice.

B2. London's labour force is highly diverse with a rich range of skills and people are increasingly mobile between jobs.

B3. Home to work distances have increased as the result of these two forces to the disbenefit of the economy, environment and citizens.

C. Town Centres

C1. Town centre growth has polarised towards the central and outer areas of London in the last decade or so with declines in the Inner London area where space is short and access deficient.

C2. The development of retail employment sites away from Town Centres is almost entirely of poor quality sheds in a low grade environment, and entirely car dependent.

C3. PPG6 policies should restrict further Out of Town Centre growth in and around London. Within the framework of these policies there is scope – and an urgent need – to innovate ways which will give centres and local shops a new lease of life and reduce Londoners' needs to travel.

6. These findings of the report lead to identification of two alternative generalised policies : one with policy unchanged and a more pluralist location policy, which recognises the need for concentrated nodal investment in town centres and key new infrastructure locations.

7. All these findings and prognoses arise in the context of London's great problem: its economy expands, and has potential for further growth, yet it cannot grow. The green belt and containment policies followed by all governments since 1945 and still strongly supported have been both a blessing and a curse. On the positive side they have protected the countryside and led us to intensify the use we make of the built-up area.

8. On the negative side they have created an enduring scarcity of space, high housing and premises costs, leading to social exclusion, labour market inefficiency and long travel distances at the regional scale. The increasing dependence of national economic growth on the performance of London and the South East means that some quite new creative thinking is needed to square this circle. This is what the scenario-building is designed to do.

The Proposal: (1) Spatial Scenarios

A central aim of the second stage work, now proposed, is to elaborate and test these spatial scenarios at two levels:

- * the overview - looking across London and beyond,
- * the localities - looking at what could be achieved in concrete locations and at the factors which inhibit the necessary adaptation and change.

The Proposal: (A) The overview.

This part of the proposed work would build upon a strong base of data and analysis by existing bodies (LDP, LPAC, LRC, LCCI, TECs and others) to generate estimates of

- (i) trends in economic activity by sector, for clusters of linked activities, and by locality on various assumptions;
- (ii) the availability of premises for economic activity at various types of location (from the centre through to the outer region) and of all types (from modern office blocks to shops, visitor services, logistic depots, workshops and live-work spaces).

(iii) the characteristic labour needs of different parts of the economy, especially to establish which sectors need access to the whole of the London specialised labour pool and which can operate equally well in more localised labour markets.

(iv) the scope (likely demand) for innovative new forms of development.

The following possibilities, at least, should be explored:

* a more European version of the American 'business park' which would offer high telecommunications and environmental standards, professionally managed space and good accessibility without the car-dependence and the mono-functional drawbacks of the American model;

* increased employment space at suburban public transport nodes, normally as part of mixed-use service centres;

* managed workspace in otherwise purely residential suburbs where this could resolve some of the problems of 'home workers' and SMEs and be achieved without generating a lot of car traffic;

* highly dispersed local 'drop-off' centres from which people could collect good ordered electronically - within walking distance but with short-stay parking. Such centres could combine with late-night shops, with post offices or with petrol stations. The idea has been proposed for villages but could equally contribute in the city. Some pilot schemes may be needed.

(v) the scope for major increases in housing capacity - social housing and open-market housing - as part of these new kinds of development – desirable locations because they would minimise car-dependence and because the natural resistance to piecemeal suburban densification is making it hard for London to tackle this aspect of social exclusion elsewhere. Part of this work would build upon recent studies of competition for land and space between housing and non-housing uses.

In each of the cases, (i) to (v) above, the aim is to anticipate what might happen on the basis of current trends and policies and to quantify the scope for different outcomes with imaginative solutions as the alternative scenario(s).

The Proposal: (B) Case Studies

Interrelationships and interactions between land uses are important and it is proposed that these be examined by a series of case studies of particular localities. The aim would be to review progress and to identify potential barriers to the full realisation of the potentialities of each:

land-ownership problems, infrastructure connections, financing difficulties, planning problems (especially at Borough boundaries).

Proposals for appropriate development agencies would form part of the work in each case - drawing on what we have learned in the UK and elsewhere, especially France, the Netherlands and Germany.

Group 1: Major Strategic Locations

Locations with large areas of developable land and/or economic change which have already been identified as of strategic importance in the development of the London economy and which might also have substantial carrying capacity for housing. The aim would be to review progress and to identify potential barriers to the full realisation of the potentialities of each: land-ownership problems, infrastructure connections, financing difficulties, planning problems (especially at Borough boundaries). (In the case of the following 4 studies it is recognised that much has already been done).

- Stratford
- Park Royal
- Woolwich Arsenal
- Others

Group 2: Model Centres in a Linked Chain

Places along a corridor, along and near the proposed 'Ringrail', identified in the first-stage report, where limited investment could enormously improve the inter-connection of suburban locations and the effectiveness of the public transport network.

- Shepherd's Bush / White City
- Old Oak
- West Hampstead
- Highbury
- Dalston
- Bishopsgate/Shoreditch

- Bermondsey/New Cross
- Peckham
- Brixton,
- Clapham South and Clapham Junction
- Sands End/Chelsea Harbour
- Fulham Broadway, West Brompton
- Earls Court

Group 3: Generic Cases

Locations which are not of 'strategic' importance individually but are of enormous importance collectively - providing workplaces, retail services (often less and less well) and homes to millions of Londoners. Creative thinking about how such places could operate more effectively could transform large swathes of London and thus be of real strategic importance in their cumulative impact. Three generic classes of place have been identified:

(1) *Town Centres and High Streets:*

- Wood Green
- Walthamstow
- Lewisham
- Peckham
- Bexleyheath
- Kilburn

(2) *Suburban industrial estates.*

- Park Road Barnet
- Sites in Lee Valley/East Thames Corridor/Wandle Valley
- More localised examples

(3) *Suburban shopping parades.*

- Hendon Central/West Hendon
- Others

(4) *Retail parks.*

- Tottenham Hale
- Harringay Stadium
- Friern Park
- Purley Way
- Angel Road

Work Organisation, Structure and Programme

The work be co-ordinated through the London Planning and Development Forum, which draws together the key professions : planners, surveyors, and architects together with organisations concerned with infrastructure, the economy and land. It would benefit from additional membership for example by London Development Partnership, London First, Railtrack and BAA, who alternatively could be co-opted for Scenario examination.

The work would be undertaken by a group of professional consultants including a core group responsible for the first stage, but extended to include all relevant professional skills.

The suggested programme is:

- | | |
|---|---------------|
| 1. Agreement to Scenarios and Issues to be Tested | December 1999 |
| 2. Data Collection to Show Current Trends | December 1999 |
| 3. Agree Trends with LPDF | December 1999 |
| 4. Develop Thematic Strategies : | |

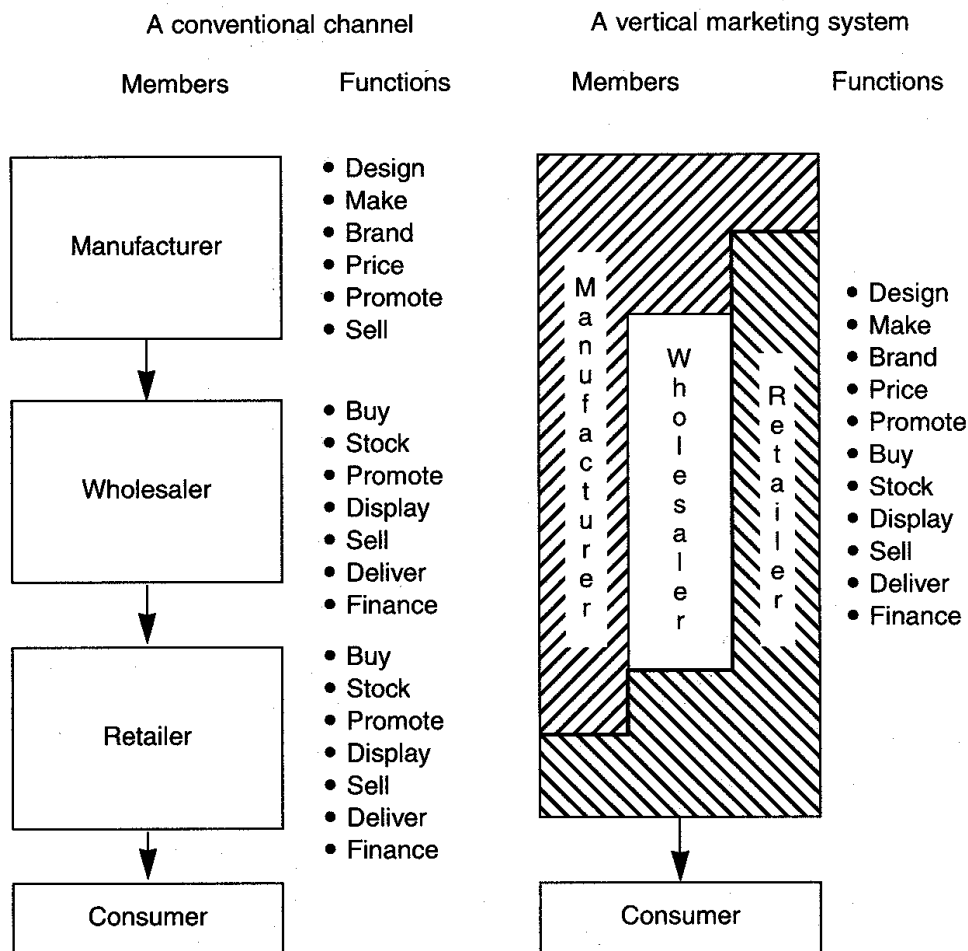
Infrastructure Led	Jan-March 2000
Economy Led	Jan-March 2000
Housing Led	Jan-March 2000

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| 5. Agree Alternative Scenarios with LPDF | March 2000 |
| 6. Develop Synthesised Alternative Scenarios | March-April 2000 |
| 7. Produce Case Studies | March-April 2000 |
| 8. Present Draft Strategies to LPDF for review | April 2000 |
| 9. Draft Report Preparation for Consultation | May 2000 |
| 10. Final Report | June 2000 |

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APPENDIX 1

Change in the structure of the marketing channel



Source : Retail Planning Policies in Western Europe. Edited by Ross L. Davies. Routledge 1995

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London Development Partnership, 301, Central Market, Charterhouse Street, Smithfield, London EC1A 9LY
TEL +44(0)171 248 5555 FAX +44(0)171 248 8877 EMAIL mail@londp.co.uk