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Stag Brewery Employment Assessment - Addendum

A Report by Hatch Regeneris
July 2020

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1. Introduction

- 1.1 This *Employment Assessment Addendum* has been prepared by *Hatch Regeneris* as a revised submission document to the original *Employment Assessment* submitted under Applications A, B and C (refs. 18/0547/FUL, 18/0548/FUL and 18/0549/FUL) ('the Applications'), in respect of the former Stag Brewery Site in Mortlake ('the Site') within the London Borough of Richmond Upon Thames ('LBRuT'). The Applications are for the comprehensive redevelopment of the Site. This document has been prepared on behalf of Reselton Properties Limited ('the Applicant'). A summary of the Applications is set out below:
- Application A – hybrid planning application for comprehensive mixed use redevelopment of the former Stag Brewery site consisting of:
 - i. Land to the east of Ship Lane applied for in detail (referred to as 'Development Area 1' throughout); and
 - ii. Land to the west of Ship Lane (excluding the school) applied for in outline (referred to as 'Development Area 2' throughout).
 - Application B – detailed planning application for the school (on land to the west of Ship Lane).
 - Application C – detailed planning application for highways and landscape works at Chalkers Corner.
- 1.2 This document replaces the original *Employment Assessment*.
- 1.3 The Applications were submitted in February 2018 to LBRuT. The Applications are related and were proposed to be linked via a Section 106 Agreement. In May 2019, a package of substitutions was submitted to LBRuT for consideration, which sought to address comments raised by consultees during determination. On 29 January 2020, the Applications were heard at LBRuT's Planning Committee with a recommendation for approval. This scheme is thereafter referred to as "the Original Scheme".
- 1.4 The Committee resolved to grant Applications A and B, and refuse Application C. The granting of Applications A and B was subject to the following:
- Conditions and informatives as set out in the officer's report, published addendum and agreed verbally at the meeting;
 - Amendments to the Heads of Terms and completion of a Section 106 Legal Agreement which was delegated to the Assistant Director to conclude;
 - No adverse direction from the Greater London Authority ('GLA'); and
 - No call in by the Secretary of State for Housing, Communities and Local Government.
- 1.5 The Applications have been referred to the GLA and the Mayor has given a direction that he will take over the determination of the Applications and act as local planning authority in relation to all three applications.
- 1.6 The Applicant has engaged with the GLA in respect of the proposed amendments to the scheme, referred to throughout this document as the 'Revised Scheme'. As a result of these discussions, a number of changes have been made to the scheme proposals which are summarised as follows:

- Increase in residential unit provision from up to 813 units (this includes the up to 150 flexible assisted living and / or residential units) to up to 1,250 units;
 - Increase in affordable housing provision from up to 17% to up to 30%;
 - Increase in height for some buildings, of up to three storeys compared to the Original Scheme;
 - Change to the layout of Buildings 18 and 19, conversion of Block 20 from a terrace row of housing to two four storey buildings;
 - Reduction in the size of the western basement, resulting in an overall reduction in car parking spaces of 186 spaces, and introduction of an additional basement storey beneath Building 1 (the cinema);
 - Other amendments to the masterplan including amendments to internal layouts, re-location and change to the quantum and mix of uses across the Site, including the removal of the nursing home and assisted living in Development Area 2;
 - Landscaping amendments, including canopy removal of four trees on the north west corner of the Site; and
 - Associated highways works may be carried out on adopted highways land.
- 1.7 The submission documents have tested an affordable housing provision of 30%. However, it should be noted that the final affordable housing level is subject to further viability testing and discussions with the GLA.
- 1.8 Minor amendments have also been made to the road and pedestrian layouts for the school (Application B). No other amendments are proposed to Application B. No amendments are proposed to the physical works proposed under Application C, although alternative options within the highway boundaries for mitigating the highway impact of the amended proposals have been assessed within the relevant substitution documents for Applications A and B and are the subject of ongoing discussions with the GLA and TfL.
- 1.9 A more detailed summary is included within the Planning Statement Addendum and Design and Access Statement Addendum submitted with the Revised Scheme documents.
- 1.10 These changes are being brought forward as substitutions to Applications A, B and C (refs. 18/0547/FUL, 18/0548/FUL and 18/0549/FUL), which are related applications (to be linked via a Section 106 Agreement).
- 1.11 It is important to note that no changes are proposed to the physical works proposed under Application C – the only change to this application is that the supporting documents (which include all documents submitted under Applications A and B) have been updated in the context of the proposed changes to the scheme as sought under Applications A and B. Application C was resolved to be refused by LBRuT at Committee on 29 January 2020. As a result, whilst the works proposed in Application C are still an available option, the Applicant has progressed alternative approaches for addressing and mitigating the impacts on surrounding highways, and these have been tested within the relevant substitution documents for Applications A and B. All of these options are subject to ongoing discussions and testing with TfL. They are all within the existing highway boundaries and if agreed would not, in themselves, require planning consent.
- 1.12 Accordingly, Application C remains ‘live’ within this substitution package.
- 1.1 The remainder of this Addendum is set out as follows:
- Section 2 - Local Policy Background Update
 - Section 3 - Demand and Supply Context of Employment Land and Floorspace Update

- Section 4 - Impacts of Proposed Employment Generating Uses Update
- Section 5 - Wider Benefits of Proposed Employment Generating Uses Update
- Section 6 – Conclusions Update

2. Local Policy Background Update

- 1.13 This section summarises relevant updates to local policy since the submitted Employment Assessment was prepared.

LB Richmond Local Plan, July 2018

- 1.14 The LBRuT Local Plan was adopted in July 2018 subsequent to the submitted Employment Assessment. As a consequence, the Site is now formally identified as Site Allocation 24. The thrust of the Site Allocation has not changed from the Local Plan Publication Version for Consultation. The Council will therefore support an appropriate range of uses to deliver a new village heart and centre for Mortlake including 'employment (B uses), commercial such as retail and other employment generating uses, health facilities, community and social infrastructure facilities...river related uses as well as sport and leisure uses' (pg. 173).
- 1.15 There is a wording change to the supporting text of Site Allocation 24 with the addition of the words '*any proposed development should have due regard to the adopted brief*' in reference to the July 2011 adopted planning brief for the Site¹.
- 1.16 The SPD was reviewed as part of the previously submitted Employment Assessment and stated that 'in accordance with Policy CP 19 and DM EM2 the Council will expect the existing level of employment to be re-provided as part of any development scheme as a minimum'. These policies have now been superseded by the Local Plan.
- 1.17 The adopted Local Plan Policy LP40 Local Employment and Economy states that '*in exceptional circumstances, mixed use development proposals which come forward for specific employment sites should retain, and where possible enhance, the level of existing employment floorspace*'. The Site now has an allocation for mixed use development and as such this element of LP40 is not relevant. None the less, previous pre-application discussions with LBRuT planning officers have highlighted that as a former employment site and in the context of a shortage of industrial land throughout the borough, the Council will expect small scale, flexible re-provision of employment floorspace of benefit to the local economy and job opportunities for local people.
- 1.18 The submitted Employment Assessment reviewed Policy LP41, LP40 and LP29 within the Local Plan Publication Version for Consultation. There have been no material changes to these policies of relevance to this Employment Assessment since the adoption of the Local Plan. The review of these policies set out in the submitted Employment Assessment therefore remains relevant.

Draft New London Plan, 2019

- 1.19 Since the submitted Employment Assessment was prepared the draft New London Plan (2019) has been published which includes Policy E7 'Intensification, co-location and substitution of land for industry, logistics and services to support London's economy function'.
- 1.20 Policy E7 states at part D that 'mixed-use or residential development proposals on Non-Designated Industrial Sites will be supported where:

¹ Supplementary Planning Document (SPD) Stag Brewery Mortlake, SW14, Planning Brief, Adopted July 2011, London Borough of Richmond Upon Thames.

- There is no reasonable prospect of the site being use for the industrial and related purposes set out in Part A of Policy E4 Land; or
- It has been allocated in a Development Plan for residential or mixed-use development on the basis part D1'

1.21 The LBRuT adopted Local Plan allocates the site for mixed use development within Site Allocation 24 and in so doing notes that the site was marketed and sold. Development proposals for the site therefore comply with the draft New London Plan Policy E7.

3. Supply and Demand Context

- 3.1 There have been no further updates to the Council's evidence base in relation to the demand and supply of employment land and floorspaces since the submitted Employment Assessment was prepared.
- 3.2 It was noted in the submitted Employment Assessment that the Council's Sites and Premises study² identified the Site as being the only site allocation with potential to accommodate employment uses other than office and was assessed as being suitable for 'creative industrial space' (light industrial) in addition to office space. However, with the adoption of the Local Plan the site is no longer an allocated employment site and the Council has accepted the loss of industrial land on the Site.

² Employment Sites and Premises Study, LB RuT, Update 2017, Peter Brett Associates

4. Proposed Employment Uses and Impacts

- 1.22 This section presents an update to the impacts of the proposed employment uses based on the scheme amendments subsequent to the submitted Employment Assessment.

Existing Employment Floorspace

- 1.23 The assessment of existing employment floorspace remains as set out in the submitted Employment Assessment. For completeness this is summarised below:

- As noted in the Council's SPD Planning Brief for the site, despite the substantial quantity of employment floorspace, the number of employees at any one time during operations of the Brewery has been relatively low, with up to 118 in 2010 and an average of 185 between 1998 and 2011. For the purposes of this assessment, we take the average number of employees (185) as the reference case.
- Once leakage, displacement and multiplier effects have been considered, the net local employment effects of the reference case are estimated at 153 FTEs.

Proposed B Use Classes

- 4.1 The scheme amendments have resulted in the following changes to provision of Class B1 Space:

- Up to 5,532 sq m (from 2,424 sq m) (GIA) Class B1 business workspace intended to provide flexible B1 business accommodation, which will include small business workspace, co-working space together with up to 10% affordable office space in line with Policy LP 41 of the adopted Local Plan.
- Up to a maximum of 2,200 sq m (from 2,000 sq m) (GIA) Class B1 floorspace as part of the flexible use mix, which could include small scale, flexible accommodation.

- 4.2 This represents an increase in the B use class floorspace compared to the submitted Employment Assessment. The estimated employment impacts have been updated to reflect these changes (see below).

- 4.3 As stated in the submitted Employment Assessment, the design of the Class B space is being driven by the need to ensure space is flexible and adaptable and that a range of uses can be accommodated including for both office users as well as light industrial users. As such, key design elements include:

- Minimised column intrusion
- Maximised glazed frontages
- Optimal internal and external servicing of space
- Size of units ranging from 100 sq m upwards, designed to offer variety and flexibility
- In addition, it is anticipated that as part of the building management strategy, the B use class floorspace will in the first instance be marketed to local firms and businesses.

Employment Impacts of Proposed B Uses

- 4.4 Table 4.1 below sets out the updated employment impacts of the Class B proposed floorspace taking into account the amendments described at paragraph 4.1 above. The

assumptions with regards to employment density and additionality remain as described in the submitted Employment Assessment.

- 4.5 The employment impacts of the revised Class B floorspace equate to 219 Full Time Equivalent (FTE) jobs. Once leakage, displacement and multiplier effects have been considered, the total net local employment derived from the proposed B use classes is 181 FTEs.
- 4.6 This assumes the maximum level of Class B1 floorspace (2,200 sq m GIA) is included within the flexible floorspace provision. Under a 'worst case' scenario, a minimum of 2,000 sq m B1 floorspace would be provided as part of the flexible floorspace element and as such the total gross onsite FTEs would be 213 and the total net FTEs would be 176.

Use	NIA (sq m) @85% of GIA	Employment Density	Gross FTEs (On- site)	Leakage	Displacement	Multipliers	Total Net FTEs
B1 small business workspa ce	4,702	30	157	0%	25%	1.1	129
B1 floorspac e (flexible uses)	1,870	30	62	0%	25%	1.1	51
Total	6,572		219				181

Source: Hatch Regeneris

Other Employment Generating Floorspace

- 4.7 As stated in the submitted Employment Assessment, in line with policy aspirations for the site to create a new commercial heart for Mortlake, the Development includes a range of other (non-B Use Class) employment generating floorspace. Following scheme amendments, these are as follows:
- - Use Class D2 Cinema
 - Use Class C1 Hotel
 - Secondary School (6 Form Entry)
 - Use Classes A1,2,3 and 4 Retail Space
 - Use Class D1 Community Facilities
 - Use Class Suis Generis/Boat House
- 4.8 The updated Socio-Economics Chapter of the Environmental Statement (ES) submitted with the amended Application provides further detail on the methodology used to estimate the employment impacts of each of the different uses. Table 4.2 below provides a summary of the information set out in the updated Socio-Economic Chapter and indicates that around 180 gross direct jobs would be generated from the non-B Use Class elements of the scheme and around 156 net local jobs. As stated in the updated Socio-Economics Chapter, this represents a worst-case scenario and in reality the employment generated by the floorspace proposed within the flexible uses could be higher depending on the quantum of each use class that are actually delivered.

Table 4.2 Employment effects of other uses (non-B Use Class), LBRuT							
Use	GIA	Gross FTEs	Leakage	Displacement	Net Local Direct FTEs	Multipliers	Total Net FTEs
D2 Cinema	1,606	8	0%	25%	6.0	1.1	7
<i>Flexible Floorspace Uses (worst case scenario)</i>							
A1	1313.5	79	0%	25%	59	1.1	65
A2	0	0	0%	25%	0	1.1	0
A3	0	0	0%	25%	0	1.1	0
A4	0	0	0%	25%	0	1.1	0
D1 Community	1300	4	0%	0%	4	1.1	5
Boathouse/Suis Generis	380	1	0%	0%	1	1.1	1
Overall Total		180			156		172

Source: Hatch Regeneris

- 4.9 Combined with the employment effects of the Use Class B floorspace, and considering a worst-case scenario the Development has the potential to generate up to 394 FTE gross direct jobs on-site and around 317 FTE net local jobs in LBRuT. Considering the reference case, it is estimated that up to 154 FTE net local jobs would be additional.

5. Wider Employment Related Benefits of the Development

- 5.1 Updates to the wider employment related benefits of the proposed Development based on the scheme amendments relate specifically to the changes in floorspace and the employment generated by the propose Development. These are summarised below. There have been no changes to the nature of type of wider employment related benefits as a result of the amended scheme.

Bringing an Underutilised Employment Site Back into Employment Generating Use

- The Development will significantly increase the amount of useable, modern business space by providing between 7,532 and 7,732 sq m GIA (from 4,424 sq m GIA) of flexible B use class floorspace, generating up to 181 net FTEs within the borough, thus helping to meet the demand for B use class business space.
- In addition, the Development will generate a further 172 net FTEs within the borough through provision of a range of other employment generating uses including retail, leisure, community and education uses.
- It remains the case that the density of employment and commercial activity accommodated on the Site will be far higher than was the case when the former Stag Brewery was operational and far more than is currently the case.

Delivering Against Local Policy Aspirations:

- 5.2 The information presented in the submitted Employment Assessment in terms of delivering against local policy aspirations remains wholly relevant as a result of the scheme amendments, with only minor changes to the stated floorspace and employment numbers. For completeness, an update to Table 5.1 is presented below.

Table 5.1 Policy Aspirations and Masterplan Response	
Policy Aspirations	Development Response
The Adopted Planning Brief for the Site promotes the opportunity to create alternative employment generating uses including space for small, modern offices, creative industries, start-up units, scientific industries and environmental industries.	The Development includes up to 5,532GIA of dedicated modern, flexible office floorspace which has been designed to be flexible and adaptable to suit a wide range of occupiers. In addition, up to a maximum of 2,200 sq m GIA office floorspace could be provided within the overall total of xxxxsq m flexible floorspace.
The Planning Brief also supports other employment generating uses such as small-scale retail and restaurants (A1, A3 and A4), leisure uses (D2) and community uses (D1).	The Development includes a wide range of other employment generating uses including retail, leisure, community and social infrastructure. In total the Development will generate net additional employment levels that are substantially

<p>The Site is identified as Site Allocation 24 within the adopted Local Plan where the council will support an appropriate range of uses including ...'employment (B uses), commercial such as retail and other employment generating uses, health facilities, community and social infrastructure facilities...,river related uses as well as sport and leisure uses'.</p>	<p>higher than has previously been demonstrated on the Site.</p> <p>The Development includes a wide range of employment generating uses including up to modern, flexible B use class floorspace together with retail, leisure, community and social infrastructure uses.</p>
<p>According to Policy LP 40 and LP 41, the provision of small units, affordable units and flexible workspace is encouraged and that B1 floorspace which is compatible with residential areas should be flexible enough to be used for research, studio and light industrial and office purposes.</p>	<p>The B use class floorspace has been designed with minimised column intrusion, maximised glazed frontages and optimal internal and external servicing of space in order that it is flexible and adaptable for a range of uses. Unit sizes would range upwards from 100 sq m and an element of the floorspace would be affordable.</p>

Source: Regeneris

Supporting Local Employment Opportunities

- 5.3 The information presented in the submitted Employment Assessment in terms of supporting local employment opportunities remains wholly relevant as a result of the scheme amendments, with a minor update to the estimated number of temporary construction related jobs. The updated Socio Economics Chapter of the ES estimates an average of up to 1,195 construction related FTEs would be generated per annum over the eight-year build period.
- 5.4 Consequently, during the construction phase of the Development there will be significant opportunities to provide training, work placements and employment for local residents of LBRuT. This kind of engagement has the potential to support people in up-skilling and moving into better paid employment, therefore having an impact beyond the temporary construction phase. The Applicant intends to engage an experienced primary contractor with experience of securing local employment during construction phases. The Applicant will be seeking a contractor with a commitment to identify locally based candidates to satisfy the Councils requirement for a Local Employment Agreement and in line with the Planning Obligations SPD via a Section 106 agreement.
- 5.5 Once operational, the increased diversity of activity supported by the Development both on site and off site (via induced and indirect effects) will broaden the range of opportunities available for people looking to access employment across a variety of sectors including in office, creative, retail, F&B, education, community and leisure sectors as well as across a range of occupations including administrative and professional and managerial occupations.

Supporting Local Businesses

- 5.9 The information presented in the submitted Employment Assessment in terms of supporting local businesses remains wholly relevant as a result of the scheme amendments.

6. Conclusions

- 6.1 The conclusions of the submitted Employment Assessment have been updated to reflect the scheme amendments and resulting changes to the employment impacts.
- 6.2 The scheme has been designed to respond to the adopted Planning Brief and adopted Local Plan allocation and will provide a new village heart for Mortlake. Within this, up to 5,532 sq m GIA of dedicated office floorspace will be provided together with the potential for a further minimum of 2,000 sq m and maximum of 2,200sq m of B1 floorspace to be provided as part of the flexible floorspace provision. This will substantially increase the provision of modern, useable employment floorspace in the borough and bring about a wide range of employment related benefits. These can be summarised as follows:
- The space has been designed to be flexible and adaptable in order to suit a wide range of occupiers and modern business needs. This will help to create a stronger and more diverse business base with the provision of modern, flexible floorplates as well as dedicated small business space.
 - Around 176 net FTEs are likely to be generated as a result of the Class B1 floorspace.
 - A further 172net FTEs are likely to be generated as a result of the other employment generating uses on site including retail, education, community and leisure uses and a Care Home.
 - Taking into account the reference case, the combined employment effect of the B use class and non-B use class employment generating floorspace would equate to around 196 net additional FTEs to LBRuT.
 - The Development will substantially broaden the range of long-term local employment opportunities for those seeking work or looking for employment better suited to their skills and experience.
 - The Development will bring about the redevelopment of a redundant employment site and respond to the challenges set out in local policy in relation to provision of employment floorspace.
 - During the construction phase, there will be the opportunity to support local residents into employment and providing training and work placement opportunities with a long-lasting legacy.
 - There will also be the opportunity to engage with local businesses and suppliers during the construction phase to encourage growth and jobs
 - The increased expenditure generated from the gross additional employees will help to support local retail and service businesses.



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