

Appendix 1

Colchester's Employment Growth and Employment Land Needs

1 Introduction

- 1.1 Colchester's Emerging Local Plan to 2033 will provide a context for achieving employment and business growth in the Borough during the Plan period. This paper will explain how the Local Plan has followed guidance on employment issues to produce a deliverable planning strategy for employment, supported by a robust evidence base.
- 1.2 Preparation of the Local Plan is guided by the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG). Both documents advocate that an evidence-based approach to employment land allocation and protection is taken and that the land portfolio should offer sufficient capacity to accommodate expected future demand requirements both in quantitative and qualitative terms. The future requirements for employment land should be established through an objective assessment of need that, as far as possible, seeks to align population growth with economic development.
- 1.3 The allocation of employment land plays an important role in balancing job growth with population and housing growth and the objective assessment of housing and employment needs are linked in the Borough's Local Plan process. The overall Spatial Strategy has regard to the relationship between jobs and housing in the creation of sustainable communities containing a balanced mix of uses including employment.
- 1.4 At the technical level, the jobs/housing alignment is achieved in the first instance by incorporating the forecasts of the numbers of economically active residents arising from the Objectively Assessed Need study in the assessment of employment land needs. Secondly, the development of an employment land portfolio considers the best use for all potential employment allocations, which in some instances might see a re-allocation to another use such as residential if the need for employment land is no longer justified.
- 1.5 While the planning system is focussed on the allocation of B use employment land, it is important to note that a significant proportion of all new jobs created are independent of B use land allocation. The future land needs of other non-B use class employment generating uses such as tourism, healthcare and education are not assessed to a similar level of detail as B uses. Non-B use class jobs are more locationally diverse, and frequently do not require specific land allocations as they are not building based or arise from the expansion of existing services on existing sites to meet the needs of new residents and B use class businesses. Others may be able to be accommodated within mixed use/employment areas which do not justify protection as main B class employment areas.

2. Developing an Evidence Base

- 2.1 It is important to note the positive overall trajectory of employment growth in the Borough, both historic and forecast. Lichfields *Colchester Employment Land Supply Delivery Trajectory* (May, 2017) updates the *Employment Land Needs Assessment (ELNA)* published in 2015. The ELNA was undertaken by Nathaniel Lichfield and Partners (NLP) to provide an evidence base to underpin and inform employment land provision and employment land policies focusing on "B" use class jobs in the Borough for the Local Plan. (B use classes are B1 - business, including offices, B2 - general industrial and B8 - storage and distribution). The study's approach followed Government guidance on undertaking employment land reviews and provides a background to enable the Borough to consider

its main employment areas in terms of economic performance and potential and which employment sites are no longer to be protected solely for B use class employment use.

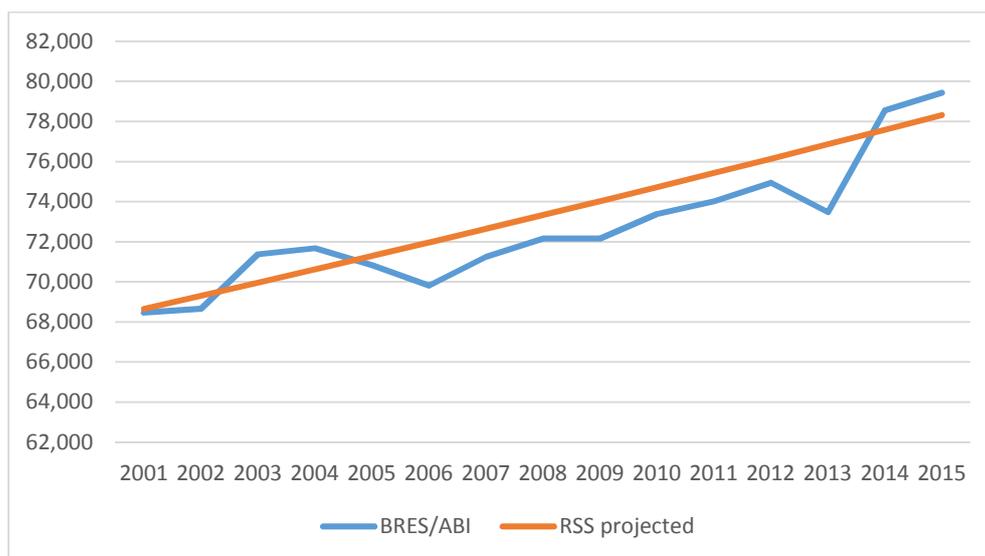
2.2 While the overall approach remains consistent, the following elements have changed since 2015:

- The plan period has been revised from 2001-2021 to 2017-2033 to provide a 16 year timescale post-submission.
- Revised population and household forecasts led to a revised *Colchester Strategic Housing Market Assessment in November 2016* with a revised assessment of Objectively Assessed Housing Need and consequential changes to the numbers of economically active residents predicted.
- Updated 2016 East of England Forecasting Model (EEFM) job forecasts.
- Changes to the employment land supply position in the Borough since 2015 due to planning permissions.
- Recommendations made in the Colchester Employment Land Needs Assessment (ELNA) 2015 that the Council should prepare more detailed evidence on the Borough's future employment land supply trajectory, leading to commissioning Lichfields to undertake a reappraisal of the portfolio of sites in May 2017.
- Joint work on Garden Communities with Braintree and Tendring has resulted in the commissioning of consultant work on employment opportunities for those areas which is described further below in Section 6.

3 Job targets and employment growth

3.1 The former Regional Spatial Strategy set a target of 14,200 employee jobs for Colchester between 2001-2021 which was considered to be the appropriate level to align with the Borough's housing target. The chart below shows that the employee job level has until 2014 largely been below the target but has now caught up:

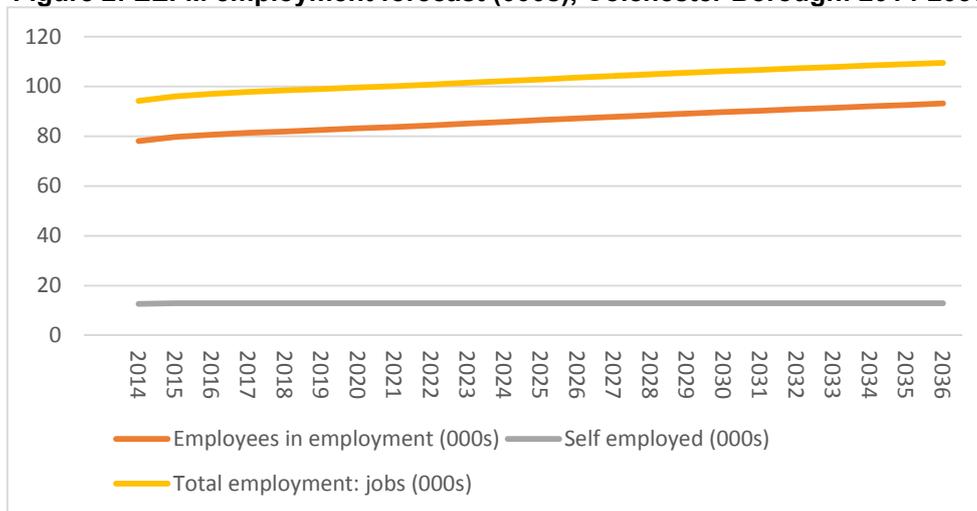
Figure 1: Actual and projected employee job totals, Colchester Borough: 2001-2015



Sources: ONS, BRES/ABI; East of England Plan

3.2 However, employee job growth is only part of the story since self-employment is an important component of the overall employment level. Typically, the level of self-employment in the Borough accounts for around 13% of all people in employment. The following graph shows a fuller picture of the size of this total employed population and also forecasts a positive overall growth trajectory to 2036 (although it may be noted that self-employment is likely to remain at the same level over this period).

Figure 2: EEFM employment forecast (000s), Colchester Borough: 2014-2036

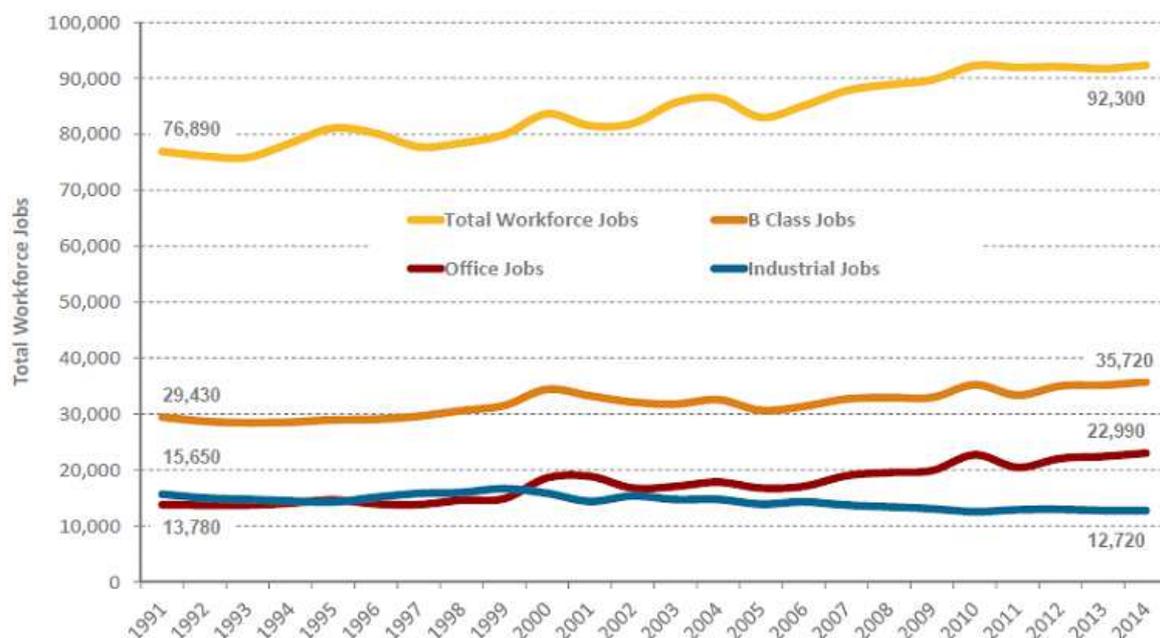


Source: Oxford Economics, EEFM

3.3 It is important to relate job growth to employment land designations if growth is to be accommodated within the Borough. Interestingly, the great majority of forecast workforce job growth will be (as was the case in the preceding 23-year period) not within the classic planning employment focus of B Use Class activities of office, industrial and warehouse accommodation but in other Use Classes – and their occupier sectors.

3.4 The significance of non-B use class employment – implicitly, retail, health and social care, leisure, tourism, hospitality and sui generis – to overall job growth in the Borough is illustrated in the following graph from the Employment Land Needs Assessment which shows a decrease in industrial jobs set against growth over time of office and non-B use jobs. The below table clearly shows that more than half of all historic job growth has not come from occupiers of B class space:

Figure 3: Employment growth by Use Classes – Colchester Borough: 1991-2014



Source: NLP (2014), derived from EEFM Spring 2013 and ONS, BRES

4 Translating job growth needs into floorspace

Revised job and employment land forecasts

- 4.1 Following work in November 2016 to provide an updated Objectively Assessed Housing Needs population figure for the three authorities of Colchester, Braintree and Tendring, Peter Brett Associates (PBA) provided (May 2017) estimates of the jobs and employment land floorspace needed to align with this updated population figure for Colchester Borough.
- 4.2 Two employment forecasts were used: the East of England Forecasting Model (EEFM 2016) and an Experian scenario, based on their September 2016 model but with the population assumption amended to align with the population shown in the 2016 Strategic Housing Market Assessment (SHMA). These forecasts provide an updated projection of Borough job growth to that in the Colchester ELNA under the EEFM model and an alternative projection through the Experian model. The forecasts for the Borough provide estimates of B class jobs by type and total and the total of non-B Class jobs before estimating the employment land the former jobs will require:

Figure 4: Baseline Job Growth and Floorspace Requirements in Colchester, 2014-2036

COLCHESTER	EEFM				EXPERIAN			
	2014	2036	change to 2036		2014	2036	change to 2036	
JOBS								
Office	21,248	28,086	6,837	32%	21,089	26,982	5,893	28%
Industrial	7,978	6,125	-1,853	-23%	7,914	7,414	-500	-6%
Warehouse	5,244	5,464	220	4%	5,464	6,438	974	18%
Total B class jobs	34,471	39,675	5,204	15%	34,466	40,834	6,368	18%
Non B Class Jobs	59,654	69,817	10,163	17%	58,226	73,845	15,619	27%
Total All Jobs	94,125	109,492	15,366	16%	92,693	114,679	21,987	24%
FLOORSPACE (sq m)								
Office	297,476	393,199	95,723	32%	295,242	377,750	82,508	28%
Industrial	287,209	220,499	-66,709	-23%	284,904	266,916	-17,988	-6%
Warehouse	351,371	366,081	14,709	4%	366,059	431,323	65,263	18%
Total B class floorspace	936,056	979,779	43,723	5%	946,205	1,075,989	129,784	14%

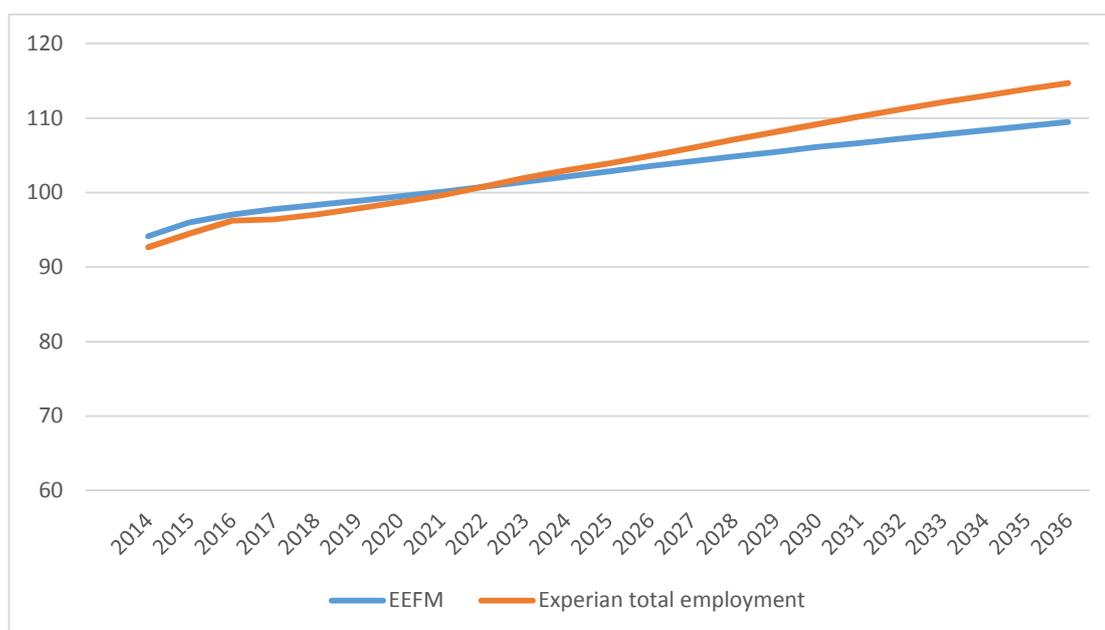
Source: Peter Brett Associates, March 2017

- 4.3 The jobs forecasts for the total of B-class jobs are not very far apart under either model. In terms of office jobs both models envisage significant growth of between 28–32 per cent over the period. However, Experian is more optimistic than EEFM about the persistence of industrial jobs and foresees much higher growth than the latter in warehouse jobs.
- 4.4 The major difference between the models is in estimates of future non-B class job growth with EEFM projecting a 17 per cent increase over the period, effectively two non-B class jobs for each B class job but Experian envisaging growth of 27% or 2.5 non-B class jobs to each. The significance of non-B class jobs, over two-thirds of all future employment in the Borough, will be returned to later on as they do not require the allocation of employment land through the Local Plan process.

The new projected jobs figures and the ELNA

- 4.5 The revised EEFM figure indicates annual total growth of 699 jobs per year to 2036; Experian has the much higher figure of 999 jobs per year over the same period. (The ELNA indicated a total of 807 jobs per year (to 2032) but this was based on the 2014 edition of the EEFM forecasting model; the current edition is EEFM 2016).

Figure 5: EEFM and Experian employment forecasts, Colchester Borough: 2014-2036 (000s)



Sources: EEFM and PBA for Experian

4.6 As noted, the major difference between the two new forecasts for the Borough is that Experian project much higher growth than EEFM in non-B Class jobs – 50% higher than EEFM’s forecast. While B Class jobs would rise at either 237 jobs per year (EEFM) or 289 jobs (Experian), non-B class would increase by either 462 (EEFM) or 710 per year (Experian).

4.7 As economic forecasting, especially over such a long period, is highly uncertain, the more optimistic estimate of job growth from Experian is of note and reflects the potential for the Borough’s projected population to accommodate a higher rate of employment. It is also the case that both models do not take into account the potential for Council and partner economic development interventions to generate greater local employment opportunities.

4.8 The EEFM jobs forecast by detailed sectors to 2033 is shown at Note 1, below.

5 The ELNA and the Employment Land Trajectory

5.1 The 2015 ELNA identified that Colchester had sufficient employment land/floorspace in quantitative terms to meet objectively assessed economic growth needs over the study period up to 2032. The identified surplus of employment space ranged from 21.1ha to 97.9ha depending upon the growth scenario considered. Within this context, the ELNA recommended that:

“...the Council should evidence how its portfolio of allocations and other development opportunities will support delivery of new space over the short, medium and long-term (structured broadly in five year periods)...” (para 8.57)

5.2 The National Planning Policy Framework requires authorities to assess “the needs for land or floorspace for economic development” and “the existing and future supply of land available for economic development and its sufficiency and suitability” (para 161) against the backdrop of positive planning for growth.

- 5.3 The Government's Planning Practice Guidance (PPG) states that assessments of land availability should identify a future supply of land which is suitable, available and achievable for economic development uses over the plan period. This forms a key component of the evidence base to underpin policies in development plans for economic development, including supporting the delivery of land to meet identified need for these uses. In particular, the PPG notes in para 025 that:

"...Once the sites and broad locations have been assessed, the development potential of all sites can be collected to produce an indicative trajectory. This should set out how much housing and the amount of economic development that can be provided, and at what point in the future..."

6 Updating the Employment Land Trajectory: methodology and key findings

Methodology

- 6.1 In order to meet the above policy requirements, the Council commissioned from Lichfields (the rebranded NLP) a review of the employment land portfolio, the supply trajectory to meet the above policy requirements and the changes that have occurred since early 2015 noted at para. 2.2 (above).
- 6.2 The approach taken by Lichfields considered both the *availability* and *deliverability* of the Strategic Economic Area (SEA) employment land allocations – Northern Gateway/Severalls, the Knowledge Gateway and Stanway, as well as other significant sites designated as Local Economic Areas (LEA). A total of 25 sites were considered of which 8 were subsequently discounted and 2 considered separately to the trajectory analysis, leaving 15 sites which were examined in further detail. The emerging proposals for the two Garden Communities in the Borough which will come forward towards the end of the Local Plan period and their requirements for B use employment floorspace were not included in the trajectory (although noted) since these have been subject to a separate, detailed parallel study by SQW and Cambridge Econometrics, the *North Essex Garden Communities Employment and Demographic Studies*, delivered in April 2017; this is considered in more detail below (Section 7).
- 6.3 Based on a combination of availability and deliverability factors, each site was allocated to a five-year period: short-term, 2017-22; medium-term, 2022-27; and long-term, 2027-2033. One-third of office space is anticipated to be delivered in the short-term and two-thirds over the medium-term; industrial floorspace (combining industrial and warehouse) two-thirds in the medium-term and one-third over the longer term. (See Note 2 for the Indicative Delivery Trajectory by site in more detail).
- 6.4 To arrive at a demand/supply balance for the Borough's employment land and floorspace the Assessment considered both:
- the 2015 ELNA set estimates of net requirements for office and industrial floorspace which were based on four different Planning Policy Guidance compliant scenarios of how the Borough's economy might change and develop over the Plan period; and,
 - the recent work of Peter Brett Associates (PBA) to identify the employment land and floorspace needed to accommodate the jobs needed to align with the population forecast in the Objectively Assessed Housing Need for the Borough and the two employment forecasts which accompany this (as set out in Figure 4, above).

Further detail on these scenarios and estimates and related commentary is set out in Note 2, below.

7 Employment land and floorspace in the Garden Communities (GC)

7.1 The SQW/Cambridge Econometrics *North Essex Garden Communities Employment and Demographic Studies* study has quantified the source of and likely job delivery in the two GC's that affect Colchester and translated these into estimated floorspace both in the short term, to 2033, for the Local Plan period and for the longer term, to 2050.

7.2 The methodology behind these calculations was based on developing a framework for considering future employment growth, and identifying a series of alternative economic scenarios which were quantified using Cambridge Econometrics' Local Economy Forecasting Model. These scenarios reflected the specificity of each GC, its likely travel to work patterns and proximity to existing economic centres and these, in turn, were held against comparator locations to help quantify further the economic growth of specific sectors under each scenario.

7.3 A higher rate of local labour market "self-containment" has been applied to employment targets for the Garden Communities, following the principles underlying this type of community and based upon the earlier ambitions of the post-war New Towns. Effectively, each dwelling is anticipated to surpass the Town and Country Planning Association's target of "one job per house" for Garden Communities with the Colchester Braintree Borders Garden Community generating 1.17 jobs and Tendring Colchester Borders Garden Community 1.55 jobs per dwelling.

7.4 Both of the Colchester-related Garden Communities, *'are likely to be associated with significant jobs growth, where jobs linked to exogenous growth processes are presumed to be physically on site, those linked to homeworking will be physically associated with the homes of residents and therefore also on site, and those related to the consumption of local services may or may not be on site, but all will be reasonably "local"*.

Effectively, 18.75% of jobs are anticipated to be homeworking, some 15% of jobs will be 'local service' and the remainder principally office based jobs, which will create the estimated land and space requirements for each GC which will total an additional 4.5 hectares and 18,134 m² of office space for the Borough employment land and floorspace allocation to 2033.

7.5 The nature of employment in Tendring/Colchester borders and Colchester/Braintree borders Garden Communities is expected to share some common characteristics and drivers of growth:

- Both Garden Communities are anticipated to appeal to younger working age adults and young families for whom the incidence of home working is considered to be relatively high, continuing national and local trends.
- As the major urban area in North Essex and a "central place" both in the County and the Region, Colchester is anticipated to increase its agglomeration advantages as its population grows and to attract more, higher order, professional and service functions and to develop further as a hub for leisure and tourism and as a retail destination, providing jobs both centrally and within the GCs for its residents, including increasing health care and other public service opportunities.

7.6 However, there are distinctions between both Garden Communities in terms of location:

- Colchester/Braintree borders is well located to the A12 and the A120 and their planned improvements, and connects by rail to both the GEML and the Gainsborough Line. These and some spillover benefits from the expansion of

Stansted Airport are likely to attract higher order professional and service jobs, back offices, and linkage to the logistics supply chain.

- Located close to both the University of Essex and to central Colchester, Tendring Colchester Borders Garden Community is expected to benefit from and be a major contributor to the growth of both, especially knowledge-based B1 jobs and those that support them.

8 Setting employment land requirements for the Local Plan

- 8.1 The potential supply figures for B uses – offices and industrial - for the Strategic and Local Economic Areas of the Borough from Lichfields (Figure 7, above) plus the SQW/Cambridge Econometrics figures for the Garden Communities employment land and space requirement to 2033 have been adopted in the draft Local Plan. In total, there is a pipeline supply figure of 44.2 hectares of employment land for the Borough accounting for a potential of 1877,203 m² of floorspace, of which two-thirds is indicated for office uses and one-third for industrial uses.

Figure 8: Colchester Employment Land Supply Trajectory: 2017– 2033

Location / Allocations		Site area (ha.)	Office (B1 a/b) sqm	Industrial (B1c/2/8) sqm	Total sqm
Strategic Economic Areas (SEAs)					
North Colchester		10.4	56,696	0	56,696
Stanway		15.6	20,506	42,054	62,560
Knowledge Gateway		7.0	22,538	0	22,538
Local Economic Areas (LEAs)					
Colchester Town Centre	Town Centre Core	0.7	3,160	0	3,160
	Edge of Centre	3.5	0	13,959	13,959
District Centres (outside Colchester)		1.5	3,078	3,078	6,156
Other Rural Areas		1.0	2,000	2,000	4,000
Total SEAs and LEAs		39.7	107,978	61,091	169,069
Garden Communities Employment Areas (GCEAs)					
Colchester Braintree Borders GC		1.7	6,858	0	6,858
Colchester Tendring Borders GC		2.8	11,276	0	11,276
Total GCEAs		4.5	18,134	0	18,134
Total all allocations		44.2	126,112	61,091	187,203

Sources: Lichfields (March 2017); CBC Planning Policy (April, 2017)

- 8.2 The range of sites for employment land fall into three main types: Strategic Economic Areas (SEAs), Local Economic Areas (LEAs) and Garden Communities Employment Areas. This range and their component sites are designed to ensure that jobs are accessible to new and existing communities across the Borough and are subject to a range of policies to safeguard current uses to ensure balanced economic growth (Policy SG3).

8.3 The **Strategic Economic Areas (SEAs)** are the best employment sites in the Borough and should be retained for employment purposes to meet anticipated needs over the plan period, in accordance with Paragraph 22 of the NPPF. Up to date evidence however suggests not all the land previously allocated for employment will be required and, accordingly, the boundaries of each SEA have been reassessed.

- The Northern Gateway and Severalls SEA responds to the potential to maximise its prime location adjacent to Junctions 28 and 29 of the A12, for the retention and expansion of the Business Park and for opportunities to deliver an enhanced sports and leisure hub. This SEA represents the most significant location still for high value office based employment for the Borough. The SEA has been reviewed and reflects planning approvals and the decreasing demand for traditional employment land.
- The Knowledge Gateway and University SEA reflects opportunities associated with the growth plans for the University of Essex and the benefits linked to the new Garden Community to the east of Colchester. Additional land to expand the Knowledge Gateway is expected to be allocated within the Garden Community to the east.
- The third SEA at Stanway continues to be a favoured location for strategic economic opportunities taking advantage of good access to the A12 and A120. The Stanway SEA has been reviewed and reflects planning approvals and the decreasing demand for traditional employment land. (If implemented, the recently allowed planning appeal at Tollgate for significant retail development would reduce this SEA by 11.75 hectares).

8.4 The **Local Economic Areas (LEAs)** provide smaller scale contributions to the Colchester economy alongside the Strategic Economic Areas. They contain a range of sites and premises and are located in the urban and rural areas of the Borough. They help meet the needs of the business community and offer flexibility and choice. The LEAs proposed in the Local Plan reflect the evaluations made in the evidence base, so those with the lowest rankings have not been retained to reflect their lower levels of sustainability and/or deliverability. (A full list of the Local Economic Areas can be found in policy/table SG4 of the draft Local Plan).

8.5 The **Garden Communities Strategic Allocations** have been discussed at Section 7, above. It is worth repeating, though, that the new Garden Communities will make a strategic contribution to employment provision serving both their own sustainable communities and the rest of the Borough. The extent, location and policy context for the Garden Communities to the east and west of Colchester will be informed by future master planning and Development Plan Documents for these areas.

9 **Appraisal of other employment-generating uses (non-B Use Job Growth Delivery)**

9.1 A different approach to appraising the land and floorspace requirements for non-B use class job delivery is taken in planning policy and is based upon estimating demand for the given facilities, usually taking user/visitor levels and/or expenditure patterns. In particular, the 2016 Retail Study prepared by Cushman and Wakefield provides evidence on the requirements for town centre uses. The draft Local Plan seeks to take

account of some of these non-B uses and their floorspace requirements through additional special policies within the following areas of urban Colchester:

- *Colchester Town Centre (Policy TC3)*, addressing the need to provide a mix of comparison shopping; food and drink; entertainment; and residential uses over the plan period to 2033, focusing on St Botolphs, Vineyard Gate and Priory Walk;
- *North Station Special Policy Area (Policy NC2)*, redevelopment to enhance this arrival gateway with improved public realm, transport and compatible land uses and activities including office floorspace, leisure uses, retail related to the primary function of the area associated with the station, residential and open space;
- *East Colchester – Hythe Special Policy Area (Policy EC2)*, principally to regenerate the area at densities appropriate to an urban area with good public transport connections and a mix of commercial, community and residential uses to provide additional jobs, homes and community and environmental enhancements and to create a strong sense of identity for the area;
- *Colchester Zoo (Policy WC3)*. The Council recognises the importance of Colchester Zoo as a visitor attraction and as a contributor to the local economy. The Local Planning Authority will work in partnership with the Zoo to maximise the social and economic benefits associated with its development while ensuring any development proposals have regard to the environmentally sensitive location with any development ancillary to the zoo, such as additional retail, hotel and food and drink outlets, to be related to the function of the zoo and assessed against potential negative impacts on the Town Centre.

9.2 Other sectors which will be important are:

- Health and Social Care which accounts for 1 in 4 employee jobs in the Borough. Additional employment is anticipated to emerge through a combination of expansion of existing facilities, notably Colchester General Hospital, strategic residential allocations and other individual site proposals in response to where need is generated.
- Construction; in response to new housing, commercial development, civil engineering related to the level of future development as well as the demand for repairs and improvements.

10 Conclusions

10.1 Colchester's employment land target sets a strategic long-term direction for both market and public investment to deliver the Borough's B use jobs. However, there are a range of interventions planned and yet to come forward by the Council and partners to drive delivery of these sites, to add value to them and their occupiers and potentially increase the overall employment level of the Borough and its prosperity beyond what the market would otherwise be likely to provide.

10.2 The Borough's *Economic Growth Strategy: 2015-2021* aims to create 1,900 jobs over and above the then forecast of 4,100 jobs across the period, including 500 additional apprenticeships. Other targets are to:

- Create, retain and support 1,000 new businesses
- Secure superfast broadband to all our businesses – now focusing on *Ultrafast*
- Secure £5m of direct funding for skills and business support
- Attract £10m of new inward investment.

10.3 These targets are likely to be surpassed, given recent and planned work in the Economic Growth Team and greater proposed commercially-focused delivery in this

area by the Council. Funding bids, both directly, in partnership and in support of strategic partners are continually being developed and submitted and there have been significant successes with infrastructure funding, for example, from the South East Local Economic Partnership Local Growth Fund and from the Department for Business, Energy & Industrial Strategy.

Further bids are being made to Highways England and Department for Communities and Local Government to leverage private sector investment to fully enable Colchester Northern Gateway and a significant mixed-use site in East Colchester; and to DCMS to extend the Borough's Ultrafast broadband network and usher in early 5G delivery.

- 10.4 Close partnership working with SELEP, with Essex County Council, the Haven Gateway Partnership, the University of Essex and with other public, private and community sectors have been intrinsic to past success as is further collaboration and co-ordination of resources to deliver Colchester's ambitions to provide sufficient business and employment opportunities, both B and non B uses, over the forthcoming Local Plan period.

Note 1: Forecast changes in employment in Colchester Borough: jobs 000s, 2017-2033

Employment growth has been and is characteristic of the following sectors of the local economy: construction, retail, hotels and restaurants, ICT, financial services, B2B services and health. Decline is characteristic of primary and secondary sectors: agriculture and manufacturing.

Turning to the distribution of baseline job growth in the future across all employment sectors, the EEFM forecasts positive increases across fourteen of the thirty categories identified. The most recent EEFM forecast for Colchester’s major categories is shown below for the period 2017-2033, the period of the new Local Plan:

Forecast Changes in Employment by Major Category, in thousands: 2017-2033.

Employment by sector (000s)	2017	2033
Agriculture	0.604	0.447
Mining & quarrying	0.123	0.071
Manufacturing - food	0.986	0.760
Manufacturing - general	1.680	1.510
Manufacturing - chemicals only	0.815	0.436
Manufacturing - metals	0.352	0.227
Manufacturing - transport equipment	0.964	0.527
Manufacturing - electronics	0.356	0.193
Utilities	0.543	0.475
Waste & remediation	0.306	0.313
Construction	5.459	7.365
Wholesale	4.683	4.826
Retail	10.713	11.642
Land transport	2.993	2.951
Water & air transport	0.015	0.016
Accommodation & food services	6.103	8.021
Publishing & broadcasting	2.390	2.105
Telecoms	0.530	0.459
Computer related activity	1.117	1.294
Finance	2.156	1.871
Real estate	1.917	2.690
Professional services	8.807	9.883
Research & development	0.038	0.040
Business services	4.147	5.547
Employment activities	1.811	2.044
Public administration	5.714	6.218
Education	10.852	10.797
Health & care	16.105	19.268
Arts & entertainment	3.449	3.767
Other services	2.047	2.035
Total	97.779	107.799

Source: Oxford Economics, EEFM

Overall this is a positive picture for the Borough with opportunities both for self-employment and employees across a wide range of sectors.

Note 2: Lichfields estimates of employment land and floorspace requirements

Summary Net Floorspace (m2) Requirements by Scenario.

Scenario/Source		Study Time Period	Offices (B1a/B1b)	Industrial (B1c/B2/B8)	All B Uses
NLP Colchester ELNA (January 2015)	1. Baseline Job Growth (EEFM 2013)	2014 - 2032	94,480	-9,660	84,820
	2. Past Completion Rates		60,445	-189,880	-129,435
	3. Higher Past Completion Rates		60,445	117,325	177,770
	4. Labour Supply (2012 Based SNPP)		76,000	-28,440	47,560
PBA Employment Land and Floorspace (January 2017)	EEFM 2016	2014 - 2036	95,723	-52,000	43,723
	Experian September 2016 (OAN Adjusted)		82,508	47,275	129,784

Source: Lichfields (2015) / Peter Brett Associates (2017)

A.1 Lichfields observe that both scenarios are for net floorspace and 'do not make any allowance for market choice, churn or friction', so representing the *minimum* amount of employment space to plan for. Secondly, it should be noted that while the time periods for the NLP and PBA studies differ slightly and are around the Local Plan period end-date of 2033, with the NLP figures running to 2032 but the PBA figures extending to a slightly longer time-horizon to 2036, this does not greatly affect the conclusions.

A.2 Broad comparison of net B class floorspace requirements against the identified pipeline supply from the new Assessment implies that Colchester 'would have sufficient employment space in overall quantitative terms to meet the needs associated with all but one scenario over the Plan period'. These findings are shown below:

Demand/Supply Balance (m2)

Scenario / Use	NLP Colchester ELNA (January 2015)				PBA Employment Land and Floorspace (January 2017)	
	1. Baseline Job Growth (EEFM 2013)	2. Past Completion Rates	3. Higher Past Completion Rates	4. Labour Supply (2012 Based SNPP)	EEFM 2016	Experian September 2016 (OAN Adjusted)
All B Uses						
Requirement	84,820	-129,435	177,770	47,560	43,723	129,784
Potential Supply ⁷	167,466					
Surplus(+)/Shortfall(-)	+82,646	+296,901	-10,304	+119,906	+123,743	+37,682
Offices						
Requirement	94,480	60,445	60,445	76,000	95,723	82,508
Potential Supply	107,978					
Surplus(+)/Shortfall(-)	+13,498	+47,533	+47,533	+31,978	+12,255	+25,470
Industrial						
Requirement	-9,660	-189,880	117,325	-28,440	-52,000	47,275
Potential Supply	59,488					
Surplus(+)/Shortfall(-)	+69,148	+249,368	-57,837	+87,928	+111,488	+12,213

A.3 Lichfields concluded that the supply of office floorspace appears sufficient to meet all B1 requirements under all seven scenarios. Similarly, there is a surplus of industrial floorspace under all but one scenario (the higher past completion rates scenario). However, as net floorspace requirement figures represent the **minimum** quantum of employment land to plan for,

'in the absence of planning to accommodate an additional allowance for future losses of existing employment space and to account for delays in sites coming forward for development..., there is a risk that future employment development in Colchester is constrained by a lack of choice and flexibility within the market. This could present a particular risk in Colchester where many of the Borough's employment allocations face viability challenges and uncertainty regarding timing of delivery'.

A.4 Of the 15 sites in the trajectory, all are considered to be either 'available' or 'available in the future' but in terms of deliverability, 7 are considered to be 'deliverable' and 8 are considered 'marginal/uncertain'. In terms of floorspace, 34% of office space is assessed as 'marginal or uncertain' while 97% of industrial space is considered to fall into that category.

Table 4.1 Indicative Delivery Trajectory for Employment Land Supply by Five-Year Period

Site Ref	Site Name	Indicative Delivery Trajectory (m ²)					
		Short term (0 - 5 years) 2017-2022		Medium term (6 - 10 years) 2022-2027		Long term (11 - 16 years) 2027-2033	
		Offices (B1a/b)	Industrial (B1c/B2/B8)	Offices (B1a/b)	Industrial (B1c/B2/B8)	Offices (B1a/b)	Industrial (B1c/B2/B8)
1	Northern Gateway - NE Quadrant	0	0	10,532	0	0	0
2	Northern Gateway - SE Quadrant	37,300	0	0	0	0	0
3	Severalls (undeveloped plot)	0	0	8,854	0	0	0
4	Knowledge Gateway - North Area	5,720	0	0	0	0	0
5	Knowledge Gateway - South Area	3,562	0	0	0	0	0
6	Knowledge Gateway - West Area	0	0	13,256	0	0	0
7	Stanway - Stane Park	0	0	13,554	13,554	0	0
8	Stanway - Tolligate South	0	0	6,952	6,952	0	0
9	Stanway - Lakelands West	0	0	0	16,084	0	0
10	Stanway - Trafalgar Farm	0	0	0	0	0	5,464
11	Whitehall Industrial Estate (undeveloped plot)	0	0	0	0	0	9,200
12	Maldon Road inc Shrub End Depot	0	0	0	0	0	3,156
13	Tiptree - Tower Business Park	0	0	3,078	3,078	0	0
14	Lodge Lane Langham	0	0	2,000	2,000	0	0
15	Town Centre - Sheepen Place	3,160	0	0	0	0	0
TOTAL		49,742	0	58,236	41,668	0	17,820

Source: Lichfields analysis

