



Local Plan Committee

Item
7

30 August 2017

Report of	Assistant Director Policy and Corporate	Author	Jim Leask ☎ 282864 Laura Chase ☎ 282473
Title	Local Plan Employment Position Paper		
Wards affected	All wards		

A paper setting out the employment work undertaken to inform the Local Plan

1. Decision(s) Required

- 1.1 The Committee is asked to note the content of the report and appendix. The report will provide the opportunity to debate Local Plan employment issues at the meeting.

2. Reasons for Decision(s)

- 2.1 The Local Plan Committee of the 12th June approved the Publication Draft Local Plan for consultation. Through the debate on the Plan members requested further information on employment.

3. Alternative Options

- 3.1 N/A

4. Supporting Information

- 4.1 The report below sets out the key issues for employment land delivery associated with the Local Plan. Further detailed information is included as an appendix.

Context

- 4.2 The allocation of employment land plays an important role in balancing job growth with population and housing growth. The objective assessment of housing and employment needs are linked in the Borough's Local Plan process. The overall Local Plan 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. The employment policies contained in the Publication Draft Local Plan provide for the encouragement of economic development through the allocation of employment land in Strategic

and Local Economic Areas as well as in the proposed new Garden Communities.

- 4.3 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.
- 4.4 The overall process of developing Local Plan employment policy and allocations is guided by the methodology laid out by the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). The Local Plan will need to demonstrate through the examination process that the authority has 'set out a clear economic vision and strategy for their area' which is accompanied by criteria or strategic sites 'for local and inward investment to match the strategy and to meet anticipated needs over the plan period' (para 21, NPPF).

The Evidence Base

- 4.5 Employment data is available from a range of sources and has been used to develop evidence base material to ensure that identified needs for employment floorspace are matched with deliverable allocations. Specific study work consistent with Government requirements on methodology has been undertaken to inform the Local Plan and the Garden Communities including the following reports available on the Council's [Local Plan Evidence Base webpage](#):
- January 2015 Employment Land Needs Assessment (ELNA) (NLP)
 - April 2017 North Essex Garden Communities Employment and Demographic Study (SQW and Cambridge Econometrics)
 - Employment Land and Floorspace aligned with the November 2016 Objectively Assessed Need Report (Peter Brett Associates)
 - May 2017 Employment Land Trajectory and Report (Lichfields, formerly NLP)
- 4.6 While the overall approach remains consistent, the following elements have changed since the January 2015 ELNA was completed and have been updated as required in the later reports:
- 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.
- 4.7 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 full Employment Paper, contained in the appendix, illustrates that the Council is on track to meet this target. Additionally, the full report also identifies the increasingly important role played by self-employment which accounts for around 13% of all people in employment.
- 4.8 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 on B Use Class activities of office, industrial and warehouse accommodation but in other Use Classes. Industrial jobs in particular are showing a decrease, while office and non-B use jobs are providing the source of employment growth.
- 4.9 The calculation of how much land is needed to meet employment growth is developed through the use of forecasts and models which translate population and employment figures into floorspace requirements. Two reputable models have been used: the East of England Forecasting Model (EEFM) and Experian. Each local authority has been advised by its consultants Peter Brett on the most appropriate modelling figure to use in the context of reconciling employment land and housing demand, with Colchester using the EEFM figure of 928 jobs a year. 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.
- 4.10 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 B class job.
- 4.11 The 2015 ELNA identified that Colchester had sufficient employment floorspace in quantitative terms to meet objectively assessed economic growth needs over the study period up to 2032. Further work on the employment trajectory, however, identified that the Council would need to identify further employment land over the plan period to allow for market choice, churn and expansion. The bookends for employment land required of between 22 and 55.8 ha reflect a plausible assessment of requirements over the plan period.

Local Plan Employment Allocations

- 4.12 The Employment Land Trajectory prepared by Lichfields involved the detailed consideration of the sites that might meet the identified demand for future employment land and provides the information on suitability and deliverability to back up the allocation of 44.2ha of employment land shown in Table SG3 of the Local Plan. The criteria included both the *availability* and *deliverability* of the employment land allocations at the Strategic Economic Areas (SEA's) – 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. 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.

Garden Communities

- 4.13 The emerging proposals for the two Garden Communities in the Borough were included in the totals of the Lichfield report but were examined further in the SQW/Cambridge Econometrics report. This latter report was commissioned to assess the deliverability of employment aspirations for the new communities as stated in the sixth bullet point of the Garden Community objectives listed in Policy SP7 of the Local Plan - 'Provide and promote opportunities for employment within each new community and within sustainable commuting distance of it.'
- 4.14 The report concluded that the job growth aspirations for the Garden Communities were realistic assuming continuing political commitment and proactive delivery on the part of local authorities to ensure that the new communities followed through on their innovative and comprehensive approach to sustainable growth. The Colchester Braintree Borders Garden Community is anticipated to generate 1.17 jobs and Tendring/Colchester Borders Garden Community 1.55 jobs per dwelling. 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 Garden Community.
- 4.15 For the plan period to 2033, an additional 4.5 hectares of employment floorspace providing 18,134 m² of office space for the Borough employment land is allocated in the two Colchester Garden Communities.
- 4.16 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.

- 4.17 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 Great Eastern Main Line and the Gainsborough Line. These transport connections and some spillover benefits from the expansion of Stansted Airport are likely which will attract higher order professional and service jobs, back offices, and linkage to the logistics supply chain. With its location 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.

Strategic and Local Employment Areas

- 4.18 The Strategic Economic Areas (SEAs) are the best employment sites in the Borough and are proposed to 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 needed 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 but the allocation has been reviewed to reflect 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 for significant retail development on the Tollgate site will reduce this SEA by 11.75 hectares).

- 4.19 The Local Economic Areas provide smaller scale contributions to the Colchester economy spread throughout the Borough in both urban and rural areas, with the focus in rural areas on employment for Sustainable Settlements. The selection of those included in the Publication Draft Local Plan has been informed by the employment site evaluation completed by Lichfields.

Other Employment-generating uses

- 4.20 A different approach to appraising the land and floorspace requirements for non-B use 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 requirement through additional special policies which focus on the class economic uses will be provided within centres as well as North Station and Hythe special policy areas and the Colchester Zoo. Other sectors which will be important are health and social care, which accounts for 1 in 4 employee jobs in the Borough as well as construction which will grow in response to new development and well as the demand for repairs and improvements.

Funding and Delivery

- 4.21 Colchester's employment policies and allocations 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.
- 4.22 The Borough's Economic Strategy highlights the important role the Council can play in adopting a proactive approach to securing inward investment and support for the expansion of local businesses through such initiatives as enhancing the Borough's digital connectivity and opening of the Creative Business Centre on Queen Street. Strategy 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.
- 4.23 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 to Department for Culture, Media and Sport to extend the Borough's Ultrafast broadband network and usher in early 5G delivery.

5. Proposals

- 5.1 This report was developed at the specific request of the Local Plan Committee. The report should be noted and an opportunity for discussing employment issues will be provided at the meeting.

6. Strategic Plan References

- 6.1 Employment issues are referenced in the following areas of the 2015 to 2018 Strategic Plan:

Vibrant

- Enhance the diverse retail and leisure mix supporting independent businesses valued by residents and visitors
- Create the right environment for people to develop and flourish in all aspects of life both business and pleasure

Prosperous

- Promote to attract further inward investment and additional businesses, proving greater and more diverse employment and tourism opportunities.
- Support people to develop the skills needed by employers in the future to take advantage of higher paid jobs being created.

Thriving

- Promote Colchester's heritage and wide ranging tourism attractions to enhance our reputation as a destination.
- Be clear about the major opportunities continue to work in partnership with public, private and voluntary sectors to achieve more for Colchester than we could on our own

7. Consultation

- 7.1 Consultation on the Local Plan is guided by the Council's Statement of Community Involvement, which is available on the [Council's website](#). Evidence on employment will also be used to help inform the development of the Garden Community Development Plan Documents which are to be developed and consulted on in the coming months.

8. Publicity Considerations

- 8.1 Further information will be released as part of the development of the Local Plan and Garden Communities.

9. Financial Implications

- 9.1 None specifically relating to this report

10. Equality, Diversity and Human Rights implications

- 10.1 An Equality Impact Assessment has been prepared for the Local Development Framework and is available to view on the Colchester Borough Council website by following this pathway from the homepage: Council and Democracy > Policies, Strategies and Performance > Equality and Diversity > Equality Impact Assessments > Commercial Services > Local Plan.
- 10.2 There are no particular Human Rights implications.

11. Community Safety Implications

- 11.1 None identified.

12. Health and Safety Implications

- 12.1 None identified.

13. Risk Management Implications

- 13.1 None identified

14. Disclaimer

- 14.1 The information in this report was, as far as is known, correct at the date of publication. Colchester Borough Council cannot accept responsibility for any error or omissions.

Supporting Papers