

REPORT AUTHORISATION FORM

COMMITTEE:	Local Plan Working Group
DATE OF MEETING:	3 rd December 2013
DATE OF AGENDA ISSUE:	26 th November 2013
REPORT TITLE:	Breckland Employment Growth Study

REPORT IMPLICATIONS CHECKLIST		
	NONE	INCLUDED
Carbon Footprint		
Constitution *		
Corporate Plan		
Crime & Disorder		
Environmental Issues		
Equality & Diversity *		
Financial *		
Human Rights		
Legal *		
Risk Management *		
Staffing		

	YES / NO	INITIALS
Approved by Initiating Officer *		
Approved by Monitoring Officer		
Approved by Section 151 Officer		
Approved by Chief Executive		
Approved by Director *		
Managers Consulted		
Exempt Information *		
Category Number of Exemption (see attached)		

CABINET REPORT		
	INCLUDED	
Purpose Paragraph *		
Options *		
Reasons for Recommendation *		
	YES / NO	INITIALS
Portfolio Holder Consulted		

*** Indicates a required field**

Schedule 12A Part 1: Descriptions of exempt information

Para No.	Description of Exempt Information
1	Information relating to any individual.
2	Information which is likely to reveal the identity of an individual.
3	Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4	Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6	Information which reveals that the authority proposes – (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.
7	Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Schedule 12A, Part 2: Qualifications

Para No.	Description of Qualification
8	Information falling within paragraph 3 above is not exempt information by virtue of that paragraph if it is required to be registered under – (a) the Companies Act 1985(a); (b) the Friendly Societies Act 1974(b); (c) the Friendly Societies Act 1992(c); (d) the Industrial and Provident Societies Acts 1965 to 1978(d); (e) the Building Societies Act 1986(e); or (f) the Charities Act 1993(f).
9	Information is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to regulation 3 of the Town and Country Planning General Regulations 1992(a).
10	Information which – (a) falls within any of paragraphs 1 to 7 above, and (b) is not prevented from being exempt by virtue of paragraph 8 or 9 above, is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

For further information and advice, contact any of the Committee Officers.

BRECKLAND DISTRICT COUNCIL

Report of the Executive Member for Assets and Strategic Development

To: Local Plan Working Group

Author: Sarah Robertson, Planning Policy Officer

Subject: Breckland Employment Growth Study

Purpose:

The purpose of this report is to present the Working Group with the outcomes of the Breckland Employment Growth Study 2013.

Recommendation(s):

It is recommended that the Working Group consider the consultant's report and accept this as part of the evidence base for the Local Plan together with NLP's presentation and Members comments.

1. BACKGROUND

- 1.1 Members may recall that the Council commissioned Nathaniel Lichfield and Partners (NLP) in June 2013 to produce an employment growth study for Breckland. This study is required to inform the preparation of the Local Plan. A draft report has been received, which is attached at Appendix A. Members should note that initial officer observations together with the comments of the Working Group will be incorporated before the report is committed to the Local Plan evidence base.
- 1.2 The study has been designed to demonstrate the appropriate level of employment growth within the District which the Council should be planning for. The study also demonstrates broad locations within the District for potential economic growth. This study is intended to supersede the previous Employment Land Review which was completed in 2006.
- 1.3 For clarity, the study concentrates on the B class employment uses. B class employment uses are defined within the Town and Country Planning (Use Classes) Order 1987 and include B1 Businesses (specifically office, light industrial, research and development), B2 General Industrial and B8 Storage and Distribution. Information on other employment related use classes is to be available for the Working Group Meeting.
- 1.4 This report summarises the key findings of the study and the next steps which now need to be made. The report will be augmented by a presentation on the study findings which will be presented to the Working Group by NLP.

Breckland's Economic Context and Current Commercial Property Market

- 1.5 The study outlines the economic context for Breckland in order to provide a level of background information and to understand the existing employment market. Overall the study notes that the District has seen a rapid population growth, increasing pay levels and low rates of unemployment. This is however tempered against average wages remaining relatively low in comparison to both East of England and national levels.
- 1.6 The study uses secondary data to show that B class jobs over the last 22 years have accounted for between 39% and 46% of all jobs within Breckland. There are relatively few larger firms within the District.
- 1.7 The report draws on 2001 Census data in the form of "Travel to Work Areas," which are used to consider the functional economic market area. The functional economic market area often extends beyond individual Local Authority boundaries. In Breckland's case the report notes that 36% of the Districts working residents commute outside of the District

for work. This is predominantly to Norwich, South Norfolk and King's Lynn and West Norfolk. At the same time workers are commuting into the District for work, predominantly from South Norfolk and King's Lynn and West Norfolk. Overall, Breckland is a net exporter of labour.

- 1.8 Businesses in Breckland are distributed across the District, however these are concentrated within the Market Towns. The rural settlements accommodate important secondary hubs of economic activity in the form of small scale office and workshop space. NLPs study includes key trends and implications for the property market in the District, a summary of which is included below:
- Demand for employment space is focused on smaller properties, with good accessibility to the strategic road network.
 - The property market is overwhelmingly focused on the industrial/distribution sector and mostly occurs in Thetford.
 - Attleborough and Snetterton have good access to the A11 and are in demand for industrial and distribution accommodation. Snetterton however has struggled to become established as a location for offices.
 - Dereham's location is not ideal for distribution purposes and the market is constrained due to its proximity to Norwich. Watton and Swaffham have limited commercial property markets.
 - Some of the employment stock within the District is dated and poorly specified.

Employment Growth Forecasts

- 1.9 The study considered four scenarios to analyse future requirements for B class employment space and economic needs in Breckland up to 2031. The four scenarios and their employment growth level requirements are summarised in the following paragraphs.
- 1.10 **Baseline Job Growth** - this scenario considered projections of B class growth based on economic forecasts for the East of England. It reflects recent trends, and the "current post- recession economic climate." This forecast indicated relatively low levels of job gains within the District up to 2031, which equated to 2,260 jobs in B class industries. This forecast reflected an increase in office (B1a) jobs and a decline in manufacturing jobs (B1c and B2). The total job growth for the district across all sectors is 3,960 up to 2031.
- 1.11 **Policy On** - this is an alternative scenario which reflects key policy priorities in the form of regeneration and investment opportunities reflecting the inputs from stakeholders and officers. This includes the impact of the dualling of the A11 between Fiveways and Thetford. The scenario forecasts 6,170 net new jobs by 2031 in all sectors.
- 1.12 **Past Development Rates** - this scenario took into account past B class development within the District between 2004 and 2012. Over this period on average there was an annual net gain of 12,030 sqm of floorspace delivered. The annual net gain was predominantly for industrial floorspace, with just under a fifth of the total for office space. The study projected these completion rates forward and estimated that by 2031 the District would need an additional 42,300sqm of office space and 198,300sqm of industrial space.
- 1.13 **Labour Supply** - this scenario considered how many jobs and how much employment space would be needed to match the forecasted growth levels in the District's resident workforce. This demographic-led scenario is based on 699 new dwellings per annum up to 2031, which has been taken from the latest national demographic projections - the 2011 based Sub-national population projections. The workplace labour supply forecasts indicate an increase of 4,059 workers in the District by 2031. This would create a future employment space requirement of 69,160sqm of B class employment space. The majority of this space would be for B2 industrial uses.
- 1.14 Overall, taking into account the four scenarios, the study recommends that Breckland should plan for at least an additional **33,190sqm of office space** and **101,045sqm of industrial space** up to 2031. Nominally this would indicate a total of 2,260 new jobs.

Employment Space Demand and Supply

- 1.15 Taking into account the forecast scenarios in job and employment space growth set out above, the study considered these in the context of the existing employment allocations within Breckland. The study concludes that in purely quantitative terms there is currently a surplus of employment land within the District. However in qualitative terms, some of the District's stock of industrial and office space is either dated and/or poorly specified, with limited market appeal. For some areas the employment study also recommends that certain employment land allocations should be de-allocated.
- 1.16 The following table (taken from NLP's report) shows the forecast level of surplus employment space within Breckland up to 2031, based on the four scenarios described previously. The quantum of space is reported in hectares.

	1. Job Growth (Baseline)	2. Job Growth (‘Policy-On’)	3. Past Take-up	4. Labour Supply (699 dw.p.a)
Industrial				
Industrial space requirement	25.3	37.5	65.9	31.8
Potential supply of industrial space	78.2			
Surplus(+)/Shortfall(-)	+52.9	+40.7	+12.3	+46.4
Offices				
Office space requirement	6.3	6.5	8.8	2.2
Potential supply of office space	38.2			
Surplus(+)/Shortfall(-)	+31.9	+31.7	+29.4	+36.0

(Source: NLP Employment Growth Study – Table 7.3)

- 1.17 Each of the scenarios shows that by 2031 there is a surplus of employment space for both industrial and office uses, compared to the scenarios requirements. The following paragraphs aim to translate the employment space requirements set out through the four scenarios to the employment stock within each of the districts market towns.
- 1.18 **Attleborough and Snetterton** – the area has a strong market location, due to its good access onto the A11. There is a significant employment pipeline which predominantly comes from undeveloped employment sites. The report concludes that the existing available supply will be sufficient to meet needs and no further employment land will be required up to 2031.
- 1.19 **Dereham** – the town has the second largest commercial property market in Breckland. Future employment land supply comes from two sites within the town, which were allocated through the Site Specifics Policies and Proposals DPD. The study considers there to be an opportunity to rationalise some of Dereham's employment sites. This particularly relates to the allocations at Rashes Green which is considered to be constrained due to the surrounding residential uses.
- 1.20 **Swaffham** – the commercial property market within the town is small. The employment sites within the town are predominantly to the north of the town at the EcoTech centre. The study suggests that the additional undeveloped employment allocations at this site may not be necessary due to a lack of demand.
- 1.21 **Thetford** – the town accommodates the majority of the commercial property market within Breckland and benefits from its location on the A11. In addition, the dualling of the A11 between the Fiveways roundabout and Thetford is likely to improve the towns credentials as a business location. There is significant employment allocations proposed for the town. Overall the study considers the supply of land to be sufficient in both qualitative and quantitative terms to meet future demand up to 2031.
- 1.22 **Watton** – the commercial property market within the town predominantly focuses on light industry and engineering. The office market within the town is very small. The study notes

that the demand/supply balance appears to be relatively well matched, with no identified need for additional employment space within the town.

Conclusions and Next Steps

- 1.23 The Employment Growth Study shows that overall business in Breckland is dominated by SME's and there are relatively low levels of business start ups and self employment. The study recommends that there are sufficient levels of allocated employment land within the District to meet current and future forecast growth requirements. However, a level of rationalisation of these sites is likely to be necessary to ensure that they best reflect the employment requirements within the District. This would see concentration of employment uses in strategic locations (i.e. Thetford and Attleborough). In addition to this the employment study recommends that the best employment sites are safeguarded. The Local Plan should also retain the general employment areas for a flexible range of b-class uses.
- 1.24 The Employment Growth Study should not be considered in isolation and needs to be read in conjunction with the report on housing numbers. The level of employment growth forecast within the District will impact upon the level of housing growth which is deliverable.
- 1.25 The scenarios undertaken by the employment study takes into account stakeholder and officer input. The employment outputs need to be translated back into the housing numbers report. This is critical, as failure to do so may result in the findings from the housing number and employment studies not being aligned. This would therefore have the potential to impact on the robustness of the evidence base.
- 1.26 A stakeholder meeting took place on 11th October, which considered the initial findings of this report. Following on from the interest in this topic from local employers the final report is to be communicated to employers for their further engagement in the production of the draft plan. It will also be circulated with the LEP and other county wide organisations such as the Federation of Small Businesses. The National Planning Policy Framework supports this approach, referring to the need for Local Planning Authorities to "work collaboratively on strategic planning priorities to enable delivery of sustainable development in consultation with Local Enterprise Partnerships."

2. OPTIONS

There are two options available for Members:

- Option 1 is for Members to endorse the findings of the study and accept the employment growth study, NLP's presentation and any Member comments as part of the evidence base.
- Option 2 is for Members not to endorse the findings of the study.

3. REASONS FOR RECOMMENDATION

It is recommended that the Council endorse Option 1 set out above. This will see the study become part of the evidence base for the preparation of the Local Plan.

4. EXPECTED BENEFITS

The Study will be used to inform the drafting of policies and proposals within the District's emerging Local Plan. It will also be used to inform decisions on planning applications.

5. IMPLICATIONS

5.1 Legal - None

5.2 Risks

- 5.3 Should the Council not accept the findings of the Employment Growth Study, there is a risk to the Local Plan timetable as further evidence would need to be prepared.

5.4 Financial

In light of the findings of the Employment Growth Study, this has implications for an additional scenario for the housing paper which will be covered through the Local Plan production budget.

5.5 **Timescales** - None

5.6 **Equality and Diversity** - None

5.7 **Stakeholders / Consultation**

5.8 A workshop with key stakeholders was carried out to inform the study. In addition, the findings of this report will be included as part of future consultations on the Council's emerging Local Plan and will therefore be subject to full consultation at that time.

5.9 **Contracts** - None

5.10 **Section 17, Crime & Disorder Act 1998** - None

5.11 **Other** -None

6. WARDS/COMMUNITIES AFFECTED

The Employment Growth Study affects all wards within Breckland. Particular reference is given within the report to the five market towns of Attleborough, Dereham, Swaffham, Thetford and Watton.

Background papers:-

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Feng Li, Senior Planning Policy Officer
Sarah Robertson, Planning Policy Officer

Appendices attached to this report:

Appendix A: Breckland Employment Growth Study