Fenland Employment Needs Report

In September 2020 reform of the Use Classes Order was brought into effect. This reform amalgamated Use Class B1 into a broader 'Part E' Use Class. To ensure consistency with various datasets analysed, this report generally applies the pre-Sept 2020 use classes.

Contents

1. Introduction

1.1. Fenland District Council is preparing a new Local Plan which will set out how the district's towns and villages will grow over the next 19 years.

1.2. Once adopted, the emerging Local Plan will replace the Fenland Local Plan 2014 and, it is proposed, that the plan period will be extended to 2040.

1.3. The purpose of this report is to calculate the amount of additional jobs and employment land which the emerging Local Plan must make provision for the district's growth needs over the plan period.

2. National Policy Context

2.1. The National Planning Policy Framework (NPPF) places significant weight on the need to support economic growth and productivity[1].

2.2. The NPPF recognises the role of economic growth in achieving sustainable development, placing responsibility on the planning system "to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure."[2]

2.3. The NPPF requires Local Plans to make sufficient provision for employment development through its strategic policies[3], by planning for and allocating sufficient sites[4]. There is a clear expectation from national policy that the Local Plan will meet the area's employment development needs *in full*.

2.4. To inform such strategic policies, planning practice guidance requires the Council to prepare a robust evidence base to understand existing business needs, which will need to be kept under review to reflect local circumstances and market conditions – noting that national economic trends may not automatically translate to particular areas with a distinct employment base[5].

2.5. Planning policies should set out a clear economic vision and strategy to encourage sustainable economic growth, having regard to other local strategies and initiatives; set criteria, or identify strategic sites, to meet anticipated needs over the plan period; and seek to address potential barriers to investment; and be flexible enough to accommodate needs not anticipated in the plan[6].

2.6. In addition to meeting overall needs, national policy places particular emphasis on the types of employment development which should be particularly supported through the planning system. The NPPF places particular emphasis on 'making provision for clusters or networks of knowledge and data-driven, creative or high technology industries' and for 'storage and distribution operations', requiring planning policies to recognise and address the specific locational requirements of these different sectors[7].

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[1] Para. 81, National Planning Policy Framework
[2] Para. 8, National Planning Policy Framework
[3] Para. 20, National Planning Policy Framework
[4] Para. 23, National Planning Policy Framework
[5] Planning Practice Guidance Paragraph: 025 Reference ID: 2a-025-20190220
[6] Para. 82, National Planning Policy Framework
[7] Para. 83, National Planning Policy Framework

2.7. Planning policies and decisions should enable the sustainable growth and expansion of all types of business in rural areas; development and diversification of agricultural and other land-based rural businesses; and sustainable rural tourism and leisure developments which respect the character of the countryside[8].

2.8. In planning for larger scale developments, to support the creation of sustainable communities, new housing development should be supported by 'services and employment opportunities within the development itself'[9].

Identifying economic needs

2.9. The Planning Practice Guidance (PPG) provides advice on calculating economic needs for the purposes of plan-making.

Geography

2.10. The PPG notes that functional economic market areas can overlap several administrative areas so strategic policy-making authorities may have to carry out assessments of need on a cross-boundary basis with neighbouring authorities within their functional economic market area. The PPG identifies Local Enterprise Partnerships and county councils as playing a key role in this process[10].

Gathering evidence of business needs

2.11. The PPG notes that in gathering evidence to plan for business uses, strategic policy making authorities will need to liaise closely with the business community, taking account of the Local Industrial Strategy, to understand their current and potential future requirements[11]. They will need to assess:

- the best fit functional economic market area;
- the existing stock of land for employment uses within the area;
- the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);
- evidence of market demand (including the locational and premises requirements of particular types of business) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;
- wider market signals relating to economic growth, diversification and innovation; and
- any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively.

Forecasting future need

2.12. The PPG states strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust, such as:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)
- demographically derived assessments of current and future local labour supply (labour supply techniques)

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[8] Para. 84, National Planning Policy Framework
[9] Para. 73, National Planning Policy Framework
[10] Para. 025 Reference ID: 2a-025-20190220. Revision date: 20 02 2019
[11] Para. 026 Reference ID: 2a-026-20190220. Revision date: 20 02 2019

- analysis based on the past take-up of employment land and property and/or future property market requirements
- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.

2.13.   Authorities will need to take account of longer-term economic cycles in assessing this data and consider and plan for the implications of alternative economic scenarios[12].

Identifying existing stock of employment land

2.14.   The PPG recommends the identifying existing stock of employment land by developing a 'simple typology' of employment land by market segment and by sub-areas, where there are distinct property market areas within authorities. This can be supplemented by information on permissions for other uses that have been granted, if available, on sites formerly in employment use[13].

Analysing current market demand

2.15.   The PPG indicates the available stock of land can be compared with the particular requirements of the area so that 'gaps' and any over-supply in local employment land provision can be identified. It is important to consider recent employment land take-up and projections (based on past trends) and forecasts (based on future scenarios), and to identify instances where sites have been developed or sought for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and distribution space, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.

2.16.   Analysing supply and demand will allow policy makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied[14].

Deriving land requirements

2.17.   When translating employment and output forecasts into land requirements, there are 4 key relationships which need to be quantified. This information can be used to inform the assessment of land requirements:

- Standard Industrial Classification sectors to use classes;
- Standard Industrial Classification sectors to type of property;
- employment to floorspace (employment density); and
- floorspace to site area (plot ratios based on industry proxies)[15]

2.18.   The following sections of this report apply the method indicated by the PPG.

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[12] Para. 027 Reference ID: 2a-027-20190220. Revision date: 20 02 2019
[13] Para. 028 Reference ID: 2a-028-20190220. Revision date: 20 02 2019
[14] Para. 029 Reference ID: 2a-0292019022. Revision date: 20 02 2019
[15] Para. 030 Reference ID: 2a-030-20190220. Revision date: 20 02 2019

3. Fenland Context

3.1. Fenland is a predominantly rural district located in the northern part of Cambridgeshire and to the east of the City of Peterborough. The district covers an area of about 550 square km (210 square miles). It contains four market towns, Chatteris, March, Whittlesey and Wisbech and many villages and smaller settlements.

3.2. The sub-regional centres of Cambridge, Peterborough and Kings Lynn have a considerable influence on various parts of the district in terms of employment.

3.3. Growth in employment in Fenland has not matched workforce expansion and out-commuting is increasing. The Local Plan 2014 cites that almost 40% of Fenland's working population commute out of the district for work, noting that to meet the needs of the growing workforce, Fenland requires growth in employment land and business opportunities, to provide to an improved range of jobs for residents. To achieve this, the Local Plan 2014 notes that infrastructure needs to be improved to retain and attract employers, and the district needs to keep its presence and appeal in front of potential investors.

3.4. A balanced economy can help to reduce out-commuting which causes congestion, is detrimental in environmental terms, and impacts on the quality of people's lives. The provision of additional employment opportunities in the district boosts the local economy and increase local spend.

3.5. Fenland District Council's *Business Plan 2021/22*[16] sets out a clear agenda for growth in the district:

Attract new businesses, jobs and opportunities whilst supporting our existing businesses
- *Work with external stakeholders, local businesses and the Combined Authority to attract inward investment and establish new business opportunities*
- *Provide responsive business support to encourage business growth, job diversity, skills development and increased grant applications*
- *Promote and develop our Business Premises at South Fens, The Boathouse and Light Industrial Estates to encourage investment, business development, job creation and skills diversification*

Promote and enable housing growth, economic growth and regeneration
- *Enable appropriate growth, development and infrastructure through delivering a proactive and effective Planning service*
- *Drive forward the development and delivery of new homes and commercial space by using our surplus property and land assets to deliver sustainable economic and residential growth*
- *Identify and bid for external funding that aligns with and supports our housing, economic and growth objectives*

3.6. The Council works with relevant partners to attract employment opportunities, including the Cambridgeshire & Peterborough Combined Authority's Business Board, and plays an active role in the Cambridgeshire and Peterborough Combined Authority.

Local Plan 2014

3.7. The Local Plan 2014 sets out strategic policies for employment growth in the district. The current Local Plan 2014 makes provision for:

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[16] https://fenland.gov.uk/media/16615/Business-Plan-2020-21/pdf/Business_Plan_2020.pdf?m=637188213250370000

"Opportunities for jobs growth in the district will be maximised with the aim of achieving **7,200** net additional jobs over the period 2011-2031. To achieve this jobs growth target, the Council will facilitate the delivery of **85ha** of new employment land to provide for business, industrial and distribution uses."

3.8. The Local Plan 2014 notes the important role employment plays in delivering sustainable development. The Local Plan 2014 requires new urban extension areas to be developed as genuinely sustainable places, with a full range of residential opportunities to create balanced, mixed communities, employment areas and all of the services and facilities that will enable residents to meet their day-to-day needs locally.

4. Baseline

4.1. This section sets a 'baseline', by exploring the geographic scope of the economic area, and gathers evidence of business needs, as per the requirements of the Planning Practice Guidance.

- the best fit functional economic market area;
- the existing stock of land for employment uses within the area;
- the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);
- evidence of market demand (including the locational and premises requirements of particular types of business) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;
- wider market signals relating to economic growth, diversification and innovation; and
- any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively.

4.2. It is intended that this report will be published for consultation with the Local Enterprise Partnership, County Council and district councils, who as the PPG notes, play a key role in this process[17].

Geography - functional economic market area

4.3. Fenland is located within the county of Cambridgeshire. The district adjoins Peterborough Unitary Authority, South Holland District Council (Lincolnshire), Borough Council of King's Lynn and West Norfolk (Norfolk), Huntingdonshire District Council (Cambs), and East Cambridgeshire District Council (Cambs).

Market Towns

4.4. Fenland's market towns, villages and countryside provide locations for employment. About 71% of Fenland's population live within the four market towns of Wisbech, March, Chatteris and Whittlesey. Fenland's largest parish is Wisbech, with a population of around 24,100; March is 22,980; Whittlesey is 12,980 and Chatteris is 10,8102.

Wisbech

4.5. Wisbech, the district's largest population centre, provides a range of employment opportunities, notably in food processing industries, manufacturing, logistics and storage.

March

4.6. March's economy supports Fenland's ongoing economic function as a centre of agricultural production, reflected in a number of food production businesses which are key employers in the town. The public sector is an important local employer in March, which is home to the District Council's offices and Whitemoor Prison. March's connections to the rail network offers employment through Network Rail's supply and infrastructure depot, and from a variety of rail-based jobs in freight, logistics and recycling.

Chatteris

4.7. Chatteris is a popular choice for people commuting to neighbouring employment centres. However, major local employers include large-scale food production firms as well as 'Metalcraft', which specialises in high-end engineering solutions. The construction and recent extensions to the South Fens Business Centre

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[17] Para. 025 Reference ID: 2a-025-20190220. Revision date: 20 02 2019

reflects the ambition to harness 'knowledge spillovers' from the dynamic Cambridge sub-region and strengthen Chatteris as an employment hub.

Whittlesey

4.8. Located in the north west of the district, Whittlesey benefits from its close connections to Peterborough, a major employment centre. Whittlesey is also home to a number of important local employers, including Hanson Brick and McCain Foods.

Effects of major centres and out-commuting

4.9. Whilst Fenland's market towns and villages offer employment opportunities, Fenland has a functional relationship with major employment centres such as Peterborough, Kings Lynn and Cambridge, and is connected with other market towns and employment locations in other authority areas. Consequently, out-commuting is high, with half of Fenland's residents commuting out of the district to work[18].

Cambridgeshire & Peterborough Combined Authority region

4.10. Following a devolution deal agreed with Central Government in 2017, Fenland District Council is a member of the Cambridgeshire & Peterborough Combined Authority (CA).

4.11. The geography of the CA region reflects its economy, with the Devolution Deal agreed by central government identifying Cambridgeshire and Peterborough as *a world leader in science and technology, with unparalleled levels of cutting edge research, growth businesses and highly skilled jobs[19].*

4.12. The CA's Business Board forms the *Local Enterprise Partnership* for the Cambridgeshire & Peterborough region. The Cambridgeshire & Peterborough CA has a clear ambition to *double* the size of the local economy. The *Cambridgeshire & Peterborough Local Economic Recovery Strategy (LERS) March 2021[20]* sets out how the CA will accelerate recovery form the COVID-19 pandemic through the rebound and renewal of the economy economy, helping people affected and *achieving our ambition to double GVA by 2042 in a digitally enabled, greener, healthier and more inclusive way*.

4.13. The *Cambridgeshire and Peterborough Independent Economic Review 2018[21]* (CPIER) was prepared by the Cambridgeshire and Peterborough Independent Economic Commission. This Commission was established by the Cambridgeshire and Peterborough Combined Authority (CPCA) in June 2017 and is chaired by Dame Kate Barker.

4.14. The CPIER identifies Cambridgeshire and Peterborough as an area which makes a huge contribution to the UK, and which holds great promise for future. The CPIER also notes that the area faces risks which could bring that success to an end and challenges relating to creating an inclusive society where economic growth works for everyone, and makes a series of recommendations to secure the area's prosperity.

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[18] Local Economic Assessment Technical Document: Fenland Profile (2013): http://cambridgeshire.wpengine.com/wp-content/uploads/2017/08/Local-Economic-Assessment-Technical-Document-Fenland.pdf
[19] Devolution Deal (2017):
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/600239/Cambridgeshire_and_Peterborough_Devolution_Deal.pdf
[20] https://cambridgeshirepeterborough-ca.gov.uk/wp-content/uploads/documents/Strategies/LERS/Local-Economic-Recovery-Strategy-March-2021-FINAL.pdf
[21] https://www.cpier.org.uk/media/1671/cpier-report-151118-download.pdf

4.15.   The Cambridgeshire and Peterborough Local Industrial Strategy (July 2019)[22], identifies the CA's aims for the region. The Strategy provides the following description of 'The Fens'[23]:

The Fens is an area with a history rich in innovation, developed over generations through necessity of creating success in demanding natural conditions. The very land itself is a testimony to the ingenuity of engineers and the calculated risk taking of funders, who recognised the potential that use of pumping technology and water management techniques could have to create an area of fertile farmland. The Fens contain much of the UK's best farmland, and an associated industry of agriculture, agritech, and food manufacturing has grown up as a result – carrying the legacy of ingenuity into modern-day industry. The Fens are also home to a network of market towns, such as March, Wisbech and Littleport, which each have their own unique character and industrial specialisms and plentiful natural capital. Many diverse businesses continue to be based in The Fens, based on local innovation and entrepreneurship. Nonetheless, The Fens have some unique economic challenges. The distance of some of the market towns from local cities, combined with poor transport infrastructure, has meant that populations are ageing as young people move away, and there can be a sense of economic isolation.

There is a high rate of 'high employment, low productivity' business, which manifests itself in low skill rates and reduced wages. There are few interactions between businesses, and a lack of open engagement between firms, which reduces the scope for innovation. In addition to these economic challenges, there are also environmental risks, including water management risks for agri-food businesses. Much of the area is below sea level, and rising sea levels and increased incidences of heavy rainfall will further increase the risk of flooding. The CPIER recognises flood risk infrastructure as enabling infrastructure. If this infrastructure were not in place, and ceased to function, the economic cost would be between £7.3bn and £8.8bn. Understanding future flood risks, and identifying and delivering options for managing water sustainably for the future is therefore critical to the area's economic success.

4.16.   The Cambridgeshire & Peterborough CA area therefore provides appropriate geography when investigating the economy at a regional scale, and forms the 'best fit functional economic market area'[24]. As identified by the Industrial Strategy, there are issues unique to the economy of The Fens.

4.17.   The emerging Local Plan will apply to the administrative boundary of Fenland District Council's area. The Local Plan must therefore translate any regional-level requirements or issues to a district-level, and must address economic issues unique to the local area.

4.18.   Due to the cross-boundary nature of the functional economic market area, it is especially important to engage with neighbouring authorities, and other partners including the, County Council, CA and Business Board (LEP).

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[22] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/818886/Cambridge_SINGLE_PAGE.pdf
[23] Nb. the fen landscape also includes areas outside of Fenland District Council's administrative area.
[24] Para. 026 Reference ID: 2a-026-20190220. Revision date: 20 02 2019

Gathering Evidence of Business Needs: Existing stock of land for employment uses

Local Plan 2014 Broad Locations for Growth

4.19.   The Local Plan 2014 identifies locations for employment growth and sets policies to facilitate employment and job creation. As previously noted, the current Local Plan 2014 makes provision for:

"Opportunities for jobs growth in the district will be maximised with the aim of achieving **7,200** net additional jobs over the period 2011-2031. To achieve this jobs growth target, the Council will facilitate the delivery of **85ha** of new employment land to provide for business, industrial and distribution uses..."

Policy LP6 - Employment, Tourism, Community Facilities and Retail (p26)

4.20.   The Local Plan distributes the identified 85ha of employment land across Fenland's market towns as illustrated in table 1:

Table 1: Fenland Local Plan 2014 distribution of employment land

Location	Wisbech	March	Chatteris	Whittlesey	**District Total**
Employment land (Ha)	30	30	20	5	**85**

4.21.   The Local Plan 2014 provides a policy for each market town, which indicates how growth will be distributed within that settlement (e.g. LP8 – Wisbech, LP9 – March, LP10 – Chatteris, LP11 - Whittlesey).

4.22.   The Fenland Local Plan 2014 did not provide specific boundaries for the broad locations for growth. However, the boundaries were estimated for internal working processes and through the development of Broad Concept Plans. Table 2 attempts to estimate the total area of the Broad Locations for Growth, and the amount of undeveloped land remaining potentially available for employment development.

LP14 Policy	Main location for employment growth	Estimate/summary of available employment land
LP8 – Wisbech	South Wisbech (broad location for growth)	Total area of broad location is approximately 90ha. Of this approximately 85ha remain undeveloped and is therefore available principally for employment development, and the development of around 100 dwellings in accordance with the Local Plan policy.
	Nene Waterfront and Port (broad location for growth)	The BLG is an existing developed area, identified for regeneration. The total area is approximately 40ha. Recent housing and employment developments account for approximately 5ha, leaving up to 35 ha (approx.) available for regeneration and redevelopment.
LP9 – March	South-west March (broad location for growth)	The BLG area is approximately 75ha in total. Development is expected to be predominantly residential (around 500 dwellings), but is also expected to include some business development.
	March Trading Estate (broad location for growth)	The BLG area is approximately 80ha in total. It includes an existing business park and an undeveloped area of approximately 45ha.
LP10 – Chatteris	South Chatteris (strategic allocation)	The strategic allocation's area is approximately 50ha in total. Development is expected to be predominantly residential (around 850 dwellings), but is also expected to include some business development.
	North Chatteris (broad location for growth)	The BLG area is approximately 21ha in total. Part of the site has been developed with dwellings in the southern part of the site, leaving approximately 19ha undeveloped. The Local Plan indicates the northern part of the site is suitable for business uses and open space.
LP11 - Whittlesey	Station Road / Benwick Road Industrial Area, and to the west of the town along the A605 and to the north of the King's Dyke as far as Field's End Bridge	The Station Road / Benwick Road Industrial Area is approximately 45ha total, including an undeveloped site of approximately 10ha with planning consent.

The area north of Kings Dyke includes approximately 45ha which may have the potential for further intensification. |

4.23.   In general terms, there has been little progress in terms of actual development at many of the Broad Locations for Growth since the Local Plan was adopted, and the sites remain largely undeveloped. For strategic allocations listed, the boundaries are more clearly defined. However, employment forms part of a mixed residential development and therefore the precise amount of development is difficult to quantify.

4.24.   The table above suggests at least 200 ha of employment land remains available at broad locations for growth and/or strategic allocations (85ha at S Wisbech BLG, 35ha at Nene Waterfront BLG, 45ha at March Trading Estate BLG, 19ha at North Chatteris BLG, 10ha at Station Road Industrial Estate – with

additional land at SW March BLG, S Chatteris Strategic Allocation and employment land north of King's Dyke.

4.25.   The Local Plan 2014's estimate of 85ha of available employment land appears very conservative when compared with the actual extent of the broad locations for growth and strategic allocations. It is likely that the Local Plan 2014 made a reasonable assumption about the amount of employment land likely to come forward during the plan period and did not assume those areas to be developed in their entirety.

4.26.   In practice, available employment land may be lower than the estimated circa 200ha figure. The Broad Locations for Growth are not as clearly defined as a strategic allocation or planning permission – meaning some land may not be available for development (landowner may have no interest in developing site), or development of the site may be constrained (for example, due to flood risk).

4.27.   Whilst a substantial amount of employment land is allocated by the Local Plan 2014, those sites have been slow to progress. The potential reasons for this are explored at 'Evidence of Market Failure'.

Current supply of employment floorspace

4.28.   Cambridgeshire County Council undertake monitoring of employment developments on behalf of Fenland District Council. The County Council monitor the progress of extant planning permissions which include the gain or loss of employment *floorspace* (note that the changes in floorspace are monitored, rather than land). Of those planning permissions, some may be located on broad locations for growth / strategic allocations. However most are likely to be 'windfall' developments at unallocated sites.

4.29.   Allocations/broad locations for growth without planning permission are not included in the employment floorspace monitoring data, as the extent of floorspace those sites can deliver is not known until the planning application stage.

4.30.   For the purposes of floorspace monitoring, 'employment' uses include those in the former B1 use class[25] and use classes B2 and B8. Table 3 shows committed floorspace by employment use class, at 01 April 2020.

Table 3: Committed floorspace for employment uses at 01 April 2021

Use Class (former)	Outline PP (sqm)	Under construction (sqm)	Unimplemented (sqm)	Total (sqm)	Total (%)
B1 (Unknown)	0	0	2,592	**2,592**	**2**
B1a – Offices	20	-842	15,014	**14,192**	**12**
B1b - R&D	2,890	0	62	**2,952**	**2**
B1c - Industrial	-685	-741	9,353	**7,927**	**7**
B2 - Manufacturing	26,685	5,512	9,363	**41,561**	**35**
B8 – Storage	9,870	670	39,957	**50,497**	**42**
Total (sqm)	**38,780**	**4,599**	**76,342**	**119,720**	**100**
Total (%)	**32**	**4**	**64**		

Source: Cambs County Council Business Data 2021 (all figures rounded to nearest whole number)

4.31.   In total, at 01 April 2021 the total supply of employment floorspace was almost 120,000 square metres. Approximately 42% of this total supply is in use classes B1c & B2, and a further 42% (approx.) in use

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[25] Since September 2020 B1 subsumed into the new 'Part E' use class.

class B8, and approx. 14% in use class B1a and B1b with the remaining 2% in 'B1 unknown'). This shows greatest supply (in terms of floorspace) in 'heavier' industries such as industrial, manufacturing and distribution.

4.32.   At the base date (01 April 2021), approximately 64% of committed employment floorspace had full planning permission, but construction had not yet started. Approximately 32% of committed employment floorspace had outline permission – meaning approval of a 'reserved matters' application is required before the proposal can be implemented. Just 4% (approx.) of committed floorspace was under construction at the base date. However, this may be artificially low due to the difficulties in monitoring a partly implemented development.

4.33.   It is difficult to calculate the amount of employment land or jobs this committed floorspace relates to. Some proposals may include multiple different land uses. Therefore, summing the site area may result in double counting. In addition, the whole site area may not reflect the amount of employment land that is available (e.g. there may be other development on the site, or some parts of the site may be constrained).

4.34.   In estimating the ratio of floorspace to employment land, the County Council applies the assumptions shown in table 4.

Table 4: Average floorspace to employment land conversion

Use Class	Sq m / Ha	% of site area
B1a/B1b	3,293	32.93
B1c/B2	3,344	33.44
B8	3,344	33.44

4.35.   Table 5 applies the floorspace to employment land conversion assumptions to committed supply of employment floorspace at 01 April 2021[26].

Table 5: Conversion of committed floorspace (at 01 April 2021) to employment land

Use Class	Committed floorspace at 01 April 2021 (rounded)	Estimated site area (ha) (2dp)
B1a/B1b	19,736	5.99
B1c/B2	49,487	14.80
B8	50,497	15.10
Total	**119,720**	**35.89**

4.36.   After applying the conversion, the committed floorspace represents a total estimated supply of approximately 36 hectares of available employment land.

Other employment locations

4.37.   In addition to areas identified for growth by the Local Plan, and sites with extant planning permission, there are many other business parks, industrial estates and other local centres of employment where clusters of businesses are located, including:

Chatteris

- Honeysome Industrial Estate
- Isle of Ely Way

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[26] Supply in 'B1 Unknown' category has been included in the B1a/B1b category.

- Curf Farm Business Park
- Chatteris Town Centre

March

- Coleseed Business Centre, March
- HMP Whitemoor Area, March
- March Enterprise Park
- March TC

Whittlesey
- Peterborough Rd, Whittlesey
- Station Rd, Whittlesey
- Whittlesey TC

Wisbech

- River Nene Frontage, Wisbech
- South-west Wisbech employment area
- Wisbech Town Centre

Rural area

- Beechwood Yard, Gorefield
- Doddington Road Industrial Estate, Wimblington
- Eastwood Industrial Estate, Wimblington
- Knowles Transport, Wimblington
- Lakeside Business Units, Manea

4.38.   Such existing employment areas form an important part of Fenland's supply of employment land. These established employment locations are typically built out and occupied, and therefore it is difficult to quantify the amount of future supply of employment floorspace they could provide. However, such locations would likely be suitable for:

- Construction of new employment floorspace i.e. intensification of use of the site;
- Change of use between employment use classes - which could increase or decrease job density depending on the use classes involved;
- Bringing vacant units back into employment use; and/or
- Redevelopment or regeneration/renewal to ensure the site continues to meet business needs.

Gathering Evidence of Business Needs: Recent pattern of employment land supply and losses

4.39.   As previously discussed, Cambridgeshire County Council carry out monitoring of employment land on behalf of Fenland District Council.

4.40.   The previous section examines the supply of employment land from areas and allocations identified by the current Local Plan (approx. 85 – 200 ha); from sites with extant planning permission (approximately 120,000 sqm, equivalent to approximately 36 ha of employment land), and existing employment locations. This section focusses on past completions and losses of employment floorspace in Fenland district.

4.41.   'Net' employment floorspace includes the construction of additional employment floorspace, and also accounts for floorspace lost as a result of implementation of a planning application e.g. demolition or change of use. However, at present, net data is not available for the period 2011-2021.

4.42.   Table 6 provides a summary of net employment floorspace completions by use class over the period 2011 to 2021 and calculates the total and annual average floorspace built each year.

Table 6: Net employment floorspace by use class and year

Use class / Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Grand Total	Average per annum (sqm)
B1 (Unknown)	731	0	-75	2,740	-144	-587	0	350	1,517	-85.5	**4,446**	**445**
B1a Offices	111	-433	660	-6,668	6	-814	-114	49	1,110	-449	**-6,541**	**-654**
B1b R&D	0	0	63	402	0	0	0	0	267	329.6	**1,062**	**106**
B1c Industrial	549	115	1,088	1,015	392	-263	937	-360	-1,600	0	**1,873**	**187**
B2 Manufacturing	2,731	2,240	-1,633	1,318	2,071	3,117	2,133	3,457	4,680	185.4	**20,299**	**2,030**
B8 Storage	-1,300	8,210	330	-982	11,698	227	-856	10,501	5,732	2680	**36,239**	**3,624**
Net employment floorspace	**2,822**	**10,132**	**433**	**-2,175**	**14,023**	**1,680**	**2,100**	**13,997**	**11,705**	**2,661**	**57,378**	**5,738**

4.43.   Over the period 2011-21, more than 57,000 square metres of net employment floorspace was completed. This equates to an average increase of 5,738 square metres per annum.

4.44.   In all use-classes there was a net increase in employment floorspace completed, with the exception of B1(a) offices which saw a net reduction of more than 6,500 square metres. Whilst it is difficult to be certain, it is possible that this loss could be as a result of the relative ease offices can be converted to dwellings (for example, through the Prior Notification process).

4.45.   It should also be noted that almost 4,500 sqm was completed in the 'B1 unknown' use class. It is possible that some of this floorspace may include B1a offices. However, this would not be sufficient to negate the overall loss of office floorspace.

4.46.   The greatest increase was amongst B8 Storage and distribution uses, with more than 36,000 net sqm completed – or an average of 3,624 sqm per annum. The second largest increase was in B2 Manufacturing use class, with almost 20,300 net sqm completed over the period (an average of 2,030) sqm per annum. The increases in B2 and B8 were substantially greater than any B1 use class.

4.47.   The net employment floorspace data shows that in the 2020/21 monitoring year, 2,661 sqm of net additional employment floor space was created in the district, a significant decline from the previous year. It is likely that measures put in place to control the COVID-19 pandemic contributed to reduced delivery rates in the reporting year.

4.48.   Chart 1 shows net employment floorspace for each reporting year from 2011 to 2021.

Chart 1: Completed employment floorspace (net) by year
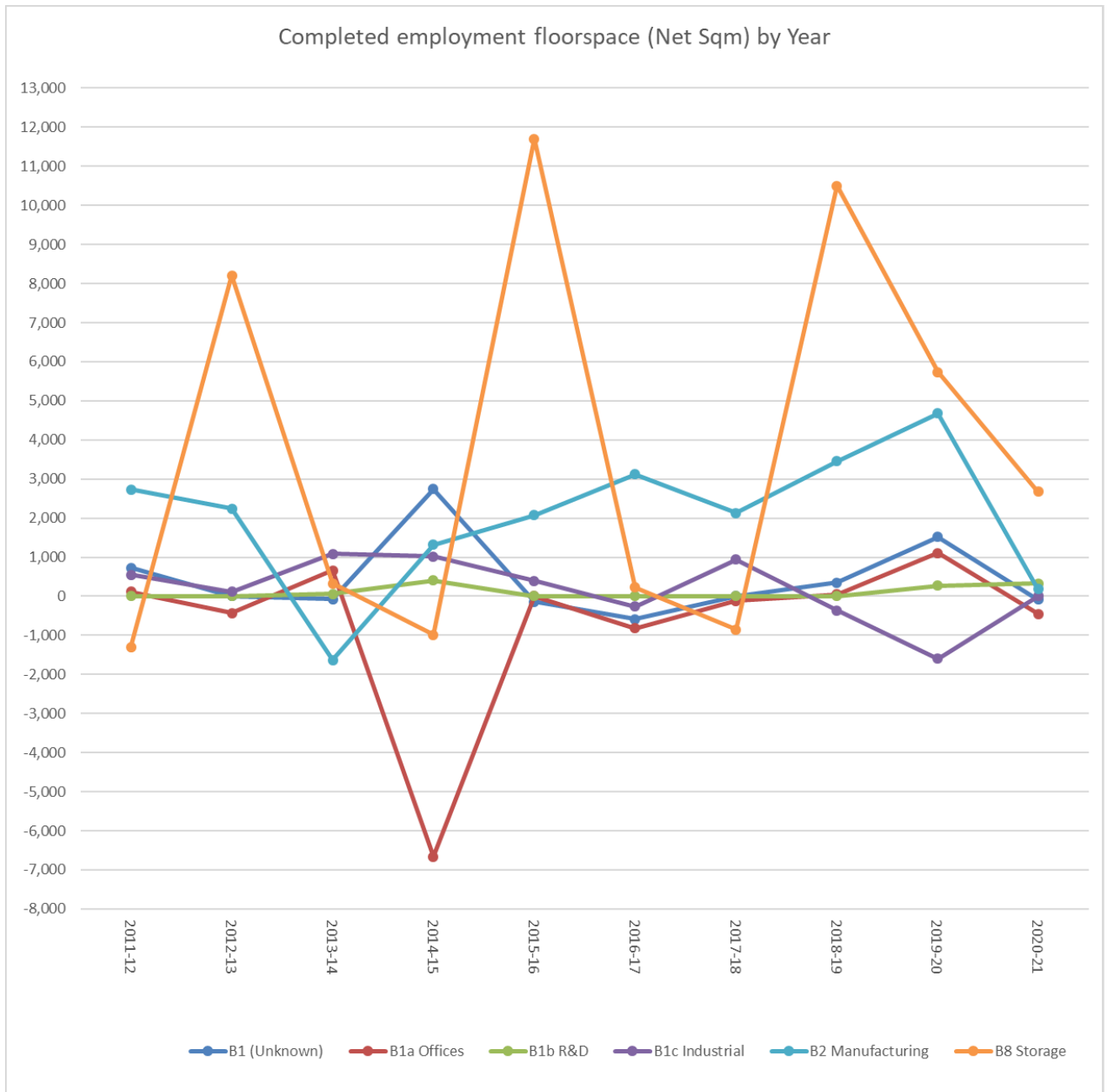
Gathering Evidence of Business Needs: Evidence of market demand (including the locational and premises requirements of particular types of business)

4.49.   The previous section discussed supply from sites with extant planning permissions, and past completed floorspace. Past net completions and committed supply is summarised in Table 7.

Table 7: Summary of past net completions and net commitment and estimated number of years supply

Use class	Net total floorspace completions 2011-2021 (sqm)	Average net floorspace completed per annum (sqm)	Net commitment at 01 April 2021 (sqm)	Estimated no. of years supply from net commitment
B1 (Unknown)	4,446	445	2,592	5.83
B1a Offices	-6,541	-654	14,192	N/a
B1b R&D	1,062	106	2,952	27.80
B1c Industrial	1,873	187	7,927	42.32
B2 Manufacturing	20,299	2,030	41,561	20.47
B8 Storage	36,239	3,624	50,497	13.93
Net employment floorspace	**57,378**	**5,738**	**119,720**	**20.87**

Floorspace figures rounded to nearest sqm.

4.50.   As previously discussed, (and as shown in Table 7) B8 and B2 uses have seen the greatest amount of employment floorspace completed in the period 2011-2021 – with an average of approximately 3,600 sqm of B8 floorspace and approx. 2,000 sqm B2 floorspace completed each year.

4.51.   In addition, most committed floorspace is in use classes B2 and B8, with a committed net supply at 01 April 2021 of approximately 41,600 sqm and 50,500 sqm respectively.

4.52.   Table 7 calculates the average floorspace completed in each year by use class. The final column estimates the number of years supply of employment land available from net committed floorspace, based on the annual average floorspace completion rate. Table 7 shows that committed floorspace is relatively high when compared with past delivery, with supply equivalent to almost 21 years-worth of committed floorspace.

4.53.   Estimated number of years supply is greatest in use classes B1c and B1b (approx. 42 and 28 years respectively), as a result of relatively high net commitment but low past delivery rates.

4.54.   For use class B2, committed floorspace is equivalent to more than 20 years of supply (based on annual average delivery). Use class B8 has committed supply equivalent to almost 14 years. The data showing net completions and net committed supply suggests there is relatively strong market demand for B2 and B8 floorspace.

4.55.   Notably, over the period 2011-21, development of new office floorspace (B1a) was outpaced by losses of office floorspace. Despite this overall loss, there is committed supply for over 14,000 sqm of office floorspace, suggesting there remains a market demand for office space.

Wider market signals relating to economic growth, diversification and innovation

4.56.   The Cambridgeshire and Peterborough economy is thriving, contributing £22 billion to the UK. The economy has outperformed the UK in overall growth since 2009, and growth in employment has significantly outpaced official figures. The area is an internationally recognised centre for artificial intelligence, life sciences, food production and advanced manufacturing. Cambridge is a global leader in innovation and the commercialisation of new ideas. Local partners' ambition is to continue to build an industrial ecosystem that is globally known for tackling the biggest challenges facing society, and in so doing to nearly double gross value added (GVA) over 25 years.

4.57.   In the short-term, the Combined Authority will work to raise productivity per hour to above the UK average by 2024. Through applying a natural capital and ecosystem services approach local partners will ensure this is matched by a world-class natural environment.

4.58.   As the Cambridgeshire and Peterborough Independent Economic Review (CPIER) established, it is really 3 sub-economies. The largest and most international is Greater Cambridge, characterised by high levels of output and skills, a rich mix of biomedical, pharmaceutical, artificial intelligence and other technology companies underpinned by 2 leading universities, one of which is amongst the greatest in the world. In the north, Greater Peterborough is important both as the largest city and, consistently over the last decade, one of the fastest growing in the country. It is an area with an important manufacturing history and existing base. It is also home to a growing range of service, financial and professional companies which – with a new 38 minute rail connection to London – are set to expand further through government and corporate relocations out of the capital. The Fens, a largely rural area, has a diverse range of market towns; much of the best farmland in the UK; and world-class agricultural production.

4.59.   It is a rural economy but one which is also home to highly successful, niche manufacturing and service companies. This Local Industrial Strategy will tailor and mix interventions to the needs of each of these specific sub-economies.

4.60.   Major opportunities exist in the area. The opportunity is to grow further, to benefit the whole area, building on Cambridge's world-class assets. Devolution, and the creation of a Mayoral Combined Authority has also given Cambridgeshire and Peterborough a key advantage with more local powers and funding to deliver the ambitions of this Local Industrial Strategy.

4.61.   In addition to making the most of opportunities, challenges must also be recognised and overcome. The key challenge relates to the underlying need to broaden the base of economic growth whilst securing the continued success of Greater Cambridge, raising productivity across the wider economy. This will ensure that the whole of Cambridgeshire and Peterborough grows more high-quality jobs, improving business output and providing better opportunities and outcomes for people.

Increasing productivity

4.62.   The Cambridgeshire and Peterborough Devolution Deal has set out a clear ambition to nearly double output in 25 years, and independent analysis has shown that this can only be achieved by strong increases in productivity.

Oxford-Cambridge Arc

4.63.　　　Fenland is located within the Oxford-Cambridge Arc, a national initiative for investment in employment sectors located in proximity of Oxford and Cambridge, including life sciences, research & development, aerospace technologies, motorsport engineering, creative and digital industries.

Agri-tech

4.64.　　　The Cambridgeshire and Peterborough area (and the wider east of England) is one of the most fertile soils regions in the UK and is home to many progressive and innovative farmers, ground-breaking technologists and innovative companies across the food and drink value chain as well as centres of world-leading research.

Digital and information technologies opportunities

4.65.　　　The opportunity is to establish Greater Cambridge and the Arc as the preferred global base for firms from across the world to create and adopt the technologies of tomorrow, such as AI, offering businesses exceptional talent at all levels and a highly networked ecosystem that has global impact.

Logistics

4.66.　　　Fenland is well-placed to access the UK transport network, providing opportunities in the UK logistics sector. Due to the expansion of online shopping, this industry is likely to both grow and change in future as new methods of transport and distribution become available.

Health and social care

4.67.　　　The health and social care sector is a major employer across the Cambridgeshire and Peterborough area. There is long-term potential for growth and productivity gains through the adoption of new technologies and techniques, particularly through working with existing organisations, such as Cambridge University Health Partners, R&D and early stage product and therapy development in life sciences and the local health and care system.

Education

4.68.　　　The Cambridgeshire region is home to other key higher and further education institutions including Cambridge University, Anglia Ruskin University, and the College of West Anglia. Due to the prestige of Cambridge, there are numerous language schools, and colleges offering preparatory courses, which attract students from around the world.

Visitor economy and business tourism

4.69.　　　The Cambridgeshire area is home to key visitor attractions such as Ely Cathedral, the city of Cambridge and natural assets including Wicken Fen and the Great Fen Project. Fenland is well-placed to benefit from this tourism industry.

Construction

4.70.　　　Recent growth across the sub-region is fuelling strong growth in the construction sector. This gives an important opportunity to drive productivity and growth across the sector, adopting new techniques and technologies.

Evidence of market failure

4.71.   Para 4.17+ (specifically, Table 2: Local Plan distribution of employment land) explored the current broad locations for growth and strategic allocations and estimated the area of land remaining undeveloped. Para. 4.25 noted that whilst the Local Plan identifies a considerable amount of employment land which (in principle) is suitable for employment development, most sites have been slow to progress since the Local Plan was adopted.

Meeting with development industry

4.72.   Fenland District Council held a virtual meeting on 24 November 2020 with developers and agents active in the local development industry, regarding the supply and demand of commercial land in Fenland.

4.73.   The following key issues were raised as reasons why sites identified by the Local Plan have not progressed to the development stages:

- Whilst substantial amounts of land are identified/allocated, in practice this land not served by infrastructure – there is a lack of available, serviced employment land;
- Some landowners have unrealistic expectations of land values;
- High cost of land results in developments cannot viably provide necessary servicing;
- Flood risk and amount of land required for flood attenuation causes viability issues;
- Rent and build costs are high while returns are low, which means developers/businesses are unable to access finance;
- There is a lack of 'ready-made' units for businesses to occupy (although there is healthy demand for small start-up units owned by the Council);
- Shopping habits may have changed as a result of COVID-19 pandemic, meaning future demand may be for trading parks rather than town centre locations.

4.74.   In allocating sites for employment development, it will be important to have regard to the barriers to delivery identified above.

5. Forecasting Future Need

5.1. This section explores the different ways in which future employment needs can be forecast, by applying the various approaches identified by the PPG, which include:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand);
- demographically derived assessments of current and future local labour supply (labour supply techniques);
- analysis based on the past take-up of employment land and property and/or future property market requirements;

5.2. Forecasting future need will inform the setting of a jobs requirement 'target' for the Local Plan. Therefore, this assessment will directly inform emerging planning policies.

Sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)

East of England Forecasting Model 2017

5.3. The East of England Forecasting Model 2017 (EEFM) was developed to project economic, demographic and housing trends in a consistent fashion and in a way which helps inform spatial economic planning. The EEFM has been utilised by numerous local planning authorities across the east of England.

5.4. The EEFM's baseline jobs growth forecast provides a data source for calculating employment land requirements from projected jobs growth (in use classes B2, B8 and former use class B1) over the plan period. To ensure consistency, assumptions used in this report have been drawn from the EEFM's accompanying report *East of England Forecasting Model Technical report: Model description and data sources*[27].

5.5. The EEFM projects jobs growth for 31 employment sectors, using the workplace-based Standard Industrial Classification 2007 (SIC). A table of projected employment by sector over the period 2019 to 2040 is provided at appendix 1. The EEFM shows a net increase of approximately 3,500 jobs from 2019 to 2040 in Fenland across all sectors. However, whilst there is an overall increase, certain sectors are experiencing decline.

5.6. Table 8 sets out the percent of jobs by sector at 2019 and at the end of the plan period (2040), as projected by the EEFM.

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[27] Available at: http://atlas.cambridgeshire.gov.uk/EEFM/EEFM_2017_technical_report_June2018.pdf

Table 8: Percent of jobs by sector (EEFM)

Sector	Percent of all jobs at 2019 (%)	Percent of all jobs at 2040 (%)
Agriculture	6.00	4.79
Mining & quarrying	0.03	0.01
Manufacturing - food	5.31	4.39
Manufacturing - general	4.62	3.86
Manufacturing - chemicals only	1.16	0.83
Manufacturing - pharmaceuticals	0.00	0.00
Manufacturing - metals	1.83	1.48
Manufacturing - transport equipment	1.34	1.12
Manufacturing - electronics	0.11	0.07
Utilities	0.17	0.16
Waste & remediation	1.64	2.10
Construction	8.03	9.92
Wholesale	7.77	6.47
Retail	8.45	8.89
Land transport	7.53	7.39
Water & air transport	0.00	0.00
Accommodation & food services	3.98	4.64
Publishing & broadcasting	0.52	0.44
Telecoms	0.06	0.05
Computer related activity	0.57	0.59
Finance	0.70	0.53
Real estate	1.42	1.85
Professional services	3.34	3.56
Research & development	0.01	0.01
Business services	5.67	5.74
Employment activities	4.13	4.50
Public administration	3.25	3.68
Education	8.74	8.14
Health & care	9.57	10.65
Arts & entertainment	1.83	1.96
Other services	2.21	2.15

5.7. The EEFM projects that by 2040, the proportion of jobs in the following sectors will **increase**:

Waste & remediation; Construction; Retail; Accommodation & food services; Computer related activity; Real estate; Professional services; Research & development; Business services; Employment activities; Public administration; Health & care; and Arts & entertainment.

5.8. For the following sectors the EEFM expects, the proportion of jobs to **decrease** by 2040:

Agriculture; Mining & quarrying; Manufacturing - food; Manufacturing - general; Manufacturing - chemicals only; Manufacturing - pharmaceuticals; Manufacturing - metals; Manufacturing - transport equipment; Manufacturing - electronics; Utilities; Wholesale; Land transport; Water & air transport; Publishing & broadcasting; Telecoms; Finance; Education; Other services

5.9. With the exception of waste & remediation and construction, the EEFM predicts that jobs in service industries, such as hospitality, retail, professional services and arts, will increase. The EEFM projects a decreases mainly in agricultural and manufacturing industries.

Employment sector land uses

5.10. The Town and Country Planning (Use Classes) Order 1987 (as amended) categorised different land uses for the purposes of planning. At the time of the EEFM's preparation, 'employment land uses' include those falling within categories B1, B2 or B8 of the Use Classes Order:

- B1 Business - Offices (other than those that fall within A2), research and development of products and processes, light industry appropriate in a residential area.
- B2 General Industrial - Use for industrial process other than one falling within class B1 (excluding incineration purposes, chemical treatment or landfill or hazardous waste).
- B8 Storage or distribution – Land and buildings for storage and distribution, including open air storage.

5.11. In September 2020, reform of the Use Classes Order was brought into effect. Through these reforms Use Class B1 was amalgamated into a broader 'Part E' Use Class, with a range of other uses formerly covered by use classes A and D. For the purposes of this evidence report, the pre-Sept 2020 use classes are used to ensure consistency with the EEFM model.

5.12. To calculate jobs growth for B-use class employment, it is necessary to apply assumptions to map the 31 SIC sectors to land use classes. The assumptions applied in this report are consistent with those used in the EEFM technical report[28]. Certain land uses are assumed to fall wholly within a single B-use class. For other sectors, it is assumed that any related land uses will consist of multiple B-use sub classes. Classes B1c and B2 have been combined, reflecting the approach taken by the EEFM Technical Report and due to the similar characteristics between these classes ('light' industry and 'general' industrial).

5.13. A number of other employment-generating sectors, for example retail, leisure, education and healthcare, fall wholly within other (non-B) use classes and therefore will need to be addressed separately through the Local Plan and evidence base.

5.14. Table 9 maps employment sectors to B use classes. Projected jobs growth by sector will be multiplied by the percentages to calculate jobs by use-class.

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[28] East of England Forecasting Model Technical report: Model description and data sources. Available at: http://atlas.cambridgeshire.gov.uk/EEFM/EEFM_2017_technical_report_June2018.pdf

SIC Sector (EEFM)	Assumption - Employment sector by 'B' Use Class		
	B1a/B1b	**B1c/B2**	**B8**
Agriculture	0%	0%	0%
Mining & quarrying	0%	0%	0%
Manufacturing - food	0%	**100%**	0%
Manufacturing - general	0%	**100%**	0%
Manufacturing - chemicals only	0%	**100%**	0%
Manufacturing - pharmaceuticals	0%	**100%**	0%
Manufacturing - metals	0%	**100%**	0%
Manufacturing - transport equipment	0%	**100%**	0%
Manufacturing - electronics	0%	**100%**	0%
Utilities	0%	0%	0%
Waste & remediation	0%	**97%**	0%
Construction	0%	0%	0%
Wholesale	0%	**25%**	**75%**
Retail	0%	0%	0%
Land transport	0%	0%	**39%**
Water & air transport	0%	0%	0%
Accommodation & food services	0%	0%	0%
Publishing & broadcasting	**66%**	**23%**	**11%**
Telecoms	**20%**	0%	**80%**
Computer related activity	**100%**	0%	0%
Finance	**100%**	0%	0%
Real estate	**100%**	0%	0%
Professional services	**96%**	0%	0%
Research & development	**100%**	0%	0%
Business services	**93%**	0%	0%
Employment activities	**22%**	**12%**	**8%**
Public administration	**61%**	0%	0%
Education	0%	0%	0%
Health & care	0%	0%	0%
Arts & entertainment	0%	0%	0%
Other services	0%	0%	0%

Source: East of England Forecasting Model Technical report: Model description and data sources

Job density

5.15.   To identify land requirements arising from jobs growth, it is necessary to apply assumptions about the amount of additional land each job will require. Different types of employment will require different amounts of land – certain employment types have greater or lesser jobs densities than others. For example, an office will typically have a far greater jobs density than a warehouse.

5.16.   In calculating land requirements the following jobs density assumptions are applied, set out in Table 10. The floorspace assumption is based on assumptions used by the *East of England Forecasting Model Technical report: Model description and data sources*, and the employment land assumption is calculated using Cambridgeshire County Council's *average floorspace to employment land conversion* (as described at Table 4).

Table 10: Job density assumptions

Use class	Required floorspace per job (sqm)*	Employment land per job (ha)**
B1a/B1b	14	0.0043
B1c/B2	36	0.0108
B8	67	0.0200

*Source: East of England Forecasting Model Technical report: Model description and data sources. Assumption is based on average ranges of Gross Internal Area and Gross External Area floorspace, in *square metres.*

**Source: Cambridgeshire County Council's average floorspace to employment land conversion in *hectares*

5.17.   The EEFM's job density assumption indicates the amount of floorspace required per job by use class. This floorspace measurement is based on ranges of Gross Internal Area and Gross External Area floorspace data published by the former Homes and Communities Agency (now *Homes England*).

5.18.   Since the floorspace assumption is based on GIA and GEA measurements, it applies only to the built floorspace of a building, and not the full extent of the site required to accommodate the building and related services and utilities, such as vehicular and pedestrian access, car and cycle parking, landscaping, etc. Therefore, it is necessary to apply the floorspace to land conversion to calculate the likely total amount of employment land which is required.

5.19.   As a worked example using the above assumptions, construction of an office generating 100 jobs would occupy a 1,400 sqm building and require a 0.43 ha site.

Jobs Growth and Land Requirements

Net jobs growth - 'B' uses

5.20.   Table 11 calculates net jobs growth in B-use classes over the period 2019 to 2040, using EEFM baseline jobs forecast for Fenland District Council's area and the use class assumptions set out in Table 9.

Table 11: Net jobs growth by B-use class

Sector (EEFM)*	Net change in Jobs 2019 – 2040 by B-use class		
	B1a/B1b	B1c/B2	B8
Manufacturing - food	0.00	-222.50	0.00
Manufacturing - general	0.00	-175.21	0.00
Manufacturing - chemicals only	0.00	-106.01	0.00
Manufacturing - pharmaceuticals	0.00	0.00	0.00
Manufacturing - metals	0.00	-91.71	0.00
Manufacturing - transport equipment	0.00	-50.91	0.00
Manufacturing - electronics	0.00	-15.27	0.00
Utilities	0.00	0.00	0.00
Waste & remediation	0.00	**253.12**	0.00
Wholesale	0.00	-76.01	-228.02
Land transport	0.00	0.00	**78.31**
Publishing & broadcasting	-11.53	-4.02	-1.92
Telecoms	-0.35	0.00	-1.41
Computer related activity	**30.71**	0.00	0.00
Finance	-48.66	0.00	0.00
Real estate	**240.37**	0.00	0.00
Professional services	**207.09**	0.00	0.00
Research & development	**0.52**	0.00	0.00
Business services	**210.99**	0.00	0.00
Employment activities	**67.56**	**36.85**	**24.57**
Public administration	**184.27**	0.00	0.00
Net Total	**880.96**	**-451.66**	**-128.48**
Gross Total (excluding losses)	**941.50**	**289.97**	**102.88**

*Excludes employment sectors which are not expected to generate B-class land uses

5.21.   As set out in table 4, over the course of the plan period the number of jobs in Fenland is projected to increase in use classes B1a and B1b, and decrease in use classes B1c/B2 and B8, where losses are included within the calculation provides a net gain across all B-use classes of **300.82 additional jobs** from 2019 to 2040.

5.22.   The changes between land uses reflect a national trend toward office/service sector employment and a general national decline in manufacturing industries.

5.23.   The industries which are projected to decline will continue to provide some employment. However, the number of jobs in those sectors will be fewer than at 2019.

5.24.   Those sectors which are projected to decline over the plan period affect the net job growth total significantly. Projected losses account for 1,034 jobs over the plan period. Sectors which are expanding are projected to deliver 1,334 additional jobs over the plan period.

5.25.   It is not the case that all sectors in B1c/B2 and B8 use classes are declining. Within the B1c/B2 and B8 use classes there are some sectors which are projected to expand over the course of the plan period, providing a greater number of jobs at 2040 than at 2019.

5.26.   Reality is more complex than a model. The EEFM applies national trends, and whilst an extremely valuable tool, has limitations. Projected decline should be treated with caution. For example, some of the sectors which are projected to decline make up less than 1% of total jobs. At this scale there is a risk that high-level, national trends and assumptions will be applied at a local level. In practice, individual local businesses may or may not be experiencing the same issues of decline as portrayed at a regional/national scale.

5.27.   For this reason, projected jobs growth could be shown as a range to include and exclude projected losses, as set out in Table 12.

Table 12: Projected jobs growth 2019 – 2040

Land Use	Jobs Growth 2019 - 2040 (as net/gross range)
B1a/B1b	+880.96 to +941.5
B1c/B2	-451.66 to +289.97
B8	-128.48 to +102.88
Total	+300.82 to +1,334.35

5.28.   Overall jobs growth in Fenland is projected to range from **approximately 301 jobs to 1,334 jobs over the period 2019-2040**, with the lower and upper range values dependent on the extent of decline in certain employment sectors, notably in manufacturing industries.

Additional land requirements by use class

5.29.   The overall net increase in projected jobs growth will require additional employment land. The NPPF requires the Local Plan to make provision for the district's employment needs in full.

5.30.   In calculating the land required to accommodate additional jobs growth, the job density assumptions set out in Table 10 are applied.

5.31.   Most growth is in employment sectors within B1a/B1b employment uses. Uses in this class typically have a higher job density, thereby requiring less land than other B-use classes.

5.32.   Where there is decline in B1c/B2 and B8 employment sectors, it is possible that some existing employment land could become available to accommodate other uses, such as B1a/B1b uses. For example, offices could be constructed in place of industrial units.

5.33.   However, the reality may be more complex – it cannot be assumed that declining jobs numbers in a sector will automatically result in more land becoming available for other employment uses to utilise. For example, declining jobs in an industry may simply lead to lower job density and not necessarily increase the amount of land available; there may be planning reasons why a change of use of a site to B1a/B1b may not be appropriate in planning terms – for example, a former factory may not provide a sustainable location for office development; or surplus employment land may be lost to other uses, such as housing development.

5.34.   For the purposes of calculating the overall employment land requirement, it is not assumed that existing land will automatically become available for employment development in alternative B-use classes – although such issues can be explored through the Local Plan process.

5.35.   Table 13 sets out the minimum additional land required by use class to accommodate jobs growth projected from the EEFM model.

Table 13: Estimated employment land requirement based on EEFM jobs growth 2019 to 2040

Land Use	Jobs Growth 2019 - 2040 (as net/gross range)	Required floorspace (sqm)	Required employment land (ha)
B1a/B1b	+880.96 to +941.5	+12,333.44 to +13,181	+3.75 to +4
B1c/B2	-451.66 to +289.97	-16,259.76 to +10,438.92	-4.86 to +3.12
B8	-128.48 to +102.88	-8,608.16 to +6,892.96	-2.57 to +2.06
Total	+300.82 to +1,334.35	-1,2534.48 to +30,512.88	-3.69 to +9.19

5.36.   Using the EEFM baseline jobs growth forecasts, it is concluded that over the plan period there is a need for **-3.69 to +9.19 ha** of additional employment land.

5.37.   The upper value of the range is not intended to be interpreted as a maximum limit. Rather, the minimum amount of additional employment land is calculated to be values between (and including) -3.69 ha and 3.05 ha, depending on the extent of decline in certain employment sectors. Values below 0 imply that more jobs will be lost than gained.

Summary of EEFM model projections

5.38.   The EEFM model presents a very pessimistic forecast of jobs growth in Fenland, with decline in many industries. Projected growth requirements of just 300.82 to 1,334.35 jobs are a mere fraction of the existing Local Plan targets and bear little relation to recently completed and currently committed employment growth. The EEFM therefore appears to have little relevance in setting targets for either jobs growth or employment land.

5.39.   The EEFM is high-level in its nature, and therefore it is likely that the discrepancies arise from attempting to apply its findings at a local level.

5.40.   The EEFM identifies trends in sectors with some experiencing increases and others experiencing decline. Notably, the EEFM indicates that service-based industries are increasing in terms of their sector's share of jobs, whereas other industries, such as manufacturing, are experiencing decline. Such general trends may be important considerations in formulating policies, such as for the allocation of or change of use of land.

Demographically derived assessments of current and future local labour supply (labour supply techniques)

Nomis Official Labour Market Statistics

5.41.   Nomis is a service provided by the Office for National Statistics (ONS)[29]. The Nomis Official Labour Market Statistics provide access to the most detailed and up-to-date UK labour market statistics from official sources. This section examines the Nomis data to set a baseline and explores how the data could be used to calculate a jobs requirement. This section draws on various demographic datasets provided by Nomis.

Working age population

5.42.   Table 14 provides estimates of Fenland's population and working-age population.

Table 14: Fenland's total population and working-age population

Row	Fenland district-level data	Value	Source
a	Population (2020)	102,100	Population estimates - local authority based by five-year age band (2020). From Nomis, October 2021.
b	Working age population (persons aged 16-64) (2020)	60,100	Population estimates - local authority based by five-year age band (2020). From Nomis, October 2021.
c	Percent of population at working age (%)	58.86	(b/a)*100

5.43.   The Nomis data shows that the most recent forecast population for Fenland is 102,100 persons (row a). Of this total population, 60,100 persons are of 'working age', between 16 and 64 years of age. This suggests that around 59% of Fenland's population are of working age.

5.44.   Over the course of the plan period, Fenland's population will almost certainly increase as a result of housing growth and other factors. Taking the data on face value, one might reasonably assume that as Fenland's population increases each working age person will require one job to be created. In such a scenario where it was sought to provide one job for every working-age person, this could be calculated as follows:

Total number of required jobs = total forecast population * percent of population at working age

5.45.   However, this approach is somewhat simplistic and may overestimate the number of people actively in or looking for work.

Economic activity rate

5.46.   Not all working age people are able to work and some may not want or need to work. Some people are unable / may not wish to work for a wide range of reasons and circumstances, for example due to being in education, care responsibilities, or suffering from a long-term illness, etc.

5.47.   Table 15 extends the previous table (with rows labelled alphabetically) and provides data on the number of working age persons who are economically active.

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[29] https://www.nomisweb.co.uk/

d	Economically active persons (Apr 2020-Mar 2021)	46,700	Annual population survey. From Nomis, October 2021.
e	Economic activity rate (%) (per cent of working age people economically active)	77.70	(d/b)*100
f	Economically inactive persons who want a job - aged 16-64	4,000	Annual population survey. From Nomis, October 2021.
g	Total persons (aged 16-64) who are economically active or economically inactive but want a job	50,700	d+f
h	Percent of working age persons who are either economically active or economically inactive and want a job (%)	84.36	(g/b) * 100

5.48.   Row b provides the total number of people who are working-age i.e. aged 16 years to 64 years. As illustrated in rows d and e, of the 60,100 working age persons in Fenland, 46,700 are economically active. This provides an economic activity rate of 77.7%.

5.49.   However, of those people who are economically _inactive_, a proportion want a job. Row f shows that in Fenland there are 4,000 people of working age who are economically inactive, but wish to have a job.

5.50.   In total there are 50,700 people who are economically active, or economically inactive but want a job (row g). This is equivalent to 84.36% of the working age population.

5.51.   The total number of jobs required to provide one job for every working age person who is either economically active or wishes to be, can be calculated as follows:

Total number of required jobs = (forecast population * % working age) * (% econ. active or want a job)

Total jobs

5.52.   Nomis provides data on the total number of jobs in the district, including employees, those who are self-employed, and government-supported trainees and HM Forces. It is important to note that the Nomis dataset refers to _all_ jobs, and not only those jobs in [former] B1, B2 and B8 use classes. Table 16 sets out the total number of jobs in Fenland, at 2018, and shows the total number of full-time and part-time jobs at 2019.

Table 16: Total jobs by employee jobs, full-time and part time

i	Job density (2019)	41,000	Jobs density. From Nomis, October 2021.
j	Total employee jobs (2019)	35,000	Employee jobs (2019). From Nomis, October 2021.
k	Percent employee jobs (%)	85.37	(j/i)*100
l	Full time employee jobs (2019)	24,000	Employee jobs (2019). From Nomis, October 2021.
m	Part time employee jobs (2019)	11,000	Employee jobs (2019). From Nomis, October 2021.
n	Percent part-time jobs (as % of employee jobs)	31.43	(m/j)*100

5.53.   Row i shows that at 2019, in total there were 41,000 jobs in Fenland district. Of this total, 35,000 jobs were 'employee' jobs, i.e. were not self-employed, a government supported-trainee or serving in HM Forces (row j). Therefore, 85.37% of total jobs are employee jobs (row k).

5.54.   Almost one third of employee jobs are part-time (11, 000 part-time jobs (row m) | 31.43% (row n), with the remainder full-time.

5.55.   This data is useful in terms of understanding the characteristics of different types of jobs. Whilst the majority of jobs are 'employee jobs', there are likely to be a substantial number of self-employed workers. It is also important to be clear when calculating a jobs requirement whether this refers to the actual number of jobs, or the full-time equivalent, since a significant portion of jobs are part-time. However, it is important to note that two part time jobs may not necessarily equal one full-time job, as part time jobs may be more or less than 0.5 FTE in terms of number of hours worked.

Comparison of current total jobs and working age population

5.56.   Table 17 extends the previous table and compares the total number of jobs with Fenland's working age population aged 16-64 who are either economically active or want a job.

Table 17: Jobs per working age person

| o | Jobs deficit | -9,700 | i − g |
| p | Jobs per working age, economically active person | 0.81 | i / g |

5.57.   Row o indicates that there are fewer jobs in Fenland than people of working age who are *economically active or economically inactive but want a job* (row g). This deficit of 9,700 jobs can likely be explained by out-commuting particularly to nearby centres such as Peterborough and Cambridge. In addition, some Fenland jobs will likely be occupied by people community into Fenland from outside the district.

5.58.   In addition to planning for the number of jobs needed to meet the needs of the new population, the Local Plan could also seek to mitigate the existing deficit by planning for an additional 9,700 jobs. i.e:

Total number of required jobs = ((forecast population * % working age) * (% econ. active or want a job)) + jobs deficit

5.59.   However, this approach implies that a jobs deficit is a *problem*. Whilst this statistic may imply '*there are not enough jobs to go around'*, in practice the situation is likely to be more complex. For example, a job located in neighbouring Peterborough would be more 'local' to a person living in Whittlesey than a job located in Wisbech (within Fenland district).

5.60.   As illustrated at row p, in Fenland there are 0.81 jobs for every person of working age who is economically active or economically active but wants a job. The Local Plan could plan for jobs at a rate of 0.81 jobs per working age person who is / wants to be economically active, i.e.:

Total number of required jobs = ((forecast population * % working age) * (% econ. active or want a job)) * 0.88

5.61.   However, this approach risks compounding this existing deficit and is reliant on other areas to meet any additional jobs needs, and therefore risks creating an under-supply of jobs.

Comparison of population, jobs and dwelling stock

5.62.	With its partner authorities, Fenland District Council commissioned a Strategic Housing Market Assessment[30] (SHMA) to inform preparation of the Local Plan. The SHMA was published in October 2021 and provides an estimate of the district's dwelling stock. Table 18 extends the previous tables and uses the SHMA dwelling stock estimate to provide comparison with the population and jobs statistics previously discussed. Please note, figures are rounded to 2 dp.

Table 18: Population, jobs and dwelling stock

q	Dwelling stock (2020)	45,424	SHMA 2021
r	Persons per household	2.25	a / q
s	Working age, economically active (or wants a job) persons per dwelling	1.12	g / q
t	Jobs per dwelling	0.90	i / q

5.63.	As stated at row q, it is estimated that there are 45,424 dwellings in Fenland. Compared with the population estimate (at row a), this equates to approximately 2.25 persons per household (row r).

5.64.	Comparison between the working age population shows that there are 1.12 working age, economically active people (including those people who want to be economically inactive) per dwelling, i.e. *a little over 1 working person for every dwelling.*

5.65.	Comparison of total jobs and total dwellings shows a ratio of 0.90 jobs per dwelling. i.e. *almost 1 job for every dwelling*.

Projecting jobs need from estimated population growth

5.66.	It is possible to calculate a potential jobs requirement by extrapolating the baseline data discussed above, as illustrated in Table 19 which extends the previous tables in this section. Note that figures shown are rounded.

Table 19: Projected jobs need from population growth

u	Average annual LHN (2021)	517	FYLS Report 2021
v	Total dwelling requirement over plan period 2020 - 2040 (20 years)	9,823	u * 19 years
w	Estimated population increase	22,079	v * r
x	Estimated increase in working age population	12,997	w * c
y	Estimated increase in economically active (or wants to be) working age population	10,964	x * h %
z	Forecast jobs requirement at current jobs per dwelling rate	8,866	v * t

5.67.	To forecast future jobs to meet growth needs, using the Nomis data as a baseline, it is necessary to estimate the likely population increase as a result of new development.

5.68.	The Local Plan's dwelling requirement is calculated annually using the government's standard method which reflects projected changes in number of households and affordability. At 2020/21, the Council's Local Housing Need is 517 dwellings per annum (row v) – or 9,823 dwellings over a 19-year plan period (row v) (2021-2040).

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[30] https://cambridgeshireinsight.org.uk/wp-content/uploads/2021/10/CWS-Housing-Needs-of-Specific-Groups-Oct21.pdf

5.69.   As calculated at row r, comparing Fenland's existing population to dwelling stock provides an average of 2.25 persons per dwelling (rounded to 2 dp). Applying this occupation rate to the additional total dwelling requirement suggest that as a result of Local Plan growth, Fenland's population will increase by 22,079 people (row w).

5.70.   This estimate should be treated with caution since there is no certainty that occupants of new homes will follow the same trends as inhabitants of the existing stock. For example, new housing estates providing mainly family housing may well attract household sizes greater than the 2.25 average.

5.71.   On the other hand, occupants of new homes may not be entirely 'new' residents. For example, they may be existing Fenland residents moving to a new home and altering their household size in the process – such as first-time buyers moving out of their parent's home, or couples moving in together or separating, thereby decreasing occupancy rates in the existing dwelling stock.

5.72.   Of this population increase, row x calculates that 12,997 people will be of working age. For consistency with the subsequent economic activity rate calculations. This assumes that the population occupying new development will have the same characteristics as the existing population, which in practice may not be the case. For example, new development may attract a younger population with a higher proportion of working age people.

5.73.   As discussed, not all working age people are economically active – therefore to attempt to generate one job for every working age person would likely exceed actual needs. By applying the rates from the baseline data in Table 19, it is calculated that housing growth will generate 10,964 people of working age who are economically active or who are inactive but want a job. If one job were created for every working age person who is / wants to be economically active, this would require the Local Plan to make provision for 10,964 jobs.

5.74.   The assumptions about working age population should be treated with caution. By definition, those economically active people are already in work, and therefore occupy a job. In addition, occupants of new housing may have a different demographic profile. For example, new housing may attract more working-age adults (and their families) and may attract fewer retired people. In addition, new housing will be constructed over a 19-year plan period, during which time people will age, with young adults entering the workforce and older workers retiring.

5.75.   As discussed previously, there are more economically active people than jobs in Fenland, with 0.81 jobs per working age, economically active person (rounded to 2dp). There are marginally more dwellings than jobs in Fenland – for every dwelling there is 0.90 jobs (rounded to 2 dp).

5.76.   Row z applies the current jobs to dwellings ratio to the projected number of new dwellings. This generates a jobs requirement of 8,866 jobs.

5.77.   This approach raises some issues since the number of jobs falls short of the projected economically active working age population. It is unrealistic to expect that all people will work within the Fenland, since people hold different skills and work in many different industries – from Fenland people can travel to other centres of employment. Yet there needs to be some reassurance that sufficient employment is available locally with any deficit being met by neighbouring local authority areas and centres for employment.

Net change in total jobs

5.78.   Nomis also supplies data on total jobs[31] by local authority area for years 2000 to 2019. This is a workplace-based measure which includes employees, self-employment jobs, government-supported trainees and HM Forces. Table 20 shows total jobs by year in Fenland district. Table 20: Total jobs by year (Fenland) – source: Jobs Density (Nomis October 2021)

Date	Total jobs	Net change from previous year
2000	34,000	N/a
2001	33,000	-1,000
2002	33,000	0
2003	35,000	2,000
2004	35,000	0
2005	36,000	1,000
2006	40,000	4,000
2007	39,000	-1,000
2008	36,000	-3,000
2009	37,000	1,000
2010	34,000	-3,000
2011	35,000	1,000
2012	36,000	1,000
2013	38,000	2,000
2014	35,000	-3,000
2015	37,000	2,000
2016	44,000	7,000
2017	43,000	-1,000
2018	42,000	-1,000
2019	41,000	-1,000
Net change in jobs		**7,000**
Average net change in jobs per annum - since 2000		**368.42**
Average net change in jobs per annum - since 2010		**777.78**

5.79.   As shown in the table, the number of jobs in Fenland increased by 7,000 jobs between 2000 and 2019. However, at 2010 the total number of jobs was equal to total jobs at the year 2000. Increases in the early years were offset by losses in the latter part of the first decade. The data does not show the reasons for losses, but the years in which total jobs fell appear to coincide with the 'credit crunch' and recession years.

5.80.   Expressed as an annual average - in each year since 2000, the number of jobs has increased by approximately 368 jobs per annum. However, taking an average for the period 2010 – 2019, the number of jobs increased by approximately 778 jobs per annum.

Projecting jobs growth from past change in total jobs

5.81.   It is possible to extrapolate the net change in total jobs to project the jobs requirement over the Local Plan period (2021-2040).

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[31] Nomis provides data on total jobs and is not only B1, B2 and B8 jobs.

Average net change in jobs	Total jobs (rounded)
Average net change in jobs since Yr 2000 extrapolated over 19-year plan period (368.42 jobs * 19 years)	7,000
Average net change in jobs since Yr 2010 extrapolated over 19-year plan period (777.78 jobs * 19 years)	14,778

5.82.   The issue with this approach is that the annual average change in jobs changes significantly depending on the period over which the average is calculated. As previously suggested, the period 2000 to 2010 included a period of recession. There are therefore no guarantees that past trends will continue. For example, the economic landscape in future years are likely to be affected by other macro-economic factors such as Brexit and the recovery from the COVID-19 pandemic.

5.83.   Applying an annual average also assumes jobs growth will increase at a 'flat' rate and is independent of any external changes in dwelling stock / population.

Projecting jobs growth from past change in total jobs and net dwelling growth

5.84.   Cambridgeshire County Council undertakes the monitoring of the construction of new dwellings on behalf of Fenland District Council. The 'reporting year' runs from 01 April to 31 March. Table 22 shows that over the period April 2010 to March 2019, 3,297 net new dwellings were completed in the district.

Table 22: Net dwelling completions 2010-19

Reporting year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Total net dwelling completions
Net dwelling completions	294	210	321	327	552	295	435	463	400	3,297

5.85.   As previously discussed, between 2010 and 2019 (calendar year) the Nomis indicates a net increase of 7,000 jobs.

	Units
Total net dwelling completions 2010-19 (reporting year)	3,297
Total jobs growth 2010-19 (calendar year)	7,000
Jobs per net new dwelling (rounded)	2.12

5.86.   The jobs growth and dwelling completions datasets cover slightly different time periods (reporting year Apr-Mar vs calendar year). However, as illustrated in Table 23, net total jobs increased significantly more than net growth in dwellings.

5.87.   For every net new dwelling completed, 2.12 (rounded) new jobs were created. This far exceeds the 0.90 jobs per dwelling figure calculated in table 18, and therefore appears to be a relatively high rate of growth.

5.88.   It is possible to forecast the jobs requirement from Local Plan growth using this rate of 'jobs per net new dwelling', as illustrated in Table 24.

Table 24: Forecast jobs from past ratio of net jobs to net dwelling completions

	Units
Total net dwelling completions 2010-19 RY	3,297
Total jobs growth 2010-19 (calendar year)	7,000
Jobs per net new dwelling	2.12
Annual housing requirement	517
Local Plan housing requirement 2021-40	9,823
Jobs requirement based on ratio of jobs growth to housing growth (rounded)	**20,856**

5.89.   This approach assumes there is a correlation between dwelling completions and jobs growth – that as the number of new dwellings increases, there will be a proportionate increase in jobs. This may or may not be the case. As calculated at Table 18, there are 0.90 jobs per dwelling in Fenland. The ratio of jobs to new dwellings since 2010-11 (2.12 jobs per dwelling) is far higher than the district average (0.90 jobs per dwelling). This suggests there are likely external factors which influence jobs growth other than housing development.

5.90.   Based on the total number of dwellings the Local Plan must make provision for, the forecast jobs requirement is 20,856 jobs.

Summary of potential jobs requirements

5.91.   Using the Nomis labour market, population and total jobs data as a baseline (which includes all jobs and not only those in B-use classes), it is possible to forecast the jobs requirement in a number of different ways, as discussed in this section and summarised in table 25.

Table 25: Forecast jobs requirement from Nomis labour market data as baseline

Objective / method	Potential jobs requirement	Source & summary of main issues and assumptions	'Sense-check'
Method 1: Forecast jobs as a function of projected population increase		*Assumes that the number of jobs required is directly proportionate to population growth.*	
i) One job for every working age person, based on estimated population growth.	12,997	Row 'x'. This assumes that the proportion of working age people will be the same as at present. However, in practice it could be higher or lower – most likely higher since new housing may attract younger people. However, not all working age people are economically active. In addition, many working age people may already be in employment within Fenland or other local authority areas and employment centres.	*Too high – not all working age people require a job*
ii) One job for every working age person who is, or wants to be, economically active, based on estimated populated growth.	10,964	Row 'y'. This assumes that occupants of new dwellings will follow same economic activity rates as the existing community.	*General approach feels 'OK' but may be marginally low as occupants of new dwellings may tend to be younger than existing population.*
iii) Extrapolate existing ratio of jobs per dwelling or jobs per person to projected dwelling growth / population growth.	8,866	Row 'z'. This approach risks compounding existing deficiencies in the supply of jobs in the district.	*Too low – would exacerbate existing shortfall of jobs per working age econ. active person.*
iv) One job for every working age person who is, or wants to be, economically active, based on estimated populated growth (10,964) AND Address existing shortfall of jobs to working age, economically active	20,664	Sum of row 'y' and row 'o'. Assumes that the shortfall of jobs is a 'problem' when in practice may reflect functional relationship between Fenland settlements and other local authority areas and centres of employment.	*Generally feels 'OK' as it meets needs arising from new dwelling growth and attempts to re-dress existing jobs deficit – thereby ensuring the area's growth needs are met in full.*

people (-9,700).			
Method 2: Forecast jobs based on past jobs growth		*Assumes that past trends in jobs growth will continue at past rates.*	
i) Annual average net change in jobs since 2000 * 19 year plan period	7,000	Table 21. Annual average is suppressed by reduction in total jobs in recession years.	*Too low – adversely affected by losses in jobs prior to 2010 and does not take into account external factors, like increasing population and dwelling stock as a result of Local Plan growth.*
ii) Annual average net change in jobs since 2010 * 20 year plan period	14,778	Table 21. Assumes that increases in jobs will follow as per past trends, without taking into account external economic factors or changes in population size.	*Possibly OK as based on growth occurring over recent years. However, does not take into account external factors, like increasing population and dwelling stock as a result of Local Plan growth.*
iii) Ratio of net job growth to net increase in dwellings (2010-19), extrapolated over plan period.	20,856	Table 24. Assumes that job growth will increase proportionately to dwelling growth, therefore takes into account changing population.	*The approach appears reasonable as it attempts to make the previous method responsive to changes arising from Local Plan growth. However, the overall jobs figure appears excessively high when compared with projected working age economically active. In addition, recent jobs growth may not necessarily be correlated with housing growth, but may be affected by external factors.*

5.92.   As illustrated in the table, an increase of 10,964 jobs would provide sufficient jobs to meet the requirements of an increased population as a result of Local Plan growth. However, this assumes that the characteristics of Fenland's population *after* Local Plan growth has occurred will have the same characteristics as the existing population. However, a shift in demographic trends, for example toward a younger population, would likely increase the number of working age people which would not be reflected in the jobs requirement.

5.93.   It should also be noted that the table assumes that the Local Plan will make provision for 9,823 dwellings over the plan period. However, this does not take into account any over-supply of dwellings over the Local Plan period. For instance, it is common practice to over-allocate through Local Plans – commonly referred to as a 'buffer'. For example, exceeding the housing requirement by 10% would also increase the jobs requirement.

5.94.   The Nomis data shows a deficit between the total number of jobs in the district and the number of working age economically active people. To address this shortfall would require the Local Plan to make provision for an additional 9,700 jobs. Method 1 iv. calculates a jobs requirement of 20,664 jobs which includes additional provision to address this deficit.

5.95.   Between 2010 and 2019, net total jobs in Fenland increased by 7,000 – or an average of 778 jobs per annum. Assuming this rate continues, the Local Plan's jobs requirement would be 14,778 jobs. However, this 'flat rate' does not take into account other factors, notably increases in dwelling stock / population as a result of Local Plan growth.

5.96.   As previously discussed, the period 2010-19 saw relatively high jobs growth of 2.12 new jobs created for every new dwelling built. This is markedly higher than the total number of jobs relative to the existing dwelling stock which indicates there are 0.90 jobs for each existing dwelling. Applying this ratio gives a total jobs requirement of 20,856 jobs (Method 2 iii.).

5.97.   Whilst it is reasonable to assume that more jobs will be required to meet the needs of occupants of new dwellings, the ratio of 2.12 jobs per dwelling appears high - particularly when compared with the previous estimates of working age population. However, the figure is similar to Method 1 (option iv) which seeks to address the existing jobs deficit.

5.98.   These various methods of forecasting the jobs requirement from the available Nomis data give wildly differing results depending on how they are applied. The final column of table 25 provides a 'sense-check' which summarises the extent to which the method and projected requirement appears 'reasonable'.

5.99.   Method 1 iv. appears logical as it calculates the number of working age economically active people likely to arise from new development. The greatest risk of this method is that it may underestimate the number of working age people if the demographic characteristics of the area change over time, and therefore some adjustment may be required – arguably, the jobs requirement figure could be too low if Fenland's working age population increases. In addition, the method also seeks to provide an additional 9,700 jobs to the forecast jobs requirement to account for the existing deficit of jobs highlighted by the Nomis data.

5.100.   However, methods generating higher jobs requirement figures (e.g Method 1iv. providing 20,664 jobs or Method 2 iii. providing 20,856 jobs) could result in a supply of jobs which goes far beyond meeting needs arising from increases to the dwelling stock. This could change Fenland from having a shortfall in jobs per person, to a place with a *surplus* of jobs per person. This would in effect transform Fenland from an area with high levels of *out-commuting* to an area self-sufficient in jobs and with significant levels of *in-commuting* from other areas.

5.101.   In addition, the jobs requirement is calculated from the 'basic' Local Housing Need requirement, without taking into account any over-supply of dwellings or 'buffer'. It will therefore be necessary to re-calculate the jobs requirement once the total dwelling supply from the Local Plan is known.

5.102.   The method can be expressed mathematically as follows:

Total jobs requirement = (Total population increase * Percent working age econ. active or inactive and want a job) + Jobs deficit

Analysis based on the past take-up of employment land and property and/or future property market requirements

Past delivery of employment floorspace

5.103. This section explores past trends for the development of employment floorspace, in employment use classes B1, B2 and B8. In September 2020, regulations came into effect which reformed the Use Classes Order. One effect of those reforms was use class B1 being subsumed into a new 'Class E' along with a wide variety of other commercial, business and service uses. In exploring past trends, this report applies the use classes which were in effect at the time the planning permission was granted.

5.104. This section includes analysis of both 'gross' and 'net' values. Gross floorspace data shows the development of additional employment floorspace, without accounting for losses. Net values show both gains and losses in employment floorspace as a result of implementation of a planning application. Losses of floorspace may occur as a result of demolition or change to another use. Other losses unrelated to the implementation of a planning application are not included – for example, where a unit becomes vacant as a result of a business ceasing to operate this is not counted as a) the unit will still remain in the same land use in planning law, and b) such information would not be available to the Council's planning teams.

5.105. It is helpful to explore both gross and net values. Gross figures help to provide an indication of overall market activity in the various land uses. Whilst net values may provide a more accurate picture of changes in employment floorspace, calculating gains and losses can conceal market activity. For example, a development which results in the construction of 100sqm of floorspace, and another development involving the loss of 100sqm of floorspace provide a net gain of nil. This example illustrates that low net gain in floorspace does not necessarily mean there has been low development activity.

5.106. Fenland District Council and Cambridgeshire County Council, in partnership, undertake land-use monitoring on an annual basis. The Council's Annual Monitoring Reports provide data of past employment development in the district.

5.107. Table 26 uses the Council's employment land monitoring data to show gains and losses of floorspace by use class. The table illustrates that, whilst there was a net gain of 2,700 sqm of employment floorspace in 20/21, this included the development of more than 3,400 sqm of gross floorspace and losses of approximately 775 sqm – a higher rate of development activity than implied by the net figure. In other words, in the reporting year losses were equivalent to 23% of gains – *or for every 100 sqm built, 23 sqm were lost.*

Table 26: Gains and losses of employment floorspace by (former) use class 2020/21

Floorspace (sqm) 2020/21	B1 (Unknown)	B1a - Offices	B1b – Research	B1c – Industrial	B2 – Manufac-turing	B8 - Storage	Grand Total
Gains	0.0	0.0	0.0	513.6	243.0	2,680.0	**3,436.6**
Losses	-85.5	-449.0	0.0	-184.0	-57.6	0.0	**-776.1**
Net completions	**-85.5**	**-449.0**	**0.0**	**329.6**	**185.4**	**2,680.0**	**2,660.5**

Gross employment floorspace completions

5.108. At the time of writing, the latest available data gross employment floorspace data is for the 2020/21 monitoring year (01 April 2020 to 31 March 2021). Fenland's Annual Monitoring Report 2020 provides gross employment floorspace data for the period 1999 to 2020. Table 27 shows the amount of gross employment floorspace completed in Fenland, by use class, over the period 1999 to 2021.

Table 27: Gross employment floorspace by use class 1999 to 2021

	1999-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total (sqm)
B1 – Unspecified	0	0	0	0	0	288	414	2,045	0	577	1,008	0	0	3,237	0	0	0	1,420	1,517	0	10,506
B1a – Offices	4,122	899	2,380	3,782	489	1,337	1,081	3,840	1,400	1,964	859	0	822	353	1,789	540	840	859	1318	0.0	28,674
B1b – Research	0	0	0	0	0	0	0	0	0	0	0	0	63	402	0	0	0	0	267	0	732
B1c – Light Industry	5,715	1,764	2,218	836	3,580	560	1,088	1,973	3,055	354	576	897	1,610	1,015	392	317	993	182	360	513.6	27,999
B2 – General Industry	45,777	10,598	4,733	27,992	11,907	4,029	3,868	15,605	5,721	6,148	3,277	2,240	1,262	3,923	5,855	5,105	3552	5,025	6,760	243	173,620
B8 – Storage and Distribution	30,143	6,884	11,103	22,088	5,631	5,470	16,253	18,706	46,250	3,569	1,636	9,206	1,030	3,365	12,317	1,725	956	10,501	6,748	2,680	216,261
Total	**85,757**	**20,145**	**20,434**	**54,698**	**21,607**	**11,684**	**22,704**	**42,169**	**56,426**	**12,612**	**7,356**	**12,343**	**4,787**	**12,295**	**20,353**	**7,687**	**6,341**	**17,987**	**16,970**	**3,437**	**457,792**

5.109. In the 2020/21 monitoring year, 3,437 sqm of gross employment floorspace was completed. This is markedly lower than previous years, and the lowest year in the period 1999 to 2021. It is possible that this low delivery could be attributed to the COVID-19 pandemic; restrictions on movement, businesses closed down for extended periods, staff furloughed for many months, and supply chain issues, all likely affected new development delivery rates.

5.110. Table 28 provides a summary of gross employment floorspace completions by use class, over the period 1999 to 2021.

Use	Total (sqm)	Percent of total gross floorspace (%)	Annual average (gross) (sqm) (rounded)
B1 – Unspecified	10,506	2.29	478
B1a – Offices	28,674	6.26	1,303
B1b – Research	732	0.16	33
B1c – Light Industry	27,999	6.12	1,273
B2 – General Industry	173,620	37.93	7,892
B8 – Storage and Distribution	216,261	47.24	9,830
Total	**457,792**	**100**	**20,809**

5.111. Table 28 shows that over the 22 year period (1999 – 2021), almost half of all new floorspace constructed (approximately 47%) was in use class 'B8 – storage & distribution'.

5.112. Approximately 38% of employment floorspace constructed was in 'B2 – general industry'. As previously discussed, the EEFM model couples B2 use class with B1c - light industry. Completed floorspace in use class B1c accounted for approximately 6% of total floorspace – meaning total combined B1c and B2 floorspace completed over the period are broadly comparable with B8 completions over the same period.

5.113. Despite offering the greatest projected increase in jobs, as indicated by the EEFM model B1a and B1b use classes accounted for just 6% and 0.16% (approx.) of employment floorspace completions respectively. Although, these uses typically have a higher job density than B2 and B8 uses and therefore require less land.

5.114. On average, almost 21,000 square metres of gross employment floorspace are completed each year in Fenland District.

Gross employment floorspace by use class and year

Legend: B1 – Unspecified, B1a – Offices, B1b – Research, B1c – Light Industry, B2 – General Industry, B8 – Storage and Distribution
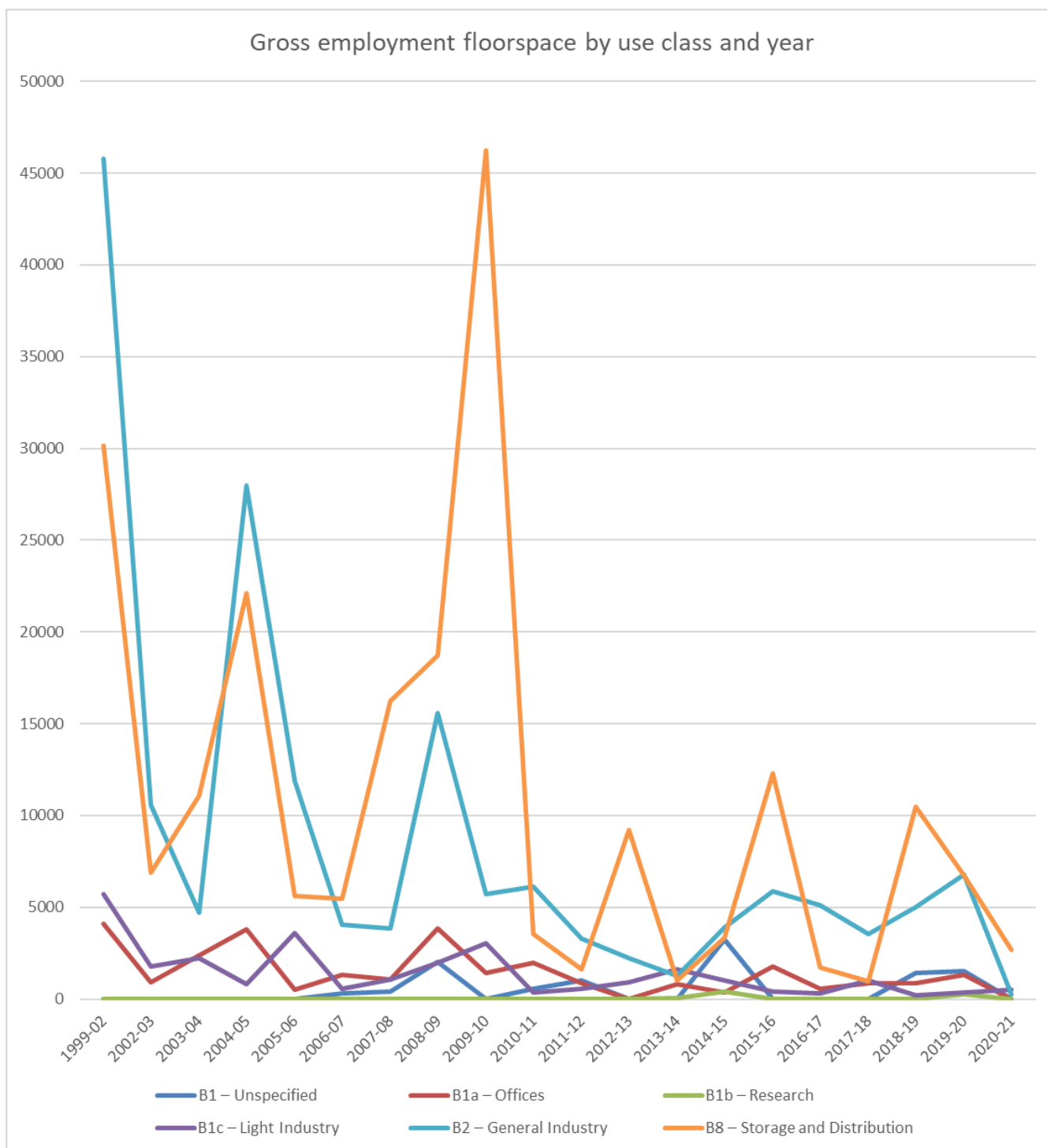
5.115.   Chart 2 shows that annual gross employment floorspace completions were generally higher in the period prior to 2010, and generally lower in the period 2010-2021. The per annum average floorspace figure (20,809 sqm) has not been exceeded in any year since 2010. These higher completion figures in the first decade of the monitoring period were in use classes B2 and B8. The reason for this lower level of employment completions in the post-2010 period is not known but perhaps could be linked to wider economic issues, such as the financial crisis of 2007-08.

5.116.   Table 29 calculates the average annual gross employment floorspace figure for the period 1999-2010 and 2010-2021

Table 29: Average annual employment floorspace completions - pre & post-2010

Use	Years 1999 - 2010			Years 2010 - 2021			
	Total additional employment floorspace	Additional employment floorspace percent (%)	Average annual floorspace (sqm)	Total additional employment floorspace	Additional employment floorspace percent (%)	Average annual floorspace (sqm)	Total floorspace (sqm)
B1 – Unspecified	2,747	0.82	250	7,759	6.35	705	**10,506**
B1a – Offices	19,330	5.76	1,757	9,344	7.65	849	**28,674**
B1b – Research	0	0	0	732	0.6	67	**732**
B1c – Light Industry	20,789	6.19	1,890	7,210	5.9	655	**27,999**
B2 – General Industry	130,230	38.8	11,839	43,390	35.52	3,945	**173,620**
B8 – Storage and Distribution	162,528	48.43	14,775	53,733	43.98	4,885	**216,261**
Total	**335,624**	**100**	**30,511**	**122,168**	**100**	**11,106**	**457,792**

5.117.   As shown in Table 29, most gross employment floorspace recorded occurred in the period prior to 2010. Gross completions in the period 1999-2010 accounted for approximately 73% of total gross completed floorspace. Approximately 27% of total gross floorspace was completed in the period after 2010. This has a significant effect on the annual average floorspace completed, with an annual average of approximately 30,500 sqm completed prior to 2010, and **approximately 11,100 sqm completed on average in each year since 2010.** This post-2010 annual average figure is likely to be more representative of current trends than an average based on the full monitoring period which may be artificially distorted by higher completions figures prior to 2010.

5.118.   This decline is most pronounced in B1a, B1c, B2 and B8 (former) use classes.

Net employment floorspace completions

5.120.   'Net' employment floorspace shows not only the construction of additional employment floorspace, but also accounts for floorspace lost as a result of implementation of a planning application e.g. demolition or change of use. As with gross figures, net values are monitored by Fenland District Council and Cambridgeshire County Council working in partnership.

5.121.   As previously discussed at Table 6, at present net data is available for the period 2011-2021. This is a shorter timeframe than the gross floorspace dataset.

5.122.   The net employment floorspace data shows that in the 2020/21 monitoring year, 2,661 sqm of net additional employment floor space was created in the district. This was a significant decline from the previous year (11,705 sqm). However, as previously discussed, development may have been affected by measures to control the COVID-19 pandemic.

5.123.   Table 30 provides a summary of employment floorspace completions by use class over the period 2011 to 2021, and calculates the annual average floorspace built each year and percent of total employment floorspace.

Table 30: Total net employment floorspace, annual average by use class and percent of total net floorspace 2011-2021

Use	2011-2021 total net floorspace (sqm)	Percent of total net floorspace (%)	Annual average (sqm) (rounded)
B1 – Unspecified	4,446	7.75	445
B1a – Offices	-6,541	-11.4	-654
B1b – Research	1,062	1.85	106
B1c – Light Industry	1,873	3.26	187
B2 – General Industry	20,299	35.38	2,030
B8 – Storage and Distribution	36,239	63.16	3,624
Total	57,378	100	5,738

5.124.   Table 30 shows that over the period (2011 – 2021) there was a net increase in employment floorspace of more than 57,000 sqm. Approximately 63% of this net additional employment floorspace was constructed in former use class 'B8 – Storage & distribution'.

5.125.   Approximately 35% of net employment floorspace was built in 'B2 – general industry'. Total combined B1c and B2 floorspace equates to approximately 39% of net additional employment floorspace.

5.126.   The percent figures are somewhat distorted by the overall net loss in B1a – Offices. This overall decline over the period is somewhat surprising since the EEFM model suggests that office developments offer the greatest projected increase in jobs.

5.127.   In five out of the ten years shown in the monitoring data, the net change in B1a (office) floorspace was less than zero i.e. more office space lost than gained. This was most pronounced in 2014-15, with a net change in B1a uses of -6,668 square metres. The significant loss of floorspace in that year likely distorts the annual average floorspace figure, which equates to a loss of around 650 sqm of office floorspace per annum

on average. One explanation for the loss of office floorspace could be the relative ease in which offices can change use to residential development through prior approval.

5.128.   Despite the EEFM projections suggesting a trend of declining jobs numbers in sectors falling within B1c/B2 and B8 land use classes, the net employment floorspace data shows these uses classes experienced an overall net gain in floorspace over the period.

5.129.   As previously illustrated in Chart 1, net additional employment floorspace fluctuates greatly from year to year. For example, 2014-15 saw an overall loss of employment floorspace of -2,175 sqm, yet the following year (2015-16) saw an increase of +14,023 sqm.

5.130.   The somewhat volatile changes from year to year could be as a result of the data containing a relatively small number of development schemes – a single development scheme has the potential to significantly impact on the net floorspace figures from year to year.

5.131.   Expressed as an average, Fenland sees a net increase in employment floorspace of 5,738 sqm each year. However, given the significant fluctuations from year to year, this figure should be treated with caution in trying to determine past and future trends.

Comparison of gross and net employment floorspace data

5.132.   Table 31 compares average annual employment floorspace using both gross and net data. Note that the gross employment floorspace figures have been recalculated using the same time period as the net floorspace data – years 2011 to 2021.

Table 31: Comparison of Gross and Net employment data

Use	Gross floorspace 2011-2021		Net floorspace 2011-2021		Average net floorspace as percent of average gross floorspace (%)
	Average annual floorspace (sqm) (rounded)	Percent of total net floorspace (%)	Average annual floorspace (sqm) (rounded)	Percent of total net floorspace (%)	
B1 – Unspecified	705	6.35	445	7.75	**63.04**
B1a – Offices	849	7.65	-654	-11.40	**-77.01**
B1b – Research	67	0.60	106	1.85	**159.53**
B1c – Light Industry	655	5.90	187	3.26	**28.58**
B2 – General Industry	3,945	35.52	2,030	35.38	**51.46**
B8 – Storage and Distribution	4,885	43.98	3,624	63.16	**74.19**
Total	**11,106**	**100**	**5,738**	**100**	**51.66**

5.133.   The table illustrates that on average, net employment floorspace accounts for approximately 52% of gross additional floorspace. In simple terms, for every square metre of employment floorspace built, almost half a square metre is typically lost. Some losses may be to other non-employment uses – for example the conversion of an office to a dwelling. Other losses may be from one employment use to another employment use within a different B-use class – therefore, not all losses of employment floorspace will involve the loss of jobs or business, but may reflect a change in the nature of employment spaces.

5.134.   Net floorspace in B8 use class accounted for approximately 74% of the gross value, suggesting less than a third of B8 floorspace is lost to other uses.

Converting floorspace to employment land

5.135.   It is important to note the distinction between *floorspace* measurements when measuring past delivery, compared with *land* measurements.

5.136.   Employment floorspace completions data typically refers to the construction, conversion or extension of buildings. The floorspace measurement is typically the internal measurements of the building and does not include the wider site area – which may include features such as car parking, road and drainage infrastructure, landscaping, etc. Floorspace is typically measured in square metres.

5.137.   Employment land figures are typically measured in hectares and refer to a whole site area. In most cases, a building will not occupy the full extent of a site area. Therefore, the amount of floorspace generated will likely be markedly lower than the site area, especially where a building is single storey.

5.138.   The relationship of floorspace to site area will, in practice, vary greatly from site to site. However, for the purposes of calculating employment land requirements based on past trends, the assumptions previously set out in Table 4 are applied. These assumptions are consistent with those applied by Cambridgeshire County Council when monitoring developments across the county.

5.139.   As previously discussed, our assumption is that actual built floorspace makes up roughly one third of the overall area of an employment site.

5.140.   Table 32 calculates the amount of employment land which would be needed to accommodate average annual employment floorspace constructed *in each year*, using both gross and net average floorspace values.

Table 32: Estimate of annual employment land requirement – gross and net floorspace

Use	Gross floorspace 2011-2021		Net floorspace 2011-2021	
	Average annual floorspace (sqm)	Estimated land requirement (Ha)	Average annual floorspace (sqm)	Estimated land requirement (Ha)
B1 – Unspecified	705	0.21	445	0.14
B1a – Offices	849	0.26	-654	-0.20
B1b – Research	67	0.02	106	0.03
B1c – Light Industry	655	0.20	187	0.06
B2 – General Industry	3,945	1.18	2,030	0.61
B8 – Storage and Distribution	4,885	1.46	3,624	1.08
Total	**11,106**	**3.33**	**5,738**	**1.72**

5.141.　　As indicated in Table 32, on average around 3.33 hectares of additional employment land is required each year to accommodate average gross employment floorspace development. 1.72 ha of employment land is required per annum to accommodate average net completed floorspace.

5.142.　　As previously identified, loss is an important characteristic of employment development, with average net floorspace completions accounting for around half of the gross floorspace completed. This has implications for the overall land requirement, since a change from one B-class use to another B-class use will not require additional land. However, where employment land is being lost to other non-employment uses, it is important to ensure that sufficient employment land is available to meet growth needs.

5.143.　　There is a risk that projecting future land requirements on the average gross employment land value will result in an oversupply of employment land. Yet relying solely on the net value risks undersupply.

5.144.　　It is proposed that the emerging Local Plan will cover the period 2021 – 2040, i.e. a period of 19 years. Table 33 calculates the overall amount of employment land which would be required to accommodate employment development over the course of the plan period by extrapolating the net and gross average annual land requirement, and assuming that such development continues to come forward at the same rate as past trends (i.e. average annual land requirement multiplied by total years in plan period).

Table 33: Estimate of total employment land requirement – based on past trends of gross and net floorspace completions 2011-2021

Use	Minimum (Ha)	Maximum (Ha)
	Estimate of employment land required over plan period based on annual average <u>net</u> floorspace completions (2011-21)	Estimate of employment land required over plan period based on annual average <u>gross</u> floorspace completions (2011-21)
B1 – Unspecified	2.57	4.07
B1a – Offices	-3.77	4.90
B1b – Research	0.61	0.38
B1c – Light Industry	1.06	3.72
B2 – General Industry	11.53	22.41
B8 – Storage and Distribution	20.59	27.75
Total	**32.59**	**63.23**

5.145.　　As illustrated in Table 33, extrapolating past trends of net and gross employment floorspace produces a total requirement for 32.59 to 63.25 hectares of employment land.

5.146.　　Projecting past trends in this way has resulted in a very large range between the minimum and maximum values. As previously discussed, planning for either the bottom or top end of the range risks greatly under or allocating for employment development – the 'maximum' value ignores capacity in existing employment land through the change of use of existing employment floorspaces (for example, through the change of use of an existing general industrial building to offices); whereas the 'minimum' value fails to account for losses of employment floorspace to non-employment uses and assumes that all lost employment floorspace will be available for employment use only which is not the case (for example, an existing office may be converted to dwellings and lost to the employment market forever).

5.147.　　A further issue is that the average annual employment floorspace figure differs greatly depending on the time period over which the average is calculated. For example, as discussed, there was a period of relatively high growth prior to 2010 and lower growth in the period after 2010. Therefore, the minimum and maximum values calculated in Table 33 reflects a period of relatively low growth, and therefore risks underestimating market demand for employment land over the plan period.

5.148.　　The 'gross' employment floorspace completions data spans a considerable time period of more than 20 years, and is useful in illustrating what the market is *capable* of delivering. The 'net' floorspace completions data does not cover the period of higher growth prior to 2010. However, the net data is particularly useful as it accounts for losses of floorspace. As previously discussed, change of use of existing employment floorspace could have significant implications for the amount of land required.

5.149.　　Table 34 explores the varying employment land requirements as a result of calculating average annual gross floorspace over periods of high and low growth.

Table 34: Estimate of employment land requirement – based on past trends of gross employment floorspace completions over differing time periods (high and low growth scenarios)

Use	"High Growth" scenario - based on gross completed floorspace 1999-2010		"Low Growth" scenario - based on gross completed floorspace 2010-2021		"High" and "Low" economic cycles - based on gross completed floorspace 1999-2021	
	Average annual floorspace (sqm)	Estimated 19-year land requirement (Ha) 2021-2040	Average annual floorspace (sqm)	Estimated 19-year land requirement (Ha) 2021-2040	Average annual floorspace (sqm)	Estimated 19-year land requirement (Ha) 2021-2040
B1 – Unspecified	250	1.44	705	4.07	478	2.76
B1a – Offices	1,757	10.14	849	4.90	1,303	7.52
B1b – Research	0	0.00	67	0.38	33	0.19
B1c – Light Industry	1,890	10.74	655	3.72	1,273	7.23
B2 – General Industry	11,839	67.27	3,945	22.41	7,892	44.84
B8 – Storage and Distribution	14,775	83.95	4,885	27.75	9,830	55.85
Total	30,511	173.54	11,106	63.23	20,809	118.39

5.150.   As shown in table 34, to accommodate gross employment floorspace at "high" growth rates akin to that in the period 1999 – 2010, approximately 174 hectares of employment land would be required over the plan period from 2021 to 2040. "Low" employment growth would require around 63 hectares of additional employment land over the course of the plan period.

5.151.   Taking a longer view and calculating averages over both the high and low growth periods, generates a requirement of around 118 hectares of employment land.

5.152.   These figures highlight the large differences between the average floorspace figures depending on the time period over which the calculation is performed. It is important to note that the Local Plan is planning for a 19-year period, over which there may be several different economic cycles – therefore looking back over the past two decades or more feels a reasonable approach, giving some credibility to the approx. 118-hectare figure. However, in practice, this figure is likely to exceed the amount of employment land required in practice as it does not account for changes between employment uses.

Committed floorspace

5.153. As previously discussed, through its land use monitoring service, Cambridgeshire County Council provides net committed floorspace from unimplemented planning permissions. Table 3 (in section 4) shows commitment from extant planning permissions by permission type at 01 April 2021.

5.154. The Council's monitoring data shows that, at April 2021, extant planning permissions were expected to deliver a net increase of almost 120,000 square metres of employment floorspace.

5.155. Interestingly, there is a relatively large amount of committed employment floorspace in uses B1a, representing approximately 12% of committed floorspace. This is somewhat surprising when compared with the net losses in recent years. This could indicate that future growth will not necessarily follow past trends.

5.156. Collectively, B1c and B2 account for approximately 42% of total committed floorspace, and a further 42% in B8 use class. In summary, current committed floorspace form extant planning permissions is distributed across use classes as follows:

- B1a – Offices / B1b - R&D / B1 (Unknown) – 16%
- B1c – Industrial / B2 – Manufacturing – 42%
- B8 – Storage – 42%

5.157. This suggests that current demand is equally great in former use classes B1c/B2 and B8, with those former use classes accounting for the vast majority of supply. Need or demand for B1a/B1b floorspace is relatively low in comparison.

5.158. As previously identified at Table 5, to accommodate existing committed floorspace will require an estimated 36 hectares of employment land (approx.). However, it is difficult to make meaningful estimates about future land requirements from this information.

6. Analysis of forecasts

6.1. This report identifies a number of different methodological approaches to forecasting jobs and employment land requirements for the plan period 2021-2040. To compare these various estimates some further conversion is required, and therefore it is necessary to apply further assumptions.

Assumptions

Job density
6.2. Job density assumptions are derived from the *East of England Forecasting Model* and are set out at Table 10 and enable the conversion of jobs to floorspace and land requirements, and vice versa.

Projecting proportion of employment floorspace by use class
6.3. In section 5, this report compares past delivery of gross and net completions and current committed floorspace to make some 'assumptions' about the use class split of future employment land.

Table 35: Proportion of percent split between use class

Use	Gross completions 1999-2021 employment land estimate (%)	Net completions 2011-2021 employment land estimate (%)	Net commitment at 01 April 2021 employment land estimate (%)	Average (%)	Assumption (%)
B1 (Unknown)	2.33	7.87	2.19	4.13	
B1a - Offices	6.35	-11.58	12.01	2.26	10
B1b - R&D	0.16	1.88	2.50	1.51	
B1 subtotal				**7.90**	
B1c - Industrial	6.11	3.27	6.60	5.33	
B2 - Manufacturing	37.87	35.39	34.63	35.96	40
B1c/B2 subtotal				**41.29**	
B8 - Storage	47.18	63.18	42.07	50.81	50
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

6.4. By averaging and rounding values, table 35 provides general assumptions about future proportions of employment land by use class. For those forecast methods which provide a total jobs estimate value only (e.g. methods b – h), these assumptions enable the employment land requirement to be estimated. The result of these assumptions is that when calculating land requirements from forecast jobs, it is assumed that most jobs will be in use classes B1c/B2 or B8, which require more land than jobs in B1a/b.

6.5. The gross employment floorspace completions for the period 1999 to 2021 has been compared with net floorspace completions 2011-2021 and net commitment at 01 April 2021. The 'full' 1999 to 2021 period of gross employment development has been used as this represents a period of high and low delivery. Net employment completions floorspace covers only the period 2011-2021, reflecting the availability of data, which was a period of relatively low growth.

6.6. Assumptions have been made for use classes B1a/B1b, B1c/B2 and B8. Assumption figures are expressed as a percentage and have been rounded to the nearest '10' value.

6.7. Based on the comparison of data shown in Table 35, it is assumed that future employment land will be split by use class as follows:

- 10% of all employment land will be in use class B1a & B1b
- 40% in B1c & B2
- 50% in B8.

6.8. For the avoidance of doubt, these assumptions apply only to forecast methods which generate a total jobs estimate value, and are not applied for methods which involve the extrapolation of floorspace. For the purposes of this exercise, it is assumed that all jobs will fall within a B-use class (or former B-use class).

Comparison of different forecasts

6.9. Table 36 summarises the various different approaches to forecasting jobs and employment land identified in section 5. Where the forecast outputs number of jobs, the table converts this to land *and vice versa*, using the assumptions discussed previously.

Table 36: Jobs and land requirements by method

	Method	Source	Forecast jobs	Number of jobs by use class (rounded)			Employment land by use class (Ha) (rounded 2dp)			
				B1a/b	B1c/B2	B8	B1a/b	B1c/B2	B8	Total
a	East of England Forecasting Model 2019-2040 (range)	Table 12	**301 to 1,334**	881 to 942	-452 to 290	-128 to 103	3.75 to 4.00	-4.86 to 3.12	-2.57 to 2.06	**-3.69 to 9.19**
b	One job for every working age person, based on estimated population growth.	Table 25	**12,997**	3,610	5,615	3,772	15.35	60.45	75.57	**151.37**
c	One job for every working age person who is, or wants to be, economically active, based on estimated populated growth.	Table 25	**10,964**	3,045	4,737	3,182	12.95	51.00	63.75	**127.69**
d	Extrapolate existing ratio of jobs per dwelling or jobs per person to projected dwelling growth / population growth.	Table 25	**8,866**	2,463	3,831	2,573	10.47	41.24	51.55	**103.26**
e	One job for every working age person who is, or wants to be, economically active, based on estimated populated growth AND Address existing shortfall of jobs to working age, economically active people (+9,700).	Table 25	**20,664**	5,740	8,928	5,996	24.40	96.12	120.14	**240.66**
f	Annual average net change in jobs since 2000 * 19-year plan period	Table 25	**7,000**	1,944	3,024	2,031	8.27	32.56	40.70	**81.53**
g	Annual average net	Table 25	**14,778**	4,105	6,385	4,288	17.45	68.74	85.92	**172.11**

	change in jobs since 2010 * 19-year plan period								
h	Ratio of net job growth to net increase in dwellings (2010-19), extrapolated over plan period.	Table 25	**20,856**	5,793	9,011	6,052	24.63	97.01	121.26	**242.90**
i	Gross floorspace land estimate "High growth" scenario, based on growth from 1999-2010	Table 34	**14,160**	2,724	7,246	4,190	11.58	78.01	83.95	**173.54**
j	Gross floorspace land estimate - high and low growth cycles, based on growth from 1999-2021	Table 34	**10,087**	2,462	4,837	2,788	10.47	52.07	55.85	**118.39**
k	Gross floorspace land estimate - "Low growth" scenario, based on growth from 2010-2021	Table 34	**6,013**	2,200	2,428	1,385	9.35	26.13	27.75	**63.23**
l	Net floorspace land estimate, based on growth from 2011-2021 (minimum value in range, upper range value equal to row 'k')	Table 33	**2,058**	-140	1,170	1,028	-0.60	12.60	20.59	**32.59**
m	Estimated net floorspace by calculating 51.66% of gross floorspace land estimate 1999-2021 (method 'j')	Table 34	**5,211**	1,272	2,499	1,440	5.41	26.90	28.85	**61.16**

6.10.	As illustrated in Table 36 and graphically at Chart 3, there is a very large range between the various approaches for forecasting jobs. For example, row 'a' identifies a minimum requirement of just 301 jobs whilst row 'h' projects growth of 20,856 jobs (a range of 20,555 jobs).

Jobs Requirements by Forecast Method (2021 to 2040)
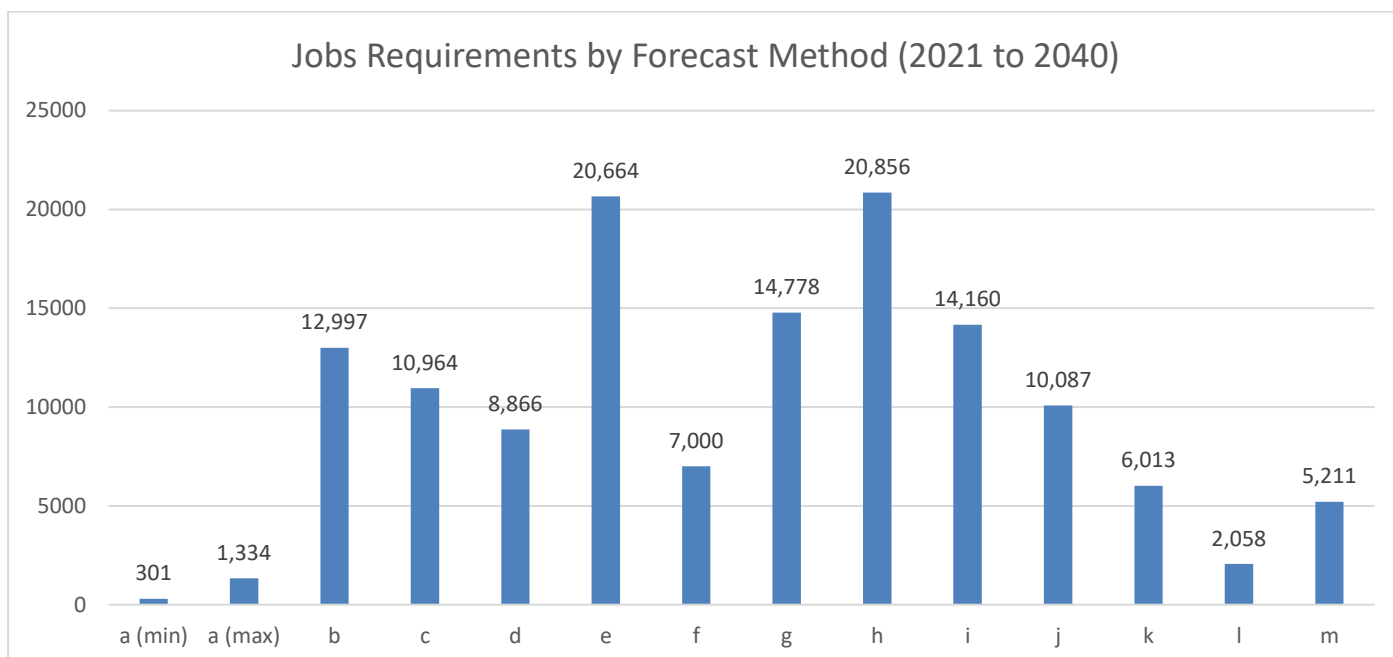
6.11.   The strengths and weaknesses of each method have been discussed at length in previous sections of this report. However, presenting the different methods side by side enables comparison, and allows each method to be 'sense-checked'.

EEFM forecast - Method 'a'

6.12.   Method 'a' uses the *East of England Forecasting Model's* projected net jobs growth of just 331 to 1,334 jobs. The forecast figure is very low, relative to other forecast methods. The method used a base date of 2019 and would therefore need to be revised down further to reflect the length of the plan period. Due to its age, the EEFM does not account for current projected local housing needs.

6.13.   The model applies high-level economic trends which may not necessarily translate to a local level. For example, the model forecasts net losses of jobs in the B1c/B2 and B8 use classes, and net gain in the B1a/b use classes. Conversely, past trends of net floorspace completions have resulted in growth in the B1c/B2 and B8 use classes, and in some years net losses in use class B1a.

6.14.   The jobs forecast would be readily exceeded by sites with extant planning permission. It is reasonable to expect that all or most of those planning permissions will be delivered in the short to medium term. This suggests that the market is delivering more growth than is forecast by the model. The model's forecast jobs growth appears to be of little value in setting a jobs or employment land target and it is justified to apply an alternative method.

Population and dwelling-based estimates – methods b, c, d and e

6.15.   Methods b, c, d and e apply different approaches to forecasting jobs based on the estimated population increase arising from Local Plan's housing growth. The use class assumptions (Table 35) and job density assumptions (Table 10) have been applied to estimate the employment land requirement from the jobs estimate.

6.16.   These methods aim to ensure that jobs growth keeps pace with housing development, thereby providing sufficient jobs to meet the needs of occupants of new homes.

6.17.   Method 'b' aims to deliver one job for each working age person arising from Local Plan growth. However, this risks an over-supply of jobs against the needs arising from the new population, since not all people of working age are economically active (for example, they may be in education, performing childcare or other caring responsibilities, have health issues which prevent a person from working, etc). Method 'c' therefore aims to provide one job per working age person who is economically active or wishes to be economically active.

6.18.   Method 'd' extrapolates the current ratio of jobs to dwellings. However, this risks compounding the existing shortfall of jobs to working age economically active people, and lacks credibility on this basis. As previously discussed, high levels of out-commuting is characteristic of Fenland's economy. Continuing this trend would impact on neighbouring districts, who will need to plan for more jobs to accommodate Fenland's needs, and would likely impact the transport network as people will need to travel greater distances to access employment.

6.19.   Method 'e' seeks to meet projected employment needs arising from Local Plan growth and directly addresses the shortfall in jobs, by planning for an additional 9,700 homes over and above the forecast number of jobs based on number of working age economically active people.

6.20.   Methods b to e are dependent on the number of homes delivered. The Local Plan's housing target is set using the government's Local Housing Need method which requires 9,823 homes over the period 2021-2040. However, the LHN is recalculated on an annual basis and therefore is subject to change.

6.21.   Local Plans do not typically plan for the precise number of homes required, but instead provide an element of over-supply in the event that some sites do not come forward. At time of writing it is not known what 'buffer' the emerging Local Plan will ultimately provide. However, planning for higher levels of growth will have consequences for the forecast number of jobs calculated through methods b – e

6.22.   Table 37 illustrates how an increase in the amount of housing planned for (by applying a buffer to the Local Housing Need (LHN)) also increases the number of jobs required.

Table 37: Sensitivity testing – over-supply of housing on jobs forecast for Methods b, c and e

	Basic LHN	LHN + 10% buffer	LHN + 15% buffer	LHN + 20% buffer
Dwellings	9,823	10,805	11,296	11,788
Population estimate arising from new dwellings (*2.25 (rounded) persons per dwelling*)	22,079	24,287	25,391	26,495
Estimated working age population (as per *Method b*) (*58.86% (rounded) of population*)	12,997	14,296	14,946	15,596
Estimated working age, economically active population or wants to be econ. active (as per *Method c*) (*84.36% (rounded) of working age population*)	10,964	12,060	12,609	13,157
Estimated working age, econ. active plus current jobs shortfall (as per *Method e*)	20,664	21,760	22,309	22,857

6.23.   Where the approaches applied in methods b to e are used to forecast jobs growth, the actual number of homes which the Local Plan makes provision for should be reflected in the calculation as this has a knock-on effect on the number of jobs required.

6.24.   The greatest weakness of methods b to e is they assume that future populations will follow the same demographic trends and patterns as the current resident population. In practice, the occupancy rate, age, and rate of economic activity may change over time as a result of new housing growth and other demographic factors.

6.25.   Table 38 provides comparison by age group of the percent of the population in working and non-working age groups[32]. As illustrated in the table, Fenland has a greater proportion of people above working age (i.e. retirees) and has a smaller working age population than Cambridgeshire and England. It is possible that new development could attract younger people.

Table 38: Percent of population by age group

Population estimates for all persons by broad age group for 2020 (Cambridgeshire Insight)	Fenland	Cambridgeshire	England
Persons aged 0 - 15 (%)	17.9	18.8	19.2
Persons aged 16 - 64 (%)	58.9	61.9	62.3
Persons aged 65+ (%)	23.3	19.4	18.5

6.26.   Between 2006 and 2012, Cambridgeshire County Council Research Group undertook surveys of a range of new development types, including new towns, substantial extensions and infill developments over the Cambridge sub-region (Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, South Cambridgeshire, Forest Heath, and St Edmundsbury)[33]. Table 39 summarises the percent of the population in different age groups in existing and new developments in Fenland and across the wider Cambridge sub-region.

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[32] https://cambridgeshireinsight.org.uk/population/report/view/f7de925f5608420c825c4c0691de5af2/E07000010
[33] https://cambridgeshireinsight.org.uk/wp-content/uploads/2018/02/NDS-summary.pdf

Age group	Under 16	17-29	30-44	45-59	60+
Fenland existing development	19%	15%	19%	20%	27%
Fenland new developments	22%	22%	26%	13%	18%
Change +/-	**3%**	**7%**	**7%**	**-7%**	**-9%**
Cambridge Sub-Region existing development	19%	18%	21%	19%	23%
Cambridge Sub-Region new developments	26%	14%	36%	14%	10%
Change +/-	**7%**	**-4%**	**15%**	**-5%**	**-13%**

6.27.   The table shows that in Fenland district, new developments typically have a younger population than existing development – the three 'youngest' age group categories have a higher percentage of the population than existing development, and the two 'older' age groups were lower in new developments. Across the Cambridge sub-region, the population of new development is skewed toward younger age groups with the effect most pronounced in the 30-44 years age group.

6.28.   In addition, in 2017-18 Cambridgeshire County Council Research Group undertook a community survey of Love's Farm. Love's Farm is a 160-acre new development site located to the east of the railway station in St Neots in neighbouring Huntingdonshire district. The development comprises over 1,400 homes, a primary school, shops, open space and community facilities. The first homes were occupied in 2009, with the main part of the site completed in 2017. The survey identified a high proportion of residents of working age, particularly aged between 25 and 44 years.

6.29.   Similarly, Cambridgeshire County Council Research Group's community surveys of the Clay Farm (Great Kneighton), Glebe Farm, Ninewells and Trumpington Meadows developments, located on the Southern Fringe of Cambridge, show that those new developments have a greater proportion of the population in younger age groups than the existing resident population of Cambridge[34]

6.30.   Forecasting jobs growth from housing growth appears logical on face value. People living in new homes may desire a local job, and workers may require a home close to their place of work. However, the assumptions applied greatly affect the overall forecast. The research undertaken by the Research Group clearly shows that new development typically has a younger population than existing development. The consequence of this phenomenon is that a greater proportion of people living in new developments will be of working-age.

6.31.   For example, method 'c' appears credible as it aims to provide sufficient jobs to meet the needs of working age economically active people expected to arise from Local Plan growth. Method 'e' takes this approach a step further and addresses the existing jobs deficit. Forecasting the jobs requirement from these methods is highly sensitive to the underlying assumptions of demographic factors, including the proportion of the population who are of working age.

Extrapolating past net change in jobs – methods f and g

6.32.   Methods 'f' and 'g' extrapolate Nomis data showing past net changes in jobs for the period 2000 to 2019 and 2010 to 2019, respectively.

6.33.   Whilst gross employment floorspace completions suggested high growth rates in the first decade of the millennium, the Nomis data indicates that net change in jobs during this time was nil. The total number

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[34] https://cambridgeshireinsight.org.uk/wp-content/uploads/2019/07/Southern-Fringe-Survey-Report-FINAL.pdf

of jobs at 2010 was equal to those at 2000. Conversely, the period 2010 to 2019 saw growth of 7,000 net jobs – or an average of 778 jobs per annum.

6.34.	Method 'g' extrapolates past net change in jobs since 2010, providing a jobs forecast of 14,778 jobs for the forthcoming plan period 2021-2040. To meet this jobs requirement it is calculated that 172.11 hectares of employment land would be required.

6.35.	For both methods, the use class assumptions (Table 35) and job density assumptions (Table 10) have been applied to estimate the employment land requirement from the jobs estimate figure. Therefore the methods assume that all jobs will be in a B-use class (or former B1 use class).

Forecasting jobs growth from past net change in jobs to dwelling growth ratio – method 'h'

6.36.	As discussed at section 5 and *Table 23: Ratio of jobs* to net new dwellings, over the period 2010 to 2019 there were 2.12 (rounded) new jobs created for every new dwelling constructed.

6.37.	Method 'h' extrapolates this rate over the 2021-40 plan period and generates a jobs requirement of 20,856 jobs based on the current Local Housing Need of 9,823 dwellings. The use class assumptions (Table 35) and job density assumptions (Table 10) have been applied to estimate the employment land requirement from the jobs estimate, and assumes all jobs will be in a B-use class (or former B1 use class).

6.38.	Similarly to methods b – e, method 'h' is sensitive to changes in the amount of homes being planned for. Where the Local Plan includes an over-supply or buffer, method 'h' will require recalculation.

6.39.	The flaw with method 'h' is that it assumes that jobs growth is directly correlated to dwelling growth. Whilst it is reasonable to assume that housing growth will generate a requirement for additional jobs (as is the underlying principle of methods b – e), it is not necessarily the case that all past jobs growth has directly been as a result of housing growth. Past jobs growth has been high relative to new dwellings built, and has therefore likely been influenced by external factors. The ratio of new jobs to new dwellings since 2010-11 is 2.12 jobs per dwelling, and is far higher than the district average of 0.90 jobs per dwelling. This suggests there are likely external factors which influence jobs growth other than housing development. There is no certainty that the relatively high rates of jobs growth to dwelling growth will continue for the entire plan period.

Forecasting jobs growth from past employment floorspace completions – methods i, j, k, l, m

6.40.	Methods i – m estimate future jobs growth from past gross and net employment floorspace completions in B (or former B) use classes. Note that in each method, employment land has been calculated from extrapolated average employment floorspace and number of jobs has been estimated using the job density assumptions at Table 10. The use class split assumptions in Table 35 have not been applied in these methods.

6.41.	The monitoring of floorspace completions does not account for the wider site area. As previously discussed in section 5, to convert from completed floorspace to land requires assumptions to be applied. Therefore, such methods are vulnerable to errors from applying this assumption.

6.42.	Methods i, j and k forecast jobs growth from gross employment floorspace, reflecting periods of 'high growth' experienced during 1999 to 2010, 'low growth' in the post-2010 period, and both 'high and low growth' for the full monitoring period from 1999 to 2021.

6.43.   Since the plan period covers a 19-year period, it will likely experience periods of high and low growth, therefore method 'j' may be more credible than the other two methods.

6.44.   The main issue with the gross employment floorspace derived calculations is they show only gains in floorspace and do not account for losses. For example, some losses may be to other employment uses (i.e. a change of use or conversion) or may be lost to other non-employment uses such as housing.

6.45.   As previously discussed in section 5 loss of floorspace is a common occurrence, with net floorspace accounting for 51.66% of gross employment floorspace completed between 2011 and 2021.

6.46.   Method 'l' extrapolates jobs growth from net employment floorspace over the period 2011 to 2021. However, when compared with the gross employment floorspace, this was a period of relatively low activity – with method 'l' forecasting a requirement of just 2,058 jobs. Forecasting jobs growth from this dataset risks under-estimating growth required over the plan period, as not all employment land lost is available for alternative employment uses – the floorspace may be permanently lost to other non-employment generating uses.

6.47.   Net floorspace data for the 1999 to 2021 is unavailable, therefore method 'm' applies the net to gross floorspace ratio of 51.66% to gross employment floorspace 1999-2021 forecast at method 'j'. Method 'm' estimates a jobs requirement of 5,211 B/former B-use class jobs over the plan period, requiring 61.16 hectares of employment land.

Formulating a jobs forecast target

6.48.   In summary, there is no single 'correct' method for forecasting the jobs requirement. This report uses official statistics and past delivery to estimate future requirements. Each method is reliant upon various assumptions such as land use, jobs density, demographics, and growth rates. Each method is vulnerable to the effects of these various underlying assumptions, and as such no method can predict jobs requirement to a high degree of accuracy.

6.49.   Fenland District Council's *Business Plan 2021/22*[35] sets out a clear agenda for economic growth in the district:

Attract new businesses, jobs and opportunities whilst supporting our existing businesses
- *Work with external stakeholders, local businesses and the Combined Authority to attract inward investment and establish new business opportunities*
- *Provide responsive business support to encourage business growth, job diversity, skills development and increased grant applications*
- *Promote and develop our Business Premises at South Fens, The Boathouse and Light Industrial Estates to encourage investment, business development, job creation and skills diversification*

Promote and enable housing growth, economic growth and regeneration
- *Enable appropriate growth, development and infrastructure through delivering a proactive and effective Planning service*
- *Drive forward the development and delivery of new homes and commercial space by using our surplus property and land assets to deliver sustainable economic and residential growth*

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[35] https://fenland.gov.uk/media/16615/Business-Plan-2020-21/pdf/Business_Plan_2020.pdf?m=637188213250370000

- *Identify and bid for external funding that aligns with and supports our housing, economic and growth objectives*

6.50.   In addition, the Combined Authority aims to double GVA across the Cambridgeshire and Peterborough region by 2042 - i.e. over a period which broadly aligns with the forthcoming plan period.

6.51.   Of the various jobs forecasting methods, method 'e' is considered most credible, as it:

- Meets employment needs expected to arise as a result of Local Plan housing growth; and
- Addresses an existing identified shortfall of jobs relative to the working age economically active population (a jobs deficit).

6.52.   By addressing a current identified shortfall of 9,700 jobs, Local Plan presents an opportunity to provide more local jobs and fully meet the area's employment needs.

6.53.   Method 'e' identifies a requirement for 20,664 jobs, based on the current LHN and current demographic trends. This is the minimum number of jobs required to reflect needs arising from housing growth and address the current shortfall in jobs experienced in the district. This figure provides an ambitious target which supports Fenland District Council's growth agenda.

Incorporating uplift to reflect 'buffer' and demographic factors

6.54.   Method 'e' is sensitive to both changes in dwelling supply and demographic factors. In practice, the Local Plan will likely plan for an over-supply of housing growth. In addition, demographic changes may arise which could affect the number of working age people – as previously discussed, research by Cambridgeshire County Council Research Group shows that new development typically attracts a greater proportion of working-age people. Therefore, at the time of drafting policies, it may be desirable to include an element of uplift in method 'e' to account for:

- Over-supply of dwellings (aka. the 'buffer') provided by the Local Plan;
- Differing demographic factors - i.e. new development occupied by a greater proportion of working age people.

6.55.   Table 40 explores the effects on the jobs and land requirement figures of applying uplift to the dwelling requirement assumption and working age population assumption.

6.56.   Incorporating an element of uplift will also ensure the jobs requirement is an 'aspirational' target, reflecting national policies requirement that plans be *aspirational*[36]. For reference, and to assist in policy formulation, table 40 sets out incremental increases in LHN and working age population on the jobs forecast and employment land requirement using Method 'e'

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[36] Para. 16, NPPF

Table 40: Method E Jobs Forecast with Buffer and Uplift Scenarios

Uplift scenario	Basic LHN		LHN + 5% buffer		LHN + 10% buffer		LHN + 15% buffer		LHN + 20% buffer	
	Jobs	Ha	Jobs	Ha	Jobs	Ha	Jobs	Ha	Jobs	Ha
Current working age population (58.86%)	20,664	240.66	21,212	247.04	21,760	253.43	22,309	259.82	22,857	266.20
Working age population uplift to 60%	20,876	243.13	21,434	249.63	21,993	256.14	22,552	262.65	23,111	269.16
Working age population uplift to 65%	21,807	253.97	22,412	261.02	23,018	268.08	23,623	275.12	24,228	282.17
Working age population uplift to 70%	22,738	264.82	23,390	272.41	24,042	280.00	24,694	287.60	25,346	295.19
Working age population uplift to 75%	23,669	275.66	24,368	283.80	25,066	291.93	25,765	300.06	26,463	308.20

Economically active rate retained at 84.36% and shortfall of 9,700 included in all uplift examples

6.57.   As set out in table 40, a jobs requirement of 20,664 jobs or 240.66 hectares of employment land, would reflect the current 'basic' Local Housing Need requirement. This figure has been calculated using current demographic factors.

6.58.   Where the Local Plan provides an additional 'buffer' over and above the LHN requirement, and where it is desirable to provide an uplift to the working age population rate, the jobs requirement should be increased. For example, a 10% buffer to the dwelling supply in a Local Plan is not uncommon. A working age population uplift to 65% of total population would marginally exceed national levels[37]. Based on the information provided in Table 40 a jobs requirement of:

23,018 jobs | 268.08 hectares of employment land would –

- Meet the area's jobs growth needs arising over the plan period from Local Plan growth, *plus a 10% buffer*;
- Account for fluctuations or sensitivities as a result of changing demographics, *by providing an uplift to the working age population assumption*;
- Address the current shortfall in jobs, *which is equivalent to 9,700 jobs*;
- Be consistent with past net jobs growth and floorspace delivery; and
- Provide an aspirational but realistic target to support the Council's growth agenda and the Combined Authorities ambition to double GVA.

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[37] See Table 38

Suppress target to reflect portion of jobs in non-B use classes

6.59.   A major shortcoming of the method 'e' and all methods which are derived from estimates relating to population increase (i.e. methods b to h) is that they assume all jobs will fall within a B-use class (or former B use class). This is due to the use classes split assumption in Table 35, which is necessary for calculating job density and projecting employment land. In practice, a significant portion of jobs may be in sectors which fall in other non-B (or former B) use classes, such as retail, leisure, hospitality, education and healthcare.

6.60.   This issue does not apply to method 'a' since the EEFM maps jobs in different sectors to use classes, and methods 'i' to 'm' which are informed by analysis of completed floorspace in B-use classes. Table 41 shows employee jobs by industry in 2020, provided by Nomis[38]. The final column indicates if jobs within the sector likely fall within a B-use class.

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[38] https://www.nomisweb.co.uk/reports/lmp/la/1946157207/report.aspx?town=fenland#tabempocc

Employee Jobs by Industry	Fenland (Employee Jobs)	Fenland (%)	East (%)	Great Britain (%)	B-use / Non B-use mapping
B : Mining And Quarrying	25	0.1	0.1	0.2	Non B-use
C : Manufacturing	6,000	16.7	7	7.9	B-use
D : Electricity, Gas, Steam And Air Conditioning Supply	50	0.1	0.3	0.5	Non B-use
E : Water Supply; Sewerage, Waste Management And Remediation Activities	700	1.9	0.9	0.7	B-use
F : Construction	2,000	5.6	6.4	4.8	Non B-use
G : Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles	6,000	16.7	16.1	14.9	B-use
H : Transportation And Storage	3,500	9.7	5.6	5.1	B-use
I : Accommodation And Food Service Activities	1,500	4.2	7	7.2	Non B-use
J : Information And Communication	500	1.4	3.9	4.5	B-use
K : Financial And Insurance Activities	300	0.8	2.3	3.5	B-use
L : Real Estate Activities	350	1	1.4	1.8	B-use
M : Professional, Scientific And Technical Activities	1,500	4.2	9	8.7	B-use
N : Administrative And Support Service Activities	5,000	13.9	10.8	8.8	B-use
O : Public Administration And Defence; Compulsory Social Security	1,250	3.5	3.4	4.6	B-use
P : Education	3,000	8.3	9	9	Non B-use
Q : Human Health And Social Work Activities	4,000	11.1	12.8	13.6	B-use
R : Arts, Entertainment And Recreation	400	1.1	2	2.2	Non B-use
S : Other Service Activities	600	1.7	1.9	1.9	Non B-use
Total B-use	29,100	80.9	73.2	74.1	
Total non B-use	7,575	21.1	26.7	25.8	
Total jobs	36,675	102	100	100	

6.61.   As indicated in Table 41, in Fenland 80.9% of existing jobs likely fall within a B-use class[39]. There are no guarantees that future jobs will follow the same trends as existing jobs – for example, a greater or lesser proportion of jobs may fall within a B-use (or former B-use) class. However, it is reasonable to assume that a portion of jobs will be provided in sectors outside of the B/former B use classes, and consequently, the jobs

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[39] Or a former B-use class prior to the introduction of Part E use class in September 2020. NB. dataset includes some rounding issues.

requirement should be expressed as a range of minimum and maximum jobs requirement values. Reflecting the data in Table 41, the minimum range value could be set at 80% of the maximum range value.

6.62.   For example, 80% of the previously identified jobs target (23,018 jobs | 268.08 ha) would equate to **18,414 jobs, requiring 214.46 ha of employment land**.

Agreed jobs requirement

6.63.   As illustrated in this report, there are multiple approaches to forecasting the jobs requirement, and each method is vulnerable to various underlying assumptions, variables and trends. It is also difficult to forecast how many future jobs will fall within former B1, B2 and B8 use classes. It is therefore inappropriate to use figures that sound too precise, as this implies a level of accuracy that is impossible to achieve in practice. Instead it is more appropriate to round the jobs and land requirement values [40], for example:

18,000 to 23,000 jobs, through allocation of 215 to 270 hectares of employment land

between 2021 and 2040.

6.64.   The emerging Local Plan's plan period will run from 2021 to 2040. Expressed as an annualised target, the above requirement would equate to **delivery of approximately 950 to 1,215 jobs per annum, or development of approximately 11 to 14 hectares of employment land each year.**

Potential effects of Part E use class

6.65.   In September 2020, reform of the Use Classes Order was brought into effect. Throughout this report, the pre-Sept 2020 use classes have been applied to ensure consistency with the various datasets it uses – as much of the committed supply and allocations discussed in this report were approved prior to changes to the use classes order coming into effect. In other words, this report adopts a 'traditional' definition of employment – use classes falling in B1, B2 or B8 of the pre-Sept 2020 use classes order.

6.66.   The reforms amalgamated Use Class B1 into a broader 'Part E' Use Class, with a range of other uses formerly covered by use classes A and D. Through grouping different uses within the same use class, the legislation grants a permitted change to other uses within Part E, without the need for obtaining planning permission. This has the potential to affect the supply of office floorspace.

6.67.   In identifying land for employment development, consideration should also be given to the effect permitted changes within Part E use class may have on employment land. For example, it may be necessary to over-allocate employment land to account for potential losses of former office spaces to other uses within Part E use class.

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[40] For example, to the nearest 1,000 jobs and 5 or 10 hectares

7. Conclusions

7.1. This report attempts to forecast jobs requirements over the plan period 2021-2040 by following the approach set out in the Planning Practice Guidance (PPG)

7.2. This report has been prepared to inform the emerging Draft Local Plan. It is intended that this report will be consulted as part of the draft Local Plan consultation, and prior to this through ongoing engagement with Duty to Cooperate partners.

Geography

7.3. Fenland district is located within the Cambridgeshire & Peterborough region, and functions as a part of this wider economic area. The Combined Authority's Business Board forms the *Local Enterprise Partnership* for the Cambridgeshire & Peterborough region.

7.4. The Local Plan will apply to Fenland District Council's administrative area. As such, jobs and employment land requirements have been identified for Fenland district only.

7.5. There is a clear ambition for employment growth in Fenland, as a key objective of the Council's corporate plan and as a part of the Combined Authority's aspiration to double GVA across the region by 2042.

Existing stock of employment land

7.6. The current adopted Local Plan 2014 identified a requirement for 7,200 jobs and around 85 ha of employment land. Through its broad locations for growth and strategic allocations, vastly more land was made available for employment uses. It is estimated that of the land identified by the Local Plan 2014 as suitable for employment uses, around 200 ha remains undeveloped. However, much of this land is un-serviced.

7.7. In addition to areas identified for growth by the Local Plan, and sites with extant planning permission, there are many other business parks, industrial estates and other local centres of employment where clusters of businesses are located. At present, most areas lack any formal designation in the Local Plan 2014. It may be necessary to safeguard such areas for future employment uses.

7.8. At 01 April 2021, there was almost 120,000 square metres of committed supply of employment floorspace. This committed floorspace is split by use class as follows.

- B1a/b (or B1 'unknown') – 16%
- B1c/B2 – 42%
- B8 – 42%

7.9. This indicates activity across the use classes. Whilst B1a/b had the smallest 'share' of committed floorspace, it is important to note that such uses have a higher job density.

Recent pattern of employment land supply and loss

7.10. Analysis of gross floorspace completions shows continued employment development in Fenland. However activity rates appear to have been lower over the past decade when compared with the first decade of the millennium. In the years 1999 to 2010, on average approximately 30,500 sqm of gross floorspace was completed each year. In the period 2010-21, this delivery rate had fallen to approximately 11,100 sqm per annum.

7.11.   However, despite this apparent reduction in the development rate, net jobs growth increased by an average of 778 jobs each year from 2010 to 2019. Yet in the period 2000 to 2010 the net change in jobs was nil.

7.12.   After some strong recent years, employment development was markedly reduced in 2020-21 reporting year, which could be linked to the COVID-19 pandemic.

7.13.   Losses of employment floorspace are a frequent and common occurrence in the development market for employment land and floorspace. Analysis of net employment floorspace shows that for every square metre of employment floorspace built, roughly half a square metre is lost.

7.14.   Most notable are losses of B1a office floorspace which, over the period 2011 to 2021, were lost at a greater rate than new office floorspace was built. It is possible that changes to permitted development rights are encouraging such losses.

Market demand

7.15.   Past delivery and current committed floorspace show a clear demand for floorspace in uses B2 and B8. Overall, Fenland is experiencing a decline in office floorspace. These identified demands and losses conflict with the East of England Forecasting model which predicts increased demand for office space and losses in B2 and B8 industries.

Market failure

7.16.   Officers held a meeting with representatives of the local development industry to identify constraints to employment land development.

7.17.   Much of the employment land identified in the current Local Plan 2014 is not served by infrastructure, and some landowners have unrealistic expectations of land values. Much of Fenland is at risk from flooding; mitigating this flood risk is costly.

7.18.   The high cost of land, infrastructure and build costs, with low returns means many developers/businesses are unable to access necessary finance. Consequently, many available sites have been slow to progress.

Forecasting future need

7.19.   The PPG states strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust. This report explores the following datasets and uses these to forecast future jobs and employment land requirements.

- sectoral and employment forecasts and projections from the East of England Forecasting Model;
- demographically derived assessments of past, current and future local labour supply from official datasets supplied by Nomis; and
- analysis based on the past take-up of employment land by analysing gross and net employment floorspace completions.

7.20.   Available datasets, including the demographic assessment and Council's monitoring of past delivery of built employment floorspace and committed supply, suggest that the characteristics and rate of employment floorspace development and job creation differ greatly from the *East of England Forecasting Model's* forecasts. Notably, in past years Fenland has experienced a net loss of *B1a – Office* floorspace and

experienced higher than forecast growth in use classes B2 and B8. Consequently, it is necessary to formulate an alternative method to forecasting future employment need.

7.21.   Section 6 provides comparison of the various jobs forecast methods identified through analysis of the various different employment and demographic data sources. Section 6 concludes by identifying a target of **18,000 to 23,000 jobs, through allocation of 215 to 270 hectares of employment land** between 2021 and 2040. This target would likely:

- Meet the area's jobs growth needs arising over the plan period from Local Plan growth, *plus a 10% buffer*;
- Address the current shortfall in jobs, *which is equivalent to 9,700 jobs*;
- Account for fluctuations or sensitivities as a result of changing demographics, *by providing an uplift to the working age population assumption*;
- Be consistent with past net jobs growth and floorspace delivery;
- Provide an aspirational but realistic target; and
- Is sensitive to job creation in non-B use classes.

7.22.   In September 2020, reform of the Use Classes Order was brought into effect. For the purposes of this evidence report, the pre-Sept 2020 use classes have been used to ensure consistency with the various datasets it uses – as much of the committed supply and allocations discussed in this report were approved prior to changes to the use classes order coming into effect. In other words, this report adopts a 'traditional' definition of employment – use classes falling in B1, B2 or B8 of the pre-Sept 2020 use classes order.

7.23.   One effect of these recent reforms was the amalgamation of Use Class B1 into a broader 'Part E' Use Class, with a range of other uses formerly covered by use classes A and D. In identifying land for employment development, consideration will also need to be given to the effect of Part E-uses on such land. For example, consideration will need to be given to the need to over-allocate employment land to account for changes to non-employment (e.g. retail, leisure, etc.) permitted under Part E.

Appendix 1 – Projected employment by sector (EEFM 2017)

Employment by Sector (000s), rounded to 3dp. Source: East of England Forecasting Model 2017

Sector / Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Agriculture	2.439	2.426	2.411	2.397	2.383	2.368	2.353	2.337	2.322	2.305	2.290	2.273	2.266	2.242	2.226	2.210	2.194	2.179	2.163	2.148	2.132	2.116
Mining & quarrying	0.011	0.011	0.010	0.010	0.010	0.009	0.009	0.009	0.009	0.008	0.008	0.007	0.007	0.007	0.007	0.007	0.007	0.006	0.006	0.006	0.006	0.006
Manufacturing - food	2.160	2.145	2.134	2.125	2.116	2.108	2.100	2.090	2.079	2.069	2.058	2.048	2.037	2.026	2.016	2.005	1.994	1.983	1.973	1.961	1.949	1.938
Manufacturing - general	1.879	1.879	1.870	1.862	1.850	1.840	1.831	1.822	1.813	1.804	1.795	1.785	1.776	1.768	1.759	1.751	1.742	1.735	1.727	1.719	1.711	1.704
Manufacturing - chemicals only	0.474	0.471	0.467	0.464	0.461	0.457	0.453	0.449	0.444	0.439	0.435	0.429	0.424	0.419	0.413	0.407	0.402	0.395	0.389	0.381	0.375	0.368
Manufacturing - pharmaceuticals	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Manufacturing - metals	0.744	0.744	0.744	0.742	0.740	0.740	0.737	0.733	0.729	0.724	0.720	0.716	0.710	0.704	0.697	0.691	0.686	0.678	0.673	0.666	0.659	0.653
Manufacturing - transport equipment	0.545	0.548	0.548	0.545	0.541	0.538	0.537	0.532	0.530	0.525	0.522	0.520	0.518	0.515	0.513	0.511	0.509	0.507	0.503	0.500	0.497	0.494
Manufacturing - electronics	0.044	0.044	0.044	0.043	0.043	0.042	0.042	0.041	0.040	0.040	0.039	0.038	0.038	0.037	0.036	0.035	0.034	0.033	0.032	0.031	0.030	0.029
Utilities	0.069	0.069	0.069	0.067	0.067	0.067	0.067	0.067	0.067	0.067	0.067	0.068	0.068	0.068	0.068	0.068	0.069	0.069	0.069	0.069	0.069	0.070
Waste & remediation	0.667	0.683	0.697	0.712	0.726	0.740	0.752	0.765	0.779	0.792	0.805	0.817	0.830	0.842	0.854	0.865	0.877	0.887	0.898	0.908	0.918	0.928
Construction	3.266	3.331	3.379	3.430	3.494	3.554	3.604	3.659	3.690	3.738	3.786	3.830	3.886	3.939	3.992	4.048	4.091	4.148	4.208	4.262	4.323	4.378
Wholesale	3.161	3.148	3.127	3.115	3.112	3.110	3.100	3.084	3.069	3.059	3.049	3.038	3.020	3.000	2.980	2.963	2.946	2.929	2.910	2.891	2.874	2.857

Retail	3.436	3.439	3.454	3.476	3.500	3.524	3.548	3.569	3.592	3.614	3.635	3.656	3.680	3.703	3.728	3.755	3.782	3.810	3.838	3.867	3.896	3.925
Land transport	3.062	3.063	3.070	3.080	3.095	3.114	3.128	3.146	3.148	3.159	3.171	3.174	3.186	3.196	3.204	3.214	3.215	3.225	3.236	3.245	3.255	3.263
Water & air transport	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accommodation & food services	1.619	1.629	1.635	1.649	1.670	1.689	1.709	1.732	1.752	1.775	1.797	1.820	1.843	1.865	1.888	1.911	1.934	1.956	1.979	2.002	2.024	2.048
Publishing & broadcasting	0.211	0.213	0.213	0.211	0.211	0.211	0.211	0.208	0.208	0.208	0.205	0.205	0.205	0.203	0.203	0.202	0.200	0.200	0.197	0.197	0.197	0.194
Telecoms	0.024	0.023	0.024	0.023	0.023	0.023	0.022	0.023	0.022	0.022	0.022	0.022	0.022	0.022	0.022	0.022	0.022	0.022	0.022	0.022	0.022	0.022
Computer related activity	0.230	0.232	0.233	0.235	0.237	0.238	0.240	0.242	0.243	0.244	0.246	0.247	0.249	0.250	0.252	0.253	0.255	0.256	0.258	0.259	0.260	0.261

Finance	0.283	0.277	0.273	0.272	0.272	0.272	0.273	0.272	0.270	0.269	0.267	0.264	0.261	0.257	0.254	0.251	0.247	0.244	0.241	0.240	0.237	0.234
Real estate	0.578	0.593	0.608	0.621	0.637	0.650	0.663	0.677	0.686	0.698	0.709	0.719	0.730	0.741	0.751	0.761	0.769	0.779	0.790	0.799	0.809	0.819
Professional services	1.357	1.364	1.372	1.381	1.393	1.406	1.418	1.433	1.440	1.452	1.464	1.472	1.483	1.494	1.505	1.515	1.522	1.533	1.543	1.553	1.563	1.572
Research & development	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006
Business services	2.306	2.312	2.313	2.317	2.329	2.342	2.349	2.362	2.364	2.375	2.387	2.394	2.410	2.425	2.438	2.453	2.460	2.475	2.491	2.504	2.521	2.533
Employment activities	1.680	1.696	1.705	1.716	1.734	1.750	1.764	1.783	1.793	1.808	1.825	1.837	1.855	1.871	1.886	1.903	1.912	1.928	1.944	1.958	1.975	1.987
Public administration	1.322	1.323	1.339	1.354	1.369	1.384	1.397	1.412	1.426	1.441	1.456	1.471	1.485	1.500	1.515	1.530	1.546	1.562	1.577	1.593	1.608	1.624

Education	3.556	3.536	3.515	3.529	3.533	3.540	3.551	3.550	3.549	3.549	3.549	3.554	3.559	3.563	3.568	3.573	3.578	3.581	3.585	3.587	3.590	3.592
Health & care	3.893	3.940	3.972	4.007	4.042	4.078	4.112	4.146	4.179	4.213	4.244	4.278	4.313	4.349	4.389	4.430	4.473	4.516	4.562	4.608	4.654	4.702
Arts & entertainment	0.746	0.751	0.754	0.760	0.768	0.777	0.784	0.790	0.796	0.800	0.806	0.812	0.817	0.823	0.828	0.834	0.840	0.845	0.850	0.855	0.861	0.865
Other services	0.900	0.898	0.898	0.900	0.901	0.904	0.905	0.907	0.908	0.910	0.913	0.915	0.917	0.920	0.923	0.926	0.930	0.933	0.937	0.941	0.943	0.947
Total	**40.670**	**40.795**	**40.885**	**41.052**	**41.261**	**41.482**	**41.664**	**41.845**	**41.952**	**42.116**	**42.278**	**42.413**	**42.602**	**42.755**	**42.920**	**43.102**	**43.240**	**43.418**	**43.609**	**43.778**	**43.966**	**44.135**