Employment

Evidence Report

September 2013

Fenland
CAMBRIDGESHIRE
Fenland District Council

INVESTORS IN PEOPLE

CUSTOMER SERVICE EXCELLENCE
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Contents

1 Introduction

Context

1.1 Fenland District Council is producing the Fenland Core Strategy which sets out the framework for how development will be considered across the district to 2031. Until recently, the East of England Plan, also known as the Regional Spatial Strategy (RSS), set out the regional strategy for planning and development in the East of England. It included growth targets for Fenland District of approximately 11,000 new homes and an indicative target for net growth in jobs for the period 2001-2021 for Cambridgeshire (including Fenland) of 75,000 (see East of England Plan (2008) Policy E1). The RSS has now been revoked. Therefore, in order to inform future development in Fenland, the Council has undertaken a series of evidence studies to consider the most appropriate level of growth in the district to 2031 and to inform the development of the Core Strategy.

1.2 This evidence report is one such evidence study; it seeks to draw from a number of sources to establish the appropriate level of employment growth and to consider the land use implications of this growth.

Fenland Economic Context

1.3 The structure of Fenland's economy has seen a continued shift away from the land-based sector, where employment has declined due to productivity improvements and new working methods. However, its association with food based industry has continued. The majority of employment in Fenland is manufacturing, wholesale and retail, business services, healthcare, and education sectors. Together these account for a large proportion of overall total employment.

1.4 There are relatively high levels of the working population out-commuting from the district. However, although levels of out-commuting are high, the picture is differentiated across the district. A large proportion of journeys to work from Wisbech and March remain within Fenland. At Whittlesey and Chatteris, however, journeys are to destinations outside of the district such as Peterborough and Cambridge.

2 Role of this report

2.1 The primary purpose of this report is to set out the evidence in support of the employment target in the Fenland Core Strategy, namely 7,200 jobs and 85 ha of land.

2.2 In accordance with national guidance and best practice this report will seek to:

- Set out an overview of the emerging economic strategy for Fenland;
- Set out the current committed supply of sites;
- Consider the jobs forecasts for the district;
- Translate jobs forecasts into the amount of land required to support these jobs to 2031; and
- Set out the broad approach to the location of employment development.

2.3 The underlying objective is to plan for the longer term to 2031, and therefore this report is intended to take a strategic and longer term perspective of employment land issues across the district. Current issues and more detailed local issues will need to be examined through updates to this work and supplementary studies. Broader economic strategy considerations including detailed funding and intervention options will be progressed through the Council's economic development team and through close working with the Local Enterprise Partnership[1] for the area.

2.4 The principle focus of this evidence report is on the employment space needs for the group of B Use Classes indicated in Table 1. However, it should be noted that other job creation sectors (such as retail) are planned in other ways, and are considered in more detail in other supporting evidence (such as the Retail Study of 2009).

Table 1 – B-class Employment Land definitions

B1 (a)	Business - Offices other than in a use with Class A2
B1 (b)	Research and Development – laboratories and studios
B1 (c)	Light Industry
B2	General Industry including manufacturing
B8	Storage or Distribution

2.5 Data has been drawn from a number of sources including primarily: Cambridgeshire Research and Monitoring Business data 2011-2012[2], the Oxford Economics East of England Regional Forecast Model (EEFM), Cambridge Econometrics' Local Economy Forecasting Model (LEFM)[3], Cambridgeshire Local Economic Assessment (CLEA)[4] and the Fenland Neighbourhood Planning Vision (FNPV) study[5].

[1] The Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership – see www.yourlocalenterprisepartnership.co.uk
[2] CCC Research and Monitoring – see - http://www.cambridgeshire.gov.uk/environment/planning/policies/monitoring/
[3] Forecasting models – see - http://www.cambridgeshire.gov.uk/business/research/economylab/Cambridgeshire+scenarios.htm
[4] CCC Economic Development Unit – see http://www.cambridgeshire.gov.uk/business/economicandcommunitydev/ecodevelopment/economicassessment.htm
[5] http://www.fenland.gov.uk/article/1718/Neighbourhood-Planning

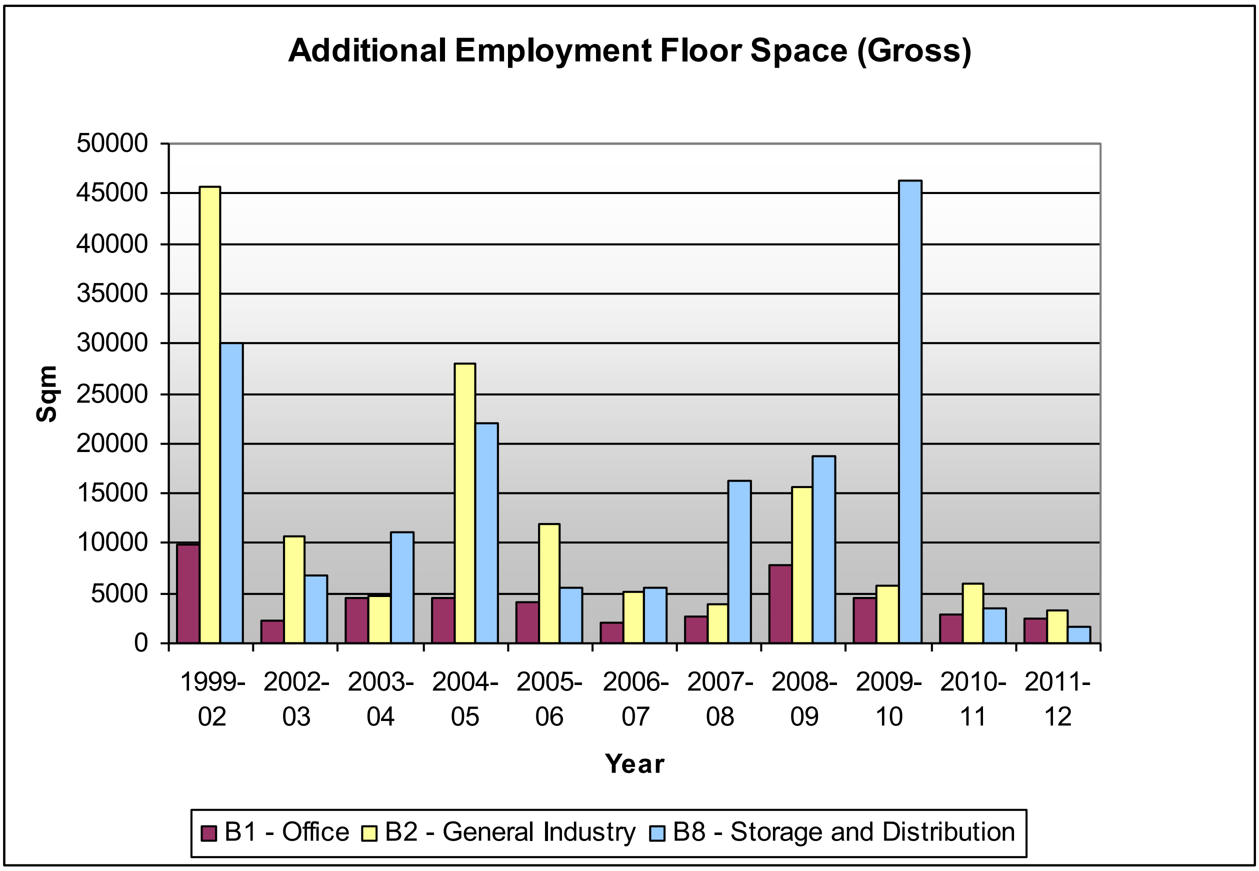
3 Current Baseline Economic Position in Fenland

3.1 Monitoring data provides a quantitative total that can be assessed to understand the land that has recently been developed, and that which is in the planning 'pipeline' and will contribute towards employment development in the coming years. The annual monitoring of business development provides information on sites that have been completed, sites that have been granted planning permission but have not been started, or those that have only been partially built. Data is available from 1999 onwards and therefore provides a long-term view of development rates in the district, across the B1, B2 and B8 Sectors.

Provision of employment floorspace 1999-2012

3.2 In terms of the levels of gross take-up of employment space, over the last 13 year period 1999-2012 the district has seen a total of 356,050sq.m, presenting an average of 27,388sq.m per year.

Figure 1 – Additional Employment Floorspace in Fenland 1999-2012



3.3 In terms of completions of employment space in Fenland, B8 has seen the greatest development since 1999 at 167,650 sq.m, compared to B2 140,622 sq.m and B1 47,778 sq.m.

3.4 The pattern of office (B1) take-up over the past 13 years has seen a relatively constant rate averaging 3,675 sq.m per year.

3.5 The other B Classes have a more varied rate year-on-year. The average gross take up rate for general industry (B2) over the last 13 years is 10,817sq.m. This type of use has generally fluctuated over time.

3.6 B8 use has also fluctuated over time. This is largely a product of large individual warehouse schemes coming forward in any given year.

Land in Employment Use

3.7 Over the period 1999-2012 there has been a net increase in land in business use of about 63.4ha. This represents an annual average of 4.85ha net additional employment land per year as shown in table 2 below. In occasional years, notably 08/09 and 09/10 net change has exceeded 9ha. These peaks in land take up can be explained by the proportion of B8 use, which are typically large low density schemes.

3.8 In the 11/12 monitoring year there was effectively no net change in land in business use, with only a negligible 0.01ha net increase across the district. Not unexpectedly this clearly shows the impact of the economic downturn. It is worthy of note, however, that whilst the net increase is marginal, there has not been an overall loss in employment land to other uses. In addition, as commented upon in the following section, employment land development is highly variable in Fenland and is often dependant on one or two large schemes coming forward in any given year.

Table 2 – Net change in land in business use (Ha)

Year	99/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	Total
Net change in land in business use (ha)	12.21	2.82	2.74	6.33	4.87	0.81	9.34	11.17	9.46	3.61	0.01	63.38

3.9 Whilst the amount and pattern of development over 13 years is highly variable, with caution, it can be used as a guide to possible demand and take up in future years.

Committed sites

3.10 Committed sites are those that are known through having one of the following types of planning status:

a) Sites currently under construction
b) Sites with full planning permission on which development has not yet started
c) Sites with outline planning permission on which development has not yet started

3.11 At the end of March 2012, there was about 29ha of employment land committed in the district (gross). This is made up of a fairly even mix of B1 (9.46ha), B2 (10.87ha) and B8 uses (8.55ha). The table below indicates that a large proportion of the commitments in the district are located in Chatteris, which primarily consists of a large site at Wormfarm, for a mixture of B uses (planning application reference F/YR07/0980).

3.12 Some of these sites may not come forward to the delivery stage, particularly as they may have gained permission during the economic peak. However, at the current time they are considered available for development. Further investigations will be undertaken through the ongoing implementation of the Core Strategy to understand and overcome any barriers to these sites coming forward.

Table 3 -Type of employment use by settlement (committed)

B1-B8	B1	B2	B8	Total (net)
Chatteris	6.22	4.33	4.20	14.75
March	0.0	0.0	0.0	0.0
Whittlesey	0	0.09	0.00	0.09
Wisbech	0.80	3.74	0.43	4.97
Other	2.44	2.71	3.92	9.07
Total	**9.46**	**10.87**	**8.55**	**28.88**

Local Plan (1993) Allocations

3.13 The 1993 Local Plan set out Employment Allocations through policy EMP2. Since 1993 many of these identified sites have been completely or partially developed. As allocations have been available since the adoption of the plan in 1993, it is clear that some sites may not be suitable or attractive for employment development at the current time. The Council's 2007 employment land review sought to review these sites and provide recommendations for retention or deletion. However, for the foreseeable future, it is now not proposed through the Core Strategy to allocate specific sites (other than the Strategic Allocations) for development in a formal 'development plan'. As such, once the Core Strategy is adopted, land that was allocated through the 1993 Local Plan and that has yet to be built out will no longer have formal allocation status and will no longer be included on the Policies Map. These sites will be considered, alongside other sites, in accordance with the criteria based approach as set out in the Core Strategy.

3.14 Nevertheless, despite this forthcoming change in allocation status, monitoring indicates that sites which are not within identified broad locations or strategic allocations could contribute up to 30ha of employment land over the Core Strategy plan period[6]. However, it is unlikely that all of the sites will come forward and so will not be relied upon for the delivery of the strategy.

Summary

3.15 The analysis of completion data demonstrates that over the last 13 years a significant amount of employment development has taken place. Much of this has been in large B8 uses and B2 General Industry. It also shows that development completions fluctuate over time. It should be noted however that the employment completions are in the context of an ageing local plan where the choice of sites is likely to have been more limited.

3.16 The review of commitments suggests that with the exception of the Worm Farm site in Chatteris, there is only a limited supply of sites with planning permission in each of the market towns.

[6] http://www.cambridgeshire.gov.uk/environment/planning/policies/monitoring/businessdevelopment.htm

4 The Fenland Economy and Growth Potential

4.1 For a full review of the Fenland economy and its growth potential see the Fenland Economic Development Strategy (2013)[7].

5 Determining a Job Growth Target and Future Employment Land Requirements for Fenland

5.1 A key aspiration of Fenland District Council, and its Core Strategy, is to support and encourage economic growth and job creation in the district. This section provides analysis on the job growth target and the amount of employment space likely to be needed in Fenland up to 2031. It concentrates on employment uses in the B1, B2 and B8 Use Classes.

5.2 There are a range of methods used to project future employment growth and land demand. The main approaches suggested within the national guidance are:

Table 4

Scenario	Description
1. Employment Growth Forecast	Forecast of employment growth in 31 sectors between 2011 and 2031 taking into account anticipated changes in the national and regional economy.
2. Past Take-up Rates	Forecast of future employment land requirements based upon "rolling forward" the development rates that took place 1999 – 2012.
3. Labour Supply	Forecast of employment growth based upon future demographic projections and housing growth in order to understand the extent to which the demand for jobs might shape the requirement for employment land.

5.3 All types of forecasting have limitations, and uncertainty is inherent in all of these methods. It is therefore necessary to consider the forecasts with caution and as a starting point to inform (not set) policy.

5.4 To help understand and overcome the uncertainties and limitations, a mixture of forecasting methods should be used. This provides a forecasting range and allows for informed and reasoned assumptions to be made and applied. It is therefore considered appropriate to use all three methods to help determine future employment land requirements in Fenland. Forecasts of employment growth are considered up to 2031. This provides an estimate of the total number of jobs that will be required in the district over the plan period.

Floorspace implications

5.5 Forecasts for Fenland in this evidence report have been converted to gross additional floorspace and land requirements by assuming typical ratios of jobs to floorspace for the different B uses as set out below[8]

- B1 (Office) – 19 sq.m per worker
- B2 (General Industry) – 34 sq.m per worker
- B8 (Distribution) - 50 sq.m per worker

5.6 With regards to converting the floorspace to land requirements, the national guidance[9] suggests standard plot rations for different employment uses vary between 0.25 and 0.6,

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[7] http://www.fenland.gov.uk/article/1722/Your-Business

[8] Arup Economics and Planning, Employment Densities: A Full Guide, Report English Partnerships and the Regional Development Agencies, July 2001

[9] Employment Land Reviews Guidance Note, ODPM, December 2004

with the small ratio being for business parks and town centre office, and the greatest for warehouses. This evidence report has assumed an average rate of 0.35. Therefore, a site of 1ha would be needed to accommodate 3,500 sq.m of employment floorspace. As an example, for B1 (Offices) this would produce the following formula:

B1 jobs x 19 (sq.m) / 0.35 = land requirement (sq.m)

Scenario 1: Employment Growth Forecasts

5.7 The period of national recession since 2007 has led to a widespread re-evaluation of the general reliability of economic forecasts. There is also growing consensus that such forecasts are more reliable at regional and national scales than at the local economy level (for example, they do not take into account local policy interventions and local economic issues and drivers). They can, however, indicate the broad scale and direction of economic growth in different sectors and provide some guidance to help plan for future land requirements.

5.8 The Population, Housing and Employment Forecasts Technical Report produced by the Cambridgeshire research group sets out the detail of the latest forecasting data. Please refer to http://www.cambridgeshireinsight.org.uk for further information. Whilst the above document should be read in order to understand the methodology and assumptions made, the two forecasts models suggest that Fenland should plan for a total of 5,000 – 8,000 jobs as set out in Table 5.

Table 5 - Forecasting Model – Total Jobs Growth

EEFM Baseline Total (000's)			LEFM Baseline Total (000's)		
2011	2031	Change	2011	2031	Change
38.7	43.7	+5.0	39.7	47.7	+8.0

5.9 In order to plan for the amount of employment land that will be required to support these jobs, an assumption has been applied that 60% of these jobs will be in B uses with 40% of jobs coming through retail, catering and other sectors. This results in a B use total of 3,000 jobs for the EEFM model, and 4,800 for the LEFM model.

5.10 A further assumption regarding the likely split between B1, B2 and B8 uses have been applied. This reflects Fenland's aspiration to diversify the economy through providing a range of employment opportunities. It assumes that main growth will be in general industry B2 sectors. The ratios have been applied as follows

- B1 (office) – 10%
- B2 (General Industry) – 60%
- B8 (Distribution) – 30%

5.11 Using the formula as described in paragraph 5.6 above, this results in a B use split as shown below

Table 6 - EEFM

	Job Numbers	Floorspace Need (sq m)	Land Need (ha)
Office (B1)	+300	+5,700	+1.63
General Industry (B2)	+1,800	+61,200	+17.49
Distribution (B8)	+900	+45,000	+12.86
Total B-Use	+3,000	+111,900	+32.0

Table 7 - LEFM

	Job Numbers	Floorspace Need (sq m)	Land Need (ha)
Office (B1)	+480	+9,120	+2.61
General Industry (B2)	+2,880	+97,920	+27.98
Distribution (B8)	+1,440	+72,000	+20.57
Total B-Use	+4,800	+179,040	+51.2

5.12 The employment forecast based approach would imply a future need for between about 30ha and 50ha of additional employment space in Fenland over the period to 2031. However, given the uncertainty of the economic climate, the forecasts above should only be considered as a starting point, understanding that they are projections in the context of a rapidly changing economic situation. They should also therefore be considered against other approaches.

Scenario 2: Employment Land Projections based upon Past Take-up Rates

5.13 Past employment land take-up allows us to indicate the possible potential future employment land take-up rates, and therefore the amount of land that will be required for employment in the future. This scenario effectively assumes that growth will continue in accordance with the average growth rates experienced 1999-2011, and of course should, once again, be treated with caution.

5.14 Past development rates used in this report are taken from the Annual Monitoring information carried out by Cambridgeshire County Council annually for each district[10]. The data includes permissions for new employment development and losses of employment space across the B uses.

5.15 Table 8 shows how the outputs from this scenario differ from those associated with the forecasting model under scenario 1. The average annual change over this period was 25,506 sq.m, of which around 90% was B2 and B8 uses. Assuming the floorspace to worker ratios set out in para 5.5, the implied economic growth is around 11,750 total jobs between 2011 and 2031. This simplistic approach suggests a significantly larger requirement for employment land, with main requirements in both B2 and B8 uses. This level of growth is unsurprising given that this scenario reflects a continuation of the buoyant pre-2007 economy continuing over the 20 year plan period.

Table 8

	Total Completed 1999-2011		Trend rolled forward 2011-2031	
	Ha	Floorspace (sq.m)	Ha	Floorspace (sq.m)
Office (B1)	12.19	17,378	20.31	28,963
General Industry (B2)	16.71	115,897	27.85	193,161
Distribution (B8)	36.66	136,802	61.10	228,003
Total	65.56	270,077	109.26	450,127

5.16 This scenario assumes that future employment growth rates carry on at the same average rate achieved between 1999 and 2011, and that future growth will replicate previous patterns. It is clear that in a post-recession context, achieving this substantial level of growth appears unlikely. Accordingly, in seeking to plan for the provision of future employment land, a balance must be drawn between a rolling forward of past trends which might not reflect current and future circumstances and the need to identify sufficient land to meet long term development needs that reflect policy aspirations for increased activity in Fenland.

[10] CCC Research and Monitoring – see - http://www.cambridgeshire.gov.uk/environment/planning/policies/monitoring/

Scenario 3: Labour Supply Forecasts of Employment

5.17 It is useful to consider how many jobs, and hence how much employment space, would be needed to broadly match forecast change in the District's resident workforce as a result of growth. Investigations undertaken via the FNPV study indicate that if a hypothetical scenario of no housing growth in the district was applied, demographic trend based projections suggest there would be a decline of around 13,490 in the working age population by 2031. This is a result of the current trend of an ageing population in Fenland being projected forward. When compared to the increased population arising from the housing growth 11,000 dwellings to 2031, and through applying assumptions on employment rate (75%) and those living and working in the district, this indicates only 823 net jobs growth across the district and a land requirement of 1,800sq.m or just over 5ha. When compared against the labour supply in Fenland this limited jobs growth would suggest a potential shortage in local labour supply in Fenland, which could potentially constrain the development of available employment sites.

5.18 However, other factors also need to be considered. The current position in Fenland is that of insufficient employment opportunities to support the resident workforce, and although the number of economically active people in the District may be predicted to decrease, in order to increase the overall number of jobs available (job density), additional employment opportunities are still required. Policy interventions and the by-product of growth may also see changes in the demographic trend. There is also a likely trend towards the elderly continuing in employment, either through choice or through no choice (eg due to rising age of state pension and falling pension values). In addition, the provision of additional employment opportunities would help to decrease the number of out-commuters, which would increase the available labour supply. Whilst it is acknowledged that it is unlikely that the current net out-commuting pattern will be significantly reversed in the short term, there is potential for some change in the pattern should a broader range of opportunities be available in the district.

5.19 For the above reasons, it is not considered that for the purposes of providing sufficient employment land to support economic growth in Fenland that, as a result of the projected decrease in the working age population, we should plan for a low supply of employment land being needed.

5.20 The FNPV also considered the supply of labour to come forward if the existing working age population was to remain static, or a 'gross' figure. When assumptions on employment rate and commuting were applied to housing growth, this results in a labour supply of about 7,200. As the demographic data is a strong variable, in order to fully understand the land implications of meeting this change in the District's resident workforce as a result of growth, this 'gross' figure has been used to understand land implications.

5.21 As in the section above, an assumption has been applied that 60% of these jobs will be in B uses with 40% of jobs coming through retail, catering and other sectors. This results in a B use total of 4,320 jobs being required to meet the predicted labour supply as a result of housing growth.

5.22 To convert this figure into a land requirement the same ratio and floorspace assumptions are used as above. Using these assumptions, the labour supply technique suggests that there will be a requirement for approximately 46ha of employment land up to 2031, set out in the table below.

Table 9: Labour Supply Forecast

	Job Numbers	Floorspace Need (sq m)	Land Need (ha)
Office (B1)	+432	+8,208	+2.4
General Industry (B2)	+2,592	+88,128	+25.2
Distribution (B8)	+1,296	+64,800	+18.5
Total B-Use	+4,320	+161,136	+46.1

5.23 This approach contrasts to the employment demand forecast approach through a strong growth in B2 use, resulting in a higher floorspace need of 161,136sq.m.

5.24 The total land need of around 46ha is reasonably consistent with the range produced by the forecasting model of up to 40ha in a high UK growth scenario. However, as referred to previously, demographic trends are likely to have a large impact on the labour supply in the district, and this approach does not take into account how some residents may take up existing jobs in the area that others have left (e.g. through retirement) where no additional space is required. The potential land requirement may, therefore, be lower than the ‘gross’ 46ha forecast here.

Other Issues

The loss of employment land

5.25 The loss of employment land to alternative uses will also impact on the amount of land required over the plan period. Recent development patterns indicate that a significant amount of employment land has been developed for alternative uses. This may be partly due to a limited land supply as a result of the ageing 1993 Local Plan putting added pressure on Employment Sites. Since 1999, about 36ha of employment land has been lost to alternative uses. This equates to approximately 3ha per year. It difficult to predict exactly how much development of this nature will occur in the future, but is expected that as the flexible criteria based Core Strategy approach is applied there will be less pressure on existing sites and employment site losses should be lower. An assumption of a rate of 2ha per year has therefore been assumed across 2011-2031, a total of 40ha likely to be lost.

Other factors affecting employment land requirements

5.26 The current economic climate is a significant factor affecting the future demand for employment space both locally and nationally. The projections based upon historic development rates do not therefore reflect the major economic slowdown currently being experienced. It is unknown how long the economic slowdown will last, or exactly what impact it will have upon employment growth. The uncertainty of the future economic situation emphasises the need to be flexible in employment land supply.

5.27 The large employment site of the Regional Freight Interchange (a proposal adopted in the Peterborough Core Strategy and proposed in the Fenland Core Strategy) straddles the Fenland/Peterborough border west of Whittlesey. If the proposal goes ahead it will provide a significant amount of employment land, which will attract labour from the Fenland area.

5.28 Changing working practices such as home-working, hot-desking, more efficient use of labour and the use of recruitment agencies for agricultural workers may have an impact on employment space but this is difficult to predict and to quantify.

5.29 Economic growth and regeneration strategies including efforts to improve education and skills in the district have potential to create spin-off effects in attracting new employment development.

5.30 The unpredictability of inward investment in the district and the pattern of past employment land development showing significant fluctuations year to year (see section 4 above). With the large net increases in employment development usually being as a result of one large development, the amount of and timing of large proposals is difficult to predict. For these reasons it is essential a flexible approach is taken towards the supply of employment land, to deal with a variety of scenarios. Through the use of criteria based policies the added flexibility could result in greater development rates than in the past.

5.31 In order for the property market to operate efficiently, it would be expected that a degree of vacancy would be present in existing employment sites. This allows for movement and expansion of firms, and choice for new and existing businesses. For example, it may be necessary in some instances for sites to be redeveloped prior to them being occupied by new companies, and such sites would stay vacant for the time this takes to complete. It is therefore necessary to ensure that a degree of additional land is provided to allow for this turnover.

5.32 It is also necessary to provide developers and occupiers a degree of choice within the market.

5.33 It is considered necessary in the case of Fenland to provide for a relatively generous allowance of employment land. In particular, inward investment is difficult to predict. Also, the need to provide sufficient choice to attract new firms to help diversify and improve the local economy is considered essential.

5.34 Supplementary information suggest a current undersupply of jobs – the jobs density is 0.66, meaning that for every working age resident there are 0.66 jobs available. This is lower than the East of England density of 0.76.

Conclusion to Chapter 5

5.35 The output from the combination of approaches to understand the economic growth in the district demonstrates the difficulty in accurately predicting jobs growth and determine the jobs/land target. In particular, in Fenland, where there is a strong aspiration to broaden the economic market, it is difficult to predict the impact of polices on employment rates, commuting and sector growth.

5.36 Therefore, while considering that forecasting can be classed as a 'best estimate', the results suggest that for Fenland around 70-90 ha of land will be required to meet the needs of potential labour supply and labour demand, as demonstrated in the table below. This is lower than a roll forward of previous trends which suggest a much higher total of 110ha, but the range is likely to more closely represent the economic reality in the district.

5.37 If the forecasts are taken as read, the findings from labour demand (i.e. sector growth), and labour supply (i.e. growth in workforce), suggest that there will be an overall undersupply of labour in the district as a direct result of a trend of an ageing population. Current supplementary data contradicts this; current job density of 0.66 compared to a regional average of 0.76, and unemployment rates, suggests there is actually an undersupply of jobs. Furthermore, the trend of an ageing population in the district may be reversed as a result of increased opportunities. Therefore, while this relationship will need to be carefully monitored, employment land requirements should not be based on it in isolation.

Table 10: Summary of employment scenarios

		Jobs in B uses	Land requirement (ha)	Losses (ha)	Total (ha)
Labour Demand	EEFM Baseline	3,000	32	40	72.0
	LEFM Baseline	4,800	51.2	40	91.2
Labour Supply	Demographic trend applied	823	5.3	40	45.3
	Without demographic trend applied	4,320	45	40	85.0
Historic Trend – rolled forward		n/a	110	n/a	110.0

5.38 In order to provide a meaningful and useful assessment of future employment land for Fenland for planning purposes, it is necessary to derive a target from the above scenarios. This approach needs to take account of the need to plan for a broader economic future while ensuring an efficient use of land.

5.39 The Labour Supply scenario estimate of 5.3ha is clearly too low for the district, representing an average of only 0.25ha over the 20 year plan period. This is also at odds with the demand forecasts and the trend based roll forward. Providing only this amount of land would fail to provide sufficient workspace development opportunities to serve the local economy and could stifle potential growth. This scenario is rooted on the assumption that previous trends of an ageing population will continue into the future, which may not be the case.

5.40 Conversely, the past employment trend scenario of 110ha is probably too high. This view reflects the fact that land take up over the past decade has been relatively high, with unprecedented national rates of economic growth and high levels of funding support, and potentially skewed as a result of some large B8 developments. Over-provision of development land to this scale could potentially result in an inefficient use of land and also raises concerns with respect to the deliverability of use (based upon the balance between need for and supply of land). This may result in land that could be released for other uses being held back, resulting in less sustainable or suitable land being needed.

5.41 The Labour Demand model runs and Labour Supply (not assuming working population decline) all point to a range of between 70 and 91ha. This lies between the book-end range identified above. These potentially represent the most reasonable approaches to set an employment land target because they meet the needs of predicted sector led growth and take into account the jobs required to match Fenland's potential future labour supply. In reaching a final overall quantum of employment land for Fenland, it is necessary to balance past trends with ambitions for the future, ensuring growth in the post-recession economy.

5.42 On this basis, planning for an overall target of 85ha of employment land for Fenland is considered most appropriate and recommended as the preferred approach for the growth-led Fenland Core Strategy. This will allow for planned yet relatively unconstrained growth and balances the need for the provision of sufficient land to meet sector growth and labour supply. It allows for flexibility between scenarios so that sufficient land is available should variables such as demographic trend do not follow previous trends.

6 Land Supply

6.1 For the foreseeable future, the Council is not intending to allocate small specific sites for employment development on its OS based Policies Map. It prefers to plan for growth through key strategic allocations in each of the towns. This will help to ensure that development is of a high quality design, is in the right location for prospective employment and meets market aspirations. Sites outside these identified areas will come forward through extensions to existing areas or new appropriate sites when considered against the criteria as set out in the Core Strategy or through Neighbourhood Planning. For employment uses this will allow sectors to come forward with sites that best suit their needs.

6.2 This approach will be supported by a proactive economic and educational strategy that seeks to increase the opportunities and supporting businesses that wish to expand or locate in Fenland.

Distributing targets across Fenland

6.3 Whilst Fenland is a rural district, and the food industries are likely to play a large part of the economic strategy, it is not proposed to set specific targets for employment land in the rural area outside the four market towns. Housing and jobs growth is directed towards the four market towns in the district. Individual proposals for employment uses in rural areas will be considered against the criteria in the Core Strategy which will be flexible enough as not to stifle the rural economy.

6.4 Employment Land will therefore predominantly be delivered through:

- sites with permission (as at 2012),
- appropriate intensification and extensions to established areas of employment, and
- a master planning approach of the urban extensions to the four market towns.

6.5 The most appropriate scale to consider employment growth is at the district level, due to the nature of commuting between settlements. However, each of the market towns have different characteristics including levels of out-commuting and so it is useful to disaggregate down the functional economic areas for each of the market towns.

6.6 To achieve the jobs growth target, the Council should facilitate the delivery of around 85ha of new employment land to provide for business, industrial and distribution uses. The strategy for employment land development distribution should then be in line with housing growth for each of the settlements. For each of the four market towns the approximate targets for the period 2011-2031 is set as follows:

Table 11: Growth targets (including commitments)

	District Total	Wisbech	March	Chatteris	Whittlesey
Total	85ha	30ha	30ha	20ha	5ha

6.7 It should be noted that the above are minimum targets. The delivery of employment land will be carefully monitored to ensure that sufficient high quality sites are coming forward that meet the needs of businesses.

Delivery of Employment Land

6.8 The delivery of employment will come through three main sources -

6.9 **Committed Sites –** are those that are currently known through having one of the following types of planning status:

a) Sites currently under construction

b) Sites with full planning permission on which development has not yet started
c) Sites with outline planning permissions on which development has not yet started.

6.10 **Strategic Allocations and Broad Locations of Growth –** These sites do not have planning permission, but through the Core Strategy are identified as having capacity to deliver large comprehensive areas of growth. It is expected that these sites will come forward as part of developer-led masterplans. The maps included in CS8-11 set out the strategic allocations and broad locations of growth. In many cases these sites will be predominately for residential use, however, it is expected that employment will also come forward on appropriate sites.

6.11 **CS6 Sites –** These sites reflect the criteria based approach as set out in CS6 that allows appropriate Employment development to come forward on sites which meet the criteria by are of a scale too small to identify as strategic allocations or broad locations of growth on the Key Diagrams linked to policies CS8-11. The build out of this allowance is expected to include some of the remaining sites previously allocated through the 1993 Local Plan and those that come forward on the redevelopment of vacant sites and small scale proposals in Towns and Villages. To ensure that this approach brings forward sites as predicted, careful annual monitoring will be undertaken.

6.12 In identifying employment land that will come forward it is normal to provide some additional allowance on top of the initial estimate of need. This reflects a number of factors:

- To provide a margin for error given the uncertainties in the forecasting process, and avoid under-provision;
- To allow developers and occupiers a reasonable choice of sites;
- To give a reasonable vacancy level that enables normal market movement and churn, turnover of firms and upgrading of older premises;
- To offset some sites not coming forward and some redundant industrial sites not being suited to new employment uses.

6.13 Through a combination of Sites with existing planning permission, Strategic Allocations, Broad Locations of growth and potential CS6 Sites, approximately 98ha is likely to come forward. This allows the target of 85ha to be met, but also an addition of about 10% to allow a 'margin of error' as set out above. While it is difficult to predict exactly when sites will come forward, careful monitoring will be undertaken to ensure sufficient supply.

Table 13: Employment Land summary

Source	Ha
Strategic Allocations -	8
Broad Locations of Growth	41
CS6 Sites -	20
Committed Sites (as at 11/12) -	29
Total	98

7 Conclusion

7.1 From the Core Strategy and spatial planning perspective, the most important task from an economic development perspective is to ensure the right quantity of employment land is available at the right time in the right location. This evidence report concludes that facilitation of 85ha of employment land is appropriate for Fenland for the 2011-2031 period, broken down to the four market towns as follows:

	District Total	Wisbech	March	Chatteris	Whittlesey
Total	85ha	30ha	30ha	20ha	5ha

7.2 Broadly, such land provision should provide for a net increase in jobs of around 7,000 over the period 2011-2031.

7.3 Through existing commitments, Strategic Allocations, Broad locations for growth, and existing capacity sites, there is a potential of 98ha to come forward over the plan period.

7.4 The delivery of employment land will need to be carefully monitored to ensure that an adequate supply is coming forward and being delivered, and monitored to see if the supply of employment land and the growth in jobs is aligned to housing growth. Significant divergence will trigger contingencies to address any imbalance.

7.5 This puts particular emphasis on the economic strategy of Fenland to encourage businesses and create an area that is attractive for further investment.

Key Findings and Recommendations

- Based upon employment land projections, and other factors, it is estimated that between 112,000 and 161,00sq.m of additional floorspace is required within the plan period to meet jobs growth. This equates to a total of between 30ha – 45ha
- In order to compensate for the predicted annual loss to other uses at a rate of 2ha, an additional 40ha of employment land is also required.
- This equates to an overall total of 70 – 85ha of employment land.
- Because of the nature of the Fenland Economy and the need to stimulate and encourage economic growth, it is recommended that the upper end of this range forms the target i.e. 85ha.
- Areas for employment growth should be flexible and allow for a range of opportunities from different sectors and uses. The broad locations for growth as set out in the Core Strategy enables this to happen.
- There is available land to meet the employment target including an allowance for vacancy, churn and flexibility.
- There needs to be sufficient variety of land which is suitable for both inward investment opportunities, and accessible to growth within the existing market. It will be important that the masterplanning of the urban extensions meets this requirement.
- In detailed planning for employment provision, the latest Fenland Economic Development Strategy should also be carefully considered.

8 Reasonable Alternatives

8.1 This section considers the reasonable alternatives that were considered as part of this report but were rejected in preference of the preferred approach as set out in the section above.

8.2 **1. Higher Employment Growth -** As set out in Chapter 5, the roll forward of past completion trends 1999-2011 over the plan period (2011-2031) would result in an employment requirement of around 110ha. This is the highest figure to result from the scenario testing. A reasonable option would therefore be to plan for this high scale of growth. However, this 'High' option was discounted for the following reasons –

a) This scenario effectively projects forward a sustained period of high economic growth – while it is expected that the market will pick up over the plan period, it is unlikely that it will be sustained at such a high level as previously witnessed;
b) Identifying such a high level of land supply could result in the inefficient use of land;
c) Past completion trends include a large proportion of B8 Warehouse. As the Economic Strategy seeks to broaden the economy this trend may not be replicated in the future.

8.3 **2. Lower Employment Growth** – As set out in Chapter 3, employment completions in 10/11 dropped by over 50% from levels achieved in the proceeding 3 years. Given national economic projections, it is expected that achieving past levels of growth will be challenging. Therefore it could be considered reasonable to base future growth on the more recent trend of a lower delivery rate. This option was discounted for the following reasons: -

a) This option does not represent Fenland's aspiration to create a broader growing economy;
b) While lower growth has occurred in recent years, it only represents a recent decline it would not therefore cover likely economic cycles that are likely to occur throughout the plan period.

8.4 **3. Demographic Based Employment Growth** – As outlined in Chapter 5, demographic projections suggest that there will be a decline in the working age population resulting from an increasingly ageing population. The scale of housing growth planned in the district would only offset this predicted decline and lead to a marginal net increase in working age population. As such, few 'new' jobs and their associated land take would need to be planned for. As such, planning towards such a demographic based forecast could be considered to be a reasonable option. This option was discounted for the following reasons:

a) This labour supply approach using demographic assumptions is at odds with three demand forecasts and the historic trends roll forward;
b) Demographic change is a strong variable and includes many assumptions. Policy interventions including increased employment opportunities may lead to a shift in this trend.

Appendix 1 – List of assumptions used in converting jobs to land.

Assumptions	Unit	Figure used	Description	Source
Percentage use of jobs to 'B' use	%	60	Not all jobs will be in B uses. Some will be in retail, public sector etc. Although it is difficult to establish exactly how many jobs will be in B use sectors, an assumption of 60% has been made.	FDC estimate
Percentage split between uses	Office (B1)	10	In order to convert the labour supply job figures to an overall land requirement an assumption on the breakdown of these jobs by B1, B2 and B8 use is required. This is because they have different floorspace per worker (see below). Through this approach, and in line with the Neighbourhood Planning Vision and emerging Economic Strategy, an assumption has been made that policy intervention will result in the majority of jobs growth to be in B2 use (general industry) class.	Assumption made by FDC based on economic aspirations
	General Industry (B2)	60		
	Distribution (B8)	30		
Job density (floorspace per worker)	B1 – sq.m	19	Floorspace per worker has traditionally been difficult to determine, with few evidence studies having been completed to draw upon. The main standard reference guide used by LPA's remains the 'full guide' produced by Arup for English Partnerships in 2001.	Employment Densities: A Full Guide – Arup 2001
	B2 – sq.m	34		
	B8 – sq.m	50		
Floorspace Ratios (how much is actual floorspace per ha)	sq.m	3500	To understand employment land requirements the ELR must estimate the capacity of land to accommodate new employment floorspace i.e land that is available after being used for road networks etc. Traditionally rules of thumb between 3500-4000 sq.m are used. There is little formal guidance on what floorspace to use and the figures are only indicative. This report therefore draws upon the research completed by Yorkshire Forward which recommends 3,500sq.m per hectare as a default assumption. As above, while local economic conditions may differ, this approach provides a useful guide.	Planning for Employment Land – Translating Jobs into Land 2010 (completed for Yorkshire Forward by Roger Tym and Partners)
Loss of employment land	per year (market towns only)	2.0	The ageing 1993 Local Plan has meant that there has been significant pressure on employment sites from other alternative uses such as housing. In order to understand the 'to find' figure for the Core Strategy –an assumption has therefore been made on the amount of additional employment land that is required to compensate for losses to other uses. If this adjustment is not made and significant amounts of existing employment land are lost in the future, the planned land supply will fall significantly short of what is needed to accommodate the employment target for the area. Monitoring figures suggest an annual loss rate of around 3.6ha from 1999-2011. As discussed in the report, it is unlikely that such a trend will continue as land availability improves. As such, it is not considered appropriate to forecast this trend of losses forward. Instead, an estimate of 2.0ha a year has been applied. Careful monitoring will be undertaken to ensure land supply does not fall significantly short of the target	Cambridgeshire County Council Research and monitoring outputs 2011

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