



## UTTLESFORD DISTRICT COUNCIL



## EMPLOYMENT LAND REVIEW : REPORT

April 2011







## CONTENTS

	Page
Summary	1
1. Introduction	15
<b>Stage A: The Current Position ('Taking Stock')</b>	
2. National and regional policies	25
3. Existing local planning policies	31
4. Other local non land-use planning policies	35
5. Profile of the local economy	37
6. Profile of commercial land and property markets	63
7. Qualitative audit of employment sites	93
<b>Stage B: Future Demand and Supply ('Future Stock')</b>	
8. Employment change forecast by sector	103
9. Reality-test of employment forecast	113
10. Alternative employment growth scenarios	119
11. Demand for employment floorspace and land	121
12. Potential losses of employment space to other uses	123
13. Land in the pipeline	125
14. Supply of floorspace and land	127
15. Alternative supply scenarios	131
16. Quantity and quality of land available for employment uses	133
17. Consultation with stakeholders	141
<b>Stage C: Conclusions and Recommendations ('a New Portfolio')</b>	
18. Policy options for employment land	145
19. Policy recommendations	153

	MAPS	Page
1.	Uttlesford in the sub-region	18
2.	Uttlesford district	20
3.	Functional Housing Sub-Markets across part of London Commuter Belt Sub-Region	53
4.	Great Dunmow (south)	76
5.	Start Hill	77
6.	Saffron Walden (east)	78
7.	Great Chesterford	80
8.	Chesterford Research Park	81
9.	Stansted Airport	82
10.	Location of employment sites at Takeley, Elsenham and Stansted Mountfitchet	87

## SUMMARY

This Employment Land Review (ELR) considers the need for land and premises for employment purposes in Uttlesford district. It does so in the context of the emerging Local Development Framework (LDF) which will constitute the development plan for the district. This ELR constitutes part of the evidence base that will inform the emerging LDF.

For the purposes of this report, employment uses are those which feature in the B Class of the Town and Country Planning (Use Classes) (Amendment) (England) Order 2005. As such, they essentially comprise factories, warehouses and offices together with physically similar ‘sui generis’ uses. Other uses providing jobs, such as retail and education, are not included.

The main employment areas in the district are Stansted Airport, Chesterford Research Park and the industrial estates in Saffron Walden, Great Dunmow and some of the larger villages.

The East of England Development Agency (EEDA) issued a guidance manual for preparing an ELR which aims to complement the Government’s Guidance Note on ELRs by providing advice that is more definite, more technical and specific to the East of England. This ELR follows the EEDA manual which advocates the following three-stage approach:-

Stage A: The Current Position (‘Taking Stock’)

Stage B: Future Demand and Supply (‘A Picture of Future Requirements’) and

Stage C: Conclusions and Recommendations (‘A New Portfolio’).

### **Stage A: The Current Position (‘Taking Stock’)**

#### **National and regional policies**

Relevant Government planning policy is set out in Planning Policy Statements (PPSs) 1 & 4.

PPS1 : ‘Delivering Sustainable Development’ identifies one of the Government’s four aims for sustainable development as being “the maintenance of high and stable levels of economic growth and employment”. It states that planning should make suitable land available for development in line with economic objectives and hence contribute to sustainable economic development.

PPS 4 : ‘Planning for Sustainable Economic Growth’ (December 2009) states that the evidence base should be informed by regional assessments and assess the detailed need for land or floorspace for economic development over the plan period. It specifies a need to:-

- assess the existing and future supply of land available for economic development;
- ensure that existing site allocations for economic development are reassessed against the policies in the PPS, particularly if they are for single or restricted uses;
- undertake a review of land available for economic development at the same time as, or combined with, strategic housing land availability assessments, where possible.

The East of England Plan is that part of the development plan covering the district at the strategic level. It includes an indicative target for net growth in jobs for the period 2001-2021 across the greater part of Essex. The Plan is a Regional Spatial Strategy which the coalition government is now taking steps to abolish through the Localism Bill. The Plan was in the process of being rolled forward to 2031 and would have included indicative job targets derived from and built upon the results of the East of England Forecast Model. The target for the District was a net additional 9,200 jobs over the period 2011-2031 broken down according to job type.

### **Local planning and other non-land use policies**

The Uttlesford Local Plan, adopted in 2005, seeks to maintain and improve upon the district's positive attributes helping local companies to grow within appropriate development constraints, creating more jobs locally. The overall thrust of the policies with regard to economic development is as follows:-

- to limit development to within the defined development limits of existing settlements;
- to limit development within the defined boundary of Stansted Airport to that directly related to, or associated with, the airport; and
- to permit research and development facilities in the Great Chesterford Research Park.

The policies safeguard the existing key employment areas and allocate land for business uses to meet the requirements of the structure plan (with which the local plan had to be 'in general conformity') which were that the total will increase by 16 hectares by 2011. The local plan allocated 17.35 ha. of land accordingly on a total of five sites across the district. It also features specific individual local employment and other generic policies relating to the provision of access to workplaces, farm diversification and the re-use of rural buildings.

The Essex Local Area Agreement 2008–2011 identifies Essex having a strong and competitive economy as a priority. 'Uttlesford Futures', the Sustainable Community Strategy, sets out a vision, themes and priorities, one theme being 'Developing business'.

### **The Local economy**

#### **1. Local Structure and Past Employment change**

Past employment change has seen a rapid rate of increase in the number of jobs in the district during the late 1990s. This is presumed to be largely attributable to the growth of Stansted Airport when it experienced a major expansion of passenger numbers associated with the boom in low cost air travel which peaked in 2007. The relative importance of jobs in transport and communication in the district contrasts markedly with the numbers similarly employed elsewhere. It represents 21% of total employee's jobs in the district which contrasts with a far more modest 6% across the region and the country.

Recent trends in floorspace change are reflected in the number of jobs in these sectors with manufacturing have experienced a continuing decline since the late 1990s.

A major change to which the economy has been subject is the recent recession the scale of which cannot be understated. The severity of the recession was such that unemployment continued to grow even after it had officially ended.

## 2. Labour Market Balance

The rate of unemployment in the district is 4.5% which is significantly less than the 6.6% for the region which is itself less than the 7.7% across Great Britain (as at September 2010).

The proportion of men to women in the district is very similar to those across the region and the country. The proportion of both men and women of working age in Uttlesford is slightly less than it is across the region which is in turn less than that of the country as a whole. The rate of economic activity in the district is higher (82.5%) than that for the region (at 78.8%) which is itself higher than it is for the country (at 76.3%). The district had a markedly higher proportion of self-employed people which, at 15.1%, was some 50% greater than that for the region which was in turn higher than that for the whole country. But since the onset of the recession that situation has changed with the proportion of self-employed people in the district having fallen to 9%, which is the overall figure nationally.

Regarding travel to work patterns, it is found that:-

- on average, residents in the district travel much further to work than is the norm;
  - there is a relatively low proportion of residents travelling to work by bus/coach; and
  - there is a heavy though declining reliance upon journeys by car to Stansted Airport which reflects the proximity of London and the operation of shift systems at the airport.
- Housing Market Areas reflect the key functional linkages between places where people live and work. There are two substantial sub-markets covering most of Uttlesford District which effectively split it in two on a north–south divide. The southern half is in the Harlow/M11 area and the northern (including Saffron Walden) is part of the Cambridge sub-market.

## 3. The Workplace Economy

The performance of the workplace economy comprises the businesses and jobs located in the district (and therefore relates to those who work in the district as distinct from those who live in it). The key indicator of economic performance is productivity which measures the relative performance of the economy in an area, by combining Gross Value Added (GVA) per head with workplace earnings. The gross value added (GVA) per head in the district is high and the average earnings of people working in Uttlesford is slightly above the norm.

## 4. The Residents

Residents' average earnings are very much higher (i.e. some 20%) than equivalents for both the region and the country (which are comparable). Residents' earnings are themselves very much higher than the average gross weekly earnings of those working in the district. This serves to explain the link between the high level of out-commuting and associated high incomes with residents commuting considerable distances to highly paid jobs elsewhere, particularly London.

The generally high level of qualifications of Uttlesford residents (40% with NVQ4 or above compared with 29% nationally) is reflected in the nature of employment by occupation of residents. This again serves to explain both the high average income levels of residents and the associated high levels of commuting. This may be a consequence of people moving into the district, which is both attractive and relatively expensive, because their highly-skilled, well-paid job elsewhere enables them to afford to live in the area and commute to work.

Comparison with levels of deprivation in other local authority areas gives a clear indication of a district in which deprivation is not a major issue although some households, comprising either individuals or families, are experiencing some form or forms of deprivation. In this respect, it should be noted that principles of equity and social inclusion, which are written into national and regional strategies, dictate that policy should aim especially to improve the lives of the most disadvantaged citizens.

The low level of unemployment, together with the relatively high levels of skills and qualifications and an apparent willingness to travel relatively long distances to work, are indicative of a high level of access to jobs. This is exemplified by a high density of jobs (i.e. the ratio of total jobs to working-age population) locally which is, in part, attributable to Stansted Airport together with the relatively high proportion of vacancies available locally and close by when compared with both the region and the whole country. The relative buoyancy of the local labour market is also indicated by the low unemployment figure, the relatively high level of vacancies and the low number of claimants of Incapacity Benefit.

### **Commercial land and property markets**

A commercial land and property markets profile assesses future land requirements, acting as a reality check on emerging forecasts and provides guidance on the kinds of businesses likely to take up space and the kinds of sites they will need. The key purpose of the analysis is to investigate the reasons for any perceived shortfall or undersupply of employment space to determine whether it is due to a lack of planned land supply or other factors.

#### **1. Quantitative assessment of the provision and take-up of land and floorspace**

3.1 ha. of the employment land allocated in the local plan has been developed which is only some 18% of that available. Hence, for whatever reasons (i.e. be they economic, and/or relate to the location, the environment, or any other constraints), the vast majority of the land allocated for new employment development has not come forward.

The manner in which the amount of commercial floorspace in the district has changed in recent years is in line with national trends. There has been a reduction in both the absolute and relative amounts of industrial floorspace with the converse for warehousing and offices.

#### **2. Future changes expected to impact on employment land**

Four potential influences, and prospective opportunities for growth are identified:-

- Stansted Airport – where it is anticipated that the planning permission to increase the use of the existing runway to 35 million passengers per year previously granted by the government will be implemented. BAA has now withdrawn its

planning application for a second runway in response to the coalition government having stated that it would oppose a new runway.

- The proposed new settlement at Elsenham (featured in previous consultations on the emerging LDF Core Strategy) - the Council is to consult on a revised housing allocation which will entail a reduced housing allocation. Hence, the revised Core Strategy may not promote a new settlement. Nevertheless, this ELR makes reference to the new settlement at Elsenham on the basis that it currently remains the preferred option.
- The Greater Cambridge Sub-Region - which looks to diversify and improve the performance of the economy of market towns in the sub-region (i.e. Saffron Walden).
- The M11 corridor - identified as an 'engine of growth' in the Regional Economic Strategy. It does not impact upon the scope for development on greenfield sites in the District. It should, however, be noted that the provision of airport-related development at Harlow, that does not need to be located at the airport, could actually reduce the amount of airport-related development that needs to be accommodated in the district.

### **3. Factors affecting the local Property Markets**

The local property market is being very much affected by:-

- Accessibility - those areas readily accessible to heavy goods vehicles from the M11 and/or A120 (i.e. Stansted Airport, Takeley and Great Dunmow) are potentially attractive to businesses dependent upon HGVs whereas those which are relatively distant from a motorway junction, notably Saffron Walden, are not;
- Nature of the Vacant Stock - available premises must generally meet specific needs in terms of size, condition, environment, tenure, cost and accessibility but the situation in the district is mixed due to a variety of local circumstances;
- Economic Conditions – following the recent recession, short-term predictions are of only modest growth and this could well impact upon the rate of development. There is scope for further growth in the longer term as the recovery gathers momentum although many businesses have down-sized but not moved premises. This means that the emphasis will be on existing un- and under-used floorspace being fully used prior to any potential expansion or relocation;
- Change in Business Rates Liability - the legislative change to Business Rates liability (of April 2008) removed the exemption that previously applied to vacant commercial property and has had a marked affect upon speculative commercial development;
- Stansted Airport - the airport's role and function is now significantly different to that which was previously envisaged. It has developed into a hub for short-haul flights and 'no frills' carrier airlines as a consequence of which few facilities are required for cargo storage pending trans-shipment or for catering/cleaning services. Hence, there is little demand for the existing vacant units reserved for airport-related uses.

The current value of commercial land in the district is of the order of £400,000/acre and new commercial units currently cost approximately £100/sq. ft. to build. Most developers seek to recoup the construction costs of a new commercial development within 10 years.

If the projected market rents for a specific use in a particular area or location do not facilitate that then the likelihood is that the new build will not take place. The consequences of this where it applies are that existing commercial stock will not be demolished and replaced by new commercial buildings and allocated sites will remain undeveloped. Hence not only will the amount of commercial stock stagnate but it will become progressively older and potentially less suitable to modern requirements if it is not regenerated.

#### **4. Local Property Markets across the District**

The factors set out above combine to have different impacts in different parts of the district. There is, as a result, no overall picture of the local commercial property market. Instead, 7 distinct and disparate local property markets are distinguished and described.

#### **5. Supply and Market Balance**

The level of occupancy of premises varies according to their size, accessibility and condition. The balance between supply and demand is also influenced by the economy. Premises which may now remain vacant for an extended period for whatever reason may well become economically viable, and taken-up, when the economy reaches a particular level.

In the recent past, there has been little relationship between what has been planned for and what has happened in reality in terms of the development of sites. This low level of delivery may well be the result, at least in part, of a combination of factors that could not have been foreseen, namely the recession and the current role of Stansted Airport.

The land and property market is variable both through time and across the district. This emphasises the need to ensure a planned land supply which can reasonably be expected to meet the needs of the market, subject to other planning matters being taken into account.

It is not considered appropriate to attempt to assess the period during which this available supply will meet the local need for new employment development. That is because it is more important to assess whether these sites are the optimum ones for development or whether other sites would better meet the needs of developers and hence provide jobs.

#### **6. Conclusions**

- there is a lack of modern office accommodation to meet the needs of Saffron Walden;
- there is a current surplus of B1(c), B2 and particularly B8 units in Saffron Walden;
- most of the industrial estates in Great Dunmow are thriving;
- the allocated Great Dunmow Business Park remains unimplemented;
- there is a wish for ‘strategic’ warehousing with ready access to the M11 at Junction 8;
- there is currently a strong market for high quality offices accessible from Junction 8 of the M11;
- there is a surfeit of vacant new warehousing space available at Stansted Airport;

- there is little prospect, if any, of the un- and under-used parts of the northern ancillary area at Stansted Airport being brought into beneficial use in the foreseeable future;
- the development of the Chesterford Research Park is slowly progressing.

### **Qualitative audit of employment sites**

This serves to indicate whether any existing sites are no longer suitable or required, any committed employment sites are no longer considered appropriate for employment (and should have their allocation removed or amended) and whether other potential sites may be considered suitable. The aim is to determine whether the available site or premises would be brought into employment use within a reasonable time period if offered for employment use free of supply-side constraints and assuming that the wider market is reasonably in balance.

The two key aspects of this quality assessment are market appeal (which is the attractiveness of the site to occupiers and developers), and policy considerations (which relate to the merits of a site in regard to strategic and local policy objectives). The assessment does not entail the recommended quantitative scoring system but utilises instead a 3 tier ‘traffic light’ sequence. This is because it provides a more visual, and therefore more helpful, indication of what is essentially a qualitative assessment.

5 categories of site are identified which are as follows:-

1. those which should be redeveloped for other uses and allocated as such in the LDF:-
  - Jubilee Works, Clavering.
2. those which could be considered for redevelopment for other uses:-
  - Ongar Road Industrial Estate, Great Dunmow; and
  - Hasler’s Yard, Great Dunmow.
3. those which are, or were, occupied by a single user and are within the settlement limits and may be subject to pressure for redevelopment for non-employment uses. Such sites should be retained in employment use although provision needs to be made for the fact that premises will eventually need to be renewed and that the cost of refurbishing or redeveloping may render the scheme non-viable. Hence some form of provision should be made to facilitate making an exception to the rule provided that it can be well justified.
4. there are substantial amounts of un- and underused land and vacant new premises at Stansted Airport because of planning restrictions which need to be reassessed because of the obvious benefits of using these readily available resources;
5. the remaining industrial estates should be protected from changes of use, or redevelopment, for other uses.

An assessment of each of the allocated employment areas in the local plan concludes that:-

- the Great Dunmow Business Park allocation should be abandoned;
- the allocations at London Road, Great Chesterford and adjacent to the Saffron Business Centre in Saffron Walden should be retained; and
- the allocations on Thaxted Road, Saffron Walden should be retained and amalgamated.

## **Stage B: Future Demand and Supply ('A Picture of Future Requirements')**

### **Employment change forecast by sector**

Job targets, derived from and built upon the results of the East of England Forecast Model, are used to estimate floorspace requirements. The predicted job growth for Uttlesford is 9,200 over the period 2011-2031. The model provides a breakdown by job type, as distinct from land use. This facilitates the grouping together of certain types of jobs to enable an estimate to be made of the numbers of jobs anticipated in each of the B1 business, B2 industry and B8 warehousing land uses. These uses constitute the employment uses which are the subject of this report and will be the subject of specific policies in the LDF. In order to relate anticipated employment land use requirements to the LDF proposals as closely as possible, it is appropriate to limit the forecast employment situation to that which is forecast for 2028. The resulting forecast is as follows:-

#### *Forecast Employment Change by Sector (2011 – 2028)*

	2011	net change (as at 2028)	agency staff	gross change (as at 2028) <sup>(1)</sup>
Factories	3,500	– 1,600	15	– 1,600
Warehousing	2,700	1,100	40	1,150
Offices	4,800	1,600	65	1,650

(1) Nearest 50.

The projected decline in factory workers is relatively gradual and consistent throughout this period. The rate of job loss is likely to be heavily influenced by the closure, or relocation, of individual firms which occupy a key role in the sector locally.

### **Reality-test of employment forecast**

The predicted net change of an additional 9,200 jobs over the period 2011 – 2031 represents an annual increase of approximately 450 (i.e. approximately 1%) which seems to be achievable on the basis of recent experience. But the previous sharp increase in the number of jobs coincided with the rapid growth in low-cost air travel from Stansted Airport and is unlikely to happen again in the foreseeable future. It is also estimated that some 800 residents have since lost jobs due to the recession. It is therefore concluded that the jobs forecast is not realistic.

The nature of the airport's future operation, and hence the number of associated employment opportunities will be heavily influenced by its future role and the prospect of a second runway. The manner in which the airport currently functions by way of

operators and their markets, the size of ‘planes and their destinations was neither forecast nor envisaged in the recent past and could change again. And whilst the coalition Government has stated that it will refuse planning permission for a second runway at Stansted Airport, the existing airport represents both a major element of transport infrastructure and a significant amount of investment such that it may once again be seen as an opportunity for expansion at some point in the future (possibly well within the next twenty years).

Despite the forecast level of job growth not being considered feasible there is no evidence to justify, and quantify, an alternative, lower figure. Hence, the figure of an additional 9,200 jobs remains as an “indicative” target. It is, however, adjusted so that it relates directly to the end date of the LDF which is 2028.

### **Demand for employment floorspace and land**

Applying the recommended employment densities to the forecast employment changes provides estimated employment floorspace requirements (as at 2028). Applying the recommended plot densities to these requirements gives the following estimates.

#### *Estimated total land requirements*

	Number of jobs (created/lost)	Employment Densities <sup>(1)</sup> (sq. m./worker)	Floorspace Requirements (sq. m. gross)	Land Requirements (hectares) <sup>(2)</sup>
Factories	– 1,600	32	–51,200	– 12.8
Warehousing	1,150	32 <sup>(2)</sup>	36,800	9.2
Offices	1,650	18	29,700	7.4

(1) Employment land reviews : guidance manual, EERA, March 2008

(2) Plot ratio of 40% (i.e. 4,000 sq. m. of floorspace/ha.) : guidance manual, EERA, March 2008

### **Potential losses of employment space to other uses**

Assessment shows that the likely losses of employment sites to other uses in the short term (i.e. Thaxted site) is limited to less than 1ha. and may therefore reasonably be discounted. Three further sites (one in Great Chesterford and two in Saffron Walden) are currently considered to be at risk. Together they comprise 6.4 ha. although all are currently vacant such that there is no need to compensate for the losses should they occur.

### **Land in the pipeline**

It is not considered feasible to make an assumption as to the length of time that it takes for land to go through the development process. Given that the forecast looks 20 years into the future, and the uncertainties associated with this, this matter can be best dealt with through appropriate monitoring with appropriate action taken as and when necessary.

## **Supply of floorspace and land**

Whilst there is considered to be adequate vacant commercial floorspace available during the short-term, it is limited and may not fully meet the aspirations of prospective occupiers. The current situation with regard to the available land supply is worse given the limited amount that has the reasonable prospect of being taken-up. This must be addressed if commercial development is to be accommodated and a choice of sites made available to developers.

### **Alternative supply scenarios**

It is considered most unlikely that there will be windfalls of employment land resulting from planning permission being granted (either by the Council or on appeal) for new development contrary to the adopted planning policies. It is assumed that jobs created by the proposed new settlement at Elsenham, should it be progressed, will be concentrated in the latter part of the period to 2031. Therefore no alternative supply scenarios have been identified.

### **Quantity and quality of land available for employment uses**

Two stages are dealt with together because no alternative scenarios have been identified. Each type of use is considered in turn with regard to both the quantity of land available and the quality of the potential sites with the findings amalgamated in the table below.

#### *Estimated net floorspace and land requirements*

	Offices		Warehousing		Industry	
	F/s (sq. m.)	Land (ha.)	F/s (sq. m.)	Land (ha.)	F/s (sq. m.)	Land (ha.)
Total requirement	29,700	7.4	36,800	9.2	-51,200	- 12.8
Existing provision	2,170		14,200		8,600	
Potential provision	7,600		29,400 <sup>(1)</sup>			
Net requirement	19,900	5.0	22,600	5.7	- 59,800	- 12.8
Potential sites		0.9		<sup>(2)</sup>	{ 4.0	{ - 5.3
Net requirement		4.1		5.7 <sup>(3)</sup>		- 11.5

(1) Includes 29,400 sq. m. at Stansted Airport reserved for airport-related uses

(2) Excludes land reserved for airport-related uses at Stansted Airport

(3) Land reserved at Stansted Airport for airport-related uses (see (2)) could meet this need.

Research and Development (R and D) falls within Class B1 of the Use Classes Order and therefore within the remit of this study. But it is not, by definition, office space, industry or warehousing. There is adequate scope for the provision of R and D floorspace in the district at the Chesterford Research Park but this is limited to users in the field of biotechnology. Hence R and D is excluded from the calculation of land and floorspace requirements but the jobs that are provided will contribute to the total for the district.

## **Consultation with stakeholders**

The section about commercial land and property markets was the outcome of discussions with local agents selected on the basis of their level of involvement in it and the different parts of the district which they dealt with. Some of the views expressed by different agents were conflicting and so all were consulted as to the acceptability of that chapter. No adverse comments were received although one agent made suggested amendments which were incorporated into the report.

## **Stage C: Conclusions and Recommendations ('A New Portfolio')**

### **Policy options for employment land**

Each of the three uses is considered separately and possible scenarios identified for each. These are then amalgamated with a range of different key components to provide 3 broad policy options for employment provision, these being:-

1. Maximise Use of Existing Space
2. Widespread Distribution of Employment Opportunities
3. Meeting the Market's Needs

What are considered to be the most sustainable components from the above options are then selected and then transposed into the component parts of the preferred option.

### **Policy recommendations**

1. It is recommended that an economic vision is produced from the relevant aspects of the District Vision (and) that the following, which is not limited to B class employment uses, be included as the economic strategy.  
“The Council's preferred approach in response to the key employment issues is to safeguard existing employment land (including proposals for mixed use developments). It will allocate additional employment land in the key centres and in association with potential areas of housing growth, and support the growth of firms in the District including the demands from firms which need to be close to Stansted Airport”.
2. The following sites should be allocated for redevelopment for residential use in the LDF:-
  - Jubilee Works, Clavering; and
  - Ongar Road Industrial Estate, Great Dunmow.
3. It is recommended that single-user employment sites located within settlement limits should be retained for employment use. Exceptions to this may be permitted where the developer is able to provide:-
  - demonstrable proof that reuse and redevelopment for employment uses is unlikely to prove to be economically viable in the foreseeable future. This should be provided by an independent assessment to be undertaken by a reputable and suitably experienced company to be determined by the applicant in agreement with the Council and to be funded by the applicant; or
  - demonstrable proof that the site and premises have been actively advertised and marketed for employment use, and at a price which reflects this, for a period of at

least one year in bulletins, periodicals and web-sites where prospective occupiers would be expected to search.

4. Optimum use should be made of the existing commercial premises at Stansted Airport and the potential for future commercial development whilst having regard to the need to accommodate future airport-related uses. This will entail lifting the current airport-related restriction on both the northern ancillary area and the new vacant warehouse premises at Site 600 in the southern ancillary area. Any resulting development should exclude 'strategic warehousing' (i.e. high-bay warehouses of around 10,000 sq. m. +).
5. Any development at the airport which is permitted for non airport-related uses should be for a limited period of 7 years.
6. The other existing industrial estates should be protected from changes of use, or redevelopment, for uses other than industry, distribution, offices or physically similar 'sui generis' uses.
7. On the existing industrial estates to be protected, it is recommended that any development proposals continue to be subject to their acceptability in terms of environmental, traffic generation and any other relevant considerations.
8. In formulating its LDF, the Council should consider whether there is a need for it to incorporate policies and/or proposals to address how those non-employment uses which look to locate on industrial estates should be accommodated.
9. The further development of the Chesterford Research Park in accordance with the approved Masterplan should be allowed to continue.
10. When the current masterplan for the development of the Chesterford Research Park is completed any further development of the Park should be permitted in accordance with a further masterplan subject to it being agreed by the district council.
11. The employment land allocation at Thaxted Road, Saffron Walden should be retained subject to:-
  - i. the greenfield extension to the north being excluded;
  - ii. the site of the former recycling depot on the road frontage being included;
  - iii. due regard being had to the existence of the live-work units at The Kilns and the appropriateness, or otherwise, of commercial uses in their vicinity; and
  - iv. the outcome of the current planning application for a foodstore on part of the site.
12. The existing allocation of the Great Dunmow Business Park should be abandoned.
13. In the event that the recommendation to maximise the use made of the existing commercial premises at Stansted Airport and its potential for future commercial development is not carried forward into the LDF, the site of the proposed Great Dunmow Business Park should be reallocated as a distribution park. 'Strategic warehousing' (i.e. high-bay warehouses of around 10,000 sq. m. +) should not be permitted.
14. Any development of the proposed distribution park should be subject to a legal agreement whereby the developer funds whatever improvements to the junction of the Chelmsford Road (B184) with the A130 are identified as being necessary to prevent excessive traffic congestion at the junction, particularly in peak hours, and facilitate the

reasonably free flow of traffic from the site to the junction with the A120 to the immediate south.

15. The allocation of the London Road (south) site at Great Chesterford for employment purposes should be retained.
16. If the proposed new settlement at Elsenham is carried through into the LDF Core Strategy adequate and appropriate provision should be made in the subsequent Site Allocations DPD for the anticipated amounts of employment floorspace.
17. It is recommended that an area of search for a site of the order of 3 ha. be identified for B1 business development within a short walk (approximately 400 m.) of either Newport railway station or Audley End railway station at Wendens Ambo.
18. It is recommended that a site of the order of 3 ha. be allocated for B1 business development at Gaunts End, Elsenham. Any associated road improvements that are necessary as a consequence are to be funded by the developer via an appropriate legal agreement.
19. It is recommended that the development of the site allocation for B1 business development at Gaunts End, Elsenham should be subject to its acceptability in terms of its design, materials, traffic generation, impact on the landscape, affect on the operation of Stansted Airport and any other relevant planning considerations.
20. In instances where there are existing employment uses in premises on sites which are the subject of planning permission for redevelopment for non-employment use, it is recommended that the Council seeks to accommodate the use elsewhere in the district by:-
  - i. making an approach to the business with a view to determining its requirements;
  - ii. assessing any scope that there might be for relocating the business elsewhere;
  - iii. providing advice as to any possible options available; and
  - iv. providing advice as to where any necessary financial assistance could be sought.
21. It is recommended that the re-use of rural buildings for employment uses should continue to be permitted subject to the criteria in the current local plan policy and to a further condition that the building is genuinely redundant such that its re-use would not generate a need for a replacement building which could be constructed without the need for planning permission under permitted development rights for agricultural buildings and operations.
22. It is recommended that the following be monitored:-
  - the number and type of jobs in the district and how this is changing;
  - the unemployment level compared with elsewhere and how this is changing;
  - if the proposed new settlement at Elsenham is carried through into the LDF Core Strategy, the implications of progress with its delivery in terms of matching housing supply with local job opportunities; and
  - a brief assessment of the nature of the overall economy.
23. It is recommended that the following be monitored annually:-
  - the amount of land that has been granted planning permission for employment uses by type;
  - the amount of employment land by type that would be lost as a result of planning permissions granted;

- the amount and type of floorspace that has been granted planning permission for employment uses; and
- the amount of employment floorspace by type that would be lost as a result of planning permissions granted,

and that the following continue to be monitored:-

- the amount of employment land available by type;
- the total amount of completed employment floorspace by type;
- the total amount of floorspace that has outstanding planning permission for employment uses by type; and
- an update on progress with all employment policies.

24. It is recommended that the following be monitored:-

- the number of passengers passing through Stansted Airport per year; and
- if recommendation 4 is accepted and carried forward into the LDF,
  - i. the amount of land and floorspace at Stansted Airport that is granted planning permission for non airport-related uses and the amount that remains available for development for airport-related uses; and
  - ii. the amount of land and floorspace at Stansted Airport that is developed for non airport-related uses and the amount that remains available for development for airport-related uses.

25. Where necessary, the outcome of each aspect of the monitoring should result in a recommendation as to what, if any, action should be taken to rectify the current or anticipated situation or trend.

## INTRODUCTION

### **Background**

- 1.1 This report considers the need for land and premises for employment purposes in Uttlesford district. It does so in the context of the formulation of planning policy for the District which will be instrumental in both identifying what is required, and where it should be situated, and in the determination of subsequent planning applications. It should be noted that, in accordance with a generally accepted definition and therefore for the purposes of this report, employment uses are those which feature in the B Class of the Town and Country Planning (Use Classes) (Amendment) (England) Order 2005. As such, they essentially comprise factories, warehouses and offices together with physically similar ‘sui generis’ uses (i.e. unique or particular to themselves). Hence other land uses which provide employment, such as retail, leisure, education and health services are not included.
- 1.2 This report has been prepared to constitute part of the evidence base that will inform the emerging Local Development Framework (LDF) for Uttlesford District Council. The LDF will constitute the development plan for the district which, together with any neighbourhood plans<sup>(1)</sup>, constitutes the statutory policy background against which planning applications for the development and use of land and buildings are determined (by both the district council and, at appeals, planning inspectors). It will comprise a series of inter-related Development Plan Documents (DPDs) which together set out the planning strategy for the district. This strategy is ‘spatial’ which means that it will include social, economic and environmental outcomes which reflect the aspirations of the local community and that its preparation will involve active collaboration with stakeholders and agencies providing local services to ensure both commitment and delivery.
- 1.3 Under the current system each DPD will be the subject of a public examination chaired by an independent planning inspector whose decision will be binding<sup>(2)</sup> upon the Council. At the examination, the presumption will be that the DPD submitted by the Council is fundamentally ‘sound’ unless it is shown to be otherwise. The Council, as local planning authority, will rely on the evidence collected in preparing the LDF to demonstrate that the plan is sound. It will be for any objectors to demonstrate to the inspector why that is not the case. Hence this document will have an important role to play in both justifying the employment policies and in being an adequate justification in the event that any are challenged.

(1) The Localism Bill (introduced in December 2010) contains proposals intended to make the planning system clearer, more democratic, and more effective. Proposals relevant to this study are the abolition of regional strategies and neighbourhood planning which is intended to allow people to come together through a local parish council or neighbourhood forum and say where they think new development should go in neighbourhood development plans. Local people will be able to vote on it in a referendum and, provided that it is in line with national planning policy, the strategic vision for the wider area set by the local authority, and with other legal requirements, if the plan is approved by a majority, then the local authority will bring it into force.

(2) In order to give local planning authorities greater freedom to progress with plan preparation without undue interference from central government, the Localism Bill contains proposals which will limit the discretion of planning inspectors to insert their own wording into local plans.

- 1.4 The first DPD to be prepared will be the Core Strategy. Government guidance is that this should usually cover a period of 15 years but that this may be longer if necessary. Current expectations are that the Core Strategy will not be adopted prior to 2013 such that it may therefore have to cover the period to at least 2028 (although this may be dependent upon the availability of various projections which will be integral to producing a plan which is sound).

### **Context**

- 1.5 Regional Spatial Strategies (RSSs) were intended to provide a broad development strategy for the region and LDFs are required to be “in general conformity” with the relevant RSS. The current RSS for this region, the East of England Plan, covers the period to 2021 and had been in the process of being rolled forward to 2031. The current Government is committed to revoking RSSs which will take place when the Localism Bill passes into statute.
- 1.6 As a consequence of the Government’s commitment to revoking the RSS, the Council has reassessed the amount of growth that will be planned for in the LDF. The Council has now agreed, for consultation, a revised allocation of 2,500 homes, in addition to that which is already committed, for the 15 year period of the LDF. This equates to an annual building rate of 295 dwellings which is some 70% of that required to meet the level of provision required by the RSS.
- 1.7 This reduced rate of house-building may, in turn, have implications for the location of future employment provision in that:-
- there may be benefits in siting employment areas close to housing in terms of securing development which is sustainable (by minimising the distances that people need to travel to work and maximising the use of any new infrastructure provided); whereas
  - a strategy of dispersal of new housing (on the basis of localised need or available infrastructure capacity) would be likely to mitigate against any benefits to be gained by locating any new employment provision in close proximity.
- 1.8 There may also be employment implications resulting from the scale of growth that is proposed. Major housing growth, for example, would generate a need for associated job opportunities together with a range of other facilities. But a modest amount of growth in various locations would not be expected to warrant specific amounts of employment provision. This applies particularly in a district such as Uttlesford in which commuting, often relatively long distances, is not uncommon. But that should not imply that, with limited housing growth, the need to provide employment opportunities can be ignored.
- 1.9 Indeed, the Council’s commitment to local prosperity in association with the furtherance of the local economy is illustrated in the LDF objective on employment growth which is “To support a local economy which retains and encourages growth of existing and new employers by providing enough land and premises of the right type and in sustainable locations that will meet the anticipated needs and aspirations of businesses.”

- 1.10 Following the proposed reduction in the housing allocation the Council undertook an assessment of the implications upon the amount of employment growth and associated land allocations. Despite what may have been anticipated, it concluded that there is little, if any, discernible linkage between the amount of housing likely to be allocated in the district and the number of jobs in offices, industry and warehousing (i.e. the recognised “employment uses”) that are likely to be created during the course of the 15 year period of the LDF. This conclusion was significantly affected by not only the nature of the district and the limited scale of the intended reduction but also the location of the district and the relative ease with which people are willing and able to travel to work.
- 1.11 The assessment found that the one possible exception to this finding would be if there were to be a significant large housing allocation made by way of either a new settlement or an urban extension. That was because such a major greenfield allocation would facilitate the planning of specific amounts of commercial land and floorspace as an integral part of the new settlement to serve the new population. But even that would only influence the location of employment land that may need to be provided in the district as distinct from the overall amount.
- 1.12 Therefore this ELR makes recommendations with regard to employment land on the basis of what may reasonably be considered to be achievable in terms of both the amount and type of development. This is, however, difficult to determine because of the obvious uncertainties with regard to the future of the economy. Hence an important aspect of the recommendations relates to monitoring.
- 1.13 The other key consideration is the location of any recommended allocations. A preferred option is drawn up on the basis of criteria which are considered likely to result in the most sustainable form of development and recommendations made accordingly.

### **Guidance**

- 1.14 The Government’s planning policies are set out in its Planning Policy Statements (PPSs). PPS 12 : ‘Creating strong safe and prosperous communities through Local Spatial Planning’ states (at para. 4.37) that it is “.....essential that core strategies are based on thorough evidence.” It goes on to say that the evidence base should contain two elements, these being participation (i.e. the views of the local community) and research/fact finding. This document focuses upon the latter although it does incorporate the views of the commercial sector on the local property market. The former, which entails engagement with the broader public at large, is addressed in the context of the overall plan-making process.
- 1.15 PPS 4 : ‘Planning for Sustainable Economic Growth’ states (at para. EC1.3) that the evidence base should:-
- assess the detailed need for land or floorspace for economic development ..... over the plan period; and
  - assess the existing and future supply of land available for economic development.

*Map 1 Uttlesford in the sub-region*



Map courtesy of [OpenStreetMap](#)

- 1.16 In 2004, the Government issued a document entitled ‘Employment Land Reviews - Guidance Note’<sup>(1)</sup>. Its primary purpose was to provide planning authorities with effective tools with which to assess the demand for and supply of land for employment. It states that Employment Land Reviews (ELRs) should form part of the review of policies and sites allocated in LDFs. In 2005, the Council commissioned Public and Corporate Economic Consultants (PACEC) to assess the usage and future need for employment land in Uttlesford. Their report entitled ‘Appraisal of Employment Land Issues’<sup>(2)</sup> was published in March 2006. Given the period of time which has since elapsed, and which has featured a world-wide economic recession, it is necessary to reassess the situation regarding employment land. This is in order that the emerging LDF can be informed by a current and robust assessment of the prevailing situation and take account of current and anticipated trends.
- 1.17 The East of England Development Agency (EEDA) published a document entitled “Employment land reviews : guidance manual”<sup>(3)</sup> in March 2008. It aims to complement the Government’s Guidance Note on Employment Land Reviews by providing advice that is more definite, more technical and specific to the East of England. Hence the ELR which features in this document looks to adhere to the guidance in EEDA’s guidance manual.
- 1.18 However, both PPS4 and PPS12 point out (at paras. EC1.1b and 4.37 respectively) that the evidence gathered should be proportionate to the importance of the issue. Hence this document does not look to ensure that every aspect of EEDA’s guidance is rigidly adhered to if it is not considered necessary or if the information is simply not available. But rather, the intention is that this document is fit-for-purpose in informing the LDF and thereby both of value to the district council and compliant with the Government’s guidance.

### **The District**

- 1.19 Uttlesford is a predominantly rural district situated in north west Essex comprising two market towns and a series of villages in an extensive and very attractive agricultural setting. Both the M11 and West Anglia railway line, linking London with Cambridge and the north, run through the district north to south. The A120, linking the M11 with Braintree, Colchester and the ports of Felixstowe and Harwich, runs east to west across the south of the district. Stansted Airport is situated in the south west corner of the district, adjacent to junction 8 of the M11 (with the A120), and has its own railway station on a link from the West Anglia line. Towns and cities nearby include Cambridge, Chelmsford, Braintree, Harlow and Bishops Stortford (see map 1).

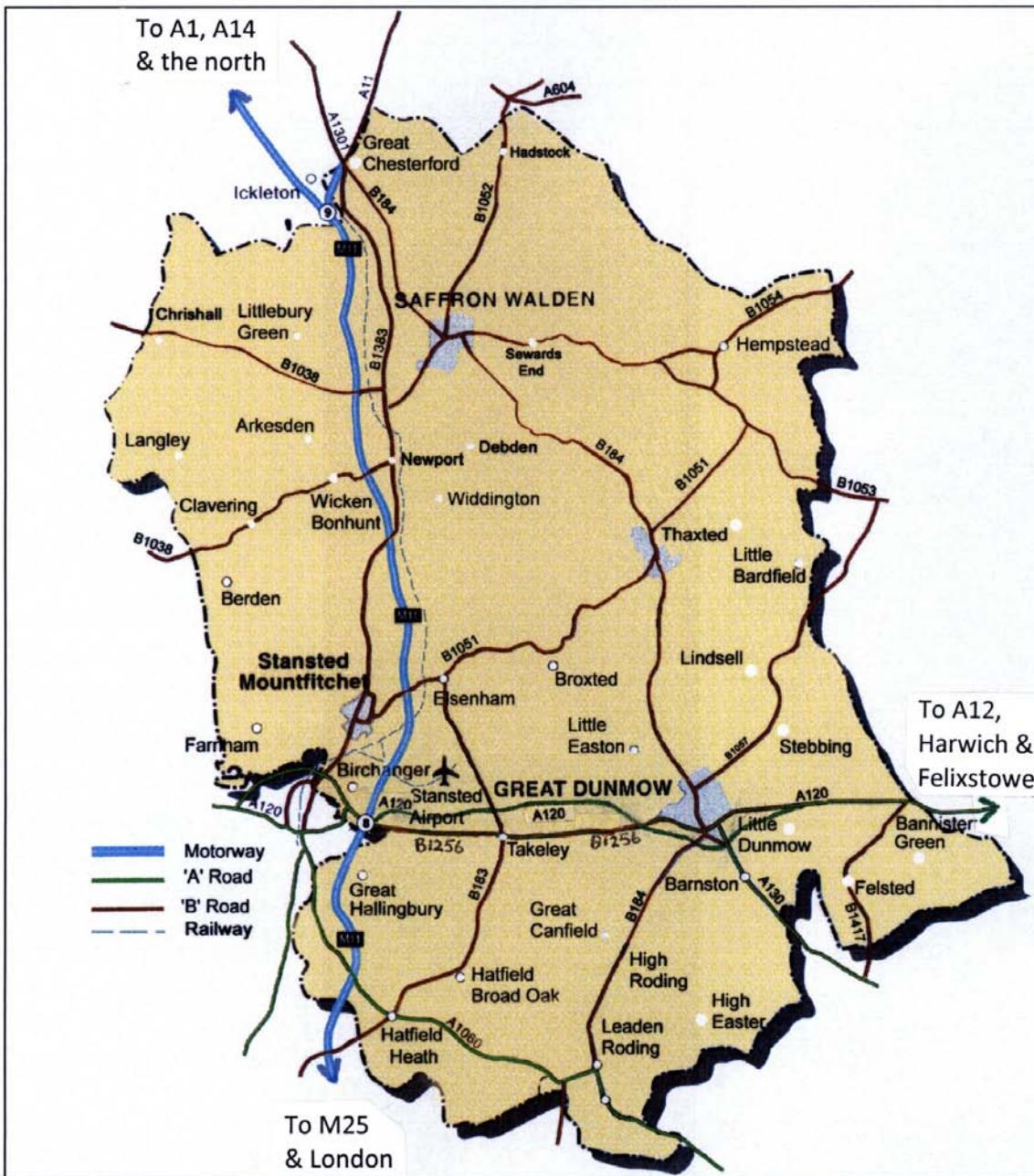
(1) Employment Land Reviews - Guidance Note, Office of the Deputy Prime Minister, December 2004

(2) Appraisal of Employment Land Issues, prepared for Uttlesford District Council by Public and Corporate Economic Consultants, March 2006

(3) Employment land reviews : guidance manual, East of England Development Agency, March 2008

1.20 The district (see map 2) has a population of some 73,700 with the main settlements being Saffron Walden (16,000), Great Dunmow (8,500), Stansted Mountfitchet (5,500), Thaxted (2,600), Takeley (2,500), Elsenham (2,000), Newport (2,000), Great Chesterford (1,500) and Hatfield Heath (1,500). The size of these settlements and the numbers living elsewhere in smaller villages and hamlets emphasises the rural nature of the district.

## *Map 2 Uttlesford District*



1.21 The main employment areas in the district are Stansted Airport, Chesterford Research Park and the industrial estates in Saffron Walden, Great Dunmow and some of the larger villages.

1.22 The main uses on these estates are industrial and warehousing, as distinct from offices, although there are also a limited number of 'non-employment' uses (e.g. church, snooker

club, children's nursery). The estates are generally buoyant and thriving although there are three issues which impact adversely upon this picture which are:-

1. major buildings/sites tend to remain vacant for some time (which may be a consequence of the recent recession in combination with the other two issues);
2. access for HGVs to/from the main road network can be tortuous, slow and exacerbate traffic congestion, particularly in peak hours; and
3. large, vacant commercial, or allocated, sites attract development pressure for other uses – generally residential.

1.23 Stansted Airport is situated in the south west corner of the district. It is one of London's five international airports and is the third-largest airport serving London and the third-busiest airport in the United Kingdom. It is a hub for a number of major European low-cost carriers and the air passenger throughput on 'no frills' airlines had risen to 85% by 2003. Some 10,860 people were employed at Stansted Airport in 2009<sup>(1)</sup>.

1.24 At Little Chesterford, in the north of the district, Chesterford Research Park is being developed as part of the South Cambridgeshire Biotech Cluster. It has been specifically designed for research and biotech companies and provides high-quality accommodation, capable of expansion, in an attractive environment for science and technology based companies. On completion, this low density scheme will comprise 600,000 sq. ft. (56,500 sq. m.) of research and development facilities in 250 acres (101 ha.) of parkland setting. To date some 225,000 sq. ft. is now occupied providing of the order of 550 jobs. Construction of the Science Village, which will provide 28,000 sq. ft. of available Research and Development floorspace, was scheduled to commence in April 2011 and plans for a further 80,250 sq. ft. are at an advanced stage.

### **Employment Land Review**

1.25 In similar fashion to the ODPM guidance, the EEDA guidance manual identifies three stages for an ELR, these being:-

- Stage A: The Current Position ('Taking Stock')
- Stage B: Future Demand and Supply ('A Picture of Future Requirements') and
- Stage C: Conclusions and Recommendations ('A New Portfolio').

1.26 The checklist of tasks which the manual identifies for each of these stages entails is set out in Appendix 1 and each is dealt with in turn below which determines the chapter headings. The appendices to this report feature in a separate sister document.

(1) 'Looking to the future', London Stansted Employment Strategy 2010-2015



## **Stage A**

# **The Current Position ('Taking Stock')**



## NATIONAL AND REGIONAL POLICIES

- 2.1 This section sets out the key aspects of Government planning policy relevant to employment and employment land as set out in its Planning Policy Statements (PPSs). These have been progressively replacing the previous generation of Planning Policy Guidance notes (PPGs) although the Government intends that they themselves are to be replaced by a shorter, more decentralised and less bureaucratic National Planning Policy Framework. PPSs set out the Government's national policies on different aspects of spatial planning. Spatial planning goes beyond traditional land use planning to bring together and integrate policies for the development and use of land with other policies and programmes which influence the nature of places and how they can function. The key aspects of government guidance, as it relates to employment and employment uses, are set out below.
- 2.2 **PPS 1 : ‘Delivering Sustainable Development’** was published in 2005 and sets out the overarching planning policies on the delivery of sustainable development through the planning system. It identifies one of the Government’s four aims for sustainable development as being “the maintenance of high and stable levels of economic growth and employment”. This should contribute towards a productive economy that delivers high levels of employment. It states that planning should make suitable land available for development in line with economic objectives and hence contribute to sustainable economic development.
- 2.3 Under the heading of ‘Sustainable Economic Development’ the PPS specifies that the Government is committed to promoting a strong, stable, and productive economy that aims to bring jobs and prosperity for all. It specifies that planning authorities should:
- (i) Recognise that economic development can deliver environmental and social benefits;
  - (ii) Recognise the wider sub-regional, regional or national benefits of economic development and consider these alongside any adverse local impacts;
  - (iii) Ensure that suitable locations are available for industrial (and) commercial..... developments, so that the economy can prosper;
  - (iv) Provide for improved productivity, choice and competition, particularly when technological and other requirements of modern business are changing rapidly;
  - (v) Recognise that all local economies are subject to change; planning authorities should be sensitive to these changes and the implications for development and growth;
  - (vi) Actively promote and facilitate good quality development, which is sustainable and consistent with their plans;
  - (vii) Ensure the provision of sufficient, good quality, new homes .....in locations that reduce the need to travel;
  - (viii) Ensure that infrastructure and services are provided to support new and existing economic development .....
  - (ix) Ensure that development plans take account of the regional economic strategies of Regional Development Agencies, regional housing strategies, local authority community strategies and local economic strategies; and,
  - (x) Identify opportunities for future investment to deliver economic objectives.

- 2.4 The PPS also makes it clear that, in preparing development plans, planning authorities should seek to:
- Promote national, regional, sub-regional and local economies by providing, in support of the Regional Economic Strategy, a positive planning framework for sustainable economic growth to support efficient, competitive and innovative business, commercial and industrial sectors.
  - Bring forward sufficient land of a suitable quality in appropriate locations to meet the expected needs for ..... industrial development..... taking into account issues such as accessibility and sustainable transport needs, the provision of essential infrastructure.....
  - Reduce the need to travel and encourage accessible public transport provision to secure more sustainable patterns of transport development. Planning should actively manage patterns of urban growth to make the fullest use of public transport and focus development in existing centres and near to major public transport interchanges.
  - Promote the more efficient use of land through higher density, mixed use development and the use of suitably located previously developed land and buildings. Planning should seek actively to bring vacant and underused previously developed land and buildings back into beneficial use .....
  - Ensure that plans and policies are properly based on analysis and evidence. Where the outcome of that analysis and evidence remains uncertain, policy makers should exercise and demonstrate soundly based judgement.
- 2.5 **PPS 3 : ‘Housing’**, issued in June 2010, states that Local Planning Authorities should consider a range of incentives that could help to ensure that previously developed land is developed in line with the trajectory/ies. It specifies that these should include “considering whether sites that are currently allocated for industrial or commercial use could be more appropriately re-allocated for housing development”.
- 2.6 **PPS 4 : ‘Planning for Sustainable Economic Growth’<sup>(1)</sup>** was issued in December 2009 and states, at para. EC1.3, that “At the local level, the evidence base should:
- (b) be informed by regional assessments; and
  - (c) assess the detailed need for land or floorspace for economic development ..... over the plan period.”
- 2.7 It also states (at (d)) the need to:-
- assess the existing and future supply of land available for economic development;
  - ensure that existing site allocations for economic development are reassessed against the policies in the PPS, particularly if they are for single or restricted uses;
  - where possible, undertake any reviews of land available for economic

(1) It should be noted that PPS 4 deals with Economic Development which includes development within the B Use Classes, public and community uses and main town centre uses. By contrast, it should also be noted that, according to the ELR guidance manual, employment land uses are defined as the B Class of the Use Classes Order – comprising factories, warehouses and offices – and physically similar sui generis uses, such as waste disposal.

development at the same time as, or combined with, strategic housing land availability assessments.

- 2.8 However, the PPS also points out, in para. EC 1.1, the need to “ensure that the volume and detail of the evidence ..... is proportionate to the importance of the issue”.
- 2.9 Policy EC2 : ‘Planning for sustainable economic growth’ specifies that local planning authorities should ensure that their development plan:
- a. sets out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth .....having regard to the character of the area and the need for a high quality environment
  - b. supports existing business sectors, taking account of whether they are expanding or contracting and, where possible, identifies and plans for new or emerging sectors likely to locate in their area..... . However, policies should be flexible enough to accommodate sectors not anticipated in the plan and allow a quick response to changes in economic circumstances
  - c. positively plans for the location, promotion and expansion of clusters or networks of knowledge driven or high technology industries
  - d. seeks to make the most efficient and effective use of land, prioritising previously developed land which is suitable for re-use and..... reflects the different location requirements of businesses, such as the size of site required, site quality, access and proximity to markets, as well as the locally available workforce
  - e. identifies, protects and promotes key distribution networks, and locates or co-locates developments which generate substantial transport movements in locations that are accessible (including by rail ..... transport where feasible), avoiding congestion and preserving local amenity as far as possible
  - f. plans for the delivery of the sustainable transport and other infrastructure needed to support their planned economic development and, where necessary, provides advice on phasing and programming of development
  - g. at the regional level, disaggregates minimum job targets to local authority level
  - h. at the local level, where necessary to safeguard land from other uses, identifies a range of sites, to facilitate a broad range of economic development, including mixed use. Existing site allocations should not be carried forward from one version of the development plan to the next without evidence of the need and reasonable prospect of their take up during the plan period. If there is no reasonable prospect of a site being used for the allocated economic use, the allocation should not be retained, and wider economic uses or alternative uses should be considered
  - i. at the local level, encourages new uses for vacant or derelict buildings....
  - j. at the local level, considers how sites for different business types can be delivered, including by the use of compulsory purchase to assemble sites and other planning tools including area action plans, simplified planning zones and local development orders facilitates new working practices such as live/work.

**2.10 PPS 12 : ‘Creating strong safe and prosperous communities through Local Spatial Planning’**, issued in 2008, refers to spatial planning (see para. 2.1) as being critical in relation to economic growth by:

- providing a flexible supply of land for business and identifying suitable locations;
- ensuring business is drawn to the area by providing an attractive environment and a sufficient workforce well housed and able to access employment opportunities easily and sustainably; and
- providing a robust basis for assessing the need for ..... economic development.

**2.11 PPG 13 : ‘Transport’** dates from 2001. Its objectives are to integrate planning and transport so as to:

1. promote more sustainable transport choices for both people and for moving freight;
2. promote accessibility to jobs ..... by public transport, walking and cycling, and
3. reduce the need to travel, especially by car.

In order to deliver these objectives, it states that local authorities should, when preparing development plans:

- ensure that development comprising jobs offers a realistic choice of access by public transport, walking, and cycling, recognising that this may be less achievable in some rural areas;
- in rural areas, locate most development in local service centres.

**2.12** Pending its proposed abolition<sup>(1)</sup> the **East of England Plan** is that part of the development plan covering the district at the strategic level. It was published by the Secretary of State for Communities and Local Government in May 2008. Its overall Spatial Vision is that, by 2021, the East of England would be realising its economic potential and providing a high quality of life for its people, including by meeting their housing needs in sustainable inclusive communities. One of the Plan’s objectives is to realise the economic potential of the region and its people by:

- facilitating the development needed to support the region’s business sectors and clusters, improving skills and widening opportunities in line with the Regional Economic Strategy;
- providing for job growth broadly matching increases in housing provision and improving the alignment between the locations of workplaces and homes;
- maintaining and strengthening the East of England’s inter-regional connections by improving access to economic opportunities in London; and
- ensuring adequate and sustainable transport infrastructure.

**2.13** The relevant Economic Development policies (see Appendix 2) are as follows:-

- an indicative target for net growth in jobs of 56,000 for the period 2001-2021 in the area of Essex comprising Braintree, Brentwood, Chelmsford, Epping Forest, Harlow, Maldon and Uttlesford (Policy E1);
- LDDs should ensure that an adequate range of sites/premises is allocated to accommodate the indicative job growth targets of Policy E1 (Policy E2);

(1) The coalition Government is pledged to “rapidly abolish Regional Spatial Strategies and return decision-making powers on housing and planning to local councils” and is seeking to implement this through the ‘Localism Bill’ of December 2010. See footnote (1) on page 15.

- LDDs should support business clusters (Policy E4);
- proposals for Stansted Airport should be informed by the 2003 Air Transport White Paper (Policy E7); and
- land within the boundaries of Stansted Airport should be safeguarded for operational and directly associated airport employment purposes (Policy E7).

2.14 **The East of England Plan** was being revised in order to take the region forward to 2031 and a draft document had been prepared. Its economic objective is the same as that of the previous plan as is the thrust of the economic development policies relevant to the Uttlesford District quoted above with the following three exceptions:-

1. There is an indicative target of a net additional 9,200 jobs in the district over the period 2011-2031 (Policy E1). The job targets identified in this policy were derived from and built upon the results of the East of England Forecast Model. The Model brings together a range of key variables including economic output, productivity, employment, population and housing. The forecasts generated by the model have been moderated to take account of local and sub-regional visions as well as capacity and deliverability issues. (This target is broken down according to job type in table 26).
2. There is no reference to the 2003 Air Transport White Paper.
3. Policy E4 (renamed Supporting Sectors and Clusters) includes supporting the sustainable growth of the transport and logistics sector maximising the benefits of international airports.

2.15 **The Regional Economic Strategy** (RES) is entitled ‘Inventing our future : Collective action for a sustainable economy’ and covers the period 2008 – 2031. It sets out a vision, targets and priorities the delivery of which will enable the region to be globally competitive. The RES seeks to direct the activities and investment of key regional and national agencies, inform the economic outcomes agreed with local authorities through Local Area Agreements and enable local government to contribute effectively to the region’s sustainable economic growth. But it must be recognised that the private sector is the main driver of growth and job creation.

2.16 The primary focus of the RES is to set an ambitious vision for the economy to 2031 and identify priorities for action that contribute to its delivery. Its vision for the East of England is that:

By 2031, the East of England will be:

- internationally competitive with a global reputation for innovation and business growth
- a region that harnesses and develops the talents and creativity of all
- at the forefront of the low-carbon and resource-efficient economy

and known for:

- exceptional landscapes, vibrant places and quality of life
- being a confident, outward-looking region with strong leadership and where communities actively shape their future.

2.17 Parts of Uttlesford fall within two of the ‘engines of growth’ identified in the RES these being the Greater Cambridge sub-region and the London Arc sub-region. Whilst it is not possible to define the areas specifically affected, the former influences the north of the

district and the latter impacts upon the south and west in particular. Each sub-region has a range of Strategic Ambitions the most relevant of which are:

- for Greater Cambridge - diversify and improve performance of the economy of market towns within the sub-region, and
- for the London Arc - promote the key transport corridors including the A12 and M11 corridor as economic drivers and consider improvements to support economic growth and competitiveness.

### **Conclusion**

- 2.18 The key aspects of Government planning policy relevant to employment and employment land are set out in its Planning Policy Statements (PPSs). PPS1 : ‘Delivering Sustainable Development’ identifies one of the Government’s four aims for sustainable development as being “the maintenance of high and stable levels of economic growth and employment”. It states that planning should make suitable land available for development in line with economic objectives and hence contribute to sustainable economic development.
- 2.19 PPS 4 : ‘Planning for Sustainable Economic Growth’ (December 2009), which is intended to complement PPS1, defines economic development as not only comprising development within the B Use Classes but also public and community uses and main town centre uses. It also includes unspecified uses which meet certain objectives including providing employment opportunities. This may imply that various non-B class uses are acceptable on employment sites previously reserved for B class uses. Thus pressure to introduce such uses may be a potential problem if the available sites and premises are limited. The PPS makes it clear that the development management policies it contains should only be reformulated if there are specific factors justifying a variation. This at least offers scope for doing so if need be.
- 2.20 Given the proposed revocation of the East of England Plan, there will be no formal job target which the LDF policies should seek to facilitate.

## EXISTING LOCAL PLANNING POLICIES

- 3.1 Whilst previously part of the development plan, the **structure plan** (the Essex & Southend-on-Sea Replacement Structure Plan, adopted 2001) was superseded by the Regional Spatial Strategy (the East of England Plan) at the strategic level. However, a number of policies have a transitional status as “material considerations” pending the adoption of DPDs. Two such policies may be relevant in this respect these being Policies BIW9 Airport Development and MIN4 Sterilisation & Safeguarding of Minerals Sites (see Appendix 3) as outlined below.
- 3.2 BIW9 Airport Development relates to airport-related development being assessed against a range of criteria. This policy would have been a consideration in the determination of relevant planning applications. These included those submitted in 2008 for the second runway by BAA Ltd and Stansted Airport Ltd. The applications were ‘called-in’ for determination by the Secretary of State who decided to hold concurrent inquiries into each application. The inquiry was due to begin in April 2009 but was postponed by the Secretary of State pending the outcome of BAA’s appeal to the Competition Appeals Tribunal against the Competition Commission’s requirement that Stansted Airport be sold. BAA subsequently withdrew the application in May 2010 in the light of the then newly-formed coalition government issuing a document entitled ‘The Coalition: our programme for government’. That document included the statement, under the heading ‘Energy and Climate Change’, that “We will refuse permission for additional runways at Gatwick and Stansted.”
- 3.3 Policy MIN4 – Sterilisation & Safeguarding of Minerals Sites looks to safeguard potentially workable mineral deposits from development that would sterilise them or prejudice their working.
- 3.4 The **Minerals Local Plan: First Review** was adopted by Essex County Council, the Minerals Planning Authority, in January 1997. The plan refers to two sites in the district:-
  - a preferred site (40 ha.) for sand and gravel extraction at Little Easton; and
  - Chalk Farm Quarry, Newport (14 ha.) which has long been in operation.The County Council produced the Minerals Development Document: Preferred Approach Paper which was the subject of consultation between December 2010 and February 2011. It featured 3 preferred sites in the district, these being 2 at Little Bullocks Farm, Great and Little Canfield and at Easton Park, Great Dunmow, all of which the District Council strongly objected to.
- 3.5 The **Essex and Southend Waste Local Plan** was adopted by Essex County Council, the Waste Planning Authority, in September 2001. It features one site in the district that being at Hollow Road, Widdington which is a preferred site for inert waste. Essex County and Southend Borough Councils conducted a joint consultation on Issues and Options for the Waste Development Document from October to December 2010. The consultation sought views on what strategies should be developed, how they should be implemented and where any major sites should be located. The views expressed will be taken into account in the formulation of a preferred approach which will then itself be the subject of further consultation.

- 3.6 The **Uttlesford Local Plan** was adopted in 2005. It seeks to maintain and improve upon Uttlesford's positive attributes and this will include helping local companies to grow within appropriate development constraints, creating more jobs locally. The overall thrust of the policies with regard to economic development is as follows:-
- development will be limited to within the defined development limits of existing settlements (policies S1, S2 and S3);
  - development within the defined boundary of Stansted Airport will be limited to that directly related to, or associated with, the airport (Policy S4);
  - research and development facilities will be permitted within the defined boundary of the Great Chesterford Research and Development site (Policy S5);
  - the countryside will be protected for its own sake (Policies S7 and S8).
- 3.7 The policies on economic activity (see Appendix 4) have the following objectives:-
- To ensure that provision is made for enough land to meet the structure plan requirement and enable the expansion of existing firms and the introduction of new employment;
  - To ensure that a range of employment opportunities is available at key locations across the district and that alternative employment exists other than in the concentration on the airport at Stansted;
  - To enable opportunities for local employment close to where people live, which may potentially reduce travel to work;
  - To ensure that development is accessible to all; and
  - To help diversify the economy in the rural area and provide alternative income for farm based businesses.
- 3.8 The amount of land allocated for business uses in the local plan was determined by the structure plan. It required that the total will increase by 16 hectares by 2011. The local plan indicates where land is proposed for development so as to achieve this increase in land for business uses. The total area proposed exceeds 16 hectares by 1.35 hectares.
- 3.9 Policy E1 allocates a total of 17.35 ha. of land at the following sites
- Great Dunmow Business Park
  - Land adjoining Saffron Business Centre, Elizabeth Close, Saffron Walden
  - Thaxted Road, Saffron Walden
  - London Road, Great Chesterford
  - Stansted Distribution Centre Extension
- and Policy E2 safeguards the existing key employment areas.
- 3.10 Specific individual employment policies relate to:-
- Chesterford Park (Local Policy 1)
  - Gold Enterprise Zone and Old Mead Road (Elsenham Local Policy 1)
  - the vicinity of Great Chesterford station (Great Chesterford Local Policy 1)
  - London Road, Great Chesterford (Great Chesterford Local Policy 2)
  - Great Dunmow Business Park (Policy GD6)
  - employment areas in Great Dunmow (Policies GD7 & 8)
  - employment areas in Saffron Walden (Policies SW4, SW5 & SW6)
  - Stansted Airport (Policies AIR1, AIR2, AIR3, AIR4 & AIR7)

- Parsonage Farm, Stansted Mountfitchet (Policy SM5)
- extension to the existing Stansted Distribution Centre (Start Hill Local Policy 1)
- Parsonage Road, Takeley (Takeley Local Policy 5)
- Sampford Road sites/chemical works, Thaxted (Thaxted Local Policies 2 & 3).

3.11 Other generic policies relate to the provision of access to workplaces, farm diversification and the re-use of rural buildings (see Policies E3, E4 and E5).

3.12 With regard to the question of the effectiveness of the policies, the response from the Council's Development Control officers to the questions:

- how well have the employment policies in the local plan been working?; and
- what issues have come up in implementing these policies and planning for employment land?

was as follows:

1. A1 retail uses provide employment but may well not be the envisaged use for a site;
2. the term business is not defined in the local plan and this is an issue because the term could be considered to include uses which, in certain circumstances, are not acceptable;
3. the policies refer to "employment land" in the title but then refer to "business use" within the text;
4. Policy E2 is not necessarily useful in protecting existing employment sites in villages due to the "get out clause" of "the present use harms the character or amenities of the surrounding area"; and
5. Policy E2 is also causing problems in respect of the Elsenham Industrial Estate. The policy safeguards the land but none of the employment policies give any indication as to what might be considered to be an acceptable scale of development.

3.13 The above matters will be taken fully into consideration in the recommendations of this report.

### **Conclusion**

3.14 Whilst the structure plan had been superseded by the East of England Plan, a number of policies have a transitional status as "material considerations". Two may be relevant these being BIW9 which refers to airport-related development and MIN4 which looks to safeguard potentially workable mineral deposits.

3.15 The Uttlesford Local Plan seeks to help local companies to grow within appropriate development constraints, creating more jobs locally. The amount of land allocated for business uses in the local plan was determined by the structure plan. It required that the total will increase by 16 hectares by 2011. The local plan allocates a total of 17.35 ha. of land on 5 sites and safeguards the existing key employment areas. It also features specific individual local employment policies and other generic policies relate to the provision of access to workplaces, farm diversification and the re-use of rural buildings.



## OTHER LOCAL NON-LAND USE PLANNING POLICIES

- 4.1 Uttlesford's **Sustainable Community Strategy, 'A vision for our future – 2018'**, was published in June 2008. It is a long term vision for Uttlesford and its people and was produced by the local strategic partnership, Uttlesford Futures, formed of public, private, voluntary and community sector agencies. The vision, themes and priorities set out in the Strategy were developed through extensive consultation with the partners and the local community. Uttlesford Futures will work together strategically to improve the quality of life for all whilst safeguarding the environment for future generations. This requires a joined-up approach to the delivery of services which takes into account social, economic and environmental considerations.
- 4.2 The vision for Uttlesford as set out in the Strategy is ***to sustain a high quality of life in which the benefits of the unique character of the district are equally available to all residents, workers or visitors.*** The Strategy has six themes one of which is 'Developing business' in which the key issues are seen as being:-
- high levels of out-commuting from the district leading to pressures on the infrastructure;
  - some businesses expressing problems expanding within the district;
  - equality and diversity issues, e.g. disabled people in rural areas having difficulties accessing jobs;
  - many businesses have difficulty recruiting people with certain skills, caused by a number of factors including the high cost of living within the district;
  - local people want access to services/businesses in this area but businesses may find it too expensive or come up against other problems in locating there.
- 4.3 The priorities in the context of 'Developing business' are identified as being:-
- Developing high value jobs in small businesses
  - Reduced carbon footprint of local businesses
  - Reduce pockets of deprivation, poverty and low economic activity
  - Raise the benefits of local tourism.
- 4.4 The Uttlesford Local Strategic Partnership commissioned an Employer and Business Survey in 2009. The main findings of that as they relate to this study are set out in Appendix 5.
- 4.5 **The Essex Local Area Agreement 2008–2011 *Liberating Potential, Fulfilling Lives* (LAA)** is an agreement between public, voluntary and community sector partners across Essex to achieve outcomes that are regarded as key to making the county a better place to live and work. The LAA sets out a series of priorities one of which is that Essex will have a strong and competitive economy. The identified outcomes of this are:-
- Higher educational attainment and skills levels in the adult population
  - A diverse and competitive economy, which draws benefits from but is less reliant on London by helping new and existing companies to start-up, innovate and grow
  - Increase the number of high value jobs, through inward investment, business retention and expansion and helping companies to trade internationally.
- 4.6 A series of focuses following on from this includes "Existing companies are a key asset to the economy, particularly where they employ large numbers of people. Partners will

need to work collaboratively to ensure existing companies continue to be based in Essex and are supported to expand their operations here”.

- 4.7 The coalition Government's commitment to ending top-down Government and giving new powers to local authorities to work for their communities is such that local authorities will not be required to prepare an LAA from April 2011, once the current agreements expire.
- 4.8 **Uttlesford Futures** has regard to the following LAA economic indicators which reflect its ambitions under the ‘Developing business’ theme of its Sustainable Community Strategy:-

**NI 166 Median earnings of employees in the area**

This is an indicator of productivity and of higher value jobs.

Target (2011, £ (presumed to be £/week))	+ 3.8% over three years (2009-11) culminating in Essex target of £531.90
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**NI 171 New business registration rate<sup>(1)</sup>**

Maintaining a good company start-up rate is an indicator of a healthy economy.

Target (2010/11)	New dataset, to replace the previous VAT registrations/deregistrations, will be provided by LAA
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**LI 8.1 Number of jobs saved and created as a result of foreign direct investment**

Inward investment leads to a more diverse economy likely to be stable and to grow.

District targets are not applicable because work is carried out on a Greater Essex basis.

**LI 8.2 Helping companies to trade internationally**

Companies that trade internationally are likely to see increased turnover, employ more people and be more competitive.

District targets are not applicable because work is carried out on a Greater Essex basis.

**Conclusion**

- 4.9 The Essex Local Area Agreement 2008–2011 (LAA) identifies Essex having a strong and competitive economy as a priority and identifies outcomes accordingly.
- 4.10 Uttlesford’s Sustainable Community Strategy, ‘Uttlesford Futures’, has six themes one of which is ‘Developing business’. Uttlesford Futures has regard to a number of LAA economic indicators which reflect its ambitions under this theme. Whilst the implementation of the LDF employment policies may influence these outcomes, it will not be possible to make a direct inference as to their impact because of the many factors impacting upon businesses and the economy.

(1) Now superseded by ‘business births and deaths’

## PROFILE OF THE LOCAL ECONOMY

5.1 A profile of the local economy is intended to help to identify the changes in the local economy which policy should aim to bring about. The two main issues<sup>(1)</sup> it should address are:

- need and aspiration : what changes in the local economy are desirable?
- possibility : what changes may be realistically achievable?

5.2 The analysis comprises the following four components:-

- Industrial Structure and Past Employment Change
- Labour Market Balance
- The Workplace Economy
- The Residents

### **Industrial Structure and Past Employment Change**

5.3 In accordance with the guidance manual this analysis looks at:-

- a. the sector mix of the local economy and how it is changing;
- b. its record of past employment growth, in total and by sector;
- c. growth opportunities, for example with regard to overspill from neighbouring areas or particular sectors and clusters; and
- d. any ongoing and expected changes.

a. The sector mix

5.4 The current sector mix in terms of floorspace is illustrated in table 1 which also indicates how this has changed over the 4 year period from 2005 – 2008, immediately prior to the economic recession, and how these changes compare with the picture both regionally and nationally. The points to emerge are:-

1. the total amount of office floorspace in the district increased by almost 10% during this period which significantly exceeds both the regional and national rates of increase of less than 5% and 4% respectively;
2. the 5+% increase in the amount of warehouse floorspace broadly reflects that across the country but lags behind the 9+% increase across the region;

(1) The guidance manual specifies that the profile of the workplace economy should also produce insights into the qualitative features of future demand. The analysis should look in more detail at the area's industrial structure and recent change, focusing on the 'B sectors'. It should aim to identify any sectors or clusters which are particularly important or growing, particularly if they are likely to have distinctive requirements in terms of land and property. It should also consider the size mix of business units in the B sectors. To the extent that it is possible to do so, this aspect is addressed by both the foregoing assessment of floorspace trends, which can be projected into the future, and the subsequent chapter which considers the commercial land and property market.

3. a 7% fall in the amount of industrial floorspace exceeds the 4.5% drop measured across the region but mirrors the overall 6% drop across the country;
4. the trend change in ‘other bulk premises’<sup>(1)</sup> of a 2% decrease is not dissimilar to the 1% increase recorded across both the region and the country.

*Table 1 Comparative Change in Commercial Floorspace prior to Economic Recession*

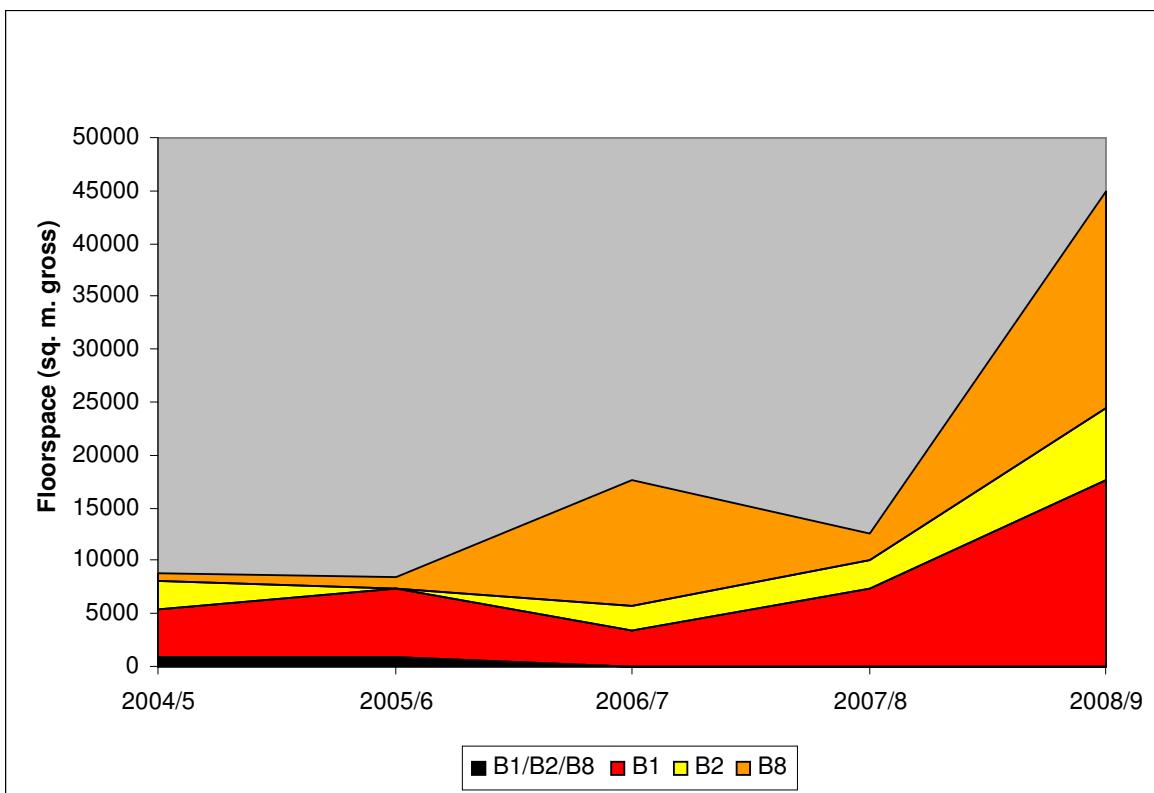
		'000 sq.m.				% change 2005 – 2008
		2005	2006	2007	2008	
Uttlesford District	Factories	227	226	219	211	- 7.0
	Warehouses	215	221	230	227	+ 5.6
	Other bulk premises	134	135	130	131	-2.2
	Offices	199	203	212	218	+ 9.5
Eastern Region	Factories	19,581	19,291	18,919	18,704	- 4.5
	Warehouses	15,742	16,174	16,785	17,186	+ 9.2
	Other bulk premises	6,589	6,629	6,614	6,635	+ 0.7
	Offices	16,542	16,934	17,178	17,328	+ 4.8
Great Britain	Factories	204,237	201,729	196,669	192,322	- 5.8
	Warehouses	142,853	147,085	151,273	152,485	+ 6.7
	Other bulk premises	54,574	54,971	55,039	55,190	+ 1.1
	Offices	188,432	191,618	193,400	195,131	+ 3.6

Source: Communities and Local Government

- 5.5 The overall trends are apparent from the Council’s own records although the two data sets are not directly comparable because:-
- the CLG’s figures include any relevant development at Stansted Airport whereas the Council’s figures specifically exclude any such developments;
  - the CLG’s figures are derived from the rateable value statistics (as distinct from planning completions) such that there may be a temporal lag;
  - the CLG’s figures are indicative of the total amount of commercial floorspace whereas the Council’s figures relate only to planning completions (such that any losses of commercial floorspace would not feature); and
  - rounding of the CLG’s figures.
- 5.6 The Council’s Annual Monitoring Reports (AMRs) illustrate the extent to which its planning policies are being achieved. Under the heading of ‘Business Development’, the AMR monitors, amongst other things, details of all of the employment floorspace completions over the previous year (1<sup>st</sup> April – 31<sup>st</sup> March). These details are illustrated in figure 1 which indicates the predominance in the increase in offices (assumed to be B1) and warehousing (B8) over industrial (B2) uses locally which reflects the Government’s figures.

(1) ‘Other bulk premises’ include a variety of premises such as garden centres, halls and social clubs not falling into the other classes.

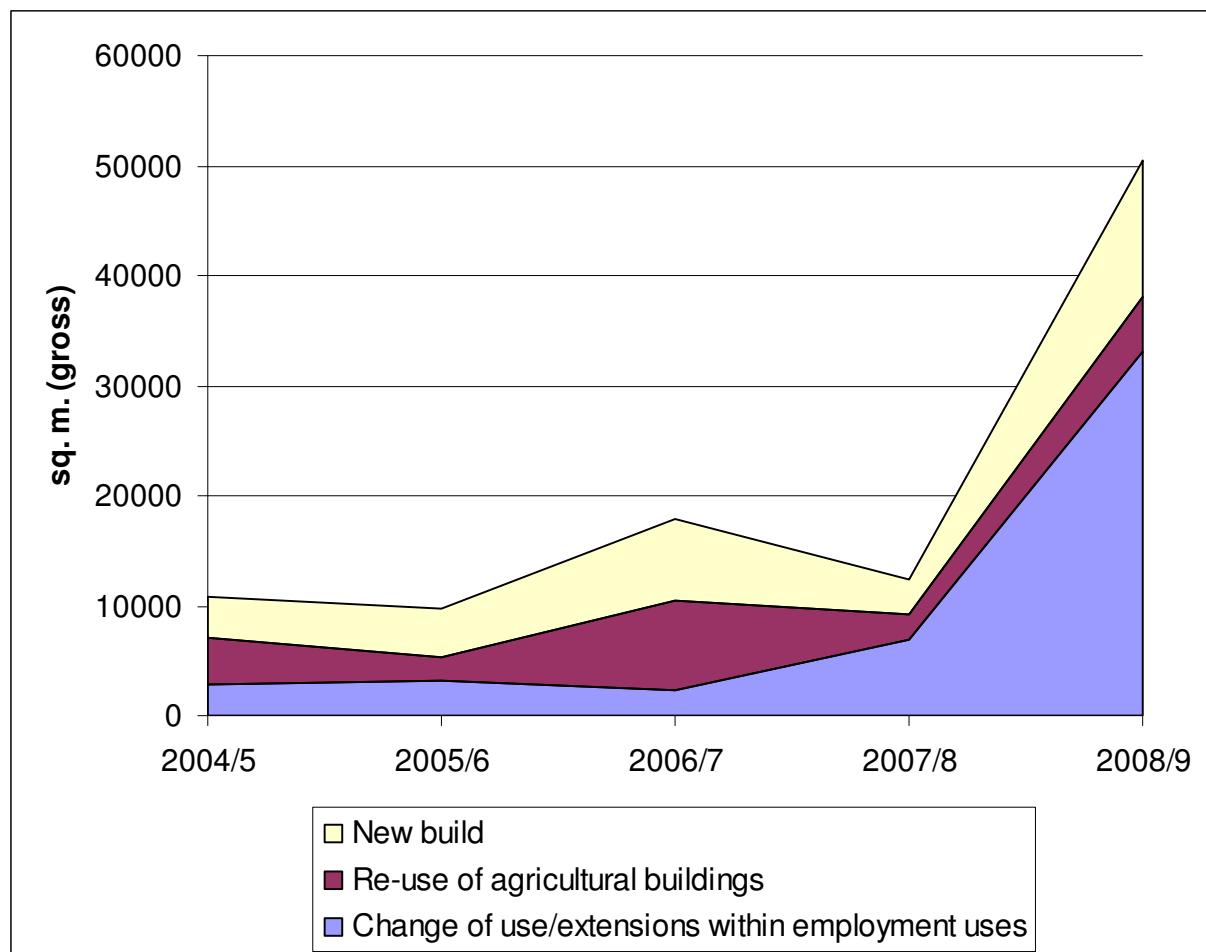
*Figure 1 Additional Commercial Floorspace by Type*



Source: Non-residential land availability study – Essex County Council and UDC

- 5.7 It is, however, important to acknowledge that not all of this additional commercial floorspace was new build. Significant proportions of it resulted from changes of use within the employment use classes such that there was no net gain in the overall amount of commercial floorspace. However, net increases in floorspace did result from extensions to existing employment uses and from the re-use of agricultural buildings (in accordance with policy E5 of the adopted Local Plan). The breakdown of the nature of additional floorspace in the period prior to the recession, according to whether it was new build, the re-use of agricultural buildings or the extension, or change of use, of existing commercial premises is shown in figure 2.

*Figure 2 Nature of Additional Floorspace*

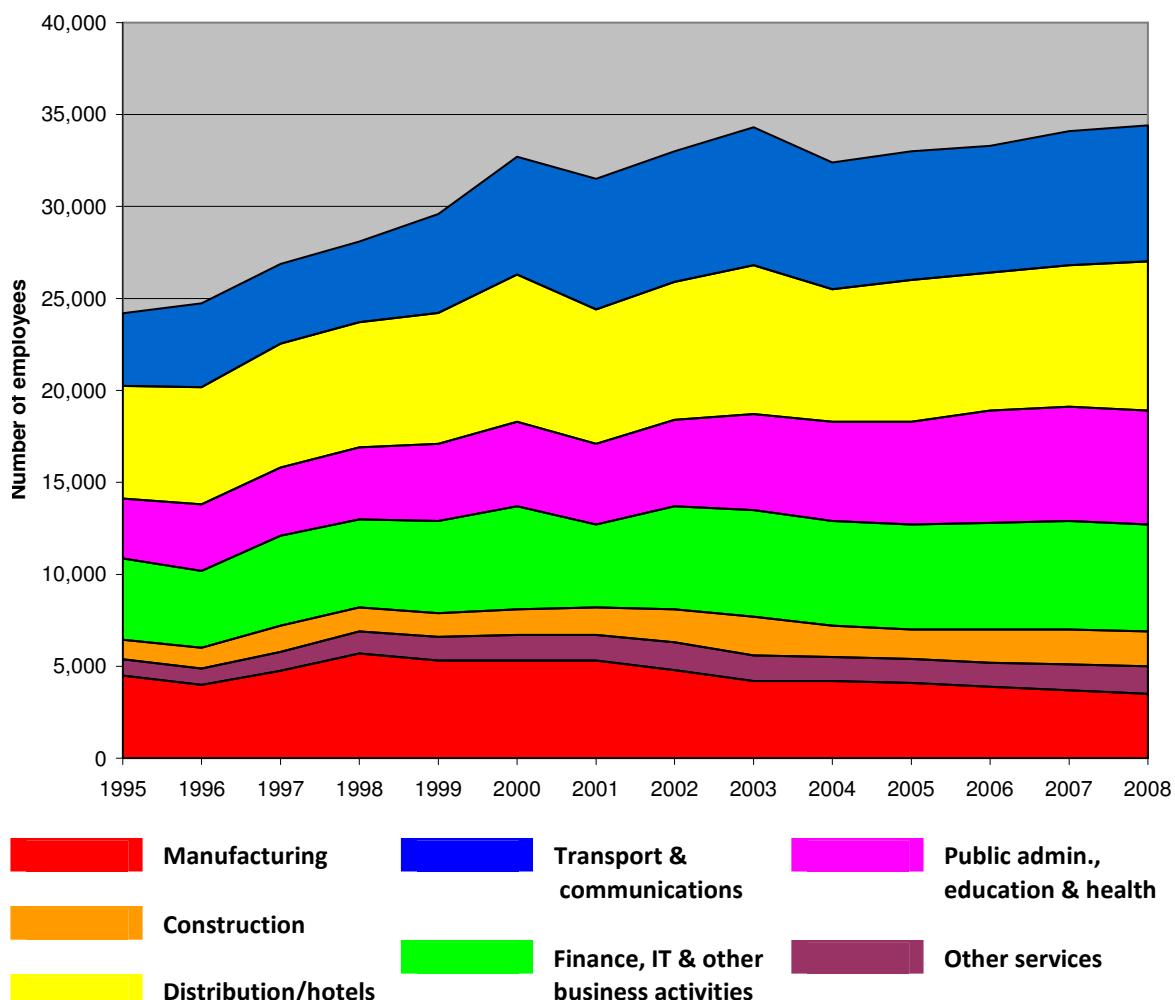


Source : UDC Annual Monitoring Reports

b. Past employment change

- 5.8 The local employment picture, and how it changed up to the start of the recession (when the most recent figures are available), is shown in figure 3. It illustrates a very significant rise in the number of employees resident in the district over the period 1995 to 2008 from 24,000 to 35,000 combined with a continuing decline in the number of jobs in manufacturing since the turn of the century. This latter trend reflects the progressive fall in industrial floorspace that is apparent from table 1 and happening nationwide. Figure 4 compares job types in the district with those across the region and the country and shows that the proportion of local jobs in manufacturing is nonetheless on a par with the situation elsewhere.
- 5.9 The relative importance of jobs in transport and communication in the district contrasts markedly with the numbers similarly employed elsewhere in both the region and the country as a whole. This is readily apparent from figure 4 in which the importance of the front segment in the district's diagram, and which represents 21% of total employee's jobs, contrasts with a far more modest sector, representing 6%, across the region and the country.

*Figure 3 Past Uttlesford employee growth, in total and by sector*



Source: ONS annual business inquiry employee analysis

- 5.10 The rapid rate of increase in the number of jobs in the district, particularly during the late 1990s, is presumed to be largely attributable to the growth of Stansted Airport. The airport experienced a major expansion of passenger numbers associated with the boom in low cost air travel which peaked in 2007 (at 24 million passengers per annum). The closeness of the relationship between the numbers of airport employees and passenger numbers is illustrated in table 2 below.

*Table 2 Number of Stansted Airport Employees and Passengers (million) /year*

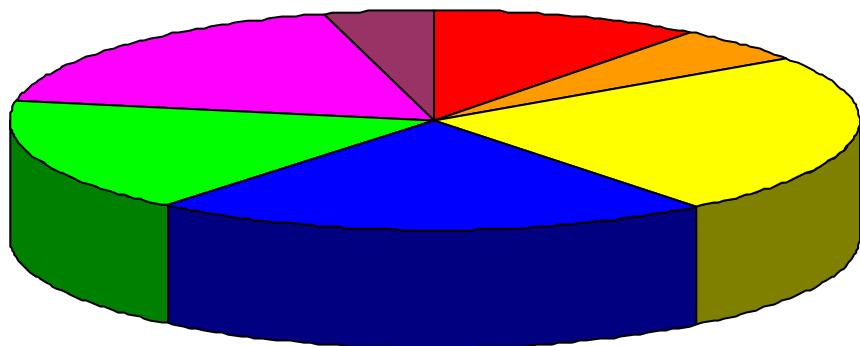
Year	Employee numbers	Passenger numbers
1997	6,800	5.36
2002/03	10,000	16.70
2005	10,600	22.20
2007	11,770	23.80
2009	10,859	19.90

Source : 'Looking to the future', London Stansted Employment Strategy 2010-2015

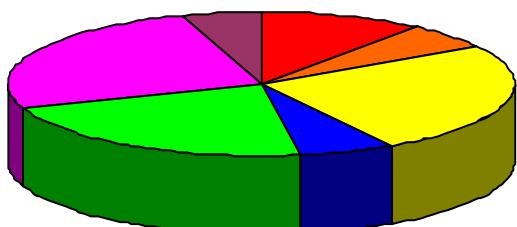
5.11 The number of employee jobs in Transport and Communications in the district rose from 4,000 to 7,400 from 1995 to 2008 which represents an increase from 16% to 21% of local employee jobs. This growth therefore accounted for 1 in 3 new jobs created during that period but even without it the rate of job increase was still some 50% greater than across the region and elsewhere.

*Figure 4 Comparison of % district's, region's and country's employees' job types, 2008*

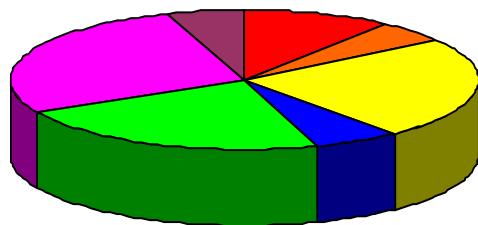
a) Uttlesford District



b) Eastern Region



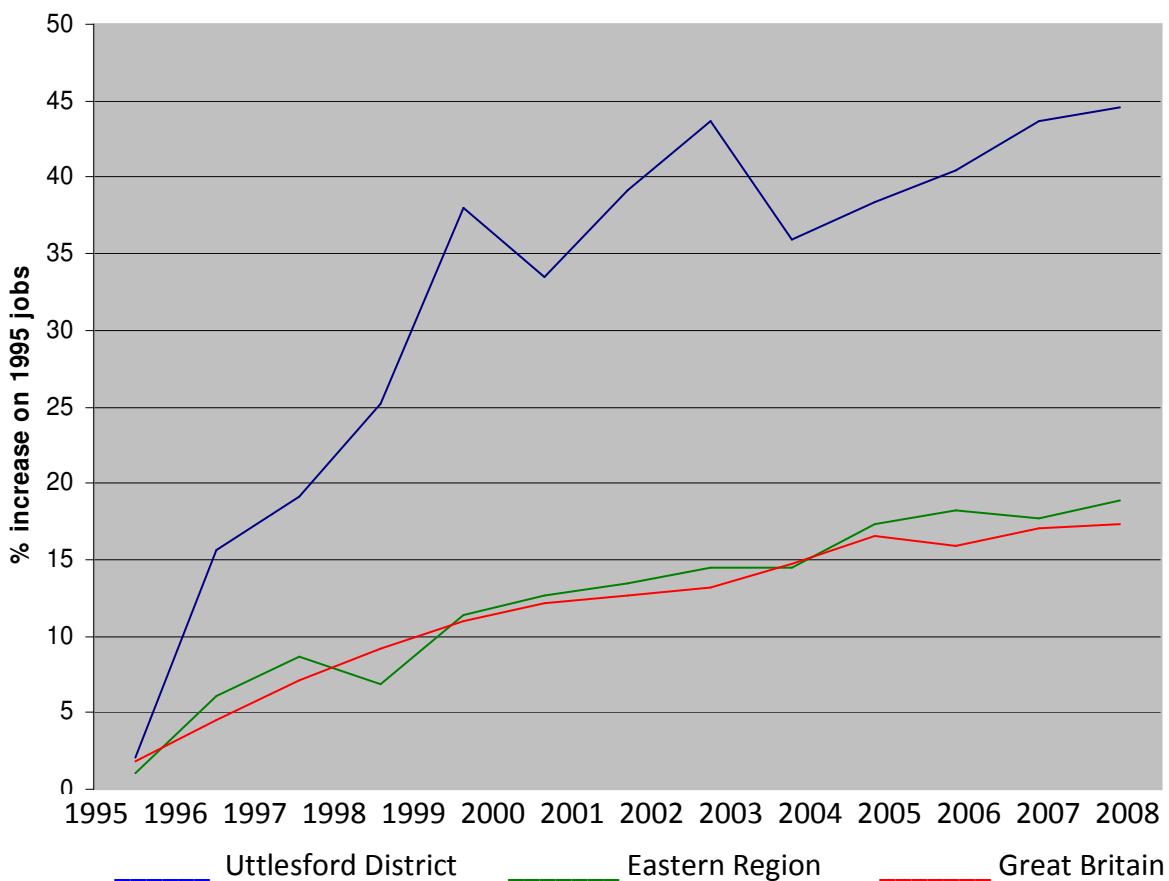
c) Great Britain



Source: ONS annual business inquiry employee analysis

5.12 This sharp rise was most marked in the latter half of the 1990s and the significance of it, relative to the equivalent rates in both the region and the country, is illustrated in figure 5.

*Figure 5 Comparison of rates of increase in employee jobs (1995 – 2008)*



NB % is a proportion of total employee jobs  
Employee jobs excludes self-employed, government-supported trainees and HM Forces

Source: ONS annual business inquiry employee analysis

### c. Growth Opportunities

5.13 There are currently four identified potential opportunities for growth, these being Stansted Airport, a possible new settlement north east of Elsenham, the Greater Cambridge Sub-region and the M11 Corridor. However, this situation could well change with the publication of the draft Core Strategy for consultation. That is because the proposed new settlement at Elsenham was the preferred option for accommodating the level of growth then anticipated in the LDF but that situation may well change. That is because the Council is to consult on a revised housing allocation which will entail the allocation of sites to accommodate 2,500 dwellings by 2028. This is in contrast to the 4,000 that were required to be allocated and provided during the period to 2026 in order to meet the RSS allocation. Hence, it may well be that, with a significantly reduced requirement, the revised Core Strategy may not promote a new settlement.

- 5.14 Nevertheless, this ELR makes reference to the new settlement at Elsenham on the basis that it remains the preferred option and that, even though the target has been reduced, it is possible that it is still allocated at Elsenham, perhaps as a part of a longer term development.
- 5.15 Each of the current 4 growth opportunities is dealt with in turn below although it may be that the allocation of significant amounts of development in the form of a new settlement or an urban extension would create another opportunity for employment development.
- (1) Stansted Airport
- 5.16 The airport is clearly one of the main drivers of economic development in the district if not the single most important one. The Council identified three possible alternative scenarios for the airport with a view to determining which one forms the best basis on which to plan other development. They are:
- Scenario 1 – No growth – passenger numbers around 20 million a year.
  - Scenario 2 – Implementation of the planning permission known as G1 (which has already been granted) for an increase in passenger numbers to 35 million a year.
  - Scenario 3 – Implementation of a planning application for the project known as G2. This option would need additional airport land and a new runway with capacity to enable passenger numbers to rise to 68 million passengers a year.
- 5.17 The Council undertook a sustainability appraisal in order to assess the potential social, environmental and economic impacts of each scenario taking into account the most recent passenger transport forecasts. It concluded that Scenario 1 would be the optimum, followed by Scenario 2. Scenario 3 performs badly largely because of the amount of land needed to build a second runway, the supporting development it would require and also because of the noise that would result from the extra aircraft using a second runway.
- 5.18 However, the government has already granted planning permission to increase the use of the existing runway to 35 million passengers per year at Stansted and it is anticipated that this will be implemented. The Council therefore opted for option 2 on the basis of it being both pragmatic and realistic. This is an eminently sensible basis on which to progress with the formulation of the LDF given both the Department for Transport's 2009 air passenger transport forecasts and what was then the uncertainty regarding the Competition Commission's requirement that the airport be sold together with the likely commercial intentions of any new owners.
- 5.19 In May 2010, BAA withdrew its planning application for a second runway (G2) in response to the coalition government having stated that it would oppose new runways at both Gatwick and Stansted airports. Subsequent to that, in October 2010, the Court of Appeal issued a ruling that compelled BAA to split up its UK airport portfolio. That means that BAA must now sell on Stansted Airport before the end of 2012. The Supreme Court ruled that BAA will not be allowed to appeal against the order to sell Stansted but the European courts remain a possible option.

5.20 Hence, the LDF should look to accommodate:-

- development that would be necessary to facilitate an increase in passenger numbers to 35 million a year; and
- development necessary to accommodate any potential increase in the use of the airport for freight that may reasonably be anticipated if the capacity of 35 million passengers per year is not realised for any reason.

5.21 It is expected that by the time the Airport serves 35 mppa, around 16,800 employees will be employed on Airport, with a further 6,400 employees being employed off Airport in either direct or indirectly related jobs<sup>(1)</sup>.

#### (2) New Settlement to the North East of Elsenham

5.22 According to LDF documents published to date, the main focus for growth in the District is the creation of a new market town based on the expansion of the key service centre at Elsenham. This is because of the constraints identified in the existing settlements in the district. The intention is that the existing village, which has only limited facilities, would expand to become a market town with a full range of shops, schools and services to serve the day to day needs of the new population and also to offer the existing residents new opportunities to access services and facilities.

5.23 It is proposed that the existing village would be expanded by the addition of approximately 3,000 new homes. Local employment would be provided within the new development with new employment floorspace providing a mix of jobs with offices and light and general industrial floorspace. Other jobs would be provided in the services within the development e.g. health centre, schools, shops etc..

5.24 The site has the advantage of access to a railway station and this needs to be the focus of an integrated public transport system which will serve the new development and also link to nearby centres including Bishop's Stortford, Stansted Mountfitchet and Stansted Airport.

5.25 Clearly the new settlement offers potential to accommodate a significant proportion of whatever land is considered necessary to accommodate future employment provision within the period to 2028. Any such allocations would have to have regard to the rate at which sites will need to be brought forward and how this relates to the proposed phasing of the new settlement and its associated infrastructure. It will be both desirable and necessary to make employment land available when it is required if the associated economic and social needs of the district's businesses and residents are to be met.

5.26 However, it must also be acknowledged that the proposed new settlement may not be progressed in which case adequate and appropriate provision must be made to accommodate the associated employment land elsewhere.

(1) 'Looking to the future', London Stansted Employment Strategy 2010-2015

### (3) Greater Cambridge Sub-Region

5.27 The Greater Cambridge economic footprint covers parts of nine local authority areas one of which is Uttlesford. It mainly affects the northern half of the district and particularly Saffron Walden. The RES describes the sub-region as a global centre for learning, technology and life sciences. The sub-region provides 365,000 jobs with an employment rate of 81%. Over 43,000 people are employed in an estimated 1,400 high-technology companies. Biotechnology clusters are identified as one of the sub-region's assets and opportunities. Constraints include a limited supply of computing and technician skills in the local economy, housing affordability, high levels of congestion, considerable variation in economic and educational performance across the sub-region and a need to improve the cultural, creative and environmental offer to match efforts of other leading centres in the knowledge economy.

5.28 The RES sets out a series of strategic ambitions which include:-

- diversifying and improving performance of the economy of market towns within the sub-region;
- overcoming shortages of affordable housing and other infrastructure by establishing high-quality, sustainable new communities;
- addressing the major infrastructure deficit and, in particular, key strategic routes connecting Cambridge to regional and national markets, such as the rail routes to London and Stansted;
- continually upgrading the skills of local communities to ensure an increased supply of soft and technical skills into the local labour market;
- delivering major environmental enhancement of surrounding settlements; and
- preserving the distinctiveness of the sub-region's market towns.

5.29 It is envisaged that these would be fully in accordance with what the Council is looking to achieve within the district. Any proposed growth at Saffron Walden would, however, need to be demonstrably sustainable. This would mean that no excessive adverse impact upon its character and environment and that the existing infrastructure capacity problems are not exacerbated.

5.30 In the context of this ELR the ambition of diversifying and improving performance of the economy of market towns within the sub-region (i.e. Saffron Walden) is particularly relevant and should be addressed.

### (4) M11 Corridor

5.31 The M11 corridor is cited as one of the key transport corridors in the London Arc which is identified as an 'engine of growth' in the RES. The previously emerging RSS (to 2031) had defined the area of the London Arc, described as comprising ".....the areas closest to and most strongly influenced by London.....", the most northern part of which is Epping Forest District. It went on to state that some of the characteristics of the Arc extended further north but this area had not been included because the commuting relationship with London is less strong.

5.32 One such town is Harlow. The London Arc policy (LA1) emphasised the retention of the long-standing Green Belt restraint and urban regeneration with towns retaining and developing their existing roles. Hence the ‘engine of growth’ that is the London Arc does not promote and enable development but simply facilitates sustainable improvement and associated economic growth. This was reflected in the Harlow policy (HA1), which did not constitute part of the London Arc and related to the Harlow Key Centre for Development and Change. That policy promoted urban extensions and attracting employment development related to the growth of Stansted Airport, which did not need to be located at the airport.

5.33 Hence it is clear that the M11 corridor, whilst being an ‘engine of growth’, does not impact upon the potential scope that there may be for development on greenfield sites in Uttlesford District. However, it should be noted that the provision, at Harlow, of airport-related development that does not need to be located at the airport could actually reduce the amount of airport-related development that needs to be accommodated in the district.

d. Ongoing and expected changes

5.34 The scale of the recent recession in the UK cannot be understated. In its six-quarter duration, from Q2 2008 to Q3 2009, the UK economy shrank by 6.4 per cent. The subsequent four quarters saw some recovery, with output growing again by 2.6%, and it was widely expected that recovery would continue in Q4 2010 albeit at a slower pace. But in fact the economy contracted again, by -0.5%. The fragility of the recovery largely reflects the slow haul out of what has been an unprecedented global financial crisis.

5.35 Although redundancies appeared to have stabilised in the second half of 2010, there is evidence of a weakening in the labour market between Q3 and Q4. Survey has revealed an expected increase in the number of employees in the coming year although the anticipated rate of increase is somewhat below that typical of the pre-recession period. As the recovery has progressed, there has been some evidence that the labour market has become more biased towards part-time jobs. It has long been recognised that unemployment affects young people disproportionately, even when it is low. The current situation with regard to youth unemployment at the national level is particularly acute.

5.36 At the regional level the unemployment rate in the East of England in Q4 2010 was 6.8% which is significantly better than the UK's 8%. The overall picture is of unemployment having reached a plateau, with labour market weakness still evident in high rates of both long-term unemployment and involuntary part-time and temporary work. Redundancies have fallen to pre-recession levels, but forecasts for 2011 point to unemployment drifting upwards through the year as public sector redundancies take effect. Survey findings are indicative of a continuing economic recovery for the region but it has been concluded that its performance can best be described as ‘average’.

5.37 The East of England’s diverse economy, with lesser reliance on traditional manufacturing, meant that the region entered the recession in a less vulnerable position and with a strong presence in sectors that were more likely to survive during the recession or to

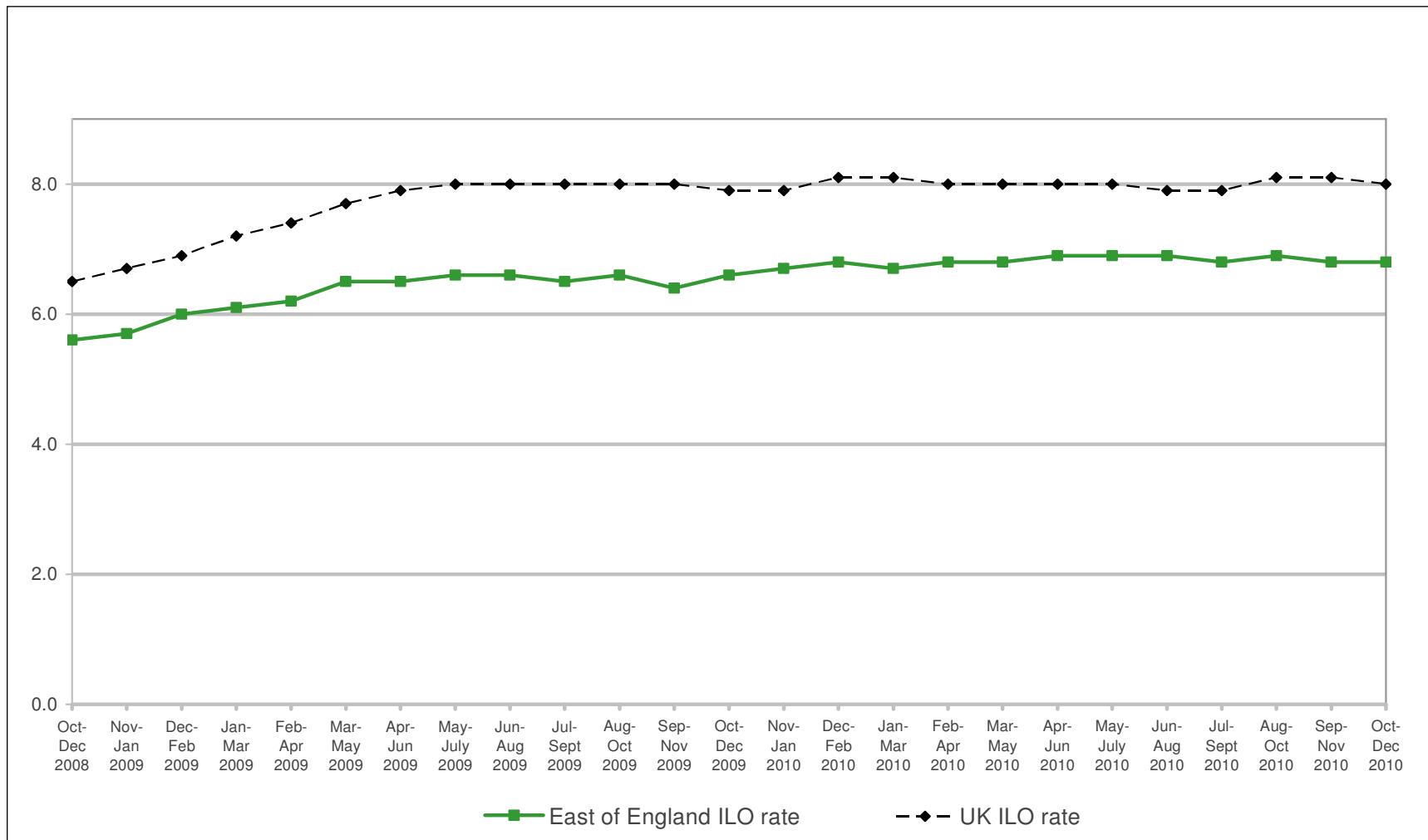
recover in the short term. Forecasts<sup>(1)</sup> suggested that the region would grow faster than the UK average after 2010. It was projected that it will take until 2012 for Gross Value Added<sup>(2)</sup> (GVA) to recover to 2008 levels.

- 5.38 Based on the experience of previous recessions it might be expected that unemployment would continue to grow even after the recession officially finished and that high unemployment rates and totals may persist for some years whilst the economy recovers. This has, in fact, proved to be the case with the comparison of UK and the region's unemployed claimant count over the period from the depths of recession, in Q4 of 2008, to Q4 in 2010 being as shown in Figure 6.
- 5.39 There are a number of possible reasons for this. One reason is that there is spare capacity in the economy during a recession. This is because businesses tend to retain workers and reduce overtime or working hours. Therefore, when demand does pick up, they are able to use existing capacity to meet this demand rather than recruit new workers. Another reason is that employers remain reluctant to recruit until they are satisfied that there is a genuine sustained recovery.
- 5.40 Male employment loss has been significantly larger than female employment loss in the region. It has been suggested that this reflects the redundancy patterns across sectors with women tending to be better represented in the growing, and therefore more robust, service sectors. In addition to people experiencing job loss the numbers of unemployed are being increased by labour market entrants who cannot find work, particularly younger people. Evidence (from the Annual Population Survey) suggested that 60 per cent of the rise in the region's unemployment was due to the increase in the size of the available workforce, and 40 per cent was due to job loss.
- 5.41 Experience also suggests that some individuals made redundant will find it difficult to re-enter work without assistance. Likewise, some of the young people who have been unable to find work are at risk of long-term unemployment and becoming disaffected from the labour market.
- 5.42 The EEFM suggests that jobs may fall in all district and unitary authority areas in the East of England from 2008 with all areas recovering from 2011/12. The one exception to this is Cambridge which was expected to recover jobs from 2010 onwards.
- 5.43 The only other identified scope for change is that which is associated with any potential future use and development of Stansted Airport as outlined above. However, given the current uncertainty as to both the form and scale that this might take given the possible scenarios that do exist (see above), the prudent, pragmatic approach would be to:-
1. assume that Scenario 2 would come to fruition by the end of the LDF period; and
  2. accept any additional employment as a gain in the event that further growth occurs.

(1) Recession Impact, EEDA, September 2009

(2) Gross Value Added (GVA) is an important measure in the estimation of Gross Domestic Product. GVA measures the contribution to the economy of each individual producer, industry or sector in the UK.

Figure 6 Official Unemployment Rate (%), East of England and UK, Q4 2008 – Q4 2010



N.B. ILO is the International Labour Organisation

Source : ONS

## **Labour Market Balance**

5.44 This analysis will inform the consideration of what future employment change may be both desirable and feasible. It covers:-

- a. employment, unemployment and economic activity;
  - b. travel to work patterns;
  - c. historical change in (a) and/or (b).
- a. Employment, Unemployment and Economic Activity

5.45 The proportion of men to women in the district is very similar to those across the region and the country (see table 3). Table 4 indicates the proportion of people of working age is some 1% less across the region than that of the country as a whole and that the same applies for both men and women. This is further exaggerated in the district where the figure is approximately 1.5% less than that of the region.

*Table 3 Comparison of males : females across the district, region and country*

	Uttlesford	Eastern Region	Great Britain
All people	73,700	5,728,700	59,608,200
Males	36,600 (49.67%)	2,820,500(49.23%)	29,280,500(49.12%)
Females	37,200 (50.47%)	2,908,200(50.77%)	30,327,700(50.88%)

Source: ONS mid-year population estimates, 2008

*Table 4 Comparison of people of working age across the district, region and country*

	Uttlesford (%)	Eastern Region (%)	Great Britain (%)
All people	59.5	60.9	62.0
Males	63.7	65.1	66.1
Females	55.3	56.8	58.1

Notes: % is a proportion of total population, 2008

Working age includes males aged 16-64 and females aged 16-59

Source: ONS annual population survey

5.46 Table 5 indicates that the rate of economic activity across the region is higher (at 78.8%) than it is for the country (at 76.3%). This differential is more marked in the district where the rate is 82.5% despite the percentage of people of working age being below that of both the region and the country (see table 4). The district also did have a markedly higher proportion of people who were self-employed in 2008/9 which, at 15.1%, was some 50% greater than that for the region which was in turn higher than that for the country as a whole. However, that situation has now changed with the proportion of self-employed people in the district being virtually the same as that of the country (at 9%) which is below the regional rate of 10%.

5.47 The rate of unemployment in the district, at 4.5%, is significantly less than the 6.6% for the region which is itself less than the 7.7% across Great Britain (as at September 2010).

*Table 5 Comparison of economically active people in the district, region and country*

	Uttlesford (%)	Eastern Region (%)	Great Britain (%)
Economically active <sup>†</sup>	82.5	78.8	76.3
In employment <sup>†</sup>	79.6	73.5	70.4
Employees <sup>†</sup>	68.8	62.9	62.9
Self employed <sup>†</sup>	9.1	10.2	9.0
Unemployed (model-based) <sup>§</sup>	4.5	6.6	7.7

<sup>†</sup> numbers are for those aged 16 and over, % are for those of working age (16-59/64)

<sup>§</sup> numbers and % are for those aged 16 and over. % is a proportion of economically active

Source: ONS annual population survey (Oct 2009 – Sept 2010)

#### b. Travel to Work Patterns

- 5.48 The 2001 census revealed that the average distance travelled of residents of Uttlesford, the Eastern Region and Great Britain to a fixed place of work was 20.59km., 15.88km. and 13.31km. respectively. Given the numbers of people surveyed and the distances involved, the absolute distances to emerge are likely to be meaningless. However, detail of the means of travel, as set out in table 6, provides much more information which, when considered in the context of the local geography, gives a clearer picture of the situation.

*Table 6 Comparison of means of travel to work\* across the district, region and country*

	Uttlesford (%#)	Eastern Region (%#)	Great Britain (%#)
Work mainly at or from home	13	9	9
Underground, Metro, Light Rail or Tram	0	1	3
Train	8	6	4
Bus, Mini Bus or Coach	1	4	8
Motorcycle, Scooter or Moped	1	1	1
Driving a Car or Van	61	59	55
Passenger in a Car or Van	5	6	6
Taxi or Minicab	0	0	1
Bicycle	1	4	3
On foot	9	9	10
Other	0	0	0

\* People aged 16-74

# to nearest whole number

Source: Office for National Statistics. Last Updated: 02 June 2006

- 5.49 The main points to emerge from this data are as follows:-

- a high proportion of people work mainly at or from home (13% by contrast to a figure of 9% across both the region and the country as a whole);
- the % of the district's residents driving to work is slightly higher than the norm for the region (at 61% as distinct from 59%) and that the regional rate is higher than the national average (of 55%);

- the average distance travelled to work by residents of the district is significantly (i.e. 30%) above the average for the region which is itself 19% above the national average;
- the % of people travelling to work by train is, at 8%, significantly above the norm for the region which, at 6%, is itself well above the national average of 4%; and
- a low % of the district's residents travel to work by bus or coach – only 1% compared to 4% across the region and 8% across the country.

5.50 The conclusions that it is reasonable to draw from this are that:-

- i. on average, residents in the district travel much further to work than is the norm. This, combined with the above average proportion of workers travelling by train, may be presumed to be indicative of the importance of commuting to work in well-paid jobs elsewhere, particularly London;
- ii. the relatively low proportion of residents travelling to work by bus/coach is a reflection of both the rural nature of the district and the attraction of the train for travelling to work in London; and
- iii. the data does not give a full picture because it relates to only the longest part of the journey (by distance) such that means of travel to a railway station (by car/bus/bicycle etc.) does not feature and nor does the element by bus of a journey which entails park-and-ride (which may well feature in travelling to Cambridge).

5.51 In 2008, six local authorities along the M11 corridor that jointly commissioned consultants to undertake a comprehensive and integrated Strategic Housing Market Assessment for the London Commuter Belt (East)/M11 Sub-Region. Housing Market Areas are geographical areas, defined by household demand and preferences for housing, which reflect the key functional linkages between places where people live and work. Map 3 illustrates the outcome of the analysis which suggests that there are two substantial sub-markets covering most of the area, one of which is Harlow/M11 to the east of the area. It also showed the north of Uttlesford (including Saffron Walden) to be part of the Cambridge sub-market.

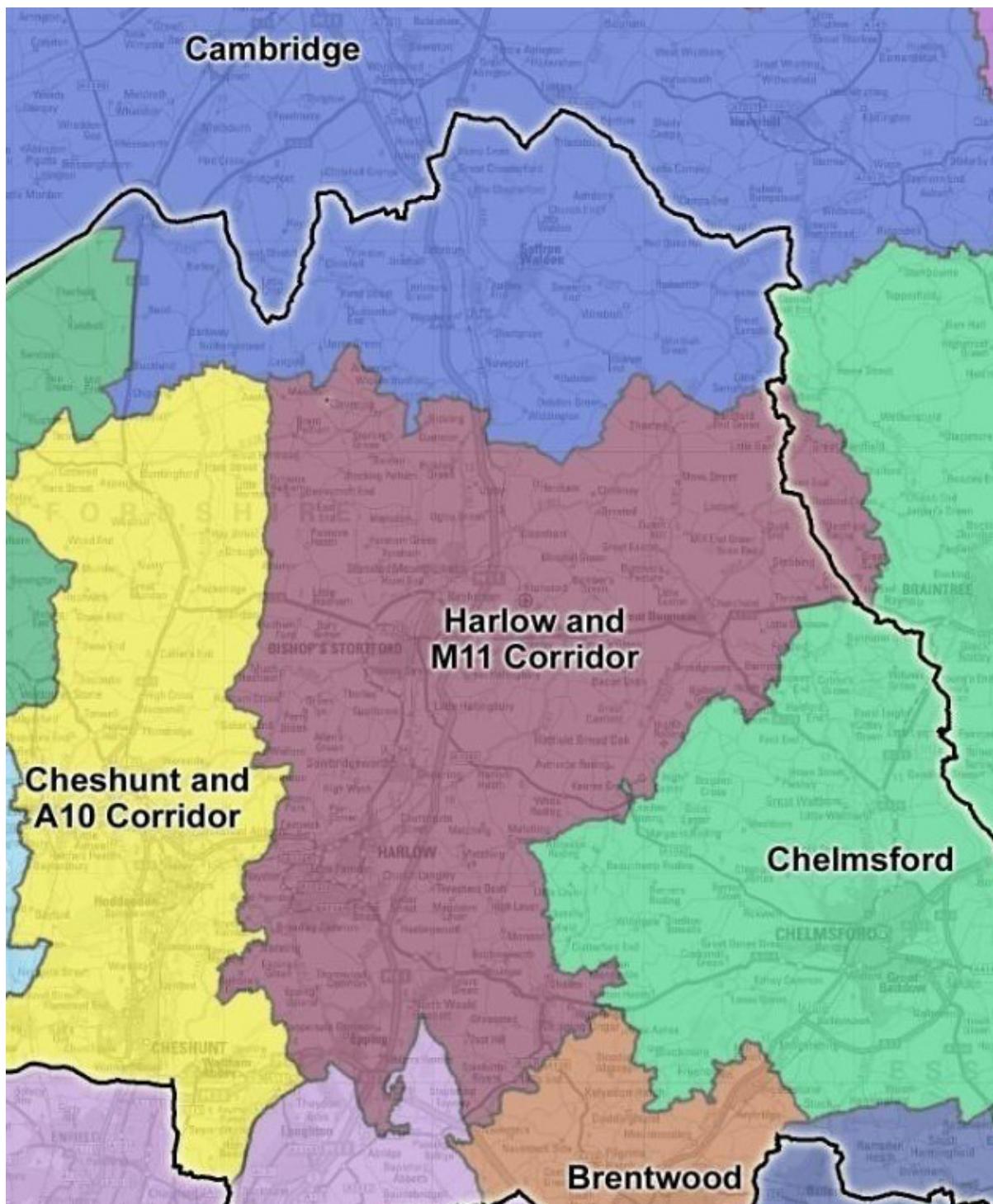
5.52 Of the 11,770 airport employees' in 2007, 33% took part in a survey. It showed the proportions travelling to work from different towns to be as set out in table 7 below.

*Table 7 Stansted Airport employee home location by town, 2007*

	%
Bishops Stortford	20.7
Braintree	9.9
Harlow	5.5
Great Dunmow	3.1
Chelmsford	2.8
Stansted Mountfitchet	2.6
Tottenham Hale	2.5
Haverhill	1.8
Saffron Walden	1.5
Sawbridgeworth	1.3
Other	48.4

Source: Travel Plan Strategy for Stansted 2008-2015, BAA Stansted

*Map 3 Functional Housing Sub-Markets across part of London Commuter Belt Sub-Region*



Source : London Commuter Belt (East)/M11 Strategic Housing Market Assessment 2008:  
Report of Study Findings, October 2009, Opinion Research Services

- 5.53 Table 8 illustrates the overall manner in which people working at the airport travel to work. It serves to indicate the very heavy reliance upon journeys by car (as driver or passenger) despite the obvious accessibility of the airport by public transport from urban areas. At 78% of journeys, car usage greatly exceeds even the above average figure for the district (see table 6). This is likely to be a consequence of the relative paucity of public transport

from surrounding rural areas but, more importantly, the shift systems operated at the airport which require workers to travel to and from work at times when public transport is not generally available. However, it should be noted that this represents a significant fall from only 6 years previously when over 90% of employees travelled to work by car.

- 5.54 Stansted Airport updated its travel plan in 2008. The Airport Travel Plan 2008-2015 forms part of the long term Airport Surface Access Strategy which aims to minimise the impact of journeys to and from the Airport on the surrounding road network. The Plan's main aim is to reduce the amount of employees who drive to work alone. There are a number of key activities which the Airport uses to encourage employees to travel to work in a more sustainable way and to improve accessibility to employment including the development of public transport services.

*Table 8 Stansted Airport Employee Commuting Mode Shares (2002/3 – 2009)*

All modes	2002/3	2005	2007	2009
Air	0.1%	-	-	-
Bicycle	0.0%	0.1%	0.3%	0.4%
Car driver	87.6%	78.6%	73.1%	71.7%
Car passenger	4.1%	5.5%	6.3%	6.4%
Motorcycle	0.1%	0.5%	0.7%	1.0%
Other	0.1%	0.5%	0.2%	0.3%
Public bus or coach	2.7%	7.3%	10.0%	12.6%
Rail	4.3%	5.2%	6.4%	5.7%
Taxi	0.3%	1.4%	1.5%	1.0%
Walk	0.1%	0.3%	0.8%	0.2%
Works bus/other company transport	0.7%	0.4%	0.7%	0.7%
				100.0%

Source : 'Looking to the future', London Stansted Employment Strategy 2010-2015

## The Workplace Economy

- 5.55 It is necessary to assess the performance of the workplace economy which comprises the businesses and jobs located in the district with a view to determining whether it is desirable, and indeed feasible, to improve that performance via employment land policy.
- 5.56 The key indicator of economic performance is productivity (also known as output per worker, GVA per worker, value added, competitiveness). A recent assessment of a range of the district's economic performance profile<sup>(1)</sup> measures the productivity, scale and growth of the economy. Productivity measures the relative performance of the economy in an area, by combining Gross Value Added (GVA) per head with workplace earnings. The

(1) District Profile : A Summary Profile of Uttlesford, Local Futures, February 2010

assessment concluded that the district ranks in the top 40% with a high gross value added (GVA) per head, at £17,436, compared with £15,266 in Essex and £19,062 nationally.

5.57 The average earnings of people working in Uttlesford is shown in table 9. It illustrates :-

- average gross weekly pay is slightly above the national norm and that of the region;
- males receive better rates of pay than females;
- this pay variation according to gender means that the total average hourly rates compare with that of the region whereas the rate for males is higher and therefore similar to that of Great Britain.

*Table 9 Average Earnings by Workplace in Uttlesford, 2009*

	Uttlesford	Eastern Region	Great Britain
<b>Gross weekly pay</b>	(£)	(£)	(£)
Full-time workers	496.2	479.1	490.2
Male full-time workers	540.7	524.3	533.8
Female full-time workers	428.9	409.4	426.6
<b>Hourly pay</b>			
Full-time workers	11.99	11.89	12.46
Male full-time workers	13.04	12.64	13.14
Female full-time workers	10.31	10.73	11.44

Note : Median earnings in pounds for employees living in the area.

Source: ONS annual survey of hours and earnings - resident analysis

5.58 Indirect measures of productivity which also contribute towards the overall picture are average workplace earnings (which measure the well-being that the local economy generates for the workers it employs) and the local industrial structure (as a local economy rich in high value-added and knowledge-based services will have high productivity in the present and good prospects of growing productivity and hence growing wealth in the future). The recent assessment of a range of local economic, social and environmental conditions<sup>(1)</sup> revealed the following with regard to what constitutes the workplace economy of the district:-

- Knowledge intensive sectors accounted for 28.36% of total employment in 2008. By comparison, the Essex figure was 22.21%, the East of England figure was 23.48% and the national figure was 24.58%.
- Employment in knowledge-driven production is well above the national median, with the district ranking in the top 20%. It has 6.03% of employment in this sector compared to 3.54% in Essex and 3.21% nationally.
- Employment in knowledge-driven services is above the national median, with the district ranking in the top 40%. It has 22.33% of employment in this sector. This compares with 18.67% in Essex and 21.37% nationally.
- Employment in knowledge-driven sectors decreased by 3.99% between 2006 and 2008 placing the district in the bottom 40% of districts nationally. By comparison the sector changed nationally by 1.72%.

(1) District Profile : A Summary Profile of Uttlesford, Local Futures, February 2010

## The Residents

- 5.59 An assessment of the economic well-being of local residents is quite separate from the workplace analysis above because many people do not work in the district in which they live. Key indicators for this analysis include:
- residents' average earnings;
  - residents' skills and qualifications – not in themselves a measure of well-being, but a key factor in determining earnings and other dimensions of economic well-being (such as the risk of unemployment);
  - measures of multiple deprivation and economic deprivation – which relate to the well-being of the worst-off individuals and communities; and
  - residents' access to jobs.

a. Residents' average earnings

- 5.60 Table 10 gives the average earnings of the resident workforce. It shows that incomes of the district's residents are very much higher (i.e. some 20%) than equivalents for both the region and the country which are comparable. Residents' earnings are themselves very much higher than the average gross weekly earnings of those working in the district (see table 9 above). This serves to explain the link between the high level of out-commuting and associated high incomes.

*Table 10 Average Earnings by Uttlesford Residents, 2009*

	Uttlesford	Eastern Region	Great Britain
<b>Gross weekly pay</b>	(£)	(£)	(£)
Full-time workers	613.1	509.4	491.0
Male full-time workers	649.5	565.8	534.4
Female full-time workers	#	432.6	426.6
<b>Hourly pay</b>			
Full-time workers	15.33	12.89	12.47
Male full-time workers	15.53	13.78	13.16
Female full-time workers	#	11.42	11.45

# Sample size too small for reliable estimate

Note : Median earnings in pounds for employees living in the area.

Source: ONS annual survey of hours and earnings - resident analysis

b. Residents' skills and qualifications

- 5.61 The generally very high level of qualifications of Uttlesford residents by comparison with both the region and the country is set out in table 11. This is reflected in the nature of employment by occupation of residents shown in table 12 which indicates that a very high proportion of workers (i.e. 54% as compared with 44%/45%) are in Group 1 of Standard Occupational Classification 2000 which comprises "Managers and Senior Officials". This again serves to explain both the high average income levels of residents and the associated high levels of commuting, particularly in terms of the distances travelled.

*Table 11 Comparison of Qualifications of Uttlesford residents (Jan. 2008 – Dec. 2008)*

	Uttlesford (%)	Eastern Region (%)	Great Britain (%)
NVQ4 and above	40.2	26.1	29.0
NVQ3 and above	56.6	43.4	47.0
NVQ2 and above	72.0	62.8	65.2
NVQ1 and above	83.0	78.8	78.9
Other qualifications	8.4	9.3	8.7
No qualifications	8.7	11.8	12.4

Note: Numbers and % are for those of working age

% is a proportion of resident working age population of area

Source: ONS annual population survey

*Table 12 Comparison of Employment of Uttlesford residents by Occupation (July 2008 – June 2009)*

	Uttlesford (%)	Eastern Region (%)	Great Britain (%)
<b>Soc 2000 major group 1-3</b>	<b>54.5</b>	<b>45.1</b>	<b>43.9</b>
1 Managers and senior officials	23.8	17.3	15.6
2 Professional occupations	14.7	13.2	13.4
3 Associate professional & technical	15.7	14.4	14.7
<b>Soc 2000 major group 4-5</b>	<b>21.7</b>	<b>22.0</b>	<b>22.0</b>
4 Administrative & secretarial	11.6	11.1	11.3
5 Skilled trades occupations	9.9	10.8	10.6
<b>Soc 2000 major group 6-7</b>	<b>10.4</b>	<b>14.9</b>	<b>15.9</b>
6 Personal service occupations	#	7.7	8.4
7 Sales and customer service occupations	#	7.2	7.5
<b>Soc 2000 major group 8-9</b>	<b>13.4</b>	<b>18.0</b>	<b>18.2</b>
8 Process plant & machine operatives	#	6.8	6.9
9 Elementary occupations	8.5	11.2	11.3

Note : Numbers and % are for those of 16+

% is a proportion of all persons in employment

# Sample size too small for reliable estimate

Source: ONS annual population survey

c. Measures of multiple deprivation and economic deprivation

- 5.62 Table 13 sets out the district's residents' levels of deprivation in 2007 on the basis of the Government's Indices of Deprivation. The Index of Multiple Deprivation (IMD) measures multiple deprivation at the small area level. The model of multiple deprivation underpinning this is based on the idea of distinct dimensions of deprivation, experienced by individuals living in an area, which can be recognised and measured separately. People may be counted in one or more of the domains depending on the number of types of deprivation that they experience.
- 5.63 Six summary measures of deprivation of the overall Index of Multiple Deprivation have been produced which describe different aspects of multiple deprivation. The district is ranked as one of 354 local authorities in England (with, for example, a rank of 1 indicating that the area is most deprived and 354 the least deprived).
- 5.64 Of the 3 scores featured in table 13, 'Average Score' and 'Local Concentration' are meaningless individually until they are ranked. The other 0 score (i.e. 'Extent') has a ranking of 309 which is the highest that it is possible to have (because all 46 authorities with a 0 score are ranked the same). The other rankings range from 338 to 352 which, amongst a total of 354 local authority areas, are clearly indicative of a district in which deprivation is not a major issue. But it may well be that some households, comprising

*Table 13 Indices of Deprivation 2007 : Uttlesford Summary*

	Score	Rank	Count
Average Score <sup>(1)</sup>	6.94		
Rank of Average Score		347	
Average Rank <sup>(1)</sup>		4,984.24 <sup>(2)</sup>	
Rank of Average Rank		347	
Extent <sup>(3)</sup>	0.00		
Rank of Extent		309	
Local Concentration <sup>(4)</sup>	11,999.67		
Rank of Local Concentration		352	
Income Scale <sup>(5)</sup>			4,662
Rank of Income Scale		338	
Employment Scale <sup>(6)</sup>			1,586.00
Rank of Employment Scale		345	
Index of Multiple Deprivation; LA Population (Persons)			70,398

1 means of depicting the average level of deprivation across the entire district.

2 population weighted average of the combined ranks for the Super Output Areas<sup>(7)</sup> in a district.

3 the proportion of the district's population that lives in the most deprived Super Output Areas in England

4 shows the severity of multiple deprivation

5 the number of people experiencing income deprivation (which relates to the proportion of the population living in low income families (i.e. those reliant on means tested benefits))

6 the number of people experiencing employment deprivation (which is the involuntary exclusion of the working age population from work)

7 designed for the collection and publication of small area statistics

Source: Communities and Local Government

either individuals or families, are experiencing some form or forms of deprivation. As a consequence of this, it should be noted that principles of equity and social inclusion, which are written into national and regional strategies, dictate that policy should aim especially to improve the lives of the most disadvantaged citizens.

- 5.65 Whilst the IMD provides a meaningful and worthwhile picture of deprivation nationally, the unsurprising outcome is that the areas of deprivation focus upon major urban areas. Research<sup>(1)</sup> into rural areas has shown both that Uttlesford is one of the least deprived areas of the country but that in many relatively affluent rural areas there are people suffering deprivation. This takes the form of indoor environment, housing or access to services and is likely to exist in the district to some degree, albeit relatively limited as shown below.

d. Residents' access to jobs

- 5.66 The low level of unemployment, together with the relatively high levels of skills/qualifications and an apparent willingness to travel relatively long distances to work, are indicative of a high level of access to jobs. This is exemplified by the high density of jobs (see table 14) locally which is, in part, attributable to Stansted Airport together with the relatively high proportion of vacancies available locally when compared with both the region and the whole country (see table 15). In addition to this are the high numbers of jobs which are readily accessible further afield in London and Cambridge for example.

*Table 14 Jobs density, 2007*

	Uttlesford	Eastern Region	Great Britain
Jobs density *	0.95	0.81	0.83

\* The ratio of total jobs to working-age population

Notes : Total jobs includes employees, self-employed, government-supported trainees and HM Forces

Source: ONS jobs density

*Table 15 Jobcentre plus vacancies, February 2010*

	Uttlesford	Eastern Region	Great Britain
Unfilled jobcentre vacancies per 10,000 working age population	99	62	62
JSA claimants per unfilled jobcentre vacancy	2.2	5.7	7.0

Source: Jobcentre Plus vacancies - summary analysis

- 5.67 The level of unemployment and the number of claimants of Incapacity Benefit are key indicators in assessing the relative vitality of a local labour market. These two measures complement one-another in describing the local situation as the Claimant Count does not necessarily include all unemployed people some of whom may not be able to, or chose not to, claim benefits. The relatively low proportion of key benefit claimants in the district by comparison with elsewhere is apparent from table 16 below. The relatively high degree of

(1) State of the countryside update : Rural analysis of the Index of Multiple Deprivation 2007  
Commission for Rural Communities, November 2008

job availability locally combined with the high level of skill results in the numbers of people claiming Jobseeker's Allowance (JSA) in the district also being low by comparison with both the region and the country (see table 17 below).

- 5.68 The low level of unemployment locally (see table 5) combined with the low proportion of claimants resident in the district show that the district's local labour market is buoyant.

*Table 16 Working-age client group – key benefit claimants, August 2009*

	Uttlesford (%)	Eastern Region (%)	Great Britain (%)
Total claimants	7.7	12.6	15.9
Key out-of-work benefits <sup>†</sup>	6.1	10.5	13.5

<sup>†</sup> Key out-of-work benefits consists of the groups: job seekers, incapacity benefits, lone parents and others on income related benefits

Note: % is a proportion of resident working age population of area

Source: Department of Work and Pensions benefit claimants - working age client group

*Table 17 JSA claimants\*, February 2010*

	Uttlesford (%)	Eastern Region (%)	Great Britain (%)
All people	2.2	3.6	4.3
Males	2.7	4.9	6.0
Females	1.5	2.1	2.5

\* Jobseeker's Allowance (JSA) is payable to people under pensionable age who are available for, and actively seeking, work of at least 40 hours a week.

Note: % is a proportion of resident working age population of area and gender

Source: ONS claimant count with rates and proportions

- 5.69 Whilst this is all indicative of an overall picture which is very positive, it must nonetheless be acknowledged that, for some people who are able and willing to work, finding a job may be problematic for reasons such as limited skills or difficulties with travel. The current unemployment figures may well also reflect, albeit to a limited degree, those people who lost their jobs as a consequence of the recession and for whom finding work may take some time.

### **Conclusion**

- 5.70 The general trends with regard to the different types of employment floorspace are generally reflective of those across the country with warehousing and office space increasing in contrast to the on-going decline in factory floorspace. These trends reflect the trend in jobs.
- 5.71 With regard to the local labour market balance, the level of economic activity of the residents of the district is significantly above the norm. The average distance travelled to

work is also above the norm reflecting the proximity of, in particular, London and its accessibility by train.

- 5.72 The average earnings of those people working in the district is also above the norm as is the level of employment in knowledge-driven businesses. These two features are indicative of a workplace economy which may be considered to be productive.
- 5.73 The residents of the district (as distinct from those who work in it) have higher average earnings, greater skill levels and are better educated than average. The availability of jobs is high when compared with elsewhere and the amount of people claiming benefits is small.
- 5.74 All of this is indicative of a local economy which is, by and large, buoyant and thriving and with scope to improve further as the national economy recovers from recession.



## **PROFILE OF COMMERCIAL LAND AND PROPERTY MARKETS**

- 6.1 The key purpose of the property market analysis is to investigate the reasons for any perceived shortfall or undersupply of employment space in order to determine whether it is due to a lack of planned land supply, as opposed to other factors. The analysis of land supply, as opposed to floorspace supply, is restricted to sites currently in the development pipeline or otherwise known to the market. However, if additional sites are required, it may be that other as yet unidentified sites or locations are preferred to known sites. This will be a matter for the LDF to address should it prove necessary.
- 6.2 A profile of the commercial land and property market contributes in two main ways. Firstly, it helps assess future land requirements, acting as a reality check on the numeric forecasts. Market evidence is direct, practical and tangible. It takes into account transactions which have taken place and financial appraisals to assess viability, given current and expected prices and rents. The second purpose is to provide guidance on the qualitative features of occupiers and sites (i.e. what kinds of businesses are likely to take up space and what kinds of sites they will need). Thus, the analysis should be able to offer advice on particular settlements.
- 6.3 While forecasts deal with offices, industry and warehousing as totals, the property market analysis provides qualitative information about different locations and types of development. It thereby serves to assist in the making of robust judgments about the prospects of particular sites and areas. This will enable the Core Strategy to fulfil its proper role in setting out broad locations for different types of employment-related development.
- 6.4 The planning system controls which sites are allocated for development, but it cannot bring about development if it is not viable for whatever reason. If, for example, rents are too low or investor confidence too weak, identifying more sites for such development will do nothing to increase the supply of floorspace. Hence, there needs to be reasonable certainty of potential viability if the LDF is to be realistic in this respect.
- 6.5 The guidance manual advocates comparing the perceived demand with the anticipated supply to provide an assessment of market balance in what is both a quantitative and qualitative analysis. The quantitative element entails an assessment of the floorspace market so as to assess the supply currently available and in the pipeline. It then assesses the supply-demand balance, based on quantitative indicators including vacancy rates, years supply ratio, rental levels and rental change and yields, together with a description to capture qualitative aspects. This analysis then informs the initial indications of any future changes required.
- 6.6 The information on rents and yields is indicative of how far new development is likely to be financially viable in different parts of the district. This kind of appraisal can only provide broad generalisations based on simplifying assumptions and an element of judgement. It is nonetheless an important input into the subsequent recommendations.
- 6.7 The qualitative analysis complements this quantitative picture by describing what kinds of sites the market is likely to want, and in what kinds of locations. This market intelligence is then utilised in the qualitative appraisal of sites feeding into the final conclusions and

subsequent recommendations on specific sites and areas. This use of property market evidence complements the quantitative approaches which follow in the next section.

- 6.8 However, the guidance manual is clear that the property market profile should be customised to fit local circumstances and the data available. In this instance the approach outlined above is not considered to be the most appropriate because, whilst it is possible to identify a type of need, it is not possible to quantify it. That certainly applies at the current stage of the LDF process although this may change in the preparation of subsequent DPDs when principles are established in the Core Strategy.
- 6.9 Hence this Land and Property Market Profile comprises the sections below. The sections relating to the local property markets were the outcome of discussions with local agents and reflect their views.
- A quantitative assessment of the provision and take-up of land and floorspace;
  - Future changes expected to impact on employment land in Uttlesford;
  - Factors affecting the local property markets;
  - Local property markets across the district;
  - Supply and market balance; and
  - Conclusions.

#### **Quantitative assessment of the provision and take-up of land and floorspace**

- 6.10 This comprises an analysis of:-
1. the take-up of employment land;
  2. size of commercial floorspace and recent changes; and
  3. take-up of employment floorspace.
1. Take-up of employment land
- 6.11 There are 5 allocated employment sites in Local Plan Policy E1 which comprise a total of 17.35 ha.. Of these, only two have been developed, these being the extension to the Stansted Distribution Centre at Start Hill and the partial development of the southern part of the Thaxted Road site in Saffron Walden (SW5). The latter now accommodates the relocated recycling depot (the former site of which now has planning permission for redevelopment for B1 offices), the salt store and a company manufacturing and supplying drinking water coolers. Of this 1.7 ha. site, some 60% (1 ha.) has been redeveloped.
- 6.12 A total of 3.1 ha. of the allocated land has therefore been developed which constitutes only some 18% of that available. Hence it is readily apparent that, for whatever reasons, the sites allocated for new employment development at London Road (south), Great Chesterford and the proposed Great Dunmow Business Park have not come forward for development. This could be for a variety or combination of reasons relating to finance, location, the environment or other constraints. The Council has resolved to grant planning permission for the development of the land adjoining the Saffron Business Centre in Saffron Walden but that is subject to a legal agreement which has not yet been completed.

## 2. Size of stock and recent change

- 6.13 The amount of commercial floorspace in the district, and the manner in which it has changed during the period prior to the recession, features in table 1 and the key data repeated below in table 18. The inherent trends of a reduction in both the absolute and relative amounts of industrial floorspace, and the converse for warehousing and offices, are in line with national trends.

*Table 18 Change in Commercial Floorspace in Uttlesford District, 2005 - 2008*

	'000 sq.m				% change 2005 – 2008
	2005	2006	2007	2008	
Factories	227	226	219	211	- 7.0
Warehouses	215	221	230	227	+ 5.6
Other bulk premises	134	135	130	131	- 2.2
Offices	199	203	212	218	+ 9.5

Source: Communities and Local Government

## 3. Take-up of employment floorspace

- 6.14 Completions of employment floorspace during the period 2004/5 – 2008/9 are set out in Table 19. The nature of additional commercial floorspace provision is illustrated in figure 2 on page 40 above. It indicates the importance of new build relative to the re-use of rural buildings and the change of use, or extension to, existing employment floorspace. The detailed figures are given in table 20. They indicate that new build has provided a steady stream of supply throughout the period. The limited rate of supply in the district is such that it is heavily influenced by any major developments which include any such developments at Stansted Airport.

*Table 19 Employment floorspace Completions, 2004/5 – 2008/9*

Floorspace type (sq. m.)	2004/5	2005/6	2006/7	2007/8	2008/9
B1(a) Offices		1,277		5,270	4,398
B1(b) Research & Development		2,344	1,528		6,063
B1(c) Light Industry	2,102		607	2,050	12,536
B1 - type not specified	4,297	2,897	1,277		
B2 General Industry	2,675		2,271	2,819	6,979
B8 Storage & Distribution	788	1,165	11,990	2,439	20,445
B1/B2/B8 – type not specified	980	854			
<b>Total</b>	<b>10,842</b>	<b>8,537</b>	<b>17,673</b>	<b>12,578</b>	<b>50,421</b>

Source : UDC Annual Monitoring Reports

*Table 20 Nature of additional Commercial Floorspace, 2004/5 – 2008/9 (sq. m. gross)*

	New build	Re-use of agricultural buildings	Change of use/extension
2004/5	3,765	4,310	2,767
2005/6	3,198	2,238	3,101
2006/7	7,450	8,149	2,344
2007/8	3,125	2,271	6,948
2008/9	12,409	4,832	33,180

Source : UDC Annual Monitoring Reports

- 6.15 The totals for commercial floorspace which had been granted planning permission during the period 2004/5 – 2008/9 but not implemented are set out in table 21. The figures are indicative of considerable potential for the immediate provision of additional commercial floorspace. It must be borne in mind, however, that the figures are not necessarily cumulative on a year-by-year basis as permissions may not be implemented immediately such that schemes could be carried over for a number of years.

*Table 21 Net Commercial Floorspace with Outstanding Planning Permission (sq.m. gross)*

	2004/5	2005/6	2006/7	2007/8	2008/9
B1(a) Offices	2,463	9,807	8,189	11,430	8,089
B1(b) Research & Development	4,214	13,005	14,905	13,377	5,293
B1(c) Light Industrial	34,551		8,316	20,769	8,944
B2 General Industrial					
B8 Storage or Distribution	8,323				14,033
B1/B2/B8 (unspecified)	17,331	22,266	68,056	54,711	3,727
<b>Total</b>	<b>66,882</b>	<b>45,078</b>	<b>99,466</b>	<b>100,287</b>	<b>40,086</b>

Source : UDC Annual Monitoring Reports

#### **Future changes expected to impact on employment land in Uttlesford**

- 6.16 The most significant, and very major, change that could impact upon employment land provision within the district is the prospect of a new settlement to the north east of Elsenham as described on p.45 above and in para. 5.13. If the new settlement remains as a proposal and comes to fruition, and on schedule, then it could accommodate an element of the district's employment land provision during the latter part of the LDF period. If it is not progressed, or delivery is seriously delayed, it will not be necessary to seek to compensate for this theoretical loss in the long term because the employment targets are no more than indicative. It will, however, be appropriate to monitor progress across the district with a view to identifying further sites to meet anticipated future employment needs.
- 6.17 In 2004, EERA and EEDA jointly commissioned the Halcrow Group Limited (in association with PACEC) to produce a report on the employment and housing implications of a second runway at Stansted Airport<sup>(1)</sup>. This was in the context of informing the draft Regional Spatial Strategy for the East of England (RSS 14). The overall conclusion that it reached was

(1) 'Employment & Housing Implications of the Second Runway at Stansted Airport' Halcrow Group Limited (in association with PACEC), August 2004

that the level of employment supported by the airport would grow significantly to 2021 irrespective of whether a second runway is built. The report forecast<sup>(1)</sup> that using the existing runway to full capacity would increase direct employment<sup>(2)</sup> to between 13,600 and 18,400 in 2021 with the total employment supported in the region being between 19,700 and 34,800. It also determined that the majority of the growth-generated employment would be ‘direct’ and therefore need to be located either at the airport or in relatively close proximity to it.

- 6.18 In formulating the LDF, the Council has assumed that the use of the airport will increase to 35 million passengers per year in line with the planning permission already granted. This will need to be taken into account given the prospect which it offers for associated job creation. BAA withdrew its application for a second runway in the light of the coalition government stating that it would oppose a second runway at Stansted (see para. 5.19).

### **Factors affecting the local property markets**

- 6.19 The current nature of the commercial property market in Uttlesford is the result of five factors, these being accessibility, the nature of the vacant stock, economic conditions (both national and local), recent changes in business rates liability and Stansted Airport. These factors, each of which is detailed below, combine to have very different impacts upon different areas of the district because of the local variation in circumstances.

#### **1. Accessibility**

- 6.20 Access is crucial for many commercial undertakings despite the availability of electronic communication. This is not limited to the receipt and distribution of goods but also includes both the workforce and customers. Employees in factories and warehouses are generally in the lower paid sectors. Such businesses therefore need to be readily accessible to areas of less expensive housing and hence a prospective workforce.
- 6.21 Whilst, in theory, there may be sufficient land available for employment purposes in and around the M11 corridor, in practice, this may well not be the case because of the locational quality of much of it. Businesses need to be accessible, for the reasons set out above, but if the available land is not readily accessible, particularly by road, then it may not be taken up.
- 6.22 Given the relatively small population of the district and the size and location of towns and cities elsewhere in the region and further afield, ready access to the motorway and trunk road network is crucial. Hence, the M11, A120 and A14 are vital to the economic well-being of many of the district’s businesses. Whilst the district is not particularly well served by public transport, it does have a number of railway stations which provide rapid links to Cambridge, Harlow and London and hence wide population catchments. Interestingly, proximity to the airport did not emerge as a consideration for non-airport related businesses.

- (1) The report acknowledged what it referred to as the major uncertainties in the forecasts and the fact that the proportion of ‘No Frills’ traffic could have a large impact on the employment requirements.
- (2) Direct employment – jobs created at the airport (as distinct from ‘indirect’ – jobs supported by the airport’s supply chain; ‘catalytic’ – jobs supported by attraction of new businesses to the area by the airport’ growth ‘induced’ – jobs supported by local expenditure of direct/indirect/catalytic employees

## Vacant commercial units in Saffron Walden



- 6.23 This therefore means that those areas of the district which are readily accessible to heavy goods vehicles from the M11 and/or A120 are Stansted Airport, Takeley and Great Dunmow. These locations are therefore potentially attractive to businesses dependent upon HGVs whereas those which are relatively distant from a motorway junction, notably Saffron Walden, are, by contrast, much less attractive. For existing businesses looking to relocate into the district, ready access to the main road network, and not merely proximity to it, may well be a crucial determining factor. This is exemplified by a number of international logistics companies who are believed to have a desire to be located close to Junction 8 on the M11.
- 6.24 Market evidence illustrates that a distribution company looking to relocate out of Harlow to further north along the M11 corridor sought premises in Uttlesford but eventually acquired premises in Haverhill, Suffolk. This was as a consequence of the availability of suitable premises and their ready accessibility to both the road network and a cheaper labour supply. There is also market evidence, by way of a distribution firm relocating out of Saffron Walden to new, more expensive premises in Huntingdon, to suggest that rental values are not the determining factor in this respect. That is not to say that finance is not a consideration. It clearly is, but in the context of running a business which is more efficient and therefore cost-effective.
- 6.25 One other consideration to emerge which is crucial, and which may therefore have major implications to the planning of future development in the district, is the poor road access to the proposed new settlement at Elsenham. If the settlement is progressed, accessibility will be an important factor in decisions as to whether to locate B1/B2/B8 uses there particularly in the form of large units.

## 2. Nature of the Vacant Stock

- 6.26 In order to be attractive to, and thereby taken-up by, new or growing businesses, the available premises must generally meet specific needs in terms of size, condition, environment, tenure, cost and accessibility. Size is clearly crucial such that, if vacant premises are too large for a prospective occupier's requirements, they will remain vacant at least until the market picks up to the extent that they become viable. This is currently evidenced by a number of vacant warehousing units in Saffron Walden. However, this situation may be expected to change in due course as a consequence of the recent change in Business Rates Liability (which came into force in April 2010) (see para. 6.45).
- 6.27 Condition is clearly linked to cost but prospective occupiers may nonetheless have specific minimum requirements. Condition is also linked to the age of the property. New, purpose-built premises are likely to cater for modern-day requirements, and therefore meet needs, by way of, for example, featuring open plan offices, air conditioning, in-built IT infrastructure and customer parking. By contrast, older premises, whilst being well-built (i.e. brick as distinct from metal cladding), may not readily lend themselves to refurbishment and/or subdivision. One further consideration is that older premises may well contain asbestos. Whilst asbestos in the fabric of buildings is undesirable, the cost of its replacement can prove to be prohibitively expensive as market evidence in the district has demonstrated.

- 6.28 The environs in which a building is set can also have an important influence upon its attractiveness to potential users. This applies particularly to B1(a) offices and B1(b) research and development uses where the visual quality, in terms of the appearance of neighbouring buildings and landscaping, together with any pollution, particularly in the form of noise, will be important considerations.
- 6.29 Tenure may be an issue in that some companies insist upon occupying premises on which they own the freehold as a pre-requisite to occupancy. If that is not available to them then the premises simply do not meet their requirements. However, the view has been expressed that this has fallen off recently due to the economic climate combined with the requirements now sought by banks. The latter can be seen as so demanding as to be prohibitive and may result from banks currently viewing investment in commercial property as being a high risk.
- 6.30 Cost is clearly a fundamental consideration with all the factors of the size, condition, accessibility and availability of alternative accommodation coming together to determine the cost, be it the freehold or rental value. These, together with the emphasis upon limiting development to within certain limits, can serve to both inhibit the expansion or relocation of businesses within the district, or effectively oblige them to relocate elsewhere in order to find appropriate accommodation. One other factor is the level of financial return sought by a developer. The current value of commercial land is of the order of £400,000/acre and new units currently cost approximately £100/sq. ft. to build.
- 6.31 Most developers seek to recoup the construction costs of a new commercial development within 10 years. If the projected market rents for a specific use in a particular area or location do not facilitate that then the likelihood is that the new build will not take place. The consequences of this where it applies are that existing commercial stock will not be demolished and replaced by new commercial buildings and allocated sites will remain undeveloped. Hence not only will the amount of commercial stock stagnate but it will become progressively older, and potentially less suitable to modern requirements if it is not regenerated.
- 6.32 The level of return sought may also be influenced by the state of the market at the time when any investment (i.e. to build or refurbish) was made as it could effectively determine the price required to be met. This could, as a consequence, result in units standing empty when the market has recently dropped leaving the sought-after rent above the then market rate. This is known to have happened in Saffron Walden in a refurbishment scheme and resulted in newly-refurbished units remaining vacant pending an upturn in the market demand which is now becoming apparent.

### 3. Economic Conditions

- 6.33 Economic conditions have been referred to in the context of the 'Nature of the Vacant Stock' above. They represent a combination of national and local influences which together determine the level of rent, or purchase price, that can be achieved at any particular time. These conditions do change through time but that may not always mean a continual increase, as witnessed by the recent recession, and it is not possible to predict the future levels of any growth (or fall) with any certainty. The level of economic return may also vary

as a consequence of new trends creating a demand for different requirements and reducing the need for existing types of stock. To that should be added the fact that commercial centres in Uttlesford are subject to very strong competition from elsewhere, particularly Cambridge.

- 6.34 The recent economic recession has not resulted in vast tracts of empty commercial floorspace in this district. But it has had an outwardly invisible but nonetheless marked effect upon premises by way of intensity of their use. Many businesses are believed to have down-sized in response to the economic situation but have retained their premises leaving parts un-or under-used. This is likely to have resulted from an inability to assign the leasehold interest combined with the cost of relocating and the hope that they can grow to refill the vacant space. This is expected to restrict the demand for additional floorspace for some considerable time whilst the recovery continues. Only those businesses which have a pressing need for more space, as distinct from less, are likely to change their premises. That is certainly the case currently and is the result of the expense of moving and both the financial restrictions and possible perks available currently given the present state of the commercial property market locally.
- 6.35 The view has been expressed that, over the period of the last 5 – 10 years, the development of small commercial units has been fuelled by cheap finance and been much more intense than it was previously. It may well be the case that, for factories and offices, the end values are less than the construction costs, even assuming only a minimal land value. Even if new premises were built, offices would be required to warrant £120/sq. ft. and industry £40/sq. ft. which effectively rules out commercial development in those rural settlements remote from trunk roads. This is reflected in the fact that it is now possible to rent brand new office accommodation at a rate less than it cost to build (i.e. £105/sq. ft. as distinct from £130-140/sq. ft. excluding the land value). All of this serves to substantiate the view that there has been too much development over the last 10 years resulting in the current oversupply. This oversupply is amply demonstrated by the vacant offices at M11 Business Link although 4 of the 12 units have now been taken up which is indicative of continuing market demand.
- 6.36 Survey<sup>(1)(2)</sup> has revealed that, at the national level, the amount of industrial and distribution floorspace has been rising since mid-2005, a trend which continued through the second half of 2009. The highest six-monthly increase was recorded in the second half of 2008 but since then the rate of increase has progressively slowed as the economy went into recession. According to the IPD Quarterly Index, average industrial rental values continued to fall in the first half of 2010 although the rate of decline has eased. Rents contracted by 1.1% in the first six months of the year and this decline is forecast to continue into 2011. Positive rental growth is not expected to return until 2012, albeit at a modest rate of 0.5%.
- 6.37 The economy edged out of recession at the end of 2009, registering its first positive growth in 18 months during the final quarter of the year. This signalled the end of the longest sustained fall in GDP since 1945, with a loss of over 6% in economic output during the six successive quarters of decline. The 2008-2009 recession is likely to be viewed as one of the

(1) ‘Industrial and Distribution Floorspace Today’, King Sturge, March 2010

(2) ‘Industrial and Distribution Floorspace Today’, King Sturge, September 2010

worst in post-war history and analysts anticipated that the upturn will be slow and fragile. Whilst the economic recovery accelerated much faster than expected during the second quarter of 2010, the third quarter of positive growth, expectations remain cautious with the recovery set to be subdued and fragile.

- 6.38 The RICS Commercial Market Survey for Q4 2010 reports a degree of stabilisation in the commercial property market, with a broad balance between the take-up of floorspace and new stock coming onto the market, positive expectations for future sales and lettings, and rent expectations that, although slightly negative, are actually the best for over three years. By inhibiting recent growth in supply, the slowdown in construction since the recession is probably as much a factor in this more stable picture as the economic recovery through 2010.
- 6.39 As the economic recovery progresses, albeit at modest pace, the outlook for the industrial sector is more positive. The market remains difficult and occupiers are cautious, but demand is expected to gradually improve as the economy gathers momentum. With national supply stabilising in 2010 and speculative development anticipated to be very constrained in the foreseeable future, the availability of new and good quality stock is diminishing. The total level of available supply turned downwards for the first time in five years during the first half of 2010, following a prolonged trend of rising industrial availability. Tentative improvements in occupier demand, coupled with slowing rates of release of second-hand stock, resulted in a decline in total floorspace available. Therefore the market is becoming increasingly favourable to landlords and developers in some regions.
- 6.40 Nationally, in 2009 demand for large logistics warehousing slumped to a 15-year low since records began in 1995. But since the weakest period of demand during the first half of 2009, take-up levels have shown steady improvement.
- 6.41 There have been further stabilisations in the labour market, with the latest data recording declines on both measures of unemployment. But there is a risk of a relapse, particularly if the recovery continues to be slow.
- 6.42 Hence short-term predictions are of only modest growth which could well impact upon the rate of development. But beyond that there may be scope for further growth as the recovery gathers momentum and the market becomes more confident. Given the uncertainties, if not vagaries, of the market, it could be argued that it is not the function of the planning system to say when development should take place but rather where and in what format. If commercial development has not been forthcoming within a particular period, this may simply mean that there is no market demand as distinct from a need to reallocate the land. It will, however, be apparent that there must come a point when such a change is necessary.
- 6.43 One other key element in the property market is the need for certainty. For example, once the need for a warehouse is recognised it is generally required relatively quickly. But, from that stage, delivery can take from 12 to 18 months. Developers also need a minimum commitment of a 10 year lease, and ideally 15, from the occupier without which the financial institutions will not lend the money to fund the construction.

- 6.44 In addition to this, the local conditions are also different in different parts of the district. This is the result of accessibility variations combined with variations in the amount and quality of the available stock in a particular locality or type of locality.

#### 4. Change in Business Rates Liability

- 6.45 One factor that has had a marked affect upon speculative commercial development is the legislative change to Business Rates liability that came into effect from 1st April 2008. It removed the exemption that previously applied to vacant industrial/warehousing property with the full business rate now being payable after an initial zero rate period of six months. For a 50,000 sq. ft. warehouse let at £5/sq. ft. this could effectively introduce an additional cost of some £10,000 per month. This clearly adds a considerable additional cost and therefore risk which detracts from the attractiveness of a speculative development and makes it less likely to go ahead, especially in times of economic austerity. Following an initial zero rate period of three months, vacant offices had previously been charged 50% of the business rates and this has now been increased to 100%. For a 10,000 sq. ft. office block let at £15/sq. ft. this could effectively introduce an additional cost of some £6,250 per month.

#### 5. Stansted Airport

- 6.46 The adopted local plan states, at para. 4.9, that “Land at Stansted Airport is identified specifically for development directly related to or associated with the airport. Industrial and commercial development unrelated to the airport will not be permitted on site. It is not included within the employment land proposals for the expansion of existing firms and the introduction of new employment because of these restrictions on its use.” This was in accordance with the RSS which states that “Land within the boundaries of Stansted Airport should be safeguarded for operational and directly associated airport employment purposes.”
- 6.47 The local plan identifies six separate development zones (see map 9 on page 82) accommodating various airport-related land uses (i.e. terminal support infrastructure, cargo handling and maintenance, two ancillary airport-related activity areas (north and south), long term car parking (which is anticipated to cater for the needs of 15 m.p.p.a.) and landscaped areas). The zoning is to ensure that all airport direct and associated uses can be accommodated within the airport boundary (para. 16.7 - 3). Logistics businesses, shipping cargo by air, are situated at the interface between airside and landside for operational purposes to the south west of the terminal in specialist accommodation.
- 6.48 The role and function of Stansted Airport is now considered to be significantly different to that which was envisaged when the local plan was formulated. It has developed into a hub for short-haul flights and ‘no frills’ carrier airlines in marked contrast to Heathrow and Gatwick where there are a greater proportion of long-haul and cargo flights. These flights are now the mainstay of Stansted but spend little time on the ground (i.e. of the order of 20 minutes) and do not carry cargo. As a consequence of this, few facilities are required for cargo storage pending trans-shipment or for catering or cleaning services. Hence there is very little demand to take up the existing vacant units reserved for airport-related uses.

*Table 22 Commercial rental values in Uttlesford, May 2010 (£/sq.ft.)*

	B1(a)	B1(b)	B1(c),B2,B8
<b>Clavering</b>			
Britannica Works		2.50	
Jubilee Works		1.20 - 2.40	
<b>Elsenham</b>			
Golds Business Park		5 - 8	
<b>Great Chesterford</b>			
Station Approach		4.50 – 5.00 (small units-7.50)	
London Road/Ickleton Road	12 - 14		
<b>Chesterford Park</b>		18	
<b>Great Dunmow</b>			
Chelmsford Road Industrial Estate		5 - 7	
Flitch Industrial Estate		7	
Hasler's Yard		5	
Hoblongs Industrial Estate		2 - 3	
Ongar Road Industrial Estate		4.5	
Station Road Industrial Estate		4	
<b>Newport</b>			
The Maltings, Station Road		7	
<b>Saffron Walden</b>			
Ashdon Road Commercial Centre		3.5	
Shire Hill Industrial Estate		5	
Willis & Gambier, Radwinter Road		2.5	
<b>Stansted Mountfitchet</b>			
M11 Business Link	18 - 20	7.5 - 8.5	
<b>Start Hill</b>			
Stansted Distribution Centre		7.5	
Thremhall Park	20		
<b>Takeley</b>			
Business Centre, Parsonage Road		8.5	
Takeley Business Centre	27		
<b>Wendens Ambo</b>			
Audley End Business Centre	30		
Bearwoden Industrial Estate		9 - 13	

6.49 The existing commercial units were built on a speculative basis at a time when the available evidence indicated that the airport would develop as a cargo hub. The units were built in two phases and the first is largely occupied. By the time that the second phase was constructed the airport's role had changed and those buildings have since lain idle. One block in this second phase comprises eight relatively large units (ranging from 3,300 through 11,750 to 23,000 sq. ft.) and was, in 2010, the subject of a planning application for non-compliance with the planning condition limiting the uses to those which are airport-related. The application was refused planning permission by the Council for two reasons these being that the proposal:-

- would be contrary to the provisions of the development plan (i.e. Policy E7 of the East of England Plan and Policies S4 and AIR3 of the adopted Local Plan); and
- would not ensure that adequate land is available in the future within the airport development boundary for purposes directly related to or associated with the activities at Stansted Airport.

6.50 An appeal (Ref: APP/C1570/A/10/2141258) against the temporary non-airport-related office use of the second floor of an office block within the airport perimeter was recently dismissed (April 2011). The office block had been granted permission "only in view of the need for office accommodation at Stansted Airport" in association with airport-related activities (e.g. freight handling, catering, and the like) but had been vacant virtually since its construction.

6.51 The inspector acknowledged that granting permission could be seen as an experimental, pragmatic solution to a specific problem which need not set any kind of precedent except that of a flexible and reversible response. But despite this, he concluded that the proposal would prejudice the supply of airport-related office floorspace at the airport and undermine the wider objective of restraining the growth of the airport beyond its present boundaries.

### **Local property markets across the district**

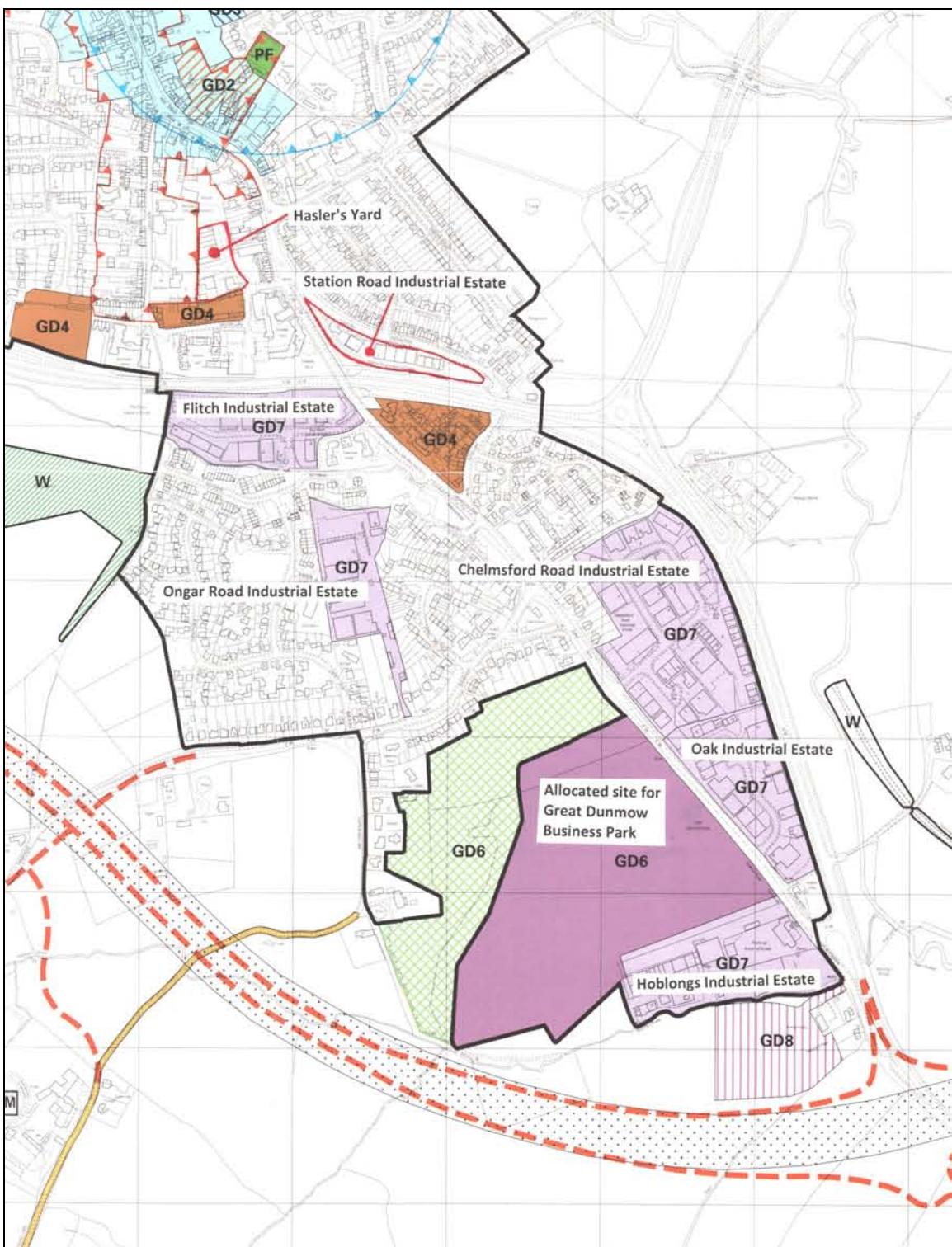
6.52 The factors set out above combine to have different impacts in different parts of the district. There is, as a result, no overall picture of the local commercial property market. Instead, 7 distinct and disparate local property markets can be distinguished each of which is described below. The geographical basis of these markets is such that the analysis does not specifically consider office, warehousing and industrial premises separately unless it is pertinent to focus on different uses or types of buildings.

6.53 2010 rents for different types of floorspace in different locations are listed in table 22. These current rental values serve to indicate, in quantitative terms, how the picture changes in different locations.

#### **1. Takeley**

6.54 Takeley is in close proximity to, and readily accessible from, both Stansted Airport and the M11 (see map 10 on page 87). Its proximity to, and ready accessibility from, London enables it to provide an office model for professional services at a discounted rate relative to those of the capital. It is also cost-effective for clients to visit and therefore a good

Map 4 Great Dunmow (south)



location for offices (i.e. B1(a)) which is currently very lucrative and profitable. There is ready access to new and converted commercial premises along a 2 – 3 mile stretch of the B1256 (the old A120) from the M11 and A120. High quality, “prestigious” offices in this location can command rents of the order of £20/sq. ft.. One such example is Thremhall Park (located on map 10) which is a newly-established business centre comprising some

3,100 sq. m. in a refurbished priory together with new buildings in a parkland setting. Serviced office accommodation costs £400 per work-station and 'pay as you go offices' enable companies to hire an office by the day or half day.

- 6.55 The Stansted Distribution Centre at Start Hill (see map 5) features B1(c)/B2/B8 uses many of which are airport-related. The estate has been extended taking up the 2.1 ha. allocation in the local plan. Rents are currently £7.50/sq.ft. for B1(c)/B2/B8 uses.

*Map 5 Start Hill*

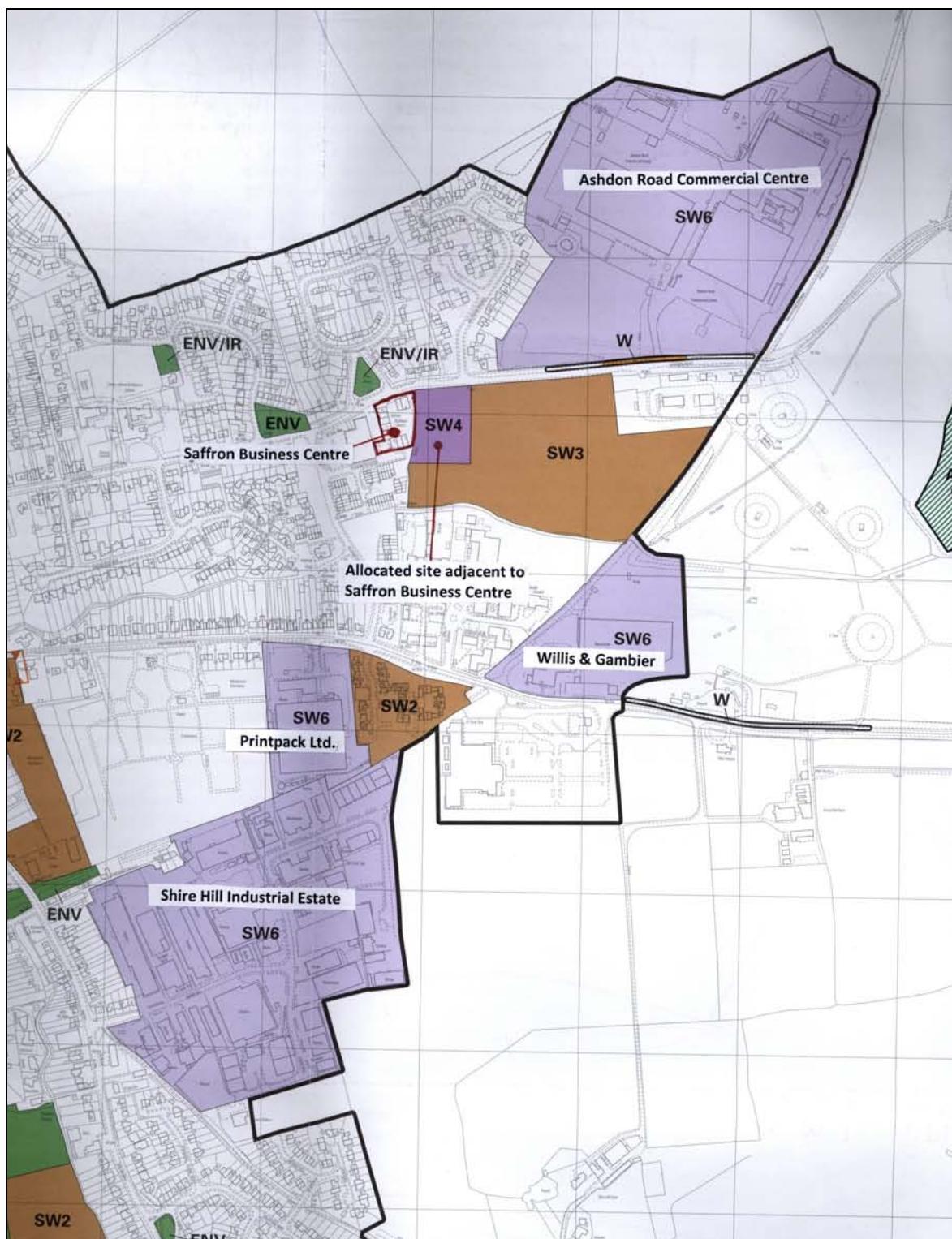


## 2. Great Dunmow

- 6.56 Great Dunmow is attractive to industry because of a combination of generally thriving industrial estates combined with ready access to the now dualled A120 and hence the M11 and Stansted Airport (see map 4). It would be expected that both airport-related and non airport-related businesses would be attracted to this location. The rents commanded locally reflect the quality of both the premises and the environment which, whilst variable, is generally of a high standard. Rents are slightly less expensive than those further west nearer to Junction 8 of the M11 and there is a greater availability of choice.
- 6.57 The Flitch Industrial Estate features a number of B1 uses which is reflected, in part, in an enhanced environment in terms of both the design of the buildings and the associated landscaping. The recent high level of vacancies on the Station Road Estate was as a consequence of a combination of leases terminating concurrently and the recession. Most units are now occupied despite the buildings being now somewhat dated.
- 6.58 Rents range from £7/sq. ft. for B1/B2/B8 floorspace in high quality premises on the newer, more prestigious estates down to £2 – 3/sq. ft. for more basic accommodation on older, poorer quality estates. The relatively high levels of accessibility, combined with the quality of the commercial estates, results in a much greater degree of churn than in other areas where local circumstances are different.

6.59 The local plan includes an allocation of 9.6 ha. for a proposed Business Park which remains unimplemented despite the dualling of the A120, from Stansted to Braintree, in 2004.

*Map 6 Saffron Walden (east)*



### 3. Saffron Walden

6.60 The commercial property market in Saffron Walden is currently slow with little or no churn. This is in marked contrast to Great Dunmow and is for the following reasons:-

- difficulty in gaining access to/from the M11 as the nearest junctions to the north and south are 9 and 13 miles away respectively. A low bridge to the south of the town (at Newport) results in high vehicles either having to find an alternative, roundabout route or go to the northern junction (at Duxford) in order to travel south towards the M25 and London;
- all of the industrial sites/estates (i.e. Shire Hill, Ashdon Road, Printpack and Willis and Gambier) are situated on the eastern side of the town (see map 6), the structure of which is such that HGV traffic heading to the M11 has to travel either through the town centre or via a predominantly residential route around it; and
- 75 – 80% of the industrial stock is 20 or more years old and no longer fit for purpose.

6.61 The upshot of these accessibility issues is that the town's industrial estates do not meet the modern day requirements of large, national firms. This is reflected in the rents currently achievable which, for B1(c)/B2/B8, are of the order of £3.5 - £5/sq. ft.. Whilst this is comparable with several of the estates in Great Dunmow, it does not match the sums obtainable (of the order of £7/sq. ft.) on those estates which are more attractive to prospective occupiers because of the quality of the accommodation and the ready access to the A120.

6.62 As a consequence the majority of the occupiers of the estates in Saffron Walden are local businesses as distinct from major national companies. There are nonetheless exceptions to this with the Ridgeons depot on Ashdon Road being one of over twenty in the eastern region and the Printpack plant on Radwinter Road being part of an international organisation.

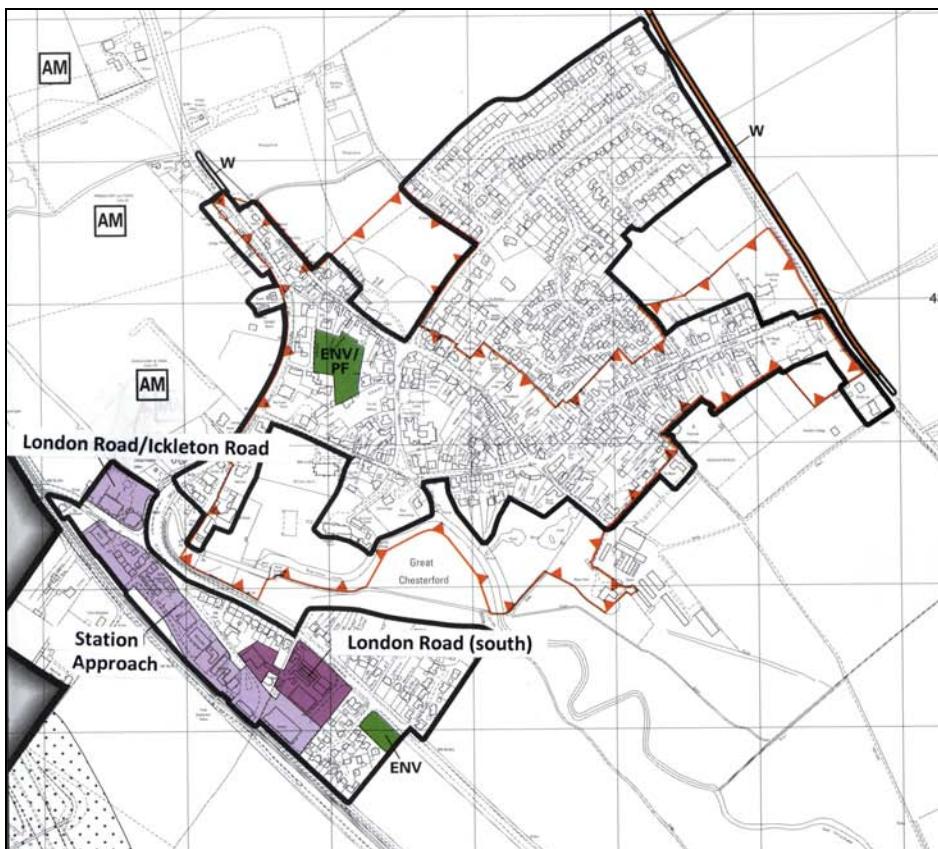
6.63 There is also the issue of vacant premises (see page 68) and the scope they offer for either reoccupancy or redevelopment for other commercial users. This must be the preferred option unless the market demand is such that this is simply not viable within a reasonable period of time.

6.64 There is a shortage of good quality office accommodation but the cost of providing it is such that it would need to generate £20/sq. ft. in rent. This is potentially problematic given that the prime level for offices is £15/sq. ft.. The same situation is being experienced in other towns relatively close to Cambridge which is the regional centre and where, in sharp contrast, the prime office rental values are £30/sq. ft..

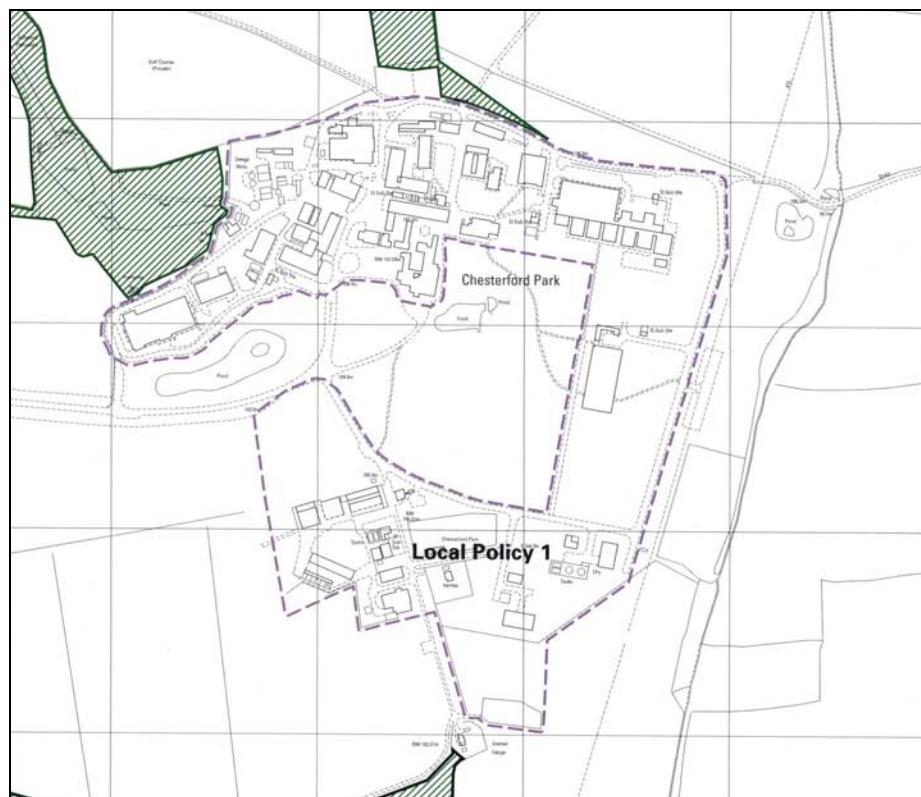
6.65 Views expressed by local agents as to the need for, and prospect of, commercial development and redevelopment in and around the town are as follows:-

- there is currently an oversupply of B1(c)/B2/B8 accommodation at all levels of quality;
- there will continue to be local companies that want to grow;
- there is a lack of available commercial land supply in and around the town;

*Map 7 Great Chesterford*



*Map 8 Chesterford Research Park*

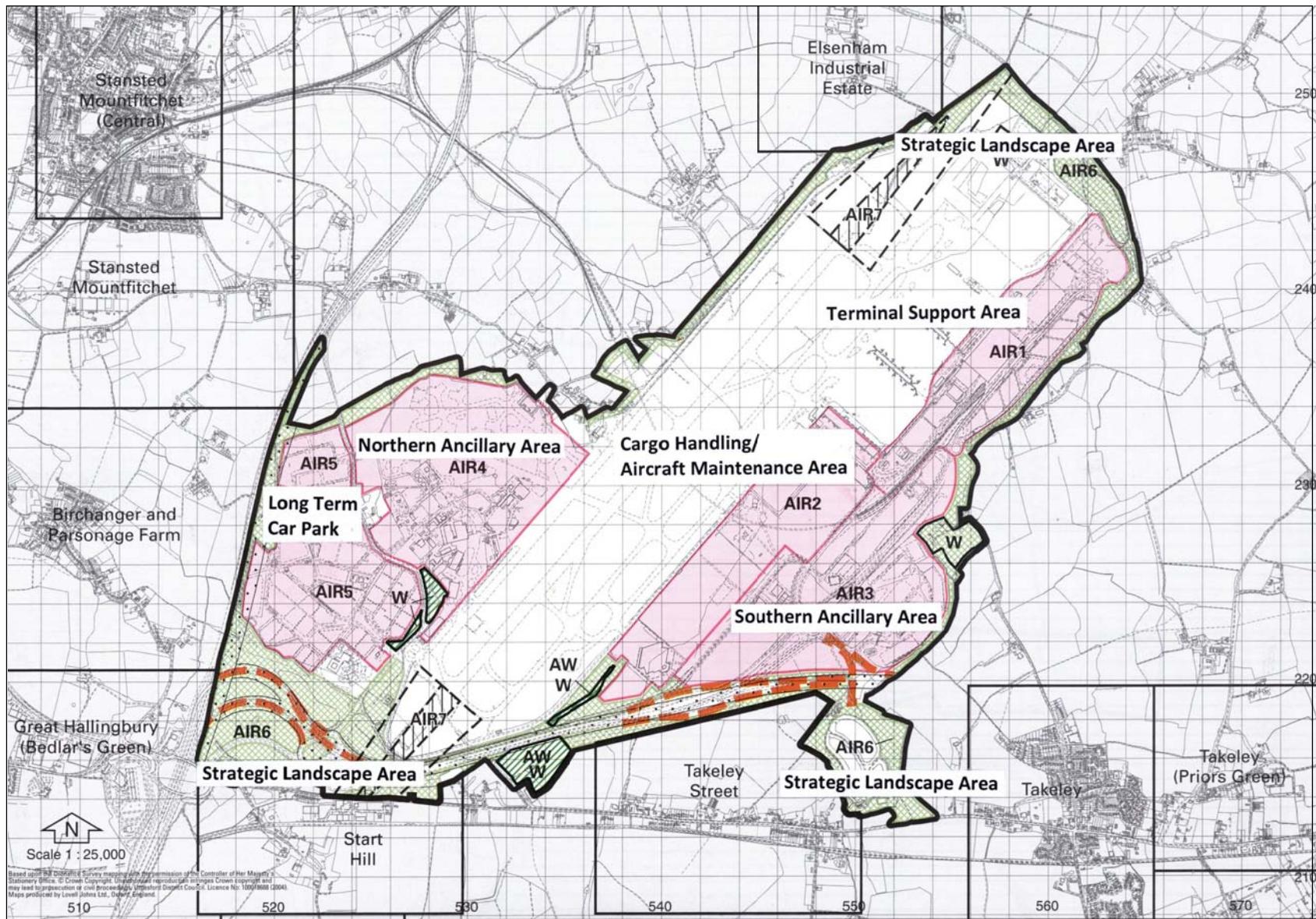


- there should be more employment land opportunities as the existing estates are fully developed and a supply of land would create the demand for it;
- an extension of Shire Hill, if there was the opportunity, would be taken up, even though it may take time;
- existing large vacant buildings do not lend themselves to refurbishment and subdivision;
- redevelopment of the vacant warehousing at the Ashdon Road Commercial Centre for commercial units would not have been viable given the recent level of demand but this situation could change in the future when the market recovers;
- there is no quality business park which is considered necessary in order to accommodate B1(a) and B1(b) uses to meet the needs of those core office services already in the town that wish to expand but have no suitable accommodation by way of space, room size, lighting, adequacy of parking as well as accessibility. Whilst the existing industrial estates are suitable for B1(c), B2 and B8 uses, they would not attract the office users who require a different type of environment, particularly if it is for a headquarters building; and
- the viability of office provision may be problematic, even on a greenfield site, because of construction costs and the associated rental requirement together with the attraction of nearby Cambridge to prospective occupiers.

#### 4. Great Chesterford

- 6.66 The existing business park at London Road/Ickleton Road (see map 7) is now some 20 years old. Part of its function has been to provide the B1(a)/B1(b) space generated by the needs of businesses in Saffron Walden. These offices do not perform particularly well in terms of rental values as is apparent from table 22 and have seemingly never been particularly successful in this respect. The provision of office accommodation close to a railway station is quite common in the area and reflects the attraction of accessibility to a workforce, customers and service providers.
- 6.67 The redundant glasshouses at London Road (south) have been allocated for both residential and commercial uses in the recent past but neither has been implemented.
- 6.68 The development of the Chesterford Research Park (see map 8) is progressing in accordance with the masterplan approved by the district council. It provides research and development (B1(b)) space and ancillary (B1(a)) office accommodation. The rate of development originally anticipated has not been achieved due to a combination of the current financial climate and the nature of the research sector which it serves. Current estimates are that completion will take 12 – 15 years although it must be emphasised that both plans and work are progressing.
- 6.69 The park is an integral part of, and benefits from, its proximity to and its links with other centres in the South Cambridgeshire Biotech Cluster (which include Granta Park, the Babraham Institute and the Wellcome Foundation). The Park offers different facilities in terms of the nature of the accommodation available and the environment in which it is set.

Map 9 Stansted Airport



## 5. Stansted Mountfitchet

6.70 There is a limited amount of commercial floorspace in and around Stansted with no established estates other than the Riverside Business Park (see map 10 on page 87). The M11 Business Link is dealt with under 'Rural areas' below.

## 6. Stansted Airport

6.71 The original terminal was on the western side of the runway and opened in 1969. Subsequent approval to accommodate a larger number of passengers led to the existing terminal being built. This new terminal is on the eastern side of the runway and its opening, in 1991, led to a complete change in the manner in which the airport operated. This was because, for operational reasons, access to both the runway and the terminal was now best gained from the south eastern side of the runway (i.e. the southern ancillary area). As a consequence, those areas on the north-west side of the runway (i.e. the northern ancillary area (see map 4)) became much less attractive to operators immediately and its function changed accordingly as businesses relocated and buildings were vacated and generally remained so.

6.72 This remains the situation today with the northern ancillary area being very much both un- and underused. The northern part of this 50 ha. site does include an area of operational hangars. This is in marked contrast to the southern ancillary area the developed part of which is functioning well (with the exception of the new warehousing which sits vacant due to the current planning restriction on airport-related uses).

6.73 The northern ancillary area is now therefore:-

- in a location that gives ready access to neither the runway nor the terminal;
- subject to the current planning restriction on airport-related uses; and
- available for development at a time when the current function of the airport is such that there is no significant need for airport-related development.

Even if there was to be a change in the function of the airport which resulted in a need for airport-related uses, the land and available premises in the southern ancillary area are such that it would be preferred. The northern ancillary area can therefore be expected to continue to be unattractive to the market and remain underused for the foreseeable future.

6.74 The airport is identified as having an environment which is totally separate from that of the surrounding areas. The current situation regarding the status of land allocated for employment purposes is set out above which has resulted in a current surplus of accommodation. This is because the second phase of development, to the south, was built on a speculative basis, as was the first phase, but at a time when it was anticipated that the airport was developing as a cargo hub airport. However, that did not materialise and hence the new buildings are now vacant, never having been occupied, because the nature of the airport's current function is now such that there is limited need for airport-related commercial floorspace.

6.75 Allied to the anticipated function of the airport was the expectation, four to five years ago, that the construction of a second runway would take place in the short-to-medium term. This would also have brought with it the need for further facilities. That situation has also

**New employment use for former agricultural buildings**



**New office development at M11 Business Link**



**New office development at Gaunt's End**



now changed with the coalition Government having made the commitment to there being no second runway at Stansted Airport.

6.76 An analysis of the local property market<sup>(1)</sup>, undertaken by an agent in the context of seeking the lifting of the airport-related condition on a building at the airport (see above), showed that:-

- the vast majority of new stock of 6+ metres minimum eaves height is situated within the boundary of the airport. This applies to all identified size ranges (i.e. 3,300 sq. ft. +/- 10%, 11,750 sq. ft. +/- 10% and 22,500 sq. ft. +/- 10%);
- only Harlow provides any alternative of medium and large units, although none are new and some are older units with a lesser specification; and
- there is a range of properties in the 3,300 sq. ft. bracket, the cost of which seems to be indicative of its quality rather than its location, particularly with regard to proximity to the airport.

6.77 In similar fashion to Takeley (see above), demand in the office sector combined with accessibility from London are such that the airport provides the location and quality of accommodation that leading companies require. One example of this is Endeavour House, immediately to the north of the Bassingbourn Roundabout, which is serviced office accommodation offering a corporate business image, flexibility of space, short-term agreements and parking. Another facility which is available, again as a consequence of proximity and accessibility, is the provision of alternative accommodation and facilities for City firms in the event of an emergency. It should, however, be emphasised that it is accessibility to the M11 and to the railway station, but not the airport, which is important.

## 7. Rural areas

6.78 Commercial premises in rural areas usually result from redundant agricultural buildings for which the owners are seeking an alternative use. Figure 2 (on page 40) illustrates the extent to which such changes of use have contributed to the supply of commercial floorspace in the recent past. Most premises which are potentially suitable have already been identified such that the total stock is unlikely to further increase significantly.

6.79 The view has therefore been expressed that there are not enough premises available, certainly in the south of the district. This is borne out by the significant (60%) increase in the number of units let within 2009/10 as compared to the previous year. However, the occupancy rate also decreased from of the order of 90% downwards to 70-80% during that period. The view was firmly expressed that this upturn in market activity is directly related to the current low interest rates and will stop immediately that they begin to rise.

6.80 Despite this recent increase in activity, following on from the recession, prospective occupiers are now wary about taking on long-term commitments and may look for 3 year leases combined with stepped rents. The average size of unit has also reduced to generally between 1,000 to 2,000 sq. ft. for starter businesses and there is little demand for airport-related uses.

(1) The study took a 10 mile radius to include Harlow and Bishops Stortford which were considered to be the main alternative choices for prospective occupiers looking in this vicinity. It therefore excluded Braintree

6.81 However, the picture is not the same across the southern part of the district. The level of accessibility of units is crucial in that the further away from the main road network then the harder the premises are to let. In addition, there is also the perception in some quarters that those areas that are not close to large centres in the vicinity, such as Chelmsford, are relatively remote and therefore less desirable.

6.82 All of the above combine to result in rural rent levels as shown in table 23.

*Table 23 Rents achievable for commercial rural premises (May 2010)*

	<b>Storage(B8)</b>	<b>Storage &amp; Distribution(B8)</b>	<b>Workshop(B2)</b>	<b>Office(B1(a))</b>
<b>Uttlesford</b>				
Range (£/sq.ft.)	£1 – 4		£1.50 – 4.50	£5 – 10
Average (£/sq.ft.)	£2.50	£3	£3.50 – 4	£7 – 8
<b>Chelmsford</b>				
Range (£/sq.ft.)	£2 – 4	£2 – 5	£2 – 6	£7 – 12

6.83 Some premises in rural areas are newly built. The recently completed 80,000 sq. ft. M11 Business Link, to the south of Stansted Mountfitchet (located on map 10), comprises an industrial estate and phase 1 of a business park. Whilst the lengthy and somewhat tortuous access from Junction 8 of the M11 was identified as a potential problem, this issue has not materialised in the context of marketing or take up. Only one of the 18 business units currently remains available with proximity to the airport having been a prime consideration for most new occupiers. 8 of the 12 office units remain on the market.

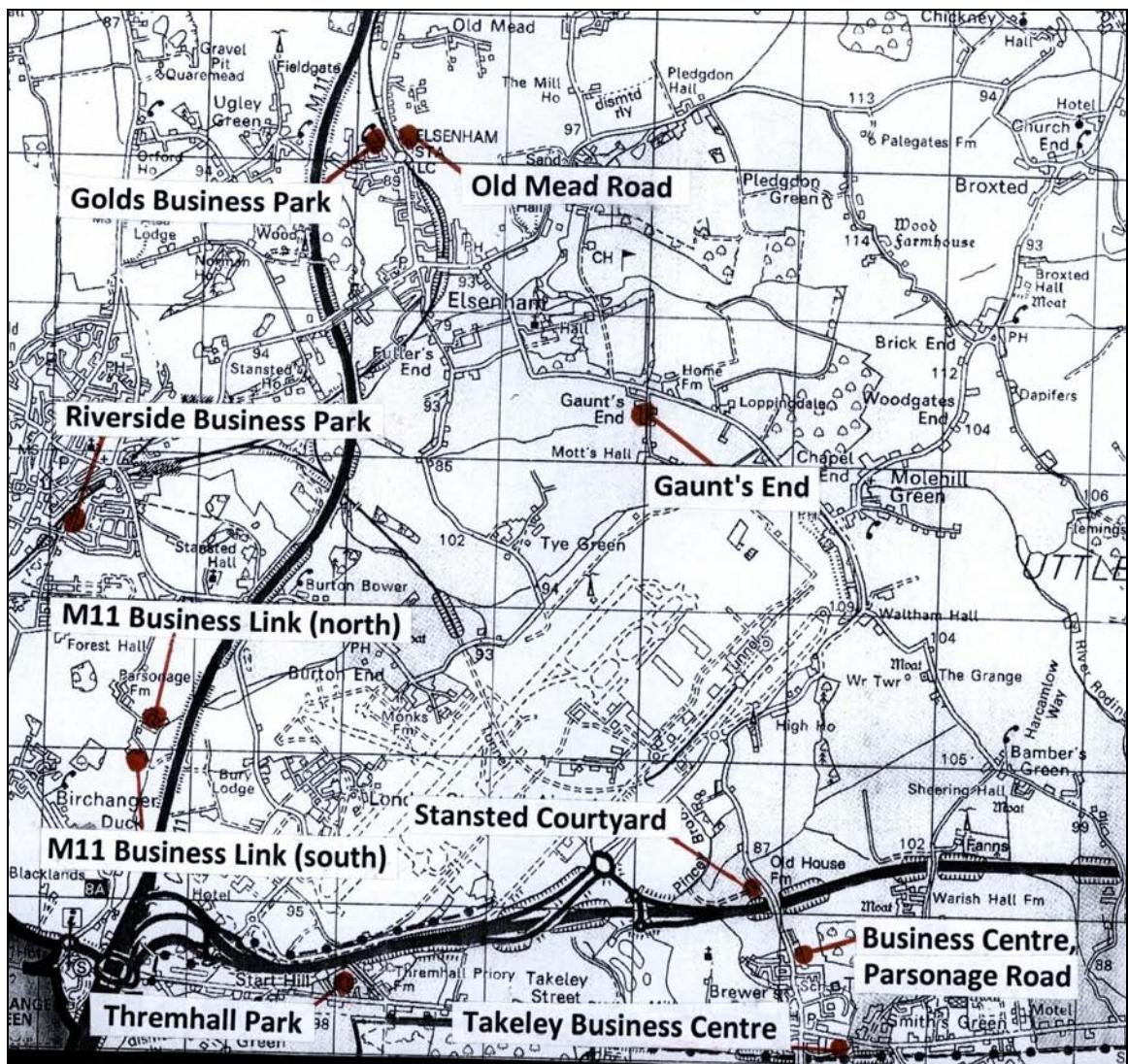
6.84 The office development at Gaunt's End, to the south of Elsenham and immediately north of the airport (see map 10), is the result of a redevelopment of a disused commercial use. There have since been further proposals to expand the site through a development comprising of three interlinked towers, totalling 12,500 sq. m., together with a piazza. The proposal, for which planning permission was recently refused, featured a mix of uses, including a food retail outlet and café at ground floor level, with the remainder being office accommodation.

## 5 Supply and market balance

6.85 The occupancy of premises, and associated vacancy rates, vary according to their size, accessibility and condition as is to be expected. This applies particularly with regard to factories and warehouses where access to the M11 has emerged as being especially crucial.

6.86 The key issue to emerge from consideration of what has occurred in the recent past with regard to the take-up of employment land in the district is that there is little relationship between what has been planned for and what has happened in reality. This is demonstrated by the low level of take-up of allocated employment land with only the site at Start Hill coming forward and part of the Thaxted Road site in Saffron Walden being developed. This low level of delivery is irrespective of the recognised need to allocate more land than is required in order to provide prospective developers with a choice of alternative available sites. It is therefore imperative that this situation is changed, if at all possible, as

*Map 10 Location of employment sites at Takeley, Elsenham and Stansted Mountfitchet*



the previous land allocations, and associated releases, have been shown to be largely ineffective.

- 6.87 However, this may well be the result, at least in part, of a combination of factors that could not have been foreseen. For example, the recession and the current role of Stansted Airport will each have impacted upon the local commercial property market, possibly to a very significant degree. It is therefore considered to be reasonable to conclude that there were sufficient land and buildings available for employment uses, irrespective of their suitability, but that circumstances were such that they were not taken up.
- 6.88 But when the suitability of the land and premises is taken into account the picture changes. That is because the balance between supply and demand is influenced by the economy. Premises which may now remain vacant for an extended period for whatever reason may well become economically viable, and taken-up, when the economy reaches a particular level. That is provided that no suitable alternatives are provided in the same locality. Whether that happens will be dependent upon both the availability of sites and the viability

of building premises on which an economic return will be required within a specific period of time.

- 6.89 Given the low level of take-up of potentially available employment sites allocated in the local plan, it is not considered appropriate to attempt to assess the period during which this available supply will meet the local need for new employment development. This is because it is more important to assess whether these sites are in fact the optimum ones for development or whether other sites would better meet the needs of developers and hence contribute to the provision of local employment opportunities.
- 6.90 The nature of the market balance therefore varies through time as would be expected. The variable level of take-up of both land and buildings in recent years emphasises the unpredictable nature of this balance and hence the need to be able to facilitate it, if possible. The policies in the LDF therefore need to be as specific as possible in not only being clear as to what is required, and how it will be delivered, but also featuring contingency plans to cater for what should happen if and when matters do not progress as anticipated. A key aspect in this respect will be the speed with which the economy continues to recover from recession.

## 6 Conclusions

- 6.91 The data relating to the provision and take-up of employment land and floorspace indicates the extent to which the commercial property market has been attracted by the quantity and quality of the land and premises available. But these levels of occupancy and rates of take-up vary through time as a consequence of their qualities combined with the current state of the market which is slowly recovering from recession. Therefore they do not necessarily give an indication of future market requirements. That is because previous market activity was a response to the land and premises available both in the district and beyond as distinct from the actions of an unconstrained market. Key factors which have influenced the level of take-up of available premises are the condition, size and amount of floorspace available in addition to its accessibility which will continue to be the case in future.
- 6.92 Commercial development is a financial investment, irrespective of whether the premises are for sale or rent. There will clearly be a degree of risk involved, particularly with speculative development, and this may inhibit the amount and type of development that takes place. This will apply particularly when economic forecasts are either pessimistic or uncertain.
- 6.93 The conclusions that may be drawn as to the current situation regarding the commercial floorspace markets are set out below. It will be apparent that accessibility is a crucial factor and that the situation varies across the district accordingly.
- 6.94 It is concluded that:-
- there is an acute lack of modern office accommodation to meet the needs of Saffron Walden although potential sites in and around the town are both very limited and less than ideal and prime rental values may mean that it is not viable to build them;
  - there is a current surplus of B1(c), B2 and particularly B8 units in Saffron Walden resulting from a combination of the recession and, more importantly, the town's relative remoteness from access to the M11;

- the surplus of commercial floorspace in Saffron Walden may well dissipate in the foreseeable future when the economy recovers although the older, large warehousing units may warrant regeneration if they continue to remain vacant;
- there is considerable churn on the industrial estates in Great Dunmow which, together with their quality, serves to indicate that most are thriving;
- the allocation of the Great Dunmow Business Park, which was identified as being primarily for class B1 uses, has not been implemented. This is despite the relative lack of alternative accommodation locally, its ready access from the A120 and it having been allocated for a considerable number of years. This suggests that there is no pressing demand for additional B1 units in Great Dunmow;
- there is an aspiration for ‘strategic’ warehouse and distribution depots to be located with ready access to Junction 8 of the M11;
- there is currently a strong market for the provision of high quality office accommodation with ready access to/from Junction 8 of the M11 in the vicinity of Takeley. One future measure of this will be the rate of take up of the new office blocks at the M11 Business Link which are currently available;
- there is a surfeit of vacant new warehousing space available at Stansted Airport. This is the result of units having been built speculatively at a time when there was an anticipated need for additional airport-related activities which has not materialised as a consequence of the function of the airport having not developed as was anticipated;
- there is little prospect, if any, of the un- and under-used parts of the northern ancillary area being brought into beneficial use in the foreseeable future;
- the development of the new settlement at Elsenham would result in access problems, particularly for HGVs. This must be a major consideration given the importance that is attributed to having ready access to the M11;
- commercial buildings in the countryside are generally the result of new uses having been found for former farm buildings. Most such premises are considered to have been brought forward already such that it is not now expected that there will be a continual supply of ‘new’ premises. There is a perception amongst prospective occupiers that those premises removed from trunk roads are relatively isolated;
- there have been recent developments of new commercial floorspace on brownfield sites with reasonable proximity to Stansted Airport and junction 8 on the M11 which are progressively being occupied even though access is indirect;
- the business park adjacent to Great Chesterford station is not performing well in terms of its rental values;
- there has been no move to progress the redevelopment of the site of the redundant glasshouses in Great Chesterford despite various land allocations in the past;
- the development of the Chesterford Research Park is progressing, albeit at a slower rate than originally anticipated. It can be expected to continue to provide additional jobs in research and development and associated administration. There is potentially ample scope to accommodate any subsequent future floorspace requirements on site.

6.95 These findings enable the Council to have regard to the prevailing situation in the local commercial property market. The property market is variable both through time and across

the district. This therefore serves to emphasise the need to ensure a planned land supply which is expected to meet the market need, subject to other planning matters being taken into account. This is an important consideration which needs to be addressed in the formulation of recommendations to the Council and what it subsequently proposes for inclusion in its LDF policies.

6.96 The Council can influence the levels of development and redevelopment and the occupancy of commercial floorspace through the LDF by the extent to which it does the following:-

1. allocates land for commercial development which is:
  - readily accessible from the M11 and/or A120 (in terms of both distance and the availability or future provision of infrastructure);
  - sufficient for future requirements;
  - able to offer choice to prospective developers;
  - uninhibited by nearby or neighbouring uses;
  - free from any user constraints, and
2. controls the function and extent of existing industrial estates/business parks by:
  - limiting the uses and/or users permissible;
  - exploring the scope for improving accessibility for all or selected uses/users;
  - allowing the redevelopment of selected estates for other uses.



Not all employment uses are on industrial estates or large sites



## **QUALITATIVE AUDIT OF EMPLOYMENT SITES**

- 7.1 A key purpose of the ELR is to compare the current land supply with anticipated future requirements in order to identify whether it needs to be increased, reduced or otherwise modified. An inventory and qualitative audit of employment sites is indicative as to whether any existing sites are no longer suitable or required, any committed employment sites are no longer considered appropriate for employment (and should have their allocation removed or amended) and whether other potential sites may be considered suitable. It therefore makes an important contribution to determining whether there is a need to identify more land for development.
- 7.2 On the basis of the assessments, recommendations are made as to whether existing employment sites/areas should:-
- be retained in employment use;
  - be considered for release to other uses, depending on the overall supply-demand balance and on individual circumstances, should they come forward for redevelopment;
  - be released for other uses because they have very little or no relevance to current and foreseeable market requirements, should they come forward for redevelopment
- and whether allocated development sites:-
- should be definitely retained or identified for employment uses;
  - may or may not be retained for employment depending on circumstances; and
  - are definitely not suitable for employment uses either in whole or in part.
- 7.3 This audit is of the largest employment sites. It does not deal with all individual such uses some of which are in residential areas or in the countryside (see photographs on page 92). Whilst these uses do contribute towards the overall supply of employment opportunities the extent is not considered sufficient to warrant all such sites being identified and assessed.
- 7.4 Potential sites are not considered at this stage for the reasons set out in para. 7.11 below. But that does not imply that existing allocations will necessarily be retained in preference to other, as yet, unidentified sites which might be more sustainable and therefore preferred.

### Methodology

- 7.5 The two key aspects of quality assessments are market appeal, or marketability (which is the attractiveness of the site to occupiers and developers), and policy considerations (which relate to the merits of a site in regard to strategic and local policy objectives). In assessing marketability, the aim is to determine whether the available site or premises would be brought into employment use within a reasonable time period<sup>(1)</sup> if offered for employment use free of supply-side constraints and assuming that the wider market is reasonably in balance. With regard to existing sites, this means whether they would be brought back into employment use by either re-occupancy or redevelopment.

(1) A reasonable period is difficult to define and will vary according to individual circumstances.

7.6 The criteria utilised for assessing existing employment sites are:-

- the inherent, locational quality (i.e. market appeal) of sites;
- the character of industrial estate and other employment sites (which goes beyond the guidance manual by taking into account vacancy rates in addition to the age and condition of buildings);
- policy considerations (i.e. strategic and/or local policy objectives).

7.7 The criteria utilised for assessing the market appeal of proposed development sites<sup>(1)</sup> are:-

- accessibility;
- external environment;
- site development constraints; and
- market evidence.

Appraisals should also have regard to policy considerations (which will entail whether sites comply or conflict with strategic and/or local policy objectives) together with their potential availability and any constraints in order to assess whether there are supply-side obstacles to sites coming forward for development.

7.8 The guidance manual states that each site can be scored on a scale of 1 – 5 and that the scoring should be based on regional standards (with the sites scored highest (i.e. 5) being those which are the most likely to be taken up). However, a 3 tier ‘traffic light’ sequence is preferred. This is because it provides a more visual, and therefore what is considered to be more helpful, indication of what is essentially a qualitative assessment. This may, however, mask potential major issues such that any exceptions to an overall picture need to be identified and addressed prior to the final assessment of the site being determined.

7.9 The assessment is deliberately limited to the individual criteria and then to the site overall on the three-tier basis. It does not seek to weight criteria and to score them so as to give a quantitative conclusion. That is because it is not considered feasible to attempt to quantify what is effectively a qualitative assessment. The difficulties that a purely quantitative approach presents in providing a definitive score are acknowledged in the guidance manual.

#### Potential Issues

7.10 The guidance manual states that it is preferable for the audit to:-

1. include potential development sites;
2. include those sites proposed for mixed uses that include employment; and
3. distinguish between different land uses.

However, each of these raises issues as follows.

7.11 The inclusion of potential development sites is considered to be problematic in this instance for two reasons. The first is that, if ‘potential development sites’ are regarded as all of those put forward in the context of the consultation on the emerging LDF, these include extensive areas of land on a wide variety of potential sites. Any such assessment could therefore be futile if little or no additional land is found to be required. The second

(1) Factors in ‘Internal Environment’ criteria recommended in Guidance Manual are dealt with under Availability and Constraints.

reason is that any such assessment would be limited to those sites which have been suggested as such. It may well be that consideration of the factors and perceived requirements identified in the previous chapter indicate a market preference for sites with qualities other than those put forward. This will need to be taken into account in the selection of any sites which are subsequently included in the audit undertaken of potential sites. It will also be important in the allocation of sites to ascertain whether land owners would be willing to release them for development.

- 7.12 Many of the proposals for the development of large, greenfield sites across the district are for what are referred to as 'mixed-use developments'. The term has been coined as an expression of a form of development which is 'sustainable' by virtue of the fact that it provides ready access to work and other facilities in close proximity thereby both reducing the need to travel long distances and facilitating travel by environmentally-friendly means. The term 'mixed-use development' therefore carries with it an assumed degree of acceptability in principle but without specifying what the uses are or the amounts involved. It may, however, be assumed that an element of residential development is envisaged in all cases on the basis that it is more lucrative than commercial land values. Any such sites will therefore be treated in the same way as the 'potential development sites' outlined above.
- 7.13 The audit of potentially suitable commercial development sites for which there is an identified need will therefore be undertaken in the context of the recommendations. The remainder of this section will audit the existing employment sites and those already allocated as such.
- 7.14 Distinguishing between different land uses in determining the total amount of land required may be difficult in practice because offices and light industry are in the B1 use class and because employment densities (sq. m. per worker) vary greatly between land uses as is recognised in the manual.

#### Existing Employment Sites

- 7.15 The individual criteria which are assessed in considering existing employment sites, and how each site is assessed against them, are set out in Appendix 6. The sites are assessed against each site of these criteria at Appendix 7 supported by photographs at Appendix 8. Appendix 7 includes a brief comment on each site together with an assessment of whether it should be retained. Those comments and the assessment are expanded as necessary and scheduled in table 24.

*Table 24 Assessment of each of the Existing Employment Sites*

ASSESSMENT		
<b>Barnston</b>		
Martel Works	Small industrial estate which functions well. Concealed from view on edge of settlement.	<b>RETAIN</b>
<b>Clavering</b>		
Britannica Works	Small area of commercial uses which are functioning well.	<b>RETAIN</b>
Jubilee Works	Single storey buildings, many of which are vacant and/or in poor condition. Site is inefficient and needs regenerating.	<b>REDEVELOP FOR VIABLE USE</b>
Adj. Hill Green Farm	Site comprises two users and is functioning well.	<b>RETAIN</b>
<b>Elsenham</b>		
Golds Business Park	Thriving industrial estate comprising relatively new units which functions well. Access through residential area not problematic.	<b>RETAIN</b>
Old Mead Road	Fully occupied premises which are functioning well.	<b>RETAIN</b>
Ind. estate, Gaunt's End	New units in rural location. Functioning well.	<b>RETAIN</b>
<b>Great Chesterford</b>		
Station Approach	Mix of premises and uses which functions well.	<b>RETAIN</b>
London Rd./Ickleton Rd.	Mainly comprises new, purpose-built premises.	<b>RETAIN</b>
London Road (south)	Single-occupancy site which appears to be operating without generating problems for adjacent residential occupiers.	<b>RETAIN</b>
Chesterford Research Park	Development progressing in accordance with masterplan but not at rate anticipated due to financial climate and nature of business	<b>RETAIN</b>
<b>Great Dunmow</b>		
Chelmsford Road Industrial Estate	Well-established estate with wide range of properties and which functions well. Features car-related users on road-side frontage.	<b>RETAIN</b>
Flitch Industrial Estate	High quality, modern estate which functions well. Frontage use is leisure. Scope for possible limited extension to the west.	<b>RETAIN</b>
Hasler's Yard	Small commercial area functioning well. Scope for including in larger site for either residential or employment use.	<b>CONSIDER FOR REDEVELOPMENT</b>
Hoblongs Industrial Estate	Well-established estate which functions well. Access is constrained. Recent hotel has not presented compatibility issues.	<b>RETAIN</b>
Oak Industrial Estate	Well-established estate with wide range of properties and which functions well. Features car-related users on road-side frontage.	<b>RETAIN</b>
Ongar Road Industrial Estate	Mix of premises in estate with poor access. Intensification of adjacent housing increasing potential for compatibility issues.	<b>CONSIDER FOR REDEVELOPMENT</b>
Station Road Industrial Estate	Small estate which is in good condition and functioning well.	<b>RETAIN</b>
<b>Little Walden</b>		
Hall Farm	Seemingly thriving estate of business uses.	<b>RETAIN</b>
<b>Newport</b>		
The Maltings, Station Rd.	Industrial estate functioning well. One building in poor condition. Permission for part conversion to residential granted on appeal.	<b>RETAIN</b>
<b>Saffron Walden</b>		
Ashdon Road	Important estate featuring large units but currently experiencing	

Commercial Centre	high vacancy rates in warehousing units.	<b>RETAIN</b>
Saffron Business Centre	Modern estate of small units which functions well.	<b>RETAIN</b>
Printpack Ltd., Radwinter Road	Single-occupancy site which functions well.	<b>RETAIN</b>
Shire Hill Industrial Estate	Important estate comprising properties of mixed age and size which functions well. Features several 'non-employment' uses.	<b>RETAIN</b>
Willis & Gambier, Radwinter Road.	Vacant former warehouse/distribution depot suitable for reuse. Adjacent to hospital which could inhibit future uses.	<b>RETAIN - IF VIABLE</b>
Live-work units, Radwinter Road	New development comprising live-work units on part of larger redevelopment site.	<b>RETAIN</b>
Granite site, Thaxted Road	Vacant former single user site. Reuse for employment use would complement adjacent commercial uses.	<b>RETAIN</b>
<b>Stansted Airport</b>		
Northern Ancillary Area	Part used as aircraft storage and part developed though many buildings in poor state of repair and/or disused.	<b>SCOPE FOR ENHANCEMENT</b>
Southern Ancillary Area	Part occupied by modern units and part not yet developed. New warehouse units vacant due to airport-related condition.	<b>SCOPE TO REVIEW RESTRICTION</b>
<b>Stansted Mountfitchet</b>		
Riverside Business Park	Thriving business park which is functioning well though access is somewhat constrained.	<b>RETAIN</b>
M11 Business Link (north)	Brand new business park comprising 18 units (from 300 sq. m. – 600 sq.m.). 1 unit still available after slow start on market.	<b>RETAIN</b>
M11 Business Link (south)	Brand new office development comprising 12 suites (of 225 sq. m.-335 sq. m.). 4 units sold/let. Phase 2 pending.	<b>RETAIN</b>
<b>Start Hill</b>		
Stansted Distribution Centre	Estate recently extended. Functions well with many uses airport-related reflecting proximity and accessibility.	<b>RETAIN</b>
Thremhall Park	New serviced office units in converted/extended premises.	<b>RETAIN</b>
<b>Takeley</b>		
Takeley Business Centre	Thriving centre with high level of retail-type uses.	<b>RETAIN</b>
Business Centre, Parsonage Road	Comprises two high quality office buildings, The Stansted Centre and Skyway House, offering close proximity to Airport.	<b>RETAIN</b>
Stansted Courtyard	Business use apparently functioning well in converted buildings. Access road subject to heavy, airport-related car parking.	<b>RETAIN</b>
<b>Thaxted</b>		
Molecular Products	Site comprises a mix of old and new buildings. Housing adjacent. Company to relocate to alternative premises .	<b>RETAIN - IF VIABLE</b>
Live-work units, Sampford Road	Development very nearly completed and occupied.	<b>RETAIN</b>
<b>Wendens Ambo</b>		
Bearwolden Industrial Estate	Important industrial state functioning well.	<b>RETAIN</b>
Audley End Business Centre	Small, attractive business centre though somewhat isolated.	<b>RETAIN</b>

7.16 On the basis of the above it is concluded that the sites and premises each fall into one of 5 categories as follows:

1. Those which should be redeveloped for other uses and allocated as such in the LDF.

One such site is identified:-

- Jubilee Works, Clavering.

This is because it cannot reasonably be expected that the site would be attractive to prospective developers of commercial floorspace for reasons of cost and location.

Reuse of the site would necessitate its clearance and new development at a cost. The relative isolation of the site from the main road network, and the associated difficulties of transporting goods to and from, accessibility to prospective customers and availability of the workforce would also be expected to be problematic.

2. Those which could be considered for redevelopment for other uses (probably residential) because of their proximity to sensitive uses, the condition of the buildings and the less-than-adequate access arrangements. They are:-

- Ongar Road Industrial Estate, Great Dunmow; and
- Hasler's Yard, Great Dunmow.

It would be appropriate for the LDF to be clear as to whether either of the estates is to be retained for the foreseeable future, and the existing uses protected, or allocated for redevelopment for some other use(s). There may be scope for distinguishing between the sites, and their future planning policy status, on the basis of their individual characteristics.

3. Those which are occupied by a single user and are within the settlement limits. An example is that of Printpack Ltd. on Radwinter Road, Saffron Walden. Such uses make an important contribution to the local economy by way of providing readily accessible jobs and hence contributing to the provision of sustainable settlements. But it must be recognised that such sites may be the subject of pressure for redevelopment for non-employment uses. This type of development could serve to undermine the principles of sustainability and it is therefore important that these sites be retained if at all possible.

However, it must be recognised that premises may reach a stage where they require regeneration if they are to continue to function efficiently and effectively in employment use. It must also be appreciated that the size of the site may be such that the cost of any necessary refurbishment or redevelopment could render a scheme non-viable and effectively warrant a change of use if the site is to continue in any form of beneficial use. Hence some form of provision should be made to facilitate making an exception to the rule provided that it can be well justified.

It is also important to emphasise that redevelopment of any, or part, of such sites should only be facilitated when there is no reasonable prospect of their being reused for employment purposes in the foreseeable future either in their current form or if redeveloped.

4. There are substantial amounts of un- and underused land and buildings at Stansted Airport resulting from the manner in which the airport currently functions in

combination with the current restriction on any development being for airport-related uses. Much of the northern ancillary area (which comprises 50ha. in total) is both in need of regeneration and offers considerable scope for such. Given the prevailing situation (see paras. 6.46 – 6.51), there is little prospect of this materialising in the foreseeable future.

New premises in the southern ancillary area are currently vacant but very capable of being occupied and thereby contributing to the local economy. However, the current planning restrictions prevent this from happening. Whilst the premises were built for airport-related uses on a speculative basis, the subsequent shift in the function of the airport, the Government's guidance in PPS 4 and the obvious benefits of utilising an unused resource are such that the prevailing situation needs to be reassessed and an appropriate way forward determined.

5. The remaining employment sites are, for the most part, either functioning well, or have the potential to do so either now or in the short-to-medium term. There are, however, a number of non-employment uses on some of the industrial estates which effectively serve to reduce the amount of employment space available. On that basis, and the need to both retain and enhance employment opportunities, these sites and estates should be protected from changes of use, or redevelopment, for other uses. That should remain the situation unless a major issue arises which warrants such an important loss.

One other important consideration is the nature of the jobs which exist in the businesses on these estates. Given that the recommendations that will result from this report will be based on assumptions as to both the numbers and types of jobs within the district, it will be important that they ensure that:-

- the nature of any other types of uses permitted on the estates does not jeopardize the ability of the existing “employment” (i.e. B1/B2/B8 type) uses to function effectively; and
- they facilitate the retention of the existing “employment” (i.e. B1/B2/B8 type) uses either on the existing industrial estates or elsewhere.

#### Allocated Employment Sites

- 7.17 The sites allocated in the adopted local plan which have not yet been taken-up have been assessed against criteria under the headings Marketability, Policy Considerations and Availability and Constraints (see Appendix 9). The assessment features in Appendix 10 although it does not address ownership constraints at this stage. Such considerations will feature if sites are recommended for inclusion as allocations in the LDF. The comments made, together with an assessment as to the prospect of individual sites being developed, are given in table 25.

*Table 25 Assessment of each of the Allocated Employment Sites not yet Implemented*

### ASSESSMENT

<b>Great Chesterford</b>			
London Road (south)	Site occupied by disused glasshouses and adjacent . to other existing commercial uses.		<b>RETAIN ALLOCATION</b>
<b>Great Dunmow</b>			
Great Dunmow Business Park	Site was granted outline planning permission in 1998 but not progressed, despite growth at Airport and A120 improvements.		<b>ABANDON ALLOCATION</b>
<b>Saffron Walden</b>			
Land adj. Saffron Business Centre	UDC resolved to grant planning permission in June 2010 subject to a legal agreement not yet completed.		<b>RETAIN ALLOCATION</b>
Thaxted Road (north)	Site adjacent to two others to SW (former recycling depot) and SE (former Granite premises) giving potentially much larger site.		<b>RETAIN &amp; INCLUDE IN LARGER SITE</b>
Thaxted Road (south)	Site developed in part but adjacent to other sites to NW which, together with site above, offer scope for much larger site.		<b>RETAIN &amp; INCLUDE IN LARGER SITE</b>

7.18 The findings of the table are self-explanatory with a clear indication that:-

- the Great Dunmow Business Park allocation should be abandoned;
- the allocations at London Road, Great Chesterford and adjacent to the Saffron Business Centre in Saffron Walden should be retained; and
- the allocations on Thaxted Road, Saffron Walden be retained and amalgamated.

However, that assessment is made in the light of the current economic situation and what is anticipated as feasible. If these allocations are carried forward into the LDF they will need to be monitored with a view to revision in due course if development is not forthcoming.

### **Conclusion**

7.19 It is clear from the foregoing that there is an existing commercial property base which is performing reasonably well despite various inherent problems in some parts of the district. It is therefore important to determine whether and how to protect and, if possible, enhance the key sites. Similarly it is necessary to determine the circumstances under which it would be appropriate to facilitate the loss of single-user employment sites to non-employment uses.

7.20 The existing allocations in Saffron Walden should be retained on the basis that they are already progressing and likely to come to fruition. There can be no certainty that the Great Chesterford site will be brought forward for development but it is apparent that the Great Dunmow Business Park allocation will not be implemented and that it should therefore no longer serve to indicate that such provision could be made and in this location. The abandonment of that allocation may, however, mean that the site is available for some other use which would be both necessary and appropriate in that location.

7.21 The recommendations will reflect these conclusions and seek to reconcile estimated future commercial floorspace requirements with existing capacity and potential sites, possibly including some not yet identified. The intention is to match demand with supply in terms of both quantity and quality and hence enable the delivery of development which is sustainable.

## **Stage B**

# **Future Demand and Supply (‘Future Stock’)**



## **EMPLOYMENT CHANGE FORECAST BY SECTOR**

### **Previous Assessment**

- 8.1 PACEC addressed the issue of forecast employment change in chapter 6 “Current and Future Employment Demand”. It undertook a review of employment forecasts at national, regional, county and local levels. The basis of this was sub-regional studies undertaken by Bone Wells Assoc. et al (BWA), published in July 2002, to inform the RES. This study utilises two economic scenarios – Business As Usual and Enhanced Growth. The PACEC report relied (quite reasonably) on the study which was based on sub-regions (i.e. counties). Conclusions as to the nature of floorspace change by use are quoted but very generalised. The most relevant output is not the statistics but the following statement “The study explicitly calculates land demand from its employment projections using worker/floorspace ratios, and, in all scenarios, concludes that land demand in Uttlesford is comfortably exceeded by land supply.”
- 8.2 The BWA study was updated in 2003 from which it was concluded, under all the revised scenarios relating to population and employment, that “Under all the revised scenarios, it was suggested that there was an **over** supply of employment land in Uttlesford in both 2011 and 2021” (their emphasis).
- 8.3 Consultants<sup>(1)</sup> also undertook an assessment of the Stansted M11 Corridor Development Options. The report considered a ‘core area’ of impact and an ‘outer area’ (i.e. the rest of the study area). The forecast for employment was based on scenarios constructed to represent different numbers of runways and passengers (25m – 40m/a). The study forecast the numbers of direct and indirect jobs that would be expected to result in the ‘core area’ and the ‘rest of the study area’ from particular throughputs of passengers and a number of runways.
- 8.4 Halcrow and PACEC jointly produced a study on the Employment and Housing Implications of the second runway at Stansted Airport in August 2004. This estimated the number of jobs that would be created in association with a second runway to 2021. PACEC also drew attention to the implications for land requirements given that much of the employment growth would be inside the Airport.
- 8.5 However, given the current situation as to the possible future scenarios for the airport with regard to both the development of a second runway and the scale and location of any built development, it is now necessary to reconsider the situation and identify feasible options.

### **Current Situation**

- 8.6 The East of England Plan covers the period to 2021. It features a policy (E1) on Job Growth which sets an indicative target of 56,000 net growth in jobs for the area of Essex comprising the districts of Braintree, Brentwood, Chelmsford, Epping Forest, Harlow, Maldon and Uttlesford for the period 2001-2021. The policy also called upon Local Development Documents to provide an “enabling context” in which to achieve the targets.

(1) Stansted M11 Corridor Development Options Study – Key Issues Report,  
A Study of the possible urbanisation implications of the potential expansion options for Stansted,  
C Buchanan and Partners, August 2003

*Table 26 EERA Forecast of Uttlesford Employees ('000s) by Sector, 2011 - 2031*

	2008	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Agriculture	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Extraction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Manufacturing of:</b>																						
Food/drink/tobacco	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other low tech	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2
Metals/engineering	1.9	1.8	1.8	1.7	1.7	1.6	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.3	1.2	1.2	1.1	1.1	1.1	1.0	1.0	1.0
Chemicals	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other & recycling	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Electricity/gas/water	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Construction	1.7	1.8	1.9	1.9	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.3	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.6	2.6	2.7
Distribution/vehicles	2.4	2.5	2.5	2.6	2.7	2.7	2.8	2.8	2.9	2.9	2.9	3.0	3.1	3.1	3.2	3.2	3.3	3.4	3.4	3.5	3.6	3.6
Retail	2.7	2.7	2.7	2.8	2.8	2.8	2.8	2.9	2.9	2.9	2.9	3.0	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.2	3.2	3.2
Hotels/restaurants	2.7	2.7	2.8	2.9	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3
Transport	6.5	6.6	6.7	6.7	6.8	6.8	6.8	6.9	6.9	6.9	6.9	6.9	7.0	7.0	7.0	7.0	7.1	7.1	7.2	7.2	7.3	7.3
Finance	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8
Business services	5.1	5.3	5.6	5.8	6.1	6.2	6.4	6.5	6.5	6.6	6.6	6.6	6.6	6.7	6.7	6.7	6.8	6.9	7.0	7.2	7.4	7.5
Public admin./defence	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3
Education	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.6
Health	2.2	2.2	2.2	2.2	2.3	2.3	2.4	2.4	2.5	2.5	2.5	2.6	2.6	2.6	2.7	2.7	2.8	2.8	2.8	2.9	2.9	3.0
Other services	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
<b>Total</b>	<b>35.2</b>	<b>33.1</b>	<b>33.5</b>	<b>34.1</b>	<b>34.6</b>	<b>35.1</b>	<b>35.5</b>	<b>35.8</b>	<b>36.1</b>	<b>36.4</b>	<b>36.6</b>	<b>36.8</b>	<b>37.0</b>	<b>37.2</b>	<b>37.4</b>	<b>37.7</b>	<b>38.0</b>	<b>38.3</b>	<b>38.7</b>	<b>39.1</b>	<b>39.6</b>	<b>40.1</b>
Employees	35.2	33.1	33.5	34.1	34.6	35.1	35.5	35.8	36.1	36.4	36.6	36.8	37.0	37.2	37.4	37.7	38.0	38.3	38.7	39.1	39.6	40.1
Self-employed	7.7	8.1	8.2	8.4	8.6	8.7	8.8	8.9	9.0	9.1	9.1	9.2	9.3	9.3	9.4	9.5	9.6	9.7	9.8	9.9	10.1	10.2
<b>Total jobs</b>	<b>43.6</b>	<b>41.8</b>	<b>42.4</b>	<b>43.2</b>	<b>43.9</b>	<b>44.5</b>	<b>45.0</b>	<b>45.5</b>	<b>45.8</b>	<b>46.2</b>	<b>46.5</b>	<b>46.7</b>	<b>47.0</b>	<b>47.2</b>	<b>47.5</b>	<b>47.9</b>	<b>48.2</b>	<b>48.7</b>	<b>49.2</b>	<b>49.8</b>	<b>50.4</b>	<b>51.0</b>

Source : EEFM, the RSS1b (RSS Continuation – lower growth) Local Area forecast of autumn 2009

- 8.7 No further breakdown of this figure according to either location or composition is readily available. It will be apparent that this figure was of very limited value with regard to determining a target number of jobs to be created in Uttlesford. That is because it related to an extensive area, covering the greater part of Essex, and which includes Chelmsford and Harlow, both of which are Key Centres for Development and Change where it would be expected that a large number of jobs would be created.
- 8.8 The East of England Plan was in the process of being rolled forward to 2031 when the decision to revoke RSSs was made<sup>(1)</sup>. A draft document had been prepared which featured a breakdown of net additional jobs by district over the period 2011-2031. The figure for Uttlesford was 9,200.
- 8.9 These job targets were derived from and built upon the results of the East of England Forecast Model (EEFM). The Model brings together a range of key variables and takes account of local and sub-regional visions as well as capacity and deliverability issues. It should be noted that the job targets were predictions rather than aspirations. But, whilst they were predictions, it will be apparent that their realisation would have depended upon both the allocation of sufficient, suitably-located land and the associated buildings subsequently being provided and occupied.
- 8.10 The forecast features as Table 26 opposite. Of the various scenarios produced by EEFM, the RSS1b 'RSS Continuation – lower growth' Local Area forecast of autumn 2009 was utilised as the definitive forecast by EERA. This was selected on the basis that the future planning of the district is housing led and that the prospect of the abolition of the RSS is likely to result in lower growth than might otherwise have been anticipated. The indicative job targets were broken down according to job type as distinct from land use and the overall change in each category over the period is given in table 27. However, the nature of this breakdown does facilitate the grouping together of some types of jobs to enable an estimate to be made of the numbers anticipated in each of the B1 business, B2 industry and B8 warehousing land uses. These uses constitute the employment uses which are the subject of this report and will be the subject of specific policies in the LDF.
- 8.11 In the absence of any other forecasts, this figure should be retained as one which is achievable within the district albeit over the course of the next 20 years. However, in formulating policies for the LDF, regard should be had to the fact that this forecast was linked with proposed housing development. The implications of the proposed reduction in the district's housing allocation have been assessed (see paras. 1.10 & 1.11). It was concluded that there is, in fact, little, if any, discernible linkage between the amount of housing likely to be allocated in the district and the number of jobs in offices, industry and warehousing (i.e. the recognised "employment uses") that are likely to be created. The one possible exception to this finding would be if there were to be a significant large housing allocation made by way of either a new settlement or an urban extension.
- 8.12 The Guidance Manual refers to the traditional assumption that factories are occupied by manufacturing industry, warehousing by wholesale and distribution firms and offices by

(1) The coalition Government is pledged to "rapidly abolish Regional Spatial Strategies and return decision-making powers on housing and planning to local councils" and is seeking to implement this through the 'Localism Bill' of December 2010.

*Table 27 Predicted Uttlesford job changes by type, 2011 - 2031*

Job types <sup>(1)</sup>	2011 <sup>(2)</sup> (‘000)	2031 <sup>(2)</sup> jobs)	Net change		
Agriculture	1.1	1.1	-		
Extraction	0.0	0.0	-		
Manufacturing (food/drink/tobacco)	0.2	0.1	-0.1		
Manufacturing (other low tech.)	0.5	0.3	-0.2		
Manufacturing (metals & engineering)	2.1	1.1	-1.0		
Manufacturing (chemicals/process industry)	0.5	0.2	-0.3		
Manufacturing (other & recycling)	0.2	0.1	-0.1		
Utilities	0.0	0.0	-		
Construction	3.2	4.9	+1.7		
Wholesale distribution & sale/maintenance of vehicles	2.7	4.1	+1.4		
Retailing	3.0	3.6	+0.6		
Hotels & catering	3.0	3.6	+0.6		
Air transport	2.2	2.2	-		
Communications	0.9	0.6	-0.3		
Land & other transport	5.4	6.8	+1.4		
Water transport	0.0	0.0	-		
Finance	0.5	0.9	+0.4		
Business (computer related)	0.7	0.8	+0.1		
Business (labour recruitment)	1.3	1.8	+0.5		
Business (other - incl. call centres)	1.0	1.4	+0.4		
Business (Research & development)	0.2	0.3	+0.1		
Business (Real estate & renting)	1.1	2.0	+0.9		
Business (Other – tradeable)	2.0	3.3	+1.3		
Public Administration	1.1	1.4	+0.3		
Education	3.5	4.0	+0.5		
Health	2.5	3.4	+0.9		
Other personal services (misc.)	2.1	2.4	+0.3		
Other personal services (waste.)	0.1	0.1	-		
Total employment (3)	{	<b>41.8</b>	<b>51.0</b>	+9.2	
	(4)	{	<b>41.1</b>	<b>50.5</b>	+9.4

(1) UK Standard Industrial Classification of Economic Activities 2003

(2) East of England Forecasting Model (EEFM), EEDA

(3) As quoted in source

(4) Actual total

Source : East of England Forecasting Model (EEFM), Autumn 2009 - Variable Forecasts - RSS1b, EEDA

financial and business services as being “too crude”. It advocates the use of greater sophistication where possible relating various land uses to the official Standard Industrial Classification (SIC). However, the forecast predictions are not directly comparable with the SIC classes. Consequently, the breakdown of job types into factory, warehousing and office uses has been made on the basis of the approach in table 28.

- 8.13 The Guidance Manual refers to the traditional assumption that factories are occupied by manufacturing industry, warehousing by wholesale and distribution firms and offices by financial and business services as being “too crude”. It advocates the use of greater sophistication where possible relating various land uses to the official Standard Industrial Classification (SIC). However, the forecast predictions are not directly comparable with the SIC classes. Consequently, the breakdown of job types into factory, warehousing and office uses has been made on the basis of the approach in table 28.

*Table 28 Employment Uses by Job Types*

Industrial	All manufacturing activities 1, 2
Warehousing	Wholesale distribution & sale/maintenance of vehicles 1, 2
Offices	Business (computer related) Business (other - incl. call centres) Business (Other – tradeable) Public Administration 2, 3, 4, 5

Notes:

- 1 sale/maintenance of vehicles included in warehousing because:-
  - sale of vehicles likely to be so minimal as to be negligible, and
  - maintenance of vehicles is “industrial” but employment densities of manufacturing and non-strategic warehousing are the same (see table 33)
- 2 includes Business (labour recruitment), which includes those employed through agencies, in same ratio of workers in each sector
- 3 excludes Finance which is predominantly banking and insurance and therefore in Use Class A2
- 4 excludes Business (Real estate & renting of machinery and personal/household goods) which is therefore predominantly in Use Classes A2 & A3
- 5 excludes Business (Research & Development) which, by definition, is Class B1(b) and therefore not office use

- 8.14 On the basis of the above, the current and projected numbers employed in factories, warehouses and offices (i.e. B1) are shown in table 29.

*Table 29 Forecast Employment Change by Sector (2011 – 2031)*

	2011	net change (as at 2031)	agency staff <sup>(1)</sup>	gross change (as at 2031) <sup>(2)</sup>
Factories	3,500	– 1,700	20	– 1,700
Warehousing	2,700	1,400	40	1,450
Offices	4,800	2,100	65	2,150

(1) Incorporates provision for those people employed through agencies by those 500 additional in Business (labour recruitment) being added on basis of the proportion of workers in each sector in 2031.  
(i.e. factories 3.5%, warehousing 8% and offices 13%)

(2) Nearest 50.

8.15 But whilst tables 26 and 27 cover the period to 2031 current expectations are that the LDF will cover the period to 2028 (see para. 1.4). Hence, in order to relate anticipated employment land use requirements to the LDF proposals as closely as possible, it is appropriate to limit the forecast employment situation to that which is forecast for 2028. Table 27 is therefore revised below but for the period to 2028 utilising the data in Table 26 and the classification in Table 28 to show the current and projected numbers employed in factories, warehouses and offices (i.e. B1). This features as Table 30 opposite.

8.16 On the basis of the above, the current and projected numbers employed in factories, warehouses and offices (i.e. B1) to emerge from Table 30 are shown in Table 31.

*Table 31 Forecast Employment Change by Sector (2011 – 2028)*

	2011	net change (as at 2028)	agency staff <sup>(1)</sup>	gross change (as at 2028) <sup>(2)</sup>
Factories	3,500	– 1,600	15	– 1,600
Warehousing	2,700	1,100	40	1,150
Offices	4,800	1,600	65	1,650

(1) Incorporates provision for those people employed through agencies by those 450 additional in Business (labour recruitment) being added on basis of the proportion of workers in each sector in 2028  
(i.e. factories 3.5%, warehousing 8% and offices 13%)

(2) Nearest 50.

8.17 The implications of this for the district in terms of the number of jobs falling within the purview of this Employment Land Review are shown in Figure 7. It clearly illustrates the forecast increase in the numbers of jobs in both offices and warehousing which is in sharp contrast to the projected fall in the number of manufacturing jobs.

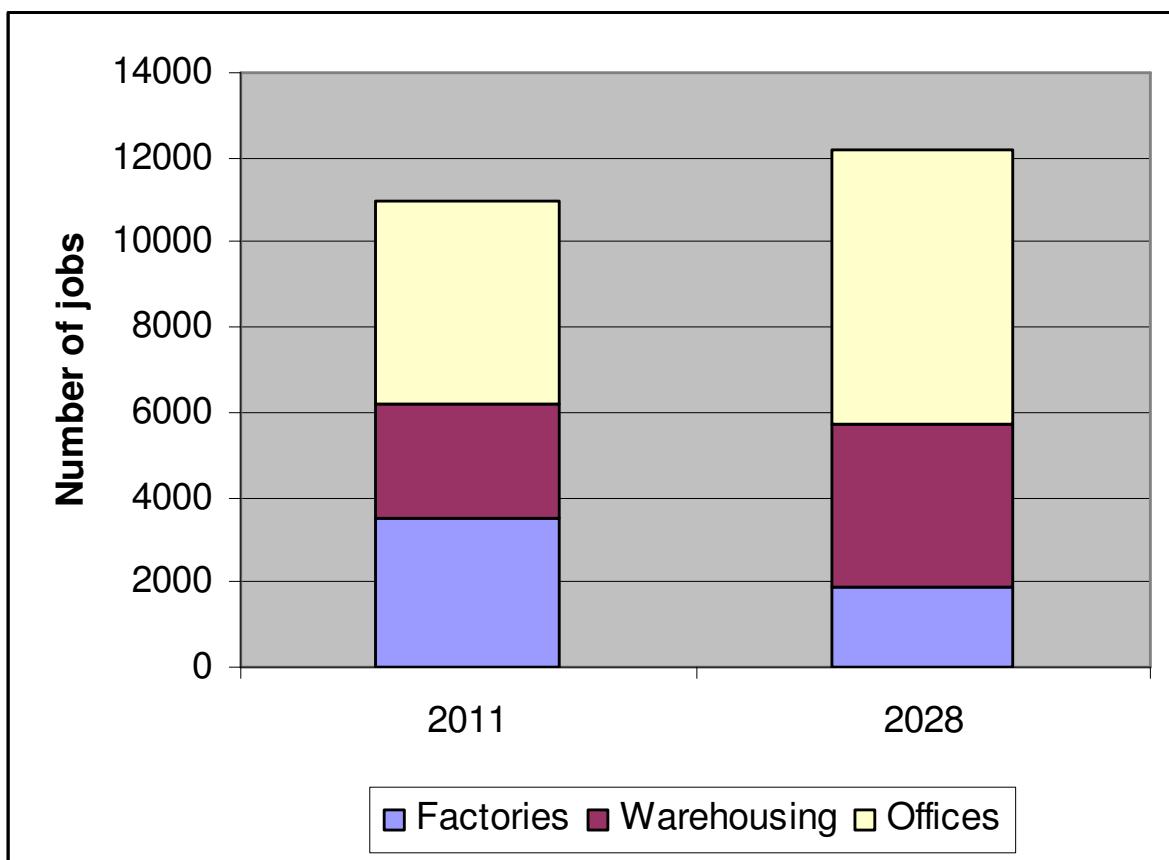
*Table 30 Predicted Uttlesford job changes by type, 2011 - 2028*

Job types <sup>(1)</sup>	2011 (‘000 jobs)	2028 jobs)	Net
			change
Agriculture	1.1	1.1	-
Extraction	0.0	0.0	-
Manufacturing (food/drink/tobacco)	0.2	0.1	-0.1
Manufacturing (other low tech.)	0.5	0.3	-0.2
Manufacturing (metals & engineering)	2.1	1.2	-0.9
Manufacturing (chemicals/process industry)	0.5	0.2	-0.3
Manufacturing (other & recycling)	0.2	0.1	-0.1
Utilities	0.0	0.0	-
Construction	3.2	4.6	+1.4
Wholesale distribution & sale/maintenance of vehicles	2.7	3.8	+1.1
Retailing	3.0	3.5	+0.5
Hotels & catering	3.0	3.5	+0.5
Air transport	2.2	2.2	-
Communications	0.9	0.6	-0.3
Land & other transport	5.4	6.5	+1.1
Water transport	0.0	0.0	-
Finance	0.5	0.8	+0.3
Business (computer related)	0.7	0.8	+0.1
Business (labour recruitment)	1.3	1.7	+0.4
Business (other - incl. call centres)	1.0	1.3	+0.3
Business (Research & development)	0.2	0.2	-
Business (Real estate & renting)	1.1	1.8	+0.7
Business (Other – tradeable)	2.0	3.0	+1.0
Public Administration	1.1	1.3	+0.2
Education	3.5	3.9	+0.4
Health	2.5	3.2	+0.7
Other personal services (misc.)	2.1	2.3	+0.2
Other personal services (waste.)	0.1	0.1	-
Total employment	41.1	48.1	+7.0

(1) UK Standard Industrial Classification of Economic Activities 2003

Source : East of England Forecasting Model (EEFM), Autumn 2009 - Variable Forecasts - RSS1b, EEDA

*Figure 7 Employment Change, 2011 – 2028*



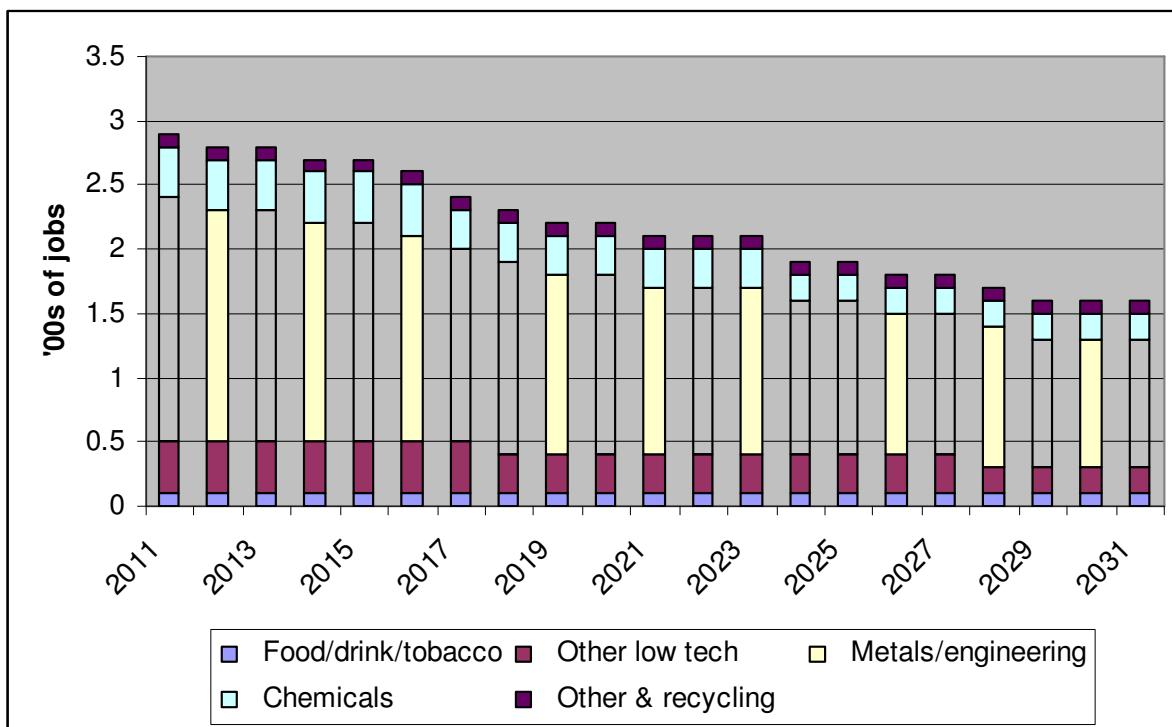
Source : EEFM, the RSS1b Local Area forecast of autumn 2009

8.18 The detailed nature of the projected decline in manufacturing jobs is illustrated in figure 8. It transposes into graphic form the projections for each of the manufacturing sectors from table 26. It emphasises that the trends in each of the sectors are different in that:-

- jobs in the manufacturing of food, drink and tobacco and ‘other and recycling’ are projected to remain relatively unchanged;
- jobs in ‘other low tech.’ and chemicals are projected to decline by some 200, which is of the order of a 50% reduction; and
- a 50% reduction is also forecast in the manufacturing of metals and engineering. This is more significant in that the importance of this sector locally means the potential loss of some 700 jobs.

8.19 It is important to note that the projected decline is relatively gradual and consistent throughout this 20 year period. It is also important to bear in mind however that, whilst the figures were described as predictions, as distinct from projections, it could not have been assumed that they would have materialised as anticipated. This applies particularly when substantial job losses were predicted as the rate of losses may well be slower, or more rapid, and likely to be heavily influenced by the closure, or relocation, of individual firms which occupy a key role in the sector locally.

*Figure 8 Forecast of jobs in manufacturing in Uttlesford, 2011 – 2031*



Source : EEFM, the RSS1b Local Area forecast of autumn 2009

- 8.20 Of the order of 225,000 sq. ft. (21,200 sq. m.) of the 600,000 sq. ft. (56,500 sq. m.) which features in the Chesterford Research Park masterplan has already been provided. Approximately 550 people already work there such that the employment density is 38.5 sq. m. per worker. The eventual implementation of the outstanding 375,000 sq. ft. (35,300 sq. m.) could therefore be expected to provide a further 900+ jobs. It is therefore appropriate to not make provision for the 100 jobs forecast in Research & Development on the basis that they, and many more, will be provided at the park in the relatively short term. There is, however, no need to adjust the forecast figure to take account of these additional jobs as they are to be welcomed as enhancing the local economy subject to their provision not resulting in either unsustainable trips to work or an imbalance between jobs and housing locally.



## REALITY-TEST OF EMPLOYMENT FORECAST

### Past Employment Change

- 9.1 The predicted net change in jobs in Uttlesford District over the period 2011 – 2031 was an increase of 9,400 (i.e. 22.9%) on the 41,100 already existing (see table 26<sup>(1)</sup>). This represents an annual increase in the number of jobs of approximately 450 (i.e. approximately 1%).
- 9.2 Employee jobs in the district account for approximately 82% of the total number of jobs. Figure 3 illustrates the increase in the number of employee jobs over the period 1995 – 2008 during which there was an increase of 10,000 such jobs on the pre-existing 24,000 which is a 42% increase. This represents an annual increase of 715 employee jobs (i.e. of the order of 3%). Even if there was no increase in the number of self-employed people during this period, this still represents an annual increase of the total workforce of some 1.7%. Hence, the requisite rate of increase would seem to be achievable on the basis of recent experience.
- 9.3 However, two other factors which could impact upon this preliminary assessment need to be taken into consideration. These are the rate of job growth at Stansted Airport and the influence of the recession on both the true current situation and the scope for economic recovery. Each is considered below.

#### 1. Job growth at Stansted Airport

- 9.4 The increase in the number of Transport and Communications jobs over the period 1995 - 2008 coincided with the rapid growth in low-cost air travel from Stansted Airport (see para. 5.10 & table 2 on page 41). If it is assumed, as seems reasonable, that the two are directly related then provision must be made for the prospect of the extent to which growth on this kind of scale may take place in the future. Table 2 illustrates the relationship between passenger numbers and employees with 19.9 m. passengers in 2009 associated with 10,850 jobs. The 35 million passenger throughput which already has approval is expected to result in 16,800 jobs on the airport<sup>(2)</sup>. If it is assumed, as seems reasonable, that this level of throughput comes to fruition in 15 years (i.e. during the period of the LDF) then it could be expected to provide some 6,000 jobs. This is some 350 additional jobs/year but only a limited proportion of these will be taken up by existing and future residents of the district.

#### 2. Influence of the recession

- 9.5 The number of jobs in Uttlesford may well have reduced somewhat from the figure featured in table 19 because of the recent recession. The unemployment rate for the 12 month period to June 2010 was 4.6% (see Table 32 below). Given that the figure did not increase during the next period suggests that the level of unemployment was at its peak. Table 32 suggests that of the order of 800 people may have lost their jobs during the recession. This means that an additional 38 jobs per year will need to be created in order to compensate for this reduction if the RSS indicative target is to be met.

(1) Actual figures. Figure quoted at source is an increase of 9,200 which is a 22% increase.

(2) ‘Looking to the future’, London Stansted Employment Strategy 2010-2015

*Table 32 Unemployment in Uttlesford during Recession*

	Number	%
Jan 07-Dec 07	1,100	2.5
Apr 07-Mar 08	1,000	2.4
Jul 07-Jun 08	1,000	2.3
Oct 07-Sep 08	1,100	2.6
Jan 08-Dec 08	1,200	3.0
Apr 08-Mar 09	1,400	3.2
Jul 08-Jun 09	1,500	3.7
Oct 08-Sep 09	1,500	3.8
Jan 09-Dec 09	1,600	3.9
Apr 09-Mar 10	1,700	4.2
Jul 09-Jun 10	1,800	4.6
Oct 09-Sep 10	1,800	4.5

Source: ONS Annual Population Survey

- 9.6 This will therefore increase the average annual target to approximately 490 new jobs which is itself challenging. This is emphasised by considering that, if the 3,400 new jobs in Transport and Communications is taken out of the figures for the period 1995 – 2008, then the average number of jobs provided annually during that period falls to 400. But the prospect of increased passenger throughput at the airport offers real scope for job growth although the number of people taking up these jobs who are resident in the district will be limited to, say, 50 – 100 per year.
- 9.7 On the basis of the above it must be concluded that the jobs target for the district which formed part of the RSS is unduly optimistic. That is likely to be the case even if the passenger throughout increases substantially (although not necessarily to the level already approved) during the LDF period. If that does not prove to be the case then that target cannot be considered to be realistic.

#### **Other forecasts**

##### **1. New Settlement at Elsenham**

- 9.8 The Council's preferred option for the future development strategy for the district, as set out in its previous consultations on the Core Strategy, includes 3,000 new dwellings at a proposed new settlement at Elsenham. That was the preferred option for accommodating the level of growth then anticipated in the LDF. However, that situation could well change with the publication of the draft Core Strategy for consultation which is expected to feature a reduced allocation (see para. 1.6) such that the proposal for the new settlement may be discarded. Nevertheless, this ELR retains the new settlement, and makes appropriate provision for it possibly being discarded, on the basis that it remains the preferred option.

- 9.9 The Strategic Master Plan Vision<sup>(1)</sup> for the new settlement refers to “....the overall aim being to create a sustainable balance of employment opportunities with new homes”. It goes on to say that “it is hoped that sufficient jobs might be provided in order that 50% of the economically active population of working age in the new community might have the opportunity to live and work in Elsenham”. It also refers to provision being made for in the region of 40,000 sq. m. of employment floorspace. It does, however, refer to the sectors in which jobs might be created which include education, health and shops and therefore are not limited to those uses which are specifically the subject of this study.
- 9.10 Whilst the structure of the population of a new settlement may differ from the norm, 3,000 new dwellings would house a population of approximately 7,750 people<sup>(2)</sup>. Of those, approximately 60% will be of working age<sup>(3)</sup> of which 83.7% would be expected to be in work. This gives a total of 3,900 people in work. No explanation of, or justification for, the figure of 50% working in Elsenham is given. But, if it is accepted as such, and non-residents do not commute in to work in Elsenham, then this would mean of the order of 2,000 jobs having to be provided in the new settlement. Not all of these jobs would be in B1/B2/B8 uses and, if the average figure for the district of 35%<sup>(4)</sup> is applied, then this equates to 700 jobs.
- 9.11 Whilst this may be feasible, it cannot be assumed that all of the jobs would be provided within a particular time-scale. A study<sup>(5)</sup> has identified the need for a long lead-in time for such developments. The report concluded that “It is not possible for a major urban extension or new town to yield completed homes or other development for a number of years”. It goes on to add that “implementation is almost certain to continue beyond current statutory development plan periods”.
- 9.12 It will therefore be necessary for the recommendations to have due regard to whether the new settlement may come to fruition and, if it does, both the number of jobs that can reasonably be expected to be created in “employment” uses and the period in which they can realistically be expected to be delivered.

## 2. Future of Stansted Airport

- 9.13 There are two aspects relating to the airport which could well have a major bearing upon the nature of its future operation and hence the number of associated employment opportunities. These are its future role and the prospect of a second runway, each of which is now considered.
- 9.14 As outlined in para. 6.48, the manner in which the airport functions by way of ‘no frills’ carriers and their markets, the size of ‘planes and their destinations does not result in the need for significant amounts of commercial floorspace. This situation was neither forecast

(1) Elsenham : Strategic Master Plan Vision, The Fairfield Partnership, David Lock Associates, January 2008.

(2) Based on district population of 73,700 and average household size of 2.58 persons per household.

(3) 16 – 59/64 years (with approx. 19% less than 16 and 20% over 60).

(4) See footnote to table 37.

(5) Best Practice in Urban Extensions and New Settlements : A report on emerging good practice Town and Country Planning Association, March 2007.

nor envisaged at the outset when planning provision was made both for the floorspace and to limit its use to airport-related activities so that it was not effectively lost to other users.

- 9.15 This therefore raises questions as to whether this current situation will continue indefinitely and, if not, when might it change and, if so, how and to what extent. It is not considered possible to answer any of these questions with any degree of certainty. If, for example, there was to be a second runway then it would be reasonable to expect the manner in which the airport operates to shift as a consequence. But there is no prospect of a second runway in the immediate future. On the other hand, it may be that a change in operators would prompt such a shift. And such a change could result from the loss of an existing, or the attraction of a new, operator. But any such change would need to occur in the context of a changing situation in terms of global economics, aero-technology, communications technology, growing environmental concerns, an increasing population and individual aspirations. The only conclusion which can reasonably be reached is that the function of the airport may well change at some point in the future but when remains impossible to predict.
- 9.16 The coalition Government has stated that it will refuse planning permission for a second runway at Stansted Airport. It must nonetheless be acknowledged that the nature of air travel will continue to evolve and that the existing airport represents both a major element of transport infrastructure and a significant amount of investment. Consequently, it is not beyond the bounds of possibility that, at some point in the future (possibly well within the next twenty years), circumstances will change again and the prospect of a second runway become a possibility once more. Whilst it cannot be assumed that this will definitely occur, let alone when, it will be necessary to monitor the situation with a view to reviewing LDF policies if and when this becomes necessary.

### **Local Strategies and Aspirations**

- 9.17 There is the possibility of three potential local aspirations which could be of relevance. Each of these is now considered in turn:-
1. The Council has a long-standing and well-established stance of opposition to a second runway at Stansted Airport. There is nothing to suggest that this might change in the future irrespective of any other considerations.
  2. The Council will shortly determine a planning application for a proposed foodstore (on a site at Thaxted Road, Saffron Walden). In the event that planning permission is granted (either by the Council or an inspector if there is a subsequent appeal against a refusal) then this will both reduce the amount of land available for employment-generating uses in the locality, albeit by a relatively modest amount, and possibly also lead to a change in the character and function of the remaining premises in the vicinity.
  3. The Government introduced the Localism Bill in December 2010 which has implications for planning and the manner in which the future development of the district is planned. The proposals and their implications are summarised in footnote note on page 15. Potentially the most significant implication is the abolition of the regional spatial strategies and hence the East of England Plan. As a consequence the Council is looking to reduce the housing allocation in the LDF which may have implications for the amount and type of jobs that could, or will need to, be provided.

## **Possible Alternative Scenarios**

- 9.18 The previously emerging Regional Spatial Strategy identified an “indicative” figure of 9,200 net additional jobs in the district over the period 2011 – 2031. Consideration of the past level of employment change in the context of prevailing local circumstances has led to the conclusion that this level of growth would be potentially very challenging to achieve to the extent that it is not considered feasible. Despite this, there are no particular considerations or specific evidence that can be identified, and quantified, to justify an alternative, lower figure being pursued. Hence, although an alternative scenario is desirable, and perhaps a pre-requisite, in qualitative terms, in quantitative terms it cannot be justified. But, if it is accepted that the scope for an additional 9,200 jobs remains as an “indicative” target, as distinct from one which is hard and fast, then it is reasonable to retain it as such.

## **Conclusion**

- 9.19 The target for the district of 9,200 additional jobs by 2031 as featured in the previously-emerging RSS cannot be considered to have been realistic. But, if it is accepted that the scope for an additional 9,200 jobs remains as an “indicative” figure, as distinct from a hard and fast “target”, then it is reasonable to retain it as such.



## **ALTERNATIVE EMPLOYMENT GROWTH SCENARIOS**

- 10.1 The Council is looking to reduce the housing allocation in the LDF in response to the Government's stated intention to abolish regional spatial strategies and its long-standing view that the RSS allocation for the district was excessive. It is soon to consult on a new figure which reduces the additional housing units yet to be allocated from 4,000 (in the period up to 2026) to 2,500 (in the period up to 2028).
- 10.2 It may have been expected that a reduction in the LDF housing allocation would influence the amount of jobs required given the potential linkages between home and work-place. However, an assessment of the implications of the reduced housing allocation upon the amount of employment growth and associated land allocations concluded that “.....the policies relating to the provision of employment uses in the emerging LDF need not be influenced by a reduction in the proposed amount of housing on the scale proposed”<sup>(1)</sup>. It found that “The only real potential linkage between the housing allocation and employment land provision would stem from a concentration of the former in the form of what is effectively a new settlement” and that “whatever that provision was need not influence the overall level of allocation, and hence job growth, across the district”.

(1) Implications of Reduced Housing Allocation upon Amount of Employment Growth and Associated Land Allocations. UDC, April 2011



## DEMAND FOR EMPLOYMENT FLOORSPACE AND LAND

- 11.1 Table 31 above indicates that, over the period 2011 – 2028, it is anticipated that there will be a net loss of 1,600 jobs in manufacturing in the district and a net gain of 1,150 jobs in warehousing and distribution. It also indicates a net gain of some 1,650 office jobs over the same period. The EERA Guidance Manual includes specific employment densities to be used in transposing jobs into floorspace requirements. The implications are set out in Table 33.

*Table 33 Forecast Employment Floorspace Requirements (as at 2028)*

	Number of jobs (created/lost)	Employment Densities <sup>(1)</sup> (sq. m./worker)	Floorspace Requirements (sq. m. gross)
Factories	– 1,600	32	–51,200
Warehousing	1,150	32 <sup>(2)</sup>	36,800
Offices	1,650	18	29,700
<small>(1) Employment land reviews : guidance manual, EERA, March 2008</small>			
<small>(2) General industrial employment density includes ‘Manufacturing and non-strategic warehousing’<sup>(3)</sup></small>			
<small>(3) EERA guidance manual defines strategic warehousing as ‘purpose-built high-bay warehouses of around 10,000 sq. m. and more’. The average employment density is 90 sq. m. per worker.</small>			

- 11.2 The guidance manual refers to translating floorspace into site areas as an “optional step” because plot ratios vary widely, especially for offices. It points out that “If the ELR uses fixed plot ratios, it will not be able to take account of these variations and it will not properly estimate the potential impact of intensification on the demand for land.” Whilst this is acknowledged, a function of the planning system is to make sufficient land available for development in the right place and at the right time. That is presumably why this section of the ELR is required to identify the net demand for land for employment purposes. It is therefore necessary to attempt to identify how much land is required with a view to determining when and where it should be made available to prospective developers.

- 11.3 The guidance manual states that, for industry, warehousing and out-of-town offices, a plot ratio of 40% (i.e. 4,000 sq. m. of floorspace/ha.) should be used where no better information is available. The land requirements are therefore as shown in Table 34.

*Table 34 Forecast Employment Land Requirements (as at 2028)*

	Floorspace Requirements (sq. m. gross)	Land Requirements (hectares)
Factories	–51,200	– 12.8
Warehousing	36,800	9.2
Offices	29,700	7.4

**Sites potentially subject to development pressure**

**Granite site, Thaxted Road, Saffron Walden**



**Willis and Gambier site, Radwinter Road, Saffron Walden**



**Disused glasshouses, London Road, Great Chesterford**



## POTENTIAL LOSSES OF EMPLOYMENT SPACE TO OTHER USES

12.1 The existing employment sites that may be lost to other uses can be categorised as follows:-

1. those identified for possible redevelopment for other uses in this study;
2. those which may be expected to reach the end of their useful life during the foreseeable future and may not be appropriate for redevelopment for employment uses for reasons of scale and/or accessibility and/or location and/or viability; and
3. those which will be subject to developer pressure for redevelopment for other uses.

12.2 The sites which can currently be identified as falling into these categories are as follows:-

1. <u>Identified scope for redevelopment</u>	2. <u>Premises reaching end of their useful life</u>	3. <u>Sites potentially subject to development pressure for non-employment uses</u>
Jubilee Works, Clavering	Willis & Gambier, Saffron Walden	Willis & Gambier, Saffron Walden
Ongar Road Ind. Estate, Great Dunmow	Molecular Products, Thaxted	Molecular Products, Thaxted
Hasler's Yard, Great Dunmow		Thaxted Road, Saffron Walden
		Ashdon Rd. Commercial Centre, Saffron Walden
		London Road South, Great Chesterford
		Station Road, Newport

12.3 Of the sites in category 1, Jubilee Works, Clavering has such a high level of long-standing vacancies and is so relatively small (0.45 ha.) that the need to replace this employment space may be discarded. The Ongar Road Industrial Estate, Great Dunmow is 1.52 ha. which will need to be factored into the overall requirements. Hasler's Yard, Great Dunmow is so small (at 0.06 ha.) that it may reasonably be discounted.

12.4 The two employment sites in category 2 feature the vacant premises formerly occupied by Willis and Gambier<sup>(1)</sup> on Radwinter Road, Saffron Walden and the soon-to-be vacated chemical works in Thaxted. Both of these sites are considered to have the scope to be brought back into beneficial employment use but may well come under pressure for redevelopment for non-employment uses in the near future. Hence they both also feature in category 3.

12.5 Any significant sites either in, or allocated for, employment uses which are subsequently lost to other uses will need to be taken into account. These will be identified through monitoring which may warrant further action by way of policy amendment.

12.6 It has been shown (see table 34) that, if predicted changes in manufacturing jobs materialise, there will be a net loss of 12.8 ha. of industrial land over the period to 2028. The loss of the Ongar Road Industrial Estate would therefore constitute a part of this

change. It is, however, important to recognise that the future of this, and any other, estate has implications which are potentially much more significant than the quantified outcome of this theoretical study. These implications relate to the future of existing businesses and the people they employ who earn their livelihood by working there. It will therefore be vitally important to ensure that the vacating of industrial estates, pending redevelopment, is managed in a way that gives maximum opportunity for existing businesses to relocate.

- 12.7 If the Ongar Road Industrial Estate was to be redeveloped for other (i.e. non-employment) uses, the theoretical loss of industrial land to be accommodated would fall to 11.3 ha. which is only 2 ha. more than the amount of land required to accommodate the forecast warehouse growth. However, the differing site requirements of different users are such that it would be neither reasonable nor practicable to expect existing industrial estates to be regenerated, either in whole or in part, as warehousing. But it does serve to indicate that, overall, there need be no significant net change in the amount of land in industrial and warehouse use over the period of the LDF.
- 12.8 Planning permission was granted on appeal, in October 2010, for a residential development on part of the site in Newport involving the conversion of part of one of the existing buildings resulting in the loss of 33% of the existing commercial floorspace. The loss of business premises in the village was raised as an issue but the inspector's concluded that, whilst less business floorspace would be available, there was no evidence to suggest that this would lead to a material shortage of business premises in Newport. The limited size of the site is such that it can be discounted in this context.
- 12.9 The EERA guidance manual recommends that ELRs should test the implications of different levels of loss. The size of the sites currently identified as either likely to become available or be subject to pressure for redevelopment for non-employment uses is as follows:-

Willis & Gambier, Radwinter Road, Saffron Walden	3.0
Thaxted Road, Saffron Walden	2.5 <sup>(1)</sup>
Ashdon Rd. Commercial Centre, Saffron Walden	12.8
London Road South, Great Chesterford	0.9
Molecular Products, Thaxted	0.85

- 12.10 Of these 5 sites, those considered to be currently at greatest risk are the Willis & Gambier and the Thaxted Road sites in Saffron Walden and the London Road South in Great Chesterford. That is because the Thaxted Road site is currently the subject of a planning application and the other two are disused and of limited size.

## Conclusion

- 12.11 The land currently in employment use that is likely to be lost to other uses in the short term is less than 1ha. and may therefore reasonably be discounted given the overall amounts involved. The site in Great Chesterford and two in Saffron Walden are currently considered to be at risk. Together they comprise 6.4 ha. although all are vacant such that there is no need to compensate for the losses should they occur.

(1) Currently the subject of an application for a foodstore and petrol filling station

## LAND IN THE PIPELINE

- 13.1 The making of a provision for land which is “in the pipeline” with regard to development is recommended as an integral part of this study. That is because it takes time to develop land from the submission of a planning application through to the premises being ready for occupancy. The guidance manual recommends that an amount of land should be added to the total identified requirement in order to compensate for that land which cannot be transposed immediately into floorspace at the outset.
- 13.2 Whilst this is logical it is problematic in that it is not readily possible to assume how long a period of time it takes before development can be brought on stream. Indeed, this may well vary according to the nature and scale of the scheme and any individual site-specific circumstances. This effectively inhibits a justifiable estimate from being made.
- 13.3 Consequently, the approach taken is that of allowing for a two year supply of land in the process of being developed by allowing for an additional two years on the basis of an assumed rate of take-up. Given the 17 year forecast over the period 2011 – 2028, this entails a 12% increase on the amount of land required for offices and for warehousing. It has no direct bearing on industrial land on the basis that this is projected to decline.
- 13.4 This approach assumes that all new floorspace is constructed on new sites as distinct from provided by extensions and changes of use but recent experience shows that this is not the case (see figure 2 and table 19). Therefore this approach is considered likely to facilitate the provision of ample floorspace.
- 13.5 Despite this, it is not considered feasible to seek to identify land to meet the commercial floorspace requirements of the period of the LDF, and effectively beyond, because of the uncertainty of their accuracy so far into the future. The emphasis should therefore be placed on monitoring both the availability of land and its take-up in looking to provide for the projected amount of floorspace need if the employment forecast is to be met.



## SUPPLY OF FLOORSPACE AND LAND

14.1 This comprises the amount of vacant commercial floorspace and undeveloped allocated or otherwise committed land which is available for commercial development.

### Floorspace Supply

14.2 The total gross supply of floorspace should exclude that which is necessary to facilitate a reasonable degree of churn in order to meet the needs of the market. In the context of the survey and assessment undertaken the major concentrations of vacant floorspace are:-

- Jubilee Works, Clavering;
- former Willis and Gambier premises, Radwinter Road, Saffron Walden;
- warehouse units at Ashdon Road Commercial Centre, Saffron Walden;
- new blocks at Shire Hill Industrial Estate, Saffron Walden; and
- previously-occupied and new warehouses on the northern and southern ancillary areas of Stansted Airport respectively.

14.3 The new blocks at Shire Hill, Saffron Walden are discounted as, whilst they have not been occupied, they represent scope for churn on a large industrial estate where it is otherwise limited. The Jubilee Works, Clavering are also discounted on the basis that reoccupation is most unlikely because of the condition of the buildings and relatively remote location of the estate.

14.4 The former Willis and Gambier premises comprise 8,600 sq. m. of warehousing/industrial plus offices whereas units 2 and 3 at the Ashdon Road Commercial Centre comprise 4,900 and 9,300 sq. m. of warehousing respectively. In quantitative terms these three units together represent 60% of the anticipated warehouse floorspace requirement to 2028 (see table 34). Even if the premises themselves do not meet modern requirements and warrant redevelopment, the sites themselves represent sufficient land for the next decade (if they continue to be either used as such or allocated for commercial development).

14.5 Of the 18 industrial/warehouse units at the M11 Business Link, only 1 is still available comprising 460 sq. m.. The nature of the firms occupying the premises is a mix of new and expanding firms from the locality in a variety of undertakings several of which are airport-related. However, the situation with the 12 units of office accommodation is different with only 2 sold and 2 let. This is considered to result from the current state of the market with there being a perceived over-supply of high quality office accommodation currently. It is anticipated that this situation will change, particularly when the market recovers, but, in the meantime, there are 8 office units available comprising 23,330 sq. ft. (2,170 sq.m.). This constitutes over a year's supply given the total requirement identified in table 31.

14.6 5,580 sq. m. of vacant warehousing, reserved for airport-related uses, forms part of Site 600 at the airport (see table 39 on page 135). If the current restriction on usage is lifted, then it would be expected that all or most would soon be occupied (albeit for a limited period). But if the restriction is not lifted then their occupancy will depend upon whether the needs of airport-related users and the cost of the units or planning permission being granted by inspector(s) at appeal(s).

14.7 In addition to the existing floorspace, there is potential for a further 25,000+ sq. m. on the basis of planning permissions granted but not yet implemented (see table 35).

*Table 35 Net Commercial Floorspace with Outstanding Planning Permission, as at 2008/9*

	A.M.R. (08/09) (sq. m.)	as adjusted (sq. m.)
B1(a) Offices	8,089	8,089
B1(b) Research & Development	5,293	- <sup>(1)</sup>
B1(c) Light Industrial	8,944	8,944
B2 General Industrial		-
B8 Storage or Distribution	14,033	4,980 <sup>(2)</sup>
B1/B2/B8 (unspecified)	3,727	3,727
Total	40,086	25,740

(1) Excludes permissions at Chesterford Research Park

(2) Excludes 9,053 sq. m. at Stansted Airport (part of Site 600 Phase 2)

### **Land Supply**

14.8 The current situation regarding sites already allocated for development for employment purposes is as set out in Table 36. Of the 4 undeveloped sites, site 600 (phase 3) at Stansted Airport is the subject of a planning constraint and the Thaxted Road site at Saffron Walden is partially developed. However, there has been no progress with the 2 sites at Great Chesterford and Great Dunmow which together comprise 10.5 ha.. Whilst this could be interpreted as meaning that there is ample land still available for development, the lack of take-up to date suggests that, for whatever reason, this might not ever occur. This applies particularly to the 9.6 ha. allocated to the Great Dunmow Business Park which was granted outline planning permission some 20 years ago, has been a commitment since then but which has still not come forward despite the subsequent growth of the airport and the improvements to the A120. The prospect of its future development must therefore be very uncertain.

14.9 Thus the only site which can reasonably be expected to be taken-up in the short term is that adjacent to the Saffron Business Centre in Saffron Walden.

### **Other Considerations**

14.10 It is not considered appropriate to assess the balance of the market at the base date (the start date of the RSS) (measured by the amount of vacant space at that date) and the change in employment space<sup>(1)</sup> between the base date<sup>(2)</sup> and the date of the ELR. That is because the RSS did not readily facilitate such assessments for Uttlesford. The emerging RSS had offered much greater opportunity in this respect (with a specific job forecast for the district). Given that the emerging RSS had covered a period commencing in 2011, it is not necessary to identify any changes in land and floorspace between that document and this ELR as the commencement dates are essentially the same.

(1) Identified as land, as distinct from floorspace, in the Guidance Manual

(2) The base date is defined in the guidance manual as the start date of the RSS (i.e. 2011)

*Table 36 Sites currently Allocated for Employment Uses*

<b>Site</b>	<b>Area (ha.)</b>	<b>Status</b>	<b>Development interest</b>
<b>Great Chesterford</b>			
London Road	0.9	Allocation for B1 uses.	Not known
<b>Great Dunmow</b>			
Great Dunmow Business Park	9.6	Long-standing allocation for primarily B1 uses.	None
<b>Little Chesterford</b>			
Chesterford Research Park	#	Adequate land allocated for proposed R & D floorspace	Ongoing
<b>Saffron Walden</b>			
adjacent to Saffron Business Centre	1	Allocation for B1 uses	Council resolved to grant planning permission subject to legal agreement
Ashdon Road Commercial Centre (vacant warehouses)	3	Employment allocation	None
Thaxted Road	5.5	Part developed, part allocated, part unallocated	Live-work units and recycling depot completed. Developer interest in part for foodstore.
Willis & Gambier, Radwinter Road (vacant warehouse/offices)	3	Employment allocation	None
<b>Stansted Airport</b>			
Site 600 phase 2 (part)	2.4	Allocated for airport-related uses. Built but unoccupied.	Permission to lift airport-related condition refused in 2010.
Site 600 phase 3	4	Allocated for airport-related uses.	Outline permission granted.
<b>Thaxted</b>			
adjacent Sampford Road	1.4	Allocation for home-working units.	Virtually completed.

# Site area not applicable as specified amount of floorspace to be provided on Research Park.

## Conclusion

- 14.11 Whilst there is considered to be adequate vacant commercial floorspace available during the short-term, it is limited and may not fully meet the aspirations of prospective occupiers. The current situation with regard to the available land supply is worse given the limited amount that has the reasonable prospect of being taken-up. This must be addressed if commercial development is to be accommodated and a choice of sites made available to developers.



## **ALTERNATIVE SUPPLY SCENARIOS**

15.1 The creation of scenarios for alternative supplies is problematic. This is with regard to both the levels of windfalls and the likelihood of committed sites coming forward. It is also appropriate to identify the potential implications of the proposed new settlement.

### **Prospective Windfalls**

15.2 It is considered most unlikely that there will be windfalls of employment land resulting from planning permission being granted (either by the Council or on appeal) for new development contrary to the adopted planning policies. This is because:-

- the LDF should allocate sufficient land to both accommodate the identified level of need and provide an adequate choice of potential sites such that there should be no need or justification to contravene its policies; and
- planning permission is unlikely to be sought to redevelop previously developed sites in other uses for employment use because the local land values are such that they would be expected to render such schemes non-viable.

15.3 Any windfalls which do occur are likely to take the form of the reuse of redundant agricultural buildings and thus be in terms of floorspace rather than site area. The extent to which this has been the case in the recent past is set out in table 20 (see page 66). However, no clear pattern is discernible and neither can it be assumed that any particular level will continue indefinitely because of what must be the limited level of supply of such units. Such developments should not therefore be assumed to make a regular contribution to the overall supply but the extent to which it does take place should be monitored.

### **Likelihood of committed sites coming forward**

15.4 The situation with regard to the currently committed sites, and the prospect of them coming forward, is as described in table 25 (see page 100). From this, 4 levels of likelihood can be identified, in decreasing probabilities. The relatively small scale of 2 of the sites with similar prospects is such that they can be combined to form 3 scenarios as follows:-

1. Land adjacent Saffron Business Centre, Saffron Walden; and London Road (south), Great Chesterford
2. Thaxted Road, Saffron Walden
3. Great Dunmow Business Park, Great Dunmow

15.5 The recommendations of this report will be intended to address this issue by recommending the allocation of sites which are likely to come forward and which give adequate choice to developers. The implications of sites not coming forward for the development of employment uses is therefore quantified subsequently and reflected in the recommendations.

### Potential implications of proposed new settlement

- 15.6 If the estimates for job creation at the proposed new settlement at Elsenham come to fruition, this will result in of the order of 700 new jobs in B1/B2/B8 uses (see para. 9.10). The associated floorspace requirements that this will create are derived in table 37.

*Table 37 Employment Floorspace Requirements in New Settlement at Elsenham*

	Job Ratio <sup>(1)</sup>	%	Number of jobs <sup>(2)</sup>	Employment density <sup>(3)</sup> (sq. m./worker)	Floorspace requirement (sq. m. gross)
Industrial	1.6	11	80	32	2,500
Warehousing	3.6	26	180	32	5,750
Office	8.8	63	440	18	7,900
Total			700		

#### Notes

- (1) Derived by applying the defined manufacturing, warehousing and job types (see table 27) to the predicted total number of employees at 2031 (see table 25) to give the ratio of manufacturing : warehousing : office (i.e. business and public service) jobs.
- (2) 700 new jobs in B1/B2/B8 uses (see para. 9.10).
- (3) Employment Land Reviews : Guidance Manual, EERA, March 2008

- 15.7 Reference has already been made to the need for a long lead-in time for a development of this scale (para. 9.11) and to the probability that delivery “is almost certain to continue beyond current statutory development plan periods”, which is a minimum of 15 years from the date of adoption. In the absence of anything more specific, it is assumed that, if the proposed new settlement comes to fruition, the provision of the buildings, and the associated jobs they will bring, will not happen by 2028 which is the anticipated end date of the LDF period. Thus, if the new settlement is progressed, it will not contribute to the provision of employment land and floorspace in the LDF. Given the time-frames involved this will also apply in the event that another new or expanded settlement is proposed elsewhere in the district.

#### Conclusion

- 15.8 It is neither necessary nor appropriate to create any alternative supply scenarios because the anticipated possibilities are already addressed in the report.

## QUANTITY AND QUALITY OF LAND AVAILABLE FOR EMPLOYMENT USES

16.1 These two stages are dealt with together because no alternative scenarios have been identified although there are a number of issues which may arise and impact upon the conclusions. These issues are identified and dealt with as appropriate. Each type of use is considered in turn below with regard to both the quantity of land available and the quality of the potential sites. Industry is dealt with last because of the negative requirement and the fact that the repercussions of it may follow from the warehousing and office requirements.

### Offices

16.2 The situation with regard to the land and floorspace requirements for offices in the period 2011 – 2028 is set out in table 38 below and described over. Offices entail the B1(a) use class for the purposes of this study.

*Table 38 Demand-Supply Balance for Offices*

	Floorspace Requirement (sq. m. gross)	Land Requirement (ha.)
Total	29,700	7.4
Existing Provision		
• M11 Business Link <sup>(1)</sup>	2,170	
Potential Provision <sup>(2)</sup>		
• Land adjacent Saffron Business Centre, Ashdon Road, Saffron Walden	3,800	
• M11 Business Link <sup>(3)</sup>	3,800	
Net Requirement	19,900	5.0
Potential Sites <sup>(2) (4) (5)</sup>		
• London Road site, Great Chesterford		0.9
Net Requirement		4.1
Notes		
(1) Phase 1 – built but not fully occupied		
(2) Excludes Chesterford Research Park on basis that existing and proposed floorspace is for Research & Development (with ancillary offices) which is B1(b) use as distinct from B1(a) offices		
(3) Phase 2 - with outline planning permission		
(4) Proposed Great Dunmow Business Park presumed not to come forward		
(5) Other potential sites presumed to be developed for industry and/or warehousing and not offices		

16.3 There is a very significant potential need for additional office accommodation and an amount of existing floorspace already available (at the M11 Business Link). Scope exists for further immediate provision through the development at Saffron Walden if the legal agreement is completed and planning permission granted.

16.4 Adequate provision of land, in terms of the amount allocated, had effectively already been made through the proposed Great Dunmow Business Park. But this development has not been implemented despite having previously had planning permission during the 20 years in which it has been eligible as such. Consequently, there can be no certainty that it will ever be brought forward to fulfil this role as a business park. The ability to deliver what is proposed is an integral and essential part of the LDF process and there is therefore no justifiable case for retaining this allocation in what would be the hope, rather than the expectation, that it will be implemented in the foreseeable future.

16.5 Of the order of 1,600 sq. m. of office floorspace would need to be provided annually if the overall target for the associated number of jobs is to be met.

16.6 It must therefore be concluded that there is a pressing need for the Core Strategy, and subsequent relevant DPDs, to address this issue. The recommendations of this report will reflect this. They will suggest an approach, or possible alternatives, with a view to the identification of sites which will both meet the theoretical demand and match the requirements of the commercial property market.

### **Warehousing**

16.7 The situation with regard to the land and floorspace requirements for warehousing in the period 2011 – 2028 is set out in table 39. It serves to indicate that there are three major considerations as outlined below.

1. A need has been identified for a significant amount of warehousing floorspace which equates to the provision of some 2,150 sq. m. of floorspace per year for the next 17 years. It should, however, be noted that this is not 'strategic warehousing' (i.e. purpose-built, high bay warehouses of around 10,000 sq. m. +);
2. There is a theoretical potential 6 – 7 year supply of vacant warehouses currently available although it is in the form of relatively large, old units on the eastern side of Saffron Walden which is not easily accessed by HGVs. The nature of these units combined with the current state of the commercial property market locally is such that they are now vacant (see para. 6.63). However, it may well be that this situation changes as the economy comes out of recession and that the properties are reoccupied. Failing that, it is considered that the redevelopment of the site (which forms part of a larger commercial area) for employment uses (i.e. B1, B2, B8 or some combination) may be viable in the foreseeable future. If the site of these two units is lost to future warehousing use then it could well have major implications for future warehouse floorspace provision which will need to be taken fully into account in the emerging LDF;
3. There is already in existence new vacant warehousing, or permission has been granted, for 80% of the total identified floorspace requirement. However, the problem with this as a potential solution to the problem of the perceived shortfall is that provision of commercial floorspace at the airport is limited to airport-related uses. That means that such units cannot be occupied and used unless it is specifically by airport-related businesses. This is demonstrated by the Council's recent refusals of planning permission to remove the condition imposing this restriction on units 6020 –

6027 at the Stansted 600 site and on Endeavour House for a temporary period of 6 years. The reason given for this in both cases was that lifting the condition would not ensure that, in the future, adequate land would be available within the airport development boundary for purposes directly related to or associated with airport activities<sup>(1)</sup>. The Endeavour House case went to appeal and the inspector concluded that the proposal would prejudice the supply of airport-related office floorspace at the airport and undermine the wider objective of restraining the growth of the airport beyond its present boundaries.

*Table 39 Demand-Supply Balance for Warehousing*

	Floorspace Requirement (sq. m. gross)	Land Requirement (ha.)
Total	36,800	9.2
Existing Provision <sup>(1)</sup>		
• Units 2 & 3 at Ashdon Road Commercial Centre, Saffron Walden	14,200	
Potential Provision		
• Existing warehousing at Stansted Airport - reserved for airport-related uses	5,580	
• Part of Phase 2 of Site 600 at Stansted Airport – not yet constructed and reserved for airport-related uses	9,900	
• Phase 3 of Site 600 at Stansted Airport	13,900	
Net Requirement	22,600 <sup>(2)</sup> - (3)	5.7 <sup>(2)</sup> - (3)
Potential Sites <sup>(4) (5)</sup>		? <sup>(6)</sup>
Net Requirement		5.7 <sup>(2)</sup> 0.0 <sup>(6)</sup>

#### Notes

- (1) Excludes 8,600 sq. m. at Willis & Gambier assumed to be industrial
  - (2) Excluding ‘Potential Provision’ at Stansted Airport
  - (3) Including ‘Potential Provision’ at Stansted Airport
  - (4) Other land in Southern Ancillary Area at Stansted Airport
  - (5) Vacant/underused land in Northern Ancillary Area at Stansted Airport
  - (6) Considerable scope exists – if principle of non airport-related users is accepted at Stansted Airport
- (1) Local Plan policy AIR3 ‘Development in the Southern Ancillary Area’ reserves the area principally for “activities directly related to, or associated with the Airport, such as car hire, parking, maintenance and valeting operations; flight catering units; offices for various support functions, freight forwarders and agents; support functions for aircraft maintenance which can be carried out remote from an aircraft being serviced; airline training centres; airline computer centres and equipment storage facilities for airlines”. Policy AIR4 ‘Development in the Northern Ancillary Area’ reserves the area principally for “activities directly related to, or associated with, the Airport, such as business aviation facilities, hangarage, aviation fuel storage depots and all those activities listed in Policy AIR3”.

16.8 The need to identify adequate and appropriate land to accommodate the anticipated need for warehousing is therefore a vitally important consideration for the LDF and therefore the recommendations of this report.

### **Industry**

16.9 The forecast for manufacturing jobs is for a continuing decline in both absolute and relative terms. This is a continuation of a long-established trend and has repercussions by way of the continuing reduction in the amount of floorspace and land which is necessary to accommodate current and future requirements. The current balance between demand and supply for industrial land and floorspace in the period 2011 – 2028 is set out in table 40.

16.10 The function of the LDF is to plan to address and accommodate this on-going decline. However, it is important to seek to retain manufacturing jobs, if reasonably possible. It is therefore necessary to ensure that industrial uses are not lost as a consequence of land allocations for more lucrative development opportunities which may effectively serve to drive out the existing use.

16.11 There is also the distinct possibility that vacant factories on existing industrial estates could be reused or redeveloped as warehousing, for which there is a clearly-identified need. This could constitute a potentially ideal solution subject to the new uses not resulting in excessive traffic generation and associated congestion on either the existing industrial estates or the access routes to them from the trunk road network.

16.12 But this is not to imply that all manufacturing is in a general state of decline. Whilst there is an on-going shrinkage overall, this is not affecting all sectors in the same manner, as exemplified by Figure 8 on page 110. Indeed, it may well be that new businesses come into being whilst others fold or relocate. Hence, there will still be an element of churn on estates which will necessitate the existence of a range of vacant premises if it is to operate successfully.

16.13 The policies in the LDF will therefore have the four-fold requirement of:-

- protecting existing viable industrial undertakings from replacement by other uses commanding significantly higher land values;
- facilitating the provision of new, expanding or down-sizing industrial firms in locations attractive to prospective developers and occupiers in terms of viability and accessibility;
- ensuring an appropriate distribution of manufacturing firms across the district in order to provide jobs for local people thereby minimising the trip to work; and
- determining the future use of sites no longer considered either suitable or viable for industrial use.

16.14 The important matter to note from this table is not the exact figures, because of the uncertainties as to exactly what the future holds in store for these and other sites, but the trend. That is one of a marked decline in the amount of floorspace and therefore land required for industry. It is also important to note the extent to which some of the existing employment sites which are identified as possibly being at risk could contribute towards this projected overall fall.

*Table 40 Demand-Supply Balance for Industrial Space*

	<b>Floorspace Requirement (sq. m. gross)</b>	<b>Land Requirement (ha.)</b>
Total	-51,200	- 12.8
Existing Provision		
• Willis & Gambier premises, Radwinter Road, Saffron Walden <sup>(1)</sup>	8,600	
Potential Provision		
•	-	-
Net Requirement	-59,800	- 12.8
Potential site		
• Thaxted Road, Saffron Walden <sup>(2)(3)</sup>	4.0	
Potential Site Losses		
• Willis & Gambier premises, Radwinter Road, Saffron Walden	3.0	
• Jubilee Works, Clavering	-	(4)
• Molecular Products, Thaxted	0.8	
• Ongar Road Industrial Estate, Great Dunmow	1.5	
Net Requirement	- 11.5	
Notes		
(1) Premises assumed to be occupied when RSS forecast made (and therefore site area included in predicted overall surplus).		
(2) Granite site assumed to be occupied when RSS forecast made (and therefore site area included in predicted overall surplus).		
(3) Assumed that rear of existing live-work units developed for same and undeveloped remainder of site (including former recycling depot on Thaxted Road frontage) developed for industrial uses.		
(4) N/a because of existing high vacancy rate.		

### **Research and Development**

- 16.15 It should be noted that the guidance manual's requirement to draw conclusions relates to uses which do not include Research and Development. R and D falls within Class B of the Use Classes Order, and therefore within the remit of this study. But it is not, by definition, office space (which is B1(a)), industry (which is B1(c) light industry and B2 general industry) or warehousing (which is taken to be B8 storage and distribution).
- 16.16 This is particularly significant in this district which features the Chesterford Research Park which comprises B1(b) Research & Development floorspace with ancillary office accommodation. 21,200 sq. m. of the 56,500 sq. m. which features in the agreed masterplan has already been provided. Scope therefore exists for a further 35,000 sq. m. of floorspace which is expected to be delivered well within the period of the LDF.

- 16.17 The current employment density is of the order of 38.5 sq. m. per worker. The additional floorspace could therefore be expected to provide a further 900+ jobs which would reduce the overall additional job target to 2031 that features in the RSS from 9,200 to 8,300. The impact that this would have upon estimated floorspace requirements would depend upon what proportions of the jobs were assumed to be in offices and warehousing.
- 16.18 In general terms, including the anticipated development in the Chesterford Research Park masterplan in the calculations would reduce the anticipated floorspace requirements by of the order of 10%. It should also be noted that, if this floorspace was provided and occupied within the current estimate of 12 – 15 years, the masterplan would be completed by the end of the period covered by the LDF. Whilst at this point in time it is not possible to look so far forward with any certainty, if there was the need for the Park to accommodate further R & D floorspace in the latter part of the 2020s then this may well be expected to be acceptable in principle. Development and occupancy at the same rate and employment density could result in a further additional 300 jobs being provided.
- 16.19 With regard to reaching any meaningful conclusion as to the contribution that the Park can be expected to fulfil, it should be noted that the intention of the ELR is to facilitate job provision and that floorspace is a means to that end. The question may therefore become one of the extent to which jobs at the Research Park contribute to meeting the needs of the residents of the district as distinct from the economic needs of the region. A further issue in this respect is that workers attracted to jobs at the Park from outside the district may subsequently choose to live there thus becoming residents.
- 16.20 It is concluded that there is adequate scope for the provision of R and D floorspace in the district but that this is limited to users in the field of biotechnology. Hence it should be excluded from the calculation of land and floorspace requirements but accepted that the jobs that are provided will contribute to the total for the district.

### **Conclusion**

- 16.21 There is a potential imbalance between the demand for and the supply of land for office development. This stems from the anticipated potential growth in the number of office jobs, with a consequent need for land and floorspace, and the presumption that the long-proposed Great Dunmow Business Park will not be developed. This mismatch needs to be addressed in the allocation of sufficient sites to meet the anticipated need and offer a choice of sites to prospective developers.
- 16.22 There is an anticipated significant demand for warehousing and therefore the land to accommodate it. But the scale of this need for land will depend upon the extent to which already-existing vacant floorspace is brought back into beneficial use. The existing floorspace takes the form of both relatively old stock, often less than ideal for modern-day requirements, and, at Stansted Airport, brand new premises the use of which is inhibited by the airport-related restriction.
- 16.23 The projected continual reduction in the number of manufacturing jobs translates into a loss of industrial floorspace and hence land. But that is not to imply that this is to be acceptable at the outset. That is because there will be an on-going need to accommodate

new and expanding industrial firms and industrial land could, perhaps, be reused for warehousing, for which there is a recognised need.

- 16.24 Premises for research and development uses may effectively be excluded from this study on the basis that, by definition, it is neither industrial nor office use but, more significantly, because there is ample capacity for it at the Chesterford Research Park.



## **CONSULTATION WITH STAKEHOLDERS**

- 17.1 Two of the sections in chapter 6 ‘Profile of commercial land and property markets’ were the outcome of discussions with local agents in 2010 and reflect their views. The agents were selected on the basis of their level of involvement in the commercial property market in Uttlesford and the different parts of the district which they dealt with. Hence the agents consulted are not limited to those based in the district.
- 17.2 Some of the views expressed by different agents were conflicting. So, in order to ensure that these views had been correctly transposed and painted a picture of the overall situation which was acceptable to all contributors, all were sent a draft of chapter 6 for their comments. Three of the nine consulted responded. Of these, two were satisfied that the chapter reflected the situation insofar as their involvement was concerned. The third made some very helpful comments and suggestions which were incorporated accordingly.



## **Stage C**

# **Conclusions and Recommendations (‘a New Portfolio’)**



## POLICY OPTIONS FOR EMPLOYMENT LAND

- 18.1 A need for future employment land allocations has been identified if previously-forecast indicative employment targets are to be met. Consideration has also been given to the factors which influence the commercial property market and which effectively determine what happens with regard to whether new development takes place and whether vacant premises are re-let, refurbished or redeveloped. This is with a view to providing effective guidance to the Council in the formulation of the employment policies in its emerging Local Development Framework.
- 18.2 Any such recommendations must have regard to both the needs of the market and the provision of development which may be considered to be sustainable. What constitutes sustainable development is that which results from full regard having been given to relevant social, economic and environmental factors. That involves determining their relevant importance in the context of what is being proposed as distinct from seeking to strike a balance between them.
- 18.3 In accordance with the appropriate guidelines, the report has sought to disaggregate the 'employment' uses into their component elements which comprise industry, warehousing and offices. It has also assessed the prevailing situation in different parts of the district.
- 18.4 This is now used to recommend what type of development, and how much of it, should be accommodated where in the district during the period of the LDF. But that period will be virtually the next 20 years and it will therefore be quite apparent that it is totally unrealistic to predict with any reasonable degree of certainty what will happen during such a lengthy period. That applies particularly to employment uses, and their associated requirements, given, amongst other things, the changes that could occur with regard to technology, building techniques, individual life-styles, travel and the economy. In addition to that, there are the far more localised factors of, for example, the future of Stansted Airport, in terms of both its development and role, which has the potential to have a major impact upon the local employment picture.
- 18.5 It is therefore most appropriate to identify broad policy options for each of the three uses, in accordance with the guidance, but to make subsequent recommendations in the light of the clear need to monitor and review the situation as time progresses. This is in order to ensure that the chosen option is being successfully applied and that it remains the preferred choice in the context of the changing circumstances in the meantime.
- 18.6 Each of the three uses is therefore considered below in sequence which allows for inter-linkages to be made as necessary. It should be acknowledged at the outset that there are strong such links between industry and warehousing (in that they can generally occupy the same site or the same estate). This may be particularly relevant given their contrasting forecasts. The possible scenarios identified for the uses are then amalgamated to provide a range of policy options for employment provision within the district.

## **Offices**

- 18.7 There is an identified need for an additional 29,700 sq. m. of office floorspace which equates to 7.4 ha. of land (see table 38). Table 38 also shows that various amounts of floorspace are already at different stages of provision and that a further site is available. Even if all of that floorspace is provided, it still leaves an identified need for 4.1 ha. for office development. This is on the assumptions that:-
- the long-standing proposal for the Great Dunmow Business Park is abandoned; and
  - the proposed new settlement at Elsenham, even if progressed, does not contribute any commercial floorspace within the period of the LDF.
- 18.8 One of the conclusions of the employment land and property review (para. 6.94) was that the lack of take up of the proposed Great Dunmow Business Park suggests that there is no pressing demand for additional B1 units in Great Dunmow. However, the commercial property consultants did recognise a pressing need for new office accommodation to meet the requirements of Saffron Walden and that need should be met.
- 18.9 Whether the proposed new settlement is implemented or not, it will not be in the short term because of the long lead-in time for such proposals (see para. 9.11). Hence, no provision can be made for the settlement making a contribution to the office supply within the period of the LDF. The nature and speed with which it is progressed, if it remains a proposal of the LDF, should be monitored and reviewed accordingly.

## **Warehousing**

- 18.10 A potential need has been identified for some 36,800 sq. m. of warehousing space which would require some 9.2 ha. of land. There are 3 factors which have the potential to impact upon this, these being:-
- the future of the existing vacant warehousing in Saffron Walden; and
  - the current planning restriction on the use of land and premises at Stansted Airport; and
  - the proposed new settlement at Elsenham, even if progressed, does not contribute any commercial floorspace within the period of the LDF.

### **1. Existing vacant stock in Saffron Walden**

- 18.11 Units 2 & 3 at the Ashdon Road Commercial Centre provide 14,200 sq. m. of floorspace. The views of local agents (see para. 6.65) are that there is currently an over-supply of commercial floorspace in the town and that the size and condition of these two warehousing units do not meet market requirements. But the view is that there will be a need generated mainly by local companies and that there is a lack of land available for development in and around the town.

- 18.12 This therefore places a particular onus upon the need to fully utilise the existing employment land. The redevelopment of these units for other commercial uses is not considered viable at this time although that may change in the future. This seems reasonable by reference to the fact that new warehouse units have been built on previously developed land, and units have been refurbished, on the Shire Hill estate immediately prior to the recession. It must be acknowledged, however, that the nature

of the existing units may be such that the cost of demolition and clearance may be higher than the current norm.

18.13 In the event that the site is brought back into use as industry, as distinct from warehousing, then it may be expected that the Willis and Gambier site and/or the churn on the Shire Hill estate could accommodate the local need.

2. Current planning restriction on the use of land and premises at Stansted Airport

18.14 The 50 ha. northern ancillary area is very much both un- and underused. It is expected to continue to be unattractive to the market and remain underused for the foreseeable future.

18.15 There is currently a surfeit of vacant new warehousing space available in the southern ancillary area at the airport resulting from units having been built speculatively at a time when there was an anticipated need for additional airport-related activities. But this did not materialise and the function of the airport did not develop as had been anticipated. There is now no prospect of a second runway, which could be expected to change the function, in the immediate future. Nevertheless a change in operators through either the loss of an existing, or the attraction of a new, operator could prompt such a change. A change of operator is now anticipated following a ruling by the Court of Appeal in October 2010 that compels BAA to sell on London Stansted Airport, along with one other airport. The sale has to occur before the end of 2012 although BAA may seek permission to appeal to the Supreme Court. The only conclusion which can reasonably be reached is that the function of the airport may well change at some point in the future but when and how remain impossible to predict.

18.16 Despite the Government's recent announcement on the prospect of a second runway, it is not beyond the bounds of possibility that circumstances will change again at some point in the future. But it cannot be assumed that this will definitely occur, let alone when.

18.17 Whilst this issue is raised in the context of assessing the situation with regard to warehousing, the principle of whether or not occupiers are limited to those which are airport-related must also apply to land allocated for all commercial uses at the airport, including both industry and offices.

18.18 Current planning policy identifies land at the airport specifically for development directly related to or associated with the airport (see local plan policies AIR 3 and 4 in Appendix 4). It also specifies that industrial and commercial development unrelated to the airport will not be permitted. The reason for this, as stated in a recent notices of refusal of planning permission (see para. 6.49), is to ensure that adequate land is available in the future for purposes directly related to or associated with the activities at the airport within the airport development boundary.

18.19 It is not considered possible to estimate the amount of airport-related commercial floorspace required at a particular time. This is because of the obvious uncertainties as to numbers of passengers, proportions of long haul and 'no frills' flights, the amount of cargo carried and the manner in which these may change through time. Consequently, the land allocations at the airport are presumed to be reserving that land which is available as

## Vacant warehousing at Stansted Airport



distinct from accommodating a specific amount of floorspace. There may therefore be scope for varying the current policy approach on the basis that the anticipated requirements have not been quantified and the fact that airport-related uses are not required to locate within the airport boundary and some neither need nor wish to do so.

18.20 The current situation is therefore one in which land which is:-

- already allocated for commercial development;
- effectively in an urban setting by being within the airport boundary;
- well served by mains services; and
- highly accessible by road, rail and air

and has the capacity to:-

- accommodate very substantial amounts of commercial floorspace;
- meet local commercial floorspace requirements for some years to come; and
- offer flexibility in terms of potential future land use allocations

is not being developed because it is reserved for airport-related users which:-

- are not readily defined;
- cannot be quantified with any certainty;
- are not required to locate at the airport;
- may well choose not to locate at the airport; and
- are not now taking up the space available for development at the airport.

18.21 The land is reserved in order to ensure that adequate land is available in the future for purposes directly related to or associated with the activities at the airport. But there is no indication as to how much land is required or for how long into the future or what happens in the event that all of the land is taken up for airport-related activities.

18.22 It is therefore apparent that there is scope to make much better use of the land and buildings available for commercial development at the airport. This is emphasised by what would be the continuing uncertainties as to their future occupancy in the light of current policies. The concerns as to keeping sufficient land available for airport-related developments that need to locate at the airport, and the potential implications of possibly having to allocate more land in the immediate vicinity, are noted. However, given both the scale and scope of the factors involved and the opportunity to contribute substantially to the identified land requirements, reallocating land at the airport for general commercial uses is highly desirable.

18.23 It is noted, however, that the local plan (at para. 4.9) excludes airport-related development from the district-wide employment land proposals because it is not part of them. However, in the current context, this is not an issue because the employment forecast relates to all employment in offices, factories and warehouses including that which is airport-related.

### 3. Future provision of warehousing at the proposed new settlement at Elsenham.

18.24 The situation with regard to any warehouse provision is similar to that for offices (see table 39). It is that, even if the new settlement is retained as a proposal of the LDF, it will not be possible to deliver it in the short term because of the long lead-in time for such proposals (see para. 9.11). Hence, no provision can be made for the settlement making a contribution to the provision of available warehousing floorspace within the period of the LDF.

## **Industry**

18.25 The scenarios for industrial provision in the district essentially entail managing a forecast on-going decline. This should be done in a manner which enables:-

- new manufacturing firms to set up in appropriate premises which are suitably located;
- no major closures and associated job losses at any one time so as to minimise the adverse social and economic impact on the community;
- vacated premises on industrial estates or large sites identified for retention to be reoccupied by, or redeveloped for, other employment uses;
- the redevelopment of industrial estates proposed for other, non-employment uses to be managed and timed so as to minimise any potential adverse impact upon businesses, employees and any nearby residents.

18.26 The possible scenarios for securing the above relate to:-

- whether vacant, individual industrial sites are retained for commercial use (i.e. industry and/or warehousing) or released for non-employment use;
- whether existing estates which are less than ideal (in terms of compatibility, access etc.) are retained as employment sites and improved, if possible, or reallocated for non-employment use;
- whether sites should be made available which are attractive to prospective industrial users or previously-developed commercial sites are recycled and regenerated;
- what action is taken if the desired outcome does not materialise after an adequate period of time.

18.27 The situation with regard to any industrial provision in the proposed new settlement at Elsenham is the same as that for warehousing (see table 37). That is that, even if it is retained as a proposal of the LDF, it will not be possible to deliver the proposed new settlement in the short term because of the long lead-in time for such proposals (see para. 9.11). Hence, no provision can be made for the settlement making a contribution to the supply of industrial floorspace within the period of the LDF.

## **Policy Options**

18.28 The policy options hinge upon the following key decisions:-

- whether the current restriction on development at Stansted Airport being airport-related is lifted;
- whether a significant office development to serve Saffron Walden is identified, given that it may well need to be on a greenfield site;
- the extent to which existing employment areas are to be protected as such and recycled/regenerated when premises no longer meet market needs.

18.29 A number of broad policy options can be identified together with their key components:-

### **1. Maximise Use of Existing Space**

- allow non airport-related commercial uses on employment land at Stansted Airport;
- reallocate the existing employment site allocation at Thaxted Road, Saffron Walden for office development;
- protect integrity and function of industrial estates to be retained;
- retain and promote the continuing regeneration of existing employment areas (with the exception of the Jubilee Works site at Clavering) for appropriate employment uses;
- allow the continued development of the Chesterford Research Park for research and development uses beyond the current masterplan;
- abandon the allocation of the Great Dunmow Business Park.

### **2. Widespread Distribution of Employment Opportunities**

- reallocate the proposed Great Dunmow Business Park as a warehouse park;
- retain all existing employment uses and land allocations;
- protect integrity and function of industrial estates;
- promote the continuing regeneration of all existing employment areas for appropriate employment uses;
- facilitate office development in the vicinity of Saffron Walden;
- seek to secure additional employment uses in towns and larger villages;
- allow the continued development of the Chesterford Research Park for research and development uses in accordance with the approved masterplan.

### **3. Meeting the Market's Needs**

- allow non airport-related commercial uses on employment land at Stansted Airport;
- facilitate significant office development to meet the needs of Saffron Walden;
- enable the release of vacant, individual employment sites for non-employment uses where appropriate;
- enable the redevelopment, for mixed use (i.e. employment and non-employment uses), of major employment sites to secure the necessary regeneration of the remaining employment area;
- identify land with good road access for significant warehousing development;
- allow the continued development of the Chesterford Research Park for research and development uses beyond the approved masterplan;
- abandon the allocation of the Great Dunmow Business Park.

18.30 It is also possible to pick out what may be considered to be the most sustainable components from the above options to identify what would therefore be the preferred option. The identification of these components stems from preference being given to the following:-

1. seeking to accommodate the estimated changes in floorspace provision and associated land requirements;
2. seeking to provide employment opportunities which are accessible to, and which will provide opportunities to as wide a spectrum of the local community as possible;
3. seeking to minimise the amount of greenfield land-take as much as reasonably possible;
4. seeking to ensure that any greenfield allocations strike an acceptable balance between meeting commercial and employment needs with the impact of development upon the countryside and any settlements;
5. the LDF making land allocations which are likely to be developed for the proposed use;
6. making optimum use of the employment premises which are already available;
7. permitting the loss of employment sites to other uses where there would be demonstrable environmental benefits to be gained;
8. retaining existing businesses and jobs wherever reasonably possible;
9. the likelihood of proposed development and redevelopment schemes being economically viable at some point in the near future; and
10. the need to ensure a distribution of new job opportunities across the district in locations which are readily accessible to the potential workforce, customers and the receipt and distribution of any goods.

18.31 On the basis of the above the following components are identified as together forming the thrust of what should be the preferred option:-

- facilitate significant office development to meet the needs of Saffron Walden;
- allow non airport-related commercial uses on employment land at Stansted Airport;
- retain and promote the continuing regeneration of existing employment areas (with the exception of Jubilee Works site at Clavering) for appropriate employment uses;
- protect integrity and function of industrial estates to be retained;
- retain existing employment land allocations with the exception of the Great Dunmow Business Park;
- allow the continued development of the Chesterford Research Park for research and development uses beyond the current masterplan.

18.32 The remainder of this report comprises policy recommendations the implementation of which should ensure successful delivery.

## RECOMMENDATIONS

The recommendations which follow stem from the fore-going analysis of the current situation with regard to B class employment uses within the district and employment forecasts. These forecasts are then transposed into floorspace requirements which are, in turn, transposed into land requirements for the three component land uses which are industry, warehousing and offices.

Three broad policy options have been identified and a preferred option drawn up based on components which will deliver development which is considered to be sustainable. That means that due regard has been given to relevant social, economic and environmental considerations in producing it.

But this option is dependent on some key decisions which it will be for the Council to make and which are very contentious locally. And it may be that the Council is therefore reluctant to make such decisions irrespective of the implications for the recommendations of this report. Hence, in order to ensure that the recommendations have validity, even if the Council does not accept one or more of the key components on which they are based, a number of contingencies are put forward. It must be emphasised, however, that these possible alternatives are not intended to enable the Council to avoid taking particular decisions. They are included only as alternative approaches to be considered if the Council is unable to accept one or more of the principles underlying the preferred option. If that were to be the case it could effectively mean that the option could not reasonably be pursued which would substantially undermine the value of this report to the Council.

The time horizon for the Core Strategy of the local development framework should be at least 15 years from the date of adoption. It will, however, be both necessary and appropriate for the policies which are incorporated in the LDF to be monitored and reviewed as necessary. This is because of the uncertainties and associated changes, many of them unforeseen, that will undoubtedly occur during such a long period of time.

It is important to adhere to government guidance, as expressed in PPS4, unless there are clear and unequivocal reasons for not doing so. If the guidance is not followed for no substantive planning reason then it may reasonably be anticipated that the inspector at the LDF inquiry will incorporate policies which apply it in place of the submitted policies. Hence these recommendations will highlight and justify the need for any such exceptions considered necessary and appropriate.

The recommendations which follow indicate the thrust that the policies should follow as distinct from the specific wording. They are set out in bold and justified as necessary with the level of detail varying according to the nature of the policies.

1. Government guidance states that local authorities should ensure that their development plan sets out a clear economic vision and strategy for their area. The LDF consultation documents incorporate an employment strategy as a policy. This takes the form of the planning policies relating to employment land in the district as distinct from an economic vision and strategy. **It is recommended that an economic vision is produced from the relevant aspects of the District Vision** which resulted from previous stages of consultation

on the LDF. It is apparent that paragraph 5.3 of the Core Strategy – Preferred Options Consultation document of November 2007 effectively constitutes an economic strategy.

**It is therefore recommended that the following, which is not limited to B class employment uses, be included as the economic strategy.**

**“The Council's preferred approach in response to the key employment issues is to safeguard existing employment land (including proposals for mixed use developments). It will allocate additional employment land in the key centres and in association with potential areas of housing growth, and support the growth of firms in the District including the demands from firms which need to be close to Stansted Airport”.**

Job targets, derived from and built upon the results of the East of England Forecast Model, are used to estimate floorspace requirements. The predicted job growth for Uttlesford is 9,200 over the period 2011-2031. The model provides a breakdown by job type, as distinct from land use. This facilitates the grouping together of certain types of jobs to enable an estimate to be made of the numbers of jobs anticipated in each of the B1 business, B2 industry and B8 warehousing land uses. These uses constitute the employment uses which are the subject of this report and will be the subject of specific policies in the LDF. The resulting forecast for the period covered by the LDF, which is to 2028, is set out in Table 41:

*Table 41 Summary of Demand-Supply Balance of Land and Floorspace for Employment Uses*

	Offices		Warehousing		Industry	
	F/s (sq. m.)	Land (ha.)	F/s (sq. m.)	Land (ha.)	F/s (sq. m.)	Land (ha.)
Total requirement	29,700	7.4	36,800	9.2	-51,200	- 12.8
Existing provision	2,170		14,200		8,600	
Potential provision	7,600		29,400 <sup>(1)</sup>			
Net requirement	19,900	5.0	22,600	5.7	- 59,800	- 12.8
Potential sites		0.9		<sup>(2)</sup>	{ 4.0	{ - 5.3
Net requirement		4.1		5.7 <sup>(3)</sup>		- 11.5

Notes

- (1) Includes 29,400 sq. m. at Stansted Airport reserved for airport-related uses
- (2) Excludes land reserved for airport-related uses at Stansted Airport
- (3) Land reserved at Stansted Airport for airport-related uses (see (2)) could meet this need.

**2. The following sites should be allocated for redevelopment for residential use in the LDF:-**

- **Jubilee Works, Clavering; and**
- **Ongar Road Industrial Estate, Great Dunmow.**

The Jubilee Works estate at Clavering is comprised of single-storey buildings generally in poor condition with many vacant. The site is inefficient and needs regenerating. Reuse would necessitate its clearance and redevelopment. Construction costs and the anticipated rate of return on employment uses are likely to result in redevelopment being non-viable and therefore not taking place. This, together with the site's relative isolation and the associated difficulties of transporting goods to and from, accessibility to prospective

customers and availability of the workforce, mean that the necessary redevelopment would be very unlikely to take place. Residential use is the most appropriate although due regard should be had to the adjacent Britannica Works estate.

The site of the Ongar Road Industrial Estate in Great Dunmow should be allocated for residential development because of its proximity to sensitive uses, the condition of the buildings and the less-than-adequate access arrangements.

Prior to any redevelopment scheme being implemented, appropriate steps should be taken to relocate any businesses still remaining on site in accordance with recommendation 23.

3. Employment sites which are within the settlement limits and occupied by a single user make an important contribution to the local economy by way of providing readily accessible jobs and hence contributing to the provision of sustainable settlements. Such sites may be the subject of pressure for redevelopment for non-employment uses but should be retained if at all possible. However, it must be recognised that premises may reach a stage where they require regeneration if they are to remain in employment use. It must also be appreciated that the cost of any necessary refurbishment or redevelopment could render a scheme non-viable and effectively warrant a change of use if the site is to continue in any form of beneficial use.

**It is therefore recommended that single-user employment sites located within settlement limits should be retained for employment use. However, exceptions to this may be permitted where the developer is able to provide:-**

- demonstrable proof that reuse and redevelopment for employment uses is unlikely to prove to be economically viable in the foreseeable future. This should be provided by an independent assessment to be undertaken by a reputable and suitably experienced company to be determined by the applicant in agreement with the Council and to be funded by the applicant; or
- demonstrable proof that the site and premises have been actively advertised and marketed for employment use, and at a price which reflects this, for a period of at least one year in bulletins, periodicals and web-sites where prospective occupiers would be expected to search.

It is, however, important to emphasise that redevelopment of any, or part, of such sites for non-employment uses should only be facilitated when there is no reasonable prospect of their being reused for employment purposes in the foreseeable future either in their current form or if redeveloped. It is a pragmatic alternative only if the buildings cannot be reused, and the site cannot be recycled, for employment use. It should not imply that the redevelopment of such employment sites for other uses is automatically acceptable in principle.

Although manufacturing jobs are forecast to decline throughout the LDF period that should not mean that industrial sites should be lost to other uses immediately they become vacant. That is because new manufacturing firms and other employment uses may come into being. These will need to be accommodated in order to provide a range of local employment opportunities that match the skills and qualifications available locally, reduce the need for out-commuting, and hence improve people's quality of life.

- 4. Optimum use should be made of the existing commercial premises at Stansted Airport and the potential for future commercial development whilst having regard to the need to accommodate future airport-related uses. This will entail lifting the current airport-related restriction on both the northern ancillary area and the new vacant warehouse premises at Site 600 in the southern ancillary area. Any resulting development should exclude 'strategic warehousing' (i.e. high-bay warehouses of around 10,000 sq. m. +).**

There is an identified need for additional warehouse floorspace in the district during the LDF period. This necessitates adequate and appropriate land being identified to accommodate it in as sustainable a manner as possible. The current surfeit of vacant new warehousing space in the southern ancillary area at the airport results from units having been built speculatively at a time when there was an anticipated need for additional airport-related activities. Bringing the existing vacant warehousing into use would both effectively contribute to meeting the forecast need and inhibit the need for more construction on greenfield sites.

The northern ancillary area extends to some 50 ha.. It is currently under-used with little prospect of this changing given the current planning restriction, the current role of the airport and the preference for the southern ancillary area of airport-related users. The allocation of this land would also serve to enable the Council to comply with the suggestion in the Guidance Manual that sufficient land is immediately available for five years ahead.

The airport is readily accessible by road, rail and air. This approach of maximising the use of the existing commercial land and premises therefore accords with the Government's guidance of actively seeking to bring vacant and underused previously developed land and buildings back into beneficial use (PPS1) and siting development which generates substantial transport movements in locations that are accessible, avoiding congestion and preserving local amenity as far as possible (PPS4). However, logic dictates that the principle of whether or not occupiers are limited to those which are airport-related must also apply to land allocated for all commercial uses at the airport, not just warehousing.

The potential job opportunities that the increased availability of commercial floorspace at the airport would bring would be in relatively close proximity to residents of the proposed new settlement at Elsenham if it is retained. This would result in those residents working at the airport not having far to travel to work and therefore be in accordance with one aspect of what, according to PPS1, constitutes sustainable economic development. It should be noted, however, that the provision of jobs in close proximity to housing does not necessarily mean that residents will work there. That is because of a number of factors including the match between the skills and experience requirements of the jobs and the residents, the availability and hence attraction of better paid jobs elsewhere (see para. 5.43) and the fact that if housing is built and occupied before the employment floorspace then it will not be available to prospective occupiers when the latter comes on-stream.

In the event that the proposed new settlement is abandoned then the commercial floorspace at the airport would remain accessible by sustainable means of transport to a substantial population in relatively close proximity.

Whilst there is currently no substantial need for additional airport-related development, it must be acknowledged that this situation may not continue indefinitely. The current

safeguarding of land at the airport for operational and directly associated airport employment purposes is to ensure that adequate land is available in the future to accommodate all such uses within the airport boundary.

Given the uncertainties with predicting the rate with which passenger throughput will increase (to the current permitted maximum of 35m./year), how the function of the airport will change and the state of the economy, it is not possible to assess the level of demand for airport-related commercial development in the foreseeable future. Hence, there is no clear justification for determining the amount of land that should be safeguarded for such development. There is also the prospect of such users being both willing and able to locate in or close to Bishop's Stortford or Harlow if need be. This is demonstrated by the fact that some (though not all) companies prefer to do so currently.

In order to maximise the number of employment opportunities, and hence optimise the use of what is still a limited land supply, 'strategic warehousing' (i.e. large scale distribution depots) should not be permitted.

5. In line with the perceived commercial needs of agents and developers, **any development at the airport which is permitted for non airport-related uses should be for a limited period of 7 years**. That is expected to mean that the premises are sufficiently attractive to the market whilst permitting the overall situation regarding the take-up of land and buildings at the airport to be monitored and reviewed as necessary. This is pursued in the section on monitoring below.

It is anticipated that this will not create any undue problems for the future given the amount of land which is currently available by way of both the northern and southern ancillary areas and area of long-term car parking which could offer potential for more intensive development should the need arise at some point in the future.

6. The other existing employment sites are, for the most part, either functioning well, or have the potential to do so either now or in the short-to-medium term. They should therefore be retained as such. In order for this to be done successfully, it is recommended that **the other existing employment sites should be protected from changes of use, or redevelopment, for uses other than industry, distribution, offices or physically similar 'sui generis' uses**. This means that a mix of uses (i.e. employment uses and other non-employment uses) on industrial estates is not appropriate and should be resisted. This is because non-employment uses may serve to make the continuation of existing or potential employment uses problematic by:-

- reducing the number of premises available for them to occupy;
- forcing up purchase/rental values if they are potentially more lucrative; and
- creating an environment in which industrial/warehouse premises may themselves be a potential problem neighbour by way of noise and other forms of pollution.

There may be instances where exceptions to this policy are justified but that will be a matter for the Council to determine when any "material considerations" are sufficient to warrant this. Hence, in this instance, it is appropriate for the LDF to limit the mix of uses that would be permitted on the existing industrial estates to employment uses. (i.e. B1

(business), B2 (general industry), B8 (storage and distribution (i.e. warehousing)) and physically similar ‘sui generis’ uses) rather than open them up to a broad range of ‘economic development’ uses.

Whilst the assessment of the existing employment areas was that Hasler’s Yard, Great Dunmow should be considered for redevelopment, the recommendation is that it be retained as an employment area. That it is because, whilst access is somewhat constrained, it is functioning well. Any redevelopment for residential purposes would only have been of the northern half of the site and in association with the redevelopment of the under-used site to the immediate north. It is not considered that the existing uses are having an adverse impact on the amenity of neighbouring residents to the extent that would warrant their removal.

7. Whilst employment uses are acceptable in principle **on the existing employment sites to be protected, it is recommended that any development proposals continue to be subject to their acceptability in terms of environmental, traffic generation and any other relevant considerations.**
8. **In formulating its LDF, the Council should consider whether there is a need for it to incorporate policies and/or proposals to address how those non-employment uses which look to locate on industrial estates should be accommodated.**
9. **The further development of the Chesterford Research Park in accordance with the approved Masterplan should be allowed to continue.**
10. **When the current masterplan for the development of the Chesterford Research Park is completed any further development of the Park should be permitted in accordance with a further masterplan subject to it being agreed by the district council.**
11. **The employment land allocation at Thaxted Road, Saffron Walden should be retained subject to:-**
  - i. the greenfield extension to the north being excluded;
  - ii. the site of the former recycling depot on the road frontage being included;
  - iii. due regard being had to the existence of the live-work units at The Kilns and the appropriateness, or otherwise, of commercial uses in their vicinity; and
  - iv. the outcome of the current planning application for a foodstore and petrol filling station on part of the site.
12. **The existing allocation of the Great Dunmow Business Park should be abandoned.**

This long-standing proposal has not come to fruition despite the expansion of nearby Stansted Airport and the improvements to the A120 which vastly improved its accessibility to the airport and the M11 that have taken place in the meantime. This proposal has been ongoing for over 20 years such that it must now be concluded that there is little or no prospect of the development going ahead as proposed.

- 13. In the event that the recommendation to maximise the use made of the existing commercial premises at Stansted Airport and its potential for future commercial development is not carried forward into the LDF, the site of the proposed Great Dunmow Business Park should be reallocated as a distribution park. ‘Strategic warehousing’ (i.e. high-bay warehouses of around 10,000 sq. m. +) should not be permitted.**

There is an identified potential need for some 9.2 ha. of land for warehousing if the existing vacant warehouse premises (at the airport and the Ashdon Road Commercial Centre in Saffron Walden) are not brought into use and available land (at the airport and the proposed new settlement at Elsenham) is not developed. This 9.6 ha. site at Great Dunmow has ready access to the A120, Stansted Airport and the M11 without the need to travel through residential or already congested areas and is therefore considered suitable for warehousing development and sufficient to accommodate the greater part of the identified need. Whilst the site is sloping it is not anticipated that this will be sufficient to inhibit the development of buildings of the scale required for ‘non-strategic warehousing’. Although the size falls short of the identified need, the implications of this can be assessed through appropriate monitoring of developments and reviewing the situation as necessary. The allocation of this land would also serve to enable the Council to comply with the suggestion in the Guidance Manual that sufficient land is immediately available for five years ahead.

However, that is not to say that the development of the site should be limited to warehousing and associated ancillary floorspace and lorry parking. This report has identified that there will be a long-term fall in manufacturing (and therefore floorspace and land) with the converse occurring in warehousing. But that does not mean that there will be no new or expanding or relocating manufacturing firms and it is imperative that such undertakings are accommodated if at all possible. The objective should therefore be to facilitate a development which meets the needs of employment uses within the district within the foreseeable future if this is not permitted at Stansted Airport.

In order to maximise the number of employment opportunities, and hence optimise the use of the available land, ‘strategic warehousing’ (i.e. large scale distribution depots) should not be permitted.

The development of a distribution park at Great Dunmow would be in accordance with aspects of sustainable economic development, according to Government guidance, in that current proposals are for an additional 500 dwellings in the town and there are already existing commitments of 900 +. That may provide the opportunity for both existing and future residents to work locally and therefore reduce the need to travel.

- 14. Any significant commercial development on this site would require improvements to the junction of the Chelmsford Road (B184) with the A130. These are identified as being necessary to prevent excessive traffic congestion at the junction, particularly in peak hours, and facilitate the reasonably free flow of traffic from the site to the junction with the A120 to the immediate south.**
- 15. The allocation of the London Road (south) site at Great Chesterford for employment purposes should be retained.** Despite the long-standing proposed development of this 0.9 ha. site not having been progressed, it is clearly awaiting some form of development. Given the aspiration of providing both a choice of sites to prospective developers and a

distribution of potential sites across the district, the continued employment allocation of this site is appropriate. Progress will, however, need to be monitored with a view to identifying and, if possible, removing any inhibitors to development.

16. It has been estimated that, if the proposed new settlement goes ahead as currently proposed, it would be expected to provide some 7,900 sq. m. gross of offices, 5,750 sq. m. gross of warehousing and 2,500 sq. m. gross of factories. This floorspace equates to some 4 ha. on the basis of the assumed default plot ratio of 40%. **If the proposed new settlement at Elsenham is carried through into the LDF Core Strategy adequate and appropriate provision should be made in the subsequent Site Allocations DPD for the anticipated amounts of employment floorspace.**

This report has identified a potential need for an additional 29,700 sq. m. of office floorspace in the district by 2028. It is reasonable to assume that the existing vacant office floorspace at the M11 Business Link will soon be occupied, phase 2 will be developed and that the scheme on land adjacent to the Saffron Business Centre, Ashdon Road, Saffron Walden will soon be approved, built and occupied. It is also reasonable to assume that any office floorspace provision at the proposed new settlement will be long term and beyond the period of the LDF. Hence, the outstanding requirement is for 19,900 sq. m. of floorspace which, on the basis of the assumed plot ratio, equates to 5 ha.. It would be desirable if this could be provided in two or three locations across the district in order to both make employment opportunities available on a relatively local basis and to provide a choice of sites to prospective developers.

It is, however, not considered necessary to seek to limit any allocations to B1 office use as distinct from the other uses within the B1 business use class (i.e. research and development, and light industry). That is because, whilst the requirement for office space is quantified and specific, it is only an estimation and it is more important that jobs are created locally rather than jobs of a specific type. It should also be acknowledged that the nature of these other uses is such that they would not be out of keeping alongside office uses. Hence, it is not considered necessary to seek to effectively over-ride the Use Classes Order. Permitting all component parts of the business use class will also go some way towards acceptance of the principle of mixed use development as encouraged in the Government's guidance (i.e. PPS 4).

This report has identified a number of key factors which should influence the location of any such office provision. They are:-

- a need for additional office floorspace to serve Saffron Walden;
- a demand for high quality offices readily accessible from junction 8 on the M11;
- developer interest in providing offices on some previously-developed rural sites within reasonable proximity, but with less than ideal access, to junction 8.

If each of these factors was to be accommodated then it could be provided by, say, not less than 3 ha. of land provision for at least two of these three types of location. Provision at the airport would be effectively made if recommendations 5 and 6 above are accepted. If they are not accepted, then the onus would fall on Saffron Walden and rural sites. The implications are as follows.

17. The report found a lack of potentially suitable sites both within, and on the edge of, Saffron Walden. Given that, and as a consequence of the need for a location which is readily accessible, Wendens Ambo and Newport emerge as the preferred locations by virtue of the B1383 but more especially the railway stations. Therefore, **it is recommended that an area of search for a site of the order of 3 ha. be identified for B1 business development within a short walk (approximately 400 m.) of either Newport railway station or Audley End railway station at Wendens Ambo.** One possibility at Wendens Ambo is the land to the east and south of the recent extension to the station car park. It may, however, warrant either improvements to the existing access arrangements or, preferably, its own access from either the north or the east.

The provision of job opportunities in this location would be readily accessible by rail. Hence, the development at either location would be in accordance with aspects of both PPS1, which promotes making the fullest use of public transport, and PPS 4, which advocates locating developments which generate substantial transport movements in locations that are accessible (including by rail, where feasible).

18. With regard to previously-developed rural sites, none have been identified which would meet this need. There is, however, the possibility of extending an existing scheme on a previously-developed site in which there has been substantial developer interest. This entails a proposed 14ha. extension to the existing Gaunts End office development to the south of Elsenham. It is not anticipated that such a major proposal would go ahead in the short-term but, if a more modest scheme was to be implemented successfully, it may be a possible option for the future. On the basis of this and the assumed plot ratio, **it is recommended that a site of the order of 3 ha. be allocated for B1 business development at Gaunts End, Elsenham. Any associated road improvements that are necessary as a consequence are to be funded by the developer via an appropriate legal agreement.** The allocation of this land in this locality would serve to ensure that sufficient land is immediately available for development for office use for five years ahead. Development in this location is accessible by bus which provides direct links to Elsenham, Stansted Airport and Stansted Mountfitchet.
19. But the land allocation is only a means to the end of enabling the amount of office floorspace that is presumed necessary to accommodate the anticipated level of job growth in offices. Hence, it is the amount of office space provided which is the most important factor that is within the direct remit of the planning function. It is also an objective of the LDF to promote employment growth “by providing enough land and premises of the right type and in sustainable locations that will meet the anticipated needs and aspirations of businesses”. Given that an area (albeit a range) has been recommended for allocation on the basis of estimations, it then becomes a matter of whether and how a scheme is delivered and phased. The amount of floorspace to be provided is therefore a matter for the developer, subject to the impact of the building in planning terms. **It is therefore recommended that the development of the site allocation for B1 business development at Gaunts End, Elsenham should be subject to its acceptability in terms of its design, materials, traffic generation, impact on the landscape, affect on the operation of Stansted Airport and any other relevant planning considerations** as distinct from a limit on the amount of floorspace provision. The successful implementation of any such scheme may pave the way for a further phase of B1 business development should the need arise.

- 20** In instances where there are existing employment uses in premises on sites which are the subject of planning permission for redevelopment for non-employment use, it is recommended that the Council seeks to accommodate the use elsewhere in the district by:-
- i. making an approach to the business with a view to determining its requirements;
  - ii. assessing any scope that there might be for relocating the business elsewhere;
  - iii. providing advice as to any possible options available; and
  - iv. providing advice as to where any necessary financial assistance could be sought.
- 21.** There has been a steady supply of rural buildings, some of which have been non-agricultural, which have been re-used for employment purposes. This has been enabled by policy E5 of the adopted local plan. **It is recommended that the re-use of rural buildings for employment uses should continue to be permitted subject to the criteria in the current local plan policy and to a further condition that the building is genuinely redundant such that its re-use would not generate a need for a replacement building which could be constructed without the need for planning permission under permitted development rights for agricultural buildings and operations.**

The recommendations with regard to monitoring relate to measuring progress and identifying trends which demonstrate the extent to which:-

- the LDF's employment policies are effective;
- the LDF's employment objectives are being met; and
- it is necessary to amend the policies in any way.

These will be reported in the Council's Annual Monitoring Report (AMR).

Following on from the recommended policies above, the most relevant LDF objectives relating to employment are:-

1. Employment Growth

To support a local economy which retains and encourages growth of existing and new employers by providing enough land and premises of the right type and in sustainable locations that will meet the anticipated needs and aspirations of businesses;

2. Employment Opportunities Related to the Airport

To provide opportunities for catalytic employment growth related to the airport

Suggested change to 15. Stansted Airport

The Core Strategy will need to be sufficiently robust to accommodate development at the airport which equates to full use of the existing runway at around 35 million passengers a year.

- 22.** The key thrust of the employment policies is to provide jobs which meet the needs and aspirations of residents. In order to demonstrate the extent to which this is being achieved, **it is recommended that the following be monitored:-**
- the number and type of jobs in the district and how this is changing;
  - the unemployment level compared with elsewhere and how this is changing;
  - if the proposed new settlement at Elsenham is carried through into the LDF Core Strategy, the implications of progress with its delivery in terms of matching housing supply with local job opportunities; and

- a brief assessment of the nature of the overall economy.

The latter is considered to be an important consideration as any major issues may be the main reasons underlying, for example, the amount of development taking place and the passenger throughput at Stansted Airport.

**23.** In order to demonstrate the extent to which this is being enabled by the planning process, it is recommended that the following be monitored annually:-

- the amount of land that has been granted planning permission for employment uses by type;
- the amount of employment land by type that would be lost as a result of planning permissions granted;
- the amount and type of floorspace that has been granted planning permission for employment uses; and
- the amount of employment floorspace by type that would be lost as a result of planning permissions granted,

and that the following continue to be monitored:-

- the amount of employment land available by type;
- the total amount of completed employment floorspace by type;
- the total amount of floorspace that has outstanding planning permission for employment uses by type; and
- an update on progress with all employment policies.

**24.** In order to demonstrate the extent to which objective 2 and suggested objective 15 of the LDF are being achieved, it is recommended that the following be monitored:-

- the number of passengers passing through Stansted Airport per year; and
- if recommendation 4 is accepted and carried forward into the LDF,
  - i. the amount of land and floorspace at Stansted Airport that is granted planning permission for non airport-related uses and the amount that remains available for development for airport-related uses; and
  - ii. the amount of land and floorspace at Stansted Airport that is developed for non airport-related uses and the amount that remains available for development for airport-related uses.

**25.** Where necessary, the outcome of each aspect of the monitoring should result in a recommendation as to what, if any, action should be taken to rectify the current or anticipated situation or trend.