



Economic Evidence to Support the Development of the OAHN for West Essex and East Herts

Final Report

Prepared for the Cooperation for Sustainable Development Board

September 2015

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Contents b

Executive Summary.....	ii
1 Introduction.....	1
2 The FEMA and the CHMA	3
3 Historic Job Creation	7
4 Local Policymakers' Evidence Bases and Working Assumptions	9
5 Historic Actual Jobs Growth and Future Projections.....	10
6 Projected Jobs Growth Within the CHMA	15
7 Conclusions.....	18
Appendix 1: Functional Economic Market Areas.....	22
Appendix 2: Adjustments for Sustained Growth.....	29

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HJ Associates (HJA) was commissioned to provide economic evidence that will be used to help calculate the Objectively Assessed Housing Need (OAHN) within the West Essex and ECST Heathfield Strategic Housing Market Assessment. It has been commissioned by the Cooperation for Sustainable Development Board comprising the following authorities: ECST Heathfield District Council, Epping Forest District Council, Havelock Council and Uttlesford District Council. The economic evidence needs to be robust and objective. The evidence and subsequent OAHN should then be used to inform the policy-making process.

HJA has looked at historic job growth and projections of future jobs growth at the Strategic Housing Market Assessment (SHMA) level. We have then suggested how this projected growth might be distributed across the local authority areas. This is a 'policy-off' approach and is a starting point i.e. it does not account for any policies that the local authorities may choose to implement to alter the future scale of growth or distribution of jobs.

The results of this analysis and the indicative distribution of jobs across the local authority areas are intended to inform each Council and help them to individually and jointly develop policy approaches to future jobs growth.

The FEMA and the SHMA area

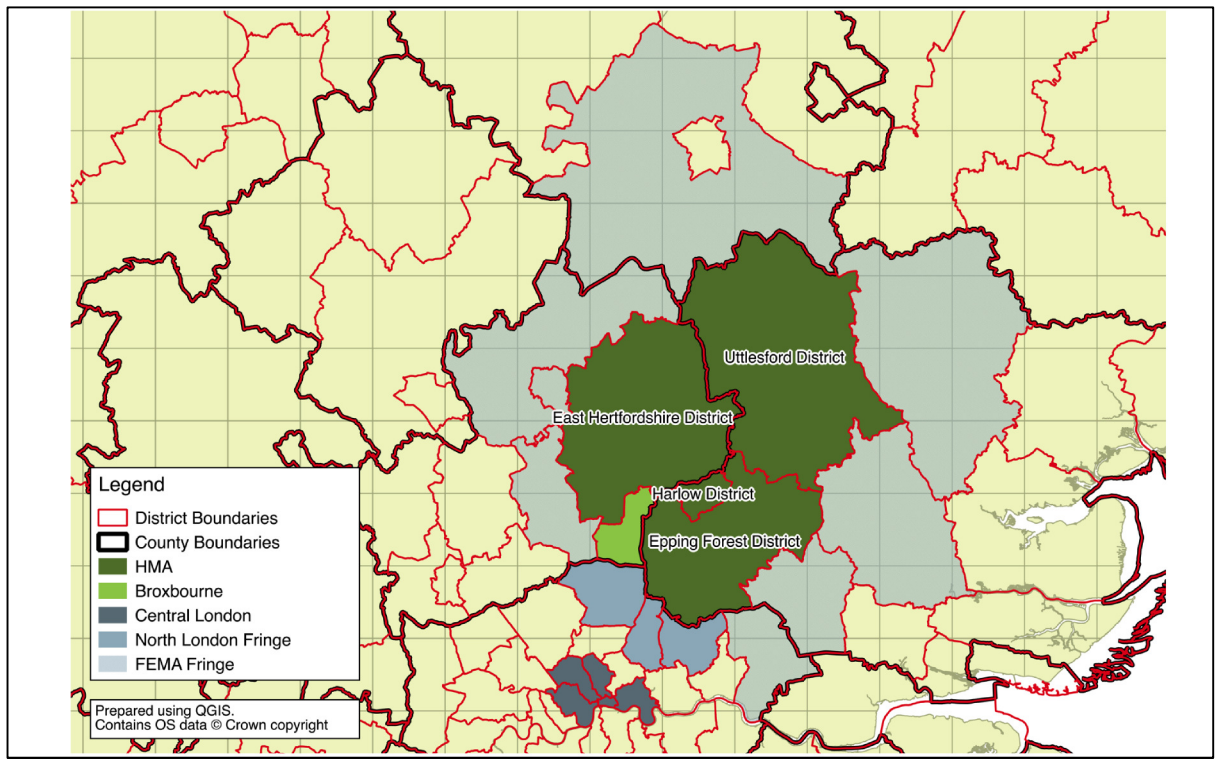
HJA was asked to consider the extent to which the Strategic Housing Market Assessment area (SHMA area) coincides with the Functional Economic Market Area (FEMA). The core of the FEMA coincides with the SHMA area i.e. comprising the local authority areas of: ECST Heathfield, Epping Forest, Havelock and Uttlesford. It also includes Buxton. There is a fringe area comprising all of the immediately adjacent local authorities; and a link to central London.

Analysis of projected future jobs growth has been undertaken using the SHMA area and FEMA definitions, and there is no significant impact on final district level projected job numbers whether Buxton is included in the projections.

A map of the FEMA can be seen in the Figure below.

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Figure 1: The Functional Economic Market Area



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Historical job creation

HJA was asked to analyse the creation of jobs in each of the four HMA Local Authorities over the last 10 years.

Four sets of historical job creation have been considered: the Business Register and EC Employment Survey (BREC) and its predecessor the Annual Business Inquiry (ABI); the Annual Population Survey (APS); the Census of Population; and the ONC Jobs Density measure. The ONC Jobs Density is the most comprehensive and best measure of historical workplace jobs. It also aligns to the East of England Forecasting Model (EEFM) measure of workplace jobs.

The ONC Jobs Density measure shows jobs growth of between 1,300 and 1,550 jobs per year in the HMA over the period from 2000 to 2013.

Local Plan evidence bases

HJA was asked to review the four Local Authorities' existing Local Plan evidence bases and identify future employment growth projections. These have been derived from Local Plans' evidence bases, supporting documents and other technical work, including consultations with officers from each of the Local Authorities. These show projected annual jobs growth of between 1,780 and 1,980 per year. These are summarised in the Figure below.

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Figure 2: Jobs growth projections

Local authority	Employment change	Period	Annual change
ECst HeGts	9,700	2012-2031	510
Epping FoCest	9,000	2011-2033	410
HC low	8,000 – 12,000	2011-2031	400 - 600
UttlesfoGd	9,200	2011-2031	460
<i>Cumulative total</i>	<i>9,900 – 9,900</i>		<i>1,780 – 1,980</i>

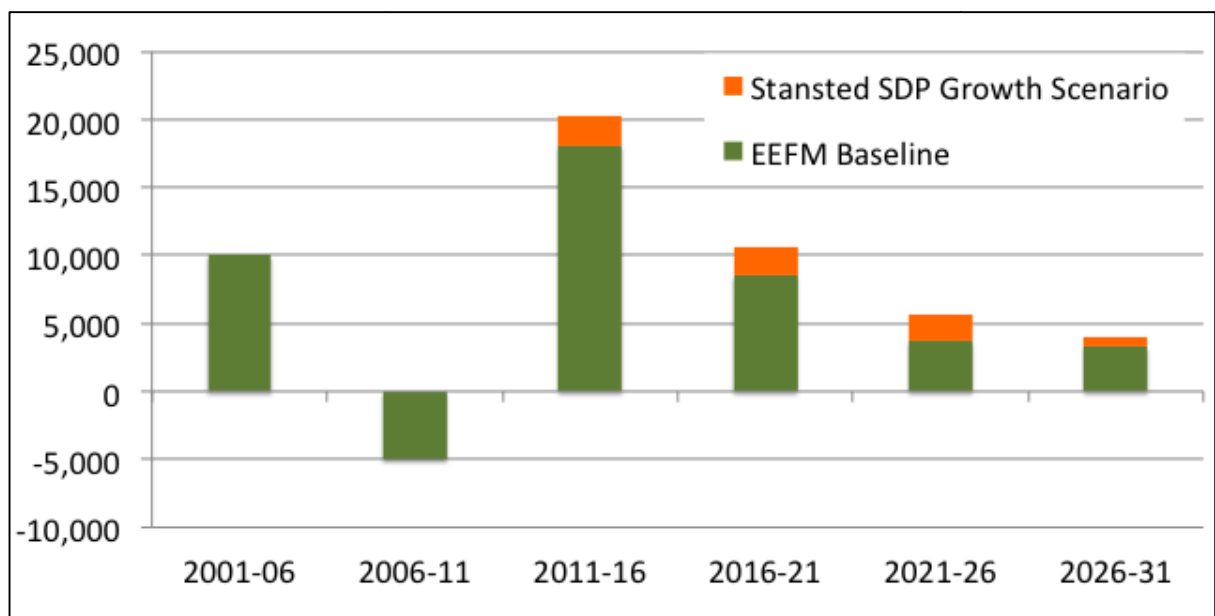
Source: Local Authorities

Historical job creation and Local Plan evidence bases

HJA was asked to look at how historical actual change in jobs compares to the Local Authorities' Local Plan evidence bases.

For historical jobs creation, the ONC Jobs Density evidence shows an average of between 1,300 to 1,550 jobs per year over the period from 2000 to 2013. This is in broad agreement with the ECst of English Forecasting Model (EEFM) figures for historical change in jobs, with an average of between 1,200 and 1,800 jobs per year over the EEFM. Looking forward, the Local Plans' evidence base assumptions for jobs growth per year are above the ONC Jobs Density historical average, but within the EEFM historical average. They are slightly higher than the baseline projected growth over the EEFM for the whole CHMA average of 1,590 jobs per annum. The planning provision in place for future growth that is nested in the plan, and when this is introduced the jobs growth increases to 1,895 per annum. In this scenario the Local Plans' evidence base projections are significantly in excess of the EEFM plus nested projections, but the distribution within the CHMA averages is different (discussed below). The excess of projected growth can be seen in the Figure below.

Figure 3: Historical growth and projected future growth



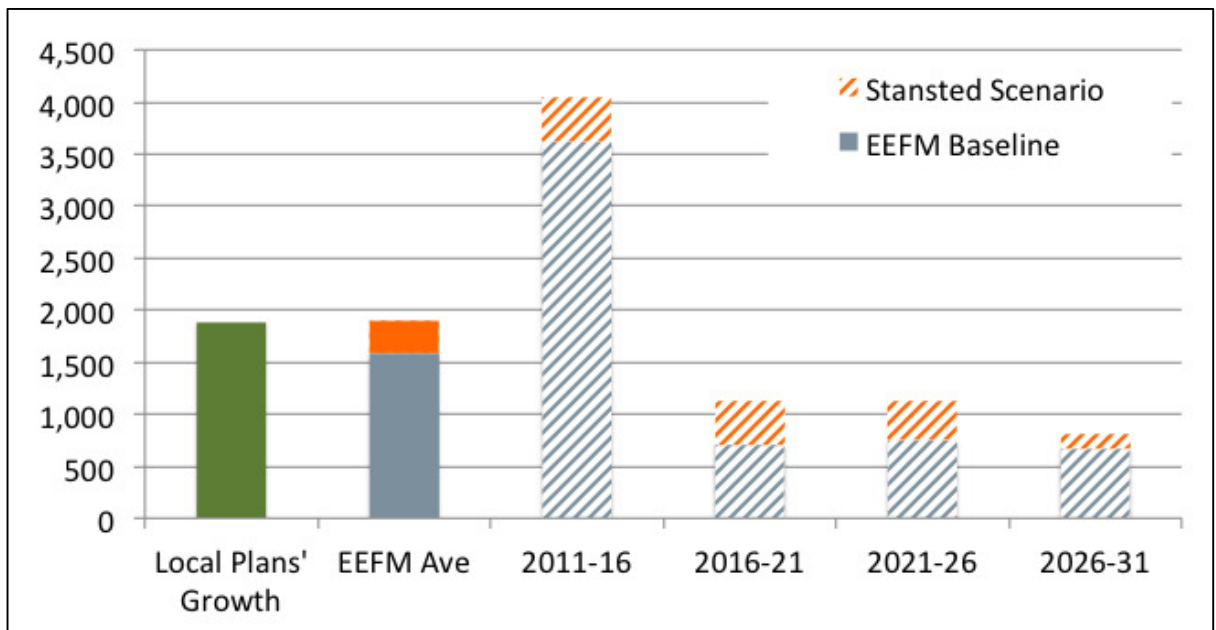
Source: EEFM (2014) and HC disty Jones Associates Analysis

Future job growth projections

HJA was asked to consider future employment projections used to inform the CHMA.

As discussed above, the baseline projected level of jobs growth for the CHMA (as set by the EEFM (2014)) is 1,590 jobs per annum. However, Local Authority offices identified that future job growth plans for constituent Authorities are not fully reflected in these figures, so HJA was asked to model the impact of this additional growth. When the impact of constituent Authorities' growth is included, this increases to 1,895 jobs per annum. This latter figure is similar to the scale of projected growth set out in the Local Plans' evidence bases, but the distribution within the CHMA area is clearly different (discussed below).

Figure 4: Local Plans and EEFM Baseline plus Stansted growth



Job growth projections at the Local Authority level

HJA was asked to look at how the CHMA area level jobs growth projection is likely to be distributed across the four constituent Local Authority areas over the period from 2011 to 2033.

Two different scenarios have been used to distribute the overall level of jobs growth in the CHMA to the constituent Local Authority areas. The intention is to provide a starting point to inform policy debate between the four authorities. The locations cited are indicative only and are based on business-as-usual scenario i.e. these distributions do not take account of any policy intentions or other public interests such as the High Enticement Zone. Any policy debate by the relevant Local Authority regarding the distribution of jobs across the CHMA area, which is preferred for policy reasons.

The growth projections modelled below include the additional growth of constituent Authorities.

Figure 5: Job growth projections (including Stansted) and emerging job demand based on figures

Location	Job growth per year based on historical share of total SHMA area jobs	Job growth per year based on EEFM projected share of total SHMA area jobs	Target range for job growth	Job growth per year derived from Global Plan emerging job demand bases
ECst HeGts	505	435	435 - 505	510
Epping FoCest	400	455	400 - 455	410
HC low	325	335	325 - 335	400 - 600
Uttlesford	665	675	665 - 675	460
Total	1,895	1,895	1,895	1,780 - 1,980

N.b. Figures may not sum due to rounding

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1b Introduction

This report provides economic evidence that will be used to calculate the Objectively Assessed Housing Need (OAHN) for West Essex and East Herts Districts – which is a strategic Housing Market Assessment (HMA). It has been commissioned by the Cooperation for Sustainable Development Board using the best of available local authorities in the CHMA area: East Herts District Council, Epping Forest District Council, Haverhill Council and Uttlesford District Council.

A robust OAHN depends on having shared, consistent employment growth projections for the area, which is based on employment growth projections for each of the four constituent local authorities. It needs to take account of future economic and employment projections that have been set out in:

- The latest (2014) version of the East of England Forecasting Model (EFM)
- Historic trend-based projections
- Emerging employment trends in the evidence bases for the four local authorities

This report helps to understand the different employment growth projections that have been suggested, understand where they have come from, select a robust and justifiable local scenario, and explain why this should be considered ahead of all other potential options.

1.1b Background

Recent Local Plan Inspectors' Reports have criticised the approach of the local link between employment and housing projections. Planning Practice Guidance and the Planning Advisory Committee's Technical note on objectively assessed need place employment growth projections at the heart of the OAHN debate. The scale of projected employment growth impacts on the projected need for new homes, but the latest is developed within the CHMA Assessment and is outside the scope of this project.

1.2b Objectives and scope of the study

The objectives and scope of this study were set by the Cooperation for Sustainable Development Board using the best of available local authorities in the CHMA. They are:

1. To understand the extent of the Functional Economic Market Area (FEMA) and how/whether this corresponds to the CHMA area
2. Analysis of the number of new jobs created in each of the four local authorities over the last 10 years
3. Review the current and emerging local plan evidence bases to identify employment growth projections
4. Analyse the difference between historic employment growth and local plan projections
5. Consider the employment projections that are currently set out in the draft CHMA
6. Suggest a robust and defensible employment projections for each of the four local authorities over the 22 year CHMA period

Each of these objectives is considered in the following chapters.

1.3b Jobs not residents

The purpose of this evidence is to understand how many people are projected to *work* in the CHMA and each Local Authority area. There is a difference between working people that *live* in an area and working people that *work* in an area, because many people live in one Local Authority area and commute to work in another. The HJA analysis is focused on the workplace of the worker, not the workplace of residence.

There is also a difference between the number of *jobs* and the number of *working* people so we are working people have one job. Our analysis concentrates on jobs. We understand that the Opinion Research Services, the consultants working on the CHMA, will take account of those with one job, so that this will be factored into the central assessment of the OAHN.

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2b The FEMA and the SHMA

The four local authorities want to understand the extent of the Functional Economic Market Areas (FEMA) and how/whether this corresponds to the Strategic Housing Market Assessment (SHMA) areas.

A FEMA is an area which local economy and its key markets operate. It does not necessarily coincide with administrative boundaries. Ideally a FEMA is defined using data on economic flows e.g. of workers and trade, but there is limited data on such data available.

The SHMA area is defined as "...a geographic area defined by household demand and preferences for different types of housing, reflecting the key functional linkages between places where people live and work." The West Essex and East Herts SHMA areas have been defined by Opinion Research Services (ORS) and covers East Hertfordshire, Epping Forest, Haringey and Uttlesford Districts.

Our approach to the areas is:

- Considering the existing definitions of the FEMAs for each of the local authorities
- Reviewing 2011 Census data using patterns

2.1b Establishing FEMA definitions

We contacted each of the four local authorities to collect data on their FEMAs. Two of the local authorities have considered and defined their functional economic market areas (FEMAs): East Hertfordshire and Epping Forest. Haringey is unclear about its role in the wider local area (i.e. West Essex), but does not have a definite FEMA. Uttlesford has not defined its FEMA. More information on this can be seen in Appendix 1.

Figure 2.1: Local Authorities' FEMA definitions

Local authority	Definition of FEMA
East Hertfordshire	East Hertfordshire Bloxhorne Welwyn Hatfield Stevenage North Hertfordshire Uttlesford Haringey Epping Forest
Epping Forest	Area: <ul style="list-style-type: none"> • Epping Forest • Haringey WideCatchment: <ul style="list-style-type: none"> • London • East Hertfordshire • Haringey • Uttlesford • Brentwood • Bloxhorne

Local authority (Definition of FEMA (
	<ul style="list-style-type: none"> • Enfield (• tCrsted (• bGdge (
HC low (West Essex: (<ul style="list-style-type: none"> • HC low (• Epping CFoCest (• UttlesfoGd (ECst HeGfoGdshiG (
UttlesfoGd (n/C (
Source: Local Authorities (

(

The discussion of these definitions is in Appendix 1. (

The following are examples of confusion between these definitions. These are the local authority examples of: (

- BxbouGne (
- ECst HeGs (
- Epping FoCest (
- HC low (
- UttlesfoGd (

2.2b Census based on data b

We have considered counting data for the four local authority areas that comprise the CHMA area. The most comprehensive counting data is provided through the Census of Population. The latest available data relates to 2011. This is the primary dataset used. (

2.2.1b Out-Counting b

Out-counting data allows consideration of where residents of the CHMA work. A key question to pose in terms of the design of a FEMA is whether there are other official employment locations outside the core CHMA area that need to be recognised. (

A total of 216,594 residents of the CHMA were in employment in 2011. Of these 52% worked within the CHMA area itself (including 12% working fully remote). In addition a further 9% have no fixed place of work. Considering these together, residence-based self-employment is assessed as 61%. This represents no change from the 2001 data¹. (

The remaining 39% of employed residents work in a range of locations. Unsurprisingly the majority of locations are found in the fringes of the CHMA area and central London. London accounts for 23% of CHMA working residents' employment (just over 50,000 persons), and the rest of the ECst of England a further 14% (just over 30,000 persons). This represents a significant change from 2001, which reported 24% out-counting to London and 13% to elsewhere in the ECst of England. The absolute number out-counting to both areas has increased but the broad pattern is consistent. (

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¹ 2001 data was reported on a slightly different basis, without those working remote or those with no fixed place of work reported. (

The relationship with London is clearly influenced by the presence of the Central Line running into Epping Forest District. The concentration of locations into London is along the Central Line route through east central London. The concentration points to London could also be characterised into two areas – the north London fringe and central London.

Districts/Boroughs with the highest percentage of all working residents from the CHMA area are:

- London Borough of Westminster/City of London 6.6%
- Barking 3.3%
- London Borough of Tower Hamlets 2.2%
- Welwyn Hatfield 2.0%
- London Borough of Enfield 2.0%

There have been slight changes in the percentages between 2001 and 2011 but not to any great extent, and the broad patterns hold.

2.2.2b In-Community

There are a total of 187,500 jobs within the CHMA area when including those working from home and those with no fixed place of work. Residents of the CHMA area occupy 71% of these jobs. This is a slight decline from 72% in 2001.

The remaining 29% of jobs (approximately 54,000 persons) are filled by in-commuters. 18% are from the rest of the East of England region (33,600 persons) and 8% from the London region (15,500 persons). These shares are similar to 2001, with a slight increase from London Boroughs.

Districts/Boroughs contributing the highest percentage of workers are:

- Barking 3.4% (approximately 6,000 persons)
- Brent 2.8% (approximately 5,000 persons)

Areas supplying the highest percentage (1,800 persons) are:

- London Borough of Redbridge 1.8%
- London Borough of Waltham Forest 1.4%
- Havering 1.3%
- North Hertfordshire 1.2%
- Thurrock 1.1%
- London Borough of Enfield 1.1%
- Welwyn Hatfield 1.0%
- South Cambridgeshire 1.0%

A detailed profile was reported in 2001.

2.2.3b Contributions

There has been a slight change in the balance of out-commuting in percentage terms, from London to the East of England, but the overall levels have remained consistent between 2001 and 2011.

Unless a job shift in the balance of cities is forecast, there is every reason to expect this trend to continue.

The continued trend of out-commuting in percentage terms has taken place in the context of rising population and employment. Therefore, as the number of working residents in the HMA has increased so the number of out-commuters has increased in equal proportion to the current level. There has been a slight increase in the share of local jobs filled by in-commuters. However, there has been no job change in the pattern of in-commuting.

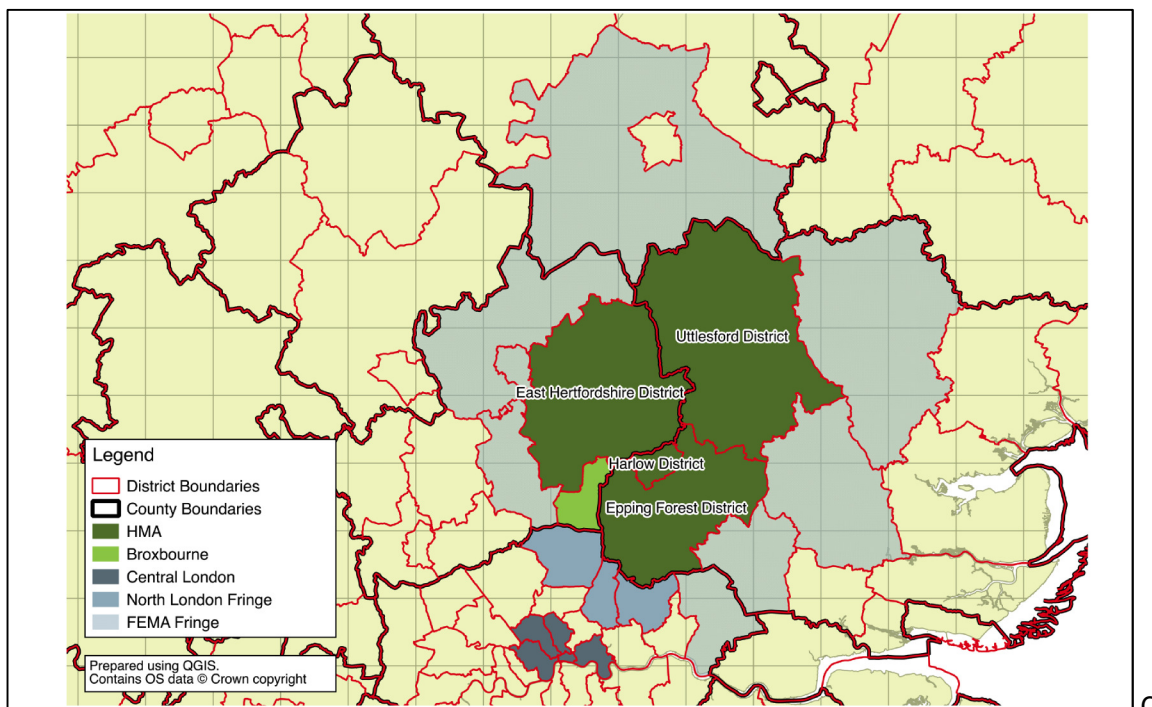
When considering the FEMA, the role of London as an employment location is clear. The downward commuting locations around London's fringe is not a unique characteristic of this HMA. The London effect is heavily influenced by the Central Line. However, the same effects can result of the downward of Central London as an employment location, and the effects of the neighbouring north London Boroughs. When considering both inward and out-commuting relationships, the Borough of Barking is the only one that features a flow of 3% in each direction.

2.3b Definition of the FEMA

In this case, the CHMA is not a self-contained FEMA. Whilst the immediate boundaries of the core local authorities are porous, London is a significant economic area that extends the FEMA beyond the four local authorities' CHMA boundary.

The FEMA could include Barking, and there is a clear relationship with London – both the need by north London Boroughs and central London. The FEMA is shown in the figure below.

Figure 2.2: The Functional Economic Market Area



Source: HC disty Jones Associates

3b Historic Job Creation

The four local authorities requested analysis of the number of new jobs created in each of the four local authorities over the last 10 years. The purpose of this is to understand how many people work in this area. There is a difference between people that live in the area and people that work in the area. There is also a difference between the number of jobs and the number of working people who are on the one job.

Our previous work has been to review various official resources of employment. Each captures employment data in different ways and has strengths and weaknesses. The data from each source is available for years to years, and need smoothing.

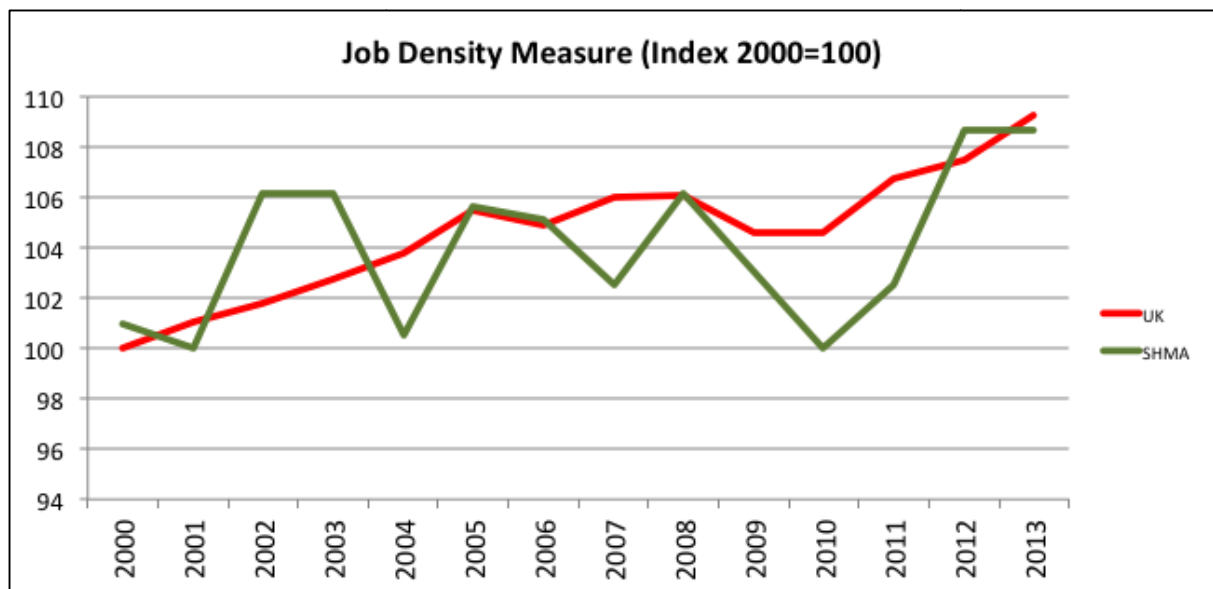
3.1b Data volatility and smoothing

Data sets containing seasonal effects typically cover the time that data sets containing irregularities because:

- The loss of gain of relatively small number of jobs will have a bigger proportion of impact in seasonal effects
- Data are often collected by survey, and surveys of seasonal populations can lead to greater variations year-on-year

The figure below shows how jobs density in the CHMA is far above the national level, which is significantly below population, so is less vulnerable to volatility.

Figure 3.1: An illustration of data volatility at the local level



Source: ONCC

For these reasons, single year-on-year change in job numbers should not be relied on, and the longer-term trend should be considered. Data can be smoothed to show the progression of data over longer periods (e.g. three years)

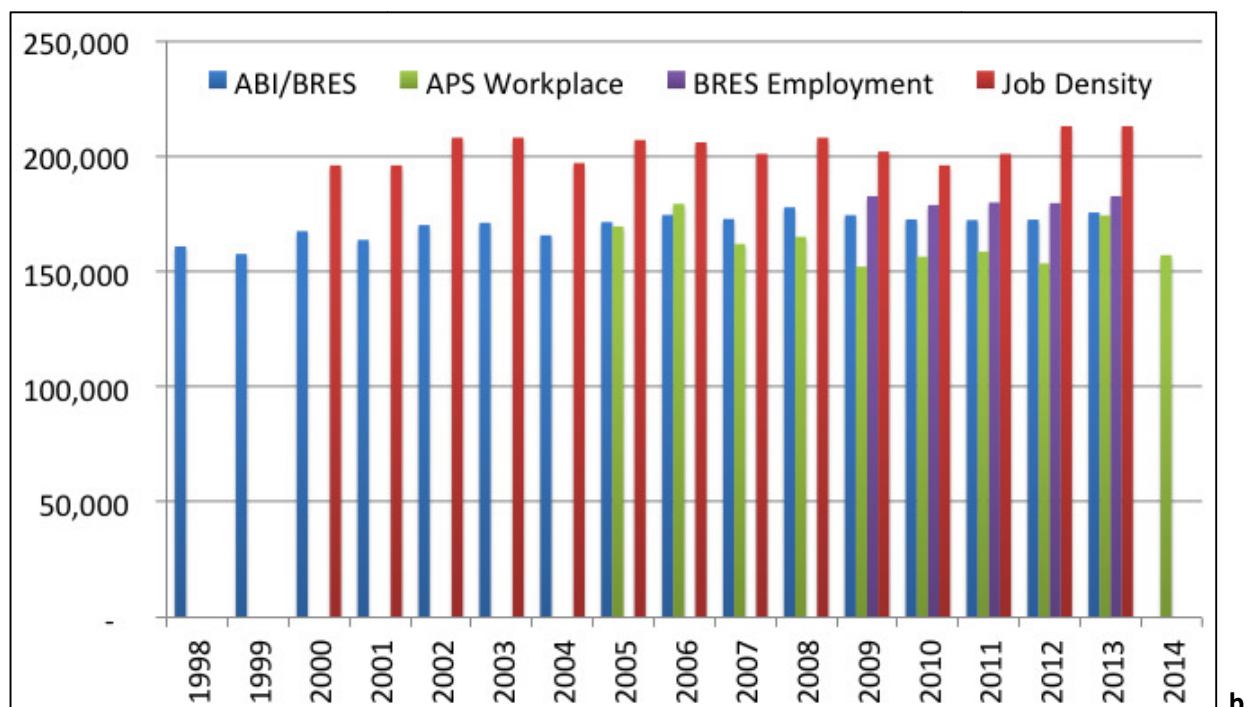
3.2b Historic job creation

We have considered the following sources of official government data on historic job creation, published by the Office for National Statistics (ONS):

- The Business Register and Employment Survey (BRES) and its predecessor the Annual Business Inquiry (ABI)
- The Annual Population Survey (APS)
- The Census of Population
- The ONS Jobs Density Estimates

ONS points to the Jobs Density Estimates as the definitive measure of jobs, but the calculations in the time series of data are unreliable. It is the most comprehensive measure of jobs, including self-employment, HM Forces and government supported training as well as those in employment. The figure below shows the number of jobs reported by each of these sources, for the CHMA area.

Figure 3.2: Historic job creation



Source: ONS

Smoothed Jobs Density data shows the creation of between 1,300 and 1,550 jobs per year in the CHMA area over this period.

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4b Local Plans' Employment Bases and Working Assumptions

In this chapter we review the current and emerging Local Plan evidence bases for the four local authorities, to identify any emerging evidence on employment growth contained within these.

4.1b Local Plans' employment bases and working assumptions

These employment projections have been developed for Local Plans' evidence bases, supporting documents and other technical work, which are discussed in more detail in Appendix 1. They have been considered as the best currently available working assumptions by officers of the Local Authorities.

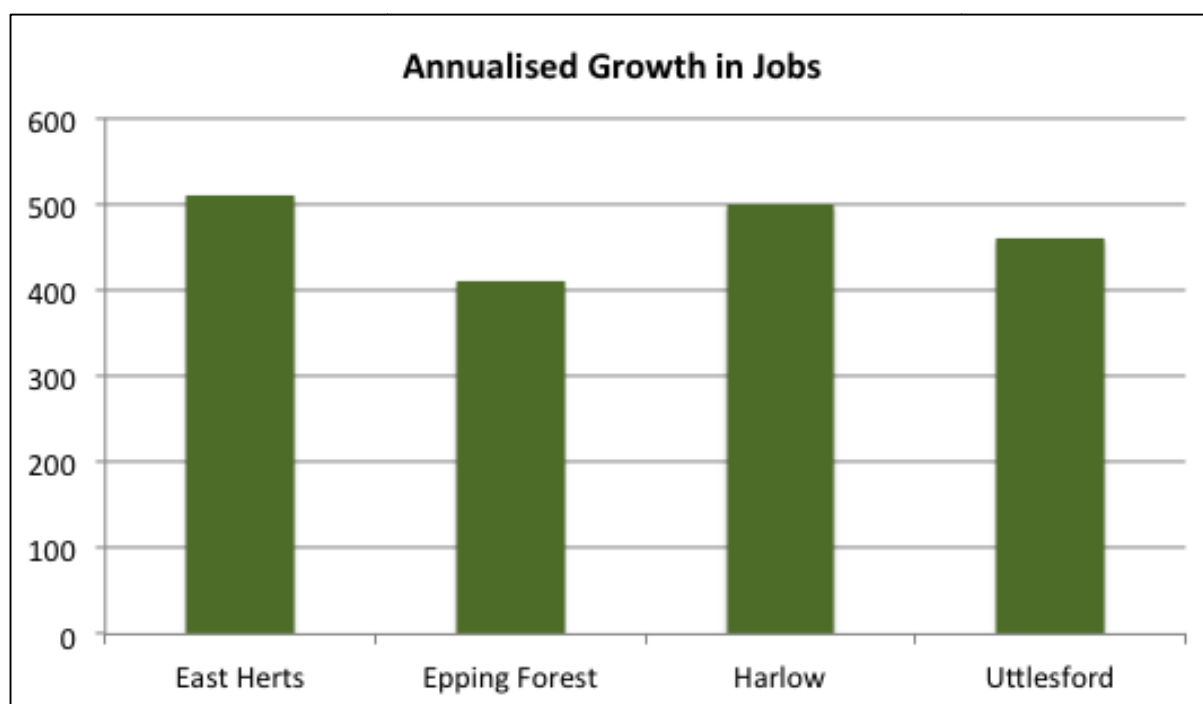
Figure 4.1: Jobs growth projections

Local authority	Employment change	Period	Annual change
East Herts	9,700	2012-2031	510
Epping Forest	9,000	2011-2033	410
Harlow	8,000 – 12,000	2011-2031	400 - 600
Uttlesford	9,200	2011-2031	460
<i>Cumulative total</i>	<i>39,000 – 39,900</i>		<i>1,780 – 1,980</i>

Source: Local Authorities

These figures are summarised in the chart below.

Figure 4.2: Annualised growth in jobs



Source: Local Authorities. N.b. Harlow has a planned growth of between 400 and 600 jobs per year.

Source: Local Authorities

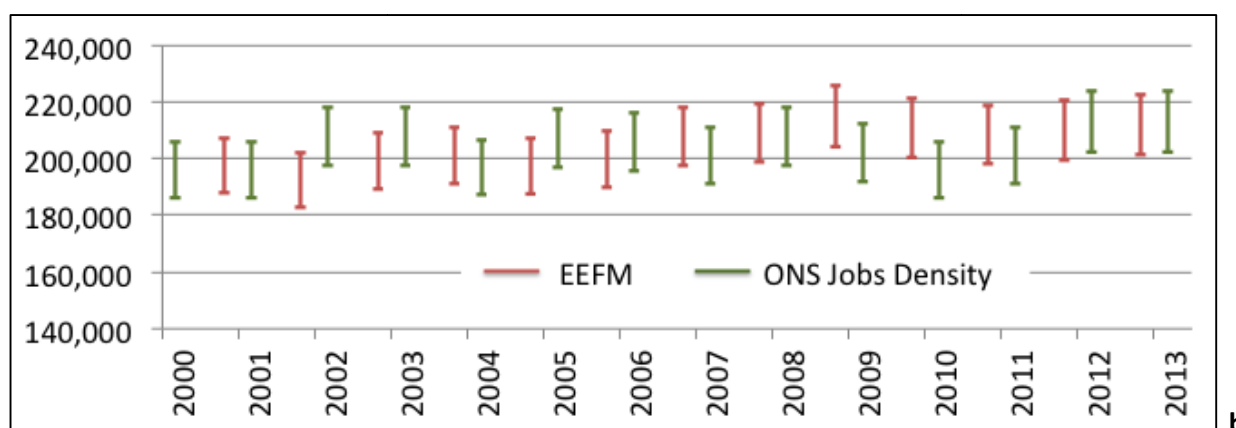
5b Historic Annual Jobs Growth and Future Projections

In this chapter we analyse the difference between historical annual jobs growth, the Local Planning Authorities' future jobs growth expectations, and the EEFM projection of future jobs growth.

5.1b Historic Annual Change

As discussed in the previous chapter, ONC Jobs Density is the preferred measure of historical annual jobs change. Historical ONC Jobs Density data is broadly consistent with EEFM data on historical jobs change in the CHMA area, largely because the EEFM data is based on this data to inform its modelling. The figure below shows that the ONC Jobs Density data (which has been smoothed, and also corrected to avoid reliance on a single data point) suggests a growth of between 1,300 and 1,550 new jobs per year (green bars). The EEFM (shown on the same basis) identifies a change of between 1,200 and 1,800 jobs per year (red bars), so there is close overlap between the two.

Figure 5.1: Historic annual jobs change in the SHMA area



Source: ONC and EEFM (2014)

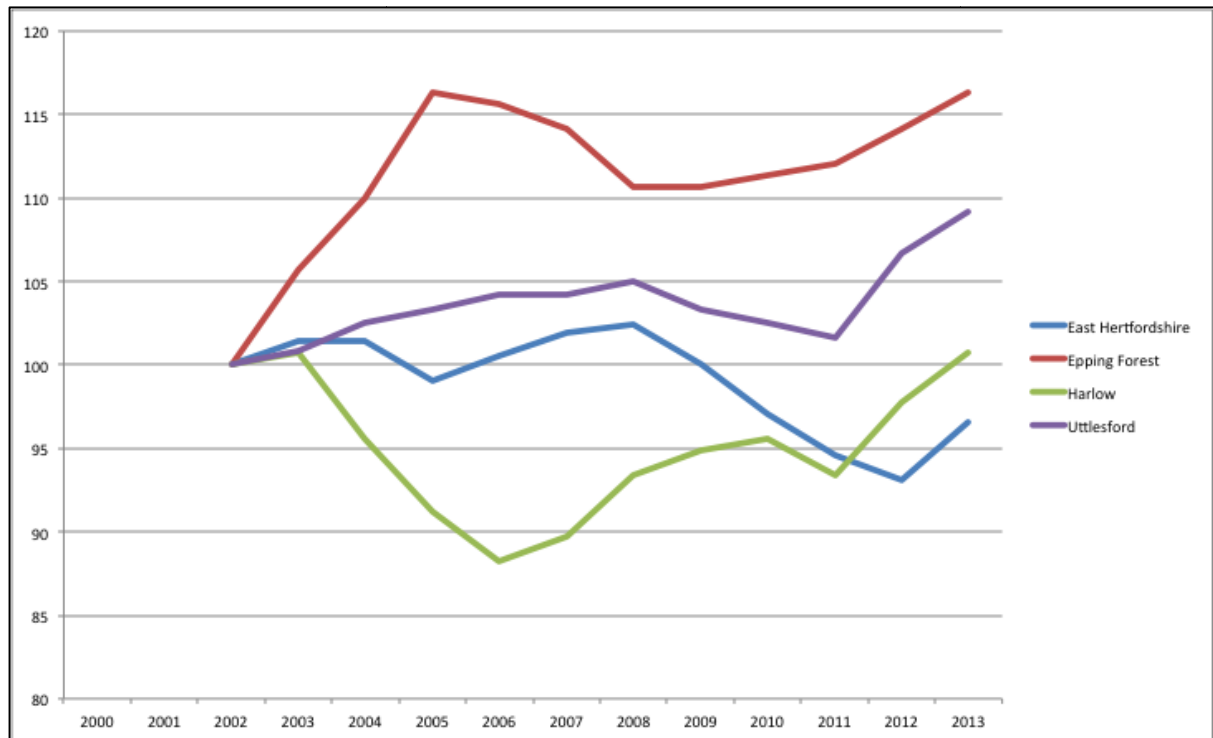
It is therefore possible to say that for the consideration of historical jobs change within the CHMA area, there is broad agreement between the ONC Jobs Density measure and the EEFM.

5.1.1b Local Authority breakdown of historic annual change in jobs within the SHMA area

Most of this net jobs growth in the CHMA area has taken place in Epping Forest and Uttlesford Districts, as can be seen in the figure below, which shows the historical rate of jobs growth in each District (where each District is indexed to 100 in 2002).

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Figure 5.2: Change in total jobs between 2002 and 2013 (Indexed: 2002 = 100)



Source: ONC Jobs Density dataset

This chart shows some divergence in the change in jobs within the CHMA. It uses the year-on-year smoothed data to illustrate volatility. Epping Forest District has seen the largest growth in jobs over the period 2002 to 2013, followed by Uttlesford. Harlow's jobs dipped significantly but then rose back to close to where they started. East Hertfordshire saw a decline in employment over the period.

5.2b Projections of future jobs growth

5.2.1b Local Plan evidence bases

The previous chapter shows an analysis of the Local Plans' evidence bases, which have identified an ongoing total future growth projections of between 1,780 and 1,980 jobs per year for the CHMA area. This is higher than the historical average of the ONC Jobs Density dataset (of 1,300 to 1,550 jobs per year), but just overlaps with the EEFM historical average (of 1,200 to 1,800 jobs per year).

These figures show a baseline position set out in the evidence bases prepared for the Local Plans with a slightly higher count of annual future jobs growth than has been seen in the past.

5.2.2b The East of England Forecasting Model

HJA has used the EEFM as a baseline for projecting future jobs growth in the CHMA area. The EEFM models local economic growth projections based on national growth projections, the structure of the local economy (in terms of jobs in each industrial sector and the relative importance of each industrial sector to the local economy), and the employment structure of other nearby places that

will influence local economic growth. The model is based on a business-as-usual scenario so does not account for any local policy interventions in economic growth.

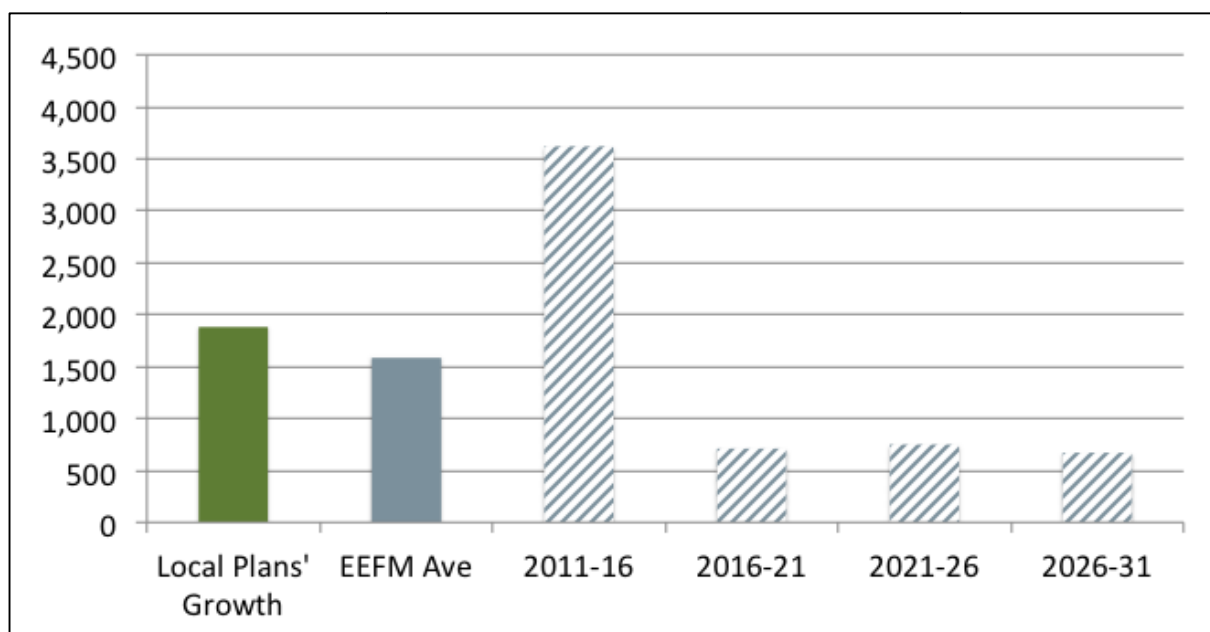
Initial results derived from the EEFM were tested with officials from the four Local Authorities. We were then asked to build in additional jobs growth associated with future plans for the Stansted Airport site scenario – which is discussed further below. We were not asked to account for any other jobs factors, as it was felt that the results were sufficient evidence for these.

The EEFM baseline projection for the CHMA area is 1,590 additional jobs per year, without any additional evidence for continued-growth.

5.2.3b Comparing the Local Plans evidence bases and the baseline EEFM projections

The EEFM projected jobs growth in the CHMA area is similar to, although slightly lower than, the overall level of growth set out in the emerging evidence base. This can be seen in the Figure below. Please note that the average annual jobs growth from the EEFM baseline over the period 2011 to 2031 is shown as a solid bar, and the average for each of the four five-year periods that make up this total are shown as hatched bars.

Figure 5.3: Average annual jobs growth for the SHMA area from the Local Plans and EEFM baseline



Source: Local Authorities and EEFM (2014)

5.2.4b Growth at Stansted Airport

Following presentation of the interim findings of this report to the Local Authorities' officials group, we were asked to consider the additional jobs growth potential at the Stansted Airport, which had not been fully reflected in the baseline position set out above. Planning permission has been awarded for expansion of the terminal, to accommodate up to 35 million passengers per annum (Capp). We have considered growth plans for the terminal and the associated development plan². This

² London Stansted Airport (2015) Economic and Culture Access: Sustainable Development Plan

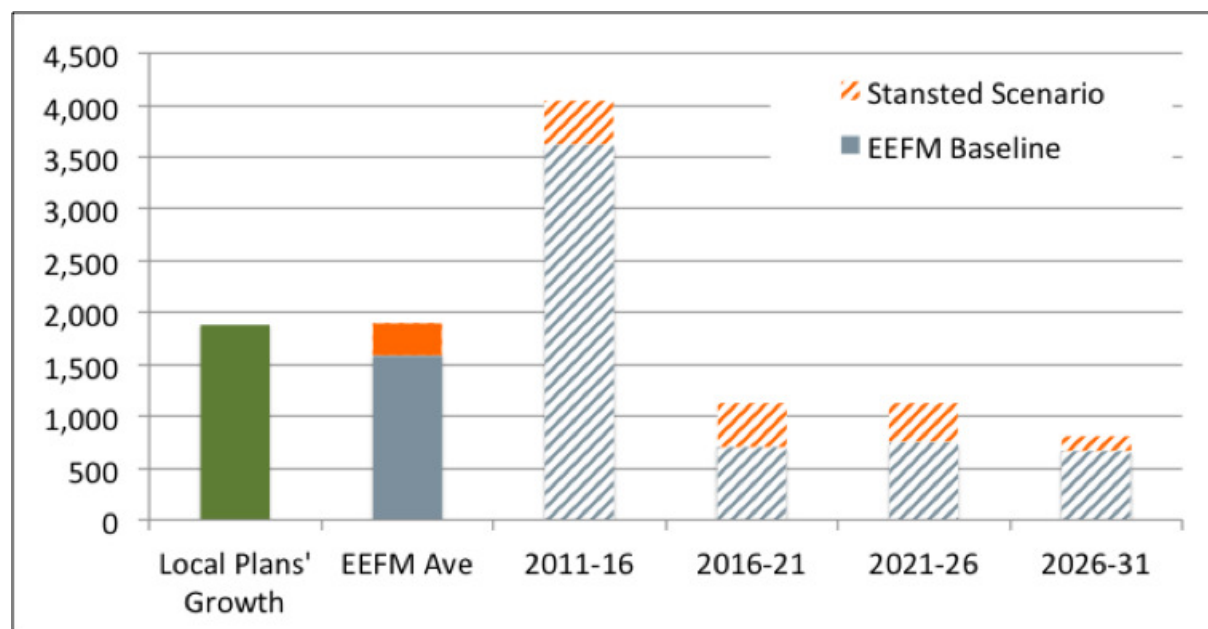
sets out an increase in passenger numbers to 35 C ppC by 2025 and 45 C ppC by 2030. The expected increase in workforce would be from around 10,000 at present to around 18,000 at 2025, and around 20,000 at 2030.

This level of on-site workforce increase is substantially below the level of projected growth contained within the EEFM baseline. However, it will displace other activity in the CHMA area economy due to its draw on the local workforce³, so the net increase in jobs in the CHMA area will be less than the total number of new jobs at the proposed airport. In summary:

- The London proposed airport high-growth scenario is likely to generate an additional 10,000 on-site jobs over the CHMA period
- Due to displacement effects elsewhere in the HMA area we estimate 8,750 net additional jobs.
- We estimate that the EEFM already includes growth of around 2,200 jobs at the proposed airport. The EEFM is also likely to include some further indirect and induced effects across the HMA area
- Combining these estimates an additional uplift to EEFM baseline, based on high-growth proposed airport, of 6,500 jobs over the HMA period
- This equates to an additional 300 jobs per annum, in addition to the baseline (core growth) of 1,590 jobs per annum in the CHMA area
- Total area per annum job growth therefore increases to 1,895 per annum across the CHMA area

Full details of this analysis are set out in Appendix 2. EEFM projected jobs growth in the CHMA area plus an allowance for the proposed growth, as discussed above, is significant to the emerging local population growth assumptions. This can be seen in the figure below.

Figure 5.4: Local Plans and EEFM Baseline plus Proposed growth



Source: Local Authorities, EEFM (2014) and HC disty Jones Associates analysis

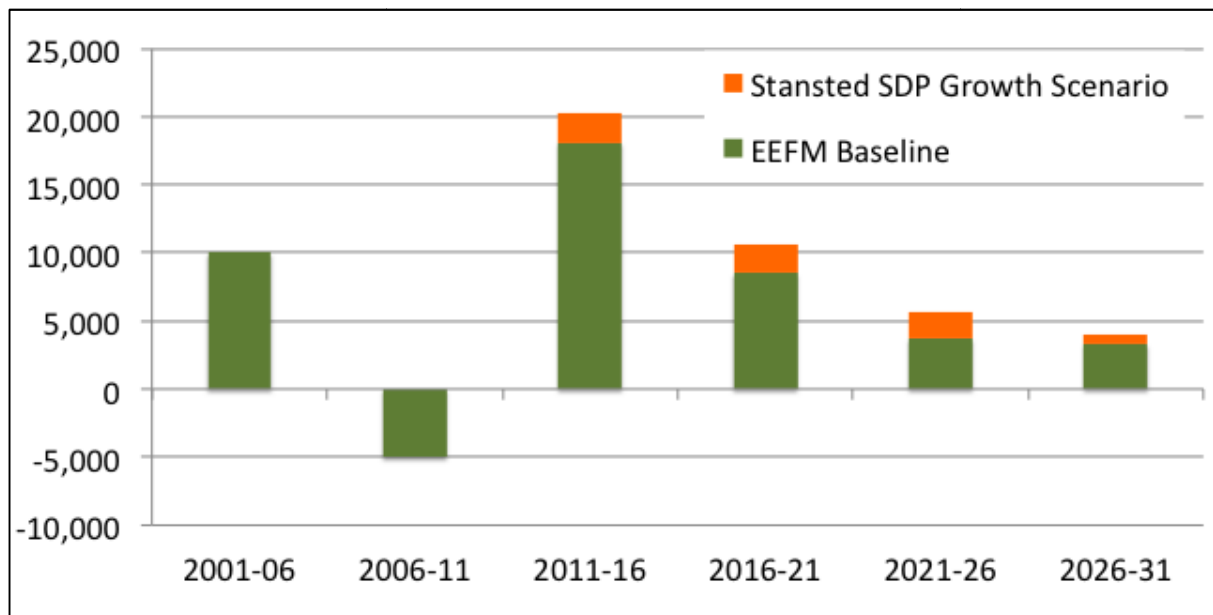
³ The displacement effect is discussed in detail in Oxford Economics (2013) Economic Impact of the proposed airport: A Report prepared for the London proposed airport development consortium

5.3b Total projected change over time

In this section we consider the projected future change in employment, discussed above, alongside historical change over the period from 2001. To consider consistent datasets over this period, we have used the EEFM, along with the adjusted employment forecast that is discussed above.

This analysis is shown in the figure below. It is clear that the historical change in the CHMA over the period of decline in jobs during the period of financial crisis – represented by the period 2006 to 2011 – is strong. The EEFM projects a recovery over the period following the period, and then a decline to a lower level of long-term growth.

Figure 5.5: Historical growth and projected future growth



Source: EEFM (2014) and HC disty Jones Associates analysis

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6b Projected Jobs Growth Within the SHMA by

In this Chapter we consider the allocation of future growth within the CHMA C eC i.e. the Local Authority C eC leCel. Having developed the baseline job growth projection for the period 2011 C to 2033 (as discussed above), we consider the allocation of future growth within the CHMA C eC i.e. the Local Authority C eC leCel. The baseline projected level of growth is taken from the EEFM. We consider how this could be allocated between the four Local Authorities using two different scenarios:

- In the first scenario we allocate the projected growth according to the recent historic distribution of jobs within the CHMA C eC using historic ONC Jobs Density data. We have used each Local Authority's recent share of total CHMA C eC employment over the period 2000 to 2013 to avoid any distortion in single year's data. As shown in Chapter 5, over this period employment has grown in Epping Forest District and Uttlesford, stayed around the same in HCLW, and declined in ECST HAs.
- In the second scenario we use the share of the total projected growth in each Local Authority C eC over the period 2011 to 2033 derived from the EEFM, i.e. how the projected jobs growth is expected to be distributed across the four Local Authorities. This is built up from the sector structure of each Local Authority's economy and the growth prospects in these sectors (derived by national growth projections).

As previously noted, the intention is to provide a starting point to inform local policy debate between the four authorities. The allocations are based on the indicative only and are based on a business-as-usual scenario i.e. these distributions do not take account of any policy interventions or job creation incentives such as the HCLW Enterprise Zone. Any policy debate by the four local authorities to influence the distribution of jobs across the CHMA C eC, which is preferred for policy reasons.

6.1.1b Allocating projected growth according to current share by

The EEFM baseline projected growth for the CHMA C eC over the period 2011 to 2033 is an additional 1,590 jobs per year. This total has been allocated across the Local Authorities using each Local Authority's recent share of total CHMA C eC employment over the period 2000 to 2013.

Figure 6.1: Allocation of EEFM projected growth according to current share by

Local Authority	Current share of total CHMA C eC area jobs by (% of total)	Projected job growth per year
ECST HAs	33%	525
Epping Forest	26%	415
HCLW	21%	335
Uttlesford	20%	320
Total	100%	1,590

N.b. Numbers may not sum due to rounding

6.1.2b Allocation of projected growth attributable to EEFM forecast share

In this scenario the EEFM baseline projected growth of 1,590 jobs per year has been allocated across the Local Authority areas based on the projected share of growth over the period 2011 to 2033 set out in the EEFM.

Figure 6.2: Allocation of EEFM projected growth attributable to EEFM projected shares of growth

Area	EEFM projected share of total SHMA area jobs (% of total)	Projected job growth per year
ECst HeGts	28%	455
Epping Forest	29%	470
HC low	22%	345
Uttlesford	21%	325
Total	100%	1,590

N.b. Numbers may not sum due to rounding

Total projected jobs growth in Epping Forest District is principally driven by the projected growth in the construction sector and the professional services sector, both of which are important sectors in this local economy.

For HC low and Uttlesford the shares are evenly split across the two parishes. For ECst HeGts the share is lower and for Epping Forest District the share is higher. As noted previously, in recent years the Local Authority shows that Epping Forest District has generated many more jobs than ECst HeGts and has therefore contributed a greater share of the growth in total CHMA employment. The EEFM, drawing on this pattern, forecasts continuation of this trend.

Whether this is desirable in policy terms is an issue that the four Authorities will need to discuss as part of setting an employment strategy under the Duty to Cooperate.

6.1.3b Adding Standed growth

We have then added the standstill growth to the baseline growth projections for jobs in the CHMA area. In broad terms this scenario contains a much higher level of jobs in Uttlesford District, based on standstill, but fewer jobs overall in the other three authorities because of the displacement effects of drawing in the growth of the local economy to standstill.

Figure 6.3: Allocation of forecast growth including standstill additional growth

Area	Job growth per year - based on historical share of total SHMA area jobs	Job growth per year - based on EEFM projected share of total SHMA area jobs
ECst HeGts	505	435
Epping Forest	400	455
HC low	325	335
Uttlesford	665	675
Total	1,895	1,895

N.b. Numbers may not sum due to rounding

6.2b Comparison of business-as-usual scenarios and Local Plan employment bases

These figures can then be compared to the figures that have been developed for the emerging evidence bases that have been considered to inform the development of the four Local Authorities' Local Plans.

Figure 6.4: Job growth projections (based on Stansted) and emerging employment bases

Location	Job growth per year - based on historical share of total SHMA area jobs	Job growth per year based on EEFM projected share of total SHMA area jobs	Job growth per year - derived from Local Plan emerging employment bases
ECst Heats	505	435	510
Epping Forest	400	455	410
HC low	325	335	400 - 600
Uttlesford	665	675	460
Total	1,895	1,895	1,780 - 1,980

N.b. Numbers may not sum due to rounding

Two things are notable for this table:

- The overall scale of projected jobs growth is similar to the overall figure for the CHMA as developed for the Local Plans' emerging evidence bases
- The distribution of the total projected growth across the four Local Authority areas varies from the figures set out in the emerging evidence bases, particularly in two places: HC low and Uttlesford. HC low's growth figure set out in its Local Plan evidence base is higher than the figure calculated by HJA – as the forecast includes speculative jobs growth driven by the Enterprise Zone (i.e. greater than historical trend). Uttlesford's growth figure set out in its Local Plan evidence base is lower than the figure calculated by HJA – as the latter includes an allowance for jobs growth at Stansted Airport, based on the Manchester Airport Group's plans for the future development of Stansted Airport.

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7b Conclusions

ix questions were asked of this study:

1. To understand the extent of the FEMA and how this corresponds to the CHMA
2. Analysis of the number of new jobs created in each of the four local authorities over the last 10 years
3. Review the current and emerging local planning guidance bases to identify local employment growth projections
4. Analyse the difference between historical employment growth and local planning projections
5. Consider the employment projections that are currently set out in the draft CHMA
6. Suggest robust and defensible employment projections for each of the four local authorities over the 22 year CHMA period

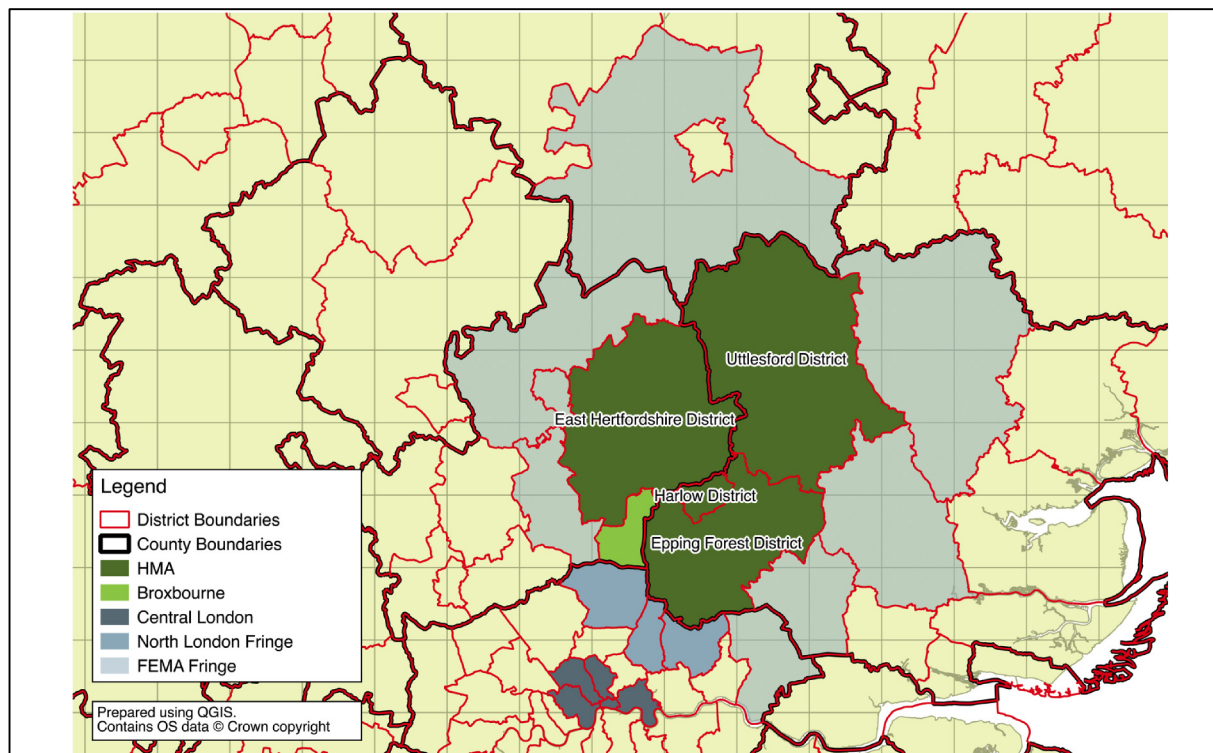
Each of these is discussed below.

7.1b The FEMA and the SHMA area

The core of the FEMA coincides with the CHMA i.e. comprising the four local authorities of: Epping Forest, Harlow, Uttlesford and Broxbourne. It also includes Central London. The FEMA fringe comprises the inner districts of the four local authorities; and link to central London.

Analysis of projected future jobs growth has been undertaken using the CHMA and FEMA definitions, and there is no significant impact on final district level projected job numbers.

Figure 7.1: The Functional Economic Market Area



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7.2b Historic annual job creation

Four sources of historical job creation have been considered: the Business Register and the Employment Survey (BREC) and its predecessor the Annual Business Inquiry (ABI); the Annual Population Survey (APS); the Census of Population; and the ONC Jobs Density measure. The ONC Jobs Density is the most comprehensive and best measure of historical workplace jobs. It also aligns to EEFM measure of workplace jobs.

The ONC Jobs Density measure shows jobs growth of between 1,300 and 1,550 jobs per year in the CHMA area over the period from 2000 to 2013.

7.3b Local Plan employment bases

Growth projections have been derived from Local Plans' evidence bases, supporting documents and other technical work. These show projected annual jobs growth of between 1,780 and 1,980 per year. These are summarised in the Figure below.

Figure 7.2: Jobs growth projections

Local authority	Employment change	Period	Annual change
East Herts	9,700	2012-2031	510
Epping Forest	9,000	2011-2033	410
Harrow	8,000 – 12,000	2011-2031	400 - 600
Uttlesford	9,200	2011-2031	460
<i>Cumulative total</i>	<i>9,900 – 9,900</i>		<i>1,780 – 1,980</i>

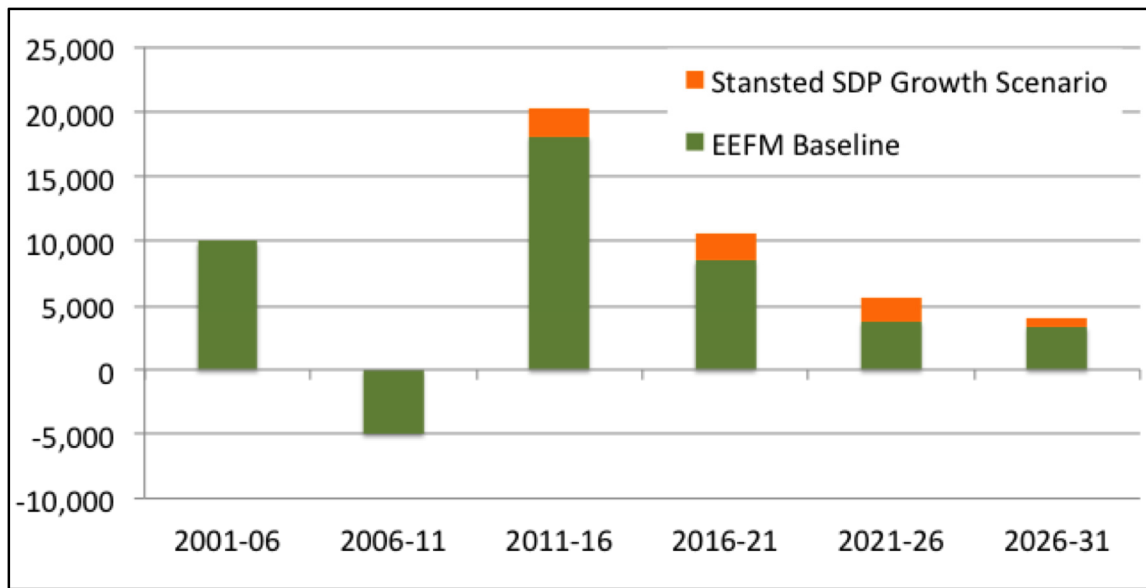
Source: Local Authorities

7.4b Historic annual job creation and Local Plan employment bases

The ONC Jobs Density measure is shown to be in broad agreement with the EEFM forecast historical change in jobs. Looking forward, the Local Plans' emerging evidence for jobs growth per year is slightly higher than the baseline projected growth from the EEFM for the whole CHMA area – of 1,590 jobs per annum. When additional future growth related to the proposed Airport is introduced this increases to 1,895 per annum. In this scenario the Local Plans' projections are slightly in excess of the baseline, but the distribution within the CHMA area is very different (discussed below). The overall scenario of projected growth can be seen in the Figure below.

b

Figure 7.3: Household growth and projected future growth



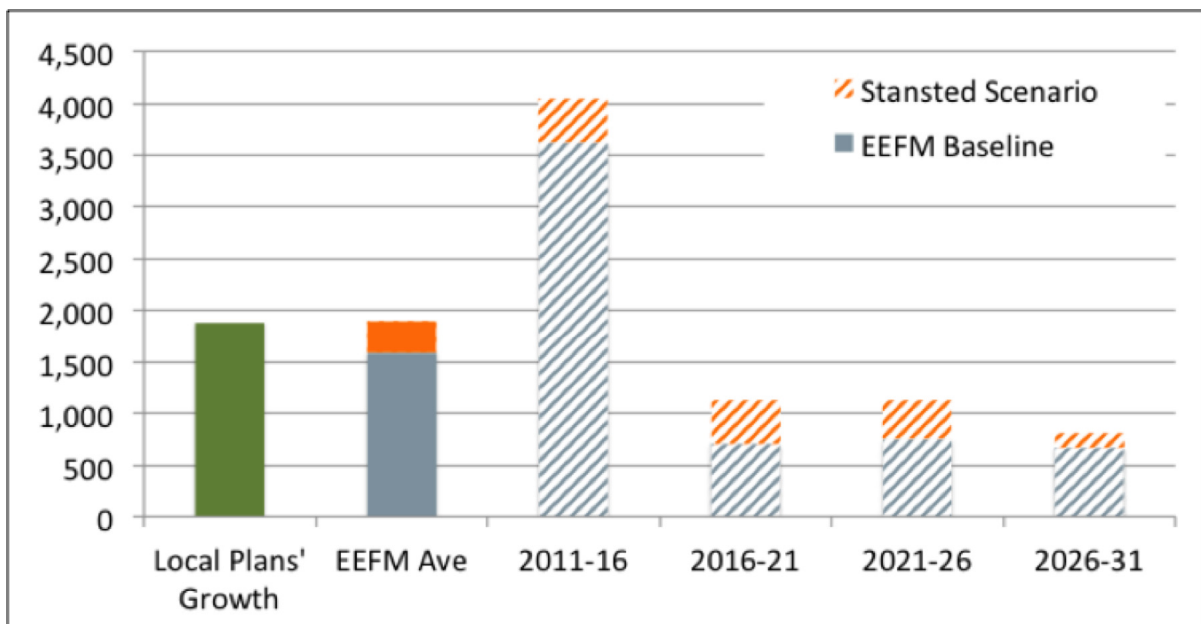
b

Source: EEFM (2014) and HC disty Jones Associates Analysis C

7.5b Future job growth projections

As discussed above, the baseline projected level of jobs growth for the CHMA (excluding the EEFM) is 1,590 jobs per annum. When the impact of Stansted is included, this increases to 1,895 jobs per annum. This latter figure is similar to the scale of projected growth set out in the Local Plans' evidence bases, but the distribution within the CHMA area is very different (discussed below). C

Figure 7.4: Local Plans and EEFM Baseline plus Stansted growth



b

7.6b Job growth projections at the Local Authority level

Two different scenarios have been used to distribute the overall level of jobs growth in the CHMA to the constituent Local Authority areas. The intention is to provide a starting point to inform policy debate between the four authorities. The allocations are based on the only data available on business-usual scenario i.e. these distributions do not take account of any policy interventions or other public interventions such as the High Enterprise Zone. Any policy debate by the four authorities should be based on the current relative distribution of jobs across the CHMA area, which is provided for policy decisions.

Figure 7.5: Job growth projections (based on Stansted) and emerging employment base figures

Local Authority	Job growth per year - based on historical share of total SHMA area jobs	Job growth per year - based on EEFM projected share of total SHMA area jobs	Target range for job growth	Job growth per year - derived from Local Plan emerging employment bases
East Herts	505	435	435 - 505	510
Epping Forest	400	455	400 - 455	410
High Low	325	335	325 - 335	400 - 600
Uttlesford	665	675	665 - 675	460
Total	1,895	1,895	1,895	1,780 - 1,980

N.b. Numbers may not sum due to rounding

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C

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Appendix 1: Functional Economic Market Areas

East Hertfordshire

Functional economic market area

A functional economic market area (FEMA) has been defined for East Herts. The District is part of the A1(M)-M11 Catchment Region, an integrated local authority market. This covers Barnet (Borough), Welwyn Hatfield (Borough), Stevenage (Borough), North Herts (District), Uttlesford (District), Hemel Hempstead (District) and Epping Forest (District).⁴ This is based on functional local authority market area codes.

Historic job creation

No discussion of historic job creation in the information supplied.

Employment growth projections

Employment forecasts are based on the 2012 EEFM. At the time the forecasts still reflect uncertainty about the state of the global and UK economies – which still exists to some extent. A significant increase in net out-counting from 2006 to 2012 was noted.

Employment is projected to increase by 9,700 jobs between 2012 and 2031, as part of an increase of 60,000 jobs in the sub-region. Of these, 6,100 will be created in financial and business services and 1,600 in construction.

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b

⁴East Herts (District) employment forecasts and strategic economic advice, DTZ, November 2012

Epping Forest

Functional economic market area

Epping Forest District is not a self-contained economy, but an integral part of a functional economic geography that extends well beyond its boundaries. This is best expressed at two levels:

1. A strong core geography of Epping Forest District with good links south into London, with the potential for a much stronger relationship with Herts in the future
2. A less strong, but still functionally wide economic geography which covers London, East Herts, Hertsmere, Herts, Uttlesford, Brentwood, Boxbourne, Enfield, Gt. Cheaden and C. Benge.

Employment growth projections

HJAs identified growth of up to 9,000 jobs over the period 2011 to 2033.

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b

Harlow b

Final regional economic market area b

HC low hCs not set out in the definition of the sub-region of West Essex and East of Chelmsford.

Harlow, Essex is a planned new town, which is an important sub-regional centre for the Essex and East of Chelmsford region. It is a major employment hub for the region and has a high concentration of major employers including the Home Office and the Home Office. It is also a major centre for the region and has a high concentration of major employers including the Home Office and the Home Office.

Consistently Harlow wishes to attract jobs from the region and to become a major centre for the region. It is a major centre for the region and has a high concentration of major employers including the Home Office and the Home Office.

[See also the Local Plan, Essex, Essex, Essex]

Employment growth projections b

HC low hCs set a net employment growth projection between 8,000 and 12,000 jobs over the period 2011 to 2031. This change is based on five options which have been considered in the future growth study.

Harlow LDP: Emerging Strategy and Further Options, April 2014 b

The Council's planning for the region is based on 8,000 and 12,000 jobs which will be supported by investment from new businesses that have been established in the region and the provision of new housing for the region's growing workforce. The Plan will also build on Harlow's status as a major centre for the region and its role in the region's economy.

Executive Summary

The Employment Land Review will provide a clear picture of the region's employment needs and will help to ensure that the region is able to attract and retain jobs. It will also help to ensure that the region is able to attract and retain jobs.

The address of the region's strategic needs is to capture 30,000 jobs by 2031. This will be achieved by 2031 and will replace 30,000 jobs lost over the period 2008 to 2011. This will be achieved by 2031 and will replace 30,000 jobs lost over the period 2008 to 2011. This will be achieved by 2031 and will replace 30,000 jobs lost over the period 2008 to 2011.

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PC 4.12 Cnd 4.13. p.22-23 C

Proposed level of development for Harlow b

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PC 4.26, p.28 C

Harlow Fbtbre Prospebts Stbdy, NLP, Abgbst 2013 b

ThHfuturHprHspHcts fHrH arlHw havHbH n assHsHd undHr fivHdHvHHPmHnt scHnariHs.H

Scenario A: DH NHthingHMHRH (H,91H dwHllings,H1,207HjHbs).HUndHrHthisHscHnariH thH tHwnHwHuldH xpHriHncH dHclinH inHtsHylungHrH(0-17)HndHwHrkingHagH pHulatiHnH(18-64)HsHtHsH grHupsHnHvH utHnHsHarchH fH mplHymHntHndHnHusing.HThisH ptiHn incrHasHs thH riskHthatHsHchH lshwHuldHhavH tH clHsH andHthatHbusinHsHs wHuldHtH sH nHt tH invHstHduH tH lackH f labHurHsupply.HAsHhHwnHdHringH thH1970s and 80s, thHtHwn factHs a rHal prHspHctHf dHclinHundHr this scHnariH.H

Scenario B: MH ting DHvHHPmHnt NH ds (7,48H dwHllings, +H,0H7 jHbs). This scHnariH isHthH pHntHtH whichHthH pHtHntialHfHr futurH dHclinH isHnininimisHd.HThisHscHnariH chHrrHspHndsHtH grHwthHnHbHtHtHthH yHungHr (0- 17) and wHrking agH pHulatiHn (18-64)H fH arlHw. This scHnariH alsH chHrrHspHndsHtH anH incrHasH inH bsH v r thH p riHd,HblbHtH tH n ughHtH r gainHtHj bsH stHb twH n 2008HndH2011.H UndHr thisHscHnariH thH tHwnHwHuldHgrHw butHwHuldHfailHtH dHivHr sufficiHntHgrHwthHtH mH t a widH numbHrHfHbjHctivHs.H

Scenario C: JHbsHLHd (11,490HdwHllings,H8,060HjHbs). ThisHscHnariH wHuldHsH anHincrHasH inH0-17HndH 18-46 agHgrHupsHf 2H% and 2H% rHspHctivHly. This scHnariH chHrrHspHnds tH thH ambiHnt jHb grHwthH p t ntialH fH arlHw andHsHtH p intHtHwhichHtHt wntanHd livHr thH majHrityH f itsHbuffHrdabilH h using nH ds. A numbHr f thH rHg n ratiHn bjHctivHs alsH b c m m r likHly tH b d livHr d atH thisHvHvH fHgrHwth.HThisHscHnariH wHuldHsH arlHwHgrHwingHtH aHsimilarHizH asHBasingstHkH rH CrawlHy.H

Scenario D: GrHwingHCHntrH (1H,000HdwHllings,H12,099HjHbs).HUndHrHthisHscHnariH thH tHwnHwHuldH xpHriHncH significantHincrHasHsHnHtH numbHrH fH0-17HndH18-46HyHarH ldsH(41%HandH %H rHspHctivHly).HThisHscHnariH wHuldHnHdHtH arlHw'sHphulatiHnHncrHasingHtH 114,000pH pLH,tHtH quivalHntH fHWHWyn-HatfiHd.HThisHvHvH fHgrHwthHtHuldHsupHrtHtHsHsubstantialHlyHmprHvHdHtHtailH ffHr andHnhancHd highHrHducatiHnHffHr.H

Scenario E: TransfHrmHd CHntrH(20,000 dwHllings, 18,121 jHbs). This scHnariHsH sH arlHwHxpandingH tH a t wnH f 1 2,000pH pLH, largHr thanHprHs ntHdayHCambridgH. ThisHw uldHc rrHspHndHtH significantHncrHasHsHnHtH numbHrH fH0-17HndH18-46HyHarH ldsH(81%HandH#9%HrHspHctivHly).HThisH

ptiHn isHt nsidHr d tH bH thH p intHbtH whichH multiplH r g n ratiHnH bjHctivHs c uldHbH d livHr d,H including cHmprHhHnsivHtHwn cHntrHrHgHnHratiHn and a 'stHp changH' inHcHnHmic grHwth.H

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b

Uttlesford b

Fbnbt onal ebonomb market area b

No woCk hCs been done on defining C FEMA. C

Employment growth projekt ons b

An eC ployC ent gCrowth of 9,200 oCe the locCl plCn peC od of 2011 to 2031 hCs been pCposed. C HoweCeC the LocCl PICn CExC inCtion CnspectoCCCs Suggested C hCt C his C needs C to C e C C fully C C onsidered, giCen the gCrowth potentiCl of C tCnsted AiCpoC. C

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The plan's H mplyment H nt H targH s tH ut H nt H licy H SPH is H 9,200 H ddit H nal H bs f r th H p ri H d 2011-2031. H This H H riv H s fr H m tabl H 27 H pr H dicit H d Uttl H s f H rd H H b chang H s by H typ H 2011-2031. H H n H th H Empl H yment H Land H R H vi H w H (ELR) H f H April H 2011, H which H s H ts H f H b H s H d H n H th H East H f H England H f H r H c H asting H M H d H H f H Autumn H 2009. H H H s H uncl H ar H what H part H th H xp H ct H d gr H wth H f H mplyment H stanst H d Airp H rt H plays H n H that H H tal, H but H curr H nt H stimat H s H by H th H w H wn H rs H Manch H st H r H Airp H rt H Gr H up H (MAG) H ndicat H that H Stanst H d c uld H ts H f H pr H vid H gr H wth H n H bs f that H rd H r if H ts H traffic H w r H th incr H s H th mmpa H v H r th H plan p H ri H d. H

PC 3.16, p.13 C

The ELR H ndicat H s H that H th H r H is H litt H if H any H disc H r nib H linkag H b H tw H n H th H quantity H f H H using H all H cat H d in H th H plan H and H th H numb H r H f j H bs H lik H ly H th b H cr H at H d H v H r th H plan H p H ri H d in H th H C H gn H s H d H 'H mplyment' H us H s H (ff H ct H s, H ndustry H and H war H H using), H sp H cially H giv H n H th H natur H and H H cat H n H f H Uttl H s f H rd and its trav H l- t H- w H rk patt H rns. H

PC 3.17, p.13 C

UDC Response to the Inspebtor's nb tat on to sb m t statements: matter 5, Obtober 2014 b

tCteC ent of coC on gCound between MAG Cnd UDC C

PotentiCl to incCecse on-site eC ployC ent by 8,800. C

Uttlesford Lobal Plan: Pre-sb m ss on bonsbltat on, Apr l 2014 b

[WithdC wn fC C the exC inCtion pCcess on CdCice fC C the InspectoC] C

In H 2012 H th H C uncil H appr H v d an H Ech H mic H d v l pm H nt H strat H gy H f r 2012-2014. H [No explicit job C gCrowth nuC beCs] PC 9.3 p.26 C

ApCl 2011 ELR (pC .9.6 p.27): C

- 3.C -1,700 jobs in fCctoGes C
- 4.C +1,450 jobs in wC ehouses C
- 5.C +2,150 jobs in offices C
- 6.C +1,900 job net C

Employment Land Review, April 2011 b

Focus on B Use Classes

Net change of 9,200 jobs 2011 to 2031 (p.8). Considered to be unfeasible, but no alternative in place, so adopted as an 'indicative' target

C

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Appendix 2: Adjustments for Standed Growth b

Key Messages b

- London CtCsted AiQoCt higheCgCwth scenC io is likely to geneC te Cn CdditionC 10,000 on-site jobs C oCeCthe CHMA peCgod. C
- Due to displCceC ent effects elsewheC in the CHMA C eC we estiC te 8,750 net CdditionC jobs. C
- We estiC te thCt the EEFM ClCcdy includes gCwth of C ound 2,200 jobs Ct CtCsted. The EEFM is C lso likely to include soC e fuCtheCindiCct Cnd induced effects CcCoss the CHMA C eC. C
- oC bining these cCctes Cn CdditionC uplift to EEFM bCseline, bCsed on high gCwth Ct CtCsted, of C 6,500 jobs oCeCthe CHMA peCgod. C
- This equCtes to Cn CdditionC 300 jobs peCCnnuC , in Cddition to the bCseline (coC gCwth) of 1,590 C jobs peCCnnuC . C
- TotC C eC ge CnnuC job gCwth theCfoC incCses to 1,895 peCCnnuC . C
- OxfoC EconoC ics CnClysis suggests theC C e oppoCtunities foCC high pCpCtion of on-site jobs to be C filled by in coC CteC. CuCently 45% of CiQoCt jobs C e filled by those C esident outside the CHMA C eC. OE suggest this figuCe could Cse with CppCpCcte effoCs. C
- A fCst C il link fCt London to CtCsted would iC pCce Cccess foCLondon C esidents to these jobs but C lso incCse the likelihood of out coC Cting fCt the HMA into London. C

SDP Growth Plans b

PlCnning peC Cission hCs been CwC ded foCexpCnsion Ct CtCsted, to CccoC C odCte up to 35 C illion C pCssengeC peCCnnuC (C ppC). TheC C e two coC docuC ents which hC e been C eCiewed. The CDP C EconoC y Cnd CuCfce Access CcpcCt (2015) Cnd the EconoC ic IC pCct of CtCsted CcenC ios (2013) C cpcCt pCpC ed by OxfoC EconoC ics. C

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The Cwo CdocuC ents CconsideCCboth Cthese CscenC ios, Cbut CstCte Cslightly CdiffeCent CtotC on-site C eC ployC ent pCjections. The C ost substCntiCe C iCnce CelCtes to the 35 C ppC. At the officeC C eeting the higheC scenC io wCs suggested Cs the bCsis foC otheC plCnning Cpolicy woCk being C undeCtken to deCelop the UttlesfoC LocC PlCn. FoCthis scenC io the figuCs C e bCcdly consistent. C

£	35 mppa £	45 mppa £
DP (£)	18,800 (£)	19,650 (£)
OxfoC EconoC ics (£)	16,800 (£)	20,000 (£)

C

In totC eC ployC ent teC s this CcpcCesents Cn incCse of onsite eC ployC ent in the Cegion of 10,000 C oCeCthe C nClysis CpeCgod C2011-33. CCdiffeCng CdocuC ents Cuse CdiffeCng CbCse CyeC s Cnd CcCent C eC ployC ent leCels. C

The Oxford Economics report sets out detailed economic impact analysis of expansion, taking into account the displacement effects of such growth within the LCA. That is, the fact that substantial expansion of the private sector will offset some growth that would otherwise have taken place in any sector. Oxford Economics apply slightly different rates of displacement depending on the quality of employment opportunity. For the high-growth scenario OECD estimate an additional 7,000 direct jobs, this is reduced to 4,000 for the low-growth scenario. Some of this displacement effect would lie outside the CHMA area. A figure of 50% is attributed to the HMA. Leading to an HMA effect of 8,500 additional jobs.

OE also provide an estimate of indirect and induced employment effects across the entire LCA. They indicate the need to adjust these displacement effects although detailed figures are not provided. CHJA analysis suggests factoring into account displacement of the 500 jobs in the LCA might be supported over the period. Only a proportion of these would be within the HMA. The share is uncertain but is likely to be no more than 50% (250 jobs).

EEFM 2014 Baseline

The EEFM 2014 Baseline has formed the basis for CHJA analysis to date. It is important to understand what level of growth of constructed employment can be achieved within the EEFM. There is no definitive figure but an assessment can be made.

Historic employment data for the 11 sectors has been analysed to understand the share of Uttlesford employment by sector which is constructed currently. These shares are then applied to the EEFM forecasts for Uttlesford. This analysis indicates a figure of 2,200 additional jobs for Uttlesford based on this share. It is uncertain to the extent high levels of growth for constructed have been applied within the EEFM baseline. Therefore this baseline level of growth is assumed.

On this basis the growth of constructed jobs set out within the CDP would lead to an additional 6,500 jobs within Uttlesford.

What does this mean for growth to inform the CHMA?

Based over the 22 year CHMA period this would increase workplace based jobs by around 300 per annum above the EEFM baseline. Increasing the core figure from 1,590 to 1,895 per annum.

Involving the increase to 35 per cent the increase is lower, to around 1,750 jobs per annum.

Local Workforce Implications

The scope of the HJA research is to consider the scale of workplace based jobs in the HMA. However, the following may be of interest to ORC.

The OE report considers this issue in some detail. However, it is not focused on the HMA level and therefore it needs some interpretation.

The OE analysis suggests around one third of jobs might be filled by those currently unemployed, one third by those currently inactive and one third from new entrants.

The FEMA for the Ci poq is different to the FEMA for the CHMA. Any additional housing provision that would be associated with the current additional housing provision could be located within the catchment of the Ci poq and not necessarily within the West Essex and ECst Herts HMA.

The evidence presented by OE and new evidence provided to HJA indicates that 55% of existing residential workforce is resident within the HMA. Assuming continuation may be that this pattern continues. This suggests 45% in contributing to the residential workforce for the HMA (29% if including all home workers and those of no fixed place of work, 38% if only including those with designated workplace away from the home).

It would therefore be appropriate to ensure that residential specific in contributing to the additional employment.

More detailed work by OE highlights that the labour market situation in much of the HMA is already tight. It is therefore suggested that the future labour market to meet the growth aspirations of the residential workforce could coincide with high unemployment. This implies future in contributing to the residential workforce could be higher than the existing pattern. In order to support such a continuation the need to take logical steps. The potential workforce locations cited include HClow, Peterborough, HClngy, Enfield and Waltham Forest. These locations being London Boroughs where the skilled workforce is established. If this is not the case the potential workforce will be needed for an increase in working age population locally and the associated housing provision.

The OE work sets out the case for a link to London which will help provide connectivity substantially.

There is therefore a logical argument to support increased in contributing to the residential based on:

- Ailable labour supply
- Increased transport infrastructure
- Specific skills and workforce engagement activities in target locations.

There is no quantification of this effect. However, it may be appropriate to test some of the scenarios in order to inform policy development. HJA would recommend the following for the uplift in jobs above baseline:

- Existing residential in-contributing to the residential workforce – 45%
- Low increase – 50%
- Medium increase – 55%
- High increase – 60%

These scenarios could be tested against the 35 and 45 population scenarios. The following table provides a summary. Percentage figures show the in-contributing to the residential workforce only. The ORC baseline assumption applies to the core job growth characteristics.

Scenario	EEFM Baseline	35 mpa	45 mpa
Jobs (Workforce based)	1,590	1,750	1,895

Item	EEFM Baseline	35 mppa	45 mppa
Uplift on baseline		160 ppcnnc	300 ppcnnc
Existing connecting	ORC Baseline model	45%	45%
Low income	n/c	50%	50%
Medium income	n/c	55%	55%
High income	n/c	60%	60%

Such scenario testing will identify the scope of sensitivity to changing assumptions.

It should also be noted that the OE analysis identifies that impacts to forecast routes to be tested will likely increase the propensity to connect into London, particularly for the HMA districts that will benefit from reduced travel times to central London. A figure of 7,000 additional routes is estimated by OE. The implications of this increase, will that create further demand on local bus supply to meet employment growth?

It is also noted that if the forecast grows to the high scenario it will require a mix of both short and long haul flight destinations. This is likely to boost the attractiveness of the sector to FDI.

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