Uttlesford District Employment Land Review Update - 2017

Final Report

May 2017

Prepared for

Uttlesford District Council

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ABBREVIATIONS

ABI	Annual Business Inquiry
BRES	Business Register and Employment Survey
CAGR	Compound Annual Growth Rate
EEDA	East of England Development Agency
EEFM	East of England Forecasting Model
ELR	Employment Land Review
LEP	Local Enterprise Partnership
MAG	Manchester Airport Group
MPPA	Million Passengers per Annum
ONS	Office for National Statistics
SEP	Strategic Economic Plan
SIC	Standard Industrial Classification
SQM	Square Meters
UDC	Uttlesford District Council

EXECUTIVE SUMMARY

Context and Objectives

Uttlesford District Council (UDC) commissioned AECOM Infrastructure and Environment UK Ltd (AECOM) to undertake an update to the previous Employment Land Review (ELR) for the District. This ELR update assesses the quantity and quality of the District's employment land and forecasts future land and floorspace requirements. This work provides evidence-based analysis and guidance for employment land policy in preparation of the new Local Plan and provides an understanding of the potential requirements for employment land and premises to support economic growth across the District. The review builds upon and updates the findings of the ELR undertaken in 2011. For the purposes of this study employment land and premises are defined as commercial and industrial uses falling into use class orders B1a/b/c, B2 and B8.

The key objectives of this ELR are to:

- Assess the quantity and quality of the Uttlesford's employment land supply and its suitability to continue to support B-use class employment activities;
- Assess the demand for B-use class employment space over the Local Plan period up to 2033. This will draw upon an understanding of how the Uttlesford commercial property market and functional economic market area have performed historically to date;
- Compare the scale and qualitative characteristics of supply against forecast demand over the plan period and draw conclusions about which sites could meet this demand (including a consideration of Call for Site proposals); and
- Provide recommendations for the District's employment land allocations and policies and advise whether the employment strategy contained within the Pre-submission Local Plan consultation document remains appropriate.

Study Area

The study area covers the whole of Uttlesford District and considers its employment land within the context of the wider Property Market Area (PMA). The PMA can be defined as the wider area of search which potential office or industrial occupiers would operate in identifying premises for occupation. Uttlesford is located within North West Essex and is predominantly a rural district with two small towns and a number of villages with the towns of Saffron Walden and Great Dunmow being the largest settlements in the district. The key villages are Elsenham, Great Chesterford, Hatfield Heath, Newport, Stansted Mountfitchet, Takeley and Thaxted.

Two major strategic roads cross the District; the M11 which runs north to south through the western edge of the District and provides connections to both London and Cambridge, and the A120 which runs through the south of the District offering connections to Braintree, Colchester and the A12 to the east of the District.

There are two major clusters of employment activity with more than local significance within the District; Stansted Airport in the south and Chesterford Research Park in the north. The remaining employment clusters are located within smaller industrial estates or premises which

serve a predominantly local function. Manufacturing and warehousing premises comprise the majority of employment land within the District with much of this land concentrated within proximity to Stansted Airport and Great Dunmow within the South of the District. There are limited amounts of office space scattered across towns and villages within Uttlesford.

Policy and Literature Review

At the regional level Uttlesford falls within both the South East (SE) Local Enterprise Partnership (LEP) boundary and the Greater Cambridge / Greater Peterborough (GCGP) LEP boundary. The Strategic Economic Plans (SEPs) for both LEPs point towards strong housing and employment growth within the LEP areas. The District is also part of the London Stansted Cambridge Corridor (LSCC) which is identified as a leading knowledge economy and as having one of the best performing life sciences clusters in Europe.

Future employment growth within Uttlesford is influenced by the Districts proximity to the M11/A120 corridor as well as future growth at Stansted Airport. The Airport's Sustainable Development Plan (SDP) outlines that the airport currently has planning permission to process a maximum of 35 million passenger per annum (mppa) and 243,500 tonnes of freight although it is considered that the airport has the capacity to reach 40-45 mppa and 400,000 tonnes of freight per annum.

UDC's Local Plan aims to increase the provision of employment land within the District by approximately 17ha as well as safeguarding existing employment areas over 1ha within Great Dunmow, Saffron Walden and Stansted Mountfitchet and areas over 0.5ha in other key rural settlements. Recent monitoring reports and the 2015 Commercial Workspace Study (undertaken by BE Group) have indicated that the current supply of employment land within the District is tightly constrained with a market characterised by low vacancy rates and lack of adequate choice for current and prospective occupiers.

Local Economy

The analysis informs an understanding of the economy's strengths and weaknesses and the implications for future employment land and premises. The findings are summarised below.

- The resident population of Uttlesford is comparatively well qualified compared to both Essex and the national average. The District also has a relatively professional workforce with proportionally more residents in the top three occupational tiers in comparison to Essex and England as a whole;
- The resident population of Uttlesford is paid more than the District's workforce. The majority of the residents currently commute out of the District to work (68.4%), suggesting that the jobs for out-commuters command higher wages than the average for jobs within the District;
- The majority of businesses are small to medium in size, with a limited number of larger companies operating in the District;
- Uttlesford is seeing growth in industries associated with higher value jobs (professional, scientific and technical and information and communication) and those likely involved in the operation and supply of goods/services to Stansted airport (accommodation and food services and transport and storage (inc. postal)); and

- Uttlesford is seeing a decline in a number of unrelated sectors including services such as retail, health and business administration and support services, and in traditional manufacturing jobs.

Employment Land Supply

The supply section involved desk-based research and a field survey to identify the suitability of land and premises in Uttlesford District for employment uses (office, B1a/b; industry, B1c/B2; and warehousing, B8).

The survey methodology and criteria are based on factors and issues set out in the National Planning Policy Framework and Planning Practice Guidance. The clusters assessed were selected and agreed in consultation with the Council, consisting of identified employment areas and clusters, strategic sites as identified by the Local Plan, call for sites identified for employment use and any other employment clusters over 0.25ha in size considered suitable for survey. All sites surveyed within the 2011 were captured within this study, with the exception of those which have now been redeveloped for alternative uses.

In total 38 existing employment land clusters were identified which comprise a total of 256.1ha of land within the District. A further 15 call for sites which were put forward for employment use were also considered as part of the supply side assessment. The majority of employment sites within the District were found to contain largely small to medium sized premises, serving a predominantly local market. The supply of large office, industrial and warehousing units within the District are relatively uncommon, although some were observed within the south of District close to Stansted Airport. The vast majority of employment sites were found to be functioning well with low vacancy rates, although a number of sites were observed to contain older, poor grade industrial stock.

The survey identified five broad types of premises which varied in use class, size, quality, and type of occupier. These help to understand the supply and types of premises that businesses occupy in the District and are identified below:

- Small office units (use classes B1a/b): Small office units within the District were commonly observed within more rural locations which may provide suitable locations for SMEs. These sites typically suffer from poor public transport access and as a consequence require adequate parking provision for employees;

- Medium office units (use classes B1a/b): these units were observed to be less common within the District and tended to house single or multiple large occupiers. The overall stock of medium offices in Uttlesford is low, with the majority focused around Stansted Airport. The lack of stock within the District suggests that Uttlesford may lose in such occupancy to other locations within the PMA. This observation was supported through consultation with property market agents, many of whom suggested that a lack of grow on space for businesses within Uttlesford meant businesses often had to look elsewhere or remain in premises which were unsuitable for their requirements, potentially hindering growth.

- R&D Laboratory Space (use class B1b): Within Uttlesford the major centre for combined R&D and office space is Chesterford Research Park. Chesterford Research Park is the only significant cluster of R&D premises within the District. The Research Park has historically been attractive to small and medium size firms as rents are lower in comparison to similar facilities in Cambridge.

- Small Warehousing and Workshop Units (use classes B1c, B2 and B8): These are the most common type of units in Uttlesford. Within Uttlesford small warehouse and workshop units typically tend to be located within the District's main towns of Saffron Walden and Great Dunmow in stand-alone clusters. Small warehouse and workshop units tend to be older and although some units show signs of refurbishment, they are generally of poorer quality. Despite the quality of these typologies occupancy rates were observed to be high; and

- Medium to Large Warehouse Units (use class B8): The supply of medium to large warehousing units within Uttlesford is limited which reflects the rural nature of the District and the location of much of the employment clusters away from strategic road access. These units tend to be located in large employment clusters as opposed to stand-alone sites. Within Uttlesford the majority of medium to large warehouses are located close to Stansted Airport and the M11 junction adjacent to Bishops Stortford and were generally found to be in good condition and well occupied.

Demand Assessment

We have carried out a quantitative assessment of the demand for office (B1a/b) and industrial (B1c/B2/B8) floorspace in Uttlesford District. The approach identifies the East of England Forecasting Model's (EEFM) projection of future floorspace demand by use class, and associated variations based on growth aspirations at Stansted Airport, as the most suitable indicator of future need. The EEFM builds upon past trends to estimate future employment, from which demand for employment floorspace is derived.

The forecast concludes that over the local plan period demand for office floorspace is likely to increase by between 10,400sqm and 18,000sqm, and for warehousing increase by between 10,800sqm and 38,600sqm. The demand for manufacturing floorspace is however anticipated to decrease though by between -15,500sqm and -23,300sqm.

Gap Analysis: Comparison of Supply and Demand

The net requirement for office floorspace and industrial land is calculated across the plan period to 2033. It considers the additional need to provide for other suitable uses of employment land, such as waste management and recycling facilities, while ensuring that a sufficient vacancy exists to allow for an efficient churn of occupancy between businesses. Because of the mix of densities of office developed in Uttlesford District, it is not meaningful to translate floorspace into land requirements. The additional office requirement is therefore represented in terms of floorspace, while industrial requirements are considered in terms of land.

The forecast for office floorspace calculates an additional net requirement of between 12,900sqm and 21,100sqm in Uttlesford District up to 2033. The most likely scenario is an additional requirement for 21,000sqm, which equates to an average increase of 1,200sqm per annum over the plan period.

The forecast for industrial land (manufacturing and warehousing) calculates that there is a deficit of employment land in the District in the region of between 2.5ha and 10.5ha. The medium scenario is an additional requirement for 10.2ha of industrial land over the period to 2033. However, a large component of the net requirement is due to a tight supply position with sub-optimal levels of vacancy preventing businesses from moving to or within the District in order to grow or downsize. This translates as a need for additional frictional vacancy.

Conclusions and Recommendations

Conclusions identify that the current supply of employment land within the District is tightly constrained and there is a need to plan positively to accommodate growth for the local office market, manufacturing and warehousing land.

Office Land Use

Access to strategic road networks and proximity to Stansted Airport within the south of the District indicates that this area is most likely to capture commercial interest in Uttlesford's office market. This is reflected in the modest projection for additional floorspace over the Plan period. It will be important, in order to meet this requirement, that the District is able to safeguard and encourage a wide range of premises that cater for the varying types of existing and emerging demand.

Consultation with market agents suggests that demand in the future will increasingly be for serviced flexible workspace which is suitable to meet the needs of start-up and grow on businesses within the District. This reflects the high proportion of micro and small businesses within the District which require this type of flexible office workspace.

Industrial Land Use

With regards to industrial stock it is considered appropriate to safeguard all the industrial sites which are currently performing well and meeting market demand within the District. However, as current vacancy rates are below the optimum amount to allow efficient transition between occupiers it is recommended that the Council look at opportunities to release poorer performing, older industrial stock, and promote opportunities to bring forwards new industrial land to meet the needs of future occupiers. These opportunities should be considered in the context of increasing demand for warehousing uses and a contraction in demand for manufacturing premises.

These changes may have implications for the location drivers of demand and the extent to which warehousing occupiers will be willing to move into premises vacated by manufacturing activities may be limited. The provision of new high grade warehousing and distribution stock in proximity to strategic transport links may be necessary to attract larger occupiers. There may therefore be a need to consolidate older stock in less attractive locations to ensure that there is not an over-designation of employment land within the District. It is likely that the majority of these opportunities will come forwards within the south of the District, particularly in proximity to Stansted Airport and the M11 and A120 corridors.

Following assessing the supply and demand of employment land we have created the following recommendations for the planning of employment land in Uttlesford:

B1 a/b Use Classes

R1 The demand assessment estimates, that under the medium demand scenario, there will be a net additional requirement for 21,000sqm of B1 floorspace in Uttlesford District over the Local Plan period to 2033.

In order to meet this demand requirement, the Council should support the provision and retention of existing B1 a/b use classes across the District and in addition promote the provision of new B1 a/b use class employment land and premises within suitable locations. These locations could include:

- The town centres of Saffron Walden and Great Dunmow where new development opportunities arise, including the following sites:
    - Land south of Ashdon Road; and
    - Land between Radwinter Road and Thaxted Road and land to the south of the Lord Butler Leisure Centre and West of Thaxted Road.
- Sites located within and in proximity to other larger villages within the District such as Elsenham, Stebbing, Little Easton, Stansted Mountfitchet and Great Chesterford. The first five sites are proposed new settlements, and if one or more of these is included in the Council's Local Plan, employment allocation would be appropriate as part of a mixed use proposal. In particular the following locations:
    - Land north east of Elsenham (Call for sites 05Els15, 06Els15 and 07Els15);
    - Land south east of the A11 and north east of the B184 (Call for sites 10GtChe15);
    - Land centred on Saling Airfield between Stebbing and Rayne (Call for sites 05Ste15);
    - Boxted Wood Stebbing (Call for sites 06Ste15);
    - Easton Park Estate, Great Dunmow (Call for sites 06LtEas15);
    - Land at Gaunt's End / Elsenham Meadows (Call for sites 01Els15 and 10Els15);
    - Thremhall Park, Start Hill (Call for sites 04GtHal15);
    - Land north east of Bury Lodge Lane (Call for sites 16Sta15); and
    - Land north of the B1039 and West of the B1383 (Call for sites 02Wen15).

The provision of new office space should complement existing provision and help to support and encourage a range of businesses to grow and invest within Uttlesford from start-up, micro, small to medium sized enterprises as well as larger businesses, should interest be received.

In particular there is an opportunity to promote small size office units to accommodate the needs of small sized businesses. This should be affordable flexible business space located in accessible locations with proximity to amenities such as town centres, where there is capacity for new office provision, and/or as part of new mixed-use schemes.

R2 To support the net additional growth of office space as set out within R1 above; the Council should also consider designating a proportion of the following Call for Sites for office B1(a) use class activities:

- Call for sites 04GtHal15;
- Call for sites 01Els15;
- Call for sites 16Sta15; and
- Call for sites 02Wen15.

R3 The Council should support the continued expansion of Chesterford Research Park for research and development uses in accordance with the approved masterplan. The Council should also explore opportunities to increase the limits and scope of permitted development to ensure that the Park remains attractive to potential occupiers.

B1c, B2 and B8 Use Classes

R4 To support the requirement for a net additional 10.2ha (medium growth scenario) of land for industrial uses over the Plan period to 2033, the Council should support the development of employment clusters which are currently functioning well as employment locations but which have vacant land, land with derelict buildings or have underutilised land and premises. These locations include:

- C5 – Gaunt's End Industrial Estate;
- C12 – Hoblongs Industrial Estate;
- C15 – Station Road Industrial Estate;
- C22 – Granite Site, Thaxted Road; and
- C38 – Ashdon Road Commercial Centre.

In addition, to ensure that occupiers have a range of locations to choose from, the Council should promote and encourage development at new sites which display suitable characteristics and potential for industrial use. These new sites could include the following sites and call for sites:

- Land west of Chelmsford Road;
- Land north east of Bury Lodge Lane;
- Land at Alsa Street;
- Start Hill, Land south of B1256;
- Call for sites 06Bir14 – Land off Stortford Road; and
- Call for sites 13Tak15 – Land north of Taylors Farm.

R5 To support the net additional growth of industrial space as set out within R4 above, the Council should also consider designating a proportion of the following Call for Sites for industrial B1c/B2/B8 use class activities;

- Call for sites 06Bir15 – Land off Stortford Road; and
- Call for sites 13Tak15 – Land north of Taylors Farm.

R6 A small number of existing employment areas are not performing well or are judged to be less suitable for use as industrial locations. The Council should monitor existing employment sites within the District to ensure that poorly performing sites with low environmental quality, attractiveness to market and high vacancy rates are considered for alternative uses.

Stansted Airport

R7 The Council should promote and encourage the efficient use of employment land within the Airport boundary, including the de-designation of areas within the Northern Ancillary area (C23) which are currently underutilised as a result of restrictions on non-aviation related uses.

R8 The Council should continue to support airport related development within the airport boundary in line with the Airport's Sustainable Development Plan (SDP).

Monitoring

R9 Monitoring: The Council should continue to monitor changes of employment land through planning permissions to ensure that sufficient land is available for economic growth over the planned period to 2033.

1 INTRODUCTION

1.1 Context

1.1.1 Uttlesford District Council (UDC) is currently in the process of preparing a new Local Plan which is due to be adopted in 2018. The new Local Plan will cover the period to 2033 and will replace the existing adopted Local Plan (2005)[1].

1.1.2 AECOM has subsequently been commissioned by UDC to undertake an update to the Council's previous Employment Land Review (ELR) (2011)[2]. The update to the ELR will be a key element of the evidence base that will inform the Council's new Local Plan.

1.1.3 This ELR update assesses the quantity and quality of the District's employment land and forecasts future land and floorspace requirements. This work provides evidence-based analysis and guidance for employment land policy in preparation of the new Local Plan and provides an understanding of the potential requirements for employment land and premises to support economic growth across the Uttlesford district. The review builds upon and updates the findings of the ELR undertaken in 2011.

1.1.4 The methodology used in this ELR complies with the National Planning Policy Framework (NPPF)[3], which outlines the principles that local planning authorities should follow in preparing their evidence base to inform employment land policies, and guidance set out in the Planning Practice Guidance (PPG)[4].

1.2 Objectives

1.2.1 The key objectives of this ELR are to:

- Assess the quantity and quality of the Uttlesford's employment land supply and its suitability to continue to support B-use class employment activities;
- Assess the demand for B-use class employment space over the Local Plan period. This will draw upon an understanding of how the Uttlesford commercial property market and functional economic market area have performed historically to date;
- Compare the scale and qualitative characteristics of supply against forecast demand over the plan period and draw conclusions about which sites could meet this demand (including a consideration of Call for Site proposals[5]); and
- Provide recommendations for the District's employment land allocations and policies and advise whether the employment strategy contained within the Pre-submission Local Plan consultation document remains appropriate.

1.3 Definition of Employment Land

1.3.1 Employment land is defined as land with business activities which operate from premises with B1, B2 and B8 use classes. Throughout this report employment land is referred to as:

[1] UDC, (2005); Local Plan, January 2005.
[2] UDC, (2011); Employment Land Review.
[3] Department of Communities and Local Government (DCLG), (2012); National Planning Policy Framework.
[4] http://planningguidance.communities.gov.uk/, accessed April 2016.
[5] A Call for Sites exercise was undertaken by the Council between 1st April and 1st June 2015.

- Offices comprising use classes B1a (office) and B1b (research and development or R&D) as these premises are often very similar in their operational requirements; and
- Industry comprising use classes B1c (light industry), B2 (manufacturing) and B8 (warehousing).

1.3.2 As per the PPG, all employment land which measures 0.25ha or over has been considered as part of this study.

1.4 Study Area

1.4.1 The study area covers the whole of UDC and considers its employment land within the context of the wider Property Market Area (PMA). The PMA can be defined as the wider area of search which potential office or industrial occupiers would operate in identifying premises for occupation. The PMA is defined further in **Section 5.2**. Uttlesford is located within North West Essex and is predominantly a rural district with two small towns and a number of villages with the towns of Saffron Walden and Great Dunmow being the largest settlements in the District. The key villages are Elsenham, Great Chesterford, Hatfield Heath, Newport, Stansted Mountfitchet, Takeley and Thaxted.

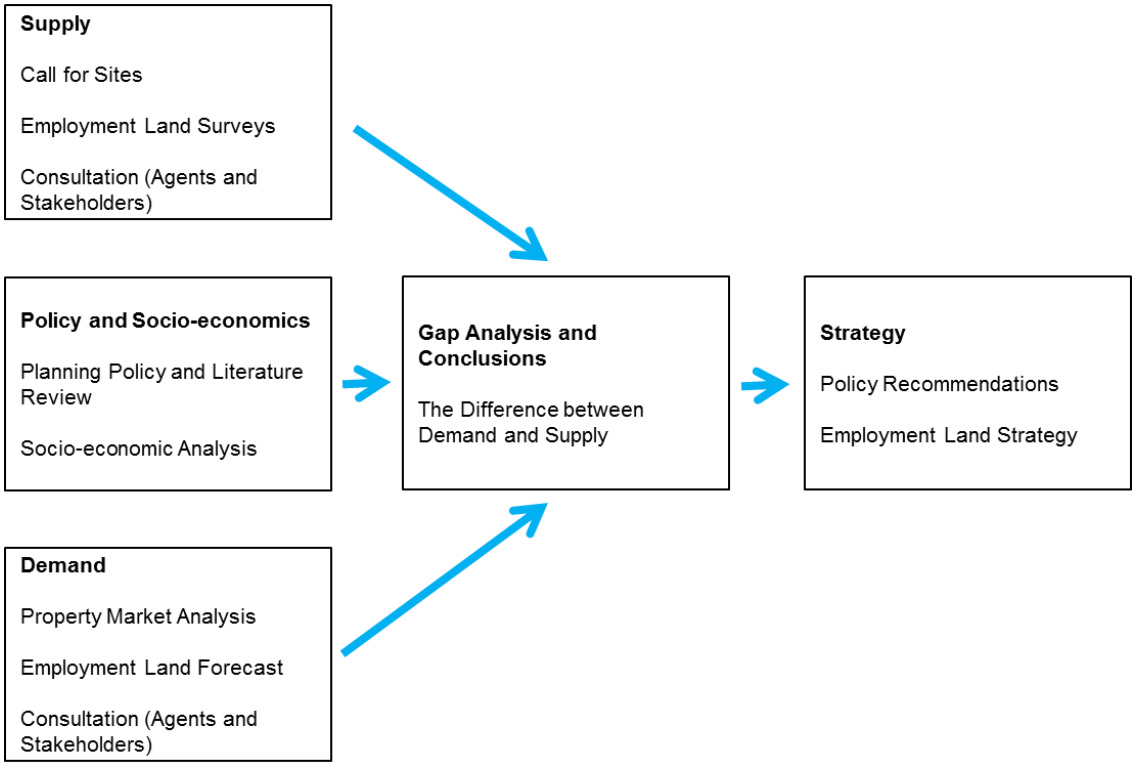
1.4.2 Two major strategic roads cross the District; the M11 which runs north to south through the western edge of the District and provides connections to both London and Cambridge, and the A120 which runs through the south of the District offering connections to Braintree, Colchester and the A12 to the east of the District.

1.4.3 There are two major clusters of employment activity with more than local significance within the District; Stansted Airport in the south and Chesterford Research Park in the north. The remaining employment clusters are located within smaller industrial estates or premises which serve a predominantly local function. Manufacturing and warehousing premises comprise the majority of employment land within the District with much of this land concentrated within proximity to Stansted Airport and Great Dunmow within the South of the District. There are limited amounts of office space scattered across towns and villages within Uttlesford.

1.5 Approach and Report Structure

1.5.1 The component parts of this ELR, in accordance with the PPG, are illustrated in the methodology diagram set out below.

Figure 1-1 ELR Approach



Source: AECOM

1.5.2 The process for selecting existing and potential employment sites to survey across the study area was undertaken in line with the guidance set out within the PPG. Employment clusters included as part of this study include those sites surveyed within the 2011 ELR as well as additional sites (over 0.25ha)[6] proposed for employment uses identified through the Call for Sites exercise. The long list of sites and clusters was agreed with UDC. Further details on the selection process of clusters for assessment are set out within **Section 4.2**.

1.5.3 The structure of this ELR broadly corresponds to the approach set out above:

- **Section 2**: reviews planning policy and literature at the national, regional and local spatial levels relevant to employment land in Uttlesford;
- **Section 3**: presents the socio economic profile of Uttlesford in terms of economy and workforce and the implications this may have on employment land future provision or demand;
- **Section 4**: provides an appraisal of employment land clusters in Uttlesford, considering key criteria such as the quantity and quality of land and the typology of premises provided;
- **Section 5**: analyses the commercial property market in Uttlesford and wider functional economic market area through quantitative data analysis and stakeholder consultations;

[6] PPG, Paragraph 011.

- **Section 6**: reviews the economic development opportunities in the District, considering its strengths, weaknesses and economic linkages to the wider economy;
- **Section 7**: presents an assessment of employment floorspace and land demand over the Local Plan period taking into account findings from Section 5;
- **Section 8**: compares our findings on the supply and demand of employment land in Uttlesford, giving an indication of whether there should be retention or release or employment land for office or industrial uses; and
- **Section 9**: draws upon the previous sections to conclude and propose recommendations on the employment land allocations and policies for UDC's Local Plan update.

1.5.4 Consultation with key stakeholders and commercial property market agents have informed the supply and demand evidence base and our conclusions and suggested recommendations for policy.

2 PLANNING POLICY AND LITERATURE REVIEW

2.1 Introduction

2.1.1 This section sets out the current policy context which has implications for the review of employment land in Uttlesford and the study's recommendations for the development of the District's planning policies with regards to employment land which are discussed in further detail in **Section 8.3**.

2.2 National Planning Policy

National Planning Policy Framework (2012)

2.2.1 At the national level, the National Planning Policy Framework (NPPF) replaced the Planning Policy Statements and Planning Policy Guidance from 27th March 2012, with the aim of making the planning system less complex and to promote sustainable growth[7].

2.2.2 The NPPF describes the Government's vision for building a strong and competitive economy. It sets out a presumption in favour of sustainable development in the absence of a Local Plan or where the plan is silent or indeterminate. This means that the ELR and Local Plan should present robust evidence to support clearly defined allocations of land for employment to avoid applications for alternative use being granted on the basis they are sustainable development.

2.2.3 The NPPF recognises that the planning system plays an important role in promoting economic growth and building a strong, competitive economy. The NPPF sets guidelines for the preparation of local plans which includes setting out a clear economic vision and strategy; identifying strategic sites for investment; supporting existing businesses; and planning positively for the location, promotion and expansion of economic clusters. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances.

Planning Practice Guidance (PPG) (2014)

2.2.4 On the 6th March 2014 the Government published a new PPG on 'Housing and Economic Development Needs Assessments' and 'Housing and Economic Land Availability Assessments' amongst others[8]. This guidance replaces the Office of the Deputy Prime Minister (ODPM) Employment Land Reviews: Guidance Note (2004)[9].

2.2.5 In economic development terms, 'need' relates to the amount of economic development floorspace required based on a quantitative assessment and an understanding of the qualitative requirements of market segments. The PPG requires need assessments to be based on an objective assessment of the facts and should not be biased or influenced by constraints to the overall assessment or limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints.

2.2.6 To provide an understanding of the underlying requirements for office, general business and warehousing sites, the PPG emphasises the importance of considering projections (based on past trends) and forecasts (based on future scenarios) and identifying occurrences where sites have been developed for specialist economic uses. The PPG requires plan makers to consider

[7] Department of Communities and Local Government, (2012); National Planning Policy Framework.
[8] DCLG, (2014); National Planning Practice Guidance (PPG).
[9] Office of the Deputy Prime Minister (ODPM), (2004); Employment Land Review: Guidance Note.

sectoral and employment forecasts and projections, demographically derived assessments of future employment needs, past take-up of employment land and property and/or future property market requirements, consultation and studies of business trends and statistics.

2.2.7 The revised guidance emphasises the following requirements for employment land reviews:

- A need to take account of the wider 'functional economic area' in which the local authority operates;
- A greater emphasis on business engagement to help understand current and future requirements for employment land;
- Consideration of the opportunities for providing employment space as part of mixed-use developments;
- Increased integration of employment land studies and housing land assessments (SHLAA and SHMA scopes of work) to ensure that sites are allocated for the most appropriate uses;
- A more in-depth assessment of the 'achievability' and deliverability/viability of available or pipeline development sites;
- A supply side appraisal of all employment sites over an updated (lower) size threshold of 0.25ha; and
- Greater consideration of the legal or ownership problems that may affect the availability of sites and the ways to overcome them.

2.2.8 The PPG requires a call for sites exercise to be undertaken, whereby landowners and developers are asked to submit sites with prospective employment and non-employment use for consideration.

2.3 Regional Planning Policy

Greater Cambridge / Greater Peterborough (GCGP) Local Enterprise Partnership (LEP) Strategic Economic Plan (SEP) (2015)

2.3.1 The aim of the GCGP LEP's SEP is to release the economic potential held within the GCGP area by using interventions at targeted points[10]. The SEP will deliver growth from 2015 to 2020 and beyond. Planned interventions include removing skills barriers to growth, facilitating the provision of affordable commercial space for businesses and encouraging more long-haul flights from Stansted via temporary exception to air passenger duty.

2.3.2 The SEP sets a target of delivering 7,800 dwellings (156,000 dwellings in total) annually in the GCGP area between 2011 and 2031. Uttlesford is identified to contribute 10,460 new dwellings towards this target.

[10] GCGP, (2015); Strategic Economic Plan.

South East Local Enterprise Partnership (SELEP) SEP (2014)

2.3.3 As well as being located within the GCGP area, Uttlesford is also considered as part of the SELEP area[11]. The SELEP published a SEP in 2014 which aims to develop 200,000 new private sector jobs over the period between 2011 and 2021 as well as delivering 100,000 new homes between 2014 and 2021. Uttlesford is located within the area designated as the "*M11 London – Harlow – Stansted – Cambridge*" growth corridor, in which the target is to deliver 18,250 jobs and 20,230 homes. This is equivalent to 9.1% of the jobs and 20.2% of the homes the SELEP wants to deliver across the area.

London Stansted Cambridge Corridor (LSCC) Growth Commission (2016)

2.3.4 The LSCC published their interim Growth Commission report in 2016. The report identified that the LSCC is an "*engine of UK growth and world class industries and businesses"*. The corridor is identified as a leading knowledge economy and as having one of the best performing clusters of life science businesses in Europe.

2.3.5 The Growth Commission have identified a number of strategic themes to help secure the future prosperity of the corridor including improving links between Stansted Airport and the rest of the corridor and improving joint working on major supply and demand issues such as infrastructure, skills and housing. The commission also identify quality of place as a key competitive strength and state the intention to build on the corridor's existing strengths in terms of business locations, transport, housing, skills supply and quality of life.

Stansted Sustainable Development Plan (2015)

2.3.6 The Stansted Sustainable Development Plan was published in 2015 by Manchester Airport Group (MAG) to outline how they plan to grow the airport[12]. In 2014 the airport handled 20 million passengers and 230,000 tonnes of freight. Currently 10,000 people are employed directly on site and the airport is estimated to contribute £770 million Gross Value Added (GVA) to the economy.

2.3.7 The airport is limited by planning permission to process a maximum of 35 million passengers and 243,500 tonnes of freight per annum, which MAG estimates will be reached within the next ten years. They believe the airport has the potential to go beyond the current limitations and expand to process 40-45 million passengers and 400,000 tonnes of freight per annum within its current physical constraints. It is estimated that this would lead to an additional 10,000 people being employed on-site and a contribution of £4.6 billion GVA to the UK economy.

2.3.8 The Plan outlines that 18ha of land on the north side of the airport be designated for non-aviation commercial development. This allocation was supported in Uttlesford District Council's (UDC) 2014 draft Local Plan before it was withdrawn after examination. MAG is currently preparing a detailed masterplan for the land which currently contains manoeuvring, taxiing and standing space as well as a number of hangars. It is anticipated that an outline application for this masterplan area will be submitted to UDC in 2016.

[11] SELEP, (2014); Strategic Economic Plan.
[12] Manchester Airport Group, (2015); Stansted Sustainable Development Plan.

Superfast Essex – the Local Broadband Plan for Greater Essex (2012)

2.3.9 The Superfast Essex Plan[13] outlines the aim 'to make superfast and much improved broadband available to all and that more of Essex's citizens and business make more effective use of the internet'. The plan aims to ensure that at least 90% of premises across the county have access to superfast broadband by December 2015. The plan also seeks to improve connectivity in town centres, aiming to establish roaming superfast internet access in order to attract businesses and customers to key growth sectors. Essex County Council[14] have since held a public consultation event during November 2014, to identify where broadband coverage for Phase 2 of the plan will be deployed, with the remit of delivering 95% superfast broadband coverage by 2017.

2.4 Local Planning Policy

Uttlesford Local Plan (2005)

2.4.1 The Local Plan was adopted by UDC in January 2005[15]. The adopted Local Plan acts as the main document that will inform planning application decisions and sets out the UDC's vision to improve the District's strongest attributes such as low crime rates, good access to schools and low unemployment. The Plan aims to help address concerns of the local community including housing needs, facilities for younger people and public transport. The following policies from the 2005 Local Plan are relevant to employment land:

- Policy E1: 'Distribution of Employment Land' sets out that provision should be made for a net increase of 17.35ha of employment land, excluding land within the Stansted airport boundary;
- Policy E2: 'Safeguarding Employment Land' outlines the following employment locations will be protected from re-development and change of use:
  - "*Existing employment areas of 1.0 hectares and over located within the main urban areas of Great Dunmow, Saffron Walden and Stansted Mountfitchet;*
  - *Existing employment areas of 0.5 hectares and over in the key rural settlements of Elsenham, Great Chesterford, Takeley and Thaxted;*
  - *The sites identified in Policy E1;*
  - *The site at Chesterford Park identified in Policy S5;*
  - *Stansted Distribution Centre at Start Hill, Great Hallingbury; and*
  - *Elsenham Industrial Estate*".
- Policy E4: 'Farm Diversification: Alternative use of Farmland' notes the Council may permit agricultural land to be used for other activities; and
- Policy E5: 'Re-Use of Rural Buildings' outlines that rural buildings may be re-used or adapted for business uses such as retail, leisure and tourism in the Metropolitan Greenbelt and Countryside Protection Zone.

[13] Essex County Council, (2012); Superfast Essex – The Local Broadband Plan for Greater Essex
[14] Essex County Council, (2014); Superfast Essex Broadband Programme Phase 2
[15] UDC, (2005): Uttlesford Local Plan.

2.4.2 The Local Plan also contains a number of area specific policies that are also relevant to employment land:

- Chesterford Park Local Policy 1: 15.59ha of land has been identified as a zone for the development of research and development facilities;
- Elsenham Local Policy 1: the Gold Enterprise Zone and Old Mead Road sites have been identified as key employment areas;
- Great Chesterford Local Policy 1: 'Safeguarding of Existing Employment Area' outlines that an existing employment area near the station has been identified as a key employment location;
- Great Chesterford Local Policy 2: 'London Road Employment Site' is a 0.89ha site identified for development of B1 class uses if compatible with the adjacent residential area;
- Policy GD6: 'Great Dunmow Business Park' is a 9.61ha site identified for the development of primarily B1 uses;
- Policy GD7: 'Safeguarding of Existing Employment Areas' outlines that Chelmsford Road Industrial Estate, Flitch Industrial Estate, Hoblongs Industrial Estate, Oak Industrial Estate and Ongar Road Industrial Estate have been identified as key employment sites;
- Policy SW4: 'Land adjoining the Saffron Building Centre' sets out there is a 1.0ha site that has been identified as an area which could be developed for B1 class uses;
- Policy SW5: 'Thaxted Road Employment Site' is a 3.76ha site proposed for employment use development;
- Policy SW6: 'Safeguarding of Existing Employment Areas' outlines that Ashdon Road Commercial Centre, Printpack Factory Radwinter Road, Shire Hill Industrial Estate, SIA Factory Radwinter Road and Thaxted Road will be safeguarded for employment uses;
- Policy AIR3: 'Development in the Southern Ancillary Area' outlines that the southern ancillary area of Stansted airport will be reserved for airport related activities such as car hire, flight catering, offices and storage facilities;
- Policy AIR4: 'Development in the Northern Ancillary Area' will be reserved for activities related to the airport including business aviation activities and all other uses named in Policy AIR3;
- Policy SM5: 'Parsonage Farm' sets out "*redevelopment of existing buildings for Class B1 purposes, primarily in small individual units, will be permitted*". B2 development may also be permitted if the portion is less than the amount of B1 being developed;
- Start Hill Plan Policy 1: A 2.1ha site has been identified for development into a B1 or B8 class facility;
- Takeley Local Policy 5: 'Safeguarding of Existing Employment Area in Parsonage Road' outlines a 1.0ha site on Parsonage Road has been allocated as a key employment area; and

- Thaxted Local Policy 3: 'Safeguarding of Employment Areas' sets out that the chemical works and Sampford Road proposals site are allocated as key employment areas.

Employment Land Review (2011)

2.4.3 The previous Uttlesford Employment Land Review (ELR) was published in April 2011[16]. The ELR looked at the need for employment land and floorspace in Uttlesford to inform the Local Development Framework (LDF), which was emerging at the time of publishing.

2.4.4 The ELR identified that in 2008 there was 211,000 square meters (sqm) of industrial floorspace, 227,000sqm of warehouse floorspace, 218,000sqm of office floorspace and 131,000sqm of floorspace for other bulk premises in Uttlesford District. Between 2005 and 2009 Uttlesford saw growth in the total quantum of office (9.5%) and warehouse (5.6%) floorspace, and decreases in total industrial (-7.0%) and other bulk premises floorspace (-2.2%).

2.4.5 The ELR recommended that there was a net requirement for an additional 4.1ha of land or 19,900m^2 of floorspace dedicated to offices between 2011-2031 and a further 5.7ha of land or 22,600m^2 of floorspace for warehousing. Demand for industrial land and floorspace was forecast to decrease in the future, so a net loss of 11.5ha and 59,800m^2 of floorspace for industrial uses was considered acceptable for future planning purposes.

Employment Land Monitoring Paper (2014)

2.4.6 UDC published its most recent Employment Land Monitoring Paper in October 2014[17]. The paper shows that 21.2% out of the 17.35ha of land allocated in the Local Plan 2005 has been developed for employment uses as of 2014. Between 2011 and 2014 13,614m^2 of employment floorspace was completed. The majority of this has been for B1/B2/B8 (8,200m^2) development, whilst 2,210m^2 of B2 space has been lost. As of 2013 there was 26,059m^2 of employment floorspace with outstanding consented planning permission.

2.4.7 The Paper forecasts that between 2011 and 2031 Uttlesford will require a net increase of 11.6ha of land or 46,000m^2 of floorspace for warehouse employment growth. A further 9.7ha of land or 38,700m^2 of floorspace is required to meet office employment growth. The amount of industrial land and floorspace required as forecast in the 2011 ELR is expected to continue to decline, with the number of industrial employees in Uttlesford decreasing by 1,700 to 2031.

Commercial Workspace Study – BE Group (2015)

2.4.8 In 2015 BE Group undertook an assessment to identify the existing and potential demand for commercial workspace within Uttlesford District from Uttlesford businesses and sectors which the District could attract or attract more of. The study also sought to identify any existing or forecast gaps in the supply of commercial workspace.

2.4.9 The study found that the local economy within Uttlesford is dominated by small to medium enterprises servicing the needs of the local market. The exceptions to this were Stansted Airport and Chesterford Research Park and businesses associated with these employment clusters which tended to have connections to wider regional and national economies.

[16] UDC, (2011); Employment Land Review.
[17] UDC, (2014); Employment Land Monitoring Report.

2.4.10 With regards to employment stock within Uttlesford, premises were found to be generally small to medium sized and tightly constrained with very limited workplace stock being marketed. A particular shortage of industrial space was identified, with notable shortages of space within both Saffron Walden and Great Dunmow markets.

2.4.11 A key recommendation was that the Council seek to encourage the delivery of approved employment developments within a timely manner to alleviate the tightness in the local market.

Project Delivery Advice Report – BE Group (2016)

2.4.12 Following on from the Commercial Workspace Study, BE Group undertook a further piece of work in 2016 to provide the Council with a series of strategies to bring forward commercial development in the District in the near term.

2.4.13 As part of this study the development pipeline for employment floorspace was considered and updated. The study found that at present there is approximately 64,000sqm of approved B-class floorspace within the District. Once permissions which are identified to relate to the use of proponents themselves are accounted for (i.e. not for the open market), the 'realistic' supply of approved[18] B-class floorspace is identified to be 57,500sqm.

2.4.14 A further 85,000sqm of B-class floorspace was identified which has yet to be approved but has developer interest, either through a current application or pre-application. Approximately three quarters of this stock would be industrial or warehousing floorspace, the majority of which would be located within the Northern Ancillary area at Stansted Airport (70,000sqm).

2.4.15 The majority of approved floorspace and unapproved floorspace was located within the south of the District in proximity to Stansted Airport.

Assessment of the draft Allocation at Stansted Mountfitchet - Land north east of Bury Lodge Lane and its potential impact on Bishops Stortford (2012)

2.4.16 An assessment of the Stansted Mountfitchet draft site allocation was published in November 2012[19]. The assessment concluded that it is unlikely that Stansted Business Park will see any investment coming forwards in the future under the current use restrictions. The assessment notes that there isn't currently a large amount of quality non-airport related premises in proximity to the Airport.

2.4.17 Over the longer term, as the economy recovers from the global financial crisis, the paper predicts that demand for employment space will increase and that developers will be looking for land to develop. At present however, there is a lack of opportunities within proximity of the Airport with regards to site allocations to meet this demand.

Uttlesford Economic Development Strategy (2016)

2.4.18 The Economic Development Strategy was published by UDC in March 2016[20]. The 2016 Strategy builds upon the success of the 2014 version by continuing to focus upon actions in a number of small but important areas. The primary area of focus includes facilitating

[18] Approved permissions relates to planning applications which have been granted planning permission but have yet to be implemented.
[19] UDC, (2012); Assessment of the draft Allocation at Stansted Mountfitchet Land north east of Bury Lodge Lane and its potential impact on Bishops Stortford.
[20] UDC, (2016); Uttlesford Economic Development Strategy.

sustainable growth in jobs and businesses. The strategy also recognises the importance of identifying external funding opportunities such as Local Growth Funds to support economic growth across the District. The costs of the measures outlined by UDC are estimated to be approximately £481,000 over the two year period to 2016.

West Essex and East Hertfordshire Strategic Housing Market Assessment (SHMA) (2015)

2.4.19 The West Essex and East Hertfordshire SHMA was published in September 2015[21]. The assessment was commissioned by Uttlesford, Harlow, Epping Forest and East Hertfordshire Councils to assess the wider functional housing market. The SHMA finds that between 2011 and 2033 Uttlesford will need to deliver a minimum of 12,500 dwellings (568 annually), providing 9,700 private dwellings and a further 2,800 which are affordable. The total number of additional dwellings required across all four local authorities is estimated to be 46,100 over the same 22 year time period.

Uttlesford Strategic Housing Land Availability Assessment (SHLAA) (2013)

2.4.20 The latest Uttlesford SHLAA was published by UDC in 2014[22]. The purpose of the SHLAA is to identify sites in Uttlesford with potential for residential development and to assess when the sites could be delivered. The study concludes that the 320 sites assessed have the capacity for 5,233 new dwellings which could be delivered within five years, a further 3,695 dwellings are considered developable within 15 years. Additionally, six new settlement locations were investigated which combined have a minimum potential capacity for 19,239 dwellings. Comparison with the SHMA indicates that Uttlesford will have adequate choice of sites to bring forwards for housing over the Plan period.

Uttlesford Updated Retail Capacity Study (2016)

2.4.21 UDC updated the Uttlesford Retail Capacity Study in 2016[23]. The study examines existing shopping patterns in the District and considers the demand for additional facilities up to 2033. The Study sets out that the District will likely require an additional 9,694m^2 of comparison goods space and 4,723m^2 of convenience goods floorspace over the period to 2033.

[21] UDC, (2015); West Essex and East Hertfordshire Strategic Housing market Assessment.
[22] UDC, (2014); Uttlesford Strategic Housing Land Availability Assessment.
[23] UDC, (2016); Uttlesford Retail Capacity Study Update.

3 LOCAL ECONOMY

3.1 Introduction

3.1.1 This section examines the characteristics of the local economy and informs an understanding of the District's strengths and weakness, and what the implications could be for future employment land. The key measures profiled are as follows:

- Population, including the working population, and skill and occupational profiles of residents;
- Commuting patterns and the location of work; and
- Workforce employment by broad industry group and location quotients.

3.1.2 The analysis draws upon the latest available statistics and complements the context provided by the Uttlesford Economic Development Strategy; where appropriate benchmarks against Essex and England are used to allow for a wider spatial comparison.

3.2 Population and Labour Market Structure

3.2.1 The needs of the local economy will be driven in part by its population. Between 2004 and 2014 the resident population of Uttlesford increased from 71,000 to 84,000 people (18.6%)[24]. In comparison Essex and England both experienced lower rates of population growth (7.3%) and 8.2% respectively).

3.2.2 The Office of National Statistics (ONS) projects that the population of Uttlesford will increase to 107,000 residents by 2037, representing a 27.7% increase over the District's population in 2014[25]. This projected increase is significantly greater than the values projected for Essex (17.8%) and England as a whole (14.5%). The growth in resident population is reflected in the need for additional housing as set out in the SHMA.

3.2.3 In 2014 it was observed that 81.7% of Uttlesford's working age population (working age population is defined by ONS as 16-64 years) was economically active[26]. In comparison, Essex and England have lower rates of economically active working age residents (79.0% and 77.4% respectively).

3.3 Qualifications

3.3.1 In 2014 94.1% of working age residents in Uttlesford held some form of qualification, which was higher than Essex (91.3%) and England (91.4%). The proportion of working age residents that have a National Vocation Qualification Level four or above (NVQ4+) in Uttlesford (35.6%) is higher than Essex (26.4%) but similar to that recorded nationally (35.7%). Uttlesford also has a larger proportion of working age residents with NVQ2 to NVQ3 qualifications (46.0%) in comparison to Essex (43.9%) and England (37.5%). Further details are shown in **Table 3-1**.

[24] ONS, (2014); Mid-Year Population Estimates.
[25] ONS, (2012); Sub-National Population Projections.
[26] ONS, (2014); Annual Population Survey.

Table 3-1: Resident Workforce Qualifications

Qualification Level	Uttlesford (%)	Essex (%)	England (%)
NVQ4+ - aged 16-64	35.6	26.4	35.7
NVQ3 - aged 16-64	23.7	23.1	20.8
NVQ2 - aged 16-64	22.4	20.8	16.7
NVQ1 - aged 16-64	11.7	16.5	11.9
other qualifications (NVQ) - aged 16-64	-	4.5	6.2
no qualifications (NVQ) - aged 16-64	5.9	8.7	8.6

Source: ONS, (2014); Annual Population Survey.

3.3.1 Historically Uttlesford has had a high proportion of working age residents with NVQ4+ qualifications, though between 2009 to 2014 the number of residents with NVQ4+ qualifications decreased by 6.3% to 17,800. In comparison both Essex and England saw proportional increases (11.9% and 22.2%, respectively).

3.4 Earnings by Residents and Workers

3.4.1 In 2015 the average (median) gross weekly earnings for residents within Uttlesford was £605[27], approximately £30 higher than levels recorded within Essex and £72 higher than recorded across England as a whole. Residents on average earned approximately £114 (23%) more per week than workers in the District on average (£491), suggesting that residents commute out of the District to work in higher skilled, higher paid jobs (commuting patterns are discussed in more detail in **Section 3.6**).

Table 3-2: Resident and Workplace Median Weekly Wages

Qualification Level	Resident (£ gross)	Workplace (£ gross)
Uttlesford	605	491
Essex	575	519
England	533	532

Source: ONS, (2015); Annual Survey of Hours and Earnings.

3.4.2 From 2011-2015 Uttlesford experienced a 4.2% increase in the median wage of residents and a 9.6% increase in wages of residents in the top 30% of earners. Essex and England both had lower increases in the two categories, except for England as a whole which experienced a higher rate of growth in resident median wages (5.5%). Further details are shown in **Table 3-3**.

[27] ONS, (2014); Annual Survey of Hours Earnings.

Table 3-3: Resident Wages % Change 2011-2015

	Uttlesford	Essex	England
Median	4.2%	2.8%	5.5%
70 percentile	9.6%	4.6%	4.1%

Source: ONS, (2014); Annual Survey of Hours and Earnings.

3.4.3 Unlike Essex and England which both saw median workplace wages grow from 2011 to 2015 (4.5% and 5.6% respectively), Uttlesford experienced a decrease of 3.8%. The wages of the 30% highest earning workers in Uttlesford did experience a pay increase, but did so at the same rate as in England (4.2%) and slower than in Essex (6.0%) as shown in **Table 3-4**.

Table 3-4: Workplace Wages % Change 2011-2014

	Uttlesford	Hertfordshire	England
Median	-3.8%	4.5%	5.6%
70 percentile	4.2%	6.0%	4.2%

Source: ONS, (2014); Annual Survey of Hours and Earnings.

3.5 Occupational Structure

3.5.1 We can develop an understanding of the typical jobs taken up by residents within Uttlesford District through analysing the evidence of employment share by occupation. **Table 3-5** shows that a higher proportion of Uttlesford residents (48.0%) are employed in managerial, professional and associate occupations compared to both Essex (42.9%) and England (44.6%) as a whole. These occupations are typically associated with business activities which require office accommodation. In contrast, a lower proportion of residents are employed in skilled trades which are more closely associated with warehouse and industrial premises.

Table 3-5: Occupational Structure of Uttlesford's Residents 2014

Occupation Type	Uttlesford	Essex	England
1: managers, directors and senior officials	13.9	10.3	10.4
2: professional occupations	16.9	18.3	19.9
3: associate prof & tech occupations	17.2	14.3	14.3
4: administrative and secretarial occupations	13.7	12.1	10.7
5: skilled trades occupations	8.9	12.6	10.5
6: caring, leisure and other service occupations	12.7	10.5	9.1
7: sales and customer service occupations	3.2	6.4	7.7
8: process, plant and machine operatives	7.0	5.8	6.3
9: elementary occupations	6.5	9.3	10.7

Source: ONS, (2014); Annual Population Survey.

3.5.2 Between 2009 and 2014 the proportion of residents employed in Professional, Caring, leisure and other service occupations and Process, plant and machine operatives occupations grew (2.8%, 292.9% and 76.5% respectively) compared to all other occupational tiers which decreased. Managerial, Sales and customer service occupations and Elementary occupations experienced the greatest decreases in the proportion of residents employed by 20.0%, 36.4% and 15.2% respectively.

3.6 Commuting Patterns and Location of Work

3.6.1 The location of work is an important factor in analysing the extent to which the employment opportunities within Uttlesford District fulfil the economic needs of its residents.

3.6.2 Analysis of 2011 Census data provides a comparison of the magnitude and location of travel both in and out of the District for work[28]. **Table 3-6** provides a breakdown of the District's residents' place of work whilst **Table 3-7** presents a breakdown of the District's workforce by place of residence.

Table 3-6: Uttlesford Residents (16 years and over) by Place of Work 2011

Local Authority	Number of employed residents	% of residents of Uttlesford employed
Uttlesford	19,404	47.2
Greater London	5,118	12.4
East Hertfordshire	2,972	7.2
Harlow	1,412	3.4
Cambridge	1,383	3.4
Other destinations	10,855	26.4
Total	**41,144**	**100.0**

Source: ONS, (2011); Census 2011

3.6.3 **Table 3-6** shows that whilst just under half of Uttlesford residents (47.2%) also work within the District a greater number currently travel to other areas to work including Greater London where 12.4% of resident work. One reason for this may be the wage differential highlighted in **Table 3-2**. Residents may have a greater propensity to commute into other areas for work such as London, where earnings tend to be relatively higher, than remain in the District. Alternatively, it may be the case that a low number of jobs in Uttlesford District itself forces residents to seek work elsewhere.

3.6.4 In terms of destinations for out-commuting, the largest proportion of residents leaving the District commute to Greater London (12.4%), East Hertfordshire (7.2%) and Harlow and Cambridge (both 3.4%).

[28] ONS, (2011). Origin Destination Statistics- Census 2011.

Table 3-7: Uttlesford Workforce (16 years and over) Place of Residence 2011

Local Authority	Workers in Uttlesford (count)	% of UK-based workers in Uttlesford
Uttlesford	13,006	42.4
Braintree	3,830	12.5
East Hertfordshire	3,418	11.1
South Cambridgeshire	1,178	3.8
Harlow	1,002	3.3
Other Place of Residence	8,224	26.8
Total	**30,658**	**100.0**

Source: ONS, (2011) Census 2011

3.6.5 **Table 3-7** illustrates that the majority of Uttlesford's workforce commutes from areas outside of the District (57.6%). The location of in-commuters provides an indication towards the local focus of Uttlesford's economy, with each of the four largest sources of workers coming from neighbouring local authorities.

3.6.6 The overall commuting patterns of Uttlesford's workforce and resident population show that Uttlesford is currently a net supplier of labour to other local authorities.

3.7 Method of Travel

3.7.1 Analysis of Census data provides a breakdown of the method of transport used by commuters, both residing and working within Uttlesford District. **Table 3-8** presents the transport methods used by the District's residents and workforce relative to the England average.

Table 3-8: Method of Travel to Work

Method of Travel	Uttlesford Residents (%)	Uttlesford Workforce (%)	England (%)
Underground, metro, light rail or tram	0.8	0.3	4.3
Train	10.3	3.0	5.8
Bus, minibus or coach	1.7	3.8	8.5
Taxi	0.2	0.3	0.4
Motorcycle, scooter or moped	0.7	0.6	0.9
Driving a car or van	70.9	75.1	59.5
Passenger in a car or van	4.1	4.6	5.4
Bicycle	1.3	1.5	3.4
On foot	9.8	10.4	11.6
Other method of travel to work	0.2	0.3	0.3

Source: ONS Census 2011.

3.7.2 **Table 3-8** illustrates that a significantly greater proportion of both residents and workers within the District travel to work by car or van compared to the national average; respectively 11.4 % and 15.6% higher. The prevalence of commuting by car and van is likely to be a consequence of the rural nature of the District and its commuting patterns with neighbouring local authorities; currently being a net exporter of labour. It may also point towards issues in mobility, with good strategic road access and road capacity in comparison to poor public transport connections.

3.7.3 In contrast however, a greater proportion of Uttlesford workers commute by train (10.3%) compared to the national average (5.8%). This is likely to reflect the significant proportion of out-commuting to areas such as London and Cambridge and the lack of high skilled jobs within the District.

Home Working

3.7.4 Alongside commuting trends, the role of home working plays a significant role in the local economy. In 2011, 6,398 individuals worked from home (15.6% of those in employment). This represents a larger proportion than those commuting to any other location and it is somewhat higher than surrounding districts including Braintree (11.6%), East Hertfordshire (12.1%), South Cambridgeshire (13.4%), Epping Forest (11.8%), Chelmsford (10.4%) and the national average (10.4%). Comparison between Census data between 2001 and 2011 indicates that recent trends in home working have remained relatively constant within Uttlesford with home working increasing by only 2.1% over the ten year period. The lack of increase in home working may be related to the limited availability of superfast broadband infrastructure in the local area.

3.8 Business and Employment Structure

Business Demographics

3.8.1 VAT registration and deregistration rates provide an indication of the entrepreneurial characteristics of the District. The most up-to-date VAT registration and deregistration data from the ONS records 5,560 local business units in Uttlesford in 2015[29], up from 5,135 in 2010. This is an increase of 8.3%. Small (10-49 employees) and micro (0-9 employees) local business units contribute significantly to employment within Uttlesford. Of the local units, 87.7% were micro and a further 10.3% were small, representing 97.9% of all enterprises in Uttlesford. This was roughly in line with the Essex average for 2015 (97.5%).

Location Quotient

3.8.2 A location quotient measures the relative size of a broad industry grouping relative to the national economy, providing a sectoral analysis of Uttlesford District's employment structure. A location quotient greater than 1.0 indicates that the rate of employment in that sector is above the national average, whereas a location quotient smaller than 1.0 indicates it is below the national average. A high location quotient (i.e. above 1.0) indicates some degree of specialisation, and the higher the location quotient the greater the specialisation. Industry sectors with high location quotients often indicate those sectors where the local economy has a comparative advantage and thus attract investment.

3.8.3 **Table 3-9** presents the location quotient for each broad industrial group in Uttlesford relative to England as a whole. The table also includes data on the percentage change in employment over the period from 2009 to 2014 and the relative share of total employment each industrial group has. This helps to identify those sectors in which Uttlesford is relatively well represented, growing and of importance to the local economy in terms of jobs.

[29] ONS, (2015); UK Business Count: Activity, Size and Location.

Table 3-9: Uttlesford Location Quotients (England = 1.0) (2014)

Broad Industry Group	Location Quotient	% Change in Employment 2009-2014	Employment Share
Agriculture, forestry & fishing	0.2	-4.8%	0.3%
Mining, quarrying & utilities	0.5	50.8%*	0.5%
Manufacturing	0.9	-20.4%	7.0%
Construction	1.6	2.5%	7.1%
Motor trades	1.2	42.1%	2.3%
Wholesale	1.2	14.4%	5.0%
Retail	0.8	-10.0%	7.7%
Transport & storage (inc. postal)	3.9	10.4%	17.7%
Accommodation & food services	1.4	24.5%	9.5%
Information & communication	0.8	59.7%	3.2%
Financial & insurance	0.5	23.0%	1.9%
Property	0.7	-2.0%	1.3%
Professional, scientific & technical	1.0	19.7%	8.9%
Business administration & support services	0.7	-16.5%	6.5%
Public administration & defence	0.7	6.6%	3.0%
Education	0.9	-18.1%	8.2%
Health	0.5	21.2%	6.2%
Arts, entertainment, recreation & other services	0.8	-5.0%	3.5%

Source: ONS, (2014); Business Register and Employment Survey.

Note: Grey shade indicates:

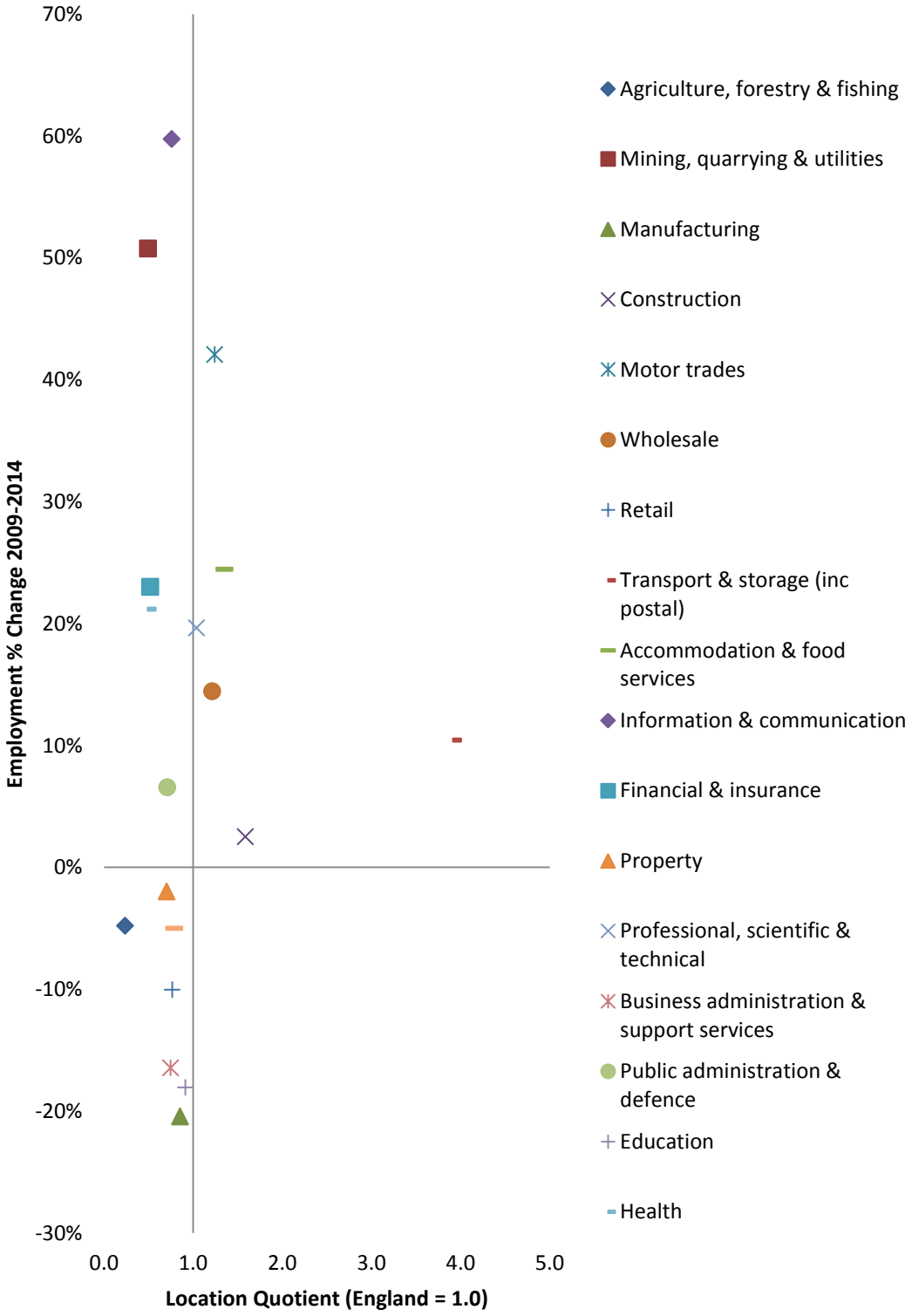
1. *LQ higher than 1.0 i.e. proportionately well represented*
2. *Employment growth in the sector during the period 2009-2014*
3. *A comparatively important sector within UDC area supporting more than one tenth of all jobs in the District.*

**Those sectors which have seen a large percentage change (such as mining, quarrying and utilities) are likely to have a small employment base.*

3.8.1 The table demonstrates that Uttlesford's economy is based upon a number of key industry groups such as: transport and storage (inc. postal); accommodation and food services; professional, scientific and technical; education; and retail. The table also shows that there has been quite significant change in the size of certain industry groupings in Uttlesford.

3.8.2 **Figure 3-1** presents the industry groups that have seen by location quotient and employment growth rate.

Figure 3-1 Industrial Groups in Uttlesford Location Quotients and Growth 2009-2014



Source: ONS, (2014); Business Register and Employment Survey.

3.8.3 The three industry groups that have experienced the highest proportional increase in employment between 2009 and 2014 are: information and communication (59.7%); mining, quarrying and utilities (50.8%); and motor trades (42.1%). These three industry groups employ a comparatively small proportion of Uttlesford's workforce (6.0%). In comparison, the three largest industry groups, transport and storage (inc. postal), accommodation and food services and professional, scientific and technical experienced lower rates of growth (10.4%, 24.5% and 19.7%), but had the absolute largest increases in the number of workers (631, 706 and 552 respectively).

3.8.4 The industry groups that saw the largest proportional declines in employment from 2009 to 2014 were: manufacturing (-20.4%); education (-18.1%); business administration and support services (-16.5%); and retail (-10.0%). These groups employ a relatively large proportion of the workforce (29.4%). The total number of people employed in these four groups fell by 2,164 over the time period. In total therefore, employment within Uttlesford increased by 1,341 over the period 2009-2014.

3.9 Conclusion

3.9.1 This section has considered the local economy's strengths and weaknesses, drawing upon published data sources to draw out recent demographic and economic trends. The findings of this section will be drawn upon to inform the demand forecast in **Section 6**.

3.9.2 The key findings of this analysis are presented below:

- The resident population of Uttlesford is comparatively well qualified compared to both Essex and the national average. The District also has a relatively professional workforce with proportionally more residents in the top three occupational tiers in comparison to Essex and England as a whole;
- The resident population of Uttlesford is paid more than the District's workforce. The majority of the residents commute out of the District to work (68.4%), suggesting that the jobs for out-commuters command higher wages than the average for jobs within the District;
- The majority of businesses are small to medium in size, with a limited number of larger companies operating in the District;
- Uttlesford is seeing growth in industries associated with higher value jobs (professional, scientific and technical and information and communication) and those likely involved in the operation and supply of goods/services to Stansted airport (accommodation and food services and transport and storage (inc. postal)); and
- Uttlesford is seeing a decline in a number of unrelated sectors including services such as retail, health and business administration and support services, and in traditional manufacturing jobs.

4 EMPLOYMENT LAND SUPPLY

4.1 Introduction

4.1.1 This section provides a summary of the key findings of the field survey and desk research and identifies the suitability of land and premises in Uttlesford District for office uses (B1a/b); industrial uses (B1c/B2) and warehousing uses (B8). The results are summarised to provide an overview of conditions of employment clusters and the typology of employment premises. It also reviews a number of the sites from UDC's 2015 Call for Sites exercise.

4.2 Identifying Employment Land Clusters for Survey

4.2.1 The survey methodology and criteria are based on factors and issues set out in the PPG (2014) and the NPPF (2012). Our site survey assessed the characteristics of land and premises to determine their suitability for office, industrial and warehouse land uses.

4.2.2 In total 38 existing employment land clusters were identified including the sites included in the previous ELR (2011) which were still in active employment use[30] and sites identified through a desk based search to identify any additional clusters which were not included in the previous study. Additional clusters identified from the desk based search were audited to eliminate those which were inappropriate for inclusion within this assessment. All 38 clusters for survey were agreed with UDC.

4.2.3 The 38 clusters identified for the survey of employment land comprise a total area of 256.1ha. Within these clusters other non-employment (B use class) uses were observed, including motor trades, retail, residential and leisure uses. Based on Valuation Office Agency (VOA) data, there is currently 99,000m^2 of office (B1 a/b) floorspace and 372,000m^2 of manufacturing and warehousing (B2 and B8) floorspace in Uttlesford, the vast majority of which is accommodated within the 38 clusters surveyed for the forecast of demand for employment land which is set out within **Section 6**.

4.2.4 **Table 4-1** below presents the cluster number, name, use classes and size of each existing cluster.

Table 4-1 Existing Employment Clusters in Uttlesford

Cluster No.	Name	Use Class	Size (ha)
1	Martel Works	B1/a, B1/c	1.6
2	Land adj Hill Green Farm	B1c	0.4
3	Golds Business Park	B1c, B8, Sui Generis	1.1
4	Old Mead Road	B8	1.8
5	Industrial Estate, Gaunt's End	B1a, B2	2.9
6	Station Approach	B1a, B1c, B8	1.7
7	London Road/ Ickleton Road	B1a, B1b	0.5

[30] Consultation with UDC indicated that a number of sites which have been redeveloped for alternative uses since 2011. These sites were not included within this ELR Update.

8	Chesterford Research Park	B1a, B1b	15.7
9	Chelmsford Road Industrial Estate	B1c, B2, A1, Sui Generis	4.2
10	Flitch Industrial Estate	B1c, B2, A1, A4, Sui Generis	2.2
11	Hasler's Yard	B1a, B1c	0.4
12	Hoblongs Industrial Estate	B1c, C1	2.4
13	Oak Industrial Estate	B1c, B2, B8, A1, Sui Generis	2.1
14	Ongar Road Industrial Estate	B1a, B1c, B2, A1	1.5
15	Station Road Industrial Estate	B1c, A1, A5, Sui Generis	0.6
16	Hall Farm	B1a, B1c, B2	0.4
17	The Maltings	B1a, B1c	0.3
18	Saffron Business Centre	B1c	0.8
19	Printpack Factory	B1a, B2	2.0
20	Shirehill Industrial Estate	B1, B2, B8, A1, Sui Generis	11.4
21	Live Works Units, Thaxted Road	B1a, B1c	0.4
22	Granite Site, Thaxted Road	B8, A1, Sui Generis	4.2
23	Stansted Airport - Northern Ancillary	B1a, B8, Open Space Storage	73.1
24	Stansted Airport - Southern Ancillary	B1a, B8, A1, C1	86.2
25	Riverside Business Park	B1a	0.4
26	M11 Business Link (North)	B8	2.3
27	M11 Business Link (South)	B1a	2.3
28	Stansted Distribution Centre	B8, Sui Generis	7.7
29	Thremhall Park	B1a, B1c	5.1
30	Takeley Business Centre	B1c, B8 , A1, Sui Generis	1.3
31	Business Centre Parsonage Road	B1a, B1b	1.2
32	Stansted Courtyard	B1a	1.2
33	Molecular Works	B2	0.9

34	Audley End Business Centre	B1a	0.2
35	Bearwalden Industrial Estate	B1a, B1c, B2	1.5
36	Winfresh Ripening Centre	B1, B8, Sui Generis	8.2
37	Britannica Works	B1c, Sui Generis	0.6
38	Ashdon Road Commercial Centre	B8, Sui Generis	5.3
Total			**256.1**

Source: AECOM 2016

4.2.5 Potential employment sites brought forward through UDC's 2015 Call for Sites exercise were also selected with agreement of the Council to be assessed for future development potential. In total, 42 sites were put forwards for employment or mixed use development with the potential for B use class employment provision. The vast majority of these sites are mostly vacant fields of agricultural land and as such our assessment of their suitability for employment uses was different to our assessment of existing employment clusters.

4.2.6 In total we surveyed 15 of these 42 sites, focusing primarily on those which were proposed adjacent to, or within close proximity to existing employment areas. We also included large sites which were put forwards for large mixed use development. These sites were reviewed through site surveys and a desk based review to analyse the development potential of each site for future employment uses. These sites are discussed further in **Section 4.12**.

4.2.7 All of the employment sites surveyed as part of this study are presented in **Figure 4-1** and **Figure 4-2**.

Figure 4-1 Context Map - North

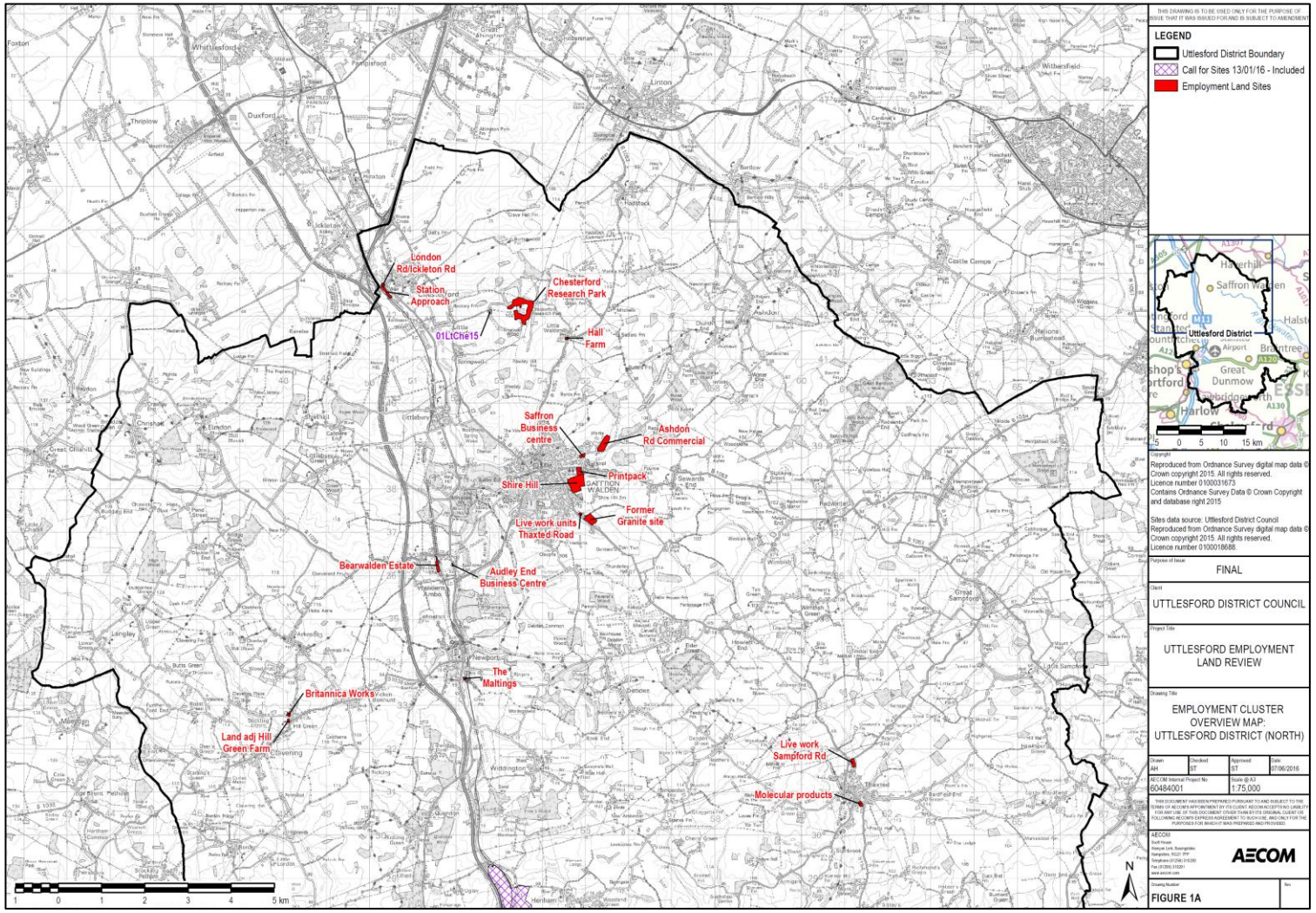
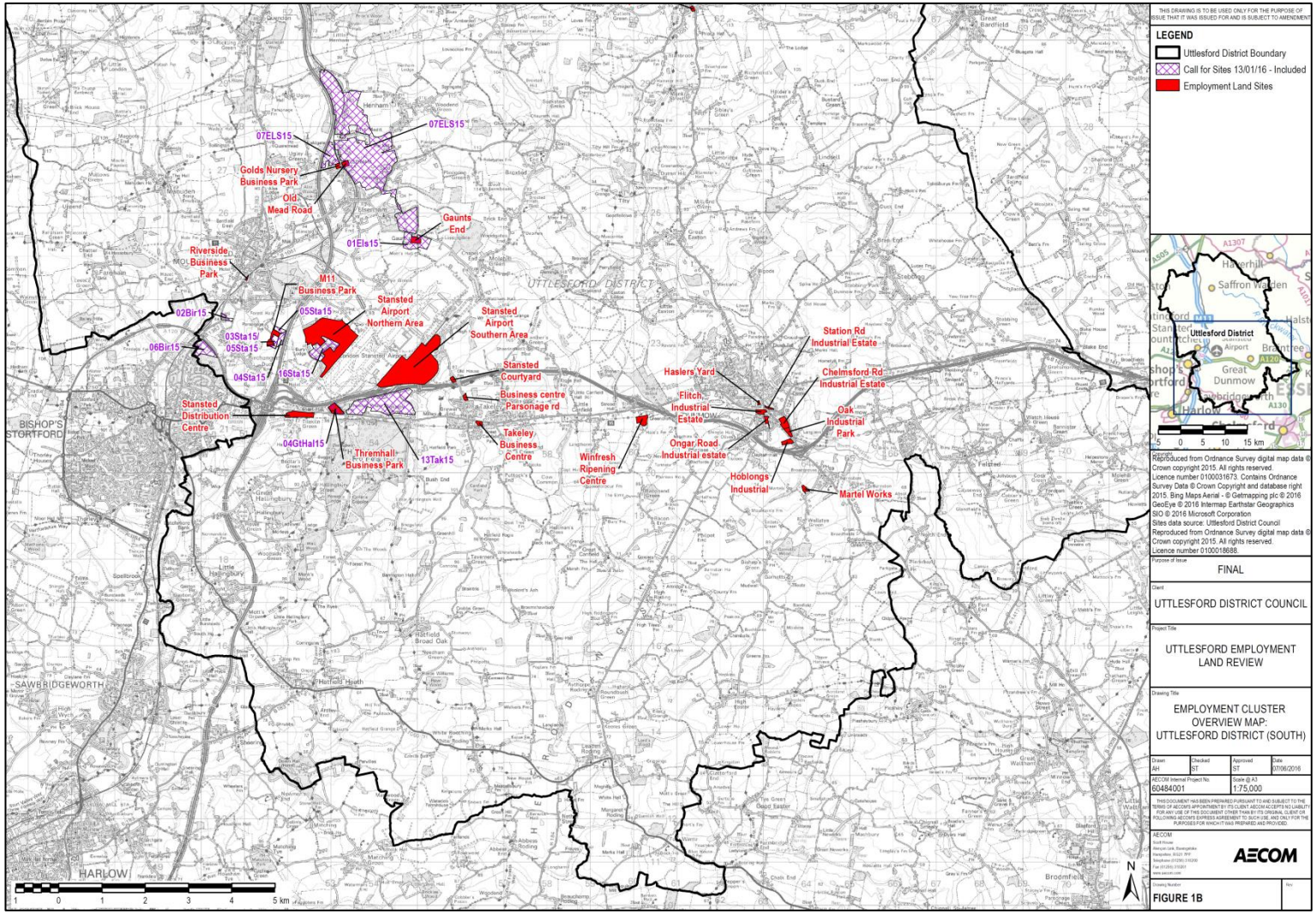


Figure 4-2 Context Map - South



4.3 Accessibility and Parking

4.3.1 The strategic transport accessibility of employment areas was determined through both the field survey and desk based research. The criteria used to assess this includes:

- Access to public transport;
- Strategic road access; and
- Availability of parking.

Public Transport

4.3.2 Public transport accessibility was assessed through considering the range of transport modes and destinations accessible from the identified employment clusters, the regularity of these services and the proximity of transport nodes to the employment clusters. Taking these factors into consideration, each cluster was identified as having either direct, indirect or no access to public transport.

4.3.3 **Table 4-2** provides a list of the 14 clusters considered to have indirect or no access to public transport.

Table 4-2 Employment Clusters with Indirect or No Access to Public Transport

Cluster Number.	Name	Use Class	Size (ha)
1	Martel Works	B1/a, B1/c	1.6
5	Industrial Estate, Gaunt's End	B1a, B2	2.9
8	Chesterford Research Park[31]	B1a, B1b	15.7
18	Saffron Business Centre	B1c	0.8
19	Printpack Factory	B1a, B2	2.0
20	Shire Hill Industrial Estate	B1, B2, B8, A1,Sui Generis	11.4
21	Live Works Units, Thaxted Road	B1a, B1c	0.4
22	Granite Site, Thaxted Road	B8, A1, Sui Generis	4.2
25	Riverside Business Park	B1a	0.4
26	M11 Business Link (North)	B8	2.3
27	M11 Business Link (South)	B1a	2.3
30	Takeley Business Centre	B1c, B8 , A1, Sui Generis	1.3
32	Stansted Courtyard	B1a	1.2
36	Winfresh Ripening Centre	B1, B8, Sui Generis	8.2
Total			**54.7**

Source: AECOM 2016

[31] Whilst Chesterford Research Park suffers from poor access to public transport, the Park does have a shuttle bus which runs during morning and evening peak hours for staff and visitors to Great Chesterford station.

4.3.4 Out of the total 38 existing employment clusters, 14 are considered to have indirect or no access to public transport. The 14 clusters total 54.7ha in area, equivalent to 21.4% of the total amount of employment land reviewed (256.1ha). These clusters generally had limited access to public transport due to the rural locations in which they are situated. The rural locations of clusters mean that public transport access such as bus stops are located a considerable distance away from employment sites and that services are often infrequent and limited to a small number of destinations.

Strategic Road Access

4.3.5 The M11, A120 and A11 are considered the main strategic roads in Uttlesford and provide links from the District to the wider UK strategic road network. In particular, the M11 provides a direct link to London to the south and Cambridge to the north, whilst the A120 and A11 act as feeder roads onto M11 for traffic journeying to and from Stansted Airport, Essex, Hertfordshire and the Haven Ports.

4.3.6 The employment clusters assessed to have indirect or no strategic road access are detailed in **Table 4-3**. These employment clusters are generally located a significant distance from junctions serving the strategic roads within the District and access is generally only available through local roads which can be unsuitable for high volumes of traffic flow and some types of vehicles such as HGVs.

Table 4-3 Employment Clusters with Indirect or No Strategic Road Access

Cluster Number	Name	Use Class	Size (ha)
2	Land adj Hill Green Farm	B1c	0.4
3	Golds Business Park	B1c, B8, Sui Generis	1.1
4	Old Mead Road	B8	1.8
5	Industrial Estate, Gaunt's End	B1a, B2	2.9
8	Chesterford Research Park	B1a, B1b	15.7
11	Hasler's Yard	B1a, B1c	0.4
14	Ongar Road Industrial Estate	B1a, B1c, B2, A1	1.5
15	Station Road Industrial Estate	B1c, A1, A5, Sui Generis	0.6
16	Hall Farm	B1 a, B1c, B2	0.4
17	The Maltings	B1a, B1c	0.3
18	Saffron Business Centre	B1c	0.8
19	Printpack Factory	B1a, B2	2.0
20	Shire Hill Industrial Estate	B1, B2, B8, A1, Sui Generis	11.4
21	Live Works Units, Thaxted Road	B1a, B1c	0.4
22	Granite Site, Thaxted Road	B8, A1, Sui Generis	4.2

25	Riverside Business Park	B1a	0.4
26	M11 Business Link (North)	B8	2.3
27	M11 Business Link (South)	B1a	2.3
30	Takeley Business Centre	B1c, B8 , A1, Sui Generis	1.3
31	Business Centre Parsonage Road	B1a, B1b	1.2
32	Stansted Courtyard	B1a	1.2
33	Molecular Works	B2	0.9
34	Audley End Business Centre	B1a	0.2
35	Bearwalden Industrial Estate	B1a, B1c, B2	1.5
37	Britannica Works	B1c, Sui Generis	0.6
38	Ashdon Road Commercial Centre	B8, Sui Generis	5.3
Total			**61.1**

Source: AECOM 2016

4.3.7 Out of the total 38 clusters, 25 are considered to have indirect or no access to strategic roads. The clusters total 61.1ha in total, equivalent to 23.9% of total employment land reviewed. This reflects the rural nature of the District and the presence of relatively small employment clusters which are located away from the major transport corridors of the M11, A120 and A11.

Servicing and Parking

4.3.8 For clusters where manufacturing and warehousing uses are predominant, it is important that there is designated and adequate space for the servicing of businesses. The suitability of existing servicing arrangements within each employment cluster was observed during the field survey.

4.3.9 Servicing takes into account the loading facilities of a cluster, in the context of the uses and businesses which occupy it as well as other factors such as internal road circulation. The vast majority of employment clusters were observed to have adequate servicing provision, however two clusters were considered to have inadequate servicing. They are presented in **Table 4-4**.

Table 4-4 Employment Clusters where the Servicing is Inadequate

Cluster Number	Name	Use Class	Size (ha)
14	Ongar Road Industrial Estate	B1a, B1c, B2, A1	1.5
35	Bearwalden Industrial Estate	B1a, B1c, B2	1.5
Total			**3.0**

Source: AECOM 2016

4.3.10 Both clusters were observed to have inadequate servicing, in each case due to tight, linear internal roads which cause problems for passage of traffic and restrict the ease of access from the road. Together the two clusters equate to 1.2% of the total employment land surveyed.

4.3.11 For clusters where office uses predominate, it is important that there is adequate parking space to accommodate the needs of businesses, especially where public transport accessibility is poor and there is an increased likelihood that employees will travel to work by car.

4.3.12 Employment clusters were assessed with regards to the type of parking available on each site and whether capacity was high or adequate to meet demand for parking spaces. Five clusters were assessed to have inadequate parking to meet demand and are shown in **Table 4-5**.

Table 4-5 Employment Clusters where the Availability of Parking is Inadequate

Cluster Number	Name	Use Class	Size (ha)
6	Station Approach	B1a, B1c, B8	1.7
9	Chelmsford Road Industrial Estate	B1c, B2, Sui Generis	4.2
10	Flitch Industrial Estate	B1c, B2, Sui Generis	2.2
13	Oak Industrial Estate	B1c, B2, B8	2.1
20	Shire Hill Industrial Estate	B1, B2, B8, Sui Generis	11.4
Total			**21.5**

Source: AECOM 2016

4.3.13 The five clusters identified above were observed to have inadequate parking provision. In these employment clusters, parking was observed to be underprovided and spill over onto internal road networks and access roads, due to dedicated parking not being capable of satisfying current demand. Station Approach (C6) differs slightly to this trend in that Great Chesterford station is accessed by going through the cluster. Commuters during the day park on the street which is used to reach the station.

4.4 Condition of Employment Areas

4.4.1 The overall quality of each cluster was assessed against the condition of buildings and premises and the quality of the overall environment.

4.4.2 In total, 33 out of the 38 clusters were considered to be in good or very good condition. To receive this designation over 50% of the sites within the cluster had to be observed to have good/very good buildings and a good/very good quality of internal environment. Notable examples of clusters in very good condition include Chesterford Research Park (C8), Thremhall Park (C29), M11 Business Link (North) (C26) and the M11 Business Link (South) (C27).

4.4.3 There are areas that, although functioning well, require improvements to their overall condition. The clusters that achieved poor or very poor scores in regard to the condition of their buildings and environment are outlined below in **Table 4-6**.

Table 4-6 Employment Clusters with the majority of their environment in Poor/Very Poor Condition

Cluster Number	Name	Use Class	Size (ha)
1	Martel Works	B1a, B1c	1.6
4	Old Mead Road	B8	1.8
12	Hoblongs Industrial Estate	B1c, C1	2.4
14	Ongar Road Industrial Estate	B1a, B1c, B2, A1	1.5
33	Molecular Works	B2	0.9
37	Britannica Works	B1c, Sui Generis	0.6
Total			**8.8**

Source: AECOM 2016

Note: To receive a poor designation a cluster had to fulfil the following criteria on building condition and the quality of the environment:

Building condition

Poor – some signs of repair and renewal on exterior such as repainting, rendering, windows in poor state, surrounding properties or environments may be poorly kept

Very Poor – building still in use but in very poor condition; with clear signs of repair and renewal needed, surroundings not maintained and/or littered and/or cluttered with rubbish

Quality of environment

Poor – The quality of the streets and the public realm within and surrounding the business cluster are of poor quality (some potholes, some litter, poorly maintained or damaged street furniture). There is not enough street lighting and some perceived safety issues. The business area might be polluted by some noise or air pollution from neighbouring uses and/or heavy street traffic.

Very Poor – The quality of the streets and the public realm within and surrounding the business cluster are of very poor quality (potholes, litter on street, not collected rubbish, etc.). There is not enough street lighting and perceived safety issues. There is noise or/and air pollution from neighbouring uses and/or heavy street traffic.

4.4.4 In total six employment clusters were observed to have both a poor/very poor quality of environment and a poor/very poor quality of buildings. These sites account for 8.8ha of employment land surveyed, approximately 3.4% of the total employment land within the District. Three of the clusters (C1, C12 and C14) are located within or close to the key settlement of Great Dunmow. The other three employment clusters (C4, C33 and C37) are situated in Elsenham, Thaxted and Hill Green which are smaller more rural settlements.

4.4.5 The six clusters were generally considered as poor due to the low quality of the buildings and internal environment of each. There were some examples of good quality premises such as at the Martel Works (C1; however these examples are in the minority). The Molecular Works (C33) cluster has been vacant and cleared since the occupier vacated the site in 2013. It is understood that the landowners are currently seeking permission to redevelop the site for residential uses.

4.5 Industrial Activity in Proximity to Sensitive Land Uses

4.5.1 The site survey observed the proximity of employment clusters to sensitive land uses. A cluster was perceived as having the potential to have negative effects on neighbouring uses if employment activities within the cluster area were associated with at least two of the following:

- Noise pollution;
- Air pollution;
- Smell/odours;
- HGV traffic; and
- Significant car traffic.

4.5.2 In total 20 of the 38 surveyed employment clusters containing predominantly B1c, B2 and/or B8 uses lie within close proximity to surrounding/nearby residential or other sensitive uses. Of these, only four clusters were observed to undertake activities which could potentially negatively affect residential neighbours. Some of these employment clusters such as Golds Business Park (C3) and Hasler's Yard (C11) have co-existed next to residential property for a number of years, whilst others such as Hoblongs Industrial Estate (C12) have new residential development currently being constructed adjacent to the cluster.

Table 4-7 Industrial Clusters Close to Sensitive Land Uses Areas or with Some Bad Neighbour Characteristics

Cluster Number	Name	Bad Neighbour Characteristics (Yes/No)	Size (ha)
3	Golds Business Park	No	1.1
5	Industrial Estate, Gaunt's End	No	2.9
6	Station Approach	No	1.7
9	Chelmsford Road Industrial Estate	No	4.2
10	Flitch Industrial Estate	No	2.2
11	Hasler's Yard	No	0.4
12	Hoblongs Industrial Estate	Yes	2.4
14	Ongar Road Industrial Estate	No	1.5
15	Station Road Industrial Estate	No	0.6
16	Hall Farm	No	0.4
17	The Maltings	No	0.3
18	Saffron Business Centre	No	0.8
19	Printpack Factory	Yes	2.0
20	Shire Hill Industrial Estate	Yes	11.4
21	Live Works Units, Thaxted Road	No	0.4

30	Takeley Business Centre	No	1.3
31	Business Centre Parsonage Road	No	1.2
33	Molecular Works	No	0.9
35	Bearwalden Industrial Estate	No	1.5
37	Britannica Works	No	0.6
Total clusters close to sensitive areas (ha)			**37.9**
% of surveyed employment land			**14.8%**
Total clusters close to residential, with at least two bad neighbour characteristics (ha)			**16.7**
% of surveyed employment land			**6.5%**

Source: AECOM 2016

4.5.3 **Table 4-7** demonstrates that the large majority of employment activity in the District is located in suitable areas. Slightly less than 15% of the employment land surveyed contains employment premises in proximity to sensitive land uses, demonstrating that most employment activity exists in self-contained areas, set apart from sensitive land uses, which offer the potential for 24 hour working. However, there is an increasing recognition that over time, as pressures on land to accommodate housing and jobs for local people grow, there is an increasing likelihood for residential uses to locate in proximity to employment land uses.

4.5.4 Adjacent to Hoblongs Industrial Estate, a new Travelodge has recently been constructed. The industrial estate supports businesses which could have negative amenity effects on users of the hotel including from noise pollution and HGV traffic serving the Site. The Printpack Factory and Shire Hill Industrial Estate are located adjacent to existing residential uses, and also support activities which generate HGV traffic, noise pollution and significant car traffic. These activities again have the potential to result in negative amenity effects on sensitive nearby uses and present constraints for businesses located in these locations with regards to 24 hour working.

4.6 Vacant and Derelict Land, and Vacant Floorspace

4.6.1 The site survey identified a number of vacant and derelict areas of land that lie within the surveyed employment clusters. This land consists of brownfield land which has previously been developed but now lies derelict and/or vacant outside of active employment use. The definition of vacant and derelict land excludes sites that are currently unoccupied but are still suitable for employment uses, and any land observed to be cleared for new development. The clusters with vacant and derelict land are presented in **Table 4-8**.

Table 4-8 Clusters with Vacant and Derelict Land Suitable for Development

Cluster Number	Name	Vacant or Derelict Land (Ha)	Cluster Area (Ha)	Proportion of Land Vacant/Derelict (%)
1	Martel Works	0.3	1.6	20
2	Land adj Hill Green Farm	0.2	0.4	50
12	Hoblongs Industrial Estate	0.2	2.4	10
15	Station Road Industrial Estate	0.1	0.6	20
16	Hall Farm	0.0	0.4	10
22	Granite Site, Thaxted Road	2.1	4.2	50
33	Molecular Works	0.9	0.9	100
Total	**-**	**3.9**	**10.4**	**37.2**

Source: AECOM 2016

4.6.2 Out of the 38 clusters surveyed, 7 have been found to have vacant and derelict land which could be developed for additional employment space. In total, approximately 3.9ha of vacant and derelict land within the clusters is considered to be developable, equivalent to 37.2% of the total area of the 7 employment clusters (10.4ha). The largest development opportunities are at the Granite Site on Thaxted Road (C22), Old Mead Road (C4) and Molecular Works (C33)[32].

4.6.3 Industrial vacancy in the District was observed to be relatively low which concurs with the findings from the 2015 Commercial Workspace Study undertaken by BE Group. Demand for property in smaller industrial uses is subsequently high due to the limited supply of vacant property and lack of new industrial units being developed. Some vacancy was observed within the boundary of Stansted Airport which based on consultation with local agents is due to limited demand for aviation related premises.

4.6.4 Office floorspace vacancy within the District is also relatively low. This is likely due to the small stock of office space within Uttlesford. There has been limited recent development of new stock and whilst historically new stock has taken time to reach full occupation, consultation with local agents indicates that developments such as the M11 Business Link South office development are currently performing very well and there are signs that new developments coming forwards have been viewed well by the market and are attracting pre-let occupiers (e.g. Trisails Towers).

4.7 Intensification/Redevelopment Potential

4.7.1 The site survey identified potential areas in each cluster which could either be intensified or redeveloped. **Table 4-9** identifies the clusters where intensification and/or redevelopment may be suitable. In total 14 clusters are considered to have potential for redevelopment or intensification[33].

[32] A planning application has been submitted for the former Molecular Works site for the construction of 29 new residential dwellings. This application has not yet been determined by UDC.
[33] Molecular Works has been excluded from this table given the intent to redevelop the site for residential uses.

Table 4-9 Clusters with Potential for Intensification/Redevelopment

Cluster Number	Employment Area	Use Class	Potential for Intensification	Potential for Redevelopment	Area (ha)
1	Martel Works	B1/a, B1/c		Buildings in the northern corner of the cluster.	1.6
2	Land adj Hill Green Farm	B1c		One derelict barn	0.4
4	Old Mead Road	B8		Whole site	1.8
7	London Road/ Ickleton Road	B1a, B1b	Car park in the northern western part of the cluster		0.5
12	Hoblongs Industrial Estate	B1c, C1	Open space storage in the northern end of the cluster		2.4
15	Station Road Industrial Estate	B1c, A1, A5, Sui Generis	Open space storage at the eastern end of the cluster		0.6
16	Hall Farm	B1 a, B1c, B2		One derelict barn	0.4
20	Shire Hill Industrial Estate	B1, B2, B8, A1, Sui Generis	Single storey industrial units		11.4
22	Granite Site, Thaxted Road	B8, A1, Sui Generis	Significant amount of open space	Un-used warehouse building	4.2
23	Northern Ancillary	B1a, B8, Open Space Storage	Significant amounts of hard standing and car parking space		73.1[34]
28	Stansted Distribution Centre	B8, Sui Generis	Open storage space at the eastern end of the cluster		7.7
35	Bearwalden Industrial Estate	B1a, B1c, B2	Single storey industrial units		1.5
37	Britannica Works	B1c, Sui Generis		Whole Site	0.6
Total					**106.2[35]**

Source: AECOM 2016

4.7.2 The clusters which were assessed to have potential for intensification and/or re-development total 106.2ha in size, equivalent to 41.5% of total employment land area in Uttlesford

[34] 18ha of land within the Northern Ancillary area has now been de-designated for non-aviation uses.
[35] If restricted land is excluded from this analysis there is a net total of 51.1ha of employment land within clusters which have the potential for intensification or redevelopment.

(256.1ha). A high number of the clusters are in poor/very poor condition such as the Martel Works (C1) and Hoblongs Industrial Estate (C12). However, some of the clusters including Stansted Distribution Centre (C28) and Bearwalden Industrial Estate (C35) were observed to be in good condition. It was also identified during the field survey that the Northern Ancillary Area (C23) presents a particularly good opportunity for redevelopment given the large areas of hard standing which could be redeveloped to provide significant amounts of new industrial and warehousing space. It should be noted however that 55.1ha of land within the Northern Ancillary Area (C23) is restricted for aviation uses.

4.8 Types of Employment Premises

4.8.1 The types of premises found on employment clusters vary not only by use class but also by the size of premises provided, quality of premises and type of occupier. To better understand the supply of premises and types of premises that businesses occupy we have identified five broad typologies of employment premises found in clusters in Uttlesford:

- Small office units (use classes B1a/b): the District contains a medium quantity of often brand new, converted and refurbished units;
- Medium sized office units (use classes B1a/b): these units tend to be multi-storey, housing one large occupier. The offices are scattered around the District in different locations;
- R&D and offices (use class B1a/b): the District contains some R&D based units, namely at Chesterford Research Park. The buildings are generally large with a mixture of lab and office space inside;
- Small warehouse and small workshop units (use classes B1c/B2 and B8): designed with roll shutters to accommodate both manufacturing and warehouse functions. This is the most common typology in the District; and
- Medium to large warehouse and workshop units (use classes B1c/B2 and B8): these units are generally one to two storeys with loading bays. These units were generally found to be located close to Stansted airport as they accommodate businesses related to servicing of the airport.

Small Office Units

4.8.2 Providing typically less than 1,000m^2 of floorspace with segregated units within, these premises are typically purpose built blocks, or refurbished barns and rural buildings specifically for modern office occupiers. Provision is often located in secondary marginal office locations such as small industrial estates or rural areas. These sites typically suffer from poor public transport access and as a consequence require adequate parking provision for employees. Examples of small office units located in Uttlesford are shown in **Figure 4-3** below.

Figure 4-3 Small Offices

Source: AECOM 2016. Locations from left to right: Station Approach (C6) and The Maltings (C17)

4.8.3 Key examples of small office clusters within the District include Audley End Business Centre (34), the Maltings (C17), Riverside Business Park (C25) and Stansted Courtyard (C32). These small offices units typically contain local services firms such as accountants, solicitors and other businesses. Some high technology companies were also present among the local firms as noted at Stansted Courtyard (C32).

4.8.4 Small office units within the District were commonly observed within more rural locations which may provide suitable locations for SMEs. This type of space is typically suitable for start-up businesses and provides affordable premises from which an occupier may move on with the scaling up of activity over time. The expansion of rural broadband provision across the District will increase the desirability and suitability of these rural locations for SMEs and start-up businesses in the future.

Medium Office Units

4.8.5 Medium office units (use classes B1a/b) are less common in Uttlesford District. Medium offices are typically in excess of 1,000m^2 in size, and tend to house single or multiple large occupiers. As a consequence, occupiers of this space tend to consider their location on a regional level. The overall stock of medium offices in Uttlesford is low, with the majority focused around Stansted Airport. The lack of stock within the District suggests that Uttlesford may lose in such occupancy to other locations within the PMA such as Harlow, Epping Forest and East Hertfordshire.

4.8.6 This observation was supported through consultation with property market agents, many of whom suggested that a lack of grow on space for businesses within Uttlesford meant businesses often had to look elsewhere or remain in premises which were unsuitable for their requirements, potentially hindering growth. Examples of medium office typologies observed in Uttlesford are presented in **Figure 4-4** below.

Figure 4-4 Medium Offices

Source: AECOM 2016. Locations from left to right: Business Centre Parsonage Road (C31), Gaunt's End Industrial Estate (C5)

4.8.7 These office typologies are typically located in town centre locations, or areas of good public transport access and local amenities. Medium office units are often more than one storey and generally are within a stand-alone plot with a large provision of parking spaces and a good quality external environment. This typology was less commonly observed throughout the site surveys, although there is evidence that new developments of this type are performing well (Gaunt's End Industrial Estate (C5)) and new developments such as Tri-Sail Towers indicate a growing demand for this type of space within the District.

4.8.8 The two offices shown above are located at the Parsonage Road Business Centre (C31) and Gaunt's End Industrial Estate (C5). Both are situated in close proximity to Stansted airport and contain several larger occupiers. There is a limited supply of high grade offices such as these within the remainder of the District, suggesting that Stansted is the focus for these types of premises.

R&D and Laboratory Space

4.8.9 Modern science parks contain large scale premises that combine lab and office space. Premises are often occupied by multiple small firms who can potentially benefit from knowledge spill overs due to being in close proximity to other businesses in the same field. Within Uttlesford the major centre for combined R&D and office space is Chesterford Research Park (C8). **Figure 4-5** provides examples of the type of R&D premises found within the Research Park.

Figure 4-5 Examples of R&D and Laboratory Space

Source:https://propertylink.estatesgazette.com/property-details/6073955-the-emmanuel-building-chesterford-research-park-laboratory-facility, accessed March 2016; http://dodson-jones.co.uk/images/uploads/properties/SV_-_front_elevation.jpg, accessed March 2016.

4.8.10 Chesterford Research Park (C8) is the only significant cluster of R&D premises within the District. Much of the supply of combined R&D and office space within the area is located in Cambridge which has large developments such as Cambridge Science Park. The cluster is considered as a fringe element of the overall Cambridge R&D cluster and is less attractive to larger firms due to the lack of public transport access – although the Park has sought to address this with shuttle buses to Cambridge and local stations. The Park has historically been attractive to small and medium size firms however as rents are lower in comparison to similar facilities in Cambridge.

4.8.11 The site currently has permission for development up to 600,000 sq. ft. of research and development facilities although consultation with the Park has revealed ambitions to increase the extent of permitted development to 1,000,000 sq. ft. Development of Chesterford Research Park is continuing and includes the construction of the Downing, Selwyn and Sidney Sussex buildings which will include office and laboratory space once complete.

Small Warehousing and Workshop Units

4.8.12 Small warehouses and workshops are the most common type of units in Uttlesford (typically accommodating B1c, B2 and/or B8 uses). Warehouse and workshop units are grouped together as the employment activities in both typologies are typically closely related to each other with regards to the employment activities they support and their physical characteristics.

Figure 4-6 Examples of Small Warehouse and Workshop Units

Source: AECOM 2016. Locations from left to right: Golds Business Park (C3) and Saffron Walden Business Centre (C18)

4.8.13 Within Uttlesford small warehouse and workshop units typically tend to be located within the District's main towns of Saffron Walden and Great Dunmow in stand-alone clusters. Shire Hill Industrial Estate (C20), Chelmsford Road Industrial Estate (C9) and Oak Industrial Estate (C13) are all good examples of employment clusters within the District which predominantly contain small warehouse and workshop units.

4.8.14 Small warehouse and workshop units tend to be older and although some units show signs of refurbishment, they are generally of poorer quality. Despite the quality of these typologies occupancy rates were observed to be high. Anecdotal evidence suggests that the lack of grow on space within the District means that businesses find it difficult to find alternative larger premises and very low observed vacancy rates within these typologies indicates a constrained market.

4.8.15 These typologies typically include roll shutters to provide both manufacturing and warehouse functions, often with ancillary office to support industrial activities. The activities most commonly found within these typologies often have lower-level adverse impacts on sensitive uses adjacent to employment areas and therefore can be located closer to residential areas than larger industrial accommodation.

4.8.16 The interchangeability of this typology influences the form of activities it houses. Where manufacturing is present in these units, it is generally in the form of adding value along the supply chain, rather than manufacturing a good in isolation. Although these typologies can provide a vital role in supporting local employment, such businesses may not provide significant value add to the wider economy.

Medium to Large Warehousing Units

4.8.17 The supply of medium to large warehousing units within Uttlesford is limited which reflects the rural nature of the District and the location of much of the employment clusters away from strategic road access. These units tend to be located in large employment clusters as opposed to stand-alone sites. Medium units tend to range between 500m^2 to 1,000m^2, whereas large warehouse units tend to exceed this. **Figure 4-7** provides examples of this typology observed during the site survey.

Figure 4-7 Examples of Medium to Large Warehouses

Source: AECOM 2016. Locations from left to right: Southern Ancillary (C24) and Stansted Distribution Centre (C28)

4.8.18 Medium to large warehouse units are characterised by a steel frame, high eaves, curtain wall stand-alone shed surrounding by vehicle parking and access. Occupiers of such units typically place more emphasis on good strategic road access than on proximity to public transport, as employment densities are typically low.

4.8.19 Within Uttlesford the majority of medium to large warehouses are located close to Stansted Airport and the M11 junction adjacent to Bishops Stortford. The clusters characterised by this typology are the Stansted Southern Ancillary (C24) and Stansted Distribution Park (C28). There are a number of large hangars within the main airport boundary; however, these are specifically for aviation purposes and not general employment uses. Generally across the District these premises are in good condition and well occupied[36].

4.8.20 The Commercial Workspace Study[37] undertaken by BE Group in 2015 outlines that demand exists for medium to large warehousing premises in Saffron Walden and Great Dunmow. Developments at the Granite Site on Thaxted Road (C22) and Ashdon Road Commercial Centre (C38) are likely to meet local demand for the next four to five years, but will not be able to satisfy the needs of larger occupiers. Warehouses capable of holding large scale occupiers (requiring space over 10,000sqm) have not been developed due to a lack of attractive sites and the aviation restrictions at Stansted.

4.8.21 Consultation with local property agents revealed that there may be potential for future development of these types of premises if site opportunities were to come forwards in the right locations. Development at Ashdon Road will see the creation of up to 2,900sqm B2 and 3,800sqm B8 floorspace. Permission was sought for outline consent in certain parts of the site for flexible employment uses to ensure that flexibility is retained to meet the demands of the commercial market in the future.

4.8.22 Outline permission has also been granted for development south of Great Dunmow which will see the provision of up to 2.1ha of employment floorspace for B1, B2 and/or B8 uses during Phase 2 of the development[38]. It is again expected that the uses will be determined under a Reserved Matters application at a later date and will be operator led reflecting future commercial demand.

4.9 Presence of Non-B class Occupiers

4.9.1 Many industrial areas provide suitable locations for wider employment uses. These include waste management, recycling and use of land for transport. A number of additional uses of employment land outside of B-use classes were observed during the site survey. *Sui Generis* activities include a range of industries which, though they may be employment generating, do not fall within B1, B2 or B8 use class orders but nonetheless are often associated with industrial sites in particular. Examples include MOT servicing centres, premises selling and/or displaying motor vehicles and scrap yards. There is also evidence of community and leisure uses such as nurseries and gyms (D use classes). In addition, retail warehousing and trade centres, defined as A1 (shops) by the use class order, were also observed within employment clusters in Uttlesford.

[36] With the exception of the Northern Ancillary area which is currently restricted to aviation uses.
[37] BE Group (2015). *Commercial Workspace Study: June 2015.*
[38] Land at Smith's Farm, Great Dunmow

Figure 4-8 Examples of non-B Use Class Occupiers

Source: AECOM 2016. Locations from left to right: Station Road Industrial Estate (C15), Flitch Industrial Estate (C10); Britannica Works (C37); Granite Site, Thaxted Road (C22).

4.9.2 The clusters observed with non B class occupiers are presented in **Table 4-10**.

Table 4-10 Clusters with a Significant Presence of Non-B Use Class Occupiers

Cluster Number	Name	Size (ha)
9	Chelmsford Road Industrial Estate	4.2
10	Flitch Industrial Estate	2.2
12	Hoblongs Industrial Estate	2.4
13	Oak Industrial Estate	2.1
15	Station Road Industrial Estate	0.6
20	Shire Hill Industrial Estate	11.4
22	Granite Site, Thaxted Road	4.2
23	Northern Ancillary	73.1
24	Southern Ancillary	86.2
30	Takeley Business Centre	1.3
36	Winfresh Ripening Centre	8.2
37	Britannica Works	0.6
38	Ashdon Road Commercial Centre	5.3
Total		**201.7**

Source: AECOM 2016

4.9.3 As **Table 4-10** demonstrates, the presence of non B-use class occupiers on industrial land is widely observed across the District. Of the 256.1ha of employment land surveyed, 201.7ha (13 sites) contained a significant presence of non-B use class occupiers; equivalent to 78.8% of the total land surveyed. These uses may provide a significant threat to industrial employment uses over time.

4.9.4 Non B-use class occupiers were generally found on the District's larger industrial estates, which may be due to a desire for some uses (trade counters etc.) to locate near to potential customers. Generally the presence of non B-use classes on established industrial estates will be the result of a number of factors including the suitability of premises to accommodate modern occupier needs and the demand and rental value of premises which may decline over time. This can sometimes leave industrial premises empty and provide an opportunity for non-B uses to move in.

4.9.5 Shire Hill Industrial Estate (C20) had a number of trade counters, motor trade businesses, a kitchen showroom and veterinary clinic. Station Approach Industrial Estate (C15) had motor trades businesses, an ironing parlour and Domino's takeaway. It was also observed that the Southern Ancillary (C24) area of Stansted airport included a notable number of non-B use occupiers. This is likely to be due to the location of the cluster in proximity to the main airport terminal. The cluster has a number of hotels, retail units, car rental depots and a petrol filling station.

4.9.6 Community facilities (D1 use classes) were also observed within surveyed employment clusters. Flitch Industrial Estate (C10) had a primary school and community bus base within it, whilst Shire Hill Industrial Estate (C20) had a snooker club and church.

4.9.7 Our site survey suggests that vacancy rates within industrial premises in the District are low, and therefore the question should be raised whether non-B use classes and sui-generis uses are 'crowding out' core industrial uses (B1c, B2 and B8). Our site survey work suggests not but future monitoring should look to record any changes away from industrial to non-B use classes and identify where the functioning and integrity of industrial estates is being negatively affected.

4.10 Land Values and Permitted Development Rights

Land Values by Use Class

4.10.1 The Land Value Estimates for Policy Appraisal Report (December 2015) provides land value estimates for the purpose of policy appraisal[39]. The land value estimates allow simple comparisons to be made between the value of employment land and other land uses such as agricultural and residential – the two other main land uses in Uttlesford District.

4.10.2 The Report outlines that that average value of industrial land in East Anglia is £675,000 per hectare, £161,000 higher than the England (excluding London) average of £514,000 per hectare. This assumes a typical, urban, brownfield location with nearby uses likely to include later, modern residential developments; with all services available to the edge of the cluster.

4.10.3 In comparison agricultural land is significantly cheaper. The average for East Anglia is £24,000 per hectare, while in England agricultural land is valued at £21,000 per hectare on average. The comparatively low land value for agricultural land can be attributed to balance of supply and demand for agricultural land, the physical attributes of agricultural land and the governmental forces of planning restrictions on the change of use from agricultural land to alternate uses.

4.10.4 The value of residential land in Uttlesford is far higher than the average values for industrial and agricultural land in East Anglia. Residential land in Uttlesford is on average valued at £3,315,000 per hectare. However, the local authorities (Braintree, Chelmsford, East Hertfordshire, Epping Forest and South Cambridgeshire) that border the District have higher average values for residential land, with the exception of Braintree (£2,800,000 per hectare). This is likely due to the closer proximity of bordering local authorities to hubs of economic activity (Greater London and Cambridge), where housing is in high demand as shown by the high residential land values for each location (£29,100,000 per hectare and £5,655,000 per hectare respectively). The comparatively high land value of residential land reflects the imbalance of demand for housing in contrast to supply, which drives house prices.

Permitted Development Rights

4.10.5 The demand for housing alongside high residential land values within the District (as demonstrated above) is driving the conversion of offices (B1a) to residential uses. Permitted development rights allow for the conversion of B1a use class (office) to C3 use class (residential) without planning permission – potentially having a negative impact on the stock of office floorspace within the District.

[39] DCLG, (2015); Land value estimates for policy appraisal: December 2015.

4.10.6 The Employment Land Monitoring Report (2014) notes that between 2013 and 2014, 260sqm of office space was lost in Clavering due to residential conversion[40]. Further B1a office floorspace was also lost over the same period (326sqm) in Dunmow following conversion to a small independent school (D1 use). The report identifies however that a further 2,412sqm of B1a office floorspace has the potential to be lost to residential uses following approval of Prior Approval applications.

4.11 Development Pipeline

4.11.1 The Employment Land Monitoring Report (2014) contains details about change in employment floorspace in the District including completions, the amount of potential floorspace with outstanding planning permission and the amount of floorspace that could be lost in the future.

Recent Trends in Floorspace

4.11.2 Between 2011 and 2016, Uttlesford saw a net increase in employment floorspace. **Table 4-11** presents the net change in floorspace by use class over the time period. Overall employment floorspace decreased by 10,969m^2 over this period.

Table 4-11 Net Floorspace Change by Use Class 2011-2016

Floorspace Use Class	Net Floorspace Change 2011-2016 (m^2)
B1 (a) Offices	2,915
B1 (b) Research and Development	0
B1 (c) Light Industrial	-1,140
B2 General Industrial	-4,098
B8 Storage and Distribution	8,273
B1/B2/B8	-16,919
Total:	**-10,969**

Source: UDC, (2017).

4.11.3 The table shows that whilst overall employment floorspace has decreased, offices and storage and distribution floorspace have both experienced expansions. This trend of decline in B2 floorspace and increase in B1a and B8 floorspace falls in line with UDC's employment projections in the Employment Land Monitoring Report. The Report projects that industrial employment will decrease in the future, while office and warehouse based employment is expected to increase. Expansion in office and warehouse employment is likely to increase demand for floorspace unless employment density increases within the current stock of employment land and premises.

Planned Permissions

4.11.4 In Uttlesford there are a number of outstanding planning permissions that contain employment floorspace which have yet to be implemented and could boost the District's overall stock.

[40] UDC, (2014); Employment Land Monitoring Report October 2014.

Table 4-12 presents the amount of employment floorspace with outstanding planning permission by use class in Uttlesford.

Table 4-12 Outstanding Permissions by Use Class

Floorspace Use Class	Net Floorspace (sqm)
B1 (a/b)	14,391
B1 (c)	22,300
B2/B8	27,242
Total:	**63,933**

Source: BE Group, (2016); Project Delivery Advice 2016.

4.11.5 **Table 4-12** illustrates that there is currently 63,933m^2 of employment floorspace with outstanding planning permission. The majority of this is for B2/B8 (27,242sqm) and B1(c) (22,300sqm) uses. Some outstanding B1(b) floorspace is located within Chesterford Research Park and supports the aspirations of the Park to add an additional 600,000 sq.ft (55,740sqm) of B1(b) floorspace as set out in the most recent masterplan documents[41].

4.11.6 Once further consideration is given to approved floorspace which is committed for the use of the proponents themselves, rather than to the wider market the potential pipeline of outstanding permissions is realistically 57,366sqm[42].

4.11.7 Whilst Uttlesford has a relatively large pipeline of employment space that could come forward through outstanding planning permissions, the District may also lose employment floorspace due to approved planning applications for alternative uses. **Table 4-13** shows the amount of floorspace that could potentially be lost by use class.

Table 4-13 Potential Loss Employment Floorspace

Floorspace Use Class	Potential Floorspace Loss (m^2)
B1 (a) Offices	-3,062
B1 (c) Light Industrial	-1,630
B2 General Industrial	-4,387
B1/B2/B8	-778
Total:	**-9,857**

Source: UDC, (2014); Employment Land Monitoring Report October 2014.

4.11.8 The Employment Land Monitoring Report identified the potential for loss of a further 9,857m^2 of employment floorspace within the District. The majority of the floorspace identified was B2 use, equivalent to 44.5% of the total. In total 3,785m^2 of the B2 use loss was identified to come through the conversion of the Tudor Works in Saffron Walden into C3 use (residential)

[41] Chesterford Research Park, (2012); Chesterford Research Park Brochure.
[42] This accounts for outstanding permissions for 4,900sqm (B8) floorspace for the Ridgeons warehouse store and 1,667 sqm (B1) floorspace for Plextek's expansion in Great Chesterford.

which has now been completed. The potential loss of office space is also significant, equating to 31.1% of the total potential employment floorspace loss.

4.11.9 In comparison the total potential floorspace which could be lost is significantly smaller than employment floorspace with outstanding planning permission, with the exception of B1c and B2 use classes. Uttlesford is therefore likely to experience a net uplift in employment space within B1(a/b) and B8 use classes as a result of outstanding planning permissions.

4.12 Potential Employment Sites

4.12.1 In addition to the employment clusters identified under **Table 4-1**, there are a number of other sites which could potentially accommodate demand for employment uses. These are comprised of sites identified within the call for sites exercise. We discuss these sites briefly below.

Call for Sites Exercise

4.12.2 In addition to the existing employment clusters observed as part of this study, a number of additional sites were also identified as potential employment areas as part of the Council's Call for Sites process. This generated a total of 42 sites which were put forwards for either B1/B2/B8 employment uses or mixed use, with some B1/B2/B8 component.

4.12.3 The spatial distribution of the 42 site put forwards for employment use/mixed use development highlights several characteristics. The majority of sites are located alongside major road networks and junctions such as the M11 and A120. These sites are typically located in the south of the District, in proximity to Stansted Airport. Many of these sites are also concentrated in proximity or adjacent to existing employment clusters which suggests that in principle these sites may be suitable for employment uses.

4.12.4 In addition to sites put forwards for solely employment uses, a number of key larger sites have also been proposed with the potential to facilitate a large quantum of new housing alongside mixed use employment. These sites offer opportunities to integrate new employment space into new residential development and potentially encourage greater retention of Uttlesford workers within the District, reducing out-commuting patterns. New settlement locations are proposed in Elsenham, Stebbing, Little Easton and Great Chesterford which could accommodate significant new employment land and floorspace should these sites comes forward over the Local Plan period to 2033.

4.12.5 Other more suitable examples include Land North of Taylors Farm (13TAK15), Bury Lodge Lane (16STA15), Land off Stansted Road (06BIR15) and land adjacent to the M11 Business Link (03STA15, 04STA15 and 05STA15) all of which offer strategic road access to both the A120 and M11 and which currently lie within or adjacent to existing employment clusters.

4.12.6 It is recognised that in many cases employment land within the Call for Sites process has been identified as part of larger mixed-use strategy for sites. These sites pose an opportunity for local-level job creation to support the new communities. However, the extent to which these sites may be required to accommodate excess demand for employment land in the District is conditional upon the current and future balance of supply and demand. This is considered in more detail in **Section 7**. The availability of these sites will also need to be

considered with regard to UDC's recent Green Belt Review[43] which found that the Uttlesford Green Belt is playing an important role in preventing urban sprawl and recommended no parcels for release.

[43] ARUP (2016). *Uttlesford Green Belt Review.*

5 COMMERCIAL PROPERTY MARKET

5.1 Introduction

5.1.1 This section provides an assessment of the trends in office and industrial property markets. It examines Uttlesford's commercial property market within the context of the wider PMA. For the purposes of this document, the PMA is the equivalent of the 'functional economic area' referred to in the PPG.

5.1.2 To help enhance the understanding of the supply and demand characteristics of the local employment land market, the views of local property market agents were sought. It was considered more effective and efficient to speak to a group of commercial property agents rather than speaking only to one commercial agent in order to broaden and moderate the response compared to that which would have been received by contacting just one commercial agent.

5.1.3 Consultation with local property agents took the form of a semi-structured interview around topics including: trends across the PMA; the demand and supply of sites and premises, the characteristics of sites and their suitability for employment uses; opportunities and constraints to growth; and inward investment and regeneration. The outputs of the consultation exercise are an important piece of evidence that provide market intelligence from professionals' working day to day with commercial property in Uttlesford and is a key consideration to inform the policy recommendations.

5.1.4 The exercise supplemented desk-based research and survey findings, and sought to test the emerging findings and conclusions relating to the demand and provision of office and industrial sites and premises in Uttlesford.

5.2 Property Market Area

5.2.1 Although the primary focus of this study is Uttlesford the market area for commercial property is not limited to local authority boundaries. Factors relevant to business operations are typically of greater influence on location decisions. These include proximity to labour supply, transport links, site availability and proximity to end markets.

5.2.2 For the purposes of this study, the PMA can be considered an area of search for a potential office or industrial occupier. The PMA will often be relatively cohesive with regard to labour market structure; access to market areas and suppliers; rental values; and size and grade of stock. The definition of the PMA for Uttlesford is informed by the Economic Evidence to Support the Development of the OAHN for West Essex and East Herts (2015) [44], and consists of the following local authorities:

- Uttlesford;
- East Hertfordshire;
- Epping Forest; and
- Harlow.

[44] Hardisty Jones Associates, (2015); Economic Evidence to Support the Development of the OAHN for West Essex and East Herts.

5.2.3 Uttlesford's property market is strongly linked with the commercial corridor along the M11 and is a reason why Harlow is included in the PMA, although not a contiguous local authority area. East Hertfordshire and Epping Forest both border Uttlesford and employment sites in these areas compete directly with those in the district. Consultation suggests a less competitive relationship for sites in the east-west corridor, justifying the exclusion of Braintree District, while the South Cambridgeshire market to the north lacks a sufficient critical mass of employment activity located in close proximity to Uttlesford to influence the local market. However, it was noted that there are economic linkages between Chesterford Research Park and other life science clusters within the area including Granta Park, Babraham Research Campus and Haverhill Research Park.

5.2.4 According to agents, local employment activity is influenced and somewhat defined by two key strategic corridors that run through the District. The north-south corridor, centred on the M11 and West Anglia Main Line, is the main driver of the local economy, connecting Stansted Airport with London and Cambridge. The east-west corridor centres on the A120, which provides direct access to Stansted Airport and links the district with large local conurbations such as Bishop's Stortford (in the PMA) and further afield to Braintree, Chelmsford and Colchester.

5.3 Offices

Stock of Floorspace

5.3.1 Amongst the local authority areas in the PMA, Uttlesford has the smallest office sector. The District does not contain a critical mass of office stock and a significant proportion of its historic stock has been converted to other uses. Much of what is occupied is in the industrial areas of the District and is typically linked to industrial activities. Offices in town centre locations tend to be occupied by firms who service the local market, located alongside non-B use class activities (such as retail and leisure).

5.3.2 **Table 5-1** below presents the stock of office floorspace by local authority across the PMA.

Table 5-1: Office Floorspace in the PMA

Location	Office Floorspace (m^2)	% of overall stock
Uttlesford	86,000	19.3%
Epping Forest	147,100	33.0%
East Hertfordshire	73,700	16.5%
Harlow	139,600	31.3%
PMA	**446,400**	**100.0%**

Source: CoStar (2016). Results as of May 2016.

5.3.3 It demonstrates that Uttlesford's office stock represents around 19% of office stock in the PMA. Provision is centred on the District's two town centres, Great Dunmow and Saffron Walden. The largest office location in the PMA is Harlow, with approximately a third of stock across the PMA.

5.3.4 According to the VOA, from 2000 to 2012 the stock of office floorspace in Uttlesford increased by approximately 25,000m^2 (36.8%). This rate of growth was greater than across the PMA, which experienced a net increase of 20,000m^2 (4.2%) in floorspace stock across this period. While increasing relative to the PMA, the stock of floorspace in Uttlesford is still the lowest across the PMA. The high-level data suggests that Uttlesford's ability to create a critical mass of office occupiers is currently limited.

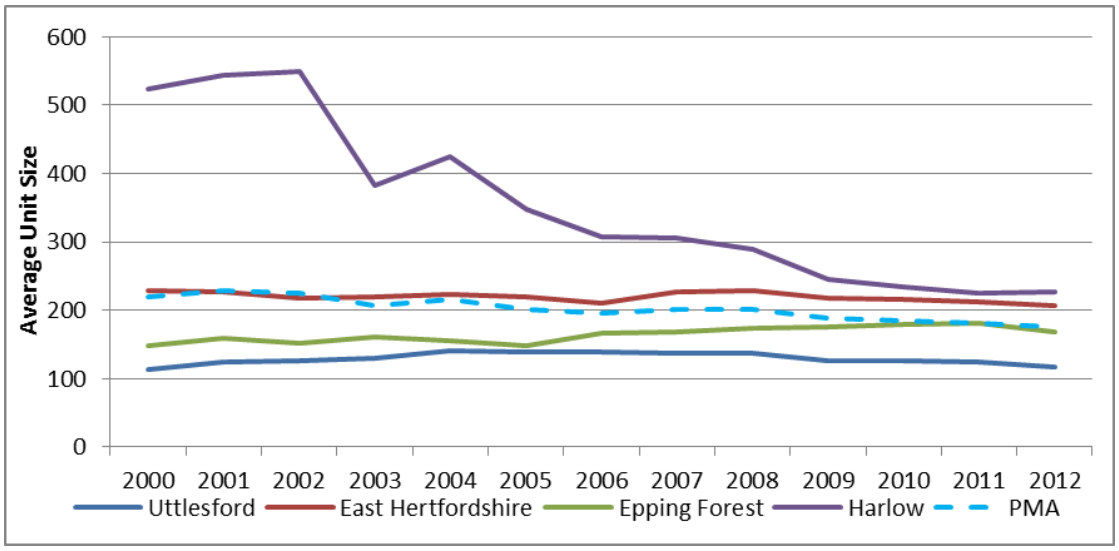
5.3.5 The quality of the District's office stock has already been considered in the supply section of this study. When the supply analysis is combined with the analysis on stock it shows that the options for office occupiers are currently limited in Uttlesford. Property agents consulted supported the view that much of the district's stock is older in age and in a 'compartmentalised' format, whereas modern occupiers tend to seek a more 'open plan' configuration. This is likely to act as a barrier to the District's ability to be considered as a viable office location by firms not currently located in the area.

Average Unit Size

5.3.6 The VOA collects information on hereditaments. A hereditament is a property on which rates may be charged and is the unit to which the VOA assigns rateable value. In general hereditaments are buildings or premises within buildings, appropriate or used for single occupation. Hereditaments can be occupied or vacant. This has no impact on rateable value, though it can affect the level of rates levied on a property.

5.3.7 Comparison between the quantum of floorspace and number of hereditaments gives an indication of the average (mean) unit size of offices. **Figure 5-1** presents this analysis.

Figure 5-1: Average Unit Size by Local Authority Area



Source: VOA (2012).

5.3.8 **Figure 5-1** indicates that the average (mean) unit size in Uttlesford is smaller than elsewhere in the PMA. The VOA identified 790 hereditaments in Uttlesford in 2012, representing 28.3% of the PMA, while floorspace stock is observed to be only 18.9% of the PMA. This observation is supported by consultation with property agents, who suggest that there is a lack of provision of medium and larger sized units to attract larger occupiers.

Vacancy and Net Absorption

5.3.9 CoStar records vacancy in terms of space which is unoccupied and marketed, presented in **Table 5-2** below.

Table 5-2: Vacancy and Availability of Office Premises

Location	Vacancy (m^2)	Vacancy (%)	Availability (m^2)	Availability (%)
Uttlesford	7,300[45]	8.5%	19,900	21.1%
East Hertfordshire	4,600	3.1%	6,100	4.1%
Epping Forest	900	1.2%	1,600	2.2%
Harlow	10,200	7.3%	11,900	7.9%
PMA	**23,000**	**5.2%**	**39,500**	**8.8%**

Source: CoStar 2016

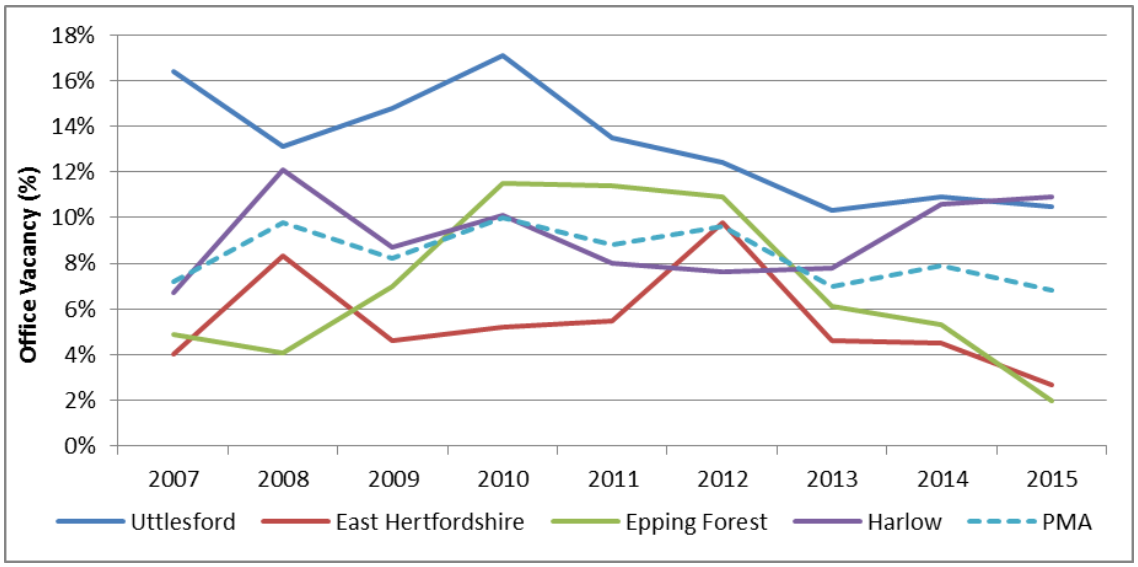
5.3.10 It shows that office vacancy in Uttlesford, at 8.5%, is the highest across all local authorities in the PMA. While Uttlesford represents only 19% of stock, it contributes nearly a third of all vacant floorspace across the PMA.

5.3.11 Availability represents the floorspace that is either vacant or occupied and available for re-let. Available space gives an indication of future vacancy. A positive gap between the vacancy rate and availability rate indicates that there may be a future risk of increased vacancy. This is particularly apt for Uttlesford, where the availability rate (21.1%) is over twice the vacancy rate.

5.3.12 Vacancy rates in the PMA have however declined in recent years. **Figure 5-2** below shows that all local authorities within the PMA have vacancy rates that are at their lowest levels since 2008.

[45] Approximately 2,800m^2 of the 7,300m^2 of vacant office floorspace is associated with Stansted Airport and is therefore restricted to aviation uses.

Figure 5-2: Historic Vacancy Rates by Local Authority Area

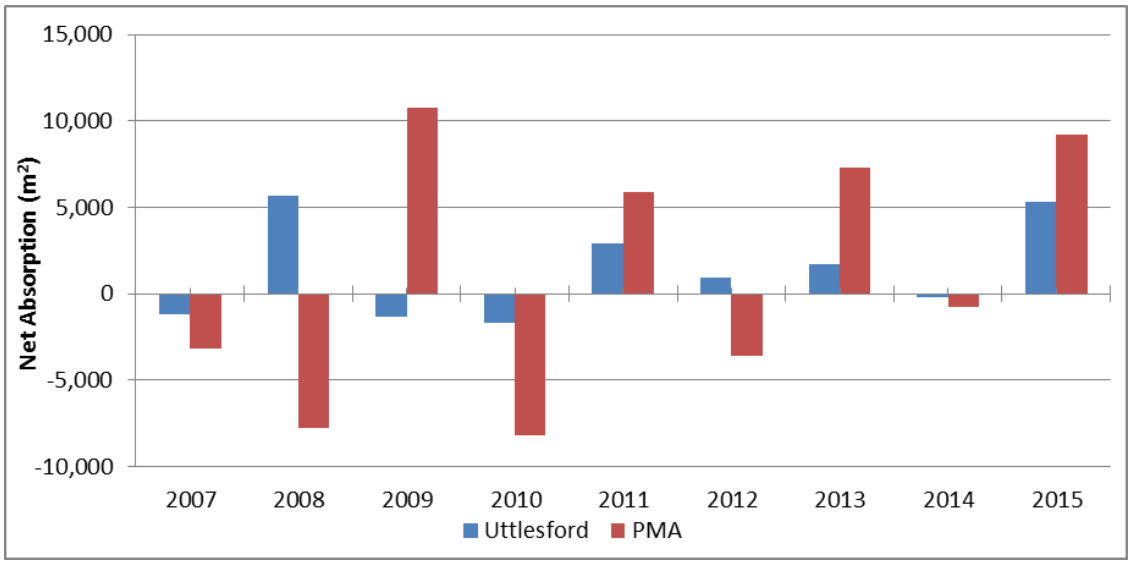


Source: CoStar 2016

5.3.13 Office market agents observe that the property market's performance is not uniform; there are areas of both strength and weakness. In other words, despite occupancy levels having gradually improved, demand in the PMA is neither broad nor robust. Some areas such as Harlow have performed relatively well but agents have not expressed full confidence in its recovery.

5.3.14 Net absorption is the change in the overall quantum of occupied floorspace. Positive annual net absorption means that a greater amount of space is occupied from one year to the next. When vacancy rates decline it is an indication of the level of occupancy as a percentage of stock. However in office markets where existing overall stock may be in decline due for example to conversion of offices to residential use, net absorption provide another perspective on the level of demand. **Figure 5-3** below presents net absorption in the PMA.

Figure 5-3: Historic Net Absorption, Office Floorspace



Source: CoStar

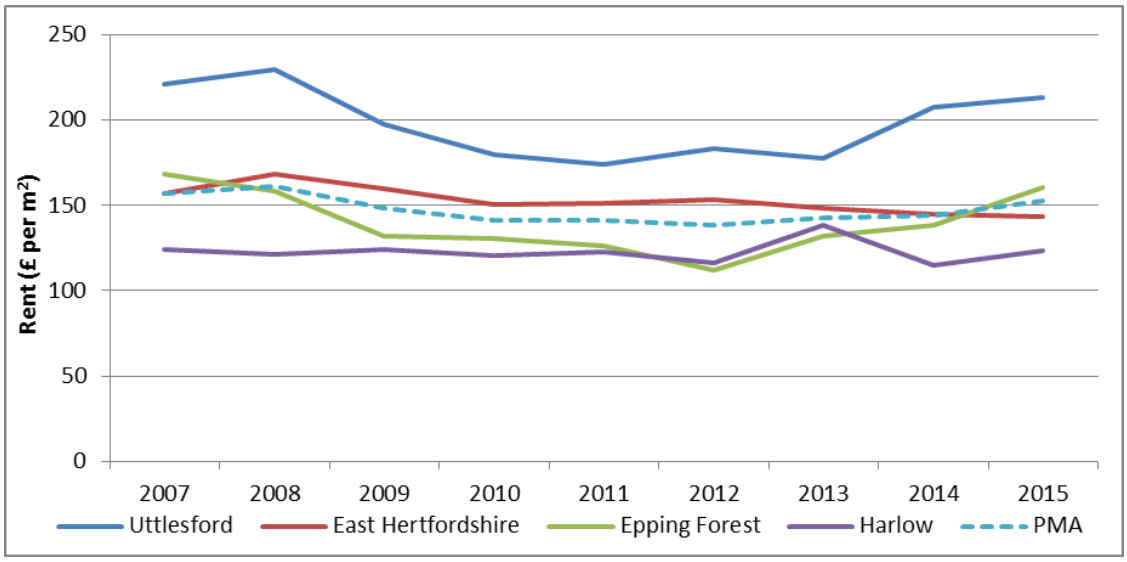
5.3.15 Net absorption across the PMA has been positive for the past three years. During 2013 to 2015 the level of occupied office space in the PMA has increased by approximately 15,700m^2. The amount of space absorbed in those two years is the equivalent of 3.5% of total stock. This increase has been driven by increases in occupied floorspace across East Hertfordshire and Epping Forest of 12,400m^2 and 6,700m^2 respectively over this period, although this is partially offset by a loss of 10,200m^2 of occupied floorspace in Harlow. Uttlesford has seen the amount of occupied office space increase by about 6,800m^2 over the past three years.

5.3.16 Uttlesford's relative performance in floorspace take-up corroborated by the perception amongst property market agents that its low level of net absorption could also be associated with the lack of supply of attractive, high quality offices that would appeal to potential occupiers. It should be noted that the existence of well-located, modern offices could help to attract potential office tenants to the area. This is evidenced by the occupancy rates of high quality office sites, such as Thremhall Park and Sion Park, both of which are currently fully occupied.

Rental Values

5.3.17 The average asking rents for office floorspace in the PMA is approximately £152 per m^2. Rental levels have risen in some of the local authority areas over the past several years but are generally not considered particularly stable by property market agents. Agents say that demand for office floorspace has been moderately positive but not particularly strong. **Figure 5-4** below shows the historic performance of average rents for office floorspace in the different local authority areas.

Figure 5-4: Asking Rents for Office Floor Space (£/m^2) by Local Authority Area



Source: CoStar

5.3.18 At about £213 per m^2, average asking rents in Uttlesford are substantially above the PMA's average. This is largely due to the higher rental values on floorspace located on or in close proximity to Stansted Airport, which constitutes a large proportion of Uttlesford's office stock. Consultation with property agents suggests that rental values on lower grade stock elsewhere in the District are likely to be lower than the PMA average.

5.3.19 Comparison with **Figure 5-1** indicates that the moderate positive upward trend in rental levels in some areas of the PMA is reflected in a high recent rate of absorption. However, consultation with property agents suggests that rental levels for offices are currently considered too low to incentivise speculative development of additional office floorspace. Any new development is likely to require pre-commitments from tenants and will be built for the specific requirements of these identified occupiers.

5.4 Industrial

Stock of Floorspace

5.4.1 The PMA's industrial market is similarly diverse and extensive as its office market. Much like the office market the PMA's industrial corridors correspond to the north-south strategic road network. These roads provide critical access to Greater London as well as important markets to the north.

5.4.2 Uttlesford has a relatively modest industrial market relative to the rest of the PMA. It accommodates a small manufacturing sector although in recent years newly developed stock is associated with warehouse/distribution activity. **Table 5-3** below shows that in 2015 Uttlesford's industrial stock comprised 13.8% of the total stock in the PMA, the lowest proportion of all local authorities in the PMA.

Table 5-3: PMA Industrial Floorspace

Location	Industrial Floorspace (m^2)	% of overall stock in PMA
Uttlesford	241,200	15.2%
Epping Forest	425,200	26.9%
East Hertfordshire	266,400	16.8%
Harlow	649,000	41.0%
PMA	**1,581,800**	**100.0%**

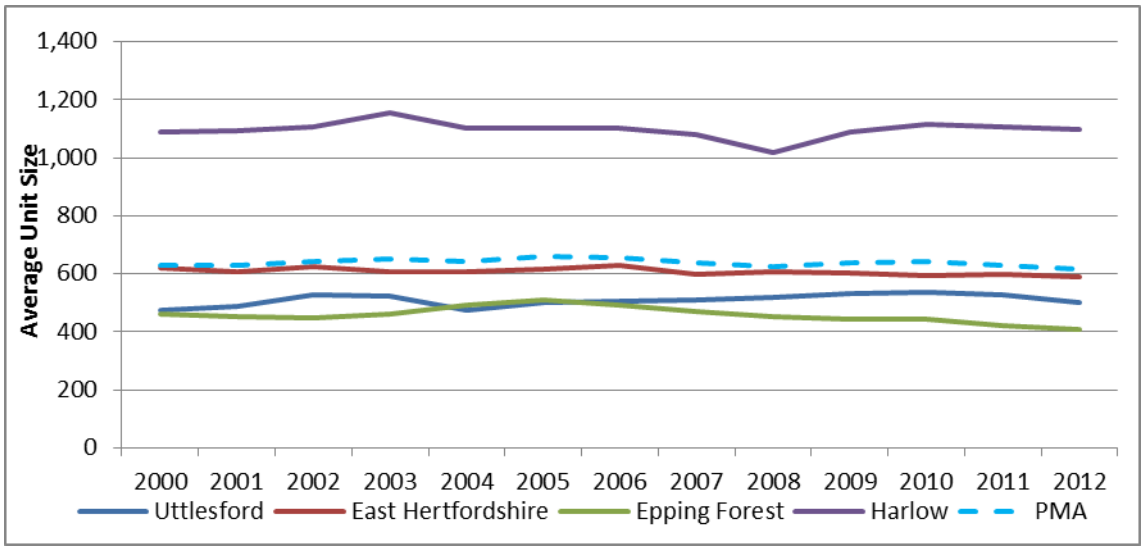
Source: CoStar (2016)

5.4.3 According to the VOA, between 2000-2012 the stock of industrial floorspace in Uttlesford contracted by approximately 4,000m^2 (1%). This was due to a net loss of manufacturing floorspace of 22,000m^2 over the period, offset to an extent by an additional 18,000m^2 of warehousing floorspace. This rate of growth is less than the rate of growth across the PMA, which experienced a net gain of 197,000sqm, equating to a CAGR of 0.7%. Growth in industrial floorspace was strongest in Harlow, which experienced a 17.5% increase in stock over the period covered.

Average Unit Size

5.4.4 **Figure 5-5** below presents average (mean) unit size of industrial units.

Figure 5-5: Average Unit Size by Local Authority Area



Source: VOA (2012).

5.4.5 It indicates that the average (mean) unit size in Uttlesford is generally smaller than the PMA average. The VOA identified 830 hereditaments in Uttlesford in 2012, representing 15.7% of the PMA, while floorspace stock is only 11.8% of the PMA. One explanation for this is a relatively small stock of warehousing floorspace, which tends to represent a larger floorspace

per unit than manufacturing units. This observation is supported by property agents, who suggest that warehousing provision is more prevalent elsewhere in the PMA.

Vacancy and Net Absorption

5.4.6 **Table 5-4** presents the levels of vacancy and net absorption of industrial floorspace across the PMA.

Table 5-4: Vacancy and Availability Rates of Industrial Premises

Location	Vacancy (m^2)	Vacancy (%)	Availability (m^2)	Availability (%)
Uttlesford	3,200[46]	1.3%	14,300	5.7%
East Hertfordshire	3,400	0.8%	4,200	1.0%
Epping Forest	1,900	0.7%	3,500	1.3%
Harlow	50,300	7.8%	58,200	9.0%
PMA	**58,800**	**3.7%**	**80,200**	**5.1%**

Source: CoStar (2016).

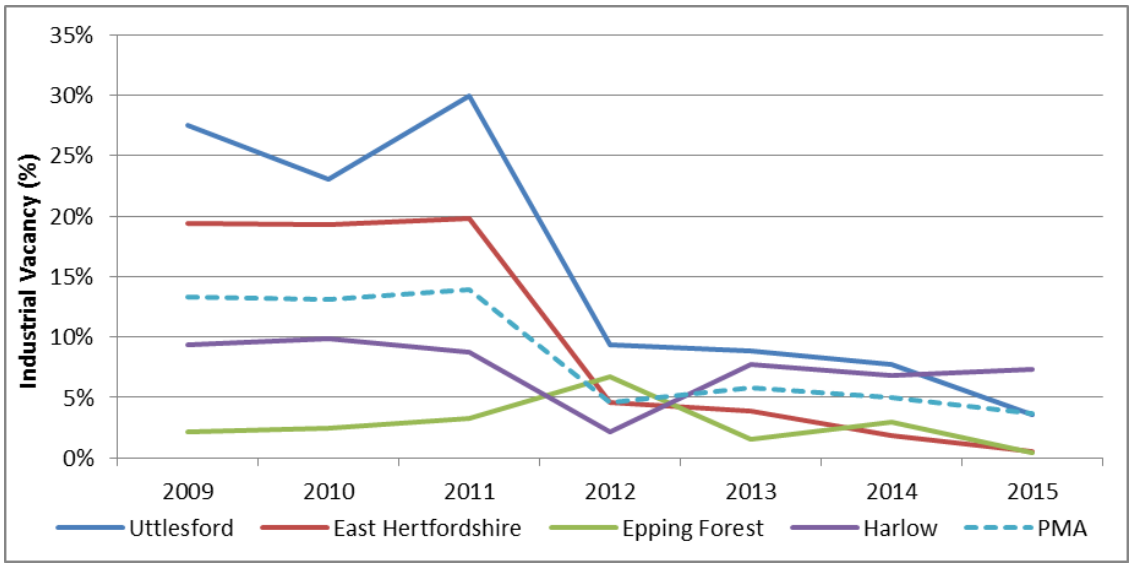
5.4.7 It shows that vacancy in Uttlesford, at 1.3%, is below the PMA average. Harlow has the highest vacancy rate, and contributes over 85% of all vacant industrial floorspace across the PMA.

5.4.8 Availability represents the floorspace that is either vacant or occupied and available for re-let. Available space gives an indication of future vacancy. A positive gap between the vacancy rate and availability rate indicates that there may be a future risk of increased vacancy. This is particularly apt for Uttlesford, where the availability rate (5.7%) exceeds the vacancy rate, which contributes to a future risk of increased vacancy across the PMA.

5.4.9 However, historic data presents a more optimistic view of future vacancy. **Figure 5-6** below shows that all local authorities within the PMA have vacancy rates that are at the lowest level since 2009.

[46] Approximately 700m^2 the 3,200m^2 of vacant industrial floorspace is associated with Stansted Airport and is therefore restricted to aviation uses.

Figure 5-6: Historic Industrial Vacancy Rates by Local Authority Area

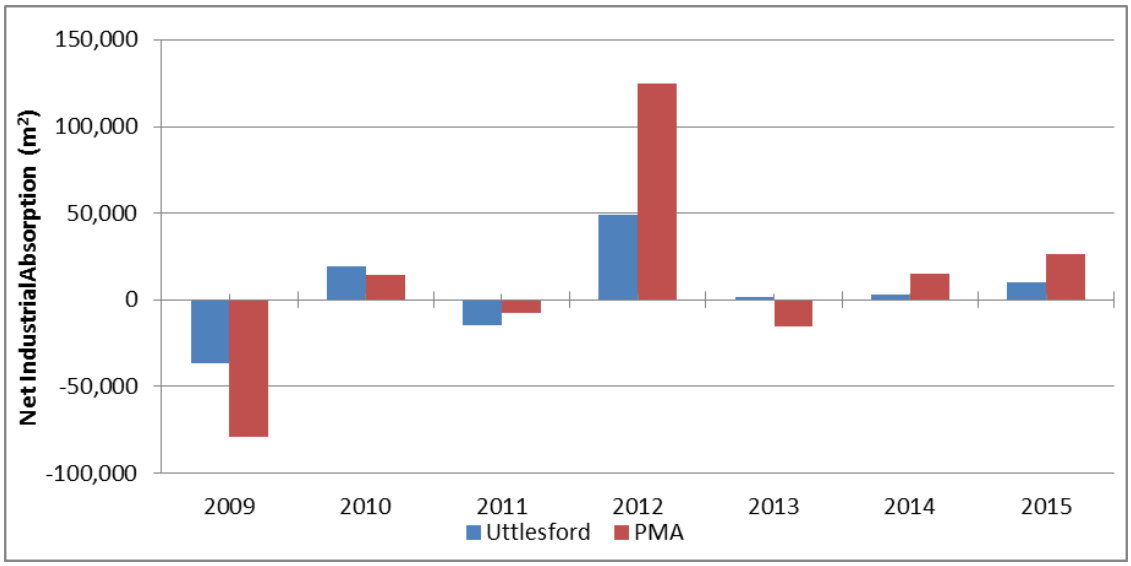


Source: CoStar (2016).

5.4.10 Industrial vacancy has contracted significantly in Uttlesford across this period, from 28.7% in 2009 to 3.6% in 2015. This trend is broadly reflected across all local authorities in the PMA, with the collective vacancy rate contracting from 13.3% to 3.7% over the same period. One explanation for this trend may be due to the scarcity of available land and limits on the ability to intensify current employment clusters, restricting the expansion of employment floorspace. The policy restrictions at Stansted Airport limiting uses to aviation-oriented businesses have led to long-term vacancies in this location in both warehousing and office stock, limiting the available market for such premises.

5.4.11 **Figure 5-7** portrays historic net absorption in Uttlesford and the PMA. Net absorption in Uttlesford was strongest in 2012 in which over 44,300sqm was taken up, driving the vacancy rate down to 9.3%. As a result, net absorption since then has been limited due to a relative lack of available space. However, given the currently low vacancy rate across the PMA, positive net absorption has been restrained more recently as suitable available space for new floor space requirements has become increasingly limited.

Figure 5-7: Historic Net Absorption, Industrial Floorspace

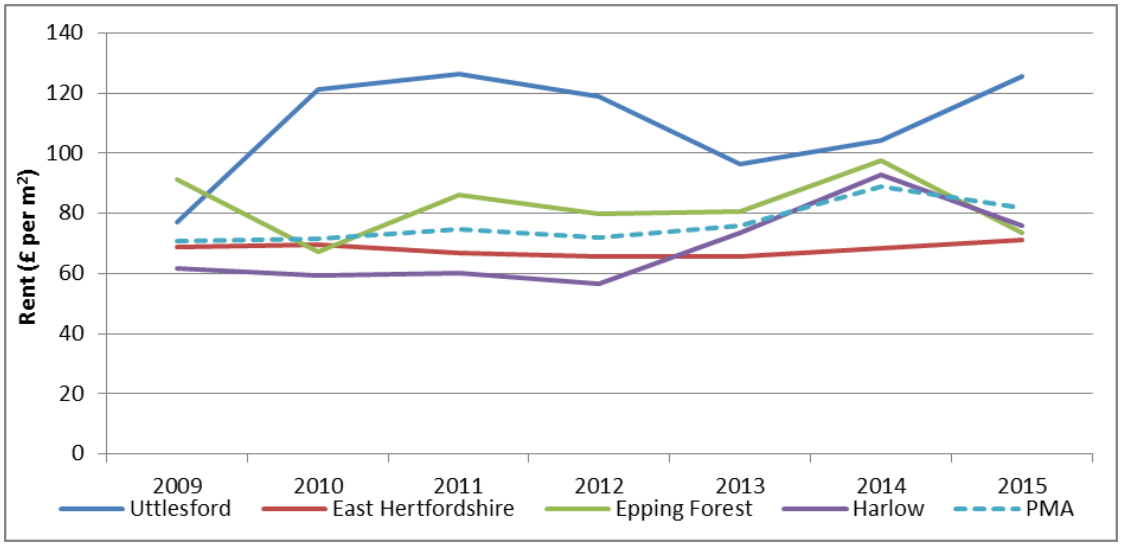


Source: CoStar.

Rental Values

5.4.12 **Figure 5-8** presents rental values by local authority.

Figure 5-8: Asking Rents for Industrial Floorspace (£/m²) by Local Authority Area



Source: CoStar 2016

5.4.13 At about £125 per sqm, average asking rents in Uttlesford are substantially above the PMA's average (£82 per sqm). This is largely due to the higher rental values on floorspace located on or in close proximity to Stansted Airport, which constitutes a large proportion of Uttlesford's industrial stock, and is not necessarily reflective of industrial units across the rest of the District. Consultation with property agents suggests that rental values on lower grade stock elsewhere in the District are likely to be lower than the PMA average.

5.5 Conclusions

Office Market (B1a/b)

5.5.1 The evidence presented in this section supports agents' views that the District has historically been significantly outperformed by the rest of the PMA. The quantum of office stock in Uttlesford is comparatively small and there has been little new stock being developed, while vacancy remains comparatively high. Discussions with agents confirm that Uttlesford is not currently considered a prime office location. The vast majority of office floorspace in the District is second hand accommodation, with the few larger buildings having been built to accommodate (or with the aim to accommodate) a lone occupier, e.g. financial and business service industries or public sector bodies.

5.5.2 Given the limited stock of high quality offices, it is currently a challenge for Uttlesford to ensure that office occupiers consider the area for potential relocation. A case could therefore be made that Uttlesford would benefit from making new development land available to enable the District to attract high quality, modern occupiers.

5.5.3 The success of Tri Sails Towers (currently under construction) which currently has 40,000 sq ft of Grade A office floorspace pre-let may indicate that there is demand within Uttlesford, particularly in the South of the District for these types of high quality development in proximity to the Airport.

Industrial Market (B1c/B2 and B8)

5.5.4 Uttlesford's industrial market is focussed around the two main 'local' markets of Saffron Walden and Great Dunmow, and activities associated with Stansted Airport. Evidence suggests that vacancy has fallen substantially since 2009, although relatively high availability rates indicate a risk of increased vacancy in the future. Consultation with property agents indicates that a limited supply of suitable vacant industrial stock may hinder growth in the future as businesses are unable to find suitable grow-on space. They suggest that the District should seek to provide larger units wherever possible in order to attract potential occupiers from elsewhere in the PMA.

5.5.5 Rental values are higher in Uttlesford than elsewhere in the PMA, driven in part by the relatively high rents at Stansted Airport, and restrictions on the types of activity that can be located at this location which may continue to hinder occupancy. The other key driver of vacancy is the unsuitability of much of the older, smaller stock in the District.

6 DEMAND

6.1 Introduction

6.1.1 This section examines the current and future trends in the demand for industrial and office floorspace in Uttlesford. It builds on an investigation of historic information on floorspace and employment to form a projection of future demand for floorspace based on the East of England Floorspace Model (EEFM) forecasts.

6.2 Review of Historic Trends

Trends in Historic Floorspace

6.2.1 In the property market section of this study, historic VOA floorspace was used to analyse the change in stock in Uttlesford and across the PMA. The data is a key element for the forecasting of the demand for employment floorspace and land. It is summarised in **Table 6-1** below.

Table 6-1 Change in Industrial and Office Floorspace 2000 to 2012

Geography	Use Class	2000 m^2	2012 m^2	Change (%)	CAGR (%)
Uttlesford	Office (B1a/b)	68,000	93,000	36.8%	2.6%
	Industrial (B1c/B2/B8)	418,000	414,000	-1.0%	-0.1%
PMA	Office (B1a/b)	471,000	491,000	4.2%	0.3%
	Industrial (B1c/B2/B8)	2,227,000	2,424,000	8.8%	0.7%

Source: VOA (2012); AECOM Calculations.

6.2.2 **Table 6-1** shows that office floorspace in Uttlesford has increased at a greater compound rate (2.6%) than is observed across the PMA (0.3%). Conversely, while Uttlesford has experienced a slight net loss of industrial floorspace, equivalent to 1% of stock, floorspace has grown across the PMA (at a CAGR of 0.7%).

Trends in Historic Employees

6.2.3 Historic employment growth is another key element used in the forecasting of demand for employment floorspace and land. Employment growth is a key driver in the demand for employment floorspace.

6.2.4 Historic employment data is drawn from the Annual Business Inquiry (ABI) between 2000 and 2008 and the Business Register and Employment Survey (BRES) between 2008 and 2014. Both datasets are compiled by the Office for National Statistics (ONS). They are both expressed at a Standard Industrial Classification (SIC) level, not by use class.

6.2.5 Our analysis converts SIC-level data into employment use classes. To estimate employment by use class we identify the SIC levels which typically operate from offices (B1a/b), manufacturing (B1c/B2) and warehousing premises (B8). The linking of SIC levels to use class draws upon extensive prior work on employment land studies that AECOM have undertaken.

6.2.6 **Table 6-2** below summarises historic growth in employees in each use class across Uttlesford and the PMA.

Table 6-2 Historic Employees 2000 to 2014

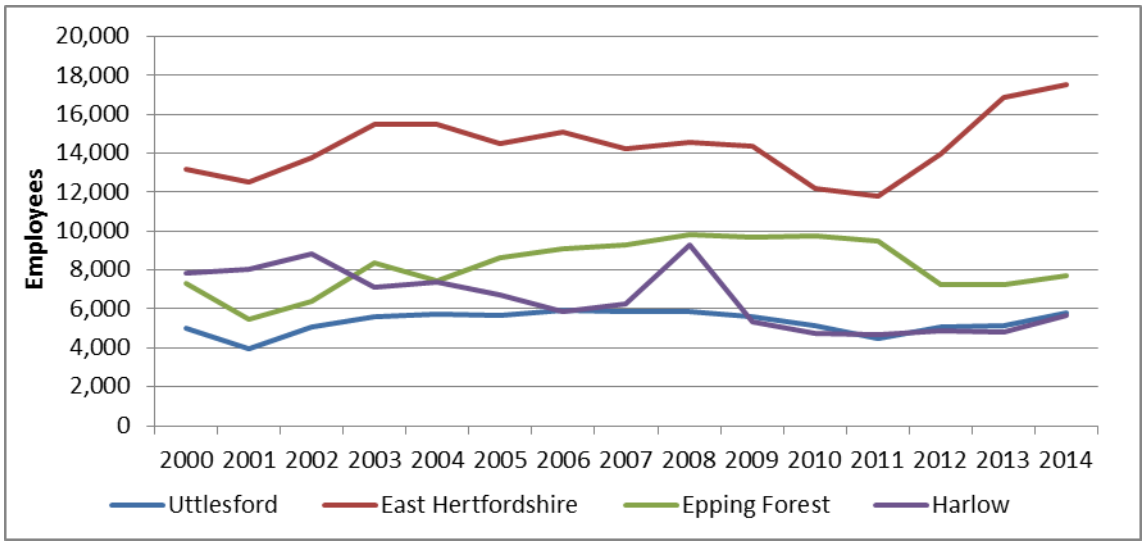
Geography	Use Class	2000	2014	Change (%)	CAGR
Uttlesford	Office (B1a/b)	5,000	5,800	16.0%	1.1%
	Manufacturing (B1c/B2)	5,100	2,800	-45.1%	-4.3%
	Warehousing (B8)	5,600	5,800	3.6%	0.4%
PMA	Office (B1a/b)	33,300	36,700	10.2%	0.7%
	Manufacturing (B1c/B2)	23,500	14,600	-37.9%	-3.4%
	Warehousing (B8)	15,000	18,200	21.3%	1.4%

Source: ONS, (2015); AECOM Calculations.

Office Employees (B1a/b Use Classes)

6.2.7 **Figure 6-1** below shows the relative growth of employees in Uttlesford's office market compared to the PMA.

Figure 6-1: Historic Office Employees



Source: ONS, (2015); AECOM Calculations.

6.2.8 The number of office-based employees has increased significantly over the period and has been the primary driver of growth within the B use class within Uttlesford. Most of this growth occurred after 2010, reflecting the upturn in the wider economy. Office employment levels are now close to their pre-2008 levels and it is reasonable to expect that office employment will exceed pre-recession levels over the Plan period to 2033. Office employment has also been illustrated across the PMA, with Harlow the only local authority experiencing a net loss of office jobs over the period covered. East Hertfordshire has the greatest number of office jobs

than elsewhere in the PMA and has experienced the most significant growth over the past few years.

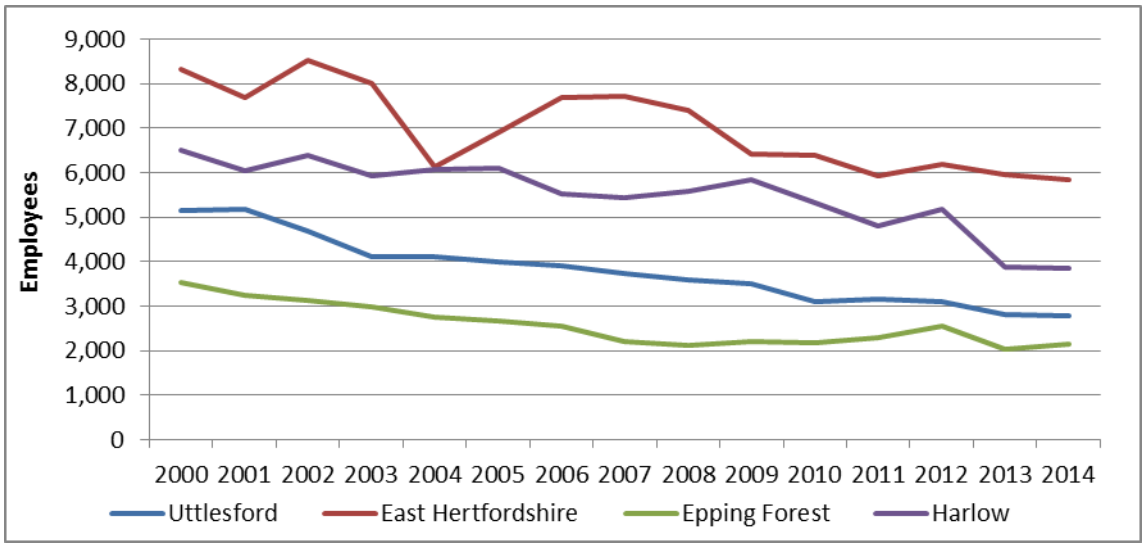
Manufacturing Employment (B1c/B2 Use Classes)

6.2.9 The number of employees in manufacturing occupations in the PMA declined by 37.9% across the PMA area between 2000 and 2014, relating to a net loss of 8,900 jobs. While the decline was sustained throughout the time period, the largest decline occurred in 2009 which reflects the economic contraction which began in 2008. While the long-term trend in manufacturing employment is well-documented, the rate at which manufacturing jobs are lost has increased from 2009 onwards.

6.2.10 Uttlesford's manufacturing employment base has experienced the most significant decline across the PMA. Between 2000 and 2014, employees in Uttlesford fell by almost half (46.1%); a compound rate of 4.3% per annum. It continues to have a relatively small share of manufacturing jobs in the PMA.

6.2.11 **Figure 6-2** below shows the relative performance of employees in Uttlesford's manufacturing sector compared to the PMA.

Figure 6-2 Historic Manufacturing Employees

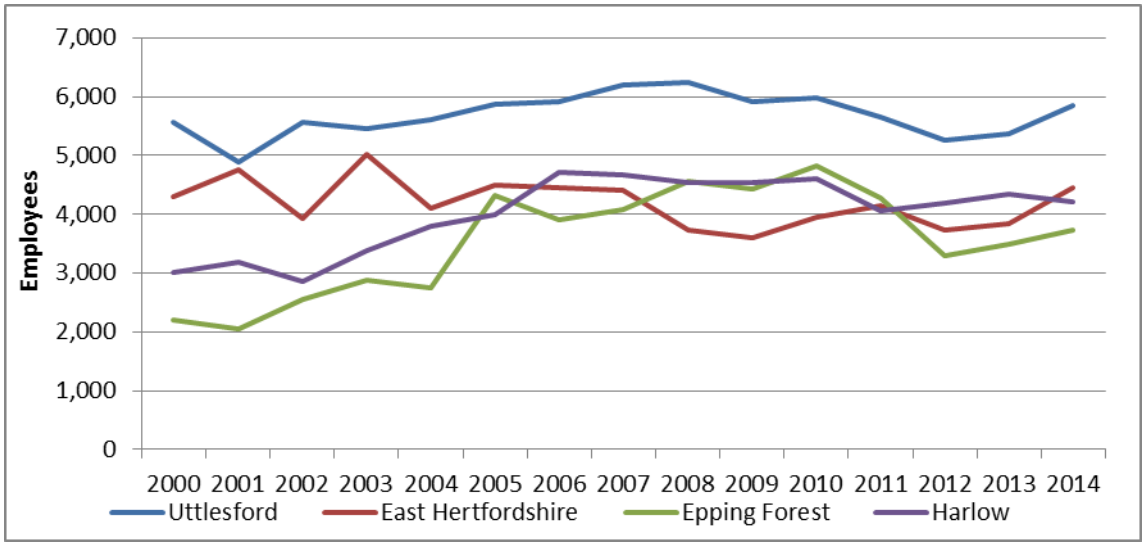


Source: AECOM; ONS

Warehouse/Distribution Employment (B8 Use Class)

6.2.12 Warehouse and distribution employment in the PMA has grown steadily. Between 2000 and 2014 the number of employees increased 21.3%, relating to 3,200 net additional warehousing jobs. While Uttlesford's warehouse and distribution jobs have grown in a manner consistent with the PMA, the District has done so at a much slower pace. Between 2000 and 2014 Uttlesford added an additional 200 warehousing jobs, a growth of 3.6%. Despite this, Uttlesford continues to have the largest proportion of warehousing jobs across the PMA, most likely due in part to the logistics operations associated with Stansted Airport.

Figure 6-3: Historic Warehousing Employees



Source: AECOM; ONS.

Summary

6.2.13 In recent years employment growth in office activities in Uttlesford has been robust; the District has significantly outperformed the PMA. Comparison with **Table 6-1** indicates that the increase in office jobs has been matched by an expansion in office floorspace. While Uttlesford's performance is an encouraging indication for potential future office-based employment growth, much of the growth has been recent and does not yet allow us to conclude that it is sustainable over the long term trend. This strong growth is also based on both a relatively small office-based labour force and office floorspace stock, and therefore the relationship between these metrics is likely to exhibit volatility.

6.2.14 Industrial floorspace, comprising of manufacturing (B1c/B2) and warehousing (B8) uses, has experienced little change in Uttlesford historically. Data limitations prevent disaggregation of this data to understand the specific historic trends in manufacturing and warehousing floorspace. However, employment data provides an indication of this relationship. Consistent with the wider macroeconomic trend, manufacturing employment in Uttlesford has consistently fallen across the period covered. This relationship is broadly similar across all local authorities in the PMA. However, consistent with the rest of the PMA, Uttlesford has experienced positive and relatively stable employment growth in the warehousing activities sector. Uttlesford continues to have the greatest share of warehousing employment across the PMA, driven to a large extent by activities supporting Stansted Airport. Consultation with local property agents supports the view that floorspace trends have reflected this pattern in employment, with a decline in manufacturing space being offset to an extent by an expansion of warehousing. This therefore implies a positive relationship between employment and floorspace growth.

6.2.15 The evidence presented above indicates a positive historic relationship between employment change and floorspace across B use classes. Growth in office floorspace has been met by an increase in employment across both Uttlesford and the PMA. While little net change is observed in industrial floorspace in Uttlesford, employment patterns and market intelligence indicate a degree of loss of manufacturing stock, offset by an increase in warehouse space. For the purposes of this assessment we assume that floorspace will grow at the same

compound rate as employment, ensuring that existing employment densities (the average floorspace per worker) remains constant across each B use class.

6.3 Employment Forecasts

6.3.1 Projections of the future demand for employment floorspace are provided by the EEFM. This model projects economic, demographic and housing trends across the East of England to assist strategic decision making. The EEFM provides a projection of Full Time Equivalent (FTE) employment by economic sector up 2031. The EEFM Baseline projection assumes the following future trends:

- **Households**: the EEFM estimates that the number of households in Uttlesford will increase from 33,600 in 2016 to 38,100 in 2031, a 13.4% increase equivalent to 4,500 additional households in the District. The population is anticipated to increase at a slower rate (10.7%) across this period, equating to 9,100 additional residents;

- **Unemployment**: the unemployment rate is a component of economic activity, measuring the proportion of the working age population (aged 16-74) who are not in employment but seeking work. The EEFM estimates that unemployment rates will increase from 0.6% (2016) to 0.9% (2031) in Uttlesford; and

- **Commuting ratio**: this indicates the balance between the size of the resident population in employment and the number of jobs available in that given area. Net commuting is anticipated to increase in Uttlesford from 1,100 in 2016 to 2,000 in 2031. This suggests that Uttlesford will become an increasingly large exporter of employees to other local authorities.

6.3.2 The EEFM '*Baseline*' scenario provides a forecast of employment by economic sector up to 2031. In order to estimate net change across the plan period we have we have projected this series forward across an additional two years based on the historic change from 2016 to 2031.

6.3.3 **Table** 6-3 outlines the projected floorspace demand by space typology across Uttlesford and the PMA in the EEFM '*Baseline*' scenario.

Table 6-3 EEFM 'Baseline' Forecast of Additional Jobs by Use Class

Space Typology	Employment		Net Additional Jobs	UDC CAGR (%)	PMA CAGR (%)
	2016	2033			
Office (B1a/b)	**10,100**	**11,200**	**1,100**	**0.6%**	**0.9%**
General Office (B1a)	5,800	6,400	600	0.6%	0.8%
Business Park (B1a)	800	900	100	1.0%	1.0%
Call Centre (B1a)	400	400	0	0.7%	1.0%
Research & Development/ Technology (B1b)	600	700	100	0.4%	0.3%
Science Park/Small Business Units (B1b)	2,500	2,800	300	0.6%	1.0%
Industrial (B1c/B2/B8)	**9,100**	**8,600**	**-500**	**-0.4%**	**-0.4%**
Manufacturing (B1c/B2)	4,400	3,600	-800	-1.2%	-0.9%
Warehousing (B8)	4,800	5,000	200	0.2%	0.2%

*Source: EEFM (2015); AECOM Calculations. Figures are rounded to the nearest 100 and as a result may not sum. Note: the EEFM is based on a different sectoral breakdown to the ONS data (outlined in **Section 6.2**) and as a result the estimated breakdown of employment by use class may differ.*

6.3.4 The EEFM estimates that office employment will grow at a CAGR of 0.6% in Uttlesford, lower than the 0.9% rate across the PMA. According to the EEFM, of the 48,400 jobs in Uttlesford in 2016, office and industrial activities represent 12.1% and 18.9% respectively. B use class employment grew by 1,300 over the period 2011-2016, equating to 26.5% of all net additional jobs growth across Uttlesford (5,000 jobs).

6.3.5 The evidence presented in **Section 5** indicates that Uttlesford has the lowest stock of office floorspace across the PMA. It observes that unit sizes are on average lower than elsewhere, with high rates of vacancy and availability and relatively little new stock coming forward. This evidence suggests that the EEFM forecasts for Uttlesford, as opposed to the overall PMA, form a more appropriate indicator of future growth. We will therefore consider the Uttlesford rates of growth within this demand assessment. Industrial employment is anticipated to contract across both Uttlesford and the PMA. A contraction in manufacturing employment, equivalent to 1.2% and 0.9% CAGR across Uttlesford and the PMA respectively, is in neither case offset by the slight positive growth in warehousing activity (0.2% CAGR across both geographies).

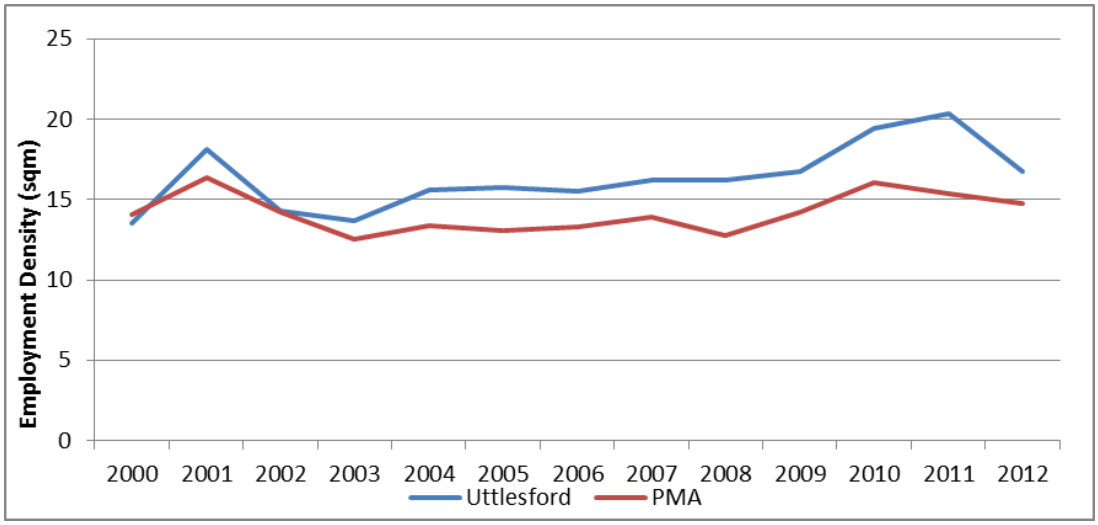
6.4 Local Factors and Drivers of Change

6.4.1 There are a number of drivers of economic change which may affect the demand for employment space across the plan period. Although the extent to which these factors are exhaustively captured within EEFM projections cannot be quantified, they nevertheless provide an indication of the potential future drivers of change in the District.

Employment Densities

6.4.2 An inherent assumption of the translation between employment projections and floorspace in the EEFM (outlined in **Table 6-3**) is that employment densities will remain constant over the plan period. Employment densities represent the average floorspace required for each employee in a given sector. Past trends in employment densities for office and industrial uses are presented below in **Figure 6-4**.

Figure 6-4 Office Employment Density 2000 to 2012

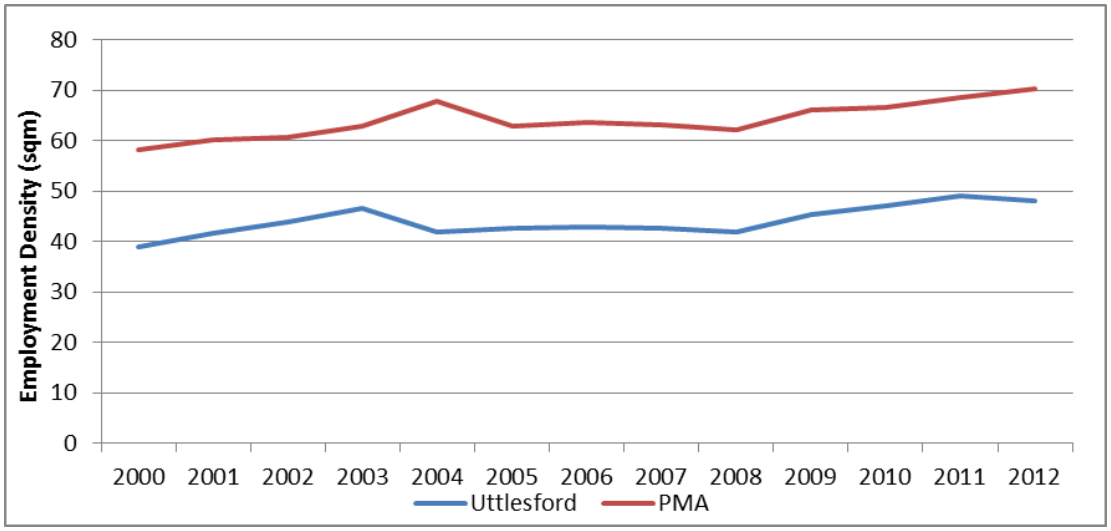


Source: ONS (2014); VOA (2012); AECOM Calculations.

6.4.3 **Figure 6-4** indicates that office employment density has historically been slightly greater in Uttlesford than across the PMA. This is likely driven by a greater share of lower density office activities, such as research and development and business park locations, which typically occupy more floorspace per worker. Employment density has broadly increased since 2000 in Uttlesford, although remains constant across the PMA.

6.4.4 Analysis of EEFM data presented in **Table 6-3** suggests a further decrease in office density, with the 2016 estimate suggesting an average rate of 19.1sqm per worker in Uttlesford. The employment density implied by the EEFM remains broadly constant across the plan period.

Figure 6-5 Industrial Employment Density 2000 to 2012



Source: ONS (2014); VOA (2012); AECOM Calculations

6.4.5 **Figure 6-5** indicates that industrial employment densities have increased across both Uttlesford and the PMA, reflecting the increasing share of warehousing activity relative to manufacturing. However, industrial employment densities in Uttlesford are consistently lower than across the PMA. This is likely due to the greater share of manufacturing employment and floorspace than is observed elsewhere across the PMA. EEFM data suggests an employment density of 52.2sqm per worker in 2016, rising to 54.1sqm per worker in 2033.

6.4.6 The historic data presented above indicates that employment densities are increasing across both office and industrial uses. This suggests that broadly the floorspace requirement associated with each additional worker will increase across the plan period. However, past trends alone are not sufficient to indicate future employment density, and do not indicate the extent to which densities may continue to grow or reach a critical maximum. Given the conservative estimates of densities implied by the EEFM relative to historic data, we do not estimate employment densities to vary considerably from those stated in **Table 6-3** across the plan period.

London Stansted Airport

6.4.7 London Stansted Airport is one of the UK's fastest growing major airports and there is significant potential for it to attract further inward investment and support key growth sectors within Uttlesford including the life sciences sector. According to a recent report on the Airport, published by Oxford Economics[47], 1,868 (18.3%) of the airport's on-site workforce also reside in Uttlesford, capturing a cumulative £39.7m in wages.

6.4.8 As well as the direct employment of Uttlesford's resident population, London Stansted Airport is an important catalyst for growth and productivity in the East of England, as outlined by the Sustainable Development Plan[12]. The Airport seeks to maximise utilisation of its existing single runway, after its second runway plans were withdrawn, through a redevelopment programme. It is anticipated that the airport could more than double the current throughput to approximately 43 million passengers per annum (mppa). The scale of change proposed at the Airport offers the prospect of servicing increased customer demands. This may result in

[47] Oxford Economics, (2013); Economic Impact of Stansted Scenarios

demand for just-in-time suppliers in services for customers using the Airport; however services such as catering and maintenance are understood to be centrally provided and there may be limited prospects for local businesses to link in with London Stansted Airport's supply chain.

6.4.9 The main driver of economic linkages between London Stansted Airport and employment land elsewhere in the District is through logistics operations. The Airport is the third largest freight airport in the UK, after Heathrow and East Midlands airports. Intelligence gathered through consultation indicates that the airport handles approximately 230,000 to 240,000 tonnes of cargo per annum, with the capacity to double this quantity to 400,000 tonnes per annum.

6.4.10 At present, two factors constrain the growth of freight operations. First, the majority of passenger airlines using the airport tend to be low-cost, and as such have a lesser propensity to carry 'belly' freight. As a consequence, cargo is carried on dedicated flights, which tend to be older and noisier aircraft that fly at off-peak times. Night noise restrictions are identified as a key constraint in the growth of London Stansted Airport's freight market.

6.4.11 In line with the Sustainable Development Plan however, it is anticipated that London Stansted Airport will diversify its offer to include more medium and long-haul flights to a greater number of destinations. Consultation has indicated that interest within the Airport for freight and logistic operations has been growing and the airport's geographic connections to both the East Midlands and London make it an attractive offering for potential operators. Opportunities may therefore arise for an increase in freight and logistics operations and supply chain linkages with the rest of the District as the Airport's cargo offering increases.

Opportunities Arising from Housing Growth

6.4.12 As discussed in the 2014 SHMA, a significant increase in the rate of housing delivery is anticipated across the Local Plan period. This growth is factored in the EEFM. However, there are additional opportunities or knock-on effects as a consequence of housing growth, which could support economic development in the District. As these are only considered as opportunities, and not certainties, they have not been factored into an adjustment in the EEFM forecast.

6.4.13 The growth in housing, and consequential growth in the resident population many of which will be new to the District, will have some influence on demand for jobs and consequently employment space. There will be indirect and induced effects through the business supply chain and an increasing demand for local goods and services, as a consequence of new residents working in the District.

6.4.14 The potential growth in housing represents an opportunity for an expansion in the size of the local economy. The larger pool of labour resulting from this potential step change in housing may provide an opportunity for the District to initiate appropriate policies such as promoting inward investment which could support the uptake of new jobs by residents.

6.4.15 An increase in resident population, stemming from housing growth, could also provide opportunities to address levels of out-commuting. An increase in the resident population will mean a larger labour force and proportionately more skilled workers. A larger pool of skilled workers could act as a draw for investment and attract relatively higher value added businesses. In turn this could help reduce the wage differential and as a consequence levels of out-commuting. This could result in a more sustainable economy through greater retention of residents as workers.

Growth along the London Stansted Cambridge Corridor

6.4.16 The London Stansted Cambridge Corridor (LSCC) has a strong technology and knowledge sector economy, with growth in knowledge based industries growing at a significantly faster rate than the national average. The corridor also contains Europe's leading life sciences cluster built upon 37 key research institutes and anchored by key assets such as Cambridge University. The proximity of Cambridge within the corridor is also driving innovation providing an environment for businesses to thrive.

6.4.17 The life sciences sector is projected to experience strong employment growth over the coming years, in excess of 14,000 jobs over the period to 2023[48]. The LSCC area offers an unrivalled ecosystem for the sector and it performs as one of the top locations within the UK and internationally. The quality of the labour force within this area is one of the key contributing factors to this success.

6.4.18 The strength of the LSCC in supporting key clusters of high value, high growth activity is set to continue if the area can continue to capture increased levels of inward investment and foster the Life Sciences and IT and Digital clusters within Cambridge and London.

6.4.19 Given the proximity of Uttlesford District to Cambridge, there may be increased opportunities to benefit from growth within the life sciences sector and to attract businesses within the LSCC area. Drawing upon key assets within Uttlesford such as the Chesterford Research Park and the quality of life within the District, Uttlesford is well placed to attract life science occupiers.

6.4.20 Investment in transport infrastructure has the potential to improve connectivity along the LSCC. Plans exist to increase the capacity on the West Anglia Main Line through increasing the number of tracks south of Broxbourne, and potentially expanding the Stansted Airport branch of the line. Such an investment has the potential to increase the number of journeys and rail capacity along the corridor, while reducing journey times between Cambridge and London. Improved connectivity along the corridor would facilitate greater movement of labour, reinforcing existing commuting patterns and potentially promoting inward investment in locations near associated transport nodes within the District.

6.5 Sensitivity Testing

6.5.1 There are challenges in accurately forecasting economic trends over the long term. All forecasts are inherently uncertain and the future performance of an economic variable can be influenced by many unknown factors that cannot be exhaustively captured within any forecast of the future. The impact of such unknowns increases as the timeframe of the forecast increases.

6.5.2 To account for the potential variations away from the 'baseline' forecast, we will test two additional forecasts for growth in Uttlesford. These additional forecasts are provided by Hardisty Jones Associates (HJA)[44], and reflect the lower and upper bounds of the impact on employment in Uttlesford over and above the EEFM 'Baseline' scenario if growth ambitions at Stansted Airport are realised[49]. The associated increase in jobs per annum (JPA) across the three scenarios is presented below:

- Baseline growth: assumes 322 net additional JPA in Uttlesford;

[48] London Stansted Cambridge Consortium (2014). *Growth Spaces for Life Sciences: Future Growth and Demand.*
[49] Achieving 35mppa by 2025 and 45mppa by 2030.

- Medium growth: equates to the lower bound of the HJA estimate, equating to 665 net additional JPA in Uttlesford; and
- High growth: equates to the upper bound of the HJA estimate, equating to 675 net additional JPA in Uttlesford.

6.5.3 These additional growth scenarios assume an annual uplift apportioned across certain sectors associated with Stansted Airport, such as Air Transport, Business, Professional & Public Services, and Land & Other Transport. As the uplift is not applied uniformly across each sector, we do not expect the impact of each scenario on B use class floorspace to be proportional to the net additional JPA projected.

6.5.4 **Table 6-4** presents the employment growth associated with the Medium and High growth scenarios.

Table 6-4 Uttlesford Medium and High Growth Scenarios

Space Typology	Employment		Net Additional Jobs	CAGR (%)
	2016	2033		
Medium Growth Scenario				
Office (B1a/b)	10,500	12,100	1,600	0.98%
Manufacturing (B1c/B2)	4,500	3,800	-700	-0.80%
Warehousing (B8)	5,000	5,600	600	0.83%
High Growth Scenario				
Office (B1a/b)	10,500	12,200	1,700	0.99%
Manufacturing (B1c/B2)	4,500	3,900	-600	-0.79%
Warehousing (B8)	5,000	5,700	700	0.85%

Source: EEFM (2014); HJA (2015); AECOM Calculations.

6.6 Alternative Scenarios for Floorspace Demand

6.6.1 Alongside a consultation exercise and the use of sectoral and employment forecasts, the PPG3[50] outlines the need for future trends to consider:

- Demographically derived assessments of future employment needs (labour supply techniques); and
- Analyses based on the past take-up of employment land and/or future property market requirements.

6.6.2 We outline below the scale of growth resulting from these alternatives, and the shortfalls in these approaches to estimating future floorspace requirements.

[50] Paragraph: 033 Reference ID: 2a-033-20140306.

Labour Supply Approach

6.6.3 This approach assumes that future growth in the resident population will influence the demand for jobs and consequently employment space. It assumes an inherent equilibrium in the labour market, where employment opportunities are created to satisfy the employment needs of the local population. The ONS Sub-National Population Projections (2016) provide an indication of the future demographic profile across local authorities in England.

6.6.4 **Table 6-5** presents the labour supply-driven growth rates for Uttlesford and the PMA across the plan period. It suggests a 1.2% and 1.0% CAGR increase in employment across Uttlesford and the PMA respectively up to 2033.

Table 6-5 Population Projection in Uttlesford and the PMA

Geography	Population (2016)	Population (2033)	CAGR (%)
Uttlesford	86,500	106,000	1.2%
PMA	449,800	530,300	1.0%

Source: ONS (2016); AECOM Calculations.

6.6.5 However, while providing a broad estimate of employment need across all sectors in the economy, the labour supply approach does not make any distinction between which sectors in the economy are expected to grow and hence does not account for structural changes in the economy. This approach also ignores the potential for residents to travel elsewhere to work. Analysis based on the Census 2011 indicates that only 31.6% of Uttlesford's employed residents are retained in the District as employees (see **Section 3.7** for more detail). Therefore, at a local level, it is unlikely that a proportional relationship will exist between new resident population and workforce jobs.

6.6.6 Historic data outlined in **Section 6.2** highlights an increase in office employment, while the manufacturing sector has contracted over recent years. Assuming that employment densities are static over the plan period, the labour supply approach implies a steady growth in all sectors across the economy. This approach does not therefore provide appropriate estimate of future employment, and hence floorspace demand, across the plan period.

Property Trends Approach

6.6.7 This approach estimates a continuation of historic trends in the take-up of commercial floorspace. **Table 6-6** presents the growth rate implied by historic occupancy from 2010 to 2015 across both Uttlesford and the PMA.

Table 6-6 Historic Occupied Floorspace by B Use Class

Use Class	Occupancy (2010)	Occupancy (2015)	CAGR (%)
Uttlesford			
Office (B1a/b)	66,400	76,900	3.0%
Industrial (B1c/B2/B8)	181,400	230,300	4.9%
PMA			
Office (B1a/b)	411,700	429,600	0.9%
Industrial (B1c/B2/B8)	1,375,800	1,159,300	2.0%

Source: CoStar (2016); AECOM Calculations.

6.6.8 The suitability of this approach is contingent on the extent to which we may reasonably expect past trends to continue into the future. This approach is also sensitive to short term fluctuations away from long term trends, which do not provide an accurate assessment of indicative long term growth. This therefore may not provide the most accurate indication of future expectations. For instance, based on past trends in occupancy rates in Uttlesford alone, this approach assumes that the office and industrial markets will grow by 56% and 105% on current stock respectively. This magnitude of growth is not supported by the body of evidence gathered through analysing past and future economic data and the views of consultees. A comparison between the historic and Baseline future employment projection (outlined in **Section 6.2** and

6.6.9 **Table** 6-3 indicates that future employment is expected to deviate away from past trends. As a result, historic take-up rates alone are not a suitable measure of future floorspace demand across the plan period.

Summary of Alternative Scenarios

6.6.10 This section has considered two alternative methods of estimating future B use class floorspace demand: the Labour Supply and Property Trends approaches.

6.6.11 The Labour Supply approach assumes that employment opportunities will arise as a result of increased demand for jobs by a growing population. It therefore assumes a proportional relationship between resident population and workforce jobs across the whole economy. However, this approach does not account for sectoral trends or the propensity for employees to travel across local authority borders for employment, and thus does not form an appropriate estimate of future B use class floorspace need.

6.6.12 The Property Trends approach assumes a continuation of historic trends in the take-up of commercial floorspace. This approach is sensitive to short-term fluctuations away from long-term trends, which will bias the results, and requires growth to continue at observed rates to provide an accurate forecast of future need. Given the body of evidence suggesting that future employment, and hence floorspace requirement, will move away from historic trends over the plan period, this approach is not considered an appropriate indicator of future floorspace need.

6.6.13 Therefore, for the purposes of this assessment, we consider the employment projection-based approach the most suitable method of projecting future employment floorspace need.

6.7 Summary

6.7.1 We have carried out a quantitative assessment of the demand for office (B1a/b), manufacturing (B1c/B2) and warehousing (B8) floorspace in Uttlesford across the plan period. The approach identifies the EEFM projection of future floorspace demand by use class, and associated variations based on growth aspirations at Stansted Airport, as the most suitable indicator of future need. The EEFM builds upon past trends to estimate future employment, from which demand for employment floorspace is derived. The three growth scenarios for floorspace demand, and associated CAGRs for each use class, are presented in **Table 6-7** below.

Table 6-7 Future Floorspace Demand CAGRs by Scenario

Use Class	Baseline Scenario	Medium Scenario	High Scenario
Office (B1a/b)	0.59%	0.98%	0.99%
Manufacturing (B1c/B2)	-1.21%	-0.8%	-0.79%
Warehousing (B8)	0.25%	0.83%	0.85%

Source: EEFM (2015); HJA (2015); AECOM Calculations.

6.7.2 Applying these CAGRs to the floorspace stock estimates provided by the VOA in **Section 4** allows us to calculate the net additional floorspace demand for each scenario across the plan period.

Table 6-8 Net Additional Floorspace Demand by Scenario

Use Class	Current Occupied Floorspace (sqm)	Baseline Scenario: Net Additional Floorspace (sqm)	Medium Scenario: Net Additional Floorspace (sqm)	High Scenario: Net Additional Floorspace (sqm)
Office (B1a/b)	99,000	10,400	17,900	18,000
Manufacturing (B1c/B2)[51]	122,800	-23,000	-15,700	-15,500
Warehousing (B8)[51]	249,200	10,800	37,600	38,600

Source: VOA (2016); EEFM (2015); AECOM Calculations.

[51] VOA data does not provide a breakdown of industrial floorspace by manufacturing (B1c/B2) and warehousing (B8) uses. We have applied the stock figure of 372,000sqm at the ratios implied by the EEFM for 2016, which estimate that 33% of stock is manufacturing (112,800sqm) and 67% is warehousing (249,200sqm).

7 COMPARISON BETWEEN SUPPLY AND DEMAND

7.1 Introduction

7.1.1 This section compares the current quantum of employment land in Uttlesford, set out in **Section 5**, with the projected future demand for office floorspace and industrial land the District over the period 2016-2033, as identified in **Section 6**. Broadly, supply in excess of demand suggests a demand constrained position; and where demand is in excess of supply, a supply constrained position with the requirement to identify additional land for B-use employment activities and ensure growth is adequately supported.

7.2 Other Users of Industrial or Office Land

7.2.1 Waste management and recycling facilities tend to occupy land suitable for industrial employment uses. If there is a requirement for additional such facilities over the planning period, it could impact on the quantum of industrial land available for industrial uses. We therefore consider whether any additional facilities are required to support the population of Uttlesford District.

7.2.2 The Replacement Waste Local Plan Capacity Gap Report[52], published in September 2014, provides an evidence base for the forthcoming Replacement Waste Local Plan. It provides details of a new Waste Transfer Facility in Great Dunmow with existing planning permission. As no further additional infrastructure is discussed, it is assumed that no additional land is required for waste management across the plan period. Similarly, we assume that the land requirement for other non-industrial uses that have industrial character and occupy land of an industrial nature, such as transport uses, will not result in a net impact on employment land through the local plan period.

7.3 Comparison of Demand and Supply

7.3.1 Because of the mix of densities of office developed in Uttlesford, it is not meaningful to translate floorspace into land requirements. The stock of office is therefore represented in terms of floorspace. The estimate of the net requirements takes account of existing vacancy rates, identified as approximately 8.5%[53] (see **Section 5**), and a frictional vacancy rate (8%)[54] the optimum level of surplus capacity in the market at any given time to allow an efficient churn of occupancy. **Table 7-1** presents the net additional office floorspace requirement.

[52] Essex County Council and Southend-on-Sea Borough Council, (2014); Replacement Waste Local Plan: Capacity Gap Report
[53] The estimate of the overall quantum of floorspace differs between CoStar and VOA. VOA is considered to be the more robust data source. However, VOA does not provide information on the degree of vacancy. Therefore, for the purposes of this assessment, the vacancy rate provided by CoStar has been applied to the VOA floorspace data to estimate current vacancy.
[54] Frictional vacancy is defined as the optimum level of surplus capacity in the market at any given time to allow an efficient churn of occupancy. The Greater London Authority (2012) Land for Industry and Transport Supplementary Planning Guidance (SPG) provides a benchmark for what is an appropriate level of frictional vacancy for industrial and office uses, which could be applied to Uttlesford. For industrial uses frictional land vacancy is suggested as 8% where existing vacancy exceeds this level, while for office uses it is suggested as 8% of stock. Vacancy levels below the rates of frictional floorspace or land vacancy could act as a constraint on economic activity.

Table 7-1 Net Additional Office Floorspace Requirement, 2016-2033

Office Floorspace	Baseline Scenario (sqm)	Medium Scenario (sqm)	High Scenario (sqm)
Existing Provision			
A. Supply of occupied office floorspace (2016)		90,600	
B. Current vacant office floorspace (8.5%)		5,600[55]	
C. Total stock of office floorspace (2016)		99,000	
Forecast Provision			
D. Floorspace demand to 2033	10,400	17,900	18,000
E. Optimum frictional vacancy at 2033 (8% of A+D)	8,100	8,700	8,700
F. Surplus/deficit of vacant floorspace in 2033 (E-B)	2,500	3,100	3,100
G. Gross requirement for office floorspace 2016-2033 (C+D+F)	111,900	120,000	120,100
Net Requirement			
H. Net requirement for office floorspace 2016-2033 (G-C)	**12,900**	**21,000**	**21,100**

Source: AECOM Calculations. Note that figures may not sum due to rounding.

7.3.2 **Table 7-1** shows up to 2033 there is an additional net requirement for between 12,900sqm and 21,100sqm office floorspace within Uttlesford. The medium growth scenario is an additional requirement for 21,000sqm, which equates to an average increase of around 1,200sqm per annum[56].

7.3.3 As outlined in **Table 4-12**, existing permissions have the potential to increase the quantity of office (B1a/b) floorspace by approximately 11,100sqm. Comparison with **Table 7-1** indicates that should these existing permissions be realised, the net additional floorspace would deliver a significant proportion of the net additional requirement over the plan period under all scenarios.

7.3.4 The potential loss of B1(a) floorspace to alternative uses (predominantly residential) should also be considered however. **Table 4-13** indicates that there are currently outstanding permissions for the conversion of B1 uses, which if implemented would result in a net loss of 3,062sqm of B1(a) floorspace.

Forecast for Industrial Land

7.3.5 The PPG states that employment floorspace should be converted to employment land using plot ratios. A plot ratio measures the typical land area associated with given a unit of floorspace. The ODPM Employment Land Reviews Guidance Note[9] suggests a suitable plot

[55] This excludes approximately 2,800sqm of vacant floorspace that is located in the restricted use area at Stansted Airport.
[56] This analysis is trend based and therefore does not quantify the potential for a significant step change away from past and projected trends.

ratio of 1:0.35 to 1:0.45 (land to premises, over one storey) for manufacturing and 1:0.40 to 1:0.60 (land to premises, over one storey) for warehouse uses. This ratio means that over one hectare of land one can typically expect the footprint of a manufacturing or warehouse building to take up 0.4 to 0.5 hectares respectively. Given that development densities (plot ratio and storey height) tend to be relatively static for manufacturing and warehousing premises across time, these remain a suitable basis to translate floorspace requirements into land area.

7.3.6 Applying these ratios to the forecast floorspace requirement for industrial uses as set out in **Table 7-2** below, we calculate that the additional demand for industrial land is the equivalent of -3.6ha, 3.6ha and 3.8ha for the baseline, medium and high growth scenarios respectively.

Table 7-2 Land Demand by Industrial Use Class

Use Class	Plot Ratio	Baseline Scenario: Net Additional Demand	Medium Scenario: Net Additional Demand	High Scenario: Net Additional Demand
Floorspace (sqm)				
Manufacturing (B1c/B2)	-	-23,000sqm	-15,700sqm	-15,500sqm
Warehousing (B8)	-	10,800sqm	37,600sqm	38,600sqm
Land (Ha)				
Manufacturing (B1c/B2)	0.4	-5.8ha	-3.9ha	-3.9ha
Warehousing (B8)	0.5	2.2ha	7.5ha	7.7ha
Total	**-**	**-3.6ha**	**3.6ha**	**3.8ha**

Source: AECOM Calculations. Note that land measures the site area of an average industrial unit, whereas floorspace typically measures the building footprint.

7.3.7 **Table 4-1** identifies a total of 256.1ha of surveyed land in Uttlesford, consisting of B use class, non-B use and vacant sites. However, it does not identify the quantum of land that is in active use for Industrial (B1c/B2/B8) purposes. In order to estimate this, we may apply the plot ratios presented in **Table 7-2** to the existing floorspace identified in **Table 6-8** to estimate a total of 80.5ha[57] of land in industrial use.

7.3.8 The net additional industrial land calculation set out in **Table 7-3** takes into account the demand for wider uses of employment land and the need to retain an appropriate level of vacant land while sites are prepared for new occupiers (termed 'frictional vacancy')[54].

[57] Consisting of approximately 30.7ha of manufacturing (B1c/B2) and 49.8ha of warehousing (B8) land.

Table 7-3 Net Additional Industrial Land Requirement, 2016-2033

Industrial Land Use	Baseline Scenario (ha)	Medium Scenario (ha)	High Scenario (ha)
Existing Provision			
A. Supply of occupied industrial land (2016)		79.5	
B. Current vacant industrial land (1.3%)		0.7[58]	
C. Total Industrial Land (2016)		80.5	
Forecast Provision			
D. Land demand to 2033	-3.6	3.6	3.8
E. Additional Demand for Utilities, Transport and Waste Management 2016-2033		0.0	
F. Optimum frictional vacant land at 2033 (8% of A+D+E)	6.1	6.6	6.7
G. Excess vacant land: optimal levels of frictional land minus existing vacant industrial land (F-B)	5.4	5.9	6.0
H. Gross requirement for industrial land 2016-2033 (C+D+E+G)	83.0	90.7	91.0
Net Requirement			
H. Net requirement for industrial land 2016-2033 (C+D+E+G)	**2.5**	**10.2**	**10.5**

Source: AECOM Calculations. Note that figures may not sum due to rounding.

7.3.9 The implication of this analysis is that there is a positive net requirement for industrial land in the region of between 2.5ha and 10.5ha. The medium growth scenario is an additional requirement for 10.2ha of industrial land between 2016 and 2033.

7.3.10 As discussed previously a market should ideally have a degree of vacancy which allows businesses to change their premises and land requirements as they grow or contract. A large proportion of the additional land requirement is a factor of the need to move towards an optimal position of frictional vacancy.

7.3.11 As outlined in **Table 4-12**, existing permissions have the potential to increase the quantity of industrial (B1c/B2/B8) floorspace by approximately 15,400sqm (or 3.1 to 3.9ha of land). Comparison with **Table 4-12** indicates that should these existing permissions be realised, the net additional floorspace would exceed the net additional requirement over the plan period under the baseline scenario.

[58] This excludes approximately 0.3ha of vacant industrial land at Stansted Airport that is restricted to aviation uses.

7.4 Summary of Requirements across the Plan Period

7.4.1 The UDC Draft Local Plan period runs from 2011 to 2033. **Table 7-4** below combines the net floorspace change across the period 2011-2016 (**Table 4-11**) with the net requirements for office floorspace and industrial land (**Table 7-1** and **Table 7-3** respectively) to present the net requirements for employment land across the whole plan period.

Table 7-4 Total B Use Class Land/Floorspace Requirement (2011-2033)

Use Class	Net Floorspace Change 2011-2016	Net Requirement 2016-2033	Net Requirement 2011-2033
Office Floorspace (B1a/b)	2,915m^2	12,900m^2-21,100m^2	15,815m^2-24,015m^2
Industrial Land (B1c/B2/B8)	3.2ha[59]	2.5ha-10.5ha	-0.7ha-7.3ha

Source: UDC, (2017); AECOM Calculations.

[59] This assumes that the loss of 16,919m^2 of B1/B2/B8 floorspace across the period 2011-2016 (detailed in **Table 4 11**) is distributed equally between Manufacturing (B1c/B2) and Warehousing (B8). This calculation translates floorspace into land through applying the plot ratios presented in **Table 7-2**.

8 CONCLUSIONS AND RECOMMENDATIONS

8.1 Introduction

8.1.1 This section sets out the conclusions and recommendations of the ELR, building upon findings from the previous sections of this report. It provides an overview of the District's requirement for employment land and its ability to meet any potential demand in the future, both in terms of the quantity and quality of land and floorspace.

8.1.2 In order to support a strong, responsive and competitive economy, it should cater to a wide array of needs arising from changing working patterns, innovation and technological advances.

8.1.3 The conclusions and recommendations presented below are based on AECOM's objective assessment of employment land supply and demand in the District over the plan period to 2033. The recommendations do not pre-suppose the Council's development strategy for the new Local Plan but the findings of this report will be considered by UDC when determining subsequent employment land policies and site allocations for inclusion within the new Local Plan.

8.2 Conclusions

Office Land Use (B1a/b)

8.2.1 There is approximately 99,000sqm of office floorspace in Uttlesford according to the latest figures provided by the VOA. The majority of the office floorspace within the District is located within older stock in established industrial estates or within small scale business centres. The provision of larger office premises is limited, although recent developments such as at Parsonage Road Business Centre (C31) and Gaunt's End Industrial Estate (C5) are well occupied and indicate a demand for new office floorspace within the District. Developments such as TriSail Towers which is currently 40% pre-let also points towards a sustained demand for new high grade office floorspace, particularly within the south of the District in proximity to Stansted Airport.

8.2.2 There are also a number of small business centres within the District providing office accommodation in converted buildings and farm outbuildings. These sites typically support lower densities of employment with single storey buildings in comparison to the multi storey buildings found within larger business parks in the south of the District, close to the airport. The observed occupancy rates for smaller units is high which indicates that SME's are a strong driver of the District's local economy, particularly outside of the larger employment sites situated close to Stansted Airport.

8.2.3 Our forecasting exercise estimates a net additional demand of between 12,900sqm to 21,100sqm over the remaining Local Plan period to 2033, dependent on the extent of growth in passenger numbers at Stansted Airport. This net requirement takes into account existing levels of vacancy which are considered to sufficiently allow an efficient churn in occupancy. This forecast points towards a requirement for growth within the office market in Uttlesford. There will be a need to both retain existing provision which is performing well, as well as identifying new opportunities to expand the provision of offices within the District.

8.2.4 Access to strategic road networks and proximity to Stansted Airport within the south of the District indicates that this area is most likely to capture commercial interest in Uttlesford's

office market. This is reflected in the modest projection for additional floorspace over the Plan period. It will be important, in order to meet this requirement, that the District is able to safeguard and encourage a wide range of premises that cater for the varying types of existing and emerging demand.

8.2.5 Consultation with market agents suggests that demand in the future will increasingly be for serviced flexible workspace which is suitable to meet the needs of start-up and grow on businesses within the District. This reflects the high proportion of micro and small businesses within the District which require this type of flexible office workspace.

8.2.6 The Council should regularly monitor changes to the provision of office floorspace within the District to ensure that stock is not eroded as a consequence of Permitted Development Right conversions. Whilst the loss of office floorspace to residential development has been relatively modest over recent years, outstanding approvals for conversions could result in a significant loss of floorspace through PDR conversions. Effective monitoring will be essential to ensure changes in use are tracked and any losses managed to ensure that an adequate stock is maintained within the District.

8.2.7 There is an identified need for additional office floorspace within Saffron Walden and Great Dunmow Town Centres. These locations offer good access to public transport and local amenities which make them attractive to potential occupiers. At present however there are limited opportunities within existing employment areas to accommodate additional office development.

8.2.8 The demand for new office floorspace is therefore likely to be met within new mixed use site allocations which are located within or adjacent to these town centres and surrounding villages. This will largely comprise of small office stock, however there are a number of strategic development sites within proximity of Stansted Airport which could meet requirements for larger, Grade A office stock. These sites could provide opportunities for existing medium and large office occupiers within the District to grow as well as attracting inward investment from occupiers looking to capitalise on the strategic road connections within the south of the District.

8.2.9 It is anticipated that demand for research and development (B1b) uses will continue to be met through further development of Chesterford Research Park. Consultation has indicated that the owners are likely to submit a planning application to increase the available floorspace from 600,000 sq.ft to 1,000,000 sq.ft. This will allow the Park to remain competitive and increase the Park's ability to offer campus style development opportunities to potential occupiers.

Industrial Land Use (B1c/B2 and B8)

8.2.10 There is approximately 256.1ha of industrial land within Uttlesford as identified in our site survey, of which 2.3ha is assessed to be vacant and potentially developable. The majority of the industrial land within the District is located within the Northern and Southern Ancillary Areas at Stansted Airport (159.3ha), much of which is not actively used for B Use Class activities. Outside of the Airport, industrial land is predominantly clustered in large estates in the south of the District such as Stansted Distribution Centre (7.7ha) and Chelmsford Road Industrial Estate (4.2ha) as well as Shire Hill Industrial Estate (11.4ha) in the north of the District.

8.2.11 The survey of industrial sites indicates that the majority of clusters are under 5ha in size, with the exception of Stansted Distribution Centre (7.74ha), Ashdon Road Commercial Centre (5.3ha), Winfresh Ripening Centre (8.17ha), Shire Hill Industrial Estate (11.43ha) and both the

northern and southern ancillary areas at Stansted Airport (73.15ha and 86.21ha respectively). The industrial sites surveyed were categorised by low density employment uses contained within single storey light industrial workshop spaces (typically with ancillary office space) and small warehouse premises. The supply of medium and large warehouse space within the District is comparatively limited and the current stock of larger premises is wholly concentrated within close proximity to Stansted Airport.

8.2.12 Our property market analysis indicates that vacancy rates within Uttlesford are below the PMA average. Vacancy rates within industrial premises have decreased significantly in recent years which is indicative of the lack of supply of new industrial premises within the District and constraints on alternative options for existing occupiers. Observed vacancy rates during the site surveys were limited and many of the larger industrial estates were very well occupied. It is likely that existing vacancies within the District are as a result of older premises being no longer fit-for-purpose and attractive to market.

8.2.13 Evidence of occupation of industrial premises by non-industrial activities such as community, leisure and education uses was observed. Whilst these activities can help to provide a function use for industrial premises which are no longer attractive to industrial occupiers, there is a danger that these activities may 'crowd out' typical occupiers, increasing the demand for industrial land within the District.

8.2.14 Our demand forecasting exercise estimates that approximately 80.5ha of land in Uttlesford is in active use for industrial (B1c/B2/B8) uses. Our forecasting exercise estimates that net demand over the plan period will be in the region of between 2.5ha and 10.5ha, depending on the extent of growth at Stansted Airport. While net change in demand for industrial land as a percentage of total stock is expected to be low, it is anticipated that there will be a degree of churn, with manufacturing activities being replaced by warehousing uses.

8.2.15 The medium scenario case indicates a net demand for approximately 10.2ha of additional industrial land within the District. Given that the estimated demand for industrial land is greater than the existing stock, it is considered appropriate to safeguard all the industrial sites which are currently performing well and meeting market demand within the District.

8.2.16 As the current vacancy rates are in line with the optimum amount to allow efficient transition between occupiers it is recommended that the Council look at opportunities to release poorer performing, older industrial stock, and promote opportunities to bring forwards new industrial land to meet the needs of future occupiers. These opportunities should be considered in the context of increasing demand for warehousing uses and a contraction in demand for manufacturing premises.

8.2.17 These changes may have implications for the location drivers of demand and the extent to which warehousing occupiers will be willing to move into premises vacated by manufacturing activities may be limited. The provision of new high grade warehousing and distribution stock in proximity to strategic transport links may be necessary to attract larger occupiers. There may therefore be a need to consolidate or release older employment sites in less attractive locations to ensure that there is not an over-designation of employment land within the District. It is likely that the majority of these opportunities will come forwards within the south of the District, particularly in proximity to Stansted Airport and the M11 and A120 corridors.

8.3 Recommendations

8.3.1 Based on the conclusions presented above, this section outlines AECOM's recommendations on employment land with supporting justifications.

8.3.2 The District is set to see a net requirement for both office floorspace and industrial land over the Plan period to 2033 which points towards a need to retain the current stock of employment land whilst exploring opportunities to both consolidate poorly performing sites and promote new sites for development. The Council should look to promote new development within existing clusters (where appropriate) within vacant and derelict land or through the intensification of inefficiently used sites. These sites should be selected based on their proximity to public transport, links to strategic transport corridors and nodes, access to markets and an appreciation of existing constraints which may hinder growth opportunities.

8.3.3 The recommendations set out below include suggestions for employment cluster retention, designation and release. As previously stated, the specific sites and locations referenced in these recommendations do not pre-suppose the Council's development strategy but will form part of the evidence base when determining site allocations for inclusion within the Local Plan.

B1 a/b Use Classes

R1 The demand assessment estimates, that under the medium demand scenario, there will be a net additional requirement for 21,000sqm of B1 floorspace in Uttlesford District over the Local Plan period to 2033.

In order to meet this demand requirement, the Council should support the provision and retention of existing B1 a/b use classes across the District and in addition promote the provision of new B1 a/b use class employment land and premises within suitable locations. These locations could include:

- **The town centres of Saffron Walden and Great Dunmow as / when and where new development opportunities arise, including the following:**
    - **Land south of Ashdon Road; and**
    - **Land between Radwinter Road and Thaxted Road and land to the south of the Lord Butler Leisure Centre and West of Thaxted Road.**
- **Sites located within and in proximity to other larger villages within the District such as Elsenham, Stebbing, Little Easton, Stansted Mountfitchet and Great Chesterford. The first five sites are proposed new settlements, and if one or more of these is included in the Council's Local Plan, employment allocation would be appropriate as part of a mixed use proposal. In particular the following locations:**
    - **Land north east of Elsenham (Call for sites 05Els15, 06Els15 and 07Els15);**
    - **Land south east of the A11 and north east of the B184 (Call for sites 10GtChe15);**
    - **Land centred on Saling Airfield between Stebbing and Rayne (Call for sites 05Ste15);**

- **Boxted Wood Stebbing (Call for sites 06Ste15);**
- **Easton Park Estate, Great Dunmow (Call for sites 06LtEas15);**
- **Land at Gaunt's End / Elsenham Meadows (Call for sites 01Els15 and 10Els15);**
- **Thremhall Park, Start Hill (Call for sites 04GtHal15);**
- **Land north east of Bury Lodge Lane (Call for sites 16Sta15); and**
- **Land north of the B1039 and West of the B1383 (Call for sites 02Wen15).**

The provision of new office space should complement existing provision and help to support and encourage a range of businesses to grow and invest within Uttlesford from start-up, micro, small to medium sized enterprises as well as larger businesses, should interest be received.

In particular there is an opportunity to promote small size office units to accommodate the needs of small sized businesses. This should be affordable flexible business space located in accessible locations with proximity to amenities such as town centres, where there is capacity for new office provision, and/or as part of new mixed-use schemes.

Justification

8.3.4 Uttlesford has seen a small net increase in B1 floorspace in recent years and the demand forecasting exercise projects modest demand for additional B1 use floorspace over the plan period to 2033 of approximately 21,000sqm.

8.3.5 There is currently a restricted supply of B1 use class floorspace within the District with below optimum vacancy rates observed and few opportunities for existing businesses and enterprises within the District to expand and move on to larger premises.

8.3.6 Within the town centres of Saffron Walden and Great Dunmow there may be opportunities to support the delivery of small scale office floorspace where new development opportunities arise such as within or adjacent to high streets and above shops. Whilst these opportunities are anticipated to be relatively limited, they should be supported where possible as they would help improve the utilisation of commercial floorspace within town centres and add to their vitality.

8.3.7 There are also a number of further new sites which could accommodate forecast demand for B1 use class floorspace. These include:

- Sites within proximity to Saffron Walden including Land south of Ashdon Road and Land between Radwinter Road and Thaxted Road and land to the south of the Lord Butler Leisure Centre and West of Thaxted Road. These locations offer significant potential for new B1 floorspace to support small and medium sized businesses within Saffron Walden which currently suffer from a lack of available B1 floorspace. Land between Radwinter Road and Thaxted Road is promoted for 4ha of employment land to be located adjacent to the existing Shire Hill Industrial Estate (C20). Land south of Ashdon Road is promoted for 3,800sqm of B1 use floorspace in proximity to the Ashdon Road commercial centre.
- Sites within and in proximity to larger villages within the District including:

- Land north east of Elsenham (Call for sites 05Els15, 06Els15 and 07Els15) which forms part of a larger strategic mixed use proposal which could accommodate new B1 floorspace within a highly accessible location in an area of new residential growth;
- Land centred between Stebbing Airfield and between Stebbing and Rayne (Call for sites 05Ste15) and Boxted Wood (Call for sites 06Ste15) are two new settlement sites located on the border between Uttlesford District and Braintree District. The sites are promoted for up to 7,500 and 4,500 new homes respectively and up to 45,000sqm and 30,000sqm B1 floorspace respectively;
- Easton Park Estate (Call for sites 06LtEas15) is a significant new development site approximately 700ha in size which is proposed for a new settlement of up to 19,000 new homes and approximately 17,000sqm of B1, B2 and B8 employment floorspace;
- Land south east of the A11 and north east of the B184 (Call for sites 10GtChe15) which is a large 466ha Greenfield site proposed for significant new development of us to 8,900 new homes and new B1 employment floorspace;
- Land at Gaunt's End (Call for sites 01Els15 and 10Els16), which includes the established Elsenham Meadows business estate. The sites are identified for B1(a) businesses uses in a high quality, prestigious development aimed at headquarter type premises and occupiers;
- Land at Thremhall Park (Call for Sites 04GtHal15), which forms part of the established office cluster at Thremhall Park. The existing site offers high quality business space within proximity to Stansted Airport and the M11. It is currently very well utilised and there is significant potential to increase the provision of high quality office (B1a) floorspace in this location;
- Land north east of Bury Lodge Lane (Call for sites 16Sta15) which forms part of 18ha of land released from restricted aviation uses within Stansted Airport which is proposed for up to 19,000sqm of new B1 office floorspace; and
- Land north of the B1039 and West of the B1383 (Call for sites 02Wen15) is located within close proximity to Audley End railway station which offers good connectivity both north to Cambridge and south to London.

8.3.8 A small number of the Call for Sites proposed for employment uses above are situated within the Green Belt or the Countryside Protection Zone. The Council will need to consider other relevant evidence when considering the appropriateness of these sites for development.

8.3.9 It was observed that there is demand for small office space within the District, illustrated by high occupancy rates within this type of accommodation during the site surveys. Premises offering small office space were observed to be functioning well and had low vacancy. Examples include Station Approach in Great Chesterford (C6), The Maltings in Newport (C17) and Stansted Courtyard (C32). These premises are located both within and adjacent to town centres and within rural locations. There is also evidence of market demand with Stansted Courtyard's ambition to expand over two phases to provide small business accommodation within Takeley. Small office space which offers support facilities, flexible leasing arrangements

at affordable rates would help support entrepreneurs and start-ups grow their business ideas. Flexible small office accommodation would also provide accommodation and opportunities for those working from home to test their business ideas further.

R2 To support the net additional growth of office space as set out within R1 above; the Council could also consider designating a proportion of the following Call for Sites for office B1(a) use class activities:

- **Call for sites 04GtHal15 – Thremhall Park, Start Hill;**
- **Call for sites 01Els15 – City/Elsenham Meadows, Elsenham;**
- **Call for sites 10Els15 – Land Adjacent to Langley Lodge, Guant's End, Elsenham;**
- **Call for sites 16Sta15 – North Side, First Avenue, Bury Lodge Lane, Stansted Airport; and**
- **Call for sites 02Wen15 – Land north of Station Road, west of London Road, Wendens Ambo.**

Justification

8.3.10 The sites listed above represent locations which have been identified in the recent 2015 Call for Sites exercise. All these call for sites are adjacent to, or within close proximity to, existing employment sites. Given the tight market conditions within Uttlesford, the lack of high quality, modern B1 use class floorspace within the District and the small number of opportunities to intensify or redevelop existing employment sites there is a need to find additional land to support future floorspace demand for B1 use classes.

8.3.11 In promoting a number of sites with capacity in excess of the net B1 demand arising, there is a danger that development could become dispersed. The Council should therefore promote and encourage incremental growth of B1 provision into these areas immediately adjacent to existing sites and in a way which is sustainable and sensitive to the surrounding context of uses.

R3 The Council should support the continued expansion of Chesterford Research Park for research and development uses in accordance with the approved masterplan. The Council should also explore opportunities to increase the limits and scope of development to ensure that the Park remains attractive to potential occupiers.

Justification

8.3.12 Chesterford Research Park is one of two major employment centres within Uttlesford and is the primary location of dedicated B1(b) research and development floorspace within the District. The supply assessment identified that the Research Park has indirect access to public transport[60], poor access to local amenities and no strategic road access. However, the Park benefits from its close proximity to life science clusters within and surrounding Cambridge and its location is highly suitable for its use and attractive to occupiers. It is therefore recommended that the Council continues to support the Park's growth in line with the current

[60] It is acknowledged that a shuttle bus runs at peak times between Great Chesterford railway station and Chesterford Research Park.

masterplan and continues to promote the site as the key location for research operators wishing to locate within Uttlesford.

8.3.13 To ensure that the Park remains competitive against competing research parks within the South Cambridgeshire life sciences cluster the Council should consider supporting future opportunities to increase the available floorspace beyond the current masterplan. This would allow Chesterford Research Park to attract larger occupiers and enable a wider range of development opportunities for prospective tenants. The Council should also consider opportunities to widen the permitted use to other similar high quality B1 uses which support the vitality of the Research Park and help the District meet the forecast demand for 16,600sqm of additional B1 floorspace over the Plan period to 2033.

B1c, B2 and B8 Use Classes

R4 To support the requirement for a net additional 10.2ha (medium growth scenario) of land for industrial uses over the Plan period to 2033, the Council should support the development of employment clusters which are currently functioning well as employment locations but which have vacant land, land with derelict buildings or have underutilised land and premises. These locations could include:

- **C5 – Gaunt's End Industrial Estate;**
- **C12 – Hoblongs Industrial Estate;**
- **C15 – Station Road Industrial Estate;**
- **C22 – Granite Site, Thaxted Road; and**
- **C38 – Ashdon Road Commercial Centre.**

In addition, to ensure that occupiers have a range of locations to choose from, the Council should promote and encourage development at new sites which display suitable characteristics and potential for industrial use. These new sites could include the following sites:

- **Land west of Chelmsford Road;**
- **Land north east of Bury Lodge Lane;**
- **Land at Alsa Street;**
- **Start Hill, Land south of B1256;**
- **Call for sites 06Bir14 – Land off Stortford Road; and**
- **Call for sites 13Tak15 – Land north of Taylors Farm.**

Justification

8.3.14 Over the Local Plan period to 2033 there is forecast to be a net additional requirement for approximately 10.2ha of industrial (B1c, B2 and B8 use classes) employment land under the medium growth scenario. This demand is likely to be driven primarily by B8 warehouse and distribution uses taking advantage of the presence of Stansted Airport within the District and good strategic road connections within the south of the District which are attractive to potential occupiers.

8.3.15 In line with the principles of the NPPF it is considered that additional demand should be accommodated at the most appropriate locations for these uses within the District. The PPG states that Councils should identify a future supply of land which is suitable, available and achievable for economic development uses over the plan period [61]. The supply side assessment indicates that supply of industrial land within the District currently falls below the projected requirement and that opportunities to intensify and/or redevelop existing industrial land are limited. In addition, it was observed that vacancy rates within the District are very low and the supply of available industrial premises within Uttlesford tends to be at the lower end of the market for units which are no longer attractive to market.

8.3.16 The above identifies sites (C5, C12, C15 and C22) which were observed to have either vacant or derelict land and buildings which could potentially be redeveloped or intensified to provide additional industrial land. If these sites are in demand by the market then development should be encouraged within these locations. In particular both the Granite Site, Thaxted Road (C22) and Gaunt's End Industrial Estate (C5) present significant opportunities for the future development of B1c,B2 and B8 floorspace for small and high tech manufacturing and logistics and warehousing activities given the availability of vacant development plots and proximity to existing clusters of industrial activities.

8.3.17 The total developable land within existing employment clusters is likely to fall below the net additional requirement for industrial land over the Plan period. The Council should therefore look to designate new sites for employment use to ensure that a balance is maintained between demand and supply of employment land within the District and to ensure that occupiers have a range of locations to choose from.

8.3.18 Sites with potential to cater for industrial land demand include large strategic mixed use site allocations which could provide significant new industrial floorspace. This includes Land north east of Bury Lodge Lane (adjacent to Stansted Airport) which could accommodate 37,000sqm of non-strategic warehousing and Land west of Chelmsford Road, (in proximity to Hoblongs Industrial Estate (C12)) which is allocated for 2.1ha of employment land including industry and/or warehousing uses. Together these sites alone could accommodate the additional net demand for industrial land within the District over the Plan period.

8.3.19 There are also a number of smaller sites such as Land at Alsa Street which is currently used for auction house activities and Start Hill, south of B1256 which lies adjacent to Stansted Distribution Centre (C28) which could be developed for small to medium sized occupiers. Start Hill in particular offers a strategic location within close proximity to both Stansted Airport and Junction 8 of the M11 which would be very attractive to potential warehousing and distribution occupiers.

8.3.20 Other sites with significant potential to cater for industrial land demands include a number of call for sites which lie adjacent to existing well-functioning industrial locations, namely; call for sites 06Bir14 – Land off Stortford Road and 13Tak15 – Land north of Taylors Farm. Call for sites 06Bir14 lies adjacent to Birchanger Industrial Estate and the A120 which provides direct access to the M11. Call for sites 13Tak15 is a large strategic mixed use site located adjacent to Stansted Airport and Junction 8 of the M11. These sites are situated within either the Green Belt or the Countryside Protection Zone. The Council will therefore need to consider other relevant evidence when determining the appropriateness of these sites for development.

[61] PPG paragraph 001 Reference ID: 3-001-20140306

8.3.21 In aggregate the total developable area of land at the sites listed above is significantly more than the net additional land requirement for industrial uses, but it is anticipated that a large proportion of these sites would be required to support other use classes, such as residential, retail and leisure. The Council needs to promote development opportunities at a range of sites but also keep development focussed on those sites which are more marketable, offer better levels of development viability and can be delivered as part of a wider integrated masterplan. Development of land for industrial uses should be captured as part of monitoring process.

R5 To support the net additional growth of industrial space as set out within R4 above, the Council should also consider designating a proportion of the following Call for Sites for industrial B1c/B2/B8 use class activities;

- **Call for sites 06Bir15 – Land off Stortford Road; and**
- **Call for sites 13Tak15 – Land north of Taylors Farm.**

Justification

8.3.22 The sites identified above are located adjacent to and/or within proximity to existing, established clusters of industrial and warehousing uses. These sites also benefit from good strategic road access and proximity to Stansted Airport. Given the tight market conditions and the relative lack of vacant and available land to intensify or redevelop existing employment clusters there is a need to find additional land to meet projected demand.

8.3.23 In promoting a number of sites with capacity in excess of the net B1c/B2 and B8 demand arising, there is a danger that development could become dispersed. The Council should therefore promote and encourage incremental growth of B8 provision (and B1c/B2 use classes if required) into these areas immediately adjacent to existing sites and in a way which is sustainable and sensitive to the surrounding context of uses. Ideally development would be part of a wider masterplan vision of the site. Alternatively the Council may wish to promote a shortened list of call for sites in order to focus new provision geographically.

R6 A small number of existing employment areas are not performing well or are judged to be less suitable for use as industrial locations. The Council should monitor existing employment sites within the District to ensure that poorly performing sites with low environmental quality, attractiveness to market and high vacancy rates are considered for alternative uses.

Justification

8.3.24 Whilst this study identifies a net demand figure of approximately 10.2ha of industrial land over the Plan period to 2033 (medium growth scenario) there is forecast to be a net contraction in demand for manufacturing floorspace. It is anticipated that businesses within Uttlesford engaged in manufacturing activities will decrease over the Plan period. In contrast, demand for land and premises from enterprises engaged in warehousing and distribution activities are anticipated to grow. Demand from these occupiers is likely to be concentrated within areas benefiting from good access to strategic roads and for premises which have characteristics which are attractive to modern logistics operators such as good internal/external circulation space for HGVs, good quality premises and good quality public realm and environment.

8.3.25 Employment clusters which do not display these characteristics are unlikely to be attractive to future warehousing and distribution occupiers. It is anticipated that if these types of clusters were no longer protected for employment uses then, over time, the market would bring forward

alternative higher value development on these sites, such as residential. Employment clusters should also be considered with regards to their potential for 24 hour working.

Stansted Airport

R7 The Council should promote and encourage the efficient use of employment land within the Airport boundary, including the de-designation of areas within the Northern Ancillary area (C23) which are currently underutilised as a result of restrictions on non-aviation related uses.

Justification

8.3.26 The growth of Stansted Airport to cater for primarily short-haul carriers has resulted in an underutilisation of land within the airport boundaries for aviation related uses, with the Northern Ancillary area (C23) in particular being heavily underused. This study supports the proposals within UDC's Withdrawn Local Plan (2014) for restrictions on 18ha of land within the Northern Ancillary area to be relaxed to permit non-aviation uses to locate here. The existing restrictions are at odds with the NPPF which supports the effective use of employment land.

8.3.27 The 18ha site within the Northern Ancillary area is identified within the Local Plan (Withdrawn 2014) site allocations document for 37,000sqm of non-strategic warehousing and 19,000sqm of B1 office floorspace. The development of this site for non-aviation uses would make a significant contribution towards meeting the forecasted demand for B use class employment uses within the District over the Plan period, particularly high grade warehousing and distribution units. The site is well situated, adjacent to Stansted Airport with very good strategic road access and transport accessibility to both national and international destinations.

R8 The Council should continue to support airport related development within the airport boundary in line with the Airport's Sustainable Development Plan (SDP).

Justification

8.3.28 Stansted Airport makes a significant contribution to the economic vitality of the East of England as well as the north and east of London. The future growth of the airport will increase the economic contribution the airport makes to the wider region in terms of economic activity, growth and productivity. The airport presents a significant growth opportunity with regards to the growth and development of key clusters of economic activity within its catchment including along the LSCC and more locally within Uttlesford.

8.3.29 Manchester Airport Group's SDP for Stansted Airport forecasts an increase in passenger throughput to 35 mppa by 2025 and up to 43 mppa by the late 2030s. The SDP also identifies significant growth in cargo goods volume at the airport, with cargo throughput forecast to double from 200,000 tonnes per annum to 400,000 tonnes per annum.

8.3.30 To enable and support future growth at Stansted Airport it is recommended that the Council continue to support airport related development within the airport boundary in line with the SPD to ensure the effective use of existing land. The forecast increase in passenger and cargo throughput is anticipated to result in demand for new development, particularly on land to the south of the runway. In particular there is anticipated to be increased demand for land from general aviation and maintenance facilities as well as Fixed Based Operators (FBOs) providing private and executive travel. It is also anticipated that further opportunities will arise to increase the number of hotel facilities serving the airport as well as additional demand for office space from commercial operators involved in aviation activities wishing to locate within the Airport. The SDP states that the existing stock of on-airport office accommodation is likely

to be fully occupied by the early 2020's and therefore further demand would require additional office development to ensure an adequate supply of suitable premises to support these operations.

Monitoring

R9 Monitoring: The Council should continue to monitor changes of employment land through planning permissions to ensure that sufficient land is available for economic growth over the planned period to 2033.

Justification

8.3.31 It is important that appropriate and sufficient monitoring mechanisms are embedded within the plan making process in order to record the change in employment land available for economic growth.

8.3.32 The aim of the monitoring of employment land is to ensure that overall an approximate quantum of appropriate employment land supply is retained in the District to meet the level of projected demand indicated in this study. It should inform the Council on where too little land or premises is being provided or too much is being provided. Although generally not impacting on the functionality of surrounding businesses, sui generis and other non-B use class activities were observed in some of the District's Employment Areas. The Council should promote and encourage B-use class activities at locations designated for employment where possible. The monitoring process should capture information on non-B use activity as this can be an indicator of the industrial / office's commercial market's interest in a location, and would help plan for sufficient space to be available for B use occupiers, while protecting against residential developments on brownfield sites encouraged by Local Development Orders (LDOs).

8.3.33 The monitoring and managed release of industrial land corresponds to the principles of the NPPF. Paragraph 21 of the NPPF outlines the requirement for local planning authorities in their Local Plan to; 'meet the anticipated needs of businesses over the planning period'. 'Anticipated needs' can be assumed to be the range of demand scenarios as described in the demand forecasting exercise of this study. If too much land is released the Council might be unable to meet these anticipated needs. The NPPF also states that 'planning policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances'. This provides justification for monitoring the release of industrial land and ensuring that not too much is released during the planning period. This is because the lack of developable land in the District and the high price differential between industrial land and land available for residential redevelopment means it is likely that once manufacturing and warehousing land has been developed for other uses, the change of use is unlikely to be reversed. To ensure that employment land is not protected unnecessarily as required by paragraph 22 of the NPPF, the demand forecasting exercise should be updated regularly. This could be performed every three to five years.

8.3.34 In the periods between updates to the ELR the Council should continue to regularly review how much employment land has been lost on an annual basis through the annual monitoring report.