

## **Report to the Local Development Framework Cabinet Committee**



**Epping Forest  
District Council**

**Report reference:** LDF-012-2010/11  
**Date of meeting:** 11 November 2010

**Portfolio:** Leader of the Council

**Subject:** Employment Land Review

**Responsible Officer:** Amanda Wintle (01992 564543)

**Democratic Services Officer:** Gary Woodhall (01992 564470)

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### **Recommendations/Decisions Required:**

(1) To note the findings of the completed “Employment Land Review”, and add this into the evidence base to support the preparation of the Local Development Framework.

### **Executive Summary:**

The Employment Land Review (ELR) has been prepared jointly for Epping Forest and Brentwood Councils. It considers the need for growth in employment land over the period up to 2031 across both areas, and provides district level figures for growth.

The ELR has found that a total of 8.7 ha of new employment land will be required in the period up to 2031 in Epping Forest District. Further, following consideration of existing supply, the ELR has found that the majority of existing employment land in the district is in fair / good condition.

### **Reasons for Proposed Decision:**

The ELR is an important part of the evidence base to underpin the preparation of the Core Strategy. This new evidence will help to achieve corporate objectives in supporting economic development in the district, and to provide a strong foundation for new planning policies in this respect.

### **Other Options for Action:**

This study has been undertaken to inform the preparation of the Local Development Framework, and is based on publically available technical and statistical information, and site visits. New policies within the Local Development Framework (LDF) must be based on robust evidence, which is provided by this report.

### **Report:**

#### Introduction

1. Atkins was commissioned in December 2009 to undertake an Employment Land Review (ELR) on behalf of Epping Forest District Council and Brentwood Borough Council. The ELR was commissioned jointly to achieve savings across the two local authority areas,

and to reflect a previous relationship between the two areas included in the draft East of England Plan.

2. The ELR has been completed in accordance with Planning Policy Statement (PPS) 4: *Planning for Sustainable Economic Growth* to consider employment land demand and supply across the study area over the period 2011 to 2031. The ELR summarises the existing key strategic policy issues, and provides an assessment of socio-economic conditions and prospects across the study area. The ELR then goes on to consider a number of scenarios for employment floorspace growth over the study period, and assesses the suggested growth rate against the current position in terms of employment land supply. Finally, a series of policy recommendations are included for further consideration as part of the preparation of the Local Development Framework (LDF).

3. The executive summary of the report is contained in Appendix 1.

### Policy Position

4. PPS4 (December 2009) identifies planning as a key driver of economic performance, and seeks to support existing businesses as well as provide opportunities for new businesses to become established. PPS4 advocates preparing a robust evidence base at a local level to determine the most appropriate level of growth. This evidence should assess the detailed need for land or floorspace for economic development.

5. When the ELR was commissioned, the Regional Spatial Strategy for the East of England (the East of England Plan – EEP) was still in effect, and a review process had commenced to roll the EEP forward to 2031. The published EEP placed the Epping Forest and Brentwood areas together with five other authorities into a “Rest of Essex” grouping, and allocated that provision should be made for 56,000 new jobs across this area. It was left for each local authority to determine the appropriate level of growth for their area via the LDFs.

6. In rolling forward the EEP to 2031, four growth scenarios were tested which considered a range of housing and employment growth rates. Following consultation with key stakeholders in the region (including local authorities), the draft EEP review (published March 2010) determined that the most appropriate scenario was the lowest of the four that had been proposed. This suggested that the following number of jobs should be planned for in the LDFs of the two Councils:

(i) Epping Forest District Council – 3,600; and

(ii) Brentwood Borough Council – 3,700.

7. In July 2010 all Regional Spatial Strategies were revoked. However, it is considered that the basis for testing the scenarios proposed to 2031 is still valid, as the underlying evidence in relation to economic activity is still relevant. As the evidence base evolves during the preparation of the LDF, it may be necessary to review some of the assumptions underlying this work in relation to proposed housing growth. It is important in planning for sustainable communities that these issues are not considered in isolation.

8. Epping Forest District Council’s current planning policy seeks to focus employment generating development in specific areas, and to protect these areas from development which may harm the continued use of those areas for employment purposes. There are further policies which seek to protect employment uses in non-designated locations from redevelopment or change of use unless a number of criteria are met.

## Business Profile

9. The ELR considered a range of data sources to understand the socio-economic context of the district. These show there are a little over 40,000 jobs in the district (2008) and the annual rate of growth between 1998 and 2008 was 1.9% per annum. The ELR focuses on “B-use” employment which accounts for 78.6% of the total employment in the district. This includes B1 (business), B2 (general industrial) and B8 (storage and distribution) uses. The jobs provided in the district are dominated by three sectors: distribution, hotels and restaurants (25.5%); banking and finance (23.9%) and public services (20.7%). Unemployment was in decline between 2004 and 2008; however this is now beginning to rise. In December 2009, the percentage of the working age population claiming Job Seekers Allowance was 3.4%.

10. The structure of businesses in Epping Forest District is dominated by micro-businesses – those with 1-10 employees. 90.7% of businesses within the district are of this scale. 60.4% of the total number of jobs are within micro or small businesses. New business registrations have been consistently above county, regional and national averages, emphasising the high level of entrepreneurial activity in the District.

## Future Employment Needs

11. The figures contained within the EEP were determined using two forecasting models, which were managed by the East of England Regional Assembly and Inspire East. As both of these bodies have been, or are due to be abolished, local planning authorities will be required to make alternative arrangements for keeping this information up to date. Essex County Council, via the Essex Planning Officers Association, is intending to provide this service. Atkins has confirmed that these models are considered robust for work at a regional level, but for the purposes of the ELR have prepared further forecasts which consider a “Labour Demand Technique”. This technique involves extrapolating historic trends in employment over the forecast period, and provides an estimate of the future growth of the industrial sectors represented in each area.

12. Atkins’s forecasts provide a slightly more optimistic picture of the level of growth that could be expected in the district up to 2031, but as this is based on trend-based patterns the recent recession has not been taken entirely into account. This model suggests there will be a growth of 1,000 (net) new jobs in the district up to 2031. This equates to approximately 43,700sqm or floorspace or 5.8ha of allocated B1 land.

13. In addition, a review of the existing allocated employment land areas has been undertaken, and interviews with businesses in the district. This has found that only 2% of current businesses in the district consider that their premises are unsuitable for their use, but has suggested that 42% of existing businesses are looking to expand in the next five years. The total floorspace that would be required to meet this demand is 45,125 sqm.

14. To allow for choice, indigenous and inward investment needs, it is recommended that an area of at least 50% more than that identified should be allocated for employment purposes. The ELR, however, recognises that both authorities within the study area are within the Green Belt, and that the need for such employment land growth will need to be balanced against competing priorities. In total, the ELR finds that 8.7 ha of employment land provision will be needed in Epping Forest District up to 2031.

## Existing Supply of Employment Land

15. The ELR considered 42 employment sites within Epping Forest District, totalling 126.8 ha of land. An assessment was made of a number of attributes including location, number of

premises, vacancy rates, condition of premises, appraisal of access and transport issues and environmental condition.

16. A distinction was made between the urban and rural sub areas, and also between sites which are allocated within the existing Local Plan and those which are not. Figure 1 below shows the areas of those sites, and the split between locations.

*Figure 1 – Location of surveyed employment sites in Epping Forest District*

Sub Area	Total				Allocated				Unallocated			
	Area (ha)	%	No Sites	%	Area (ha)	%	No Sites	%	Area (ha)	%	No Sites	%
Urban	61.4	48	21	50	53.2	54	8	38	8.2	29	13	62
Rural	65.4	52	21	50	45.3	46	8	38	20.1	71	13	62
Sub-total	126.8	100	42	100	98.5	100	16	38	28.3	100	26	62

17. In the 42 sites that were identified, 535 employment premises were counted, with the largest of these sites being the Langston Road / Oakwood Hill Industrial Estate, Loughton. The vacancy rate across all of the 42 sites is approximately 4%, although this figure hides a variation of vacancy rates across the district. Vacant units and sites were identified from site visits, and this was verified using Valuation Office Agency data. At the time the surveys were undertaken there was approximately 12,015 sqm of vacant floorspace.

18. Within the existing employment land within the district, an assessment was made of opportunities and constraints. The site audit identified whether the existing operations of employment sites were incompatible with neighbouring land uses. It also considered the potential of sites to support 24 hours working and whether non B-class uses could compromise the effective operation of the site. Overall there are a total of 9 sites (21%) that have existing operations that are incompatible with sensitive neighbouring land uses. Furthermore, 11 sites (26%) have the potential for 24 hour working and 18 sites (43%) could be affected by the introduction of non B-Class Uses on site. The rural sub-areas have a high proportion of sites that are potentially constrained in comparison to the urban sub-areas.

19. The condition of premises has been classified as “good”, “fair/average” and “poor”. Within the urban sub area only 2% of premises are classified as “poor”, with 4% being classified as such in the rural sub-area.

20. The ELR includes an assessment of short and medium/long term scope for change across the existing employment areas. In assessing this scope for change it was considered whether there is potential to either provide additional employment floorspace to accommodate employment growth; or provide new, up-to-date or upgraded premises to meet the needs of modern business through redevelopment, intensification or refurbishment. It is considered that only 3.8ha of land may be appropriate for change in the short term, and the majority of this is within the Oakwood Hill Industrial Estate. Further, in the medium/long term, 10.3ha of land has been identified with potential for change. These areas will need to be considered in detail for the scope of change that could take place, and how this might contribute to the economic development aims of the Council within the LDF.

#### Suggested Policy Approach

21. The ELR identifies approximately 41,000 existing jobs in Epping Forest District, but there is a high level of out commuting, particularly to London. The District is characterised by a high level of micro- and small-businesses, which reflects the underlying entrepreneurial strengths of the district related to the fact that the resident population, in general terms, is

highly qualified. As a result it will be critical to cater for the needs of such businesses in the LDF.

22. As above, the ELR identifies a need for approximately 8.7ha (or 66,000 sqm) of employment land in the period up to 2031. Whilst there is a current economic downturn, it is still important to provide an opportunity for recovery through the plan period. The rate at which further employment land is made available will need to be kept under review as part of the LDF process.

23. The findings of this report will need to be considered particularly in conjunction with the Town Centres Study (Roger Tym) to ensure the appropriate linkages are made between the recommendations of the two studies.

**Resource Implications:**

Preparation of the Core Strategy will be from existing resources.

**Legal and Governance Implications:**

None relevant

**Safer, Cleaner and Greener Implications:**

None relevant

**Consultation Undertaken:**

Workshops with local businesses were undertaken as part of the preparation of this study.

**Background Papers:**

Epping Forest District and Brentwood Borough Employment Land Review – Atkins (September 2010).

**Impact Assessments:**

Risk Management

The Local Development Framework must be based on robust evidence, and this study is an important part of that evidence. By achieving robust evidence, the risk that any part of the LDF will be found unsound is reduced.

Equality and Diversity:

Preparation of the Local Development Framework as a whole will be subject to an Equality Impact Assessment at a later date.

*Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?* No

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* N/A

*What equality implications were identified through the Equality Impact Assessment process?*

N/A.

*How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?*

N/A.