

Examination of the East Cambridgeshire Local Plan (2016-2036)

Representor IDs1144105 & 1061506

Matter 3– Objectively Assessed Needs for Housing & Employment Land
Matter 4- Housing & Employment Land Requirements



Cheffins Planning
Clifton House
1 and 2 Clifton Road
Cambridge CB1 7EA
01223 271985

1. Introduction

This Statement has been produced by Cheffins Planning on behalf of TM Trustees Ltd which owns potential employment/industrial land in the district of East Cambridgeshire and Cheffins as an occupier in the district. TM Trustees Ltd has responded to the draft Local Plan consultation in November 2017 and wishes to add to those representations via this Hearing. It should be noted that there is no available response by the Council to any local plan representations that have been duly made other than them being noted in the Council's Site Assessment Report. The views of the Local Planning Authority, in response, are therefore unknown at present.

2. Inspector's Questions

This Statement is concerned with four matters listed by the Inspector as Questions 21, 22, 23 and 34:

- 21 Is the objectively assessed need for economic development based on an appropriately defined functional economic market area?
- 22 Is the need for 6,000 jobs consistent with the evidence? In particular, why is there such a difference between the East of England Forecast Model (EEFM) of 2014 and 2016 (7,100 jobs and 4,820 jobs respectively)? How do past trends inform the figure of 6,000 jobs within the submitted Local Plan? How has the potential to reduce the level of out commuting been taken into account in calculating the 44.4ha 'need' for employment land within the district?
- 23 Is the assumption that employment land would be lost to other uses, over the plan period, @0.98ha per annum justified? Is it correct that the requirement for employment land to cater for both job creation, and the loss of existing employment land and to other uses, is around 66ha of employment land allocations?
- 34 Is the scale of the allocation of some 154ha of land for employment purposes justified, effective and consistent with national policy? How does this proposed quantum of employment land relate to, and compare with the objectively assessed needs of the district?

3. Background : The Adopted Local Plan

The Adopted Local Plan 2015 sets out a series of strategic objectives including:

'Supporting the local economy and helping to create more jobs in the district, which meets local employment needs, reduces out-commuting, and helps to increase the sustainability and self-containment of communities in East Cambridgeshire'. (Source: ECDC Local Plan 2015, section 2.5, page 17)

The Adopted Plan sets out specific targets in relation to housing and employment growth up to 2031 including the provision of 11,500 new homes and 9,200 new jobs over the plan period which represents an average growth rate of 460 jobs per annum (2011 to 2031). This Plan post-dates the National Planning Policy Framework (NPPF) by several years.

These aims remain valid and up to date until such time as they are replaced by any new Local Plan.

4. Critique of the Submission Local Plan

- 4.1 The emerging Local Plan 2018, sets out a similar number of new homes (10,835) to be delivered by 2036 (Policy LP2: Level and Distribution of Growth). However, the jobs growth target has been considerably reduced (from the adopted Plan) to just 6,000 over a plan period of the same timeframe. This will represent an annual growth rate of just 333 jobs per annum, considerably below the target figure set out in the current Adopted Local Plan.
- 4.2 This significant reduction in the target jobs growth does not seem logical given that the housing figures have remained broadly similar and it appears contrary to the strategic priorities and targets set out in the Council's Jobs Growth Strategy 2012 (ECDC: Jobs Growth Strategy 2012-2031) and Priority 7 (Economic Activity) of the Submission Local Plan.

- 4.3 The jobs growth forecasts for the district do not appear to be consistent with available evidence and no account appears to have been taken of past employment trends. Analysis from ONS (Nomis - <https://www.nomisweb.co.uk/>) shows that total employment growth in East Cambridgeshire between 2001 and 2017 showed an increase of 13,700 jobs (see Appendix 1) which equates to an average growth rate of **856** jobs per annum (annex 1, tab 1). This is considerably higher than the target in the current Submission Plan of 333 jobs pa. Indeed, East Cambridgeshire was recently recognised as having the strongest employment growth out of all the authorities within the Greater Cambridge & Greater Peterborough Local Enterprise Partnership area (+15% over a 6/7 year period). (Source: LDA as part of the evidence base for the revised sub-regional economic strategy 2017 for the LEP. See Appendix 2). The above is also confirmed by the Cambridgeshire & Peterborough Combined Authority very recently (CPIER Independent Economic Review – Interim Report, May 2018).
- 4.4 The above average annual job figure of 856, if repeated over the Plan period of 20 years, would result in over 17,000 jobs – an order of magnitude different to the figure in the Submission Plan.
- 4.5 The jobs growth target in the emerging Plan would make no appreciable difference in reducing out-commuting across the district in our opinion. The current jobs density ratio for East Cambridgeshire is 0.71 (nomis annex 1, tab 2), jobs to working population, and this is below the regional average of 0.83 reflecting the district's out-commuting. Cambridge Econometrics baseline population and economic forecasts for the East of England 2016 show the total working population for East Cambridgeshire at 60,500 by 2036 with total employment at 41,200 (an increase of just 3,200 from current levels). This would equate to a jobs density ratio of just 0.68 which is **lower** than the current figure i.e. a worsening jobs ratio.
- 4.6 Even with an additional 6,000 new jobs on current totals, as is being proposed in the Submission Plan, this would lead to a total employment figure of 44,000 by 2036 and a jobs density ratio of 0.72, just 0.1% higher than the current East Cambridgeshire baseline figure. The economic projections therefore appear to be inconsistent with current employment levels and past trends and the Council's objectives to reduce out commuting. Section 3.4.1 of the Submission Local Plan states;
- "The job growth target for the emerging Local Plan is based on 2016-based forecasts by the East of England Forecast Model (EEFM). This suggests we should be planning for 4,820 jobs (total jobs, including part time) for the period 2014 to 2036. However, job forecasts can wildly fluctuate year on year, for example the 2014 based forecast for the same period was for a jobs growth of 7,100. As such, the Council is taking a mid-point of 6,000 jobs as a target for this Local Plan. The allocations we have made in this Local Plan amount to around 150ha and is more than sufficient to meet our forecast job needs (allowing for losses, flexibility and choice)."*
- 4.7 Most local planning authorities use the EEFM model ¹ as a starting point for calculating employment and then land requirements because they are fairly simple forecasts. A common approach is to then undertake some form of 'sense-check' using actual job growth trends. In the case of ECDC this reveals a very wide discrepancy (see 4.4 above) and so we would expect more detailed analysis (as recommended in the Planning Practice Guidance) and this was the approach taken by ECDC for the purpose of the adopted Local Plan via the Jobs Growth Strategy in the past. It has not happened for this Submission Plan and we therefore believe there to be a limited relevant evidence base.
- 4.8 The accuracy and appropriateness of the employment growth projections and targets has significant implications for the district both in terms of the provision of sufficient employment land moving forward and ensuring that adequate infrastructure is in place to accommodate this growth. Indeed, it raises the argument of whether an additional 44.4 hectares of employment land is sufficient,

¹ <https://cambridgeshireinsight.org.uk/EEFM/>

particularly given the argument put forward in the Council's jobs growth strategy that only **one third** of sites allocated have historically come forward for development (ECDC, Jobs Growth Strategy 2012, Chapter 4 – pg 36).

4.9 In our opinion, the employment land forecasts also need to consider the following:

- The need to provide choice and quality and cater for specific known market demands. We understand the Council wishes to provide a diverse stock of employment land and premises to support a broad-based economy and sustainable economic growth, which maximises opportunities for local people. This requires a good supply of land in a choice of locations to make the district as attractive as possible to a wide range of potential employers;
- The need for flexibility in employment land provision, and to recognise that employment densities can vary widely. Predicting the amount of floorspace required by different businesses in the future is difficult;
- The need to provide an effective spatial distribution across the district, to achieve a better balance between jobs and homes in a range of settlements;
- To be cautious, in respect of delivery, of employment land associated with urban extensions and major new residential-led site allocations; and
- To be cautious, in terms of market interest, in respect of small employment sites in rural settlements.

4.10 Finally, we are mindful of the advice at NPPF para 160 which highlights the need to have a clear understanding of business needs and to consider likely changes in the market. Analysis of past employment change, as well as that of economic structure will generally use data from the annual business inquiry (ABI), the Office for National Statistics (ONS) annual survey which provides data on employment across the UK. The ABI is generally considered the best available source of such information. The long-term demand and supply calculations that employment land reviews use are inevitably subject to margins of error. They measure demand for land through employment change and rely on forecasting models and assumptions that are uncertain.

4.11 In contrast, market evidence (i.e. take-up) is direct, practical and tangible. To assess what sites are likely to be taken up in the future, this approach considers actual transactions - what has been taken up in the past - and financial appraisal - what sites can be viably developed. It is not clear whether the employment land figures presented in the Submission Plan, have been calculated with due regard to past employment trends or current market evidence. We have therefore examined the District's annual monitoring reports concerning additional employment floorspace which record the additional floor space completed within a monitoring period. The table below shows the additional floor space created for employment in East Cambridgeshire over the period 01 April 2011 to 31 March 2017.

East Cambridgeshire Annual Monitoring Report 2016-17: Additional Employment Floorspace

Employment Type	Year	Annual Floorspace Completions (m ²)					
		2011-12	2012-13	2103-14	2014-15	2015-16	2016-17
Classification	2011-12	2012-13	2103-14	2014-15	2015-16	2016-17	Total
B1 Unspecified	186	0	0	0	636	536	1358
B1a Offices	368	929	1896	544	5422	4442	13601
B1b Research	0	0	1020	104	307	0	1431
B1c Light Industry	1262	780	2100	475	763	1238	6618
B2 General Industry	0	2776	1105	2643	6536	891	13951
B8 Storage and Distribution	3912	632	3666	13310	5405	16719	43644
Total	5728	5117	9787	17076	19069	23826	80603
Change		-611	+4670	+7289	+1993	+4757	

- 4.12 For the period 2016-17 a total of 23,826m² of additional employment floor space was created in East Cambridgeshire. This was an increase of nearly 5,000m² more than the previous year completions (2015-2016). There was also significant and sustained growth between 2013 and 2016. This significant increase in employment land take up is to be wholly welcomed. That is a clear sign of the strength of the local marketplace and reflects a recent change – one which should be fully taken into account according to NPPF.
- 4.13 These figures demonstrate that East Cambridgeshire is currently experiencing significant growth in employment and calls into the question the jobs growth target put forward in the Submission Plan and whether the nature of land being allocated is sufficient to meet future growth and market interest.
- 4.14 In the Employment Land Report (Nov 2017) it is stated, at para 1.4, that according to the Planning Practice Guidance, economic development needs should be based on assessment of past trends. However, this does not appear to have been undertaken for this Plan. The Report calculates total potential jobs from the proposed site allocations rather than estimating future land needs based on recent take up. It seems unclear whether this approach complies with the Practice Guidance (ID:2a-03020140306).
- 4.15 Finally, in respect of the Inspector's Question 23, we have no reason to doubt the estimate of about 1ha of employment land loss per annum continuing for the plan period. However, that figure, which means a total loss of, say, 22ha over the plan period, has not been taken into account in Tables 9 and 10 (in the Employment Land Paper) which relate employment land to job targets. Perhaps more importantly, the Council's own Jobs Growth Strategy 2012 estimated that 2/3 of allocated sites did not come forward for employment uses (ECDC: Jobs Growth Strategy 2012, pg. 36).
- 4.16 In relation to some of the specific allocated sites we would comment as follows, simply to illustrate matters:

Site Ref.	Name/address	Area	Comments
Ely.M1	North Ely	3.1	Rather than SPD, there are specific permissions in place now. Part of major urban extension –very long term, if delivered.
Ely.M4	Station Gateway	3.4	Unlikely. Location means residential use will be greatly favoured by promoters. Site yet to come forward due to complexity of comprehensive redevelopment.
Ely.E1	Queen Adelaide Road & Rail Depot	11.2	Owner will not sell freeholds only leaseholds so unattractive to the market.
LIT.E1	North of Wisbech Road	13.0	We understand this has been purchased by one occupier who now has a submitted application for major concrete manufacture.
LIT.E2	West of Wisbech Road	1.5	Highway Authority has objected to the proposed access arrangements to the allocated employment land.
SOH.E1	East of A142 bypass, Soham	10.8	Allocated for some years – unlikely to come forward given access constraints.
Various	Small rural sites	-	11 sites are <2ha, some in very rural locations with uncertain viability or market attractiveness.

14.16 The viability and deliverability of some allocated sites is uncertain and it would be prudent for the Local Plan to have taken some commercial advice on this (as the adopted Local Plan did via the Jobs Growth Strategy). We believe that the key hub locations, which will deliver the jobs needed in the district, in a timely manner, will be Lancaster Way (Ely.E2), the cluster site south of Fordham (FRD.E1) and Elean Business Park (SUT.E1). These sites also provide a good geographical distribution across the district and Elean benefits from the presence of a multiple fibre optic provision hub.

5. Conclusions

In the light of the above it is considered that:

- The jobs growth target seems unduly pessimistic. It represents a significant reduction from the adopted Plan which is at odds with the planned housing provision and stated Plan objectives;
- The jobs growth target does not reflect actual job growth or floorspace take up over recent years;
- There is uncertainty as to whether there is sufficient employment land being allocated in the Submission Plan as it does not appear to be based on recent positive take-up rates;
- The Submission Plan appears to do little to address out-commuting (despite this being a stated Local Plan objective) and, with a declining jobs density, it may well increase;
- We are uncertain of the merits of some of the land allocations and whether they meet current market expectations or demand;
- The draft land allocations may unnecessarily constrain local economic growth; and
- We do not believe that additional employment land allocations will cause any planning harm, particularly if that land is previously developed land in suitable locations.

6. Discussion of Possible Alternative Scenarios

A possible alternative employment land scenario would be based on:

- Higher jobs growth – based on actual jobs growth of up to 850+ pa;
- Employment land needs based on recent actual take up of 20,000m² pa;
- An allowance of non-take up of sites (as previously recognised by the Council); and

- Focus future growth on the key employment locations where major investment/growth is most likely.

7. Recommendations to the Inspector

We recommend that the Inspector requests the District Council to reconsider the total employment land allocations on the basis of actual job growth and recent take up with a view to expanding key sites (in line with the Practice Guidance), OR, as a possible alternative, to consider introducing a criteria-based policy allowing additional employment development, outside of allocated areas, subject to certain criteria. There is no danger or planning harm in allocating further land.

Cheffins
May 2018



Appendices

APPENDIX 1

Nomis extracts for East Cambridgeshire: employment growth 2000-2017

East Cambridgeshire																	
Last update: 11/08/2016																	
Menu																	
Index																	
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Table 1: Key indicators																	
Demography																	
Total population (000s)	73.4	74.3	77.4	76.0	77.2	78.4	79.9	81.0	82.4	83.3	84.2	85.1	85.9	86.7	87.6	88.7	89.7
Working age population (000s)	46.8	47.2	49.1	48.2	49.1	50.1	51.4	51.9	52.6	53.0	53.3	53.2	53.1	53.2	53.7	54.1	54.5
Migration & other changes (000s)	0.8	0.8	2.9	-1.6	1.0	0.9	1.2	0.8	1.0	0.6	0.4	0.4	0.3	0.4	0.8	0.8	0.7
Labour market																	
Employees in employment (000s)	19.1	21.3	21.3	21.5	22.2	26.8	26.1	25.3	25.1	25.8	25.9	27.2	27.7	29.4	29.9	30.2	30.4
Self employed (000s)	4.8	5.4	5.7	5.6	5.4	7.0	6.4	6.0	5.9	6.2	6.3	6.8	6.7	7.0	7.1	7.1	7.1
Total employment: jobs (000s)	23.9	26.8	27.0	27.1	27.7	33.8	32.5	31.3	31.0	32.0	32.2	34.0	34.4	36.4	37.0	37.3	37.6
Total workplace employed people (000s)	24.9	26.7	26.9	26.8	27.2	29.5	31.9	30.7	30.4	31.2	31.1	33.1	33.3	35.3	35.9	36.2	36.4
Residence employment (000s)	37.2	36.7	38.8	38.7	40.4	40.1	42.7	43.5	45.6	44.1	43.9	43.7	44.9	46.0	46.7	47.2	47.5
Residence employment rate (%)	69.9	68.5	69.8	70.6	72.6	70.7	73.8	74.2	76.5	73.2	72.3	71.4	73.0	74.3	74.7	74.7	74.6
Net commuting (000s)	-12.3	-10.1	-12.0	-11.8	-13.2	-10.5	-10.8	-12.8	-15.2	-12.9	-12.8	-10.6	-11.7	-10.8	-10.8	-11.0	-11.2
Unemployment level (000s)	0.5	0.6	0.6	0.5	0.5	0.6	0.5	0.6	1.1	1.1	1.1	1.1	1.0	0.6	0.4	0.5	0.5
Unemployment rate (%)	1.1	1.2	1.2	1.1	1.1	1.2	1.0	1.1	2.2	2.0	2.0	2.1	1.8	1.1	0.8	0.9	0.9

APPENDIX 2

Extract from LDA Presentation to GCGP LEP 2017

Employment

In 2015 there were 740,000 employees in the LEP area (BRES). Between 2009 and 2015 employee numbers grew by 9.8%. This growth was greater than recorded across England (7.8%).

A greater proportion of GCGP area employees work on a full time basis (70%) than across England as a whole (68%).

In 2015 there were 761,000 jobs (employees plus working owners) in the LEP area (BRES). The number of jobs has increased by 8.1% since 2009, again greater than national growth over the same period (6.8%).

Between 2009 and 2015 the strongest employment growth has been concentrated in Cambridge and surrounding districts.

Growth rate in total number of employees 2009-2015 – BRES (ONS) 2015

