

Partial Review of the 2005 East Cambridgeshire Employment Land and Labour Market study

A report to East Cambridgeshire District
Council

03 March 2008

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1: Introduction

- 1.1 The fieldwork for East Cambridgeshire's Employment Land and Labour Market Study was largely undertaken in the period between October and December 2004. Over the three intervening years the District has experienced substantial growth and the Council decided, therefore, to commission an update to the earlier work – extending the review period to 2025.
- 1.2 This short report does not update all aspects of the previous report, in particular we have not:
- re-run the survey of businesses
 - reviewed the labour market analyses
 - interviewed property owners, developers and professionals¹.
- 1.3 In one important sense, however, this update has gone further than the previous study. Whereas the 2005 report relied on forecasts produced by BSL Experian for GOEast (in connection with the Regional Spatial Strategy) a specific, and up to date (January 2008) forecast was produced by Cambridge Econometrics for this update report. The Council's decision to commission this forecast was prompted by the widespread concern as to the reliability of the preliminary forecast produced, for EEDA, by Oxford Economics.² Chapter 3 discusses the three forecasts. The calculation of employment land needed, based on Cambridge Econometrics' employment forecast, follows the same methodology as in the 2005 report.
- 1.4 Before considering the forecasts, Chapter 2 comments briefly on recent changes in East Cambridgeshire's economy. It covers changes to the policy framework and highlights points of interest from the property market data sets. These, which are presented in the report Annex, were updated with the assistance of Council officials.
- 1.5 The implications of the forecasts, as to the need for employment land in the period to 2025, are discussed in Chapter 4. In addition to the work undertaken for this report, this discussion draws tentatively (the work is still underway at the time of writing) on the Masterplan for Ely. This has been undertaken by Urbed for East Cambridgeshire District Council with support from Cambridgeshire Horizons. SQW contributed to employment aspects of the Masterplan.

¹ However, the Ely Masterplan study did seek the view of a range of property interests at the beginning of 2008 and these have informed this report.

² This showed very high employment growth in East Cambridgeshire which we suspect to have been influenced by the exceptionally high growth rate recorded in the Annual Business Inquiry for 2006. It seems possible that this will prove to have been a "rogue" figure – though, only with the next data release in December 2008, will it be possible to check this.

2: Recent changes

Regional Spatial Strategy (RSS)

- 2.1 The East of England Plan or RSS sets out the regional strategy for planning and development in the East of England to the year 2021. It has a key role in contributing to the sustainable development of the region, setting out policies which address the needs of the region and sub-regions and identifying the significant investment that will be needed in social, environmental, economic and transport facilities.
- 2.2 The draft Plan was submitted in November 2004 and followed with the Government publishing Proposed Changes to the Draft East of England Plan in October 2007, which was followed by an 8 week public consultation. The publication of the adopted East of England Plan is anticipated in early 2008.
- 2.3 East Cambridgeshire falls into the Cambridge sub-region, which comprises Cambridge and the ring of surrounding market towns of Ely, Chatteris, Huntingdon, St Neots, St Ives, Royston, Saffron Walden, Haverhill and Newmarket. The existing RSS (RPG6) and the 2003 Cambridgeshire and Peterborough Structure Plan aim to improve the balance of housing and employment in and close to Cambridge. Releases of land from the Cambridge green belt have been agreed, which set boundaries for development at least until 2021.
- 2.4 The RSS states employment land in and close to Cambridge will be reserved for development that demonstrates '*a clear need to be located in the area in order to serve local requirements*'. More specifically, development proposals for new employment should fall into one or more of the following categories:
 - high technology and related industries concerned with research and development
 - other small-scale industries that would contribute to a greater range of local employment opportunities
 - the provision of office or other development providing an essential service for Cambridge as a local or sub-regional centre.
- 2.5 Although noting that distribution and warehousing facilities are unlikely to be acceptable within or in close proximity to Cambridge, in the surrounding market towns local development documents and other implementation programmes may give consideration to opportunities which '*diversify and raise the quality of the economies of those settlements*'. Thus the restrictions on Cambridge and its higher costs are likely to help shape part of the economic activity in East Cambridgeshire (although the restrictions, arguably, may encompass the southern parts of East Cambridgeshire).

Roger Tym report for Greater Cambridge Partnership (GCP)

- 2.6 In October 2006 the GCP issued a report³ produced for them by Roger Tym & Partners ‘to clarify what interventions might be necessary to deliver the employment growth’ envisaged by the RSS. In chapter 8 – interventions – they identify a short-term ‘lack of supply of available development land for new Computer Science and ICT and non-University related R&D activities in or on the fringes of Cambridge’. One of the sites that they suggest GCP should consider helping to ‘unlock development’ is the Cambridgeshire Business Park in Ely (see also paragraphs 8.63 and 8.64).
- 2.7 As general points they suggest, unsurprisingly, that GCP should promote both start-up and grow-on space ‘at all the major development sites identified in and around Cambridge.’ The report, further comments on the importance of well managed industrial estates for ‘encouraging high-value R&D activities based in Cambridge to utilise the sub-region as a base for manufacturing activities’. It specifically mentions Ely as one of five possible locations for a ‘high-tech product development and manufacturing campus’.
- 2.8 Overall the report suggest a sketchy knowledge of East Cambridgeshire and the Council’s Employment Land and Labour Market Study is not referenced – although the idea of a partnership fund for opening up and servicing sites (paragraphs 5.39 to 5.43 in the 2005 SQW report) is echoed by Tym’s suggestions for an ‘Employment Land Fund’.

Recent development in East Cambridgeshire’s employment land and premises

- 2.9 Our 2005 report reviewed 12 key sites, identified by the Council, with significant land allocated for development. For this update four of these – all of which are in the north or northwest of the District – are considered specifically. This is followed by a general commentary on other property market areas. There are two points meriting a general note in relation to East Cambridgeshire overall:
- first, in 2006, Council officers prepared a detailed analysis of employment premises across the whole District, documenting properties and the nature of their tenants on a site by site basis. This will be updated from time to time and it will provide an excellent basis for detailed analysis once time series data are available
 - second, both the Council’s economic development team and property developers report considerable recent interest from manufacturing firms. Whilst, as with most other parts of the UK, manufacturing in East Cambridgeshire has registered a decline in overall employment (probably due to outsourcing and increasing productivity) there are still substantial levels of activity and employment in the District.

³ GCP and Roger Tymes & Partners (October 2006) *Economic Interventions in the Greater Cambridge Sub-region*.
Roger Tymes & Partners

Four specific sites

2.10 Information on the four sites identified here has been gained from the research undertaken as part of the Ely Masterplan and from discussions with Council officers responsible for economic development and planning. The sites are:

- Cambridgeshire Business Park and adjoining land in Ely
- Elean Business Park in Sutton
- Lancaster Way Business Park near Ely
- Saxon Business Park at Littleport.

Cambridge Business Park⁴

2.11 When the 2005 report was produced there was considerable uncertainty surrounding the further development of this site. An outline planning application has recently been put forward for the so called ‘Octagon site’ which will extend the business park with a development containing office, light industrial and distribution space. On the basis of the floorspace indicated we estimate that this would accommodate about 1,500 jobs.

2.12 Whilst the business park has a good location and a functional layout, its potential is marred by a lack of estate management. There is no service charge and the Council is responsible for the roads. Rental levels are, however, said to have risen by 15-20% over the past 2-3 years and are now on a par with Newmarket and St Ives – at which level development becomes attractive.

Elean Business Park

2.13 There has been some development around the central parcel of land but the central area itself remains as it was at the time of our 2005 report, which noted that “the main spine roads are in place providing a large area of serviced land. The land is presently overgrown and running wild.” Table A-1 of the Annex shows no availability of premises in Sutton⁵, though there is a current planning application (Table A-4) for a substantial warehousing extension to an existing industrial building.

2.14 The economic development team have had discussions concerning a data servicing project that could be developed on the site and bring a substantial number of job opportunities (a figure of 1,000 to 1,500 jobs has been mentioned though doubts have been voiced on this score). A planning application has been submitted.

Lancaster Way Business Park

2.15 This remains, as noted in our previous report, a well managed and attractive business park. It has recently attracted two firms that have moved out of Cambridge and

⁴ These sites are described in Table 3.1 which is on pages 8-11 of Annex 3 of the 2005 report

⁵ These data come from information provided by commercial agents and are indicative rather than definitively correct.

provides the kind of development setting that the Tym report identified as required for the encouragement of manufacturing.

- 2.16 At the time of writing a 38 hectare extension has been proposed through the consultation process for the Local Development Framework. The developer has estimated that this might lead to 2,500 to 3,000 additional jobs. The implied job density suggests the land being used for a mix of activities, including both light industrial and distribution/warehousing.

Saxon Business Park

- 2.17 For several years the development of this site was held back by the Environment Agency's requirement to construct a link to the main sewer. This has now been relaxed, the road access has been upgraded and development is moving forward. A UK company has relocated recently from Cottenham and interest is being shown by both German and Dutch firms. A major attraction is the relatively low cost of serviced land – around half that in Ely.
- 2.18 Another of the Littleport sites identified in our 2005 report (north of Wisbech Road) has recently been developed for Thurlow Nunn Standen a company that specialises in the supply of agricultural machinery and equipment.

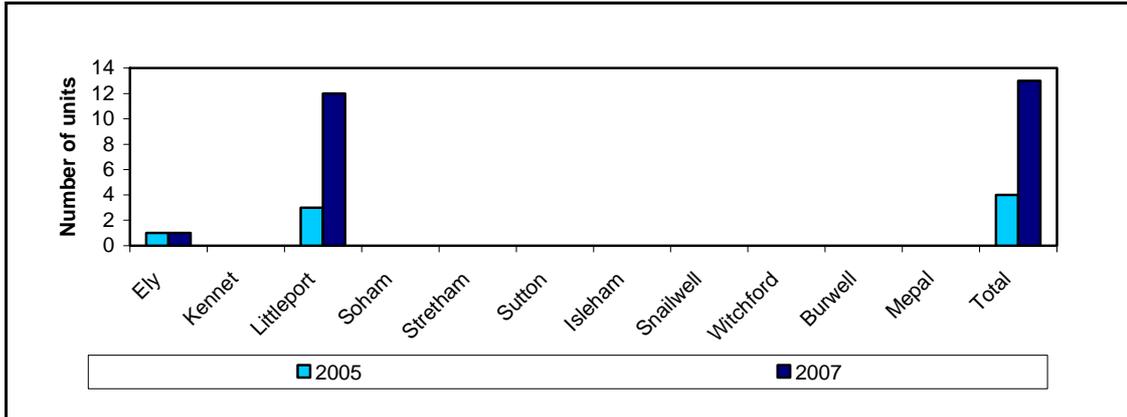
Developments in other areas of the District⁶

- 2.19 In the south of the District development in Bottisham and surrounding villages stretching as far as Burwell is essentially linked to the Cambridge property market. As such demand tends to be strongest nearer to Cambridge. The small B1 schemes in this area have performed well in recent years, although the new developments at Stow cum Quy are said to have drawn tenants from Burwell as well as Cambridge – indicating either a thin market or an appetite for freehold property. Table A-1 shows a fall in premises availability for Burwell between January 2005 and December 2007.
- 2.20 Both Snailwell and Kennet relate to Newmarket's property market though their proximity to the A14 is probably the main factor in their success as locations for major distribution enterprises (though some small units have also been developed). There has been considerable development since our 2005 report, most of which has been let successfully.
- 2.21 Soham is the remaining market area identified in the 2005 report. The Soham property market for employment uses remains quiet with a significant level of available property. 1.85 ha of employment land was taken for housing in 2006/07 a major proportion of the District total of 2.61ha (Table A-5).
- 2.22 Figures 2-1 to 2-8 provide a quick overview of the changes in premises availability since our previous report. In considering them, three points should be borne in mind (in addition to the caution noted in footnote (1) above):

⁶ East Cambridgeshire District Council's Annual Monitoring Report (2007) provides additional information – section 5 of which can usefully be read alongside the tables in the Annex to this report.

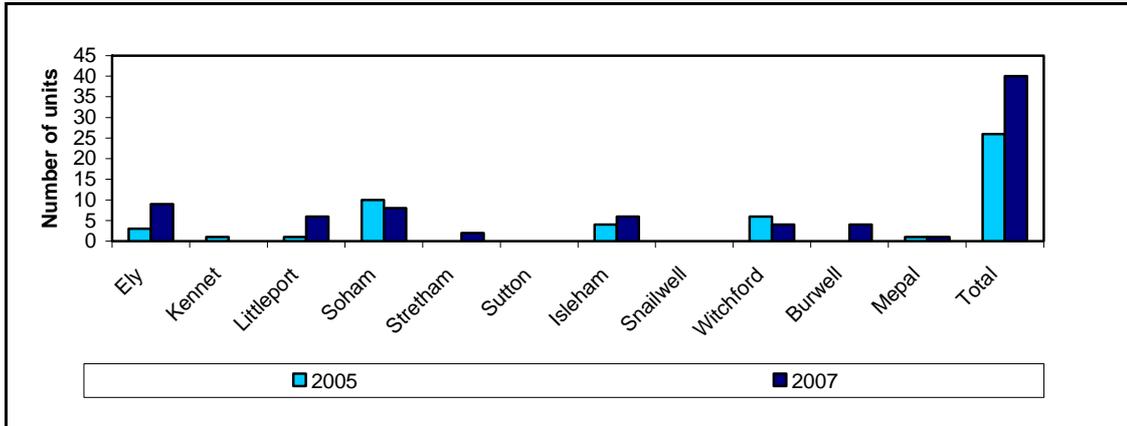
- higher vacancy levels need not indicate lower levels of economic activity as they could, equally well, be attributable to new developments completed during the period
- the availability of incubator units in Littleport reflects, in part, the poor performance there of e space (by contrast the e space development in Ely has done well)
- since the data were completed a substantial proportion of the space shown as available in Kennet has been let.

Figure 2-1 : Incubator space (number of units available in 2005 and 2007)



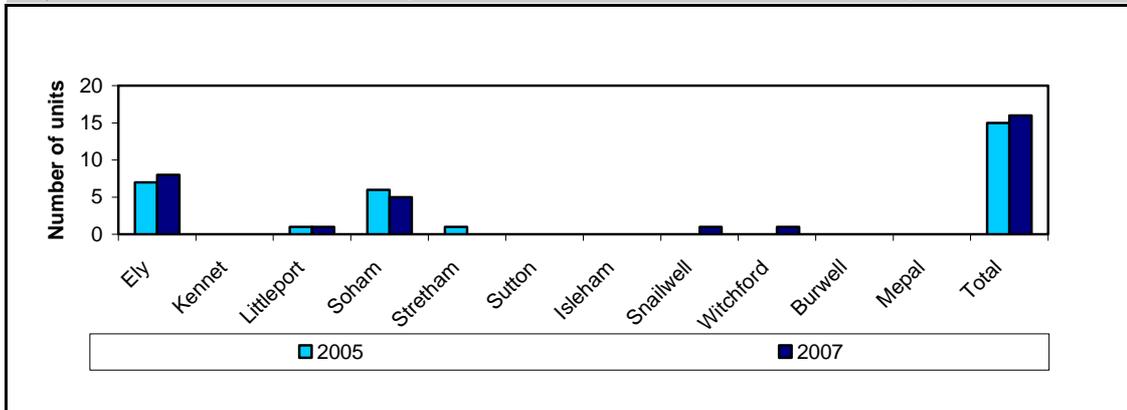
Source: ECDC premises register

Figure 2-2 : Units up to 2,500 sq ft (number of units available in 2005 and 2007)



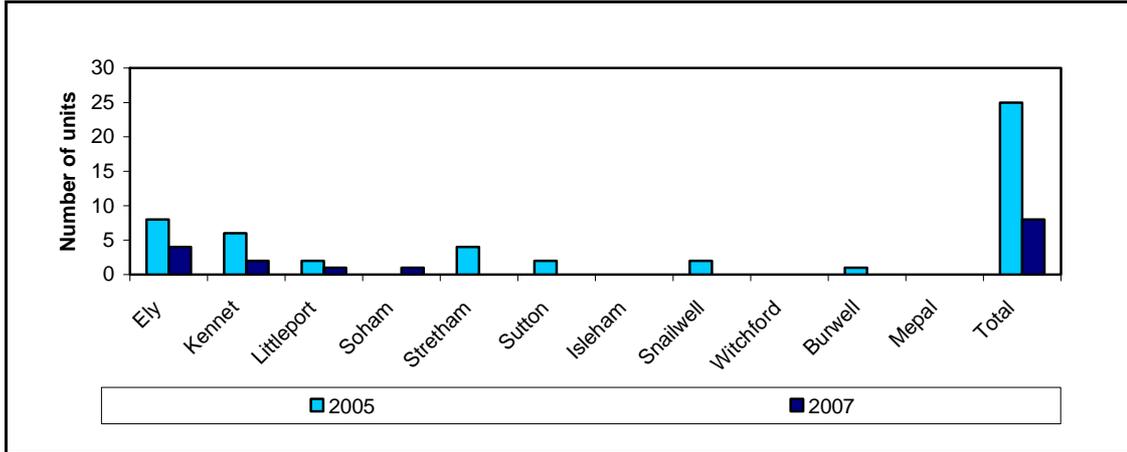
Source: ECDC premises register

Figure 2-3 : Units 2,500 to 10,000 sq ft (number of units available in 2005 and 2007)



Source: ECDC premises register

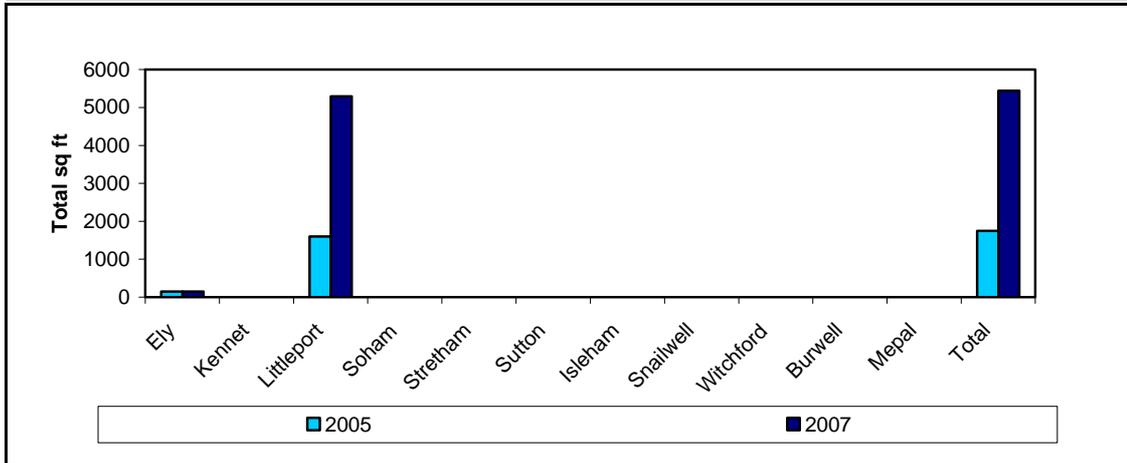
Figure 2-4 : Units over 10,000 sq ft (number of units available in 2005 and 2007)



Source: ECDC premises register

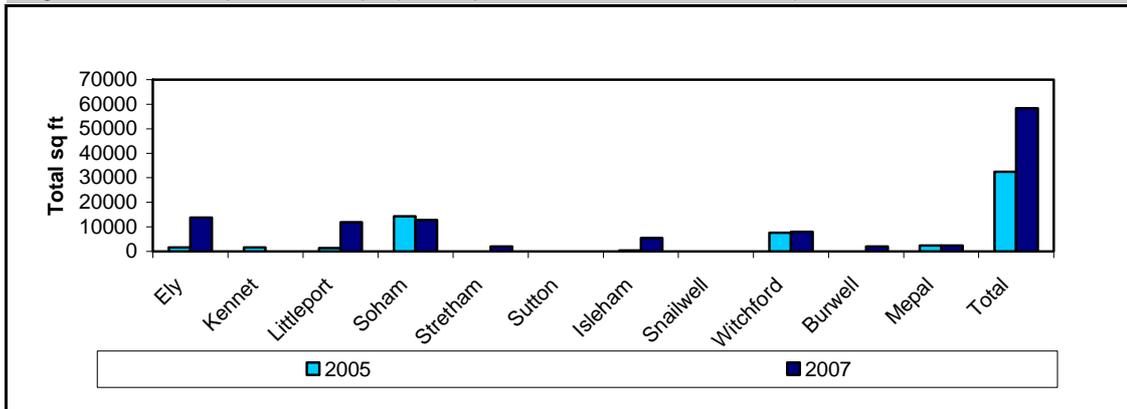
¹ The premises register indicated 8 available units at Kennet in 2007. Following discussions with the economic development team it is thought most of these units have now been let and based on assumption the figure has been reduced to 2 available units.

Figure 2-5 : Incubator space (total sq ft available in 2005 and 2007)



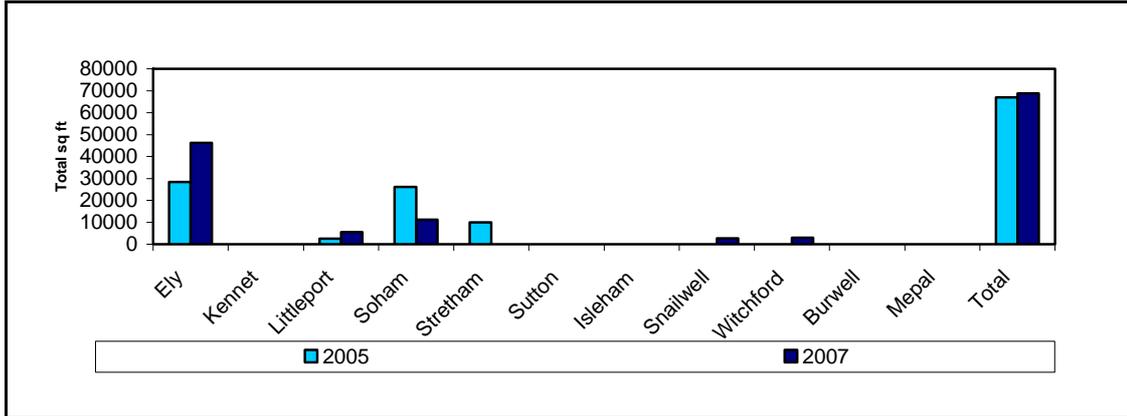
Source: ECDC premises register

Figure 2-6 : Units up to 2,500 sq ft (total sq ft available in 2005 and 2007)



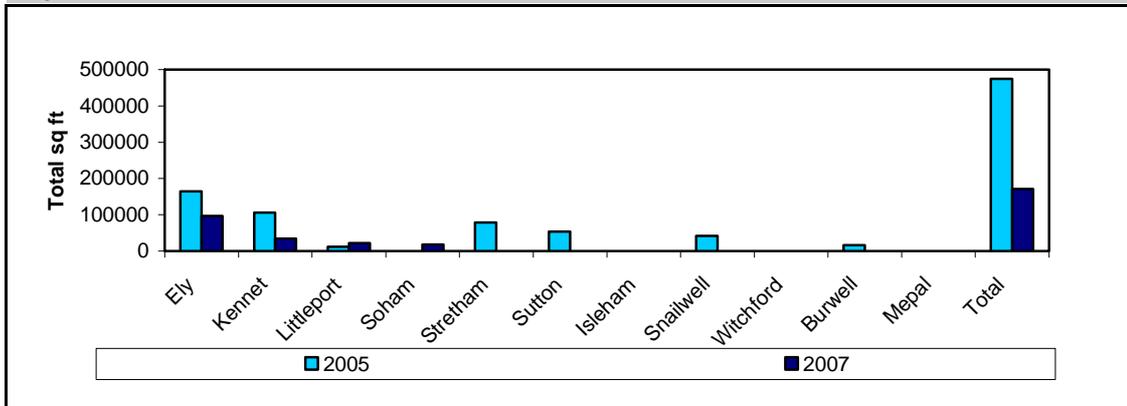
Source: ECDC premises register

Figure 2-7 : Units 2,500 to 10,000 sq ft (total sq ft available in 2005 and 2007)



Source: ECDC premises register

Figure 2-8 : Units over 10,000 sq ft (total sq ft available in 2005 and 2007)



Source: ECDC premises register

¹ The premises register indicated a total of 128,942 sq ft available at Kennet in 2007. Following discussions with the economic development team it is thought a significant amount of this space has now been let and therefore the figure has been reduced to 34,000 sq ft

3: Employment forecasts

- 3.1 There are two principal sets of forecasts which project population and employment for East Cambridgeshire: (1) a forecast by Experian BS on which the Regional Spatial Strategy was based (though data have been updated by two years from 2002 to 2004)⁷; (2) a recent forecast by Oxford Economics which is being used by EEDA as the basis for the new strategy, which will draw economic development and spatial planning more closely together. A third set of forecasts for East Cambridgeshire has been commissioned specifically for this report from Cambridge Econometrics (CE), incorporating the most recent employment data.
- 3.2 The CE forecasts draw on data from the Annual Business Inquiry (ABI). 2006 ABI data have been released recently. For East Cambridgeshire they show a significant increase in total employment compared to trends over recent years. This suggests 2006 data may be an outlier but until further data are released and subsequent forecasts calculated this cannot be confirmed. For this reason, two versions of the CE forecasts have been presented. The first excludes 2006 ABI data and is based on a continuation of trends from 2005. The second includes 2006 ABI data in its employment projections.⁸
- 3.3 Table 3-1 overleaf summarises the employment projections according to the three sets of forecasts. For the purposes of comparison both the absolute and percentage change in jobs are stated for the period between 2006 and 2021 – years that are covered by all three forecasts. The Experian BS forecasts were produced for 2002 and subsequently updated by two years to 2004 and therefore the average is presented. The Oxford Economics forecasts gave a number of alternative scenarios and again these have been averaged.
- 3.4 Caution should be taken when interpreting the growth forecasts. They are calculated on the basis of variables such as population forecasts, past sectoral performance and predictions of the sectoral composition of growth at the national level. Specifically, when seeking to draw implications for land requirements, it should be remembered that the employment projections are net, so that (for example) a forecast of 'no change' in employment in a given sector might represent the closure of a firm in one part of the district and an offsetting expansion of a firm in another part. For planning purposes the gross land requirement may sometimes be more relevant.

⁷ The 2004 figures were also used in the East Cambridgeshire Employment Land and Labour Market Study (March 2005).

⁸ Cambridge Econometrics doubts the 2006 ABI data and, therefore, believes that for most purposes their lower forecasts (version one) are appropriate. For the calculation of employment land requirements, however, where underprovision could damage economic performance and sustainability, it is appropriate to adopt the higher forecasts (version two).

Table 3-1 : Employment projections for East Cambridgeshire

	Change			
	2006	2021	N	%
Experian BS (2004) – Average	26,120	29,630	3,510	11.7%
Oxford Economics - Average	28,500	37,720	9,220	32.4%
CE (excl. 2006 ABI data) – Version one	26,100	29,200	3,100	11.9%
CE (incl. 2006 ABI data). – Version two	31,900 ⁹	36,600	4,700	14.7%

3.5 Employment is forecast by Experian BS to increase by 11.7%, an absolute increase of 3,510 jobs between 2006 and 2021. Oxford Economics shows a significantly higher increase of 32.4%, or 9,220 jobs, over twice that of the Experian BS forecasts. This forecast, released in 2007, is still subject to revision and a sectoral disaggregation of employment data has not yet been published.

3.6 For each of the forecasts discussed above, population projections have also been modelled. Oxford Economics forecast a greater population increase than Experian BS and the CE figure is higher still - as shown in Table 3-2. So the differences in employment forecasts cannot result from differences in population projections.

Table 3-2: Population projections for East Cambridgeshire

	Change			
	2006	2021	N	%
Experian BS (2004)	78,260	89,040	10,780	13.8%
Oxford Economics	79,700	93,700	14,000	17.6%
Cambridge Econometrics	79,100	95,000	15,900	20.1%

3.7 When considering the CE forecast in more detail, the projections used have been extended to 2025 in order to reflect the Local Development Framework (LDF) planning period. Version one of CE forecast (excluding 2006 data) projects an increase of 4,231 jobs (16.2%) between 2006 and 2025. Version two (including 2006 data) projects an increase of 6,203 jobs (19.4%). When disaggregated by sector, version one forecasts the highest levels of employment growth in the following sectors:

- professional services (1,824 jobs)

⁹ This is a higher number than the actual ABI figure of 27,400, because CE have made an upward adjustment for self-employment.

- retailing (921 jobs)
- computing services (762 jobs)
- other business services (742 jobs)
- construction (411 jobs)

Version two largely shows growth in the same sectors but the extent of growth varies compared with version one. Employment is set to increase most significantly in the following sectors:

- professional services (2,347 jobs)
- other business services (1,291 jobs)
- construction (995 jobs)
- health and social work (894 jobs)
- retailing (634 jobs).

3.8 For the purposes of calculating land requirements, Table 3-3 shows how employment in the main sector groupings is expected to change over the period to 2025.¹⁰

Sector	2006	2025	n change	% change
36,37,41 Services	9,126	13,023	3,897	42.7
32,33,34,35 Communications, Banking & Finance, Insurance, Computing Service	981	1,482	501	51.1
5,6,7,8,10,11,12,13,14,15,16,17,18,19,20,21 Manufacturing	3,827	3,253	(-574)	(-15.0)
25 Construction	3,416	4,411	995	29.1
27 Retailing	2,522	3,156	634	25.1
26,29 Land Transport and Distribution	3,662	3,857	195	5.3
28 Hotels & Catering	1,238	1,393	155	12.5
38 Public Admin. & Def.	501	465	(-36)	(-7.2)
39 Education	2,929	3,262	333	11.4
40 Health & Social Work	2,051	2,945	894	43.6
1,4,24 Agriculture, Mining, Water Supply	1,561	795	(-766)	(-49.1)
42 Unallocated	114	89	(-25)	(-21.9)
Totals	31,928	38,131	6,203	19.4

Source: Cambridgeshire Econometrics

¹⁰ The implications in terms of skill requirements are shown in the Annex – Table A-8

3.9 In order to calculate the employment land implications of the forecasts the following sequence of working assumptions has to be made:

- first the type of accommodation required has to be determined and we have distinguished between three categories – office, light industrial and warehousing/yard space
- second the job density per unit of land area needs to be estimated
- third the land required is calculated by dividing the forecast number of jobs for each of the three accommodation types by the corresponding job density; in addition a small percentage is added to the land required figure to compensate for items such as roads, landscaping and irregular land parcels.

3.10 Our calculation for the number of jobs for the accommodation categories is shown in the following table. For each of the sectors we have made an assumption as to the proportional split, which is judgementally based and may be subject to variation depending, in particular, on what view is taken as to the activities that will, 15 years hence, account for the jobs in ‘other services’ and ‘business services’ categories (and their space needs).

Table 4: Employment projections by sector (2006 to 2025) (version two) – allocations to land types

Sector/Year	2006	2025	Change	Offices	Light Industrial	Warehousing and yard space
36,37,41 Services	9,126	13,023	3,897	1,948	1,949	
32,33,34,35 Communications, Banking & Finance, Insurance, Computing Service	981	1,482	501	501		
5,6,7,8,10,11,12,13,14, 15,16, 17,18,19,20,21 Manufacturing	3,827	3,253	(-574)		(-574)	
25 Construction	3,416	4,411	995		995	
27 Retailing	2,522	3,156	634	n.a.	n.a.	n.a.
26,29 Land Transport and Distribution	3,662	3,857	195			195
28 Hotels & Catering	1,238	1,393	155	77	78	
38 Public Admin. & Def.	501	465	(-36)	(-36)		
39 Education	2,929	3,262	333	n.a.	n.a.	n.a.
40 Health & Social Work	2,051	2,945	894	894		
1,4,24 Agriculture, Mining, Water Supply	1,561	795	(-766)	n.a.	n.a.	n.a.
42 Unallocated	114	89	(-25)	(-8)	(-9)	(-8)
Totals	31,928	38,131	6,203	3,376	2,439	187

- 3.11 For the jobs requiring office accommodation, we have assumed that they will be in a 2 storey building and, bearing in mind site locations, have significant car park provision. On this basis, one acre (0.405 hectare) of land will accommodate a building footprint of 15,000 sq ft, which will provide net useable space of 26,000 sq ft (2,415 sq m). On average we would expect 5 employees per 1,000 sq ft, which means 130 per acre (or 321.2 per hectare).¹¹ The 3,376 jobs will require a total of 26 acres (10.5 hectares) of developable land which is attractive for office uses. To this should be added a further 15% to allow for roads, landscaping and irregular land parcels – giving a total of 29.9 acres (12.1 hectares).
- 3.12 For the jobs requiring light industrial space, we have assumed single storey construction and, on the basis that some of the firms that come to the District will need external space, that 15,000 sq ft (1,394 sq m) of building will require a site of 1 acre (0.405 hectare). We estimate that on average there will be 3 jobs per 1,000 sq ft of building, which means 45 per acre (111.2 per hectare). The 2,439 jobs will require 54.2 acres (22 hectares). To this should be added a further 10% to allow for roads, landscaping and irregular land parcels – giving a total of 59.6 acres (24.1 hectares).
- 3.13 For the jobs requiring warehousing/yard space, we have assumed that there will again be 15,000 sq ft (1,394 sq m) of building per acre (0.405 hectare) but that employment will only be 1 job per 1,000 sq ft or 15 per acre (37.1 per hectare). On that basis, the 187 jobs will require 12.5 acres (5 hectares). To this should be added a further 10% to allow for roads, landscaping and irregular land parcels – giving a total of 13.7 acres (5.6 hectares).
- 3.14 In summary the total land requirement is as follows for the period to 2025:
- | | |
|--|----------------|
| • land for office-based employment | 12.1 hectares |
| • land for jobs requiring light industrial space | 24.1 hectares |
| • land for jobs requiring warehouse/yard space | 5.6 hectares |
| • total employment land required | 41.8 hectares. |
- 3.15 This estimate is significantly lower than the estimate in the 2005 report, which showed the following total land requirement in the period to 2021:
- | | |
|--|----------------|
| • land for office-based employment | 12.0 hectares |
| • land for jobs requiring light industrial space | 27.6 hectares |
| • land for jobs requiring warehouse/yard space | 10.7 hectares |
| • total employment land required | 50.3 hectares. |

¹¹ This is an employment density per full-time equivalent employee and is taken from the estimates prepared by Arup Economics and Planning for English Partnerships and the Regional Development Agencies, July 2001.

4: Implications of the requirements computed from the econometric forecast

4.1 In terms of presently available land, the Council's Annual Monitoring Report (2007) includes the following data provided by Cambridgeshire County Council's Monitoring Team.

	B1 Unspecified	B1a	B1b	B1c	B2	B8	Totals
Extant planning permissions not started	0.18	14.01	0.02	2.23	6.13	2.36	24.93
Planning permissions under construction	0	5.28	0	0.24	0.46	0.25	6.23
Allocations without planning permission	10.54	0	0	0	10.54	10.54	31.62
Totals (ha)	10.72	19.30	0.02	2.47	17.12	13.15	62.78

Source: taken from ECDC Annual Monitoring Review

4.2 Even if some of these figures relate to land at locations, or with characteristics, that will lack market appeal, the supply of allocated land would appear to be adequate. Moreover there are rumours of other possible applications which landowners are considering.

4.3 The figures in Table A-1 appear to show that there is also a reasonably well-distributed supply of floorspace (albeit substantially lower than in 2005) though this is probably no more than the 'slack' needed for a well-functioning market. Indeed we have heard concern from the Council's economic development team that there is a dearth of attractive land and premises with which to attract quality in-moving firms.

4.4 In addition we know from more detailed review of the position in Ely that firms employing 300-400 staff in industrial activities are likely to wish to move elsewhere in the City and secure change of use for their existing sites. Taking the upper figure, this would require an additional 8.9 acres (3.6 ha) of land for jobs requiring light industrial space.

4.5 Turning to the calculations based on the CE forecasts, a number of points need to be made:

- our calculations have been based on net job requirements which, particularly in the case of light industrial uses means taking the projected employment losses away from the projected employment gains before calculating premises and land requirements. In practice some of the losses will be a result of greater productivity per worker and may not reduce space requirements (though there are likely to be others in which

firms will close). Overall this will lead to an understatement of the requirement for light industrial premises and land (and warehousing and yard space)

- as mentioned in paragraph 3.4, the forecasts show net job figures and these may understate premises and land requirements. This is especially pertinent for the manufacturing sectors, where sites released by company closures may be unattractive for subsequent employment uses. A conservative estimate of this effect could increase the need for light industrial land by an additional 4 hectares
 - in estimating land requirements we have not allowed for home-working and this could mean that the requirement for office space is overstated by as much as 10% (though a proportion of home-working jobs are likely to be part time)
 - in view of the present strength of market interest we think it implausible to suggest that there will be no further demand for warehousing space in the District and we suggest that if the forecasts do prove accurate on this score (and they are, of course subject to wide margins of possible variance) then job losses will result from substantial reduction in the employee:floorpace ratio – achieved through innovations such as robotised handling and RFID tagging. Reduction in land requirement may well be at a lower level, if any.
- 4.6 Perhaps of even greater importance, these forecasts are policy neutral, whereas we know that the Council has a very strong commitment to securing further employment growth and, as mentioned above in paragraphs 2.6 to 2.8 that the Greater Cambridge Partnership has identified the opportunity to build further manufacturing activity on the R&D activities of firms in the Cambridge high-tech cluster.
- 4.7 To achieve these goals we would expect the Council to allocate attractive employment sites in excess of the minimum forecast to demand so as to ensure that firms have a range of choice open to them.
- 4.8 Indications from the spatial strategy in the emerging Local Development Framework suggest that there are strong ‘sustainability’ grounds for accommodating a high proportion of the new housing developments in the City of Ely. That, in turn will argue for a corresponding proportion of new jobs to be located in the City’s four wards. Quantitatively, this implies that, in addition to the land being brought forward at the Octagon site on Angel Drove, there will be a case for a significant extension to the Lancaster Way Business Park during the period to end 2025.
- 4.9 Qualitatively, there is a further argument in favour of identifying high amenity sites in prime locations that will be attractive to the service sector firms, which the CE forecast envisages as providing a high proportion of employment growth. Ely, in particular, will need to play a key role if such jobs are to be attracted to the District and such jobs will be needed if there is to be a realistic hope of stemming some of the growth in out-commuting.
- 4.10 Our 2005 report highlighted the strategic importance of sites in Ely that are suitable for office development and we believe that the Ely Masterplan study reinforces that view. The 2005 report also mentioned the possible case for identifying a further

sustainable site for office development somewhere in the south of the District and we believe this pointer remains valid.

- 4.11 The major issue arising from the new analysis in this update report relates to warehousing. Market demand over the past three years has been strong and new development has let well. It is, however, questionable whether it is desirable – in terms of the land take, pressures on roads and the balance of employment opportunities – that policy should positively encourage more warehousing in all parts of the District.
- 4.12 The case for warehousing is strongest (on sustainability grounds) for sites nearest to the A14 – which is where market activity has been greatest – and for sites that are well located in respect of agriculture. We suggest that careful consideration should be given to determining the amount of warehousing/distribution activity that is appropriate on the prime sites in and near to Ely. In this respect, it may be helpful to enter into dialogue with neighbouring authorities that also border the A14 – notably Forest Heath.

Annex A: Review of Land and Property Supply and Demand

Table A-1 : Total available premises space in East Cambridgeshire by unit size

Location	Total			Incubator Space			Units up to 2,500 sq ft			Units 2,500-10,00 sq ft			Over 10,000 sq ft		
	2007	2005	Change	2007	2005	Change	2007	2005	Change	2007	2005	Change	2007	2005	Change
Ely	157,118	194535	-37,417	150	147	3	13,763	1662	12,101	46,210	28395	17,815	96,995	164331	-67,336
Kennet	34,000	108277	20,665	0	0	0	0	1697	-1,697	0	0	0	34,000	106580	72,580
Littleport	45,274	18009	27,265	5,296	1595	3701	11,878	1444	10,434	5,600	2570	3,030	22,500	12400	10,100
Soham	41,566	40377	1,189	0	0	0	12,782	14310	-1,528	11,224	26067	-14,843	17,560	0	17,560
Stretham	2,008	88258	-86,250	0	0	0	2,008	0	2,008	0	9884	-9,884	0	78374	-78,374
Sutton	0	54050	-54,050	0	0	0	0	0	0	0	0	0	0	54050	-54,050
Isleham	5,488	381	5,107	0	0	0	5,488	381	5,107	0	0	0	0	0	0
Snailwell	2,705	42340	-39,635	0	0	0	0	0	0	2,705	0	2,705	0	42340	-42,340
Witchford	10,948	7563	3,385	0	0	0	7,948	7563	385	3,000	0	3,000	0	0	0
Burwell	2,005	16399	-14,394	0	0	0	2,005	0	2,005	0	0	0	0	16399	-16,399
Mepal	2,400	2400	0	0	0	0	2,400	2400	0	0	0	0	0	0	0
East Cambridgeshire	398,454	575588	-177,134	5446	1742	3704	58,272	32456	25,816	68,739	66916	1,823	265,997	474474	-208,477

Source: ECDC premises register

¹ The premises register indicated a total of 128,942 sq ft available at Kennet in 2007. Following discussions with the economic development team it is thought a significant amount of this space has now been let and therefore the figure has been reduced to 34,000 sq ft

Table A-2 : Total available premises space in East Cambridgeshire by number of units

Location	Total			Incubator Space			Units up to 2,500 sq ft			Units 2,500-10,00 sq ft			Over 10,000 sq ft		
	2007	2005	Change	2007	2005	Change	2007	2005	Change	2007	2005	Change	2007	2005	Change
Ely	22	19	3	1	1	0	9	3	6	8	7	1	4	8	-4
Kennet	2	7	5	0	0	0	0	1	-1	0	0	0	2	6	4
Littleport	20	7	13	12	3	9	6	1	5	1	1	0	1	2	-1
Soham	14	16	-2	0	0	0	8	10	-2	5	6	-1	1	0	1
Stretham	2	5	-3	0	0	0	2	0	2	0	1	-1	0	4	-4
Sutton	0	2	-2	0	0	0	0	0	0	0	0	0	0	2	-2
Isleham	6	4	2	0	0	0	6	4	2	0	0	0	0	0	0
Snailwell	1	2	-1	0	0	0	0	0	0	1	0	1	0	2	-2
Witchford	5	6	-1	0	0	0	4	6	-2	1	0	1	0	0	0
Burwell	4	1	3	0	0	0	4	0	4	0	0	0	0	1	-1
Mepal	1	1	0	0	0	0	1	1	0	0	0	0	0	0	0
East Cambridgeshire	83	70	13	13	4	9	40	26	14	16	15	1	14	25	-11

Source: ECDC premises register

¹ The premises register indicated 8 available units at Kennet in 2007. Following discussions with the economic development team it is thought most of these units have now been let and based on assumption the figure has been reduced to 2 available units.

Table A-3 : Business Development in East Cambridgeshire 2006/7

Business Floorspace Change (sqm)			Business Use Land Change (ha)		
Development Gained (gross)	Development lost to other uses	Development gained (net)	Development Gained (gross)	Development lost to other uses	Development gained (net)
22,489	6,423	16,066	6.22	2.61	3.61

Table A-4 : Business Development in East Cambridgeshire, 2006/7 by Parish

Parish	Proposal	Business Floorspace gained (sqm)	Business Land gained (ha)	Development gained on PDL (sqm)	Development gained on PDL (ha)
Ely	Erection of two storey office building. Alterations to warehouse and extension to existing offices.	520	0.103	520	0.103
	Modified proposal: Amendments to site layout and elevations, plus addition of first floor mezzanine floor approved under E/426/06, two storey B1 B2 B8 buildings with associated car park, load facilities and generator housing	2369	1.840	0	
	Extension to existing warehouse and addition of disabled access facilities	106	0.014	106	0.014
	C/u of farm building to general storage and agricultural land to horticultural use (198 sqm)	198	0.026	0	
	New building comprising offices and warehousing	845	0.413	0	
Soham	Change of use of unit to laundry business to include area for sales of white goods and workshop	140	0.015	140	0.015
	Divide existing unit to form two individual units.	177	0.055	177	0.055
	Erection of building (portal framed steel)	465	0.055	465	0.055
	C/u to MOT testing station/vehicle repair workshop (299 sqm)	218	0.043	218	0.043

	Construction of a portal frame clad steel building for the storage and processing of carrots, access road and yard area	1584	0.296	0	
	C/U from agriculture to B1 light industry or B8 Storage	175	0.022	0	
	Conversion of existing factory unit into three additional B1/B8 factory storage units with ancillary offices. Alterations to facades	300	0.034	300	0.034
Littleport	C/U from mixed use (A1) and residential (C3) to property management and investment services (A2) with ancillary office accommodation (B1)	294	0.030	294	0.030
	C/U of vacant stabling unit to light industrial use	190	0.019	190	0.019
Burwell	C/U from dwelling to office	320	0.113	320	0.113
	Change of use of workshop to include MOT bay	262	0.026	262	0.026
	Reserved Matters application for replacement warehouse building (former warehouse destroyed by fire)	2625	0.275	2625	0.275
Sutton	Covered loading building (202 sqm)	202	0.022	0	
	Warehouse extension to existing industrial building	4340	0.500	0	
Burrough Green	C/U part of building to B2 use	130	0.015	0	
	Change of use of building to storage B8 use	623	0.161	0	
Little Downham	C/u to include general industrial B2, retaining B1 use	127	0.013	127	0.013
	Application for a certificate of lawfulness for an existing use: workshop, office, storage and distribution	940	0.832	0	
	Extensions to offices and storage areas	196	0.019	196	0.018
Snailwell/	Proposed Warehouse (2862 sqm)	2862	0.512	0	

Fordham					
Stretham	Enclosure of area under canopy to form motor vehicle workshop with associated facilities in existing single storey building and use of hardstanding areas for display of vehicles for sale	270	0.22	270	0.22
Swaffham Bulbeck	Construction of single storey garden studio for office use.	11	0.001	11	0.001
Swaffham Prior	Conversion and extension of existing farm buildings (including re-location) to provide two units of working and living accommodation	70	0.034	0	
Witchford	Industrial starter units (390 sqm)	195	0.046	195	0.046
	Extension to offices (revised scheme to that approved under E/635/06)	295	0.021	295	0.021
	Extensions to existing workshops and offices	795	0.065	795	0.065
	Erection of four industrial nursery units	450	0.336	0	
	Industrial starter units (390 sqm)	195	0.046	195	0.046
Total		22,489	6.22	7,701	1.22

Table A-5 : Loss of business floorspace and land in East Cambridgeshire 2006/7¹

Parish	Proposal	Business Floorspace lost (sqm)	Business Land lost (ha)
Ely	C/U of part of building from commercial to domestic	-156	-0.0694
	C/U of B1 to D1 (health Spa)	-375	-0.0139
	C/U of existing buildings to three residential units with extensions	-106	-0.0608
	C/U of existing buildings to three residential units with extensions	-117	-0.0714
	Reserved matters for the construction of a bungalow	-150	-0.0311
Soham	Conversion of existing factory unit into three additional B1/B8 factory storage units with ancillary offices. Alterations to facades	-300	-0.0337
	Change of use of unit to laundry business to include area for sales of white goods and workshop.	-140	-0.0153
	C/u to MOT testing station / vehicle repair workshop (299 sqm)	-218	-0.0429
	Divide existing unit to form two individual units.	-266	-0.0821
	Erection of 76 free market dwellings and 19 affordable dwellings, garages, car parking, POS, landscaping, vehicular access, footpaths, ancillary works (following demolition and decontamination works)	-3415	-1.85
Burwell	C/u from offices to consulting room	-48	-0.0066
	Change of use of workshop to include MOT bay	-262	-0.0262
	Alterations and extensions for change of use from workshop to domestic dwelling	-90	-0.023
Cheveley	(a) Change of use admin office to 20 bed residential hostel and related complex	-886	-0.075
Isleham	Conversion of barn to provide two residential dwellings, conversion of blacksmith's shop to provide covered parking	-105	-0.0105
Kirtling	C/U and conversion of industrial building to residential	-157	-0.065

Little Downham	<i>C/u to include general industrial B2, retaining B1 use</i>	-127	-0.01265
	Demolition of redundant joinery works and erection of 2 no two bedroom semi detached house and 1 no four bedroom detached house with detached garage	-261	-0.0679
	Construction of 3 x 4 brm houses and garages.	-351	-0.1333
Witchford	Reserved matters for 4no detached dwellings and associated garaging	-207	-0.1632
TOTAL		6,423	2.61

¹ Items shown in bold italics are changes of use within B1-B8 use classes and therefore not actually lost to employment and are therefore not counted in the totals.

Table A-6 : Business Commitments in East Cambridgeshire 2006/7²

Outstanding Business Permissions at end 2006/7 monitoring year (sqm)			Outstanding land allocation for business Uses at end 2006/7 monitoring year (ha)		
Outstanding permissions	Outstanding permissions on PDL	% permissions on PDL	Total outstanding permissions	Outstanding permissions on PDL	% permissions on PDL
Under construction 8,196	Under construction 7,130	31.73	Under construction 6.23	Under construction 5.71	29.65
Extant 62,439	Extant 15,285		Extant 24.93	Extant 3.53	
Total 70,635	Total 22,415		Total 31.16	Total 9.24	
Allocations(without planning permission) 31.62 ha			Allocations(without planning permission) 31.62 ha		
			Total land available 62.78 ha (with permission and allocated)		

² The above table includes only positive commitments, i.e. gains. There are committed 'losses', but they include some changes of use within B Use Classes as well as losses to housing.

Table A-7 : Business Commitments in East Cambridgeshire 2006/7 (losses)

Outstanding Business Permissions at end 2006/7 monitoring year (sqm)			Outstanding land allocation for business Uses at end 2006/7 monitoring year (ha)		
Outstanding permissions	Outstanding permissions on PDL	% permissions on PDL	Total outstanding permissions	Outstanding permissions on PDL	% permissions on PDL
Under construction 862	Under construction 862	98.9	Under construction 0.27	Under construction 0.27	61.49
Extant 6,123	Extant 6,047		Extant 3.08	Extant 1.79	
Total 6,985	Total 6,909		Total 3.35	Total 2.06	

Table A-8 below displays the skills implications of the change in sectoral employment growth for East Cambridgeshire, projecting employment by occupational grouping to 2025 using version two of the CE forecast. The projections suggest occupations showing most growth in absolute terms between 2006 and 2025 are corporate managers (an increase of ~2,000 jobs), caring personal service occupations (an increase of ~1,300 jobs), science and technology professionals (an increase of ~700 jobs) and skilled construction trades (an increase of ~600 jobs).

Table A-8: Occupational groupings for East Cambridgeshire (2006 to 2025) (version two)

Occupation	in thousands ¹			
	2006	2025	n change	% change
Corporate Managers	4.1	6.1	2.0	49.8
Caring Personal Service Occupations	1.7	3.0	1.3	73.6
Science/Tech Professionals	1.3	2.0	0.7	52.7
Skilled Construction Trades	1.8	2.4	0.6	34.5
Bus/Public Serv. Assoc Professionals	1.6	2.2	0.6	36.2
Sales Occupations	1.6	2.2	0.6	35.0

Occupation	in thousands ¹			
	2006	2025	n change	% change
Culture/Media/Sport Occupations	0.8	1.4	0.5	64.0
Transport Drivers & Operatives	1.3	1.8	0.5	38.8
Teaching/Research Professionals	1.7	2.2	0.5	28.9
Customer Service Occupations	0.4	0.8	0.4	102.3
Business/Public service Professionals	0.8	1.1	0.3	40.4
Admin & Clerical Occupations	2.5	2.8	0.3	11.2
Science Associate Professionals	0.7	1.0	0.3	35.4
Health Professionals	0.3	0.5	0.2	83.9
Health Associate Professionals	0.8	0.9	0.1	16.3
Protective Service Occupations	0.3	0.4	0.1	34.5
Leisure/Other Personal Service Occupations	0.6	0.7	0.1	13.2
Skilled Agricultural Trades	0.8	0.8	0.0	(-3.4)
Managers & Proprietors	1.1	1.1	0.0	(-3.5)
Other Skilled Trades	0.6	0.4	-0.1	(-26.0)
Elementary: Clerical/Service	2.1	1.8	-0.2	(-10.7)
Secretarial & Related Occupations	1.0	0.6	-0.4	(-38.8)
Skilled Metal/Electrical Trades	1.3	0.8	-0.5	(-39.9)
Process Plant & Machine Operatives	1.3	0.7	-0.6	(-43.3)

Occupation	in thousands ¹			
	2006	2025	n change	% change
Elementary: Trades/Plant/Machine	1.4	0.5	-0.9	(-66.4)
Total	31.9	38.1	6.2	19.4

Source: Cambridge Econometrics

¹ Absolute numbers presented in the table above have been rounded to the nearest 100th due to the uncertainties and potential errors in forecasting when disaggregating data by occupation.