



Haven Gateway Partnership

Suffolk Haven Gateway Employment Land Review & Strategic Sites Study

Final Report

October 2009

GVA Grimley Ltd

10 Stratton Street
London
W1J 8JR

0870 900 8990
www.gvgrimley.co.uk



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Study

Final Report

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Contact: **Michael Dall**

Tel: **020 7911 2127**

Email: **michael.dall@gvagrimsley.co.uk**

www.gvagrimsley.co.uk

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EXECUTIVE SUMMARY

The three local authorities of Babergh, Suffolk Coastal and Ipswich together comprise the Suffolk Haven Gateway area identified in the East of England Regional Spatial Strategy (RSS). Policy E1 of the RSS guides on the overall job targets for the period to 2021, establishing some ambitious expectations both in terms of quantum, but also when read in conjunction with the Regional Economic Strategy, the mix and choice of employment opportunity.

With this in mind the Haven Gateway Partnership commissioned GVA Grimley to undertake the Employment Land Review and Strategic Sites Study for Suffolk Haven Gateway to set the policy response to providing the right mix of employment land to meet the future job growth target of 30,000 in the sub-region. This will be used as supporting evidence for the emerging Local Development Framework (LDF) in each local authority area and guide the Haven Gateway Partnership's role in land use policy development.

JOB GROWTH

Our report shows that at present the Suffolk Haven Gateway sub-region is forecast for job growth of 22,860 between 2001 and 2021 which is around 7,000 lower than the RSS target. While the RSS does not provide a breakdown at a local authority level the report provides an indicator of the how the job target may be split if the figure of 30,000 were distributed according to predicted future employment growth we provide details and this is shown below:

	Job Number 2021	% of jobs by local authority	Estimated Job Numbers to meet targets	Current Job Forecast	Difference between current target
Suffolk Coastal	63,524	34%	10,200	9,282	-918
Ipswich	79,504	42%	12,600	5,470	-7,130
Babergh	44,490	24%	7,200	8,108	+908
Suffolk Haven Gateway Total	187,518	100%	30,000	22,860	-7,140

Source: Oxford Economics / GVA Grimley 2009

The table above shows that Ipswich is the local authority lagging behind against this indicative job target, with Suffolk Coastal slightly behind target and Babergh forecast to exceed target.

BALANCE OF SUPPLY & DEMAND

The report compares the B-Class supply with forecast demand for a baseline case, a severe recession and a faster recovery scenario using the East of England Forecasting Model (Spring 2009). In addition we developed a further three scenarios which were:

- Scenario A: High growth from the Port of Felixstowe
- Scenario B: Steady growth from the Port of Felixstowe
- Scenario C: Growth from Adastral Park

Comparing the B-Class supply and demand characteristics across the sub-region shows that in quantitative terms there is sufficient land to meet forecasted requirements until 2026 under all scenarios, as shown below:

	Demand	Demand	Supply	Land Surplus /Deficit
Base Case	Floorspace (m ²)	Land (Ha)	Land (Ha)	Ha
Office	341,321	34	74	40
Industrial	391,995	98	136	38
Total	733,316	132	211	79
Severe Recession				
Office	333,696	33	74	41
Industrial	381,459	95	136	41
Total	715,155	129	211	82
Faster Recovery				
Office	342,386	34	74	40
Industrial	393,544	98	136	38
Total	735,929	133	211	78
Scenario A				
Office	488,842	50	74	24
Industrial	596,825	149	136	-13
Total	1,241,938	198	211	13
Scenario B				
Office	395,384	39	74	35
Industrial	466,860	116	136	19
Total	1,018,513	156	211	55
Scenario C				
Office	347,114	36	74	38
Industrial	402,684	98	136	38
Total	749,798	134	211	77

Source: Oxford Economics / GVA Grimley

Each scenario demonstrates a potential oversupply of employment land compared to forecast demand in the sub-region though it should be noted that this does not necessarily mean that the surplus is satisfying market demand from a qualitative or locational perspective.

CONCLUSIONS

Suffolk Haven Gateway is a diverse sub-region whose future economic growth is primarily driven by the Port of Felixstowe, the Ipswich Policy Area and Adastral Park. This has been identified through our consultation and research throughout this study. There are, of course, other drivers

such as a large public sector but the primary driver of B Class jobs growth is likely to come from these three factors according to our research.

Given the nature of the economic landscape, employment sites relating to the Port of Felixstowe tend to be predominantly industrial in nature and are mainly focused along the A14 corridor. The prime office location within the sub-region is Mid Ipswich (the central area of the town) with locations on the Ipswich Fringe being highly desirable according to both our survey of businesses and discussions with local commercial property agents.

In addition to these major drivers the sub-region also has a diverse range of rural employment with smaller office and industrial estates serving more local employment needs across Suffolk Haven Gateway. As well as traditional B-Class employment there is a strong presence of non B-class employment with a large public sector, particularly in Ipswich, as well as tourism / cultural employment in towns such as Aldeburgh and Snape in Suffolk Coastal District.

In summary, our work has identified the following economic drivers throughout the sub-region:

- Port of Felixstowe;
- Growth at Adastral Park;
- Ipswich Policy Area;
- Potential further new energy related developments at Sizewell.

In order to facilitate continued growth of these drivers the following are seen as key enablers:

- The A14 strategic road, particularly for development of the Port of Felixstowe;
- The A12 strategic road, particularly for the northern parts of Suffolk Coastal District and potentially growth at Sizewell;
- Improving rail links for the movement of freight between Felixstowe and Peterborough;
- The necessary Higher and Further Education provision by aligning course provision with the likely new jobs that will be created in the sub-region, particularly relating to Adastral Park. This is likely to require a key role from the University Campus Suffolk to facilitate growth;
- A comprehensive masterplan for Felixstowe to facilitate the most suitable employment sites to meet the requirements from Felixstowe South Reconfiguration;
- A comprehensive masterplan for Adastral Park to facilitate the most suitable employment configuration to meet the requirements of potential occupiers at the site;

- A comprehensive masterplan for IP-One- the regeneration of the central area of Ipswich
- The necessary land and property to meet economic needs.

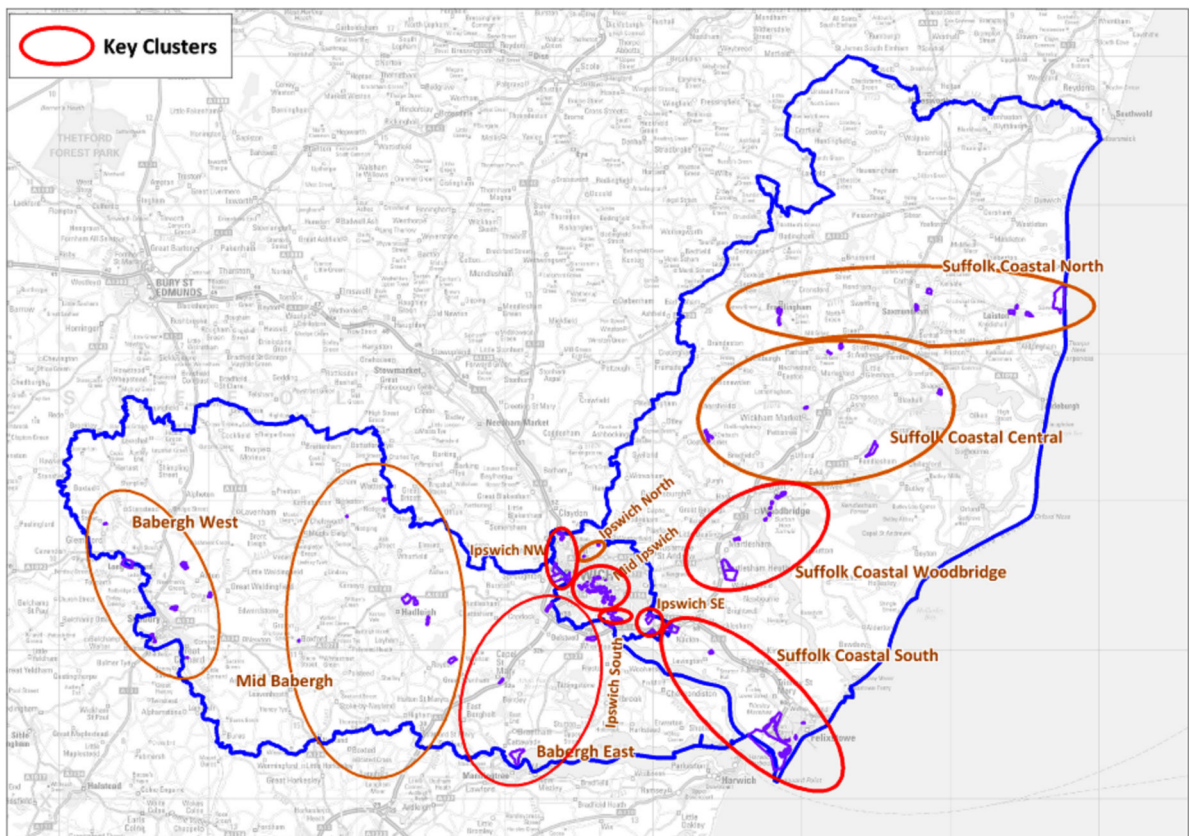
Although Suffolk Haven Gateway has a potential surplus of available employment land compared to demand there are issues over the deliverability and timing for development of some of the key strategic sites for full B-Class employment use. This places challenges over the capacity of these sites to meet long-term demand within the sub-region.

While the latest economic forecasts show that Suffolk Haven Gateway is unlikely to meet its 30,000 new jobs target by 2021 if it continues along its present course, there are evident opportunities through investment in infrastructure and allocation of employment land in the right locations (the A14 and the Ipswich Fringe) to provide a quality and choice that will support efforts to retain existing businesses and encourage new ones and thereby work to achieve the employment target. We have shown that from a B Class jobs perspective Scenario A, high growth from the Port of Felixstowe and Scenario C, growth in Research & Development have the potential to address the 7000 shortfall between the RSS jobs target and the latest EEFM projections. A combination of this growth combined with the development of Non B Class employment can help Suffolk Haven Gateway meet its jobs target of 30,000.

Aligning this need with our employment clusters in each local authority area indicates that the following clusters are particularly important to allow the strategic requirements to be met:

- Suffolk Coastal South
- Suffolk Coastal Woodbridge
- Ipswich South
- Ipswich South East
- Mid Ipswich
- Ipswich North West
- Babergh East

These clusters will provide the best strategic site opportunities to meet market requirements throughout the planning period. This is not to suggest that there are no employment land requirements needed elsewhere but to satisfy the large land-take requirements sufficient deliverable employment land supply within these clusters is required, including choice. The clusters are shown below:



RECOMMENDATIONS

Based on these conclusions our recommendations at a sub-regional level are:

ADOPT A SUB-REGIONAL APPROACH

Our quantitative analysis indicates that Suffolk Haven Gateway has sufficient available employment land supply to meet projected demand throughout the planning period. However, in Ipswich there is a net requirement for new supply to meet projected demand. It is evident from our business survey that delivering a choice of sites in the right locations across Suffolk Haven Gateway is more important than rigidly respecting local authority boundaries where these do not align to the functional economic area. In this regard the Ipswich Fringe and the A14 are key strategic locations for future employment land development that benefit Ipswich, Babergh and Suffolk Coastal authorities. Consideration should also be given to Mid Suffolk District’s potential to deliver employment sites to fit with the wider need of the Suffolk Haven Gateway in this context. Once again those sites along the A14 corridor are particularly important. This means that the sub-region needs to take a contextual view of available employment supply to ensure that it fits with market expectations and demands.

Our key recommendation is:

HG1: ENSURE JOINT WORKING WITH NEIGHBOURING LOCAL AUTHORITIES AND THE HAVEN GATEWAY PARTNERSHIP

A SUITABLE TRANSPORT NETWORK

Our analysis shows the key role that the A14 road plays for the economic vitality and health of the sub-region and beyond. To a lesser extent the A12 is an important arterial road linking the sub-region to Lowestoft and Great Yarmouth in the north. Our business survey also showed the importance to businesses of being located on the A14 Corridor and within the Ipswich Fringe.

The deliverability of a number of strategic sites such as Ransomes Europark and Cranes also require consideration of strategic transport access to bring them forward as viable employment sites.

HG 2 ENSURE JOINT WORKING WITH THE HIGHWAYS AGENCY AND SUFFOLK COUNTY COUNCIL

DELIVERING STRATEGIC EMPLOYMENT SITES

Our analysis shows that there are a number of strategic employment sites which have deliverability and phasing issues in the Suffolk Haven Gateway. In particular, the former British Sugar site while meeting many of the strategic employment sites criteria has significant constraints to overcome if it is to deliver 100% B-class employment use in future.

It is also possible that the Cranes site will incur substantial clearance and remediation costs if it is to become a viable employment location in the future and these may impact on overall supply of employment land. We therefore recommend that the Haven Gateway Partnership:

HG3: MAKE THE NECESSARY INVESTMENTS TO FACILITATE STRATEGIC EMPLOYMENT SITES

IDENTIFY LAND AND PROPERTY

The key message from the business survey concerning land and property availability is that sites along the A14 and the Ipswich Fringe are the most desirable for the current occupiers. This is

perhaps unsurprising given the identified economic drivers as well as anecdotal evidence gleaned from our commercial property market review.

Sufficient sites along these key axes can facilitate growth throughout the sub-region and we therefore recommend the following levels of supply:

HG 4 DELIVER SUITABLE SITES WITHIN THE IPSWICH FRINGE

Area	Supply	Office Demand %	Office Demand (Ha)	Industrial Demand %	Industrial Demand (Ha)
Ipswich Central	7.4 Ha	55%	18.7 Ha	5%	4.9 Ha
Ipswich Fringe	167.2 Ha	25%	8.5 Ha	60%	58.8 Ha
Rest of Suffolk Haven Gateway	36.4 Ha	20%	6.8 Ha	35%	34.3 Ha
Total	211 Ha	100%	34 Ha	100%	98 Ha

HG5 SET ROBUST STRATEGIC SITES CRITERIA

HG6: PROTECT RURAL SITES AND AIRFIELDS

CREATE THE RIGHT INVESTMENT ENVIRONMENT

Our business survey has demonstrated the need to provide the appropriate mix of sites in the sub-region. It also shows that there are high levels of contentment with current sites. Therefore it is important to remain connected with local businesses to create the right investment environment. We therefore recommend:

HG7: ESTABLISH AND IMPLEMENT PRIORITIES FOR BUSINESS RETENTION AND INWARD INVESTMENT

HG8: ADOPT A WHOLE ECONOMY APPROACH TO FUTURE ECONOMIC DEVELOPMENT

SUFFOLK COASTAL

Overall employment land requirements for Suffolk Coastal are shown below. In common with the wider sub-region the District has a quantitative oversupply of employment land compared to demand.

Base Case	Demand	Demand	Supply	Land Surplus /Deficit
	Floorspace (m ²)	Land (Ha)	Land (Ha)	Ha
Office	52,479	5.2	15	9.8
Industrial	55,234	13.8	32	18.2
Total	107,713	19.1	47	27.9
Severe Recession				
Office	50,893	5.1	15	9.9
Industrial	53,980	13.5	32	18.5
Total	104,873	18.6	47	28.4
Faster Recovery				
Office	52,746	5.3	15	9.7
Industrial	55,445	13.9	32	18.1
Total	108,191	19.1	47	27.9
Scenario A				
Office	140,035	14	15	1.0
Industrial	116,189	29	32	3.0
Total	256,224	43	47	3.9
Scenario B				
Office	84,566	8	15	6.5
Industrial	77,513	19	32	12.6
Total	162,079	28	47	19.2
Scenario C				
Office	53,035	5.3	15.0	9.7
Industrial	55,244	13.8	32.0	18.2
Total	108,279	19.1	47.0	27.9

Source: GVA Grimley / Oxford Economics, NB: Figures may not total due to rounding

CONCLUSIONS

Suffolk Coastal has a varied economic landscape with strong commercial activity in its southern and central areas and comparatively small amounts of activity in its northern areas.

The District is forecast to contribute the highest share of employment growth in Suffolk Haven Gateway between 2006 and 2026 which makes its success a vital contributor to the achievement of the sub-region's overall economic objectives. The principal economic driver within the District is the Port of Felixstowe which has a much wider regional and sub-regional economic influence. Developments linked to high tech employment at Adastral Park in Martlesham and in the energy sector related to expansion at Sizewell are other key drivers of the economy. As well as nurturing and expanding these vital existing sectors, protecting the character and importance of rural employment is also key for Suffolk Coastal's future prosperity.

In order to address the projected shortfall in the District compared to the RSS jobs target we have demonstrated that high or steady growth from the Port of Felixstowe would go some way to addressing the shortfall within the District and the sub-region with an additional 3,955 employees achievable from high growth (Scenario A) and an additional 1,894 employees achievable from steady growth (Scenario B).

The District's future development is supported in policy terms through the RSS which supports expansion at the Port of Felixstowe and Adastral Park by setting a policy of encouraging ICT expansion throughout the sub-region. This is reinforced through the Core Strategy Preferred Options which cites the Ipswich Policy Area, Felixstowe and Adastral Park as the major drivers of the economy throughout the planning period. The Core Strategy also aims to protect the diversity of rural employment.

From a commercial property perspective the District is viewed primarily as an industrial location although office floorspace has grown over the last ten years in line with wider economic trends.

Given the presence of the Port of Felixstowe the industrial market is strong in the District. The office market, while growing, is showing signs of oversupply most likely due to the lack of good quality stock available to the market. The large number of deals for small offices also shows the high numbers of small businesses in the District.

RECOMMENDATIONS

The recommendations for Suffolk Coastal District should be read alongside those made for the wider Suffolk Haven Gateway sub-region. Where appropriate these strategic recommendations should be taken forward at the local level by the Council.

A SUB-REGIONAL APPROACH

Our quantitative analysis shows that Suffolk Coastal has sufficient land to meet demand levels throughout the planning period. However, one of the major allocations is Ransomes Europark which extends into Ipswich Borough. There are also plans for expansion at Adastral Park which is also considered by the market to constitute an Ipswich Fringe location. With our business survey indicating a desire for high quality employment sites in the Ipswich Fringe from current occupiers this is clearly an important site for the future prosperity of Suffolk Coastal District and the sub-region as a whole.

The Port of Felixstowe also has a strong impact beyond the District boundaries and there is a need to consider land requirements for it from a sub-regional viewpoint.

This means that Suffolk Coastal District has to consider sub-regional employment land drivers and requirements when planning for employment land utilisation between 2006 and 2026.

Our analysis suggests that the commercial market forces do not operate within the restrictions of administrative boundary areas. Indeed, they have functional areas that promote the need for a sub-regional approach to employment land and development.

Our key recommendation is:

SC1: ENSURE JOINT WORKING WITH NEIGHBOURING LOCAL AUTHORITIES AND THE HAVEN GATEWAY PARTNERSHIP

RECOGNISING LOCATIONAL ADVANTAGE

The A14 is the major arterial road which connects the Port of Felixstowe to the sub-region and beyond. It is a key facilitator of growth and this is clearly recognised by market demand to locate in proximity to it. This gives Suffolk Coastal a strong platform for growth throughout the planning period, particularly given the planned expansion at the Port of Felixstowe.

Our business survey shows that in Suffolk Coastal in particular, respondents are happy with their current location. Furthermore, respondents indicate that this is a preferred location particularly because it is strategic to their business needs. Recognising and nurturing this advantage is key to Suffolk Coastal's economic success. We therefore recommend:

SC2: MAINTAIN DIALOGUE WITH BUSINESS OCCUPIERS TO ENSURE SITES CONTINUE TO SERVE THEIR ECONOMIC AND EMPLOYMENT NEEDS

SC3: MAXIMISE OPPORTUNITIES FROM DEVELOPMENT AT SIZEWELL

PLANNING POLICY

Suffolk Coastal's current planning policy approach is to protect the existing employment land allocations within the District. This is important to maintain the character and diversity of the economic 'landscape'.

It is also important given the sub-regional importance of many of Suffolk Coastal's employment sites and the need for a choice of sites in the future linked to growth from the major economic drivers within the District. To ensure that planning policy is in line with future requirements our recommendation is:

SC4: MAINTAIN EXISTING EMPLOYMENT SITES IN SUFFOLK COASTAL

STRATEGIC EMPLOYMENT SITES

ADASTRAL PARK, MARTLESHAM

Adastral Park is considered to have strong alignment with the strategic site criteria identified, linked specifically with the sector potential of post and telecommunications including R&D functions.

There are environmental factors and associated mitigation measures that will reduce the 'real' developable area at the site, and introduce more pressure for land including from residential uses. It is noted that the Council's preferred option for housing development includes a concentration of residential activity at Adastral Park over the plan period.

The scale of opportunity at Adastral Park emphasises its strategic importance. However, sector specific aspirations for the site are such that significant costs could be associated with bringing elements of the development forward if it is to achieve its full strategic role in the future.

The site has strong strategic importance (including good access and amenity provision) which would benefit from high quality employment functions. A complementary mix of uses should be sought on the site.

Development of the site in the short term is considered unlikely as a result of the current economic climate and the need for significant planning processes relating to the appropriate mix and quantum of development on the site. We therefore recommend:

SC5 CONTINUE TO RECOGNISE AND SUPPORT THE STRATEGIC EMPLOYMENT SIGNIFICANCE AND USES AT ADASTRAL PARK

RENDHAM ROAD SAXMUNDHAM

While there are no specific development constraints affecting the Rendham Road site in Saxmundham, there has been very limited market interest for employment uses on it to date, despite ongoing marketing efforts by the current site owners. Our viability assessment found that a proposal for a substantial business use development in this location would be unlikely to be of interest to the market due to the poor location of the site. In addition, the need for expensive initial highways improvements, for a substantial business use development, would provide an additional impediment to development.

The site's strategic access and proximity to a high skilled population and clusters of financial and business services employees indicate its potential as a sustainable employment location in the future. However, in this context it is viewed as a locally significantly employment location with the expectation that a major occupier would be required to act as the catalyst to develop the site, or that employment uses form part of a more mixed use scheme in order to aid deliverability and overcome the lack of market interest in the site for purely employment uses.

In the event that Sizewell C reactor programme is progressed there could be an opportunity to cluster nuclear-related activities in Saxmundham, with this site located off the A12 attractive in this context, albeit with connectivity constraints for any heavy or large goods vehicles in the Saxmundham town centre area. In the event that such links could be forged this site could be considered to be more significant than for local economic functions. The future use of Rendham Road allied to the development of Sizewell is dependent upon British Energy putting forward a clear and committed requirement for the site.

SC6: SUPPORT A MIXED USE APPROACH TO BRING RENDHAM ROAD FORWARD FOR DEVELOPMENT

RANSOMES EUROPARK, IPSWICH

Ransomes Europark is considered to be a high quality and market desirable employment location. The Europark is located within Ipswich Borough, with future capacity for development (on available land rather than through infill opportunity) considered to be relatively low, excluding the eastern portion of the site, much of which is located within Suffolk Coastal District. Both market and viability analyses support the expansion of the Europark onto this greenfield land, although the site must be viewed alongside the development of the wider Nacton Road area and specifically the Cranes site.

SC 7 SUPPORT THE CONTINUED USE AND DEVELOPMENT OF RANSOMES EUROPARK AS A STRATEGIC EMPLOYMENT SITE

SITE LEVEL

SUFFOLK COASTAL NORTH

The area referred to as “Suffolk Coastal North” contains the employment sites located in and around the three settlements of Saxmundham, Framlingham, and Leiston. A total of nine sites are located within this market, including sites classified as industrial, office, distribution, and one ‘other’. There is one strategic site within this market area, at Rendham Road in Saxmundham.

Overall sites should be maintained in this cluster in line with *Recommendation SC4*.

SUFFOLK COASTAL CENTRAL

The area referred to as “Suffolk Coastal Central” contains the employment sites concentrated along the central section of the A12 corridor. It contains distribution and industrial sites, perhaps unexpectedly given the strength of the road connections by virtue of proximity to the A12 as a key route from the north of Ipswich. Six sites are included within this market area.

Overall the sites should be maintained in this cluster in line with *Recommendation SC4*.

SUFFOLK COASTAL WOODBRIDGE

The area referred to as “Suffolk Coastal Woodbridge” contains a total of nine employment sites clustered around the Woodbridge settlement and along the A12 at Martlesham. The sites in this area include seven industrial and two office sites as well as the Adastral Park Strategic Site.

Overall the sites should be maintained in this cluster in line with *Recommendation SC4* .

SUFFOLK COASTAL SOUTH

“Suffolk Coastal South” covers a total of eleven allocated employment sites, the most of all of the market areas. This includes five industrial, five distribution, and one office site. The bulk of sites in this market area are focused to the south of Felixstowe, although two are located to the eastern periphery of Ipswich. The Ransomes Europark strategic site is located within this market area.

Overall sites should be maintained in this cluster in line with *Recommendation SC4*.

IPSWICH BOROUGH

When employment land supply is compared with projected demand throughout the planning period it is shown that there is a net requirement for additional land in the Borough. This is shown below:

Base Case	Demand	Demand	Supply	Land Surplus /Deficit
	Floorspace (m ²)	Land (Ha)	Land (Ha)	Ha
Office	255,802	26	19	-7
Industrial	213,530	53	43	-10
Total	469,332	79.0	63	-16
Severe Recession				
Office	251,182	25	19	-6
Industrial	209,960	52	43	-9
Total	461,142	77.6	63	-14.6
Faster Recovery				
Office	256,378	26	19	-7
Industrial	213,975	53	43	-10
Total	470,352	79.1	63	-16.1
Scenario A				
Office	310,984	32	19	-13
Industrial	324,182	81	43	-38
Total	635,166	112	63	-49
Scenario B				
Office	276,025	28	19	-9
Industrial	253,973	63	43	-20
Total	529,997	91	63	-28
Scenario C				
Office	255,802	27	19	-8
Industrial	224,115	53.0	43	-10
Total	479,917	80.1	63	-17.1

Source: GVA Grimley / Oxford Economics

CONCLUSIONS

Ipswich is the major economic centre of Suffolk Haven Gateway. It has the highest critical mass of employees and the largest population (with significant new housing growth planned) but its forecasts for employment growth are the lowest in the sub-region. This indicates a lessening future influence and the need for the Borough to “raise its game” to meet the challenges presented to it throughout the planning period.

Although economic models point to lower employment growth in Ipswich it is clear through this study that it will remain key to Suffolk Haven Gateway meeting its aspirations, both in quantity and quality of future employment. The scale of regeneration currently being promoted within the Borough, particularly in Central Ipswich, means that its position as a driver of growth both in the sub-region and the East of England will remain.

In order to address the projected shortfall in the Borough compared to the RSS target we have demonstrated that high or steady growth from the Port of Felixstowe would go some way to addressing the shortfall within the District and the sub-region with an additional 3,937 employees achievable from high growth as shown in Table 94 and an additional 1,441 employees achievable from steady growth as shown in Table 95.

This aspiration is supported by policy objectives at a regional level with the East of England Plan citing Ipswich as a “Key Centre For Development and Change.” The Plan also defines the Ipswich Policy Area as a Priority Regeneration Area.

At a local level, Ipswich’s Local Development Framework supports the regional aspirations with specific policies aimed at meeting a jobs target of at least 18,000 jobs. The Council’s Core Strategy now says that it will promote sustainable economic growth in the IPA. It will encourage the provision of at least 18,000 new jobs between 2001 and 2025.

To do this Ipswich aims to concentrate development on Previously Developed Land. Its Core Strategy also sets out that land within the centre of Ipswich should be prioritised and that a strategic employment site is identified to serve identified needs in line with the RSS recommendations.

The commercial market view of Ipswich is of a strong office and industrial location with an increasing office presence over recent years. Property market activity however indicates a more robust market for industrial sites, maintaining demand compared to the office market which is currently experiencing high vacancy rates, particularly in the centre.

Our discussions with internal and local property agents indicate a requirement for high quality office stock within the centre of Ipswich, a fact that is demonstrated through our survey of local businesses. Furthermore, our survey of businesses shows that there is a preference for good quality sites on the Ipswich Fringe to satisfy demand.

Previous employment land studies have indicated that employment land supply is sufficient in quantitative terms but not in qualitative terms. Our business survey demonstrates that Ipswich has the highest percentage of businesses that view their premises as “unsuitable.” This clearly presents an issue for the right quality and quantity of stock within the Borough.

In common with the Haven Gateway Suffolk, the major drivers of the economy for Ipswich are the Port of Felixstowe, Adastral Park and the Ipswich Policy Area providing new housing development. These factors are likely to be the major determinants of Ipswich and the Suffolk Haven Gateway achieving the job targets by 2021.

RECOMMENDATIONS

The recommendations for Ipswich Borough should be read alongside those made for the wider Suffolk Haven Gateway sub-region. Where appropriate these strategic recommendations should be taken forward at the local level by the Council.

A SUB-REGIONAL APPROACH

Our quantitative analysis indicated that Ipswich does not have sufficient land within the Borough boundaries to meet projected demand throughout the planning period, with particular issues in areas noted to be aligned with key market and occupier drivers. Our business survey illustrates a desire for high quality employment sites in the Ipswich Fringe from current occupiers. As well as this, the Borough shares a number of key employment drivers with neighbouring local authorities within the Suffolk Haven Gateway, including for example Felixstowe Port and the A12/A14 corridors.

As a result it is concluded that Ipswich Borough needs to draw on the sub-regional supply of employment sites in the Ipswich Fringe Area to meet a proportion of its demand between 2006 and 2026. Analysis of availability within key market areas emphasises the importance of retention of land for employment development within this area, and the delivery and maximisation of employment development within key strategic sites, whilst ensuring deliverable schemes.

Our analysis suggests that the commercial market forces do not operate within the restrictions of administrative boundary areas. Indeed, they have functional areas that promote the need for a sub-regional approach to employment land and development. This should be recognised through policy development and joint working arrangements to deliver wider economic aspirations for the Haven Gateway.

Our key recommendation is:

IP1: ENSURE JOINT WORKING WITH NEIGHBOURING LOCAL AUTHORITIES AND THE HAVEN GATEWAY PARTNERSHIP

PLANNING POLICY

Ipswich's current planning policy approach is to concentrate development on Previously Developed Land (PDL). Given the high levels of PDL within the Borough, the importance of reusing PDL in national and regional policy focus and the opportunities that this provides for future employment development, this is an appropriate policy to promote.

There is also an identified need for additional employment land for Ipswich Borough which requires that the current sites are protected. There has however been a strong trend of employment allocations being lost to other uses in recent years in the Borough.

To ensure that planning policy is in line with future requirements our recommendations are:-

IP2: MAINTAIN DIALOGUE WITH BUSINESS OCCUPIERS TO ENSURE SITES CONTINUE TO SERVE THEIR ECONOMIC AND EMPLOYMENT NEEDS

IP3: MAINTAIN CURRENT PLANNING POLICY OF CONCENTRATING DEVELOPMENT ON PDL

IP4: MAINTAIN EXISTING EMPLOYMENT SITES IN IPSWICH

EMPLOYMENT CORRIDORS

Given the future market demand for high quality employment sites on the Ipswich Fringe and the key facilitator role of the A14 for future growth in the sub-region there is a strong rationale for maximising employment opportunity to meet future demand.

The Borough has key established employment locations particularly in the South East at Nacton Road and in the North West with the Hadleigh Road Industrial Estate. The South East is a recognised business location within the Borough having experienced significant investment and development over the last ten years.

There are significant growth aspirations in this area, including residential development ongoing to the south-western side of Nacton Road, and recent retail development in the area.

The employment provision within the area includes new development of a relatively high specification within Ransomes Europark, with available (and largely unconstrained) development

land remaining, alongside older stock which is becoming increasingly obsolete including the Cranes strategic site.

Commercial perceptions of this market area consider Nacton Road to be a significant and strategic employment corridor, focused primarily on the north-eastern side of the road taking in both the strategic sites and adjacent allocations. Employment opportunity in this area includes within traditional B1, B2, and B8 uses alongside 'whole economy' uses where appropriate.

The most significant development constraints perceived within the corridor are noted to be existing on site structures, and road capacity on Nacton Road itself, both noted by agents within consultation undertaken.

Our key recommendations are therefore:

IP5: DEVELOP A STRATEGIC EMPLOYMENT CORRIDOR AT NACTON ROAD

IP6: DEVELOP A MASTERPLAN FOR THE PROPOSED EMPLOYMENT CORRIDOR AT NACTON ROAD

IP7: CONSIDER THE POTENTIAL FOR ADDITIONAL SITES WITHIN THE IPSWICH FRINGE

See HG 4

STRATEGIC SITES

CRANES

See IP 5

RANSOMES

See IP 5

IPSWICH WATERFRONT

The Ipswich Waterfront, contained within the Mid Ipswich employment cluster area is considered to be a strategic employment location as noted by commercial agents on the basis of it including key town centre and waterfront sites with significant development potential remaining.

The area scores highly in strategic terms with strong access and connectivity (including specifically the rail station), quality public realm within the retail core of the centre, and also provides sufficient amenity provision to support employment activity.

The rental values achievable within the town centre at the current time are perceived to be of an insufficient level to result in speculative development for pure employment purposes.

IP8 CONSIDER THE IPSWICH WATERFRONT AS A STRATEGIC EMPLOYMENT SITE AND PROMOTE EMPLOYMENT DEVELOPMENT AS PART OF A MIXED USE APPROACH

SITE LEVEL

IPSWICH NORTH

The Ipswich North market is noted to have a limited coherence as a commercial or occupier area, with the small number of sites on the periphery of the Ipswich area. There is only limited land available in this market area and its availability is constrained by the need to provide infrastructure and its rural greenfield nature.

IPSWICH NORTH WEST

The Ipswich North West market area includes the Hadleigh Road Industrial Estate including a predominance of B1 (light industry) and B8 activity and the Whitehouse employment area. These are recognised employment locations including a mixture of low grade industrial units, with some office units noted across the area although it is not recognised to be a prime office location on the basis of current market or occupier activity.

Of the vacant land in this area the majority is considered to be short term available, with recent developments noted to have seen relatively good take up (and therefore occupation levels).

This area benefits from good road connectivity specifically including links into Ipswich town centre but also more strategically by virtue of its proximity to the A14.

Overall sites should be maintained in this cluster in line with Recommendation IP4.

MID IPSWICH

The potential of Mid Ipswich, particularly the waterfront area, as a strategic employment location is considered in *Recommendation IP7* and the overall recommendation is to maintain employment sites but predominantly as part of a mix of uses given its central location. However there are sites which are now predominantly residential which do not align with the current employment allocation. Our additional recommendation is therefore:

IP 9: CONSIDER DEALLOCATION OF SITES ELR 31 AND ELR 48

IPSWICH SOUTH

Site availability within the Ipswich South market area is clustered about the Raeburn Road South / Sandyhill Lane area just to the north of the Orwell Bridge (although not benefiting from good connectivity to the A14) (NB: this site is the Former British Energy site, and is part of a site that lies on a former landfill site which may still have contamination issues).

This is an established employment location, including some heavy industrial and storage uses. The existing commercial buildings within the area are relatively well occupied although there are significant areas of development land remaining including that currently used for storage. There is a former landfill site within the area identified as employment allocation that may be significantly constrained by contamination.

Whilst this is an established employment location there are issues with adjacent land uses, including predominantly residential to the north, which may restrict market attractiveness, and will impact upon the nature of occupiers that should be promoted in the area – with current occupation a legacy rather than a strategy-led approach to employment in the area. The sites are most suitable for industrial development on the basis of existing activity at the site, but should be sensitively developed in the context of adjacent land uses.

In line with *Recommendation IP4* employment sites in this cluster should be maintained.

IPSWICH SOUTH EAST

In line with *Recommendation IP5* and *Recommendation IP6* this cluster should come forward as an employment corridor and sites maintained in their current allocation.

Taking the preceding areas together, we provide an additional recommendation to support the future consideration of sites, not currently allocated, as to whether they are suited to help meet

future need in the Ipswich Fringe area. The sub-regional mechanism recommended in HG1 will be the basis on which to deliver this recommendation.

IP10 CONSIDER WHETHER ELR SITES 40, 46 AND 53 ARE BEST SUITED TO MEET THE IDENTIFIED NEEDS FOR ADDITIONAL SITES IN THE IPSWICH FRINGE

BABERGH DISTRICT

Overall employment land requirements for Suffolk Coastal are shown below. In common with the wider sub-region the District has a quantitative oversupply of employment land compared to demand.

Base Case	Demand	Demand	Supply	Land Surplus /Deficit
	Floorspace (m ²)	Land (Ha)	Land (Ha)	Ha
Office	33,040	3	40.3	37.3
Industrial	123,231	31	60.6	29.6
Total	156,271	34.1	100.9	66.8
Severe Recession				
Office	31,621	3	40.3	37.3
Industrial	117,519	29	60.6	31.6
Total	149,140	32.5	100.9	68.4
Faster Recovery				
Office	33,262	3	40.3	37.3
Industrial	124,124	31	60.6	29.6
Total	157,386	34.4	100.9	66.5
Scenario A				
Office	37,823	4	40.3	36.3
Industrial	156,454	39	60.6	21.6
Total	350,548	43	100.9	57.9
Scenario B				
Office	34,793	3	40.3	37.3
Industrial	135,374	34	60.6	26.6
Total	326,437	37	100.9	63.9
Scenario C				
Office	38,277	4	40.3	36.3
Industrial	123,325	30.8	60.6	29.8
Total	161,602	34.7	100.9	66.2

Source: GVA Grimley / Oxford Economics

CONCLUSIONS

Babergh's economy has a strong representation from industrial activities and uses with a clear alignment to the Ipswich Fringe on the eastern side of the District and with a stronger office market on the western edge in Sudbury.

The District is forecast to contribute around 24% of the total employment growth in the Suffolk Haven Gateway sub-region up to 2021, indicating its strong role and contribution towards employment targets and economic activity in the region.

Sector analysis and an appraisal of the commercial market indicate the key driver within the District is the effect of the Ipswich Policy Area and the Port of Felixstowe.

The importance of the links to Ipswich is recognised through the District Local Plan which recognises the importance of the South West fringe of Ipswich on the future economic and employment development of the District as a whole.

In commercial property market terms there is a strong market for smaller industrial units. Our business survey also shows that the vast majority of respondents are happy with their current location in Babergh confirming the appropriateness of the market for incumbent businesses. However, Babergh is also the least attractive location for businesses wishing to move which perhaps indicates its lack of inward investment appeal and more rural nature.

Babergh District is forecast to exceed its notional jobs target between 2001 and 2021 as set by the RSS. This clearly demonstrates its strong potential throughout to deliver strong jobs growth as part of the aspirations of the RSS for the sub-region. However, even though it is shown to exceed current job targets the District still has a key role to play in contributing towards the wider sub-regional target of 30,000 between 2001 and 2021.

In quantitative terms, employment land supply exceeds demand within the District and this means that there is potentially enough land available to service future demand. However, particularly given the constraints around a number of the strategic employment sites, it is difficult to measure how much of this is actually available now.

RECOMMENDATIONS

A SUB-REGIONAL APPROACH

Our quantitative analysis shows that Babergh has sufficient land to meet demand levels throughout the planning period. There are however sites, such as Wherstead and the British Sugar site which border Ipswich and have the potential to accommodate the excess demand created from Ipswich Borough.

The importance of the South West Fringe of Ipswich is also noted through Babergh's Local Plan. With our business survey indicating a desire for high quality employment sites in the Ipswich Fringe

from current occupiers this is clearly an important location for the future prosperity of Babergh District and the sub-region as a whole.

This means that Babergh District has to consider the sub-regional requirements when planning for employment land utilisation between 2006 and 2026.

Our analysis suggests that the commercial market forces do not operate within the restrictions of administrative boundary areas. Indeed, they have functional areas that promote the need for a sub-regional approach to employment land and development.

Our key recommendation is:

BA1: ENSURE JOINT WORKING WITH NEIGHBOURING LOCAL AUTHORITIES AND THE HAVEN GATEWAY PARTNERSHIP

THE IPSWICH FRINGE

It is clear from our analysis that the Ipswich Fringe is vital for both Babergh District and the Suffolk Haven Gateway's future development. This is recognised via policy at both a regional and local level and is also recognised through our survey of local businesses.

Our analysis shows that Babergh has two employment sites that can be considered "strategic" which have available land that can help to satisfy demand in the Ipswich Fringe. These are:

- The Former British Sugar Site;
- Wherstead Office Park;

There are of course issues of deliverability with the former British Sugar site but this variety of sites is key for both Babergh and the sub-region meeting its employment targets.

BA2: CONTINUE SUPPORT FOR STRATEGIC EMPLOYMENT DEVELOPMENT IN THE IPSWICH FRINGE AT FORMER BRITISH SUGAR SITE AND WHERSTEAD. CONSIDER ADDITIONAL SITES IN ACCORDANCE WITH CRITERIA IN RECOMMENDATION HG4

BA3: ENCOURAGE EMPLOYMENT DEVELOPMENT AT THE FORMER BRITISH SUGAR SITE

PLANNING POLICY

Babergh District's current planning policy approach is to protect the existing employment land allocations within the District. This is important to maintain the character and diversity of the economic landscape.

It is also important given the sub-regional importance of the Ipswich Fringe employment sites and the need for a choice of sites in the future linked to growth from the major economic drivers within the sub-region.

To ensure that planning policy is in line with future requirements our recommendation is:

BA4: MAINTAIN THE EXISTING EMPLOYMENT SITES IN BABERGH

BA5: MAINTAIN DIALOGUE WITH BUSINESS OCCUPIERS TO ENSURE SITES CONTINUE TO SERVE THEIR ECONOMIC AND EMPLOYMENT NEEDS

STRATEGIC EMPLOYMENT SITES

THE FORMER BRITISH SUGAR SITE

See Recommendation BA2 and BA3

WHERSTEAD OFFICE PARK

See Recommendation BA2

BRANTHAM INDUSTRIAL PARK

BA6: PROVIDE FOR EMPLOYMENT USES ON BRANTHAM INDUSTRIAL SITE

SITE LEVEL

BABERGH EAST

The area referred to as “Babergh East” contains the employment sites located on the south-western periphery of Ipswich clustered along the A14 corridor in addition to a small number of more peripheral sites located at Brantham (strategic site) and Capel Saint Mary settlements. A total of 12 of the 32 sites across Babergh are located within the Babergh East market area including 10 industrial and 2 office sites. This market area accommodates over half of the total employment land identified across the district.

This market area includes all three strategic sites: Former British Sugar Site at Sproughton,, Whersted (former E-On HQ), and Brantham Industrial Park.

Overall sites should be maintained in this cluster in line with *Recommendation BA4*.

MID BABERGH

The area referred to as “Mid Babergh” covers the settlement of Hadleigh in the centre of the District, and some more outlying settlements to the north and south. Similarly to Babergh West, there is little coherence to the geographical distribution of sites within this area. A total of 7 sites are captured within the market area, including 4 industrial sites, 1 distribution site, and 2 office sites. Just 17% of the total employment land supply within the District is captured within this market area.

Overall, these sites should be maintained in this cluster in line with *Recommendation BA4*.

BABERGH WEST

“Babergh West” covers a total of 12 employment sites, the most of the three market areas. This includes 10 industrial and 2 office sites. There is very little clustering of these sites, or coherence to their pattern of location. The largest settlements within this market area are Sudbury and Long Melford. This market area accommodates just over a quarter of the total employment land supply across the District.

Overall, these sites should be maintained in this cluster in line with *Recommendation BA4*. In addition further recommendations for the area are:

BA7: CONSIDER DEALLOCATING SITE NUMBER 17 – BURES ROAD

1. INTRODUCTION

BACKGROUND

- 1.1 The three local authorities of Babergh, Suffolk Coastal and Ipswich together comprise the Suffolk Haven Gateway area identified in the East of England Regional Spatial Strategy (RSS). Policy E1 of the RSS guides on the overall job targets for the period to 2021, establishing some ambitious expectations both in terms of quantum, but also when read in conjunction with the Regional Economic Strategy, the mix and choice of employment opportunity.
- 1.2 The role and function of the Suffolk Haven Gateway area within the overall regional economy is an important issue. For the East of England to have a successful and growing economy there must be a good choice, quality and mix of employment opportunities (and therefore employment land) if the National Sustainable Communities growth agenda is to be delivered. Suffolk Haven Gateway can make a substantial contribution to this, with an economic offer that is reflective of regional growth ambitions, but accounts for the traditional economic role and function and local distinctiveness of the three local authorities.
- 1.3 With this in mind the Haven Gateway Partnership commissioned GVA Grimley to undertake the Employment Land Review and Strategic Sites Study for Suffolk Haven Gateway. This will be used as supporting evidence for the emerging Core Strategy of the Local Development Framework (LDF) in each local authority area.

THE BRIEF

- 1.4 This commission adds to various work carried out previously by each of the three local authorities. In 2005, the Haven Gateway partnership commissioned an Employment Land Review (ELR) from DTZ and in 2008 the Haven Gateway published its Integrated Development Programme (IDP). There is now a requirement to improve and update these reports to produce an employment study, in line with EEDA's Employment Land Review Guidance Manual (March 2008), which provides:
 - A market review and appraisal of existing employment sites and those committed in the Suffolk Haven Gateway area;
 - An assessment of the market balance of employment land supply and demand for each local authority until 2026

- To advise on broad policy options for employment land in the area; and
- To identify new policies for existing employment areas, committed employment sites and new sites to be allocated in future.
- To review and advise whether the sub-regional job target of 30,000 will be achieved and its implications at a local authority level

METHODOLOGY

- 1.5 The Employment Land Review focuses, in accordance with the EEDA guidance, on 'B-use-class' employment land, i.e. B1, B2 and B8. Throughout the report we have assumed the following definitions: Office (B1a and B1b), Other Business Space (B1c and B2), and Warehouses (B8). Other Business Space and Warehousing are combined to give employment land requirements for industrial (B1c/B2/B8) uses.
- 1.6 In addition we have undertaken specific analysis of the deliverability of seven strategic sites in Haven Gateway Suffolk identified, including appreciation of site constraints, likely delivery timeframe, and sectoral opportunity.
- 1.7 The methods applied included desk based research, consultation with our in-house and local commercial property agents, consultation with key stakeholders, a survey of 106 local businesses, and a field survey to assess the key employment sites.
- 1.8 The supply analysis covers all allocated employment sites across the Suffolk Haven Gateway area. The assessment approach adopted follows the relevant national and regional guidance¹.
- 1.9 Within the field survey sites were assessed against agreed criteria to determine their 'fitness for purpose'. The factors assessed included:
- Sustainability (including public transport accessibility and adjacent uses);
 - Local Access (including strategic road access and internal environment);
 - Market Factors (including local access and commercial viability).
- 1.10 The main research for this study was undertaken in mid-2009. The property market assessment therefore is set in the uncertain market conditions prevailing during this time.
- 1.11 The current property market downturn has a noticeable effect on the short term demand for employment land, with a reduction in investment and therefore demand for employment

¹ Office of the Deputy Prime Minister (Dec 2004) *Employment Land Reviews: Guidance Note*

land. However, within the timeframe of this study up to 2026, we expect the overall demand for employment land to stay relatively constant. There might be a shift in demand in the short term but with overall demand not being reduced significantly.

STRUCTURE OF THE REPORT

1.12 Following this introduction, the remainder of this Report is set out as an overview of the Haven Gateway sub-region and then detailed analysis for Suffolk Coastal District, Ipswich Borough and Babergh Districts which addressing the following key factors:

- Policy context;
- Commercial property market conditions;
- A detailed review of existing employment sites including strategic sites;
- Future employment land demand;
- Balance of employment land supply and future demand;
- Strategic and site level recommendations.

2. SUFFOLK HAVEN GATEWAY

INTRODUCTION

- 2.1 Suffolk Haven Gateway contains the districts of Suffolk Coastal and Babergh as well as Ipswich Borough. It is important to deal with the sub-region in the first instance and analyse the key drivers that set growth for the area as a whole.
- 2.2 This then sets the context for each local authority area and allows conclusions and recommendations to be drawn that accord with the wider agenda for the Haven Gateway and the East of England Region.
- 2.3 This Chapter focuses on a review of the relevant national and regional policy and a review of progress against the job targets set out in the Regional Spatial Strategy, to assess the key challenges the sub-region faces.

NATIONAL POLICY CONTEXT

PLANNING POLICY STATEMENT 1

- 2.4 The overriding principles of delivering sustainable communities are outlined in 'Planning Policy Statement number 1 – Delivering Sustainable Development' (PPS1). In terms of employment land provision, PPS1 states that planning should facilitate and promote patterns of development by making suitable land available for development in line with economic, social and environmental objectives to improve quality of life, by contributing to economic growth and by ensuring that development supports existing communities and contributes to the creation of safe, sustainable and liveable communities with good access to jobs and key services. PPS1 also requires planning policies to promote urban regeneration, regional, sub-regional and local economies, to bring forward sufficient land of suitable quality in the right locations. The PPS also requires the protection and conservation of natural resources, the promotion of the most efficient use of land and the reduction of the need to travel.

DRAFT PLANNING POLICY STATEMENT 4

- 2.5 The Government published a Draft Planning Policy Statement 4 - Planning for Sustainable Development – (PPS4) in December 2007 for consultation. The document stressed the

- need for LPA's to research a wide evidence base to understand both existing business needs and likely changes to prepare policies to support sustainable economic development in the area.
- 2.6 Specific recommended actions linked to this aspiration included the need for a thorough assessment of existing land available for economic development through an employment land review. It additionally stated that where possible / appropriate local authorities should carry out joint employment land reviews.
- 2.7 The document stated that local planning authorities should plan for and facilitate a supply of land which will be able to cater for the differing needs of businesses and expected employment needs, but which is also flexible enough to be responsive to a changing economy. Draft PPS4 (December 2007) articulated this changing economy to be a 'whole economy' introducing the need to understand and forward plan for emerging economic development opportunity rather than the previous focus on 'traditional' employment uses.
- 2.8 More recently the Government have published a revised Draft PPS4 – Planning for Prosperous Economies – (May 2009). This document represents a consolidation of various other planning documents including Planning Policy Statement 6 – Planning for Town Centres, Planning Policy Guidance 4 – Industrial and Commercial Development and Small Firms, and Planning Policy Guidance 5 – Simplified Planning Zones.
- 2.9 The over-arching aim of this document is to create planning certainty for businesses and investors. Amongst other foci, this document continues to promote local level planning for employment, including non-traditional economic growth. It emphasises the need for appropriate planning frameworks to facilitate rural economic growth through diversification, and planning more positively for different business sizes and sectors, moving away from the perceived constraints within the Use Class Order for this purpose.

PLANNING POLICY GUIDANCE 4

- 2.10 'Planning Policy Guidance Note 4 – Industrial and Commercial Development and Small Firms' (PPG4) is the principal home of current government guidance on employment land. PPG4 states that development plan policies should provide for choice, flexibility and competition when allocating land for employment purposes. Development plans need to take in to account both the locational demands of business and wider environmental objectives. Policies should aim to ensure that there is sufficient land available which is capable of development, offering a variety of sites to meet differing needs and which is well serviced.

PLANNING POLICY STATEMENT 3

- 2.11 In addition to PPG4/ Draft PPS4 there are a number of other pieces of Government guidance relevant to employment land. PPS3 – Housing states that, with regard to previously developed land, local authorities should consider “whether sites that are currently allocated for industrial or commercial use could be more appropriately reallocated for housing development”. This means, when reviewing employment allocations, local planning authorities should consider reallocating for residential uses where it is demonstrated that the employment site is not needed or is unsuitable for its intended use.

PLANNING POLICY STATEMENT 6

- 2.12 Planning Policy Statement 6 Town Centres seeks to preserve and enhance the viability and vitality of existing towns by encouraging growth and development to be accommodated within centres over out of town locations through more efficient use of land and buildings.
- 2.13 Planning for town centre growth should include an assessment of the potential to develop office based employment over the plan period and should reflect the broad locations identified within regional planning documents and the regional hierarchy of centres. This is critical to the creation and support for non-B use class jobs.
- 2.14 In general PPS6 seeks to encourage the diversification of town centre uses and views the introduction or maintenance of ‘above retail or leisure uses’ office and residential provision as making a positive contribution to the vitality of existing centres.

PLANNING POLICY STATEMENT 7

- 2.15 PPS7 – Sustainable Development in Rural Areas requires that planning authorities support a wide range of economic activity in rural areas. In particular local planning authorities should identify in Local Development Documents (LDDs) suitable sites for future economic development, particularly in those rural areas where there is a need for employment creation and economic regeneration. Local planning authorities should also set out in LDDs their criteria for permitting economic development in different locations, including the future expansion of business premises, to facilitate healthy and diverse economic activity in rural areas.

PLANNING POLICY GUIDANCE 13

- 2.16 PPG13 – Transport promotes accessibility to jobs and services by public transport, walking and cycling. It states that local authorities should review development plan allocations and should allocate or re-allocate sites which are or will be highly accessible by public transport (for travel intensive uses).
- 2.17 The objectives of the various national planning policies result in a possible conflict between employment and residential uses and land allocations, especially in predominately rural areas. Rural districts have little brownfield land and therefore experience increased amounts of pressure on their urban areas to accommodate both housing and economic growth. Any Employment Land Review for the Haven Gateway authorities would have to include robust site reviews to act as evidence for any ‘protective’ employment policies in the emerging Local Development Frameworks. Conversely, the evidence would be used to release unattractive employment sites for alternative uses.

REGIONAL POLICY CONTEXT

REGIONAL SPATIAL STRATEGY

- 2.18 Regional Spatial Strategy 14 (more commonly known as the ‘East of England Plan’) was issued by the Secretary of State on 12th May 2008. It covers the counties of Norfolk, Suffolk, Cambridgeshire, Essex, Hertfordshire and Bedfordshire. The East of England Plan supersedes an initial RSS which comprised the former Regional Planning Guidance for East Anglia (Regional Planning Guidance note (RPG) number 6, 2000) together with relevant sections of the former Guidance for the South East and Thames Gateway (RPGs 9, 9A & 3B/9B).
- 2.19 East of England Plan [Policy E2](#) encourages jobs growth across the region whilst [Policy E1](#) allocates a net jobs growth target of 30,000 for ‘Suffolk Haven Gateway’ (Ipswich, Babergh and Suffolk Coastal). It should be noted that this is not broken down by local authority area within the document but this will be addressed in the subsequent chapters of this report.
- 2.20 [Policy E3](#) looks to LDD’s to identify “readily-serviceable” strategic employment sites which meet the needs of businesses and specifically for the Haven Gateway to:
- support growth and regeneration at Colchester and Ipswich, including the latter’s role in ICT, and development associated with port expansion at Harwich and Felixstowe;

- 2.21 Policy E4 states that Local Development Documents (LDD's) should support the sustainable and dynamic growth of inter-regional and intra-regional sectors and business clusters including the ICT / telecommunications cluster around Ipswich. Policy E4 further recognises that LDD's should include guidance to:
- Ensure the availability of a sufficient quantity, quality and choice of sites including provision for incubator units, grow-on space and larger facilities for established business clusters;
 - Address accommodation needs close to key institutions, such as universities; and
 - Address the need for user restrictions to secure the use of premises for specific activities.
- 2.22 In addition to this net jobs growth target a number of other regional policies influence employment and economic development in the Suffolk Haven Gateway area, summarised below.
- 2.23 The sub-region has a series of nationally and internationally important landscape and ecological designations which are recognised within RSS to be possible constraints to development but also as key contributors to the character of the sub-region and one of the foundations for future growth.
- 2.24 The RSS advocates transformational development and change throughout the Haven Gateway which will:
- Develop the diverse economy of the sub-region, including provision for the needs of an expanding tourism sector, support for the establishment and expansion of ICT clusters and recognition of the potential and need for employment growth in the smaller towns;
 - Support existing and proposed academic, scientific and research institutions;
 - Regenerate the sub-region to address unemployment, deprivation and social issues; and
 - Provide for major housing growth at the key centres of Colchester and Ipswich.
- 2.25 Local authorities, supported by regional and local partners, should facilitate the identified increase in jobs by promoting a competitive sub-regional business environment through:
- Supporting the maintenance and appropriate expansion of the ports, maritime and related activities, recognising the role they play in making the sub-region a major economic growth point and approved proposals for container handling capacity at Bathside Bay and Felixstowe South;

- Promoting the urban areas of Colchester and Ipswich as major centres of employment;
 - Providing appropriate sites, premises and infrastructure to attract a diverse range of employment to Ipswich and Felixstowe amongst others; and
 - Regeneration initiatives (including measures to address its failing status as a resort), and smaller scale projects elsewhere, with a focus on employment diversification and other social aims as well as physical renewal.
- 2.26 The influence that the Port of Felixstowe has at a regional level is evident here with its links to a variety of other industries and a clear employment creation role that is key to the future economic development of the East of England and centres within the Haven Gateway area.
- 2.27 [Policy HG3](#) recognises the need to prioritise investment in transport across the sub-region including within the urban centre of Ipswich and on the strategic infrastructure and services to facilitate access to and from the Haven Ports.
- 2.28 [Policy SS3](#) identifies the Ipswich Policy Area as a 'Key Area for Development and Change'. The 'Ipswich Policy Area and Haven Gateway' are identified as 'Priority Areas for Regeneration', and [Policy E3](#) recognises the Haven Gateway as a 'Strategic Employment Site' – to support growth and regeneration at Colchester and Ipswich including the latter's role in ICT and development associated with port expansion at Harwich and Felixstowe.
- 2.29 The East of England Plan places a significant amount of emphasis on economic growth in the more urban area of the Suffolk Haven Gateway area; with particular pressure placed on Ipswich and Felixstowe. However, the Plan also identifies need for economic growth as a means of regenerating rural areas. The challenge for the Suffolk Haven Gateway Authorities is to find a balance between these two objectives with their planning policies for employment.

REGIONAL ECONOMIC STRATEGY

- 2.30 The Regional Economic Strategy (RES) for the East of England 2008-2031 was published in autumn 2008 by the East of England Development Agency (EEDA). The RES's vision is for the region to be:
- internationally competitive with a global reputation for innovation and business growth;
 - a region that harnesses and develops the talents and creativity of all; and
 - at the forefront of the low-carbon and resource-efficient economy.

- 2.31 The RES plans for the region to be known for:
- exceptional landscapes, vibrant places and quality of life; and
 - being a confident, outward-looking region with strong leadership and where communities actively shape their future.
- 2.32 EEDA, the East of England Regional Assembly and the Government Office for the East of England (Go-East) are currently working together to develop an East of England implementation plan. The implementation plan will set out the actions the region will take in order to deliver the long term visions of the RES and Regional Spatial Strategy (RSS). The consultation period for the draft implementation plan ended on 3rd July 2009.
- 2.33 For rural areas the Regional Economic Strategy includes accessibility, sustainable business growth, innovative solutions to rural community regeneration and enhancement of the economic and social potential of environmental assets. It also includes the diversification and the raising of the economic performance of market towns. Objectives for the Haven Gateway include the development of the economic potential of major settlements and the rural hinterland through workspace creation and reuse, capturing economic development opportunities from port activities and developing stronger intra-regional links along the Cambridge to Ipswich (A11/ A14) Corridor. These objectives are applicable across the settlement scales and are adapted from a sub-regional level down to small rural settlements to achieve economic growth throughout the Haven Gateway.

SUB-REGIONAL POLICY CONTEXT

SUFFOLK STRUCTURE PLAN 2001

- 2.34 The only policy saved from the Suffolk Structure Plan, as directed by the Secretary of State under paragraph 1(3) of Schedule 8 to the Planning and Compulsory Purchase Act 2004, is policy ECON7 – Business Clusters. This policy requires that, in consultation with EEDA, local planning authorities should make particular efforts to facilitate the development of business clusters as these are of increasing importance as sources of innovation and drivers of economic growth.

'EXPANDING SUFFOLK'S HORIZONS': SUFFOLK ECONOMIC STRATEGY

- 2.35 Suffolk Development Agency (SDA) published the Suffolk Economic Strategy in 2008 which covers the period to 2013. The goal of the SDA is to encourage new population, employment and housing growth in a sustainable way by providing high quality and affordable living and working environments without the need for people to commute to London or Cambridge for high quality jobs.
- 2.36 The three core strategic areas forming the Suffolk Economic Strategy are:
- Prosperity – “Encourage innovation and collaboration, promoting the county’s strengths to create a diverse and sustainable economy”;
 - People – “Create an inclusive, adaptive and improving skills and educational base driven by the needs of employers”;
 - Place – “Develop the provision of transport infrastructure and utilities to facilitate sustainable growth”.
- 2.37 ‘Outcomes and Actions’ specifically relating to the Suffolk Haven Gateway include developing key centres of excellence across the main growth centres including the Bio-Life enterprise hub in Haverhill, developing a privately operated food hub, creating a leading rural based tourism product, increasing business formation and survival rates and all the outcomes concerning improving the skills base.
- 2.38 In conjunction with the Suffolk Economic Strategy, the SDA have commissioned a survey of strategic sites in the county though the remit of this study is to provide a portfolio of sites in the county for promotional purposes, rather than the full qualitative analysis required for ELRs by the EEDA guidance. This work is currently (at the time of writing) at Draft Final Stage, and is factored into analysis and recommendations made specifically relating to strategic sites within Chapter 4 of this Report.

SUFFOLK LOCAL AREA AGREEMENT

- 2.39 The Suffolk Local Area Agreement (LAA) focuses on ‘Prosperity for All’ rather than a narrow focus purely on economic development. It states that economic development is closely related with other issues, such as health, accessibility and aspirations.
- 2.40 The LAA states that through supporting key sector businesses in Suffolk, to increase productivity and growth, more employment opportunities will be made available to those in

the county. It goes on to say that Suffolk's tourism industry is a key sector and constitutes a growth sector for the County, particularly when linked to its cultural offer. Suffolk must also focus on support to small business and social enterprise, as a large number of businesses within the County can be classified as small or medium sized. The current baseline being used to measure small businesses is "NI 172: Percentage of small businesses in an area showing employment growth." At present there are 103.7% of the target of small businesses that fit within this category with a target of 103.9% for the year 2009 / 10 and 104.4% in 2010 / 11.

- 2.41 The LAA also places specific emphasis on ensuring that the Suffolk economy grows while ensuring its 'Green' credentials, including reducing Suffolk's Carbon Footprint, and adapting to the changing climate and geography; and retaining, enhancing and valuing Suffolk's natural and historic environment.
- 2.42 There is a focus on increasing the opportunities available to the local population to enter work and elevate their skills level. This outcome intrinsically links to the development of the Central University Campus on the Ipswich Waterfront including links with a new Further Education College building for Suffolk College.

SUFFOLK SUSTAINABLE COMMUNITY STRATEGY

- 2.43 The Suffolk Sustainable Community Strategy states that the County needs a prosperous and vibrant economy and encourages a focus on current strengths and in sectors that are important and unique to Suffolk. These strengths include proximity to Europe, a high quality environment, the presence of BT in the County, the high quality arts offer and the University Campus Suffolk.
- 2.44 Particularly, with regard to the Suffolk Haven Gateway area, these unique selling points include:
- IT and associated knowledge-based industries along the Ipswich to Cambridge corridor, including the potential expansion at Martlesham Innovation Park (Austral Park);
 - Being a key player in the developing biotech industry. There are opportunities to encourage manufacturing companies in the life sciences / bio tech field to locate in West Suffolk;
 - EEDA is backing the SDA and Suffolk County Council to investigate the potential for developing a food hub in Suffolk to create better links between producers and local and regional markets. Local food is an important sector for Suffolk and supports other

aims of Suffolk Community Strategy (creating the greenest county and is an important role in Suffolk's brand) as well as providing a unique economic selling point; and

- Creative industries as a key sector for the County over the next 20 years including job creation, business growth and development, leisure opportunities, and reinforcing the existing strong tourism reputation.

- 2.45 The Sustainable Community Strategy states that there are many opportunities for social enterprises to develop in Suffolk. This business model is important because of Suffolk's rurality and with low levels of unemployment but low skills and wages it is important that those isolated from employment and training are given the opportunity to contribute to the economy and their local communities.
- 2.46 Another aim of the Sustainable Community Strategy is to reduce economic inequalities across the County. Earnings and skills levels are lower in west Suffolk than for the rest of the County because the work force is dependent on the declining sectors of agriculture, food processing and specifically manufacturing. Agriculture is still an important part of Suffolk's economy, worth £330 million in crops and livestock output in 2004. There is good potential to add value through the high-quality food and tourism sectors.
- 2.47 In addition finding new and innovative ways to deliver services in rural areas, as the more traditional approaches disappear, and to develop new models for small business units in market towns and rural areas are other SCS aims.

JOB TARGETS

- 2.48 To assess progress against job targets at a sub-regional level we use the latest East of England Forecast Model (EEFM) provided by Oxford Economics. This model, dated Spring 2009, considers the effect of the current recession and therefore provides the most up-to-date regional forecast of future economic growth. At the time of writing there is a debate within the East of England as to the accuracy of these figures and they may be subject to further revision. However, in order to ensure a robust approach it is this model that is used in this report. We acknowledge that some sectoral patterns may subsequently change but it is still the most appropriate data to use within the Suffolk Haven Gateway ELR.
- 2.49 The East of England RSS sets a job target of 30,000 between 2001 and 2021 for the Suffolk Haven Gateway sub-region. This is for both B-Class and Non B-Class jobs. The progress against this target is therefore a key factor when drawing conclusions and making recommendations for the study.

- 2.50 Projected job growth across Suffolk Haven Gateway between 2001 and 2021 is shown in Table 1.

Table 1 Forecast Job Growth in the Suffolk Haven Gateway

	Job Number 2001	Job Number 2021	Change	% of job growth
Suffolk Coastal	54,242	63,524	9,282	40.60%
Ipswich	74,034	79,504	5,470	23.93%
Babergh	36,382	44,490	8,108	35.47%
Suffolk Haven Gateway Total	164,658	187,518	22,860	100%

Source: Oxford Economics / GVA Grimley 2009

- 2.51 Table 1, which is derived from the EEFM Spring 2009 baseline scenario produced by Oxford Economics, shows that the Suffolk Haven Gateway sub-region is forecast for job growth of 22,860 between 2001 and 2021 which is around 7,000 lower than the RSS target. This clearly has implications for future policy within the sub-region with a strategy needed in order to address the current estimated shortfall at all levels of administration.
- 2.52 An analysis at a local authority level shows that Suffolk Coastal is forecast to provide over 40% of total employment growth, Babergh 35% and Ipswich 23.9%.
- 2.53 While the East of England Plan sets out the sub-regional jobs target of 30,000 net additional jobs it does not set individual local authority job targets. It is important therefore to consider the contribution that each local authority makes to the forecasted job growth in the Suffolk Haven Gateway. This then allows us to assess where the distribution of jobs is forecast to be and identify where the opportunities are to improve performance and meet the jobs target. The current percentage of employees by local authority is shown in Table 2 below:

Table 2 Employee Distribution in Suffolk Haven Gateway

	Job Number 2001	% of jobs by local authority	Job Number 2021	% of jobs by local authority
Suffolk Coastal	54,242	33%	63,524	34%
Ipswich	74,034	45%	79,504	42%
Babergh	36,382	22%	44,490	24%
Suffolk Haven Gateway Total	164,658	100%	187,518	100%

Source: Oxford Economics / GVA Grimley 2009

- 2.54 Comparing Table 1 and Table 2 shows that there is a comparatively low growth forecast in Ipswich with 23.9% of forecast job growth but it is the highest employing area of the sub-

region with a predicted 42% of total employment by 2021. This is an indication of the particularly severe impact that the current recession is predicted to have on Ipswich. Service based sectors within the Borough, which have driven growth over recent years, are at particular risk during the recession and it is for this reason that the relative levels of growth are low. Business retention actions will be particularly critical here.

- 2.55 Conversely, Suffolk Coastal is forecast to provide 40.6% of total jobs growth and 34% of total employees in the sub-region. Similarly, Babergh is forecast to provide 35.4% of job growth and 24% of total employees in the sub-region. The individual sectors that drive this growth are discussed later in the report but, as an indicator of the how the job target may be split if the figure of 30,000 were distributed according to predicted future employment growth we provide details in Table 3 below:

Table 3 Estimated Job Numbers to meet RSS target in Suffolk Haven Gateway

	Job Number 2021	% of jobs by local authority	Estimated Job Numbers to meet targets	Current Job Forecast	Difference between current target
Suffolk Coastal	63,524	34%	10,200	9,282	-918
Ipswich	79,504	42%	12,600	5,470	-7,130
Babergh	44,490	24%	7,200	8,108	+908
Suffolk Haven Gateway Total	187,518	100%	30,000	22,860	-7,140

Source: Oxford Economics / GVA Grimley 2009

- 2.56 It is clear that Ipswich is the local authority lagging behind against this indicative job target, with Suffolk Coastal slightly behind target and Babergh forecast to exceed target. While this provides an indication of jobs target by local authority it is by no means prescriptive and the importance of a sub-regional approach to unlocking future employment potential is vital. However, in order to frame the context of the study at a local authority level Table 3 is a good reference point. At a sub-regional level this analysis presents the challenges of applying policies across the sub-region, which may differ between local authorities, to ensure that these jobs targets are met.
- 2.57 In order to understand the form that growth is set to take in the sub-region we analyse forecast job growth by use class in Table 4.

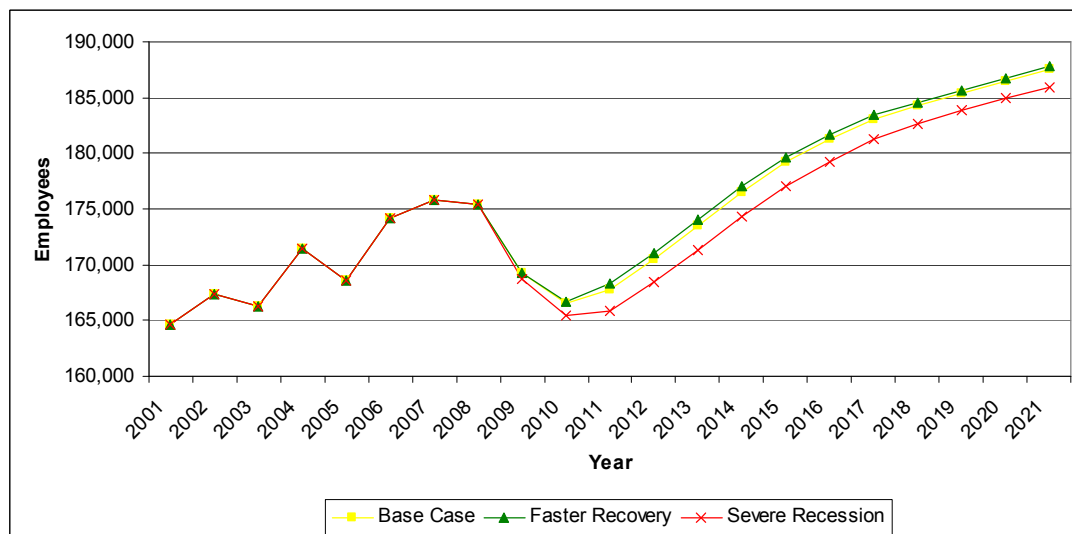
Table 4 Employee Change 2001 – 2021 by Use Class

	Office	Other Business Space	W/housing	Non B	Total
Suffolk Coastal	2,538	678	288	5,777	9,282
Ipswich	2,027	457	271	2,715	5,470
Babergh	1,357	2,260	520	3,971	8,108
Suffolk Haven Gateway	5,922	3,396	1,080	12,463	22,860

Source: Oxford Economics / GVA Grimley 2009

- 2.58 Table 4 demonstrates that while an Employment Land Review is primarily concerned with setting the future land requirements for B-Class Uses, it is Non B Class employment which is predominant in Suffolk Haven Gateway. For the sub-region as a whole Non B Class job growth accounts for over 50% of total forecasted growth while office employment growth is around 25% of forecast growth.
- 2.59 This is replicated throughout the sub-region but reflecting the different economic profiles of each local authority it is Suffolk Coastal that is forecast to experience a larger proportion of Non B Class growth with over 60% of employment growth in Non B employment. Both Ipswich and Babergh are in line with the sub-regional proportions of Non B employment. As a proportion of total growth, office growth is highest in Ipswich, reflecting its position as the main office location in the sub-region while the proportion of industrial growth is highest in Babergh.
- 2.60 These different growth figures indicate that while there is a large degree of joint requirements throughout the sub-region there is a need for local authority emphasis to address the collective predicted shortfall against the job target of 30,000 throughout the Suffolk Haven Gateway.
- 2.61 The EEFM produces a base case scenario as well as a further two scenarios which consider the effect of a severe recession and a faster recovery from the current economic conditions. Analysing the effect of the recession, considered in the base case scenario, on the sub-region shows that the latest forecasts predict a loss of around 8,700 jobs between 2008 and 2010 (shown in Figure 1). The effect of a severe recession is forecasted to be a loss of around 10,000 jobs in the sub-region. The latest model demonstrates the significant challenges posed by the current recession on the sub-region to meet the 30,000 jobs target between 2001 and 2021.

Figure 1 Employment in Suffolk Haven Gateway 2001 - 2021



Source: GVA Grimley / Oxford Economics 2009

2.62 Figure 1 also demonstrates the longer term effects of a severe recession with total job growth forecast to be around 1,500 less by 2021 compared to the base case and faster recovery scenarios. The key aim of the study is to provide recommendations that will enable the sub-region to meet these challenges to improve the chances of meeting the 30,000 job target by 2021.

2.63 At this stage it is worth noting that while the primary job target that drives the recommendations is for the period 2001 to 2021 the additional land requirements for the study is set over the time period 2006 to 2026 which allows for additional employment land local authority level requirements to be identified for the next 20 years. This is reconciled with local authority job targets within each Chapter to ensure a clear exposition of progress against job targets compared to land requirements throughout the Report.

2.64 It is also important to note that the local authority level job target deals with total job growth; however, the focus when assessing future employment land requirements is for B-Class jobs. Reference is made to the overall job targets and how it relates to the employment land requirement for each local authority.

EMPLOYMENT LAND REQUIREMENTS

2.65 The subsequent Chapters of the Report deal with the calculation of employment land requirements by local authority and outlines in detail the method used to do so. We present in Table 5 the amalgamation of each local authority’s employment land demand and future supply to assess overall future requirements across Suffolk Haven Gateway.

- 2.66 Consolidating both supply and demand characteristics across the sub-region shows that in quantitative terms there is sufficient land to meet forecasted requirements until 2026.

Table 5 Requirements for B Class Employment Land Compared with Supply in Suffolk Haven Gateway 2006 – 2026

	Demand	Demand	Supply	Land Surplus /Deficit
Base Case	Floorspace (m ²)	Land (Ha)	Land (Ha)	Ha
Office	341,321	34	74	40
Industrial	391,995	98	136	38
Total	733,316	132	211	79
Severe Recession				
Office	333,696	33	74	41
Industrial	381,459	95	136	41
Total	715,155	129	211	82
Faster Recovery				
Office	342,386	34	74	40
Industrial	393,544	98	136	38
Total	735,929	133	211	78
Scenario A				
Office	488,842	50	74	24
Industrial	596,825	149	136	-13
Total	1,241,938	198	211	13
Scenario B				
Office	395,384	39	74	35
Industrial	466,860	116	136	19
Total	1,018,513	156	211	55
Scenario C				
Office	347,114	36	74	38
Industrial	402,684	98	136	38
Total	749,798	134	211	77

Source: Oxford Economics / GVA Grimley

- 2.67 While each scenario demonstrates a potential oversupply of allocated employment land in the sub-region it should be noted that this does not necessarily mean that the supply is satisfying market demand from a qualitative or locational perspective.
- 2.68 As is shown in subsequent chapters supply meets demand at a local authority level in headline quantitative terms in both Babergh and Suffolk Coastal Districts but there is a net

requirement for employment land in Ipswich Borough. This emphasises the need for a sub-regional approach to addressing the shortfall in Ipswich Borough to ensure that requirements are met throughout the planning period. In effect, this approach reflects the fact that land availability in adjacent areas can, and should, given relationship to key infrastructure and wider market drivers, help to deliver this growth opportunity in Ipswich Borough.

- 2.69 In order for employment land supply at a sub-regional level to meet the overall demand requirements it needs to be aligned with the key strategic drivers throughout the sub-region. Our commercial property market analysis and our survey of businesses across the sub-region has shown that the key economic drivers for commercial property are sites near the A14, in Mid Ipswich and the 'Ipswich Fringe', which should provide high quality office stock and industrial stock that caters for port related uses.
- 2.70 Aligning this need with our employment clusters in each local authority area (shown in Figure 6, Figure 12 and Figure 17) indicates that the following clusters are particularly important to allow the strategic requirements to be met:
- Suffolk Coastal South
 - Suffolk Coastal Woodbridge
 - Ipswich South
 - Ipswich South East
 - Mid Ipswich
 - Ipswich North West
 - Babergh East
- 2.71 These clusters will provide the best strategic site opportunities to meet market requirements throughout the planning period. This is not to suggest that there are no employment land requirements needed elsewhere but to satisfy the large land-take requirements sufficient deliverable employment land supply within these clusters is required, including choice.
- 2.72 Our analysis of immediately available employment land at each local authority level is shown in Table 24, Table 73 and Table 120. In this case our analysis has shown that immediately or short term available employment land within these areas is as follows:

Table 6 Immediate and Short Term Available Land in key clusters

Cluster	Land Available (Ha)	Number of Sites
Suffolk Coastal South	11	3
Suffolk Coastal Woodbridge	2.5	1
Ipswich South	6.6	1
Mid Ipswich	3.9	4
Ipswich North West	0.8	1
Babergh East	2.3	1
Total	27	11

Source: GVA Grimley

- 2.73 Comparing this short term supply with the overall requirements for employment land across the sub-region shows that at a base case level there are 27 Ha of available land compared to base case demand of 79 Ha and potential port driven demand of 112 Ha throughout the planning period.
- 2.74 Building on this analysis it is clear that there is a need to protect employment land supply within these key market areas over the plan period, and maximise opportunity within other sites in the short term. The implied shortfall in quality land supply within these locations emphasises the importance of delivering and maximising, over the plan period, employment potential within the key strategic sites which align with these market areas, including specifically the British Sugar Site, and the Cranes / Ransomes Europark corridor. In this context *deliverable* schemes should be sought, which, ultimately if market values do not rise sufficiently/public funding is not sufficiently available to overcome development constraints, may necessitate consideration of appropriate enabling development. There is also a need to consider individual site opportunities within the Ipswich Fringe area on a site by site basis including their potential to deliver a scale of development within key identified sectors (specifically quality office and port-related industrial development purposes), and sustainability considerations.
- 2.75 Given the shortage of mid and large size industrial units in Suffolk Coastal (see Table 19) and the need for larger office and industrial units around Ipswich and the Ipswich Fringe (see Chapter 4) the need for sites of this nature in these key clusters will be required. While it is not advisable to place an exact quantity of employment land it is considered that deliverable sites of this nature are preferable within these clusters.
- 2.76 The results of our balance of supply and demand are described below:

BASE CASE

- 2.77 Our *base case* scenario, which is derived from the EEFM baseline scenario and considers property market churn and windfall (See Appendix 1), is based on an increase of 10,397 B Class jobs in the sub-region and 12,463 non B Class jobs a total of 22,860 in total between 2001 and 2021.
- 2.78 To meet requirements of EEDA Guidance we express additional employment land requirements in the timeframe of 2006 to 2026 which suggests an oversupply of approximately 79 Ha of employment land in Suffolk Haven Gateway. This translates in to an oversupply of office land of approximately 40 Ha and an oversupply of industrial land of 38 Ha.
- 2.79 The priority areas for the supply of this land should be within those key clusters outlined in Table 6 and it is recognised that large land parcels will be required to meet site requirements of larger industrial and office sites.

SEVERE RECESSION

- 2.80 The *severe recession* scenario, which is derived from the severe recession scenario from the EEFM and considers property market churn and windfall (see Appendix 1) is based on an increase of 9,654 B Class jobs in the sub-region and 11,644 non B Class jobs a total of 21,299 between 2001 and 2021.
- 2.81 To meet requirements of EEDA Guidance we express additional employment land requirements in the timeframe of 2006 to 2026 which suggests that there is an oversupply of around 82 Ha of employment land between 2006 and 2026. This translates to an oversupply of office land of approximately 41 Ha and an oversupply of industrial land of 41 Ha.
- 2.82 The priority areas for the supply of this land should be within those key clusters outlined in Table 6 and it is recognised that large land parcels will be required to meet site requirements of larger industrial and office sites.

FASTER RECOVERY

- 2.83 The *faster recovery* scenario, which is derived from the faster recovery scenario from the EEFM and considers property market churn and windfall (see Appendix 1) is based on an increase of 10,519 B Class jobs in the sub-region and 12,597 non B Class jobs a total of 23,116 between 2001 and 2021.

- 2.84 To meet requirements of EEDA Guidance we express additional employment land requirements in the timeframe of 2006 to 2026 which suggests that there is an oversupply of approximately 78 Ha of employment land in the sub-region. This translates to an oversupply of office land of around 40Ha and an oversupply of industrial land of 38 Ha.
- 2.85 The priority areas for the supply of this land should be within those key clusters outlined in Table 6 and it is recognised that large land parcels will be required to meet site requirements of larger industrial and office sites.

SCENARIO A

- 2.86 Scenario A, *high growth at the port of Felixstowe*, has the potential to create a further 8,706 B Class jobs within the sub-region and therefore can address the 7000 gap which has arisen between the RSS job target and the latest EEFM.
- 2.87 Comparing this scenario with the available supply across the sub-region suggests that there is an oversupply of approximately 13 Ha of employment land in Suffolk Haven Gateway. This translates to an oversupply of office land of around 24 Ha and an undersupply of industrial land of 13 Ha.
- 2.88 The priority areas for the supply of this land should be within those key clusters outlined in Table 6 with a particular focus on A14 and Ipswich Fringe sites rather than those in Mid Ipswich. It is again recognised that large land parcels will be required to meet site requirements of larger industrial and office sites.

SCENARIO B

- 2.89 Scenario B, *steady growth at the Port of Felixstowe*, has the potential to create a further 3,633 B Class jobs within the sub-region and therefore can go some way to addressing the 7000 gap between the RSS job target and the latest EEFM.
- 2.90 Comparing this scenario with the available supply across the sub-region suggests that there is an oversupply of approximately 35 Ha of employment land in Suffolk Haven Gateway. This translates to an oversupply of office land of around 19 Ha and an oversupply of industrial land of 55 Ha.
- 2.91 As with Scenario A the priority areas for the supply of this land should be within those key clusters outlined in Table 6 with a particular focus on A14 and Ipswich Fringe sites rather than those in Mid Ipswich. It is again recognised that large land parcels will be required to meet site requirements of larger industrial and office sites.

SCENARIO C

- 2.92 Scenario C, *growth in research & development*, has the potential to create a further 919 B Class jobs within the sub-region and therefore has the potential to address a proportion of the shortfall that has arisen between the RSS job target and the latest projections from the EEFM.
- 2.93 Comparing this scenario with the available supply across the sub-region suggests that there is an oversupply of approximately 77 Ha of employment land in the Suffolk Haven Gateway. This translates to an oversupply of office land of around 38 Ha and an oversupply of industrial land of 38 Ha.
- 2.94 The priority areas for the supply of this land should be within those key clusters outlined in Table 6 but given the office nature of R&D employment the emphasis should be placed more in Mid Ipswich and Suffolk Coastal Woodbridge sites.

CONCLUSIONS

- 2.95 Suffolk Haven Gateway is a diverse sub-region whose future economic growth is primarily driven by the Port of Felixstowe, the Ipswich Policy Area and Adastral Park. This has been identified through our consultation and research throughout this study. There are, of course, other drivers such as a large public sector but the primary driver of B Class jobs growth is likely to come from these three factors according to our research.
- 2.96 Given the nature of the economic landscape, employment sites relating to the Port of Felixstowe tend to be predominantly industrial in nature and are mainly focused along the A14 corridor. The prime office location within the sub-region is the central part of Ipswich with locations on the Ipswich Fringe being highly desirable according to both our survey of businesses and discussions with local commercial property agents.
- 2.97 In addition to these major drivers the sub-region also has a diverse range of rural employment with smaller office and industrial estates serving more local employment needs across Suffolk Haven Gateway. As well as traditional B-Class employment there is a strong presence of non B-class employment with a large public sector, particularly in Ipswich, as well as tourism / cultural employment in towns such as Aldeburgh and Snape in Suffolk Coastal District.
- 2.98 At a policy level, the adopted Regional Spatial Strategy for the East of England has set a new jobs target of 30,000 for the period 2001 to 2021 and defines the sub-region as a Priority Area for Regeneration. Both the RSS and RES, support the Haven Gateway to

realise opportunities from port activities and developing stronger intra-regional links along the Cambridge to Ipswich (A11/ A14) Corridor.

2.99 In summary, our work has identified the following economic drivers throughout the sub-region:

- Port of Felixstowe;
- Growth at Adastral Park;
- Ipswich Policy Area;
- Potential further new energy related developments at Sizewell.

2.100 In order to facilitate continued growth of these drivers the following are seen as key enablers:

- The A14 strategic road, particularly for development of the Port of Felixstowe;
- The A12 strategic road, particularly for the northern parts of Suffolk Coastal District and potentially growth at Sizewell;
- Improving rail links for the movement of freight between Felixstowe and Peterborough;
- The necessary Higher and Further Education provision by aligning course provision with the likely new jobs that will be created in the sub-region, particularly relating to Adastral Park. This is likely to require a key role from the University Campus Suffolk to facilitate growth;
- A comprehensive masterplan for Felixstowe to facilitate the most suitable employment sites to meet the requirements from Felixstowe South Reconfiguration;
- A comprehensive masterplan for Adastral Park to facilitate the most suitable employment configuration to meet the requirements of potential occupiers at the site;
- A comprehensive masterplan for IP-One, the regeneration of the central area of Ipswich
- The necessary land and property to meet economic needs.

2.101 Although Suffolk Haven Gateway has a potential surplus of available employment land compared to demand there are issues over the deliverability and timing for development of some of the key strategic sites for full B-Class employment use. This places challenges over the capacity of these sites to meet long-term demand within the sub-region.

2.102 While the latest economic forecasts show that Suffolk Haven Gateway is unlikely to meet its 30,000 new jobs target by 2021 if it continues along its present course, there are evident

opportunities through investment in infrastructure and allocation of employment land in the right locations (the A14 and the Ipswich Fringe) to provide a quality and choice that will support efforts to retain existing businesses and encourage new ones and thereby work to achieve the employment target. We have shown that from a B Class jobs perspective Scenario A, high growth from the Port of Felixstowe and Scenario C, growth in Research & Development have the potential to address the 7000 shortfall between the RSS jobs target and the latest EEFM projections. A combination of this growth combined with the development of Non B Class employment can help Suffolk Haven Gateway meet its jobs target of 30,000.

RECOMMENDATIONS

ADOPT A SUB-REGIONAL APPROACH

- 2.103 Our quantitative analysis indicates that Suffolk Haven Gateway potentially has potentially sufficient available employment land supply to meet projected demand throughout the planning period. However, in Ipswich there is a net requirement for new supply to meet projected demand. It is evident from our business survey that delivering a choice of sites in the right locations across Suffolk Haven Gateway is more important than rigidly respecting local authority boundaries where these do not align to the functional economic area. In this regard the Ipswich Fringe and the A14 are key strategic locations for future employment land development that benefit Ipswich, Babergh and Suffolk Coastal authorities. Consideration should also be given to Mid Suffolk District's potential to deliver employment sites to fit with the wider need of the Suffolk Haven Gateway in this context. Once again those sites along the A14 corridor are particularly important. This means that the sub-region needs to take a contextual view of available employment supply to ensure that it fits with market expectations and demands.
- 2.104 Our key recommendation is:

HG1: ENSURE JOINT WORKING WITH NEIGHBOURING LOCAL AUTHORITIES AND THE HAVEN GATEWAY PARTNERSHIP

- 2.105 To provide the correct mix of quality and choice we recommend that the Haven Gateway Partnership and Ipswich Policy Area Group continues to facilitate joint working between authorities in the Suffolk Haven Gateway (including Mid Suffolk District Council) and in particular, undertake an annual review and update of job growth against target, the pattern of take up of allocated employment land and the likely future levels of demand and co-

ordinate the identification of the right mix of additional sites in the Ipswich Fringe and across the Ipswich Policy Area. This process and the respective LDF Development Plan Documents will ensure an ongoing adequate supply of land in the Suffolk Haven Gateway area.

- 2.106 This will ensure that future decisions that are made are informed by factors within and beyond individual local authority boundaries and reflect the economic drivers and land availability characteristics of Suffolk Haven Gateway as a functional economic area.
- 2.107 Consideration must be given particularly to the future employment role and function provided through the key strategic sites on the Ipswich Fringe, namely the British Sugar site in Sproughton, Ransomes Europark and Adastral Park. Retention of businesses and employment land within the Ipswich Fringe area and key market areas noted previously within this section at Paragraph 2.70 onwards should also be coordinated and delivered through joint working between the various authorities.

A SUITABLE TRANSPORT NETWORK

- 2.108 Our analysis shows the key role that the A14 road plays for the economic vitality and health of the sub-region and beyond. To a lesser extent the A12 is an important arterial road linking the sub-region to Lowestoft and Great Yarmouth in the north. Our business survey also showed the importance to businesses of being located on the A14 Corridor and within the Ipswich Fringe.
- 2.109 The deliverability of a number of strategic sites such as Ransomes Europark and Cranes also require consideration of strategic transport access to bring them forward as viable employment sites.

HG 2 ENSURE JOINT WORKING WITH THE HIGHWAYS AGENCY AND SUFFOLK COUNTY COUNCIL

- 2.110 Given the need to maintain the A14 as a key strategic road infrastructure asset through the sub-region and the possible need for highway improvements to support the future retention and growth of strategic employment sites, we recommend that the Haven Gateway Partnership and the constituent local authorities continue to work closely and engage with the Highways Agency along with Suffolk County Council as local Highway Authority, in the job growth related transport needs of the area as established in the Haven Gateway IDP, possibly through the resumption of the A14 group.

DELIVERING STRATEGIC EMPLOYMENT SITES

- 2.111 Our analysis shows that there are a number of strategic employment sites which have deliverability and phasing issues in the Suffolk Haven Gateway. In particular, the former British Sugar site while meeting many of the strategic employment sites criteria has significant constraints to overcome if it is to deliver 100% B-class employment use in future.
- 2.112 It is also possible that the Cranes site will incur substantial clearance and remediation costs if it is to become a viable employment location in the future and these may impact on overall supply of employment land.

HG3: MAKE THE NECESSARY INVESTMENTS TO FACILITATE STRATEGIC EMPLOYMENT SITES

- 2.113 In order to bring forward key strategic sites in a phased manner to meet market demand over the plan period to 2026, we recommend that the Haven Gateway Partnership take an active enabling and investment role (in partnership where appropriate). Key investments should be in:
- Supporting the development of economic and planning policy at strategic level and improving certainty at local site level through support for the preparation of development briefs and masterplans, and their interpretation into Development Plan Documents;
 - Investment in enabling works such as site clearance, de-contamination, and site infrastructure to assist marketability and viability of key sites;
 - Selective land assembly and site acquisition where existing ownerships remain a barrier or disincentive to employment land development.

IDENTIFY LAND AND PROPERTY

- 2.114 From the business survey, the key finding concerning land and property availability is that sites along the A14 and the Ipswich Fringe are the most desirable for the current occupiers. This is unsurprising given the identified economic drivers as well as anecdotal evidence gleaned from our commercial property market review. Supply meets demand at a local authority level in headline quantitative terms in both Babergh and Suffolk Coastal Districts but there is a net requirement for new employment land in Ipswich Borough. This emphasises the need for a sub-regional approach to addressing the shortfall in Ipswich Borough to ensure that requirements are met throughout the planning period. This

approach reflects the fact that land availability in adjacent areas should help to deliver this growth opportunity in the Ipswich Policy Area.

HG 4 DELIVER SUITABLE SITES WITHIN THE IPSWICH FRINGE

- 2.115 The key economic drivers for commercial property are sites near the A14, in Mid Ipswich and the 'Ipswich Fringe', which should provide high quality office stock and industrial stock that cater for port related uses. This will focus efforts on supporting the town centre economy first while recognising that there is a supporting and complementary offer available and in-demand within the Ipswich Fringe area that together provide a quality, mix and choice in the B-Class employment land market.
- 2.116 Our cluster analysis supports the sequential approach to land supply. The cluster areas will provide the best potential strategic site locations to meet market requirements throughout the planning period. This is not to suggest that employment land is not required elsewhere, but the focus is to provide a choice of deliverable employment land supply. There is a need to protect employment land supply within these key market areas over the plan period, and maximise opportunity within other sites in the short term. The shortfall in quality land supply within these locations emphasises the importance of delivering and maximising employment potential within the strategic employment sites. There is also a need to consider individual site opportunities within the Ipswich Fringe area on a site by site basis including their potential to deliver a scale of development within key identified sectors (specifically quality office and port-related industrial development) that are complementary to employment activities that should by their size, character or nature usually be sited within Ipswich town centre.
- 2.117 Analysing the likely destination of future demand for employment land in Suffolk Haven Gateway compared to the total available supply of 211 Ha gives an indication of the quantity of employment land required in the key locations within the sub-region. This is shown in Table 7 below.

Table 7 Future Apportionment of Supply / Demand in the Suffolk Haven Gateway

Area	Supply	Office Demand %	Office Demand (Ha)	Industrial Demand %	Industrial Demand (Ha)
Ipswich Central	7.4 Ha	55%	18.7 Ha	5%	4.9 Ha
Ipswich Fringe	167.2 Ha	25%	8.5 Ha	60%	58.8 Ha
Rest of Suffolk Haven Gateway	36.4 Ha	20%	6.8 Ha	35%	34.3 Ha
Total	211 Ha	100%	34 Ha	100%	98 Ha

Source: GVA Grimley

- 2.118 Mirroring likely future patterns of demand, Ipswich Central is likely to see the highest proportion of office demand (55%) but the smallest proportion of industrial demand (5%). The Ipswich Fringe is the main location for industrial demand with 60% of demand concentrated within this area. It is also the second most popular location for office with 25% of future demand anticipated to be here. The Rest of Suffolk Haven Gateway is viewed as likely to receive around 20% of the future office demand and 35% of industrial demand.
- 2.119 Comparing the anticipated levels of demand with available supply by use type across the sub-region is shown in Table 8 below.

Table 8 Future Base Case Balance of Supply and Demand in Suffolk Haven Gateway

Area	Offices Supply Ha	Offices Demand Ha	Offices Shortfall Ha	Industrial Supply Ha	Industrial Demand Ha	Industrial Shortfall Ha
Ipswich Central	7.4	18.7	-11.3	0	4.9	-4.9
Ipswich Fringe	7.49	8.5	-1.01	120.41	58.8	61.61
Rest of Suffolk HG	9.39	6.8	2.59	65.94	34.3	31.64
Total	24.28	34	-9.72	186.35	98	88.35

Source: GVA Grimley

- 2.120 As Table 8 shows at a base case level the quantitative shortfall of supply level is in the Ipswich Central area which could potentially require a further 11 Ha of office land and an additional 5 Ha of industrial land throughout the planning period. The Ipswich Fringe has around a 1 Ha requirement for office but around a 60 Ha oversupply of industrial land. The Rest of Suffolk Haven Gateway has a surplus of around 2.5 Ha of office land and 31 Ha of industrial land.

- 2.121 Comparing this supply profile to Scenario A (Table 9), which is the one scenario that would provide sufficient B Class jobs in itself to bridge the shortfall against job targets, highlights there is an overall quantitative deficit in office supply.

Table 9 Future Base Case Balance of Supply and Demand in Suffolk Haven Gateway

Area	Offices Supply	Offices Demand	Offices Shortfall	Industrial Supply	Industrial Demand	Industrial Shortfall
Ipswich Central	7.4	27.5	-20.1	0	7.45	-7.45
Ipswich Fringe	7.49	12.5	-5.01	120.41	89.4	31.01
Rest of Suffolk HG	9.39	10	-0.61	65.94	52.15	13.79
Total	24.28	50	-25.72	186.35	149	37.35

Source: GVA Grimley

- 2.122 If Scenario A is pursued then there is a potential undersupply of 20 Ha of office land within Ipswich Central and around 7 Ha of industrial land. The Ipswich Fringe would have around a 5 Ha undersupply of office stock and the Rest of Suffolk Haven Gateway around a 1 Ha requirement for office.
- 2.123 While these shortages of office land are shown at a quantitative level this has to be considered in the context of the quality of the land as identified through this study.
- 2.124 The commercial property market analysis in the subsequent chapters particularly identifies a shortage of mid and large size industrial units in Suffolk Coastal (see Table 19) and the Ipswich Fringe (see Chapter 4). It is therefore recommended that larger industrial sites of more than 0.5 Ha are prioritised in the Ipswich Fringe, with particular consideration given to the Suffolk Coastal South cluster. These industrial sites should contain high quality stock which is suitable for flexible use but with the potential to accommodate port related uses.
- 2.125 We have also identified the need for larger office sites around Ipswich Central and the Ipswich Fringe (see Chapter 4) and given this requirement we recommend that high quality office developments that are larger than 1,850 sq m are considered as a priority within both of these areas. It is advisable that these office developments are of the highest quality in terms of their adaptability and flexibility and that they meet the BREEAM Excellent or Very Good standards of environmental quality.

HG5 SETROBUST STRATEGIC SITES CRITERIA

- 2.126 The role of strategic sites in delivering economic (and employment) aspirations moves beyond meeting the balance between supply and demand within local, sub-regional or regional areas. Strategic sites can almost be viewed in policy terms as being windfall opportunities to maximise drivers of economic growth, and in some cases transformation, within an area.
- 2.127 This is not relative solely to scale, but rather has a wider definition relating to economic objectives, existing and potential future key sectors, and locational 'hubs' or 'drivers' of growth. In essence, a strategic site aligns with this wider context making it more likely to attract public sector funding aligned with, for example, aspirations established within the Regional Economic Strategy.
- 2.128 This wider definition of what makes an employment site (or broad area) strategic is effectively a criteria for application through policy and funding decisions. The same criteria can, and should, be applied to schemes / proposed development of a windfall nature that may come forward during the plan period.
- 2.129 The strategic site criteria defined for the Haven Gateway sub-region is summarised below (developed in more detail within Appendix 3 sitting alongside this report), including key site characteristics that align with wider economic priorities and opportunities.
- **Broad Location:** The site or development must fall within an identified 'broad location' which aligns with the aspirations of the Regional Economic Strategy and sub-regional economic priorities. Key broad locations identified for the Haven Gateway include:
Major Economic Drivers: Ipswich Policy Area, A14 Corridor, Felixstowe; Regeneration Priority Areas: coastal settlements, rural areas; and Growth Areas: key education facilities, Ports (Felixstowe, Harwich); science and Research & Development catalysts; existing sectoral clusters; major planned investment; and strategic transport hubs.
 - **Key Sector Alignment:** Strategic sites should include the opportunity to create employment opportunity (including the maximisation of employment within a viable development proposal) within key sectors identified at the regional and sub-regional level including: R&D, Professional and Business Services (focus on Admin, Insurance, Financial and Professional Services), Digital and ICT, High-Tech Manufacturing), Port & Logistics, and Marine-Related Industries.
 - **Amenity and Skills Alignment:** For the purposes of this criteria, 'amenity' is defined to include labour force (specifically proximity and accessibility to an appropriately skilled

labour force), local retail and leisure provision, and a quality and diverse built environment. Strategic sites should show strong alignment with existing and planned amenity and skills provision, in the process promoting sustainable development (including opportunity to build on previous public sector funding). This is supported by various literature and previous studies which correlate quality business locations with high quality public realm and proximity to a well equipped labour force.

- **Site Constraints and Development Feasibility:** Strategic sites should be available or likely to come forward within the plan period or funding programme. Sites with constraints identified should be viable for development to include the maximisation of employment aligned with key sectors. The designation of sites as Strategic sites should not preclude their development for non B class employment uses or mixed use developments if local circumstances requires.

2.130 In addition to those criteria identified above any site considered as being 'strategic' should also be considered in terms of their scale (and therefore potential contribution) (although scale alone should not be sufficient to justify consideration of a site as strategic) and policy compatibility, as summarised below:

- **Site Size / Job Creation Potential:** There is no threshold for a strategic site or development in terms of either its land coverage or job creation potential. However, it is appropriate for the planning process to expect that job creation on the sites or within emerging schemes are maximised within viable and high quality developments in line with identified sector opportunity
- **Policy Compatibility:** Strategic employment sites or developments must comply with established national, regional and local policy guidance. This includes (but is not exclusive to) consideration of: sustainability; the sequential test (for office development); Flood Risk; justification for Green Belt release / prioritisation of PDL development; other environmental designations (RAMSAR, SSSI, Sites of Outstanding Natural Beauty, Conversation Area's, etc); and proximity and suitability of relationship with adjacent land uses

2.131 It is recommended that in considering the extent to which sites and emerging developments can help deliver economic benefits the Haven Gateway Partnership and the LPA's within apply the above criteria. The only elements of the criteria that are 'required' (i.e. initial Yes/No filters when considering sites) are Policy Compatibility, Broad Location, and Key Sector Alignment. The relationship of the site with the other elements of the criteria could, for example, be useful to prioritise any funding that may be available to support development in the future.

2.132 This study has tested the seven 'strategic sites' identified in the Brief for this study against the identified criteria. The following sites are identified to have a 'high correlation' with the criteria:

- Adastral Park, Martlesham
- Former British Sugar Site, Sproughton
- Ransomes Europark (should be viewed alongside Cranes and Ransomes extension land as a wider employment corridor)
- Cranes, Ipswich

2.133 The former E-On Headquarters / Wherstead employment site is recognised to be of strategic significance through this study, although it is noted that the limited land remaining, including the constraints associated with development of this land, suggests that further development is unlikely to take place in the future.

2.134 The following sites are identified to have 'some' correlation with the criteria, but are recognised to have a more localised impact / significance. It is recommended that these sites be considered as Locally Significant Employment Sites rather than Strategic Sites:

- Brantham Industrial Site, Brantham
- Rendham Road, Saxmundham

2.135 It is recommended that the Haven Gateway Partnership give specific consideration to the need to identify specific sites with a role in delivering alongside the growing employment role of the Port of Felixstowe. Specific criteria that should be considered, building on the work undertaken within the Port Logistics Study (October 2008) here include:

- Size: In most circumstances sites should be sized above 10 hectares. Whilst it is recognised that some activities associated with the Port could utilise smaller sites (e.g. individual container storage / haulers), it is also noted that the forward planning process should avoid this piecemeal approach to development associated with Felixstowe. For example, opportunities for co-location should be sought to cluster smaller operators / occupiers.
- Planning Status: Sites allocated for B8 or B1/B8, or B2/B8, or B1, B2, B8 use, or identified as similar within the ELR process should be prioritised, consideration should be given to constraints including environmental policy designations, Flood Risk etc. Development within PDL should be promoted in advance of Greenfield development, applying a sequential test approach to development in this instance.

- **Strategic Access:** Sites should have strong alignment (access and proximity) to the strategic road infrastructure including primarily the A14 and A12 within the Suffolk Haven Gateway and wider connectivity linking the port to the Midlands or London (A1M and M1). Rail access to the site is preferred (current or potential future as part of redevelopment) but is not required.
- 2.136 More generally sites should have good proximity to existing or planned future workforce (including links via established or planned public transport networks), be accessible to Port-related occupiers (including be suitable for HGV access), and be available and viable within the plan period (including a realistic consideration of site development constraints balanced with appreciation of market demand).
- 2.137 The Port Logistics Study identified the following sites as falling within this criteria in the Suffolk Haven Gateway sub-region:
- Former British Sugar Site, Sproughton (allocated)
 - Trinity 2000, Felixstowe (allocated)
 - Land at Innocence Farm, A14, Felixstowe (not currently allocated – agricultural land)
 - Land at Fagbury Cliff, Trimley, Felixstowe (not currently allocated – agricultural land)
- 2.138 The Haven Gateway Partnership is already involved in further work with the Ports and Logistics sector (e.g. the European Dryport Initiative) to develop a more detailed understanding of its potential for further growth and specific future needs in terms of these and other sites and other supporting measures.

HG6: RURAL SITES AND AIRFIELDS

- 2.139 The ELR has not identified a need for additional rural employment allocations, indeed the sub-region is seen to benefit from a supply of allocated sites varying in their scale serving the various settlements outside of the main urban centres that are considered to be deliverable within the timeframe. It is recommended that the supply of rural employment allocations are protected during the plan period against development for other non-employment uses (NB: Non-B-Use Class employment development, wholly or partial should be considered on a site-by-site basis).
- 2.140 Rural employment sites often do not compare well with urban sites when considered against 'traditional' sustainability characteristics including strategic accessibility and relationship / proximity to workforce. In assessing planning applications on rural development sites it is recommended that this is taken into account. Whilst rural employment sites often rely on car travel they serve an important local employment

function, and should be viewed as such. Such a flexible approach should also seek to promote investment in rural transport provision to maximise sustainability of such sites in the future.

- 2.141 The future diversification and growth of the rural economy will rely to a significant extent on wider investment in 'soft' infrastructure. This should include investment in ICT (broadband provision etc) to support business growth and potential. In addition, investment within the public realm of smaller towns and market towns, enhancing the local amenity appeal, is significant in advancing this aspiration for the rural economy. Linked to this, a significant element of the rural economy includes retail and tourism / visitor activity. It is recommended that this type of activity is viewed in light of PPS4 as being 'emerging' or 'whole economy' employment and be supported accordingly.
- 2.142 It is recommended that planning policy be written with a presumption in favour of conversion of rural premises to commercial (office and/or industrial) use where the current (agricultural) function has or is planned to cease. Such an approach will facilitate and promote growth in this type of activity, including continued employment roles of sites serving local settlements and indigenous businesses.
- 2.143 The sub-region benefits from the use of a number of former airfields for general business and industrial activity at the current time. Whilst it is noted that this has largely happened in piecemeal fashion, driven largely by low costs (rents), this process has supported the retention of a number of indigenous uses that may have been displaced due to bad neighbour issues for example. It is recommended that future planning policy recognises and protects this emerging function of the former airfields for this type use, including the need for continued investment of an appropriate (light touch) scale to allow the continued business potential of the sites

CREATE THE RIGHT INVESTMENT ENVIRONMENT

- 2.144 Our business survey has demonstrated the need to provide the appropriate mix of sites in the sub-region. It also shows that there are high levels of contentment with current sites. Therefore it is important to remain connected with local businesses to create the right investment environment.

HG7: ESTABLISH AND IMPLEMENT PRIORITIES FOR BUSINESS RETENTION AND INWARD INVESTMENT

- 2.145 In creating and sustaining the right business investment environment it is essential that the Suffolk Haven Gateway can demonstrate a strong relationship and proactive dynamics with existing businesses. It is essential that current businesses remain satisfied with the range of floorspace stock and premises as well being engaged in terms of business support and skills development initiatives on an ongoing basis.
- 2.146 We recommend that the Haven Gateway Partnership working with a broad range of public partners and stakeholders continue to foster an on-going dialogue with business occupiers (both large and small and those in both urban and rural locations) to ensure the continued retention of these businesses within the area; this will include ongoing dialogue to ensure that employment sites continue to serve their economic and employment needs. While initiatives such as the Haven Gateway Business Intelligence Survey are already taking place, there is a wider programme of co-ordinated business retention activity that will help the economy to prosper and resolve businesses land and property issues. The programme of activities can be divided into the following areas of intervention:
- 2.147 Investment Promotion - Will be required that involves a mix of activities including the development and updating of a comprehensive business sites database, image and market proposition materials and direct targeting of sectors and companies (existing and new businesses) with growth potential aligned to the key sectors in Suffolk Haven Gateway.
- 2.148 Aftercare - Appropriately targeted aftercare will ensure the retention and potential future additional investment of existing key companies. Aftercare is a structured approach to maintaining and extending the dialogue with businesses using dedicated public sector agency staff. An Aftercare Framework should be devised to systematically identify, record and resolve property and non-property issues that businesses raise that may otherwise restrain future growth, re-investment or ultimately cause the loss of the business from Suffolk Haven Gateway either externally or through financial failure.
- 2.149 Research, foresight and intelligence - Sufficient (scope and depth) of employment land take-up and utilisation information is needed to support wider business retention and inward investment prospects. Effective research of trends coupled with time invested in foresight and intelligence development will provide a better understanding of business risk and opportunity and assist in the development of corporate and planning policy responses over time.
- 2.150 Investment Environment Development – The delivery of appropriate skills, sites and premises, infrastructure, and other physical components is essential. Inward investment

terms these are normally 'assumed' to be in place by potential investors (both existing businesses looking to make further investments to grow and those new to the area). The investment environment includes work to support the quality of place and the range of attractions and amenities available to employees of existing businesses.

- 2.151 Performance measurement – effective performance measure of the successes and resolution of businesses is essential to improve business retention and to act as the backdrop for external funding bids and in making decisions on future land use allocations and the provision of employment floorspace.

HG8: ADOPT A WHOLE ECONOMY APPROACH TO FUTURE ECONOMIC DEVELOPMENT

- 2.152 While the focus of this study is on B-class employment, it is clear that in order to meet the job targets established by the Regional Spatial Strategy, the contribution of Non B Class employment opportunities is vital to ensuring growth objectives can be met (Non-B class jobs represent some 50% of all employment in Suffolk Haven Gateway). Indeed, the close alignment of B Class and Non-B Class employment is essential to ensure they reinforce each other. We therefore recommend that the Haven Gateway Partnership also focus on non B-class employment use and recognise their ability to drive economic growth.
- 2.153 In doing this, the importance of continued proactive investment and enabling of place-shaping of the urban centres, key gateways and promotion of the overall attraction and quality of life will be essential tasks for each local authority. This must be coupled with continued review and analysis of the land use and investment support mechanisms for key Non-B Class sectors such as retailing, healthcare and the leisure/tourism economy through corporate strategies and planning policy documents.

3. SUFFOLK COASTAL DISTRICT

- 3.1 Suffolk Coastal District sits within Suffolk County and borders with Waveney District to the north, Mid Suffolk District to the west and Ipswich Borough to the south. The North Sea forms the long eastern border of the District. The District is largely rural with Felixstowe being the largest settlement while Woodbridge is the administrative headquarters. Felixstowe is dominated by port related companies while Woodbridge benefits from the nearby large industrial and office developments of Martlesham Heath Business Park and Adastral Park.
- 3.2 The Port of Felixstowe and BT's Adastral Park development at Martlesham are two major economic drivers within the Haven Gateway so the implications for employment land development have importance both within and beyond the local authority boundaries. It also has the potential to experience high employment growth if the extension of Sizewell is approved and has a high presence of agricultural industries
- 3.3 As well as the primarily industrial and commercial nature of the south, the District is characterised by its rural nature with coastal towns such as Aldeburgh and industrial employment on former airbases adding to the diverse mix of employment. In the north are the towns of Leiston, Framlingham, and Saxmundham which to a lesser extent provide a number of substantial industrial offerings, mainly within industrial parks.
- 3.4 The economic structure of Suffolk Coastal District predominantly comprises tertiary sector activities, which contributes almost 77% of the total employment. The overall structure of Suffolk Coastal varies significantly from the National and Regional breakdown including much lower contributions from the Banking, Finance and Insurance, Manufacturing and to a lesser extent Public Administration, Education and Health sectors. Conversely the Agriculture & Fishing, Energy and Water, and Transport and Communications have significantly higher representation than in comparator areas.
- 3.5 The economic activity rate for Suffolk Coastal is above those for the region and country, with the unemployment level below the national, and the regional average. Average earnings and levels of highly qualified individuals are both below the regional and national averages.
- 3.6 In this chapter we consider the impact that planning policy at a local level, the commercial market and economic forecasts have on the future employment land policy throughout the planning period.

LOCAL PLANNING POLICY

SUFFOLK COASTAL LOCAL PLAN

- 3.7 The current Suffolk Coastal Local Plan was adopted in 1994 and subject to a First Alteration which was adopted in 2001. A Second Alteration, dealing specifically with affordable housing, came into effect on 31st March 2006. Under the reforms within the Planning and Compulsory Purchase Act (2004) the Council applied to the Secretary of State to 'save' the majority of the policies in the Suffolk Coastal Local Plan Incorporating First Alterations ('the Local Plan') until the new Local Development Framework is adopted.
- 3.8 The Local Plan sets out the Council's policies and proposals for the development and use of land across the District, including detailed policies to guide planning decisions.
- 3.9 With specific regard to employment, the aims and objectives of the plan are:
- To support the retention and expansion of existing industry and services, where appropriate;
 - To identify suitable land for employment and other service uses and encourage a variety in size and type of sites and premises, where compatible with the character of the area and its settlements;
 - To encourage the diversification of the rural economy in the north of District and maintain variety in the economy in the south;
 - To give priority to the use of redundant buildings in the Countryside for employment purposes;
 - To protect land with an employment use from other uses, unless there are overriding factors to make such a use undesirable;
 - To encourage retail and commercial development in town centres and to resist retail development that is likely to seriously affect the vitality and viability of a nearby town centre as a whole;
 - To support and make provision for a network of tourist facilities which benefits the local economy and complements the Council's tourism strategy, where consistent with other local plan objectives; and
 - To give adequate recognition to the needs of agriculture and encourage diversification.

- 3.10 Saved policies in relation to the economy include: AP46 New Employment Uses, AP49 Expansion of Existing Employment Units, AP50 Protection of Employment Sites, AP51 General Employment Areas, AP52 New Employment Areas, AP53 Offices, and AP54 Warehousing and Storage.

SUFFOLK COASTAL LOCAL DEVELOPMENT FRAMEWORK

- 3.11 Consultation on the Suffolk Coastal LDF Core Strategy Development Plan Document Preferred Options (DPD) took place between December 2008 and February 2009. The document sets out the direction for development across the District including how and where new homes and jobs will be distributed, with a strategy for each town to guide future growth. This includes a settlement hierarchy of all of the District's towns and villages, including a grouping on the basis of their suitability to accommodate future development.
- 3.12 The document also set out the anticipated social, economic and environmental impacts of pursuing the preferred options as identified, as well as the predicted impacts of alternative options if pursued. The Core Strategy is intended for adoption in early 2011.

VISION

- 3.13 The Vision for Suffolk Coastal as embedded in the Core Strategy Preferred Options report is:

"Having built on the best of the past, Suffolk Coastal will be a district where people want to live and to invest, as well as to care for others and the environment"

- 3.14 Breaking this vision down, the Core Strategy Preferred Options aspires to:
- Be a leading area for best practice and innovative approaches to tackling the causes and effects of climate change; have a built environment characterised by development of the highest environmental standards, with protected biodiversity and landscapes, and with sustainable construction methods commonplace.
 - Have an integrated approach to managing the coastal area, addressing the impact of climate change and sea level rise on Suffolk's coastline and supporting strong communities, a resilient economy and a high quality natural environment. The significant potential effects of climate change on agricultural production and knock-on effects on rural communities, many of whom are reliant upon a thriving agricultural industry, will be recognised and managed.

- Focus Growth Point development, including ensuring that jobs and housing growth have been delivered alongside the required infrastructure whilst maintaining the quality of the local environment, on the Ipswich Policy Area and Felixstowe, alongside important regeneration initiatives within Felixstowe specifically.
- Strong and diverse economy with a workforce that possess appropriate skills for local employment, alongside suitable employment opportunities, including the retention of educated young people and a range of jobs for those with lower skills levels.
- Enterprise within rural areas and market towns, alongside provision of affordable housing within rural areas to ensure people can live and work locally, including the growth of small and medium sized businesses across the District.
- Transport infrastructure, including in particular the rail network and the A12 and A14 corridors, which has been invested in to support business growth.
- Equal access to services for all of the residents within Suffolk Coastal including excellent rural accessibility. Increase in the use of public and community transport and a reduced need for personal transport, having the additional benefit of contributing towards CO2 reduction. Better access to leisure facilities and the countryside will have the benefit of encouraging a healthier lifestyle, both mental and physical.
- Cohesive and inclusive communities, including reduction in deprivation and poverty across the area, with all residents living in healthy, inclusive communities, and benefiting from the opportunity to live in a decent home.

OBJECTIVES

3.15 The Core Strategy Preferred Options vision and policies are underpinned by fifteen objectives, as summarised below:

- Objective 1: Sustainability: To deliver better integrated and sustainable patterns of land use, movement, activity and development.
- Objective 2: Housing Growth: To meet the district's housing requirements.
- Objective 3: Local Housing: To provide for the full range of housing needs within the district.
- Objective 4: Economic Development: To support the growth and regeneration of the local economy.
- Objective 5: The Rural Economy: To strengthen and diversify the rural economy.

- Objective 6: Tourism: To promote all year round tourism based on the attributes (environmental, cultural and social) of the area.
- Objective 7: Market Towns: To sustain and enhance the vitality and viability of town centres and to foster market towns as service, employment and retail centres.
- Objective 8: Transport: To enhance the transport network across the District.
- Objective 9: Design: To deliver high quality developments based on the principles of good, sustainable and inclusive design.
- Objective 10: Protecting and Enhancing the Physical Development: To maintain and enhance the quality of the distinctive natural and built environments.
- Objective 11: Climate Change: To adapt and mitigate against the potential effects of climate change, and minimise the factors which contribute towards the problem.
- Objective 12: Physical and Community Infrastructure: To ensure that appropriate infrastructure, such as transport, utilities or community facilities, are provided at an appropriate time, in order to address current deficiencies and meet the needs of new development.
- Objective 13: Accessibility: To promote better access to housing, employment, services and facilities for every member of the community.
- Objective 14: Leisure: To ensure that the community is as healthy as possible.
- Objective 15: The Coast: To secure the continuing prosperity and qualities of coastal areas and communities, whilst responding to climate change and the natural processes that occur along the coast.

3.16 In relation to the economy specifically, the Core Strategy Preferred Options report states that sites for new local employment will be identified in the Site Specific Allocations and Policies Local Development Document. However, it does identify two potential areas of strategic rather than local significance: Ransomes Europark and Martlesham Business Campus (Adastral Park).

3.17 At Ransomes Europark, Nacton, an extension covering at least 14 Ha is identified to have potential to serve a wider area given its adjacency to both Ipswich and the A14.

3.18 Martlesham Business Campus is identified as a Strategic Employment Area (policy SP21) consisting of a variety of businesses including British Telecom (BT) on its Adastral Park site. The Core Strategy Preferred Options recognise the opportunity to create a high-tech business cluster based on the reputation and international significance of BT. The development will be known as Innovation Martlesham and will provide an invaluable contribution to the employment base of Ipswich and Suffolk Coastal. It is envisaged that

such a development can be accommodated as part of the redevelopment and rationalisation of the existing Adastral Park. Such an approach would strengthen the strategic employment site and stimulate opportunities for other development within the campus.

- 3.19 The Strategy for the area to the east of Ipswich includes the need to support the continued improvement and upgrading of the strategic employment site at Martlesham Business Campus. Whilst priority will be given to uses which support its role as a centre of excellence for the ICT sector at the regional and national level other employment uses will be encouraged which make use of local skills.
- 3.20 For Felixstowe the Strategy will seek to expand the local employment base to provide a wider range and choice of employment type and site together with enhanced education and skills, alongside that provided by an expanded Port function. The regeneration of the resort area will be enabled to boost its appeal as a tourist destination and address issues of deprivation, particularly at the southern end.
- 3.21 New employment opportunities will be encouraged in suitable locations (within Felixstowe) to help diversify the local economy. Priority will be given to ensuring that such sites can be fully serviced including ICT provision. The Strategy identifies the specific need to strengthen the physical, economic and cultural links between the Port and the town.
- 3.22 The Core Strategy Preferred Option report makes provision for at least 8.5 Ha of employment land within the District, with the potential to create at least 8,000 jobs. Felixstowe Port and Martlesham Heath Business Campus (including Adastral Park) are identified to be Strategic Employment Areas (of regional significance).
- 3.23 More generally across the District it is recognised that there are a number of employment areas that are significant, identified as 'General Employment Areas' to be identified in the Site Specific Local Development Document and will be shown on the Proposals Map. In most cases the appropriate uses within the general employment areas will be B1, B2 and B8 unless specific policies state otherwise. Other ancillary uses such as take away food, nurseries / crèche, and leisure may be appropriate if the primary purpose is to provide a service to local workers and not a wider area.
- 3.24 The strategy of creating new employment land across Suffolk Coastal will be complemented by one of protecting existing employment land.
- 3.25 **Strategic Policy SP22** *Economic Development in the Rural Areas* states that opportunities to maximise the economic potential of the rural areas, particularly where this will secure employment locally, will generally be supported. This includes the need to: foster the

maintenance and expansion of existing employment and creation of new employment in the market towns of the District; encouraging small-scale farm and rural diversification enterprises which are compatible with objectives in respect of the environment and sustainability; supporting agriculture; and expanding the tourism offer where it is compatible with the objectives in respect of the environment.

- 3.26 **Strategic Policy SP23** *Regeneration* identifies regeneration, including diversification, to be a priority within: the rural areas, largely as a result of the decline in the agricultural economy; the town of Leiston, where the decommissioning of Sizewell A nuclear power station has added to the impact of the decline in local engineering; the town centres, where concern exists over the impact of out-of-town stores as well as the growth of the Ipswich retail economy; and the resort of Felixstowe, largely a result of changing holiday patterns.
- 3.27 **Strategic Policy SP24** *Tourism* recognises the distinct areas within Suffolk Coastal where proposals for tourism-related development will be determined by their capacity to absorb new development and additional visitors including: the resort of Felixstowe; the market towns of Framlington, Leiston and Saxmundham; Aldeburgh and Woodbridge; the Heritage Coast; Suffolk Coast and Heaths AONB; the remaining area to the east of the A12; and the area to the west of the A12.

COMMERCIAL PROPERTY MARKET ANALYSIS

- 3.28 While the local planning policy sets the strategic context for employment land development in the District, the next step is to consider the commercial market conditions that prevail. This allows any conclusions and recommendations that are made to be reflective of what is achievable in commercial terms.

OVERVIEW

- 3.29 Commercial and employment related activity within Suffolk Coastal is very much concentrated around Felixstowe and Woodbridge / Martlesham to the south of the District. Although Woodbridge is the administrative centre of the District, neither of these areas is currently viewed as a strategic office location, with the majority of office based companies preferring to stay within Ipswich. Felixstowe is dominated by port related companies while Woodbridge benefits from the nearby large industrial and office developments of Martlesham Heath Business Park and Adastral Park.
- 3.30 In the north are the towns of Leiston, Framlingham, and Saxmundham which to a lesser extent provide a number of substantial industrial offerings, mainly within industrial parks. Aldeburgh is another main town in the north of the district, but employment here is characterised largely by tourism and retail (Non B) uses. There is also some industrial employment outside of the towns and villages, particularly on former airbases.

MAIN EMPLOYMENT CENTRES

FELIXSTOWE

- 3.31 Felixstowe is situated south east of Ipswich, on the coast, at the end of the A14. The built environment of the town and surrounding area are dominated by Felixstowe Port which is situated on the southern side of the town and opposite Harwich ferry port across the River Orwell. Felixstowe Port is the UK's largest container port and has a continuous quay of over 2.3 km in length. The port has its own railway loop line which connects to the Felixstowe to Ipswich line. The A14 connects the port with Ipswich and London via the A12, but both of these roads are heavily congested. The port is a recognised centre of distribution and logistics, with the vast majority of employment connected to shipping and port activities.

- 3.32 The town of Felixstowe is located to the north-east of the port and has its own passenger rail station, which is the end of the line from Ipswich. Employment within the town is far more locally driven than at the port which has seen a notable level of inward investment.

Figure 2 Maersk Office, Felixstowe Port



WOODBIDGE / MARTLESHAM HEATH

- 3.33 Woodbridge is located between the River Deben and the A12 and as such has good transport links via road to Ipswich and the Port of Felixstowe. Woodbridge railway station is on the Ipswich to Lowestoft East Suffolk Line, with services to Ipswich taking approximately 20 minutes. On the same line is Melton railway station, which is on the northern edge of Woodbridge.
- 3.34 Industrial and office space demand in Woodbridge is largely from local companies, although there are also some larger companies present. Deben Mill Business Centre in the north of the town has provided modern grade 'A' office space and is currently fully let, with phase 4 currently under construction. Agency perspectives cite the former Girdlestons factory site opposite Melton railway station is an important employment site for the area, garnering much commercial interest. Planning permission is currently being sought on the

site for the development of two and three storey business units to include offices, workshops, coffee shop/café and surrounding landscaping and works.

- 3.35 Martlesham Heath is located circa 3 miles south of Woodbridge along the A12. It is a primary employment location owing to the presence of BT, Adastral Park, Tesco, Martlesham Business Park, a range of other retail uses and the Suffolk Police Headquarters. The A1214 leads directly from the area into central Ipswich. Adastral Park is a science research park which was set up by BT, who remain the dominant occupier on the site, although other national and international research companies are also present, as well as University College London. Innovation Martlesham is a joint venture between the East of England Development Agency (EEDA) and BT to create an ICT focused Innovation Park within the boundary of BT's Adastral Park. Martlesham Business Park adjoins the northern side of Adastral Park and has office and industrial units, as well as a large superstore. The Business Park is seen to accommodate more local demand than Adastral Park which has a more strategic (inward investment) focus.

Figure 3 Martlesham Heath Business Park



STOCK

OFFICE

- 3.36 Table 10 sets out total office stock in Suffolk Coastal District in 1998 and 2008. There has been a 29% increase in office space since 1998 in Suffolk Coastal, above that of the East of England region (20%) and England as a whole (23.5%).
- 3.37 This is reflected in the good stock available at the more recently developed business parks, such as the Deben Mill Business Centre and Haven Exchange Business Park. Much of this stock is in competition with Ipswich business parks for tenants, and therefore needs to be of a suitable grade 'A' standard. Stock located within the Felixstowe port area is less in competition with Ipswich sites due to the demand created by port related activities directly.

Table 10 Office Stock in Suffolk Coastal 1998 - 2008

Area	1998 (000 m ²)	2008 (000 m ²)	% Change
Suffolk Coastal	114	147	29%
East of England	7,234	8,664	20%
England	78,973	97,566	23.5%

Source: Office for National Statistics

- 3.38 There is also, however, a considerable amount of second hand stock within Woodbridge / Martlesham and the northern towns and settlements.

INDUSTRIAL

- 3.39 Table 11 shows that between 1998 and 2008 there has been a 1.5% increase in industrial stock in Suffolk Coastal. This is compared to a 6.5% increase in the East of England and a 2.5% increase in England.

Table 11 Industrial Stock within Suffolk Coastal 1998 - 2008

Area	1998 (000 m ²)	2008 (000 m ²)	% Change
Suffolk Coastal	679	688	1.5%
East of England	33,738	35,890	6.5%
England	336,410	344,807	2.5%

Source: Office for National Statistics

- 3.40 Generally, the employment stock of Suffolk Coastal is linked to storage / distribution and manufacturing uses. Felixstowe is the centre of storage and distribution due to the port, while the towns in the north are more strongly influenced by the energy sector.
- 3.41 Felixstowe continues to see growth in industrial stock, most of which is for container storage and distribution. Other areas have seen no or very little new industrial stock with much of what is present being of a secondary nature. Most of the industrial parks are a mix of both office and industrial stock, mostly of a dated and secondary nature and many show signs of ad hoc retail encroachment.

COMPLETIONS

- 3.42 Table 12 sets out the total amount of business floor space developed between 2004 and 2008. The table shows a steady year on year rise in the amount of employment floorspace developed apart from a large spike in 2006/7, which the Council's Annual Monitoring Report attributes to that year's figures including "catch-up" data.
- 3.43 It should be taken into account, however, that the slowing down of the commercial market may account for the reduction in commercial development activity in the last 12 months.
- 3.44 In 2006/7 and 2007/8 the majority of floorspace development was on brownfield sites and mainly for, light industry (B1c) and office (B1a). In 2007/8 research and development (B1b) accounted for the largest amount of floorspace development (2,715 m²), while the 2006/7 figures included a very large amount of distribution floorspace (8,803 m²).
- 3.45 Over the four years, 23,557 m² (6,650 m²) of floorspace was developed for B1 uses, 7,222 m² (4,150 m²) for B2 and 10,003 m² for B8 (6,155 m²). The figures in brackets show the amount of floorspace that was developed on previously developed land.

Table 12 Business floorspace (B1 – B8) completions in Suffolk Coastal

Year	Floor space (m ²)
2007/8	7,462
2006/7	24,243
2005/6	5,714
2004/5	3,363

Source: Suffolk Coastal Annual Monitoring Reports

Figure 4 Deben Mill Business Centre

DEMAND

- 3.46 According to local agents there is currently very little demand for either office or industrial space in general within the market in the area, an indication of the difficult economic conditions. However, with regard to offices the highest interest is reported to be for mid-sized (185-465 m²) grade 'A' units, while larger industrial units also generate interest, especially close to Felixstowe port. Interest is from mainly local based firms, with large national and international businesses interested in large units for port associated uses.

TAKE-UP

OFFICE

- 3.47 Table 13 sets out the absolute and average annual take up of office employment space in Suffolk Coastal over the past ten years broken down to percentage take-up per unit size. The table shows that over the last 10 years the vast majority (71%) of office space take up has been of units which are 1,850 m² or larger. Office units of between 185 and 465 m² account for 16% of average annual take up, with units of 465 to 1,850 m² accounting for 9% of average annual take up. Only 5% of average annual take up is units of less than 185 m².

Table 13 Absolute & Annual Average Office Take up Suffolk Coastal 1998 - 2008

Floor Space Range	Absolute Take up (m ²)	Average Annual Take up (m ²)	% Total
<185 m ²	1,380	125	5%
185 - 465 m ²	4,589	417	16%
465 - 1850 m ²	2,467	224	9%
1850 m ² +	20,259	1,842	71%
Total	28,695	2,608	100%

Source: EGI

- 3.48 While Table 13 lists the size bands within which market demand is present, while Table 14 analyses the number of deals done in relation to unit size across Suffolk Coastal. This is a much more informative figure and it ensures that one deal of +1,850 m² does not 'skew' the statistics.

Table 14 Number of Office Deals in Suffolk Coastal 1998 – 2008*

Floor Space Range	2000	2001	2002	2004	2005	2006	2007	2008	Total
<185 m ²		2		3		2	4	4	15
185 - 465 m ²	1	1	2	1	1		3	4	13
465 – 1,850 m ²			1		1	2	1		5
1,850 m ² +				2	1				3
Total	1	3	3	6	3	4	8	8	36

Source: EGI * = Where a year is not present, no deals are recorded.

- 3.49 Combining Table 13 and Table 14 shows that while 71% of take up was in the size band 1,850 m² +, only three deals have been done at this unit size over the past 11 years. Table 14 shows that most deals have occurred in the <185 m² size band and 185 – 465 m² size band. This indicates that smaller office units show strong demand within the District, perhaps an indication of the high numbers of small businesses in the District.
- 3.50 2007 and 2008 were peak years for office deals in Suffolk Coastal. This coincides with the peak of the commercial market, and we would expect to see the number of deals per annum fall off significantly over the next 12 months.

INDUSTRIAL

- 3.51 Table 15 sets out the absolute and annual average take up of industrial employment space in Suffolk Coastal from 1998 to 2008. The data shows that 95% of the total take up across the District was for units of more than 1,850 m² most likely related to the large units at the

Port of Felixstowe. At the size range below (465 – 1850 m²) it is only 3% of District take up and only 2% of take up has been for units below 465 m² in size.

Table 15 Absolute and Average Annual Industrial space take up in Suffolk Coastal 1998 - 2008

Floor Space Range	Absolute Take Up (m ²)	Average Annual Take Up (m ²)	% Total
<185 m ²	1,808	164	1%
185 – 465 m ²	2,655	241	1%
465 – 1850 m ²	8,292	754	3%
1850 m ² +	233,355	21,214	95%
Total	246,110	22,373	100%

Source: EGI

- 3.52 Table 16 allows us to understand more fully the percentage of total take up set out in Table 15 above. The data shows that, with regard to industrial units, more deals have been done involving units of less than 185 m² (20) than any other size of unit, which in common with the office market is an indication of the predominance of small businesses within the District. Units of over 1,850 m² also account for a large amount of the deals (17), which is an indication of a very mixed industrial market.

Table 16 Number of Industrial Deals in Suffolk Coastal 1998 - 2008

Floor Space Range	'99	'00	'01	'03	'04	'05	'06	'07	'08	Total
<185 m ²		1				3	3	12	1	20
185 - 465 m ²			1		1	1	1	4	1	9
465 - 1850 m ²	1	1		1	1		1	3		8
1850 m ² +	4	1		1	1	3	3	4		17
Total	5	3	1	2	3	7	8	23	2	54

Source: EGI

- 3.53 The industrial market hit a very high peak in 2007 of 23 deals, with this number drastically reducing to just two deals in 2008. The most likely reason for this is the economic downturn, perhaps combined with a lack of suitable space and premises after the rapid growth and take up displayed in the previous three years.

AVAILABILITY

- 3.54 Table 17 below shows the commercial property vacancy levels within Suffolk Coastal as of 2005. The vacancy rate is 6% in Suffolk Coastal, which is below that of the East of England (8%) and England (9%).

Table 17 Commercial Property Vacancy Levels within Suffolk Coastal

Area	Vacancy Rate %
Suffolk Coastal	6 %
East of England	8 %
England	9 %

Source: Office for National Statistics (2004 – 2005)

3.55 There are, however, units available at a number of locations though according to agents this is due to a high level of low grade stock being on offer, rather than a lack of demand for industrial. As an illustration of this, there are vacant employment units at the following sites:

- Eastlands Industrial Estate (Leiston)
- Masterlord Industrial Park (Leiston)
- Carlton Park Industrial Estate (Saxmundham)
- Riverside Industrial Estate (Wickham Market)

TAKE UP V AVAILABILITY

3.56 While both take-up and availability have been assessed separately it is useful to compare these to estimate the notional year's supply of commercial property that is available on the market. This gives an idea of levels of supply within the commercial property market though it should be noted that it does not take into account the quality of the stock.

OFFICE

3.57 Table 18 sets out office availability and take up in Suffolk Coastal District as per the size brackets used previously.

Table 18 Office Availability and Take-Up by Size in Suffolk Coastal

Floor Range	Space	Available Floor Space (m ²)	Annual Average Take Up (m ²)	Notional Years Supply
<185 m ²		875	62	14
185 - 465 m ²		1,462	278	5
465 - 1,850 m ²		562	127	4
1,850 m ²		15,235	1103	13
Total		18,135	2,608	7

Source: EGI

- 3.58 Table 18 shows that the largest notional years supply at the top and bottom of the size ranges. Units of less than 185 m² have a notional year's supply of 14 years, closely followed by 13 year's notional supply for units over 1,850 m². This is perhaps an indication of a comparative lack of suitable, quality stock within these size ranges.
- 3.59 The most constricted supply is for office units of 185 m² to 465 m² and 465 m² to 1,850 m², for which there is 5 and 4 years respectively although this would normally be considered ample supply to satisfy demand on a quantitative level. The quality of available office units varies greatly. There are new Grade 'A' units coming on to the market at Haven Exchange South and Deben Mill. The unit sizes are flexible, varying between 34 m² to 1,300 m² and should help rectify the shortage of modern, mid-size office units. Many of the available large office units are off a low quality and are not suitable to the modern office market.

INDUSTRIAL

- 3.60 Table 19 sets out availability of industrial floorspace against annual average take up broken down into unit size. It shows that there is an undersupply in mid sized (185 – 465 m²) and large (1,850 m² +) units, indicating the demand for large and small industrial units most likely arising from the Port of Felixstowe. This may also be a strong factor in why the take up of large industrial units has dropped so significantly in the last 18 months.
- 3.61 We have calculated that there is 8 notional years of supply of small industrial (<185 m²) and 5 notional years for units between 465 and 1,850 m².

Table 19 Available Industrial Floorspace and Annual Average Take-Up in Suffolk Coastal

Floor Range	Space	Available Floor Space (m ²)	Average Annual Take Up (m ²)	Notional Years Supply
<185 m ²		1,308	164	8
185- 465 m ²		229	241	<1
465 - 1850 m ²		3,848	754	5
1850 m ² +		17,346	21,214	<1
Total		22,731	22,373	1

Source: EGI

RENTS

OFFICE

- 3.62 Table 20 shows rental values for 'A' grade office stock in the office locations of Suffolk Coastal. Values range from £108 per m² (£10 per sq ft) for stock in Felixstowe, and £65 per m² (£6 per sq ft) in the more northern locations such as Leiston. As a comparator, 'A' grade office stock in Ipswich commands rents of up to £172 per m² (£16 per sq ft), although currently a more likely rent is £130 per m² (£12 per sq ft).

Table 20 Rental Values for 'A' grade Office Stock in Suffolk Coastal

Location	Grade 'A' Stock (£ per m ²)	Grade 'A' Stock (£ per sq ft)
Leiston	65	6
Saxmundham	-	-
Framlingham	86	8
Rural Central	-	-
Woodbridge	97	9
Martlesham Heath	97	9
Felixstowe Port	108	10

Source: GVA Grimley

- 3.63 Agents consulted stated that rents fall away as one moves north, away from Ipswich and Felixstowe port. Therefore business centres in the northerly towns, such as Framlingham, will suit local occupiers or those who are not able to locate in the more expensive locations of Ipswich or Felixstowe, or their sphere of influence. Agents also noted that there is very little Grade 'A' office stock within Suffolk Coastal, with some evident at Martlesham Heath Business Park, Felixstowe Port, and Deben Mill Business Centre. This perhaps in part explains the comparatively large notional years supply in office stock as indicated in Table 18.

INDUSTRIAL**Table 21 Rental Values for 'A' grade Industrial Stock in Suffolk Coastal**

Location	Grade 'A' Stock (£ per m ²)	Grade 'A' Stock (£ per sq ft)
Leiston	54	5
Saxmundham	32	3
Framlingham	54	5
Rural Central	32	3
Woodbridge	65	6
Martlesham Heath	75	7
Felixstowe Port	108	10

Source: GVA Grimley

- 3.64 Table 21 shows rental values for grade 'A' Industrial stock in the employment areas of Suffolk Coastal. Industrial rents follow a similar pattern as office rents, falling away as one moves further north from Felixstowe, which is the main driver of industrial land in the District.
- 3.65 As a consequence of this, the highest industrial rents of up to £108 per m² (£10 per sq ft) are commanded in the Port of Felixstowe area. Lower rents of up to £75 per m² (£7 per sq ft) are commanded in Martlesham Heath. Leiston and Framlingham command industrial rents of circa £54 per m² (£5 per sq ft), while industrial rents in Saxmundham and the rural sites have the lowest industrial rents in the District, at just £32 per m² (£3 per sq ft).

CONCLUSION

- 3.66 Suffolk Coastal District has a predominance of industrial space over office employment space; although over the last ten years the amount of office space has increased at a far higher rate than the industrial space in line with general commercial property market trends in the East of England.
- 3.67 The Port of Felixstowe is the main driver for and site of industrial land, and it is almost exclusively distribution use. The industrial market appears strong in the District, particularly around Felixstowe, and the notional undersupply of mid sized and large industrial units demonstrates this.
- 3.68 The office market is not as strong as industrial and there are some northern areas that are not recognised office locations. However, growth in stock has been strong although the

relatively large notional years supply and anecdotal evidence from local agents suggests that there is a lack of good quality stock available to the market.

- 3.69 It is local agent's views that the District is likely to remain predominantly industrial given the planned development at the Port of Felixstowe rather than an office location related to the high-tech industries of Adastral Park. It is their view that these are likely to be concentrated around the actual port site although they did note developments such as the Framlingham Technology Centre as examples of high technology activity outside the Martlesham area.
- 3.70 Woodbridge / Martlesham is the main office location in the District, although in property market terms central Ipswich is still considered to be the primary office location for the area.
- 3.71 There are, however, other market drivers. The potential future development of Sizewell would have an effect on the employment levels in the area though the effect on commercial property requirements is not clear.
- 3.72 The rural employment sites have a strong manufacturing and 'food stuffs' element, built on the agricultural past of the region. Eastlands Industrial Estate in Leiston and Ore Trading Estate near Framlingham are examples of this. Agents consider that these units will continue to prosper, but as they tend to have some owner / occupier element, any growth will be in close proximity to the original site or on land already owned by the occupier, rather than through moving to a new location.

Figure 5 Framlingham Technology Centre, Framlingham



EMPLOYMENT LAND SUPPLY ANALYSIS

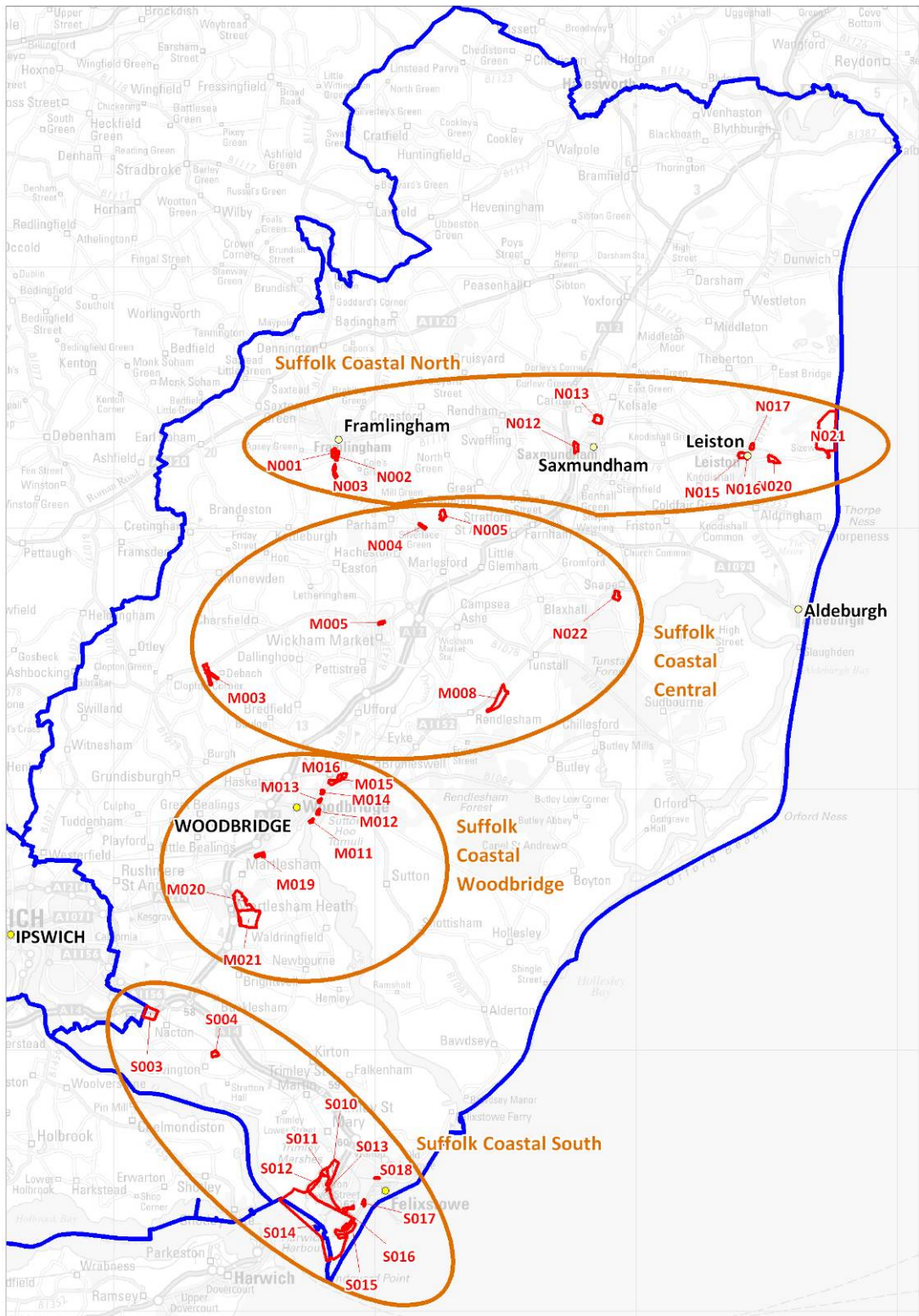
- 3.73 The field survey included visits to a total of 35 employment sites, grouped into four 'market areas': Suffolk Coastal Central, Suffolk Coastal North, Suffolk Coastal South, and Suffolk Coastal Woodbridge. These sites and market areas are illustrated in Figure 6. A table is included at Appendix 2 documenting the individual characteristics of each of the allocated employment sites considered in the analysis.
- 3.74 Our analysis shows that a total of 722 Ha of employment land has been surveyed, as illustrated in Table 22.

Table 22 Total Employment Land by Area (Ha)

	Distribution	Industrial	Office	Other	Grand Total (Ha)
Suffolk Coastal Central	40.94	8.08			49.02
Suffolk Coastal North	14.90	99.51	8.40	4.28	127.09
Suffolk Coastal South	398.41	46.55	4.27		449.22
Suffolk Coastal Woodbridge		19.54	77.13		96.67
Grand Total	454.25	173.67	89.80	4.28	722.01

Source: GVA Grimley, NB: Figures may not total due to rounding

Figure 6 Employment Sites and Clusters in Suffolk Coastal District



Source: GVA Grimley / Suffolk Coastal DC

SUFFOLK COASTAL CENTRAL

- 3.75 The area referred to as “Suffolk Coastal Central” contains the employment sites concentrated along the central section of the A12 corridor. It contains distribution and industrial sites, perhaps expectedly given the strength of the road connections by virtue of proximity to the A12, a key route from the north of Ipswich. Six sites are included within this market area.

SUFFOLK COASTAL NORTH

- 3.76 The area referred to as “Suffolk Coastal North” contains the employment sites located in and around the three settlements of Saxmundham, Framlingham, and Leiston. A total of nine sites are located within this market, including sites classified as industrial, office, distribution, and one ‘other’. There is one strategic site within this market area, at Rendham Road in Saxmundham.

SUFFOLK COASTAL SOUTH

- 3.77 “Suffolk Coastal South” covers a total of eleven allocated employment sites, the most of all of the market areas. This includes five industrial, five distribution, and one office site. The bulk of sites in this market area are focused to the south of Felixstowe, although two are located to the eastern periphery of Ipswich. The Ransomes Europark strategic site is located within this market area.

SUFFOLK COASTAL WOODBRIDGE

- 3.78 The area referred to as “Suffolk Coastal Woodbridge” contains a total of nine employment sites clustered around the Woodbridge settlement and along the A12 at Martlesham. The sites in this area include seven industrial and two office sites, the mixed industrial/office site of Martlesham Business Park and the strategic employment site Adastral Park.

EMPLOYMENT LAND AVAILABILITY

- 3.79 Our analysis shows that there is 47.5 Ha of vacant employment land in the District, concentrated in eleven sites. Around half of this vacant land supply is concentrated within the Suffolk Coastal South market area. Around 18.5 Ha of the vacant land supply is within strategic sites, with just over 6 Ha appropriate for office development. There are also around 13.7 Ha of industrial land and 9.1 Ha of warehousing land. There is no vacant

employment land supply identified within the Suffolk Coastal Central market area. This is shown in Table 23:

Table 23 Land Supply – Vacant Employment Land (Ha)

Sub Area		Office	Industrial	Warehousing	Strategic Site	Grand Total
Suffolk North	Coastal	4.3	7.7		5.0	17.0
Suffolk Central	Coastal	0.0	0.0	0.0		0.0
Suffolk South	Coastal	1.9	0.0	9.1	13.5	24.5
Suffolk Woodbridge	Coastal	0.0	6.0			6.0
Grand Total		6.2	13.7	9.1	18.5	47.5

Source: GVA Grimley, NB: Figures may not total due to rounding, NB: Lime Kiln Quay is identified as an industrial site although it is noted that this site is identified specifically for maritime industrial uses.

PHASING OF SUPPLY

- 3.80 The table overleaf sets out employment land supply by availability including that which is considered to be immediately available, and that which has short, medium and long term availability respectively. For the purposes of this analysis, short term is assumed to be within 1 to 5 years, medium term within 6 to 10 years, and long term 11 years and beyond.
- 3.81 The majority of the available land supply within Suffolk Coastal is identified to be short term available – reflecting the general lack of delivery constraints affecting the land. A total of 25.9 hectares, within 9 of the sites, falls within this category. None of the sites are immediately developable.
- 3.82 The second largest supply of land (total land and number of sites) is identified to be long term deliverable including 18.1 hectares within 3 sites.

Table 24 Land Phasing – Vacant Employment Land by Availability

IMMEDIATELY AVAILABLE	Land Available	Number of Sites
Suffolk Coastal South	0.0	0
Suffolk Coastal Central	0.0	0
Suffolk Coastal North	0.0	0
Suffolk Coastal Woodbridge	0.0	0
	0.0	0
LONG TERM AVAILABLE	Land Available	Number of Sites
Suffolk Coastal South	13.5	1
Suffolk Coastal Central	0.0	0
Suffolk Coastal North	4.6	2
Suffolk Coastal Woodbridge	0.0	0
	18.1	3
MEDIUM TERM AVAILABLE	Land Available	Number of Sites
Suffolk Coastal South	0.0	0
Suffolk Coastal Central	0.0	0
Suffolk Coastal North	0.0	0
Suffolk Coastal Woodbridge	3.5	2
	3.5	2
SHORT TERM AVAILABLE	Land Available	Number of Sites
Suffolk Coastal South	11.0	3
Suffolk Coastal Central	0.0	0
Suffolk Coastal North	12.3	5
Suffolk Coastal Woodbridge	2.5	1
	25.9	9

Source: GVA Grimley

3.83 There is no immediately available land within Suffolk Coastal, as noted previously. The following sites are identified to be short term available, including specific concentrations of availability in Suffolk Coastal North and Suffolk Coastal South:

- Station Road East (N002) (Suffolk Coastal North) (1 hectare remaining, for office development);
- Woodbridge Road (N003) (Suffolk Coastal North) (0.85 hectares remaining, for light industrial / office development);
- Rendham Road (N012) (Suffolk Coastal North) (5 hectares remaining, for general business development);
- Carlton Park (N013) (Suffolk Coastal North) (3.1 hectares remaining, for office / industrial development);

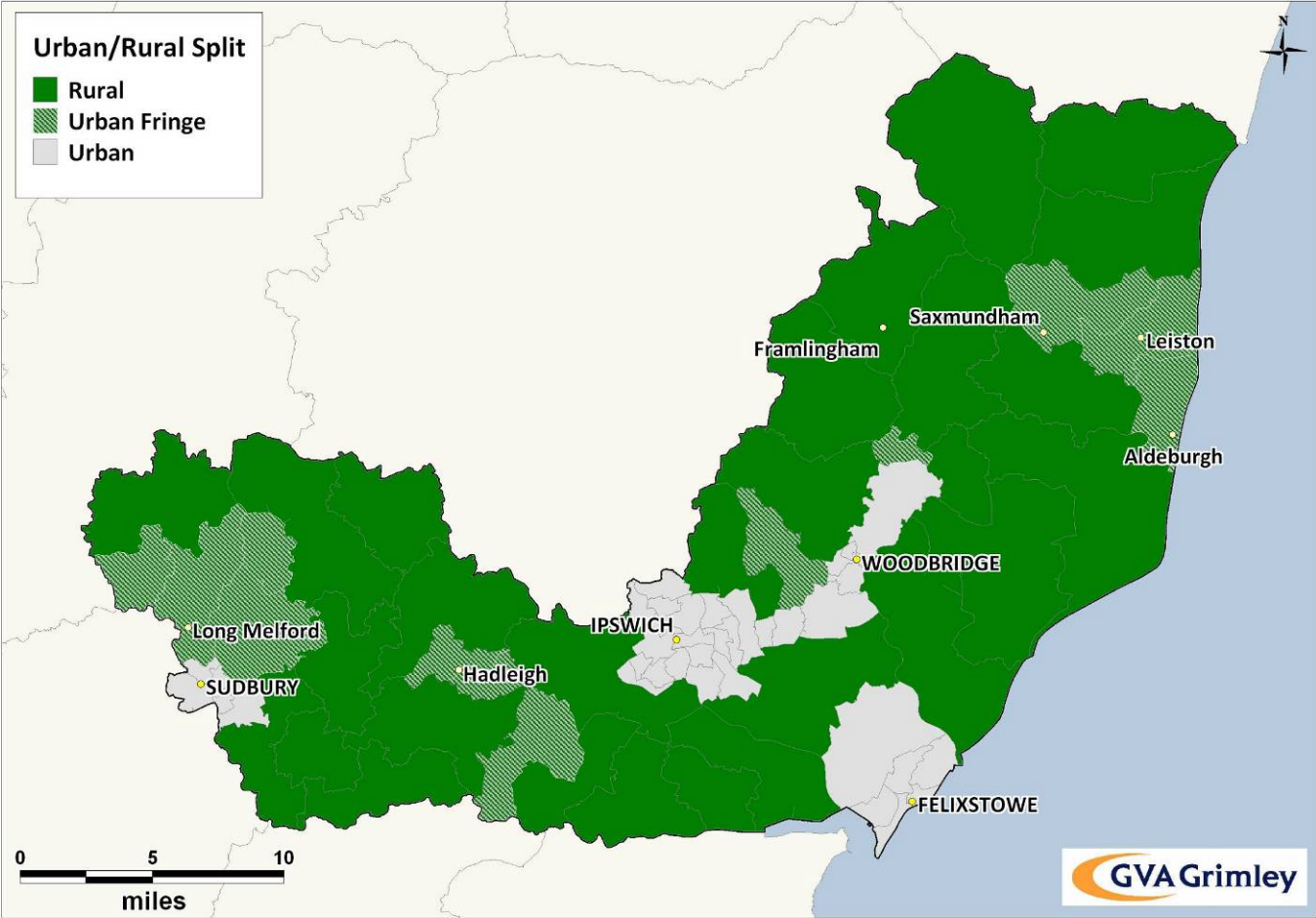
- Abbey Road (N017) (Suffolk Coastal North) (2.4 hectares remaining, for mixed use / office development);
- Clickett Hill (Blowfield Park) (S010) (Suffolk Coastal South) (3.5 hectares remaining, for warehouse / distribution);
- Trinity Avenue (Felixstowe Port) (S013) (Suffolk Coastal South) (5.65 hectares remaining, for Port-related development);
- Trinity Avenue (Haven Exchange South) (S016) (Suffolk Coastal South) (1.9 hectares remaining, for office development); and
- Wilford Bridge Road (M015) (Suffolk Coastal Woodbridge) (2.5 hectares remaining, for industrial and office development.

TYPOLOGY OF SITE SUPPLY

- 3.84 The analysis of the land supply across the Haven Gateway recognises the largely rural character of the area, including significant swathes of rural and ‘urban-edge’ primarily covering Babergh and Suffolk Coastal districts. Rural and ‘urban-edge’ are defined applying the Department for Environment, Food and Rural Affairs (DEFRA) 2004 definition.
- 3.85 The methodology used here (the Rural Definition) was introduced in 2004 as a joint project between DEFRA, the Commission for Rural Communities (CRC – formerly the Countryside Agency), the Office for National Statistics (ONS), the Office of the Deputy Prime Minister (ODPM) (former, now Department for Communities and Local Government), and the Welsh Assembly. The ‘spectrum’ / graded system used replaces the earlier Oxford / CA binary ward classification and adopts a more reliable settlement-based approach.
- 3.86 Codes have been assigned to wards to represent their predominant morphology². Codes range from 1 to 3, as outlined below:
- 1 = Urban >10k (Urban)
 - 2 = Town and Fringe (Urban Fringe)
 - 3 = Village, Hamlet & Isolated dwellings (Rural)
- 3.87 This is mapped for the Haven Gateway area overleaf.

² ‘Morphology’ here refers to the form or structure of the settlement which includes the area, e.g. whether the area is a part of a town, a village or an urban fringe etc. The ‘morphology’ of a given area is determined by the population density of the area and its wider surroundings. The report concluded that it was appropriate for most policy purposes to employ the ‘physical settlements’ definition as represented by the Communities and Local Government defined ‘urban areas’ and to treat those with more than 10,000 people as ‘urban’.

Figure 7 Urban / Rural Split



3.88

- 3.89 On the basis of the application of this definition of urban, urban-fringe, and rural, the allocated employment supply across Suffolk Coastal has been categorised as is summarised in Table 25 below. The data has been mapped by sub-area and then typology.

Table 25 Suffolk Coastal Land Supply by Urban / Rural Typology

Site Name	Site Ref.	Sub Area	Available Site Area	Site Typology (Urban / Rural)
Clopton Commercial Park	M003	Suffolk Coastal Central	0.0	Rural
Bentwaters Park	M008	Suffolk Coastal Central	0.0	Rural
Silverlace Green	N004	Suffolk Coastal Central	0.0	Rural
Parham Airfield	N005	Suffolk Coastal Central	0.0	Rural
Snape Maltings	N022	Suffolk Coastal Central	0.0	Rural
Border Cot Lane	M005	Suffolk Coastal Central	0.0	Urban Fringe
Station Road	N001	Suffolk Coastal North	3.5	Rural
Station Road East	N002	Suffolk Coastal North	1.0	Rural
Woodbridge Road	N003	Suffolk Coastal North	0.8	Rural
Rendham Road	N012	Suffolk Coastal North	5.0	Urban Fringe
Carlton Park	N013	Suffolk Coastal North	3.1	Urban Fringe
Masterlord's Estate	N015	Suffolk Coastal North	0.0	Urban Fringe
Abbey Road	N017	Suffolk Coastal North	2.4	Urban Fringe
Eastlands Estate	N020	Suffolk Coastal North	1.1	Urban Fringe
Sizewell Nuclear Power Station	N021	Suffolk Coastal North	0.0	Urban Fringe
Masterlord's Estate	N016	Suffolk Coastal North	0.0	Urban Fringe
Levington Park	S004	Suffolk Coastal South	0.0	Rural
Clickett Hill [Blowfield Park]	S010	Suffolk Coastal South	3.5	Urban
North of Nicholas Road	S011	Suffolk Coastal South	0.0	Urban
Land rear of Parker Avenue	S012	Suffolk Coastal South	0.0	Urban
Trinity Avenue	S013	Suffolk Coastal South	5.7	Urban
Port of Felixstowe	S014	Suffolk Coastal South	0.0	Urban
Carr Road, Langer Road	S015	Suffolk Coastal South	0.0	Urban
Trinity Avenue [Haven Exchange Sth]	S016	Suffolk Coastal South	1.9	Urban
Ordnance Roundabout	S017	Suffolk Coastal South	0.0	Urban
Bridge Road	S018	Suffolk Coastal South	0.0	Urban
Nacton Heath [Ransome's Europark]	S003	Suffolk Coastal South	13.5	Urban
Tide Mill Way	M011	Suffolk Coastal Woodbridge	0.0	Urban
Lime Kiln Quay	M012	Suffolk Coastal Woodbridge	0.0	Urban
Deben Mill	M013	Suffolk Coastal Woodbridge	0.0	Urban
Melton Road	M014	Suffolk Coastal Woodbridge	0.7	Urban
Wilford Bridge Road	M015	Suffolk Coastal Woodbridge	2.5	Urban
Wilford Bridge Road	M016	Suffolk Coastal Woodbridge	2.8	Urban
Sandy Lane	M019	Suffolk Coastal Woodbridge	0.0	Urban
Martlesham Business Park	M020	Suffolk Coastal Woodbridge	0.0	Urban
Adastral Park, Martlesham Heath	M021	Suffolk Coastal Woodbridge	0.0	Urban

3.90 The allocated employment land supply across Suffolk Coastal includes a total of 30.5 hectares of available supply within 7 urban sites (with land remaining), 11.6 hectares of available supply within 4 sites, and 5.4 hectares of available supply within 3 sites. The average size of sites within each typology suggests much smaller individual supply within

rural sites, and the largest average available site size within urban sites (1.78 hectares compared to 4.36 hectares). The largest individual rural site is located at Station Road (Framlington) measuring 3.5 hectares.

- 3.91 As reported previously, there is no vacant allocated employment land supply within the Suffolk Coastal Central sub-area.
- 3.92 A total of 5.3 hectares of available land supply within the Suffolk Coastal North sub-area is defined to be rural, concentrated within 3 sites. The remainder of the available supply in the area includes 11.6 hectares land in 4 sites.
- 3.93 There is no vacant land supply within rural or urban fringe sites in Suffolk Coastal South sub-area. By implication therefore all of the land within this area is concentrated in urban sites, including supply of 24.6 hectares of land in 4 sites. This does however include an area of land within the Nacton Heath (Ransomes Europark) site which is defined as rural on the plan, but which is assumed to be urban for the purposes of this analysis as an extension to the existing business area.
- 3.94 Similarly to Suffolk Coastal South, the available land supply within the Suffolk Coastal Woodbridge sub-area is concentrated within urban sites including a supply of 6 hectares in 3 sites.

SUSTAINABILITY

- 3.95 Public transport infrastructure is an important component in assessing the sustainability and adequacy of employment sites. Quality public transport links are often noted in agency consultations as being positive drivers of market interest in employment sites, and improve the sustainability of worker movements within local catchments although it is noted that this is less evident in shift-based work which is traditionally car-reliant.
- 3.96 Poor public transport does not necessary affect the overall viability of a site in development terms, but sites with good provision are often seen to be more attractive. This is certainly true in areas where more restrictive car parking allowances are enforced. Highlighting areas of poor public transport emphasises locations which should be considered by the public sector as potentially requiring more or more efficient / appropriate investment in provision.
- 3.97 In order to assess public transport provision each employment site has been surveyed to measure the quality of its bus route and its access to the rail network. It is noted that the Suffolk County Council Local Transport Plan (LTP) (2006 – 2011) includes provision for

continued investment in rural public transport including reference to demand responsive transport and community transport services as cost effective and flexible alternatives to meet communities' needs. Consideration has been given to the sustainability of rural employment sites in this context of meeting local employment need.

- 3.98 The assessment of the relationship between the sites and the public transport infrastructure is based on the proximity of the sites to the nearest train station and perceptions of bus transport provision. We have based our analysis of proximity to public transport on the basis of both quantitative data relating to distance to train stations and a qualitative review of local public transport provision at the site.
- 3.99 The sites have been assessed to be 'Good', 'Average' or 'Poor' in this context, as summarised in Table 26 below.

Table 26 Public Transport Provision

	Average	Good	Poor	Grand Total
Suffolk Coastal Central	1		5	6
Suffolk Coastal North	1		8	9
Suffolk Coastal South	4		7	11
Suffolk Coastal Woodbridge	4	4	1	9
Grand Total	10	4	21	35

Source: GVA Grimley, NB: Figures may not total due to rounding

- 3.100 The assessment of the sites across Suffolk Coastal shows that the majority (21 out of 35) have poor public transport access. The three market areas of Suffolk Coastal Central, Suffolk Coastal North, and Suffolk Coastal South have a skew towards sites with poor public transport access, whilst Suffolk Coastal Woodbridge is the only market area with sites identified as having good public transport access.
- 3.101 This analysis of the sites, suggesting weaknesses against this indicator of sustainability, reflects the nature of the Suffolk Coastal area with significant rural areas and sites located in smaller settlements or more isolated locations generally. Public transport provision links are noted to be of a better quality in areas proximate to the Ipswich conurbation, hence the stronger performance of the Woodbridge market area.

LOCAL ACCESS

- 3.102 Similarly to the proximity of the sites to public transport provision, the sites across the Suffolk Coastal area have been considered against their accessibility by road – both strategically and locally. This analysis is summarised in the following paragraphs.

- 3.103 Whilst the sustainability of employment sites relating specifically to their proximity to public transport provision is an important indicator, and indeed can increase the market appeal of sites to certain sectors / occupiers, an effective employment location must also be well served by road infrastructure allowing employees ease of access to and from the site.

DISTANCE FROM MOTORWAY JUNCTION

- 3.104 The current road infrastructure across the District, with no motorway, is reflected in the analysis of the average distance of the sites from motorway junctions in each of the market areas. The closest motorway to the District is the M11, which provides strategic linkages to the national motorway network including the M1 which in turn links to the M6. There is a clear synergy between the economy of Suffolk Coastal and these wider geographies including specifically the relationship between the transport and distribution sectors and motorway connectivity.
- 3.105 Reflecting the geography of the major infrastructure in the wider area (beyond Suffolk Coastal specifically) within the Haven Gateway, the sites within Suffolk Coastal South and Woodbridge market areas are seen to have closer proximity to motorway junctions on the M11 motorway. This is illustrated in Table 26 below.

Table 27 Average Distance to the nearest Motorway Junction (km)

Distance to Motorway		
Sub Area	Distance (km)	Nearest Motorway Junction
Suffolk Coastal Central	82.12	M11 Junction 9A
Suffolk Coastal North	89.76	M11 Junction 9A
Suffolk Coastal South	76.35	M11 Junction 7 / M11 Junction 8A / M11 Junction 9A
Suffolk Coastal Woodbridge	76.64	M11 Junction 9A

Source: GVA Grimley

DISTANCE FROM 'A' ROADS

- 3.106 Table 28 details the market areas and their distance from the nearest 'A' road. Suffolk Coastal South and Suffolk Coastal Woodbridge market areas are seen to have better proximity to 'A' roads than the other two market areas, reflecting again the better road connectivity to the south of the Suffolk Coastal area and relative isolation of employment allocations to the north against this indicator.

- 3.107 This links back both to the sector potential of these sites and the future role of these sites – including for example the promotion of sites with poor road connectivity for primarily local employment functions, rather than strategic employment functions, within the LDF to minimise road movement.
- 3.108 The fortunes of certain sectors are more aligned to the need for good (proximate) road connectivity including specifically distribution and logistics uses. In rural locations however it can be concluded that most employment activity relies on quality road connectivity for both staff and customer bases.
- 3.109 Employment sites in the Central and North market areas are on average at least twice the distance from 'A' roads as the employment sites in the South and Woodbridge market areas.

Table 28 Average Distance to 'A' Road (km)

Distance to 'A' Road	
Sub Area	Distance (km)
Suffolk Coastal Central	1.88
Suffolk Coastal North	3.27
Suffolk Coastal South	0.13
Suffolk Coastal Woodbridge	0.63

Source: GVA Grimley

LOCAL ROAD ACCESS

- 3.110 In addition to assessing strategic road access it is also pertinent to assess the adequacy of road access to the employment site itself. For example, it is important to consider whether the roads servicing the sites are wide enough to accommodate HGV's. This is a further important consideration in drawing conclusions relating to the quality of employment sites across Suffolk Coastal.
- 3.111 Overall across Suffolk Coastal employment sites are considered to have either average or good local road access, with 24 of the 35 sites (69%) falling into these categories. Of those that are considered to have poor local road access the majority are located within the Central and North market areas.

Table 29 Assessment of Local Road Access

	Average	Good	Poor	Grand Total
Suffolk Coastal Central	1		5	6
Suffolk Coastal North	5		4	9
Suffolk Coastal South	4	6	1	11
Suffolk Coastal Woodbridge	6	2	1	9
Grand Total	16	8	11	35

Source: GVA Grimley, NB: Figures may not total due to rounding

QUALITY OF INTERNAL AND EXTERNAL ENVIRONMENT

- 3.112 To assess the market viability or 'readiness' of the employment land supply across the Suffolk Coastal District it is appropriate to consider any significant constraints to development which may affect delivery over the plan period.
- 3.113 This analysis specifically focuses on the quality of the internal and external environment of the sites. In both instances this includes the quality of existing buildings, uses, landscaping, and in a strategic sense the extent to which the sites would be viewed as good investment opportunities for prospective occupiers and/or developers.
- 3.114 The criteria applied for assessment of the internal and external environments relating to each site are summarised in the bullet points below.
- 3.115 Quality of the internal environment:
- **Good:** Buildings in good state, in good repair (exterior fabric of buildings, windows and window frames), immediate surroundings / grounds well kept, boundary treatment works observed / boundaries of good quality / well defined, parking provision sufficient (no on street parking), evidence of management of sites, no litter and/or tipping observed.
 - **Average:** Buildings in reasonable state, reasonable repair (small areas of disrepair on external fabric of buildings, windows and window frames), immediate surroundings / grounds not showing signs of significant decline, some issues on boundary of site (e.g. fencing in place but in need of some investment, planting in place but in need of some investment), some on street parking but not affecting use of the site for commercial purposes, some minimal litter noted.
 - **Poor:** Paint coming off, cracks observed, windows in poor state / some windows broken, grounds in a poor state, limited evidence of maintenance in the area, litter /

tipping evident and detracting from impression of the site, roads in disrepair (potholes etc), on-street parking affecting the use of the site for commercial purposes.

3.116 Wider environment is aimed at the quality of the environment in the immediate surroundings of the site. It takes into account: the quality of streets; quality of public realm; street lighting; amount of traffic; and perceived safety. It does not take into account the substantial surrounding portions of Suffolk Coastal District that is of exceptional landscape quality such as the designated Areas of Outstanding Natural Beauty.

- **Good:** The quality of the streets and public realm in the wider area are of a very good or good quality (no potholes, no litter, no uncollected rubbish, well maintained street furniture), there is sufficient street lighting and no perceived safety issues, no observed / noted noise or air pollution from neighbouring uses and/or heavy street traffic.
- **Average:** The quality of the streets and the public realm surrounding the site of a reasonable quality (some potholes, some litter, some uncollected rubbish, street furniture but in need of some investment), street lighting in place but not consistent / of sufficient quality to make environment feel safe, some observed / noted noise or air pollution from neighbouring uses and/or heavy street traffic.
- **Poor:** The quality of the streets and the public realm surrounding the site of a poor quality (potholes, litter, poorly maintained, damaged street furniture), insufficient or damaged street lighting, observed / noted safety issues, pollution including noise and/or air from neighbouring uses and/or heavy street traffic.

QUALITY OF THE INTERNAL ENVIRONMENT

3.117 The majority of the employment sites across the District are seen to have a poor internal environment, including 25 of the 35 sites surveyed. Only 6 of the 25 (just under a quarter) of the sites surveyed have average quality internal environments, with only 4 (16%) considered to have good internal environments.

3.118 Across the market areas, all have a skew towards poor quality employment sites, with the exception of Suffolk Coastal Woodbridge which demonstrates a better balance between good / average and poor quality sites. The only site considered to have good quality internal environment outside of the Woodbridge market area is within Suffolk Coastal Central.

Table 30 Quality of the Internal Environment

	Average	Good	Poor	Grand Total
Suffolk Coastal Central	1	1	4	6
Suffolk Coastal North	2		7	9
Suffolk Coastal South	1		10	11
Suffolk Coastal Woodbridge	2	3	4	9
Grand Total	6	4	25	35

Source: GVA Grimley, NB: Figures may not total due to rounding

QUALITY OF THE EXTERNAL ENVIRONMENT

- 3.119 Similarly to the quality of the internal environment of the employment sites across the District, the majority are seen to be constrained by the quality of their setting (the quality of the wider environment).
- 3.120 Of the 35 sites, 20 are considered to be within a poor quality external environment. From the market area breakdown of this analysis it is clear that this is driven by poor quality external environments within the Suffolk Coastal North and Suffolk Coastal South market areas. In the former this is linked to the relationship of the sites with local settlements and in the latter to the heavy industrial nature of the area to the south of Felixstowe including visible deprivation.

Table 31 Quality of the External Environment

	Average	Good	Poor	Grand Total
Suffolk Coastal Central	2	1	3	6
Suffolk Coastal North	2		7	9
Suffolk Coastal South	3		8	11
Suffolk Coastal Woodbridge	3	4	2	9
Grand Total	10	5	20	35

Source: GVA Grimley

MARKET FACTORS

- 3.121 As part of the site analysis undertaken GVA Grimley Ltd has visited each site across Suffolk Coastal District and the qualitative assessment of each of the market areas including market focus and future attractiveness is provided in the following paragraphs.

SUFFOLK COASTAL CENTRAL

- 3.122 Suffolk Coastal Central comprises predominantly rural employment sites, half of which are based on former airfields.
- 3.123 The three former airfields include mainly distribution and warehouse uses. Most of the building stock is low quality former airfield and military buildings. Rents are relatively cheap due primarily to the low grade buildings, lack of amenities, perceived poor environment and poor access.
- 3.124 From site visits undertaken as part of the ELR it is noted that former airfields are popular business locations, including predominantly indigenous business uses. No specific sectoral concentrations or specialisms were noted on the sites, although there are a number of distribution companies maximising the space and nature of buildings (and low rental values) on numerous across the area.
- 3.125 The scale of activity on the former airfields, with very limited vacancy observed, including both 'non dirty' and 'dirty' uses with limited external impact, is considered to be strong. There are also clear indigenous business advantages to the continued use of these sites for employment purposes (B1, B2, B8) including ensuring that required investment (e.g. light touch public realm and building repairs) ensure that the sites are 'fit for purpose' whilst also maintaining low rental values.

SUFFOLK COASTAL NORTH

- 3.126 Existing employment activity within Suffolk Coastal North is based around the three towns of Framlingham, Saxmundham and Leiston. These locations are predominantly industrial based, with very little office market activity noted. They are strongly associated with energy companies, especially Leiston which is located very close to Sizewell Nuclear Power Facility and is heavily reliant on it for employment and associated business. Local agents believe that the future development of Sizewell could have a major influence on the industrial market of Leiston.
- 3.127 All three towns include industrial estates which offer mainly low grade industrial space with poor environmental settings. The northern part of Suffolk Coastal suffers from poor road links and considerable distance from any major employment driver. Consequently, rents are low and the market caters to mainly local companies, excluding the energy sector, and there is little inward investment.

SUFFOLK COASTAL SOUTH

- 3.128 The industrial and office markets in Suffolk Coastal South are based around the strength of the port of Felixstowe and the vast majority of uses are port related. Much of the employment land is used for warehouse and distribution purposes, while there are also some associated offices, such as that of Maersk.
- 3.129 The area is performing strongly, despite the economic recession, and the Port of Felixstowe is receiving a great deal of investment in facilities and channel dredging. This investment will allow the port to continue operating strongly in the worldwide shipping market and there is also investment in new industrial and office sites around the port area. It is expected that office, and especially industrial markets, will continue to be strong in the Suffolk Coastal South area.
- 3.130 Inhibitors of future expansion may be the lack of suitable allocated land for large warehouse and distribution units, and also issues including the congestion of the A14 to Ipswich and especially across the Orwell Bridge.

SUFFOLK COASTAL WOODBRIDGE

- 3.131 The Suffolk Coastal Woodbridge area can be subdivided into two areas, namely Woodbridge and Martlesham Heath. Martlesham Heath contains the Martlesham Heath Business Park and the adjoining Adastral Park. These sites benefit from adjoining the A12 / A14 junction and strong road links to both Ipswich and Felixstowe. Adastral Park is a Strategic Employment Site and is an established hi-technology business park with BT as the anchor occupier. As a strategic site it is supported by Martlesham Heath Business Park.
- 3.132 Martlesham Heath Business Park includes a more varied mix of occupations, with office, distribution and light industry. It also has some 'retail creep' in the form of a large supermarket. The provision of ancillary retail provision (e.g. newsagents, café, crèche facilities) is recognised as contributing to the creation of a quality employment location which is certainly true of larger employment parks. However a balance must be sought in the scale of retail offer permitted in this context, ensuring that the success of town centres (in this case Woodbridge town centre) is not compromised, and that the image of such employment parks does not shift (dilute) to one of retail warehousing or trade counter activities.

- 3.133 Both Parks currently provide good quality employment environments with primarily 'A' grade office and industrial stock, although some units on Martlesham Heath Business Park are second grade.
- 3.134 The Martlesham Heath area is viewed by agents as a strong employment location. There is room for expansion on and around the Adastral Park site and BT is currently applying for planning permission to use the Adastral Park site more intensively for employment purposes and to develop adjoining land for residential purposes with associated community infrastructure. Local agents see the future potential of the area, especially Adastral Park, to hang heavily on BT and their future developments. Martlesham Heath Business Park has more of a local influence and mixed use and should continue to perform well regardless of BT and Adastral Park.
- 3.135 Woodbridge is the primary office location within Suffolk Coastal, and is seen to benefit commercially from connectivity including good rail and road links, and a quality environment within its town centre. There is ongoing Grade 'A' office development at Deben Mill, which is performing strongly. Limekiln Quay in the centre of the town provides scope for future development although it is noted that this is specifically identified for maritime industries alone, as do a number of industrial sites in the north of the town which are lying vacant and in need of less maritime specific employment redevelopment. The Woodbridge office market is expected to continue to operate strongly, and it may be that former industrial land needs to be redeveloped into offices.

STRATEGIC SITES SUMMARY

- 3.136 A criteria for testing the potential strategic contribution of the seven identified sites has been developed in the context of policy and economic aspirations for the sub-region. The core components of the criteria are listed below, and developed in more detail within Appendix 3.
- Broad location;
 - Sectoral clustering potential (including scale);
 - Amenity and skills alignment; and
 - Site constraints and development feasibility.
- 3.137 There are three allocated strategic sites within Suffolk Coastal District: Adastral Park, Martlesham, Rendham Road, Saxmundham and Ransomes Europark. Summaries of these sites against the identified criteria are included in the following tables. These are

complemented by a summary of the potential of each site against the strategic sites assessment included as part of this study, detailed in more depth within Appendix 3.

Table 32 Adastral Park, Martlesham – Site Summary

Adastral Park, Martlesham	
Market Area	Allocated
Use	Office
Road Access	Good
Public Transport Accessibility	Average
Internal Environment	Good
Wider Environment	Good
Distance to Motorway Junction	74km from M11 Junction 9A
Distance to 'A' Road	0.197km from A12
Distance to Rail	3.5km from Woodbridge Station
Availability	Medium / Long Term
Site Area	0 hectares vacant ³

Source: GVA Grimley / Suffolk Coastal District Council

- 3.138 Adastral Park is considered to have strong alignment with the strategic site criteria identified, linked specifically with the sector potential of post and telecommunications including R&D functions.
- 3.139 There are environmental factors identified on the site that could constrain development on certain areas of the site. Mitigation will be required to overcome these constraints such as the buffering of development. Nevertheless, there is considerable scope to use the established employment area more intensively. The current application by BT seeks outline planning permission for up to 60,000 sq m of additional employment floorspace. The new housing proposed on land adjoining Adastral Park is being promoted as a way of funding refurbishment of existing floorspace within the site.
- 3.140 The scale of opportunity at Adastral Park emphasises its strategic importance. However, sector specific aspirations for the site are such that significant costs could be associated with bringing elements of the development forward if it is to achieve its full strategic role in the future.
- 3.141 The site has strong strategic importance (including good access and amenity provision) which would benefit from high quality employment functions. A complementary mix of uses should be sought on the site.
- 3.142 Development of the site in the short term is considered unlikely as a result of the current economic climate and the need for significant planning processes relating to the

³ NB: No vacant land on the site although long term aspiration for the site includes redevelopment and potential expansion.

appropriate mix and quantum of development on the site. It is therefore recognised to be a medium to long term development opportunity in this context.

- 3.143 Adastral Park is identified to have regional strategic significance within the EEDA Regional Strategic Employment Sites study (May 2009), linked specifically to its alignment with the Computer Services and ICT sectors. The study concludes that it is likely that growth within these sectors will demand sites close to existing research institutions which are concentrated in and around: Ipswich, Cambridge, and Colchester.
- 3.144 The EEDA study recognises that the Adastral Park site has clear research function and the vision for the future development of the site focuses on consolidating this. The site is seen to contribute to the economic base of the wider sub-region. The site offers high levels of accessibility by public and private transport.

Table 33 Rendham Road, Saxmundham – Site Summary

Rendham Road, Saxmundham	
Market Area	Suffolk Coastal North
Use	Office
Road Access	Average
Public Transport Accessibility	Average
Internal Environment	Poor
Wider Environment	Poor
Distance to Motorway Junction	89km from M11 Junction 9A
Distance to 'A' Road	0.2km from A12
Distance to Rail	0.88km from Saxmundham Station
Availability	Short Term
Site Area	5 hectares

Source: GVA Grimley / Suffolk Coastal District Council

- 3.145 While there are no specific development constraints affecting the Rendham Road, Saxmundham site there has been limited market interest for high value employment uses on it to date.
- 3.146 However, its strategic access and proximity to high skilled population and clusters of financial and business services employees (albeit these are resident based rather than business cluster based) indicate its potential as a sustainable employment location in the future. In this context it is viewed as a locally significant employment location with the likelihood that a major occupier would be required to act as a catalyst to develop a site of a strategic nature. It is recognised that no specific interest has been shown in the site from individual occupiers of a sufficient scale or nature to bring development forward in the past and no specific driver for such an occupier has been identified as part of this study.
- 3.147 In the event that expansion is progressed at Sizewell there could be an opportunity to cluster nuclear-related activities in Saxmundham. The location of the site adjacent to the A12 would make it attractive in this context. In the event that such links could be forged this site could be considered to be more significant than when assessed in regards to purely local economic functions. It is noted however that whilst this is a potential driver for the site there are known constraints with bringing HVG traffic through the centre of Saxmundham, limiting its appeal for such uses.
- 3.148 A viability assessment was carried out for the site which found that the major enabling costs would be highways related. Access to the site is best facilitated via the B1119, which would necessitate the construction of an access point, probably a roundabout at the junction with Brook Farm Road. In addition to this it is most probable that substantial

reconfiguration of the A12/B1119 junction would need to take place in order to allow the increased numbers of vehicles (especially HGVs) to enter and exit the B1119 safely. These highway works would cost a significant amount, which we have estimated to be approximately £750,000.

- 3.149 The viability assessment found that if the Ipswich take up rates and land values were assigned to the Rendham Road site it would be financially viable and take less than two years to fully develop. However the location of the site must be taken into consideration. The site is located in Saxmundham where there has been a zero take up of employment land over the last decade and where land values are significantly lower than those in Ipswich. Therefore, we feel that although the site would appear ripe for development, a proposal for a substantial business use development in this location would be unlikely to be of interest to the market due to the poor location of the site.
- 3.150 The consideration of the potential for 'proper' enabling developing is considered inappropriate for Rendham Road. Rather, the expectation for employment activity on the site should be reduced in terms of quantum of development likely to be achieved. Potential for a wider mix of development on the site, including residential should be considered alongside a reduced employment allocation. In the event that the site (including potential reduced allocation) is not taken up in this (emerging) plan period it should be considered for de-allocation in the next plan period. It is however concluded to be viable / deliverable within the next 15 years.
- 3.151 Rendham Road is not identified within the EEDA Regional Strategic Employment Sites study (May 2009).

Table 34 Ransomes Europark, Ipswich

Ransomes Europark, Ipswich	
Market Area	Suffolk Coastal South
Use	Distribution
Road Access	Good
Public Transport Accessibility	Good
Internal Environment	Good
Wider Environment	Good
Distance to Motorway Junction	70km from M11 Junction 9A
Distance to 'A' Road	0km to A14
Distance to Rail	2.96km from Derby Road Station
Availability	Long Term
Site Area	13.53 hectares

Source: GVA Grimley / Suffolk Coastal District Council

- 3.152 Ransomes Europark is considered to be a high quality and market desirable employment location. The current extent of the developed site is situated within the Ipswich boundary but future capacity for development here (on available land rather than through infill opportunity) is considered to be relatively low. Adjoining the eastern side of the existing development is a large area of greenfield land, which is split between Ipswich Borough and Suffolk Coastal District.
- 3.153 In undertaking consultation with agents regarding the site it is apparent that the market would support (and therefore bring forward) employment development on the eastern portion of the site as the next phase of Ransomes. However, it is imperative that the consideration of phasing of future employment development in this location also includes the potential impact of the Cranes site to the north – recognising these sites as being part of a potential corridor of employment opportunity (including the smaller allocations to the north in addition).
- 3.154 A viability appraisal was conducted for the land to the immediate east of Ransomes Europark. The land is predominantly greenfield and is composed of two sites identified in the report as Ipswich ELR44 and Suffolk Coastal S003. There are some existing buildings in the east of the site, but they have not been taken into consideration for redevelopment as they are currently in use. Due to the undeveloped nature of the site the major enabling issue is highway access. The western end of the site already has access via the internal road network off Ransomes Europark. However, if the whole site area was ultimately to be developed it might be the case that a further access to the area would be required. We speculate that this might be onto the A12 which could take the form of a 'left in/left out' access the cost of which we estimate could be in the region of £500,000⁴.
- 3.155 Using take up rates of 3 Ha per year, it would take circa 6 years to develop the site, assuming that the Cranes site was not coming forward at the same time and competing for occupiers. With additional highway access for the latter phases the development of the site would appear to be financially viable in the early phases. However, this alone does not provide a justification for the site to be developed prior to the Cranes site.

⁴ This is identified to be the preferred access to the site based on market consultation, however, it is understood that this is not the preferred access by SCC. The feasibility assessment of the site is based on the assumption that a 'left-in/left-out' access can be achieved.

ECONOMIC GROWTH BY SECTOR

- 3.156 While the policy environment and commercial property market conditions set the background for an analysis of the potential for employment growth within Suffolk Coastal District, it is now necessary to consider the latest economic forecasts which set the projected growth in employment numbers throughout the planning period. Employment forecasts form a major part of the projected future B-Class floorspace requirements and they are now considered and their findings applied to the District.
- 3.157 As discussed in Chapter 2 Suffolk Coastal District has an indicative job target of 10,200 new jobs between 2001 and 2021 a shortfall of 918 against that suggested by the EEFM. This is shown in Table 35 below:

Table 35 Estimated Job Numbers to meet RSS target in Suffolk Haven Gateway

	Job Number 2021	% of jobs by local authority	Estimated Job Numbers to meet targets	Current Job Forecast	Difference between current target
Suffolk Coastal	63,524	34%	10,200	9,282	-918
Ipswich	79,504	42%	12,600	5,470	-7,130
Babergh	44,490	24%	7,200	8,108	+908
Suffolk Haven Gateway Total	187,518	100%	30,000	22,860	-7,140

Source: Oxford Economics / GVA Grimley 2009

- 3.158 We have previously shown the projected nature of future employment across the sub-region in Table 4 and we show this for Suffolk Coastal District in Table 36 below:

Table 36 Employee Change 2001 – 2021 by Use Class

	Office	Other Business Space	W/housing	Non B	Total
Suffolk Coastal	2,538	678	288	5,777	9,282

Source: Oxford Economics / GVA Grimley 2009

- 3.159 Analysing this shortfall in projected growth compared to the nature of employment in the District it is clear that the majority of growth is likely to occur in the Non B Class sector and that the increase in these types of jobs is particularly key within the District. The role of the office sector is also key for the District.

- 3.160 Though not fully prescriptive, an estimate of the additional jobs required to meet the estimated shortfall against targets is required by the various Use Classes is shown in Table 37 below. It takes the estimated additional 918 jobs and assesses the split between B Class and Non B Class in 2021 to arrive at a notional number of additional jobs by 2021.

Table 37 Additional jobs required to meet RSS target by use class in Suffolk Coastal

	Office	Other Business Space	Warehousing	Non B	Total
Difference Between Target					-918
% of job target	27%	8%	4%	62%	100%
Additional Jobs Required to Meet Notional Target	247	69	33	569	918

Source: Oxford Economics / GVA Grimley 2009

- 3.161 As is shown an additional 349 B Class jobs and 569 non B Class jobs would be required in order to address the current shortfall against job targets in Suffolk Haven Gateway.
- 3.162 Though the timescales for projecting future growth differ slightly from the RSS job target (2006 to 2026 for the former and 2001 to 2021 for the latter) it still provides the best basis to estimate future land requirements. Using the baseline economic forecast from the EEFM which is aligned to the RSS, growth by broad sector in Suffolk Coastal is shown in Table 38 below:

Table 38 Employment Increases between 2006 and 2026 in Suffolk Coastal

Sector	Predominant Use Class	2006	2026	Absolute	%
Agriculture	Non B Class	2,898	2,844	-55	-1.9%
Mining / Utilities	Non B Class	1,029	2,098	1,069	103.9%
Manufacturing	B Class	3,365	2,068	-1,297	-38.5%
Construction	Non B Class	3,063	4,299	1,237	40.4%
Retail/Hotels	Non B Class	11,444	12,252	808	7.1%
Distribution	B Class	13,321	13,469	148	1.1%
Finance & Other Business Services	B Class	6,667	9,331	2,664	40.0%
Public Services	Mix	15,566	18,383	2,818	18.1%
Total		57,353	64,745	7,392	12.9%

Source: GVA Grimley / Oxford Economics

- 3.163 The analysis shows that total employment is projected to grow by 12.9% between 2006 and 2026. There are a number of projected growth sectors with the most significant in

Mining / Utilities which is directly linked to projected future growth in employment at Sizewell, and is predominantly a non B Class sector. Construction (40.4% growth, non B Class) and Financial & Other Business Services (40% growth, B Class) are the other major growth sectors. Public Services (18.1%, Mix of B Class and Non B Class), Retail / Hotels (7.1%, Non B Class) and Distribution (1.1%, B Class) are also forecast to grow while Agriculture (-1.9%, Non B Class) and Manufacturing (-38.5%, B Class) are forecast to decline.

- 3.164 This analysis supports the assertion that the Non B Class sectors are important within the District if job targets are to be met and in particular the Utilities sector within which growth is directly linked to the expansion of Sizewell which has not yet been approved.
- 3.165 The Creative Industries are also set to grow within the District but these are spread over a variety of sectors so it is not possible to quantify exactly what proportion of total growth this constitutes. The Suffolk Coastal Employment Study 2007 indicates significant growth in the Creative Industries is expected.

SECTOR STRENGTH

- 3.166 While the broad sector analysis shows overall changes in the nature of employment activity, it does not consider the specific sectoral strengths evident within Suffolk Coastal. These sectors are important if the 30,000 job target is to be met, as they suggest the type of activity which offers the best chance of this target being met. To identify these strong sectors in Suffolk Coastal we use location quotients compared to the East of England.
- 3.167 Location quotients (LQs) compare the relative size of a sector in one area against relevant comparator areas (in this case the East of England). A location quotient above 1 indicates that the sector contributes more to the total employment in Suffolk Coastal than to the East of England. This is an indicator that the District might provide a locational advantage for this specific sector. A quotient of below 1 indicates a relatively lower contribution to the total employment of a sector in Suffolk Coastal compared to the East of England.
- 3.168 An analysis of sector strength in Suffolk Coastal based upon SIC codes at a two digit (62 sector) level is shown in Table 39 below.

Table 39 Sectors with strong Location Quotients in Suffolk Coastal

Sector	Predominant Use Class	Location Quotient
Electricity, gas, steam and hot water supply	Non B Class	27.2
Water transport	B Class	8.1
Supporting and auxiliary transport activities; activities of travel agencies	B Class	4.7
Forestry, logging and related service activities	Non B Class	4.0
Post and telecommunications	B Class	3.7
Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing	Non B Class	3.3
Agriculture, hunting and related service activities	Non B Class	2.6
Land transport; transport via pipelines	B Class	2.2
Hotels and restaurants	Non B Class	1.1
Sewage and refuse disposal, sanitation and similar activities	Non B Class	1.1
Recreational, cultural and sporting activities	Non B Class	1.1
Manufacture of electrical machinery and apparatus not elsewhere classified	B Class	1.1

Source: ABI 2007

- 3.169 Table 39 demonstrates Suffolk Coastal holds a locational advantage in a number of sectors compared to the East of England. In particular, the B Class transport sector is strong in the District demonstrating the influence of the Port of Felixstowe on the economy. The B Class Post and Telecommunications sector is also well represented which is directly linked to the presence of BT at Adastral Park. Additionally the presence of Sizewell gives the Non B class utilities related sector a strong presence in Suffolk Coastal. These sectors are those which must be considered as having strong potential to address the shortfall between the projected employment growth and the 30,000 job target set by the RSS.

POTENTIAL GROWTH SECTORS

- 3.170 To further refine this analysis and identify those sectors which have the strongest growth potential within the District we combine the sectors with strong location quotients with those with strong growth rates since 1998, to give an indication of those sectors that are most likely to prosper in the future. This is shown in Table 40.

Table 40 Sectors with future growth potential in Suffolk Coastal

Sector	Predominant Use Class	LQ	Growth 98 -07	Current Number of Employees
Electricity, gas, steam and hot water supply	Non B Class	27.1	625%	5,687
Water transport	B Class	8.1	1%	278
Supporting and auxiliary transport activities; activities of travel agencies	B Class	4.7	3%	4,728
Land transport; transport via pipelines	B Class	2.2	6%	2,269
Hotels and restaurants	Non B Class	1.1	16%	3,499
Sewage and refuse disposal, sanitation and similar activities	B Class	1.1	70%	223
Real estate activities	Non B Class	1.1	135%	925

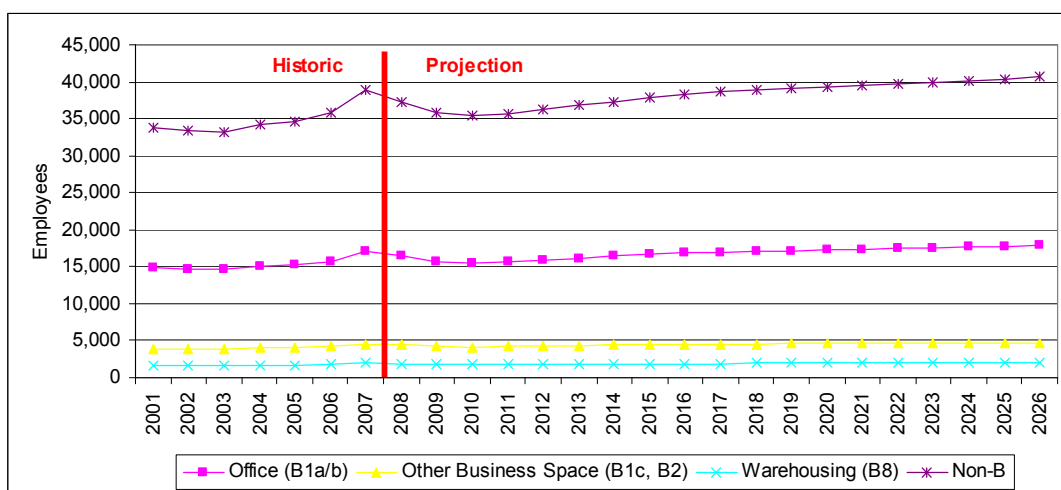
Source: ABI 2007

- 3.171 Table 40 reiterates the influence of the Port of Felixstowe in Suffolk Coastal with the strong presence of the B Class transport sectors indicating the opportunity for these sectors in the future. This type of activity provides a clear opportunity not only for the District to address the shortfall of job projections against targets but also the wider Suffolk Haven Gateway and Mid Suffolk District which lies within the Western Suffolk sub-region.
- 3.172 The transport sectors also highlight the role that Strategic Sites within the sub-region can play in providing the right land for the transport sector. Our business survey highlights the attraction of the A14 corridor for sites relating to transportation from Port of Felixstowe. Linking the offer of these strategic sites to these strong sectors will give rise to the potential to addressing the shortfall against the sub-regional job target.
- 3.173 A notable absence in Table 40 is the Telecommunications sector (which has not experienced growth between 1998 and 2007) however the future plans at Adastral Park means that it is still viewed as a key sector for the future. This is identified within the EEFM and is one of the major drivers of the growth in Finance & Other Business Services that is shown in Table 38.
- 3.174 For Non B-Class sectors, the influence of Sizewell is again demonstrated through the Utilities related sector which provides a clear opportunity for growth in the future, but is dependant on Government approval. Similarly there is evidence of the renewables / green sector given the strong growth in sewage / refuse disposal sector indicating further opportunities to address the shortfall against the 30,000 jobs target for the sub-region.

TRANSLATING EMPLOYMENT GROWTH INTO FLOORSPACE

- 3.175 The sector analysis indicates the strongest individual sectors within the District and those that are most likely to boost job growth in order to meet the RSS prescribed job targets. The next step however is to translate the forecasted job growth into floorspace and land requirements between 2006 and 2026, which is the ultimate purpose of an Employment Land Review.
- 3.176 Aggregating the employment changes into employee numbers and then floorspace type (Figure 8) shows that the highest numbers of employees are currently, and will continue to be, in the Non-B-Class land use sectors. Non-B-Class land use sectors include healthcare, education and retail which, while generating employment is not on traditional employment land as defined by the TCPA Use Classes Order. However, as outlined above they play the major part in meeting the sub-regional total jobs target and must be considered in this context.
- 3.177 Employment in office space is significantly below the numbers employed in Non-B-Class sectors, although is projected to increase in the years up to 2026. The number of employees in Other Business Space and in Warehousing is set to remain steady.
- 3.178 The effect of the current recession is also evident from Figure 8 where pronounced dips in Non-B-Class use employment and office employment between 2008 and 2010 are shown. Both of these sectors are forecasted to recover up to 2026 with warehousing and other business space set to remain steady.

Figure 8 Employee numbers by use type in Suffolk Coastal until 2026



Source: GVA Grimley / Oxford Economics 2009

- 3.179 As a next step the employment growth from the B-Use-Class employment types (Office, Other Business Space and Warehouses) is translated into floorspace demand using standard employment densities. The demand for Non-B-Use-Class employment is not quantified as it is not the focus of this study, although it is clearly the major driver of employment growth in the future and key to meeting the prescribed job target of 30,000 between 2001 and 2021.
- 3.180 Demand for employment floorspace resulting from economic growth is projected to increase by 68,010 m² between 2006 and 2026. This can be separated into the various floorspace types in Table 41 below.

Table 41 Changes in Floorspace in Suffolk Coastal 2006 to 2026

	Employee Change 06 – 26	Employment Density	Floorspace Change 06 -26
		m ² per employee	m ²
Office	2,110	18	37,980
Other Business Space	564	32	18,040
Warehouse	240	50	11,990
Total	2,914		68,010

Source: GVA Grimley/Oxford Economics 2007

- 3.181 Of the three different floorspace use types, demand for office produces the largest floorspace requirements. This is followed by demand for other business space floorspace, and then for warehouse space.
- 3.182 Our previous analysis in Table 37 shows that an additional 349 B Class jobs would be required to meet the RSS target. Translating this into B Class floorspace requirements shows that a total of 76,332 m² would be required to meet the projected RSS target.

Table 42 Total Floorspace Required to meet Projected RSS Jobs Target

	Employee Change 06 – 26	Additional B Class Jobs Required to meet RSS Target	Employment Density	Floorspace Change 06 -26
			m ² per employee	m ²
Office	2,110	247	18	42,426
Other Business Space	564	69	32	20,256
Warehouse	240	33	50	13,650
Total	2,914	349		76,332

Source: GVA Grimley / Oxford Economics 2007

RECESSIONARY IMPACT

- 3.183 To put this growth in context it is necessary to consider the further two scenarios that are provided by the EEFM to allow an understanding of the short term and long term impact of the current recession. It should be noted that the baseline forecast from the EEFM already considers the effect of the current recession.
- 3.184 The EEFM provides both a “Severe Recession” and a “Faster Recovery” scenario to allow a further depth of analysis to the economic forecast and future employment land requirements. We consider the effect of these scenarios in turn below.

SEVERE RECESSION

- 3.185 The effect of a severe recession in Suffolk Coastal has its most pronounced effect on Non-B-Use employment with a predicted decrease of 589 employees between 2006 and 2011, compared to 219 employees under the baseline scenarios. However, office is also forecast to undergo a severe decrease with a reduction of 259 employees compared to 96 in the base case scenario. Demand until 2026 recovers under the severe recession with total employment growth only 322 employees less than the baseline scenario.

Table 43 Employment Changes under Base Case and Severe Recession Scenario Suffolk Coastal

Employment Type	2006 -11 Employment Change Base Case	2006 -11 Employment Change Severe Recession	2006 – 26 Employment Change Base Case	2006 -26 Employment Change Severe Recession
Office (B1a/b)	-96	-259	2,110	2,022
Other Business Space (B1c, B2)	-26	-69	564	540
Warehousing (B8)	-11	-29	240	230
Non-B	-219	-589	4,802	4,602
Total	-352	-947	7,716	7,394

Source: Oxford Economics 2009

FASTER RECOVERY

- 3.186 The effect of a faster recovery in Suffolk Coastal is predicted to be most keenly felt on the Non-B-Use employment with a predicted decrease of 111 employees between 2006 and 2011, compared to 219 employees under the baseline scenario. This is further

demonstration of the potential role that non b class employment will have when addressing the gap between the progress against meeting job targets. Office employment is forecast to decrease by 49 employees as opposed to 96 in the base case scenario. Demand until 2026 is stronger under the faster recovery scenario with total employment growth 7,770 compared to 7,716 under the baseline scenario.

**Table 44 Employment Changes under Base Case and Faster Recovery Scenario
Suffolk Coastal**

Employment Type	2006 -11 Employment Change Base Case	2006 -11 Employment Change Faster Recovery	2006 – 26 Employment Change Base Case	2006 -26 Employment Change Faster Recovery
Office (B1a/b)	-96	-49	2,110	2,125
Other Business Space (B1c, B2)	-26	-13	564	568
Warehousing (B8)	-11	-6	240	241
Non-B	-219	-111	4,802	4,836
Total	-352	-178	7,716	7,770

Source: Oxford Economics

ALLOWANCE FOR UNEXPECTED LOSSES

- 3.187 As described in detail in Appendix 1, future employment forecasts must be based on more than an economic forecast and reflect the fluid nature of land allocations. To do this we make a contingency allowance which takes into account the fact that a proportion of designated employment land will not be entirely used by B-Use-Class employment.
- 3.188 This is done by using the Annual Monitoring Report (AMR) for Suffolk Coastal District and measuring the amount of B Class employment land lost to other uses in recent years. According to the AMR's, which are available from 2004/5 to 2007/8, the amount of employment land lost to non employment use is shown in Table 45.

Table 45 Unexpected losses in Suffolk Coastal District 2004/5 – 2007/8 (m² floorspace)

Year	Office (m ²)	Other Business Space (m ²)	Warehouse (m ²)
2004/5	465	1,035	580
2005/6	1,167	2,598	1,455
2006/7	2,406	5,356	3,001
2007/8	272	847	472
Median Loss	816	1,816	1,018
Total Unexpected Loss	21,548	49,179	27,541

Source: Suffolk Coastal District Council Annual Monitoring Reports

- 3.189 Taking the median loss of the past four years and multiplying this by 20 years (the planning period) an estimated 21,548 m² of Office employment floorspace, 49,179 m² of Other Business Space and 27,541 m² of Warehousing floorspace might be lost to other uses between 2006 and 2026.

ALLOWANCE FOR CHURN

- 3.190 A further step required to add the property market realities to the baseline economic forecast is to take allowance of the fact that locational and premises needs of businesses change over time requiring businesses to move.
- 3.191 This is measured by analysing the AMR's to assess the amount of commercial floorspace developed on previously developed land. The figures as shown in the AMR are shown in Table 46.

Table 46 Allowance for Churn by Use Class in Suffolk Coastal (m² floorspace)

Year	Office (m ²)	Other Business Space (m ²)	Warehouse (m ²)
04/05	919	0	0
05/06	37	0	0
06/07	2,381	7,207	6,055
07/08	200	56	100
Median Loss	560	28	50
Total Unexpected Loss	1,119	56	100

Source: Suffolk Coastal District Council Annual Monitoring Reports

- 3.192 Taking the median of developed floorspace on previously developed land for the past four years and multiplying it by two, results in an allowance for churn for employment floorspace

of 1,119 m² of Office floorspace, 56 m² of Other Business Space floorspace and 100 m² of Warehouse floorspace.

ALLOWANCE FOR ECONOMIC ASPIRATIONS

- 3.193 As well as taking into account property market implications it is necessary to provide an allowance for the economic aspirations of the District to ensure that future employment land requirements are in line with the future direction of the economy. The gap that has emerged between the latest economic forecast and the RSS job target indicates that there is a need to increase the number of jobs created within the sub-region by 2021. The major vehicle for doing this is likely to be maximising the impact of the major economic drivers in Suffolk Haven Gateway.
- 3.194 Our sector strength analysis outlined previously (see paragraphs 3.156 to 3.174) sets the basis for this by identifying the key future sectors that are likely to deliver employment growth within the District (see Table 40). This is augmented by our commercial market analysis which outlines the nature of demand for commercial property within the District.
- 3.195 The results of our analysis means it is appropriate to develop scenarios based on the two major future economic drivers of B Class employment across the District: the Port of Felixstowe and Adastral Park. Clearly, Sizewell is also a major driver within the District but this is not a B-Class use and therefore difficult to develop land based scenarios upon. It is clear that Sizewell will be vital to the overall future development of the District but there is limited evidence available of the spin-offs related to a nuclear energy plant upon which to base any analysis. Furthermore, future development at Sizewell has not yet received government approval so it is not appropriate at this stage to develop scenarios. Rural employment is also important within the District, but in terms of actual job numbers that will arise from this growth it is not likely to be on the same identifiable scale as the Port of Felixstowe and Adastral Park.

PORT OF FELIXSTOWE

- 3.196 The full method as to how this additional demand figure is devised is outlined in Appendix 1 however we show the estimated additional demand arising from both steady and high growth from the Port of Felixstowe below:

SCENARIO A – HIGH GROWTH FROM THE PORT OF FELIXSTOWE

- 3.197 Scenario A, which assesses the impact of high growth from the Port of Felixstowe on Suffolk Coastal District shows that it has additional employment floorspace requirements of 148,511 m² between 2006 and 2026. This is shown in Table 47 below.

Table 47 Estimated Additional Demand in Suffolk Coastal from Scenario A

Optimistic Scenario	Land Requirement (Ha)	Current Suffolk Coastal Proportion (%)	Suffolk Coastal Additional Land Requirement (Ha)	Suffolk Coastal Additional Floorspace Requirement (m ²)	Suffolk Coastal Additional Job Creation
Open Storage	37.2	12.8	4.8	19,094	382
Warehousing	81.5	12.8	10.5	41,860	837
Total Warehousing	118.6	12.8	15.2	60,955	1219
Ancillary*	17.7	49.3	8.8	87,556	2736
Total	136.4		24.0	148,511	3,955

Source: GVA Grimley based on GHK Estimates * = we assume ancillary uses to be office use in this calculation

- 3.198 Translating this additional floorspace requirement from high growth at the Port of Felixstowe into job numbers (using the assumption of 50 m² per employee for warehousing and 32 m² per employee for office) shows that there is the potential for 3,955 additional employees in Suffolk Coastal District arising from high growth at the Port of Felixstowe. This would provide a sufficient amount of additional employees to meet the estimated shortfall of 900 employees within the District and indeed would go some way to addressing the 7,000 deficit compared to the target in Suffolk Haven Gateway as a whole.

SCENARIO B – STEADY GROWTH AT THE PORT OF FELIXSTOWE

- 3.199 Scenario B, which assumes that growth from port-related activities will follow similar patterns to recent years, gives an estimated future land demand of 54,366 m² in the District. This is shown in Table 48 below.

Table 48 Estimated Additional Land Demand in Suffolk Coastal from Scenario B

Business As Usual Scenario	Land Requirement (Ha)	Current Suffolk Coastal Proportion (%)	Suffolk Coastal Additional Land Requirement (Ha)	Suffolk Coastal Additional Land Requirement (m ²)	Suffolk Coastal Additional Job Creation
Open Storage	13.6	12.8	1.7	6,977	140
Warehousing	29.8	12.8	3.8	15,302	306
Total Warehousing	43.4	12.8	5.6	22,279	446
Ancillary*	6.5	49.3	3.2	32,087	1,003
Total	50.2		8.8	54,366	1,894

Source: GVA Grimley based on GHK Estimates * = we assume ancillary uses to be office use in this calculation

- 3.200 Translating this additional floorspace requirement from steady growth at the Port of Felixstowe into job numbers (using the assumption of 50 m² per employee for warehousing and 32 m² per employee for office) shows that there is the potential for 1,894 additional employees in Suffolk Coastal District arising from steady growth at the Port of Felixstowe. This would provide a sufficient amount of additional employees to meet the estimated shortfall of 900 employees within the District and would go some way to addressing the 7,000 deficit compared to the target in Suffolk Haven Gateway as a whole.

ADASTRAL PARK

- 3.201 Again the full method for assessing the impact of development at Adastral Park is outlined in Appendix 1 and we document its effect on employment numbers below. The full methodology is set out in Appendix 1 and it considers the effect of additional Research & Development employees across the sub-region as a result of developments at Adastral Park. It is considered the direct effect of developments at the scheme, which is a large growth in Telecommunications sector is captured within the EEFM, and this scenario is designed to assess the additional impact of the development rather than the direct impact.

SCENARIO C: GROWTH IN RESEARCH & DEVELOPMENT IN SUFFOLK COASTAL

- 3.202 Assuming that the R&D sectors increase by 49% in Suffolk Coastal, as occurred in East Cambridgeshire, between 2006 and 2026 this has the effect of increasing the total requirement for R&D employees by 31. This is shown in Table 49.

Table 49 Additional Employment in R&D in Suffolk Coastal using East Cambridgeshire Growth Rate

Area	Baseline Change Rate	Baseline Employment Numbers	Scenario Change Rate	Scenario B Employment Numbers	Additional R&D Employment
	06 -26	2026	06 - 26	2026	
Suffolk Coastal	45%	1,144	49%	1,176	31

Source: Oxford Economics / GVA Grimley

- 3.203 While this number appears relatively low the EEFM does capture the growth in the Telecommunications sector. It also demonstrates that because of the presence of the Telecommunications sector the actual level of R & D employment is high within the District resulting in relatively low additional numbers of R & D employees via this analysis.

SYNTHESIS FORECAST

- 3.204 A synthesis base case forecast that combines an economic forecast and allowance for property market realities for Suffolk Coastal is shown in Table 50. It shows that there is a demand for an additional 107,713 m² of employment floorspace between 2006 and 2026. This is driven by an expected growth in employees of 9,282 which consists of 3,505 B Class jobs. As shown in Table 37 that is a notional shortfall of 918 total jobs, 349 B Class jobs and 569 Non B Class jobs, compared the RSS target set for the District.

Table 50 Synthesis Employment Land Requirements of Suffolk Coastal 2006 -2026

	Floorspace Demand 2006 - 2026	Allowance for windfall losses	Allowance for Churn	Change in floorspace
	m ²	m ²	m ²	m ²
Office	37,980	13,380	1,119	52,479
Other Business Space	18,040	9,029	56	27,125
Warehouse	11,990	16,019	100	28,109
Total	68,010	38,428	1,275	107,713

Source: GVA Grimley / Oxford Economics

- 3.205 Given the current macroeconomic climate it is important to consider additional demand in five year patterns to give an idea of the immediate compared to the long term need. These are shown below in Table 51.

Table 51 Five year patterns of floorspace demand in Suffolk Coastal

	2006-2011	2011-2016	2016-2021	2021-2026	2006-2026
	m ²	m ²	m ²	m ²	m ²
Office	-1,734	20,711	10,120	8,883	37,980
Other Business Space	-824	9,837	4,807	4,219	18,040
Warehousing	-547	6,538	3,195	2,804	11,990
Total	-3,105	37,087	18,121	15,907	68,010

Source: GVA Grimley / Oxford Economics

- 3.206 As one might expect demand for employment land in the immediate two to three years is negative but extended until 2016 a positive demand figure is returned. In terms of meeting the timescales for the RSS target of 30,000 by 2021 it is clearly important to maximise the delivery of employment land in the years before 2021 to allow for the sub-regional target to be achieved.

SEVERE RECESSION IN THE EAST OF ENGLAND

- 3.207 Translating the forecasted loss of employee numbers during the severe recession which was examined in Table 43 results in a total employment land requirement of 104,873 m² between 2006 and 2026, around 3,000 m² (or 54 B Class employees) less than the baseline. Given that the EEFM baseline scenario picks up the major impact in the sub-region the actual difference in floorspace requirement compared to the baseline is negligible.

Table 52 Severe Recession Employment Land Requirements of Suffolk Coastal 2006 -2026

	Floorspace Demand 2006 - 2026	Allowance for windfall losses	Allowance for Churn	Change in floorspace
	m ²	m ²	m ²	m ²
Office	36,394	13,380	1,119	50,893
Other Business Space	17,287	9,029	56	26,372
Warehouse	11,490	16,019	100	27,609
Total	65,170	38,428	1,275	104,873

Source: GVA Grimley / Oxford Economics

- 3.208 Of particular importance when measuring the recessionary impact on employment land demand is the five year parcels of demand as this provides the clearest indication of the short term impact of a downturn. As shown in Table 53 a severe recession results in a

negative demand of 8,344 m² between 2006 and 2011, around 5,000 m² more than the baseline predicts.

Table 53 Five year patterns of floorspace demand in Suffolk Coastal

	2006-2011	2011-2016	2016-2021	2021-2026	2006-2026
	m ²	m ²	m ²	m ²	m ²
Office	-4,660	20,905	11,029	9,120	36,394
Other Business Space	-2,213	9,929	5,239	4,332	17,287
Warehousing	-1,471	6,600	3,482	2,879	11,490
Total	-8,344	37,434	19,750	16,331	65,170

Source: GVA Grimley / Oxford Economics

FASTER RECOVERY IN THE EAST OF ENGLAND

3.209 Translating the forecasted loss of employee numbers from the faster recovery scenario which was examined in Table 44 results in a total employment land requirement of 108,191 m² between 2006 and 2026, around 300 m² (9 B Class employees) more than the baseline. Given that the EEFM baseline scenario picks up the major impact in the sub-region the actual difference in floorspace requirement compared to the baseline is negligible.

Table 54 Faster Recovery Employment Land Requirements of Suffolk Coastal 2006 - 2026

	Floorspace Demand 2006 - 2026	Allowance for windfall losses	Allowance for Churn	Change in floorspace
	m ²	m ²	m ²	m ²
Office	38,247	13,380	1,119	52,746
Other Business Space	18,167	9,029	56	27,252
Warehouse	12,074	16,019	100	28,194
Total	68,488	38,428	1,275	108,191

Source: GVA Grimley / Oxford Economics

3.210 As shown in Table 55 a faster recovery results in a negative demand of 1,571 m² between 2006 and 2011, around 1,500 m² less than the baseline predicts.

Table 55 Five year patterns of floorspace demand in Suffolk Coastal

	2006-2011	2011-2016	2016-2021	2021-2026	2006-2026
	m ²	m ²	m ²	m ²	m ²
Office	-878	20,348	9,935	8,842	38,247
Other Business Space	-417	9,665	4,719	4,200	18,167
Warehousing	-277	6,424	3,136	2,791	12,074
Total	-1,571	36,437	17,790	15,833	68,488

Source: GVA Grimley / Oxford Economics

SCENARIO A – HIGH GROWTH FROM THE PORT OF FELIXSTOWE

3.211 Scenario A, which assesses the impact of high growth from the Port of Felixstowe on Suffolk Coastal shows that it gives rise to additional employment floorspace requirements of 148,511 m² between 2006 and 2026. This is shown in Table 47 above.

SCENARIO B – STEADY GROWTH AT THE PORT OF FELIXSTOWE

3.212 Scenario B, which assumes that growth from port-related activities will follow similar patterns to recent years, gives an estimated future land demand of 54,366 m² in the District. This is shown in Table 48 above.

SCENARIO C: GROWTH IN RESEARCH & DEVELOPMENT IN SUFFOLK COASTAL

3.213 Using our 4-digit sector conversion matrix we apportion each sub sector within the R&D sectors (in Appendix 1) to Office, Other Business Space or Warehousing. This analysis shows that 99% of the sectors within R & D relate to Office floorspace, and the remaining 1% is in Other Business Space floorspace. This results in an increase in office floorspace requirements of 556 m² and of Other Business Space floorspace of 10 m².

Table 56 Additional Floorspace Requirement in Suffolk Coastal from Scenario C

	Employee Change	Employment Density	Floorspace Change
	06 -26	m ² per employee	06 -26
			m ²
Office	31	18	556
Other Business Space	0.3	32	10
Warehousing	0	50	0
Total	31		566

Source: Oxford Economics / GVA Grimley

THE MARKET BALANCE

SUFFOLK COASTAL

3.214 Overall employment land requirements for Suffolk Coastal are shown in Table 57.

Table 57 Requirements for B Class Employment Land Compared with Supply in Suffolk Coastal 2006 – 2026

Base Case	Demand	Demand	Supply	Land Surplus /Deficit
	Floorspace (m ²)	Land (Ha)	Land (Ha)	Ha
Office	52,479	5.2	15	9.8
Industrial	55,234	13.8	32	18.2
Total	107,713	19.1	47	27.9
Severe Recession				
Office	50,893	5.1	15	9.9
Industrial	53,980	13.5	32	18.5
Total	104,873	18.6	47	28.4
Faster Recovery				
Office	52,746	5.3	15	9.7
Industrial	55,445	13.9	32	18.1
Total	108,191	19.1	47	27.9
Scenario A				
Office	140,035	14	15	1.0
Industrial	116,189	29	32	3.0
Total	256,224	43	47	3.9
Scenario B				
Office	84,566	8	15	6.5
Industrial	77,513	19	32	12.6
Total	162,079	28	47	19.2
Scenario C				
Office	53,035	5.3	15.0	9.7
Industrial	55,244	13.8	32.0	18.2
Total	108,279	19.1	47.0	27.9

Source: GVA Grimley / Oxford Economics, NB: Figures may not total due to rounding

BASE CASE

3.215 Our *base case* scenario which as shown in Table 37 is a notional shortfall of 918 total jobs, 349 B Class jobs and 569 Non B Class jobs, compared the RSS target set for the District

suggests an oversupply of approximately 27.9 Ha of employment land in Suffolk Coastal District for the period 2006 to 2026. This translates to an oversupply of office land of approximately 9.8 Ha and an oversupply of industrial land of 27.9 Ha.

SEVERE RECESSION

- 3.216 The *Severe Recession* scenario which indicates that 322 less jobs will be created compared to the base case scenario suggests that there is an oversupply of around 28.4 Ha of employment land between 2006 and 2026. This translates to an oversupply of office land of approximately 9.9 Ha and an oversupply of industrial land of 18.5 Ha.

FASTER RECOVERY

- 3.217 The *Faster Recovery* scenario which indicates that 16 more jobs will be created compared to the base case scenario suggests there is an oversupply of approximately 27.9 Ha of employment land in Suffolk Coastal District. This translates to an oversupply of office land of around 9.7 Ha and an oversupply of industrial land of 18.1 Ha.

SCENARIO A

- 3.218 Scenario A, *high growth at the Port of Felixstowe*, shows that there is the potential for 3,955 additional employees in Suffolk Coastal District arising from high growth at the Port of Felixstowe. This would provide a sufficient amount of additional employees to meet the estimated shortfall of 900 employees within the District and indeed would go some way to addressing the 7000 deficit compared to the target in Suffolk Haven Gateway as a whole.
- 3.219 This suggests that there is an oversupply of approximately 3.9 Ha of employment land in Suffolk Coastal District. This translates to an oversupply of office land of approximately 1 Ha and an oversupply of industrial land of 3 Ha.

SCENARIO B

- 3.220 Scenario B, *steady growth at the Port of Felixstowe*, suggests that there is an oversupply of approximately 19.2 Ha of employment land in Suffolk Coastal District. This shows that there is the potential for 1,894 additional employees in Suffolk Coastal District arising from high growth at the Port of Felixstowe. This would provide a sufficient amount of additional employees to meet the estimated shortfall of 900 employees within the District and would go some way to addressing the 7,000 deficit compared to the target in Suffolk Haven Gateway as a whole.

- 3.221 This translates to an oversupply of office land of around 6.5 Ha and an oversupply of industrial land of 12.6 Ha.

SCENARIO C

- 3.222 Scenario C, *growth in research & development*, has the effect of increasing the total requirement for R&D employees by 31 and would therefore not be sufficient to address the projected shortfall against the RSS job target. This suggests that there is an oversupply of approximately 27.9 Ha of employment land in Suffolk Coastal District. This translates to an oversupply of office land of approximately 9.7 Ha and an oversupply of industrial land of 18.2 Ha.

CONCLUSIONS

- 3.223 Suffolk Coastal has a varied economic landscape with strong commercial activity in its southern and central areas and comparatively small amounts of activity in its northern areas.
- 3.224 The District is forecast to contribute the highest share of employment growth in Suffolk Haven Gateway between 2006 and 2026 which makes its success a vital contributor to the achievement of the sub-region's overall economic objectives. The principal economic driver within the District is the Port of Felixstowe which has a much wider regional and sub-regional economic influence. Developments linked to high tech employment at Adastral Park in Martlesham and in the energy sector related to expansion at Sizewell are other key drivers of the economy. As well as nurturing and expanding these vital existing sectors, protecting the character and importance of rural employment is also key for Suffolk Coastal's future prosperity.
- 3.225 In order to address the projected shortfall in the District compared to the RSS target we have demonstrated that high or steady growth from the Port of Felixstowe would go some way to addressing the shortfall within the District and the sub-region with an additional 3,955 employees achievable from high growth as shown in Table 47 and an additional 1,894 employees achievable from steady growth as shown in Table 48.
- 3.226 The District's future development is supported in policy terms through the RSS which supports expansion at the Port of Felixstowe and Adastral Park by setting a policy of encouraging ICT expansion throughout the sub-region. This is reinforced through the Core Strategy Preferred Options which cites the Ipswich Policy Area, Felixstowe and Adastral

Park as the major drivers of the economy throughout the planning period. The Core Strategy also aims to protect the diversity of rural employment.

- 3.227 From a commercial property perspective the District is viewed primarily as an industrial location although office floorspace has grown over the last ten years in line with wider economic trends.
- 3.228 Given the presence of the Port of Felixstowe the industrial market is strong in the District. The office market, while growing, is showing signs of oversupply most likely due to the lack of good quality stock available to the market. The large number of deals for small offices also shows the high numbers of small businesses in the District.
- 3.229 Our analysis of available supply in Suffolk Coastal District shows that there is approximately 47.5 Ha of available employment land supply that could be utilised throughout the planning period. This includes 18 Ha of supply at the Strategic Employment Sites of Rendham Road in Saxmundham and Ransomes Europark on the Ipswich / Suffolk Coastal border.

Table 58 Available Supply in Suffolk Coastal District (Hectares)

Sub Area		Office	Industrial	Warehousing	Strategic Site	Grand Total
Suffolk North	Coastal	4.3	7.7		5.0	17.0
Suffolk Central	Coastal	0.0	0.0	0.0		0.0
Suffolk South	Coastal	1.9	0.0	9.1	13.5	24.5
Suffolk Woodbridge	Coastal	0.0	6.0			6.0
Grand Total		6.2	13.7	9.1	18.5	47.5

Source: GVA Grimley

RECOMMENDATIONS

- 3.230 The recommendations for Suffolk Coastal District should be read alongside those made for the wider Suffolk Haven Gateway sub-region in Section 2 of this report. Where appropriate strategic recommendations should be taken forward at the local level by the Council.

A SUB-REGIONAL APPROACH

- 3.231 Our quantitative analysis shows that Suffolk Coastal has sufficient land to meet demand levels throughout the planning period. However, one of the major strategic allocations is Ransomes Europark which extends into Ipswich Borough. There are also plans for expansion at the strategic employment site at Adastral Park which is also considered by the market to constitute an Ipswich Fringe location. With our business survey indicating a desire for high quality employment sites in the Ipswich Fringe from current occupiers this is clearly an important site for the future prosperity of Suffolk Coastal District and the sub-region as a whole.
- 3.232 The Port of Felixstowe also has a strong impact beyond the District boundaries and there is a need to consider land requirements for it from a sub-regional viewpoint.
- 3.233 This means that Suffolk Coastal District has to consider sub-regional employment land drivers and requirements when planning for employment land utilisation between 2006 and 2026.
- 3.234 Our analysis suggests that the commercial market forces do not operate within the restrictions of administrative boundary areas. Indeed, they have functional areas that promote the need for a sub-regional approach to employment land and development.
- 3.235 Our key recommendation is:

SC1: ENSURE JOINT WORKING WITH NEIGHBOURING LOCAL AUTHORITIES AND THE HAVEN GATEWAY PARTNERSHIP

- 3.236 In order to provide the appropriate mix of quality and choice of employment land we recommend that the local authority work with its neighbouring authorities in Suffolk Haven Gateway to adopt a joint planning and review approach. This will involve joint review of the allocation and take up of employment land, joint planning policy and LDF work where appropriate, and the identification of the right mix of additional sites to meet identified needs in the Ipswich Fringe. Other joint tasks will include the evaluation of impacts. This will allow effective, cross boundary consideration of the allocation, development and impacts on sub-regional job targets of future employment land use. The joint approach should be facilitated through the Haven Gateway Partnership and focused on the Ipswich Policy Area. This will ensure that future decisions that are made are informed by factors within and outside the local authority's boundaries and properly reflect the economic drivers and land availability within the Suffolk Haven Gateway functional economic area.

- 3.237 Consideration must be given to the future employment role and function provided through the key strategic employment sites on the Ipswich Fringe namely Ransomes Europark and Adastral Park. In particular, given *Recommendations IP4, IP5 and IP6*, joint working will be key to bring forward the correct employment mix within the sub-region.

RECOGNISING LOCATIONAL ADVANTAGE

- 3.238 The A14 is the major arterial road which connects the Port of Felixstowe to the sub-region and beyond. It is a key facilitator of growth and this is clearly recognised by market demand to locate in proximity to it. This gives Suffolk Coastal a strong platform for growth throughout the planning period, particularly given the planned expansion at the Port of Felixstowe.
- 3.239 Our business survey shows that in Suffolk Coastal in particular, respondents are happy with their current location. Furthermore, respondents indicate that this is a preferred location particularly because it is strategic to their business needs. Recognising and nurturing this advantage is key to Suffolk Coastal's economic success.

SC2: MAINTAIN DIALOGUE WITH BUSINESS OCCUPIERS TO ENSURE SITES CONTINUE TO SERVE THEIR ECONOMIC AND EMPLOYMENT NEEDS

- 3.240 To ensure that current businesses remain satisfied with current location and premises we recommend that Suffolk Coastal District Council establish and maintain a regular dialogue with key business occupiers along the A14 and A12 corridors to ensure the continued retention, nurturing and support of these businesses by the local authority.
- 3.241 This will also help establish if there is further demand for sites along the A14 in line with Recommendation HG5.

SC3: MAXIMISE OPPORTUNITIES FROM DEVELOPMENT AT SIZEWELL

- 3.242 If the Government decide that new nuclear facilities should be provided at Sizewell, the Council should work to maximise opportunities arising from this to benefit the local economy. Opportunities could include employment growth within the District both through business retention and opportunities to extend the horizontal and vertical supply chain, with wider potential for positive spin offs throughout the sub-region and beyond if suitably aligned with off-shore renewable energy production in the Lowestoft area. If Sizewell is identified for new nuclear facilities then the future uses of existing identified strategic sites such as at Rendham Road (see Recommendation SC6 below) should be subject to

exploration of their potential for employment development related specifically to the nuclear industry before other land uses or mixes are considered.

PLANNING POLICY

- 3.243 Suffolk Coastal's current planning policy approach is to protect the existing employment land allocations within the District. This is important to maintain the character and diversity of the economic 'landscape'.
- 3.244 It is also important given the sub-regional importance of many of Suffolk Coastal's employment sites and the need for a choice of sites in the future linked to growth from the major economic drivers within the District. To ensure that planning policy is in line with future requirements our recommendation is:

SC4: MAINTAIN EXISTING EMPLOYMENT SITES IN SUFFOLK COASTAL

- 3.245 Our overall demand and supply analysis shows that there is a surplus of land within the District. Given the sub-regional nature of requirements and the necessity to maintain choice and diversity in the commercial market we recommend that the overall approach should be to maintain existing allocated employment sites in the District. There will be exceptions on particular sites (identified below) and a realisation that these sites may not come forward for full B Class employment use but this overall approach should be maintained.

STRATEGIC EMPLOYMENT SITES

ADASTRAL PARK, MARTLESHAM

- 3.246 Adastral Park is considered to have strong alignment with the strategic site criteria identified, linked specifically with the sector potential of post and telecommunications including R&D functions.
- 3.247 There are environmental factors and associated mitigation measures that will reduce the 'real' developable area at the site, and introduce more pressure for land including from residential uses. It is noted that the Council's preferred option for housing development includes a concentration of residential activity at Adastral Park over the plan period.
- 3.248 The scale of opportunity at Adastral Park emphasises its strategic importance. However, sector specific aspirations for the site are such that significant costs could be associated

with bringing elements of the development forward if it is to achieve its full strategic role in the future.

- 3.249 The site has strong strategic importance (including good access and amenity provision) which would benefit from high quality employment functions. A complementary mix of uses should be sought on the site.
- 3.250 Development of the site in the short term is considered unlikely as a result of the current economic climate and the need for significant planning processes relating to the appropriate mix and quantum of development on the site.

SC5 CONTINUE TO RECOGNISE AND SUPPORT THE STRATEGIC EMPLOYMENT SIGNIFICANCE AND USES AT ADASTRAL PARK

- 3.251 Given Adastral Park's current position as a strategic employment site with a strong alignment to the strategic sites criteria, we recommend that Suffolk District Council support the current planning application which proposes 60,000 m² of employment floorspace on the extension to the site.
- 3.252 This will provide the necessary floorspace to meet the aspirations of increased high tech employment through the sub-region and will strengthen its presence as a high-tech cluster. This will help to bring high value added jobs to the District with the potential for spillover effects throughout the sub-region.

RENDHAM ROAD SAXMUNDHAM

- 3.253 While there are no specific development constraints affecting the Rendham Road site in Saxmundham, there has been very limited market interest for employment uses on it to date, despite ongoing marketing efforts by the current site owners. Our viability assessment found that a proposal for a substantial business use development in this location would be unlikely to be of interest to the market due to the poor location of the site. In addition, the need for expensive initial highways improvements, for a substantial business use development, would provide an additional impediment to development.
- 3.254 The site's strategic access and proximity to a high skilled population and clusters of financial and business services employees indicate its potential as a sustainable employment location in the future. However, In this context it is viewed as a locally significantly employment location with the expectation that a major occupier would be required to act as the catalyst to develop the site, or that employment uses form part of a

more mixed use scheme in order to aid deliverability and overcome the lack of market interest in the site for purely employment uses.

- 3.255 In the event that the Sizewell C nuclear reactor programme is progressed there could be an opportunity to cluster nuclear-related activities in Saxmundham, with this site located off the A12 attractive in this context, albeit with connectivity constraints for any heavy or large goods vehicles in the Saxmundham town centre area. In the event that such links could be forged this site could be considered to be more significant than for local economic functions. The future use of Rendham Road allied to the development of Sizewell is dependent upon British Energy putting forward a clear and committed requirement for the site.

SC6: SUPPORT A MIXED USE APPROACH TO BRING RENDHAM ROAD FORWARD FOR DEVELOPMENT

- 3.256 Given the viability constraints and lack of commercial interest in the site as a 100% B-class employment development we recommend that Suffolk Coastal District Council support the development of the Rendham Road site for mixed uses that contain a significant proportion of B-Class employment space within the overall scheme. If Sizewell is identified for new nuclear facilities then the future uses of Rendham Road should be subject to exploration of their potential for employment development related specifically to the nuclear industry before other land uses or mixes are considered. This recommendation is made in conjunction with Recommendation SC3 above.
- 3.257 If the Rendham Road site is not found to have potential to support the future development of the nuclear industry at Sizewell then the site should be examined to assess its potential for a wider mix of development. This may include residential uses which should be considered alongside a reduced employment allocation. In the event that the site (including potential reduced allocation) is not taken up in this (emerging) plan period it should be considered for de-allocation in the next plan period. It is however concluded to be viable / deliverable within the next 15 years.
- 3.258 The only alternative approach to this site recommended is to identify and secure an individual occupier or a pre-let user which would support 100% B-class employment. Failing to achieve this situation, a mixed-use approach led by B-class uses, with potential for Non-B employment, and residential development should be sought.

RANSOMES EUROPARK, IPSWICH

3.259 The existing strategic site at Ransomes Europark is considered to be a high quality and market desirable employment location. The Europark is located within Ipswich Borough, with future capacity for development (on available land rather than through infill opportunity) considered to be relatively low, excluding the eastern portion of the site, much of which is located within Suffolk Coastal District. Both market and viability analyses support the expansion of the Europark onto this greenfield land, although the site must be viewed alongside the development of the wider Nacton Road area and specifically the Cranes site.

SC7: SUPPORT THE CONTINUED USE AND DEVELOPMENT OF RANSOMES EUROPARK AS A STRATEGIC EMPLOYMENT SITE

3.260 In line with *Recommendation HG1, IP4 and IP5*, the future development of Ransomes Europark should be encouraged for employment uses. A masterplan or development framework should be prepared for the whole Nacton Road employment corridor including Ransomes Europark and the Cranes Strategic Employment Site. This would be beneficial to ensuring the future role and function of the area for employment purposes and in setting out the appropriate scale and mix of other non B-Class land uses which will be necessary to support the overall success of the site within the sub-regional employment corridor that is focused on Nacton Road.

3.261 The future role and function of Ransomes Europark as an existing strategic employment site needs to be considered alongside Ipswich Borough Council. This joint planning approach should look to view Nacton Road including Cranes Site and the potential Ransomes Europark extension site as a single, co-ordinated employment corridor.

SITE LEVEL

3.262 At a site level each allocated employment site has been assessed against access, sustainability, commercial market and other relevant factors. In order to provide a coherent analysis these were grouped in clusters as shown in Figure 6 above. We provide a synopsis of each employment location and recommendations below:

SUFFOLK COASTAL NORTH

3.263 The area referred to as “Suffolk Coastal North” contains the employment sites located in and around the three settlements of Saxmundham, Framlingham, and Leiston. A total of

nine sites are located within this market, including sites classified as industrial, office, distribution, and one 'other'. There is one strategic site within this market area, at Rendham Road in Saxmundham.

- 3.264 Overall sites should be maintained in this cluster in line with *Recommendation SC4*.

SUFFOLK COASTAL CENTRAL

- 3.265 The area referred to as "Suffolk Coastal Central" contains the employment sites concentrated along the central section of the A12 corridor. It contains distribution and industrial sites, perhaps unexpectedly given the strength of the road connections by virtue of proximity to the A12 as a key route from the north of Ipswich. Six sites are included within this market area.

- 3.266 Overall the sites should be maintained in this cluster in line with *Recommendation SC4*.

SUFFOLK COASTAL WOODBRIDGE

- 3.267 The area referred to as "Suffolk Coastal Woodbridge" contains a total of nine employment sites clustered around the Woodbridge settlement and along the A12 at Martlesham. The sites in this area include seven industrial and two office sites as well as the Adastral Park Strategic Site.

- 3.268 Overall the sites should be maintained in this cluster in line with *Recommendation SC4*,

SUFFOLK COASTAL SOUTH

- 3.269 "Suffolk Coastal South" covers a total of eleven allocated employment sites, the most of all of the market areas. This includes five industrial, five distribution, and one office site. The bulk of sites in this market area are focused to the south of Felixstowe, although two are located to the eastern periphery of Ipswich. The Ransomes Europark strategic site is located within this market area.

Overall sites should be maintained in this cluster in line with *Recommendation SC4*.

4. IPSWICH BOROUGH

- 4.1 Ipswich Borough is located within Suffolk County and is composed of the town of Ipswich, with almost no rural land within its borders. The River Orwell is an estuary of the North Sea that flows south eastwards from the centre of Ipswich. The Borough is bordered by the Suffolk Districts of Babergh, Mid Suffolk and Suffolk Coastal. Ipswich Borough is the central economic driver of the Suffolk Haven Gateway sub-region, although Colchester and Cambridge are also prominent within the wider East of England region.
- 4.2 Ipswich has the highest population and has the most employees of the three local authorities, while Central Ipswich is the main office market in Suffolk Haven Gateway. The main driver for industrial employment within Ipswich is the nearby Felixstowe Port, which is located circa 11 miles south-east from Ipswich. Correspondingly the main distribution and industrial sites are located in the south and south-east areas of the town, such as Ransomes Europark.
- 4.3 The economic structure of Ipswich predominantly comprises tertiary sector activities, which encompass more than 80% of the total employment. The overall structure of Ipswich is fairly similar to the national mean average except for in the manufacturing sector, for which the figures are significantly lower than in Suffolk, East of England and nationally. In Ipswich, more people are employed within the public sector (33%) than in any other industry sector.
- 4.4 The economic activity rate for Ipswich is above those for the region and country, but so too is the unemployment level. Average earnings and levels of highly qualified individuals are both below the regional and national averages.
- 4.5 In this chapter we consider the impact that planning policy at a local level; the commercial market and economic forecasts have on the future employment land policy throughout the planning period.

IPSWICH LOCAL PLAN

- 4.6 The Ipswich Local Plan was adopted in November 1997, with a subsequent First Deposit Draft published in November 2001. Under the 2004 Planning and Compulsory Purchase Act a number of policies were saved from the 1997 Adopted Local Plan for continuation until adoption of the emerging Local Development Framework.
- 4.7 The Local Plan's Strategy has two main overall purposes:

- To protect and enhance Ipswich's built and natural heritage; and
- To accommodate new growth in ways which will enhance the environment, improve the quality of life and create economic opportunity.

4.8 Specifically in relation to employment, the Strategy identifies the need to ensure the provision of a wide range of employment locations to allow greater opportunities for access. The Plan's strategic aims for creating economic opportunity include:

- The creation of the circumstances for economic growth and access to employment by the allocation of land capable of attracting new firms and industries as well as allowing existing firms to grow;
- The encouragement of investment in the Central Area in order to create job opportunities and bring about environmental improvement;
- The encouragement of economic opportunity through investment, regeneration and redevelopment in the Wet Dock area;
- Ensuring employment development is capable of being served by public transport;
- The protection and promotion of the Town Centre as the principal shopping area in addition to secondary shopping centres which also have an important role to play; and
- The encouragement of appropriate tourist development.

4.9 The Plan seeks to accommodate future growth in Ipswich in an environmentally sustainable way by making the best use of vacant, under used and derelict land and buildings. New development is directed away from the open countryside on the edge of Town and away from environmentally sensitive open spaces within the built up area.

4.10 The specific objectives identified within the Local Plan relating to employment are:

- To provide opportunities for the development of the local economy, by which employment can be sustained and new jobs created;
- To accommodate the growth requirements of the local economy by providing an adequate supply of land and buildings for all employment purposes throughout the Plan period;
- To ensure provision of an appropriate choice of land and buildings in terms of location, size, appearance and range of uses to meet the demands generated by existing and new employers;
- To achieve improvements to the physical condition and environmental quality of the Town including the protection and enhancement of listed buildings and conservation

areas by securing the reuse of redundant buildings and derelict, vacant and contaminated land.

- 4.11 Saved policies relating to economic development include: EMP1 Monitoring Take Up of Employment Land, EMP2 Land for Employment Use, EMP3 Criteria for Employment Development, EMP4 Other Uses in Employment Areas, EMP5 Sites Allocated for Employment Use, EMP6 Storage and Distribution Uses, EMP7 Sites Allocated for Port Related Use, EMP9 Redevelopment of B1 Office Sites, EMP10 Employment Uses in Residential Areas, EMP11 Accessibility of Employment Development, and EMP12 Derelict and Contaminated Land.

IPSWICH LOCAL DEVELOPMENT FRAMEWORK

- 4.12 The Ipswich Borough Council Local Development Framework Core Strategy Preferred Options report was published for consultation in November 2007. The Fourth Edition Ipswich Borough Council Local Development Scheme (March 2009) identifies the period July to September 2009 as being public consultation on the Core Strategy. The proposed submission Core Strategy is expected to be published for consultation in autumn 2009 with the date for adoption identified as September 2010.

- 4.13 The vision for Ipswich within the Core Strategy Preferred Options report is:

“...to improve the quality of life for all who live in, work in, learn in and visit Ipswich by supporting growth and ensuring that development happens in a sustainable manner so that the amenities enjoyed by local people are not harmed.

As a result, by 2021 Ipswich will be a more vibrant, active and attractive modern county town – a true focus for Suffolk and beyond. It will be a place where people aspire to live, work, learn, visit and invest – and it will have a reduced carbon footprint!”

- 4.14 The guiding principles of the Core Strategy Preferred Options are:

- That development should be focussed primarily within central Ipswich, on previously developed land and around the town’s main district centres;
- That a better quality environment is provided that improves the town’s facilities and reduces Ipswich’s climate impact whilst being able to cope with a changing climate for those living in, working in, learning in, or visiting Ipswich;
- That a wide range of development types should be provided across the period to 2021 to meet local and sub-regional needs;

- That infrastructure and new facilities should be provided alongside developments rather than after they are completed;
- That accessibility is key to the success of Ipswich and that it should be improved through striking a balance between demand management measures and improvements to the transport infrastructure; and
- That key facilities and accessible open spaces should be protected and retained for community use.

4.15 There are a number of suggested policies relating specifically to 'work' as summarised in the following paragraphs.

4.16 Policy Area 15: The Number of Jobs to be Planned For suggests that Ipswich plan for a net addition of at least 18,000 jobs between 2001 and 2021.

4.17 Policy Area 16: The Implications for Different Employment Sectors suggests that the Council should be working towards net change in employment, including some sectors where a reduction may be expected alongside some with no or limited growth and some where substantial growth is expected.

4.18 Policy Area 17: The Approach to Strategic Employment Sites suggests that it is important that if there are appropriate sites within the Borough they should be identified as 'strategic employment sites' to ensure compliance with the RSS (albeit the RSS does not state that a strategic site is required within the Borough boundary, rather that there should be at least one in the Ipswich Policy area). Policy Area 17 suggests that the only appropriate site is Cranes on Nacton Road.

COMMERCIAL MARKET ANALYSIS

- 4.19 While the local planning policy sets the strategic context for employment land development in the Borough, the next step is to consider the commercial market conditions that prevail. This allows any conclusions and recommendations that are made to be reflective of what is achievable in commercial terms.

OVERVIEW

- 4.20 Ipswich is the main office location within Suffolk, but traditionally there has been more industrial development than office development in the Borough. Recently this has been changing with the decline of industry within the town causing a decrease in overall industrial stock. Conversely, 11% of the office stock was built in the last five years, with much of it outside of the town centre.
- 4.21 The main driver of office growth is the insurance and finance sector, while the main driver for industrial employment within Ipswich is the nearby Felixstowe Port, which is located circa 11 miles from Ipswich, and correspondingly the main distribution and industrial sites are located in the south and south-east areas of the town.

MAIN EMPLOYMENT CENTRES

TOWN CENTRE

- 4.22 Ipswich town centre is concentrated around the River Orwell with traditional industrial employment uses in the area dominated by port-related activity particularly around the Port and Cliff Quay. Whilst the centre has seen a decline in this type of activity, with Ipswich Waterfront undergoing a significant regeneration programme, the town centre remains the primary office location within Ipswich.
- 4.23 This is driven predominantly by good levels of access, a good environment including quality public realm in the retail core and a range of amenities. However, in recent years there has been little new town centre office development, and the dated building stock, along with a lack of parking has prompted many companies to locate in the newer, larger developments along Nacton Road including within Ransomes Europark specifically.

NACTON ROAD

- 4.24 Nacton Road leads from Junction 57 of the A14 in the south-east corner of the town. There are many employment sites running north from Nacton Road, with Ransomes Europark being the primary business location.
- 4.25 Ransomes Europark is an established employment location and has experienced recent development and has the majority of the town's new commercial development, with a mixture of high quality industrial and office development on site.
- 4.26 Adjoining the site is the former Cranes site, which was a heavy industry site but is currently vacant and awaiting redevelopment. Altitude Business Park is located on The Drift, which runs north from Nacton Road. The area has seen significant levels of new housing development with more planned on remaining land to the west, as well as some developable land to the east of Ransomes Europark (which falls within Suffolk Coastal District) which is allocated for employment development, and listed as a strategic site within this study.

HADLEIGH ROAD

- 4.27 Hadleigh Road is located on the western edge of Ipswich and runs to the A14 via London Road. The major employment locations in the area are Hadleigh Road Industrial Estate and Elton Park and there is vacant land between them which is suitable for any expansion needs. Hadleigh Road Industrial Estate is made up of a mixture of low grade industrial units, with some office units. This area also includes Whitehouse and the various commercial units around there.
- 4.28 The environment is poor but occupancy levels have historically been strong, although there are currently a number of vacancies. Elton Park is almost entirely industrial employment use as opposed to office although there are proposals for a mixed use development including 7260 m² offices in this area straddling the Ipswich/Babergh border. As with Hadleigh Road Industrial Estate the environment is poor as is the building stock. There is currently a self-storage business located on the site as well as a large number of vacancies.

Figure 9 Ipswich Town Centre

STOCK

OFFICE

- 4.29 Table 59 sets out total office stock in Ipswich in 1998 and 2008. There has been a 30% increase in office space since 1998 in Ipswich, compared to the East of England region (20% increase) and England as a whole (23.5% increase).

Table 59 Office Stock in Ipswich 1998 - 2008

Area	1998 (000 m ²)	2008 (000 m ²)	% Change
Ipswich	296	358	30%
East of England	7,234	8,664	20%
England	78,973	97,566	23.5%

Source: Office of National Statistics

- 4.30 The increase is reflected in the good stock available at the more recently developed business parks, such as the Ransomes Europark. There is also a considerable amount of second grade stock within the town centre and in other locations. The key drivers of

demand in Ipswich have been the public services, finance and business services. Examples of recent finance and business services taking up space in Ipswich include Savills (property consultants) and JM Finn & Co (investment managers).

INDUSTRIAL

- 4.31 Table 60 shows that between 1998 and 2008 there has been a 10% decrease in industrial stock in Ipswich. This is compared to a 6.5% increase in the East of England and a 2.5% increase in England.

Table 60 Industrial Stock within Ipswich 1998 - 2008

Area	1998 (000 m ²)	2008 (000 m ²)	% Change
Ipswich	837	755	- 10%
East of England	33,738	35,890	6.5%
England	336,410	344,807	2.5%

Source: Office of National Statistics

- 4.32 Generally the industrial stock of Ipswich is linked to storage / distribution and manufacturing uses. Felixstowe is a key driver of these operations and as such the south and south-east areas of Ipswich are the primary locations for industrial employment land. Examples of Felixstowe related employment includes MSC and Karl King Transport, both at Ransomes Europark. Ipswich also has a strong historical connection with engineering and agricultural processing, which continue to play a strong role in the local economy. This is evidenced through recent take up by companies including Circad Design, Alfred McAlpine (Elton Park IE) and Eurocell Building Plastics (Ransomes Europark).

COMPLETIONS

- 4.33 Table 61 sets out the total amount of business floor space developed in the period 2004 to 2008. The table shows a large increase in the amount of employment floorspace completed between 2006/7 (7,339 m²) and 2007/8 (19,215 m²). It should be taken into account, however, that the slowing down of the commercial market in the last 12 months will most probably bring about a reduction in commercial development activity.
- 4.34 In both 2006/7 and 2007/8 the vast majority of development was in B1 office space, with less than 6,000 m² of distribution (B8) floorspace completed over the two periods. Most of the office development took place on greenfield land, while the opposite was true for the distribution developments.

- 4.35 Conversely, all the development in 2005/6 was on brownfield land and was spread relatively evenly across the three Non B use classes. In contrast to the following three years, all the development in 2004/5 was on greenfield land and for distribution (B8) purposes.
- 4.36 Over the four years, 24,841 m² has been developed for B1 uses, 3,679 m² for B2 (all in 2005/6) and 19,374 m² for B8. It is important to note that these are gross figures and do not take into account the amount of floorspace that has been decommissioned within this time.

Table 61 Business floorspace (B1 – B8) completions in Ipswich

Year	Floor space (m ²)
2007/8	19,215
2006/7	7,339
2005/6	11,440
2004/5	9,900

Source: Ipswich Annual Monitoring Reports

Figure 10 Endeavour House, Ipswich



DEMAND

- 4.37 According to local agents there is currently very low demand for office space. The market is not supporting development and new build is not currently viable on the basis of achievable rental levels. This situation reflects the current situation nationwide.
- 4.38 Local agents believe that only pre-built, prime sites have been attracting any interest over the last 12 to 18 months and that in the near future this will continue to be the case. Local agents stated that industrial demand is holding up relatively well, due to Felixstowe, although the slow down in trade at the Port is affecting demand in Ipswich.

TAKE-UP

OFFICE

- 4.39 Table 62 sets out the absolute and average annual take up of office employment space in Ipswich over the past ten years broken down to percentage take-up per unit size. The table shows that over the last 10 years the 40% of office floorspace take up has been of units which are 1,850 m² or larger, with office units of between 465 m² and 1,850 m² following closely with 37% of average annual take up. Units of 185 to 465 m² account for 17% of average annual take up, while only 6% of average annual take up is for units of less than 185 m².

Table 62 Absolute & Annual Average Office Take up Ipswich 1998 - 2008

Floor Space Range	Absolute Take up (m ²)	Average Annual Take up (m ²)	% Total
<185 m ²	5,579	507	6%
185 - 465 m ²	15,078	1,371	17%
465 – 1850 m ²	33,468	3,043	37%
1850 m ² +	35,450	3,223	40%
Total	89,575	8,143	100%

Source: EGI

- 4.40 While Table 62 lists the size bands within which market demand is present, Table 63 analyses the number of deals completed in relation to unit size across Ipswich Borough. This is a much more informative figure and it ensures that one deal of +1,850 m² does not 'skew' the statistics.

Table 63 Number of Office Deals in Ipswich 1998 - 2008

Floor Space Range	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
<185 m ²	1		3	1	1	2	8	11	3	8	19	57
185 - 465 m ²		2	2	2	5	3	1	5	3	11	12	46
465 – 1,850 m ²	1	1	4	2	2	3	2	3	1	7	9	35
1,850 m ² +	2	2		1			1	3	1	1		11
Total	4	5	9	6	8	8	12	22	8	27	40	149

Source: EGI

- 4.41 Combining Table 62 and Table 63 shows that while units of less than 185 m² had the lowest percentage of total take up it had the highest number of deals over the past ten years, showing a strong market for small office units. There have been a large number of deals in all size ranges apart from those in the largest bracket. This indicates that the market is not as strong for offices with larger floor plates perhaps indicating a lack of good quality stock for large occupiers in the Borough.
- 4.42 2008 was a peak year for office deals in Ipswich. This is approximately a year behind the peak of the commercial market, and we would expect to see the number of deals for 2009 to be greatly below the 2008 figure of 40.

INDUSTRIAL

- 4.43 Table 64 sets out the absolute and annual average take up of industrial employment space in Ipswich from 1998 to 2008. The table shows that 85% of the total up take across the Borough was for units of more than 1,850 m². Units between 465 and 1,850 m² accounted for 11% of up take, while 3% of borough-wide take up has been units of 185 to 465 m², with units less than 185 m² accounting for only 1% of take up.

Table 64 Absolute and Average Annual Industrial space take up in Ipswich 1998 - 2008

Floor Space Range	Absolute Take Up (m ²)	Average Annual Take Up (m ²)	% Total
<185 m ²	3,599	327	1%
185 – 465 m ²	8,129	739	3%
465 – 1850 m ²	31,726	2,884	11%
1850 m ² +	256,511	23,319	85%
Total	299,965	27,179	100%

Source: EGI

- 4.44 Table 65 allows us to understand more fully the percentage of total take up set out in Table 64 above. Table 65 indicates a less polarised industrial market with units of less than 185 m² experiencing more deals (35) than any other size of unit. 33 of these deals took place in the last four years, which is most likely to reflect the high number of start up businesses during the economic boom. Units of between 185 to 465 m² and 465 to 1,850 m² also account for a large amount of the deals. Units over 1,850 m² account for the least number of deals (22), but this is still a significant amount.

Table 65 Number of Industrial Deals in Ipswich 1998 - 2008

Floor Space Range	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
<185 m ²	1			1				3	4	15	11	35
185 - 465 m ²			4		4	1	2	1	5	5	8	30
465 - 1850 m ²		5	1			1	6	4	2	7	5	31
1850 m ²	1	1	3	1	2	2	2	2	2	3	3	22
Total	2	6	8	2	6	4	10	10	13	30	27	118

Source: EGI

- 4.45 Comparing Table 64 and Table 65 shows that while units of less than 185 m² had the lowest percentage of total take up it had the highest number of deals over the past ten years, showing a strong market for small industrial units. There have been a significant number of deals across the size brackets in Ipswich showing an even spread of demand for the various unit types in the Borough.
- 4.46 The industrial market hit a very high peak in 2007 of 30 deals, with this number slightly reducing to 27 deals in 2008. Due to the economic downturn, we would expect figures for 2009 to be significantly reduced compared to the last 2 years.

AVAILABILITY

- 4.47 Table 66 below shows the commercial property vacancy levels within Ipswich as of 2005. The vacancy rate is 8% in Ipswich, which is the same as that of the East of England (8%) and slightly below that for England (9%).

Table 66 Commercial Property Vacancy Levels within Ipswich

Area	Vacancy Rate %
Ipswich	8 %
East of England	8 %
England	9 %

Source: Office of National Statistics (2004 – 2005)

- 4.48 There are currently a number of office units available, including within the town centre. Agents consider that this is due to the economic downturn and the low quality of stock available. In particular, it is the age of the stock and a requirement for Grade A stock which has led to the vacancies. Therefore the lack of modern facilities such as parking and accessibility via road are considered key factors in the availability levels.
- 4.49 The same is also true of many of the industrial estates within Ipswich. As an illustration of this, there are vacant employment units or land at the following sites:
- Altitude Business Park (Nacton Road area)
 - Ransomes Europark (Nacton Road Area)
 - Elton Park, western side (Hadleigh Road area) but note current mixed use proposals
 - Various offices in the town centre.

TAKE UP V AVAILABILITY

- 4.50 While both take-up and availability have been assessed separately it is useful to compare these to estimate the notional year's supply of commercial property that is available on the market. This gives an idea of levels of supply within the commercial property market though it should be noted that it does not take into account the quality of stock.

OFFICE

- 4.51 Table 67 sets out office availability and take up in Ipswich as per the size brackets used previously.

Table 67 Office Availability and Take-Up by Size in Ipswich

Floor Range	Space	Available Floor Space (m ²)	Annual Average Take Up (m ²)	Notional Years Supply
<185 m ²		762	507	1.5
185 - 465 m ²		1,401	1,371	1
465 - 1,850 m ²		4,468	3,043	1.5
1,850 m ² +		74,867	3,223	23
Total		81,498	8,143	10

Source: EGI

- 4.52 Table 67 shows that by far the highest notional years supply is for office units above 1,850 m², with the other three size categories all having at most 1.5 years supply available. This is an indication of a lack of appropriate stock as there are larger floor plates available that are not meeting market requirements (see Paragraph 4.48).

INDUSTRIAL

- 4.53 Table 68 sets out the availability of industrial floorspace against annual average take up broken down by unit size.
- 4.54 Interestingly, it shows that there is a lack of supply for industrial units of a larger size and a relatively tight supply for smaller industrial units. This is an indication of the relative strength of the industrial market within Ipswich and the possible need for additional stock within the Borough.

Table 68 Available Industrial Floorspace and Annual Average Take-Up in Ipswich

Floor Range	Space	Available Floor Space (m ²)	Average Annual Take Up (m ²)	Notional Years Supply
<185 m ²		889	327	2.5
185- 465 m ²		2,074	739	3
465 - 1850 m ²		853	2,884	<1
1850 m ² +		19,258	23,319	<1
Total		23,074	27,179	<1

Source: EGI

- 4.55 Examples of recent industrial deals in Ipswich include
- 261 a Sidegate Lane
 - Goddard Road, Ipswich

- Elton Park Works, Hadleigh Road

RENTS

OFFICE

- 4.56 Table 69 shows rental values for 'A' grade office stock in Ipswich. Values range from £129 per m² (£12 per sq ft) for stock in the town centre, to £161 per m² (£15 per sq ft) in Ransomes Europark, situated on the south-east edge of the town.
- 4.57 Local agent's views are that the town centre remains the office location of choice and that the economic downturn has seen rents drop from circa £16 per sq ft to £12 per sq ft.
- 4.58 A lack of both parking and new development are detrimental to the town centre office market, where as Ransomes Europark offers new Grade 'A' offices, good road access and parking, thus allowing it to maintain relatively high rents.

Table 69 Rental Values for 'A' grade Office Stock in Ipswich

Location	Grade 'A' Stock (£ per m ²)	Grade 'A' Stock (£ per sq ft)
Ipswich Town Centre	129	12
Ransomes Europark	161	15

Source: EGI

INDUSTRIAL

- 4.59 Table 70 shows rental values for 'A' grade Industrial stock in Ipswich. Although industrial rents in Ipswich have fallen, they have held up better than office rents with Ipswich Port area and Ransomes Europark both circa £54 per m² (£5 per sq ft). It is difficult to put an accurate figure to current rental prices due to the changing market and lack of recent deals on which to base assessments.

Table 70 Rental Values for 'A' grade Industrial Stock in Ipswich

Location	Grade 'A' Stock (£ per m ²)	Grade 'A' Stock (£ per sq ft)
Ipswich Port area	54	5
Ransomes Europark	54	5

Source: EGI

CONCLUSION

- 4.60 The amount of office stock in Ipswich Borough has been increasing over the last ten years in comparison to industrial stock with the amount of industrial stock decreasing by 10%, while office stock has increased by 30% mostly outside of the Town Centre.
- 4.61 However, our analysis of take up v availability suggests a need for additional industrial stock in the Borough despite recent trends, and consultations with local property agents have suggested this to be the case.
- 4.62 The economic slowdown, strategically but also more locally specifically at the Port of Felixstowe, is negatively affecting demand for both offices and industrial space. Our analysis shows there is a significant oversupply of large office stock (1,850 m² +), with a strong demand for smaller office units. Conversely, there is very low supply for all industrial units, less than a year for the larger units, with demand across all sizes increasing in recent years. In line with the supply trends, office rental values have fallen significantly, but industrial rents have held their value.
- 4.63 The town centre is the primary office location but still suffers from a lack of Grade 'A' office space. This has allowed new office developments at Ransomes Europark to obtain higher rental values. The Nacton Road sites also benefit from close proximity and good road access to Felixstowe. This has led a number of shipping based companies to locate in the area, including 'MSC' (Mediterranean Shipping Company) at Ransomes Europark.
- 4.64 There are several areas of previously developed land which are available for redevelopment, most noticeably the Cranes Site on Nacton Road, the former Norsk Hydro Site on Sandy Hill Lane and the areas between Hadleigh Road Industrial Estate and Elton Park.

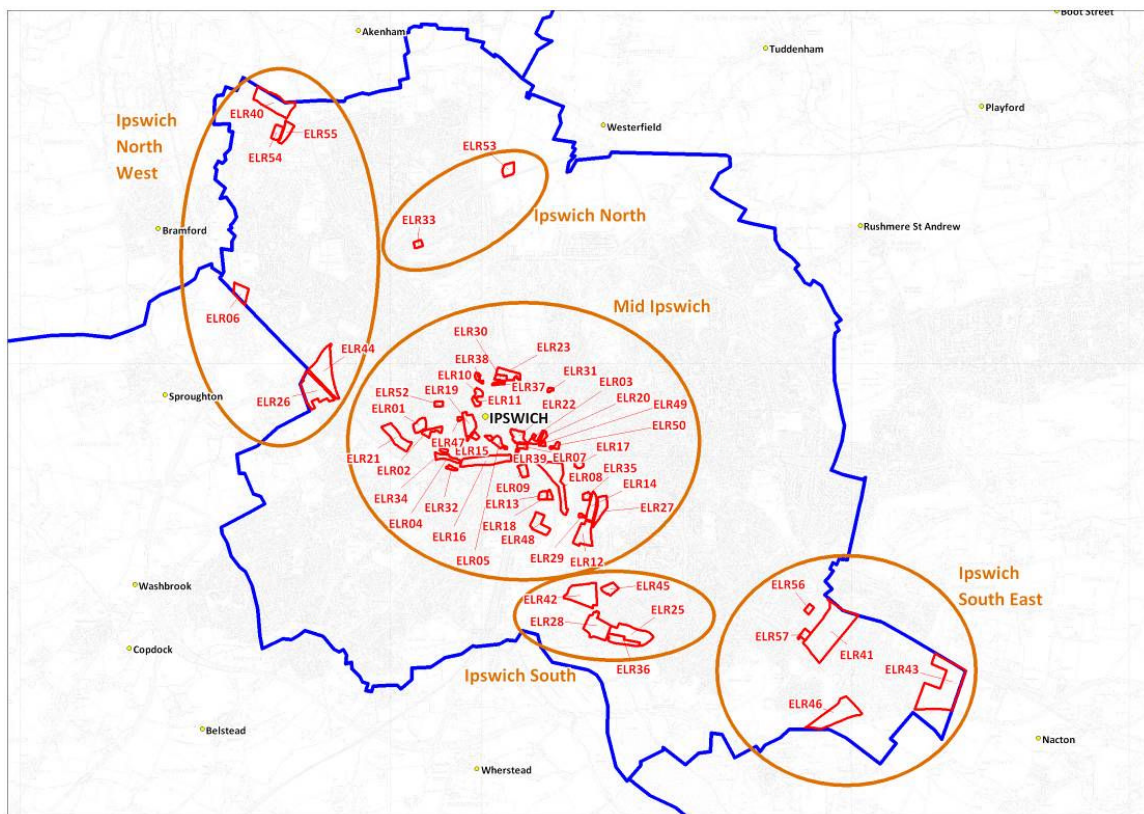
Figure 11 Former Norsk Hydro Site, Ipswich



EMPLOYMENT LAND SUPPLY ANALYSIS

- 4.65 Detailed site surveys were undertaken by the Borough Council across Ipswich as part of the Stage A work. The site visits and assessment undertaken internally by the Council have been complemented by site visits undertaken by GVA Grimley which concentrated on the market appeal of the sites in the context of their respective market areas. Market areas have been identified on the basis of natural groupings / concentration of sites, and the market appeal / synergy noted between the sites.
- 4.66 A total of 57 sites have been surveyed across Ipswich Borough, grouped into five ‘market areas’: Mid Ipswich, Ipswich North West, Ipswich South, Ipswich North, and Ipswich South East. These sites and market areas are illustrated in Figure 12 Employment Sites and Clusters in Ipswich Borough

Figure 12 Employment Sites and Clusters in Ipswich Borough



Source: Ipswich Borough Council

- 4.67 Our analysis shows that a total of 142 Ha of potential employment land has been surveyed within this local authority area, with the predominant use designated on a basis of site visits and commercial market information, as illustrated in Table 71.

Table 71 Total Employment Land by Area (Ha)

Location	Distribution	Industrial	Office	Other	Grand Total
Mid Ipswich	3.6	5.3	32.5	7.1	48.5
Ipswich North West	10.7	7.6	1.7	6.9	26.8
Ipswich South	1.5	19.9			21.4
Ipswich North	0.6		1.5		2.1
Ipswich South East	16.7	18.1	8.4		43.2
Grand Total	33.0	51.0	44.1	14.0	142.0

Source: GVA Grimley, NB: Figures may not total due to rounding

MID IPSWICH

- 4.68 The majority of sites across the Borough are concentrated within the Mid Ipswich market area. These sites are heavily clustered around the town centre and the River Orwell / riverside area. Of the 36 sites identified within this market area the majority are office sites, with 29 of the sites falling into this category. A total of 4 of the sites are industrial, with 1 identified as a distribution site and 1 defined for 'other' use e.g. parking.

IPSWICH NORTH WEST

- 4.69 A total of six sites are identified within this market area including 3 distribution sites, 1 industrial site, 1 office, and 1 'other' site. These sites are noted to be on the edge of the Borough boundary, with cross-boundary considerations therefore important to these sites specifically. Whilst there are a small number of sites in this area they include some relatively large sites, including a total supply of 23.4 Ha.

IPSWICH SOUTH

- 4.70 A total of five sites fall within the Ipswich South market area including 4 classified for industrial and 1 for distribution use. This includes sites clustered around the Raeburn Road and Sandyhill Lane areas. As with the Ipswich North West market area the sites within the Ipswich South area are noted to be relatively large in size, including a total supply of 21.4 Ha.

IPSWICH NORTH

- 4.71 There are only two employment sites located within the Ipswich North market area, including two identified as industrial sites and two as office sites. The sites are located in

relatively peripheral locations, one is classified as edge of centre and the other as rural, they are not clustered, and combined include just 2.1 Ha of supply.

IPSWICH SOUTH EAST

- 4.72 A total of five employment sites are identified within the Ipswich South East market area including a total of 43.2 Ha of supply, including concentrations of supply within three large individual sites. The supply in this market area includes four industrial sites, and one office site. This market area includes two strategic sites: Ransomes Europark, and Cranes.

EMPLOYMENT LAND AVAILABILITY

- 4.73 Our analysis of available supply in Ipswich Borough shows that there is approximately 62 Ha of available employment land supply that could be utilised throughout the planning period. This includes 22 Ha of supply at the Strategic Sites of the former Cranes site and Ransomes Europark. This is shown in Table 72 below;

Table 72 Available Supply in Ipswich Borough (Hectares)

Sub Area	Office	Industrial	W/house	Strategic Site	Whole Economy	Total
North	0		0			0
North West	0.82	7.57	3.41			11.8
Central	5.2	0	0		2.2	7.4
South		19.8	0			19.8
South East	0	1.39		22.23		23.6
Total	6.1	28.8	3.4	22.2	2.2	62.6

Source: GVA Grimley

PHASING OF SUPPLY

- 4.74 Table 73 sets out the employment land supply by availability including that which is considered to be immediately available, and that which has short, medium as long term availability respectively. For the purposes of this analysis, short term is assumed to be within 1 to 5 years, medium term within 6 to 10 years, and long term 11 years and beyond.
- 4.75 The majority of the available land supply within Ipswich Borough is identified to be available in the long term. A total of 31.7 hectares, within 7 of the sites, falls within this category. Six sites, including 5.2 hectares of supply are considered to be immediately available.

- 4.76 The second largest supply of land (total land) is identified to be medium term deliverable including 14.3 hectares within 8 sites.

Table 73 Land Phasing – Vacant Employment Land by Availability (Hectares)*

IMMEDIATELY AVAILABLE	Land Available	Number of Sites
Central	0.7	2
North	0.0	0
North West	0.8	1
South	2.3	1
South East	1.4	2
	5.2	6
SHORT TERM AVAILABLE	Land Available	Number of Sites
Central	3.3	6
North	0.0	0
North West	2.3	1
South	6.6	1
South East	0.0	0
	12.2	8
MEDIUM TERM AVAILABLE	Land Available	Number of Sites
Central	3	6
North	0.0	0
North West	7.6	1
South	5.1	1
South East	0.0	0
	14.3	8
LONG TERM AVAILABLE	Land Available	Number of Sites
Central	0.4	2
North	1.2	1
North West	2.3	1
South	5.9	1
South East	22.2	2
	31.7	7

Source: GVA Grimley. *= Figures may not total due to rounding

- 4.77 A number of sites within Ipswich Borough are identified to be immediately available, as listed below. These are seen to be relatively spread across the market areas, although individual sites are small in size (only one sized above 1 hectare) limiting the scale of development / impact they could have. The immediately available sites are identified to be:

- Key Street / Star Lane / Burton's Site (ELR 7) (Central) (0.54 hectares, available for mixed use development, potential whole economy development, to include offices);
- Part former Volvo site (ELR 36) (South) (2.3 hectares available predominantly for Industrial Development)
- Car park, Sir Alf Ramsey Way (ELR 47) (0.17 hectares available for mixed use, to include offices)

- Anglia Parkway (ELR55) (North West) (0.82 hectares, available for business / warehousing development);
- 6 the Drift, Nacton Road (ELR 56) (South East) (0.56 hectares available for office / industrial)
- 2 – 6 Leslie Road, (ELR 57) (South East) (0.83 hectares available for industrial) and

4.78 In addition, a series of the sites are considered to be short term available, as listed below.

- Land opposite 674 – 734 Bramford Road (ELR6) (North West) (2.26 hectares, available for distribution and logistics development)
- Civic Centre Area / Civic Drive (ELR 10) (Ipswich Central) (0.73 hectares available for mixed use including office/ residential / retail);
- Land west of New Cut (ELR 18) (Ipswich Central) (0.78 hectares available for office)
- No 8 Shed, Orwell Quay (ELR17) (Central) (0.76 hectares, available for office development);
- Old Cattle Market, Portman Road(ELR 19) (0.6 hectares available for non b class uses)
- Rear of Grafton House (ELR34) (Central) (0.31 hectares, available for office development);
- Silo, College Street (ELR39) (Central) (0.16 hectares, available for mixed use development to include offices); and
- Former Norsk Hydro Site, Sandyhill Lane (ELR42) (South) (6.55 hectares, for general industrial development).

TYOLOGY OF SITE SUPPLY

4.79 The analysis of the land supply across the Haven Gateway recognises the largely rural character of the area, including significant swathes of rural and ‘urban-edge’ primarily covering Babergh and Suffolk Coastal districts. Rural and ‘urban-edge’ are defined applying the Department for Environment, Food and Rural Affairs (DERFA) 2004 definition.

4.80 The methodology used here (the Rural Definition) was introduced in 2004 as a joint project between DEFRA, the Commission for Rural Communities (CRC – formerly the Countryside Agency), the Office for National Statistics (ONS), the Office of the Deputy Prime Minister (ODPM) (former, now Department for Communities and Local Government), and the Welsh Assembly. The ‘spectrum’ / graded system used replaces the earlier Oxford / CA binary ward classification and adopts a more reliable settlement-based approach.

4.81 Codes have been assigned to wards to represent their predominant morphology⁵. Codes range from 1 to 3, as outlined below:

- 1 = Urban >10k (Urban)
- 2 = Town and Fringe (Urban Fringe)
- 3 = Village, Hamlet & Isolated dwellings (Rural)

4.82 This has been mapped for the Haven Gateway area as illustrated previously in Figure 7.

4.83 All of the available employment land supply within Ipswich is identified to be located within urban sites, with the sites in Babergh and Suffolk Coastal within the 'Ipswich Fringe' effectively acting as urban fringe and rural site provision for the Ipswich core area.

SUSTAINABILITY

4.84 Public transport infrastructure is an important part of assessing the sustainability and adequacy of employment sites. In order to assess public transport provision each employment site has been surveyed to measure the quality of its bus route and its access to the rail network.

4.85 The assessment of the relationship between the sites and the public transport infrastructure is based on the proximity of the sites to the nearest train station and perceptions of bus transport provision. We have based our analysis of proximity to public transport on the basis of both quantitative data relating to distance to train stations and a qualitative review of local public transport provision at the site.

4.86 The sites have been assessed to be 'Good', 'Average' or 'Poor' in this context, as summarised in Table 74.

Table 74 Public Transport Provision

Location	Average	Good	Poor	Grand Total
Mid Ipswich	3	33		36
Ipswich North West	1	5		6
Ipswich South	2	3		5
Ipswich North		1	1	2
Ipswich South East	1	4		5
Grand Total	7	46	1	54

Source: GVA Grimley

⁵ 'Morphology' here refers to the form or structure of the settlement which includes the area, e.g. whether the area is a part of a town, a village or an urban fringe etc. The 'morphology' of a given area is determined by the population density of the area and its wider surroundings. The report concluded that it was appropriate for most policy purposes to employ the

- 4.87 The assessment of the sites across Ipswich Borough shows that the majority have good access to public transport provision. Indeed only one site within the borough is identified to have poor public transport access (GV001, site off Henley Road in Ipswich North). This site is noted to have poor public transport accessibility by virtue of its greenfield nature.
- 4.88 The analysis of the sites against this indicator reflects the largely urban or edge of urban nature of the employment land supply across Ipswich. This is particularly true of the Mid Ipswich market area.

LOCAL ACCESS

- 4.89 Similarly to the proximity of the sites to public transport provision, the sites across the Ipswich Borough area have been considered against their accessibility by road – both strategically and locally. This analysis is summarised in the following paragraphs.
- 4.90 Whilst the sustainability of employment sites relating specifically to their proximity to public transport provision is an important indicator, and indeed can increase the market appeal of sites to certain sectors / occupiers, an effective employment location must also be well served by road infrastructure allowing employees ease of access to and from the site.

DISTANCE FROM MOTORWAY JUNCTION

- 4.91 The nature of the strategic road infrastructure across the Haven Gateway is reflected in the analysis of the average distance of the sites from motorway junctions in each of the market areas across Ipswich Borough.
- 4.92 There is little variance between the market areas, with all circa 65km from the nearest motorway junction of the M11 motorway, illustrated in Table 75 below:

Table 75 Average Distance to the nearest Motorway Junction (km)

Distance to Motorway		
Sub Area	Distance (km)	Nearest Junction
Mid Ipswich	65.52	M11 Junction 9A
Ipswich North West	63.11	M11 Junction 9A
Ipswich South	66.53	M11 Junction 9A
Ipswich North	65.09	M11 Junction 9A
Ipswich South East	69.06	M11 Junction 9A

Source: GVA Grimley

'physical settlements' definition as represented by the Communities and Local Government defined 'urban areas' and to treat those with more than 10,000 people as 'urban'.

DISTANCE FROM 'A' ROADS

- 4.93 Table 76 details the market areas and their distance from the nearest 'A' road. Mid Ipswich and Ipswich South East market areas are seen to have better proximity to 'A' roads than the other market areas, although only marginally so with all less than 1 km on average from this road network. This reflects the predominantly urban nature of the sites, and the cluster around the centre specifically.

Table 76 Average Distance to 'A' Road (km)

Distance to 'A' Road	
Sub Area	Distance (km)
Mid Ipswich	0.1
Ipswich North West	0.33
Ipswich South	0.56
Ipswich North	0.58
Ipswich South East	0.14

Source: GVA Grimley

LOCAL ROAD ACCESS

- 4.94 In addition to assessing strategic road access it is also pertinent to assess the adequacy of road access to the employment site itself. For example, it is important to consider whether the roads servicing the sites are wide enough to accommodate HGV's. This is a further important consideration in drawing conclusions relating to the quality of employment sites across Ipswich.
- 4.95 The majority of Ipswich Borough employment sites are considered to have good local road access, with 42 of the 54 sites (78%) falling into these categories. Of those that are considered to have poor local road access (7 of the 54, 13%) the majority (5) are located within Mid Ipswich market area although this more likely reflect the skew in overall site numbers to this area rather than specific access issues as a strategic problem in this market area.

Table 77 Assessment of Local Road Access

Location	Average	Good	Poor	Grand Total
Mid Ipswich	5	26	5	36
Ipswich North West		5	1	6
Ipswich South		5		5
Ipswich North		1	1	2
Ipswich South East		5		5
Grand Total	5	42	7	54

Source: GVA Grimley

QUALITY OF INTERNAL AND EXTERNAL ENVIRONMENT

- 4.96 To assess the market viability or 'readiness' of the employment land supply across the Ipswich Borough it is appropriate to consider any significant constraints to development which may affect delivery over the plan period.
- 4.97 This analysis specifically focused on the quality of the internal and external environment of the sites. In both instances this includes the quality of existing buildings, uses, landscaping, and in a strategic sense the extent to which the sites would be viewed as good investment opportunities for prospective occupiers and / or developers.
- 4.98 The criteria applied for assessment of the internal and external environments relating to each site are summarised in the bullet points below.
- 4.99 Quality of the internal environment:
- **Good:** Buildings in good state, in good repair (exterior fabric of buildings, windows and window frames), immediate surroundings / grounds well kept, boundary treatment works observed / boundaries of good quality / well defined, parking provision sufficient (no on street parking), evidence of management of sites, no litter and/or tipping observed.
 - **Average:** Buildings in reasonable state, reasonable repair (small areas of disrepair on external fabric of buildings, windows and window frames), immediate surroundings / grounds not showing signs of significant decline, some issues on boundary of site (e.g. fencing in place but in need of some investment, planting in place but in need of some investment), some on street parking but not affecting use of the site for commercial purposes, some minimal litter noted.
 - **Poor:** Paint coming off, cracks observed, windows in poor state / some windows broken, grounds in a poor state, limited evidence of maintenance in the area, litter / tipping evident and detracting from impression of the site, roads in disrepair (potholes etc), on-street parking affecting the use of the site for commercial purposes.
- 4.100 Wider environment is aimed at the quality of the environment in the immediate surroundings of the site. It takes into account: the quality of streets; quality of public realm; street lighting; amount of traffic; and perceived safety:
- **Good:** The quality of the streets and public realm in the wider area are of a very good or good quality (no potholes, no litter, no uncollected rubbish, well maintained street furniture), there is sufficient street lighting and no perceived safety issues, no

observed / noted noise or air pollution from neighbouring uses and/or heavy street traffic.

- Average: The quality of the streets and the public realm surrounding the site of a reasonable quality (some potholes, some litter, some uncollected rubbish, street furniture but in need of some investment), street lighting in place but not consistent / of sufficient quality to make environment feel safe, some observed / noted noise or air pollution from neighbouring uses and/or heavy street traffic.
- Poor: The quality of the streets and the public realm surrounding the site of a poor quality (potholes, litter, poorly maintained, damaged street furniture), insufficient or damaged street lighting, observed / noted safety issues, pollution including noise and/or air from neighbouring uses and/or heavy street traffic.

QUALITY OF THE INTERNAL ENVIRONMENT

- 4.101 Half of the employment sites across the Borough are seen to have good internal environments, including 27 of the 54 sites surveyed. Of the 54 sites surveyed only 9 were identified to have poor quality internal environments with no specifically noted concentrations or clusters. It is noted however that within Ipswich North that neither of the employment sites have good internal environments.
- 4.102 Also of note is the number of sites identified to have average quality internal environments. Without investment over the plan period there is a risk that these sites may slip into the poor quality internal environment category.

Table 78 Quality of the Internal Environment

Location	Average	Good	Poor	Grand Total
Mid Ipswich	14	18	4	36
Ipswich North West	1	4	1	6
Ipswich South	1	2	2	5
Ipswich North	1		1	2
Ipswich South East	1	3	1	5
Grand Total	18	27	9	54

Source: GVA Grimley

QUALITY OF THE EXTERNAL ENVIRONMENT

- 4.103 Similarly to the quality of the internal environment of employment sites across the Borough, the majority of the sites (36 from 54) are considered to be set in quality external

environments. This is more pronounced than the analysis of internal environments, with fewer sites within the more marginal 'average' quality bracket.

- 4.104 Only one site within the Borough is identified to be within a poor quality external environment, within the Mid Ipswich market area (ELR 49, Land between Star Lane and College Street east of Slade Street).

Table 79 Quality of the External Environment

Location	Average	Good	Poor	Grand Total
Mid Ipswich	11	24	1	36
Ipswich North West	2	4		6
Ipswich South	3	2		5
Ipswich North		2		2
Ipswich South East	1	4		5
Grand Total	17	36	1	54

Source: GVA Grimley

MARKET FACTORS

- 4.105 As part of the site analysis undertaken GVA Grimley has visited each site across Ipswich Borough and the qualitative assessment of each of the market areas including market focus and future attractiveness is provided in the following paragraphs.

MID IPSWICH

- 4.106 The Mid Ipswich market area is a strategic employment location as noted by commercial agents on the basis of it including key town centre and waterfront sites with significant development potential remaining. The town centre remains the primary office location within the Borough, although the current stock is becoming increasingly outdated with limited recent development, with the noted exception of the 'civic quarter' in Ipswich Village.
- 4.107 The area benefits specifically from strong access and connectivity (including specifically the rail station), has quality public realm within the retail core of the centre, and also provides sufficient amenity provision to support employment activity.
- 4.108 It is recognised by the commercial market that the site availability within Mid Ipswich is partially constrained by on-site structures, linked to the port-related activities which has traditionally characterised the area. However, on the basis of site assessments undertaken for this study the internal environment of the majority of the employment sites is not considered to be a specific constraint to development.

- 4.109 Of more significance in this context are the rental values achievable within the town centre at the current time, which are perceived to be of an insufficient level to result in speculative development in the main. A number of sites with development potential that remain around the Waterfront are noted to be constrained by flood risk, and contamination issues.
- 4.110 The continued regeneration of Ipswich Waterfront, including major investment at Felaw Maltings, IP-City Centre, and the University Campus Suffolk amongst others are recognised to be drivers of occupier potential in the future within the Mid Ipswich market area.

IPSWICH NORTH WEST

- 4.111 The Ipswich North West market area includes the Hadleigh Road Industrial Estate and Whitehouse Industrial Estate, including a predominance of B1 (light industry) and B8 activity. This is a recognised employment location including a mixture of low grade industrial units, with some office units noted across the area although it is not recognised to be a prime office location on the basis of current market or occupier activity.
- 4.112 Of the vacant land in this area the majority is considered to be available in the short term, with recent developments noted to have seen relatively good take up (and therefore occupation levels).
- 4.113 This area benefits from good road connectivity specifically including links into Ipswich town centre but also more strategically by virtue of its proximity to the A14.

IPSWICH SOUTH

- 4.114 Site availability within the Ipswich South market area is clustered about the Raeburn Road South / Sandyhill Lane area just to the north of the Orwell Bridge (although not benefiting from good connectivity to the A14).
- 4.115 This is an established employment location, including some heavy industrial and storage uses. The existing commercial buildings within the area are relatively well occupied although there are significant areas of development land remaining, including that currently used for storage. There is a former landfill site within the area identified as an employment allocation that may be significantly constrained by contamination.
- 4.116 Whilst this is an established employment location there are issues with adjacent land uses, including predominantly residential to the north, which may restrict market attractiveness, and will impact upon the nature of occupiers that should be promoted in the area – with

current occupation a legacy rather than a strategy-led approach to employment in the area. The sites are most suitable for industrial development on the basis of existing activity at the site, but should be sensitively developed in the context of adjacent land uses.

IPSWICH NORTH

- 4.117 The Ipswich North market area is noted to have limited coherence as a commercial or occupier area, with the small number sites on the periphery of the Ipswich area and the Hadleigh Road Industrial Estate respectively, but with the latter not sufficiently to suggest significant market appetite.
- 4.118 There is only limited land available within this market area, and its availability is constrained by the need to provide infrastructure to the site, and its rural greenfield nature.

IPSWICH SOUTH EAST

- 4.119 The Ipswich South East market area includes a cluster of employment areas around the Nacton Road area of the town, including two strategic sites (Cranes and Ransomes Europark). As with the town centre / waterfront, and Hadleigh Road Industrial Estate, Nacton Road is a recognised business location within the Borough having experienced significant investment and development over the last ten years.
- 4.120 There are significant growth aspirations in this area, including significant residential development ongoing to the south-western side of Nacton Road, and recent retail development in the area.
- 4.121 The employment provision within the area includes new development of a relatively high specification within Ransomes Europark, with available (and largely unconstrained) development land remaining, alongside older stock which is becoming increasingly obsolete including the Cranes strategic site.
- 4.122 There are smaller allocated sites to the north of Cranes off Nacton Road that are considered to be more marginal on the basis that they have relatively poor access, varied levels of occupation and internal environment, and are adjacent to residential development to the north. Whilst there has been some small scale development within these employment locations in recent years (including one recently completed B2 development) the commercial future of these sites as viable employment locations is intrinsically linked to the future of the Cranes employment site to the south.

- 4.123 Commercial perceptions of this market area consider Nacton Road to be a significant employment corridor, focused primarily on the north-eastern side of the road taking in both the strategic sites and adjacent allocations. Employment opportunity in this area includes traditional B1, B2, and B8 uses alongside 'whole economy' uses where appropriate.
- 4.124 The most significant development constraints perceived within the corridor are noted to be existing on-site structures, and road capacity on Nacton Road itself, both noted by agents during undertaken consultations.

STRATEGIC SITES SUMMARY

- 4.125 A criteria for testing the potential strategic contribution of the seven identified sites has been developed in the context of policy and economic aspirations for the sub-region. The core components of the criteria are listed below, and developed in more detail within Appendix 3.
- Broad location;
 - Sectoral clustering potential (including scale);
 - Amenity and skills alignment; and
 - Site constraints and development feasibility.
- 4.126 There are two strategic sites within Ipswich Borough: Ransomes Europark (which also partially falls within Suffolk Coastal District), and the Cranes site. Summaries of both of these sites against the previously identified criteria are included in the following tables. These are complemented by a summary of the potential of each site against the strategic sites assessment included as part of this study, detailed in more depth within Appendix 3.

Table 80 Ransomes Europark, Ipswich

Ransomes Europark, Ipswich	
Market Area	Ipswich South East
Predominant Use	Industrial
Road Access	Good
Public Transport Accessibility	Good
Internal Environment	Good
Wider Environment	Good
Distance to Motorway Junction	70km from M11 Junction 9A
Distance to 'A' Road	0km to A14
Distance to Rail	2.96km from Derby Road Station
Availability	Short Term
Site Area	5.49 hectares

Source: GVA Grimley / Ipswich Borough Council

- 4.127 Ransomes Europark is considered to be a high quality and market desirable employment location. There is limited future capacity for development on available land rather than through infill opportunity, excluding the eastern portion of the site within Suffolk Coastal District.
- 4.128 In undertaking consultation with agents regarding the site it is apparent that the market would support (and therefore bring forward) employment development on the eastern portion of the site as the next phase of Ransomes. However, it is imperative that the consideration of phasing of future employment development in this location also includes the potential impact of the Cranes site to the north – recognising these sites as being part of a potential corridor of employment opportunity (including the smaller allocations to the north in addition). It is also important to note that the eastern portion of land is divided between Ipswich Borough and Suffolk Coastal District.
- 4.129 The Ransomes Europark site is identified within the EEDA Regional Strategic Employment Sites study (May 2009) as potentially having an important local employment role but is noted to not have a clear future economic vision, therefore failing the ARUP identified strategic site criteria.

Table 81 Cranes Site, Ipswich

Cranes Site, Ipswich	
Market Area	Ipswich South East
Predominant Use	Industrial
Road Access	Good
Public Transport Accessibility	Good
Internal Environment	Average
Wider Environment	Good
Distance to Motorway Junction	68km from M11 Junction 9A
Distance to 'A' Road	0km to A1189
Distance to Rail	1.8km from Derby Road Station
Availability	Long Term
Site Area	16.74 hectares

Source: GVA Grimley / Ipswich Borough Council

- 4.130 There are significant constraints affecting the employment development potential of the Cranes site. However, with market appetite for future development at Ransomes Europark it is possible to view this site as a continuation of this strategic employment location. In this context, Cranes is seen to benefit from the same strategic opportunity, both sectorally and locationally, as Ransomes. This area should be considered in the context of being a strategically significant employment corridor.
- 4.131 The market perceives this area of Nacton Road to be an employment corridor, and indeed if Cranes is lost in its entirety to other non-employment uses (including Non-B employment) it may jeopardise the future function of employment allocations to the north of Cranes.
- 4.132 A further indirect constraint to development at Cranes is the availability of more readily developable land to the east of Ransomes. In order to promote development of the PDL at Cranes in advance of the eastern greenfield land it is suggested that Cranes be considered as Phase 2 of Ransomes, with the eastern portion phased later in the plan period, or beyond. By restricting land supply to the east in this way, the opportunity for employment development at Cranes is more feasible, therefore maximising market potential associated with Ransomes.
- 4.133 A viability assessment was conducted which also indicated that the development of the site is hindered by its industrial history and large amount of existing buildings, circa. 33,707 sq.m. The buildings are unsuitable for reuse and will need to be demolished, along with all areas of hardstanding, at an estimated cost of approximately £2.2 million. Due to the industrial history of the site, following demolition of the existing structures decontamination and remediation works will need to be carried out before new industrial development is constructed. These works are estimated to cost approximately £1.9 million using average prices per Ha from English Partnerships benchmark data. We have assumed that the demolition and decontamination/remediation cannot be phased.

- 4.134 The Cranes site currently has direct access on to Nacton Road, although this is likely to need to be upgraded if there was to be a greater concentration of uses on the site. We understand that Nacton Road already has issues of traffic congestion and Ransome Road, which runs along the east of the Cranes site would provide more appropriate access for industrial vehicles. We anticipate therefore that it would be necessary to upgrade part of Nacton Road along with the formation of an improved access and the addition of an access spur off the current Ransomes Way / Central Avenue roundabout. We have estimated that these highway upgrades could cost approximately £500,000.
- 4.135 Take up rates in the adjoining industrial development of Ransomes Europark have been circa 3 ha per year. At this rate it would take between five and six years to fully develop the Cranes Site. Using industrial land prices derived from VOA statistics and a take up rate of 3 ha per year, the first phase of development at Cranes could result in the extraordinary costs of delivering the site significantly exceeding the value of the land to be developed. This implies that the initial phase of development at Cranes would not be viable without further sources of funding or the phasing of the extraordinary development costs, if that was possible.
- 4.136 The Cranes site is identified within the EEDA Regional Strategic Employment Sites study (May 2009) as a local employment site, without clear future economic vision, failing to meet the strategic criteria.

ECONOMIC GROWTH

- 4.137 While the policy environment and commercial property market conditions set the background for an analysis of the potential for employment growth within Ipswich Borough, it is now necessary to consider the latest economic forecasts which set the projected growth in employment numbers throughout the planning period. Employment forecasts form a major part of the projected future B-Class floorspace requirements and they are now considered and their findings applied to the Borough.
- 4.138 As discussed in Chapter 2 Ipswich Borough has an indicative job target of 12,600 between 2001 and 2021 a shortfall of 7,130 against that suggested by the EEFM. This is shown in Table 35 below:

Table 82 Estimated Job Numbers to meet RSS target in Suffolk Haven Gateway

	Job Number 2021	% of jobs by local authority	Estimated Job Numbers to meet targets	Current Job Forecast	Difference between current target
Suffolk Coastal	63,524	34%	10,200	9,282	-918
Ipswich	79,504	42%	12,600	5,470	-7,130
Babergh	44,490	24%	7,200	8,108	+908
Suffolk Haven Gateway Total	187,518	100%	30,000	22,860	-7,140

Source: Oxford Economics / GVA Grimley 2009

- 4.139 We have previously shown the projected nature of future employment across the sub-region in Table 4 and we show this for Ipswich Borough in Table 83 below:

Table 83 Employee Change 2001 – 2021 by Use Class

	Office	Other Business Space	W/housing	Non B	Total
Ipswich	2,027	457	271	2,715	5,470

Source: Oxford Economics / GVA Grimley 2009

- 4.140 Analysing this shortfall in projected growth compared to the nature of employment in the Borough the majority of growth is likely to occur in the Non B Class sector, although there is also a large percentage within the office sector indicating the importance of these types of jobs. Given Ipswich's strategic location in a sub-regional context with close proximity to

public transport and strong amenity and service provision boosting the office sector will be key to the Borough and Suffolk Haven Gateway achieving the jobs target of 30,000.

- 4.141 Though not fully prescriptive, an estimate of the additional jobs required to meet the estimated shortfall against targets that are required by the various use classes is shown in Table 91 below. It takes the estimated additional 7,130 jobs and assesses the split between B Class and Non B Class in 2021 to arrive at a notional number of additional jobs by 2021.

Table 84 Additional jobs required to meet RSS target by use class in Ipswich Borough

	Office	Other Business Space	Warehousing	Non B	Total
Difference Between Target					-7,130
% of job target	37%	8%	5%	50%	100%
Additional Jobs Required to Meet Notional Target	2,638	570	357	3,565	7,130

Source: Oxford Economics / GVA Grimley 2009

- 4.142 As is shown an additional 3,565 B Class jobs and 3,565 non B Class jobs would be required in order to address the current shortfall against job targets in Suffolk Haven Gateway.
- 4.143 Though the timescales for projecting future growth differ slightly from the RSS job target (2006 to 2026 for the former and 2001 to 2021 for the latter) it still provides the best basis to estimate future land requirements. Using the baseline economic forecast from the EEFM which is aligned to the RSS, growth by broad sector in Ipswich Borough is shown in Table 85 below:

Table 85 Employment Increases between 2006 and 2026 in Ipswich Borough

Sector	Predominant Use Class	2006	2026	Absolute	%
Agriculture	Non B Class	18	21	4	19.7%
Mining / Utilities	Non B Class	392	805	413	105.1%
Manufacturing	B Class	4,206	2,697	-1,509	-35.9%
Construction	Non B Class	4,549	5,637	1,088	23.9%
Retail/Hotels	Non B Class	16,957	18,121	1,164	6.9%
Distribution	B Class	5,329	7,022	1,694	31.8%
Finance & Other Business Services	B Class	16,235	16,979	744	4.6%
Public Services	Mix	28,436	30,148	1,712	6.0%
Total		76,123	81,431	5,308	7.0%

Source: GVA Grimley / Oxford Economics 2007

- 4.144 Table 85 shows that total employment is projected to grow by 7% between 2006 and 2026. The growth sectors are in Mining / Utilities (Non B Class) although this is a relatively small employer. Distribution (31.8%), predominantly a B Class sector and Construction (23.9%), a Non B Class sector, are the major growth sectors reflecting the influence of Port of Felixstowe and the continued physical development of the Borough. If the RSS job target shortfall is to be addressed then both of these sectors will be key. Its position as the major administrative centre means that both Public Administration, which is a mix of both B and Non B class and the Non B class Retail sector are predicted to be growth sectors. It is interesting to note the relatively low growth predicted in the Financial & Other Business Services sector which is the third highest employing sector but is predicted to have the second lowest amount of growth between 2006 and 2026. It is clear that this is where the EEFM predicts Ipswich in particular will feel the effects of the recession. It is therefore clear that the growth in this sector will be vital for Ipswich to meet its Borough targets and the sub-region to meet its growth target of 30,000 jobs between 2001 and 2021.

SECTOR STRENGTH

- 4.145 While the broad sector changes show indicative overall changes in employment activity, there are of course specific sector strengths evident in Ipswich. These sectors are important if the 30,000 job target is to be met, as they suggest the type of activity which offers the best chance of this target being met. To identify these strong sectors in Ipswich we use location quotients compared to the East of England.
- 4.146 Using location quotients we again identify those sectors with a locational advantage in Ipswich compared to the East of England. This is shown in Table 86.

Table 86 Sectors with strong Location Quotients in Ipswich

Sector	Predominant Use Class	Location Quotients
Water transport	B Class	4.40
Activities auxiliary to financial intermediation	B Class	4.35
Insurance and pension funding, except compulsory social security	B Class	3.75
Electricity, gas, steam and hot water supply	Non B Class	3.30
Public administration and defence; compulsory social security	B Class	1.96
Supporting and auxiliary transport activities; activities of travel agencies	Non B Class	1.46
Health and social work	Non B Class	1.38
Financial intermediation, except insurance and pension funding	B Class	1.32
Manufacture of furniture; manufacturing not elsewhere classified	B Class	1.25
Post and telecommunications	B Class	1.22
Recreational, cultural and sporting activities	Non B Class	1.17
Activities of membership organisations not elsewhere classified	B Class	1.14
Publishing, printing and reproduction of recorded media	B Class	1.13
Renting of machinery and equipment without operator and of personal and household goods	B Class	1.04
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	Non B Class	1.01
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	Non B Class	1.00

Source: ABI 2007

- 4.147 The B Class transport sector is shown to be strongly represented in Ipswich via this analysis demonstrating strong presence of the Port of Felixstowe throughout the sub-region. The B Class Insurance and Financial Intermediation sectors are also strong which reflects the strong presence of particular employers such as AXA. There are also a number of other sectors which show a strong representation in Ipswich Borough which are reflective of its position as an administrative centre. These include Health and Social Work and Public Administration. These sectors are those which must be considered as having strong potential to address the shortfall between the projected employment growth and the 30,000 Job target set by the RSS.

POTENTIAL GROWTH SECTORS

4.148 To further refine this analysis and identify those sectors which have the strongest growth potential within the Borough we combine the sectors with strong location quotients with those with strong growth rates since 1998, to give an indication of those sectors that are most likely to prosper in the future. This is shown in Table 87.

Table 87 Sectors with future growth potential in Ipswich

Sector	Predominant Use Class	LQ	Growth 98-07	Current Number of Employees
Water transport	B Class	4.4	31.8%	195
Activities auxiliary to financial intermediation	B Class	4.4	35.6%	2,705
Insurance and pension funding, except compulsory social security	B Class	3.7	4.6%	2,259
Electricity, gas, steam and hot water supply	Non B Class	3.3	11.9%	893
Public administration and defence; compulsory social security	B Class	1.9	32.7%	5,857
Supporting and auxiliary transport activities; activities of travel agencies	B Class	1.5	86.1%	1,898
Health and social work	Non B Class	1.4	27.2%	10,403
Financial intermediation, except insurance and pension funding	B Class	1.3	7.6%	1,062

Source: ABI / GVA Grimley

4.149 Table 87 shows that Ipswich also has a strong representation in the B Class Transport sector indicating the influence of the Port of Felixstowe. This type of activity provides a clear opportunity not only for the District to address the shortfall of job projections against targets but also the wider Suffolk Haven Gateway and Mid Suffolk District which sits within the Western Suffolk sub-region.

4.150 The transport sectors also highlight the role that Strategic Sites within the sub-region can play in providing the right land for the transport sector. Our business survey highlights the attraction of the A14 corridor for sites relating to transportation from Port of Felixstowe. Linking the offer of these strategic sites to these strong sectors will give rise to the potential to addressing the shortfall against the sub-regional job target.

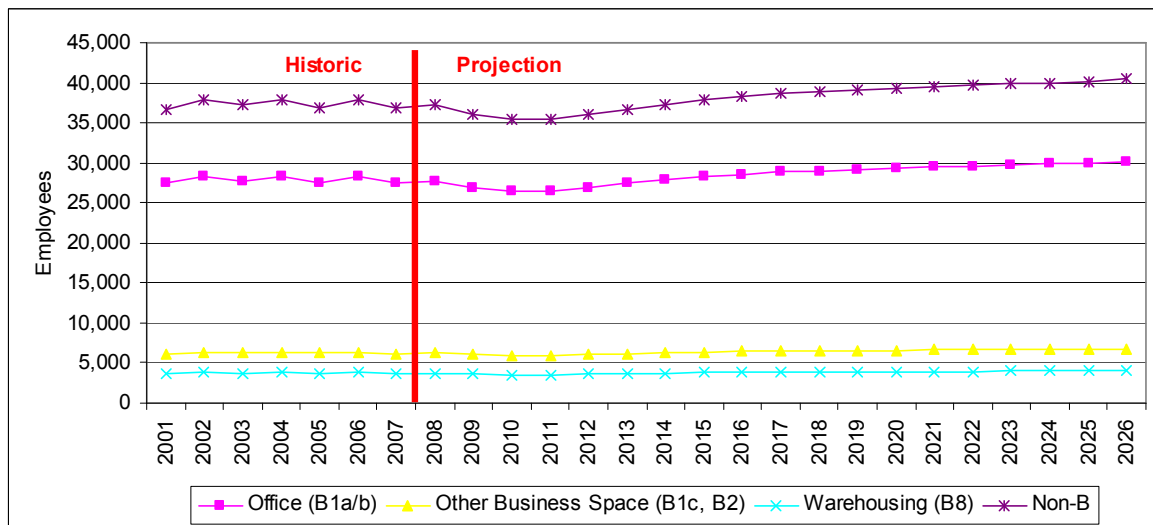
4.151 Additionally, the strong presence of the insurance sectors and associated financial services indicates influence on the nature of the Borough's employment. Given the current economic climate it is certainly this sector which has the strongest challenges facing it to recover and provide the necessary jobs to reach the target set by the RSS of 30,000 net additional jobs growth between 2001 and 2021.

- 4.152 Reflecting the position of Ipswich as an administrative centre with its associated services, public administration and health and social work have a high LQ within the Borough.

TRANSLATING EMPLOYMENT GROWTH INTO FLOORSPACE

- 4.153 The sector analysis above indicates the strongest individual sectors within the Borough and those that are most likely to boost job growth in order to meet the RSS prescribed job targets. The next step however is to translate the forecasted job growth into floorspace and land requirements between 2006 and 2026, which is the ultimate purpose of an Employment Land Review.
- 4.154 Aggregating the employment changes into employee numbers and then floorspace type (Figure 8) shows that the highest numbers of employees are currently, and will continue to be, in the Non-B-Class land use sectors. Non-B-Class land use sectors include healthcare, education and retail which, while generating employment is not on traditional employment land as defined by the TCPA Use Classes Order. However, as outlined above they play the major part in meeting the sub-regional total jobs target and must be considered in this context.
- 4.155 Employment in Office space is below the numbers employed in Non-B-Class sectors, although is projected to increase in the years up to 2026. Employment levels in Other Business Space and Warehousing are set to remain steady.
- 4.156 The effect of the current recession is forecast to be particularly evident in the Non-B-Class land sectors although it is forecast to recover more quickly than office through to 2026. This is shown in Figure 13 below.

Figure 13 Employee numbers by use type and projections in Ipswich until 2026



Source: GVA Grimley / Oxford Economics 2009

4.157 As a next step the employment growth from the B-Use-Class employment types (Office, Other Business Space and Warehouses) is translated into floorspace demand using standard employment densities. The demand for Non-B-Use-Class employment is not quantified as it is not the focus of this study, although it is clearly the major driver of employment growth in the future and key to meeting the prescribed job target of 30,000 between 2001 and 2021.

4.158 Demand for employment floorspace resulting from baseline economic growth is projected to increase by 62,766 m² between 2006 and 2026 in Ipswich. This can be delineated into the various floorspace types in Table 88 below.

Table 88 Changes in Floorspace in Ipswich 2006 to 2026

	Employee Change 06 – 26	Employment Density m ² per employee	Floorspace Change 06 -26 m ²
Office	1,967	18	35,405
Other Business Space	444	32	14,206
Warehouse	263	50	27,361
Total	2,674		62,766

Source: GVA Grimley/ Oxford Economics (2009)

4.159 Of the three different floorspace use types, Office floorspace demand is projected to grow the most between 2006 and 2026. This is followed by demand for Warehouse floorspace, and then for Other Business Space.

- 4.160 Our previous analysis in Table 84 shows that an additional 3,565 B Class jobs would be required to meet the RSS target. Translating this into B Class floorspace requirements shows that a total of 83,574 m² would be required to meet the projected RSS target, as table 85 identifies.

Table 89 Total Floorspace Required to meet Projected RSS Jobs Target in Ipswich Borough

	Employee Change 06 – 26	Additional B Class Jobs Required to meet RSS Target	Employment Density m ² per employee	Floorspace Change 06 -26 m ²
Office	4,605	2,638	18	47,484
Other Business Space	1,014	570	32	18,240
Warehouse	620	357	50	17,850
Total	6,239	3,565		83,574

Source: GVA Grimley / Oxford Economics 2007

RECESSIONARY IMPACT

- 4.161 To put this growth into context it is necessary to consider the further two scenarios that are provided by the EEFM to allow an understanding of the short term and long term impact of the current recession. It should be noted that the baseline forecast from the EEFM already considers the effect of the current recession.
- 4.162 The EEFM provides both a “Severe Recession” and a “Faster Recovery” scenario to allow a further depth of analysis to the economic forecast and future employment land requirements. We consider the effect of these scenarios in turn below.

SEVERE RECESSION

- 4.163 The effect of a severe recession in Ipswich is not as pronounced as the base case already forecasts a severe downturn. A severe recession would particularly hit the office sector according to these figures with loss of nearly a further 300 employees in this sector. Demand until 2026 has a longer term effect in Ipswich under the severe recession with total employment growth around 700 employees less than the baseline scenario. This is shown in Table 90.

Table 90 Employment Changes under Base Case and Severe Recession Scenario Ipswich

Employment Type	2006 -11 Employment Change Base Case	2006 -11 Employment Change Severe Recession	2006 – 26 Employment Change Base Case	2006 -26 Employment Change Severe Recession
Office (B1a/b)	-1,690	-1,975	1,967	1,710
Other Business Space (B1c, B2)	-382	-446	444	386
Warehousing (B8)	-226	-264	263	229
Non-B	-2,265	-2,646	2,635	2,291
Total	-4,563	-5,331	5,309	4,616

Source: Oxford Economics 2009

FASTER RECOVERY

- 4.164 The effect of a faster recovery in Ipswich is evenly spread over the different employment types. Overall the forecast for employment changes between 2006 and 2011 is a predicted loss of 4,341 jobs compared to 4,563 jobs in the base case scenario. Demand until 2026 is slightly stronger under the faster recovery scenario with total employment growth of 5,395 compared to 5,309 under the baseline scenario.

Table 91 Employment Changes under Base Case and Faster Recovery Scenario Ipswich

Employment Type	2006 -11 Employment Change Base Case	2006 -11 Employment Change Faster Recovery	2006 – 26 Employment Change Base Case	2006 -26 Employment Change Faster Recovery
Office (B1a/b)	-1,690	-1,608	1,967	1,999
Other Business Space (B1c, B2)	-382	-363	444	451
Warehousing (B8)	-226	-215	263	267
Non-B	-2,265	-2,154	2,635	2,678
Total	-4,563	-4,341	5,309	5,395

Source: Oxford Economics

ALLOWANCE FOR UNEXPECTED LOSSES

- 4.165 As described in detail in Appendix 1 future employment forecasts must be based on more than an economic forecast and reflect the fluid nature of land allocations. To do this we make a contingency allowance which takes into account the fact that a proportion of designated employment land will not be entirely used by B-Use-Class employment.
- 4.166 This is done by using the Annual Monitoring Report (AMR) for Ipswich Borough and measuring the amount of B Class employment land lost to other uses in recent years. According to the AMR's, which are available from 2004/5 to 2007/8, the amount of employment land lost to non employment use is shown in Table 92.

Table 92 Unexpected losses in Ipswich Borough 2004/5 – 2007/8 (m² floorspace)

Year	Office (m ²)	Other Business Space (m ²)	Warehouse (m ²)
2004/5	5,307	2,158	2,319
2005/6	3,860	1,570	1,686
2006/7	18,431	7,496	8,052
2007/8	16,340	6,646	7,138
Median Loss	10,824	4,402	4,729
Total Unexpected Loss	216,473	88,040	94,571

Source: Ipswich Borough Council Annual Monitoring Reports

- 4.167 This results in an estimated 216,473 m² of Office employment floorspace, 88,040 m² of Other Business Space and 94,571 m² of Warehousing floorspace that might be lost to other uses between 2006 and 2026.

ALLOWANCE FOR CHURN

- 4.168 A further step required to add the property market realities to the baseline economic forecast is to take allowance of the fact that locational and premises needs of businesses change over time requiring businesses to move.
- 4.169 This is measured by analysing the AMR's to assess the amount of commercial floorspace developed on previously developed land. The figures as shown in the AMR are shown in Table 93.

Table 93 Allowance for Churn by Use Class in Ipswich (m² floorspace)

Year	B1 (m ²)	B2 (m ²)	B8 (m ²)
04/05	0	0	0
05/06	4,204	3,679	3,558
06/07	37	0	0
07/08	3,888	0	5,326
Median Loss	1,963	0	1,779
Total Unexpected Loss	3,925	0	3,558

Source: Ipswich Borough Council Annual Monitoring Reports

- 4.170 Taking the median of developed floorspace on previously developed land for the past three years and multiplying it by two, results in an allowance for churn for Office floorspace of 3,925m², 0m² of Other Business Space floorspace and 3,558 m² of Warehousing floorspace.

ALLOWANCE FOR ECONOMIC ASPIRATIONS

- 4.171 As well as taking into account property market implications it is necessary to provide an allowance for the economic aspirations of the Borough to ensure that future employment land requirements are in line with the future direction of the economy. The gap that has emerged between the latest economic forecast and the RSS job target indicates that there is a need to increase the number of jobs created within the sub-region by 2021. The major vehicle for doing this is likely to be maximising the impact of the major economic drivers in Suffolk Haven Gateway.
- 4.172 Our sector strength analysis outlined previously (see Paragraph 4.145 to 4.153) sets the basis for this by identifying the key future sectors that are likely to deliver employment growth within the Borough (see Table 87). This is augmented by our commercial market analysis which outlines the nature of demand for commercial property within the Borough.
- 4.173 To do this we have developed scenarios based on the two major future economic drivers: the Port of Felixstowe and Adastral Park.

PORT OF FELIXSTOWE

- 4.174 The full method as to how this additional demand figure is devised is outlined in Appendix 1 however we show the estimated additional demand arising from both steady and high growth from the Port of Felixstowe below:

SCENARIO A – HIGH GROWTH FROM THE PORT OF FELIXSTOWE

- 4.175 Scenario A, which assesses the impact of high growth from the Port of Felixstowe on Ipswich Borough shows that it has additional employment floorspace requirements of 165,834 m² between 2006 and 2026. This is shown in Table 94 below.

Table 94 Estimated Additional Demand in Ipswich from Scenario A

Optimistic Scenario	Land Requirement (Ha)	Current Ipswich Proportion (%)	Ipswich Additional Land Requirement (Ha)	Ipswich Additional Floorspace Requirement (m ²)	Ipswich Additional Employees
Open Storage	37.2	23.3	8.7	34,662	693
Warehousing	81.5	23.3	19.0	75,990	1,520
Total Warehousing	118.6	23.3	27.7	110,652	2,213
Ancillary*	17.7	31.1	5.5	55,182	1,724
Total	136.4		33.2	165,834	3,937

Source: GVA Grimley based on GHK Estimates * = we assume ancillary uses to be office use in this calculation

- 4.176 Translating this additional floorspace requirement from high growth at the Port of Felixstowe into job numbers (using the assumption of 50 m² per employee for warehousing and 32 m² per employee for office) shows that there is the potential for 3,937 additional employees in Ipswich Borough arising from high growth at the Port of Felixstowe. This would provide a significant amount of additional employees to meet the estimated shortfall of approximately 7,000 employees within the Borough and indeed would go some way to addressing the new deficit compared to the target in Suffolk Haven Gateway as a whole

SCENARIO B – STEADY GROWTH AT THE PORT OF FELIXSTOWE

- 4.177 Scenario B, which assumes that growth from port-related activities will follow similar patterns to recent years, gives an estimated future land demand of 60,665 m² in the Borough. This is shown in Table 95 below.

Table 95 Estimated Additional Land Demand in Ipswich from Scenario B

Business As Usual Scenario	Land Requirement (Ha)	Current Ipswich Proportion (%)	Ipswich Additional Land Requirement (Ha)	Ipswich Additional Land Requirement (m ²)	Ipswich Additional Employees
Open Storage	13.6	23.3	3.2	12,665	253
Warehousing	29.8	23.3	6.9	27,778	556
Total Warehousing	43.4	23.3	10.1	40,443	809
Ancillary*	6.5	31.1	2.0	20,223	632
Total	50.2		12.1	60,665	1,441

Source: GVA Grimley based on GHK Estimates * = we assume ancillary uses to be office use in this calculation

4.178 Translating this additional floorspace requirement from steady growth at the Port of Felixstowe into job numbers (using the assumption of 50 m² per employee for warehousing and 32 m² per employee for office) shows that there is the potential for 1,441 additional employees in Ipswich arising from steady growth at the Port of Felixstowe. This again would provide a significant number of additional employees to meet the estimated deficit of 7000 employees within the Borough.

ADASTRAL PARK

4.179 Again the full method for assessing the impact of development at Adastral Park is outlined in Appendix 1 and we document its effect on employment numbers below. The methodology considers the effect of additional Research & Development employees across the sub-region as a result of developments at Adastral Park. It is considered the direct effect of developments at the scheme, which is a large growth in telecommunications sector is captured within the EEFM, and this scenario is designed to assess the additional impact of the development rather than the direct impact.

SCENARIO C: GROWTH IN RESEARCH & DEVELOPMENT IN IPSWICH

4.180 Assuming that the R&D sectors increase to 49% in Ipswich between 2006 and 2026 this has the effect of increasing the total requirement for R&D employees by 594. This is shown in Table 96 below.

Table 96 Additional Employment in R&D in Ipswich using East Cambridgeshire Growth Rate

Area	Baseline Change Rate	Baseline Employment Numbers	Scenario Change Rate	Scenario C Employment Numbers	Additional R&D Employment
	06 -26	2026	06 - 26	2026	
Ipswich	-11%	886	49%	1,480	594

Source: Oxford Economics / GVA Grimley

SYNTHESIS FORECAST

- 4.181 A synthesis base case that combines an economic forecast and allowance for property market realities for Ipswich Borough is shown in Table 97. It shows that there is demand for an additional 469,932 m² of employment floorspace between 2006 and 2026. This is driven by an expected growth in employees of 5,470 which consists of 3,505 B Class jobs. As shown in Table 84 that is a notional shortfall of 7,130 total jobs, split 3,565 B Class jobs and 3,565 Non B Class jobs, compared to the RSS target set for the Borough.

Table 97 Synthesis Employment Land Requirements of Ipswich 2006-2026

	Floorspace Demand 2006 - 2026	Allowance for windfall losses	Allowance for Churn	Change in floorspace
	m ²	m ²	m ²	m ²
Office	35,405	216,473	3,925	255,802
Other Business Space	14,206	88,040	0	102,246
Warehouse	13,155	94,571	3,558	111,284
Total	62,766	399,084	7,483	469,332

Source: GVA Grimley / Oxford Economics

- 4.182 Given the current macroeconomic climate it is important to consider additional demand in five year patterns to give an idea of the immediate compared to the long term need. These are shown below in Table 98.

Table 98 Five year patterns of floorspace demand in Ipswich

	2006-2011	2011-2016	2016-2021	2021-2026	2006-2026
	m2	m2	m2	m2	m2
Office	-30,428	37,176	15,737	12,920	35,405
Other Business Space	-12,209	14,917	6,314	5,184	14,206
Warehousing	-11,306	13,813	5,847	4,801	13,155
Total	-53,944	65,906	27,898	22,906	62,766

Source: GVA Grimley / Oxford Economics

- 4.183 As one might expect demand for employment land in the immediate two to three years is negative but when extended until 2016 a positive demand figure returns. . In terms of meeting the timescales for the RSS target of 30,000 by 2021 it is clearly important to maximise the delivery of employment land in the years before 2021 to allow for the sub-regional target to be achieved.

SEVERE RECESSION IN THE EAST OF ENGLAND

- 4.184 Translating the forecasted loss of employee numbers during the severe recession which was examined in Table 90 and shows that around 700 less jobs will be created compared to the base case scenario results in a total employment floorspace requirement of 461,142 m² between 2006 and 2026, around 8,000 m² less than the baseline.

Table 99 Severe Recession Employment Land Requirements of Ipswich 2006 -2026

	Floorspace Demand 2006 - 2026	Allowance for windfall losses	Allowance for Churn	Change in floorspace
	m ²	m ²	m ²	m ²
Office	30,785	216,473	3,925	251,182
Other Business Space	12,352	88,040	0	100,393
Warehouse	11,438	94,571	3,558	109,567
Total	54,575	399,084	7,483	461,142

Source: GVA Grimley / Oxford Economics

- 4.185 Of particular importance when measuring the recessionary impact on employment land demand is the five year parcels of demand as this provides the clearest indication of the short term impact of a downturn. As shown in Table 100 a severe recession results in a negative demand of 63,022 m² between 2006 and 2011, around 10,000 m² more than the baseline predicts. Given that the EEFM baseline scenario picks up the major impact in the

sub-region the actual difference in total floorspace requirement compared to the baseline is relatively limited.

Table 100 Five year patterns of floorspace demand in Ipswich

	2006-2011	2011-2016	2016-2021	2021-2026	2006-2026
	m ²	m ²	m ²	m ²	m ²
Office	-35,549	36,585	16,838	12,910	30,785
Other Business Space	-14,264	14,680	6,756	5,180	12,352
Warehousing	-13,209	13,594	6,256	4,797	11,438
Total	-63,022	64,859	29,851	22,887	54,575

Source: GVA Grimley / Oxford Economics

FASTER RECOVERY IN THE EAST OF ENGLAND

4.186 Translating the forecasted loss of employee numbers from the faster recovery scenario which was examined in Table 7697 and indicates around 222 more jobs will be created results in a total employment floorspace requirement of 470,352 m² between 2006 and 2026, which is around 1,000 m² higher than the baseline.

Table 101 Faster Recovery Employment Land Requirements of Ipswich 2006 -2026

	Floorspace Demand 2006 - 2026	Allowance for windfall losses	Allowance for Churn	Change in floorspace
	m ²	m ²	m ²	m ²
Office	35,980	216,473	3,925	256,378
Other Business Space	14,437	88,040	0	102,477
Warehouse	13,369	94,571	3,558	111,497
Total	63,786	399,084	7,483	470,352

Source: GVA Grimley / Oxford Economics

4.187 As shown in Table 102 a faster recovery results in a negative demand of 51,318 m² between 2006 and 2011, around 2,500 m² less than the baseline predicts. Given that the EEFM baseline scenario picks up the major impact in the sub-region the actual difference in floorspace requirement compared to the baseline is relatively limited.

Table 102 Five year patterns of floorspace demand in Ipswich

	2006-2011	2011-2016	2016-2021	2021-2026	2006-2026
	m ²	m ²	m ²	m ²	m ²
Office	-28,947	36,732	15,419	12,777	35,980
Other Business Space	-11,615	14,739	6,187	5,127	14,437
Warehousing	-10,755	13,648	5,729	4,747	13,369
Total	-51,318	65,118	27,335	22,651	63,786

Source: GVA Grimley / Oxford Economics

SCENARIO A – HIGH GROWTH FROM THE PORT OF FELIXSTOWE

- 4.188 Scenario A, which assesses the impact of high growth from the Port of Felixstowe on Ipswich Borough shows that it has additional employment floorspace requirements of 165,834 m² between 2006 and 2026. This is shown in Table 94 above.

SCENARIO B – STEADY GROWTH AT THE PORT OF FELIXSTOWE

- 4.189 Scenario B, which assumes that growth from port-related activities will follow similar patterns to recent years, gives an estimated future land demand of 13,896 m² in the Borough. This is shown in Table 95 above.

SCENARIO C: GROWTH IN RESEARCH & DEVELOPMENT IN IPSWICH

- 4.190 Using our 4-digit sector conversion matrix we apportion each sub sector within the R&D sectors (defined in Appendix 1) to Office, Other Business Space or Warehousing. This analysis shows that 99% of the sectors within R & D relate to Office floorspace, and the remaining 1% is in Other Business Space floorspace. This results in an increase in office floorspace requirements of 10,585 m² and of Other Business Space floorspace of 190 m².

Table 103 Additional Floorspace Requirement in Ipswich from Scenario C

	Employee Change	Employment Density	Floorspace Change
	06 -26	m ² per employee	06 -26
			m ²
Office	588	18	10,585
Other Business Space	6	32	190
Warehousing	0	50	0
Total	594		10,775

Source: Oxford Economics / GVA Grimley

THE MARKET BALANCE

4.191 Our analysis of available supply in Ipswich Borough shows that there is approximately 62 Ha of available employment land supply that could be utilised throughout the planning period. This includes 22 Ha of supply at the Strategic Sites of the former Cranes site and Ransomes Europark.

Table 104 Available Supply in Ipswich Borough

Sub Area	Office	Industrial	W/house	Strategic Site	Whole Economy	Total
North	0		0			0
North West	0.82	7.57	3.41			11.8
Central	5.2	0	0		2.2	7.4
South		19.8	0			19.8
South East	0	1.39		22.23		23.6
Total	6.1	28.8	3.4	22.2	2.2	62.6

Source: GVA Grimley

4.192 This supply is then apportioned between office and industrial use assuming a 50/50 split at each strategic site within Ipswich. When this is compared with projected demand throughout the planning period it is shown that there is a net requirement for additional land as a result of demand created by the Borough. This is shown in Table 105.

Table 105 Requirements for B Class Employment Land Compared with Supply in Ipswich 2006 – 2026

	Demand	Demand	Supply	Land Surplus /Deficit
Base Case	Floorspace (m ²)	Land (Ha)	Land (Ha)	Ha
Office	255,802	26	19	-7
Industrial	213,530	53	43	-10
Total	469,332	79.0	63	-16
Severe Recession				
Office	251,182	25	19	-6
Industrial	209,960	52	43	-9
Total	461,142	77.6	63	-14.6
Faster Recovery				
Office	256,378	26	19	-7
Industrial	213,975	53	43	-10
Total	470,352	79.1	63	-16.1
Scenario A				
Office	310,984	32	19	-13
Industrial	324,182	81	43	-38
Total	635,166	112	63	-49
Scenario B				
Office	276,025	28	19	-9
Industrial	253,973	63	43	-20
Total	529,997	91	63	-28
Scenario C				
Office	255,802	27	19	-8
Industrial	224,115	53.0	43	-10
Total	479,917	80.1	63	-17.1

Source: GVA Grimley / Oxford Economics

BASE CASE

- 4.193 Our *base case* scenario which as shown in Table 84 is an estimated 7,130 jobs below the notional target set for the Borough by the RSS suggests an undersupply of approximately 16 Ha of employment land in Ipswich Borough for the period 2006 to 2026. This translates to an undersupply of office land of approximately 7 Ha and an undersupply of industrial land of 10 Ha.

SEVERE RECESSION

- 4.194 *Severe recession*, which indicates that 700 less jobs will be created compared to the base case scenario suggests that there is an undersupply of around 14.6 Ha of employment land between 2006 and 2026. This translates to an undersupply of office land of approximately 6 Ha and an undersupply of industrial land of 9 Ha.

FASTER RECOVERY

- 4.195 *Faster recovery* suggests that there is an undersupply of approximately 16.1 Ha of employment land in Ipswich Borough. This translates to an undersupply of office land of around 7 Ha and an undersupply of industrial land of 10 Ha.

SCENARIO A

- 4.196 Scenario A, *high growth at the Port of Felixstowe* shows that there is the potential for 3,937 additional employees in Ipswich Borough arising from high growth at the Port of Felixstowe. This would provide a significant amount of additional employees to meet the estimated shortfall of approximately 7,000 employees within the Borough.
- 4.197 This scenario suggests that there is an undersupply of approximately 49 Ha of employment land in Ipswich Borough. This translates to an undersupply of office land of around 13 Ha and an undersupply of industrial land of 38 Ha.

SCENARIO B

- 4.198 Scenario B, *steady growth at the Port of Felixstowe*, shows that there is the potential for 1,441 additional employees in Ipswich arising from high growth at the Port of Felixstowe. This would provide a significant of additional employees to meet the estimated shortfall of 7000 employees within the.
- 4.199 This suggests that there is an undersupply of approximately 28 Ha of employment land in Ipswich Borough. This translates to an undersupply of office land of around 9 Ha and an undersupply of industrial land of 20 Ha.

SCENARIO C

- 4.200 Scenario C, *growth in research & development*, suggests that there is an undersupply of approximately 17.1 Ha of employment land in Ipswich Borough. This translates to an undersupply of office land of around 8 Ha and an undersupply of industrial land of 10 Ha.
- 4.201 This would provide 594 employees and would make some difference in the overall progress against the Borough and sub-regional job target between 2001 and 2021.

CONCLUSIONS

- 4.202 Ipswich is the major economic centre of Suffolk Haven Gateway. It has the highest critical mass of employees and the largest population (with significant new housing growth planned) but its forecasts for employment growth are the lowest in the sub-region. This indicates a lessening future influence and the need for the Borough to “raise its game” to meet the challenges presented to it throughout the planning period.
- 4.203 Although economic models point to lower employment growth in Ipswich it is clear through this study that it will remain key to Suffolk Haven Gateway meeting its aspirations, both in quantity and quality of future employment. The scale of regeneration currently being within the Borough, particularly in Central Ipswich, means that its position as a driver of growth both in the sub-region and the East of England will remain.
- 4.204 In order to address the projected shortfall in the Borough compared to the RSS target we have demonstrated that high or steady growth from the Port of Felixstowe would go some way to addressing the shortfall within the District and the sub-region with an additional 3,937 employees achievable from high growth as shown in Table 94 and an additional 1,441 employees achievable from steady growth as shown in Table 95.
- 4.205 This aspiration is supported by policy objectives at a regional level with the East of England Plan citing Ipswich as a “Key Centre For Development and Change.” The Plan also defines the Ipswich Policy Area as a Priority Regeneration Area.
- 4.206 At a local level, Ipswich’s Local Development Framework supports the regional aspirations with specific policies aimed at meeting a jobs target of at least 18,000 jobs. The Council’s Core Strategy now says that it will promote sustainable economic growth in the IPA. It will encourage the provision of at least 18,000 new jobs between 2001 and 2025.
- 4.207 To do this Ipswich aims to concentrate development on Previously Developed Land. Its Core Strategy also sets out that land within the centre of Ipswich should be prioritised and

that a strategic employment site is identified to serve identified needs in line with the RSS recommendations.

- 4.208 The commercial market view of Ipswich is of a strong office and industrial location with an increasing office presence over recent years. Property market activity however indicates a more robust market for industrial sites, maintaining demand compared to the office market which is currently experiencing high vacancy rates, particularly in the centre.
- 4.209 Our discussions with internal and local property agents indicate a requirement for high quality office stock within the centre of Ipswich, a fact that is demonstrated through our survey of local businesses. Furthermore, our survey of businesses shows that there is a preference for good quality sites on the Ipswich Fringe to satisfy demand.
- 4.210 Previous employment land studies have indicated that employment land supply is sufficient in quantitative terms but not in qualitative terms. Our business survey demonstrates that Ipswich has the highest percentage of businesses that view their premises as “unsuitable.” This clearly presents an issue for the right quality and quantity of stock within the Borough.
- 4.211 In common with the Haven Gateway Suffolk, the major drivers of the economy for Ipswich are the Port of Felixstowe, Adastral Park and the Ipswich Policy Area providing new housing development. These factors are likely to be the major determinants of Ipswich and the Suffolk Haven Gateway achieving the job targets by 2021.

RECOMMENDATIONS

- 4.212 The recommendations for Ipswich Borough should be read alongside those made for the wider Suffolk Haven Gateway sub-region in Section 2 of this report. Where appropriate strategic recommendations should be taken forward at the local level by the Council.

A SUB-REGIONAL APPROACH

- 4.213 Our quantitative analysis indicated that Ipswich does not have sufficient land within the Borough boundaries to meet projected demand throughout the planning period, with particular issues in areas noted to be aligned with key market and occupier drivers. Our business survey illustrates a desire for high quality employment sites in the Ipswich Fringe from current occupiers. As well as this, the Borough shares a number of key employment drivers with neighbouring local authorities within the Suffolk Haven Gateway, including for example Felixstowe Port and the A12/A14 corridors.

- 4.214 As a result it is concluded that Ipswich Borough needs to draw on the sub-regional supply of employment sites in the Ipswich Fringe Area to meet a proportion of its demand between 2006 and 2026. Analysis of availability within key market areas emphasises the importance of retention of land for employment development within this area, and the delivery and maximisation of employment development within key strategic sites, whilst ensuring deliverable schemes.
- 4.215 Our analysis suggests that the commercial market forces do not operate within the restrictions of administrative boundary areas. Indeed, they have functional areas that promote the need for a sub-regional approach to employment land and development. This should be recognised through policy development and joint working arrangements to deliver wider economic aspirations for the Haven Gateway.
- 4.216 Our key recommendation is:

IP1: ENSURE JOINT WORKING WITH NEIGHBOURING LOCAL AUTHORITIES AND THE HAVEN GATEWAY PARTNERSHIP

- 4.217 In order to provide the appropriate mix of quality and choice of employment land we recommend that the local authority work with its neighbouring authorities in Suffolk Haven Gateway to adopt a joint planning approach. This approach will involve joint review of the allocation and take up of employment land, joint planning policy and LDF work where appropriate, and evaluation of impacts. This will allow effective, cross boundary consideration of the allocation, development and impacts on sub-regional job targets of future employment land use. The joint approach should be facilitated through the Haven Gateway Partnership and focused on the Ipswich Policy Area. This will ensure that future decisions that are made are informed by factors within and outside the local authority's boundaries and properly reflect the economic drivers and land availability within the Suffolk Haven Gateway functional economic area.
- 4.218 Consideration must be given to the future employment role and function provided through the key strategic employment sites on the Ipswich Fringe namely the Nacton Road corridor including Cranes and Ransomes Europark corridor and the Adastral Park area. In particular, given *Recommendations IP4, IP5 and IP6*, joint working will be key to bring forward the correct employment mix within the sub-region.

IP2: MAINTAIN DIALOGUE WITH BUSINESS OCCUPIERS TO ENSURE SITES CONTINUE TO SERVE THEIR ECONOMIC AND EMPLOYMENT NEEDS

- 4.219 To ensure that current businesses remain satisfied with current location and premises we recommend that Ipswich Borough Council establish and maintain a regular dialogue with key business occupiers along the A14 and A12 corridors to ensure the continued retention, nurturing and support of these businesses by the local authority.
- 4.220 This will also help establish if there is further demand for sites along the A14 in line with Recommendation HG5.

PLANNING POLICY

- 4.221 Ipswich's current planning policy approach is to concentrate development on Previously Developed Land (PDL). Given the high levels of PDL within the Borough, the importance of reusing PDL in national and regional policy focus and the opportunities that this provides for future employment development, this is an appropriate policy to promote.
- 4.222 There is also an identified additional need for employment land for Ipswich Borough which requires that the current sites are protected. There has however been a strong trend of employment allocations being lost to other uses in recent years in the Borough.
- 4.223 To ensure that planning policy is in line with future requirements our recommendations are:-

IP3: MAINTAIN CURRENT PLANNING POLICY OF CONCENTRATING DEVELOPMENT ON PDL

- 4.224 Given the high levels of PDL and the desire to deliver employment in a sustainable manner we recommend that Ipswich Borough Council maintains its planning policy approach of concentrating employment development on PDL. This should help to bring forward development at the former Cranes site by prioritising investment here before expansion to the south-east for example and does not unnecessarily encroach on the green field areas within the Borough.

IP4: MAINTAIN EXISTING EMPLOYMENT SITES IN IPSWICH

- 4.225 Our demand and supply analysis shows that in headline quantitative terms future employment land demand exceeds allocated supply in Ipswich Borough. Given the requirements we recommend that the overall approach should be to maintain existing

allocated employment sites in the Borough. There will be exceptions on particular sites (identified below) but this overall approach should be maintained.

EMPLOYMENT CORRIDORS

- 4.226 Given the future market demand for high quality employment sites on the Ipswich Fringe and the key facilitator role of the A14 for future growth in the sub-region there is a strong rationale for maximising employment opportunity to meet future demand.
- 4.227 The Borough has key established employment locations particularly in the South East at Nacton Road and in the North West with the Hadleigh Road Industrial Estate. The South East is a recognised business location within the Borough having experienced significant investment and development over the last ten years.
- 4.228 There are significant growth aspirations in this area, including residential development ongoing to the south-western side of Nacton Road, and recent retail development in the area.
- 4.229 The employment provision within the area includes new development of a relatively high specification within Ransomes Europark, with available (and largely unconstrained) development land remaining, alongside older stock which is becoming increasingly obsolete including the Cranes strategic site.
- 4.230 Commercial perceptions of this market area consider Nacton Road to be a significant and strategic employment corridor, focused primarily on the north-eastern side of the road taking in both the strategic sites and adjacent allocations. Employment opportunity in this area includes within traditional B1, B2, and B8 uses alongside 'whole economy' uses where appropriate.
- 4.231 The most significant development constraints perceived within the corridor are noted to be existing on site structures, and road capacity on Nacton Road itself, both noted by agents within consultation undertaken.
- 4.232 Our key recommendations are therefore:

IP5: DEVELOP A STRATEGIC EMPLOYMENT CORRIDOR AT NACTON ROAD

- 4.233 Nacton Road is the location of the existing strategic employment sites at Cranes and the Ransomes Europark. Together these provides one of the best quality mixed use employment sites and future B-Class employment opportunities in the Borough and the

sub-region. Located on the Ipswich Fringe with good links to the A14, the area can act as a counterpart to future employment land development within the central area of Ipswich and more widely within the surrounding authorities of Suffolk Coastal and Babergh. This is a recognised and established employment location by the commercial market.

- 4.234 A strategic employment corridor should be developed at Nacton Road which would incorporate the current Ransomes Europark and the land available to the east (which is within Suffolk Coastal District) as well as the former Cranes site, with the objective to bring forward a corridor of predominantly B-Class employment uses that would meet the market's expectations for high quality office and industrial sites located within the Ipswich Fringe

IP6: DEVELOP A MASTERPLAN FOR THE PROPOSED EMPLOYMENT CORRIDOR AT NACTON ROAD

- 4.235 In line with Recommendations IP4 and SC7 there is a need for the employment corridor at Nacton Road to be delivered in the correct manner to ensure it is a sustainable employment location which provides what the market requires while being a viable employment proposition. We recommend that a joint masterplan or development framework is prepared for this whole employment corridor which is focussed on maximising B-Class employment as well as facilitating ease of transport and movement within the corridor. This exercise should test a series of employment land development options and supporting mix of Non-B uses for the corridor in the context of commercial market demand.
- 4.236 This approach will require joint working between Suffolk Coastal and Ipswich Borough Councils.

IP7: CONSIDER THE POTENTIAL FOR ADDITIONAL SITES WITHIN THE IPSWICH FRINGE

See HG 4

STRATEGIC SITES

CRANES

- 4.237 See IP 5

RANSOMES

4.238 See IP 5

IPSWICH WATERFRONT

4.239 The Ipswich Waterfront, contained within the Mid Ipswich employment cluster area is considered to be a strategic employment location as noted by commercial agents on the basis of it including key town centre and waterfront sites with significant development potential remaining.

4.240 The area scores highly in strategic terms with strong access and connectivity (including specifically the rail station), quality public realm within the retail core of the centre, and also provides sufficient amenity provision to support employment activity.

4.241 The rental values achievable within the town centre at the current time are perceived to be of an insufficient level to result in speculative development for pure employment purposes.

IP8 CONSIDER THE IPSWICH WATERFRONT AS A STRATEGIC EMPLOYMENT SITE AND PROMOTE EMPLOYMENT DEVELOPMENT AS PART OF A MIXED USE APPROACH

4.242 Given the strong strategic drivers within central Ipswich we recommend that Ipswich Borough Council consider Ipswich Waterfront as a strategic employment site and as such promote mixed use development within the area. This should provide high quality B1 office stock to meet future demand throughout the planning period as part of high quality mixed use developments.

SITE LEVEL

4.243 At a site level each allocated employment site has been assessed against access, sustainability, commercial market and other relevant factors. In order to provide a coherent analysis these were grouped in clusters as shown in Figure 12 above. We provide a synopsis of each employment location and recommendations below.

IPSWICH NORTH

4.244 The Ipswich North market area is noted to have limited coherence as a commercial or occupier area, with the small number of sites on the periphery of the Ipswich area ..

- 4.245 There is only limited land available within this market area, and its availability is constrained by the need to provide infrastructure to the site, and its rural greenfield nature.

IPSWICH NORTH WEST

- 4.246 The Ipswich North West market area includes the Hadleigh Road Industrial Estate including a predominance of B1 (light industry) and B8 activity and Whitehouse. These are recognised employment locations including a mixture of low grade industrial units, with some office units noted across the area although it is not recognised to be a prime office location on the basis of current market or occupier activity.
- 4.247 Of the vacant land in this area the majority is considered to be short term available, with recent developments noted to have seen relatively good take up (and therefore occupation levels).
- 4.248 This area benefits from good road connectivity specifically including links into Ipswich town centre but also more strategically by virtue of its proximity to the A14.
- 4.249 Overall sites should be maintained in this cluster in line with Recommendation IP4,

MID IPSWICH

- 4.250 The potential of Mid Ipswich, particularly the waterfront area, as a strategic employment location is considered in *Recommendation IP7* and the overall recommendation is to maintain employment sites but predominantly as part of a mix of uses given its central location. However there are sites which are now predominantly residential which do not align with the current employment allocation. Our additional recommendation is therefore:

IP 9: CONSIDER DEALLOCATING ELR SITES 31 AND 48

IPSWICH SOUTH

- 4.251 Site availability within the Ipswich South market area is clustered about the Raeburn Road South / Sandyhill Lane area just to the north of the Orwell Bridge (although not benefiting from good connectivity to the A14) (NB: this site is the Former British Energy site, and is part of a site that lies on a former landfill site which may still have contamination issues).
- 4.252 This is an established employment location, including some heavy industrial and storage uses. The existing commercial buildings within the area are relatively well occupied

although there are significant areas of development land remaining including that currently used for storage. There is a former landfill site within the area identified as employment allocation that may be significantly constrained by contamination.

- 4.253 Whilst this is an established employment location there are issues with adjacent land uses, including predominantly residential to the north, which may restrict market attractiveness, and will impact upon the nature of occupiers that should be promoted in the area – with current occupation a legacy rather than a strategy-led approach to employment in the area. The sites are most suitable for industrial development on the basis of existing activity at the site, but should be sensitively developed in the context of adjacent land uses.
- 4.254 In line with *Recommendation IP4* employment sites in this cluster should be maintained.

IPSWICH SOUTH EAST

- 4.255 In line with *Recommendation IP5* and *Recommendation IP6* this cluster should come forward as an employment corridor and sites maintained in their current allocation. There is however one site which cannot necessarily be maintained in its current allocation.
- 4.256 Taking the preceding areas together, we provide an additional recommendation to support the future consideration of sites, not currently allocated, as to whether they are suited to help meet future need in the Ipswich Fringe area. The sub-regional mechanism recommended in HG1 will be the basis on which to deliver this recommendation.

IP10: CONSIDER WHETHER ELR SITES 40, 46 AND 53 ARE BEST SUITED TO MEET THE IDENTIFIED NEEDS FOR ADDITIONAL SITES IN THE IPSWICH FRINGE

5. BABERGH DISTRICT

- 5.1 Babergh District is situated within Suffolk County and is bordered to the north and west by the Suffolk authorities of St. Edmundsbury, Mid Suffolk and Ipswich, with the Essex County authorities of Colchester and Braintree to the south. Babergh is a predominantly rural district, with Hadleigh as the administrative centre and Sudbury as the largest town by population.
- 5.2 Babergh is the most economically distinct local authority in the sub-region. It has a much stronger industrial focus than both Ipswich and Suffolk Coastal but in common with Suffolk Coastal is strongly linked on its border to Ipswich. It lacks the large economic drivers present in Suffolk Coastal but is similar in having a high amount of rural employment and diverse commercial property needs across the District.
- 5.3 Commercial and employment activities within Babergh are concentrated primarily around Sudbury and also Hadleigh and the Ipswich Fringe area. The District also has a strong tourist draw largely due to the area known as Constable Country, which includes the Dedham Vale Conservation Area and the historic village of Long Melford.
- 5.4 The economic structure of Babergh is broadly in line with National and Regional trends with the few key exceptions including: Agriculture and Fishing, Manufacturing and Distribution, and Hotels and Restaurants sectors all of which make a larger contribution to the employment make up than in the rest of the country or region. Conversely the District has smaller than usual contributions from the Transport & Communications and Public Administration, Health & Education sectors.
- 5.5 The District has noticeably lower levels of tertiary sector activities than the rest of the region or country, contributing just over 72% of the total employment compared to around 80% within its comparators. This is largely a reflection of the large manufacturing sector within Babergh.
- 5.6 Economic activity rates in Babergh are noticeably higher than the National or Regional levels, while unemployment levels are lower than in the wider areas. The District compares favourably with the wider Region in terms of level of highly qualified inhabitants, but is still below the national average. In terms of weekly earnings Babergh is considerably below county, regional and national levels.
- 5.7 In this chapter we consider planning policy, commercial property market, site assessments and economic forecasts to assess future employment land policy within the District.

BABERGH LOCAL PLAN (JUNE 2006)

- 5.8 The Babergh Local Plan Alteration Number 2 ('the adopted Local Plan') was formally adopted by the Council on Thursday 1st June 2006. The document runs from 2006 to 2016 although it will be replaced before this date by the Local Development Framework. Under transitional arrangements resulting from the Planning and Compulsory Purchase Act (2004) most of the policies contained within the current adopted Babergh Local Plan will be 'saved', with others having expired on 2nd June 2009.
- 5.9 The broad aims of the adopted Local Plan are:
- To conserve and enhance the natural and built environment including the cultural heritage of the Babergh District; and
 - To accommodate new growth and future development of the Babergh District in ways that will enhance the environment, improve the quality of life and create opportunities to sustain and enhance its economic well-being.
- 5.10 With direct reference to economic development, the Plan's strategy promotes the concept of sustainable development including through the allocation of sufficient land for housing, employment and other uses to achieve consistency with national policy, regional guidance and the Suffolk Structure Plan to meet the needs of the District; and promoting economic growth in a positive manner through a number of policies and initiatives.
- 5.11 The economy and employment objectives identified within the adopted Local Plan are:
- To provide opportunities for the development of the local economy, by which employment can be sustained and new jobs created;
 - To accommodate the growth requirements of the local economy by providing an adequate supply of land and buildings for all employment purposes throughout the Plan period. This needs to be based upon a robust assessment of both quantitative and qualitative need / demand;
 - To regularly monitor and review the employment policies, and establish a rolling programme of land supply;
 - To continue to make the main provision for employment in Sudbury and Hadleigh, and on the south-west fringe of Ipswich;
 - To support the use of redundant and under used buildings, including those in the countryside where appropriate, and to ensure that suitable sites or buildings providing employment potential are not lost through demolition or re-development;

- To encourage the development of appropriate new business “clusters” allowing businesses to benefit from proximity to each other and in particular, from sharing expertise in their own type of business; and
 - To facilitate and promote a range of economic initiatives, such as the Haven Gateway Partnership. This initiative has strategic importance to Babergh District by virtue of its proximity to the region’s transport gateways and its ports and the economic potential of these. This aim is a key priority of the Regional Economic Strategy (RES).
- 5.12 Saved policies relating specifically to employment include: EM01 General Employment, EM02 General Employment Areas – Existing and New Allocations, EM03 Land to South East of Lady Lane, Hadleigh, EM04 Former ‘British Sugar’ Sproughton, EM05 Wherstead Office Park, Wherstead, EM06 Land at Brantham Industrial Area, EM07 Land at Bures Road, Great Cornard, EM08 Warehousing and Distribution, EM09 Leisure and Sport at Employment Areas, EM11 Notley Enterprise Park, Raydon / Great Wenham, EM12 Bull Lane / Acton Place, EM13 Pond Hall Industrial Estate, Hadleigh, EM14 Tentree Road, Great Waldington, EM15 Off Brook Street (E W Downs) Glemsford, EM16 London Road, Capel St Mary, EM17 Sprites Lane, Ipswich Western Fringe, EM18 Land on the east bank of the River Orwell, EM19 High Tech Employment Provision, EM20 Expansion / Extension of Existing Employment Uses, EM21 Redundant Airfields, EM23 Workshop Scale Employment Site, EM24 Retention of Existing Employment Sites.

BABERGH LOCAL DEVELOPMENT FRAMEWORK

- 5.13 Babergh District Council have commenced work on their Local Development Framework (the ‘Babergh Development Framework’) to replace the current adopted Local Plan (saved policies). The Council have begun to prepare their Core Strategy which will set out the broad vision and policies for Babergh in the future. The Core Strategy will relate mainly to the development and use of land and will outline the strategy for delivering broad development needs in housing, employment, leisure, transport, retail and other important areas in Babergh.
- 5.14 The Core Strategy Issues and Options paper was consulted on between 14th April and 26th May 2009 (inclusive). Following this consultation period the Council will compile comments received, and develop the Issues and Options paper into the Preferred Options for the Core Strategy.
- 5.15 The remainder of this sub-section summarises a potential policy approach as outlined in the Core Strategy Issues and Options paper.

5.16 The suggested vision for the District and the role of the LDF in this context within the Core Strategy Issues and Options paper is:

To create a shared spatial strategy that will manage and improve the environmental, economic, and social well-being of Babergh and ensure that its residents (plus workforce and visitors) enjoy the best possible quality of life for the long term.

5.17 The Core Strategy Draft Issues and Options paper suggests that the strategic aims for the planning of Babergh District as identified within the adopted Local Plan are an appropriate guide to the Core Strategy. These strategic aims promote the delivery of sustainable development across Babergh by:

- Allocating sufficient land for housing, employment and other uses to achieve consistency with national planning policy / guidance and regional planning policy to meet the needs of the District⁶;
- Steering this development to those parts of the Babergh District which are already well supported by services; are well served by public transport; have a range of employment opportunities; and are not protected by national or county level conservation designations;
- Making the most of the District's intrinsic qualities and attractions;
- Promoting economic growth in a positive manner through a number of policies and initiatives;
- Conserving and enhancing the District's exceptional natural and built environments;
- Encouraging a wide range of shopping, leisure and recreational facilities;
- Promoting the prosperity of the District's two town centres, Sudbury and Hadleigh; and
- Encouraging sustainable development and other measures to help protect the global environment⁷.

5.18 The Core Strategy Issues and Options paper recognises the diversity within the Babergh economy including traditional retail sectors in the two towns, industrial areas at the Ipswich fringe, Sudbury, Hadleigh and Brantham and a tourism industry based around the historical villages of Long Melford, Lavenham, Kersey and the scenic Constable Country. In addition,

⁶ NB: The Issues and Options paper suggests that this objective may benefit from a reference to these areas of land supply being flexible and responsive to changing circumstances.

⁷ NB: In addition, the Issues and Options paper suggests that it may be advisable to add an extra objective to suggest that the overall planning strategy should allow for contingencies if 'Plan A' is not realised but also be sufficiently flexible and adaptable to be able to deal with any relevant changes of circumstances during the lifetime of the Plan. It further suggests

there is a significant agricultural base, with the District also traditionally characterised by a relatively high proportion of manufacturing employment.

- 5.19 The Issues and Options paper suggests that the target for growth in employment numbers growth should be published following the completion of this Employment Land Review, with the same also true for sectors or industries that should be concentrated upon (with reference to both attracting and developing). The paper also questions the aim as set out in the RES for economic growth to broadly match housing growth. It specifically poses the question whether the Core Strategy should be setting more ambitious targets to develop a more jobs led economy rather than housing led.
- 5.20 It recognises that the approach within the adopted Local Plan is to retain employment land as priority and poses the question as to whether this continues to be the correct approach or if this policy needs to be revisited and amended.
- 5.21 The paper notes that it is a key priority for Babergh to ensure that a variety of land and property is available for a range of end users' needs to enable the District's economy to grow and be able to provide members of the community with a range of employment and training opportunities. This should include the flexibility of sites to accommodate different uses, sizes and ambitions to allow for business start-up, expansion and inward investment, with provision also required for training.
- 5.22 The Issues and Options paper suggests the following options in this context:
- Option EMP1: Maintain current allocations and seek to gain increases in land availability through extensions to the existing sites.
 - Option EMP2: Maintain current allocations and allocate new sites concentrated at towns and Key Service Centres.
 - Option EMP3: Maintain existing sites and allocate at local service centres and more rural locations.
 - Option EMP4: De-allocate some sites not already developed and allocate elsewhere.
 - Option EMP5: Concentrate on provision of new employment land in the same locations as residential development, or through mixed use development.
 - Option EMP6: A mix of the above / other option.

that it may be appropriate to add an extra new objective concerned with ensuring that all new development makes sufficient provision for all of its infrastructure needs – in the form of new and/or improved infrastructure.

- 5.23 The question of whether sites should be allocated for strategic employment / economic purposes is posed within the Issues and Options paper, which also questions what uses they should be included for in the event that they are allocated.
- 5.24 The paper recognises that the Council has only limited powers over the final use of land, but that they are keen to promote the renewable energy and sustainable economy sector and will take a positive view on farm diversification and reuse of redundant buildings in rural areas where proposals contribute positively to the local economy and are directly related to the development or generation of energy through low / zero carbon technologies.
- 5.25 Finally, the Core Strategy Issues and Options paper recognises the rich heritage within Babergh, and its resulting attractiveness as a tourist location. It is proposed that the Council will support any proposals to encourage tourism as long as they are in compliance with other policies and promote sustainable tourism.

COMMERCIAL MARKET ANALYSIS

- 5.26 While the local planning policy sets the strategic context for employment land development in the District, the next step is to consider the commercial market conditions that prevail. This allows any conclusions and recommendations that are made to be reflective of what is achievable in commercial terms.

OVERVIEW

- 5.27 Commercial and employment activities within Babergh are concentrated primarily around Sudbury and also Hadleigh and the Ipswich Fringe area. The District also has a strong tourist draw largely due to the area known as Constable Country, which includes the Dedham Vale Conservation Area and the historic village of Long Melford.

MAIN EMPLOYMENT CENTRES

SUDBURY

- 5.28 Sudbury is situated approximately 20 miles due west of Ipswich on the A1071, and approximately 35 miles to the south-east of Cambridge and the M11. The A131 is the major road to Sudbury, running south to Chelmsford. Sudbury Rail Station is the terminus of the Gainsborough Line that runs between Sudbury and Marks Tey, from where connecting trains run to London.
- 5.29 The eastern edge of Sudbury, in the area known as Chilton comprises a large area of industrial land, called Chilton Industrial Estate. The area is located around the convergence of the A134 and A131 and the employment land use is mainly warehouse and distribution. On the south-western fringe are the much smaller Industrial Estates of Bulmer Road and Ballingdon Hill, whilst on the northern edge, beside the A134 is the small Woodhall Business Park. Sudbury is also the primary office location within Babergh.

HADLEIGH

- 5.30 Hadleigh is a small market town situated on the A1071, approximately half way between Sudbury and Ipswich. Hadleigh's only major employment land location is Lady Lane Industrial Estate, which is situated in the north-east of the town, between the A1071 and the B1070. There is very little office space at Lady Lane or in the rest of the town.

Figure 14 Lady Lane Industrial Estate, Hadleigh



SPROUGHTON ROAD AREA

- 5.31 Sproughton Road is located on the south-western fringe of Ipswich next to the A14, on the boundary of Babergh and Ipswich. There are a number of employment land locations in the vicinity, although some are within Ipswich District, including Hadleigh Road industrial Estate. Farthing Road Industrial Estate is within Babergh and is situated at Junction 54 of the A14, and adjoins the Former British Sugar Site. The area benefits from its close vicinity to the A14 and Ipswich.

STOCK

OFFICE

- 5.32 Table 106 sets out total office stock in Babergh in 1998 and 2008. There has been a 40.5% increase in office space since 1998 in Babergh, much higher than in the East of England region (20% increase) and England as a whole (23.5% increase).

Table 106 Office Stock in Babergh 1998 - 2008

Area	1998 (000 m ²)	2008 (000 m ²)	% Change
Babergh	54	76	40.5%
East of England	7,234	8,664	20%
England	78,973	97,566	23.5%

Source: Office for National Statistics

- 5.33 This is reflected in the good stock available at the more recently developed business parks, such as the Alton Business Centre and Wherstead Office Park, both of which are in rural locations, to the south of Ipswich. However, Babergh historically has a very low amount of office stock, with only Sudbury having a recognised office market. Much of the office stock within the District's towns is old and of a second grade nature.

INDUSTRIAL

- 5.34 Table 107 shows that between 1998 and 2008 there has been a 6% increase in industrial stock in Babergh. This is compared to a 6.5% increase in the East of England and a 2.5% increase in England.

Table 107 Industrial Stock within Babergh 1998 - 2008

Area	1998 (000 m ²)	2008 (000 m ²)	% Change
Babergh	624	660	6%
East of England	33,738	35,890	6.5%
England	336,410	344,807	2.5%

Source: Office for National Statistics

- 5.35 Generally the industrial stock of Babergh is a mix of storage / distribution and manufacturing uses. Sudbury is the primary industrial location within Babergh, with five industrial estates within its close proximity.

COMPLETIONS

- 5.36 Table 108 sets out the total amount of business floor space developed in Babergh between 2004 and 2008. The table shows an overall large increase in the amount of employment floorspace completed per annum, from 2,110 m² in 2004/5 to 12,236 m² in 2007/8. Most of the larger developments took place in Sudbury and Hadleigh. It should be taken into account, however, that the slowing down of the commercial market in the last 12 months will most probably bring about a reduction in commercial development activity.

Table 108 Business floorspace (B1 – B8) completions in Babergh

Year	Floor space (m ²)
2007/8	12,236
2006/7	4,272
2005/6	6,147
2004/5	2,110

Source: Babergh Annual Monitoring Reports

- 5.37 Over the four years, 13,174 m² (2,978 m²) of floorspace was developed for B1 uses, 6,645 m² (3,054 m²) for B2 and 4,946 m² for B8 (2,416 m²). More than half of the floorspace development was for B1 uses, mainly offices, which belies Babergh's general lack of office based activity. The figures in brackets show the amount of floorspace that was developed on previously developed land, which equates to just 34% of all commercial floorspace development.

Figure 15 Wherstead Park

DEMAND

- 5.38 According to local agents there is historically little demand for office space in most of the District, with Sudbury being the most popular location. Hadleigh and Sudbury both have some fairly large industrial sites that generally operate at close to full rental. However, rents

and demand are both too low to bring about much speculative development and throughout the District it is more usual for old property to be reused rather than land redeveloped. Currently demand for both office and industrial sites are very low. Most agents believe that development in the east of Babergh around the Ipswich Fringe would attract demand and relatively strong rents. This is supported by our business survey which clearly shows the Ipswich Fringe and locations on the A14 as the most desirable locations within the sub-region.

TAKE-UP

OFFICE

- 5.39 Table 109 sets out the absolute and average annual take up of office employment space in Babergh over the past ten years broken down to percentage take-up per unit size. The table shows that over the last 10 years 42% of office space take up has been of units which are 1,850 M² or larger, with office units of between 185 and 465 M² following closely with 29% of average annual take up. Units of less than 185 M² account for 16% of take up, with units between 185 to 465 M² account for just 13% of average annual take up

Table 109 Absolute & Annual Average Office Take up Babergh 1998 - 2008

Floor Space Range	Absolute Take up (m ²)	Average Annual Take up (m ²)	% Total
<185 m ²	1,791	162	16%
185 - 465 m ²	3,259	296	29%
465 - 1850 m ²	1,515	138	13%
1850 m ² +	4,783	435	42%
Total	11,348	1,031	100%

Source: EGI

- 5.40 While Table 109 uses the size ranges to give an indication of gross demand, Table 110 analyses the number of deals done in relation to unit size across Babergh. This is a much more informative figure as it ensures that one deal of +1,850 m² does not 'skew' the statistics.

Table 110 Number of Office Deals in Babergh 1998 - 2008

Floor Space Range	1999	2001	2002	2003	2004	2005	2006	2007	2008	Total
<185 m ²	1			3	2	4	7	3	2	22
185 - 465 m ²		1		1	2			3	3	10
465 – 1,850 m ²	1		1			1				3
1,850 m ² +		1						1		2
Total	2	2	1	4	4	5	7	7	5	37

Source: EGI

- 5.41 Table 110 shows that while 42% of take up was in the size band 1,850 m² +, only two deals have been done at this unit size over the past 11 years. Table 110 shows that most deals have occurred in the <185 m² size band and 185 – 465 m² size band. This indicates that smaller office units show strong demand within the District, perhaps an indication of the high numbers of small businesses in the District.
- 5.42 2006 and 2007 were peak years for office deals in Babergh. This coincides with the peak of the commercial market, and we would expect to see the number of deals per annum fall off significantly over the next 12 months.

INDUSTRIAL

- 5.43 Table 111 sets out the absolute and annual average take up of industrial employment space in Babergh from 1998 to 2008. Table 111 shows units of between 465 m² and 1,850 m² had the highest percentage of space take up, accounting for 41%. Units of over 1,850 m² accounted for 32% of take up, while 21% of District take up has been in units of 185 to 465 m², with units less than 185 m² accounting for only 6% of take up.

Table 111 Absolute and Average Annual Industrial space take up in Babergh 1998 - 2008

Floor Space Range	Absolute Take Up (m ²)	Average Annual Take Up (m ²)	% Total
<185 m ²	1,950	177	6%
185 – 465 m ²	7,492	681	21%
465 – 1850 m ²	14,546	1,322	41%
1850 m ² +	11,188	1,017	32%
Total	35,176	3,197	100%

Source: EGI

- 5.44 Table 112 allows us to understand more fully the percentage of total take up set out in Table 111 above. It is evident from Table 112 the market for large sheds is comparatively

small in the District, with only 3 deals recorded all of which were in 2006. The majority of activity in the market has been for mid sized units between 185 m² and 465 m², with 23 deals occurring in the last ten years.

Table 112 Number of Industrial Deals in Babergh 1998 - 2008

Floor Space Range	98	99	00	01	02	03	04	05	06	07	08	Total
<185 m ²	1	3					2	6	4	1	1	18
185 - 465 m ²	4		1		1	1		6	4	3	3	23
465 - 1850 m ²	2			2		2		3	1	4	4	18
1850 m ² +									3			3
Total	7	3	1	2	1	3	2	15	12	8	8	62

Source: EGI

- 5.45 The industrial market peaked in 2005 with 15 deals which was a very large increase on the previous years. The numbers slightly decreased over the following three years but remained considerably above pre-2005 levels. Due to the economic downturn, we would expect figures for 2009 to continue to fall.

AVAILABILITY

- 5.46 Table 113 below shows the commercial property vacancy levels within Babergh as of 2005. The vacancy rate is 6% in Babergh, which is below that of both the East of England (8%) and England (9%).

Table 113 Commercial Property Vacancy Levels within Babergh

Area	Vacancy Rate %
Babergh	6 %
East of England	8 %
England	9 %

Source: Office of National Statistics (2004 – 2005)

- 5.47 There are currently a number of office units available, including new units, but mainly older low grade units. Agents consider that the vacancies are due to the economic downturn and the predominately low quality of stock available in the District. Industrial units are currently performing more strongly, with fewer vacancies visible. Employment sites with vacant units include:

- Farthing Road Industrial Estate (Sproughton)
- Lady Lane Industrial Estate (Hadleigh)

- Woodhall Business Park (Sudbury)

TAKE UP V AVAILABILITY

- 5.48 While both take-up and availability have been assessed separately it is useful to compare these to estimate the notional year's supply of commercial property that is available on the market. This gives an idea of levels of supply within the commercial property market though it should be noted that it does not take into account the quality of the stock.

OFFICE

- 5.49 Table 114 sets out office availability and take up in Babergh as per the size brackets used previously.

Table 114 Office Availability and Take-Up by Size in Babergh

Floor Range	Space	Available Floor Space (m ²)	Annual Average Take Up (m ²)	Notional Years Supply
<185 m ²		702	162	4
185 - 465 m ²		1,984	296	7
465 - 1,850 m ²		0	138	0
1,850 m ² +		3,066	435	7
Total		5,752	1,031	6

Source: EGI

- 5.50 The data shows that the highest notional years supply is for units of more than 1,850 m² and between 185 to 465 m², which both have a notional year's supply of 7 years. This is followed by a four year supply for units less than 185 m² and less than a year's supply for units between 465 to 1,850 m², which shows no available floorspace. Overall, there is very little notional year's supply, which may inhibit growth.

INDUSTRIAL

- 5.51 Table 115 sets out availability of industrial floorspace against annual average take up broken down into unit size. Using data from EGI we have calculated that there are very few notional years of supply for industrial units of all sizes. The two smallest size categories have the lowest notional years' supply, with just one year for units between 185 and 465 m² and two years for units less than 185 m². In contrast to both Ipswich and Suffolk Coastal, in Babergh units of more than 1,850 m² have the largest year's notional supply, with 12 years. Units between 465 to 1,850 m² show six years of notional supply.

Table 115 Available Industrial Floorspace and Annual Average Take-Up in Babergh

Floor Range	Space	Available Floor Space (m ²)	Average Annual Take Up (m ²)	Notional Years Supply
<185 m ²		307	177	2
185- 465 m ²		667	681	1
465 - 1850 m ²		7,415	1,322	6
1850 m ² +		12,364	1,017	12
Total		20,753	3,197	6.5

Source: EGI

RENTS

OFFICE

- 5.52 Table 116 shows rental values for 'A' grade office stock in Babergh. Values for grade 'A' office stock in both Sudbury and Hadleigh is £86 per m² (£8 per sq ft). As a comparator, 'A' grade office stock in Ipswich commands rents of up to £172 per m² (£16 per sq ft), although currently a more likely rent there is £130 per m² (£12 per sq ft).
- 5.53 Local agent's views are that Babergh has very little inward investment attraction for in the office market. Sudbury is the main office location within the District, but the market is modest and comprised of local businesses such as accountants and solicitors. Hadleigh has very little office stock or demand for office space. It is currently difficult to put an accurate figure to current rental prices due to the changing market and lack of deals on which to base assessments.

Table 116 Rental Values for 'A' grade Office Stock in Babergh

Location	Grade 'A' Stock (£ per m ²)	Grade 'A' Stock (£ per sq ft)
Sudbury	86	8
Hadleigh	86	8
A12/A14 (predicted)	140	13

Source: EGI

INDUSTRIAL

- 5.54 Table 117 shows rental values for 'A' grade Industrial stock in Babergh. Discounting the predicted values for any future floorspace development at the A12/A14 intersection, grade 'A' industrial rents range from £48 per m² (£4.50 per sq ft) in Hadleigh up to £65 per m² (£6

per sq ft) in Sudbury. It is currently difficult to put an accurate figure to current rental prices due to the changing market and lack of deals on which to base assessments.

Table 117 Rental Values for 'A' grade Industrial Stock in Babergh

Location	Grade 'A' Stock (£ per m ²)	Grade 'A' Stock (£ per sq ft)
Sudbury	65	6
Hadleigh	48	4.50
A12/A14 Junction (predicted)	75	7

Source: EGI

CONCLUSION

- 5.55 Babergh District has a far greater stock of industrial floorspace compared to office floorspace. This is despite the large percentage increase in office floorspace over the last ten years. The office market across Babergh is small with Sudbury having the only office market of any scale, although in recent years a number of new rural office parks have been built, such as Wherstead Park and Alton Business Park.
- 5.56 The vast majority of office deals are for units of less than 465 m², and there are currently a significant number of vacant offices across the District, especially old low grade units on industrial estates, which may be due to the large amount of new office development in recent years combined with the economic downturn. There is very little inward investment in Babergh, with the majority of office occupiers being local companies, with the Co-op and P&O at Wherstead Park being exceptions, though this is strongly linked to its location in the Ipswich Fringe.
- 5.57 Industrial floorspace in the District has seen relatively little growth or development in the last ten years. The most popular unit size is between 465 and 1,850 m² and there are few industrial units larger than this. This reflects the District's predominance of general industry and light manufacturing over distribution and warehouse activities, which is reflected in the recent completion data for Babergh employment floorspace. Manufacturing companies present include Roma International at Lady Lane, Quansboro Plastics at Acton Place and Suffolk Carpet Weavers at Farthing Road Industrial Estate. Babergh has a number of industrial estates, which vary in size and building age, but all show high occupation levels and trade strongly, which is helped by relatively low rents.

SUDBURY

- 5.58 Sudbury is the primary location within Babergh for offices. The town's office market benefits from having rail links, good road links with the surrounding area, an attractive market town centre and having the largest population in the District. Sudbury is also the primary industrial location within Babergh and has three industrial estates and a business park on its outskirts. Agents report that all three industrial estates have few vacant units. There has been little recent employment land development, although some has taken place on Woodhall Business Park.

HADLEIGH

- 5.59 Hadleigh has very little in the way of office provision, mainly due to its size and location. The town does have the substantial Lady Lane Industrial Estate in its north-east corner, which although currently has some vacancies, historically operates at a high level of occupancy. Lady Lane includes three modern units each of over 1,850 m², but apart from these there has been no recent employment land development. The land to the east of Lady Lane is allocated as employment land, is currently undeveloped but is now being marketed.

SPROUGHTON ROAD AREA AND A12/A14

- 5.60 The Sproughton Road Area is a prime location for industrial use as it is adjacent to the A12 and on the outskirts of Ipswich. The main line railway runs through the area, although there is no station. However, the Farthing Road Industrial Estate does not perform strongly and currently has a high number of vacancies, most probably due to the fact that the building stock is low grade and dates from the 1970s and '80s. The employment is predominantly light manufacturing and industry, with some warehouse / distribution uses. There are also a number of office units on site but all are dated and low grade, and cannot compete with the offer in central Ipswich.
- 5.61 Adjoining the site to the south is an exceptionally large strategic employment site known as The Former British Sugar Site. This site enjoys direct access onto a major junction on the A14 and therefore provides the opportunity to secure a major expansion in available good quality employment land subject to site constraints being overcome. Other large employment locations are also nearby, including Hadleigh Road Industrial Estate and Elton Park, which may account for the high vacancy levels on Farthing Road.

RURAL LOCATIONS

- 5.62 There are a number of rural employment locations spread across the District. These include the grade 'A' office sites of Alton Business Park and Wherstead Park, which are both located near Junction 56 of the A14, south of Ipswich. Alton Business Park especially has poor road access and no nearby amenities. Agents believe that these locations will do well as they are in pleasant surroundings and there is a lack of grade 'A' office space in the Ipswich area. However, their lack of accessibility will mean that they only appeal to a limited number of companies.
- 5.63 There are a number of rural industrial locations including: Bull Lane and Acton Place Industrial Estates, Notley Enterprise, Crowcroft Road Industrial Estate and Pond Hall. The large majority of the units at such sites provide a low level of either office or industrial building. The sites all have poor transport links, amenities and public realms, with the main draw being cheap rent and plentiful space.

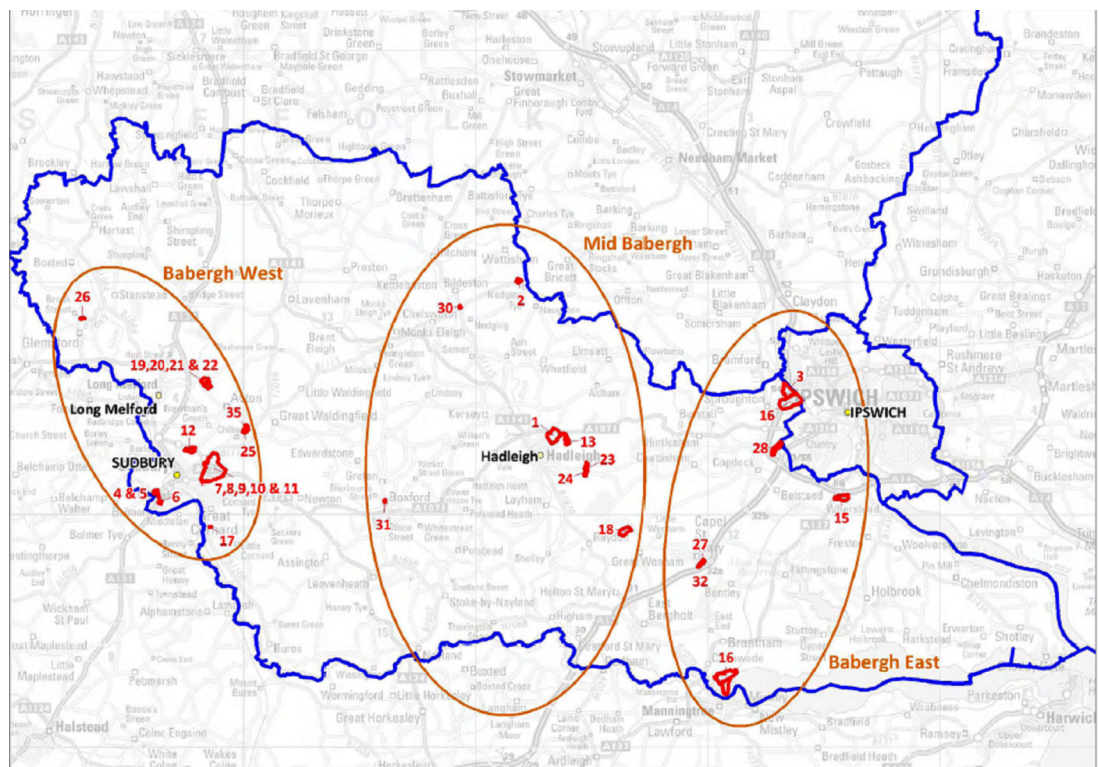
Figure 16 Alton Business Park



EMPLOYMENT LAND SUPPLY ANALYSIS

- 5.64 The detailed site surveys across Babergh were prepared as part of Stage A work undertaken by the District Council in-house. The site visits and assessment undertaken internally by the Council have been complemented by site visits undertaken by GVA Grimley which concentrated on the market appeal of the sites in the context of their respective market areas.
- 5.65 A total of 32 sites have been surveyed across the District, grouped into three 'market areas': Babergh East, Babergh West, and Mid Babergh. These sites and market areas are illustrated in Figure 17.

Figure 17 Employment Sites and Clusters in Babergh District



Source: Babergh District Council

- 5.66 Our analysis shows that a total of 306.79 Ha of employment land has been surveyed within this local authority area, as illustrated in Table 118 below.

Table 118 Total Employment Land by Area (Ha)

Sub Area	Distribution	Industrial	Office	Grand Total
Babergh East		205.65	19.30	224.95
Babergh West		21.66	1.21	22.87
Mid Babergh	11.5	30.5	16.97	58.97
Grand Total	11.5	257.81	37.48	306.79

Source: GVA Grimley, NB: Figures may not total due to rounding

BABERGH EAST

5.67 The area referred to as “Babergh East” contains the employment sites located on the south-western periphery of Ipswich clustered along the A14 corridor in addition to a small number of more peripheral sites located at Brantham (strategic site) and Capel Saint Mary settlements. A total of 13 of the 32 sites across Babergh are located within the Babergh East market area including 11 industrial and 2 office sites. This market area accommodates over half of the total employment land identified across the District.

5.68 This market area includes three Suffolk Haven Gateway strategic sites: Former British Sugar Site, Sroughton, and Wherstead (former E-On HQ), and Brantham Industrial Park.

BABERGH WEST

5.69 “Babergh West” covers a total of 12 employment sites, the most of the three market areas. This includes 9 industrial and 2 office sites. There is very little clustering of these sites, or coherence to their pattern of location. The largest settlements within this market area are Sudbury and Long Melford. This market area accommodates just over a quarter of the total employment land supply across the District.

MID BABERGH

5.70 The area referred to as “Mid Babergh” covers the settlement of Hadleigh in the centre of the District, and some more outlying settlements to the north and south. Similarly to Babergh West, there is little coherence to the geographical distribution of sites within this area. A total of 7 sites are captured within the market area, including 4 industrial sites, 1 distribution site, and 2 office sites. Just 17% of the total employment land supply within the District is captured within this market area.

EMPLOYMENT LAND AVAILABILITY

- 5.71 Our analysis shows that there is 101 Ha of vacant employment land in the District across the 32 sites, including around 18 Ha of industrial development land. There is 5 Ha of available office land across the District, primarily concentrated in one site ('East of Lady Lane') within Mid Babergh.
- 5.72 Strategic Sites within the District account for 61.6 Ha of vacant allocated employment land though as discussed later it is questionable how many of these can be treated as fully vacant for employment uses.

Table 119 Land Supply – Vacant Employment Land (Ha)

Sub Area	Office	Industrial	W/housing	Strategic Site	Other	Grand Total
Babergh East	2.3	17.65		61.6		81.55
Babergh West	1.2	7.96				9.16
Mid Babergh	5.12	0.8	4.3			10.22
Grand Total	8.62	26.41	4.3	61.6		100.93

Source: GVA Grimley, NB: Figures may not total due to rounding

PHASING OF SUPPLY

- 5.73 Table 116 sets out employment land supply by availability including that which is considered to be immediately available, and that which is short, medium and long term available respectively. For the purposes of this analysis, short term is assumed to be within 1 to 5 years, medium term within 6 to 10 years, and long term 11 years and beyond.
- 5.74 The majority of the available land supply within Babergh is identified to be available in the longer term. This supply includes 58.9 hectares of land, concentrated in just two sites (both strategic sites). This emphasises the importance of the delivery of these two sites to the overall land supply within the District. None of the land supply is considered to be immediately available.
- 5.75 The second largest supply of land (total land and number of sites) is identified to be available in the short term deliverable including 37.3 hectares within 8 sites.

Table 120 Land Phasing – Vacant Employment Land by Availability

IMMEDIATELY AVAILABLE	Land Available	Number of Sites
Babergh East	0.0	0
Babergh West	0.0	0
Mid Babergh	0.0	0
	0.0	0
LONG TERM AVAILABLE	Land Available	Number of Sites
Babergh East	58.85	2
Babergh West	0	0
Mid Babergh	0.0	0
	58.9	2
MEDIUM TERM AVAILABLE	Land Available	Number of Sites
Babergh East	3.3	1
Babergh West	8.0	4
Mid Babergh	0.1	1
	11.4	6
SHORT TERM AVAILABLE	Land Available	Number of Sites
Babergh East	2.3	1
Babergh West	18.3	4
Mid Babergh	10.1	3
	28.4	8

Source: GVA Grimley

5.76 There is no immediately available land within Babergh, as noted previously. The following sites are identified to be short term available, relatively dispersed across the District:

- Lady Lane Industrial Estate (Site reference 1) (Mid Babergh) (0.8 hectares, available for office, light industrial or distribution use);
- North of Churchfield Road (Site reference 7) (Babergh West) (14.6 hectares, available for mixed use and general business development);
- South of Churchfield Road (Site reference 8) (Babergh West) (2.5 hectares, available for industrial, warehouse and distribution development);
- East of Lady Lane (Site reference 13) (Mid Babergh) (5 hectares, available for office and mixed use development);
- Wherstead (Site reference 15) (Babergh East) (3.3 hectares, available for office development);
- Bures Road (Site reference 17) (Babergh West) (0.4 hectares, being developed for residential use);
- Notley Enterprise Park (Site reference 18) (Mid Babergh) (4.3 hectares, available for light industrial, storage development);

- Bull Lane Extension (Site reference 20) (Babergh West) (0.76 hectares, available for light industrial / storage development); and
- Spites Lane (Site reference 28) (Babergh East) (2.3 hectares remaining, available for mixed use, with 4.8 HA currently being developed for educational use and a further 1.8 HA recently sold to red Olsen with extant planning permission for office HQ).

TYPOLOGY OF SITE SUPPLY

- 5.77 The analysis of the land supply across the Haven Gateway recognises the largely rural character of the area, including significant swathes of rural and ‘urban-edge’ primarily covering Babergh and Suffolk Coastal districts. Rural and ‘urban-edge’ are defined applying the Department for Environment, Food and Rural Affairs (DERFA) 2004 definition.
- 5.78 The methodology used here (the Rural Definition) was introduced in 2004 as a joint project between DEFRA, the Commission for Rural Communities (CRC – formerly the Countryside Agency), the Office for National Statistics (ONS), the Office of the Deputy Prime Minister (ODPM) (former, now Department for Communities and Local Government), and the Welsh Assembly. The ‘spectrum’ / graded system used replaces the earlier Oxford / CA binary ward classification and adopts a more reliable settlement-based approach.
- 5.79 Codes have been assigned to wards to represent their predominant morphology⁸. Codes range from 1 to 3, as outlined below:
- 1 = Urban >10k (Urban)
 - 2 = Town and Fringe (Urban Fringe)
 - 3 = Village, Hamlet & Isolated dwellings (Rural)
- 5.80 This has been mapped for the Haven Gateway area illustrated previously on Figure 7. On the basis of the application of this definition of urban, urban-fringe, and rural, the allocated employment supply across Suffolk Coastal has been categorised as is summarised in Table 121. The data has been mapped by sub-area and then typology.

⁸ ‘Morphology’ here refers to the form or structure of the settlement which includes the area, e.g. whether the area is a part of a town, a village or an urban fringe etc. The ‘morphology’ of a given area is determined by the population density of the area and its wider surroundings. The report concluded that it was appropriate for most policy purposes to employ the ‘physical settlements’ definition as represented by the Communities and Local Government defined ‘urban areas’ and to treat those with more than 10,000 people as ‘urban’.

⁸ NB: It is understood that construction is advanced on a portion of this site for a Sixth Form College, with part of the site subject to extant planning permission of the construction of the new Fred Olsen HQ.

Table 121 Babergh Land Supply by Urban / Rural Typology

Site Name	Site Reference	Sub Area	Land Availability	Site Typology (Urban / Rural)
Farthing Road Industrial Estate	3	Babergh East	0.00	Rural
British Sugar Site	14	Babergh East	36.00	Rural
Wherstead Office Park	15	Babergh East	3.30	Rural
Sprites Lane	28	Babergh East	2.3	Urban
Woodhall Business Park	12	Babergh East	0.10	Urban Fringe
London Road (N)	32	Babergh East	0.45	Urban Fringe
Brantham Industrial Estate	16	Babergh East	22.30	Rural
Ballingdon Hill Industrial Estate	6	Babergh West	0.00	Urban
N Of Churchfield Road	7	Babergh West	14.60	Urban
S Of Churchfield Road	8	Babergh West	2.50	Urban
Northern Road	9	Babergh West	0.00	Urban
Addison Road, Byford Road	10	Babergh West	0.00	Urban
Windham Road Area	11	Babergh West	0.00	Urban
Bures Road	17	Babergh West	0.40	Urban
Stour Valley Business Centre (Bulmer Road W Part)	5	Babergh West	0.00	Urban
Bulmer Road Industrial Estate (E)	4	Babergh West	0.80	Urban
Bull Lane	19	Babergh West	0.00	Urban Fringe
Bull Lane Extension	20	Babergh West	0.76	Urban Fringe
Acton Place	21	Babergh West	0.00	Urban Fringe
Acton Place Extension	22	Babergh West	1.90	Urban Fringe
Ten Tree Road (Existing)	25	Babergh West	0.00	Urban Fringe
'Ew Downs', Brook Street	26	Babergh West	0.80	Urban Fringe
London Road (Bypass Nurseries)	27	Babergh West	0.00	Urban Fringe
Ten Tree Road Extension	35	Babergh West	4.50	Urban Fringe
Crowcroft Road	2	Mid Babergh	0.00	Rural
Brook Farm	30	Mid Babergh	0.00	Rural
Swan Street	31	Mid Babergh	0.12	Rural
Lady Lane Industrial Estate	1	Mid Babergh	0.80	Urban Fringe
East Of Lady Lane	13	Mid Babergh	5.00	Urban Fringe
Notley Enterprise Park	18	Mid Babergh	4.30	Urban Fringe
Pond Hall (N)	23	Mid Babergh	0.00	Urban Fringe
Pond Hall (S)	24	Mid Babergh	0.00	Urban Fringe

5.81 The allocated employment land supply across Babergh includes a total of 27.2 hectares of available supply within 5 urban sites (with land remaining), 61.72 hectares of available supply within 4 rural sites (including both the British Sugar and Brantham Industrial Estate sites), and 12 hectares of available supply within 9 urban-fringe sites.

5.82 Analysis of average site size within each typology is skewed by the inclusion of British Sugar and Brantham. Removing both of these sites from the analysis suggests smaller individual supply within rural sites, and the largest average available site size within urban sites (1.71 hectares compared to 5.44 hectares).

- 5.83 A total of 61.6 hectares of available land supply within the Babergh East sub-area is defined to be rural, concentrated within 3 sites (including the British Sugar Site, and Brantham Industrial Estate). The remainder of the available supply in the area includes 2.3 hectares of land in 1 urban site, and 0.54 hectares in 2 urban fringe sites.
- 5.84 None of the available land supply within the Babergh West sub-area is defined to be rural. Rather the available supply in the area includes 18.3 hectares of land in 4 urban sites, and 7.96 hectares in 4 urban fringe sites.
- 5.85 A total of 0.12 hectares of available land supply within the Mid Babergh sub-area is defined to be rural, concentrated within 1 site. The remainder of the available supply in the sub area is concentrated within urban fringe sites with an available supply of 10.1 hectares concentrated in 3 sites.

SUSTAINABILITY

- 5.86 Public transport infrastructure is an important part of assessing the sustainability and adequacy of employment sites. In order to assess public transport provision each employment site has been surveyed to measure the quality of its bus route and its access to the rail network.
- 5.87 The assessment of the relationship between the sites and the public transport infrastructure is based on the proximity of the sites to the nearest train station and perceptions of bus transport provision. We have based our analysis of proximity to public transport on the basis of both quantitative data relating to distance to train stations and a qualitative review of local public transport provision at the site.
- 5.88 The sites have been assessed to be 'Good', 'Average' or 'Poor' in this context, as summarised in Table 118. It is important to note that the dataset relating to public transport provision received from Babergh District Council was incomplete with 14 sites not having an assessment against this criterion.

Table 122 Public Transport Provision

	Average	Good	Poor	No Assessment	Grand Total
Babergh East	1	3		8	12
Babergh West		10		2	12
Mid Babergh	1	1	2	4	8
Grand Total	2	14	2	14	32

Source: GVA Grimley

- 5.89 Of the sites where an assessment was made within this category (a total of 18 sites were assessed) the majority (14) were considered to have good access to public transport provision, with only 2 considered to have poor access. Proportionally on the basis of sites assessed, Babergh West is seen to be characterised by having sites with good access to public transport provision.
- 5.90 Given the significant rural areas across the District, and the outlying / peripheral nature of a number of the sites across the wider area it is interesting that such a significant proportion of those assessed (42%) are considered to have good public transport access.

LOCAL ACCESS

- 5.91 Similarly to the proximity of the sites to public transport provision, the sites across Babergh District have been considered against their accessibility by road, both strategically and locally. This analysis is summarised in the following paragraphs.
- 5.92 Whilst the sustainability of employment sites relating specifically to their proximity to public transport provision is an important indicator, and indeed can increase the market appeal of sites to certain sectors / occupiers, an effective employment location must also be well served by road infrastructure allowing employees ease of access to and from the site.

DISTANCE FROM MOTORWAY JUNCTION

- 5.93 The current road infrastructure serving Babergh District and the wider sub-region, and specifically the lack of proximity to a motorway is evidenced within the analysis of the average distance of the sites from motorway junctions in each of the three market areas.
- 5.94 As with the other two local authority areas within the sub-region, the closest motorway to Babergh District is the M11 to the west, with the Babergh West market area therefore benefiting more than the other two market areas through its proximity,

Table 123 Average Distance to the nearest Motorway Junction (km)

Distance to Motorway		
Sub Area	Distance (km)	Nearest Motorway Junction
Babergh East	62.08	M11 Junction 9A
Babergh West	37.09	M11 Junction 9A
Mid Babergh	51.6	M11 Junction 9A

Source: GVA Grimley

DISTANCE FROM 'A' ROADS

- 5.95 Table 124 details the market areas and their distance from the nearest 'A' roads across Babergh District. Babergh East and Babergh West market areas are seen to have better proximity to 'A' roads than the Mid Babergh market area, which is dominated by smaller more outlying sites and settlements. The sites within the Babergh East market area benefit from their proximity to the Ipswich conurbation, and their location along the A14 corridor.

Table 124 Average Distance from 'A' Roads

Distance to 'A' Road	
Sub Area	Distance (km)
Babergh East	0.12
Babergh West	0.94
Mid Babergh	1.57

Source: GVA Grimley

LOCAL ROAD ACCESS

- 5.96 In addition to assessing strategic road access it is also pertinent to assess the adequacy of road access to the employment site itself. For example, it is important to consider whether the roads servicing the sites are wide enough to accommodate HGV's. This is a further important consideration in drawing conclusions relating to the quality of employment sites across Babergh District.
- 5.97 Overall across Babergh District the majority of employment sites are seen to have either average or poor local road access including a total of 27 sites within this category. This group is dominated by those identified to be average. Both Babergh East and Mid Babergh market areas do not have any sites that have good local road access.

Table 125 Assessment of Local Road Access

	Average	Good	Poor	Grand Total
Babergh East	11		2	13
Babergh West	2	5	4	11
Mid Babergh	2		6	8
Grand Total	15	5	12	32

Source: GVA Grimley

QUALITY OF INTERNAL AND EXTERNAL ENVIRONMENT

- 5.98 To assess the market viability or 'readiness' of the employment land supply across Babergh District it is appropriate to consider any significant constraints to development which may affect delivery over the plan period.
- 5.99 This analysis specifically focuses on the quality of the internal and external environment of the sites. In both instances this includes the quality of existing buildings, uses, landscaping, and in a strategic sense the extent to which the sites would be viewed as good investment opportunities for prospective occupiers and / or developers.
- 5.100 In both the assessment of the quality of the internal environment and the assessment of the external environment two sites have not been considered within the data received from Babergh District Council.
- 5.101 The criteria applied for assessment of the internal and external environments relating to each site are summarised in the bullet points below.
- 5.102 Quality of the internal environment:
- **Good:** Buildings in good state, in good repair (exterior fabric of buildings, windows and window frames), immediate surroundings / grounds well kept, boundary treatment works observed / boundaries of good quality / well defined, parking provision sufficient (no on street parking), evidence of management of sites, no litter and/or tipping observed.
 - **Average:** Buildings in reasonable state, reasonable repair (small areas of disrepair on external fabric of buildings, windows and window frames), immediate surroundings / grounds not showing signs of significant decline, some issues on boundary of site (e.g. fencing in place but in need of some investment, planting in place but in need of some investment), some on street parking but not affecting use of the site for commercial purposes, some minimal litter noted.
 - **Poor:** Paint coming off, cracks observed, windows in poor state / some windows broken, grounds in a poor state, limited evidence of maintenance in the area, litter / tipping evident and detracting from impression of the site, roads in disrepair (potholes, etc.), on-street parking affecting the use of the site for commercial purposes.
- 5.103 Wider environment is aimed at the quality of the environment in the immediate surroundings of the site. It takes into account: the quality of streets; quality of public realm; street lighting; amount of traffic; and perceived safety:

- **Good:** The quality of the streets and public realm in the wider area are of a very good or good quality (no potholes, no litter, no uncollected rubbish, well maintained street furniture), there is sufficient street lighting and no perceived safety issues, no observed / noted noise or air pollution from neighbouring uses and/or heavy street traffic.
- **Average:** The quality of the streets and the public realm surrounding the site of a reasonable quality (some potholes, some litter, some uncollected rubbish, street furniture but in need of some investment), street lighting in place but not consistent / of sufficient quality to make environment feel safe, some observed / noted noise or air pollution from neighbouring uses and/or heavy street traffic.
- **Poor:** The quality of the streets and the public realm surrounding the site of a poor quality (potholes, litter, poorly maintained, damaged street furniture), insufficient or damaged street lighting, observed / noted safety issues, pollution including noise and/or air from neighbouring uses and/or heavy street traffic.

QUALITY OF THE INTERNAL ENVIRONMENT

- 5.104 The majority of the sites across the District are seen to have a good or average internal environment, including 22 of the 32 sites surveyed. A third of the sites surveyed have poor quality internal environments (8 out of the 32 sites).
- 5.105 This balance is mirrored within the three market areas, with all seeing a higher prevalence of good or average quality internal environments rather than poor at the time of surveying. Babergh East is seen to have the best quality sites, including 7 of its total 12 sites noted to be of good quality compared to 3 and 3 respectively within Babergh West and Mid Babergh.

Table 126 Quality of the Internal Environment

	Average	Good	Poor	No Assessment	Grand Total
Babergh East	3	7	3		13
Babergh West	3	3	3	2	11
Mid Babergh	3	3	2		8
Grand Total	9	13	8	2	32

Source: GVA Grimley

QUALITY OF THE EXTERNAL ENVIRONMENT

- 5.106 Similarly to the quality of the internal environment of the employment sites across the District, the majority are seen to be located within a good quality external environment.

Indeed, none of the sites surveyed are identified to be within poor quality external environments, albeit two of the sites have not been assessed against this criterion.

- 5.107 This is most evident within Babergh East where 100% of its sites are identified to be located within good quality external environments.

Table 127 Quality of the External Environment

	Average	Good	No Assessment	Grand Total
Babergh East		12	1	13
Babergh West	3	7	1	11
Mid Babergh	3	5		8
Grand Total	6	24	2	32

Source: GVA Grimley

MARKET FACTORS

- 5.108 As part of the site analysis undertaken GVA Grimley has visited each site across Babergh District and the qualitative assessment of each of the market areas including market focus and future attractiveness is provided in the following paragraphs.

BABERGH EAST

- 5.109 The employment supply within the Babergh East market area is closely aligned in the north to the A12 / A14 corridor, with the Sproughton area noted to be a prime location for industrial development and occupier activity. The opportunity for economic development within this area, effectively operating in a market sense as 'Ipswich fringe' is closely linked to the wider opportunity within the A12 / A14 corridor and indeed the commercial potential within Ipswich centre.
- 5.110 The main existing employment location within the market area is the Farthing Road Industrial Estate, which is noted to have a visible number of vacancies – effectively bucking the trend of this market area as articulated by agents who recognise the employment development potential in the various available sites in general. The poor performance of the Farthing Road Estate is likely to be linked to the quality of the stock, with the majority dating from pre-1980s and its general industrial nature.
- 5.111 This market area includes two strategic sites, the former British Sugar site and Wherstead, both offering very different development opportunities linked to their scale and the market appeal of each (with the latter recognised to be a primarily B1a location on the basis of previous development and occupier activity).

- 5.112 There are a number of short term development opportunities identified within this area with potential key relationship to the A12 / A14 corridor as occupier drivers.

BABERGH WEST

- 5.113 The Babergh West market area includes a number of employment allocations and existing employment sites loosely clustered around the Sudbury and Long Melford settlements. Sudbury is located approximately 20 miles to the west of Ipswich, on the western periphery of Babergh District. The relationship with Braintree to the west is therefore of relevance when considering the role and function of these employment locations.
- 5.114 Sudbury is noted to be a prime location within Babergh for both office and industrial activity including a number of existing business locations including three industrial estates and a business park on its periphery, with all noted to have reasonable activity levels.
- 5.115 The area is seen to benefit commercially from connectivity including good rail and road links, and a quality environment within its town centre. The site assessments undertaken suggest that there are issues with the on-site condition of sites within the area, including access but also internal movement. This is seen to detract from investment in the area, including specifically within the industrial sites for which movement and adequate site access is essential. This includes the need to make junction improvements to facilitate development on a number of sites.

MID BABERGH

- 5.116 Existing employment activity within the Mid Babergh market area is concentrated primarily around the Hadleigh settlement. There are also a number of rural sites and existing business locations also noted with this market area covering the majority of the central area of the District.
- 5.117 While the majority of the employment function noted within this market area is concentrated on Hadleigh, there is only limited office provision within this location. Of note however is the presence of the Lady Lane Industrial Estate, which although currently demonstrating visible vacancy has traditionally seen good levels of occupation from mainly indigenous businesses.
- 5.118 Of the land recognised to be available within this market area, the majority is seen to be deliverable in the short term on the basis of noted site constraints although the prime occupier activity is likely to be driven by indigenous businesses rather than inward

investment on the basis of this being a secondary business location in the context of more strategic locations to the east and west.

STRATEGIC SITES SUMMARY

5.119 There are three strategic sites within Babergh District: Brantham Industrial Park, Former British Sugar Site, Sproughton, and Wherstead (former E-On HQ). Summaries of all of these sites against the identified criteria are included in the following tables. These are complemented by a summary of the potential of each site against the strategic sites assessment included as part of this study, detailed in more depth within Appendix 3.

BRANTHAM INDUSTRIAL PARK

Table 128 Brantham Industrial Park – Site Summary

Brantham Industrial Park, Brantham	
Market Area	Babergh East
Use	Industrial
Road Access	Poor
Public Transport Accessibility	No assessment provided
Internal Environment	Poor
Wider Environment	No assessment provided
Distance to Motorway Junction	60km from M11 Junction 8 / 8A
Distance to 'A' Road	0.48km from A137
Distance to Rail	1.34km from Manningtree Station
Availability	Long Term
Site Area	22.3 hectares

Source: GVA Grimley / Babergh District Council

- 5.120 It is recognised on the basis of the site assessment that the Brantham Industrial site has limited alignment with the strategic criteria. However it is seen to have a potentially significant role in delivering employment opportunities for the local area, at an appropriate scale.
- 5.121 Given the lack of strategic drivers, and as a result of the understood constraints on the site (including a specific focus of contamination and access issues) development for employment use is not considered to be appropriate on the southern portion of the site.
- 5.122 It is unlikely given the constraints on the northern portion of the site, and current commercial market appetite for employment development within the area, that this land would be brought forwards comprehensively for B1, B2 or B8 employment use in the short to medium term.

- 5.123 The Brantham Industrial Site is identified to be a local employment site within the EEDA Regional Strategic Employment Sites study (May 2009). The study concludes that the site is substantially developed for general employment use, providing important local employment opportunities.
- 5.124 The study recognises that there is scope for redevelopment of vacant units but concludes that there is no clear economic vision in place. As a result it is stated that the site does not meet the strategic criteria.

THE FORMER BRITISH SUGAR SITE

Table 129 Former British Sugar Site, Sproughton – Site Summary

Former British Sugar Site, Sproughton	
Market Area	Babergh East
Use	Industrial
Road Access	Good
Public Transport Accessibility	No assessment provided
Internal Environment	Poor
Wider Environment	Good
Distance to Motorway Junction	62km from M11 Junction 9A
Distance to 'A' Road	0km from A14
Distance to Rail	2.19km from Ipswich Station
Availability	Medium / Long Term
Site Area	36 hectares

Source: GVA Grimley / Babergh District Council

- 5.125 Given its strategic location on a junction of the A14 the site is seen to have strategic alignment with the criteria, specifically related to the opportunity to promote port-related employment activity in the future.
- 5.126 The site also has alignment with employment opportunity and need within the Ipswich Fringe policy area, and is viewed by local commercial market agents as a potentially strong employment development location in the short to medium term although perceived planning constraints and physical site constraints make this site more realistically developable in the medium to long term. While we understand that there are physical development constraints to bringing the site forward in the short to medium term, we recommend that Babergh District Council continue to promote an employment-led development on the site to ensure it plays a role in meeting future demand throughout the sub-region. In order to achieve this, a positive and proactive approach will be beneficial and the local authority should set out its requirements and objectives for the site through a masterplan or development framework capable of adoption into planning policy and working collaboratively with the site's owners.

- 5.127 The Former British Sugar Site is identified to have sub-regional strategic significance within the EEDA Regional Strategic Employment Sites study (May 2009), without any clear sector focus identified.

WHERSTEAD OFFICE PARK

Table 130 Wherstead (former E-On HQ) – Site Summary

Wherstead (former E-On HQ)	
Market Area	Babergh East
Use	Office
Road Access	Poor
Public Transport Accessibility	Average
Internal Environment	Good
Wider Environment	Good
Distance to Motorway Junction	64.9km from M11 Junction 9A
Distance to 'A' Road	0km from A137
Distance to Rail	2.7km from Ipswich Station
Availability	Short Term

Source: GVA Grimley / Babergh District Council

- 5.128 Whilst commercial market agents suggest this site is a good employment development opportunity the actual availability of land is questioned in terms of its scale when the need for a new access route and retention of a Grade II listed wall are taken into account against the 'available' land.
- 5.129 No specific sector clustering potential has been identified. However, the development brought forwards at the site to date is noted to be of a high quality, and well occupied including some alignment with growth at Felixstowe including office functions associated with port businesses (P&O Ferries, and McNamara Shipping both observed to be occupiers of the site at the current time).
- 5.130 The strategic development potential at this site is questioned on the basis of scale and the constraints to land available limiting floorspace opportunity, compared to the availability at other strategic sites considered. It is however noted that the existing activity at the site is of strategic importance to the economy (currently occupied by Co-Op HQ).
- 5.131 Wherstead is not identified within the EEDA Regional Strategic Employment Sites study (May 2009).

ECONOMIC GROWTH

5.132 While the policy environment and commercial property market conditions set the background for an analysis of the potential for employment growth within Babergh District, it is now necessary to consider the latest economic forecasts which set the projected growth in employment numbers throughout the planning period. Employment forecasts form a major part of the projected future B-Class floorspace requirements and they are now considered and their findings applied to the District.

5.133 As discussed in Chapter 2 Babergh District has an indicative job target of 7,200 between 2001 and 2021 and the EEFM predicts that Babergh District will in fact exceed this by 2021 This is shown in Table 141 below:

Table 131 Estimated Job Numbers to meet RSS target in Suffolk Haven Gateway

	Job Number 2021	% of jobs by local authority	Estimated Job Numbers to meet targets	Current Job Forecast	Difference between current target
Suffolk Coastal	63,524	34%	10,200	9,282	-918
Ipswich	79,504	42%	12,600	5,470	-7,130
Babergh	44,490	24%	7,200	8,108	+908
Suffolk Haven Gateway Total	187,518	100%	30,000	22,860	-7,140

Source: Oxford Economics / GVA Grimley 2009

5.134 We have previously shown the projected nature of future employment across the sub-region in Table 4 and we show this for Babergh District in Table 132 below:

Table 132 Employee Change 2001 – 2021 by Use Class

	Office	Other Business Space	W/housing	Non B	Total
Babergh	1,357	2,260	520	3,971	8,108

Source: Oxford Economics / GVA Grimley 2009

5.135 Analysing the projected surplus compared to the indicative job target for the District it is evident that the B Class sectors are set to be the more significant source of growth particularly Other Business Space, or traditional industrial activity. This highlights Babergh's projected different economic focus compared to the other local authorities within Suffolk Haven Gateway. As discussed in Chapter 2 while Babergh is projected to exceed

its target it will still provide jobs that will contribute to the sub-regions job growth total. It is therefore likely that a number of the jobs that are created will be within the Ipswich Fringe reflecting the role of Babergh in the functional economic area as opposed to adhering to strict local authority boundaries.

- 5.136 Though the timescales for projecting future growth differ slightly from the RSS job target (2006 to 2026 for the former and 2001 to 2021 for the latter) it still provides the best basis to estimate future land requirements. Using the baseline economic forecast from the EEFM which is aligned to the RSS, growth by broad sector in Babergh District is shown in Table 133 below.

Table 133 Employment Increases between 2006 and 2026 in Babergh

Sector	Predominant Use Class	2006	2026	Absolute	%
Agriculture	Non B Class	1,639	1,611	-28	-1.7%
Mining / Utilities	Non B Class	431	767	336	78.0%
Manufacturing	B Class	6,723	4,098	-2,625	-39.0%
Construction	Non B Class	3,544	4,369	825	23.3%
Retail/Hotels	Non B Class	9,614	11,035	1,421	14.8%
Distribution	B Class	1,533	1,620	87	5.7%
Finance & Other Business Services	B Class	7,720	9,863	2,143	27.8%
Public Services	Mix	9,201	12,464	3,262	35.5%
Total		40,405	45,826	5,421	13.4%

Source: GVA Grimley / Oxford Economics 2007

- 5.137 Table 133 indicates where the growth that will contribute to the 30,000 job target between 2001 and 2021 is likely to come from within the sub-region. It shows that total employment is projected to grow by 13.4% between 2006 and 2026. The growth sectors are in the predominantly mixed use class Public Services which is projected to experience 35.5% employment growth between 2006 and 2026. Finance & Other Business Services, predominantly B Class, is predicted to experience 27.8% growth, while the Non B class Construction sector is projected to experience 23.3% growth.
- 5.138 Other growth sectors are the Non B Class Retail / Hotels (14.8%), and the B Class Distribution sector (5.7%). The Non B Class Mining / Utilities is also projected to grow by 78% although the number of employees in the sector are relatively small. In common with the other local authority areas in Suffolk Haven Gateway Manufacturing is set to decline by 39% whereas Agriculture is set to decline slightly by 1.7%.

SECTOR STRENGTH

5.139 While the broad sector changes show indicative overall changes in employment activity, there are of course specific sector strengths evident in Babergh. These sectors are important if the 30,000 job target is to be met, as they suggest the type of activity which offers the best chance of this target being met. To identify these strong sectors in Babergh we use location quotients compared to the East of England. This is shown in Table 134 below.

Table 134 Sectors with strong Location Quotients in Babergh

Sector	Predominant Use Class	Location Quotients
Water transport	B Class	4.70
Manufacture of rubber and plastic products	B Class	4.28
Manufacture basic metals	B Class	3.36
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	B Class	2.69
Agriculture, hunting and related service activities	Non B Class	2.24
Manufacture of medical, precision and optical instruments, watches and clocks	B Class	1.99
Manufacture of other non-metallic mineral products	B Class	1.75
Manufacture of fabricated metal products, except machinery and equipment	B Class	1.55
Manufacturing of food and beverages	B Class	1.31
Hotels and restaurants	Non B Class	1.19
Wholesale trade and commission trade, except of motor vehicles and motorcycles	Non B Class	1.19
Other business activities	B Class	1.14
Manufacture of electrical machinery and apparatus not elsewhere classified	B Class	1.13
Other service activities	B Class	1.10
Manufacture of pulp, paper and paper products	B Class	1.09
Manufacture of chemicals and chemical products	B Class	1.09
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	Non B Class	1.04
Construction	Non B Class	1.01

Source: GVA Grimley / ABI 2007

5.140 Table 134 further highlights the influence of the Port of Felixstowe throughout the sub-region with the B Class water transport sector strongly represented in Babergh District.

5.141 The more industrial nature of the District is evident here with a number of manufacturing sub-sectors showing a strong location quotient in the District. While overall manufacturing is set to decline, there are clearly some specific locational advantages for certain branches of manufacturing within the District such as medical and precision instruments. These sectors may not however have the necessary numbers of jobs to help address the projected shortfall against the job target of 30,000 for the sub-region between 2001 and 2021.

POTENTIAL GROWTH SECTORS

5.142 To further refine this analysis and identify those sectors which have the strongest growth potential within the District we combine the sectors with strong location quotients with those with strong growth rates since 1998, to give an indication of those sectors that are most likely to prosper in the future. This is shown in Table 135 below.

Table 135 Sectors with future growth potential in Babergh

Sector	Predominant Use Class	LQ	Growth 98 - 07	Current Number of Employees
Water transport	B Class	4.70	1483%	95
Manufacture of wood and products	B Class	2.69	24%	255
Agriculture, hunting and related service activities	Non B Class	2.24	4%	935
Manufacture of other non-metallic mineral products	B Class	1.75	11%	168
Hotels and restaurants	Non B Class	1.19	8%	2,140
Wholesale trade and commission trade, except of motor vehicles and motorcycles	Non B Class	1.19	36%	1,742
Other business activities	B Class	1.14	126%	4,373
Manufacture of electrical machinery and apparatus not elsewhere classified	B Class	1.13	130%	147
Other service activities	B Class	1.10	27%	434
Manufacture of pulp, paper and paper products	B Class	1.09	31%	76
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	Non B Class	1.04	10%	3,626
Construction	Non B Class	1.01	26%	1,702

Source: ABI / GVA Grimley 2007

5.143 Table 135 again shows that there are a number of particular B Class manufacturing activities which perform strongly in the District. It also reconfirms the significance of the Port of Felixstowe on the sub-region. This type of activity provides a clear opportunity not only for the District to address the shortfall of job projections against targets but also to

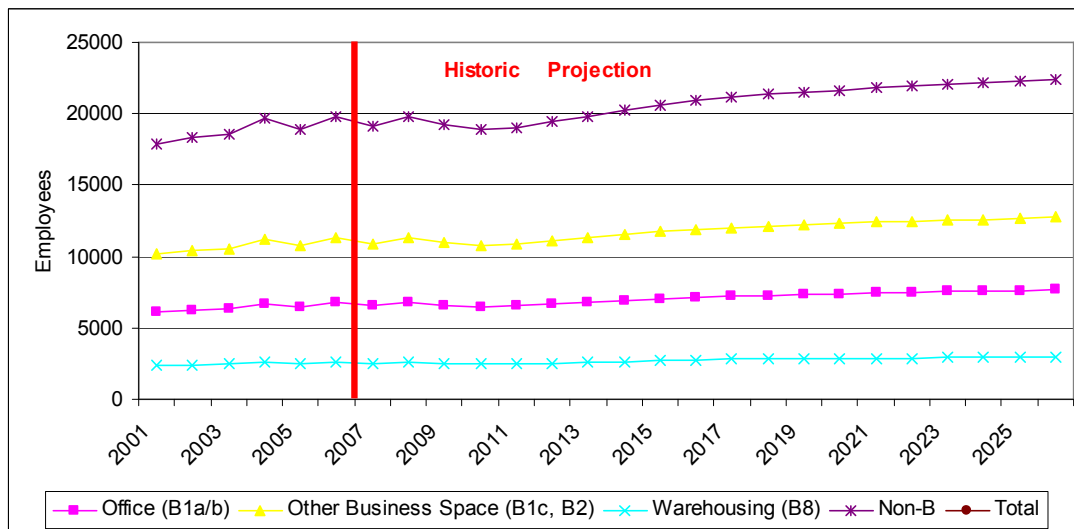
support the wider Suffolk Haven Gateway as well as Mid Suffolk District which falls within the Western Suffolk sub-region.

- 5.144 There is a strong presence of the other business activities sector and our research indicates that the presence of Philips Avent in Glemsford is a major factor behind this. It is therefore not clear whether a significant amount of job growth would occur from this sector to contribute against the shortfall compared to RSS job target.

TRANSLATING EMPLOYMENT GROWTH INTO FLOORSPACE

- 5.145 The sector analysis above indicates the strongest individual sectors within the District and those that are most likely to boost job growth in order to meet the RSS prescribed job targets for the sub-region. The next step is to translate the forecasted job growth into floorspace and land requirements between 2006 and 2026, which is the ultimate purpose of an Employment Land Review.
- 5.146 Aggregating the employment changes into employee numbers and then floorspace type shows that the highest numbers of employees are currently, and will continue to be, in the Non-B-Class land use sectors. However, as outlined above they play the major part in meeting the sub-regional total jobs target and must be considered in this context.
- 5.147 However, unlike the other local authorities in Suffolk Haven Gateway it is Other Business Space and not office which is the second highest employing use type and is forecast to experience the second highest growth between 2006 and 2026. Office is also forecast to experience growth while Warehousing is set to remain steady.
- 5.148 It is worth noting the lesser predicted impact of the current recession on Babergh with employment levels forecast to remain comparatively steady between 2008 and 2010 although, it should be noted that more recent figures show a more than a doubling of unemployment i.e. from 608 in July 2008 to 1,407 in July 2009. This is shown in Figure 18 below:

Figure 18 Employee numbers by use type and projections in Babergh until 2026



Source: GVA Grimley / Oxford Economics 2009

5.149 As a next step the employment growth from the B-Use-Class employment types (Office, Other Business Space and Warehouses) is translated into floorspace demand using standard employment densities. The demand for Non-B-Use-Class employment is not quantified as it is not the focus of this study although it is clearly the major driver of employment growth in the future and key to meeting the prescribed job target of 30,000 between 2001 and 2021.

5.150 Demand for employment floorspace resulting from baseline economic growth is projected to increase by 82,082 m² between 2006 and 2026. This can be separated into the various floorspace types in Table 136 below.

Table 136 Changes in Floorspace in Babergh 2006 to 2026

	Employee Change	Employment Density	Floorspace Change
	06 – 26	m ² per employee	06 -26 m ²
Office	907	18	16,332
Other Business Space	1,511	32	48,359
Warehouse	348	50	65,750
Total	5,421		82,082

Source: GVA Grimley/Oxford Economics (2009)

5.151 Of the three different floorspace use types, Warehouse floorspace demand is projected to grow the most between 2006 and 2026. This is followed by demand for office floorspace, and then for warehouse space.

- 5.152 As previously shown in Table 131 Babergh District is in fact ahead of its notional job target as prescribed by the RSS, however, it can still play a key role in meeting the job targets that have been set for the sub-region as a whole.

RECESSIONARY IMPACT

- 5.153 To put this growth into context it is necessary to consider the further two scenarios that are provided by the EEFM to allow an understanding of the short term and long term impact of the current recession. It should be noted that the baseline forecast from the EEFM already considers the effect of the current recession.
- 5.154 The EEFM provides both a “Severe Recession” and a “Faster Recovery” scenario to allow a further depth of analysis to the economic forecast and future employment land requirements. We consider the effect of these scenarios in turn below.

SEVERE RECESSION

- 5.155 The effect of a severe recession in Babergh is most pronounced in the Other Business Space type jobs and Non B Class jobs. Overall the forecast for employment changes between 2006 and 2011 is a predicted loss of 2,037 jobs compared to 1,506 jobs in the base case scenario. Demand until 2026 is lower under the severe recession scenario with total employment growth of 4,950 compared to 5,421 under the baseline scenario.

Table 137 Employment Changes under Base Case and Severe Recession Scenario Babergh

Employment Type	2006 -11 Employment Change Base Case	2006 -11 Employment Change Severe Recession	2006 – 26 Employment Change Base Case	2006 -26 Employment Change Severe Recession
Office (B1a/b)	-252	-341	907	828
Other Business Space (B1c, B2)	-420	-568	1,511	1,380
Warehousing (B8)	-97	-131	348	318
Non-B	-737	-997	2,655	2,424
Total	-1,506	-2,037	5,421	4,950

Source: Oxford Economics 2009

FASTER RECOVERY

- 5.156 A faster economic recovery in Babergh makes a small difference to employment losses in the short term. Overall the forecast for employment changes between 2006 and 2011 is a predicted loss of 1,356 jobs compared to 1,506 jobs in the base case scenario. Demand until 2026 is slightly stronger under the faster recovery scenario with total employment growth of 5,495 compared to 5,421 under the baseline scenario.

Table 138 Employment Changes under Base Case and Faster Recovery Scenario Babergh

Employment Type	2006 -11 Employment Change Base Case	2006 -11 Employment Change Faster Recovery	2006 – 26 Employment Change Base Case	2006 -26 Employment Change Faster Recovery
Office (B1a/b)	-252	-227	907	920
Other Business Space (B1c, B2)	-420	-378	1,511	1,532
Warehousing (B8)	-97	-87	348	353
Non-B	-737	-664	2,655	2,691
Total	-1,506	-1,356	5,421	5,495

Source: Oxford Economics 2009

ALLOWANCE FOR UNEXPECTED LOSSES

- 5.157 As described in detail in Appendix 1 future employment forecasts must be based on more than an economic forecast and reflect the fluid nature of land allocations. To do this we make a contingency allowance which takes into account the fact that a proportion of designated employment land will not be entirely used by B Use Class employment.
- 5.158 This is achieved by using the Annual Monitoring Report (AMR) for Babergh District and measuring the amount of B Class employment land lost to other uses in recent years. According to the AMR's, which are available from 2004/5 to 2007/8, the amount of employment land lost to non-employment uses is shown in Table 139.

Table 139 Unexpected losses in Babergh District 2004/5 – 2007/8 (m² floorspace)

Year	Office (m ²)	Other Business Space (m ²)	Warehouse (m ²)
2004/5	465	1,035	580
2005/6	1,167	2,598	1,455
2006/7	2,406	5,356	3,001
2007/8	272	847	472
Median Loss	816	1816	1018
Total Unexpected Loss	16,315	36,323	20,351

Source: Babergh District Council Annual Monitoring Report

- 5.159 Taking the median loss of the past four years and multiplying this by 20 years (the planning period) an estimated 16,315 m² of Office employment land, 36,323 m² of Other Business Space and 20,351 m² of Warehousing land might be lost to other uses between 2006 and 2026.

ALLOWANCE FOR CHURN

- 5.160 A further step required is to add the property market realities to the baseline economic forecast is to take account of the fact that locational and premises needs of businesses change over time requiring businesses to move.
- 5.161 This is measured by analysing the AMR's to assess the amount of commercial floorspace developed on previously developed land. The figures as shown in the AMR are shown in Table 140.

Table 140 Allowance for Churn by Use Class in Babergh (m² floorspace)

Year	B1 (m ²)	B2 (m ²)	B8 (m ²)
04/05	0	68	0
05/06	369	0	0
06/07	24	739	0
07/08	2,427	2,405	2,416
Median Loss	197	404	0
Total Unexpected Loss	393	807	0

Source: Babergh District Council Annual Monitoring Reports

- 5.162 Taking the median of developed floorspace on previously developed land for the past three years and multiplying it by two, results in an allowance for churn for Office floorspace of 393 m², 807 m² of Other Business Space floorspace and 0 m² of Warehousing floorspace.

ALLOWANCE FOR ECONOMIC ASPIRATIONS

- 5.163 As well as taking into account property market implications it is necessary to provide an allowance for the economic aspirations of the District to ensure that future employment land requirements are in line with the future direction of the economy.
- 5.164 The gap that has emerged between the latest economic forecast and the RSS job target indicates that there is a need to increase the number of jobs created within the sub-region by 2021. The major vehicle for doing this is likely to be maximising the impact of the principal economic drivers in Suffolk Haven Gateway.
- 5.165 Our sector strength analysis outlined previously (see Paragraph 5.139 to 5.144) sets the basis for this by identifying the key future sectors that are likely to deliver employment growth within the sub-region as Babergh is set to exceed the notional job targets set for the District (see Table 87). This is augmented by our commercial market analysis which outlines the nature of demand for commercial property within the District.
- 5.166 To do this we have developed scenarios based on the two major future economic drivers across the sub-region: the Port of Felixstowe and Adastral Park.

PORT OF FELIXSTOWE

- 5.167 The full method as to how this additional demand figure is devised is outlined in Appendix 1 however we show the estimated additional demand arising from both steady and high growth from the Port of Felixstowe below.

SCENARIO A – HIGH GROWTH FROM THE PORT OF FELIXSTOWE

- 5.168 Scenario A, which assesses the impact of high growth from the Port of Felixstowe on Babergh District shows that it has additional employment floorspace requirements of 38,006 m² between 2006 and 2026. This is shown in Table 141 below.

Table 141 Estimated Additional Demand in Babergh from Scenario A

Optimistic Scenario	Land Requirement (Ha)	Current Babergh Proportion (%)	Babergh Additional Land Requirement (Ha)	Babergh Additional Floorspace Requirement (m ²)	Babergh Additional Employees
Open Storage	37.2	6.9	2.6	10,407	208
Warehousing	81.5	6.9	5.7	22,816	456
Total Warehousing	118.6	6.9	15.2	33,223	664
Ancillary*	17.7	2.8	0.5	4,783	149
Total	136.4		8.8	38,006	814

Source: GVA Grimley based on GHK Estimates * = we assume ancillary uses to be office use in this calculation

- 5.169 Translating this additional floorspace requirement from high growth at the Port of Felixstowe into job numbers (using the assumption of 50 m² per employee for warehousing and 32 m² per employee for office) shows that there is the potential for 814 additional employees in Babergh District arising from high growth at the Port of Felixstowe. While not needed to meet the notional job target for the District it will clearly play a role in addressing between the latest forecast and the RSS job target at a sub-regional level.

SCENARIO B – STEADY GROWTH AT THE PORT OF FELIXSTOWE

- 5.170 Scenario B, which assumes that growth from port-related activities will follow similar patterns to recent years, gives an estimated future land demand of 13,896 m² in the District. This is shown in Table 142 below.

Table 142 Estimated Additional Land Demand in Babergh from Scenario B

Business As Usual Scenario	Land Requirement (Ha)	Current Babergh Proportion (%)	Babergh Additional Land Requirement (Ha)	Babergh Additional Land Requirement (m ²)	Babergh Additional Employees
Open Storage	13.6	7.0	1.0	3,803	76
Warehousing	29.8	7.0	2.1	8,340	167
Total Warehousing	43.4	7.0	3.0	12,143	243
Ancillary*	6.5	2.7	0.2	1,753	55
Total	50.2		3.2	13,896	298

Source: GVA Grimley based on GHK Estimates * = we assume ancillary uses to be office use in this calculation

- 5.171 Translating this additional floorspace requirement from steady growth at the Port of Felixstowe into job numbers (using the assumption of 50 m² per employee for warehousing and 32 m² per employee for office) shows that there is the potential for 298 additional

employees in Babergh arising from steady growth at the Port of Felixstowe. While not needed to meet the notional job target for the District it will clearly play a role in supporting the latest forecast and the RSS job target at a sub-regional level.

ADASTRAL PARK

- 5.172 The full method for assessing the impact of development at Adastral Park is outlined in Appendix 1 and we document its effect on employment numbers below. The full methodology is set out in Appendix 1 and it considers the effect of additional Research & Development employees across the sub-region as a result of developments at Adastral Park. It uses East Cambridgeshire growth rates as a comparison against an area which has experienced strong growth in R & D linked to the high tech corridor of Cambridge. This is something that the Haven Gateway should aspire to achieve in line with their Integrated Development Plan.
- 5.173 It is considered the direct effect of developments at the scheme, which is a large growth in the telecommunications sector is captured within the EEFM, and this scenario is designed to assess the additional impact of the development rather than the direct impact.

SCENARIO C: GROWTH IN RESEARCH & DEVELOPMENT IN IPSWICH

- 5.174 Assuming that the R&D sectors increase to 49% in Babergh between 2006 and 2026 this has the effect of increasing the total requirement for R&D employees by 294. This is shown in Table 143 below.

Table 143 Additional Employment in R&D in Babergh using East Cambridgeshire Growth Rate

Area	Baseline Change Rate	Baseline Employment Numbers	Scenario Change Rate	Scenario Employment Numbers	C	Additional R&D Employment
	06 -26	2026	06 - 26	2026		
Babergh	-5%	515	49%	809		294

Source: Oxford Economics / GVA Grimley

SYNTHESIS FORECAST

- 5.175 A synthesis base case that combines an economic forecast and allowance for property market realities for Babergh District is shown in Table 144. This is driven by an expected growth in employees of 8,108 between 2001 and 2021 which consists of 3,971 B Class

jobs and 5,494 non B Class jobs. As shown in Table 131 this is around 900 employees ahead of the notional target set for the District through the RSS.

- 5.176 It shows that there is demand for an additional 156,271 m² of B Class employment floorspace between 2006 and 2026.

Table 144 Synthesis Employment Land Requirements of Babergh 2006-2026

	Floorspace Demand 2006 - 2026	Allowance for windfall losses	Allowance for Churn	Change in floorspace
	m ²	m ²	m ²	m ²
Office	16,332	16,315	393	33,040
Other Business Space	48,359	36,323	807	85,489
Warehouse	17,391	20,351	0	37,742
Total	82,082	72,989	1,200	156,271

Source: GVA Grimley / Oxford Economics

- 5.177 Given the current macroeconomic climate it is important to consider additional demand in five year patterns to give an idea of the immediate compared to the long term need. These are shown below in Table 14541.

Table 145 Five year patterns of floorspace demand in Babergh

	2006-2011	2011-2016	2016-2021	2021-2026	2006-2026
	m ²	m ²	m ²	m ²	m ²
Office	-4,536	11,393	5,449	4,025	16,332
Other Business Space	-13,431	33,736	16,135	11,919	48,359
Warehousing	-4,830	12,132	5,803	4,286	17,391
Total	-22,797	57,260	27,387	20,231	82,082

Source: GVA Grimley / Oxford Economics

- 5.178 As one might expect, demand for employment land in the immediate two to three years is negative but extended until 2016 a positive demand figure returns. In terms of meeting the timescales for the RSS target of 30,000 by 2021 it is clearly important to maximise the delivery of employment land in the years before 2021 to allow for the sub-regional target to be achieved.

SEVERE RECESSION IN THE EAST OF ENGLAND

- 5.179 Translating the forecasted loss of employee numbers during the severe recession which was examined in Table 137 results in a total employment floorspace requirement of

149,140 m² between 2006 and 2026, around 7,000 m² less than the baseline. Given that the EEFM baseline scenario picks up the major impact of the recession in the sub-region the actual difference in total floorspace requirement compared to the baseline is relatively limited.

Table 146 Severe Recession Employment Land Requirements of Babergh 2006 -2026

	Floorspace Demand 2006 - 2026	Allowance for windfall losses	Allowance for Churn	Change in floorspace
	m ²	m ²	m ²	m ²
Office	14,913	16,315	393	31,621
Other Business Space	44,158	36,323	807	81,288
Warehouse	15,880	20,351	0	36,231
Total	74,951	72,989	1,200	149,140

Source: GVA Grimley / Oxford Economics

5.180 Of particular importance when measuring the recessionary impact on employment land demand is the five year parcels of demand as this provides the clearest indication of the short term impact of a downturn. As shown in Table 147 a severe recession results in a negative demand of 24,698 m² between 2006 and 2011, around 2,000 m² more than the baseline forecasts.

Table 147 Five year patterns of floorspace demand in Babergh

	2006-2011	2011-2016	2016-2021	2021-2026	2006-2026
	m ²	m ²	m ²	m ²	m ²
Office	-6,135	11,106	5,828	4,113	14,913
Other Business Space	-18,166	32,886	17,258	12,180	44,158
Warehousing	-6,533	11,826	6,206	4,380	15,880
Total	-24,698	44,712	23,464	16,560	60,038

Source: GVA Grimley / Oxford Economics

FASTER RECOVERY IN THE EAST OF ENGLAND

5.181 Translating the forecasted loss of employee numbers from the faster recovery scenario which was examined in Table 138 results in a total employment floorspace requirement of 157,386 m² between 2006 and 2026, which is around 1,000 m² higher than the baseline.

Table 148 Faster Recovery Employment Land Requirements of Babergh 2006 -2026

	Floorspace Demand 2006 - 2026	Allowance for windfall losses	Allowance for Churn	Change in floorspace
	m ²	m ²	m ²	m ²
Office	16,553	16,315	393	33,262
Other Business Space	49,016	36,323	807	86,146
Warehouse	17,627	20,351	0	37,978
Total	83,197	72,989	1,200	157,386

Source: GVA Grimley / Oxford Economics

5.182 As shown in Table 149 a faster recovery results in a negative demand of 20,532 m² between 2006 and 2011.

Table 149 Five year patterns of floorspace demand in Babergh

	2006-2011	2011-2016	2016-2021	2021-2026	2006-2026
	m ²	m ²	m ²	m ²	m ²
Office	-4,085	11,296	5,353	3,990	16,553
Other Business Space	-12,097	33,449	15,850	11,815	49,016
Warehousing	-4,350	12,029	5,700	4,249	17,627
Total	-20,532	56,774	26,902	20,053	83,197

Source: GVA Grimley / Oxford Economics

5.183 Given that the EEFM baseline scenario picks up the major impact in the sub-region the actual difference in floorspace requirement compared to the baseline is relatively limited.

SCENARIO A – HIGH GROWTH FROM THE PORT OF FELIXSTOWE

5.184 Scenario A which assesses the impact of high growth from the Port of Felixstowe on Babergh District shows that there is the potential for 814 additional employees in Babergh District arising from high growth at the Port of Felixstowe. While not needed to meet the notional job target for the District it will clearly play a role in addressing the gap between the latest forecast and the RSS job target at a sub-regional level.

5.185 This translates into additional employment floorspace requirements of 149,140 m² between 2006 and 2026, as shown in Table 141 above.

SCENARIO B – STEADY GROWTH AT THE PORT OF FELIXSTOWE

- 5.186 Scenario B, *steady growth from the Port of Felixstowe*, demonstrates that there is the potential for 298 additional employees in Babergh arising from steady growth at the Port of Felixstowe. While not needed to meet the notional job target for the District it will clearly play a role in addressing the gap between the latest forecast and the RSS job target at a sub-regional level.
- 5.187 This translates into an estimated future land demand of 60,038 m² in the District, as shown in Table 142 above.

SCENARIO C: GROWTH IN RESEARCH & DEVELOPMENT IN BABERGH

- 5.188 Using our 4-digit sector conversion matrix we apportion each sub sector within the R&D sectors (defined in Appendix 1) to Office, Other Business Space or Warehousing. This analysis shows that 99% of the sectors within R & D relate to Office floorspace, and the remaining 1% is in Other Business Space floorspace. This results in an increase in Office floorspace requirements of 5,238 m² and of Other Business Space floorspace of 94 m².

Table 150 Additional Floorspace Requirement in Babergh from Scenario C

	Employee Change	Employment Density	Floorspace Change 06 -26
	06 -26	m ² per employee	m ²
Office	291	18	5,238
Other Business Space	3	32	94
Warehousing	0	50	0
Total	294		5,332

Source: Oxford Economics / GVA Grimley

THE MARKET BALANCE

- 5.189 Overall employment land requirements for Babergh are shown in Table 151 below.

Table 151 Requirements for B Class Employment Land Compared with Supply in Babergh 2006 – 2026

	Demand	Demand	Supply	Land Surplus /Deficit
Base Case	Floorspace (m ²)	Land (Ha)	Land (Ha)	Ha
Office	33,040	3	40.3	37.3
Industrial	123,231	31	60.6	29.6
Total	156,271	34.1	100.9	66.8
Severe Recession				
Office	31,621	3	40.3	37.3
Industrial	117,519	29	60.6	31.6
Total	149,140	32.5	100.9	68.4
Faster Recovery				
Office	33,262	3	40.3	37.3
Industrial	124,124	31	60.6	29.6
Total	157,386	34.4	100.9	66.5
Scenario A				
Office	37,823	4	40.3	36.3
Industrial	156,454	39	60.6	21.6
Total	350,548	43	100.9	57.9
Scenario B				
Office	34,793	3	40.3	37.3
Industrial	135,374	34	60.6	26.6
Total	326,437	37	100.9	63.9
Scenario C				
Office	38,277	4	40.3	36.3
Industrial	123,325	30.8	60.6	29.8
Total	161,602	34.7	100.9	66.2

Source: GVA Grimley / Oxford Economics

BASE CASE

- 5.190 Our base case scenario is founded on an expected growth in employees in Babergh of 8,108 between 2001 and 2021. This consists of 3,971 B Class jobs and 4,137 non B Class jobs and is around 900 employees ahead of the notional target set for the District through the RSS.
- 5.191 Balancing this with available supply suggests an oversupply of approximately 66.8 Ha of employment land in Babergh District for the period 2006 to 2026. This translates to an oversupply of office land of approximately 37.3 Ha and an oversupply of industrial land of 66.8 Ha.

SEVERE RECESSION

- 5.192 *Severe recession*, which estimates that 471 less jobs will be created between 2006 and 2026 compared to the base case suggests that there is an oversupply of around 68.4 Ha of employment land between 2006 and 2026. This translates to an oversupply of office land of approximately 37.3 Ha and an oversupply of industrial land of 31.6 Ha.

FASTER RECOVERY

- 5.193 *Faster recovery*, which estimates that 74 more jobs will be created compared to the base case suggests that there is an oversupply of approximately 66.5 Ha of employment land in Babergh District. This translates to an oversupply of office land of around 37.3 Ha and an oversupply of industrial land of 29.6 Ha.

SCENARIO A

- 5.194 Scenario A, *high growth at the port of Felixstowe*, shows that there is the potential for 814 additional employees in Babergh District arising from high growth at the Port of Felixstowe. This scenario suggests that there is an oversupply of approximately 57.9 Ha of employment land in Babergh District. This translates to an oversupply of office land of around 36.3 Ha and an oversupply of industrial land of 21.6 Ha.

SCENARIO B

- 5.195 Scenario B, *steady growth*, suggests that there is an oversupply of approximately 63.9 Ha of employment land in Babergh District shows that there is the potential for 298 additional employees in Babergh arising from steady growth at the Port of Felixstowe.
- 5.196 This translates to an oversupply of office land of around 37.3 Ha and an oversupply of industrial land of 26.6 Ha.

SCENARIO C

- 5.197 Scenario C, *growth in research & development*, shows that there is an additional 294 employees. This suggests that there is an oversupply of approximately 66.2 Ha of employment land in Babergh District. This translates to an oversupply of office land of around 36.3 Ha and an undersupply of industrial land of 29.8 Ha.

CONCLUSIONS

- 5.198 Babergh's economy has a strong representation from industrial activities and uses with a clear alignment to the Ipswich Fringe on the eastern side of the District and with a stronger office market on the western edge in Sudbury.
- 5.199 The District is forecast to contribute around 24% of the total employment growth in the Suffolk Haven Gateway sub-region up to 2021, indicating its strong role and contribution towards employment targets and economic activity in the region.
- 5.200 Sector analysis and an appraisal of the commercial market indicate the key driver within the District is the effect of the Ipswich Policy Area and the Port of Felixstowe.
- 5.201 The importance of the links to Ipswich is recognised through the District Local Plan which recognises the importance of the South West fringe of Ipswich on the future economic and employment development of the District as a whole.
- 5.202 In commercial property market terms there is a strong market for smaller industrial units. Our business survey also shows that the vast majority of respondents are happy with their current location in Babergh confirming the appropriateness of the market for incumbent businesses. However, Babergh is also the least attractive location for businesses wishing to move which perhaps indicates its lack of inward investment appeal and more rural nature.
- 5.203 Babergh District is forecast to exceed its notional jobs target between 2001 and 2021 as set by the RSS. This clearly demonstrates its strong potential throughout to deliver strong jobs growth as part of the aspirations of the RSS for the sub-region. However, even though it is shown to exceed current job targets the District still has a key role to play in contributing towards the wider sub-regional target of 30,000 between 2001 and 2021.
- 5.204 In quantitative terms, employment land supply exceeds demand within the District and this means that there is land available to service future demand. However, particularly given the constraints around a number of the strategic employment sites, it is difficult to measure how much of this is actually available now.

RECOMMENDATIONS

- 5.205 The recommendations for Babergh District should be read alongside those made for the wider Suffolk Haven Gateway sub-region in Section 2 of this report. Where appropriate strategic recommendations should be taken forward at the local level by the Council.

A SUB-REGIONAL APPROACH

- 5.206 Our quantitative analysis shows that Babergh has sufficient land to meet demand levels throughout the planning period. There are however sites, such as Wherstead and the British Sugar site which border Ipswich and have the potential to accommodate the excess demand created from Ipswich Borough.
- 5.207 The importance of the South West Fringe of Ipswich is also noted through Babergh's Local Plan. With our business survey indicating a desire for high quality employment sites in the Ipswich Fringe from current occupiers this is clearly an important location for the future prosperity of Babergh District and the sub-region as a whole.
- 5.208 This means that Babergh District has to consider the sub-regional requirements when planning for employment land utilisation between 2006 and 2026.
- 5.209 Our analysis suggests that the commercial market forces do not operate within the restrictions of administrative boundary areas. Indeed, they have functional areas that promote the need for a sub-regional approach to employment land and development.
- 5.210 Our key recommendation is:

BA1: ENSURE JOINT WORKING WITH NEIGHBOURING LOCAL AUTHORITIES AND THE HAVEN GATEWAY PARTNERSHIP

- 5.211 In order to provide the appropriate mix of quality and choice of employment land we recommend that the local authority work with its neighbouring authorities in Suffolk Haven Gateway to adopt a joint planning approach. This approach will involve joint review of the allocation and take up of employment land, joint planning policy and LDF work where appropriate, and evaluation of impacts. This will allow effective, cross boundary consideration of the allocation, development and impacts on sub-regional job targets of future employment land use. The joint approach should be facilitated through the Haven Gateway Partnership and focused on the Ipswich Policy Area This will ensure that future decisions that are made are informed by factors within and outside the local authority's boundaries and properly reflect the economic drivers and land availability within the Suffolk Haven Gateway functional economic area.

THE IPSWICH FRINGE

5.212 It is clear from our analysis that the Ipswich Fringe is vital for both Babergh District and the Suffolk Haven Gateway's future development. This is recognised via policy at both a regional and local level and is also recognised through our survey of local businesses.

5.213 Our analysis shows that Babergh has two employment sites that can be considered "strategic" which have available land that can help to satisfy demand in the Ipswich Fringe. These are:

- The Former British Sugar Site;
- Wherstead Office Park;

5.214 There are of course issues of deliverability with the former British Sugar site but this variety of sites is key for both Babergh and the sub-region meeting its employment targets.

BA2: CONTINUE SUPPORT FOR STRATEGIC EMPLOYMENT DEVELOPMENT IN THE IPSWICH FRINGE AT FORMER BRITISH SUGAR SITE AND WHERSTEAD. CONSIDER ADDITIONAL SITES IN ACCORDANCE WITH CRITERIA IN RECOMMENDATION HG4

5.215 Given the identified strategic importance of both the Former British Sugar Site and Wherstead we recommend that Babergh District Council continue to seek and support B-class employment development on these sites identified within the Ipswich Fringe. Potential additional sites to these three should also be considered in line with recommendation HG4, which sets out a criteria for identifying future sites linked to drivers of growth within key market areas. Sites should be embedded within planning policy to ensure and protect their development. Sites should only be included in planning policy that are deliverable within the plan period. The plan-monitor-manage approach should be continued in order to ensure appropriate control of the timing of release of employment land.

5.216 This recommendation should be implemented in conjunction with BA3, and HG4.

BA3: ENCOURAGE EMPLOYMENT DEVELOPMENT AT THE FORMER BRITISH SUGAR SITE

5.217 The former British Sugar site has long standing issues regarding clearance, decontamination and remediation that affect its deliverability. Nevertheless, being by far the largest allocated employment site awaiting development in the sub region, the site has the potential to deliver a significant bespoke employment land offer particularly allied to the

expansion of Felixstowe Port and its proximity to the A14. As the economic forecasts set out in this report make clear, Felixstowe Port is one of the sub region's key strategic economic drivers. Fostering that growth and maximising employment opportunities associated with it is therefore likely to be key to the area achieving its overall RSS jobs target.

- 5.218 The site has been tested against strategic site criteria (see Recommendation HG4) and is still considered to have strategic importance in terms of opportunity to deliver employment development.
- 5.219 The site also has alignment with employment opportunity and need within the Ipswich Fringe policy area, and is viewed by local commercial market agents as a potentially strong employment development location in the short to medium term although perceived planning constraints and physical site constraints make this site more realistically developable in the medium to long term.
- 5.220 While we understand that there are physical development constraints to bringing the site forward in the short to medium term, we recommend that Babergh District Council continue to promote an employment-led development on the site to ensure it plays a role in meeting future demand throughout the sub-region. In order to achieve this, a positive and proactive approach will be beneficial and the local authority should set out its requirements and objectives for the site through a masterplan or development framework capable of adoption into planning policy and working collaboratively with the site's owners.
- 5.221 We note that Babergh District Council and the Haven Gateway Partnership are currently engaged in a number of initiatives to highlight and explore the future potential for Port-related employment growth in the Sub Region and to establish the exact needs of the Ports and Logistics sector in that regard. Once completed, we would expect that collaborative work to enable the local authority to establish its planning requirements and objectives for this site.
- 5.222 Based upon the site development costs, we currently envisage that a viable scheme, which includes predominantly B-Class employment development, would require a mix of uses as enabling development. We are aware that Babergh District Council, has over several years, successfully resisted attempts by the site's owners to promote residential development on the site in order to preserve it for employment purposes. We acknowledge this and while viability will need to be kept under review, we consider that it is imperative that the site and any future development proposals be promoted as being B-Class employment-led given the site's strong alignment with strategic employment land criteria in the Suffolk Haven Gateway. .

PLANNING POLICY

- 5.223 Babergh District's current planning policy approach is to protect the existing employment land allocations within the District. This is important to maintain the character and diversity of the economic landscape.
- 5.224 It is also important given the sub-regional importance of the Ipswich Fringe employment sites and the need for a choice of sites in the future linked to growth from the major economic drivers within the sub-region.
- 5.225 To ensure that planning policy is in line with future requirements our recommendation is:

BA4: MAINTAIN THE EXISTING EMPLOYMENT SITES IN BABERGH

- 5.226 Given the sub-regional nature of requirements and the necessity to maintain choice and diversity in the employment land supply to satisfy market demands, we recommend that the overall approach should be to maintain existing allocated employment sites in the District. There will be exceptions on particular sites (identified below) and a realisation that these sites may not come forward for full B-Class use but this overall approach should be maintained.
- 5.227 Furthermore, to ensure that current businesses remain satisfied with current location and premises we recommend that Babergh District Council establish and maintain a regular dialogue with key business occupiers along the A14 and A12 corridors to ensure the continued retention, nurturing and support of these businesses by the local authority.

BA5: MAINTAIN DIALOGUE WITH BUSINESS OCCUPIERS TO ENSURE SITES CONTINUE TO SERVE THEIR ECONOMIC AND EMPLOYMENT NEEDS

- 5.228 This will also help establish if there is further demand for sites around the Ipswich fringe and along the A14, in line with Recommendation HG4.

STRATEGIC EMPLOYMENT SITES

- 5.229 Our analysis shows that there are a number of strategic employment sites which have deliverability and phasing issues in the Suffolk Haven Gateway. In particular, the former British Sugar site while meeting many of the strategic employment sites criteria has significant constraints to overcome if it is to deliver 100% B-class employment use in future.

- 5.230 It is also possible that the Cranes site will incur substantial clearance and remediation costs if it is to become a viable employment location in the future and these may impact on overall supply of employment land. We therefore recommend that the Haven Gateway Partnership:

THE FORMER BRITISH SUGAR SITE

- 5.231 See Recommendation BA2 and BA3

WHERSTEAD OFFICE PARK

- 5.232 See Recommendation BA2

BRANTHAM INDUSTRIAL PARK

BA6: PROVIDE FOR EMPLOYMENT USES ON BRANTHAM INDUSTRIAL SITE

- 5.233 It is recognised on the basis of the site assessment that the Brantham Industrial site has limited alignment with the strategic employment land criteria. No market potential or sector alignment has been identified associating this site with Tendring and Harwich-port to the south (which is focused on the A120 corridor). Nevertheless, there is evidently a significant role that employment floorspace should play in supporting the regeneration of the site, given its local significance and in providing employment opportunities for the local population. Such an approach will promote sustainable patterns of employment alongside any future housing development and existing housing in the local area.
- 5.234 Given the lack of strategic and market drivers for full employment use on the site, and as a result of the physical, environmental and infrastructure constraints on the site (including specific contamination, flood risk and access issues within the site itself) development for employment use is not considered to be appropriate on the southern portion of the site and is most likely to be deliverable as part of an overall mixed use regeneration scheme.
- 5.235 It is understood that the Council have existing lines of engagement with the site's owners and are, alongside wider stakeholders, involved in developing an appropriate scheme.
- 5.236 The local authority should set out a positive and proactive approach to the future of the Brantham Industrial Site through the preparation of a masterplan or development framework in collaboration with the site's owners.

SITE LEVEL

5.237 At a site level each allocated employment site has been assessed against access, sustainability, commercial market and other relevant factors. In order to provide a coherent analysis these were grouped in clusters as shown above. We provide a synopsis of each employment location and recommendations below.

BABERGH EAST

5.238 The area referred to as “Babergh East” contains the employment sites located on the south-western periphery of Ipswich clustered along the A14 corridor in addition to a small number of more peripheral sites located at Brantham (strategic site) and Capel Saint Mary settlements. A total of 12 of the 32 sites across Babergh are located within the Babergh East market area including 10 industrial and 2 office sites. This market area accommodates over half of the total employment land identified across the district.

5.239 This market area includes three strategic sites: Former British Sugar Site, Sproughton,, Whersted (former E-On HQ), and Brantham Industrial Park.

5.240 Overall sites should be maintained in this cluster in line with *Recommendation BA4*.

MID BABERGH

5.241 The area referred to as “Mid Babergh” covers the settlement of Hadleigh in the centre of the District, and some more outlying settlements to the north and south. Similarly to Babergh West, there is little coherence to the geographical distribution of sites within this area. A total of 7 sites are captured within the market area, including 4 industrial sites, 1 distribution site, and 2 office sites. Just 17% of the total employment land supply within the District is captured within this market area.

5.242 Overall, these sites should be maintained in this cluster in line with *Recommendation BA4*.

BABERGH WEST

5.243 “Babergh West” covers a total of 12 employment sites, the most of the three market areas. This includes 10 industrial and 2 office sites. There is very little clustering of these sites, or coherence to their pattern of location. The largest settlements within this market area are Sudbury and Long Melford. This market area accommodates just over a quarter of the total employment land supply across the District.

- 5.244 Overall, these sites should be maintained in this cluster in line with *Recommendation BA4*. In addition further recommendations for the area are:

BA7: CONSIDER DEALLOCATING SITE NUMBER 17 – BURES ROAD

- 5.245 This site is adjacent to a Special Landscape Area and near a Flood Zone 3. Given that it is also currently being developed for residential uses we recommend that Babergh District Council consider allocating the Bures Road site for uses other than employment.