

Haven Gateway Partnership

Employment Land Study Final Report

December 2005

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by

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Executive Summary

Introduction

1. DTZ Pieda Consulting has been commissioned by the Haven Gateway Partnership to carry out an Employment Land Study to review the supply of, and demand for, employment land and premises across the Haven Gateway sub-region.
2. The context to the study is provided by the proposed designation of Haven Gateway as a sub region in the **Draft Regional Spatial Strategy (RSS) for the East of England**, which sets out a clear policy imperative for delivering substantial housing and employment growth in the sub-region over the period to 2021. The Haven Gateway Partnership is preparing a **Strategic Framework** to take forward the growth agenda at the sub-regional level and this assignment is one of three studies that have been commissioned to inform it (the other two are investigating the housing/infrastructure and regeneration requirements).
3. The study involved the following key stages of work:
 - **Demand Assessment** – this draws on a combination of ‘top down’ and ‘bottom up’ analysis to estimate future land requirements;
 - **Supply Audit** – appraises the existing quantity, quality and distribution of sites across the Haven Gateway; and
 - **Outline Planning Framework** – drawing on the findings of the demand and supply assessments and identifying key policies for taking growth objectives forward.
4. The Haven Gateway area, as referred to in the Draft RSS, includes Ipswich and Colchester Borough Councils, Tendring District, much of Suffolk Coastal, Babergh and a small part of Mid Suffolk District Council. However, following discussions with the client team, it was agreed that the study area should be defined by the whole of each of these districts and for the purpose of the remainder of this report we have used this definition unless otherwise stated.
5. The key findings of each of these stages is summarised in the following paragraphs.

Employment Forecasts

6. The first stage in the process of estimating future employment land requirements is to establish the scale and composition of employment change over the Regional Spatial Strategy (RSS) plan period (2001-2021).
7. Draft employment targets have already been proposed for the Haven Gateway at a district level, as set out in the Draft RSS. These forecasts were based on a labour supply technique known as the ‘Chelmer Model’ and have been distributed as follows:
 - Ipswich – 18,000
 - Colchester – 14,200
 - Suffolk Coastal – 8,000
 - Tendring – 8,100
 - Babergh – 3,400

8. Whilst recognising these RSS employment targets as the basis for this study, a necessary preliminary step is to investigate a range of alternative 'labour demand' based scenarios.
9. We have compared the output of three forecasting models to assess the sectoral implications of employment change and arrived at a consensus view of the trend based future prospects for employment growth in the Haven Gateway. The forecasting models used include:
 - Cambridge Econometrics (CE);
 - Experian Business Strategies (EBSL); and
 - DTZ Research (DTZ).
10. The results show that regional employment growth rates vary between forecasting models from 254,000 – 397,000 additional jobs between 2001-21. When translated to an impact on the Haven Gateway, the regional trends imply a growth in employment of 29,000 - 48,000 additional jobs in the sub region. A consensus view across each of the broad sectors suggests a mean growth of 37,400 additional jobs for the Haven Gateway as a result of trends between 2001-21.
11. The RSS Employment Target for Haven Gateway over the period 2001-2021 is 49,700 jobs, which is 12,300 above the DTZ consensus based forecast. The implication of this is that a significant improvement in employment growth levels will be required if the RSS growth target is to be achieved.

Land Requirements

12. Our methodology for translating employment change into business space requirements involve two main steps in compliance with the ODPM 2004 Employment Land Reviews Guidance Note:
 - converting from SIC employment definition to land Use Class, and
 - applying appropriate worker/floorspace densities and plot ratios to derive quantities of land and floorspace
13. Our analysis takes into consideration the sensitivities of applying varying assumptions relating to floor and land densities/ratios. It also considers the implications of our property market assessment on the type and location of future employment land development.
14. The employment forecasts set out in Chapter 2 which will impact on employment floorspace are:
 - manufacturing employment falling by 6,200 jobs (+/- 1,500);
 - distribution employment increasing by 2,100 jobs (+/- 3,000); and
 - financial and business services employment increasing by 21,700 jobs (+/- 3,000).
15. These employment forecasts translate to a change in the requirement of land across the Haven Gateway (excluding Mid Suffolk) of:
 - office (+50.3 ha);
 - distribution (+36.0 ha);
 - industrial (-50.2 ha); and

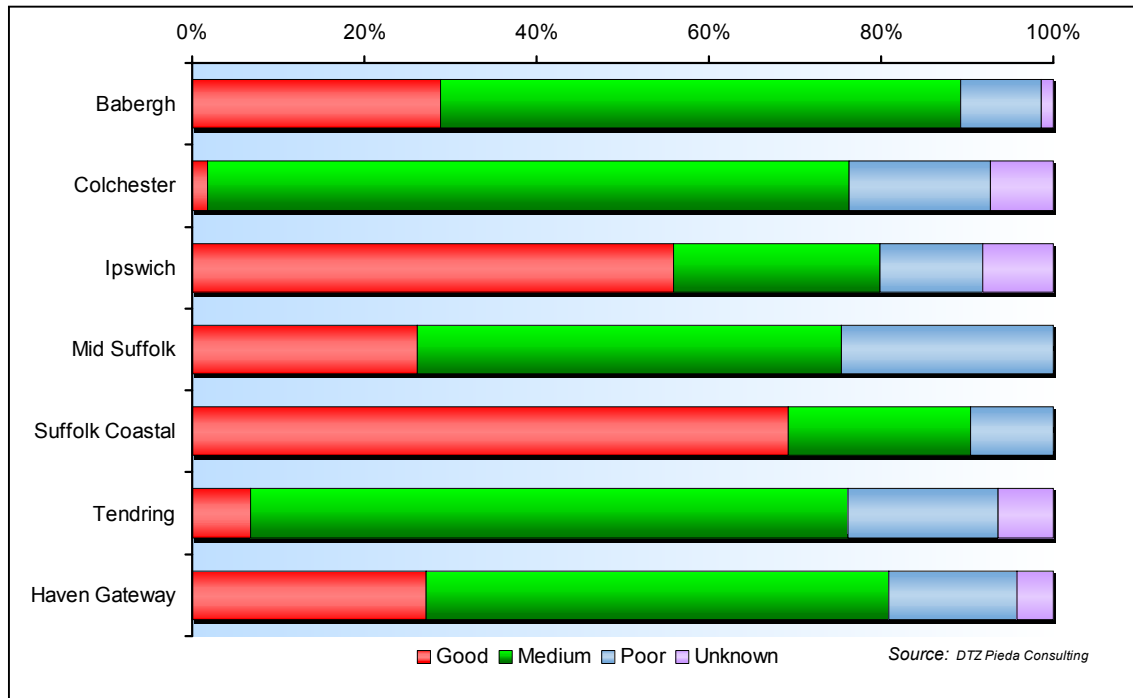
- total (+36.2 ha).
16. Our analysis of sensitivities suggests a relatively wide range of potential variation in this total ranging from 1.0 ha (low) to 73.8 ha (high) for net employment land. Discounting the forecast decline in requirements, the estimated gross employment land requirement is for an additional 86.4 ha, but with variation ranging from 60.1 ha (low) to 122.6 ha (high).
17. Key messages from our property market assessment are:
- recent performance across office and industrial sectors has been weak, with falling take-up and transactions in most locations;
 - market requirements tend to be driven by ‘churn’;
 - quality of stock varies considerably with much considered to be ageing across office and industrial sectors;
 - low rental levels tend to constrain development activity; and
 - Ipswich and Colchester are the strongest locations for office and industrial activity.

Supply Appraisal

18. This section of the report assesses the supply of employment land and premises across the Haven Gateway. It quantifies the supply and assesses its quality in relation to the extent to which key sites and premises are considered to meet modern business requirements. The supply appraisal highlights the key strengths and weaknesses across different local authority areas to enable us to identify the extent to which supply meets anticipated future requirements.
19. The district-wide Haven Gateway study area has a substantial employment land supply. There is over 970 ha in total spread across the six districts. The largest quantities of supply are in Suffolk Coastal and Tendring, both of which have substantial land banks serving the ports of Felixstowe and Harwich. The allocated use of these sites is a combination of B1, B2 and B8, although because of the significance of port land in these totals, a substantial proportion is considered most suitable to B8 (storage and warehousing) uses. Excluding the port ‘land banks’ from the analysis reduces the employment land supply by over a half, to 457 ha. In addition to this land supply, there is also a considerable quantity of floorspace, 333,000 m² in total, approximately half of which is office property.
20. The supply appraisal focused on vacant sites (primarily those above 2 ha in size) and proposals within Local Plans/planning pipeline located within the Haven Gateway as well as some other key sites being marketed on property databases. Information was collected from local authorities on sites and sites appraised on a range of criteria including site condition, availability for development and end use suitability.
21. The sites were classified as either ‘good’, ‘medium’ or ‘poor’ and Figure 1.1 below summarises the percentage of sites for each district under each classification. This shows that:
- across the Haven Gateway, over 25% of all land has been classified as being good which equates to 134ha of land;
 - the majority of employment land, 54% has been classified as being of medium quality, equivalent to 264ha of land; and less than this: 15% of employment land (or 73 ha) has been classified as poor;

- over two thirds of employment land in Suffolk Coastal (69%) was classified as good, equivalent to 37ha and Ipswich has the second highest proportion of land classified as good, with just over half of employment land or 41.6ha receiving this classification;
- Mid Suffolk (24.56%), and Tendring (17.4%) have the highest percentages of poor quality land; and
- Babergh and Ipswich have only a relatively small proportion of land, which is allocated as poor – 9.3 and 12% respectively.

Figure 1.1: Quality Assessment of Employment Sites



Outline Policy Framework

22. Section five draws together the findings from our demand and supply assessments in earlier sections of the report. It highlights the conclusions by way of illustrating the differences between supply and demand, and makes a number of key policy recommendations.
23. Correlating our assessment of future requirements to 2021 with the information we have compiled on supply indicates that there is substantially more employment land available than that estimated to be required over the period. This is summarised in Table 1. below.
24. In total, there is 970 ha of employment land supply across the Haven Gateway study area, which exceeds net and gross requirements (25 ha and 93 ha respectively) by a considerable margin. Employment land stocks are greatest in the port hinterland areas of Suffolk Coastal and Tendring Districts. Among the other districts, the implied level of surplus varies from between approximately 12 ha for Ipswich to 85 ha for Colchester.

Table 1.: Demand (2001-2021) and Supply

	Demand (Ha)		Supply (Ha)	
	Net requirements	Gross requirements	Total	Excluding port land
Babergh	-4.1	8.4	101.98	101.98
Colchester	5.1	17.3	96.8	96.8
Ipswich	19.4	31.3	74.41	74.41
Mid Suffolk	-11.2	5.1	67.06	67.06
Suffolk Coastal	1.5	8.5	409.28	53.98
Tendring	14.2	22.6	220.99	62.45
Total	25.0	93.3	970.52	456.68

25. The report has identified five key policy themes, which form the basis of an Employment Land Framework for the Haven Gateway. These are explored in further detail below.

Release of Sites

26. The evidence set out in this report highlights that the supply of employment land substantially exceeds predicted requirements over the 2001-2021 plan period, and that therefore, the potential release of some employment land is an important policy consideration. The magnitude of spare capacity in each district is as follows:
- Babergh – 85.18 ha;
 - Colchester – 62.2 ha;
 - Ipswich – 11.81 ha;
 - Suffolk Coastal – 36.98 ha;
 - Tendring – 17.25 ha; and
 - Mid Suffolk – 56.86 ha.
27. In view of this spare capacity, an important policy consideration will be for districts to ensure that the highest quality sites in their portfolios are retained and safeguarded for employment use. The good-medium-poor classification system set out in this report provides districts with useful pointers in this regard.
28. However, the debate concerning how much employment land can be released must be tempered by the following considerations:
- the inherent imperfections in estimating future employment land requirements and the associated need to plan for ‘margin of error’;
 - the need for adequate spare capacity to allow change and displacement in the property market (i.e. market churn);
 - the rationale for retaining a wide range of employment sites, premises and locations in order to boost a locality’s employment base and property offer; and
 - the extent to which there is a need to release the site for other uses (i.e. scale of requirements for other land uses).

29. These factors will need to be borne in mind in the development of policies that address the issue of employment land release.

Intervention Strategy

30. Whilst there is a substantial employment land supply, the level of developed, serviced sites and premises coming forward for employment use is more limited. A range of intervention measures should be developed to help support the development process and bring forward office and industrial development projects. This could include funding development costs and/or incentives for key sites; site infrastructure works or decontamination measures, among other measures. Within Section 6, we have identified a number of sites that could be prioritised for intervention measures across the study area.

New Allocations

31. As a result of the substantial land stock, there is no need to plan for a net increase in employment land stock across the Haven Gateway. However, new allocations may be required to add value to the employment land supply offer in key locations. This could be the case in Ipswich and in Tendring and Colchester where there are limited quality sites. We have identified a range of criteria for selecting sites for new allocation in Section 6, including for example the sites proximity to urban areas and accessibility to the primary road network and public transport.

Strategic Sites

32. The Draft RSS (Policy E4) requires local development documents to make provision for 'strategic employment sites' to meet long-term strategic employment needs. It indicates the need for allocations in Ipswich, Harwich and Felixstowe. In addition to these locations, we were asked to identify a further strategic site allocation in Colchester. We recommend that the following sites should be allocated as 'strategic employment sites':

- Martlesham Heath Hi-Tech Cluster Site, Suffolk Coastal;
- Bathside Bay, Harwich;
- Felixstowe Port Development, Suffolk Coastal, and;
- Cuckoo Farm, Colchester.

Broader Policy Implications and Linkages

33. Delivering employment growth aspirations will depend on a broader set of policy measures than employment land planning. Workforce, business and property development strategies are just three policy spheres which link into the development of employment sites.

Conclusions

34. The main finding of this study is that there are substantial surpluses of employment land across the Haven Gateway area which, at least in quantitative terms, are more than adequate to serve anticipated future requirements. There are several important policy issues that now require careful consideration so that an effective employment land planning framework can be developed to respond to this technical evidence base.
35. However, another important finding of the report is that there remains a relatively significant gap between what we consider to be a 'business as usual' estimate of the future scale of

employment growth in Haven Gateway, and the more aspirational RSS target. Consideration to the range of policy measures and actions that can be brought forward to help close this gap is therefore another important next step in taking forward 'growth' objectives for the Haven Gateway.

1 INTRODUCTION

Background and Objectives

- 1.01 DTZ Piedad Consulting has been commissioned by the Haven Gateway Partnership to carry out an Employment Land Study to review the supply of, and demand for, employment land and premises across the Haven Gateway sub-region. The study area is defined by the boundaries of the Haven Gateway area which includes Ipswich and Colchester Borough Councils, Tendring District, much of Suffolk Coastal, Babergh and a small part of Mid Suffolk District Council.
- 1.02 The context to the study is provided by the proposed designation of Haven Gateway as a sub region in the **Draft Regional Spatial Strategy (RSS) for the East of England**, which sets out a clear policy imperative for delivering substantial housing and employment growth in the sub-region over the period to 2021. The Haven Gateway Partnership is preparing a **Strategic Framework** to take forward the growth agenda at the sub-regional level and this assignment is one of three studies that have been commissioned to inform it (the other two are investigating the housing/infrastructure and regeneration requirements).
- 1.03 A significant amount of work has already been undertaken in defining the job growth targets for Haven Gateway. The Draft Regional Spatial Strategy (RSS) for the East of England (December 2004) sets a target of 49,700 net additional jobs for the Haven Gateway by 2021, which have been divided across the local authority areas. The emphasis of this study is on translating these job targets into land and floorspace requirements and making appropriate policy recommendations for taking forward objectives of the RSS for Haven Gateway. **The key objectives** of this study can be simplified as follows:
- to estimate the employment land and property requirements for meeting RSS district level job growth targets to 2021;
 - to assess the supply of employment sites across Haven Gateway, focusing on the ability of sites to meet future requirements; and
 - to make appropriate employment land policy recommendations to enable realisation of employment growth objectives.
- 1.04 The outputs of the study will be key to informing:
- the EIP of the Draft Regional Spatial Strategy;
 - the emerging sub-regional Strategic Framework for Haven Gateway;
 - the Haven Gateway's proposals to ODPM regarding Growth Point status; and
 - individual local authorities' Local Development Framework preparation processes.

Method of Approach

- 1.05 We have separated our work-programme into three distinct stages to reflect the Study Objectives. The first of these is the **Demand Assessment**, which draws on a combination of 'top down' and 'bottom up' analyses to estimate future land requirements. The second stage is the **Supply Audit**, which appraises the existing quantity, quality and distribution of sites across the Haven Gateway. The third stage concerns the development of an outline

planning policy framework, drawing on the findings of the demand and supply assessments and identifying key policies for taking growth objectives forward.

1.06 With regard to the **Demand Assessment**, we have used the following four steps to arrive at estimates of future employment land requirements:

- Step 1: Establish the nature of the anticipated employment change;
- Step 2: Developing a range of alternative employment scenarios;
- Step 3: Relating the nature of employment change to land-use/floorspace; and
- Step 4: Undertaking sensitivity testing.

1.07 We supplemented this top down assessment with a review of the property market, to establish the performance and prospects of key commercial sectors across the Haven Gateway area. The key output is to establish land requirements in terms of:

- land and floorspace requirements to 2021;
- use class categorisation – B1, B2 and B8;
- distribution across districts; and
- timing of requirements in five yearly intervals.

1.08 For the **Supply Audit**, we have reviewed the quantity, quality and distribution of sites and premises across the Haven Gateway. The first step to our supply appraisal was to compile a database of all employment property (sites and premises) in the Haven Gateway area, drawing on a combination of DTZ in-house commercial databases, local sources (SDA and Exdra), and planning pipeline information. The second step was to work with local authority colleagues to conduct an appraisal of employment sites on a range of criteria such as site condition, availability for development and end use suitability (a list of criteria and classification guidelines used is provided in Appendix 3). Key outputs of the Supply Audit were to establish:

- the quantity of employment land in total and in respect of its suitability for different use classes;
- quality of provision in respect of good/average/poor;
- distribution of employment land type, quality and availability across the sub-region;
- timing considerations in respect of the quantity of sites available in the short, medium and long term; and
- identification of key constraints holding sites back from the market.

1.09 Our approach to the development of an **Outline Planning Framework** has been to concentrate on:

- broad policy implications emerging from the demand and supply analysis in respect of the quantity and distribution of employment land requirements across the sub-region;
- guidance on issues associated with site selection factors to assist the Haven Gateway authorities to determine land allocations/proposals, including specific advice as to

the most appropriate location for a strategic employment site (as part of Policy E4 of the RSS); and

- recommendations for the actions required in bringing forward key employment sites for development.

A Note on the Study Area

- 1.10 The Haven Gateway area, as referred to in the Draft RSS, includes Ipswich and Colchester Borough Councils, Tendring District, much of Suffolk Coastal, Babergh and a small part of Mid Suffolk District Council. However, following discussions with the client team, it was agreed that the study area should be defined by the whole of each of these districts. Therefore, for the purposes of clarity, the Haven Gateway, when referred to in this report, and unless otherwise defined, refers to the area defined by each of these local authority boundaries. In addition, because Mid Suffolk only contributes a very small part of its administrative area to the Haven Gateway boundaries, we have, where possible, expressed Haven Gateway totals both inclusively and exclusively of Mid Suffolk.

Structure of the Report

- 1.11 The report is structured in a logical fashion which reflects the various stages of work that have been carried out.
- Section 2 – Employment forecasts. We first consider the scale and composition of future employment change across the study area to 2021.
 - Section 3 – Land requirements. We then relate employment change to land-use and estimate the land-take and floorspace implications. We also consider in this section the potential impacts of sensitive variables such as floor area and land take ratios, as well as commercial property market factors.
 - Section 4 – Supply audit. Our supply appraisal reviews the quantity, quality and availability of employment land supply across the Haven Gateway as a whole and specifically in relation to each district.
 - Section 5 – Outline Policy Framework. This section of our report brings together the demand and supply analysis into a series of policy considerations.
 - Section 6 – Conclusions and Recommendations. The final section of our report sets out the key conclusions and recommendations resulting from this study.
- 1.12 Our appendices provide further technical details relating to methodology and assumptions, appraisal criteria, employment and skill/occupational implications.

2 EMPLOYMENT FORECASTS

- 2.01 The first step in the process of estimating future employment land requirements is to establish the scale and composition of employment change over the Regional Spatial Strategy (RSS) plan period (2001-2021).
- 2.02 Draft employment targets have already been proposed for the Haven Gateway at district level, as set out in the Draft RSS. These forecasts total 49,700 jobs (2001-2021) and have been distributed to districts as follows:
- Ipswich – 18,000;
 - Colchester – 14,200;
 - Suffolk Coastal – 8,000;
 - Tendring – 6,100; and
 - Babergh – 3,400.
- 2.03 These forecasts are based on a labour supply based approach known as the ‘Chelmer Model’. They are predicated on assumptions, which relate population and labour supply growth to employment growth. In translating the Haven Gateway jobs total to district level, several further assumptions were made to take account of agreed policy objectives and other local supply factors.
- 2.04 Whilst recognising these RSS employment targets as the basis for this study, a necessary preliminary step is to investigate a range of alternative ‘labour demand’¹ based scenarios. The reasons for this are twofold:
- Firstly, to test and challenge the existing (RSS) targets and ultimately understand how achievable they are in the light of labour demand based forecasts. We are of the view that labour demand based forecasts give a more realistic account of potential future economic change.
 - Secondly, to understand the likely composition of the RSS employment target across different employment sectors. This, as we come on to explain in Section 3, is a necessary step in the process of translating employment growth to land requirements.
- 2.05 Therefore, this section:
- first examines several alternative data sources on forecasts at the regional level;
 - then goes onto translate these forecasts into Haven Gateway sub-regional level, and establishes a common ‘consensus’ based employment scenario; and
 - finally, uses the sectoral composition of the consensus based scenario to estimate the sectoral composition of the RSS target.
- 2.06 Because the RSS target is significantly higher than the consensus trend based scenario, we have made some assumptions about where additional employment could be achieved. This

¹ Labour demand based forecasts differ from the supply based forecasts that the RSS targets are founded on in that they estimate change in employment in Standard Industrial Sectors (SIC) of employment.

has involved applying an ‘uplift’ approach which calibrates the consensus based sectoral composition of employment to the RSS target.

- 2.07 Appendix 1 provides further explanation of the method of our approach to this stage of the study.

Regional Forecasts

- 2.08 Employment forecasts produced by different organisations often produce significantly different results for the same area because of the different approaches to econometric modelling. To use this to our advantage, we have compared the output of three forecasting models to assess the sectoral implications of employment change and arrived at a consensus view of the trend based future prospects for employment in the Haven Gateway. This approach allows us to understand the potential range in growth that can be expected across different sectors of the economy.
- 2.09 The starting point for each of the econometric models is a set of macroeconomic assumptions for the UK. In the short-term, these are derived using a demand-led approach, assessing the prospects for each of the major expenditure components (consumer spending, investment, government spending, exports, imports and inventories). Longer-term forecasts are based on supply-side considerations such as trends in labour supply and productivity growth, and the regulatory environment. The employment forecasts have also been produced at a sub-national level and are available for different geographical levels as illustrated below:
- **Cambridge Econometrics (CE).** Produce regional employment forecasts on a bi-annual basis, published in their regional prospects report. The most recent round of forecasts used to inform this study were those published in February 2005.
 - **Experian Business Strategies (EBSL).** Experian Business Strategies forecasts were produced on May 2004 to inform a series of studies in the region undertaken in 2004. The forecasts have been provided for each of the six districts of the Haven Gateway and the region.
 - **DTZ Research (DTZ).** DTZ Research produced regional forecasts in July 2005 based on supply-side considerations focusing on the ability of each region to attract the key factors of production needed to grow – mobile skilled labour and investment capital. The model identifies three main drivers of growth which function to attract these mobile factors - labour skills, quality of life and accessibility.
- 2.10 To understand the likely change in future employment within the Haven Gateway, we have started by considering the employment growth that is forecast for the East of England region. Even at a regional level the employment forecasts produced by different organisations varies considerably.
- 2.11 The main employment target for the region, as set out in the RSS and supported by the RES, is to achieve employment growth of 421,000 jobs across the region by 2021. The two major regional strategies support initiatives targeted at achieving this goal. The baseline employment forecasts set out below illustrate the extent to which anticipated trends within the Haven Gateway economy will help the region to achieve the target. They also provide a clear indication of the changes in the employment structure of the area that can be expected during the study period.

Cambridge Econometrics Employment Forecasts

- 2.12 Cambridge Econometrics employment forecasts (Feb 2005) suggest employment growth rate increasing to 0.6% p.a. between 2005-10, but slowing to 0.4% p.a. in the long-term (beyond 2010). The Cambridge Econometrics published data is only presented for the period up to 2015. Extrapolating the growth rate for the period 2010-2015 (using the average per annum percentage sectoral growth rates applied to 2015-2021) implies an increase in regional employment of 295,000 between 2001-2021.
- 2.13 Cambridge Econometrics produce growth rates across 30 sectors; the table below illustrates a summary of the broad sectoral growth rates.

Table 2.1: Regional Sectoral Employment Change (Based on CE forecasts 2001-15)

	Change 2001-21
Agriculture	-33,000
Industry	-48,000
Services	376,000
Total	295,000

EBSL Econometric Employment Forecasts

- 2.14 EBSL regional employment forecasts prepared in May 2004 indicate an annual employment growth rate of 0.6 % p.a. between 2001-11 and 0.4% from 2011-21. The modelling indicates that the growth in employment in the East of England could be 254,000 jobs between 2001-2021.
- 2.15 EBSL produce growth rates across 30 sectors, the table below illustrates a summary of the broad sectoral growth rates.

Table 2.2: Regional Sectoral Employment Change 2001-2021 (EBSL 2004)

	Change 2001-21
Agriculture	-33,000
Industry	-129,000
Services	416,000
Total	254,000

DTZ Econometric Employment Forecasts

- 2.16 The DTZ Research model forecasts that the East of England is expected to experience significant employment growth of 397,000 jobs between 2001-2021. This represents a long-term annual growth rate of 0.7% p.a. compared to the UK forecast growth rate of 0.6% p.a. DTZ Research produce growth rates for the three broad sectors outlined in the table below:

Table 2.3: Regional Sectoral Employment Change 2001-2021 (DTZ Research 2005)

	Change 2001-21
Agriculture	-24,000
Industry	-162,000
Services	591,000
Total	397,000

- 2.17 The three sets of forecasts provide a range of views on future employment growth across the region, with growth of between 254,000 and 397,000 additional jobs in the region over the period 2001-21. The DTZ Research forecast indicates employment growth in the region that is considerably above the other two forecasts, driven primarily by the view that the region is well placed to attract strong growth in the service sector. This considerable range reflects various uncertainties about the future prospects of both sectoral growth rates and the ability of the region to attract investment and jobs.
- 2.18 However, even with the strongest forecast growth rate, it must be noted that the anticipated increase in employment still falls below the RSS/RES job growth targets of 421,000 across the region. Therefore, the strategies outlined in the RES and RSS will be crucial to raise the level of growth in the East of England from the forecast growth rate to the regional target level.

Future Employment Scenarios for Haven Gateway

- 2.19 The employment forecasts that we have considered use the approach of applying regional trends to the local economic circumstances to assess the future implications for a sub-regional area. The regional employment forecasts produced by the three organisations have been disaggregated at different geographical levels and sectors, and therefore, different methodologies have been applied to understand the implications for the Haven Gateway and the constituent districts.
- **Cambridge Econometrics** – we have translated regional forecasts to a district level by applying the regional forecast growth rates for each sector to ABI employment data for each district. The district figures have then been aggregated to produce a Haven Gateway total.
 - **EBSL** – district level forecasts were available at a detailed sectoral level and were used without adjustment. The district figures have then been aggregated to produce a Haven Gateway total.
 - **DTZ Research** – the regional forecasts are disaggregated to county level and the county growth rates for the broad sectors are applied to the detailed ABI employment data for each component part of the sub-region. The district figures have then been aggregated to produce a Haven Gateway total.

Table 2.4: Summary of Haven Gateway Employment Forecasts 2001-21

	2001 Total Employment	CE	EBSL	DTZ Research
<i>Agriculture</i>	8,000	- 3,000	- 5,000	- 5,000
Manufacturing	32,000	- 9,000	- 6,000	- 7,000
Electricity gas & water	2,000	*	- 1,000	*
Construction	18,000	+ 2,000	- 6,000	*
<i>Industry sub total</i>	52,000	- 7,000	- 13,000	- 7,000
Distribution	17,000	+ 2,000	- 2,000	+ 4,000
Retail	37,000	+ 11,000	- 1,000	+ 11,000
Hotels and catering	20,000	+ 1,000	+ 5,000	+ 2,000
Transport and communications	27,000	+ 2,000	+ 8,000	+ 5,000
Banking finance and insurance	13,000	*	+ 1,000	+ 2,000
Other business services	31,000	+ 21,000	+ 16,000	+ 14,000
Public admin and defence	13,000	*	- 2,000	+ 3,000
Health and education	51,000	+ 11,000	+ 10,000	+ 14,000
Other services	15,000	+ 4,000	+ 11,000	+ 5,000
<i>Services sub total</i>	223,000	+ 53,000	+ 47,000	+ 60,000
Total employment change	283,000	+ 43,000	+ 29,000	+ 48,000

Source: Annual Business Inquiry; 2001 Census of Population © Crown Copyright

* Represents a change of less than 500 jobs

Employment Forecasts for Haven Gateway Based On CE Regional Forecasts

2.20 As set out above, for the forecasts based on Cambridge Econometrics data, we have applied the regional sectoral growth rates to the structure of employment in the districts that comprise the Haven Gateway. Adjustments have been made to account for the past performance of the sectors at a local level relative to the regional performance based on the ABI data. The strong performance of employment in the Haven Gateway over the period 1998-2003 relative to the regional average has therefore been incorporated into the forecasts.

2.21 The key points to note from the employment forecasts set out in Table 2.4 are:

- a significant decline in employment could be expected in the agriculture and manufacturing sectors, with a combined total of 12,000 jobs lost in these sectors;
- however, these declines are likely to be offset by an increase in employment in the service sectors, with business services, retail and health/education expected to generate the most significant additional employment opportunities.

Employment Forecasts for Haven Gateway Produced by EBSL

2.22 The EBSL forecasts have been provided at a district level for the boroughs that comprise the Haven Gateway. These forecasts have been reproduced in Table 2.4 and indicate that overall employment in the Haven Gateway could increase by 29,000 jobs between 2001-21. The key points to note are:

- again significant employment declines are expected in the agricultural and manufacturing sectors but also the construction sector representing a combined decline in employment in these sectors of 17,000 jobs;

- however, growth is expected to be strong in business services, public services, transport and communication and ‘other services’.

Employment Forecasts for Haven Gateway Based on DTZ Research County Forecasts

2.23 DTZ Research produces employment projections at a county level based on the regional employment forecasts. For the Haven Gateway, applying these growth rates to the existing employment structure suggest overall growth of 48,000 additional jobs between 2001-21. The key points to note are:

- significant decline of employment in the agricultural sector (-5,000 jobs);
- a decline in the industrial sector of 13% (-7,000 jobs); and
- a significant increase in service sector employment of 27% (60,000 jobs).

Consensus View of Future Employment

2.24 To arrive at a consensus view of the future employment change anticipated across the employment forecasts, we have considered the level of change that the three sets of forecasts is expected to achieve across each broad sector, illustrated in Table 2.4 above. By considering a range of forecasts, it also allows us to understand an upper and lower range to the estimates to test the assumptions about sectoral employment growth in the sensitivity analysis.

Agriculture

2.25 The level of change anticipated for **agriculture** across the three forecasts is relatively similar, ranging from a loss of 3,000 – 5,000 jobs by 2021.

2.26 Given the similarity between the forecasts about the relatively large proportional decline in this sector, we have concluded that the consensus change in employment in the agricultural sector in Haven Gateway is likely to be at a mid point in these forecasts of -4,000 jobs (+/- 1,000 jobs).

Construction

2.27 There is a significant divergence in the likely trends for construction employment. The EBSL forecasts suggest a significant decline in construction employment (-6,000 jobs) in the Haven Gateway, while the CE derived forecasts suggest an increase in employment in the sector of 2,000 jobs.

2.28 There are two main factors influencing employment in the construction sector that lead to this divergence in views:

- one is improving productivity of working practices, which is affecting employment in the sector at a national level – greater use of pre-fabrication, and other efficiency improvements are reducing the need for construction labour working on site; and
- the other influence is the scale of the planned investment projects at a local level, both in terms of housing and other developments that is requiring additional labour to deliver the projects.

- 2.29 Given the scale of development proposed for the Haven Gateway, both housing and other developments, we would suggest that a fall in construction employment of a third as forecast by EBSL is overly pessimistic. Therefore to reach a consensus forecast, we have weighted the likely outcome towards the CE forecasts, and anticipate no change in employment in the sector by 2021 (+/-2,000 jobs).

Utilities

- 2.30 The utilities sector is a relatively small employer in the Haven Gateway representing around 2,000 jobs; less than 1% of the total employment in the subregion. The three forecasts for the prospects of the sector range from -1,000 jobs to +500 jobs. Therefore our consensus view is that employment in the sector is likely to remain static.

Manufacturing

- 2.31 Within the manufacturing sector, significant employment declines are expected across each of the three sets of forecasts. Those produced using the Cambridge Econometrics regional employment forecasts are the most pessimistic about the prospects of the sector, with overall employment in the sector expected to decline by 9,000 jobs compared to a decline of 6,000 jobs in the EBSL forecasts and a decline of 7,000 jobs based on the DTZ Research Forecasts.
- 2.32 The differences in the forecasts reflect the uncertainty about the degree to which the current trends for productivity and relocation of activities to lower cost locations will continue to impact on employment.
- 2.33 A mid-point between these forecasts suggests a consensus employment forecast of a decline of 7,500 jobs (+/-1,500 jobs) over the forecast period.

Consumer Services

- 2.34 Three service sectors can be considered together under the heading of consumer services – these are hotels and catering, retail and other services.
- 2.35 There is agreement across the three forecasts that the **consumer services sector** will grow. The DTZ forecasts suggests growth of 18,000 jobs, CE forecast suggest a growth of 16,000 jobs whereas the EBSL forecasts suggest growth of 15,000 jobs. However, a key difference between the forecast appears to be how the sector will grow. The forecasts derived from the CE and DTZ Research based forecasts suggest that the majority of this growth will be in employment in the retail sector, whereas the EBSL forecasts suggest that this growth will instead be concentrated in the more leisure related sectors of ‘hotels and catering’ and ‘other services’ sectors.
- 2.36 Therefore the overall level of uncertainty around the level of employment growth in the consumer services sector is relatively small, with a likely growth of around 15,000 additional jobs +/- 1,000 jobs. However, the degree of variance increases significantly when we consider the sub-sectors, associated with the uncertainty about whether the growth will be in retail or leisure.

Distribution

- 2.37 The different assumptions about the distribution sector represent a significant divergence between the forecasts. The EBSL forecasts suggest that employment in the sector will

decline by 2,000 jobs, while the CE and DTZ Research based forecasts suggest that employment will increase by 2,000 jobs or 4,000 jobs respectively.

- 2.38 A likely outcome based on an average of these forecasts is an increase in employment of 1,500 jobs. However, the range of +/- 3,000 jobs reflects the uncertainty around the nature of employment change in this sector.

Business Services

- 2.39 Comparing the forecasts for the business service sectors, including transport and communications and other business services suggests that the CE based forecasts places more emphasis on the growth of the 'other business sector', while the EBSL and DTZ Research based forecasts suggest greater growth in the transport and communications sector at the expense of business services.
- 2.40 Together, these sectors are expected to grow by between 21,000 derived from the DTZ Forecasts and 25,000 jobs using the EBSL forecasts over the period 2001-2021. The consensus growth of the transport and communications sector is estimated at 5,000 jobs and the other business sector is estimated at 17,000 jobs. Therefore, the overall consensus growth forecasts for business services is 23,000 jobs in total.

Public Services

- 2.41 The sectors that comprise public services are education, health and public administration.
- 2.42 There appears to be a relatively similar approach to growth in the public service sectors, among two of the forecasts with between 8,000-11,000 additional jobs between the CE derived and EBSL forecasts for employment. However, the DTZ research forecasts suggest growth of 17,000 jobs in this sector.
- 2.43 Given the significant divergence in the DTZ Research estimates, we have adopted a more conservative growth figure of 10,000 additional jobs within the education and health sector, but suggest a range of +/- 3,000 jobs. Using the same approach, the consensus forecast for public administration and defence is a fall in employment of 1,000 jobs, with an uncertainty of +/- 1,000 jobs.

Conclusions

- 2.44 Therefore, accounting for the outlying assumptions within the various econometric forecasts, the range of difference between the scenarios is much smaller. The Consensus trend based forecast is presented below.
- 2.45 Figure 2.1 illustrates the level of employment change expected across each sector by the three sets of forecasts (CE, EBSL, DTZ) alongside the consensus forecasts. The following Table 2.5 subsequently presents the Consensus forecasts along with the range of uncertainty associated with each sector forecast based on the differences between the forecasts.

Figure 2.1: Consensus Employment Forecast Change 2001-21, by Sector

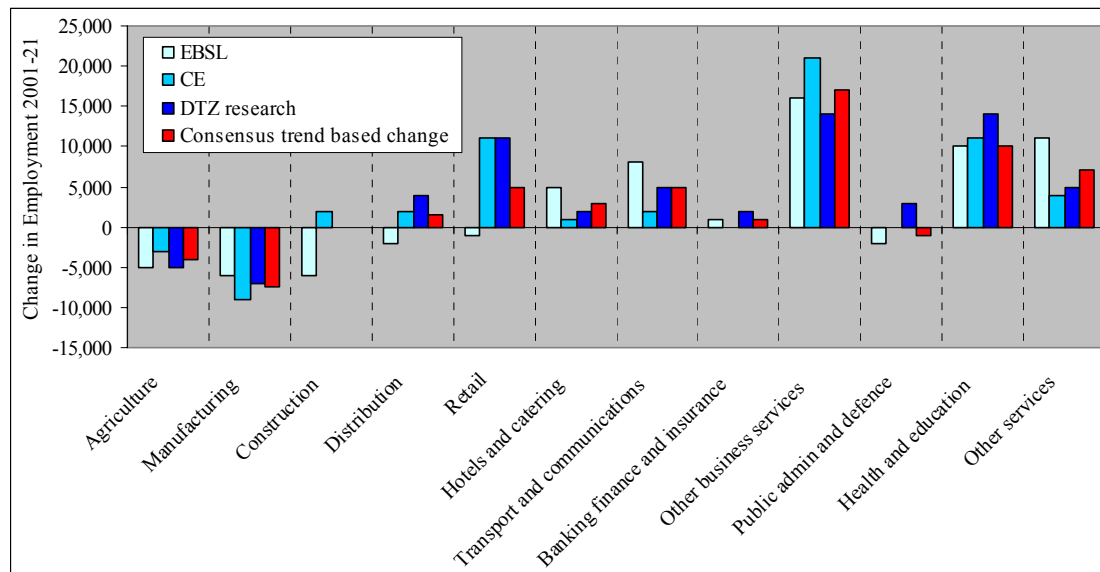


Table 2.5: Consensus Forecast Employment Change in Haven Gateway 2001-2021

	2001 Employment	2021 Consensus Employment Forecast	Consensus Trend Based Change 2001-21	Range of Uncertainty on 2021 Forecast (+/-)
Agriculture	8,000	4,000	- 4,000	1,000
Manufacturing	32,000	24,500	- 7,500	1,500
Electricity gas & water	2,000	2,000	0	500
Construction	18,000	18,000	0	2,000
Distribution	17,000	18,500	+ 1,500	3,000
Retail	37,000	42,000	+ 5,000	6,000
Hotels and catering	20,000	23,000	+ 3,000	2,000
Transport and communications	27,000	32,000	+ 5,000	3,000
Banking finance and insurance	13,000	14,000	+ 1,000	1,000
Other business services	31,000	48,000	+ 17,000	3,000
Public admin and defence	13,000	12,000	- 1,000	1,000
Health and education	51,000	61,000	+ 10,000	3,000
Other services	15,000	22,000	+ 7,000	3,000
Total	283,000	320,000	+ 37,000	7,000²

District Level Employment Forecasts

- 2.46 District level forecasts were aggregated to provide the forecasts presented above for the Haven Gateway. District level forecasts based solely on the econometrics data can highlight implications of sectoral trends, but must be treated with some caution.

² The degree of uncertainty regarding the total employment change was modelled by running 1,000 simulations of the sectoral growth rates using the upper and lower range on the consensus employment figures. The total uncertainty represents the results at 95% confidence levels.

Employment trends resulting from business decisions affecting local areas are less tied to overall trends in the sector. At a local level, factors such as availability of labour or sites and premises is a significant factor in investment decision. In addition, the ABI has been the main source of data used to disaggregate employment growth from a regional to a subregional level and there are concerns about the reliability of the data at a subregional level due to the high degree of volatility of the data. However, when aggregated to provide estimates at the Haven Gateway subregional level, the forecasts are more reliable. Therefore, the main emphasis should be on the Haven Gateway forecasts, but the district level forecasts can be used to provide a broad indication of the change within the subregion.

- 2.47 Recent employment trends across the sectors relative to the recent regional change provide an indication of the local areas performance. The figure below provides an indication of the overall level of employment change experienced at a local level illustrating the marked difference between the districts that comprise Haven Gateway.

Table 2.6: Recent Trend Data (employees only³)

	1998	2001	2003	Change 1998-2003
Babergh	29,000	29,000	30,000	+ 1,000
Colchester	66,000	68,000	72,000	+ 6,000
Ipswich	62,000	67,000	67,000	+ 5,000
Suffolk Coastal	41,000	45,000	44,000	+ 3,000
Tendring	31,000	33,000	37,000	+ 6,000
Haven Gateway (excl. Mid Suffolk)	229,000	243,000	250,000	+21,000
<i>Mid Suffolk</i>	<i>29,000</i>	<i>35,000</i>	<i>31,000</i>	<i>+2,000</i>
Haven Gateway (incl. Mid Suffolk)	258,000	288,000	281,000	+23,000

Source: Annual Business Inquiry, ONS © Crown Copyright

- 2.48 As can be seen from Table 2.6, with the exception of Babergh, which has experienced relatively stable employment levels over the period, each of the districts that comprise the Haven Gateway have experienced a significant fluctuations in employment levels over the period 1998-2003. In particular, the 2001 employee estimate for Mid Suffolk (the base year for the employment forecasts) is substantially higher than either the 1998 or 2003 levels. This volatility in employment levels make it particularly difficult to project forward the likely change in the level of employment. This is reflected in the different results found from using the different forecasting bases (CE, EBSL, DTZ).
- 2.49 Despite the difficulties, employment forecasts have been produced at a district level for the boroughs that comprise the Haven Gateway. These forecasts have been reproduced below to illustrate the variation in change. In addition, we have presented the likely trend based employment change calculated using the same method as prepared for the Haven Gateway totals.

³ Excludes the self-employed

Table 2.7: District Level Assessment of the Employment Forecasts 2001-21

	EBSL	CE	DTZ Research	<i>Consensus Trend Based Change</i>
Babergh	3,900	2,600	6,100	3,900
Colchester	6,700	13,500	10,900	10,000
Ipswich	8,400	11,300	16,300	10,600
Suffolk Coastal	9,800	5,700	7,600	7,100
Tendring	-100	10,000	7,700	5,900
Haven Gateway (excl. Mid Suffolk)	28,700	43,100	48,600	37,400
<i>Mid Suffolk</i>	<i>5,400</i>	<i>-1,300</i>	<i>1,000</i>	<i>1,400</i>
Haven Gateway (incl. Mid Suffolk)	34,100	41,800	49,600	38,900

- 2.50 The consensus forecasts were produced for the districts using the same methodology as was used at the Haven Gateway level. For example, for the agriculture sector a mid point was taken between the three forecasts. Table 2.7 provides a summary of the forecast employment change in the constituent districts. Further detail of the district level employment forecasts is included in the Appendix 1 and the implications for skills and occupations in Appendix 4.

Estimate Of The Sectoral Composition Of The RSS Employment Target

- 2.51 The assessment above draws on a consensus between the three sets of employment forecasts, which illustrate the level of change that could be anticipated for each of the broad sectors of the economy. This trend based approach indicates the likely creation of 37,400 jobs compared with the RSS target of 49,700 jobs. The consensus view of trends therefore suggests that without intervention, the employment growth in Haven Gateway over the period 2001-21 will fall below the RSS jobs target. Regional and local strategies will therefore be required to drive the additional growth to bridge the gap to achieve the employment target of the Haven Gateway. The difference at a district level is illustrated in Table 2.8 below.

Table 2.8: Difference Between Consensus Forecast Employment Growth and RSS Targets 2001-21

	Consensus Employment Forecast		RSS Employment Target	Difference between Consensus Forecast and RSS Target	
				Jobs	%
Ipswich	10,600	→	18,000	+7,400	69.8%
Colchester	10,000	→	14,200	+4,200	42.0%
Suffolk Coastal	7,100	→	8,000	+900	12.7%
Tendring	5,900	→	6,100	+200	3.4%
Babergh	3,900	→	3,400	-500	-12.8%

Note: RSS employment targets have not been set for Mid Suffolk

- 2.52 Second, to achieve the uplift required to meet the target within each district we have assumed that sectors that are forecast to increase, will grow at a faster rate and sectors that are forecast to decline will fall at a slower rate. For example, if the difference between the trend based forecasts and the RSS target is positive we have increased the growth sectors performance and decreased the declining sectors by the same rate to achieve the required uplift in overall employment. Therefore, the trend-based forecasts provide an indication of

the sectoral composition and direction of change in employment and the RSS targets provide an indication of the precise scale of the change.

2.53 The level of uplift is uniform across employment in individual districts as follows:

- **Ipswich:** the increase in employment in growth sectors is revised upwards from the consensus forecasts by 46.8%. The forecast fall in employment in declining sectors is reduced by 46.8%. This will translate the Consensus forecasts to the RSS overall employment change target by an additional 7,400 jobs.
- **Colchester:** the increase in employment in growth sectors is revised upwards from the consensus forecasts by 26.0%. The forecast fall in employment in declining sectors is reduced by 26.0%. This would translate the Consensus forecasts to the RSS overall employment change target by an additional 4,200 jobs.
- **Suffolk Coastal:** the increase in employment in growth sectors is revised upwards from the consensus forecasts by 6.7%. The forecast fall in employment in declining sectors is reduced by 6.7%. This would translate the Consensus forecasts to the RSS overall employment change target by an additional 900 jobs.
- **Tendring:** the increase in employment in growth sectors is revised upwards from the consensus forecasts by 2.5%. The forecast fall in employment in declining sectors is reduced by 2.5%. This would translate the Consensus forecasts to the RSS overall employment change target by an additional 200 jobs.
- **Babergh:** the Consensus forecasts exceed the RSS Target for the district. In order to assess the implications of the RSS Target, the consensus forecasts have been revised downwards to match the target. The level of growth across sectors as identified in the Consensus Forecasts is revised down by 5.5% and level of decline across sectors increased by 5.5% to translate Consensus forecasts to match the RSS Target.

2.54 The difference between the sectoral composition of the Consensus Employment Forecasts and the RSS Employment Targets for each of the districts is presented in Table 2.9 below.

Table 2.9: Comparison Between Sectoral Composition of Consensus and RSS Targets

	Babergh		Colchester		Ipswich		Suffolk Coastal		Tendring		Mid Suffolk
	Consensus Forecasts	RSS Target	Consensus Forecasts	RSS Target	Consensus Forecasts	RSS Target	Consensus Forecasts	RSS Target	Consensus Forecasts	RSS Target	Consensus Forecasts
Agriculture etc.	- 800	- 900	- 700	- 500	- 100	- 100	-1,900	-1,800	-800	-800	-1,600
Manufacturing	- 1,400	- 1,500	- 1,900	- 1,500	- 2,200	- 1,500	- 700	- 600	- 1,100	- 1,100	-1,900
Electricity gas & water	400	400	- 200	- 200	- 100	- 100	- 200	- 200	-	-	-100
Construction	-	-	400	500	-	-	- 300	- 300	-100	-100	-
Distribution	100	100	400	500	400	600	- 100	- 100	900	1,000	-100
Retail	400	400	1,900	2,400	1,500	2,200	500	500	800	800	200
Hotels and catering	200	200	1,800	2,300	200	200	300	400	400	500	100
Transport and communications	100	100	400	500	1,700	2,500	2,700	2,900	100	100	1,100
Banking finance and insurance	-	-	- 500	- 400	500	800	-	-	700	700	100
Other business services	3,400	3,200	3,100	3,900	5,400	7,900	3,500	3,700	1,800	1,900	2,100
Public admin and defence	-	-	- 100	- 100	- 700	- 500	200	200	-	-	100
Health and education	700	600	4,200	5,300	2,300	3,300	1,200	1,300	2,400	2,500	500
Other services	900	900	1,200	1,500	1,700	2,500	2,000	2,200	700	800	900
Total	3,900	3,400	10,000	14,200	10,600	18,000	7,100	8,000	5,900	6,100	1,400

2.55 By aggregating the districts that comprise the Haven Gateway, the following table illustrates the results across the broad sectors.

Table 2.10: Sectoral Composition of RSS Employment Targets for Haven Gateway

	2001 Employment	Consensus Employment Forecast Change	RSS Employment Change Target	2021 RSS Employment Target
Agriculture	7,700	- 4,300	- 4,100	3,600
Manufacturing	32,000	- 7,400	- 6,200	25,700
Electricity gas & water	2,400	- 200	- 100	2,300
Construction	17,900	0	100	18,000
Distribution	16,700	1,700	2,100	18,800
Retail	36,500	5,000	6,200	42,700
Hotels and catering	19,900	2,900	3,500	23,400
Transport and communications	27,300	5,000	6,100	33,400
Banking finance and insurance	13,000	700	1,100	14,100
Other business services	30,900	17,200	20,600	51,500
Public admin and defence	12,500	- 700	- 400	12,100
Health and education	50,500	10,800	13,000	63,500
Other services	15,200	6,600	7,800	23,000
	282,800	37,400	49,700	332,500

2.56 The difference, between the overall RSS employment target (49,700) and the Consensus forecast (37,400), of 12,300 jobs falls outside the range of uncertainty identified for the trend based forecasts illustrated in Table 2.5 (+/-7,000 jobs). Therefore even on the more optimistic assumptions based on past trends; the current trajectory of the economy is unlikely to deliver the uplift in employment to achieve the RSS target. It is therefore critical to assess the likelihood of matching the uplift required and identify areas that need to be targeted to achieve the growth.

2.57 This analysis involves comparing the level of growth necessary to achieve the RSS target for individual sectors with the range of uncertainty around the Consensus Forecasts identified earlier in this section illustrated in Table 2.5. Where the growth of the sector falls well within the bounds of the range of uncertainty it suggests that although above the middle level (consensus), the most optimistic trends within the sector suggest that the change could be achievable. The following sectors fall into this category:

- **Agriculture** – the difference between the Consensus forecasts and the change needed to achieve the RSS target represents reducing the anticipated level of decline in the agricultural sector by 200 jobs. This difference lies within the uncertainty range of the consensus forecasts for the sector (+/- 1,000 jobs) illustrated in Table 2.5. The target appears achievable given the relatively small change required and that it falls well within the uncertainty range of the trend based forecasts.
- **Electricity, Gas and Water** - the difference between the Consensus forecasts and the change needed to achieve the RSS target represents reducing the level of decline in the sector by 100 of jobs. This difference lies within the uncertainty range of the consensus forecasts for the sector (+/- 500 jobs) illustrated in Table 2.5. The target appears achievable given the relatively small change required and that it falls well within the uncertainty range of the trend based forecasts.

- **Construction** – The difference between the Consensus forecasts and the change needed to achieve the RSS target represents increasing the level of growth in the sector by 100 jobs and falls well within the range of uncertainty identified in Table 2.5 (+/- 2,000 jobs). The target appears achievable given the relatively small change required and that it falls well within the uncertainty range of the trend based forecasts.
- **Public Administration and Defence** – The difference between the Consensus forecasts and the change needed to achieve the RSS target represents reducing the level of decline in the sector by 300 jobs. The target appears achievable given that this difference remains well within the range of uncertainty around the consensus forecasts (+/- 1,000 jobs).
- **Distribution** – The difference between the Consensus forecasts and the change needed to achieve the RSS target represents increasing the level of growth in the sector by 400 jobs. This falls well within the range of uncertainty identified in the forecasts (+/- 3,000 jobs). In addition given the potential expansion of port related activity within the area, associated activities in the distribution sector should make this targeted uplift achievable.
- **Banking, Finance and Insurance** – The difference between the Consensus forecasts and the change needed to achieve the RSS target represents increasing the level of growth in the sector by 400 jobs. This falls within the range of uncertainty around the Consensus forecasts (+/- 1,000 jobs). The target appears achievable given that it falls within the uncertainty range of the trend based forecasts.

Sectors for which the RSS Target means a significant change from Consensus Forecasts

- **Manufacturing** - The difference between the Consensus forecasts and the change needed to achieve the RSS target represents reducing the level of decline in the sector by 1,200 jobs. This represents an uplift from the Consensus forecasts towards the upper end of the uncertainty range of the forecasts. (+/- 1,500 jobs). Therefore, the target for this sector appears achievable. However, given both the scale of the change required and the level of uncertainty, to ensure that the future prospects are moved from the consensus forecasts to the RSS target related employment levels, regional strategies aimed at improving the productivity and sustainability of businesses need to benefit companies within the area.
- **Retail** – The difference between the Consensus forecasts and the change needed to achieve the RSS target represents increasing the level of growth in the sector by 1,200 jobs. The range of uncertainty around the trend based growth for this sector is particularly high (+/- 6,000 jobs) reflecting contrasting views of the sector among the three sets of forecasts reviewed. Although the level of uplift required falls well within the range of uncertainty, town centre strategies, particularly in Colchester and Ipswich will be important to ensuring the uplift is achieved.
- **Hotels and Catering** – The difference between the Consensus forecasts and the change needed to achieve the RSS target represents increasing the level of growth in the sector by 600 jobs. Similar to retail, the range of uncertainty around the trend based growth for this sector is relatively wide (+/- 2,000 jobs). However, in the case of hotel and catering, the level of uplift in employment is not as significant as retail and falls well within the range of uncertainty and therefore appears achievable.

- **Transport and communication** – The difference between the Consensus forecasts and the change needed to achieve the RSS target represents increasing the level of growth in the sector by 1,100 jobs. Although this is a significant uplift, the growth falls within the range of uncertainty (+/- 3,000) and coupled with the anticipated expansion of port activity in the area appears an achievable target.
 - **Other business services** – The difference between the Consensus forecasts and the change needed to achieve the RSS target represents increasing the level of growth in the sector by 3,400 jobs. This is the only sector for which the level of uplift exceeds the range of uncertainty around the Consensus forecasts (+/- 3,000 jobs). Therefore, significant policy interventions will be required to ensure that this higher growth rate is achieved, as business trends alone are unlikely to deliver the growth required.
 - **Health and education** - The difference between the Consensus forecasts and the change needed to achieve the RSS target represents increasing the level of growth in the sector by 2,200 jobs. This falls towards the upper limits of the range of uncertainty around the Consensus forecasts (+/- 3,000 jobs). Given the scale of the uplift required, achieving this uplift is less likely.
 - **Other services** - The difference between the Consensus forecasts and the change needed to achieve the RSS target represents increasing the level of growth in the sector by 1,200 jobs. This falls within the range of uncertainty around the Consensus Forecasts (+/- 3,000 jobs).
- 2.58 The uplift required to achieve the RSS growth in the retail, hotels & catering and other services sectors when considered separately all fall within the range of uncertainty around the Consensus forecasts. Together these sectors can be considered to encompass the majority of employment in consumer and cultural related activities. However, when considered together, the uplift falls at the top end of the range of uncertainty. Therefore, it is less likely that trends in the economy will result in high growth across all three sectors. However, a major project such as Snoasis, together with other interventions as part of a wider intervention strategy, could deliver the uplift required to achieve the growth targets.
- 2.59 Overall, the analysis suggests that with the exception of business services at an individual sectoral level, all of the growth rates required to meet the RSS target are achievable. However, the probability of economic trends resulting in all sectors performing above the Consensus forecast level is much reduced and our analysis suggests that this is unlikely without policy interventions.
- Timing**
- 2.60 The timing of the future employment change has been estimated based on the Consensus Forecasts and aligned with the RSS employment targets. Given the long-term nature of the RSS Targets, the phasing illustrated in Table 2.11 should be treated with a degree of caution.

Table 2.11: Timing of Employment Change on RSS Target

	2001-2006	2006-2011	2011-2016	2016-2021	2001-2021
Agriculture etc.	- 1,300	- 1,100	- 1,100	- 600	- 4,100
Manufacturing	- 3,000	- 900	- 1,300	- 1,000	- 6,200
Electricity gas & water	200	0	- 100	- 100	- 100
Construction	1,800	- 400	- 600	- 600	100
Distribution	300	500	700	700	2,100
Retail	2,400	1,300	1,200	1,200	6,200
Hotels and catering	- 200	1,400	1,100	1,200	3,500
Transport and communications	500	2,200	1,700	1,700	6,100
Banking finance and insurance	- 300	400	500	500	1,100
Other business services	7,000	4,900	4,200	4,400	20,600
Public admin and defence	600	0	- 500	- 500	- 400
Health and education	4,700	3,000	2,600	2,700	13,000
Other services	2,400	1,700	1,800	1,900	7,800
Total	15,100	13,000	10,200	11,500	49,700

Summary

- 2.61 Regional employment growth rates vary between forecasting models from 254,000 – 397,000 additional jobs between 2001-21. When translated to an impact on the Haven Gateway, the regional trends would imply a growth in employment of 29,000– 48,000 additional jobs in the sub region. A consensus view across each of the broad sectors suggests a mean growth of 37,400 additional jobs for the Haven Gateway as a result of trends between 2001-21.
- 2.62 The RSS Employment Target for 2021 is for a growth in employment of 49,700 jobs within the Haven Gateway. To achieve the RSS Target, 12,300 additional jobs will need to be delivered through successful implementation of strategies and projects above the Consensus Forecasts.

3 LAND REQUIREMENTS

3.01 Our methodology for translating employment change into business space requirements involves two main steps in compliance with the ODPM 2004 Employment Land Reviews Guidance Note:

- converting from SIC employment definition to land Use Class; and
- applying appropriate worker/floorspace densities and plot ratios to derive quantities of land and floorspace.

3.02 Our analysis takes into consideration the sensitivities of applying varying assumptions relating to floor and land densities/ratios. It also considers the implications of our property market assessment on the type and location of future employment land development.

3.03 NB. Our approach is to translate employment change into traditional business use class categories (B1, B2 and B8).

Converting SIC Employment Definitions to Land Use Type

3.04 Employment data and forecasts are expressed in terms of industrial classifications, while floorspace is expressed in terms of Use Classes. Unfortunately, these two classifications are not directly related. For example, the headquarters building of a business classified as manufacturing, may in fact be predominantly office based. This makes it difficult to directly transform forecast increases in employment into land use requirements. Therefore, it is necessary to adopt a “best fit” proxy to convert industrial classifications to land use. Table 3.1 summarises the relationship between the broad employment sectors and land uses.

Table 3.1: Employment Sector and Use Classes

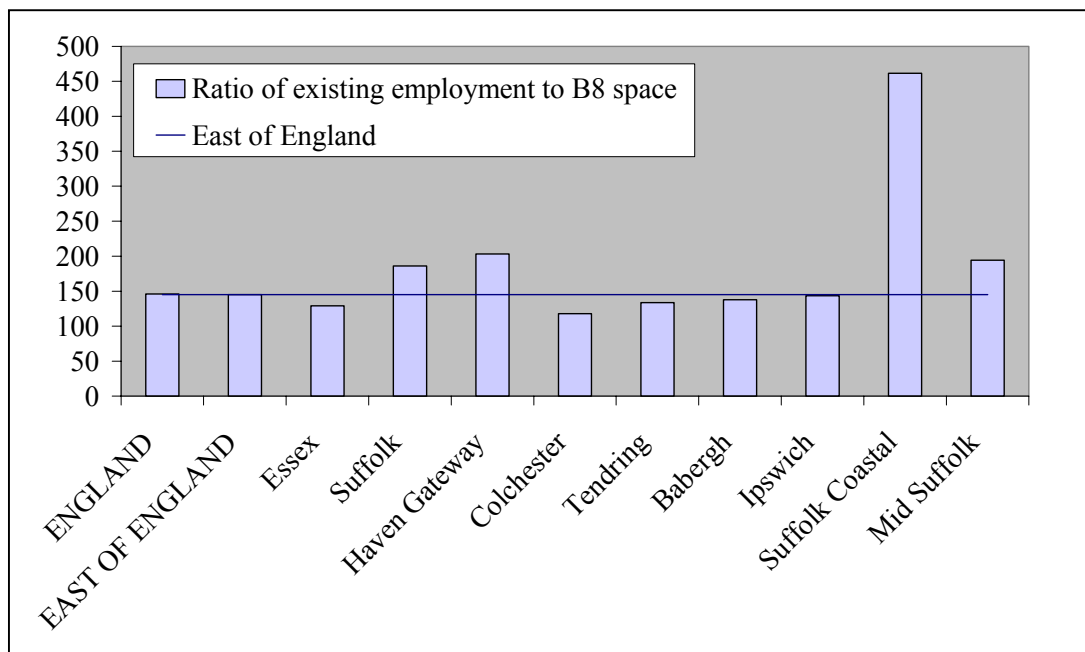
Employment Sector	Use Class
Agriculture	Does not occupy business space
Mining	Does not occupy business space apart from head office and administrative functions.
Manufacturing	Expected to occupy predominantly B2 uses.
Electricity gas & water	Does not occupy business space apart from head office and administrative functions.
Construction	High levels of self-employment. Some distribution and storage activity.
Wholesale Distribution	Expected to occupy predominantly B8 uses
Retail	Will be predominantly shops – A1 use
Hotels and catering	Will be mainly hotels, restaurants, bars etc. A3 and C1 use class.
Transport and communications	Transport does not occupy business space apart from head office and administrative functions. Communications includes postal depots, but also telecommunications companies, some of whom will occupy significant amounts of B1 space. The ports have specific space requirements for storage space.
Banking, finance and insurance	A significant proportion of A2 use outside of main financial centres but also has a large amount of office use, associated with the relocation of back office functions.
Other business services	Predominantly office sector employment in B1 space. Some A2 and also some non-office space such as cleaning contractors
Public administration and defence	Town Hall employment, police, fire service etc. Plus some occupation of Business space.
Health and education	Employment in schools and hospitals etc. Mainly C and D use class. Will be some administrative functions, which may occupy B class space.
Other services	Personal services, tourism and media. Only a small proportion would be expected to occupy B class space

Note: Developed for Haven Gateway based on previous analysis of Demand and Supply of Business Space in London, GLA 2002.

- 3.05 This list has been constructed through an analysis of business space requirements in London. However, our assessment of the Haven Gateway allows us to modify this list to make it more applicable to the local economy. For many of the sectors such as retail, hotels and catering the business space requirements of firms based in the Haven Gateway will obviously not be any different to those across the rest of the UK.
- 3.06 From local and previous analysis we therefore propose using the following approach for converting industrial classifications into land use types:
- financial and business services = B1;
 - manufacturing = B2; and
 - distribution = B8.
- 3.07 Employment in **Financial and Business Services** can be taken as a proxy for employment in B1 uses. The districts that comprise the Haven Gateway have similar employment densities as the Regional and England average for this sector.

- 3.08 **Manufacturing** employment can be taken as a proxy for employment using B2 premises. The ratio of 2003 employees in the manufacturing sector to 2004 factory floorspace is similar to the national average.
- 3.09 Employment in **Distribution** sectors should be taken as a proxy for employment in B8 premises. Figure 3.1 illustrates that with the exception of Suffolk Coastal, there is a close relationship between the ratio of existing distribution employment and warehouse floorspace. The activities on the Port of Felixtowe estate are the most likely reason for this divergence in Suffolk Coastal. Many of these activities are likely to be directly related to port activities and therefore do not have a direct relationship with the distribution sector. It is also worth noting that some other transport and communications activities (such as transport depots/yards) are located in employment areas and have significant land requirements.
- 3.10 Therefore, we have used distribution employment as a proxy for employment in warehousing. However, for both the districts containing significant port proposals, the expansion requirements of the ports are also included in the demand for warehousing space to account for this difference.

Figure 3.1: Ratio of Distribution Employees to Warehouse Floorspace (m² per employee)



Source: Commercial and Industrial Floorspace and Rateable Value Statistics 2004, 2004 & ABI 2003

Assessing the Average Amount of Floorspace Per Worker

- 3.11 Employment density ratios are available for a range of different land use categories. Using these figures we can translate forecast employment growth into a prediction of land use requirements. This is achieved simply by multiplying the forecast increase in employees for each land use category by the employment density ratio for each land use category. For example, if we knew that a firm was planning to hire 10 additional people to work in a B1

office building, and we also knew that the average B1 employment density was 10m², then the additional floorspace requirement would be 100m².

- 3.12 In the following section we look at the evidence regarding employment densities, whilst bearing in mind the local economic context as outlined in the previous section.

What Are Average Employment Densities and How Have They Changed Over Time?

- 3.13 These two questions have been the subject of a number of surveys. In 1997 Roger Tym and Partners produced a report looking at floorspace per worker requirements in the three main sectors of economic activity¹: industry (B2); business (B1); and warehousing (B8). In 1999 DTZ produced a report² looking in more detail at various activities under each use class. For example, the office sector was broken down into general use, R&D, business parks, call centres etc.
- 3.14 The 2001 study by Arup/RDA³, which provides recommended employment densities, was based on a review of existing data. The findings from this survey were included in a research report DTZ produced last year for SEERA⁴. The research was based on a review of official data sources, previous reports, interviews and a 1,600 sample business survey.
- 3.15 When the results from these four surveys are compared it is apparent that in many sectors employment densities have remained fairly stable. Table 3.2 compares the findings from the four reports.

Table 3.2: Comparing Employment Density Surveys

Sector	Types	Floorspace per worker (m ²)			
		RTP 1997 (net)	DTZ 1999 (gross)	Arup 2001 (gross internal)	DTZ 2004 (gross) ⁵
Industry (B2)	General	32	34	34	45
	High tech / R&D (non-Science Park)			29	
Offices (B1)	General	18	19	19	22
	Head Offices		22	22	25
	Business centres		19	20	
	Financial and Professional Services		19-32		24
	Business Park			16	
	R&D		29	29	32
Wholesale (B8)	Warehousing	40		50	
	Logistics centres		93 (net)	90	93
	Large Scale Warehousing			80	

- 3.16 Between the 1997 RTP report and the 2004 DTZ report employment densities have fallen slightly in relation to B2 usage. In the other major land use categories there has been limited change.

¹ The Use of Business Space: Employment Densities and Working Practices in South East England, SERPLAN/Roger Tym and Partners, 1997

² Employment Predications for New Developments Employment Densities and Characteristics, DTZ (not published), 1999

³ Employment Densities, Arup/EP/RDAs, 2001

⁴ Use of Business Space and Changing Working Practices in the South East, DTZ, 2004

⁵ **Note:** the gross figures referred to in Table 3.2 were presented as net floorspace in the DTZ 2004 study, and have been converted to gross floorspace, using the recommended uplift of 20%.

- 3.17 Given the limited evidence for changing employment densities, we propose using constant employment densities over the time period. However, we have developed the model to allow for sensitivity testing around the level of employment density, for example assuming densities increase by 10% over the period.
- 3.18 One important addition from the 2004 DTZ report is the finding that **businesses occupying newer buildings have a higher employment density** (i.e. less floorspace per employee). Table 3.3 gives the report's findings in relation to the age of the building within the three major use classes.

Table 3.3: Employment Densities in the South East by Age of Building (Gross Floorspace Per Employee, m²)

	Total South East	Age of building	
		1990 or before	1991 or later
B1 (Business)	32.6	34.6	21.7
B2 (General Industry)	45.8	46.3	41.5
B8 (Warehousing)	93.8	94.4	91.7
Total	43.4	44.6	36.5

Source: DTZ 2004

- 3.19 The most significant increase in employment densities appears to have taken place in the B1 category, with the amount of floorspace per employee falling by a third for buildings built after 1991, compared with older buildings.
- 3.20 Another factor revealed by the 2004 research is that the **size of firm** impacts upon employment densities. The report found that as the size of a firm in terms of number of employees increases, the employment densities also increase. Larger firms are, in effect, getting more labour usage use out of their premises by putting more employees in the same space.
- 3.21 One area where you would expect to see a link to changing employment densities is **changes in working practices**. The increasing preference for home working, the growing use of ICTs and environmental and health and safety regulations could all be expected to have an impact upon employment densities. However, the 2004 study found no major evidence for this, concluding that, 'the overall impact of changing working practices on employment densities has been limited, except for some office-based employment activities with increasing ICT use'. Instead, the major factor behind changes in employment densities over the last twenty years has been the structural shift away from manufacturing to service sector employment.
- 3.22 In this study we have considered the **impact of part-time employment** at the forecast change in employment stage, thereby removing part-time employment considerations from the employment density calculations. However, how we treat part-time employment forecasts varies by sector. Within the major service industry sectors such as retail, leisure and catering forecasts for growth in part-time employees should be halved to get the forecast increase in FTE jobs that are equivalent to workspaces. However, in the industrial and office sectors the employment of a part-time worker will still lead to an increase in demand for floorspace as a worker's role is not as easily replicated within the work environment. Therefore, for these sectors we have adopted the assumption that for every increase in part-time employment, there is a requirement for an additional workspace.

Impact of These Factors on Overall Employment Densities

- 3.23 Given our analysis of the Haven Gateway economy and these findings in relation to employment densities we propose adopting the following range of headline employment densities for the study, with the upper and lower ranges to be used for the sensitivity analysis.
- For B1 floorspace employment densities, we have adopted the general office employment density (19m² per employee) as recommended in the EP best practice guide. However, for sensitivity testing we have included a range of high density of 16m² per employee, indicative of business park floorspace use and a low density of 32m² per employee based on the findings of the 2004 DTZ study in the South East.
 - For B2 floorspace employment densities, we have adopted the general industry employment density (34m² per employee) as recommended in the EP best practice guide. However, for sensitivity testing we have included a range of high density of 29m² per employee representing the density of R&D related uses, which are potentially the likely type of new developments, and a low density of 45m² per employee from the 2004 DTZ study in the South East
 - For B8 floorspace employment densities, we have adopted the large scale warehousing density (80m² per employee) as the average. However, we have tested the sensitivity of this assumption using a higher density assumption of general warehousing and a low density of that found in the 2004 DTZ study.

Table 3.4: Headline Gross Employment Densities for Haven Gateway Study (m² per employee)

	Average	Low Density	High Density
B1 (Business)	19	32	16
B2 (General Industry)	34	45	29
B8 (Warehousing)	80	93	50

Results of Translating Employment Change into Floorspace Demand

- 3.24 The employment space requirements for Haven Gateway are presented below under the separate sections of Office, Industrial and Warehousing. Floorspace has been estimated using employment densities applied to the forecast employment and this has been translated into land requirements using plot ratios.

Office Requirements

- 3.25 The following assumptions have been adopted in producing the following future demand estimates of office floorspace for the Haven Gateway.

Proxy Employment Sector	Business and financial services
Employment Density	19m ² per employee
Change in density over time	None
Number of floors	2 storeys
Plot ratio	41%

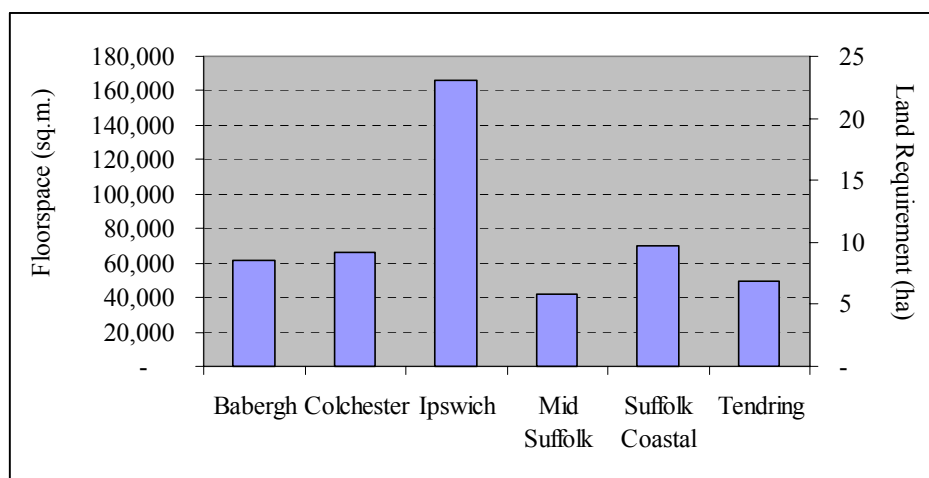
- 3.26 The forecasts set out in Section 2 (Table 2.9) suggest that employment within the financial and business services sector needs to grow by 21,700 jobs in the Haven Gateway in order to meet the RSS Targets. The impact of employment growth to achieve the RSS total employment is expected to increase the requirement for office employment floorspace by 412,800m² between 2001-21, excluding Mid Suffolk or 454,700m² including the district. This floorspace translates to 50.3 hectares or 55.5 hectares of employment land respectively.

Table 3.5: Haven Gateway Change in Office Requirements To Meet RSS Targets 2001-21

	Employment Change in Finance and Business Services 2001-21	B1 (Office) Floorspace (m ²)	B1 (Office) Employment Land (ha)
Babergh	3,200	61,300	7.5
Colchester	3,500	66,200	8.1
Ipswich	8,700	166,100	20.3
Suffolk Coastal	3,700	69,700	8.5
Tendring	2,600	49,500	6.0
Haven Gateway (excl. Mid Suffolk)	21,700	412,800	50.3
Mid Suffolk	2,200	41,900	5.1
Haven Gateway (incl. Mid Suffolk)	23,900	454,700	55.5

- 3.27 The concentration of additional demand for office floorspace required to meet the RSS target is expected to be in Ipswich. This is reflected in the Consensus forecasts, with 39% of the additional demand falling in Ipswich. However, the impact of the proposed interventions, and particularly the regeneration activity in Colchester is expected to generate significant additional demand for office space.

Figure 3.2: Forecast Demand Led Change in Office Space Requirements by District



- 3.28 An indicative assessment of the timing of the change of employment space requirements has been derived directly from the employment forecasts. The short-term forecasts (2001-

6) reflect observed employment change, while the longer term forecasts are based on more fixed growth rates. In terms of phasing, the forecasts suggest that employment growth will be relatively consistent over the period, peaking between 2006-11. However, there is a need to take account of the lag in converting employment change and changing space requirements into actual changing premises.

Table 3.6 Timing of Haven Gateway Change in Office Requirements To Meet RSS Target 2001-21

	B1 (Office) Floorspace (m²)	B1 (Office) Employment Land (ha)
2001-06	128,300	15.7
2006-11	101,900	12.4
2011-16	89,400	10.9
2016-21	93,200	11.4
Haven Gateway Total⁶	412,800	50.3

Industrial

- 3.29 The following assumptions have been adopted in producing the following future demand estimates of industrial floorspace for the Haven Gateway.

Proxy Employment Sector	Manufacturing
Employment Density	34m ² per employee
Change in density over time	None
Number of floors	1 storey
Plot ratio	42%

- 3.30 The continued decline of employment in the manufacturing sector as highlighted earlier is expected to result in reduced demand for industrial space. Overall, the consensus view of future employment change suggests that the requirement for industrial floorspace in the Haven Gateway will fall by 210,800m² excluding Mid Suffolk and by 273,800m² including the district. Using average plot ratios this translates into a reduced requirement of industrial land of 50.2 hectares or 65.2 hectares respectively over the period 2001-2021.

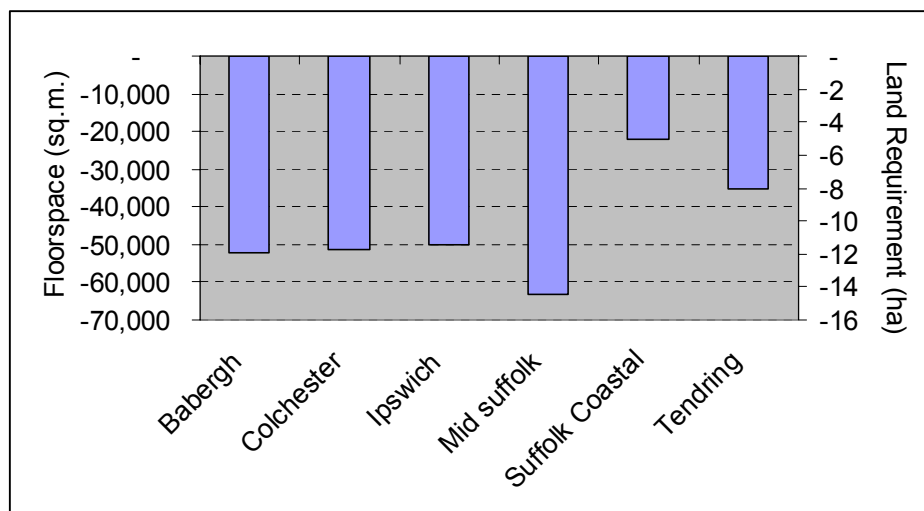
⁶ Excluding Mid Suffolk

Table 3.7: Haven Gateway Change in Industrial Requirements To Meet RSS Targets 2001-21

	Employment Change in Manufacturing 2001-21	B2 (industrial) Floorspace (m ²)	B2 (industrial) Employment Land (ha)
Babergh	-1,500	-52,300	-12.5
Colchester	-1,500	-51,400	-12.2
Ipswich	-1,500	-49,400	-11.9
Suffolk Coastal	-600	-21,900	-5.2
Tendring	-1,100	-35,300	-8.4
Haven Gateway (excl. Mid Suffolk)	-6,200	-210,800	-50.2
Mid Suffolk	-1,900	-63,000	-15.0
Haven Gateway (incl. Mid Suffolk)	-8,100	-273,800	-65.2
* note that the fact that Babergh, Ipswich and Colchester have the same levels of employment change but different levels of floorspace and employment land requirements is due to rounding of figures			

- 3.31 The distribution of the decline in manufacturing employment is expected in each of the districts across the Haven Gateway, with the most significant declines in Ipswich and Mid Suffolk.

Figure 3.3: Forecast Change in Industrial Space Requirements by District 2001-21



- 3.32 The consensus view is that manufacturing employment decline will be most significant in the short term. However, although requirements for space may be declining, the timing of when this will impact on the property market will depend partly on when businesses decide to relocate or vacate premises. As a result, the impact of falling employment on space requirements may take longer to be translated into actual changes in land demand and availability.

Table 3.8 Timing of Haven Gateway Change in Industrial Requirements To Meet RSS Target 2001-21

	B2 (Industrial) Floorspace (m²)	B2 (Industrial) Employment Land (ha)
2001-06	-101,100	-24.1
2006-11	-31,700	-7.6
2011-16	-43,300	-10.3
2016-21	-34,600	-8.3
Haven Gateway Total⁷	-210,800	-50.2

Warehousing Floorspace

- 3.33 The following assumptions have been adopted in producing the following future demand estimates of warehousing floorspace for the Haven Gateway.

Proxy Employment Sector	Distribution
Employment Density	80m ² per employee
Change in density over time	None
Number of floors	1 storey
Plot ratio	42%

- 3.34 The consensus view of modest employment growth in the distribution sector, results in a requirement for additional warehousing space. The relatively low employment density of warehousing implies that there will be a requirement for an additional 36 hectares of additional space to meet the growing demand.

Table 3.9: Haven Gateway Change in Warehousing Requirements To Meet RSS Targets 2001-21

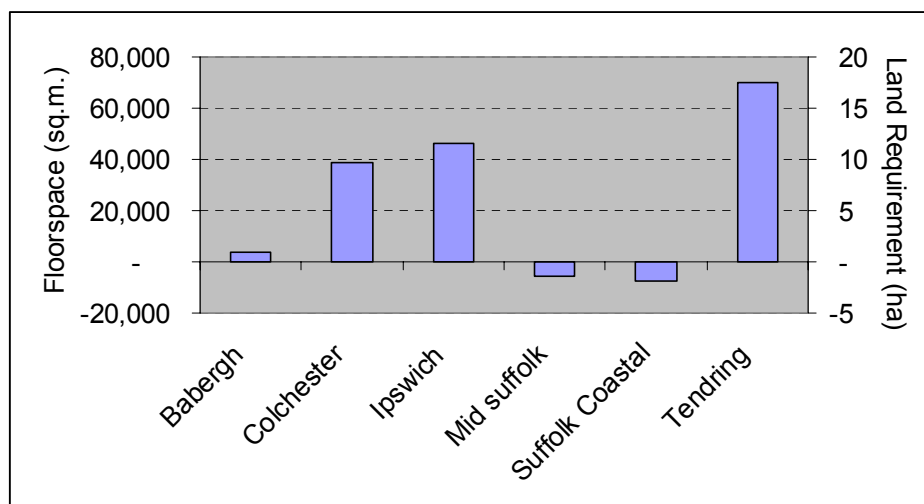
	Employment Change in Distribution 2001-21	B8 (Warehousing) Floorspace (m²)	B8 (Warehousing) Employment Land (ha)
Babergh	100	3,700	0.9
Colchester	500	39,000	9.3
Ipswich	600	46,400	11.1
Suffolk Coastal (excl. port estate)	-100	-7,400	-1.8
Tendring	1,000	69,700	16.6
Haven Gateway (excl. Mid Suffolk)	2,100	151,400	36.0
Mid Suffolk	-100	-5,600	-1.3
Haven Gateway (incl. Mid Suffolk)	2,000	145,800	34.7

- 3.35 The Consensus forecast suggests that the majority of warehousing growth will be in Tendring, Colchester and Ipswich. The employment forecast based data suggests declines in requirement in Mid-Suffolk and Suffolk Coastal (although port expansion requirements

⁷ Excluding Mid Suffolk

in Suffolk Coastal will be significant if the proposed expansion takes place). Port employment land requirements are presented in the following section.

Figure 3.4: Forecast Change in Warehousing Space Requirements by District 2001-21



- 3.36 The phasing of the employment growth suggests that between 2001-6 growth rates are relatively low, however the longer term growth rates will result in slightly increasing levels of land requirements in each of the subsequent 5 year cohorts.

Table 3.10 Timing of Haven Gateway Change in Industrial Requirements To Meet RSS Target 2001-21

	B8 (Warehousing) Floorspace (m ²)	B8 (Warehousing) Employment Land (ha)
2001-06	17,500	4.2
2006-11	35,500	8.5
2011-16	48,300	11.5
2016-21	50,000	11.9
Haven Gateway Total⁸	151,300	36.0

Total Employment Land Requirements (B1,B2 & B8)

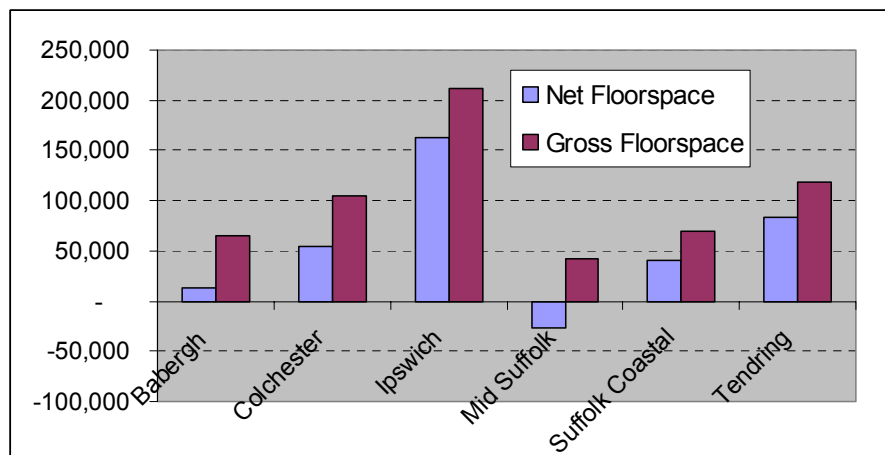
- 3.37 By combining the analysis set out above, the overall requirement for employment land is a net increase in land requirements of 36.2 hectares across the Haven Gateway and a gross increase of 88.1 hectares (gross requirement is calculated by excluding the use types that indicate a decline in land requirements). The implications across the constituent districts are summarised below:

⁸ Excluding Mid Suffolk

Table 3.11: District Level Total Requirements 2001-21

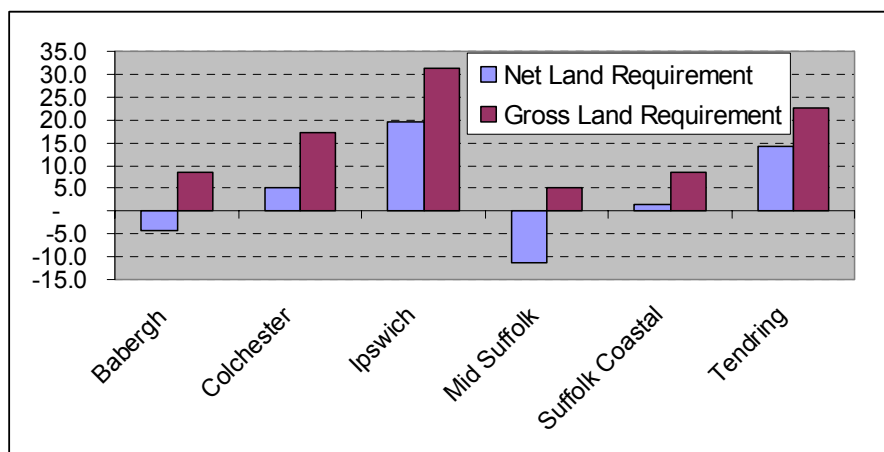
	Floorspace (m ²)		Employment Land (ha)	
	Net	Gross	Net	Gross
Babergh⁹	12,700	65,000	-4.1	8.4
Colchester	53,800	105,200	5.1	17.3
Ipswich	162,600	212,500	19.4	31.3
Suffolk Coastal (excl. port estate)	40,400	69,700	1.5	8.5
Tendring	83,900	119,200	14.2	22.6
Haven Gateway (excl. Mid Suffolk)	353,400	571,600	36.2	88.1
Mid Suffolk	-26,700	41,900	-11.2	5.1
Haven Gateway (incl. Mid Suffolk)	326,700	613,500	25.0	93.3

Figure 3.5: Forecast Change in Total Employment Floorspace Requirements by District 2001-21 (m²)



⁹ The decline in land requirements in Babergh comes from industrial land release, with industrial premises occupying more land per m² of floorspace than the predicted additional office premises

Figure 3.6: Forecast Change in Total Employment Land Requirements by District 2001-21 (ha)



- 3.38 The timing implications of the employment land requirements suggest a net reduction in the demand for employment land in the short term. This is driven by the rapid decline in manufacturing employment that has been experienced in recent years. However in the longer term, the growth of the service sector and the expansion of distribution activities will result in a net increase in employment land requirements.

Table 3.12 Timing of Haven Gateway Employment Land Requirements To Meet RSS Target 2001-21

	Net Floorspace (m ²)	Employment Land (ha)
2001-06	44,600	-4.3
2006-11	105,800	13.4
2011-16	94,400	12.1
2016-21	108,600	15.0
Haven Gateway Total¹⁰	353,400	36.2

Ports

- 3.39 In addition to the estimates produced based on future predicted employment set out in Table 3.9, warehousing space required as a result of port expansion must also be considered. As highlighted previously, it is not possible to draw a direct relationship between warehousing and transport related employment. Rather, we have derived the land demand as a result of port expansion direct from the proposals made by the ports.
- 3.40 The two major expansion plans are:
- Felixstowe: representing an expansion of 0.4m TEU p.a. creating 1,500 direct and indirect jobs would require an estimated 65 ha for storage area; and

¹⁰ Excluding Mid Suffolk

- Harwich: representing an expansion of 1.7 TEU p.a. creating 1,772 direct and indirect jobs would require an estimated 60 ha for loading, storage and transport.

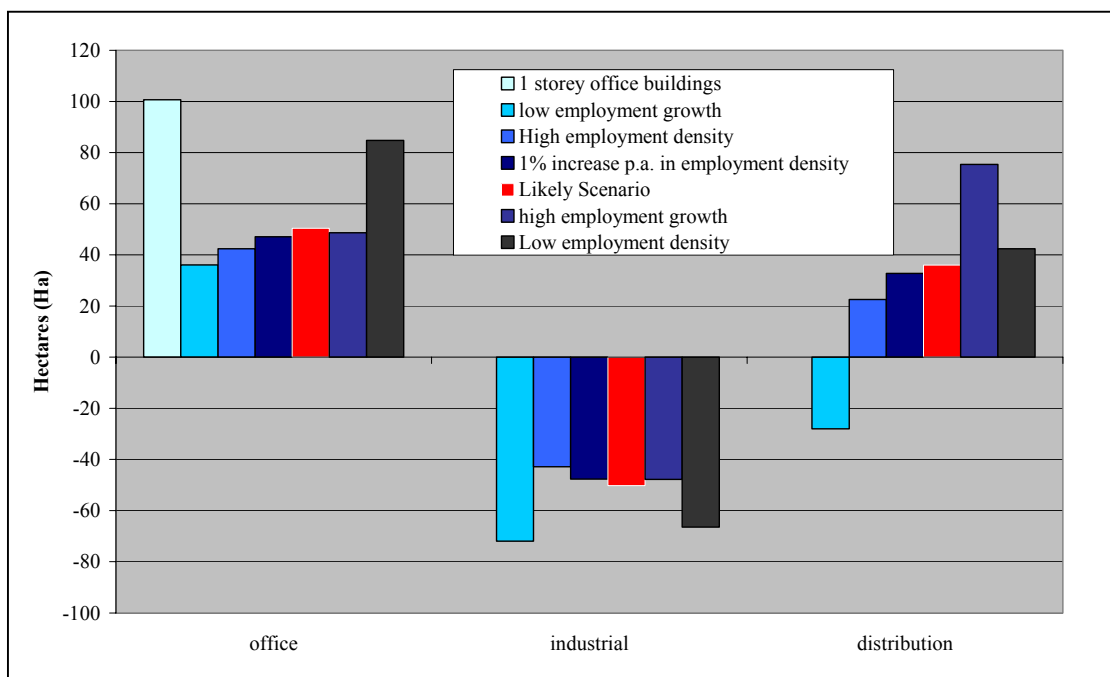
Sensitivity Analysis

3.41 Sensitivity analysis has been undertaken on the key parameters affecting the employment land projection to test the implications of changing assumptions. The key parameters that were tested are:

- employment forecasts;
- employment density;
- timing of employment density; and
- average number of floors per development (only a significant factor for office space requirements).

3.42 The results are presented in Figure 3.7 and the key points are highlighted below:

Figure 3.7: Sensitivity Analysis on Employment Land Requirements



3.43 Key points to note for **office requirements** are:

1. **The uncertainty around the employment forecasts, suggests that there is greater risk of lower than expected future employment growth**, with the change required to achieve the RSS targets representing the upper end of likely employment growth in business services. The level of employment floorspace required as a result of employment forecasts in the business and financial services sectors varies between the forecasts from an additional requirement for 296,000m² – 413,000m². The lowest

estimates indicating growth rates resulting in 28% less employment in the business and financial services sector than forecast to meet the RSS Target. This translates into 14.2 ha less employment land required over the forecast period (2001-2021) than compared with the RSS Target (50.3 ha).

2. **Demand for much lower density employment space across the Haven Gateway would have a significant impact on employment land requirements.** If future office space requirements in the Haven Gateway are for an average of 32m² per employee (the average estimated occupancy density levels in the South East) as opposed to the likely density of 19m² per employee then floorspace and the associated land requirement for offices will be 68% or 34.4 ha more than the likely level. It must be noted that there is a very low probability of this lower level of density applying to the whole of the Haven Gateway, and would be most likely in cases where increases in employment would be accommodated in existing vacant property (employment densities are particularly low in buildings built pre 1991). Average employment densities in properties built after 1991 are much closer to the likely scenario at 22m² per employee (15% below the likely case, which would result in demand for 7.5 ha less office land than the likely scenario).
3. The other main uncertainty of specific importance for the office sector, is the **amount of land required to accommodate the likely level of floorspace.** We have adopted the central scenario of average development of 2 storey offices. However, the risk is that average buildings are only 1 storey in rural areas, where the pressure is less to maximise the density of development and space available for parking and landscaping is more available. Assuming single storey developments across the Haven Gateway would double the requirement for space and has a similar impact as using much lower employment densities.

3.44 The key points to note for **industrial space requirement** are:

1. Greater manufacturing employment decline than anticipated is the most significant uncertainty for industrial space. This would increase the fall in requirement for industrial land by an estimated 43%, or 21.8ha compared with the likely scenario (-50.2 ha).
2. However, the sensitivity analysis suggests that if the decline in manufacturing employment is in businesses occupying space with lower than anticipated employment density (i.e. more employment space per employee) this represents a significant increase in the potential reduction in requirement for industrial space of 26%, or 16.2 ha compared with the likely scenario.

3.45 The key points to note for **warehousing space requirement** are:

1. The most significant factor impacting on the requirements of the sector is the forecast level of employment change in the sector. The diverging views about whether there will be growth or decline in the distribution sector has significant implications for employment space.
2. Given the relatively low level of change expected in the sector, differing assumptions about employment density have limited impact on the overall space requirements. Using the higher employment density assumptions would imply a requirement for 10 ha less employment land than forecasted under the likely scenario.

- 3.46 The likely net employment land requirement between 2001-21 is for an additional 36.2 ha. Overall, the impact of running all of these sensitivities together using Monte Carlo modelling software suggest that between 2001-21 the potential range of additional net employment land requirements is between 1.0 ha and +73.8 ha with a 90% confidence.
- 3.47 The likely gross employment land requirements between 2001-21 is for an additional 88.1 ha. Overall, the impact of running the sensitivities together using Monte Carlo modelling software suggest that between 2001-21 the potential range of additional gross employment land requirements is between 60.1 ha and 122.6 ha with a 90% confidence.

Property Market Assessment

- 3.48 The analysis above provides an indication of the net change in overall demand for employment land as a result of changing employment structure across the Haven Gateway area. This essentially provides a 'top-down' assessment of demand. We now turn our attention to the 'bottom-up' dimension, in terms of commercial property market trends and characteristics. The bottom up analysis enables us to construct a more detailed picture of likely future demand in terms of market sectors and areas.

Employment Land Completion Rates

- 3.49 Data collected as part of the Annual Monitoring Report (AMR) for EERA suggests that overall completions of business floorspace over the last few years have been on the increase. Between 2001/02 and 2003/04, total annual business floorspace completions increased from 27,288m² to 52,117m². However, a closer look at individual districts' contribution to these totals shows that the figures are skewed by an unusually large quantity of take-up in Ipswich in 2003/04. Excluding this from the data suggests a very different trend in which the quantity of new completions has been falling in most districts across the area over the last 3 to 5 years.

Table 3.13: Business Completions Data (AMR, EERA 2005)

	Completions m ²				Average (per annum)	
	2001/02	2002/03	2003/04	Total	(m ²)	(ha)
Colchester	8,671	11,503	1,335	21,509	7170	1.79
Tendring	9,659	10,778	7,368	27,805	9268	2.32
Babergh	0	0	2048	2,048	683	0.17
Ipswich	2,164	0	41,366	43,530	14510	3.63
Mid Suffolk	6,794	7,777	0	14,571	4857	1.21
Suffolk Coastal	0	6,577	0	6,577	2192	0.55
Total	27,288	36,635	52,117	116,040	38680	9.67

- 3.50 The preceding analysis of future employment land requirements is solely focussed on business requirements. However, looking at individual districts, Ipswich has experienced by far the largest quantity of completed business floorspace over the period due to the Suffolk County Council office development. Therefore it is important to understand that analysis of economic and property market trends are not necessarily like for like. Of the other districts, Tendring has experienced the largest levels of completion of business floorspace, and has done on a relatively consistent basis; its average for the three years is 9,300m². Colchester has experienced the third largest quantity of new development, at an

average of 7,200m² over the period; Mid Suffolk has averaged just short of 5,000m² over the period, although that too has been falling in 2003/04. Suffolk Coastal (2,200m²) and Babergh (under 1,000m²) have experienced the smallest quantities in new business completions.

3.51 The average rate of business floorspace completions can be used to provide an alternative 'bottom up' indicator of future floorspace requirements. On this basis, and taking the averages from the AMR data 2001-2004 above, this suggests that future take-up of employment land will be approximately 40,000m² pa, and, assuming a plot ratio requirement of 40% across different property types, 10 ha pa. This rate of change is significantly above the range of future requirements estimated in our economic assessment in the sections above. It could be argued that this is the effect of 'market churn' (i.e. displaced demand arising from changes in requirements for property from indigenous firms). However, the validity of completion rate data as an indicator of future employment land requirements is limited because:

- completion rates do not take account of losses of employment floorspace/land and they therefore are only an indicator of gross gain in employment land and not 'net' change;
- they do not take into account long term economic change and the impact that this will have on land requirements (e.g. changing industrial structure, working practices etc); and
- historical data available for the Haven Gateway area only covers a three year period, which is not a suitable timescale from which to derive an annual rate for projecting forward.

3.52 Therefore, whilst completion rates provide a useful benchmark of average annual gross employment land take-up, we are of the view that our economic assessment provides a more realistic and accurate account of the range of future land requirements in the Haven Gateway.

Office Market

3.53 The office market in Haven Gateway is dominated by the two main town centres of Ipswich and Colchester. Both of these locations benefit from good accessibility and as a result have a significant quantity of office accommodation. Outside of these towns, office markets could be described as at best embryonic, with the port towns of Felixstowe and Harwich having small nuclei of office occupiers linked to freight and shipping functions, but elsewhere having very little supply. Discussions with local agents indicate that prime rental values for offices in the Haven Gateway vary from around £16 psf in Colchester, to £14 psf in Ipswich, and around £13 psf in Harwich and Felixstowe.

3.54 Recent trends indicate relatively strong performance of the market in both Colchester and Ipswich with levels of take-up growing significantly between 2002 and 2004 (See Figures 3.8 and 3.9). However, there has been a downward shift in activity in 2005 with the volume of demand and transactions significantly down on that for previous years.

Figure 3.8: Office Take-up and Availability in Colchester

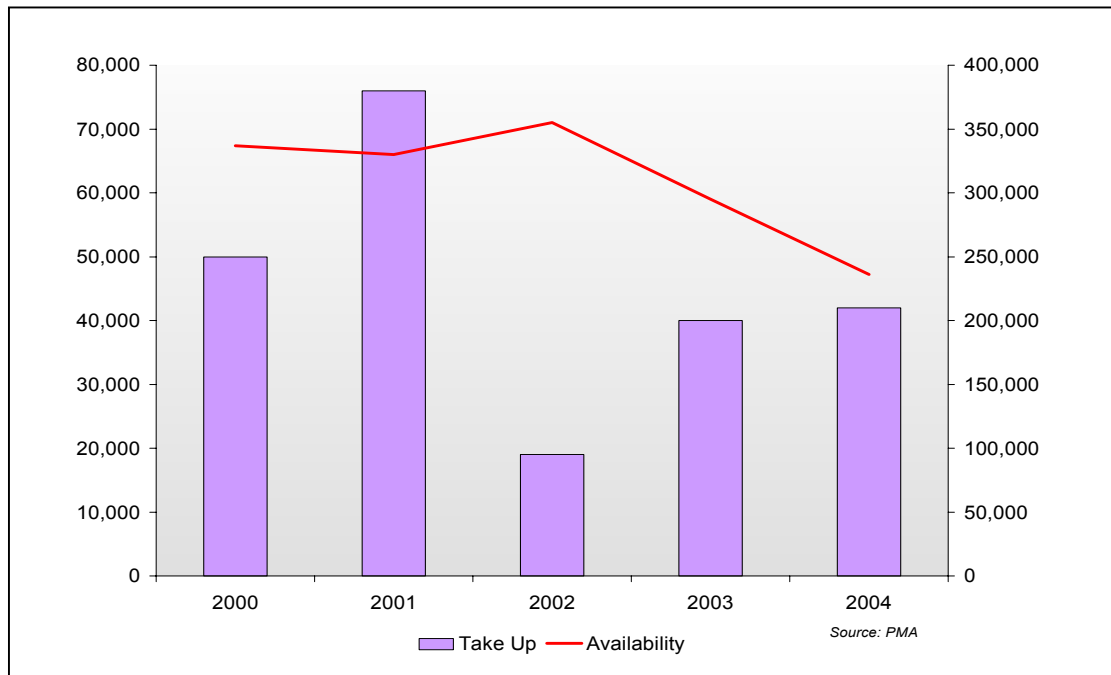
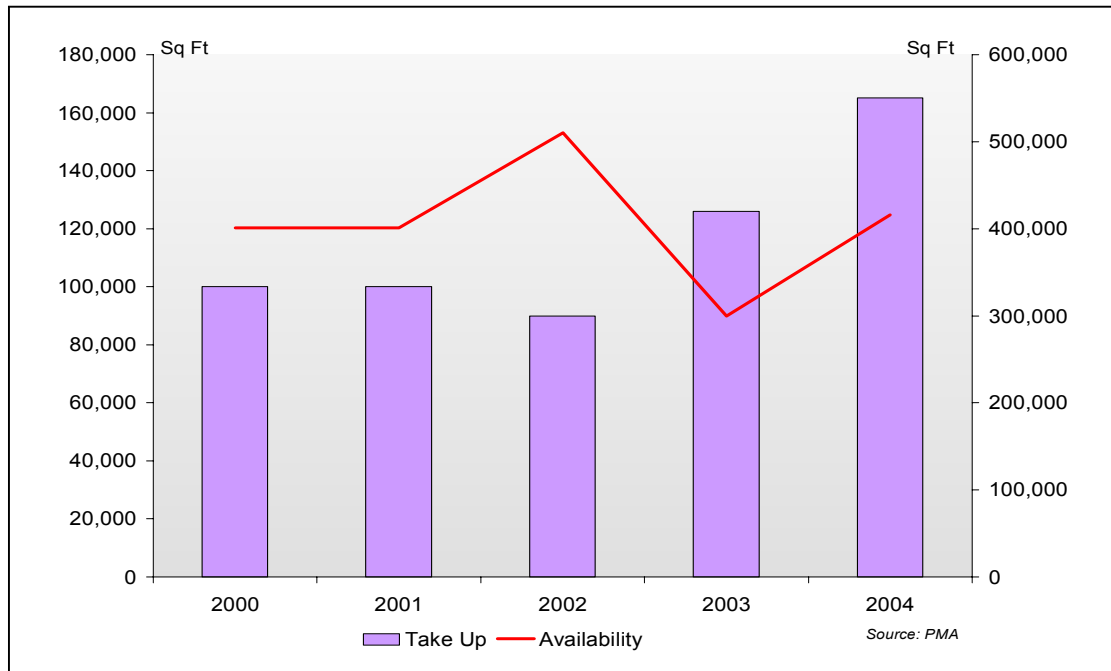


Figure 3.9: Office Take-up and Availability in Ipswich



3.55 Discussions with local commercial agents suggest that much of the demand for office property tends to be driven by ‘churn’; i.e. changing property requirements from indigenous occupiers that are growing or shrinking. The majority of enquiries and take-up are for small premises (i.e. 750 sq ft to 3,000 sq ft category) and there are very few large

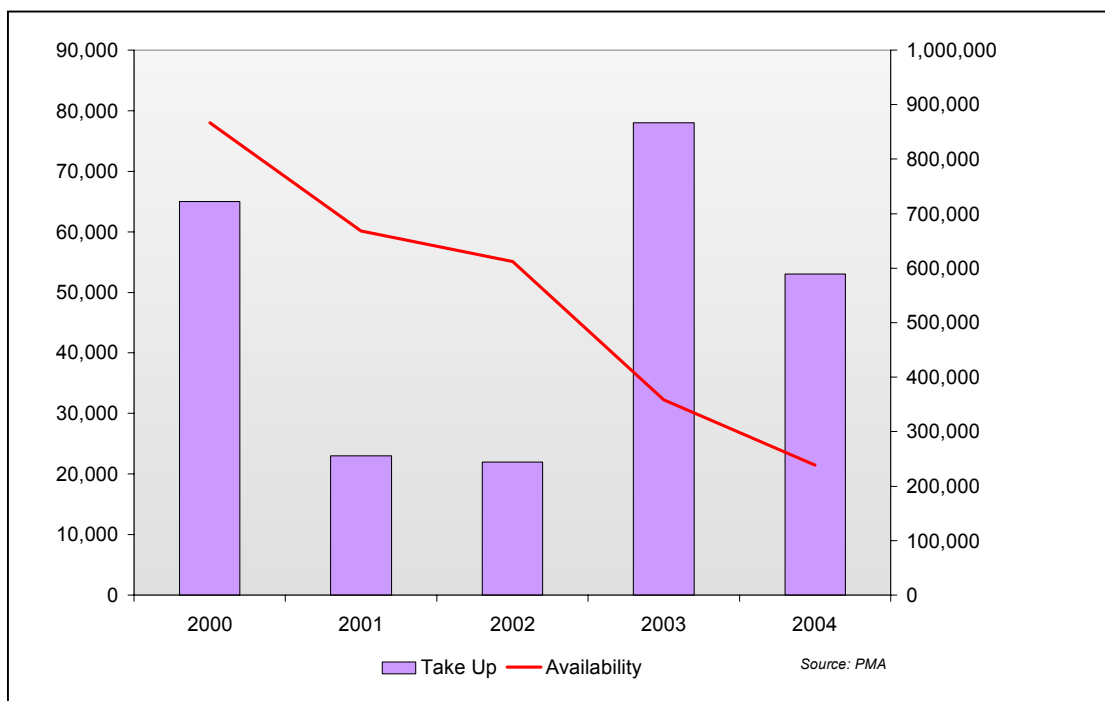
requirements. Demand is particularly significant for a mix of office and workshop space at the smaller end of the market.

- 3.56 The quality of office accommodation varies across the area. There is a tendency toward ageing stock, particularly in Ipswich where it is mostly 1970s (dating from the relocation of insurance firms from London in the 1970s), but also in Colchester and Felixstowe. As a result, properties are expensive to run and maintain. There is little new stock coming onto the market, and agents predict that existing floorspace surpluses will be absorbed within the next three to five year period.
- 3.57 The key constraint for the market in the Haven Gateway area concerns the mismatches between developer and occupier requirements. Developers are seeking higher rental levels and more secure covenants (i.e. 10, 15 or 20 years) than that which can be achieved locally. Occupiers on the other hand are seeking competitive rents and short term, flexible leases. This mismatch acts as a constraint on the development of new office schemes.
- 3.58 There are some exceptions to this general 'rule of thumb', as demonstrated by the recent pre-let scheme for Ipswich Council at Russell Road in Ipswich (approximately 60,000 sq ft) and the Connaught House speculative scheme in Colchester (approximately 15,000 sq ft). However, whilst these schemes add weight to the argument that if you can establish the right buildings in the right locations then occupiers will be willing to pay the necessary rentals to sustain new builds, the key challenge will continue to be in persuading developers to take the risk.
- 3.59 Given the recent lack of activity, the outlook for the office market according to local agents is fairly pessimistic, particularly over the short term. However, over the longer term, the outlook is more positive, especially given that there is a feeling of being at the bottom of the property market cycle currently. Key market considerations for the future planning of employment land include:
- Distribution – the need to focus on well established office markets of Ipswich and Colchester. Elsewhere, viability constraints will require public sector support/incentives to attract developers.
 - Location – town centre or business park locations are appropriate to future market requirements although in town centres, recent evidence has shown competition from higher value (i.e. residential) uses to be crowding out office opportunities.
 - Sectors – demand tends to be from small and medium sized businesses seeking property on flexible lease terms and for a combination of offices and workshops. Covenant issues may again require public sector support to plug this potential gap in the market.
 - Site requirements – good quality sites in good locations with accessibility to the primary road network are priority requirements. Adequate plot ratios to cater for car parking requirements are also a key requirement.
- 3.60 Local agents also report that the availability of readily serviced sites for office and industrial development in key market areas such as Ipswich is anticipated to be absorbed by the market over the next three to five year period, and that more serviced development opportunities will need to be brought forward over the long term.

Industrial and Warehousing

- 3.61 The industrial market in the Haven Gateway is dominated by the ‘large warehousing sheds’ sector (i.e. 30,000 sq ft plus) and open storage uses such as container and haulage yards linked to the two ports. There is a significant market for small, light manufacturing activities, which tend to be most sought after in Colchester and Ipswich. According to local agents, prime rental values for industrial space range from £6-£6.25 psf in Colchester and Ipswich to between £3.50 and £4.50 in Harwich and Felixstowe.
- 3.62 Recent property market data suggests a downward trend with falling take-up and availability, as demonstrated by Figure 3.10 below. The market is considered by commercial agents to be weak with rental levels having been stagnant for some time with little new development coming onto the market or in the pipeline. As with the office market, much of the demand for space requirements arises from market churn and there is considered to be a mismatch between rentals required to make schemes viable, and those that are achievable locally.

Figure 3.10: Colchester Industrial Take-up and Availability



- 3.63 As with the office sector, the fact that we are on the downward trend of the property market cycle does paint a relatively gloomy picture of short-term prospects for the sector. However, over the medium and longer term, the outlook is more optimistic, particularly in light of the proposed port expansion schemes and the potential spin-offs for new warehousing projects.
- 3.64 Key commercial issues for the future planning of industrial sites include:
- Location – accessibility to the primary road network is key as well as rail freight terminals for major distribution activities.

- Sectors – open storage (e.g. container and haulage yards) are key in port areas; warehousing sectors are also a key potential market.
- Physical requirements – sites for warehousing require a minimum of 30,000 sq ft together with significant plot ratios. 5-10% of property should be allocated for offices.

Summary

- 3.65 The implications of the employment forecasts set out in Chapter 2 for employment in the sectors that impact on employment floorspace are:
- Manufacturing employment falling by 6,200 jobs (+/- 1,500);
 - Distribution employment increasing by 2,100 jobs (+/- 3,000); and
 - Financial and Business Services employment increasing by 21,700 jobs (+/- 3,000).
- 3.66 These employment forecasts translate to a change in the requirement of floorspace across the Haven Gateway (excluding Mid Suffolk) of:
- Offices: 412,800m²;
 - Distribution: 151,300m²; and
 - Industrial: -210,800m².
- 3.67 The estimated net employment land requirements to accommodate the predicted changes in floorspace are:
- Office: 50.3 ha;
 - Distribution: 36.0 ha;
 - Industrial: -50.2 ha; and
 - Total: 36.2 ha.
- 3.68 Our analysis of sensitivities suggests a relatively wide range of potential variation in this total ranging from 1.0ha (low) to 73.8 ha (high) for net employment land. Discounting the forecast decline in requirements, the estimated gross employment land requirement is for an additional 88.1 ha, but with variation ranging from 60.1 ha (low) to 122.6 ha (high).
- 3.69 Key messages from our property market assessment are:
- recent performance across office and industrial sectors has been weak, with falling take-up and transactions in most locations;
 - market requirements tend to be driven by ‘churn’;
 - quality of stock varies considerably with much considered to be ageing across office and industrial sectors;
 - low rental levels tend to constrain development activity; and
 - Ipswich and Colchester tend to be the strongest locations for office and industrial activity.

4 SUPPLY APPRAISAL

4.01 This section of the report assesses the supply of employment land and premises across the Haven Gateway. It quantifies the supply and assesses its quality in relation to the extent to which key sites and premises are considered to meet modern business requirements. It aims to highlight key strengths and weaknesses across different local authority areas and ultimately to enable us to determine the extent to which supply meets anticipated future requirements. It is set out as follows:

- **Supply of employment land and premises** – the quantity of employment land and premises which is available (including marketed sites/premises, local plan allocations and planning pipeline sites);
- **Supply appraisal** – an overview of the findings of the supply appraisal as well as a district by district assessment of key sites;
- **Conclusions on supply** – key findings on the quality and suitability of supply within the Haven Gateway to meet demand requirements.

Supply of Employment Land and Premises

4.02 In order to quantify the amount of vacant floorspace available within the Haven Gateway area, a range of secondary data sources have been utilised including Focus Reports, the SDA Commercial Property Database and the Exdra Commercial Property database as well as planning proposals. The focus has been on the whole of the Haven Gateway sub-region, which for this purpose includes the whole of the following districts: Ipswich, Mid Suffolk, Suffolk Coastal, Babergh, Colchester and Tendring.

4.03 Table 4.1 overleaf illustrates the distribution of employment land across the Haven Gateway by use class, demonstrating that just over 456ha of land is available for employment use (B1, B2, B8) across the sub-region. A further 514ha consists of port allocations and for employment (B1-B8) associated with the port¹. It is important to note that the figures do not take account of the quality of supply or the likelihood of land being taken forward for development. The other key points to note from Table 4.1 are that:

- Suffolk Coastal and Tendring have the largest amounts of employment land available; and
- aside from these locations, Babergh and Colchester have a large supply of available land.

¹ Note that it has not been possible to distinguish between available and occupied port land for Felixstowe within Suffolk Coastal District and this figure refers to both available and non-available land.

Table 4.1: Employment Land Supply Within the Haven Gateway Area (ha)

	Ipswich	Babergh	Suffolk Coastal	Mid Suffolk	Colchester	Tendring	Haven Gateway
B1	11.21	12.64	20.22	4.02	0.51	0	48.6
B2	0	0	0	2	0	0	2
B8	0	0	0	8	0	0	8
B1 or B2	1.76	6.4	8.2	2.5	13	0	31.86
B1, B2 or B8	55.37	82.84	25.56	50.54	83.29	62.45	360.05
B2 or B8	6.07	0	0	0	0	0	6.07
Employment Land (excl. port)	74.41	101.98 ¹	53.98	67.06 ²	96.8 ³	62.45	456.68
Port Allocation	0	0	355.3	0	0	122	477.3
Port-related Employment Uses	0	0	Included within figure above	0	0	36.55	36.55
Total Land (incl. Port)	74.41	101.98 ¹	409.28	67.06 ²	96.8 ³	220.99	970.52

¹ A further 4.9ha of B1/B2 land, 11.3ha of B8 land and 34ha of land suitable for B1, B2 and B8 uses, may come available in Babergh if sites are redeveloped
² A further 7ha of (B1/B2) land could be made available if current owners of one site were to rationalise their activities.
³ Note that this figure refers to the maximum amount of land which can be utilised for B1-B8 uses on the sites we have examined. A number of the sites have been allocated for mixed uses, which include residential/leisure/retail and a minimum of 50% B1-B8 is required. If only the minimum amount was delivered this would equate to 74.82 ha.

4.04 Table 4.2 below illustrates the total supply of vacant floorspace within the Haven Gateway by district and use class (space which is currently being marketed). This shows that there is currently around 333,000m² vacant floorspace within the sub-region, with over half (52%) consisting of B1 (Business) space. Other key points from Table 4.2 are as follows:

- the largest supply of vacant floorspace is situated within Ipswich (100,942 m²), with the majority of this (75%) consisting of premises suitable for B1 use;
- Tendring and Suffolk Coastal also have a substantial supply of vacant stock, with 68,158 m² and 59,075 m² available respectively. For Tendring over half of this (61%) consists of storage and distribution space (B8), but for Suffolk Coastal, the majority (56%) of space available is for B1 use; and
- the remaining rural areas of Babergh and Mid Suffolk have less available space with 30,322m² and 32,467m² respectively. For Babergh, this is predominantly storage and distribution space and for Mid Suffolk it is predominantly B1.

Table 4.2: Supply of Vacant Premises (m²)

	Ipswich	Babergh	Suffolk Coastal	Mid Suffolk	Colchester	Tendring	Haven Gateway
B1	75,491	6,326	32,925	22,298	30,291	5,118	172,449
B2	10,634	1,248	10,499	4,738	5,904	21,397	54,420
B8	14,817	22,748	15,651	5,431	6,010	41,643	106,300
Total Vacant Premises	100,942	30,322	59,075	32,467	42,205	68,158	333,169

4.05 With regard to existing floorspace being marketed, discussions with local commercial property agents indicate that:

- for offices, there is a tendency towards ageing stock, especially in Ipswich (where stock predominantly dates from the 1970s). This is also in issue at Colchester and Felixstowe. A further concern is that there is little new stock coming on to the market; and,
- for industrial and warehousing space, the quality of supply is varied but is generally poor and ageing.

Supply Appraisal

4.06 The supply appraisal focuses on vacant sites and proposals within Local Plans/planning pipeline located within the Haven Gateway (as defined by the six whole districts) as well as some other key sites being marketed on property databases. For the purpose of this study, a size threshold of 2ha was adopted and the majority of sites we have considered are above this threshold.

4.07 Information was collected from local authorities on sites and an appraisal undertaken covering a range of criteria such as site condition, availability for development and end use suitability. The site assessment criteria are included within Appendix 3.

4.08 The overall key findings of this appraisal are as follows:

- **Location** – the majority of sites (60%) are ‘outer urban’ (i.e. within urban areas, but outside of the town centre) and only 9% are located within town centres. The relatively high percentage of sites located within rural areas will have an impact on their compatibility and accessibility.
- **Accessibility** – nearly half of all sites were considered to have ‘average’ accessibility to roads, (situated on or adjacent to the primary road network). Only 12% of all sites were considered to have ‘poor’ accessibility to the road network. Given the rural nature of the sub-region, sites within the Haven Gateway appear to be less accessible to public transport. The majority of sites (49%) have only average accessibility to public transport with 27% having poor access. As expected, rural areas, such as Tendring, Mid Suffolk and Babergh, have a high proportion of sites with poor accessibility.
- **Site Conditions** – for 11% of all sites, the conditions were unknown but 42% of sites were considered to have ‘good’ site conditions and only 12% of all sites were considered to have poor site conditions. However, over a third of all sites were considered to have some form of constraint. The quality of the environment does not appear to be a significant issue, with the majority of sites considered to have a good quality of environment and a high percentage classified as having only average quality of environment. Furthermore, the overwhelming majority of sites (76%) were considered to be compatible with neighbouring uses.
- **Timing** – 21% of all land will be available immediately, only 14% is available in the shorter term (within the next 5 years), 42% is available in the medium term (5-10 years) and only 4% in the longer term (over 10 years).
- **Developer Interest** – this is positive for the Haven Gateway, with over a quarter of sites considered to either have high levels of market activity (9.6% i.e. planning

proposals are being developed for the sites) or average levels of market activity (17.5% i.e. they have received a number of enquiries).

4.09 Based on the completed information within the site appraisal pro-formas, we have classified each of the sites according to their quality and suitability for redevelopment. The following classification applies:

- **Good** – well located, with direct access to the primary road network and/or public transport interchange and good site conditions with no known constraints. We have also taken into account developer interest as indicated by the level of interest expressed in sites by developers.
- **Medium** – located close to primary road network and/or public transport interchange, average site conditions and minimal constraints and low levels of developer interest.
- **Poor** – site is badly served by primary road network and/or public transport interchange, site conditions are poor and there are significant constraints.

Babergh

4.10 Twelve sites in Babergh were assessed as part of the supply appraisal. All of these (except the Churchfield Road site and the Pond Hall Road site) are allocations within the Babergh Local Plan Alteration No2 Second Deposit Draft document. Whilst it is considered that there will not be significant changes to the Local Plan as it is finalised, the draft status of the plan should be recognised and could affect the actual supply available. The main points arising from this appraisal are as follows:

- **Location and Accessibility** – nearly half of all sites are situated in rural locations and over a quarter (33%) are within ‘inner urban’ (or town centre) sites. Nearly half of all sites were considered to have ‘good’ road accessibility, but a high percentage – 33%- was also considered to have ‘poor’ road accessibility. Unsurprisingly, the sites are not well served by public transport, with 58.3% being classified as ‘average’ and 41.7% as ‘poor’ (higher than the average for the Haven Gateway area).
- **Site Conditions** – over half of sites were considered to have good site conditions. However, at the same time half of all sites which are available suffer from at least one constraint (such as flood risk, accessibility or contamination). The quality of the environment (including public realm, fabric of nearby buildings) does not appear to be an issue and the majority of sites would appear to be compatible with neighbouring uses (83.3%).
- **Availability** – within Babergh 24.4 ha of land is available immediately, a further 13.8ha is available in around 2 to 5 years, the majority of land (55.84 ha) is available between 5 to 10 years time reflecting the high quantity of constrained sites, and 6.5 ha of land may be brought forward after 10 years time. If all of the occupied sites were to come forward this could release an additional 38.94 ha.
- **Developer Interest** – market activity for sites within Babergh are predominantly high i.e. planning proposals are being developed (25%), or moderate i.e. a significant number of enquires have been received for the sites (33%) which is positive for the borough. However, there is a high level of interest in developing employment sites for alternative uses, particularly residential use.

- **Policy Contribution** – development on the IP8 site within the Ipswich Fringe would help to realise economic development objectives as this site is considered to be important in the progress of the IP city concept. The development of the Chilton Mixed-Use Development Package could contribute to sustainable development objectives – an urban extension at Sudbury, this would provide a mix of uses including employment. Development on other rural sites in Babergh e.g. the Powergen site and the ICI Imagedata/Wardle Storeys could provide additional employment opportunities locally, thus contributing to sustainable development objectives.

4.11 Table 4.3 below provides a summary of the overall current supply of employment land in Babergh and the classification of each site based on the supply appraisal information. This shows that a total of 100.5 ha of employment land has been included within the supply appraisal. A further 1.4 ha of land (consisting of smaller sites below 2ha) will also be available in Babergh but have not been appraised as part of this study². In addition, up to 47.2 ha of land, which is currently occupied, could also be potentially available.

² Land at Bures Road, Great Cornard (0.4ha), Bull Lane/Acton Place Industrial Area (1ha) workshop allocations equating to 0.04ha

Table 4.3 Employment Land in Babergh

Name of Site	Area Available for Employment Uses (ha)	Preferred Use	Availability	Quality Classification
Chilton Mixed-Use Development Package*	15.84 (+3.96 Leisure)	B1, B2, B8	Medium to Longer Term	Medium
Former 'British Sugar' Site (Ipswich Fringe)*	40	B1, B2, B8	Medium to Longer Term	Medium
Churchfield Road, Chilton Industrial Estate, Sudbury**	15.5	B1, B2, B8	Immediately	Good
Land to South East of Lady Lane at Hadleigh*	5	B1, B2, B8	Short Term	Good
Powergen (Former TXU Energi) Site, Wherstead Village*	3.3	B1	Short Term	Medium
Land off Sprites Lane, Ipswich – IP8 Site*	8.9	B1	Immediately	Good
Former IFF Site, near Long Melford [#]	6.5	B1, B2, B8	Longer Term	Poor
Notley Enterprise Park*	3 up to 8.3ha may also be available if site redeveloped	B8	Short Term	Poor
Land off Tentree Rd, Great Waldingford*	2.5	B1, B2	Short Term	Medium
Pond Hall, Hadleigh*	2.64	B1, B2	Occupied may be available for redevelopment Short – Medium Term	Poor
By Pass Nurseries Site between A12 and London Road, Chapel St Marys*	2.3	B1, B2	Occupied - may be available in short to medium term	Good
Land at ICI Imagedata/ Wardle Storeys*	34	B1, B2, B8	Occupied – may be available for redevelopment	Poor
*Allocations or existing employment sites within the Babergh Local Plan Alteration No2 Second Deposit Draft May 2003 ** Marketed on SDA Property Database [#] Babergh DC has decided to remove the former IFF site from the Local Plan Allocations.				

4.12 Overall, of the 100.5ha of land, which is available, only 29 ha has been identified as **'good'**. This includes the IP8 site off Sprites Lane, Chilton Industrial Estate and land to the South East of Lady Lane. All of these are in good location and are either available immediately or in the short to medium term. A further 61.64 ha of land is classified as

being of ‘medium’ quality, and nearly 10ha is considered to be poor as a result of a combination of poor location and condition.

Ipswich

4.13 A total of 27 sites in Ipswich were assessed as part of the supply appraisal. The main points arising from this appraisal are as follows:

- **Location and Accessibility** – nearly all of the sites within the borough of Ipswich are ‘outer urban’ sites (i.e. within urban areas but outside of town centres) and only 3.1% are ‘inner urban’ sites (i.e. within town centres). Few sites have poor road accessibility and public transport is average for the majority of sites (78%).
- **Site Conditions** – the majority of sites are in good condition (75%) whilst a quarter experience known constraints. The quality of the environment is not a major issue and the proposed uses are compatible with neighbouring uses.
- **Availability** – the majority of land in Ipswich (27.5 ha) could be bought forward immediately, and a similar amount (26.98ha) could be brought forward within 5 years time. Only 13.8 ha could be brought forward in the medium term (5-10 years) and none thereafter. This timing reflects the relative lack of constrained sites within the borough.
- **Developer Interest** – information on market interest for sites within Ipswich has not been available for this appraisal.
- **Policy Contribution** – the Waterfront Areas and Ipswich Village are identified within the Local Plan as areas in need of renewal and priorities for development. The development of sites within these areas is therefore considered to make the most positive contribution to economic development. The same is true of the Ransomes Europark site, which is considered to be a key strategic site within the borough and a priority for development. Other sites around Ipswich may contribute to the development of the IP City concept and the Cambridge to Ipswich Hi-Tech corridor. It is also relevant to note that seven of the sites are located within a 5km radius of super output areas (SOAs) within the worst 20% in England (for overall IMD score) and development of these sites could incur positive benefits. These include the following: Anglia Parkway, Ransomes Europark, Whitehouse Road, Ranelagh, Knightsdale, Cliff Quay.

4.14 Table 4.4 below provides a summary of the overall supply of employment land within the district of Ipswich and the classification of each site based on the supply appraisal information. This shows that a total of 74.4 of employment land will be available within Ipswich for employment use.

4.15 It is worth noting that of these, 17 have less than 2ha of land available for employment use (B1, B2, B8) and the only site which is of a significant size is the Ransomes Europark Site (20.2ha). For a number of sites, only part of the land is available for B1-B8 uses and the remainder is allocated e.g. leisure or residential. However, the figures we have used for the supply appraisal are concerned only with that which is available for B1, B2, B8 use.

Table 4.4: Employment Land Availability in Ipswich

Name of Site	Area Available for Employment Uses (ha)	Preferred Use	Availability	Quality Rating
Waterfront Area Sites				
Land West of New Cut, South of Felaw Street*	1.83 (2.29 total)	B1 and Leisure (20%)	Short Term	Good
Land East of Hawes Street*	2.16 (2.70 total)	B1 and Leisure (20%)	Short Term	Good
Land between Cliff Quay and Landseer Road*	3.02 (3.78 total)	B1 and Leisure (20%)	Medium Term	Poor
Island Site (Southern End)*	0.74 (1.84 total)	B1 (40%) and Leisure/Residential (60%)	Medium Term	Poor
Land between Star Lane and College Street East of Slade Street*	0.12 (0.24 total)	B1 (50%) and Leisure (50%)	Medium Term	Medium
No 8 Shed, Orwell Quay*	0.76 (0.608)	B1 (B2, B8) and Leisure	Medium Term	Medium
Northern Quays (Eastern Road)*	0.16 (0.40)	B1 (40%) and Leisure	Short Term	Medium
Ipswich Village				
Princes Street/Portman Road*	0.12 (0.29 total)	B1 (40%)	Short Term	Good
Princes Street/New Cardinal Street*	0.45 (1.13)	B1 (40%)	Short Term	Medium
Other Sites				
EEDA Site, Hadleigh Rd, Ipswich***	7.49	B1, B2, B8	Short Term	Medium
White House Road**	7.3	B1, B2, B8	Immediately	Good
30 Knightsdale Road**	3.4	B1, B2, B8	Medium Term	Poor
Ranelagh Road*	2.75	B1, B2, B8	Short Term	Medium
12 Cliff Road**	2.08 (2.6 total)	B1, B2, B8 (and 20% Leisure)	Short Term	Medium*
Ravenswood, Nacton Road**	2.45	B1, B2, B8	Short Term	Good
Land opposite 674-734 Bamford Road*	2.25	B1, B2, B8	Medium Term	Medium
Ransomes Europark***	20.24	B1, B2, B8	Immediately	Good
2-14 Anglia Parkway South **	1.8	B1, B2, B8	Short Term	Good
Land to the North of Bury Road**	1.7	B1, B2, B8	Short Term	Good
Land fronting 53-59 Knightsdale Road**	1.764	B1, B2	Medium Term	Poor

Name of Site	Area Available for Employment Uses (ha)	Preferred Use	Availability	Quality Rating
Anglia Parkway, Ipswich***	1.65	B1, B2, B8	Short Term	Good
Land allocated at the Northern Fringe*	1.5	B1, B2, B8	Medium Term	Medium*
Land adjacent British Telecom, Handford Road**	0.45 (1.113 total)	B1 (assumed 40%) and residential	Short Term	Good
West Dock, Ipswich***	0.10 (0.24)	B1 (40%) and (0.144ha residential)	Medium Term	Medium*
Toller Road, Timber Storage Yard**	0.17	B1	Medium Term	Medium
St Georges House, St Matthews Street*	0.15	B1	Short Term	Good
Old Cattle Market Site, Portman Road*	1.74 (2.17 total)	B1 (and 20% leisure)	Short Term	Good
Raeburn Road South	6.07	B1/B2	Insufficient Information	Insufficient Information
*Ipswich Local Plan First Deposit Draft (November 2001) **Ipswich BC Employment Land Availability Document (July 2004) ***Marketed Site (Exdra database or SDA Property Database)				

4.16 Overall, 42ha of land is **‘good’**, approximately half of which is provided by Ransomes Europark, which is considered to be **the** prime location for office and industrial development in Ipswich. The rest of the supply tends to be either poorly located or unavailable in the short to medium term because of a lack of servicing or other constraints. We classified 18 ha to be of medium quality, which includes the EEDA site at Hadleigh Road, and only 9 ha to be poor.

4.17 A key issue for Ipswich’s employment land supply concerns the fact that Ransomes Europark is expected to be developed out within a period of three to five years. Other development sites tend to be much smaller (i.e. below 2 ha) and/or in a poor location/condition. Therefore, a key consideration for Ipswich will be whether there is sufficient supply of the right sites in the right locations to cater for long-term demand.

Suffolk Coastal

4.18 A total of 12 available sites in Suffolk Coastal and seven port related sites were assessed as part of the supply appraisal. Port related sites include those sites which are located in close proximity to the port. The main points arising from this appraisal are as follows:

- **Location and Accessibility** – the majority of sites assessed within Suffolk Coastal are ‘outer urban’ sites but over a quarter are rural sites. Road accessibility has been classified as average for around half of the sites and a large number of sites are considered to have good road access. Access to public transport is less positive, with over half of sites classified as having average accessibility whilst 32% were considered to have poor access to public transport. A positive factor for Suffolk

Coastal however is the presence of the port, which increases the accessibility of sites.

- **Site Conditions** – site conditions have been classified as average for the majority of the sites and over a third as ‘good’. Where constraints were identified, the majority related to accessibility issues and three of the sites were considered to be potentially contaminated. The quality of the environment for sites (including public realm, fabric of nearby buildings and open spaces) is predominantly good (42%) or average (47%).
- **Availability** – the majority of land in Suffolk Coastal could come forward immediately, some 50 ha. Over 4ha is available in 5 to 10 years and over 3 ha after this time³.
- **Developer Interest** – for the majority of sites, market interest was unknown and as such it is difficult to draw conclusions from this.
- **Policy Contribution** – the development of the port and the employment sites utilised for port-related employment would contribute to local, sub-regional and regional economic development priorities. In addition, the Martlesham Heath site could contribute to economic development objectives, the IP City concept and the development of the Cambridge to Ipswich Hi-Tech corridor.

4.19 A total of 54 ha of land is available within the Suffolk Coastal district outside of the port area and all of this has been considered within the supply appraisal. A further 355 ha of land is available within the port area⁴.

³ These figures exclude the port area and port related sites.

⁴ This figure includes vacant and occupied sites

Table 4.5: Employment Land Availability in Suffolk Coastal

Name of Site	Area Available for Employment Uses (ha)	Preferred Use	Availability	Quality Rating
Parham Airfield	1.67	B1, B2	Longer Term	Poor
Station Road and Woodbridge Road Employment Areas	2.23	B1, B2, B8	Immediately	Medium
Land between Station Road and Fairfield Road, Framlingham	0.97	B1, B2	Immediately	Medium
Leiston Waterloo Avenue	0.22	B1	Medium Term	Medium
Leiston Abbey Road	2.36	B1, B2	Medium Term	Poor
Saxmundham, Rendham Road	4.82	B1, B2, B8	Immediately	Medium
Felixstowe Peninsula: Levington Park	1.14	B1	Immediately	Poor
Ipswich Fringe: Nacton Heath (Ransomes Europark)	14.3	B1, B2, B8	Immediately	Good
Ipswich Fringe: Martlesham Heath Industrial Estate	4.21	B1, B2, B8	Immediately	Good
Ipswich Fringe: Martlesham Heath Hi-Tech Cluster (including Suffolk Innovation Park)	18.86	B1	Immediately	Good
Wickham Market, Border Cot Lane	0.06	B1, B2	Immediately	Medium
Melton: Wilford Bridge Employment Area	3.14	B1, B2	Immediately	Medium
Port Related Sites				
Felixstowe: Felixstowe Port Development	355.3 (**)	B1, B2	Immediately	Good
Felixstowe: Carr Road	0.45	B1, B2	Immediately	Medium
Felixstowe: Blofield Park and Enterprise Village	25.99 (**)	B1, B2, B8	Medium Term	Medium
Felixstowe: Parker Avenue	4.9 (**)	B1, B2, B8	Immediately	Medium
Haven Exchange, Walton Avenue, Felixstowe	4.34 (**)	B1, B2, B8	Immediately	Good
Dooley Site, Dock Gate 2 Trinity Business Estate, Felixstowe	0.65 (**)	B1	Immediately	Good
Ex Goodway Site, Trinity 2000 Business Estate, Felixstowe	4.9 (**)	B1	Immediately	Good
(**) These sites are included in the figure of 355.3ha for the wider port area. This also includes all of the direct port related activities such as container storage, customs houses and port related offices. This figure refers to the total land supply at Felixstowe Port, including available undeveloped land and occupied land. A figure for vacant land is not available. The council would not be adverse to non-port related uses on the port related sites.				

- 4.20 Overall, 37 ha land outside of the port has been classified as ‘good’, including the Martlesham Heath Industrial Area, the Martlesham Heath Hi-Tech Cluster site (Suffolk Innovation Park) and Nacton Heath on Ipswich Fringe. A further 11 ha were considered to be of medium quality and 5 ha to be poor. A key issue for Suffolk Coastal concerns the fact that a large proportion of sites are in rural locations and suffer from poor accessibility to markets, supplier chains and workforce.
- 4.21 There is 355.3 ha of land available at the port consisting of vacant and occupied land. Within this area, six sites have been appraised and 9.89 ha has been classified as ‘good’, with the majority of land (31.34 ha) considered to be of a ‘medium’ quality, including the Felixstowe: Blofield Park and Enterprise Village site.

Mid Suffolk

- 4.22 A total of 12 sites in the Mid Suffolk district were assessed as part of the supply appraisal. The main points arising from this appraisal are as follows:
- **Location and Accessibility** – none of the sites are located within the town centre. Instead, the majority are rural sites (69.2%) and the remainder outer urban sites. Over half of sites were considered to have good road accessibility and only 7.7% of sites were classified as having poor road accessibility. Unsurprisingly, the majority of sites were considered to have poor public transport accessibility (53.8%), reflecting its rural location and few sites assessed were considered to have good public transport accessibility.
 - **Site Conditions** – few sites were considered to have ‘poor’ site conditions with over half considered to have ‘average’ site conditions. Nevertheless 61.5% of all sites were considered to have some form of constraint, which includes access issues, contamination and a disused abattoir located on site. The quality of environment for most sites was considered to be good (61.5%) and all sites were considered to be compatible with neighbouring uses.
 - **Availability** – 22.4% of all land is available immediately equating to 15.0ha, 44.1% is available in the short term (2-5 years), equivalent to 29.6 ha. 33.5% of all land is considered to be available within the next 5 to 10 years, equivalent to 22.5ha.
 - **Market Interest** – planning proposals are being developed for 15.4% of sites and there are a significant number of enquiries for nearly half of all sites.
 - **Policy Contribution** – some of the sites (Cedars Park, Woolpit) are considered to be within a location which could help to achieve the realisation of the Cambridge to Ipswich hi-tech Corridor concept. However, the likelihood of them being brought forward for hi-tech uses of this nature is questionable. The regeneration of Stowmarket is a key priority and as such sites within this location (such as Cedars Park) could help to realise economic development and social regeneration objectives.
- 4.23 A total of 67.1ha land has been identified as available within Mid Suffolk (and all of this has been considered within the supply appraisal).

Table 4.6: Mid Suffolk Employment Land Availability

Name of Site	Area Available for Employment Uses (ha)	Preferred Use	Availability	Quality Rating
Mendlesham Airfield Industrial Estate	5.5	B1, B2, B8	Short Term	Medium
Employment Land at Stowmarket, Cedars Park, Stowmarket	11	B1, B2, B8	Immediately Available	Good
Land at Woolpit Business Park, Bury Road, Woolpit	2.5	B1, B2	Short Term	Medium
Land at Eye Airfield Industrial Estate	4.5	B1, B2, B8	Short Term	Medium
Brome Triangle, Eye Airfield, Eye	2.02	B1	Immediately Available	Good
Land at Orion Business Park, Orion Business Park, Great Blakenham	2.57	B1, B2, B8	Short Term	Medium
Eye Airfield	10	B1, B2, B8	Medium Term	Medium
Mendlesham Airfield (B8)	8	B8	Short Term	Medium
Scotts site, Papermill Lane	2	B1	Short Term	Poor
Climax Molybdenum	12.47	B1, B2, B8	Medium Term	Poor
Old Newton – Bridge Farm	2	B2	Immediately	Poor
TXU Disaster Recovery Unit	4.5	B1, B2, B8	Short	Good

- 4.24 In total, approximately 17.5 ha of land has been classified as ‘good’, including the site at Cedars Park in Stowmarket. 33 ha is of medium quality and a further 16.5 ha is poor experiencing a variety of constraints. Similarly to Suffolk Coastal District, key issues include the rural location of many employment sites.

Tendring

- 4.25 A total of 11 sites (including the port allocation, and 3 sites considered to be suitable for port related employment) were assessed as part of the supply appraisal. The main points arising from this appraisal are as follows:
- **Location and Accessibility** – over half of the sites assessed have been classified as ‘outer urban’, with only one rural site. Few of the sites were considered to have good road accessibility and 80% of all sites were classified as having either average or poor access to the primary road network. Due to the rural nature of the district, many of the sites in Tendring were considered to have poor access to public transport and few of the sites were considered to have good access to public transport. A number of the sites (as indicated below) are however, located in close proximity to the proposed port development at Bathside Bay, Harwich and if this receives planning permission, their location will be integral to their development.
 - **Site Conditions** – none of the sites were considered to have poor site conditions, and the majority were considered to have average site conditions. A significant

proportion of the sites (half) were considered to have some form of constraint, the majority of which relate to high infrastructure costs required to take the site forward, particularly the port sites. In terms of the quality of the environment only one site was considered to have a poor quality of environment, but a limited amount was also classified as having a good quality environment. Furthermore, only one site was considered to have poor compatibility with neighbouring uses (Land to the South of the A120).

- **Availability** – a total of 7.73ha of land considered within the supply appraisal could be bought forward immediately and 13.7ha could be bought forward within the next 5 years. The majority of land could however be bought forward in the medium term, as a number of the sites are considered to be dependent on the port being developed. A total of 34.6ha of land not related to the port could be bought forward in the medium term (5 to 10 years) and 36.55ha of land, which would be suitable for port related employment uses could be bought within this timeframe.
- **Policy Contribution** – The development of the Bathside Bay development at Harwich would contribute to local, regional and sub-regional objectives. Furthermore, the sites with close proximity to the port, which would be utilised for uses supporting the port (as indicated below) would also have a positive impact. Clacton is also a priority for regeneration, therefore the development of these sites (as indicated below) would have a positive impact on regeneration objectives.
- **Developer Interest** – a third of the sites have received enquiries and proposals are being developed for a small number of sites (6.7%). Tendring has traditionally had problems attracting new firms due to the fact that demand is centred mainly on Colchester and Ipswich. Parts of Tendring are subject to significant rural policy restraints.

4.26 Land totalling 214.6ha has been reviewed as part of the supply appraisal (including the 122ha Bathside Bay port allocation and 36.55ha of land, which would provide employment opportunities associated with the port). In addition to this, a further 6.4ha of land is available within Tendring (consisting of a number of sites below 2ha in size⁵). It should be noted that whilst the final three sites could provide employment opportunities for the port, given their location, they could equally be used for other uses.

⁵ Land North East of Stanton Europark, Dovercourt – providing employment opportunities at the port (1.63ha), Land r/o the Balcerne Gate PH off Stephenson (0.2ha), Valleybridge Rd (0.2ha), Land North of Co-op Fiveways Store (1.89ha), Morses Lane Industrial Estate (0.78ha), Land East of Plough Centre, Plough Rd (0.94ha), Kirby Cross Trading Estate (0.37ha), Land North of Paskells Timber Yard (0.37ha)

Table 4.7: Tendring Land Availability

Name of Site	Area Available for Employment Uses (ha)	Preferred Use	Availability	Quality Rating
Site 6, Land North of Oakwood and Gorse Lane Industrial Estate, Clacton	7.6	B1, B2, B8	Medium Term	Poor
Site 25 Plots A-E Martells Pit (Ardleigh Village)	9.6	B1, B2, B8	Short Term	Poor
Sites 22-24 Plots A-C Lawford Industrial Estate	3.12	B1, B2, B8	Immediately	Good
Site 7 Land South of Centenary Way, Clacton	4.12	B1, B2, B8	Short Term	Medium
Sites 8-13 Gorse Lane Industrial Estate, Clacton	2.32	B1, B2, B8	Immediately	Medium
Land to the South of the A120 and West of the A133 at Frating	27	B1, B2, B8	Medium Term	Medium
Sites 14-16 Oakwood Business Park, Clacton	2.29	B1, B2, B8	Immediately	Medium
Port Area				
Bathside Bay, Harwich	122	B1, B2, B8	Medium Term	Medium
Sites Providing Employment Opportunities for the Port				
Land East of Pond Hall Farm, off the A120 at Dovercourt	27	B1, B2, B8	Medium Term	Medium
Site 3, Land West of Station Road Parkeston, Harwich	6	B1, B2, B8	Medium Term	Medium
Site 1 Stanton Euro Park (formerly Iconfield Site)	3.55	B1, B2, B8	Medium Term	Good

- 4.27 Only 6.67 ha of land has been classified as good and the majority of land in Tendring is considered to be of medium quality (68.7 3ha of land excluding Bathside Bay) and this includes Land to the South of the A120 and Land East of Pond Hall Farm. A total of 17.2 ha of land has been classified as poor including Land North of Oakwood and the Martells Pit sites.
- 4.28 The site to the South of the A120 at Frating is a proposed allocation within the Tendring District Replacement Local Plan Re-Deposit Draft; its planning status is therefore still to be determined. Its rural location however means that the site performs poorly in terms of public transport accessibility. The Re-Deposit Draft Plan indicates that this site would only be developed once the land east of Pond Hall Farm has been substantially let or is unlikely to come forward for development or is inappropriate for particular types of market demand.

Colchester

4.29 A total of 9 sites were assessed as part of the supply appraisal. The main points arising from this appraisal are as follows:

- **Location and Accessibility** – the majority of sites assessed in Colchester are outer urban sites (over half), with few rural sites. Road accessibility assessed was generally classified as being average, with over half of sites receiving this classification. However, public transport was generally considered to be poor or good. A number of sites have identified improvements to public transport as a pre-condition for taking the site forward.
- **Site Conditions** – site conditions for some of the sites are unknown. However, where this information was known the majority of sites were considered to have either poor or average site conditions. Regeneration Areas (as identified below) have been identified within central Colchester and would benefit from redevelopment, as such site conditions within these areas are generally poor. A number of the other sites have pre-conditions for development such as the development of a new bypass and this presents a potential constraint to them being brought forward.
- **Availability** – only 1.8 ha is considered to be able to be brought forward immediately, and none in the short term (within the next 5 years). The majority of land (72 ha) could be brought forward in the medium term (i.e. the next 5 to 10 years). Finally, 15.9 ha could be brought forward after 10 years.
- **Developer Interest** – developer interest for most of the sites is unknown, however planning proposals are being developed for the University Research Park site.
- **Policy Contribution** – the sites identified below under the heading ‘regeneration areas’ are thought to be important in achieving the Council’s Town Centre Vision Strategy and their improvement beneficial to the economic development/regeneration objectives of the Council. Major growth is planned for some parts of Colchester including Cuckoo Farm and East Colchester (including the Hythe, the University Research Park), therefore development of the sites within these areas would be considered to make a positive contribution to economic development objectives (ensuring that there are a significant number of jobs to meet the needs of the increasing population as a result of the housing growth).

4.30 Land totalling 89.8 ha has been reviewed as part of the supply appraisal. In addition to this a number of smaller sites totalling 7.04 ha will be available.

Table 4.8: Colchester Employment Land Supply

Name of Site	Area Available for Employment Uses	Preferred Use	Timescale	Quality Rating
Hythe/Whitehall Road	4.2 – 8.41	Min 50% B1, B2, B8 (max 10% retail)	Medium to Longer Term	Poor
Cuckoo Farm (south of the A12)	31.3	B1, B2 and B8 (min 50%)	Medium Term	Medium
Tollgate/Westside Centre, Stanway	9.04 – 18.09	B1, B2 and B8 (min 50%) D2 and retail max 10%	Medium Term	Medium
University Research Park	13	B1/B2 – min 50% (plus potential for retail and hotel)	Medium Term	Medium
Tiptree – Kelvedon Rd	3.74 – 7.48	B1, B2, B8 (min 50% subject to compatibility with location – remainder D2 and retail)	Medium to Longer Term	Poor
Colchester Business Park	0.88 – 1.77	Min 50% B1, B2, B8 (max 10% retail)	Immediately	Good
Regeneration Areas				
Cowdray Centre Site, off Cowdray Rd – site would benefit from redevelopment /upgrading	5.11 - 9.20 B1-B8 use (10.22 overall)	Substantial provision of small to medium sized business units Possible leisure 6700 m ² bulky retail	Medium Term	Medium
Queen Street Bus Station and land/property adjacent between East Hill, Queen Street and Priory Street – currently developed but would benefit from regeneration	Estimated 0.39 B1 use (3.93 overall)	41800 m ² comparison floorspace incorporating other uses such as office	Medium Term	Medium
Vineyard Car Park/Market Site and property adjacent off Osborne Street – requires redevelopment/upgrading	Estimated 0.12 B1 1.24	Additional attraction, small scale retail and offices	Medium Term	Medium

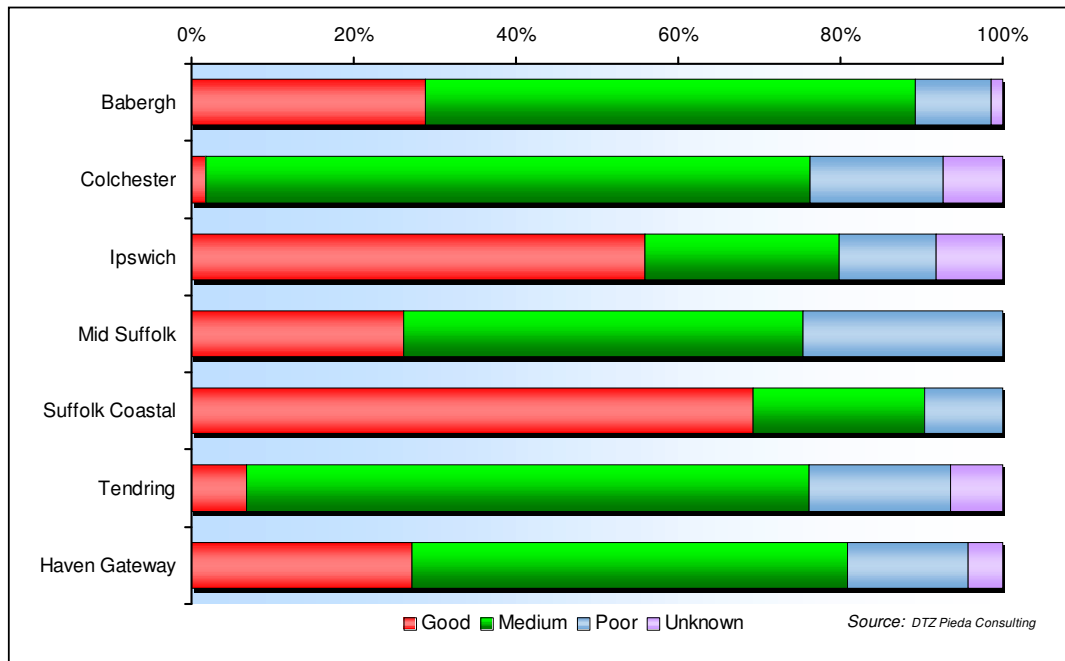
4.31 'Good' quality employment land is in short supply in Colchester and is limited to 2 ha at Colchester Business Park. Combined with the low proportion of sites that are readily available, this represents some obvious challenges for the borough in terms of catering for short and medium term employment land requirements. The overwhelming majority of sites are considered to be of 'medium' quality, with many experiencing severe infrastructure constraints. A further 16 ha is considered to be 'poor' quality.

Summary

- 4.32 The district-wide Haven Gateway study area has a substantial employment land supply. There is almost 1,000 ha in total spread across the six districts. The largest quantities of supply are in Suffolk Coastal (409 ha⁶) and Tendring (221 ha), both of which have substantial land banks serving the ports of Felixstowe and Harwich. The allocated use of these sites is a combination of B1, B2 and B8, although because of the significance of port land in these totals, a substantial proportion is considered most suitable to B8 (storage and warehousing) uses. Excluding the port 'land banks' from the analysis reduces the employment land supply by over a half, to 457 ha, with the largest quantities in Babergh 102 ha and Colchester 97 ha. In addition to this land supply, there is also a considerable quantity of floorspace, 333,000 m² in total, approximately half of which is office property.
- 4.33 Figure 4.1 below summarises the percentage of sites for each district, which have been classified as either good, medium or poor. This shows that:
- across the Haven Gateway, over 25% of all land has been classified as being good which equates to 134 ha of land;
 - the majority of employment land, 54% has been classified as being of medium quality, equivalent to 264 ha of land; and less than this: 15% of employment land (or 73 ha) has been classified as poor;
 - over two thirds of employment land in Suffolk Coastal (69%) was classified as good, equivalent to 37 ha and Ipswich has the second highest proportion of land classified as good, with just over half of employment land or 41.6 ha receiving this classification;
 - Mid Suffolk (24.56%), and Tendring (17.4%) have the highest percentages of poor quality land; and
 - Babergh and Ipswich have only a relatively small proportion of land, which is allocated as poor – 9.3 and 12% respectively.

⁶ This includes 355.3 ha of port land, some of which is occupied. There is 54 ha of employment land excluding the port area.

Figure 4.1: Quality Assessment of Employment Sites



5 OUTLINE POLICY FRAMEWORK

5.01 This section draws together the findings from our demand and supply assessments in Chapters 2 to 4. It highlights the conclusions by way of illustrating the differences between supply and demand, and makes a number of key policy recommendations.

Demand and Supply Mismatches

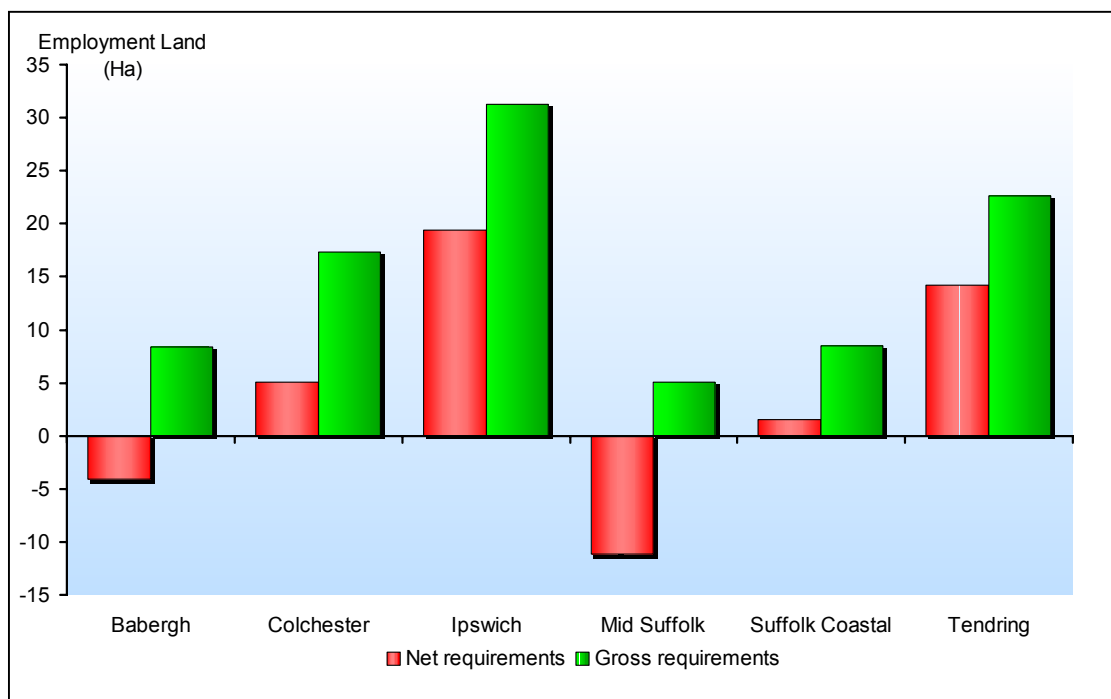
Quantity

5.02 Correlating our assessment of future requirements to 2021 with the information we have compiled on supply indicates that there are substantial surpluses of employment land in excess of what will be required over the period.

5.03 Figure 5.1 and Table 5.1 below summarise this. In total, there is 971 ha of employment land supply across the Haven Gateway study area, which exceeds net and gross requirements (25 ha and 93 ha respectively) by a considerable margin¹. Employment land stocks are greatest in the port hinterland areas of Suffolk Coastal and Tendring districts. Among the other districts, total supply varies from between approximately 67 ha for Mid Suffolk to 102 ha for Babergh.

5.04 Excluding the port 'land banks' from the analysis reduces the employment land supply by over a half, to 457 hectares, which still exceeds estimated requirements to 2021 by a substantial margin.

Figure 5.1: Future Requirements, Gross and Net 2001-2021



¹ Net requirements = B1+B2+B8 requirements; Gross = discounts losses at headline use class level

Table 5.1: Demand (2001-2021) and Supply

	Demand (ha)		Supply (ha)	
	Net requirements	Gross requirements	Total	Excluding port land
Babergh	-4.1	8.4	101.98	101.98
Colchester	5.1	17.3	96.8	96.8
Ipswich	19.4	31.3	74.41	74.41
Mid Suffolk	-11.2	5.1	67.06	67.06
Suffolk Coastal	1.5	8.5	409.28	53.98
Tendring	14.2	22.6	220.99	62.45
Total	25.0	93.3	970.52	456.68

5.05 Therefore, a key policy consideration will be the extent to which existing levels of employment land supply need to be protected, or whether some could be released for other uses. We consider this issue below, after first examining in more detail demand and supply mis-matches.

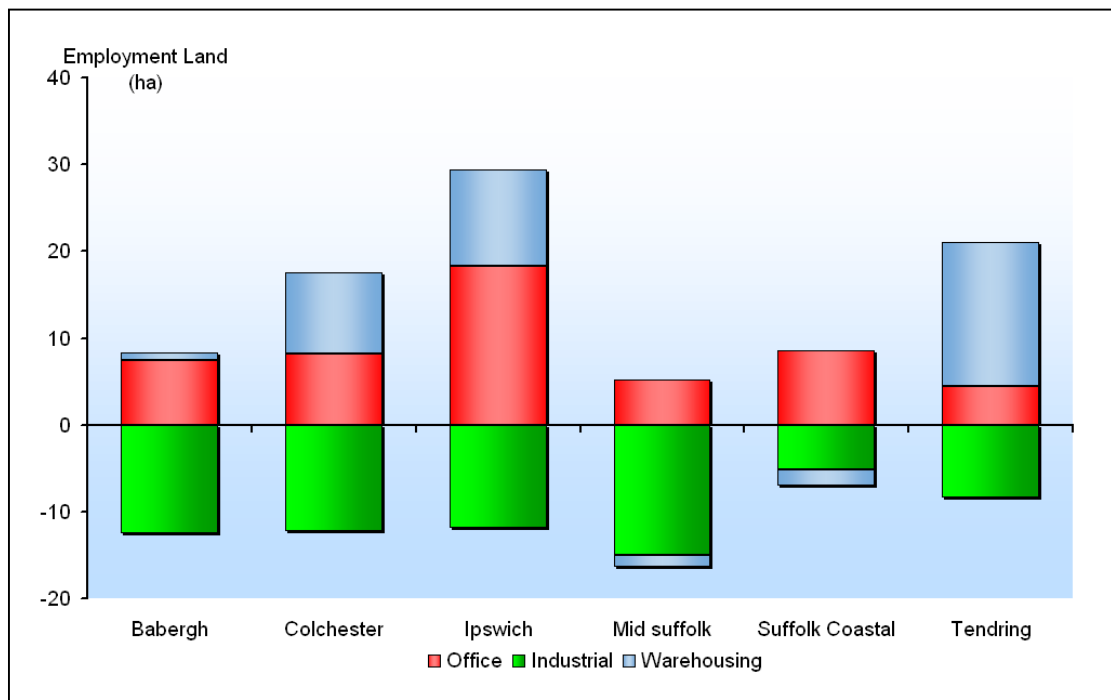
Use Class

5.06 Comparing demand against supply in terms of types of property – office, industrial and warehousing/storage – provides a more detailed picture of the scale and distribution of requirements. Because much of the employment land supply is suitable for a combination of each of these property types, the substantial surpluses indicated by Table 5.1 above should, in theory, be sufficient to accommodate any such distribution of requirements across use classes.

5.07 Figure 5.2 below shows the distribution of requirements by use class for each district. It illustrates how, in the main, employment land change will be based on falls in requirements for industrial land (green bars) and gains in requirements for office and warehousing (red and blue bars). Regarding warehousing, Mid-Suffolk and Suffolk Coastal are the only exceptions to this trend in that they are also predicted to experience losses over the period.

5.08 The key inference of this trend is that in all districts, employment land supply will need to be managed to accommodate the shift in requirements away from purely industrial land towards offices and warehousing. The extent to which vacant industrial sites and other available employment sites could be used for office/warehousing uses is a point for consideration in this regard.

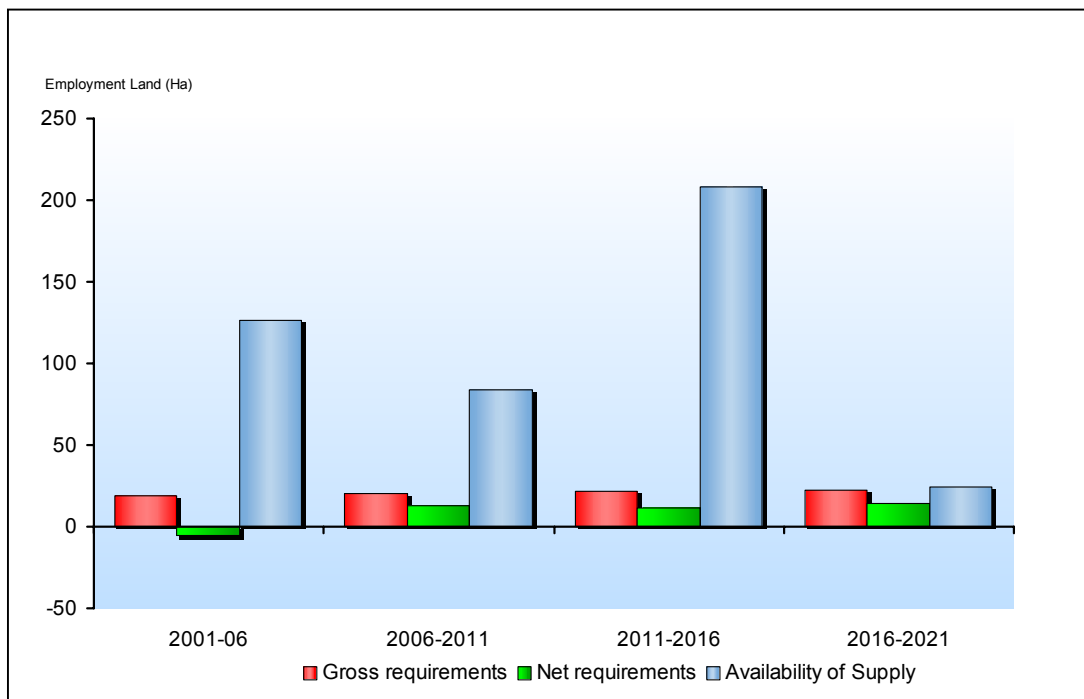
Figure 5.2 Requirements 2001-2021 by Use Class



Timing

- 5.09 Understanding the timing of demand against availability is another important dimension to the demand and supply analysis. Figure 5.3 below illustrates demand in five yearly intervals against the quantity of supply that we estimate would be readily available for employment use at those milestones. It shows that there are unlikely to be any shortcomings or mismatches between demand and supply and reinforces the position of there being substantial surpluses of land in excess of what is required to meet demand.
- 5.10 However, on an individual district basis, our assessments reveal that there could be some mismatches between demand and supply. This is particularly the case for Colchester, where there is a shortage of good quality serviced sites readily available for development in the short term. Conversely, in Ipswich, it is long-term availability which is more of a consideration given that many of the best quality sites (e.g. Ransomes Europark) are expected to be taken up over the next three to five year period.

Figure 5.3: Timing of Demand and Supply



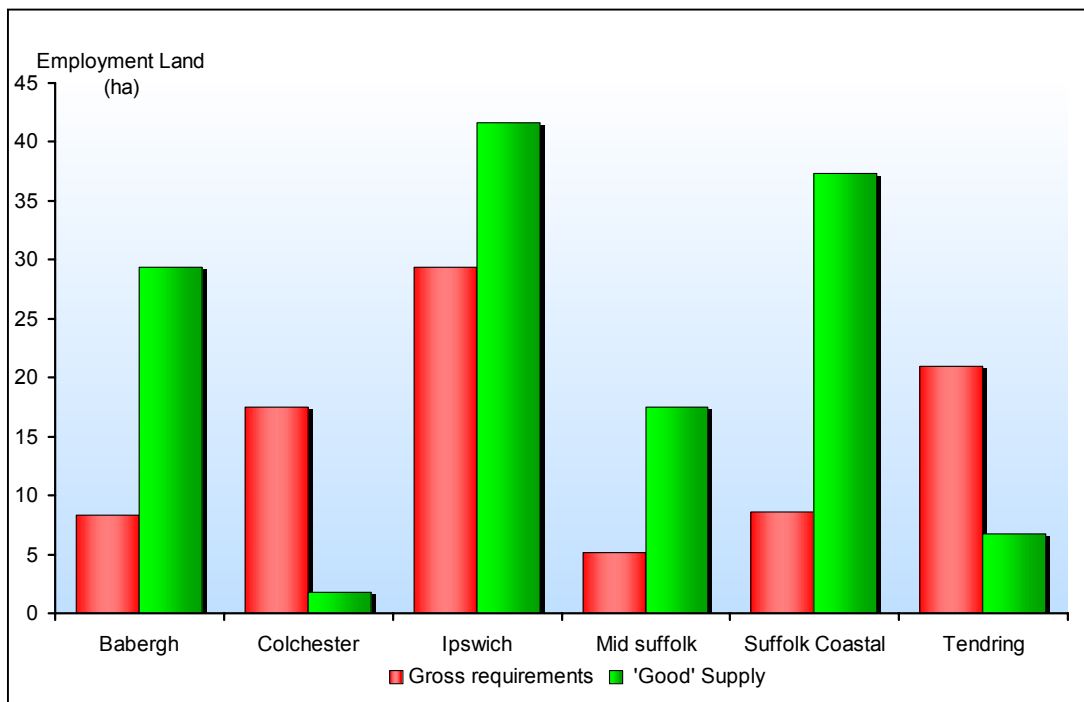
Quality

- 5.11 The final element of the comparison of demand and supply concerns qualitative issues such as the suitability of site location and condition. As highlighted in Section 4, a criteria based appraisal was carried out which assessed sites on a range of factors culminating in an overall rating of good, medium and poor. In the diagram below, we have profiled the quantity of supply that was graded as 'good' against projected requirements to 2021.
- 5.12 This analysis gives a slightly different interpretation than the quantitative indicators above. For the Haven Gateway as whole, there remains an adequate supply of sites that are graded 'good' to meet future requirements; a characteristic that is reflected for Babergh, Ipswich, Suffolk Coastal and Mid Suffolk districts. However, for Colchester and Tendring there is a shortage of 'good' quality sites.

Accounting for Sensitivities

- 5.13 Our analysis of sensitivities in Chapter 3 indicated a relatively significant potential range of sensitivities in land requirements, which, at the top end of the scale, could increase net land requirements for the Haven Gateway as a whole from 25 ha to approximately 74 ha. Although the scale of supply across the Haven Gateway is adequate to deal with such a variation in requirements, issues of quality and timing of availability, particularly in the locations where demand is strong, will require careful consideration in the development of suitable policies.

Figure 5.4: Quality of Supply against Demand



Note on the Port Land Requirements

- 5.14 We have separated out port land requirements from our overall analysis of employment land demand and supply as we recognise the different set of issues and pressures impacting on them. The scale of future land requirements to serve the port depends largely on the outcome of strategic decision making regarding expansion plans. The two expansion plans are as follows:
- Felixstowe: 65ha of land required; and
 - Harwich: 60 ha of land required.

- 5.15 These requirements, even if the port expansion plans are approved, are substantially below the scale of land supply available (approximately 500 ha across both ports). Whilst this could be considered to represent a surplus that could be released for other uses, there is a strategic rationale for retaining 'land banks' to safeguard the long term viability and potential expansion of the port. For these reasons, we consider it sensible that port allocated land areas are discounted from any assessment of surplus.

Policy Implications

- 5.16 The principal conclusion of our demand and supply analysis is that there is a considerable supply of employment land across the Haven Gateway and one that is more than adequate to serve anticipated future requirements to 2021. There are, as we have pointed out, some issues of quality and timing of availability in certain locations with a significant proportion of sites being poorly located or experiencing constraints of one kind or another. The emerging policy framework will need to address these issues to ensure that it provides the

right amount of the right type of employment land in the right locations and at the right time.

5.17 There are several key policy themes that we consider being important to taking this forward:

1. **Release of sites** – notwithstanding employment growth objectives, the overwhelming surplus of employment land supply highlighted above, combined with the national policy directive imposed on local authorities to consider ‘more favourably’ release of surplus employment sites for residential uses in the updated PPG3, make the release of employment land an important policy consideration. The key issues are how much, where and when, and, perhaps most importantly, how can we make sure that the best quality employment land is protected?
2. **Intervention Strategy** – our assessment of the property market indicated a number of constraints to the development of high quality business premises to meet growth aspirations. How the Haven Gateway Partnership and other partners can stimulate the market and bring forward sites for high quality employment use should be an important dimension to the policy framework.
3. **New allocations** – although there is clearly no need for overall increases in the supply of employment land, the identification of new allocations that could add value to the existing supply, either in terms of meeting economic development priorities or in contributing to the development of new sustainable mixed use communities, is a further important consideration.
4. **Strategic sites** – the identification of locations for major employment sites in accordance with Policy E4 of the Draft RSS.
5. **Broader policy implications and linkages** – delivering employment growth aspirations will depend on a broader set of policy measures than employment land planning. Workforce, business and property development strategies are just three policy spheres which link into the development of employment sites.

5.18 We consider the implications of each of these policy themes below.

Release of Employment Sites

5.19 Through comparing our analysis of changing demand requirements with the existing employment land stock, we are able to arrive at a theoretical, or implied ‘surplus’ of employment land. That is, the amount of the employment land that is in excess of anticipated future demand requirements. However, there are several important factors that should be taken into account before drawing conclusions on the scale of surpluses:

- **The imperfect relationship between employment change** and changes in demand for employment land. Our approach to estimating future employment land requirements is based on relating forecast employment change to land use. Whilst this is the accepted convention (as set out in ODPM Employment Land Reviews Guidance Note 2004) this is not perfect. The best example of the imperfection concerns the argument that in manufacturing, declining employment will not necessarily translate into declining demand for industrial land (i.e. because of increased automation of production). Therefore, it can be argued that the declines in

industrial land demand estimated for Haven Gateway may not always result in actual losses of industrial businesses and premises. For this reason, it is sensible to consider the gross land requirements (i.e. future requirements excluding industrial declines in requirements) as well as net.

- **Impact of density sensitivities** – as set out in Chapter 3, the impact of varying the density of employment development and plot ratios can have a significant impact on land requirements in either a positive or negative manner.
- **Market churn** – i.e. displacement of demand e.g. resulting from indigenous businesses upgrading/down grading premises. In practice, this process will require a reasonable degree of additional ‘slack’ in the supply of stock to allow for the process of property market change.
- **Strategic land banking for the port** – there is long standing strategic rationale for retaining significant surpluses of employment land so as to cater for long term and/or unforeseen future requirements. As a result, port estates and any employment land directly serving the port could be discounted as a first step in identifying any sites for release.
- **Finally**, there is a need to retain a reasonable surplus of sites so as to ensure there is a sufficient range and choice of sites to encourage investment, and to serve longer term needs (e.g. post 2021).

5.20 Another important factor not addressed by the points above concerns the scale of competing land use pressures. In areas where there are significant pressures for alternative land uses, there is a stronger rationale for transfer to other uses. In practice, such areas tend to be where there is also a rationale for retaining/promoting employment uses, and, because employment uses tend to generate lower value returns than residential development, there is an added commercial/land value pressure which puts vacant employment sites under threat. This necessitates a strong planning policy framework to ensure that there is sufficient employment land to meet requirements and that the best available sites are retained for such use.

5.21 In order to arrive at a scale of potential employment land surplus, we have made some assumptions about these factors and added them to the total employment land requirement, then discounted them from the overall land supply in each district. This approach is illustrated by Figure 5.5.

Figure 5.5: Approach to Estimating Surplus

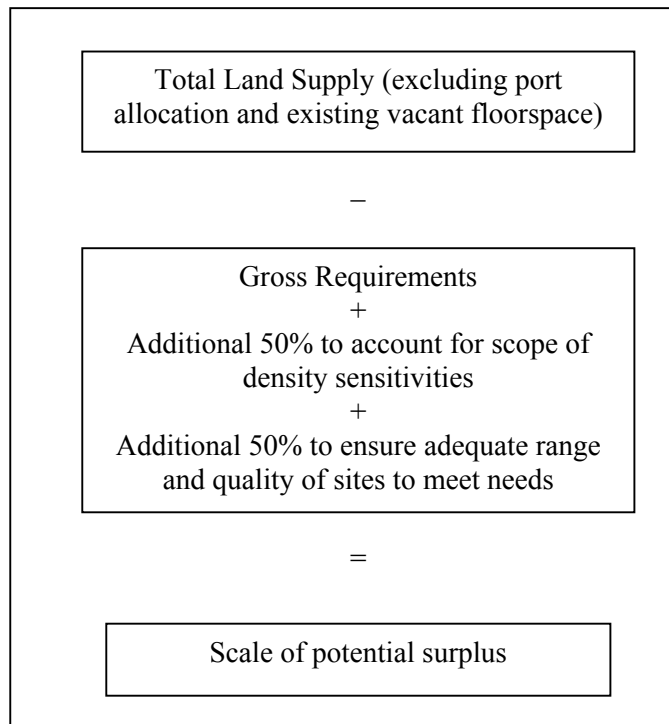


Table 5.2: Scale of Surplus

	Employment Land (ha)		
	Land Supply	Revised Requirements	Scope of Surplus
Babergh	101.98	16.8	85.18
Colchester	96.8	34.6	62.2
Ipswich	74.41	62.6	11.81
Suffolk Coastal	53.98	17	36.98
Tendring	62.45	45.2	17.25
Mid Suffolk	67.06	10.2	56.86

- 5.22 The result of this exercise is that there remain significant and varying ‘surpluses’ of employment land across the Haven Gateway area. **However**, we emphasise caution in the interpretation of this data. The illustration of the difference between projected requirements and land supply is intended to provide an indication of the magnitude of potential spare capacity. **This is not**, necessarily, to say that this is the quantity of land that should be released for other uses. Whether or not and how much employment land will be released is a matter for local planning authorities to each consider. And in so doing, they will need to take account of the scale of competing land use pressures as well as local policy aspirations for the development of employment land². This report provides the technical evidence and parameters for the various policy implications and options to be considered.
- 5.23 As a general policy response, it will be important to establish a good understanding of the quality of sites so that the best sites can be protected as a priority over others. Our appraisal of sites detailed in Section 4 provides a quality rating for all sites over the 2ha threshold in terms of ‘good’, ‘average’ and ‘poor’. Local authority partners may wish to extend this assessment to cover all sites using the same appraisal framework (set out in Appendix 3), and to monitor and review the classifications periodically.
- 5.24 Another point to consider in response to the varying surpluses in employment land is the cross-boundary importance of certain employment sites. The ‘Ipswich Fringe: Nacton Heath’ site in Suffolk Coastal for example could help to meet the requirements elsewhere such as Ipswich. There are other similar examples in other locations such as the IP8 site in Babergh, which again is in close proximity to Ipswich. Therefore it will be important that cross-boundary policies are developed across the Haven Gateway sub-region.
- 5.25 It will also be necessary to establish an appropriate framework against which to assess sites for release on a case-by-case basis as and when redevelopment proposals arise. We would suggest that the criteria set out in our appraisal framework (Appendix 3) should form the basis for assessing such proposals, together with further consideration of demand, in respect of:
- efforts to market the site for employment use; and
 - length of time the site has remained vacant.

Intervention Strategy

- 5.26 Our assessment of the employment land market highlighted that whilst there is a substantial employment land supply, the level of developed, serviced sites and premises coming forward for employment use is more limited. A key constraint concerns a ‘viability gap’ where costs of development are exceeding values on completion, thus making development schemes unattractive and too risky for developers. This is accentuated by the fact that many sites lack basic servicing and many require costly infrastructure works.
- 5.27 Another issue for the Haven Gateway concerns the difficulties of reconciling sustainability issues with market demand, particularly within the more rural districts such as Tendring.

² It is noted that district level studies for Babergh and Tendring carried out independently of this work have made alternative recommendations in which new allocations are considered necessary.

- 5.28 Therefore, a key element of the employment land policy framework should be to focus on a range of intervention measures to help support the development process and bring forward office and industrial development projects. Key measures that would help in this respect include:
- funding development costs and/or incentives for key sites;
 - supporting strategic infrastructure projects to improve accessibility;
 - site infrastructure works;
 - decontamination measures;
 - development of briefs and masterplans for key sites;
 - marketing and promotion at the regional level; and
 - consideration to mixed-use, as a means of generating additional private sector investment, which can be used as a form of cross-subsidy to overcome constraints.
- 5.29 Table 5.3, below, provides details of sites that experience major constraints and therefore are likely to require intervention measures. However, this list is not fully comprehensive and it is worth noting that other sites – even those we have classified as ‘good’ – may require support to overcome market constraints and be taken forward for development.
- 5.30 A combination of EEDA, DTI and ODPM funding sources could potentially be drawn on to support these activities. The development of an intervention strategy setting out priorities and mechanisms for investment should be the first stage of this process.

Table 5.3: Sites with Major Constraints

<p>Babergh</p> <ul style="list-style-type: none"> • Chilton Mixed-Use Development Package – significant infrastructure including highway works • Former ‘British Sugar’ Site at Sroughton – decontamination, remediation and flood defence <p>Ipswich</p> <ul style="list-style-type: none"> • EEDA Site, Hadleigh Road – railway safety measures required <p>Suffolk Coastal</p> <ul style="list-style-type: none"> • Martlesham Heath – access and servicing infrastructure required. <p>Mid Suffolk</p> <ul style="list-style-type: none"> • Land at Orion Business Park – remediation and access improvements • Eye Airfield – environmental improvements • Mendlesham Airfield – access and environmental improvements • Climax Molybdenum – decontamination works required <p>Colchester</p> <ul style="list-style-type: none"> • Cuckoo Farm (south of the A12) — requires new junction on A12, other highway works and landscaping/buffer zone • Tollgate/Westside Centre, Stanway – access improvements to Western bypass required. • University Research Park - a new roundabout junction is required on the A133 as a condition of developing the site • Hythe/Whitehall Road – general environmental and infrastructure improvements are required <p>Tendring</p> <ul style="list-style-type: none"> • Land West of Station Road – servicing and environmental improvement works required and buffer zone adjoining residential area required. • Land East of Pond Hall Farm, off the A120 at Dovercourt – access, servicing and environmental improvements required.

5.31 Within section two of this report, specific sectors, which need to be targeted to achieve overall levels of growth at a higher level, have been identified. Growth within the following sectors is likely to be achievable: agriculture; electricity, gas and water; construction; public administration & defence; distribution; banking, finance and insurance. However, further intervention may be required to support growth in employment within the following sectors:

- **Manufacturing** – regional strategies should be aimed at improving the productivity and sustainability of businesses within the Haven Gateway area;
- **Retail** – town centre strategies, which actively promote and encourage the growth of town centres including retail will be important in ensuring that growth levels are achieved. This will be particularly important within Colchester and Ipswich;
- **Transport and Communication and Distribution sectors** – growth levels for these sectors should be fairly achievable but will to some extent rely on the growth of the ports;

- **Other business services** – this sector above all others will require significant policy interventions to ensure that growth at the higher growth rate is achieved as business trends alone are unlikely to deliver the growth required. This will require active business support policies to encourage growth of existing businesses within this sector and the formation of new businesses.
- **Health and Education** – achieving growth in this sector is less likely and as such intervention will be required to generate growth in employment within this sector including active recruitment drives.

New Allocations

5.32 As noted above, because of the substantial land stock, there is no need to plan for a net increase in employment land stock across the Haven Gateway. However, there are several circumstances where new allocations could add value to the employment land supply offer in key locations. These are as follows:

- in locations where there is a clear under-provision of sites of the right quality and in the right location to meet future requirements;
- to meet a specific market sector or occupier that has particular requirements which cannot be met by current supply;
- in line with Policy E3 of the Draft RSS, to ensure that the distribution of employment sites accords with sustainable development principles; and
- where there is a spatial rationale or opportunity for making new employment allocations as part of new mixed use developments/urban extensions.

5.33 In Ipswich, our assessment suggests that the scale of surplus is comparatively low and that additional allocations may therefore be required in order to ensure that there is a sufficient choice and quality of sites. In Tendring and Colchester, the limited quality of sites suggest that new allocations may also need to be made available, although tackling the constraints of existing sites may represent a viable alternative to new allocations.

5.34 Provision for new allocations could, potentially, be accompanied by the release of surplus sites elsewhere that are unsustainable and unfeasible in employment use.

5.35 Key criteria for selecting sites for new allocations should include:

- **Location** – ‘inner urban’ (i.e. town centre) or ‘outer urban’ (i.e. located within urban areas but outside of town centres) sites present the most sustainable options for new development as opposed to rural sites;
- **Accessibility** – sites which are accessible to the primary road network (with direct access or within approximately 1.5 miles) present the most attractive options for development. Furthermore, sites should have good access to public transport (ideally less than 0.5 miles away from a public transport interchange);
- **Site Conditions and Evidence of Constraints** – site conditions which are amenable to taking the site forward (i.e. flat topography and regular shape), together with those which have no or minimal constraints present the most suitable option.

- **Quality of Environment** – sites which are situated within a good quality environment, including public realm, fabric of nearby buildings and open spaces present the most suitable development option;
- **Compatibility with neighbouring uses** – sites which have compatible adjacent land uses for the intended uses would be most suitable; and
- **Contribution to economic development and social regeneration objectives** – sites which could make a positive contribution to economic development and regeneration objectives would be most suitable (e.g. would help to support the Cambridge to Ipswich Hi-Tech Corridor).

Strategic Sites

- 5.36 Policy E4 of the Draft RSS requires local development documents to make provision for ‘strategic employment sites’ to meet the needs of business, in accordance with the 2002 Strategic and Sub-regional Employment Sites Study carried out for the East of England Development Agency. It indicates the need for allocations in the following Haven Gateway locations:
- Ipswich ‘to support regeneration and its role in ICT as exemplified by Suffolk Innovation Park and Adastral Park’; and
 - Harwich and Felixstowe ‘development associated with port expansion’.
- 5.37 According to the 2002 regional sites study, strategic sites are defined in terms of ten criteria:
- development potential – sites should be a minimum of 10 hectares;
 - availability of financial incentives;
 - competitive position – i.e. is the site offering a new or unique product the market or more of the same?
 - image and profile – how does the market view the site and general location?
 - supply chain position – i.e. does the site’s location provide for a good supplier base/chain?
 - local market position – does the site’s location provide for a good customer base?
 - local facility provision – is it close to facilities to serve the workforce?
 - transport connectivity;
 - workforce connectivity; and
 - ICT connectivity.
- 5.38 On the basis of existing allocations, the following sites most closely match up to these criteria in the prescribed locations of the Draft RSS for Felixstowe and Harwich:
- Felixstowe Port development, Suffolk Coastal – major focus for expansion of port; and
 - Bathside Bay, Harwich – major focus for planned expansion of the port.

Strategic Site: Ipswich

- 5.39 We have considered sites within the districts of Ipswich, Mid Suffolk, Babergh and Suffolk Coastal in order to identify a strategic site for Ipswich. A number of sites were discounted straight away either because they were an insufficient size or poorly located and some distance away from Ipswich. There are however, three sites which we have considered in more detail and these are:
- former ‘British Sugar’ Site at Sproughton, Babergh District;
 - Ransomes Europark Site, Ipswich District and the Nacton Heath Site, Suffolk Coastal (this would form an extension to Ransomes Europark); and
 - Martlesham Heath Hi-Tech Cluster Site (or Suffolk Innovation Park), Suffolk Coastal District.
- 5.40 The first of these, the former **British Sugar Site** offers 40ha in total and is located at Sproughton to the west of Ipswich on the A14. The site is allocated within the Local Plan as being suitable for B1, B2 and B8 uses. The site is significantly constrained, with a history of contamination, flood risk and large structures on site. There is interest in the site for residential uses (and limited interest in employment uses) and it is our understanding that the current owners are seeking to secure consent for a high proportion of residential development on the site. Whilst the site is situated in a good location, it is not considered to be a prime employment site and would be most appropriate for industrial uses. Its poor image and profile and incompatibility with B1 uses suggest that it would not help to support the role of Ipswich in ICT (one of the key objectives of the RSS policy E4). We do not consider that this site should be identified as a strategic site.
- 5.41 The **Ransomes Europark site** is considered the prime location for industrial and office development in Ipswich and offers 20ha in Ipswich Borough and a further 16ha on the Suffolk Coastal side of the boundaries.
- 5.42 Commercial agents acting for the site estimate that the first phase of development (the 20 ha on the Ipswich part of the site), is likely to be completed within a period of three to five years. This is a predominantly industrial and warehousing development scheme although with some office development planned as well. Assuming that a further five-year development period will be required to build out the remaining 16 hectares on the Suffolk Coastal District part of the site, would result in the site being completed within a ten-year timescale. This would suggest that if this were identified as a strategic site, allocations would need to be reviewed periodically with a view to making new allocations in the long term, so as to meet future strategic employment requirements.
- 5.43 The **Martlesham Heath Hi-Tech Cluster site** (often referred to Suffolk Innovation Park), offers a 13.5 ha extension to the existing Enterprise Village, Adastral Park and Innovation Park at Martlesham. The site is well located to the East of Ipswich and adjacent to the A12 (just off the A14) and would form part of an existing successful cluster of hi-tech employment uses. The site is suitable for B1 uses and whilst it has been suggested that the Council may seek R&D uses only on the site, the development of a more traditional business park (comprising R&D and office uses) is thought to present a more viable option.
- 5.44 The sites proximity to Adastral Park (the base for British Telecom) and its high profile image make this a prime site for B1 uses and one which would help to support the RSS objective of identifying a site to support the regeneration objectives of Ipswich and its role

in ICT. The site currently has no infrastructure and this would need to be addressed in order to take the site forward. However, it is the markets view that this could offer a successful high quality business park for R&D and office uses. In order to achieve this concept it would be important to ensure that BT are behind this concept and can act as the anchor tenant for the site.

- 5.45 Based on our assessment of the three sites above, it is therefore our view that the **Martlesham Heath Hi-Tech Cluster Site** would be the most suitable strategic site. This is on the basis that it would most successfully meet the objectives of the RSS (to support the regeneration of Ipswich and its role in ICT) and the ten criteria for a strategic site identified above.

Strategic Site: Colchester

- 5.46 The brief also requires that DTZ provide advice as to where the most appropriate strategic employment site should be located within **Colchester**. Based on the site appraisal, we have considered the potential of the following sites:

- Cuckoo Farm (south of the A12);
- Tollgate/Westside Centre, Stanway; and
- University Research Park.

- 5.47 The **Cuckoo Farm** site is well located to the North Colchester and just south of the A12. The site offers development potential of up to 31.3 hectares. The site is allocated for B1-B8 uses but the Council are seeking to attract higher density employment uses such as B1 or B2. Current accessibility is poor but a new road junction on the A12 is a provision of developing the site for employment uses and this is likely to be in place within the next five years. Improvements to public transport are also a requirement of developing the site. These improvements to the sites accessibility would improve the development potential of the site. Other uses planned for the site include residential (which is positive for workforce connectivity) and sports and leisure facilities (providing a good offer for the local workforce).

- 5.48 The **Tollgate/Westside Centre** site at Stanway is located to the west of Colchester. The site offers development potential of up to 18 hectares. The site is allocated for B1-B8 uses. Work to the Western Bypass is a condition of developing the site and this will improve the overall accessibility of the site. In terms of the location, accessibility and profile of the site, this is considered to be inferior to the Cuckoo Farm site.

- 5.49 The **University Research Park** site is located to the East of Colchester within a Regeneration Area. The site offers development potential of 13 ha. There are a number of constraints, which need to be addressed before the site will attract interest from developers, for example part of the site is within a floodplain and a new roundabout junction is required on the A133. There is currently interest in developing an incubation centre on the site, and this together with proximity to Essex University (offering potential business links) would be expected to raise the profile of the site and offer the potential to attract higher value employment on this site in particular. The site could therefore play a strategic role in attracting high technology uses benefiting from the research capabilities of the University and potentially bringing 'new' uses to Colchester.

- 5.50 On the basis of our assessment of the three sites, we consider that the Cuckoo Farm site to the North of Colchester would offer the greatest potential as a strategic site. This is due to its location, the potentially good access and profile of the site. The University Research Park does come a close second however, particularly because of the potential to develop a higher profile and offer something new to the market (though in terms of its location this is marginally inferior).

Broader Policy Implications and Linkages

- 5.51 We end this report in highlighting the linkages between the proposed employment land policy framework and broader policy issues and challenges. Whilst the clearest message emerging from our analysis has been the fact that there is an adequate supply of land to meet future employment needs, the key challenges will be about stimulating employment development and growth so that the sub-region can deliver on growth aspirations. Although planning policy has a key role to play here, it is unlikely to deliver economic development objectives on its own.
- 5.52 We see as a key subsequent stage of work to this commission the development of an employment growth strategy for the Haven Gateway, based on the following key components:
- **Sites intervention strategy** – we have already discussed the need for an intervention strategy to help bring forward sites for employment development and use. We consider this to be fundamentally important in helping to support the market in delivering employment sites and premises.
 - **Sector strategy** – our assessment of employment forecasts highlighted the gap between the RSS targets and what the sub-region will achieve if it continues on the basis of historical change. Reaching RSS targets will depend on the extent to which growth sectors can be encouraged, and the scale of decline in contracting sectors can be stemmed. Key sectors which would need to be targeted include the following: manufacturing; retail; transport, communication and distribution, other business services and health & education.
 - **Supporting job creation initiatives** – efforts should be made to support and invest in regeneration initiatives in order to stimulate additional job creation. Table 5.4 (below) illustrates the likely impacts of a number of initiatives, which are likely to take place in the Haven Gateway. Appendix 3 provides further detail behind the proposals and the assumptions used to inform the job estimates.

Table 5.4: Major Projects for the Haven Gateway

Major Projects	Job Estimates	Timescale
Growth of port and associated activities at Felixstowe and Harwich. Planning applications have been submitted for the ports and they provide an indication of the likely job creation associated with the continuing strong performance of the ports.	2,000 additional jobs	2008-2021
Colchester Renaissance Strategy. This includes jobs resulting from a range of developments, including: a research park at the university, mixed-use developments in East Colchester; tourism and retail developments in the St Botolphs Quarter; and redevelopment of the army Garrison.	6,500 net additional jobs	By 2021
Ipswich Area Action Plan. The focus is on the redevelopment of four quarters in the centre of Ipswich. These include: a mixed-retail led quarter; leisure and commercial developments at the waterfront; office and commercial development at Ipswich Village and the education quarter which includes the proposed University Campus Suffolk.	1,500 additional jobs	2006-2021
Snoasis Development in Mid Suffolk. A winter sport leisure development.	3,000 additional jobs	2011-2021

- **Workforce and skills** – our market assessment revealed that workforce issues represent a significant constraint on the future employment growth prospects of the sub-region. In Appendix 4 we have demonstrated the skill and occupational requirements of the employment forecasts set out in Chapter 2. This will need to be assessed against existing occupational and skills structures to establish precisely what changes are required to help meet future growth.

- 5.53 The final key policy linkage concerns the scale and location of housing growth. Housing and job markets are intrinsically linked and it is important that the quantity, range and spatial distribution of housing and job growth are mutually reinforcing. In this regard, the policy development process for both housing and employment planning will need to be integrated.
- 5.54 All of these issues highlight the inter-relationships between the different policy spheres and the need for a comprehensive growth strategy and action plan to deliver economic and growth aspirations.

6 CONCLUSIONS AND RECOMMENDATIONS

- 6.01 The key finding from this study is that there are substantial stocks of employment land across the Haven Gateway and they are more than adequate to serve anticipated future requirements. The figures presented in the previous section on the supply and demand of employment land need to be treated with caution for a number of reasons, and they should not necessarily be interpreted as the quantity of land, which should be released for other uses. Other findings are that there are some issues over the quality and timing of availability in certain locations with a significant proportion of sites being poorly located or experiencing constraints of one kind or another.
- 6.02 The report has identified five key policy themes, which aim to address these issues and these are summarised in Table 6.1 below together with the associated action(s) for each of these.

Table 6.1: Key Actions for the Haven Gateway

Policy Theme	Action
Release of Sites	<ul style="list-style-type: none"> Develop an appropriate framework (along the lines of recommendations in Section 5), which allows sites to be assessed for release on a case by case basis as and when development proposals arise.
Intervention Strategy	<ul style="list-style-type: none"> Develop a range of intervention measures to help support the development process and bring forward office and industrial development projects (e.g. site infrastructure works, decontamination measures). Sites which could be prioritised for intervention have been identified within Section 5 of this report. Support and implement other policy actions which will contribute to future employment growth within the Haven Gateway area e.g. the Colchester Renaissance Strategy.
New Allocations	<ul style="list-style-type: none"> There is no need to plan for a net increase in employment land stock, however new allocations may be required to add value to the employment land supply offer in key locations. A range of criteria for selecting sites for new allocations has been identified in Section 5 of this report.
Strategic Sites	<ul style="list-style-type: none"> We recommend that the following sites should be allocated as 'strategic employment sites' (in accordance with Policy E4 of the Draft RSS): <ul style="list-style-type: none"> Martlesham Heath Hi-Tech Cluster Site, Suffolk Coastal Cuckoo Farm Site, North Colchester Bathside Bay, Harwich Felixstowe Port Development, Suffolk Coastal
Broader Policy Implications and Linkages	<ul style="list-style-type: none"> We recommend the development of an employment growth strategy based on the following: sites intervention strategy; sector strategy; supporting job creation; and, workforce and skills.

APPENDIX 1

METHODOLOGY FOR APPLYING REGIONAL EMPLOYMENT FORECASTS TO HAVEN GATEWAY AREA

1 METHODOLOGY FOR APPLYING REGIONAL EMPLOYMENT FORECASTS TO HAVEN GATEWAY AREA

- 1.01 The approach for this study has been to consider the implications of three sets of baseline employment forecasts on the Haven Gateway to understand the likely range in growth rates that could be achieved. For the purpose of this study we have had to understand the implications of regional employment forecasts on the Haven Gateway for two sets of the forecasts (DTZ Research and Cambridge Econometrics), while the third set, those prepared by EBSL have been produced at a district level.
- 1.02 This note sets out our approach of translating the regional employment forecasts to the sub-region. We have followed a number of steps to producing the sub-regional employment forecasts:
1. Understand current structure of employment of the sub region.
 2. Understand the relative recent performance in sub region of sectoral employment compared to regional.
 3. Understand sectoral composition of forecast regional growth.
 4. Understand the implications of other factors on employment growth e.g. population levels.
 5. Producing employment forecasts for Haven Gateway.
- 1.03 In addition two additional steps were required to understand the sectoral composition of the RSS employment target:
6. Comparing Employment forecasts with RSS Employment Target.
 7. Identifying sectoral composition of additional jobs required to bridge the gap between employment forecasts and the employment target.

Current Position and Recent Trends

- 1.04 The most readily available and reliable recent data on sectoral employment at a sub-regional level is available from the Annual Business Inquiry for 2003. However, to maintain consistency with previous studies and the requirements of this study we have taken 2001 as the starting point for the analysis. An added benefit of using 2001 as the starting point is that information on the level of self-employment for each of the districts can be taken from the Census of Population.
- 1.05 In addition to understanding recent employment trends, we have also assessed recent trends in terms of population to get an understanding of the implications for growth on sectors that are related to population numbers. For the purpose of this analysis, we have identified Public Administration, Health, Education and Retail as having a direct relationship with the level of population in the area.
- 1.06 In order to provide a comparison with the RSS employment targets, Haven Gateway has been defined as the five authorities (Babergh, Colchester, Ipswich, Suffolk Coastal and Tendring). The trends for Mid Suffolk have also been considered, but, given that no RSS targets have been set for the district, it has been presented separately. The figures in Table A1.1 illustrate the 2001 position of the LADs that comprise the Haven Gateway.

Table A1.1: 2001 Key Statistics

	Employment ¹	Households	Population
Babergh	36,000	35,000	83,500
Colchester	78,400	65,000	156,000
Ipswich	72,300	50,000	117,200
Suffolk Coastal	53,800	49,000	115,200
Tendring	42,300	62,000	138,800
Haven Gateway	282,800	261,000	610,700
<i>Mid Suffolk</i>	<i>42,600</i>	<i>36,000</i>	<i>87,000</i>
<i>East of England</i>	<i>2,626,900</i>	<i>2,264,000</i>	<i>5,400,500</i>

Source: Annual Business Inquiry, ONS © Crown Copyright

- 1.07 To understand the sectoral composition of employment, have started with the two-digit SIC definition of sectors, which divides employment among 58 sectors of the economy. For each sector we have established the level of total employment (number of employees + number of self-employment), for each year in the period 1998-2003. The employee data from the ABI is presented below in Table A1.2 to illustrate the sectoral composition of employment.

¹ Total employment based in the districts has been calculated by summing employee data from the 2001 Annual Business Inquiry and self employment data from the 2001 Census of Population

Table A1.2: Haven Gateway Sectoral Employee Composition 1998 & 2003

Industry	1998	2003
01 : Agriculture, hunting and related service activities	5,300	4,400
02 : Forestry, logging and related service activities	*	*
05 : Fishing	200	100
10 : Mining of coal and lignite; extraction of peat	0	0
11 : Extraction of crude petroleum and natural gas	*	0
12 : Mining of uranium and thorium ores	0	0
13 : Mining of metal ores	0	0
14 : Other mining and quarry	200	100
15 : Manufacturing of food and beverages	2,900	1,900
16 : Manufacture of tobacco products	*	0
17 : Manufacture of textiles	900	800
18 : Manufacture of wearing apparel; dressing and dyeing of fur	500	200
19 : Tanning and dressing of leather; manufacture of luggage, handbags etc.	*	*
20 : Manufacture of wood and products	500	800
21 : Manufacture of pulp, paper and paper products	600	600
22 : Publishing, printing and reproduction of recorded media	4,100	3,800
23 : Manufacture of coke, refined petroleum products and nuclear fuel	*	*
24 : Manufacture of chemicals and chemical products	1,500	700
25 : Manufacture of rubber and plastic products	2,900	2,800
26 : Manufacture of other non-metallic mineral products	700	600
27 : Manufacture basic metals	1,300	*
28 : Manufacture of fabricated metal products, except machinery and equipment	2,500	2,100
29 : Manufacture of machinery and equipment not elsewhere classified	3,700	3,100
30 : Manufacture of office machinery and computers	*	*
31 : Manufacture of electrical machinery and apparatus not elsewhere classified	1,000	600
32 : Manufacture of radio, television and communication equipment and apparatus	1,400	200
33 : Manufacture of medical, precision and optical instruments, watches and clocks	1,400	1,100
34 : Manufacture of motor vehicles, trailers and semi-trailers	1,800	1,300
35 : Manufacture of transport equipment	300	400
36 : Manufacture of furniture; manufacturing not elsewhere classified	1,900	1,600
37 : Recycling	*	*
40 : Electricity, gas, steam and hot water supply	*	2,400
41 : Collection, purification and distribution of water	*	*
45 : Construction	9,500	10,700
50 : Sale, maintenance and repair of motor vehicles and retail sale of automotive fuel	6,400	6,100
51 : Wholesale trade and commission trade, except of motor vehicles and motorcycles	8,588	9,400
52 : Retail trade, except of motor vehicles; repair of personal and household goods	28,100	34,700
55 : Hotels and restaurants	14,300	16,300
60 : Land transport; transport via pipelines	5,400	5,600
61 : Water transport	800	1,200
62 : Air transport	*	*
63 : Supporting and auxiliary transport activities; activities of travel agencies	8,000	9,100
64 : Post and telecommunications	8,000	7,800
65 : Financial intermediation, except insurance and pension funding	3,100	4,000
66 : Insurance and pension funding, except compulsory social security	5,300	3,800
67 : Activities auxiliary to financial intermediation	2,600	3,500
70 : Real estate activities	2,500	4,000
71 : Renting of machinery and equipment	900	1,100
72 : Computer and related activities	2,000	4,000
73 : Research and development	100	500
74 : Other business activities	14,200	21,100
75 : Public administration and defence; compulsory social security	11,500	12,500
80 : Education	18,400	20,100
85 : Health and social work	27,900	29,600
90 : Sewage and refuse disposal, sanitation and similar activities	900	900
91 : Activities of membership organisations not elsewhere classified	1,500	1,500
92 : Recreational, cultural and sporting activities	6,400	7,900

Industry	1998	2003
93 : Other service activities	2,900	3,400
Total	228,900	249,900

Understanding Regional Employment Forecasts

- 1.08 To understand future trends in employment our starting point is to consider the sectoral trends that econometric models suggest at a regional level. These figures provide an understanding of the broad trends that can be expected as a result of changes within these sectors, for example the anticipated declining employment in some manufacturing sectors as a result of technological change or increased out sourcing.

Cambridge Econometrics Employment Forecasts

- 1.09 Cambridge Econometrics employment forecasts suggest employment growth rate increasing to 0.6% p.a. between 2005-10, but slowing to 0.4% p.a. in the long-term (beyond 2010). The Cambridge Econometrics published data is only presented for the period up to 2015. Extrapolating the growth rate for the period 2010-2015 forward implies an increase in regional employment of 295,000 between 2001-2021.

Table A1.3: Regional Sectoral Employment Change (Based on CE forecasts 2001-15)

	% Change	Change 2001-21
Agriculture etc.	-60.0%	- 33,000
Mining	-37.5%	- 1,000
Manufacturing	-22.5%	- 81,000
Electricity gas & water	-33.8%	- 4,000
Construction	12.9%	25,000
Distribution	7.0%	13,000
Retail	17.5%	55,000
Hotels and catering	16.2%	25,000
Transport and communications	2.1%	4,000
Banking finance and insurance	-6.2%	- 6,000
Other business services	33.4%	137,000
Public admin and defence	33.0%	31,000
Health and education	17.9%	80,000
Other services	38.2%	50,000
Total	11.2%	295,000

EBSL Econometric Employment Forecasts

- 1.10 EBSL regional employment forecasts prepared in May 2004 indicate an annual employment growth rate of 0.6 % p.a. between 2001-11 and 0.4% from 2011-21. The modelling indicates that the growth in employment in the East of England could be 254,000 jobs between 2001-2021.

Table A1.4: Regional Sectoral Employment Change 2001-2021 (EBSL 2004)

	% change	Change 2001-21
Agriculture etc.	-76.9%	- 33,000
Mining	-49.2%	- 2,000
Manufacturing	-26.9%	- 98,000
Electricity gas & water	-38.6%	- 4,000
Construction	-6.4%	- 12,000
Distribution	-6.5%	- 12,000
Retail	-2.8%	- 8,000
Hotels and catering	26.2%	39,000
Transport and communications	26.2%	45,000
Banking finance and insurance	-10.1%	- 9,000
Other business services	42.9%	181,000
Public admin and defence	-13.8%	- 13,000
Health and education	21.8%	94,000
Other services	57.5%	88,000
Total	9.8%	254,000

DTZ Econometric Employment Forecasts

- 1.11 The DTZ Research model forecasts that the East of England is expected to experience significant employment growth of 397,000 jobs between 2001-2021. This represents a long-term annual growth rate of 0.7% p.a. compared to the UK forecast growth rate of 0.6% p.a.
- 1.12 DTZ Research employment forecasts are derived from a top-down forecasting model. The starting point is macroeconomic assumptions for the UK. In the short term, these are derived using a demand-led approach, assessing the prospects for each of the major expenditure components (consumer spending, investment, government spending, exports, imports and inventories) over 2005 and 2006. Longer-term forecasts are based on supply-side considerations such as trends in labour supply and productivity growth, and the regulatory environment.
- 1.13 UK regional forecasts are based on supply-side considerations focusing on the ability of each region to attract the key factors of production needed to grow - mobile skilled labour and investment capital. The model identifies three main drivers of growth which function to attract these mobile factors - labour skills, quality of life and accessibility. A range of proxy indicators for each of these growth drivers is used to generate the regional level forecasts.

Table A1.5: Regional Sectoral Employment Change 2001-2021 (DTZ Research 2005)

	% Change	Change 2001-21
Agriculture	-62.0%	-24,000
Industry	-22.1%	-162,000
Services	-27.9%	591,000
Total	13.7%	397,000

Other Factors

- 1.14 In addition to employment forecasts, local predictions of future population levels can be used to frame the future projections of employment within the sectors identified as being directly related to population levels. We propose to use the ONS population projections as

an indicator of trend based projections, tempered with the Regional Spatial Strategy Dwelling Targets to establish the local level of future population change. These are shown in Table A1.6.

Table A1.6: Population and Dwelling Projections

	RSS Dwelling Target		ONS Population Projections	
	Change 2001-21	% Change	Change 2001-21	% Change
Babergh	2,000	6%	10,100	12%
Colchester	17,100	26%	17,800	11%
Ipswich	15,400	31%	8,400	7%
Suffolk Coastal	7,050	14%	16,200	14%
Tendring	8,500	14%	29,400	21%
Haven Gateway	50,050	19%	81,900	13%
<i>Mid Suffolk</i>	<i>790</i>	<i>2%</i>	<i>13,300</i>	<i>15%</i>
<i>East of England</i>	<i>478,000</i>	<i>21%</i>	<i>738,500</i>	<i>14%</i>

Producing District Level Employment Forecasts for the Haven Gateway

- 1.15 To translate the econometrics employment forecasts for the Haven Gateway, we have considered estimates of future district level employment for each of the three sets of forecasts (CE, EBSL, DTZ Research). The regional employment forecasts produced by the three organisations have been disaggregated at different geographical level and sectors by these organisations, and therefore, different methodologies have been applied to understand the implications for the Haven Gateway and the constituent districts.
- **Cambridge Econometrics** – we have translated regional forecasts to a district level by applying the regional forecast growth rates for each sector to ABI employment data for each district. The district figures have then been aggregated to produce a Haven Gateway total.
 - **EBSL** – district level forecasts were available at a detailed sectoral level and were used without adjustment. The district figures have then been aggregated to produce a Haven Gateway total.
 - **DTZ Research** – the regional forecasts are disaggregated to county level and the county growth rates for the broad sectors are applied to the detailed ABI employment data for each component part of the sub-region. The district figures have then been aggregated to produce a Haven Gateway total.
- 1.16 Therefore, for the EBSL forecasts, since district level forecasts were produced by the organisation, these were taken as presented without adjustment. For the Cambridge Econometrics forecasts and the DTZ Research forecasts, we applied a methodology to translate regional or county level forecasts to district level. The approach involved two steps.
- 1.17 Firstly, applying the regional (or county in the case of DTZ Research) forecast percentage change in sectoral employment to the current estimated level of employment in each of the districts, as illustrated overleaf:

For example, across the Eastern region according to the Cambridge Econometrics forecasts, the mechanical engineering sector is expected to experience a fall in employment of 25% from 2001 - 2021. Our first cut at the analysis assumes that this change will also affect each of the authority areas, therefore we have assumed that mechanical engineering across each of the LADs will fall by 25%. The extent to which mechanical engineering is represented in the LAD therefore leads to the level of employment decline expected across the districts. This process is replicated across each of the sectors for which econometric forecasts are available.

- 1.18 Secondly, to take into account more local conditions, a sector layer of analysis has been applied using recent trends² in employment. Where employment across the district has been increasing at a rate above or below the regional average, we have assumed that this relationship will continue. For example, in Suffolk the growth of employment in insurance has been two percentage points above the regional average. Therefore, we have built into the assumptions that employment in insurance in Suffolk will continue to increase at a rate above the regional average. The same process is replicated comparing the district level sectoral trends with the county trends. The impact of higher than anticipated population growth has also been factored into sectors that are identified as being more directly related to population levels. Our model assumes that district level sectoral growth rates will converge with the regional average in the long term.
- 1.19 Following this process we have derived three sets of district level employment forecasts based on econometrics data produced by three separate econometrics models. In order to arrive at a most likely future employment scenario for the Haven Gateway, we have produced a Consensus Forecast, which is based on an assessment of the broad sectoral forecasts of each of the models. This was undertaken across the forecasts for the Haven Gateway as a whole, and the same approach was subsequently applied across each of the districts. The details of the approach for each broad sector are outlined in the main report. The employment data for the four broad employment sectors (business & finance; manufacturing; distribution and other sectors) is presented in the tables below.

Comparing the Employment Forecasts and the RSS Employment Target

- 1.20 The Consensus employment forecasts produce a forecast of future employment in the Haven Gateway of an additional 37,400 jobs over the period 2001-21. This falls considerably below the RSS Target of an additional 49,700 additional jobs for the subregion over the same period.
- 1.21 To understand the sectoral composition of the difference between the forecasts and the target, we have adjusted the growth rates for all sectors at a district level to a point where the total employment changes matches the RSS Target. This involves applying a standard uplift to all sectors that are growing within a district and reducing the rate of decline of falling sectors by the same percentage. The employment change associated with the RSS Target is also presented in the tables below:

² The time period considered for recent trends is 1998 – 2003 (to take account of the most up to date available data).

Table A1.7: Financial and Business Services (Proxy for B1 Use) Forecast Employment Change 2001-2021

	CE Region Based Forecasts	DTZ Research County Based Forecasts	ESBL District Based Forecasts	Consensus Forecast	RSS Target
Babergh	4,500	3,400	2,400	3,400	3,200
Colchester	2,300	1,600	3,800	2,600	3,500
Ipswich	5,500	5,200	7,100	5,900	8,700
Mid Suffolk	2,500	1,700	2,500	2,200	2,200
Suffolk Coastal	4,700	3,000	2,700	3,400	3,700
Tendring	4,000	2,400	1,200	2,500	2,600
Haven Gateway (excl. mid Suffolk)	21,000	15,600	17,200	17,800	21,700
<i>Haven Gateway (inc. mid Suffolk)</i>	<i>23,500</i>	<i>17,300</i>	<i>19,700</i>	<i>20,000</i>	<i>23,900</i>

Table A1.8: Manufacturing (Proxy for B2 Use) Forecast Employment Change 2001-2021

	CE Region Based Forecasts	DTZ Research County Based Forecasts	ESBL District Based Forecasts	Consensus Forecast	RSS Target
Babergh	- 2,500	- 500	- 1,300	- 1,400	-1,500
Colchester	- 2,100	- 2,700	- 1,000	- 1,900	-1,500
Ipswich	- 2,600	- 2,400	- 1,500	- 2,200	-1,500
Mid Suffolk	- 2,600	- 1,500	- 1,400	- 1,900	-1,900
Suffolk Coastal	- 800	- 200	- 1,100	- 700	-600
Tendring	- 1,000	- 1,300	- 1,000	- 1,100	-1,100
Haven Gateway (excl. mid Suffolk)	- 9,000	- 7,100	- 5,900	- 7,300	-6,200
<i>Haven Gateway (inc. mid Suffolk)</i>	<i>-11,600</i>	<i>-8,600</i>	<i>-7,300</i>	<i>-9,200</i>	<i>-8,100</i>

Table A1.9: Distribution (proxy for B8 Use) Forecast Employment Change 2001-2021

	CE Region Based Forecasts	DTZ Research County Based Forecasts	ESBL District Based Forecasts	Consensus Forecast	RSS Target
Babergh	- 100	300	- 100	100	100
Colchester	800	1,400	- 900	400	500
Ipswich	500	1,200	- 500	400	600
Mid Suffolk	- 300	200	- 200	- 100	-100
Suffolk Coastal	- 400	-	-	- 100	-100
Tendring	1,600	1,500	- 200	900	1,000
Haven Gateway (excl. mid Suffolk)	2,400	4,400	-1,700	1,700	2,100
<i>Haven Gateway (inc. mid Suffolk)</i>	<i>2,100</i>	<i>4,600</i>	<i>-1,900</i>	<i>1,600</i>	<i>2,000</i>

Table A1.10: Other (Proxy for non-B1, B2 B8 use) Forecast Employment Change 2001-2021

	CE Region Based Forecasts	DTZ Research County Based Forecasts	ESBL District Based Forecasts	Consensus Forecast	RSS Target
Babergh	700	2,900	2,900	1,700	1,600
Colchester	12,500	10,600	4,800	8,900	11,700
Ipswich	7,900	12,300	3,300	6,200	10,200
Mid Suffolk	- 900	600	4,500	1,200	1,200
Suffolk Coastal	2,200	4,800	8,200	4,500	5,000
Tendring	5,400	5,100	- 100	3,400	3,600
Haven Gateway (excl. mid Suffolk)	28,700	35,700	19,100	24,700	32,100
<i>Haven Gateway (inc. mid Suffolk)</i>	<i>27,800</i>	<i>36,300</i>	<i>23,600</i>	<i>25,900</i>	<i>33,300</i>

- 1.22 The variations in employment forecast between the different organisations has been used to sensitivity test the overall forecasts of future employment space and land requirements for the Haven Gateway. The highest and lowest employment forecasts for each sector has been taken as the potential range of employment change possible for the Haven Gateway. The results of the sensitivity testing are presented in the main report.

APPENDIX 2

ASSUMPTIONS ABOUT IMPACT OF MAJOR PROJECTS ON NET ADDITIONAL EMPLOYEES BY SECTOR

ASSUMPTIONS ABOUT IMPACT OF MAJOR PROJECTS ON NET ADDITIONAL EMPLOYEES BY SECTOR

Port Expansion (Harwich and Felixtowe)

	2006-11	2011-16	2016-21	Total
Transport and communications	-	1,000	1,000	2,000
Total	-	1,000	1,000	2,000

Colchester Renaissance Strategy

	2006-11	2011-16	2016-21	Total
Manufacturing	500	500	-	1,000
Retail	500	500	-	1,000
Hotels and Catering	1,000	-	-	1,000
Banking, finance and other business services	1,500	1,000	500	3,000
Other services	-	500	-	500
Total	3,500	2,500	500	6,500

Ipswich Area Action Plan

	2006-11	2011-16	2016-21	Total
Retail	125	125	250	500
Banking, finance and other business services	500	500	-	1,000
Total	625	625	250	1,500

Snoasis/major leisure development

	2006-11	2011-16	2016-21	Total
Retail	-	250	250	500
Hotels and Catering	-	500	500	1,000
Other Services	-	1,000	500	1,500
Total	-	1,750	1,250	3,000

APPENDIX 3

SUPPLY APPRAISAL CRITERIA

HAVEN GATEWAY – SUPPLY APPRAISAL CRITERIA

Criteria	Information	Explanation of Classification
Basic details	Site Reference	
	Site Name	
	Address	
	Post Code	
	Site Size (ha)	
	Area in use (if available)	
	Area vacant/undeveloped (if available)	
	Situated within Haven Gateway	
	Brownfield/Greenfield	
Ownership	Council owned	Please specify name if known
	Single private owner	Please specify name if known
	Mixed owners	Please specify name if known
Tenure	Freehold	
	Leasehold	
Location	Town Centre	
	Edge of Centre	
	Rural	
End use suitability	B1	Location suitable for light industry, R&D and business park style offices as well as town/district centre offices
	B2	Location suitable for heavy industry
	B8	Location suitable for storage/warehousing, container and haulage yards
	Non B use class	Please specify use if known
Road Accessibility	Good	Direct access to primary road network (site situated on or adjacent to primary road network)
	Average	Close to (but not directly served by) primary road network (less than 1.5 miles away)
	Poor	Badly served by primary road network (greater than 1.5 miles away)
Public Transport Accessibility	Good	Close to main public transport interchange facility (less than 0.5 miles)
	Average	Public transport interchange nearby but not in walking distance (between 0.5 miles and 3 miles)
	Poor	Badly served by public transport (greater than 3 miles away)
Site condition	Good	Flat topography and regular shape, which allows flexibility of development. No evidence of contamination.
	Average	Relatively flat topography and shape that allows some flexibility in development and/or No evidence of contamination.

Criteria	Information	Explanation of Classification
	Poor	Undulating topography and irregular shape therefore restricting type of development and/or Potential contamination issues.
Site constraints	[details]	Details of any significant known constraints and whether public sector intervention is considered necessary.
Availability	Site underway	Site already being developed.
	Site immediately available	Serviced, ready for development.
	Site available in the short term	Site expected to be brought forward within 2 to 5 years.
	Site available in the medium term	More works required to prepare site although could be brought forward between 5 and 10 years.
	Site available in the longer term	Site not expected to be brought forward within a 10 year timeframe due to nature/scale of constraints and/or lack of suitability to meet market and business needs.
Quality of environment	Good	Good quality environment, including public realm, fabric of nearby buildings and open spaces
	Average	Evidence of some deterioration/poor up keep of environment, including public spaces and fabric of building
	Poor	Poor quality environment, including derelict land/premises, poorly maintained public areas and tired fabric of buildings
Compatibility with Neighbouring uses	Good	Suitable adjacent land uses for intended use e.g. in the case of B1 use, site is not in close proximity to heavy industry, in the case of B8 site is not in close proximity to softer residential/community use or offices.
	Poor	Unsuitable adjacent land uses, including e.g. in the case of B1 use, site is in close proximity to heavy industry, in the case of B8 site is in close proximity to softer residential/community use or offices.

Criteria	Information	Explanation of Classification
Economic development objectives	Positive contribution	Significantly contributing to key economic development objectives (e.g. from EMDA, HGP and LAs and including initiatives such as IP-City and Cambridge to Ipswich Hi-tech Corridor).
	Neutral	Making some contribution to economic development priorities
Social regeneration objectives	Positive contribution	Site located within a 5km radius of SOAs within worst 20% in England for the overall IMD score.
	Neutral	Site not located within a 5km radius of SOAs within worst 20% in England for the overall IMD score.
Market activity/developer interest	High	Planning proposals being developed
	Moderate	Significant number of enquiries, but no firm proposals
	Low	No tangible market interest evident.

APPENDIX 4

OCCUPATION AND SKILLS ASSESSMENT

4 OCCUPATION AND SKILLS ASSESSMENT

4.01 Based on the employment forecasts of an increase in the level of employment and the changing sectoral structure, our modelling suggests that the implications for changes in occupational and skills requirements are an increase across all occupations, with the exception of skilled trade occupations where relatively small declines are expected. The tables below cover the net changes in employment between 2001 and 2021.

Table A4.1: Occupational Structure of RSS Job Targets

	Babergh	Colchester	Ipswich	Suffolk Coastal	Tending	Mid Suffolk	Total
Managers and Senior Officials	500	1,900	2,700	1,100	900	200	7,300
Professional occupations	800	2,300	2,800	1,300	1,100	500	8,800
Associate Professional and Technical	800	1,800	2,600	1,400	1,000	500	8,100
Administrative and Secretarial	800	1,600	2,900	1,400	1,100	500	8,300
Skilled Trades Occupations	-300	600	600	-400	-100	-600	-200
Personal Service Occupations	400	1,900	1,700	1,000	900	400	6,300
Sales and Customer Service Occupations	400	1,400	1,600	500	600	100	4,600
Process, Plant and Machine Operatives	-300	100	800	600	-100	-200	900
Elementary Occupations	300	2,400	2,300	1,100	700	100	6,900
Total	3,400	14,200	18,000	8,000	6,100	1,400	51,100

4.02 The implication for skills level of jobs is that the most significant increase will be in jobs requiring NVQ level 4 and above skills, although there is anticipated to be an increase in jobs at all skill levels.

Table A4.2: Skills Level of RSS Job Targets

	Babergh	Colchester	Ipswich	Suffolk Coastal	Tending	Mid Suffolk	Total
NVQ Level 4 and above	1,400	4,300	5,200	2,400	2,000	700	16,000
NVQ Level 3	600	1,800	2,600	1,200	900	300	7,400
Trade Apprenticeships	0	600	800	300	200	0	1,900
NVQ Level 2	700	2,500	3,200	1,400	1,200	300	9,300
Below NVQ Level 2	500	2,300	3,000	1,300	1,000	200	8,300
Other qualifications	200	1,200	1,500	700	400	0	4,000
No qualifications	100	1,500	1,800	600	500	-100	4,400
Total	3,400	14,200	18,000	8,000	6,100	1,400	51,100