Nathaniel Lichfield & Partners
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Brentwood Economic Futures 2015-2030

BRENTWOOD
BOROUGH COUNCIL

Final Report
December 2014

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Executive Summary

This report has been prepared by Nathaniel Lichfield & Partners (NLP) on behalf of Brentwood Borough Council to update the economic evidence base for the Brentwood Local Development Plan (LDP). It follows the earlier Heart of Essex Economic Futures work also prepared by NLP in 2012.

The study provides economic forecasts for Brentwood Borough Council for the period 2015/16 to 2029/30 for three alternative scenarios. The study then assesses future space needs for B class employment uses (offices, industry and warehousing) implied by the various growth scenarios, and considers the balance of demand and supply for employment land in the Borough. It also provides a high level job capacity analysis of identified potential employment sites. Finally, the study considers potential policy approaches in relation to employment space for the Brentwood Borough Local Plan. It should be noted, however, that the study does not comprise a full employment land review.

The findings of the study are as follows:

1 Brentwood has recorded strong levels of job growth over the last 17 years (30%); the number of B Class jobs has increased by 40% over this period. Employment growth in Brentwood has been driven by consumption sectors including residential care and social work, business services, education, healthcare and construction while job losses have been recorded within public administration and defence, utilities, accommodation and food services and retail. Notably, office-based activities dominated B Class growth.

2 Three different scenarios of future economic growth have been considered for the period 2015/16 to 2029/2030, based on a labour demand approach which reflects economic growth forecasts and potential housing growth scenarios. These scenarios include: a baseline scenario; a scenario based on the Council's objectively assessed housing need; and, a scenario which considers this objectively assessed housing need including an uplift to account for shortfalls over the period 2012-2015 before the Local Plan is adopted.

3 The overall job growth associated with these scenarios range from 5,750 jobs to 7,440 jobs over the period 2015/16 to 2029/30. The growth of B Class jobs range from 1,930 jobs to 2,570 jobs. Each of these scenarios indicates a lower level of future job growth in Brentwood than has been achieved in the recent past.

4 The significant majority of job growth under each scenario is expected to be for office-based jobs, with some additional distribution jobs and with an anticipated decline in manufacturing jobs.

5 The overall space requirements related to future scenarios range from 90,040sqm to 109,950sqm of all types of B Class employment space over a 15 year period from 2015. This implies a need for between 18.45

hectares and 22.75 hectares of employment land. Land for warehousing and distribution comprises the greatest requirement, followed by offices, with only limited additional land for manufacturing/ light industrial uses required. This implies a need for between -2.3ha and 40.1ha of employment land in overall terms.

6 The Local Plan Preferred Options proposes to re-allocate 18.9 hectares of existing employment land for other land uses including housing. Should this emerge as the preferred option, incorporating the replacement of these losses in their entirety on a like-for-like basis would increase future employment land requirements to between 37.35 and 41.65 hectares.

7 Based on the total supply of employment space identified as available (sites with extant planning permissions, existing allocations carried forward and proposed site allocations), in quantitative terms the Borough would have sufficient land to meet future needs up to 2030 under the three growth scenarios assessed in this study. Circa 65% of new allocations relate to land proposed for allocation at Brentwood Enterprise Park.

8 High level job capacity analysis suggests that identified employment sites have the potential to accommodate 5,035 jobs. This implies that capacity far exceeds the requirement as indicated by each of the scenarios under consideration as part of this study. The majority of the job capacity (86%) relates to proposed allocations including Brentwood Enterprise Park.

9 A review of the Council's proposed site allocations and policies for employment and the economy as contained in the Local Plan 2015-2030 Preferred Options document indicates that the Council should give consideration to:

- identifying, assessing and allocating additional sites to increase choice and widen the portfolio of potential sites having regard to market signals, and to help mitigate against the risks associated with relying on one major site (Brentwood Enterprise Park) to meet the majority of B Class needs;
- investigating the basis on which replacement employment land needs to be provided to offset land proposed to be re-allocated for housing, including the type and scale of requirements reflecting the current mix and profile of existing businesses that operate on sites which will be impacted by the Plan; and,
- assembling an overall employment land trajectory to determine the current availability of sites for office and industrial uses over the short, medium and long-term (structured broadly in five year periods), based on the latest information on the potential deliverability of sites which comprise the Borough's portfolio of employment land.

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1.0 Introduction

1.1 Brentwood Borough Council ('the Council') commissioned Nathaniel Lichfield & Partners ('NLP') to prepare updated technical evidence to inform employment and economy policies within the Council's emerging Local Plan 2015-2030 ('the Local Plan').

Scope of Study

1.2 The specific requirements of the Council's brief include:

1 Preparation of new baseline economic forecasts for Brentwood Borough from 2015;

2 Preparation of bespoke forecasts based on potential delivery of 5,430 dwellings and 6,200 dwellings over a 15 year timeframe;

3 Assessment of future employment land and site requirements in the context of 1) and 2) above;

4 Undertake a high level job capacity analysis of identified potential employment sites; and

5 Provide a review of the Council's proposed site allocations and policies for employment and the economy as contained in the Local Plan 2015-2030 Preferred Options document.

1.3 The report has been prepared in the context of the requirements set out in the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) on planning for business needs and economic growth. The focus of the study is on the range of B1-B8 employment uses (offices, industrial and warehousing). It should be noted that it does not comprise a full Employment Land Review or cover all elements identified within the PPG for this purpose as it does not consider market intelligence, market signals or include site assessments.

1.4 An important consideration for any work of this type is that it is inevitably a point-in-time assessment. The study has incorporated the latest data and other evidence available at the time of preparation (Spring 2014). The accuracy of data derived from third party sources has not been checked or verified by NLP.

Background

1.5 This study has been undertaken in the context of earlier work carried out by NLP and Experian on the Heart of Essex Economic Futures Study published in 2012.[1] The 2012 Study along with the Council's Employment Land Review (2010)[2] were used to inform policy S3 'Job Growth and Employment Land' in

[1] Heart of Essex Economic Futures Study, Nathaniel Lichfield & Partners and Experian, June 2012 http://www.brentwood.gov.uk/pdf/06082012104212u.PDF

[2] Epping Forest and Brentwood Borough Employment Land Review, Atkins, September 2010 http://www.brentwood.gov.uk/pdf/13102010165639u.pdf

Brentwood Borough Local Plan 2015-2030 Preferred Options document (July 2013). This policy allows for the provision of 5,400 additional jobs to be provided in the Borough over the Local Plan period. This equates to annual average job growth of 360 jobs.

1.6 However, new evidence has since been prepared on the Borough's objectively assessed housing need. This has led to the need to update the Council's employment land evidence to inform the emerging Local Plan.

Structure of the Report

1.7 The report is structured as follows:

- **Future Growth Scenarios** (Section 2.0) – reviews past trends of job growth in Brentwood and presents the future job growth scenarios prepared by Experian;
- **Employment Space Requirements** (Section 3.0) – provides estimates of future employment space requirements for B Class sectors in quantitative terms;
- **Need for Additional Employment Land** (Section 4.0) – assesses the gap between current land supply and future needs in both qualitative and quantitative terms, by comparing forecast requirements with availability of identified new employment sites;
- **Implications and Conclusions** (Section 5.0) – considers policy measures needed to support the identified employment sites portfolio and maximise economic growth in Brentwood, and identifies where other updated or supplementary evidence may be required.

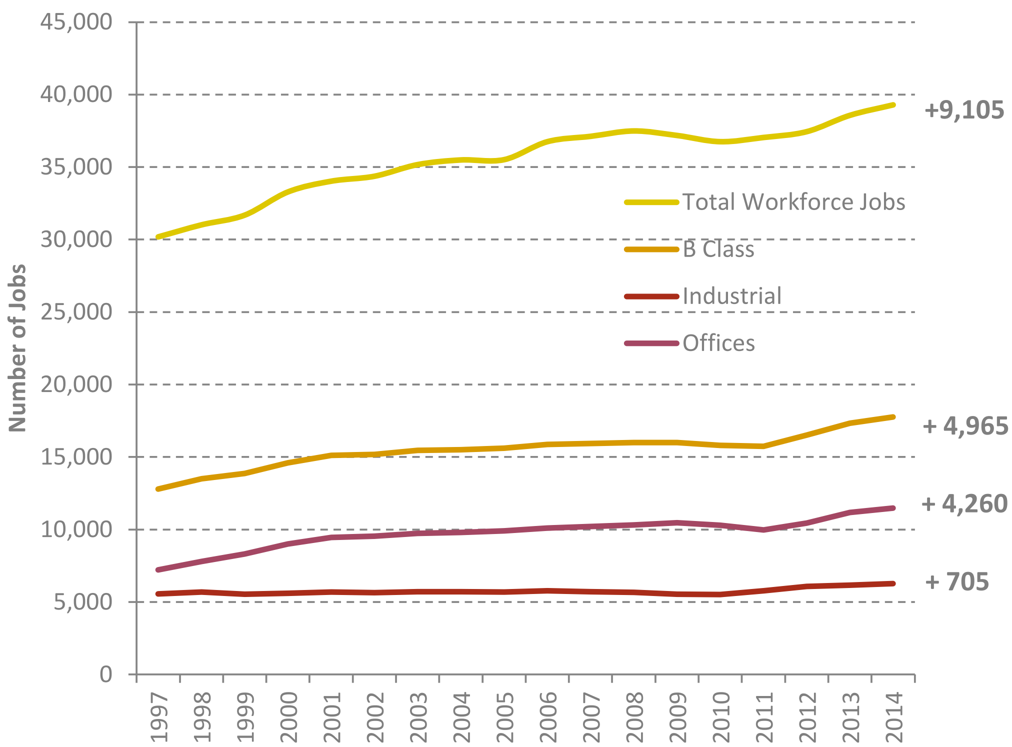
2.0
Future Growth Scenarios

2.1 This section provides the context for future growth by presenting recent trends in the Brentwood local economy. It also considers the job growth in Brentwood arising from the scenarios commissioned from Experian for the 2015-2030 Local Plan period.

Past Trends

2.2 Brentwood has recorded strong levels of job growth in recent years as shown in Figure 2.1. The Borough's total employment currently stands at approximately 39,300 jobs. Between 1997 and 2014 total workforce jobs[3] increased by 30% (9,105), of which 4,970 jobs were in B Class sectors (representing an increase of 40% in B Class jobs). Further analysis shows that office-based activities dominated B Class growth with an almost 60% increase in the number of jobs recorded between 1997 and 2014. By comparison, growth in the number of industrial (i.e. manufacturing and distribution) jobs was 13%.

Figure 2.1 Job Growth in Brentwood Borough 1997-2014



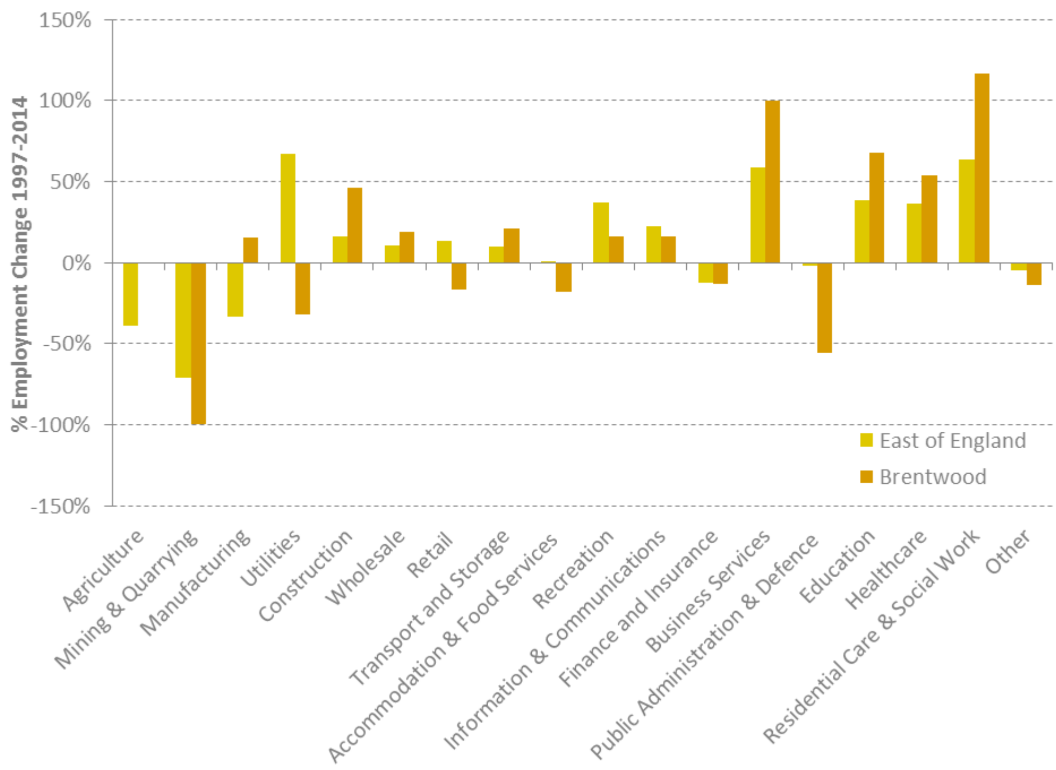
Source: Experian/NLP analysis Note: figures may be subject to future revision

2.3 As shown in Figure 2.2 employment growth in Brentwood has been driven by consumption sectors including residential care and social work (+117%),

[3] Workforce jobs as defined by Experian include employee jobs, self-employee jobs, Government-sponsored trainees and Her Majesty's Forces.

business services (+100%), education (+68%), healthcare (+54%) and construction (+46%). In percentage terms, these levels of job growth were greater than East of England regional averages. Notably, the number of manufacturing jobs in Brentwood grew by 360 jobs equating to a 15% rise, in contrast to regional and national trends of decline in this sector. Sectors that experienced contraction in terms of employment change between 1997 and 2014 include public administration and defence (-56%), utilities (-32%), accommodation and food services (-18%) and retail (-17%).

Figure 2.2 Employment Change by Sector in Brentwood and the East of England 1997-2014



Source: Experian/NLP analysis

Potential Scale of Future Job Growth

2.4 This section assesses B Class employment space requirements in Brentwood Borough for a 15 year period, using economic forecasts (i.e. a measure of labour demand) as outlined in the PPG.

2.5 Three scenarios have been considered as follows:

a **Scenario A: Baseline** prepared using Experian's local economic forecasts (December 2013) which provide estimates of job growth across a range of sectors at the local authority level.

b **Scenario B: Housing Growth – 5,430 dwellings** modifies the baseline scenario to model the economic implications of providing for housing growth of 5,430 dwellings over the plan period (i.e. 362 per annum for 15 years).

c **Scenario C: Housing Growth – 6,200 dwellings** models the economic implications of an alternative, higher level of housing growth of 6,200 dwellings over the plan period (i.e. 413 per annum for 15 years).

2.6 It is important to note that there are some inherent limitations to the use of economic forecasts of this type, particularly in the context of significant recent changes in the economy. National macro-economic assumptions are taken as the starting point and then modelled down to the regional and local level by reference to the existing economic profile and sectoral composition of an area. Local-level economic data is less comprehensive and reliable than at national and regional level which can affect how the modelling is calibrated. Similarly, top-down forecasts do not take account of specific local factors that might influence employment growth (such as Crossrail). However, forecasts are recognised as a valuable input to indicate the broad scale and direction of future economic growth in different sectors, to help assess future land requirements.

2.7 Population projections form one of a number of inputs to the production of economic forecasts, both in terms of future changes in working-age population (which directly impacts on demand for jobs) and total population (which generates demand for consumption activities e.g. local goods and services). Experian have made use of the 2010-based Sub National Population Projections (which provide projections to 2035) as an input to the December 2013 release. It is important to note that population projections are frequently revised, as are assumptions around future working age population, economic activity rates and national changes to the pension age. These forecasts also assume that existing patterns of commuting remain unchanged and do not yet take account of the 2011 Census origin-destination commuting data.

2.8 The outputs of each scenario are expressed in terms of total employment (including self-employed), set out in Appendix 1. The impacts have been assessed across a 15 year timeframe. The base year for each scenario is 2015, however, it should be noted that this is a forecast figure that may be subject to future revision as actual data is recorded.

Scenario A: Baseline Scenario

2.9 The overall employment change in Brentwood resulting from these forecasts is shown in Table 2.1 along with expected job growth in the main B Class sectors. This includes an allowance for jobs in other non-B Class sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities. This indicates potential net job gains of 1,930 jobs in the B-use classes over the 2015/16-2029/30 period.

Table 2.1 Baseline Forecast Employment Change in Brentwood Borough 2015-2030

	No. of Jobs		Change	
	2015/16	2029/30	2015/16-2029/30	
Manufacturing (B1c/B2)*	3,790	3,355	-435	-11%
Distribution (B8)**	2,525	3,135	610	24%
Offices (B1a/b)***	11,725	13,475	1,750	15%
Total B Class Jobs	18,040	19,970	1,930	11%
Jobs in All Sectors	39,900	45,650	5,750	14%

Source: Experian/NLP analysis

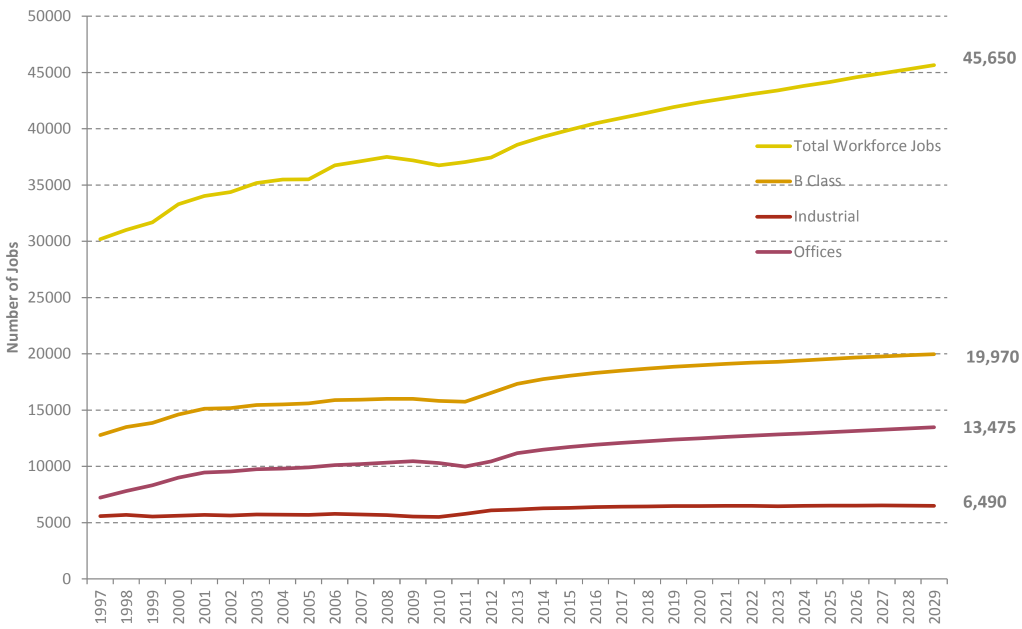
* includes vehicle repair and some construction activities ** includes parts of transport & communications sectors that use industrial land *** includes publishing and a proportion of government offices

2.10 Significantly, 1,750 of these additional jobs are expected to be B1a/b jobs, 74% of gross job gains (rising to 91% of net gains[5]). In contrast with strong growth in office-based activities, it is expected that there will be a net loss of manufacturing jobs over the plan period with the loss of approximately 435 jobs, equivalent to an 11% decline. An increase of approximately 610 distribution jobs is expected, equivalent to growth of 24%. This is within the context of overall total job growth of 5,750 forecast for the Borough to 2030, which outside the B Class sectors will mainly be in the transport, hospitality and health and residential care and recreation sectors. Under this scenario, it is assumed that the Borough's working age population will increase by 13% (6,050 people) between 2015/16 and 2029/30. Not all of these people will work locally; commuting patterns indicate that 70%[6] of the Borough's resident workforce commutes out for work.

2.11 Figure 2.3 presents job growth recorded in Brentwood Borough between 1997 and 2014 and forecast job growth under Scenario A. As set out previously the total number of B Class jobs increased by approximately 4,970 between 1997 and 2014. On an annualised basis, this past trend growth equates to approximately 292 additional jobs per annum across both office and industrial sectors. The baseline forecasts a net increase of almost 1,930 B Class jobs over a 15-year period which is equivalent to an average of 129 additional jobs per annum. This is over 50% below the job growth achieved in Brentwood since 1997, with the most significant reduction in growth rates occurring in office-based sectors (as shown in Figure 2.4). Detailed data is contained at Appendix 1.

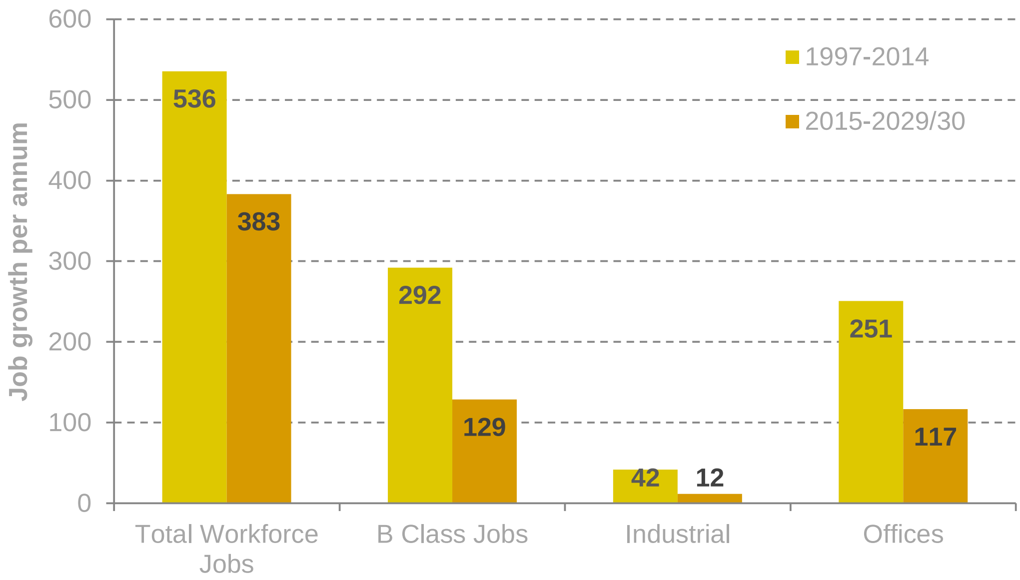
[5] The gross jobs figure includes the forecast job increases but does not account for forecast job losses while the net jobs figure accounts for manufacturing job losses that are forecast.
[6] Census 2011 origin-destination data, people age 16+

Figure 2.3 Past and Forecast Job Growth under Scenario A: Baseline



Source: Experian/NLP analysis

Figure 2.4 Comparative Annualised Job Growth: Past Trend and Scenario A: Baseline



Source: Experian/NLP analysis

Scenario B: Housing Growth (5,430 Dwellings)

2.12 A housing growth scenario for Brentwood has been developed by Experian to understand the economic implications of delivery of 5,430 dwellings (i.e. 362 dwellings per annum) over a fifteen year period. This figure is in line with Brentwood's objectively assessed housing need estimate.[7] This scenario takes

[7] Greater Essex Demographic Forecasts 2012-2037, Phase 6 (2014)

the baseline scenario as the starting point, but modifies this to reflect the potential impact of new housing on the population of the Borough. This includes future changes in working-age population (which directly impacts on demand for jobs) and total population (which generates demand for consumption activities e.g. local goods and services).

2.13 The number of jobs recorded for the base year 2015/16 is lower than Scenario A as the differing input assumptions begin to impact the scale of job growth in year one of the scenario and 2015 is a forecast figure.

2.14 The total workforce employment change and expected B Class job growth in Brentwood resulting from this scenario are shown in Table 2.2 below. Again these include an allowance for jobs in other non-B Class sectors that normally occupy typical B Class space as adopted for Scenario A. These indicate overall net job gains of 6,705 including 2,290 in the B-use classes in Brentwood over the period 2015/16-2029/30, equivalent to a 13% increase. Growth in office-based and distribution activities contrasts with a decline in manufacturing employment. Office jobs account for over 85% of the net total B Class job gains.

Table 2.2 Housing Growth (5,430 Dwellings), Forecast Employment Change in Brentwood Borough 2015-2030

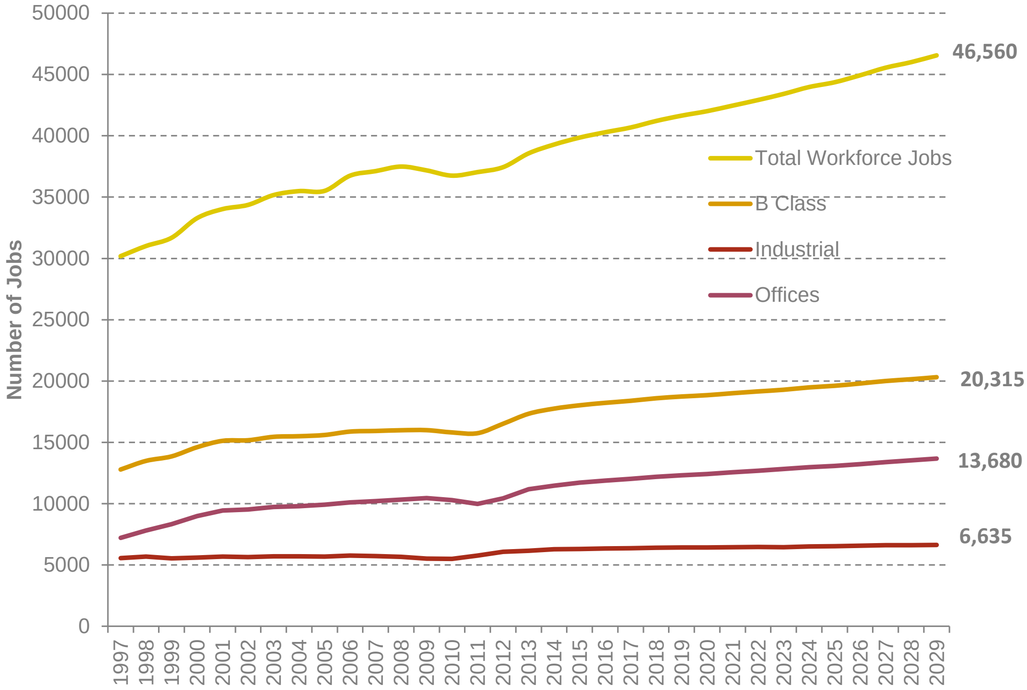
	No. of Jobs		Change	
	2015/16	2029/30	2015/16-2029/30	
Manufacturing (B1c/B2)*	3,790	3,425	-365	-10%
Distribution (B8)**	2,520	3,210	690	27%
Offices (B1a/b)***	11,715	13,680	1,965	17%
Total B Class Jobs	18,025	20,315	2,290	13%
Jobs in All Sectors	39,855	46,560	6,705	17%

Source: NLP analysis

2.15 The key difference between this scenario and Scenario A is the change in the percentage of working age population. It is forecast that working age population will increase by 16% (7,395 people) between 2015 and 2030. This is 22% higher than the number of working age people assumed in Scenario A.

2.16 Figure 2.5 presents past and forecast job growth for Scenario B.

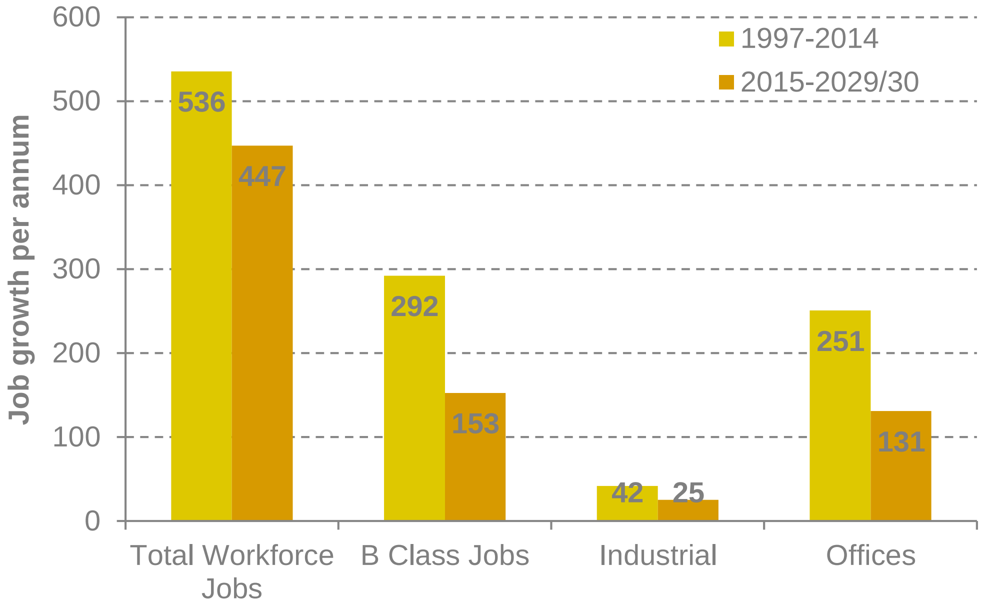
Figure 2.5 Past and Forecast Job Growth under Scenario B (5,430 Dwellings)



Source: Experian/NLP analysis

2.17 Scenario B forecasts that the total number of B Class jobs will grow by 2,290 over a 15 year period; on an annualised basis, this amounts to 153 jobs. When compared to past trend job growth recorded between 1997 and 2014, this level of growth is over 45% lower as shown in Figure 2.6.

Figure 2.6 Comparative Annualised Job Growth: Past Trends and Housing Growth Scenario (5,430 Dwellings)



Source: NLP analysis

2.18 Scenario B forecasts that manufacturing will be the only sector that will experience a decline in real and percentage terms over the plan period (Table 2.2). It is forecast that there will be a loss of 365 jobs which equates to a contraction of 10%, reflecting the changing structure of the local economy. Again key growth sectors include transport and storage, accommodation and food services, recreation and residential care and social work, expansion of these consumption sectors is often associated with additional housing and population growth in an area. Business services are the sector with the greatest number of jobs forecast, with 1,965 net additional jobs expected over the 15-year period. Detailed data is included in Appendix 1.

Scenario C: Housing Growth (6,200 Dwellings)

2.19 Similar to Scenario B, this scenario considers the economic implications of a particular level of housing delivery, in this instance 6,200 dwellings (i.e. 413 per annum) over the Local Plan period. This figure represents objectively assessed housing need (as per Scenario B) but with an uplift calculated by the Council to account for a shortfall of housing delivery between 2012 and 2015 before the Local Plan is adopted.

2.20 As shown in Table 2.3, in Scenario C, Brentwood is forecast to create 7,440 new jobs between 2015/16 and 2029/30 representing a 19% increase. Net job gains of almost 2,570 are forecast for the B use classes equating to a 14% increase. It is forecast that working age population will increase by 18% (8,440 people) between 2015/16 and 2029/30 (40% higher than under Scenario A).

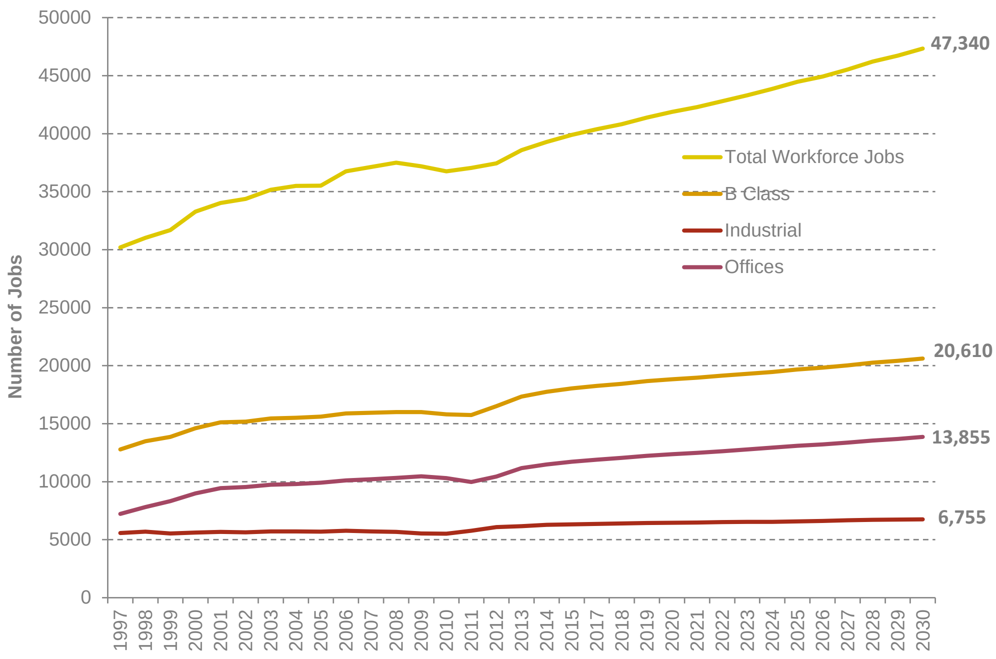
Table 2.3 Housing Growth (6,200 Dwellings) Forecast Employment Change in Brentwood Borough 2015-2030

	No. of Jobs		Change	
	2015/16	2029/30	2015/16-2029/30	
Manufacturing (B1c/B2)*	3,790	3,485	-305	-8%
Distribution (B8)**	2,525	3,270	745	30%
Offices (B1a/b)***	11,725	13,855	2,130	18%
Total B Class Jobs	18,040	20,610	2,570	14%
Jobs in All Sectors	39,900	47,340	7,440	19%

Source: Experian/NLP analysis

2.21 Office-based activities are expected to increase by 18%, distribution jobs are also expected to increase by 30%, and it is expected that there will be a net loss of manufacturing jobs over the plan period with the loss of approximately 305 jobs, representing an 8% decline. Figure 2.7 presents job growth recorded in Brentwood Borough between 1997 and 2014 and the forecast job growth under the housing growth scenario.

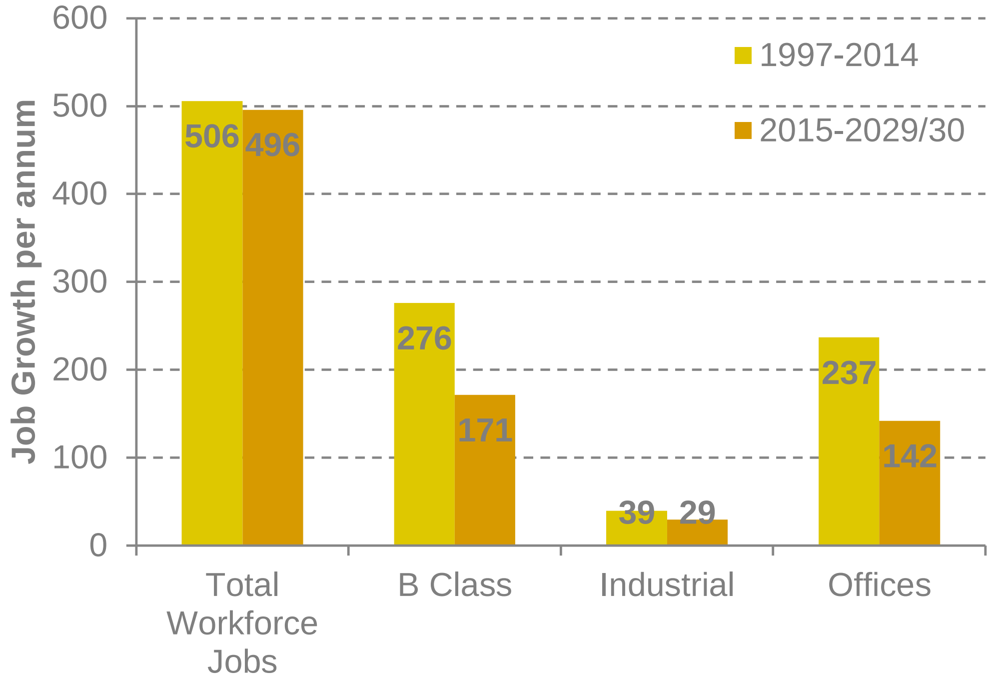
Figure 2.7 Past Trend and Forecast Job Growth Housing Growth Scenario



Source: Experian/NLP analysis

2.22 Scenario C forecasts a net increase of almost 2,570 B Class jobs over a 15-year period which is equivalent to an average of 171 additional jobs per annum; almost 40% lower than job growth achieved in the Borough between 1997 and 2014. Figure 2.8 highlights that annualised job growth levels forecast under Scenario C are most closely aligned with past trends in terms of total workforce jobs; however, the growth levels for B Class, office and industrial based jobs are lower than past growth rates in these sectors.

Figure 2.8 Comparative Annualised Job Growth; Past Trends and Housing Growth Scenario (6,200 Dwellings)



Source: Experian/NLP analysis

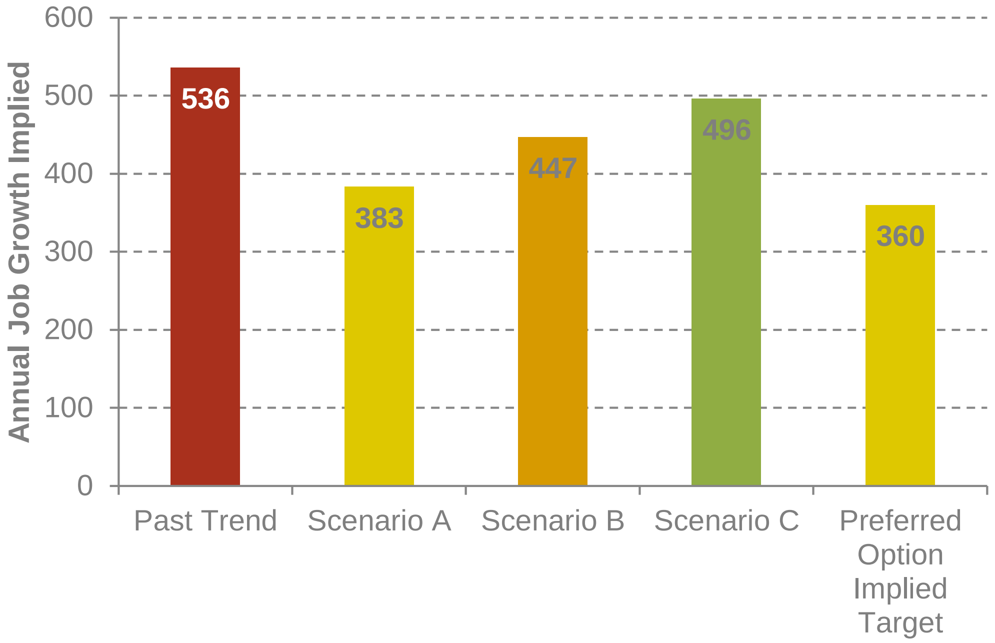
2.23 As with Scenario B, the numbers of jobs in the manufacturing sectors are forecast to contract by almost 510 jobs (-19%). The consumption sectors are likely to experience the greatest levels of growth in percentage terms, though in real term business services are forecast to expand the most with 2,100 new jobs.

Comparison of Scenarios

2.24 Figure 2.9 compares past trend annual job growth (1997-2014) with implied annual average job growth under each of the alternative growth scenarios. Despite including a recessionary period, per annum job growth was almost 29% higher than the baseline job growth scenario (Scenario A), 17% higher than Scenario B and 8% higher than is forecast for the more optimistic housing led scenario (Scenario C). All three alternative Scenarios are greater than the implied target of 360[8] currently included in the Local Plan Preferred Options document (July 2013 version).

[8] S3 Job Growth and Employment Land makes provision for 5,400 additional jobs to be provided in the Borough over the course of the Local Plan period.

Figure 2.9 Implied Annual Job Growth 2015-2030



Source: Experian/NLP analysis Note: past trend based on 1997-2014 period

Conclusions

2.25 Three alternative future job growth scenarios have been considered using Experian economic forecasts and based on labour demand approaches as set out in the PPG. These provide a baseline scenario and two scenarios where the baseline has been modified to take account of varying levels of housing growth which build on the baseline scenario of forecast job growth over a fifteen year period from 2015.

2.26 Between 1997 and 2004, B Class job growth outstripped total workforce job increases in percentage terms. Forecast net B Class job growth to 2030 related to Scenario A amounts to 1,930 jobs. In terms of the housing-based growth scenarios, Scenario B forecasts net B Class job growth amounting to 2,290 jobs while Scenario C is a marginally higher at 2,570 additional B Class jobs. The significant majority of job growth under each alternative scenario is expected to be for office-based jobs, some distribution jobs and with an anticipated decline in manufacturing jobs. The level of forecast job growth arising from all three scenarios is below historic job growth trends in the Borough, although Scenario C is most closely aligned.

3.0 Employment Space Requirements

3.1 This section quantifies B Class employment floorspace requirements associated with the scenarios of future job growth presented in section 2.0.

Net Employment Space Requirements

3.2 Forecasts of job growth in Brentwood are converted to future employment space requirements assuming typical ratios of jobs to floorspace for the different B Class uses. To estimate space needs, the following average ratios have been applied:

- Manufacturing: 1 job per 43 sq.m
- General Distribution: 1 job per 65 sq.m (smaller scale warehousing)
- Strategic Distribution: 1 job per 74 sq.m (large scale warehousing)
- Offices: 1 job per 12.5 sq.m

3.3 These assumptions are based on the latest HCA/Offpat Employment Densities Guide, on employment densities published in 2010. The Guidance takes account of recent trends in terms of the changing use of employment space, the main change being the more efficient utilisation of office space due to increased flexible working such as home working and hot desking. This has resulted in a decrease in the amount of floorspace per office worker that is assumed compared to earlier guidance.

3.4 An allowance of 10%[10] is added to all positive floorspace requirements to reflect a normal level of market vacancy in employment space. Where a reduction in jobs is forecast, in this instance B1c/B2 manufacturing; the associated negative floorspace is reduced by 50%, to reflect the fact that not all of this space is likely to be lost because there is not necessarily a direct correlation between job losses and reductions in space.

3.5 Table 3.1 summarises the net floorspace requirement up to 2030 arising from each scenario.

Table 3.1 Brentwood Employment Net Floorspace Requirements 2015/16-2029/30 by Scenario

	Scenario A	Scenario B	Scenario C
	Floorspace (sqm)		
Manufacturing (B1c/B2)	-9,345	-7,805	-6,625
Distribution (B8)	45,690	51,340	55,670
Offices (B1a/b)	24,050	27,005	29,275
Total	**60,395**	**70,540**	**78,320**

Source: NLP analysis

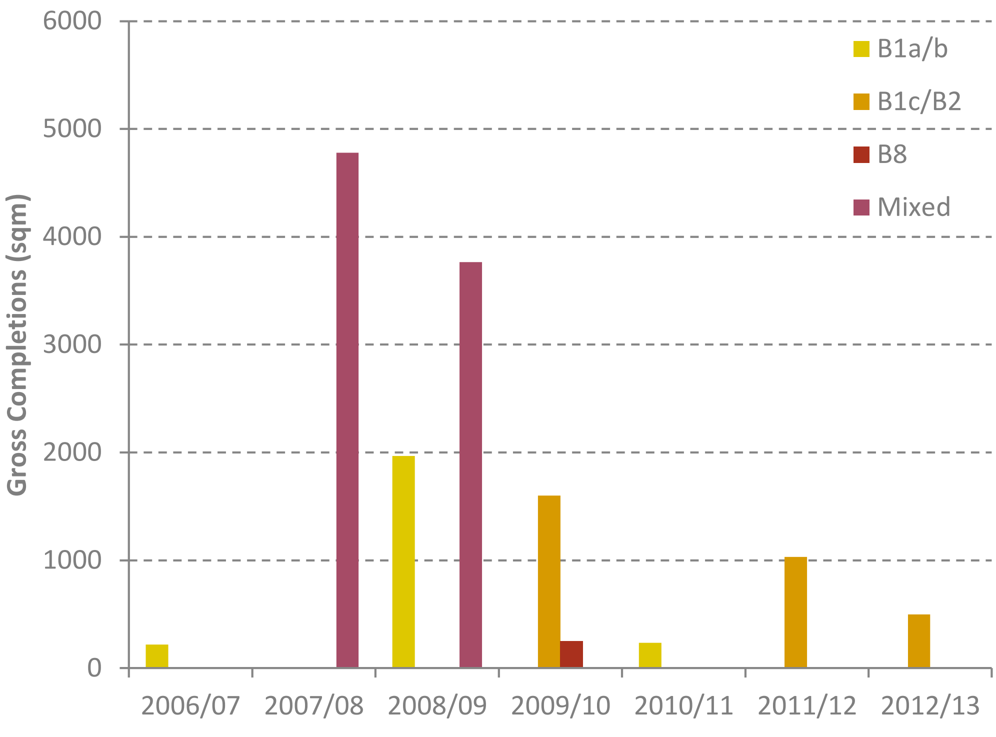
[10] 10% represents a generally accepted industry vacancy rate to allow

3.6 Under each scenario, it is forecast that there will be some loss of manufacturing floorspace, of between -9,345sqm (Scenario A), -7,805sqm (Scenario B) and -6,625sqm (Scenario C) over a 15-year period. A positive requirement for additional floorspace for distribution and office uses is identified under Scenarios A, B and C, of up to 69,740 sq.m, 78,345 sq.m and 84,945 sq.m respectively. This results in an overall net requirement of 60,350 sq.m, 70,540 sq.m and 78,320 sq.m of employment space under Scenarios A, B and C respectively.

Past Development Trends

3.7 Completion rates of employment floorspace can reflect market demand and actual development patterns that have occurred in recent years. It is recognised that the recession is likely to have impacted investment and construction of employment floorspace and therefore may not reflect future demand. The gross amount of floorspace developed for B Class employment uses in Brentwood over the past seven years is shown in Figure 3.1 below.

Figure 3.1 Gross Development Rates 2006-2013

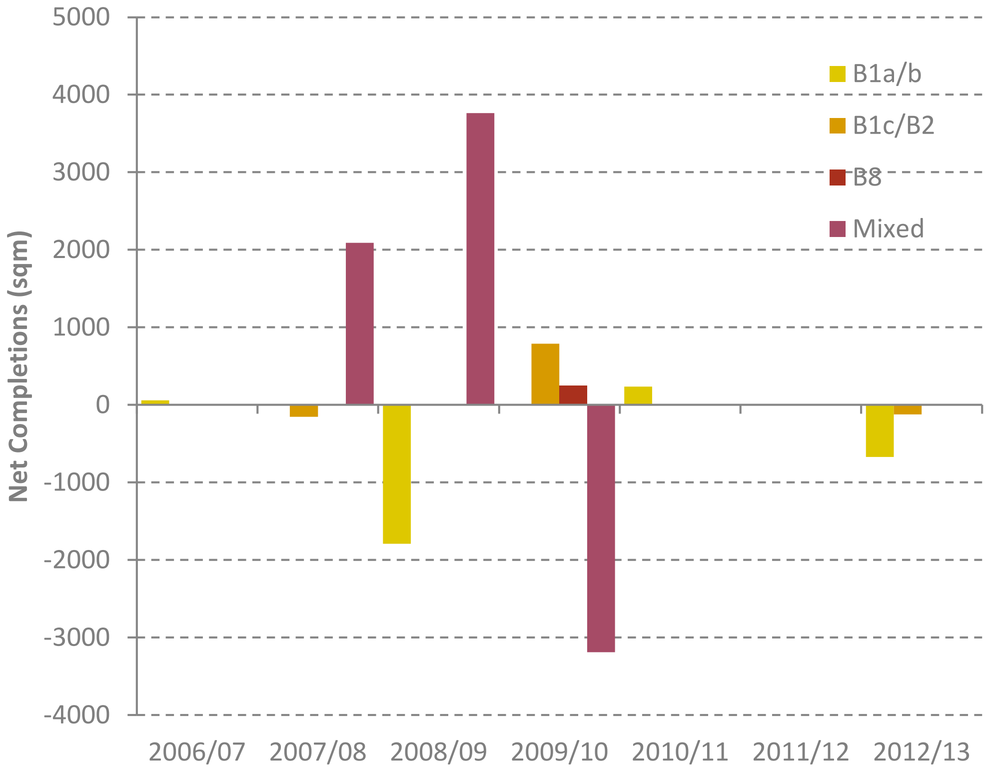


Source: Brentwood Council Monitoring Data/NLP analysis

3.8 The Council's development monitoring data indicates that gross completions of B Class employment floorspace have been very modest in recent years. Gross development amounted to just 14,340 sq.m between 2006 and 2013 of which only 1,765 sq.m (12%) was completed since 2010. The majority of new floorspace developed (60%) was for mixed or flexible B Class uses, 22% for B1c and B2 factory/industrial uses, 17% for B1a/b office uses and just 2% for B8 distribution uses. These completions comprised of a number of small scale developments. The annual average gross development rate equals 2,050sqm.

3.9 Between 2006 and 2013 the net development rate (i.e. taking account of losses of space) was significantly lower totalling just over 1,250sqm. This translates into annual average net completions of just 180sqm. Modest floorspace gains were recorded for B1c/B2, B8 and mixed uses while there was a net loss of 2,170sqm of B1a/b floorspace. The majority of B1a/b office floorspace losses can be attributed to the change of use of Brentwood House from offices to hotel accommodation. The annual net completions data is set out in Figure 3.2.

Figure 3.2 Net Development Rates 2006-2013



Source: Brentwood Council Monitoring Data 2006-2013/NLP analysis

3.10 It appears unlikely that this very limited level of development will continue in the future as market activity begins to return during recovery from the recession and developer confidence returns. However, this data does provide useful information that can be used to inform future planning for employment floorspace.

Safety Margin

3.11 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to give some flexibility of provision, it is normal to add an allowance as a safety margin for factors such as delays in some sites coming forward for development.

3.12 The former SEEPB guidance on employment land assessments recommends an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. For Brentwood, the margins set out in Table 3.2 were added for B Class uses based on two years of average gross take-up. For the purposes of this study, gross figures have been used in calculating the safety margin allowance. This approach has been adopted because analysis of the Council's monitoring data between 2006 and 2013 shows that there was a net loss of B1 employment floorspace, yet it is forecast that there is a net additional requirement for B1 floorspace over the course of the plan period. On this basis this appears an appropriate level relative to the estimated scale of the original requirement.

Table 3.2 Safety Margin Allowances

Use	Gross Average Annual Take-up (sqm)	Safety Margin Added (sqm)
Manufacturing (B1c/B2)	1,106	2,212
Distribution (B8)	87	174
Offices (B1a/b)	856	1,712
Total	**2,048**	**4,098**

Source: NLP analysis

Convert to Gross Floorspace Requirements

3.13 To convert the net requirement of employment space into a gross requirement (the amount of employment space or land to be allocated), an allowance is also typically made for some replacement of losses of existing employment space that may be developed for other, non B Class uses.

3.14 Judgements were made on the suitability and degree of the allowance for future losses which it would be appropriate to apply here based on past development trends and losses recorded across the Borough since 2006.

3.15 Between 2006-2013, there was no loss of B8 floorspace recorded in Brentwood[12]; however, some 'mixed' B Class floorspace was lost (average 840 sqm per annum). To ensure these losses are reflected in loss allowances, this 'mixed' B1/B2/B8 floorspace loss has been broadly apportioned to B1a/b and B1c/B2 uses on a 50:50 basis. Consequently, for manufacturing uses, loss replacement of 910 sq.m[13] per annum was applied to take account of the likely need for some upgrading of older space. As set out previously, a loss of office floorspace has been recorded since 2006, however, office-based activities are forecast to increase therefore a loss replacement of 1,075sq.m[15] per annum has been allowed for.

3.16 The resultant gross floorspace requirements incorporating these allowances are set out in Table 3.3 and Figure 3.3.

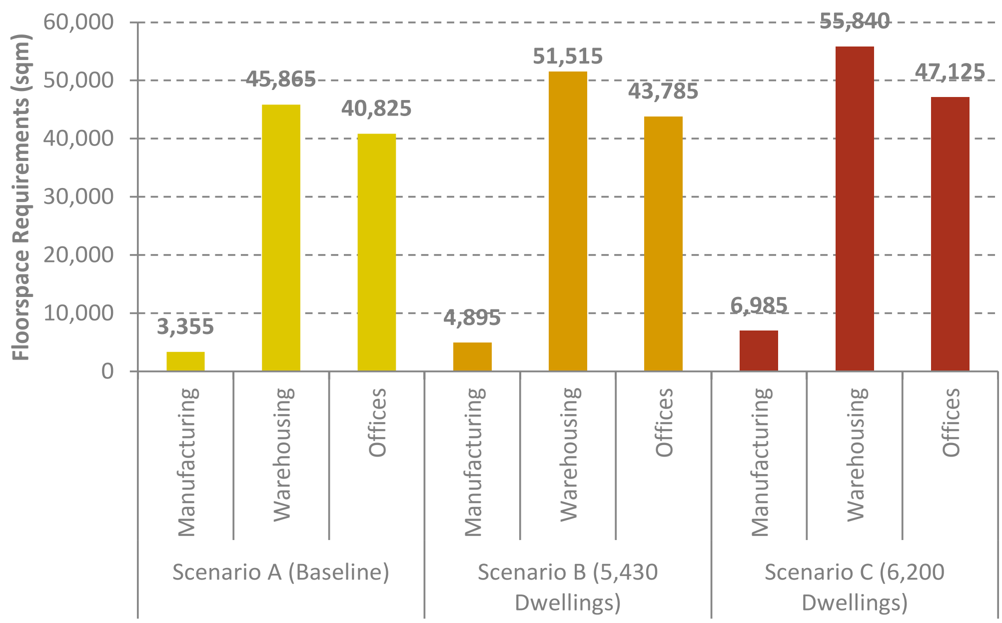
[12] No loss of B8 employment floorspace has been recorded in the Council's development monitoring data from 2006-2013.
[13] Annual average loss of B1c/B2 space 2006-2013 plus 420sqm mixed B Class space losses
[15] Annual average loss of B1a/b 2006-2013 plus 420sqm of mixed B Class space losses.

Table 3.3 Gross Floorspace Requirements by Scenario 2015/16-2029/30

Use	Scenario A (sqm)	Scenario B (sqm)	Scenario C (sqm)
Manufacturing (B1c/B2)	3,355	4,895	6,985
Warehousing (B8)	45,865	51,515	55,840
Offices (B1a/b)	40,825	43,785	47,125
Total B Class Uses	**90,040**	**100,190**	**109,950**

Source: NLP analysis

Figure 3.3 Gross Floorspace Requirements by Scenario 2015/16-2029/30



Source: NLP analysis

Estimated Land Requirements

3.17 Floorspace requirements have been translated into land requirements using the plot ratios set out in Table 3.4. It has been assumed that 50% of offices will be built at a higher density in urban locations and 50% at a lower density in small business parks. It is assumed that 70% of B8 warehousing will be small scale units and 30% will be larger scale developments based broadly on the existing split of space in the Borough.

Table 3.4 Plot Ratio Assumptions

Use	Plot Ratio
Manufacturing (B1c/B2)	0.4
Warehousing (B8)	0.4
Offices (urban) (B1a/b)	0.4
Offices (business park) (B1a/b)	2.0

Source: HCA/Offpat Employment Densities Guide, 2010

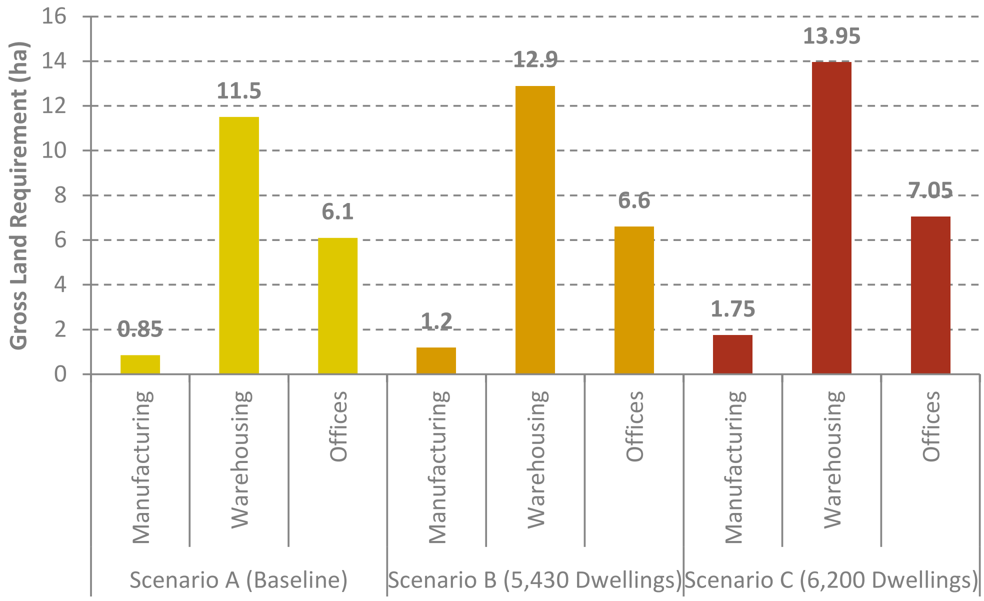
3.18 The resulting land requirements for each of the scenarios are set out in Table 3.5 and Figure 3.4.

Table 3.5 Gross Land Requirement 2015/16-2029/30

Use	Scenario A (ha)	Scenario B (ha)	Scenario C (ha)
Manufacturing (B1c/B2)	0.85	1.20	1.75
Warehousing (B8)	11.50	12.90	13.95
Offices (B1a/b)	6.10	6.60	7.05
Total B Class Uses	**18.45**	**20.70**	**22.75**

Source: NLP analysis

Figure 3.4 Gross Land Requirement by Scenario



Source: NLP analysis

3.19 The estimated land requirement ranges from 18.45 hectares in Scenario A to 22.75 hectares in Scenario C, with the requirement for Scenario B falling mid-way at 20.70 hectares. Overall, each scenario suggests similar levels of requirements within an overall range of about 18 – 23 hectares. This range is higher than requirements identified in previous studies. The Epping Forest District and Brentwood Borough Joint ELR (2010) outlined a requirement for 9.5 hectares of employment space to 2031. The Heart of Essex Economic Futures Study completed in 2012 identified a net requirement for approximately 9.4 hectares, but did not express gross requirements. However, it is worth noting that these studies were completed during a period of economic recession when the outlook was inevitably more pessimistic. By contrast, the estimates outlined about take account of more recent macro-economic assumptions.

Potential Losses Arising from the Local Plan

3.20 The methodology for calculating employment space requirements allows for normal market losses of employment floorspace over the Plan period (approximately 10%), as detailed above and informed by the Council's monitoring data. However, it does not take account of any significant losses that would arise from the implementation of the Plan itself.

3.21 The Local Plan Preferred Options document seeks to re-allocate existing employment land for housing and mixed uses which will result in the loss of approximately 18.9 hectares of current employment land allocations at Wates Way, West Hordon Industrial Estate, Horndon Industrial Estate and Council Depot. If these sites were to be replaced in their entirety on a like-for-like basis, it would increase the Borough's future employment land requirements to between 37.35 hectares and 41.65 hectares.

Conclusions

3.22 The overall space requirements related to future scenarios range from 90,040sqm to 109,950sqm of all types of B Class employment space over a 15 year period from 2015. This implies a need for between 18.45 hectares and 22.75 hectares of employment land. Land for warehousing and distribution comprises the greatest requirement, followed by offices, only limited additional land for manufacturing/ light industrial uses are required.

3.23 Within a context of land constraints, the Council proposes to re-allocate 18.9 hectares of employment land for competing land uses including housing. Should this emerge as the preferred option, incorporating the replacement of these losses in their entirety on a like-for-like basis would increase future employment land requirements to between 37.35 and 41.65 hectares.

4.0 Need for Additional Employment Land

4.1 This section draws together the forecasts of future employment space requirements in section 3.0 and the estimates of land available on the Borough's existing employment sites from the Preferred Options document in order to identify any need for more provision of employment space, or surpluses of it, in both quantitative and qualitative terms.

Quantitative Balance

4.2 Section 3.0 identified a need for broadly between 90,040sqm and 109,950sqm of B Class employment space up to 2030, including a safety margin largely to allow for delays in sites coming forward for development and factoring in some allowance for losses of employment space. The land requirements associated with these amounts of employment floorspace were estimated at between 18.45 and 22.75 hectares. The land requirement under Scenario B falls mid-way in this range at 20.70 hectares.

Emerging Supply of Employment Space

4.3 The supply of employment space in the development pipeline comes from sites allocated for employment development and from other sites with planning permission.

4.4 The Council is currently proposing through 'Policy S3: Job Growth and Employment Land' of the Brentwood Borough Local Plan 2015-2030 Preferred Options to allocate approximately 84 hectares of employment land to meet additional employment land requirements as identified in previous evidence base studies, to account for employment land lost to preferred housing allocations, existing employment land available for development as well as existing B Class employment sites that have been rolled forward from the Brentwood Replacement Local Plan (2005).

4.5 The proposed new employment site allocations and existing employment sites included in the Preferred Options document are set out at Appendix 2. The existing employment land allocations accommodate existing employment uses and therefore are not available to meet future employment space needs. Furthermore, proposed new employment site allocations 101B (Brentwood Enterprise Park) and 108 (The Old Pump Works, Great Warley Street) have existing employment uses on site and therefore do not represent additional land supply.

4.6 Of the proposed employment land allocations included in the Local Plan Preferred Options, it is estimated that 31.01 hectares[16] provide land available to meet future employment land requirements.

[16] Total new allocations of 35.84ha with site reference 101B (4.04ha) and 108 (0.79ha) excluded as they are have existing employment uses.

4.7 The Council's most recent Annual Monitoring Report 2011-2012 reports that existing employment land available for development equates to 4 hectares. This comprises of undeveloped employment allocations from the Brentwood Replacement Local Plan (2005) amounting to 2.87 hectares and extant planning permissions for employment land at April 2012 amounting to 1.13 hectares.

4.8 Analysis of the most recent development management monitoring data from 2012-2013 indicates that extant permissions for employment land at April 2013 equated to 2.69 hectares providing approximately 6,620sqm[17] of B Class employment floorspace. It is understood those outstanding employment allocations at: Hallsford Bridge Industrial Estate extension at Stondon Massey (0.58ha), West Hordon Industrial Estate (1.05ha) and Childerditch Industrial Park (0.59ha) remain undeveloped. Land adjacent to the Council's Highways Depot, Warley consisting of 0.65 hectares has been included in the Preferred Options as a housing allocation and as such may not be available for employment uses, however for the purposes of this study, this site is still considered to be available for employment uses.

4.9 On this basis, as set out in Table 4.1, sites allocated for employment development and sites with planning permission provide combined employment land supply of 36.57 hectares.

Table 4.1 New Employment Land Supply

Supply Component	Area (ha)
Proposed Allocations	31.01
Existing Allocations from Brentwood Replacement Local Plan 2005	2.87
Extant Permissions, March 2013	2.69
Total	**36.57**

Source: NLP analysis

4.10 A broad comparison of estimated land requirement against all currently identified land supply indicates that the Borough has surplus employment space in quantitative terms up to 2030 for all three estimates of future employment land requirements (Table 4.2).

[17] Floorspace for planning permission reference BRW/1206/12 is unknown therefore net employment floorspace with extant planning permission is greater than 6,620sqm

Table 4.2 Demand/Supply of B Class Employment Land in Brentwood

Use	Scenario A	Scenario B	Scenario C
Land Requirement for B Class space (ha)	18.45	20.70	22.75
Land Available for Employment Space (ha)		36.57	
Surplus (+)/Shortfall (-)	**+18.12**	**+15.87**	**+13.82**

Source: NLP analysis

4.11 Translating this to employment floorspace, shows that in quantitative terms Brentwood exceeds requirements identified by each of the alternative scenarios under consideration (Table 4.3). It should be noted that this figure includes some space that has been granted planning permission for a specific use and committed to a specific user so that it may be less able to meet general future needs.

Table 4.3 Demand/Supply of B Class Employment Space in Brentwood

Use (sqm)	Scenario A	Scenario B	Scenario C
Requirement for B-class floorspace	90,040	100,190	109,950
Potential capacity of land available for employment space (sq.m)		142,130[19]	
Surplus (+)/ Shortfall (-)	**+52,090**	**+41,940**	**+32,180**

Source: Brentwood Borough Council/NLP analysis

Needs of Different Employment Uses

4.12 Further analysis was conducted to identify the type of potential B Class floorspace capacity of identified sites. This has taken account of the assumed B Class use splits as set out in the Preferred Options for proposed allocation (where available), applying a plot ratio of 0.4ha. In terms of existing allocations, the indicative uses set out in the 2010 ELR were applied and the floorspace of each use class was included as per the planning permissions for extant planning permissions. Where no split was defined, a 30:30:30 B1a/b, B1c/B2, B8 split is assumed.

4.13 Drawing together the committed and potential supply and other undeveloped land based on Council data, there is estimated to be current capacity to provide for some 38,460sqm of new office space, 44,165sqm of new manufacturing space and 59,505sqm of warehousing space, or about 142,130sqm in total (Table 4.4).

[19] Floorspace for proposed and existing allocations are calculated at a plot ratio of 0.4ha (i.e. 1 ha can accommodate 4,000 sq.m)

Table 4.4 Available B Class Employment Floorspace in Brentwood

	B1a/b (sqm)	B1c/B2 (sqm)	B8 (sqm)	Total (sqm)
New Allocations	33,545	33,545	56,955	124,045
Existing Allocations	1,400	8,680	1,400	11,480
Extant Planning Permissions	3,520	1,940	1,155	6,615
Total	**38,460**	**44,165**	**59,505**	**142,130**

Source: NLP analysis

4.14 Ensuring an adequate choice of types of sites is also important even if there is adequate supply in quantitative terms. This is necessary to meet needs of different employment sectors and the aims for diversity of employment opportunities at different skill levels. This is particularly pertinent in Brentwood which as a Borough is a net exporter of labour and due to the anticipated rise in the proportion of working age residents arising from new housing. Potential supply of employment space for both industrial and office uses was therefore compared with estimated requirements for these uses.

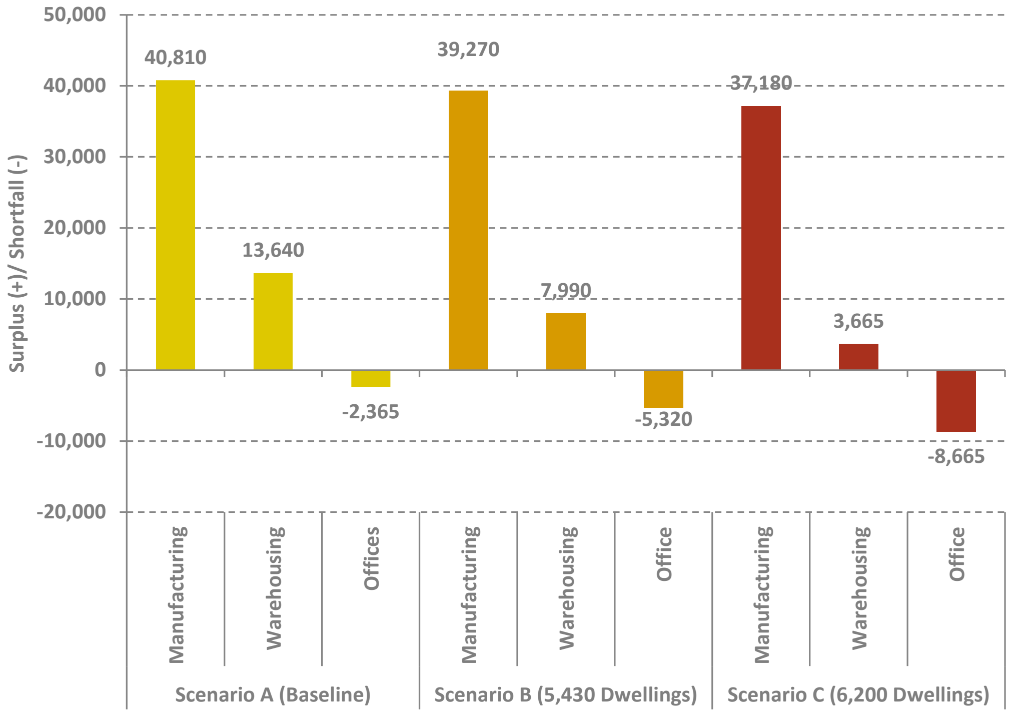
4.15 Table 4.5 and Figure 4.1 compare the demand and supply situations of offices, manufacturing and warehousing floorspace separately. This indicates that under each demand scenario there would be a shortfall of office space to meet forecast needs, with the deficit ranging from -2,365sqm under the baseline scenario (Scenario A) to -5,320sqm and -8,665sqm under Scenarios B and C respectively. However, it would appear that there should be a modest surplus supply, purely in quantitative terms, of warehousing and distribution space (particularly under Scenario C) and a relatively higher surplus supply of light industrial/manufacturing space.

Table 4.5 Demand/Supply Balance for B Class Floorspace to 2030

Use (sqm)	Scenario A	Scenario B	Scenario C
Offices (B1a/b)			
Office Requirement	40,825	43,780	47,125
Potential Supply		38,460	
Surplus (+)/Shortfall (-)	**-2,365**	**-5,320**	**-8,665**
Manufacturing (B1c/B2)			
Manufacturing Space Requirement	3,355	4,895	6,985
Potential Supply		44,165	
Surplus (+)/Shortfall (-)	**+ 40,810**	**+39,270**	**+37,180**
Warehousing (B8)			
Warehousing Space Requirement	45,865	51,515	55,840
Potential Supply		59,505	
Surplus (+)/ Shortfall(-)	**+13,640**	**+7,990**	**+3,665**

Source: NLP analysis

Figure 4.1 Forecast Surplus/ Shortfall (sqm) of B Class Employment Floorspace by Type and Scenario



Source: NLP analysis

4.16 This suggests that while the identified sites are providing for sufficient manufacturing and warehousing space to meet Brentwood's employment development needs to 2030 (in purely quantitative terms), it is potentially under providing slightly against the need for office space that arises under each of the alternative job growth scenarios. The types of space suitable for accommodating manufacturing (B1c/B2) and warehousing uses (B8) have similar attributes and therefore can often be considered as capable of accommodating either use. Table 4.6 below compares the forecast demand against the identified supply position of industrial floorspace in Brentwood Borough. It is possible that some surplus industrial land could be for office uses subject to site-specific and location factors.

Table 4.6 Demand/Supply Balance for Industrial Space to 2030 (sqm)

Floorspace (sqm)	Scenario A	Scenario B	Scenario C
Demand	49,220	56,410	62,825
Supply		103,670	
Surplus (+)/Shortfall (-)	**+54,450**	**+47,260**	**+40,845**

Source: NLP analysis

4.17 The supply figures used in these comparisons reflect the 'maximum' possible case, assuming that all proposed and existing allocated employment land come forward for development during the plan period and that extant planning permissions will be fully developed. The proposed new employment land allocation at Brentwood Enterprise Park comprising of 23.41 hectares

(93,640sqm) provides 66% of total available B class floorspace supply[20], including over 60% of the Borough's assumed office space, 53% of manufacturing space and 79% of warehousing space. Providing for future needs is therefore reliant on this site being delivered during the Plan period.

Potential Losses Arising from the Local Plan

4.18 As outlined previously, the Council proposes to re-allocate 18.9 hectares of employment land for competing land uses including housing. Should this emerge as the preferred option, incorporating the replacement of these losses in their entirety on a like-for-like basis would increase future employment land requirements to between 37.35 and 41.65 hectares. This would affect the employment land demand/supply balance and the Council would go from a position of having sufficient land to meet its identified future employment land requirements (as shown in Table 4.2) to a deficit position whereby it may be necessary to identify additional land to meet future needs (Table 4.7).

4.19 The exact types and quantity of floorspace that could be lost and/or displaced are not known at this stage, however, it may not be necessary to fully replace these losses due to changing business needs and efficiency gains associated with replacing older stock with modern space.

Table 4.7 B Class Employment Land Demand/Supply Balance Incorporating Re-allocations

Land (ha)	Scenario A	Scenario B	Scenario C
Requirement for B-class Uses	18.45	20.70	22.75
Re-allocation of Employment Land		18.90	
Combined Requirement	**37.35**	**39.60**	**41.65**
Land Available for B-class Uses		36.55	
Surplus (+)/Shortfall (-)	**-0.80**	**-3.05**	**-5.10**

Source: NLP analysis

Qualitative Factors

It is important to note that while there may be sufficient land in overall quantitative terms, it is important for qualitative factors to also be considered, for example to:

- improve the choice of provision for occupiers;
- provide flexibility in the event that some sites are not delivered;
- meet gaps in the supply of particular types of premises or locations of employment space; or
- to improve or modernise the quality of current provision and to potentially help attract more occupiers.

4.20 In accordance with the PPG, the Council will need to consider market signals and other intelligence in order to further analyse the locational and premises

[20] This calculation assumes a plot ratio of 0.4

requirements of particular sectors to help understand the Borough's future business needs. This may identify additional requirements in terms of types and locations of sites that need to be considered alongside the quantitative analysis considered above.

Potential Job Capacity of Identified Sites

4.21 In parallel to estimating the floorspace capacity of the sites that the Council is proposing to allocate over the Plan, the potential job capacity of the pipeline supply of sites has also been estimated. These calculations assume that all of the identified employment land supply sites will come forward for development during the Local Plan period and therefore are purely indicative.

4.22 In calculating the job capacity potential, plot ratio assumptions set out in Table 3.4 and average employment densities set out in section 3.0 have been applied with the exception of extant planning permissions. For these sites with planning permission, average employment densities have been applied to the floorspace that has been granted permission as per the Council's development monitoring data. In terms of the type of B Class employment floorspace that the sites are likely to accommodate, for proposed new allocations, the ratios set out in the Local Plan Preferred Options have been applied, for existing allocations, likely uses have been drawn from the Council's ELR (2010) where available and for extant permissions the provisions of the planning permission are used. Many employment sites are capable of accommodating a flexible mix of B Class employment uses, on this basis, for sites where the desired use is unknown, 30:30:30 floorspace assumptions have been applied.

4.23 As shown in Table 4.8, by applying these assumptions, the identified sites have the potential to provide approximately 5,035 jobs across all B Class uses of which approximately 60% (3,075) will be office based jobs with the remaining 40% (1,960) comprising of industrial jobs (manufacturing and warehousing).

Table 4.8 Potential Job Capacity Matrix

	Indicative Job Capacity			
	B1a/b	B1c/B2	B8	Total[21]
Proposed New Allocations				
Brentwood Enterprise Park	1,873	555	720	3,150
Mountnessing Roundabout	277	82	53	410
West Horndon Strategic Allocation	533	158	103	795
Sub-total	***2,683***	***795***	***876***	***4,355***
Existing Allocations (carried forward)				
Hallsford Bridge Industrial Estate extension	-	55	-	55
West Hordon Industrial Estate	112	33	22	165
Childerditch Industrial Park	-	56	-	55[22]
Council Highways Depot, Warley	-	62	-	60[23]
Sub-total	***112***	***206***	***22***	***335***
Sites with Extant Planning Permission[24]	**281**	**46**	**18**	**345**
Total	**3,075**	**1,045**	**915**	**5,035**

Source: Brentwood Borough Council/NLP analysis

4.24 Proposed new allocations are likely to accommodate the majority of new jobs (circa 86%) while existing allocations and extant planning permissions will only make a small contribution accommodating approximately 7% each. The analysis shows that Brentwood Enterprise Park would account for the largest number of jobs of all sites, accommodating almost 63% (3,150 jobs) of the total number of jobs capable of being accommodated on identified sites.

4.25 Table 4.9 provides a comparison of scenario job growth and the potential job capacity of identified supply sites. This analysis suggests that identified sites are capable of accommodating above and beyond forecast future job growth across all B Classes under each of the alternative scenarios. However, some of the surplus capacity may be required to accommodate jobs displaced from sites that are likely to be allocated through the Plan for housing development including Wates Way, Horndon Industrial Estate, West Horndon and the Council Depot. This particularly applies to industrial uses where future job growth is forecast to be negative, but there will be a need to accommodate businesses from existing industrial estates that will be redeveloped through implementation of the Plan.

[21] Total figures have been rounded
[22] Figure rounded
[23] Figure rounded
[24] Net floorspace figures have been used to calculate the job capacity of extant planning permissions

Table 4.9 Comparison of Scenario Job Growth and Capacity (number of jobs)

Use	Scenario A	Scenario B	Scenario C	Identified Sites Capacity
Manufacturing (B1c/B2)	-435	-365	-305	1,045
Distribution (B8)	610	690	745	915
Offices (B1 a/b)	1,750	1,965	2,130	3,075
Total B Class	**1,930**	**2,290**	**2,570**	**5,035**

Source: NLP analysis

Conclusions

4.26 Based on the total supply of employment space identified as available (sites with extant planning permissions, existing allocations carried forward and proposed site allocations), in quantitative terms Brentwood has sufficient land to meet future needs up to 2030 under the three growth scenarios assessed in this study. However, in addition to meeting forecast needs there will be a requirement to re-provide some employment land that is allocated through the Plan to be redeveloped for housing. If this was provided for on a like-for-like basis, it would reduce the surplus of land to a small deficit, although in reality new land could be developed on a more efficient basis than what is being replaced.

4.27 The analysis has also considered the potential number of jobs that could be supported by the available land supply, profiled to take account of proposed uses where known and the application of relevant plot ratios and floorspace ratios. This indicates the capacity of all sites could be just over 5,000 jobs, set against forecasts requirements including; 1,930 jobs (Scenario A), 2,290 (Scenario B) and 2,570 jobs (Scenario C). This implies that the capacity for jobs that exists on new sites significantly exceeds forecast growth, however as noted above, some of this capacity may be required to accommodate jobs that are displaced from existing employment sites to be redeveloped for housing and there is no guarantee that these sites will come forward during the Local Plan period. It should also be noted that circa 63% (3,150 jobs) of jobs capable of being accommodated on identified sites relate to the proposed new allocation at Brentwood Enterprise Park, therefore the delivery of this site is a significant component of accommodating Brentwood's future job growth in the Borough's current employment strategy.

5.0 Implications and Conclusions

5.1 This section considers policy and other approaches in relation to employment space to inform the Borough's Local Plan as well as other measures which could be used to help bring forward employment sites and support wider economic growth objectives in Brentwood. It is based on a review of the draft Local Plan policies and representations submitted to the Preferred Options consultation.

Policy Approach

5.2 The scenarios considered in the previous sections indicate the broad scale and type of growth arising from different approaches to modelling the Borough's future employment space needs. The Council's policy approach should aim to at least fully meet Brentwood's employment space needs so that economic growth in the Borough is not constrained. As noted earlier, all of the scenarios forecast a level of job growth that is lower when compared to past trends of employment growth in the Borough.

5.3 To ensure a flexible and responsive policy framework, it will be necessary not just to focus on meeting forecast quantitative requirements, which are likely to fluctuate over time, but to think about the opportunities and risks that flow from particular policies. In accordance with the NPPF, the Borough should seek to plan for a choice of sites and locations to meet the needs of particular sectors and occupier needs.

5.4 Particular policy issues for Brentwood are considered below.

Choice of Sites

5.5 Based on the total supply of employment space identified as available (sites with extant planning permissions, existing allocations carried forward and proposed site allocations), in quantitative terms Brentwood has sufficient land to meet future needs up to 2030 under the growth scenarios assessed in this study. However, it is important that, in compliance with the PPG, that the Council also considers market signals, particularly to ensure that allocated sites provide sufficient choice and are available and deliverable across the plan period to meet arising needs.

5.6 There are only a relatively small number of 'new' allocations identified in the Preferred Options document to meet future employment floorspace needs. Furthermore, existing allocations that have been rolled forward from the 2005 Replacement Local Plan have remained undeveloped for a number of years and therefore the extent to which they continue to be suitable for business requirements may need to be reassessed. The majority of the potential supply is made up of one large site, Brentwood Enterprise Park, which at 23.4 ha accounts for approximately 65% of the proposed new employment land supply. Most of the other sites are relatively small in size with capacity to accommodate only moderate amounts of floorspace. Some of the sites also have existing employment uses and therefore are not necessarily available for redevelopment or to meet future needs. When sites with existing uses are discounted, Brentwood Enterprise Park accounts for 75% of the new employment allocations. This means that there would be only limited choice for new and existing occupiers to meet their future employment needs which constrain the ability of the Borough to meet business growth needs.

5.7 In this context, further analysis may be required to investigate the timescales within which Brentwood Enterprise Park is capable of being brought forward and that overall that the Council can demonstrate that there will be employment land opportunities available to meet needs over the short, medium and long term.

Re-provision of Employment Sites

5.8 In a location with relatively constrained land supply, planning for employment needs will need to be balanced against pressures from other land uses, as well as other Local Plan objectives such as planned housing growth. B Class employment space also competes with non B Class uses such as retail, leisure and community uses (outside the remit of this study), some of which may also generate local economic benefits.

5.9 This requires choices in the Local Plan about which sites to protect or allocate for employment development, or which to consider for release to other uses. At Preferred Options stage the emerging Local Plan re-allocates approximately 18.9 hectares of existing employment land for preferred housing allocations at various locations. The judgement should, however, take account of the local benefits of B Class sectors and maintaining a diversified economy, and the outcome if these sectors become displaced or are otherwise constrained from expanding within the Borough.

5.10 A number of the representations submitted at Preferred Options stage expressed concern relating to the reduction of employment floorspace, particularly at West Horndon Industrial Estate and questioned alternative provision.

5.11 The Council must make an informed decision as to what extent substitutes for re-allocated employment land will be required. On account of increased efficiencies of the use of space and changing user needs (for example the shift from manufacturing uses to office based uses which accommodate more jobs in a smaller area), it may be possible to rationalise space replacement and meet future requirements through an alternative approach or combination of approaches such as the intensification or upgrading of existing sites. However, there appears to be limited scope to accommodate new employment development on existing sites. Infill redevelopment has allowed for more intensive development on some industrial sites in Brentwood in the past, but this is not always easy to achieve where sites are in fragmented ownership or premises are currently occupied and/or subject to existing leases.

5.12 The Council should also have regard to market signals to ensure that any new sites intended to provide replacement employment floorspace are well-related to the type and location of sites that have been reallocated for housing and that comparable rental values can be achieved. It is also necessary to ensure that adequate supply is forthcoming in the short term as well as throughout the plan period to ensure that displaced businesses are not forced to locate outside of the Borough because of lack of relocation options locally.

Offices Uses

5.13 Against the backdrop of net losses of office floorspace across the Borough in recent years (as set out in section 3), forecasts suggest that there will be a gross requirement for between 40,825sqm and 47,125sqm additional floorspace across the Borough over the plan period to 2030 to accommodate future job growth.

5.14 A range of the sites allocated in the Local Plan Preferred Options document are allocated for office uses and meet smaller occupier needs, these are mostly allocations that have been rolled forward from the previous plan and therefore do not represent available space to meet newly arising need. Of the proposed new employment allocations included, with the exception of Brentwood Enterprise Park which specifies the inclusion of B1 employment floorspace, the proposed new employment allocations are for general B Class employment uses. How future office needs are accommodated is – to some extent – a policy choice for the Local Plan, but the Council may wish to consider allocating a range of sites for B1a/b office uses specifically to ensure adequate future supply and to provide for some dedicated office provision.

Industrial Uses

5.15 Though manufacturing job growth is forecast to contract over the plan period, there is still a requirement for a modest increase in floorspace to account for normal market losses and replacement of ageing stock. In terms of warehousing and distribution, job growth is forecast to increase by between 26% and 30%, thereby requiring additional floorspace. The current proposed employment land allocations in the Local Plan 2015-2030 Preferred Options document does provide sufficient land to meet industrial floorspace requirements overall, however as noted above, a significant majority of this provision is at the proposed Brentwood Enterprise Park allocation. Therefore, the Council may wish to investigate potential alternative sites suitable for accommodating industrial space to supplement Brentwood Enterprise Park and ensure a choice of sites and locations to meet industrial needs.

Conclusions

5.16 This study identifies future employment land requirements associated with a range of job growth scenarios which provide updated estimates of need compared with earlier employment studies including the Borough's ELR (2010) and The Heart of Essex Economics Future Study (2012) and indicates an increased employment land requirement to meet higher forecast job growth over the period to 2030. In overall terms, these point to an employment land requirement of between 18 – 23 hectares.

5.17 Employment land allocations proposed in the Local Plan 2015-2030 Preferred Options would be sufficient in quantitative terms to meet arising needs and appear to have adequate capacity to accommodate forecast job growth, when qualitative factors are considered, it becomes apparent that identified supply may not be sufficient for meeting market and developer needs due to the limited choice of sites and uncertainty about when these may be delivered. These factors would merit further consideration by the Council.

5.18 In a situation where the Council seeks to re-provide employment land on a like-for-like basis that is proposed to be allocated for housing through the implementation of the Plan, the total quantum of sites identified in the Preferred Options would not provide sufficient supply to meet identified employment land requirements in quantitative terms. The result would be a modest shortfall against all three scenarios that have been considered.

5.19 Within this context a number of potential policy issues are highlighted that the Council will need to give further consideration to, including:

1. identifying, assessing and allocating additional sites to increase choice and widen the portfolio of potential sites having regard to market signals, and to help mitigate against the risks associated with relying on one major site to meet the majority of B Class needs;
2. investigating the basis on which replacement employment land needs to be provided to address land re-allocated for housing, including the type and scale of requirements reflecting the current mix and profile of existing businesses that operate on sites which will be impacted by the Plan; and,
3. assembling an overall employment land trajectory to determine the current availability of sites for office and industrial uses over the short, medium and long-term (structured broadly in five year periods), based on the latest information on the potential deliverability of sites which comprise the Borough's portfolio of employment land.

Appendix 1 Employment Sector Forecasts by Scenario

Detailed Forecast of Employment Sector Growth 2015-2030: Scenario A - Baseline

	2015/16	2029/2030	Change	% Change
Agriculture	30	30	0	0%
Mining & Quarrying	0	0	0	0%
Manufacturing	2,703	2,072	-631	-23%
Utilities	380	440	60	16%
Construction	4,310	5,070	760	18%
Wholesale	2,170	2,590	420	19%
Retail	2,880	3,280	400	14%
Transport & Storage	1,169	1,629	461	39%
Accommodation & Food Services	2,020	2,530	510	25%
Recreation	1,020	1,250	230	23%
Information & Communications	900	970	70	8%
Finance & Insurance	4,410	4,980	570	13%
Business Service	9,508	11,408	1,900	20%
Other	1,170	1,270	100	9%
Public Administration & Defence	320	300	-20	-6%
Education	3,160	3,720	560	18%
Healthcare	1,900	2,220	320	17%

Source: Experian

Detailed Forecast of Employment Sector Growth 2015-2030: Scenario B - 5,430 Dwellings

	2015	2030	Change	% Change
Agriculture	30	40	10	60%
Mining & Quarrying	0	0	0	0%
Manufacturing	2,701	2,155	-546	-20%
Utilities	380	436	56	15%
Construction	4,305	5,124	819	19%
Wholesale	2,167	2,627	460	21%
Retail	2,876	3,349	473	16%
Transport & Storage	1,167	1,628	461	40%
Accommodation & Food Services	2,017	2,554	537	27%
Recreation	1,019	1,263	244	24%
Information & Communications	899	992	93	10%
Finance & Insurance	4,407	5,024	617	14%
Business Service	9,499	11,462	1,963	21%
Other	1,169	1,297	128	11%
Public Administration & Defence	319	319	0	0%
Education	3,156	3,747	591	19%
Healthcare	1,897	2,253	356	19%
Residential Care & Social Work	1,847	2,293	446	24%

Source: Experian

Detailed Forecast of Employment Sector Growth 2015-2030: Scenario C - 6,200 Dwellings

	2015	2030	Change	% Change
Agriculture	30	48	18	60%
Mining & Quarrying	0	0	0	0%
Manufacturing	2,703	2,191	-512	-19%
Utilities	380	441	61	16%
Construction	4,310	5,204	895	21%
Wholesale	2,170	2,683	513	24%
Retail	2,880	3,425	545	19%
Transport & Storage	1,169	1,653	484	41%
Accommodation & Food Services	2,020	2,600	580	29%
Recreation	1,020	1,250	262	26%
Information & Communications	900	1,010	110	12%
Finance & Insurance	4,410	5,079	669	15%
Business Service	9,508	11,610	2,102	22%
Other	1,170	1,319	149	13%
Public Administration & Defence	320	336	16	5%
Education	3,160	3,821	661	21%
Healthcare	1,900	2,299	399	21%
Residential Care & Social Work	1,850	2,337	487	26%

Source: Experian

Appendix 2 Employment Land Allocations

Brentwood Local Plan 2015-2030 Preferred Options Employment Land Allocations

Reference	Site Name	Area (ha)
New Employment Site Allocations		
101A	Brentwood Enterprise Park	23.41
101B	Brentwood Enterprise Park	4.04
107	Mountnessing Roundabout	2.60
020	West Horndon Strategic Allocation	5.0
021		
037		
108	The Old Pump Works	0.79
Total New Allocations		**35.84**
Existing Employment Land Allocations		
110	Town Hall, Ingrave Road	1.09
112	Childerditch Industrial Estate	11.25
113	Hallsford Bridge Industrial Estate	3.41
114	Hubert Road Industrial Estate	4.76
045	Hutton Industrial Estate	10.48
111	Upminster Trading Park	2.6
115	Brook Street employment area	1.25
116	Warley Business Park	3.22
117	Ford Offices, Eagle Way	5.45
118	BT Offices, London Road	3.5
119	OCE offices, Chatham Way	0.45
120	47-57 Crown Street	0.12
121	Mellon House, Berkley House and 1-28 Moores Place	0.52
122	1-7 & 16-26 St Thomas Road	0.06
124	38 Ingrave Road	0.07
125	North House, Ongar Road	0.18
Total Existing Allocations		**48.63**
Total Employment Land Allocated		**84.47**

Source: Brentwood Borough Council Local Plan 2015-2030 Preferred Options

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