

Employment Land Supply Update

The Plan for the Borough of Wellingborough:
Background Paper Update

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Introduction: Scope of update

The 2016 Employment Land Review (ELR) analyses the future demand for employment land in the borough for the period between 2011 and 2031. It assesses the current provision of employment land in the borough against the forecasted employment need to ensure there is sufficient supply to meet current and future business requirements. The ELR was published in April 2016 to accompany consultation on the Emerging Plan for the Borough of Wellingborough (PBW).

This update forms an addendum to the 2016 ELR, and updates elements of that report, where new data is available, most notably the supply of employment land. It does not seek to update in detail the analysis of the commercial property market, or the site assessment work. This update should therefore be read alongside the April 2016 ELR.

1. Projecting the demand for employment land

- 1.1 The NPPF requires local planning authorities to proactively identify need for land and floor space for economic development uses, including both the quantitative (number of units/ amount of floor space) and qualitative (footprint of economic activities and proximity for infrastructure) needs for all types of economic activity over the plan period. The key output of the exercise is an estimate of the scale of future needs, broken down by economic factors.
- 1.2 This section summarises the B class employment space requirements for the plan period up to 2031 as set out in the JCS.

Job targets for North Northamptonshire

- 1.3 The Employment Background Papers (2012¹ & 2015²) prepared by the JPU set out the approach to developing job targets for Corby, East Northamptonshire, Kettering and Wellingborough as part of the evidence base for the JCS. The approach follows the guidance set out in the PPG.
- 1.4 The target for North Northamptonshire as set out in Policy 22 of the JCS is 31,100 jobs for the period up to 2031. These job targets are split between the four local authorities in policy 23 of the JCS as follows:

Table 1.1: Job creation targets for North Northamptonshire (2011-2031)

	Net job growth
Corby	9,700
East Northamptonshire	7,200
Kettering	8,100
Wellingborough	6,100
North Northamptonshire	31,100

- 1.5 The 2015 Employment background paper suggests that in Wellingborough, 3,965 jobs (65%) will be provided within B class uses. The remainder of 2,135 (35%) relates to employment across 'non B jobs', including retail, leisure, professional and public services.
- 1.6 The target for Wellingborough provides twice as many jobs than workers/forecast growth in labour force to reduce reliance on out-commuting. This helps to curb high levels of out-commuting from the area.

¹ Employment background paper (2012) - <http://www.njpu.org.uk/publications/docdetail.asp?docid=1253>

² Pre- Submission Plan Employment Background Paper January 2015 - <http://www.njpu.org.uk/docs/Employment%20Background%20paper%20Jan%202015.pdf>

- 1.7 These targets should not constrain growth if additional employment opportunities come forward in line with the policies in the local plan. However, the B use target of 3,965 jobs is the one against which the quantity and quality of existing and committed employment sites will continue to be reviewed against in this ELR update as a reference point.

JCS Sectoral Split

- 1.8 The JCS 'B class' target is not split into indicative sectoral targets in policy 23 of the JCS in order to allow for flexibility between different B class uses. The JCS Inspector confirmed this approach to be sound in his assessment of Policy 23 *"and that it is not over-prescriptive in splitting jobs targets into particular use classes, as this is very difficult to predict in a fast changing economic climate nowadays."*
- 1.9 Flexibility to respond to market signals is a key requirement of the NPPF. The majority of employment land supply in the borough is committed and the indicative sectoral splits are identified in the master plans of individual schemes. Where these are available they are included in the analysis at Appendix 1. Policy 23 of the JCS seeks to deliver the mix and scale of employment uses identified in the approved master plans with sufficient flexibility provided for in policy 22 in respect of proposals for a revised mix/scale where certain conditions are satisfied. For these reasons, having regard to the supply of committed sites as identified in this update, it is not considered appropriate to set sectoral targets within the PBW. A sectoral split has been used only for the purposes of assessing land supply within the borough, and should not be taken as being prescriptive targets for each job sector.

2012 Employment Background Paper Sectoral Split

- 1.10 The 2012 Employment Background Paper did incorporate a sectoral split based upon three growth scenarios³. The 2012 paper presented the implications of these different growth scenarios for each B use sector and identified potential B class jobs. To allow a robust assessment of Employment land supply requirements, the employment land supply has been measured against the highest sectoral targets from the three identified growth scenarios in 2012:
- B1 – 2,698 jobs (scenario C)
 - B2 – 992 jobs (scenario A)
 - B8 – 1,786 jobs (scenario C).

³ Scenario (a) – Growth pattern based on 2008 sectoral proportions
Scenario (b) – Growth pattern according to sectoral growth between 1998-2008
Scenario (c) - Forecast regional growth rates by sector

Translating job targets into land requirements

- 1.11 The formula used to determine development capacity of sites has been updated as part of this 2017 update to align with the formula used in recent transport modelling calculations. The formula in the *HCA Employment Density Guide* has been used to translate jobs targets into employment land requirements. It is considered that this approach will ensure the most robust assessment of land supply. The Density guide makes the following assumptions about job to floor space ratios for different types of B uses:
- B1 (offices) – 1 job/12 square metres (The density guide breaks this down further into B1a, B1b, B1c but for the purposes of this update, a middle value has been chosen to represent all B1 class jobs).
 - B2 (manufacturing) – 1 job/36 square metres.
 - B8(warehousing and distribution) – 1 job/77 square metres.
- 1.12 Using this formula, the estimated number of jobs are then converted to gross floor space requirements which are in turn converted into land requirements, assuming a 40% plot ratio (i.e. 4000m² would occupy a 1 hectare site).
- 1.13 This formula is applied to the indicative split described above to facilitate monitoring and ensure that there is a sufficient buffer for each sector. These are hypothetical scenarios as it is difficult to foresee any eventualities in terms of the future performance of the economy.
- 1.14 Table 1.2 shows the floorspace and land requirements arising using the highest growth scenarios. Table 1.3 shows the job targets in the JCS that are anticipated job numbers that have been used in the latest Transport Modelling that can be compared against the JCS jobs target. As mentioned above, the targets in the JCS do not divide into a sectoral split, allowing flexibility in employment provision.

Table 1.2: Floor space and land requirements based on highest growth scenarios

	B1	B2	B8	Total
Jobs (highest growth scenarios)	2,698	992	1,786	5,476
Floor space requirements (sqm) ⁴	32,376	35,712	137,522	205,610
Floor space requirements (ha)	32.4	3.57	13.75	20.56
Land requirements ⁵ (ha)	8.09	8.93	34.38	51.40

⁴ Multiply jobs by job to floor space ratios above

⁵ Divide floorspace requirements (sqm) by 4,000

Table 1.3: JCS Employment targets for Wellingborough

	Total
JCS total jobs target	6,100
JCS total 'B' class jobs target (65% of the JCS total job target)	3,965
JCS Non 'B' Class jobs target	2,135

- 1.15 The highest growth scenario shows a need for approximately 51 hectares of employment land for the period up to 2031.
- 1.16 The NPPF requires local authorities to identify and meet the need for future economic development. Chapter 2 identifies the existing and potential supply of employment land in the borough to meet the identified need.

2. Employment Land Supply

Opportunities from existing industrial estates/premises

- 2.1 Existing employment areas are an important source of the employment floorspace required to meet the identified need. The opportunities come in the form of vacant floor space, underutilised sites/premises and opportunities for intensification.

Vacant floorspace

- 2.2 Vacant floorspace refers to vacant premises which are marketed as available. The commercial property market review published alongside the 2016 ELR identifies in detail the current availability of industrial premises. Table 2.1 is replicated from the 2016 Employment Land Review and so it is not considered necessary to analyse the data here again in this update. The table is shown for ease of comparison.

Table 2.1: Wellingborough industrial supply (vacant floorspace) - May 2015

Use	No. of units	Sqft	Sqm	Ha
B1	20	152,832	14,199	1.42
B2/B8	43	776,085	72,100	7.21
Total	63	928,917	86,299	8.63

Commercial development pipeline

- 2.3 The development pipeline comprises schemes with outstanding planning permissions and completed (implemented) schemes. These schemes make an important contribution towards meeting the identified need.
- 2.4 The council monitors and publishes an Authorities' Monitoring Report (AMR)⁶ every year to monitor the extent to which the policies set out in the Development Plan are being achieved, among other things. From the AMRs and other planning application data the council holds, it is possible to estimate total net gains or losses in B class floorspace.

Implemented schemes

- 2.5 Table 2.2 shows the net gains/losses of employment floorspace between April 2011 and April 2017.

Use	Gains	Loss due to change of use or redevelopment	Net gain/loss (Sqm)	Net gain/loss (Ha)
B1	5,507	19,026	-13,519	-1.4
B2	28,682	7,218	21,464	2.1
B8	29,264	19,482	9,782	1.0
Mixed (B1/2/8)	7,289	383	6,906	0.7
Total	70,742	46,109	24,633	2.5

- 2.6 The borough received a net gain of 31,246sqm of B2 and B8 combined floor space over the six year period, 2011-2017. In contrast, there was a net loss of B1 office space of 13,519 sqm. This is a long term trend that continues from previous years. There are also ongoing applications that have been committed but are not yet completed which will involve a further loss of office space to residential; commitments that are not counted in this table. Overall there was a total net gain of 24,633sqm across the borough over the six year period, and an overall net gain over the past year (2016/17) of 261sqm.

Outstanding commitments

- 2.6 There continues to be a number of extant but unimplemented B class planning permissions which provide a significant supply of employment floorspace to meet identified need. The council's planning records show outstanding net commitments as at 31 March 2017 in Appendix 1. Table 2.3 shows the total employment floor space to be delivered from outstanding commitments.

⁶ Annual Monitoring Reports - http://www.wellingborough.gov.uk/info/1004/planning_policy/1167/annual_monitoring_report

2.7 Table 2.3: Outstanding net-commitments (sqm and ha) – 31 March 2017.

Use	Sqm (floor space)	Ha (floor space)
B1	117,989	11.8
B2	-1,324	-1.3
B8	86,752	8.7
Mixed use (B1/2/8)	220,528	22.1
Total floorspace	423,945	42.4
Total site area as recorded on applications		126.94

2.8 There is approximately 423,945sqm (42 hectares) of committed employment floor space across the borough. This floor space sits on approximately 126.94 hectares of land, as recorded on the planning application forms and in approved master plans.

Core outputs of the employment land assessment

2.9 This section provides a summary of the results from the previous sections of chapter 2.

Table 2.4 summarises the existing and potential land supply in the borough which will meet the identified need.

Type of development	Use	Floorspace (sqm)	Floorspace (ha)
Opportunities from existing employment areas (vacancies)	B1	14,199	1.42
	Mixed (B1/2/8)	72,100	7.21
	Total (a)	86,299	8.63
Net gains/loses	B1	-13,519	-1.4
	B2	21,464	2.1
	B8	9,782	1.0
	Mixed (B1/2/8)	6,906	0.7
	Total (b)	24,633	2.5
Outstanding commitments	B1	117,989	11.8
	B2	-1,324	-1.3
	B8	86,752	8.7
	Mixed (B1/2/8)	220,528	22.1
	Total (c)	423,945	42.4
Total floor space	B1	118,669	11.9
	B2	20,140	2.0
	B8	96,534	9.7
	Mixed (B1/2/8)	299,534	29.95
	Total	534,877	53.5

2.10 The total supply of floor space from existing vacancies, completed schemes and outstanding commitments is 534,877sqm or 53.5 hectares.

3. Meeting employment needs

3.1 The preceding chapters address the demand and supply of employment land in the borough. This section assesses whether the existing portfolio of land is sufficient to meet the identified need for the period up to 2031.

Quantitative balance

3.2 The purpose of this analysis is to ensure the borough has sufficient land to cater for demand arising from different sectors.

3.3 The findings in relation to demand and supply of employment land are summarised in Tables 3.1 and 3.2 below. As referred to in chapter 1, the indicative split in table 3.1 is based on highest growth scenarios arising from job assumptions and sectoral split proposed in the 2012 JCS Employment Background Paper which is used for demonstration purposes only.

Table 3.1: Demand and supply of existing floor space (sqm and ha) from existing sites based on highest growth scenarios

	B1	B2	B8	Mixed (B1/2/8)	Total
Floorspace Requirement (sqm)	32,376	35,712	137,522	0	205,610
Floorspace supply (sqm)	118,669	20,140	96,534	299,534	534,877
Surplus/Deficit	86,293	-15,572	-40,988	299,534	329,267
Floorspace requirement (ha)	3.24	3.57	13.75	0	20.56
Floorspace supply (ha)	11.9	2.0	9.7	29.95	53.5
Surplus/Deficit	8.6	-1.57	-4.1	29.95	32.92

Table 3.2: Demand and supply of floor space (sqm and ha) from existing sites based on transport modelling job assumptions compared to JCS employment targets

	B1	B2	B8	Mixed (B1/2/8)	Total
JCS total jobs requirement					6,100
JCS total 'B' class job requirement (65% of the total)					3,965
Job numbers derived from Transport Modelling	4,275	1,489	3,086	436	9,292
Surplus/Deficit on 'B' class JCS employment target					+5,327
Surplus/Deficit on total JCS jobs target					+3,192

3.4 Tables 3.1 and 3.2 demonstrate that the borough has more than double the amount of floor space and jobs from current vacancies, outstanding commitments and completed floor space than is required for the plan period up to 2031. Whilst Table 3.1 shows a small deficiency in terms of B2 and B8 uses, it is considered that in practice this is not the case. Developers prefer to be less prescriptive in their planning applications, preferring to receive consent for mixed uses instead. The mixed use column shows there is 299,534sqm of potential B2 and B8 floorspace. This is a flexible approach which better responds to changing business needs and market requirements and provides significantly more land than the identified deficit.

3.5 The demand and supply analysis can also be presented in terms of the gross land requirements (which include parking and turning areas). The outstanding commitments alone provide for a combined gross site area of 127 hectares (as recorded on planning applications), compared to the projected land requirement 51 hectares for the plan period. Table 3.3 shows a surplus of 76ha of land against a requirement based on the highest growth scenario.

Table 3.3: Demand and supply of land (ha) from outstanding commitments based on highest growth scenarios

	Total
Land requirement (ha)	51.40
Land supply (ha)	126.94
Surplus/Deficit	+75.54

3.6 Without allocating any potential sites through the PBW, the above analysis shows the borough continues to have sufficient land in quantitative terms to meet demand arising for industrial (B1/B2/B8) land over the plan period. This is supply from the commercial

development pipeline comprising outstanding commitments and completed schemes and opportunities arising from existing industrial areas including vacancies. It is considered that the margin of the surplus is so significant as to cushion against any losses that may occur in the future.

Sensitivity analysis

- 3.7 The supply and demand of land is sensitive to a number of factors, including the introduction of a broader mix of uses on employment sites when detailed reserved matters applications for schemes with planning permission come in, specialist developments on some sites and any lapse rates or future losses to other uses.
- 3.8 As demonstrated above, the existing site portfolio is significant and capable of absorbing unforeseen demand surges in the short, long and medium term. Furthermore, the quantum of mixed B consents provides flexibility over the Plan period.

4. Conclusions and Policy Recommendations

- 4.1 The NPPF seeks positive planning for growth and provision of choice of sites to ensure needs of all sectors are met over the plan period. The plan should promote a pro-active and positive approach to planning for economic development and to respond as appropriate to the emerging need.
- 4.2 In light of the updated data it is considered that the conclusions and policy recommendations from the April 2016 ELR are still robust and relevant for the PBW and as such are unchanged.

Monitoring

- 4.3 The PPG requires local planning authorities to ensure that assessments of sites are kept up to date through the monitoring report. It states that a full review should only be undertaken when development plans are being reviewed or there are other significant changes that make this necessary.
- 4.4 It suggests what information the local authority ought to record:
- Progress with delivery of development on allocated and sites with planning permission;
 - Planning applications that have been submitted or approved on sites and broad locations identified by the assessment;
 - Progress that has been made in removing constraints on development and whether a site is now considered to be deliverable or developable;

- Unforeseen constraints that have emerged which now mean a site is no longer deliverable or developable, and how these could be addressed
- Whether the windfalls allowance (where justified) is coming forward as expected, or may need to be adjusted.
- All uses within industrial estates in order to monitor changes of use to non B uses and therefore the vitality of the estates.

4.5 It is considered that the monitoring framework within the JCS and PBW will allow the above indicators to be monitored, and addressed where necessary.

Appendix 1: Outstanding Employment commitments at 31st March 2017

Address	Permission Ref	Granted Date	B1	B2	B8	Mixed	Totals	Total Ha
18 - 20, Baron Avenue, Earls Barton, Northampton, NN6 0JE	WP/15/00451	11/09/2015	-1253	0	0	0	-1253	0.130
23 - 27, Titley Bawk Avenue, Earls Barton, Northampton, NN6 0LA	WP/15/00652	18/11/2015	30	0	0	0	30	0.130
Anitox House, 17-26 White House Industrial Estate, 80 Main Road, Earls Barton, NN6 0HJ	WP/17/00023	14/03/2017	0	-187	0	1143	956	0.280
Unit F2-10, Baron Avenue, Earls Barton, NN6 0JE	WP/17/00031	15/03/2017	-2747	0	0	2,747	0	0.600
108 The Grange, Northampton Road, Earls Barton, Northampton, NN6 0JH	WP/2014/0108	06/08/2014	2732	0	0	0	2732	1.240
Brookside Garage Units 1 To 2, 347, Wellingborough Road, Finedon, Wellingborough	WP/15/00525	02/10/2015	0	-650	0	0	-650	0.100
Tower Caravans, 101C, Irthlingborough Road, Finedon, Wellingborough	WP/16/00315	14/12/2016	504	0	0	0	504	0.500
20 Church Lane, Great Doddington, Wellingborough, NN29 7TR	WP/16/00799	15/02/2017	171	0	0	0	171	0.120
6 Finedon Sidings, Furnace Lane, Little Harrowden, Wellingborough	WP/16/00436	14/09/2016	0	-558	0	0	-558	1.600
Thistledown Barn, 204, Holcot Lane, Sywell, Northampton, NN6 0BG	WP/15/00390	10/08/2015	580	0	0	0	580	0.200

80 Leyland Trading Estate, Irthlingborough Road, Wellingborough, NN8 1RT	WP/15/00080	02/04/2015	90	0	0	0	90	0.009
Univar Ltd, 9-11 Links Road, Wellingborough, NN8 4EY	WP/15/00299	23/06/2015	0	0	0	29	29	2.050
40 - 44, Bradfield Road, Wellingborough, NN8 4HB	WP/15/00424	11/08/2015	95	0	0	0	95	0.800
3-4, Bevan Close, Wellingborough, NN8 4BL	WP/15/00472	18/01/2016	1358	0	1530	0	2888	0.760
39-44, Davy Close, Wellingborough, NN8 6XX	WP/15/00618	23/11/2015	0	0	0	610	610	0.700
5, Faraday Court, Wellingborough, NN8 6XY	WP/15/00702	17/12/2015	-276	0	0	0	-276	0.028
Land Between Finedon Road & The Railway, Neilson's Sidings, & Land north of Finedon Road (Bovis), Finedon Road, Wellingborough, NN8 1RG	WP/15/00605	06/02/2017	90432	0	40500	51240	182172	45.500
35-37, Rixon Road, Wellingborough, NN8 4BA	WP/16/00187	07/07/2016	0	285	0	0	285	0.820
33 - 37, The Embankment, Wellingborough, NN8 1LD	WP/15/00814	20/10/2016	128	0	0	0	128	0.600
18C Oxford Street, Wellingborough, NN8 4HY	WP/16/00188	26/01/2017	0	0	0	0	0	0.020
19-21 Whitworth Way, Wellingborough, NN8 2EF	WP/16/00252	13/07/2016	-1420	0	6408	0	4988	0.340
16 Edmonds Close, Wellingborough,	WP/16/00347	29/07/2016	0	0	4408	0	4408	0.550

NN8 2QY								
35 Sanders Road, Wellingborough, NN8 4NL	WP/16/00494	10/10/2016	0	0	99	0	99	0.030
Appleby Lodge, 140-160, Sywell Road, Wellingborough, NN8 4NL	WP/16/00602	14/12/2016	1661	0	33580	0	35241	9.000
The Hope Centre, Guillemot Lane, Wellingborough, NN8 4UH	WP/16/00751	30/01/2017	29	0	0	0	29	0.260
32-34 Denington Road, Wellingborough, NN8 2QH	WP/16/00805	23/02/2017	-243	0	-506	0	-749	0.850
Land off the, A509 Niort Way and A510 Northern Way and south of Great Harrowden, Wellingborough	WP/2012/0525	14/01/2013	26118	0	0	0	26118	6.690
7-11, Stewarts Road, Wellingborough, NN8 4RJ	WP/2014/0404	12/08/2014	0	0	733	0	733	0.735
1, Fleming Close, Park Farm Industrial Estate, Wellingborough, NN8 6JF	WP/2014/0609	03/12/2014	0	-296	0	0	-296	0.030
5, Nielson Road, Finedon Road Industrial Estate, Wellingborough, NN8 4PE	WP/2014/0758	18/12/2014	0	82	0	0	82	0.075
140-160 Appleby Lodge, Sywell Road, Wellingborough, NN8 6BS	WP/2013/0190	19/12/2013	0	0	0	164759	164759	52.190
Total Site area (Ha)								126.94
Total floorspace (sqm)			117,989	-1,324	86,752	220,528	423,945	
Sqm converted to Hectares (divide by 10,000)			11.8	-1.3	8.7	22.1	42.4	