



Basildon Borough Local Plan

Economic Development Topic Paper

October 2018

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Introduction

- 1.1 The purpose of this topic paper is to draw together the key economic evidence which has informed the Basildon Borough Revised Publication Local Plan in relation to economic growth.
- 1.2 Earlier drafts of this Topic Paper (September 2017) assisted the Council in reaching a better understanding of the economic position of the Borough, its relationship to other economic centres and the influence of key economic drivers to help determine a robust and credible scale of economic growth that should be provided during the plan period up to 2034. This final topic paper (October 2018) reflects the decisions taken for the Revised Publication Local Plan in respect of economic growth. For completeness, the rationale for the Council's decisions in relation to economic growth are therefore set out to assist in the interpretation of how the Council has made its final judgements in relation to economic growth in Basildon Borough.
- 1.3 This topic paper has been prepared in accordance with various evidence base documents including:
 - Economic Development Needs Assessment (EDNA) 2017;
 - South Essex EDNA Addendum Note, Jan 2018;
 - Basildon Council Economic Development Policy 2017;
 - Basildon Borough Council - Corporate Plan 2017-2021;
 - Enterprising Essex: Opportunities and Challenges Jan 2017;
 - Essex Grow-On Space Feasibility Study 2016.
 - Basildon Borough Employment Land & Premises Study (ELPS) 2013
- 1.4 Since the Council consulted on its Draft Local Plan from January to March 2016, further work has been carried out to build on the recommendations of these studies. An example of this is the work that has been undertaken to understand the requirement for 'Grow-On' space in the Borough to ensure that companies can thrive and find premises to expand and remain in the Borough.
- 1.5 Since the production of the ELPS in 2013, there have been a number of employment premises and/or land allocated for employment uses, which have been lost to alternative uses, such as leisure facilities or residential development. Investigation of these losses has been carried out and will be explored as part of this topic paper in order to provide a full explanation of the land supply situation in the Borough, and to account for these matters in determining the overall requirement for employment land.
- 1.6 **This document should be regarded as evidence only. It does not set or determine planning policy in its own right.**

Legislative & Policy Context

Legislation

- 2.1 National legislation relating to economic development includes the following:
- Section 13 Planning and Compulsory Purchase Act 2004 (as amended)
 - Section 39 Planning and Compulsory Purchase Act 2004 – Sustainable Development
 - Local Democracy, Economic Development and Construction Act 2009
- 2.2 Section 13 of the Planning and Compulsory Purchase Act 2004 requires Local Planning Authorities to undertake regular surveys of their area. This includes keeping under review, matters which may be expected to affect the development of their area, or the planning of its development including the economic characteristics of the area of the authority.
- 2.3 Section 39 of the Planning and Compulsory Purchase Act 2004 refers to the fact that any function in relation to local development documents (the legal name for some of the documents which make up Local Plans) must exercise that function with the objective of contributing to the achievement of sustainable development.
- 2.4 The Local Democracy, Economic Development and Construction Act 2009 includes a requirement for local authorities to prepare an assessment of the economic conditions of its area, including consulting such persons as it considers appropriate and to have regard to any guidance provided by the Secretary of State.

National Policy

- 2.5 The Government released a White Paper in November 2017 entitled ‘The UK’s Industrial Strategy: Building a Britain fit for the future’, the aim of which is to boost productivity by backing business to create good jobs and increase the earning power of people throughout the UK with investment in skills, industries and infrastructure.
- 2.6 The Government intends to achieve the strategy in three ways, firstly strengthening the foundations of productivity – the fundamentals that support a skilled, innovative, geographically-balanced economy. The five foundations are:
- **Ideas:** encouraging the UK to be the world’s most innovative economy

- **People:** ensuring good jobs and greater earning power for all
- **Infrastructure:** driving a major upgrade to the UK's infrastructure
- **Business environment:** guaranteeing the best place to start and grow a business
- **Places:** creating prosperous communities across the UK

2.7 Secondly, the Government intends to build long-term strategic partnerships with businesses through Sector Deals between government and industry. These present significant opportunities to tackle barriers to growth, boost productivity in specific sectors, further collaboration, and ensure high-quality jobs.

2.8 Thirdly, and finally, the Government aims to take on Grand Challenges – the society-changing opportunities and industries of the future, where the country can build on emerging and established strengths to become a world leader. The first four Grand Challenges are focused on global trends to transform our future:

- **AI and data:** putting the UK at the forefront of the AI and data revolution,
- **Ageing society:** harnessing the power of innovation to meet the needs of an ageing society,
- **Clean growth:** maximising the advantages for UK industry from the global shift to clean growth,
- **Future of mobility:** becoming a world leader in shaping the future of mobility.

National Planning Policy Framework

2.9 The NPPF set out the Government's recommended approach to building a strong, competitive economy.

2.10 It outlines the Government's commitment to securing economic growth in order to create jobs and prosperity, building on the country's inherent strengths, and meeting the twin challenges of global competition and of a low carbon future.

2.11 The NPPF puts this commitment in the context of planning in that the *'government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system'*.

- 2.12 It goes on to state that *'to help achieve economic growth, local planning authorities should plan pro-actively to meet the development needs of business and support an economy fit for the 21st century'*.
- 2.13 The NPPF also determines what Local Planning Authorities are responsible for, and states that *'Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing. In drawing up Local Plans, local planning authorities should:*
- *Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;*
 - *Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
 - *Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;*
 - *Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;*
 - *Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement;*
 - *Facilitate flexible working practices such as the integration of residential and commercial uses within the same unit'.*
- 2.14 The NPPF states that *'Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities'*.
- 2.15 It also states that *'Planning policies should support economic growth in rural areas in order to create jobs and prosperity by taking a positive approach to sustainable new development. To promote a strong rural economy, local and neighbourhood plans should:*

- *Support the sustainable growth and expansion of all types of business and enterprise in rural areas, both through conversion of existing buildings and well-designed new buildings;*
- *Promote the development and diversification of agricultural and other land-based rural businesses;*
- *Support sustainable rural tourism and leisure developments that benefit businesses in rural areas, communities and visitors, and which respect the character of the countryside. This should include supporting the provision and expansion of tourist and visitor facilities in appropriate locations where identified needs are not met by existing facilities in rural service centres;*
- *Promote the retention and development of local services and community facilities in villages, such as local shops, meeting places, sports venues, cultural buildings, public houses and places of worship’.*

2.16 This Topic Paper aims to inform the Local Plan in terms of the overall requirement for employment land to be allocated, so it is important to also consider specific national policy in relation to the preparation of Local Plans.

2.17 The NPPF states that *‘Local Plans should be aspirational but realistic. They should address the spatial implications of economic, social and environmental change. Local Plans should set out the opportunities for development and clear policies on what will or will not be permitted and where. Only policies that provide a clear indication of how a decision maker should react to a development proposal should be included in the plan’.*

Business Use Classes Order

2.18 The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as ‘Use Classes’. Economic Development falls into the category of Part B of the use classes order, and local planning authorities are required to address the quantity of economic development floorspace needed based on quantitative assessments, but also on an understanding of the qualitative requirements of each market segment. Each of the different B-use classes that the Council is required to address the need for are set out in the following table 0.

Table 0. Part B of the Use Classes Order

Use Class	Type of Business Use
B1 Business	
B1(a)	Offices other than those that fall within A2 (financial and professional services)
B1(b)	Research and development of products and processes
B1(c)	Light industry appropriate in a residential area without detriment to amenity
B2 General Industrial	Use for industrial process other than one falling within class B1 (excluding incineration purposes, chemical treatment or landfill or hazardous waste)
B8 Storage or distribution	Use for storage or as a distribution centre. This class includes open air storage

2.19 The Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) allows the conversion of existing B-class use to an alternative use without the need for planning permission, which can result in a constantly changing stock of employment land in any given Borough or town.

2.20 The changes that can occur as 'permitted development' without the need for planning permission, subject to conditions, can include the following:

- Changes from B2 (general industrial) or B8 (storage or distribution) to a B1 (business) use and changes from B1 or B2 to B8 uses;
- Changes from B1(a) (offices) to a use falling within Class C3 (dwellinghouses);
- Changes from B8 (storage or distribution centre) to a use falling within Class C3 (dwellinghouses)
- Changes from B1 (business) uses to a state-funded school or a registered nursery.

Local Policies and Initiatives

2.21 There are a number of policies and strategies that have been produced locally which set out the Borough's economic vision and the intention of positively and proactively encouraging sustainable economic growth. These strategies are in accordance with the NPPF and include the following documents:

- South East Local Enterprise Partnership Strategic (SELEP) Economic Plan (March 2014);
- Economic Plan for Essex, Essex County Council (April 2014);
- 2050 Vision & ambition for a Local Industrial Strategy for South Essex;
- Basildon Borough Council Economic Development Policy (2017);
- The Basildon Borough Corporate Plan 2017-2021;

- Basildon Borough Draft Local Plan Policies (2016); and
- Basildon Borough Publication Local Plan Policies (March 2018).

SELEP Strategic Economic Plan 2014

- 2.22 The SELEP Strategic Economic Plan 2014 (currently subject to review) provides the economic context and outlines their approach to creating the conditions in which economic growth can occur. SELEP's ambition is to:
- Enable the creation of 200,000 sustainable private sector jobs over the decade 2011-2021, an increase of 11.4% since 2011;
 - Complete 100,000 new homes by 2021, which will entail, over the seven years, increasing the annual rate of completions by over 50% by comparison with recent years; and
 - Leverage investment totalling £10 billion, to accelerate growth, jobs and homebuilding.
- 2.23 Furthermore, the SELEP will recognise the need to invest in the Thames Gateway and the coastal communities in the south East so they can further contribute to growth of the London economy and also address the challenges of our coastal communities.
- 2.24 A proportion of this growth is likely to take place anyway – depending on the underlying strength of the UK economy. However, SELEP recognises that some of this “business as usual” growth depends on planned investment in transport and other infrastructure, given the intensity of congestion on many links in our road network. Achieving the additional growth will therefore depend on the full implementation of the Strategic Economic Plan. The associated Growth Deal will provide funding and will create the conditions for this higher rate of growth.

Economic Plan for Essex 2014

- 2.25 The Economic Plan for Essex articulates Essex partners' collective plans for unlocking economic growth. It demonstrates a compelling case for investment in the Essex economy that will enable:
- Over 117,745 new jobs; and
 - Over 81,310 new homes by 2021.
- 2.26 Essex County Council has set out a plan based on an understanding of the challenges and opportunities facing the Essex economy:
- It aims to improve skills across the Essex workforce by closing the gap between the needs of employers and the choices learners make. Essex's Employability and Skills Board will lead this work, directing local public-private and EU funding to shape local skills programmes to address skills gaps and increase employment;

- It suggests focusing a £1bn pipeline of infrastructure investment on four strategic growth corridors (the A120, A12, M11 and A13/A127). This pipeline of enabling investments will deliver the transport, property and skills infrastructure that will secure growth in jobs and homes to 2021 and beyond; and
- It aims to enhance productivity within the Essex economy, focusing support for business on five growth sectors. It also proposes the integration of business support provision under a single brand in a new partnership between local authorities and Essex's universities.

South Essex 2050

- 2.27 The Association of South Essex Local Authorities (ASELA) has been formed with the signing of a memorandum of understanding, and consists of Basildon, Brentwood, Castle Point, Essex County, Rochford, Southend-on-Sea and Thurrock Councils.
- 2.28 All seven councils have recognised the need to work across borders on strategic issues such as infrastructure, planning and growth. Leaders and Chief Executives agreed in June 2017 to develop a joint 'place vision' for the region up to 2050 that will show how south Essex is a dynamic, modern place providing conditions for people, communities and businesses to prosper.
- 2.29 Alongside this, some key aims of ASELA will be to transform transport connectivity, open up spaces for housing, business and leisure development through a spatial strategy and shape local labour & skill markets.
- 2.30 The 'South Essex 2050 Ambition' is now being taken forward through a number of workstreams to develop:
- The spatial strategy, through a Joint Strategic Plan;
 - A Local Industrial Strategy;
 - A Strategic Infrastructure Framework, and
 - A Place Narrative.
- 2.31 The context for the SE2050 Ambition is to ensure that the local authorities remain in control of South Essex as a place, putting them in a strong position to shape and influence wider plans and strategies, for example, the Thames Estuary 2050 Commission and the London Plan, and Government and other investment priorities.
- 2.32 The local authorities recognise that the long term healthy and sustainable growth in South Essex can only be delivered through a strategic solution and that this will require some politically and technically challenging decision as the Ambition is implemented. In January 2018, therefore, the local authorities formed the ASELA to ensure that the implementation of the Ambition has strong leadership and is managed on a truly collaborative basis.

The South Essex Joint Strategic Plan

- 2.33 The spatial strategy to implement the SE2050 Ambition is being implemented through a new planning ‘portfolio’ with a Joint Strategic Plan (JSP) currently being prepared to provide the overarching framework. Local Plans and other place—shaping tools will be used to deliver this on the ground, using the range of planning tools available in a more flexible and responsive way.
- 2.34 Work on the JSP with a Project Delivery Board in place, reporting through a Member structure to ASELA, with a timetable and scope agreed. A Statement of Common Ground was published in June and has been formally agreed by all partners, alongside an update to each authority’s Local Development Scheme (LDS).

Basildon Borough Economic Development Policy 2017

- 2.35 The Council’s Economic Development Policy 2017 informs the emerging Local Plan and Corporate Plan for the Basildon Borough to ensure that sustainable economic opportunities are accessible to **all** residents.
- 2.36 This Policy document outlines the fact that Basildon has a long history of being the home of advanced engineering and manufacturing, a reputation which is bolstered by such companies as Ford Motor Company, New Holland Agriculture, Leonardo, Costa Coffee and Konica Minolta.
- 2.37 As growth shifts away from London, Basildon is in prime position to attract some of the high technology companies looking for alternative space to grow. The Draft Economic Development Policy highlights that the Borough’s ability to accommodate high value advanced technology and digital businesses is the Unique Selling Point for the Borough and the basis for future growth. It is proposing a vision that **“By 2050, Basildon can be the real economic powerhouse to the east of London”**.
- 2.38 The overarching aim of the Policy is to ensure that the Borough will continue to have the strongest economy in Essex with businesses that embrace international trade and contribute to the growth of the Borough’s GDP (currently at £3.7bn per annum). This economic growth must also be inclusive and benefit all residents by ensuring they have access to economic opportunities through a great basic education, and enhanced skills offers in the Borough.
- 2.39 It does not consider this to be without its challenges. Major investment into infrastructure improvements will be required to address the congestion experienced along the A127 business corridor and the A13, because the current congestion issues act as a disincentive for companies to locate to Basildon.

- 2.40 Similarly, the town centre needs to be reinvented and revitalised with exciting residential, retail and leisure offers that will create additional foot-fall and a much-needed evening economy. This is seen to also present an opportunity for additional employment in the Town Centre as a sustainable location reachable via public transport.
- 2.41 The Policy also highlights that the many high-paid employment opportunities are not being taken advantage of by the majority of the Borough's residents because they have not obtained the necessary qualifications or received the right skills training.
- 2.42 In recent years, there has been a loss of employment land to alternative uses, with a number of these arising as a result of changes to permitted development legislation which has permitted conversions from office buildings to residential. It has also been suggested, both through evidence to support the Draft Local Plan and anecdotally, that there is a lack of development land for certain types or scales of employment uses that is causing difficulty in attracting new businesses to the area.
- 2.43 The Policy directs a three-year work programme of activity from 2018-2021 contained in an Economic Development Strategy Action Plan. The four emerging policy statements outlining what the Policy aims to achieve during that period are:
- Policy Statement 1: We will work towards sustaining the Borough's strong economy by engaging and supporting local businesses to enable them to grow and prosper;
 - Policy Statement 2: We will work to improve the employment prospects, education and skills of local people;
 - Policy Statement 3: We will work with our partners to promote sustainable economic growth by ensuring the provision of essential strategic infrastructure and connectivity in the Borough;
 - Policy Statement 4: We will further strengthen the "Basildon Brand" to attract inward investment and work to bring about an economy that can adapt to global trade and competition.
- 2.44 With regards to Policy Statement 1, Basildon Council has used Locational Quotient to identify the industry sectors which are performing higher than the national average in order to identify the strengths of the Borough's economy and to build on these strengths by identifying future opportunity sectors. The companies driving growth are mainly Small to Medium sized Enterprises (SMEs) and those within the advanced manufacturing and technology sector, such as SeeClear, Oakley Mobile and GridKey. There are also high growth rates in public administration, defence, retail and health sectors.

- 2.45 The Borough's business base has increased rapidly in recent years and new start-ups have increased faster than anywhere else in Essex and the South East. Most businesses in the Borough are very small and, whilst this small enterprise base helps to spread risk in the economy (caused by an over reliance of larger businesses), this creates an interesting dynamic for the provision of employment space, whether that be industrial, commercial or retail. Areas with a significant micro-business base, as found in Basildon Borough, often struggle to keep up with the demand for growth and move-on space, as businesses do well and seek to expand.
- 2.46 Policy Statement 2 seeks to improve employment prospects, education and skills of local people. Unemployment in the Basildon Borough stood at 4.9% in December 2016, compared to 4.8% in the rest of the UK. However, Basildon Borough also has substantial employment opportunities and more jobs available per resident (0.82) than anywhere in South Essex.
- 2.47 The fall and stagnation in wages indicates a worrying trend of a reduction in higher paid and skilled employment opportunities and demonstrates the inability of local residents to access higher skilled and paid employment due to their lack of skills. More people have **only** basic qualifications (NVQ1) in the Borough than the Essex and UK average and residents are lagging behind when it comes to acquiring higher skills with just 25% of the working population having an NVQ4 or equivalent qualification, in comparison with 36% in the rest of the UK.
- 2.48 There is a large proportion of low value and low skills sectors such as retail and wholesale in the Borough. Combined with zero hour contracts, and few pathways of progression to higher skilled employment within the sector, this produces a disengaged local resident workforce with limited prospects or aspiration. Therefore, it is the recommendation of the Economic Development Policy that there should be a renewed focus on ensuring the accessibility of existing employment areas in the Borough, whilst at the same time, developing higher skills opportunities and pathways to improving skills in the workplace.
- 2.49 Whilst Policy Statement 3 is primarily concerned with improving strategic infrastructure and, in particular, providing upgrades to the main road and rail routes, the Economic Development Policy also considers other critical infrastructure improvements required such as the roll-out of superfast broadband to business areas in particular, and the availability of new employment land opportunities to meet companies' expansion needs and to prevent the loss of business to competitive centres that have better provision of these.

2.50 The Economic Development Policy states that:

‘It is apparent that there is an imbalance between potential demand and supply for grow-on accommodation across almost all Boroughs and Districts in Essex and this is particularly noticeable in Basildon. With firms not able to make the most out of opportunities by expanding into grow-on space, opportunities for economic growth and an uplift in business rates are diminished, and the ability to foster a more entrepreneurial culture is weakened. In addition, a lack of appropriate grow-on space also limits the opportunity to attract smaller-scale inward investment’.

‘There could be a substantial positive impact on the increase in economic growth by supplying “grow on” space (which is one step up from starter units) within the employment land allocation in the Local Plan. This could generate an additional £52 million GVA for Basildon over a ten year period¹. It would also have a positive impact on Business Rates with an additional £701,000 in income forecast over a ten year period, and the creation of over 1,000 new jobs’. The requirement for additional grow on space will be considered as part of this topic paper in accordance with the Economic Development Needs Assessment to come up with a total land requirement for economic development to be allocated through the Local Plan.

‘Job growth is dependent on having enough employment land available, and employment land provision must meet local sector profiles.’

‘In addition to developing new employment facilities, the poor quality of the existing industrial estates is also of concern. Although it has to be recognised that for some companies within the “dirtier” industry sector, such as waste management, these estates are suitable, ensuring that basic infrastructure is in place, such as roads and superfast broadband, is still just as important. Businesses tell us that there is an urgent need to review the physical environment and infrastructure on these estates including parking, signage and landscaping, in order to raise the profile of their business and the Borough’s industrial estate offer’.

2.51 Policy Statement 4 is concerned with the ‘Basildon Brand’ and making sure that the Borough has the opportunity to be the regional centre for advanced technology and knowledge intensive companies, offering high value and skilled employment to residents and a business friendly environment to new and existing investors.

¹ ECC Grow on Space Feasibility Study, BBP Regeneration 2016



2.52 The 'Basildon for Business' brand has been developed, together with a series of promotional literature and presentations. An investor website including a property portal for inward investment enquiries is also being developed. There is still work to be done to reach a wider audience and to continue to highlight the business friendly environment in the Borough.

Basildon Council - Corporate Plan 2017-2021

2.53 The Basildon Council Corporate Plan 2017-2021 outlines three main promises to the people who live, work and learn in the Borough. The second of these relates to 'vibrant town centres and a thriving economy for everyone'. The Corporate Plan states that *'the regeneration of our Borough will make it a more vibrant place to live, work, learn and relax in and will grow our economy. It is essential that we create a place in which businesses want to be based and that we support them to grow – to provide jobs and leisure activities for our residents and to attract people to the Borough. We need to balance that growth with making sure that we have outdoor space where residents can stay healthy and enjoy their free time'*.

2.54 The Corporate Plan also states that Basildon Council will 'need to make sure that we influence our partners so that the infrastructure is in place to support this growth and that, as Basildon prospers, so do all of our residents. We will improve opportunities for education, skills and training as well as access to local jobs so that local people can succeed. The outcomes the Council plans to deliver:

- Help create access to more and better jobs and good business growth
- Increase skills to get more people working
- Develop vibrant town centres
- Strengthen the local economy
- Retaining our skilled workforce within the Borough

2.55 In regards to transforming the Borough, the Corporate Plan makes a commitment to 'Encouraging Growth and a Thriving Economy' in which it will be responsible for:

- Encouraging and stimulating the investment, growth and development we want
- Creating opportunities for businesses and maximising opportunities globally
- Improving skills to boost prosperity
- Creating job and training opportunities for local people with local businesses
- Raising ambitions among young people

Basildon Borough Draft Local Plan Emerging Economic Development Policies 2016

- 2.56 The Draft Local Plan 2016 contained a number of economic development policies contained in Chapter 7: 'Building a Strong, Competitive Economy'. This Chapter was informed by a number of studies and evidence based documents which have now either been superseded or are out of date. For example, the Council's Corporate Plan and Economic Development Policy have been updated during 2017 and the Draft Local Plan was informed by the 2014 versions. Similarly, the Employment Land & Premises Study 2013 was used to inform the site allocations policies; recognising this was produced over four years ago at a time of economic uncertainty, elements of it have therefore been in need of review. The update of the strategic considerations have been achieved through the Economic Development Needs Assessment (EDNA) 2017 produced for the whole south Essex sub-region, whilst the site specific matters are considered to remain relevant. When the Council finalised the Local Plan policies as part of the Revised Publication Local Plan, it therefore ensured it consulted a broad range of relevant evidence than previously used to ensure its policies remains robust and sound.
- 2.57 Draft Policy E1 Economic Growth Strategy used the ELPS 2013 to inform the policy requirement for an additional 8,600 additional full time equivalent (FTE) jobs within the Borough over the plan period, broken down into a land requirement of 49ha of additional employment land for B1, B2 and B8 uses, and any associated employment generating *sui generis* uses. It proposed for this to be broken down into the allocation of approximately 11ha of new B-class employment land in eastern and western extensions to the A127 Enterprise Corridor, and the intensification and regeneration of underutilised land within existing employment areas to provide 38ha of employment land. The allocation of land either side of the A127 corridor was set out in Draft Policies E7 and E8, with approximately 5.5ha proposed either side of the Basildon settlement adjacent to the A127 (**Appendix A**).
- 2.58 The Draft Local Plan also included a further 40ha, as identified on the Draft Policies Map as E8b to be safeguarded for B-class employment uses beyond 2034. This safeguarded land had been proposed to be protected in accordance with Draft Policy GB4 and the NPPF until such time as the plan is

reviewed, or else it could be demonstrated that additional land for B-class employment uses was required and the supply of new employment sites identified in Draft Policy E4 had been exhausted.

2.59 Draft Policy E2 sought to safeguard fourteen existing employment areas to provide use classes B1a, B1c, B2 and B8 employment uses and associated employment generating sui generis uses over the plan period:

- a. Burnt Mills, Basildon;
- b. Cranes, Basildon;
- c. Case New Holland Tractor Park, Basildon;
- d. Festival Business Park, Basildon;
- e. Pippis Hill, Basildon;
- f. Laindon North, Laindon;
- g. Wrexham Road, Laindon;
- h. Southfields, Laindon;
- i. DST Financial Services International Ltd, DST House, St Nicholas Lane, Basildon;
- j. Radford Way Business Park, Billericay;
- k. Wickford Business Park, Hurricane Way, Wickford;
- l. Basildon Town Centre;
- m. Billericay Town Centre; and
- n. Wickford Town Centre.

2.60 Draft Policy E3 proposed to protect the site at Ford Dunton on the A127 Corridor for use in relation to automotive research and development purposes, including the test track, and safeguarded them specifically for the purposes of automotive research and development purposes only.

2.61 Draft Policy E4 dealt with the allocation of new employment sites and prioritised businesses falling within the B2 and B8 class industry, distribution and storage uses through intensification of previously developed land and vacant sites, primarily located along the A127 corridor where these types of businesses already exist, or underutilised land on sites identified in Policy E2. The new employment allocations included two separate types. Where development within existing employment areas cannot be achieved due to a lack of suitable land, then B-class development would have been supported in the following locations:

- a. 12ha to 16ha of land to the west of Gardiners Lane South, developed in accordance with the policies H7 and E5; and
- b. 3.5ha of land at Terminus Drive, Pitsea; developed in accordance with Policy E6.

In addition to these sites, a further two sites were proposed to be allocated for B-class uses and these were:

- a. 5.5ha of land to the south west of A127 Dunton Interchange, developed in accordance with policies H10 and E7; and
- b. 5.5ha of land to the east of Burnt Mills, developed in accordance with Policy E8.

2.62 Draft Policies E5 and E6 proposed development management criteria for achieving successful development on each of these sites. For Draft E5, as this was intended to be a mixed-use allocation, these focussed on ensuring there was no impact on the amenity of the new residential properties and to ensure a masterplan was used to guide development. Draft E6 sought to protect the site for uses specifically within B1 or B2 due to a weak and narrow bridge in close proximity to the site access making it unsuitable for a storage & distribution uses due to the likely increase in HGV movements.

2.63 To support the rural economy and provide greater flexibility to the employment land supply, Draft Policy E9 proposed to identify a number of existing Rural Enterprise sites that were to be retained for B-class employment purposes as appropriate to their location, with policy restrictions on the types of uses so that they were appropriate to their rural setting, and do not cause adverse impact to the countryside and/or local infrastructure:

- a. Guildprime Business Park, Great Burstead & South Green, Billericay;
- b. London Road, Billericay;
- c. Vange Wharf, Pitsea;
- d. White Bridge Farm, Crays Hill;
- e. Annwood Lodge, Wickford; and
- f. Barleylands Depot, Billericay

2.64 The Draft Policy E10 sought to manage the development or expansion of 'untidy industry' uses by continuing the concentration of such uses to the Harvey Road and Archers Field area of the Burnt Mills Industrial Estate, as identified on the Draft Local Plan Policies Map.

2.65 Draft Policies E11 and E12 provided further development management policies for the design and impact a potential employment development may cause and what would be considered acceptable in planning terms. E12 also provided the circumstances by which a site may be lost to an alternative use in accordance with the NPPF's requirement to not maintain policy protection of an employment site if there is no reasonable prospect of the site coming forward for a use it is safeguarded for.

2.66 Draft Policy E13 was concerned with aligning skills & jobs with the intention of improving the skills of local residents and set out that applicants would be encouraged to:

- a. Employ builders who offer local apprenticeships in the development of the proposal;
- b. Provide apprenticeship/training posts for local young people, with a focus on those not in education, employment and training; and
- c. Provide training in conjunction with local training providers for employees of the proposal, seeking to improve skill levels amongst the workforce to NVQ level 3 or higher.

2.67 Draft Policy E14 sought to direct office developments primarily to the Borough's town centres and then edge of centre locations. Only if locations are not available in these areas would the Council have allowed new office development to take place elsewhere, with the first locations chosen being the allocations to the east and west of Basildon set out in Draft Policies E7 and E8.

Regulation 18 Draft Local Plan Statement of Consultation 2016

2.68 Following the analysis of over 21,500 comments submitted to the Draft Local Plan consultation in 2016, the Council's former Cabinet approved a Statement of Consultation on 29 September 2016 determining how it was to address the issues raised during the consultation. It approved 52 Key Actions which would need to be completed in order for the Local Plan to be finalised. The following Key Actions related to Economic Development:

- Action 6 – Infrastructure Delivery Plan and Economic Development Needs Assessment
- Action 7 – Technical Changes to Draft Local Plan Chapter 7: Building a Strong, Competitive Economy
- Action 21 – High Level Development Framework for Gardiners Lane South, Basildon
- Action 22, High Level Development Framework for East Basildon
- Action 51 – Review Evidence Base

Pathway to Success Panel 2017-2018

2.69 In summer 2017, the Council established a 'Basildon Pathways to Success Panel' to undertake a holistic review of education and skills provision in the borough from nursery, primary and secondary level through to further and higher education opportunities including apprenticeships.

2.70 It included an Education and Skills Summit, which was held in autumn 2017 and gathered evidence and ideas from a wide audience including representatives from Basildon Council, Essex County Council, education providers and local businesses.

- 2.71 The desired outcome of the Panel will be a detailed report that presents its findings and makes recommendations setting out how the Council, other public sector organisations, education providers and employers can work together to raise skills levels, ambition and opportunities in the borough.
- 2.72 The findings and recommendations will be used to inform development of future Council policy and associated allocation of resources, as well as informing the Council's role as a Community Leader and Place Shaper.

Basildon Borough Publication Local Plan Emerging Economic Development Policies March 2018

- 2.73 The Publication Local Plan (March 2018) contained a number of Economic Development Policies in Chapter 7 'Building a Strong, Competitive Economy'. This Chapter was informed by a number of similar studies and evidence based documents as the Draft Local Plan 2016. However, it was also informed by the Council's Corporate Plan and Economic Development Policy which were updated during 2017. Similarly, whilst the Employment Land & Premises Study 2013 was still used to inform the Publication Local Plan, the update of strategic considerations contained in the Economic Development Needs Assessment (EDNA) was also used, including previous iterations of this Economic Development Topic Paper.
- 2.74 Draft Policy E1 Economic Growth Strategy used the ELPS 2013, as well as the EDNA, the Essex Grow-on Space Feasibility Study, and the potential for displaced or unmet employment needs from Greater London to inform the policy requirement for an additional 10,100 additional full time equivalent (FTE) B-class jobs within the Borough over the plan period. This was broken down into a total land requirement of 77.6ha in order to meet 42ha of additional employment need for B1, B2 and B8 uses, and any associated employment generating *sui generis* uses. This was also broken down into the allocation of approximately 12.5ha of new B-class employment land as part of an eastern extension to the A127 Enterprise Corridor, and the intensification and regeneration of underutilised land within existing employment areas to provide 29.5ha of employment land. The allocation of land to the east of the A127 corridor was set out in Draft Policy E6.
- 2.75 The Publication Local Plan expected there to be some degree of continual recycling of B-class land over the plan period as the Borough's land supply and economy adjusted to the land demands of changing business sectors. Land was identified in policies E5 to E7 to provide new sites to meet the overall demand for B-class uses projected during the plan period. Existing employment areas were also to be protected from conversion to non B-class uses through policies E2 and E3, in order to conserve the supply of B-class employment land and premises, and to prevent the loss of employment space that would otherwise increase pressure on the Green Belt.

- 2.76 The Publication Local Plan also took the protection of sites for employment uses a step further than the Draft Local Plan. The plan aimed to achieve the ambitions of the Council's Economic Development Strategy by protecting and enhancing existing viable employment areas and premises in order to meet the needs of existing and new businesses, including the protection of land specifically for B1 and B2 uses, to more effectively manage suitable land shortages of B1 and to attract higher value advanced manufacturing jobs through the protection of land for B2 uses.
- 2.77 Policy E2 sought to safeguard twelve existing employment areas to provide use classes B1a, B1c, B2 and B8 employment uses and associated employment generating sui generis uses over the plan period:
- a. Burnt Mills, Basildon;
 - b. Cranes, Basildon;
 - c. Case New Holland Tractor Park, Basildon;
 - d. Festival Business Park, Basildon;
 - e. Pipp's Hill, Basildon;
 - f. Laindon North, Laindon;
 - g. Wrexham Road, Laindon;
 - h. Southfields, Laindon;
 - i. DST House, St Nicholas Lane, Basildon;
 - j. Terminus Drive, Pitsea;
 - k. Radford Way Business Park, Billericay;
 - l. Wickford Business Park, Hurricane Way, Wickford.
- 2.78 Policy E3 proposed to protect land on the Ford Dunton site on the A127 Corridor for employment purposes falling within use Class B1 (a) and (b) and more specifically protected the test track for the purposes of automotive research and development only. This was a more flexible approach than contained in the Draft Local Plan 2016.
- 2.79 Policy E4 dealt with the protection of existing employment areas for B2 Manufacturing and Industrial uses and included four sites allocated for B2 uses only:
- a. 1.63ha of land within Burnt Mills Industrial Estate, Basildon;
 - b. 3.79ha within Cranes Industrial Estate, Basildon;
 - c. 2.49ha of land within Festival Business Park, Basildon; and
 - d. 1.74ha of land within Pipp's Hill Industrial Estate.
- 2.80 Policy E5 proposed to allocate 5.5ha of land for employment purposes as part of a wider mixed-use comprehensive redevelopment of land west of Gardiners Lane South. 3.3ha of this land would have been specifically protected for B1 uses, with at least 3ha required to provide grow-on space opportunities for

businesses falling within that use class, this reflected the additional evidence that had been used to inform the Publication version of the Local Plan.

- 2.81 To support the rural economy and provide greater flexibility to the employment land supply, Policy E7 proposed to identify a number of existing Rural Enterprise sites that should have been retained for B-class employment purposes as appropriate to their location, with policy restrictions on the types of uses so that they are appropriate to their rural setting, and do not cause adverse impact to the countryside and/or local infrastructure:
- a. Guildprime Business Park, Great Burstead & South Green, Billericay;
 - b. Vange Wharf, Pitsea;
 - c. Blue House Farm, Pitsea;
 - d. White Bridge Farm, Crays Hill;
 - e. Annwood Lodge, Wickford; and
 - f. Barleylands Depot, Billericay
- 2.82 Policy E8 sought to manage the development or expansion of ‘untidy industry’ uses by continuing the concentration of such uses to the Harvey Road and Archers Field area of the Burnt Mills Industrial Estate, as identified on the Publication Local Plan Policies Map.
- 2.83 Policies E9 and E10 provided further development management policies for the design and impact a potential employment development may cause and what would have been considered acceptable in planning terms. E10 also provided the circumstances by which a site may be lost to an alternative use in accordance with the NPPF’s requirement to not maintain policy protection of an employment site if there is no reasonable prospect of the site coming forward for a use it is safeguarded for.
- 2.84 Policy E11 was concerned with aligning skills & jobs with the intention of improving the skills of local residents and set out that applicants would have been encouraged to:
- a. Provide apprenticeship/training posts for local young people, with a focus on those not in education, employment and training; and
 - b. Provide training in conjunction with local training providers for employees of the proposal, seeking to improve skill levels amongst the workforce to NVQ level 3 or higher.

Additionally, those developments identified above, plus all other major development proposals falling within use classes C and D would also have been required to:

- a. Employ builders who offer local apprenticeships in the development proposal; and
 - b. Submit an 'Employment Skills Plan' to demonstrate how the development proposal will secure improvements to skills levels and employment amongst local residents.
- 2.85 Therefore, the main progression from the employment policies contained in the Draft Local Plan to those contained in the Publication Local Plan include additional protection for specific types of B-class uses, including B1 and B2 and grow on space to assist in the delivery of the Council's Economic Development Strategy 2017. There was also a shift in terms of the desire to include land which would provide some of the unmet or displaced employment need from London, in order to encourage a ratio of jobs closer to 1:1 for B-class jobs. This would have increased the amount of high value jobs in the Borough and with greater emphasis on improving skills levels and employment amongst local residents, this would have had a greater impact in increasing the prosperity of the Borough.

What evidence had been used to inform the Local Plan Economic Development Policy until 2016?

Employment Land & Premises Study (ELPS) 2013

- 3.1 In October 2012, Atkins were commissioned to undertake an Employment Land and Premises Study on behalf of Basildon Borough Council in order to analyse the future demand for employment land in the Borough up to 2031.
- 3.2 The Study involved a comprehensive assessment of the future demand for employment land that complied with the National Planning Policy Framework (NPPF), including associated policy recommendations to assist in the development of the Council's planning policies and land allocations.
- 3.3 An examination of the Basildon Borough market for B-class uses was undertaken that drew upon the Estates Gazette (EG) commercial property database to identify 'market signals', such as vacancy rates, stock and rental levels by location and property type. A telephone survey of 251 businesses located in the study area was conducted with owners, managers and directors to gain an understanding of the needs and aspirations of businesses in the Basildon Borough study area.
- 3.4 An assessment of the future employment needs in Basildon Borough for the period to 2031 was carried out based on projecting employment growth in the study area. This used latest employment forecasts for Basildon Borough generated by an Experian Model. The raw data provided by the Experian Model forms the basis of a Baseline Scenario for employment growth in Basildon Borough in the period from 2012 to 2031. Two additional scenarios

were also developed and tested that looked at housing growth possibilities. These were undertaken to sensitivity test and contextualise the Baseline Scenario, reflecting the fact that future employment trajectories (and hence employment land requirements) are the function of a complex range of drivers and can be highly dynamic.

- 3.5 A robust assessment of 24 existing employment sites within the Borough was undertaken using a site appraisal pro-forma, and this collected a mixture of qualitative and quantitative data. These sites were assessed against criteria, (including access; sustainable development criteria; quality of site environment and surroundings; market requirements and perceptions; and policy considerations) to assess their suitability for employment uses and ability to meet future business accommodation requirements to 2031. The site appraisals also included an overview of the three main town centres of Basildon, Billericay and Wickford.
- 3.6 The study included a high-level assessment of 14 potential strategic employment locations to explore their suitability for new B-class employment development, and to inform the Council's Local Plan policy approach on employment land. 'B-class' employment uses include three main categories: Offices, Industrial, and Storage and Warehouse which fall into uses B1-B8 of the Town and Country Planning (Use Classes) Order 1987 (as amended),
- 3.7 The Study concluded with policy recommendations for achieving a demand – supply balance and meeting employment demand for the period up to 2031.

Future Growth Requirement in the Basildon Borough from 2011-2031

- 3.8 The development of future employment scenarios in the ELPS 2013 was used to inform two consultations on the emerging Basildon Borough Local Plan. This was for the Core Strategy Revised Preferred Options Report, the consultation for which was carried out between Jan-Mar 2014, and the Draft Local Plan, with its consultation from Jan-Mar 2016. Two scenarios were developed in the ELPS based on two 'book end' levels of housing growth – a Lower Growth Scenario and a Higher Growth Scenario. These scenarios considered how different scales of housing numbers in the Borough could impact upon job numbers and, as a consequence, the need for employment land. The characteristics of the three employment scenarios are summarised in the Table that follows:

Table 1: Summary of Employment Scenarios 2012 - 2031

Scenario	Description	Source
Scenario 1 – Baseline Scenario	<ul style="list-style-type: none"> • The Baseline Scenario presents the raw data generated by the Experian Economics Regional Model. • The Experian forecasting approach is based on a methodology that combines long-term supply and demand influences with short-term demand side influences. • County and local/unitary authority area (LAD) forecasts are prepared once national and regional forecasts are finalised using a shift-share methodology. In broad terms, the historical performance of county economies is interpreted in terms of their share of the regional economy of which they are a part. In turn, the performance of the LAD areas is based on their share of their encompassing county. 	Experian Economics
Scenario 2 – 17,000 homes between 2011 and 2031	<ul style="list-style-type: none"> • Higher housing growth led scenario assuming 17,000 new homes over the 20 year period, 2011 – 2031. • The scenario assumes that the employment breakdown by land use will be the same as in the Experian model. • Average household size, proportion of people of working age, economic activity rate, unemployment and commuting patterns are assumed to stay constant over the period to 2031. 	Basildon BC and Atkins
Scenario 3 – 13,800 homes between 2011 and 2031	<ul style="list-style-type: none"> • Lower housing growth led scenario assuming 13,800 new homes over the 20 year period, 2011 – 2031. • The scenario assumes that the employment breakdown by land use will be the same as in the Experian model. • Average household size, proportion of people of working age, economic activity rate, unemployment and commuting patterns are assumed to stay constant over the period to 2031. 	Basildon BC and Atkins

Source: Atkins. Employment Land & Premises Study July 2013

3.9 The Basildon Borough Core Strategy Revised Preferred Options Report December 2013 contained a total housing requirement of 16,000 new homes in the Borough for the plan period 2011-2031. The Council used the same scenario assumptions used in the ELPS 2013 in order to calculate an exact employment land requirement for the Basildon Borough based on a housing scenario of 16,000 new homes, but as this is not a significantly different number to that considered in the Higher Growth Scenario in the ELPS, the overall requirement was therefore not significantly different either. The scenario assumptions used in the ELPS are set out in the table that follows:

Table 2: Higher Growth Scenario Assumptions

Assumption		Source
Number of homes	17,000 (810 per year between 2011 and 2031)	ONS SNPP and Edge Analytics - EPOA Greater Essex Population and Household Forecasts 2013
Average household size	2.38	2011 Census
Proportion of population that is of working age	63.79%	2011 Census
Economic activity rate	71.20%	2011 Census
Unemployment Rate	6.50%	2011 Census
Proportion of Basildon Borough residents in employment that work in Basildon Borough	53%	Essex Economic Assessment
Employment breakdown by land use	Same as Experian model	Experian / Atkins

Source: Atkins. Employment Land & Premises Study July 2013

- 3.10 The total land requirement scenario uses a number of assumptions to convert housing growth into local jobs and then sets out how these jobs would be provided through a requirement for business floorspace and land requirements. To simplify the model due to economic uncertainties, Atkins' assertions were assumed to stay constant over the period up to 2031.
- 3.11 The ELPS stated that the overall employment land need in the Borough was projected to increase by approximately 49ha between 2011 and 2031 as a result of building 17,000 new homes. However, it should be noted that this projection estimated the change in employment land demand resulting **exclusively** as a result of housing and population growth. In reality, employment change, (and therefore employment land demand), is likely to be influenced by a broader range of factors, in addition to population change. These include the wider economic conditions, household income and expenditure levels, structural economic changes, technological and operational changes and changes to labour force characteristics. Therefore, this housing-led scenario should be considered alongside the base Experian scenario and once the model's growth projections are taken into consideration the overall requirement for employment land in the Basildon Borough was estimated to be as follows:

Table 3: Additional Employment Land Need

Use Class	Change 2012-2031
B1a/b	10
B1c	1
B2	0
B8	37
Total B use class sectors	47

Source: Atkins. *Employment Land & Premises Study July 2013*

- 3.12 It is worth noting that the overall requirement for B-class sectors was subject to rounding, which is why the totals for each of the different use classes adds up to 48ha and not 47ha, which is shown in the grand total of Table 3. However, for the avoidance of any confusion, and in order to ensure sufficient employment supply was identified to meet need in the Basildon Borough in 2013, the total employment requirement in the Draft Local Plan was set at 49ha. This includes the potential need identified in this table without rounding down the total of 48ha plus approximately 1ha of employment land which was delivered during 2011-2012, completing the total requirement for 49ha over the full 20 year period 2011-2031.
- 3.13 The Draft Local Plan 2016 also included a total additional employment land need of 49ha despite running from 2014-2034, as this is the same length of time as the previous version of the plan, was also informed by the ELPS 2013, and therefore the same assumptions were applied to the calculation of need. It should be noted that as the total housing requirement during the plan period had only been reduced by approximately 650 new homes, it was not envisaged to cause a significant change to the overall requirement for employment land.

Future Employment Supply Requirements as of 2013

- 3.14 As the ELPS 2013 states, for the market to function efficiently and to allow effectively for churn, choice and flexibility, it will always be necessary for pipeline supply to be in excess of projected levels of future demand. By simply planning for an amount of supply which matches future estimates of demand in quantitative terms, ***the operation of the market will be distorted*** which would result in a significant element of demand not being met. In allowing employment growth to materialise through new development, a surplus in land supply is required to ensure that actual demand can be met in terms of location, type, timing, quality and size.
- 3.15 Table 4 sets out the potential supply of B-class employment floorspace as projected as being required by the ELPS in 2013. There was potentially

373,715 sq.m of floorspace available from the various sources of supply. The majority of this floorspace supply was for B1a and B8 uses.

Table 4: B-class Employment Floorspace (sq.m) – Potential Supply 2011-2031

Supply	Size of Vacant/Underutilised Land Area	B1a/b (sq.m)	B2/B1c (sq.m)	B8 (sq.m)	Total (sq.m)
Commercial Development Pipeline	1.1	1,431	3,746	1,873	7,050
Town Centres					
Basildon	2.5	25,000	0	0	25,000
Wickford	0.05	500	0	0	500
Sub Total	2.6	25,500	0	0	25,500
Vacant/Underutilised Land					
1 Wickford Business Park	0.4	0	0	2,000	2,000
2 Radford Way	0.3	450	960	0	1,410
3 Burnt Mills	7.2	5,400	5,760	25,200	36,360
4 Cranes Industrial Estate	13.5	10,125	21,600	33,750	65,475
6 Festival Business Park	4.3	0	0	21,500	21,500
7 Pipp's Hill	6.4	0	12,800	16,000	28,800
12 Ford Technical	16.1	36,225	25,760	24,150	86,135
Sub Total	48.2	52,200	66,880	122,600	241,680
Key Employment Sites (Saved Local Plan)					
Gardiners Lane (protected under BAS E1)	16.2	36,450	45,360	0	81,810
Terminus Drive Pitsea (protected under BAS E2)	3.5	7,875	9,800	0	17,675
Sub Total	19.7	44,325	55,160	0	99,485
Grand Total	71.5	123,456	125,786	124,473	373,715

Source: Atkins. Employment Land & Premises Study July 2013. Some figures in the table have been rounded.

- 3.16 It suggested that the Basildon Borough had a potential supply of employment land of approximately 71.5ha but, in order to meet the need for 49ha and to provide sufficient surplus to allow for flexibility in terms of the land offer and to allow for churn in the market, it is important to understand how this land supply related to the individual use class requirements to determine whether or not there is sufficient land to meet the specific requirements of different types of businesses.
- 3.17 Table 5 therefore sets out the relationship between estimated demand and supply of employment floorspace in the Borough by type of floorspace. It takes the total supply identified in Table 4 and subtracts the total demand projected in Table 3. Table 5 identifies the remaining surplus once the anticipated demand has been removed from the potential supply of new sites.

Table 5: Demand-Supply Balance (2011 – 2031)

B-class Land Use	Scenario 1: Base Scenario	Combined needs Scenario 1 + Scenario 2: Housing Growth (17,000 new homes)	Combined needs Scenario 1 + Scenario 3: Housing Growth (13,800 new homes)
Office / R&D (B1(a) / B1(b))	9.1	5.6	6.6
Industrial (B1(c) / B2)	44.9	30.1	34.1
Warehousing (B8)	9.3	-12.2	-7.2
Total	63.3	24.5	33.5

Source: Atkins. Employment Land & Premises Study July 2013

- 3.18 Although there appeared to be sufficient B-class floorspace supply to meet the employment land needs set out in the scenarios (apart from warehousing under the two housing growth scenarios), the market may dictate different levels of floorspace and phasing of development being achieved on the sites, and therefore the demand/supply balance in Table 5 was indicative of what could be achieved if all the floorspace opportunities identified in Table 4 came forward.
- 3.19 It is important to note that the identified supply of land in Table 4 should not be relied upon as a guaranteed source of land supply for B-class development in the short-term, as some sites may represent more medium-term opportunities if they require land assembly assistance etc. Also, developers are likely to bring forward sites with a different quantum and type of B-class development. Further detailed site analysis, (relating to land ownership, owner

aspirations etc), would be required to identify the likely time-scale of the vacant/underutilised land coming forward for development.

- 3.20 In the calculation the Council carried out in 2013, using the assumptions contained in the ELPS for a housing growth scenario of 16,000 new homes, there was a minor increase in the surpluses for B1a/B1b & B1c / B2 uses and a marginal decrease in the overall deficit in B8 uses (11ha as opposed to the 12ha for the 17,000 new homes scenario). This is what informed the overall requirement in the Core Strategy Revised Preferred Options Report 2013. Given there was a reduction in housing target used in the Draft Local Plan in 2016, this was not considered to cause a significant change to the overall requirement for employment land.
- 3.21 On the basis of this recommendation in the ELPS 2013, the Council therefore determined that Vacant/Underutilised urban land, including the key employment sites at Gardiners Lane South and Terminus Drive, would be able to provide a sufficient surplus in order to accommodate fluctuations in the market and to allow for churn. However, as some of this surplus may only meet employment needs in the medium-term, the overall supply considered possible to secure from within the existing urban locations was considered sufficient to meet approximately 38ha of the total employment land need within the period 2014-2034. The remaining 11ha, or the calculated deficit in the demand minus supply balance, was therefore proposed to come forward as part of two new employment allocations either side of the existing employment corridor along the A127, as urban extensions to the east and west of the Basildon settlement in the Draft Local Plan 2016.
- 3.22 Therefore, the overall employment need of 49ha was to be provided by a mixture of vacant/underutilised land, which includes the vacant sites at Gardiners Lane South and Terminus Drive, and two additional greenfield allocations that would remove land from the Green Belt. These are locations that the Council is aware are being promoted for development and have been tested as being suitable, available and achievable to provide a mixture of short-medium term options for economic growth in the plan period up to 2034.
- 3.23 The Draft Local Plan 2016 also went a step further than the previous Core Strategy Revised Preferred Options Report 2013 by also considering it necessary to propose to safeguard an additional 49ha of employment land, beyond the plan period. This would have provided the comfort of being able to meet longer-term future employment needs of the Borough in accordance with the NPPF, which states that where necessary, local planning authorities should identify in their plans areas of 'safeguarded land' between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period.

- 3.24 Therefore, whilst the Draft Local Plan also identified a need for 49ha of employment land during the plan period 2014-2034, through intensification of vacant and underutilised land and new employment allocations on land removed from the Green Belt in the A127 Corridor, the actual supply of employment land in the Borough was expected to be much greater, incorporating the recommendations of the ELPS 2013 for at least 71.5ha of supply to meet 49ha of need, and providing a positive approach to planning for economic growth in accordance with the NPPF.
- 3.25 However, the Employment Land & Premises Study is over four years old, and in accordance with the NPPF is in need of an update. The study was also completed at a time of economic downturn, having been completed during 'the double dip' recession of 2012. Therefore, in 2016, the Council with its neighbouring authorities which form part of the South Essex sub-region commissioned an Economic Development Needs Assessment (EDNA). The recommendations of this study and the potential impact this may have on the future requirement for employment land in the Basildon Borough are reviewed next in this topic paper.

What is considered to be Basildon Borough's up to date economic growth requirements?

Economic Development Needs Assessment (EDNA) 2017

- 4.1 GVA was commissioned by Thurrock Council on behalf of the South Essex local authorities: Basildon Borough Council, Castle Point Borough Council, Rochford District Council, Southend-on-Sea Borough Council to prepare the South Essex Economic Development Needs Assessment (EDNA).
- 4.2 The purpose of the EDNA is to draw together the different strands of the South Essex economic picture, providing an evidenced, guidance compliant analysis of the economic and employment land opportunities and challenges for south Essex, and informing the establishment of a strategic, multi-authority strategy for realising the area's economic opportunity. It provides practical and pragmatic guidance on land delivery to help set the direction for investment in the future, providing focus on specific areas within the local authorities as well as pan-South Essex guidance which ensures that a portfolio of sites is identified that maximises the use of land assets which are suitable for employment activity.
- 4.3 The EDNA therefore also provides a fully guidance compliant, robust evidence base to support the development and refresh of planning policy and economic development strategy of the south Essex authorities.
- 4.4 For Basildon Borough Council, it provides additional, more recent economic evidence supporting the refinement of the new Local Plan and should be

considered as complementing the Basildon Borough Employment Land & Premises Study 2013 (ELPS).

EDNA's Overview of Basildon Borough

- 4.5 To sustainably meet employment need in the Basildon Borough, the provision of a flexible supply of employment land and premises to meet the varying needs of different economic sectors is required. The EDNA has noted the Draft Local Plan position in respects of proposing provisions for 49ha of employment land for B1, B2 and B8 uses, and prioritising the enhancement and redevelopment of existing sites over the development of new ones. In addition, it acknowledges the idea of providing Rural Enterprise Zones to protect and enhance rural employment sites and to provide local employment opportunities which make the best use of brownfield sites without causing harm to the Green Belt or the purposes of including land within it.
- 4.6 The EDNA notes that education is a concern across the sub-region and is already an area of focus in the strategic vision for Basildon Borough. It considers the Draft Local Plan's position that Basildon suffers from a skills shortage which has led to many jobs in established and emerging high-value companies being taken up by the non-resident workforce who commute into the area. A stakeholder workshop revealed that the coupling of low skills and high in-commuting has resulted in the resident labour force being effectively shut out from these jobs which is a nuance that does not emerge from available data.
- 4.7 To promote up-skilling, Basildon Council has already proposed that the approval of applications for new, extensions to, or the replacement of housing and employment development will be accompanied by conditions that require business to collaborate with the Council and its partners to undertake apprenticeships and FE training. The Council has also created the Basildon Business Education group, a partnership between schools and businesses, to nurture the aspirations of children and young people. Through the partnership, the Employment for Life Charter, signed by all secondary schools in the local authority area has been created to encourage time keeping, attendance and team working.
- 4.8 At the FE level, the EDNA notes that Basildon is working with Prospects College to gain FE status, building on the work to create a Vocational Training campus offering Engineering and Green Technology skills training in addition to a fully functional Railway Training Academy. Further, the relocation of South Essex College's Basildon Campus from Nethermayne to Basildon town centre is expected to provide a range of vocational programmes strongly linked to the business needs of the Borough. Supported by SELEP regional policy, these initiatives will support the Borough to achieve its target of

breaking the trend of structural unemployment and youth unemployment. The Essex Economic Development Policy also highlights plans to invest in specialised training facilities to enable local provision of specific skills training which support priority sectors and includes the Green Vocational Training Centre.

- 4.9 EDNA notes the strong examples of support for business already in place including the private-sector led Basildon Business Group (BBG) which provides a coherent channel of communication with the Borough Council to identify opportunities and provide business support. Furthermore, the Council has actively sought international economic ties, through Essex County Council, with China, the US, France, Germany and most recently India. Two major EU funded projects – EAST and the European Business Technology Centre (EBTC) – have created platforms and funds to enable local companies to access the Indian market. Basildon Borough Council has also been involved in the formation of an Automotive, Aerospace, and Defence group to provide focussed support to the sector and promote innovation, diversification and trade. Over the last five years the Essex Innovation Programme (ECC business support programme) has supported 22 Borough companies through business mentoring support and a further 15 through projects with the Institute for Manufacturing.
- 4.10 The EDNA reviews the socio-economic profile of each of the south Essex authorities using ONS data to confirm the low educational attainment of the Basildon Borough in comparison with the region and the rest of the country and to establish that the average resident earnings is below the average workplace earnings, perhaps illustrating the skills gap, and identifying that the area with the greatest level of deprivation is occurring in Basildon, suggesting that many of these residents would not be able to access higher value employment positions.
- 4.11 The EDNA also reviews commuting patterns and economic performance of the south Essex authority areas and highlights Basildon as the dominant economic area in terms of Gross Value Added (GVA) with the largest GVA output at £4,208.6million, a moderate GVA output per capita of c. £23,300 and strong GVA growth over the 2001 to 2014 period (41.2%).

EDNA's Commercial Property Market Review

- 4.12 The EDNA provides a review of the commercial property market in the south Essex sub-region using the CoStar database, and analysis shows that Southend-on-Sea and Basildon are the primary office hubs in south Essex, which together, account for 58% of office units and 87% of floorspace. With an average floorspace of 1,218sqm, Basildon is also the centre for larger offices in the sub-region. Basildon has the largest number of offices in the sub-region and also the largest amount of vacant space for office uses,

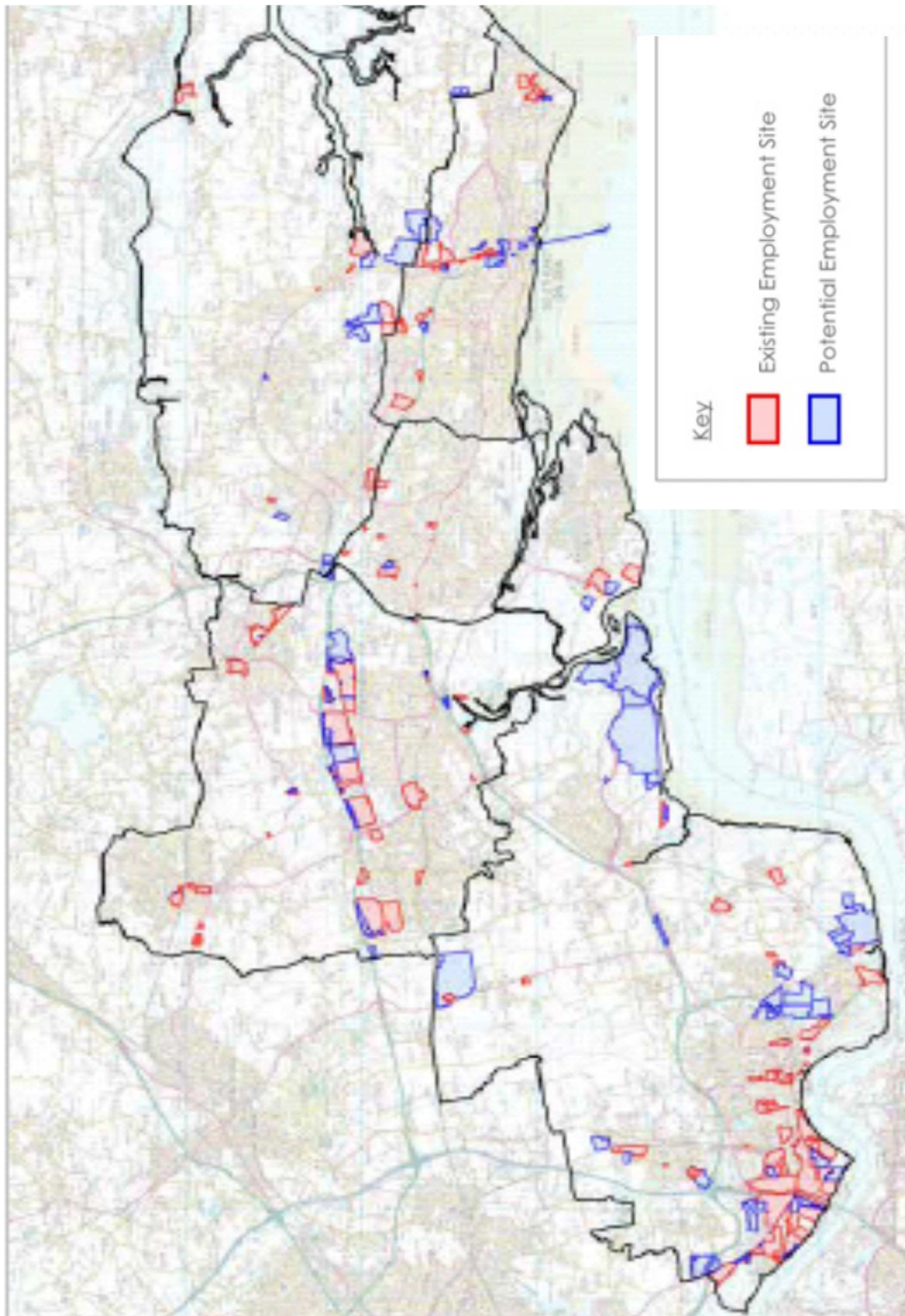
perhaps reflecting the change in demand for this type of business use and the ability for office to residential conversions to take place due to changes in permitted development legislation.

- 4.13 The majority of industrial stock is located in Thurrock and Basildon, with 49.1% and 34.5% respectively. However, the stock tends to be of secondary / poor quality, with the majority of properties rated 2 or 3 stars out of 5 by CoStar. Thurrock contains more of a mix with some 4 and 5 star units.
- 4.14 During the period 2010-2015, take-up of industrial units in sqm was highest at the higher end of the spectrum, above 1,850 sqm, while total deals were higher towards the lower end, below 464 sqm. Industrial units are typically larger in Thurrock and reflect the local logistics specialism, whereas the smaller yet more numerous offer in Basildon results from its higher-skill manufacturing clusters. Average achieved rents (£sqm) were higher for smaller units across south Essex, suggesting higher quality or demand for smaller units.
- 4.15 Available and vacant industrial floorspace is primarily in Thurrock and Basildon and the recent decline in available floorspace implies a recent increase in demand for this type of business use is not being matched by a continual supply of appropriate space.

EDNA's Review of Basildon Borough Employment Supply

- 4.16 The assessment of the supply portfolio in the EDNA is based on desk-top and site based survey of employment sites in each of the south Essex authorities in order to identify the key characteristics of their site clusters. The list of existing employment sites was provided by each authority from information such as their Local Plan Sites Databases and existing employment allocations. GVA reviewed these site lists and confirmed the sites included in the assessment with each authority. In line with NPPG, analysis has focussed only on sites that are greater than 0.25ha in scale.
- 4.17 Potential employment sites have also been identified from the lists provided by each authority, and include those which are not currently occupied; but which have been allocated for employment use, have planning permission for employment uses, have been previously assessed for employment use or have been put forward for employment use as part of Call for Sites processes.
- 4.18 The existing sites are shown in Figure 1 below in red and the potential employment sites are shown in blue:

Figure 1: South Essex Overview Map: Existing and Potential Employment Sites



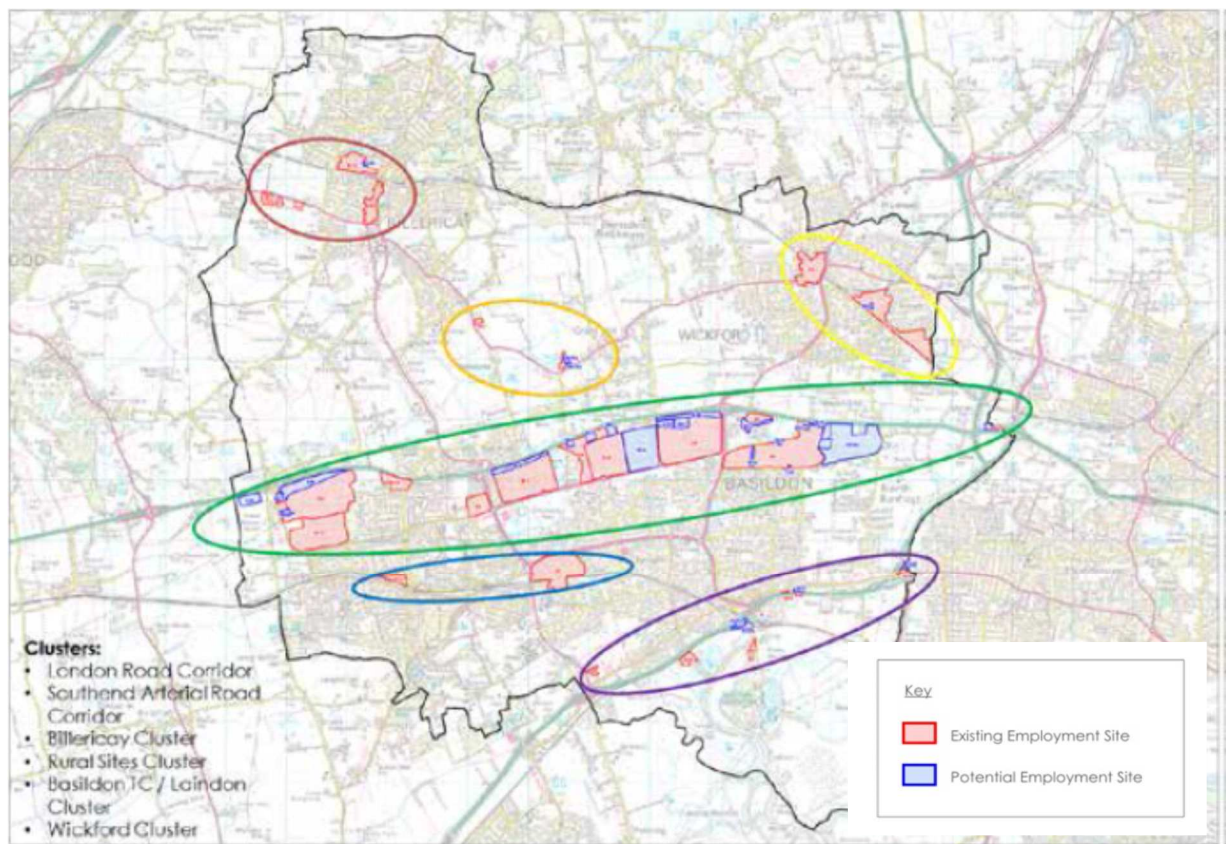
Source: EDNA, GVA 2017

4.19 For the Basildon Borough, the EDNA splits the employment sites into six sub-market clusters, which are shown in Figure 2 with colour specific rings on the map;

- London Road Corridor (Purple)
- Southend Arterial Road Corridor (Green)
- Billericay Cluster (Red)
- Rural Sites Cluster (Orange)
- Basildon TC / Laindon Cluster (Blue)
- Wickford Cluster (Yellow)

4.20 **There are twenty five active employment sites included within the assessment of Basildon Borough's employment land supply which currently accommodate active employment uses on site, totalling 452ha.** A total of seven sites are excluded from the EDNA assessment; three of which are town centre sites with no active B class employment activities, three of which are vacant sites with no employment activity, (considered instead as part of the potential employment land supply), and one which is an active non-B class use.

Figure 2: Basildon Overview Map: Existing & Potential Employment Clusters



Source: EDNA, GVA 2017

- 4.21 The EDNA provides a full summary of all the employment sites identified in Figure 2, with policy advice which falls into one of four categories:
- Protect and Maintain;
 - Protect and Enhance;
 - Significant Intervention Required; and
 - Monitor and Manage.
- 4.22 The majority of sites assessed in the Basildon Borough fall into the category of Protect and Maintain, which applies to sites which are considered to be suitable in their current form and are located in an appropriate location context where there is not likely to be significant long-term change that affects their employment role or function. These sites should be protected through the Local Plan process. The sites will require some investment in stock and public realm to maintain their condition and quality over time, but should not require any significant investment or intervention.
- 4.23 Five sites in the Basildon Borough have been deemed by the EDNA to fall into the category of 'Monitor and Manage'. This applies to sites which are:
- of poor quality and/or are not identified to be functioning adequately as employment sites;
 - based particularly on poor stock condition and lack of investment;
 - have more non B-class uses evident on site;
 - are located in areas with poor accessibility and amenity levels; and/or
 - their location is not supporting of employment activity.
- 4.24 This categorisation is not intended to suggest a release from employment land designation or that the site does not meet the needs of occupiers. Instead it is intended to identify the weakest offer which may, over the long term, face challenges in terms of retaining existing or attracting new occupiers due to its limitations. The sites in this category should be kept under review over time and decisions on their future employment role be taken as and when they begin to experience significant vacancies, dilapidations etc. It may be that these sites are suitable for redevelopment as employment sites, or should accommodate a different type of employment activity, or that over time they could be de-allocated to accommodate other forms of growth. Each decision would need to be undertaken on a case by case basis. The five sites which fell into this category were:
- Guildprime, Billericay;
 - Sadlers Farm, Pitsea;
 - Blue House Farm, Pitsea;
 - London Road, Vange; and
 - Terminus Drive, Pitsea.

- 4.25 Of the various employment clusters within the Basildon Borough, whilst protection is recommended for a number of them, several clusters have lower quality industrial functions/ premises on them and in some cases if the current occupants were to leave, the Council should consider whether or not these sites should continue to be protected into the future. However, the Southend Arterial Road Cluster (A127 Corridor) supports the most valuable and important employment activities to the Basildon Borough economy, and is also the one which plays the most significant role for strategic growth at the south Essex level.
- 4.26 Many of the sites within this cluster are considered to be of good overall quality, with none considered to be poor quality employment sites overall. Important regional, national and in some cases international occupiers are attracted to these locations, based on their strategic connectivity and the facilities and amenities they are supported by, informed by evidence of new investment.
- 4.27 The strategic road connectivity of these sites and their large scale and proximity to amenities and services means they are well placed to attract Basildon Borough's higher value economic activity and continue to play a strategic role in the growth of the south Essex economy for transport and logistics activity and advanced manufacturing activity in particular.

EDNA's Consideration of Future Supply

- 4.28 The EDNA considers three categories of potential employment sites in the Basildon Borough:
- Vacant/under-utilised sites included within existing employment sites;
 - Sites categorised as existing employment land, but which contain no active employment use;
 - Proposed employment site allocations from the Draft Local Plan 2016.
- 4.29 The total for all potential employment sites considered is approximately **156.8ha**, defined as either existing, vacant/under-utilised or draft allocations, as shown in the following table:

Table 6: Revised Potential Employment Land Totals in Basildon Clusters by Site Type (ha)

	Existing	Vacant/Under-Utilised	Proposed – Local Plan	Mixed Use Allocations (not included within total)	Excluded from Assessment	Total
London Road Corridor	0.9	2	0.0	0.0	0.0	2.9
Southend Arterial Rd Corridor	0.0	43.1	23.5	34.4	48.9	149.9
Billericay	3.0	0.3	0.0	0.0	0.0	3.3
Rural Sites	0.0	0.3	0.0	0.0	0.0	0.3
Basildon TC / Laindon	0.0	0.0	0.0	0.0	0.0	0.0
Wickford	0.0	0.4	0.0	0.0	0.0	0.4
Basildon Sites Total	3.9	46.2	23.5	34.5	48.9	156.8

Source: EDNA, GVA 2017

- 4.30 However, the EDNA suggests that this **overstates the available land position** as it includes the full areas for sites proposed in the Draft Local Plan for mixed-use including B class. When adjusting this to include only the parts of mixed-use sites which are identified specifically for B class development, the revised total for potential employment sites in Basildon is **73.6ha**. The figures in table 6 above have been subject to rounding but the total minus the sites excluded from the assessment and mixed use allocations (not included within total) equals the Basildon potential of 73.6ha.
- 4.31 Subsequent to the production of the EDNA, two employment sites contributing to the overall land supply were allocated for an alternative open space use as part of the Publication Local Plan as they are located adjacent to the A127 and may be required to provide highway improvements as part of a sub-regional desire to expand the A127. Full details of the impact this has on the overall land supply to be provided in the Revised Publication Local Plan is discussed in detail in Chapter 7.
- 4.32 The total for potential employment sites of **73.6ha** is not too dissimilar to the **71.5ha** suggested by the ELPS in 2013. The main differences between EDNA and ELPS is that the potential urban extensions in the Draft Local Plan 2016 to the east and west of Basildon are included in the EDNA assessment as potential supply, located in the A127 Corridor. Also, unlike the ELPS, the EDNA does not consider the town centres to have any potential B-class

employment capabilities without some form of policy intervention by the Council. It has also removed two sites in the A127 Corridor which are currently being developed in the Basildon Borough as these will no longer constitute future supply. Overall, this has resulted in a small increase in the total potential land supply, with the caveat that a certain amount of Green Belt release would be required to achieve the full amount.

- 4.33 The majority of the total potential future employment land is located within the A127 Southend Arterial Road Corridor cluster, although there is potential B-class employment land available in all clusters, with the exception of the Basildon Town Centre and Laindon cluster.
- 4.34 The EDNA also considers the suitability of each of the potential sites for different employment uses. Table 7 below draws on the assessment of suitability contained in the EDNA to show the proportion of land available for different B-class uses/combination of uses. The portfolio of potential employment site provides the opportunity to accommodate a range of B1, B2, and B8 employment uses, with the largest proportion (32%) most suitable for all three of these B1, B2, and B8 uses. There is also a predominance of B2/B8 employment uses (29%), which reflects the existing typology within Basildon, with its large proportion of industrial B-class land use, with more limited office uses, which could only come forward as part of the 6.2ha allocation for B1/B2 or the 23.8ha allocated for B1/B2/B8.

Table 7: Potential Employment Land Totals by Suitability for B Class Uses in Basildon (ha)

	Total Potential Sites Area	Proportion of Total
B1c	16.4	22%
B1/B2	6.2	8%
B1c/B2	5.8	8%
B2/B8	21.4	29%
B1/B2/B8	23.8	32%
Total	73.6	100%

Source: EDNA, GVA 2017

EDNA's Testing through Employment Growth Scenarios

- 4.35 The Employment Growth Scenarios considered in the EDNA are based on detailed forecasting for each of the five south Essex local authorities, (Basildon, Castle Point, Rochford, Southend-on-Sea and Thurrock), in order

to understand future employment growth in south Essex. This is a strategic, cross boundary issue managed through the Duty to Cooperate.

- 4.36 The approach to estimating new demand identifies a base economic forecast, then develops a number of scenarios testing the range of growth possibilities for the south Essex local authorities, and then develops a number of 'combined scenarios' which provide a synthesis bringing together the reasonable growth expectations for each local authority to provide a robust and realistic growth projection for the entire south Essex sub-region.

EDNA's Projections of Growth to Meet Economic Needs

- 4.37 To determine the most appropriate base forecast for south Essex, both the East of England Forecasting Model (EEFM) and Experian forecasting models were considered. Following this comparison, the EDNA, in consultation with the Client Group of the five south Essex local authorities and Essex County Council, the East England Forecasting Model (EEFM) was selected to provide the base model for the south Essex growth forecasts.
- 4.38 Whilst neither the EEFM or Experian model is a 'perfect fit', the EEFM shows most alignment with the growth expectations of the five south Essex authorities and provides consistency with other studies and wider planning objectives across south Essex. Certainly, from a Basildon Borough perspective, the EEFM forecasting model does not predict such a dramatic shift in demand from B2 uses to B8 uses, which was previously suggested to occur by the Experian forecasts used for the Employment Land & Premises Study 2013. Basildon Borough Council had provided evidence into EDNA to suggest that there was still a demand for B2 uses which had been demonstrated by those that have come forward within the Borough since the study was published, and the EEFM model better reflected this trend.
- 4.39 As a starting point, the base employment forecast for growth in Basildon is produced, followed by a series of employment growth scenarios. The following two scenarios have been undertaken to make adjustments to the based forecast assumptions, reflecting a suitable range of alternatives for considering the future economic growth in Basildon Borough, and the consequent employment floorspace and land requirements:
- Advanced Manufacturing Scenario
 - London Industrial Land Re-location Scenario
- 4.40 Following the development of these two scenarios, the EDNA puts together a combined scenario, or a 'recommended scenario' for the amount of employment land will be needed. The total requirement in the base forecast is shown in Table 8 which follows:

Table 8: Basildon Base forecast Employment Floorspace & Land Requirement (2016 – 2036)

	Floorspace Demand 2016-2036	Change in Land 2016-2036
	Sqm	Ha
Office	45,845	5
Manufacturing / Industrial	26,031	7
Warehouse	25,939	6
Total	97,815	18

Source: EEFM, GVA, 2016

- 4.41 The total figures contained in tables 8-11 do not seem to follow any obvious standardised plot ratio assumptions, but they are roughly in line with the plot ratio assumptions that have been used in the ELPS 2013 as shown in Table 21. For Manufacturing and Industrial, roughly 40% of the land area is assumed to be occupied with employment uses, which is in line with the ELPS, but the EDNA assumes slightly higher percentages of land area for offices and warehouse development (i.e. less land will be required for car parking, landscaping etc.) than the recommendations of the ELPS. The Council's approach to plot ratios will be explained in more detail in section 7 of this Topic Paper.
- 4.42 The Advanced Manufacturing Scenario boosts certain sectors in the Basildon economy as it is considered that the ICT, transport and health sector activities in Basildon will have a very different experience over the projection period as the economy evolves in certain directions. The requirements in the advanced manufacturing scenario are as follows in Table 9:

Table 9: Basildon Advanced Manufacturing Scenario Land Requirement Forecast (2016 – 2036)

	Floorspace Demand 2016-2036	Change in Land 2016-2036
	Sqm	Ha
Office	54,500	5
Manufacturing / Industrial	92,017	23
Warehouse	25,939	6
Total	172,456	35

Source: EEFM, GVA, 2016

4.43 It could reasonably be expected that Basildon Borough could physically accommodate a significant proportion of the displaced industrial activities from East London, particularly for distribution activity, even if it is not an aspiration. Reflecting this, Basildon Borough's London Industrial Land Re-location scenario tested in EDNA captures 35% of the total displaced activity, with a split of 70% industrial activity and 30% distribution activity. This scenario translates into the following floorspace requirements:

Table 10: Basildon Industrial Land Re-location Land Requirement Forecast (2016-2036)

	Floorspace Demand 2016-2036	Change in Land
	Sqm	Ha
Office	45,845	5
Manufacturing / Industrial	226,993	57
Warehouse	97,282	24
Total	370,120	86

Source: EEFM, GVA, 2016

4.44 The combined growth scenario, or 'recommended scenario' for Basildon Borough draws on the lessons learned from the Advanced Manufacturing and London Industrial Land Re-location scenarios, acknowledging the sub-sector variations within them. This combined scenario reflects balanced industrial and manufacturing growth capturing the effect of business re-locating out from London and acknowledging sub-sector distinctions within industrial and manufacturing activities. The overall requirement for the Basildon Borough according to the EDNA is as follows in Table 11:

Table 11: Basildon Combined Scenario Land Requirement Forecast (2016 – 2036)

	Floorspace Demand 2016 – 2036	Change in Land
	Sqm	Ha
Office	49,997	6
Manufacturing / Industrial	38,540	10
Warehouse	46,387	12
Total	134,923	28

Source: EEFM, GVA, 2016

- 4.45 The Combined Forecast provides a more balanced form of growth within Basildon that reflects both national economic expectations and local opportunities to unlock new growth and demand. Taking this Combined Scenario forward will see a **total need of 28ha** being required to accommodate new demand, with a focus primarily on industrial and warehousing land.
- 4.46 The overall requirement for 28ha of employment land **is significantly less** than the overall requirement of 49ha as set out in the Draft Local Plan. However, the EDNA makes some ‘supply side’ adjustments so that future employment forecasts are based on more than economic growth ‘predictions’ and better reflect the fluid nature of land allocations.
- 4.47 Traditionally two ‘additional allowances’ have been made to growth projections to help ensure there is flexibility locally, creating contingency. This is based on historic development rates that have either generated new employment floorspace, or to offset losses of employment space to other non-B class use. This involves a contingency allowance for ‘windfall’ losses and an allowance for churn. These are set out for the Basildon Borough in Table 12 below:

Table 12: Allowance for Windfall Losses and Churn in the Basildon Borough

	Office (sqm)	Industrial (sqm)	Warehouse (sqm)
Windfall Losses (2011-2016)	106,836	6,418	6,418
Churn (2011-2016)	0	12,009	12,009
Total Basildon Allowance	106,836	18,427	18,427

Source: GVA Analysis of Local Authority Monitoring Reports

- 4.48 By combining the demand and supply side factors it is possible to identify the total projected employment land requirement across South Essex, and in Basildon Borough which will provide sufficient capacity to accommodate future business needs. This draws on the outputs of the Combined Forecast and the windfall and churn allowances.

Table 13: Combined Requirement

	Total Employment Land Supply (ha)	Total Employment Land Demand (ha) – Combined Scenario	Total Employment Land Demand (ha) – Combined Scenario with supply side adjustment	Employment Land Demand as % of Supply
South Essex	942	272	345	29% or 37%
Basildon	73.6	28	50	38% or 68%
Castle Point	24.3	1	9	4% or 37%
Rochford	175.4	7	16	4% or 9%
Thurrock	652	244	259	37% or 40%
Southend-on-Sea	16.4	-8	11	-49% or 67%

Source: EDNA, GVA 2017

- 4.49 This recommends that, in order to ensure that all employment opportunities in the Basildon Borough are provided for over the period up to 2036, **50ha of employment land** should be provided. This is broken down into **19ha** of office space, **15ha** for manufacturing / industrial uses and **16ha** for warehouse development. This would represent the supply side adjusted scenario, where 50ha of employment land would be 68% of the total employment land supply available in the Basildon Borough. If only the total land demand, or ‘combined’ scenario were to be provided for, and the Borough chose to maintain a land supply of 73.6ha, the need for 28ha would be 38% of the overall supply.
- 4.50 Whilst it is possible to come up with a combination of land that would be appropriate for the need identified in terms of the use class, this becomes increasingly difficult when the total employment land supply is reduced from 73.6ha to 50ha. For example, even if the amount of employment land allocated through the emerging Basildon Borough Local Plan were to be in the region of 73.6ha, the Council would still have to consider the need to protect certain sites for specific uses, particularly office use (B1a&b), due to the scarcity of sites within the overall employment supply that would be suitable for that type of use.
- 4.51 As the EDNA states, the study is not an Employment Land Review, which instead is provided by the ELPS for Basildon Borough. As an Economic Development Needs Assessment, its focus is on understanding the needs of the South Essex economy, contributed to by the local economies of each authority area (Basildon, Castle Point, Rochford, Southend-on-Sea and Thurrock), and how these needs can be broadly accommodated.

- 4.52 This 'broad' term causes a few issues for the Council in terms of determining the overall requirement for employment land that should be allocated through the Local Plan, as the Local Planning Authority will need to be selective in terms of land it chooses to bring forward, and provide sufficient policy protection for specific employment sites if it is going to meet the future growth needs of businesses into the future. The Conclusions and Policy Recommendations sections of this Topic Paper will explore this "need vs supply" situation in further detail.
- 4.53 Table 12 also refers to GVA interpretation of employment losses which is contained in the local authority monitoring reports for each of the south Essex authorities, and for Basildon Borough this information has not been thoroughly investigated. Whilst the monitoring report may show the major losses that have occurred throughout the year, an investigation is required to determine how much employment land has been lost to other uses and how uses have changed within the different B use classes to determine the overall requirement for land. This will be investigated as part of Section 7 of this Topic Paper.

EDNA's Consideration of Unmet Need from Greater London

- 5.1 Basildon Borough Council, through its Duty to Co-operate discussions with the Mayor of London's representative body the Greater London Authority (GLA) have been made aware that the GLA is unlikely to be able to accommodate all of its objectively assessed employment needs in Greater London and is looking for opportunity areas outside of London that may be able to assist in providing land for this unmet need.
- 5.2 The GLA Industrial Land Supply and Economy Study 2015, carried out by AECOM Infrastructure and Environment Limited, provides a comprehensive review of the supply of industrial land in London and an assessment of the implications of future restricted supply of industrial land for the London (and South East) economy.
- 5.3 The London Plan and associated Land for Industry and Transport Supplementary Planning Guidance (SPG), GLA 2012 underscores the Mayor's established approach to industrial land management to plan for a sufficient stock of land and premises to meet future needs of different types of industrial and related uses (such as logistics / distribution, waste management, utilities and land for transport functions), including for good quality and affordable space.

- 5.4 The stock of industrial land in London is recorded as an estimated 6,976 hectares (ha) of which 4,553ha is of core industrial use (65%), 1,877ha is of wider industrial uses (27%) and 547ha is vacant land (8%).
- 5.5 Of this 6,976ha, Outer London contains approximately 5,296ha or 76% of the total, of which 68% is in use for core industrial activities. Of Inner London's 1,681ha of industrial land, 57% is in core use. The East sub-region contains the most land in industrial use at 2,807ha, or 40% of London's total, 64% of which is in core use. The Central sub-region accounts for the least industrial land at 328ha, or 5% of London's total. The highest concentration of land in wider industrial use proportionally is in the South sub-region where it accounts for 39% of the industrial land stock. The proportion of vacant industrial land within each sub-region ranges from 2% in the Central sub-region to around 12% in the East.
- 5.6 Past trends in industrial land release show an accelerated rate of release significantly above the GLA's Land for Industry and Transport SPG benchmark rates of release. The trend rate of release for 2010 to 2015 is 105ha per annum, compared with the SPG recommended rate of release of 37ha per annum. If these trends continue then the total stock of industrial land in London will decline from around 6,980ha in 2015 by a further 2,300ha to around 4,700ha in 2041, a 33% decline over this period. This is around 1,900ha more than the SPG 2031 industrial land benchmark projected to 2041 (around 6,500ha. Overall, if the trend release for the period 2010 to 2015 continues in the future then the SPG target will be reached by around 2017 and exceeded significantly by 2031.
- 5.7 There is approximately 83,227m² of office (B1a) floorspace in designated industrial areas in London with prior approval for office to residential conversion. There is recognised to be a potential for areas containing prior approvals for such conversions to experience a loss or erosion of their functionality as designated industrial land through introduction of land uses more incompatible with industrial uses. Over time, land adjacent to these sites of conversion to non-industrial uses such as residential could be prone to further release of industrial land.
- 5.8 Table 14 below presents the distribution of potential industrial land release by category for the various geographies covered by the study and eliminating double counting. Outer London accounts for the large majority of potential release, with the East and West sub-regions in –turn accommodating the majority of release at 205ha and 187ha respectively.
- 5.9 The EDNA has used the potential land release figures identified in the GLA's Industrial Land Supply & Economic Study (2015) and concentrated specifically on the Boroughs located in the Thames Gateway area, (Newham, Barking & Dagenham, Havering & Redbridge), as having the potential to

cause displacement, or are locations that have no land capacity to accommodate their own needs, therefore are most likely to create unmet need. This has been tested through a scenario of it being met instead through additional land releases in the Basildon Borough. The figures are highlighted in Table 14 below. The EDNA therefore assumes a total displacement figure of 185.3ha from these Boroughs, from which south Essex would accommodate all of these displaced uses for the East sub-region. This equates to 926,500sqm using a 0.5 plot ratio, and 46,325sqm per annum over a 20 year period.

Table 14: Potential Industrial Land Release Distribution

		Development pipeline (LDD)	OA Planning Frameworks	Local Plan Reg 19+	Local Plan Reg 18	Housing Zone Sites	Total
London		188.9	363.1	75.5	80.8	126.1	834.4
CAZ		n/a	n/a	n/a	n/a	n/a	n/a
Inner London		80.4	106.4	15.9	35.5	44.1	282.4
Outer London		108.5	256.7	59.6	43.7	81.9	550.5
Central sub-region		13.6	5.2	0.0	0.0	5.2	24.0
	Camden	1.0	0.0	0.0	0.0	0.0	1.0
	City of London	0.0	0.0	0.0	0.0	0.0	0.0
	Kensington & Chelsea	0.7	0.5	0.0	0.0	0.0	1.2
	Islington	5.1	0.0	0.0	0.0	0.0	5.1
	Southwark	5.4	0.0	0.0	0.0	0.1	5.5
	Westminster	0.1	0.0	0.0	0.0	0.0	0.1
	Lambeth	1.3	4.7	0.0	0.0	5.1	11.0
East sub-region		71.7	0.0	1.4	79.3	52.2	204.6
	Barking & Dagenham	14.6	96.7	0.0	0.0	0.0	111.3
	Bexley	2.1	0.0	0.0	43.7	0.1	45.9
	Greenwich	9.0	0.0	0.0	35.5	7.8	52.3
	Hackney	1.6	0.5	0.0	0.0	0.0	2.1
	Havering	5.4	0.0	0.0	0.0	15.6	21.0
	Lewisham	4.6	0.0	0.0	0.0	5.6	10.2
	Newham	19.7	31.1	0.0	0.0	0.0	50.7
	Redbridge	0.9	0.0	1.4	0.0	0.0	2.3
	Tower Hamlets	8.9	24.9	0.0	0.0	23.1	57.0
	Waltham Forest	4.9	21.9	0.0	0.0	0.0	26.9
North sub-region		9.6	0.0	2.0	0.0	8.6	20.1
	Barnet	0.8	0.0	0.0	0.0	1.0	1.8
	Enfield	1.5	62.9	2.0	0.0	0.9	67.3
	Haringey	7.3	17.3	0.0	0.0	6.7	31.2
South sub-region		21.7	0.0	0.0	0.0	9.8	31.4
	Bromley	1.3	0.0	0.0	0.0	0.2	1.4
	Croydon	1.3	0.0	0.0	0.0	0.0	1.3
	Kingston Upon Thames	0.6	0.0	0.0	0.0	0.0	0.6
	Merton	0.7	0.0	0.0	0.0	0.1	0.8

		Development pipeline (LDD)	OA Planning Frameworks	Local Plan Reg 19+	Local Plan Reg 18	Housing Zone Sites	Total
	Richmond Upon Thames	0.7	0.0	0.0	0.0	0.0	0.7
	Sutton	10.2	0.0	0.0	0.0	7.5	17.7
	Wandsworth	6.9	31.2	0.0	0.0	2.0	40.0
West sub-region		68.3	0.0	72.2	0.0	46.7	187.2
	Brent	5.7	0.0	10.3	0.0	22.3	38.4
	Ealing	4.3	36.7	0.0	0.0	13.1	54.1
	Hammersmith & Fulham	12.1	39.2	15.9	0.0	0.4	67.5
	Harrow	15.4	0.0	0.0	0.0	5.2	20.6
	Hillingdon	23.8	0.0	46.0	0.0	0.0	69.8
	Hounslow	7.0	0.0	0.0	0.0	5.7	12.8

Source: AECOM: London Industrial Land Supply & Economy Study 2015

- 5.1 The GLA Industrial Land Supply & Economic Study 2015 states that although no practical analysis of the likely timeframes for this release is possible, the scale of release associated with the development pipeline is likely to occur within five years and the table presents the distribution of potential industrial land release by category for the various geographies covered by the study.
- 5.2 The EDNA assumes that the entire industrial land release from the Thames Gateway authorities will be met by the south Essex authorities and assumes the following share could be met between them if Local Plans consider the issue and choose to assist the GLA:
- Basildon: 35%;
 - Thurrock: 40%;
 - Castle Point: 15%;
 - Rochford: 10%; and
 - Southend: 0%.
- 5.3 As mentioned in the EDNA , these assumptions were reached by GVA using their own professional judgement, when considering the industrial land sectors in each of the south Essex authorities, as well as their proximity and accessibility to the east London Boroughs from which the land will be released. This results in a potential for Basildon Borough to meet an additional **64.9ha** of employment need coming from London, if it chooses to do so, in order to exceed its current economic potential.
- 5.4 However, GVA have assumed that all of the unmet need from the Boroughs in the Thames Gateway sub-region will be met by the south Essex authorities, which could be considered by some to be far-fetched, considering that some of this need could conceivably be met in other areas such as mid-Essex or Kent. Therefore, this **64.9ha** should be considered as a **maximum amount of**

land that could be accommodated in the Basildon Borough and the London Growth Scenario presented in the EDNA which would result in a potential need for over 90ha of employment land in the Basildon Borough would represent a 'worst-case' scenario, in respects of determining the scale of land that could be required in addition to anything needed locally.

- 5.5 The Basildon Borough currently plays the most important role economically within South Essex. In particular, the businesses along the A127 Corridor play an important role in creating the employment hub, providing jobs not only for the residents of the Borough, but also for other residents of south and mid Essex authorities, and from London Boroughs, such as Havering, who choose instead to commute to the Borough for work. Given these linkages already exist and, to a certain extent, help make the Borough a major economic hub, it is therefore necessary to consider as part of its Local Plan finalisation whether if by providing more land than it needs to (by helping to accommodate some of the unmet need that cannot otherwise be accommodated in Greater London), it could strengthen the Borough's strategic economic position and ensure that the Borough is able to withstand the attractions of competitive areas.

Essex Grow-On Space Feasibility Study October 2016

Dealing with the Specific Local Need for Grow-on Space

- 6.1 SQW Ltd (SQW), working with BBP Regeneration (BBP), were commissioned by Essex County Council (ECC) in June 2016, to undertake an assessment of the need for grow-on space in Essex; taking into account the range of property requirements and spatial characteristics in different parts of the county. The consultants were also asked to advise how any such gaps might be filled.
- 6.2 As this study states, apart from in Braintree, Castle Point and Maldon, there is no direct mention of grow-on space in most Borough and District Local Plan evidence bases or draft Local Plans. This is surprising, given its potential importance as part of well-functioning local economies. A recommendation of this study is that this gap should be addressed, before the plans are finalised. Indeed, neither the Employment Land & Premises Study 2013, nor the emerging Economic Development Needs Assessment 2017 deal with the need to fill the gap in provision for grow-on space. It is the intention of this topic paper to address this gap so that the final version of the Basildon Local Plan can account for this specific economic need in the Borough.
- 6.3 From this feasibility study, it is clear that there is a mismatch between the supply of, and demand for, grow-on space across Essex, for both office and

industrial space. There is currently just one year's worth of supply of industrial space in Essex, and 2.5 years' worth of office space available. There are various reasons posited as to why there is a shortage. The Study concludes there is currently a market failure in Essex, whereby the development of grow-on space is not an attractive proposition for the private sector: the returns on their investment are more favourable with other types of development, and the risks are perceived to be relatively high, as smaller, often younger, businesses look for short tenancies.

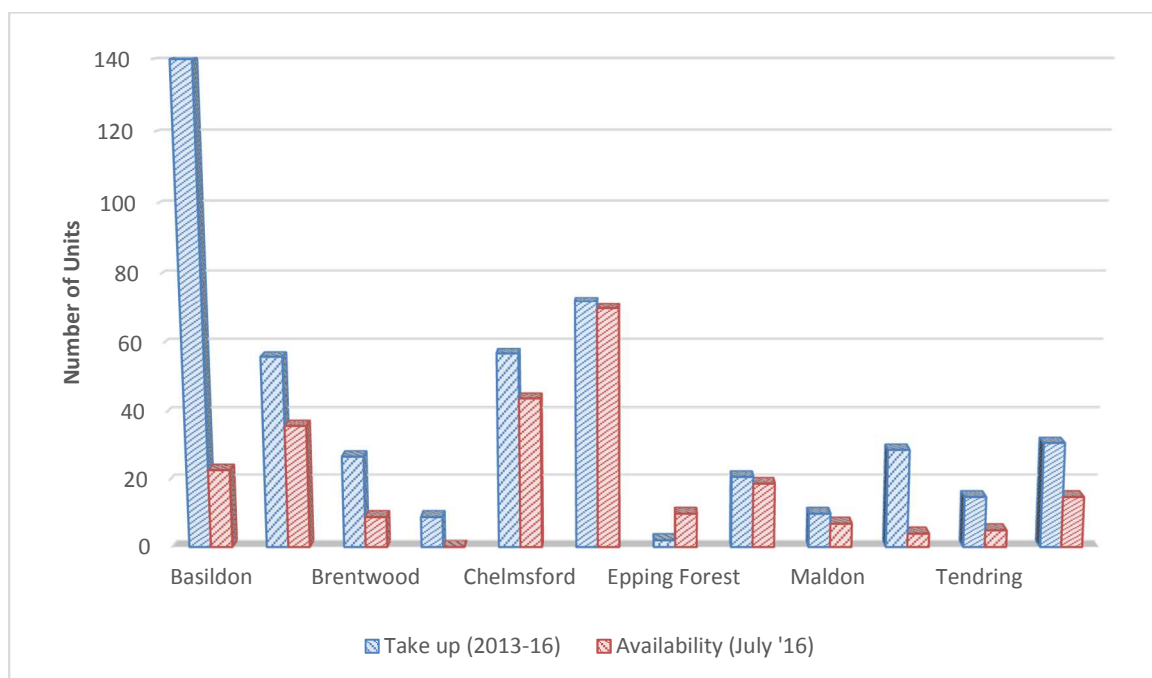
- 6.4 In addition, a shortage of available land, and focus on housing development, has in many places pushed land values up to the extent that development of this type of space would not be viable in much of Essex, if developed in traditional ways.
- 6.5 As a result of the evident differences in characteristics and circumstances across Essex, there is not a single set way to resolve the grow-on space issue; what might be needed, or what might work in one place, may not be relevant, or practicable, or may not resolve the issue in other parts of the county. In addition, development of grow-on space would not necessarily involve building from scratch; it might be preferable to refurbish vacant existing office/industrial space as grow-on space in some areas. It is important, however, to specifically plan for it.
- 6.6 The feasibility study does not therefore prescribe a single solution. The advantages and drawbacks of strategic options 'do nothing', 'indirect actions', and 'direct actions' are considered. The possible interventions which could be used to address the issue are then listed with headline consideration of their implications for resources and potential impacts.
- 6.7 The Grow-on Space Feasibility Study contains a RAG table showing the risks of negative impact by doing nothing to resolve the issue versus the potential costs to the Council of intervention. The only option which is green in all categories is addressing the issue through land allocations within Local Plans. This does not carry any additional cost to the Council and providing the sites are viable and deliverable, would be an effective way of addressing future needs. This would be one of the 'indirect actions', which would also include such things as planning allocations, rent guarantees, gifting land to developers etc. Direct actions would include secure loan funding, directly funding development, or land acquisition.
- 6.8 Therefore, allocating land for the purposes of providing grow-on space is an attractive proposition, but it is important to understand the Basildon context in order to ensure that this is the best strategy for the Borough.
- 6.9 The study identifies a series of growth corridors within Essex and, more specifically for Basildon, states that it has one of the largest concentrations of

advanced manufacturing companies in the south of England, which offers considerable growth prospects. Therefore, this corridor may provide opportunities for a sectoral focus in any public intervention around grow-on space. For the south Essex growth corridor, this could be for advanced manufacturing.

- 6.10 The Grow-on space feasibility study determines whether or not there is an issue around the supply of grow-on space through a comparison of available data on the supply of, and demand for, grow-on space across Essex. This data shows that the majority of commercial take-up was in the grow-on space size bracket of between 101 and 300 sqm. The strongest surge in demand has been for larger units, of 2,300 sqm and above.
- 6.11 Conversely, take up of office space in Essex is below expectations, however, demand remains strong with the most significant upturn in demand for units of between 929 sqm and 2,322 sqm. When the currently available supply of grow-on space (100 to 300 sqm) is set against take-up over the past three years, there is around one year's industrial space available, and around 2.5 years of office space.
- 6.12 From this analysis there is clearly an issue around tightening supply of grow-on space across the county, across both industrial and office space, despite some development of new supply. But why is there an issue? Consultations carried out by SQW with stakeholders, agents, representatives of business, and indeed businesses themselves, reveal a broad consensus that there is a shortage of grow-on space across Essex. The research pointed to a number of contributory, and intertwined factors.
- 6.13 The overarching issue appears to be that grow-on space does not deliver sufficient returns for developers to be interested in providing this type of space. As such, the commercial property market is not offering grow-on space on the scale and range required to accommodate Essex's firms. This is the case across Essex, for both industrial and office space, and spanning the types of space that are needed by different sectors and activities. There are a number of reasons why developers are not interested in developing grow-on space:
- Relatively high build costs;
 - Land values in Essex are too high to make it viable due to the demand for housing land, particularly for Green Belt authorities;
 - Rental values are too low;
 - Grow-on space meets a relatively short-term need and creates more uncertainty in terms of an income stream;
 - Higher returns can be secured from residential and retail development.

- 6.14 A summary table is provided in the study of start-up and small business accommodation. Consistent with consultation findings, SQW find that: the centres are for the most part in and around the main urban areas in Essex, they have high occupancy rates, with little available space; demand for this space exceeds supply; demand is wide ranging in terms of use, type and size requirements; there is low churn of businesses due to a lack of scaling up options.
- 6.15 Not surprisingly, the available grow-on accommodation is also concentrated around the larger commercial hubs of Chelmsford, Colchester, Braintree and Basildon. There are also spaces on offer in Maldon, Witham and Clacton-on-Sea.
- 6.16 The Study states that after comparing the availability listings, it becomes apparent that there is an imbalance between the potential demand and supply for grow-on accommodation across almost all districts, particularly notable in Basildon, Braintree, Rochford and Uttlesford. Figure 3 is taken directly from the study and illustrates the limited grow-on space offer in the Basildon Borough:

Figure 3: Take-up of grow-on space between July 2013 and July 2016 and availability in July 2016, by district



Source: BBP Regeneration analysis of EGi (2016) data

- 6.17 The issue around grow-on space is not just about the quantum of grow-on space; quality is an issue too. With new space not being built, much of the

space that is available is of a poor quality and in old buildings. Quality can be an important factor for any firm, but may be a particular issue for those businesses that might be graduating from high quality, highly professional looking incubators or enterprise centres. In addition, the issue with some accommodation that is available, and indeed some of the existing occupied stock, is the poor parking provision, which severely limits the appeal of moving into this space. Moving into inappropriate accommodation is simply not an appealing option for many firms, and may limit the opportunities for businesses to expand in Essex.

- 6.18 The lack of supply of suitable grow-on space could be because firms are unable or unwilling to pay the going market rate. However, the consultations carried out by SQW with intermediaries and with the small number of businesses that they spoke to directly, did not support the idea that affordability was a major issue. The space that businesses are looking for is not currently available at any price.
- 6.19 The SQW study also considers how the shortfall could be addressed, informed by policies and initiatives elsewhere. On the basis of their qualitative findings for a shortage of grow-on space, and what they see as conservative assumptions for an indicative quantification of the scale of the impact, they estimate its effect in constraining business and economic growth in the county.
- 6.20 SQW's qualitative understanding of the impacts of a shortage of grow-on space across Essex are wide ranging, including impacts on the business base, on Council revenues, and on the local economy:
- Without appropriate accommodation to move into, the lack of space can have a detrimental effect on businesses' abilities to grow and can affect their long term viability and prospects;
 - Anecdotal evidence suggests that some businesses have looked outside Essex for space, due to the lack of appropriate grow-on space in Essex;
 - Owing to the fact firms cannot find the space to grow into, they are staying in accommodation that they ought to move out of and by staying in smaller accommodation for longer, this then limits the availability of space for small and start-up businesses;
 - This has a wider effect on the local economy, with firms not able to make the most of opportunities by expanding into grow on space, opportunities for economic growth and growth in business rates returns are diminished, and the ability to foster a more entrepreneurial culture is weakened;
 - A lack of appropriate grow-on space also limits the opportunity to attract smaller-scale inward investment.

- 6.21 Following on from SQW's consultations with key commercial agents, centre operators and local businesses that highlight the impacts above, and based on an analysis of available property data, a forecasting model was developed in order to project a potential range of floorspace requirements linked to the demand for grow-on space across the county.
- 6.22 The model looks at two different growth scenarios, a 'conservative' growth scenario which assumes that 10% of firms will require grow-on space each year and they will require half as much space again as they currently occupy, and a 'higher' growth scenario which assumes 20% of firms will require grow-on space each year and they will also require up to 1.5 times as much space as is currently occupied.
- 6.23 The study highlights a number of caveats with the figures they have produced and states that they should be treated with care; they are indicative, rather than definitive. More detailed research may be required to hone the numbers for each area. However, the model demonstrates the substantial positive impact that bringing forward the required grow-on space could achieve in Essex.
- 6.24 The study only presents the information from the most conservative growth scenario, perhaps reflecting the difficulty in accurately forecasting the overall need, but this still shows substantial direct gross job, GVA and business rates impacts. For example, over the ten year period, GVA derived from businesses in grow-on space developed to meet the requirement of firms locally could be £52m in the Basildon Borough under this growth scenario, and it could generate an additional £3.8m in cumulative business rates revenue over 10 years.
- 6.25 Notably, according to the model, the most positive impact of addressing the grow-on space shortage is greatest per sqm for offices rather than industrial. This is due to higher job densities achieved in office space. In areas where there is only limited space, but where there is demand for both office and industrial space, the implications of this may be worth further thought. This will need to be balanced against local economic priorities, taking into account opportunities for sectoral development, and skills availability.

Table 15: Model Inputs, conservative growth scenario for the Basildon Borough – 10% of firms needing half as much space again as they currently occupy.

	Annual space occupied by firms needing to grow (SQM)	Annual grow-on space requirement (sqm)	Grow-on space requirement over 10 years (sqm)	Deals (averaged) over last 3 years (EGi)		Current availability (EGi)		Land required over 10 year period (ha)
				<100sqm	100-300sqm	<100sqm	100-300sqm	
Basildon								
Industrial	248	371	3,714	322	4,981	434	3,661	1.0
Offices	788	1,182	11,817	767	2,066	739	3,287	3.6
Total	1,036	1,553	15,531	1,089	7,047	1,173	6,948	4.6

Source: BBP Analysis 2016

- 6.26 Table 15 shows the results of the forecast modelling for grow-on space in the Basildon Borough for a 10 year period from 2016. This shows that there is a total requirement for an additional 4.6ha, broken down into 1ha for industrial grow-on space and 3.6ha office grow-on space. Whilst there are a number of caveats associated with the forecasting in this study, and economic forecasting becomes notoriously difficult to do over a longer forecasting period, the Council could consider a requirement for approximately 9ha of employment land that would be required during the plan period from 2014-2034. This would be in addition to the need already identified in the ELPS 2013 and the EDNA 2017. However, simply allocating the land is not the only option open to the Council in terms of assisting with the delivery of new grow-on space.
- 6.27 The Grow-on Space Feasibility Study 2016 looks at examples from other local authorities in Cambridgeshire, Warwickshire and Kent where the issue of grow-on space is also having to be better addressed.
- 6.28 It is evident from the review of the current commercial market in Essex carried out by SQW, that both office and industrial space are required. Whilst there is a shortage all across Essex, the shortage of supply compared to recent take-up is particularly notable in Basildon and Rochford, where availability of grow-on space in July 2016 was just 16% and 14% of the three-year take-up to July 2016, respectively.
- 6.29 From discussions with stakeholders, centre operators and agents, there is a strong consensus that grow-on space should offer fairly flexible accommodation, with short term leases. It should be of good quality, given that many businesses will be leaving high quality business incubators. The study finds that in some locations, there is a large supply of space, but of low quality. Places such as Basildon are clear examples of this, where a

significant amount of stock is old and no longer fit for purpose. Space, of course needs to be affordable. Whilst not cited as a specific problem, lower revenue returns is likely a 'hidden issue'. For instance, if it was possible for higher rents to be charged than currently across Essex, it would be more viable for developers to deliver the grow-on space required across the county.

- 6.30 In terms of focussing on specific growth sectors, the study recommends that a focus for Basildon could be to develop grow-on space for Advanced Manufacturing firms, given Basildon's prominence in that sector in the south of England.
- 6.31 Therefore, the Council should consider its options in relation to the provision of grow-on space in the Basildon Borough based on the 'Do nothing', 'indirect intervention' and 'direct intervention' categories set out in the feasibility study.
- 6.32 Obviously the 'do nothing' scenario would result in a huge shortage of supply in the Basildon Borough, which could result in a number of expanding businesses moving out of the area to find appropriate premises elsewhere, and could also result in a number of businesses not moving out of premises which would have ordinarily been used to further encourage entrepreneurial activity within the Borough by providing good quality premises for small and start-up businesses.
- 6.33 The Local Plan would fit into the 'indirect intervention' category of the feasibility study and would represent the cheapest option for the Council in terms of addressing the shortage in supply. By allocating additional employment land in the Basildon Borough Local Plan and by protecting this land specifically for grow-on space purposes through specialist Local Plan policies, the shortage could be addressed without requiring any financial contribution by the Council. There is a notable lack of good quality space that could be provided by new build opportunities which would suggest that protecting land on currently vacant existing or proposed employment locations such as Gardiners Lane South, East Basildon Urban Extension or West Basildon Urban Extension would be conceptually ideal.
- 6.34 Owing to the fact that employment developments specifically for grow-on space, which require short term leases and mid-range size premises, they tend to be less viable or desirable for developers where there are more profitable employment or retail schemes. Therefore, the Council may wish to bolster its 'indirect interventions' such as the allocation and protection of land with some more 'direct interventions' such as the acquisition of land or directly funding the development.

Impacts of B-Class Employment Land Lost to Other Uses

- 7.1 The various evidence base documents that have been produced to determine the overall supply of employment land in the Basildon Borough are all based on the detailed assessment contained in the Employment Land & Premises Study 2013. Since the production of this study, there has been a number of changes to the overall supply of employment land in the Basildon Borough including some employment sites being lost to non-B class uses, and in some cases, largely due to changes in permitted development rights regarding conversions from office to residential development, some sites, particularly in the town centres, have been lost as employment sites all together.
- 7.2 However, there has been a number of new businesses that have occupied sites in the Basildon Borough during that time, including Amazon, Kent Foods, and Costa Coffee, the latter of these three moving their roasting plant into a regenerated area of the A127 Corridor. Despite the fact that this would represent a gain in terms of the delivery of employment, the sites that have been delivered are located in areas which have previously contributed to the overall land supply in the Borough. Therefore, whilst it could be said that we are already making progress in terms of meeting our need for economic growth in the plan period 2014-2034, the overall gains and losses explored in this chapter will all result in a reduction in the remaining supply of land to meet future needs for employment purposes in the Basildon Borough if it cannot be pro-actively managed.
- 7.3 This chapter will update the current employment land supply position for the Basildon Borough using the ELPS 2013, and the EDNA 2017 as the baseline. All completions and losses from the period 2013 to 2017 will then be applied in order to calculate an overall supply of land in the Basildon Borough.
- 7.4 The Employment Land & Premises Study 2013 calculates an overall future land supply in the Basildon Borough of 71.5ha, whereas the Economic Development Needs Assessment contains an overall future supply of 73.6ha. The main reason for this is that the EDNA has excluded some sites which are already being developed for new employment use, with pre-let activity, so the Topic Paper considers that, because the potential of these sites is now being realised, they no longer constitute future potential. It also includes the additional employment allocations contained in the Draft Local Plan 2016 and assumes these make up part of future supply.
- 7.5 The EDNA therefore only takes into consideration the sites which are currently under construction in terms of their calculation of overall supply in the Basildon Borough. However, there are a number of other sites that have either been lost to non-B class employment uses, or sites which have planning permission to be constructed in the near future, which would also affect the overall supply of employment land in the Basildon Borough.

- 7.6 It is noted that the EDNA has looked at the losses of employment land as reported in the Council's statutory Authority Monitoring Reports (AMR) to forecast windfall losses and churn over the forecast period 2016-2036 when calculating the overall supply of employment land required to meet need, this Topic Paper looks at the overall losses and gains that have occurred since the production of the ELPS 2013 in greater detail than the AMR in order to determine the overall losses to non-B class uses, which will also reduce the overall supply of employment land in the Borough.
- 7.7 Tables 16 to 19 below show the total gains and losses of employment land in the Basildon Borough and categorises them into losses or gains from non-B class uses, i.e. unexpected or 'windfall' and either losses to or gains from other B class uses. These results should help the Council to understand the issue and better gauge where the likely future demand for certain types of employment uses could experience surpluses or deficits in supply and will provide a useful comparison with the employment forecasts contained in the ELPS and the EDNA.
- 7.8 The tables are split into two categories: 'Actual Losses & Gains' which are the developments that have already been completed during the period 2013-2016, and 'Potential Losses & Gains' which are the developments which are either currently under construction or have planning permission and are likely to occur in the near future.
- 7.9 Tables 16 shows that the most significant losses to non B class uses has previously been from B1(a) Offices. This is not unsurprising due to recent changes to permitted development legislation allowing conversions of offices to residential development through the prior approval process. What is particularly interesting is the significant amount of losses of B1(a) office uses to other B class uses that have occurred during the same period. Table 17 shows that the majority of these losses have been taken up by B1, B2 and B8 uses with a much broader spread of employment uses being provided in the Basildon Borough, which backs up the argument in the ELPS and EDNA studies that current trends are towards advanced manufacturing and storage and distribution uses rather than the more traditional office uses. Table 17 shows that there have also been some gains for B1 / B2 / B8 uses from non-B class uses illustrating the demand that exists for these uses in the Basildon Borough.

Table 16: Actual losses of B class employment uses to non-B class uses and to other B-class uses in Basildon Borough from 2013-2016.

Actual Losses			
Use Class	Actual Floorspace Loss(m2)	Loss to Non B Class Use(m2)	Loss to B Class Use(m2)
B1(a) Offices (other than those that fall within A2).	24176	3635	20541
B1(b) Research and development	0	0	0
B1(c) Light industry appropriate in a residential area.	908	908	0
B1/B2/B8	1864	1864	0
B2 General Industrial	1135	755	380
B8 Storage or distribution	5294	1170	4124
Total	33377	8332	25045

Source: Basildon Borough Council planning applications data

Table 17: Actual gains of B class employment uses from non-B class uses and from other B-class uses 2013-2016.

Actual Gains			
Use Class	Actual Floorspace Gain(m2)	Gain from Non B Class Use(m2)	Gain from B Class Use(m2)
B1(a) Offices (other than those that fall within A2).	490	0	490
B1(b) Research and development	1692	0	1692
B1(c) Light industry appropriate in a residential area.	133	133	0
B1/B2/B8	24158	5187	18971
B2 General Industrial	3718	9	3709
B8 Storage or distribution	4378	904	3474
Total	34569	6233	28336

Source: Basildon Borough Council planning applications data

Table 18: Potential losses of B class employment uses to non-B class uses and to other B-class uses from 2013-2016.

Potential Losses			
Use Class	Potential Floorspace Loss(m2)	Loss to Non B Class Use(m2)	Loss to B Class Use(m2)
B1(a) Offices (other than those that fall within A2).	18482	16085	2397
B1(b) Research and development	0	0	0
B1(c) Light industry appropriate in a residential area.	1317	947	370
B1/B2/B8	3170	3170	0
B2 General Industrial	769	769	0
B8 Storage or distribution	427	0	427
Total	24165	20971	3194

Source: Basildon Borough Council planning applications data

Table 19: Potential gains of B class employment uses from non-B class uses and from other B-class uses 2013-2016.

Potential Gains			
Use Class	Potential Floorspace Gain(m2)	Gain from Non B Class Use(m2)	Gain from B Class Use(m2))
B1(a) Offices (other than those that fall within A2).	8322	351	7971
B1(b) Research and development	0	0	0
B1(c) Light industry appropriate in a residential area.	0	0	0
B1/B2/B8	15684	0	15684
B2 General Industrial	10418	144	10274
B8 Storage or distribution	0	0	0
Total	34424	495	33929

Source: Basildon Borough Council planning applications data

7.10 Tables 16 and 17 show the actual losses and gains that have already occurred in the Basildon Borough over the period 2013-16, whereas Tables 17 and 18 show the development proposals that have been granted planning consent, either through a full application process or through the prior approval process (if office development is to be lost to residential, for example). These are referred to as 'potential' losses and gains as the planning permission has not yet been implemented. Table 18 shows that the losses from B1(a) offices to non-B class uses is likely to increase if these permissions are implemented, with far less losses to other B-class uses illustrating the number of office to

residential conversions currently taking place in the Borough and expected to be completed in 2017/18. However, there are very few potential gains from non-B class uses shown in Table 19, indicating that imminent future employment growth will be taking place on vacant or underutilised land currently making up the Borough's overall land supply for employment uses at the moment.

- 7.11 It is worth noting that the zero figures for B1(b)/(c) and B8 contained in Table 19 do not necessarily mean that there is no demand for these types of uses. These may be included in the mixed use category B1/B2/B8 where developments include an element of each of these use classes.
- 7.12 Table 19 also shows that some B1(a) office space has previously been converted from other B class employment uses suggesting that there still remains a demand for new office space in the Basildon Borough, however, the losses do significantly outweigh the gains.

Table 20: Overall gains and losses of B class employment uses 2013-2016

Overall Gains / Losses for each Use Class			
Use Class	Floorspace Gain / Loss (m2)	Loss to / gain from non-B Class Use	Loss to / Gain From B Class Use
B1(a) Offices (other than those that fall within A2).	-33,846	-19,369	-14,477
B1(b) Research and Development	1,692	0	1,692
B1(c) Light industry appropriate in a residential area	-2,142	-1,772	-370
B1/B2/B8	34,808	153	34,655
B2 General Industrial	12,232	-1,371	13,603
B8 Storage or distribution	-1,348	-266	-1,077
Total	11,396	-22,625	34,026

Source: Basildon Borough Council planning applications data

- 7.13 The overall floorspace gains versus losses in Table 20 shows that the Basildon Borough has either delivered, has under construction, or planning approval has been granted for developments, which includes 11,396 sqm of additional employment floorspace for the period 2013-2016. Whilst this figure contributes to meeting the overall need for employment land, naturally, it will

also deplete the level of land supply remaining to meet the need over the plan period.

- 7.14 Overall loss to non-B class uses shown in Table 20 is 22,625 sqm of employment land. This is referred to as 'Windfall Losses' in the EDNA and the Council will need to account for this when providing a supply of land large enough to meet employment needs during the plan period.
- 7.15 The overall amount of employment land supply that has been taken up either through the use of vacant or underutilised land, or the redevelopment of other B class employment into other uses would therefore equate to 34,026 sqm of employment floorspace. However, this has occurred during the plan period 2014-2034, and should be considered to have come from the overall land supply required to meet employment needs in that period.
- 7.16 Therefore, we can say that during the period 2014-2017, 11,396 sqm of additional employment floorspace has been delivered in the Basildon Borough that can be considered to count towards meeting need. However, due to losses from employment land to other uses, it has required a land supply of 34,026 sqm in order to deliver it.

How does this figure alter the overall land supply requirements in the Basildon Borough?

- 7.17 The figures shown in Tables 16 to 20 show the overall employment floorspace that has been delivered, or lost since the ELPS 2013. However, the total amount of land (usually measured in hectares), that has been required to deliver this floorspace is generally a larger area. This is because additional land is also required for landscaping, noise barriers, car and cycle parking etc. Therefore, in order to calculate the impact these developments have had on the overall land supply, the Council has applied the following plot ratio assumptions taken from the ELPS 2013 (The EDNA uses almost the same assumptions but does not differentiate between B1c and B2 uses):

Table 21: Employment Density and Plot Ratio Assumptions

Use Class	Employment Density (sqm per FTE) ELPS	Plot Ratio
B1a/b	12	75% of site area
B1c	47	40% of site area
B2	36	40% of site area
B8	70	50% of site area

Source: Atkins - Employment Land & Premises Study (ELPS 2013)

- 7.18 If we apply these plot ratio assumptions to each of the floorspace gains and losses that have occurred in the Basildon Borough since the production of the Employment Land & Premises Study, this shows the total amount of employment land that has been delivered and the total land supply that has been required in order to meet that demand. If the employment densities are also applied, this can provide an idea of the amount of land that is required in order to provide additional jobs in the Borough.
- 7.19 Table 22 below shows the total floorspace gains and losses in hectares once the plot ratios have been applied. It is difficult to calculate the total number of job losses vs gains as many of the losses of B class employment have been to alternative B class uses, or other employment uses that would still provide jobs (such as retail, etc.). However, if we look at the employment densities in Table 21 we can see that B1 uses provide much more Full Time Equivalent (FTE) jobs per square metre (12sqm per job) than a B8 use (70sqm per job). Therefore, the significant losses in B1(a) office uses to other uses is likely to result in a net loss of jobs for a site of the same equivalent size. However, we can see that there is an overall gain of employment floorspace from other uses, so we know that a combination of sites being redeveloped on larger site areas and additional sites being developed on vacant and underutilised land has contributed to the overall growth in economic development over the period 2013-2016.

Table 22: Overall gains & losses of B class employment uses in hectares 2013-2016

Use Class	Total Floorspace Loss / Gain	Ha	Loss to / Gain from Non-B class uses	Ha	Loss to / gain from B class uses	Ha
B1(a)	-33,846	-4.5	-19,369	-2.6	-14,477	-1.9
B1(b)	1,692	0.2	0	0	1,692	0.2
B1(c)	-2,142	-0.5	-1,772	-0.4	-370	-0.1
B1 / B2 / B8	34,808	6.8	153	0.03	34,655	6.7
B2	12,232	3.1	-1,371	-0.3	13,603	3.4
B8	-1,348	-0.3	-266	-0.1	-1,077	-0.2
Total	11,396	4.8	-22,625	-3.3	34,026	8.1

Source: Basildon Borough Council Application Records. Numbers have been rounded.

- 7.20 Table 22 shows that during the plan period 2014-2034, so far we have delivered a total of approximately 4.8ha of new employment land. However, during the same period 3.3ha of employment land has been lost to non-B class uses. **Therefore, we can say that in order to deliver 4.8ha of additional B-class employment land in 3 years, 8.1ha of land supply has actually been required to account for windfall losses.**
- 7.21 The delivery of 4.8ha during the period 2013-2016 has been through a combination of take-up of vacant or underutilised land allocated for B-class development not currently occupied and the redevelopment or intensification of land currently in B-class land use. For example a single storey building is knocked down and replaced by a two storey building.
- 7.22 The 4.8ha figure can also be used to provide a comparison of how the Borough is performing in relation to the need for employment land over the plan period. If we assume that the overall need for employment land is 37ha, i.e. ignoring the potential for unmet growth from London being met in the Basildon Borough, at the current rate of delivery, only 32ha of additional employment land will have been brought forward by 2034 if current trends continue.
- 7.23 Whilst it is appreciated that a lack of suitable sites and grow on space may be restricting business activity, and this could be alleviated if the proposal for the allocation of land and supporting policies as suggested in the Draft Local Plan is adopted as the best approach, this may not be enough to ensure the total amount of employment land need is delivered during the plan period.

Therefore, potentially allocating additional land to meet the unmet need from London would provide an opportunity to the Council, if it is determined that there is a need to accelerate economic growth to ensure that the needs of the Borough are met within the plan period 2014-2034.

- 7.24 In addition to this, we can see that there has been an overall gain of 8.1ha of employment activity from alternative B-class uses. Many of the floorspace gains in the Borough have been through the redevelopment of other employment sites, and it has required 8.1ha of either vacant or underutilised land in order to deliver 4.8ha of the total amount of employment need in the Borough. A significant number of properties have been converted from one use class to another, but by providing a larger employment development (this could be through increased number of floors, acquiring additional land to expand onto, etc.) as part of the redevelopment, an overall growth in employment space has occurred.
- 7.25 Both the ELPS and the EDNA have recommended that a surplus land supply is required if the Council is to meet the overall need for employment land during the plan period in order to account for windfall loss and churn. Table 13, taken from the draft EDNA, shows the total employment land demand as a percentage of supply. This can also be calculated for the ELPS 2013 to provide a comparison of the recommendations of each of these studies and to determine what kind of surplus would be required in order to meet the need for employment land over the plan period. So far, during the period 2013-2016 in order to provide 4.8ha of need, 8.1ha of supply has been used.

Table 23: Total Employment Land Demand as Percentage of Supply

	Total Employment Land Supply	Total Employment Land Demand	Employment Land Demand as % of Supply
ELPS 2013	71.5ha	47ha	65%
Draft Local Plan 2016	82.5ha	49ha	59%
EDNA 2017	50ha	28ha	56%
EDNA 2017 (including Supply-side requirements)	73.6ha	28ha or 50ha	38% or 68%
Economic Development Topic Paper 2018 (without London growth)	62ha	37ha	60%

7.26 Table 23 above shows the total employment land demand as a percentage of supply. Interestingly, both the ELPS 2013 and the EDNA are quite similar in their recommendation that overall land demand should, on average, not be any higher than around 60-65% of supply if needs are to be met in the plan period. In fact the EDNA in its 'supply-side' appraisal recommends a demand of only 56% of supply. This is then compared with the overall figures for the Draft Local Plan 2016, and includes the recommendations of this topic paper as to the total land supply that would be required in order to provide enough flexibility to meet the Borough's employment needs in full. Following the decision of the Infrastructure, Growth and Development Committee on 5 and 7 December, the Council decided that overall land demand should not exceed 60% of supply in order to meet needs over the plan period. This is based on the current delivery rate, which has required 8.1ha of supply to deliver 4.8ha of need. This was the approach taken forward in both the Publication Local Plan approved in March 2018 and the Revised Publication Local Plan approved in October 2018.

7.27 The ELPS suggested that the Council provides a total of 71.5ha of employment land supply in order to meet an overall need of 47ha for a housing growth scenario of 17,000 new homes from 2012-2031. The Council adapted this requirement for the Draft Local Plan 2016 to meet a need for 49ha, taking into consideration potential rounding anomalies and 1ha of employment growth which was already delivered in the first year of the plan

period in 2011². Also, the ELPS 2013 forecast period was from 2012-2031, one year less than the twenty year plan period covered by the Draft Local Plan.

- 7.28 The total supply of land contained in the Draft Local Plan was 82.5ha in order to meet a need for 49ha. This would account for potential losses and churn during the plan period as only 38ha of employment land was expected to be delivered within a supply of 71.5ha of vacant or underutilised land as identified by the ELPS for the Basildon Borough. A further 11ha of employment land was allocated as part of the Draft Local Plan 2016 to account for the deficit in land supply to meet the demand for B8 uses forecast over the plan period in the ELPS. This is in accordance with national planning policy (NPPF) and guidance which states that local planning authorities should provide policies which are flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances. By assuming that surpluses of land suitable for B2 development will be converted to meet the deficit in land available for B8, this is not responding to potential changes in economic trends that may be experienced in the market and would not provide sufficient flexibility to ensure that all employment land demand would be met during the plan period.
- 7.29 The EDNA states that, in order to estimate the amount of land that may be used for non-B class activities, historic net losses of employment land that may be used for non-B class activities, such as housing and leisure as reported in the Council's Annual Monitoring Report have been used. This means that the potential future losses, some of which are shown in the tables above, have been accounted for in the EDNA in terms of the 'supply side' recommendations. Therefore, the overall requirement for a 50ha supply of land to meet a need of 28ha set out in this study, has been calculated using a forecast of potential future losses in the Borough in order to provide enough contingency to cope with these losses and churn, and provide enough land to meet the needs over the plan period.
- 7.30 However, the EDNA is looking at a forecast period of 2016-2036, which in terms of the data used to inform the study, is entirely in the future. For the purposes of the emerging Local Plan period 2014-2034, the need for employment land will remain the same as it is for the same twenty year time period, and the majority of the 4.8ha which has been delivered since the production of the ELPS will contribute to that need. Therefore, it is important for the Basildon Local Plan to recognise the employment need over the full plan period of 37ha, and whilst the 4.8ha of land which has already been delivered would no longer constitute future supply, the majority of this land

² The plan period for the Council's Core Strategy Revised Preferred Options Report 2014, to which the ELPS was produced to inform contained an original plan period of 2011-2031, which was subsequently updated to 2014-2034 as part of the consultation on the Draft Local Plan in 2016.

has come forward during the plan period and will be subject to monitoring as part of the Council's Authority Monitoring Report.

- 7.31 As mentioned above, 3.3ha of employment land has been lost to non-B class uses and whilst land that has come forward and is being constructed has been removed from the overall supply, the EDNA does not remove total losses to non-B class uses from the total land supply as part of its production of the assessment as the forecast period is entirely in the future. As such, the EDNA provides a forecast of the total employment losses over the period 2016-2036 based on overall losses that have been reported in the AMR. Therefore, it is important that the Council removes the losses to non-B class uses that have already occurred since the ELPS was carried out in 2013, as the forecast losses for the plan period remains roughly the same (the EDNA suggests 22ha which is rounded down from 22.4ha, whereas the forecast based solely on previous losses to non-B class use during the plan period is differentiated it is for 22.6ha, which has been rounded up in this Topic Paper to 23ha), however, the overall supply of land is now less.

The EDNA considers a total land supply of 73.6ha. As 3.3ha of this total has now been lost to non-B class uses, the overall land supply should be considered to be 70.3ha. If we assume that the need for the Basildon Borough for the plan period 2014-2034 is 37ha, which is broken down to the need for 28ha identified by the EDNA, plus 9ha which is required for grow on space, the overall supply of land required to meet that need taking into consideration windfall losses and churn forecast at 23ha over the plan period, equals 62ha as shown in Table 23. However, this also assumes that none of the un-met need from London would be met in the Basildon Borough, but an overall land supply of 70.3ha would present an opportunity to do so if the Council had such an ambition.

- 7.32 When considering whether or not the Basildon Borough should aim to meet some of the displaced or un-met need coming from London, there appears to be three issues currently occurring in the Basildon Borough which would provide a strong justification for doing so:

- **High loss of B1 uses:** During the period 2013-2016, there has been a significant loss of B1 Office uses in the Borough, some of this is as a direct consequence of the change in permitted development legislation to allow conversion of offices to residential through the prior approval process, but we also know that offices are also being lost to other types of employment uses too. As offices provide the highest number of jobs per square metre, if this trend is likely to continue, by only providing enough employment land supply to meet forecast demand, this may result in proportionally less jobs in the Basildon Borough per resident

population. Therefore, accepting some of London's growth could assist in bridging the gap in terms of number of jobs;

- **Current delivery rate:** The Council has delivered approximately 4.8ha of additional employment land over the period 2013-2016 and if that build rate were to continue into the future, it would mean that only 32ha out of the 37ha of employment need would be delivered during the plan period. Whilst it is accepted that by allocating land through the Local Plan and through effective policy protection, some sites may come forward sooner as a more attractive proposition to developers, if some of London's unmet need were to be accommodated in the Basildon Borough this could accelerate construction and ensure that the Borough's needs are met within the plan period;
- **Increase in housing numbers putting pressure on the demand for employment:** One of the main differences between the ELPS 2013 and the EDNA 2017 is the growth scenarios that are considered as part of each study. The ELPS looks at a demand led econometric forecast based on the need for jobs as a direct result of an increase in housing. The EDNA, looks at forecast scenarios based on either the type of development that is attracted to the area, based on the Council's economic development strategy, or the level of unmet need that will result in businesses looking to relocate to areas outside London, including the Basildon Borough. Therefore, the recent increase in population forecasts may put pressure on the employment sectors to provide additional jobs and, by accepting some of London's growth, more jobs would be provided within the Borough boundary, reducing the potential for increases in commuting etc.

7.33 An overall land supply of 70.3ha would allow the Basildon Borough to meet some of the displaced or un-met need coming from east London. If we consider overall land demand as a percentage of supply and recognise that current delivery in the Basildon Borough provides need at approximately 60% of the total supply required, then in these circumstances, the Basildon Borough could accommodate up to 5ha of additional employment land before land demand would start to exceed 60% of supply. This means that the sites suggested in the Draft Local Plan 2016 would be sufficient to meet the overall need for employment land and potentially accommodate a further 5ha to meet additional needs coming from London.

7.34 If the Council has ambitions to meet more employment land coming out of London, then additional land would need to be allocated. Similarly, if we look at the amount of new employment land that has been delivered over the three

year period 2013-2016 of 4.8ha, this has required 8.1ha of employment land supply to deliver it. Therefore, the Basildon Borough is currently achieving a land demand of approximately 60% of supply. If this trend were to continue, a land supply of 70ha would be required to meet the demands for up to 5ha of additional employment land. Therefore, the Council could meet an additional 5ha within the current supply of land assessed by the EDNA, but may wish to allocate additional land, or safeguard land for employment uses if it intends to meet any more of the unmet need from London.

- 7.35 The Infrastructure, Growth and Development Committee originally took the decision to adopt an approach to the delivery of economic development where need should not exceed 60% of supply (Minute 2017:615), and this approach was therefore contained in the Publication Local Plan March 2018. However, this approach was also supported by the Strategic Planning & Infrastructure Committee (Minute 2018:545), and was incorporated into the Revised Publication Local Plan October 2018.
- 7.36 The Economic Development Topic Paper was initially drafted prior to the Council's decision to meet some of the unmet economic growth needs from London within the Basildon Borough, due to the opportunities this approach represents. The overall employment need to be taken from London's unmet growth needs was originally determined in the Publication Local Plan based on the decision to increase the ratio of job numbers to new homes closer to 1:1, giving each new household the opportunity to find a job within the Borough as it grows. In order to achieve this, an additional 5ha of need from Greater London was planned for, which required a total land supply of 70ha, for need not to exceed 60% of supply. This was achievable within the total land supply assessed as part of the EDNA but it should be noted that this approach required at least 11ha of employment need being provided through Green Belt release as part of the Local Plan allocations process.
- 7.37 It should also be noted that for the Publication Local Plan, 12ha of the vacant land supply within the existing urban area was in the form of narrow strips adjacent to the A127. Owing to sub-regional aspirations to widen the A127 which may further reduce the width of these sites, affecting whether they can practically accommodate commercial development, and the types of commercial development that might be suitable, these sites were allocated on the Policies Map as open space and additional land allocated to the east of Basildon to maintain a sufficient supply of land to meet demand without employment needs exceeding 60% of supply.
- 7.38 The Revised Publication Local Plan October 2018 seeks to be more ambitious in terms of the employment need it aims to provide for during the plan period. The Local Plan therefore seeks to provide for a total need of 51ha of B-class employment land during the period 2014-2034, which on its own will provide around 14,150 new jobs.

- 7.39 This can accommodate 14ha of either displaced or unmet need from Greater London which is going to be planned for on the basis that this would increase the overall ratio of job numbers to new homes in excess of 1:1, giving each new household the opportunity to find a job within the Borough as it grows. This decision also reflects upon the long-standing economic position of the Borough that the Local Plan seeks to retain and strengthen, as a major employment hub, providing job opportunities not only to the Borough's residents but to the wider south Essex sub-region.
- 7.40 The majority of this additional provision will be provided as part of the allocation to the north of Burnt Mills Road, to the east of the existing A127 employment corridor. This approach also preserves the long-term future of the proposed expansion of the A127 Employment corridor to the east of Basildon as the enlargement of this allocation provides a far more robust and defensible Green Belt boundary. It also allows the link road proposed from a new junction on the A127 to Courtauld Road to be provided through the centre of the site, if necessary, which will ensure that all new employment provision in this area remains viable and attractive to business due to similar connections to major transport infrastructure across the whole site. By allocating land which stretches all the way to the A127 to the north, Pound Lane and the proposed new junction on the A127 to the east, and Burnt Mills Road to the south, this also protects the land from being lost to alternative uses such as housing, which could potentially conflict with some of the employment uses on the site and lead to significant employment losses in the future.
- 7.41 In looking at where this provision would be located, it is known through a combination of EDNA, ELPS and the HELAA that the Borough's current existing urban capacity could yield up to 22.5ha of employment land through the intensification of existing employment areas and the development of vacant employment land, with the remaining 28.5ha provided by land released from the Green Belt, where exceptional circumstances have been judged to exist.

Windfall Losses and Churn

- 7.42 As explained above, the EDNA provides a contingency allowance for 'windfall losses' and 'churn'. Windfall losses takes into account the fact that a proportion of designated employment land will not be entirely used by B use class employment. As well as making an allowance for unexpected losses of employment land, allowance is made for the fact that locational and premises needs of businesses change over time. This requires businesses to move. In other instances an existing business might cease its operations and a new business take over a site for redevelopment.

- 7.43 To provide an estimate of the overall losses and churn, the EDNA has utilised the 'net' change from the Council's Annual Monitoring Report. Where the net change has been negative (i.e. floorspace lost is greater than floorspace gained) the EDNA has included these in the windfall estimate, where the opposite is true these are included in the 'Churn' allowance.
- 7.44 For the allowance of windfall losses for office, industrial and warehouse development, the EDNA based its assumptions on average losses from B1, B2 and B8 using data from Basildon Council's AMR from 2011/12 to 2015/16, which was then projected forward over the 2016-2036 projection period as set out in table 12. The B1 loss figures were taken directly from the Council's AMR, but as B2 and B8 figures were not identified separately in the AMRs a 50:50 split was assumed for the combined loss figures to assign these losses to B2 and B8 uses.
- 7.45 This Topic Paper calculates the total windfall losses and churn figures slightly differently. The EDNA has looked at employment losses that have occurred during the period 2011-2016 from the Council's AMR and concluded that approximately 22ha of land will be required to account for windfall losses and churn over a twenty year period. This topic paper has specifically looked at the losses to non-B class uses that have occurred since the last detailed Employment Land & Premises Study 2013-2016, averaged them out and forecast this over the twenty year plan period and come up with a total figure of approximately 23ha of employment land that will be required. However, this topic paper does not calculate the exact figure for churn as the overall gains from other B-class uses shown in tables 16-19 also includes new employment development that has taken place on vacant or underutilised land allocated for B class uses in the adopted Basildon Local Plan. Therefore, whilst some of the 8.1ha of land supply that has been used will account for churn, this has not been separated from the total employment gains as the Council has also identified a specific need for 9ha of 'Grow-on space'. This grow-on space will provide opportunities for businesses to meet their needs to change location or premises within the Basildon Borough, and whilst it is accepted that some businesses will be lost to places outside of the Borough, the grow-on space will provide a significant proportion of land required for churn, and to add an additional contingency for this would feel like double counting.
- 7.46 As mentioned in chapter 4 of this Topic Paper, the EDNA identifies a potential lack of surplus supply for B1 uses owing to the fact that there are fewer sites considered suitable for this use class in the sites reviewed as part of this study. Therefore, whilst this topic paper recommends that only 60ha of employment land would be required in order to account for windfall losses and churn, and meet an overall need of 37ha, the amount of land supply has already been reduced to 70.3ha, and a significant proportion of this has been from B1 uses. This would potentially cause an issue in terms of meeting the need for 6ha of B1 use suggested by the EDNA, and a potential supply

requirement of 19ha to offset historic losses, so the Council may wish to protect land suitable for B1 purposes specifically for that purpose so that demand can be met over the plan period. Alternatively, the Council may wish to safeguard additional land suitable for B1 uses that could be brought forward early if an additional need for B1 uses can be demonstrated.

Overall Employment Demand to be met in the Basildon Borough 2014-2034

8.1 The overall need for employment land in the Basildon Borough for the period 2014-2034 has been calculated from drawing together the findings of EDNA 2017, Grow-On Space 2016, the ELPS 2013, the un-met London Growth opportunity, and recent evidence in relation to the employment allocations proposed for the Revised Publication Local Plan 2018. This is 51ha in total and is broken down in the following table:

Table 24: Total Employment Land Demand and Land Supply Requirement

	Basildon Borough Employment Demand (ha)	Basildon Borough Employment Land Supply Requirement (ha)
Office	6	19
Manufacturing / Industrial	10	15
Warehouse	12	16
Grow-on Space	9*	9
London Growth	14**	23
Other***	0	10
Total	51	92

* It is not clear from the Grow-on Space Feasibility Study what assumptions have been made with regards to conversion of floorspace into land supply, this therefore needs to be further clarified. Also, as the grow-on space figure is a conservative estimate in the feasibility study, which recommends further work to determine the overall need, the overall supply requirement is also included as need as this would provide a certain amount of contingency if the Council were to decide to allocate additional land or protect land for this purpose.

** The Council decided to take a total of 14ha of unmet need from London in order to increase the overall ratio of job number to new homes in excess of 1:1, giving each new household the opportunity to find a job within the Borough as it grows.

***There is a need to oversupply employment land due to the fact that some land in the Borough may not be able to meet employment needs during the plan period, such as land within the Ford Dunton site, which cannot be relied upon to provide for any other employment needs expect for the operations of the Ford Motor Company.

8.2 Whilst the total employment land supply requirement in order to meet a need for 37ha is only 60ha, a total employment land supply of 92ha would allow the Council to provide 14ha of unmet growth needs from London where they represented economic opportunities the Borough could exploit, or if it were to

protect land specifically for B1 uses to offset the historical losses that have occurred in recent years.

- 8.3 The total need for the Basildon Borough of 37ha of employment land identified in the EDNA and Grow-on space assessments is notably less than the requirement identified in the ELPS 2013, which suggested an overall need for 49ha of employment land for the plan period 2014-2034. The main reason why the need in the EDNA (28ha) is less than the ELPS (49ha) is due to the fact that the EEFM economic forecasting model used in the EDNA does not predict such a huge shift from B2 uses to B8 uses as the Experian model used in the ELPS does. It is known that the EEFM model is more in line with what is actually occurring on the ground in the Basildon Borough and would, over time, mean that there are less vacant units in the B2 use class. That would mean there is less additional land required to be provided, as large scale conversion of the existing land supply would not have to be assumed to need to happen in the same way. For example, the Experian data assumes large surpluses of land for B2 use classes, but as the NPPF does not allow the Council to assume that surpluses in B2 could be used for B8 purposes, the total amount of land required is now less. This is considered to be more in line with national policy.
- 8.4 Despite the EEFM model contained in the EDNA being more accurate in terms of forecasting trends in the Basildon Borough, it is still surprising to see that the overall total forecast by the EDNA for the Borough is less than that forecast for a similar time period in the ELPS, particularly when the ELPS was produced at a time of economic downturn.
- 8.5 If we represent the employment need in terms of number of jobs, using the employment densities shown in table 21, and assuming that the land supply opportunity for meeting approximately 5ha of unmet employment need coming from London is opted for within the Basildon Borough, the totals would be as shown in table 25 below:

Table 25: Employment demand in total no. of Jobs

Use Class	Employment Density (sqm per FTE) ELPS	EDNA	Grow-on space	Unmet Need from London	Total
B1a/b Offices	12	4,166	1,970	1,250	7,386
B1c/B2 Manufacturing / Industrial	47/36	945	182	294	1,421
B8 Warehousing	70	663	0	0	733
	Total	5,774	2,152	1,544	9,470

- 8.6 This table shows that, if we follow the recommendations of the EDNA in terms of the overall need for employment development, this would deliver 5,774 B-class jobs in the Basildon Borough over the period 2014-2034. If this were added to the grow-on space requirements shown in the feasibility study this would increase the total number of B-class jobs delivered in the same period to 7,926 jobs. Finally, if it is assumed that the Basildon Borough will satisfy 5ha of unmet employment land need from London, this would increase the total number of B-class jobs delivered in the period 2014-2034 to 9,470 jobs.
- 8.7 However, following the decision of the Strategic Planning & Infrastructure Committee to expand the amount of employment land supply in order to meet approximately 14ha of employment need from London, this would further **increase the total number of B-class jobs delivered in the period 2014-2034 to 14,150 jobs.**

Economic Development Topic Paper's Local Plan Policy Recommendations September 2018

- 9.1 The total amount of employment land recommended by the EDNA did not include such hidden demand as the need for 'Grow-on' space as identified in the 'Grow-on Space Feasibility Study' carried out by Essex County Council in 2016. Therefore, it was recommended that **the additional need for 9ha of Grown-on Space as identified in this study should be added to the overall need for employment land planned for in the Basildon Borough.** In addition, as this was a conservative estimate of need for 'Grow-on space', **the Council also considered whether or not to allocate additional land specifically for this purpose,** carry out additional studies to determine the overall need for 'Grow-on space' during the plan period 2014-2034, or be flexible through other policy mechanisms as to how it could achieve the need for this type of space.
- 9.2 The Local Plan would fit into the 'indirect intervention' category of the Essex Grow-on Space Feasibility Study and would represent the cheapest option for the Council in terms of addressing the shortage in supply. It was therefore recommended that **by allocating additional employment land in the Basildon Borough Local Plan, and by protecting this land specifically for grow-on space purposes through Local Plan policies, the shortage could be addressed without requiring any financial investment by the Council.** There is a notable lack of good quality space, which could be provided by new build opportunities and would suggest that protecting land on currently vacant employment sites such as Gardiners Lane South, or East Basildon Urban Extension within the A127 Corridor would be ideal, as these sites would present design and build opportunities for new high quality premises.

- 9.3 The allocation of 9ha of additional land as part of the Local Plan to meet the need for Grow-on space was subsequently approved in accordance with the recommendation by the Infrastructure, Growth and Development Committee on 5 December (Minute 2017:615). This included the protection of employment land for the purposes of Grow-on space on the Gardiners Lane South Site and as part of the East Basildon Urban Extension in both the Publication Local Plan March 2018 and the Revised Publication Local Plan approved by Full Council in October 2018 for consultation and submission to Secretary of State for Examination in Public.
- 9.4 If factors such as the loss of existing employment space and the requirement for options for grow on space are taken into consideration, **then it was considered that at least 37ha of land is required for B-Class employment development.**
- 9.5 It was also recommended to the Council that if they were to accommodate some of the unmet employment growth from London to exploit the opportunities it could otherwise bring to the Borough's economy, this **could assist in offsetting the forecast losses for B1, and could accelerate growth in order to ensure that employment needs are met within the plan period.** This would also provide flexibility to respond to additional demand pressures for jobs as a result of the increased need for housing suggested by the most recent SHMA, if there was to be an aligned housing target. It could also allow the Basildon Borough to maintain, if not strengthen, its position as the main hub for economic growth in South Essex.
- 9.6 In the Council's consideration of displacement of employment land from East London and potential unmet need generated by the London Plan, this Topic Paper considers the total amount of need that could be accommodated if the Council were to stick to the employment allocations considered as part of the Draft Local Plan 2016 and subsequent Publication Local Plan March 2018. However, despite the fact that the GLA has not yet released details of the latest Industrial Land Review, having reviewed the 2015 version of this study, it was recommended to Council **that it is likely that the Basildon Borough could accommodate significantly more of London's economic growth needs if it had such economic ambitions and wanted to capitalise on the opportunities it could bring.**
- 9.7 One way of ensuring that the additional land allocations would assist the Council to achieve its economic ambitions of bringing high quality advanced manufacturing type uses to the Borough would be to **safeguard land for employment uses and provide an exception to the policy that would allow the site to come forward early if the land was required to meet a business use specifically set out in the Council's Economic Development Strategy.** This would make it difficult to quantify how likely that

would be to come forward during the plan period but, as it would be over and above the need for the Borough, there is less need for flexibility and the land could be considered to be contributing to both the unmet need coming from London and to the overall aim of increasing prosperity to the Borough's residents by providing them with the potential access to high quality, higher paid jobs.

- 9.8 It was resolved by the Infrastructure, Growth and Development Committee on 7 December 2017 (Minute 2017:652) to agree a need for 42ha of land for employment purposes, addressing the baseline economic forecast, the need for Grow-on space, and providing 5ha for businesses displaced from London. Having regard for windfall losses and churn in the economy this was considered to require 70ha of employment land supply, to be delivered within existing employment areas and within land at East Basildon.
- 9.9 The Council previously took the decision to provide 5ha of employment need to be taken from London's unmet growth needs based on a desire to increase the ratio of job numbers to new homes closer to 1:1, giving each new household the opportunity to find a job within the Borough as it grows. A further area of land was safeguarded for potential employment use as part of the same Committee on 7 December (Minute 2017:652), located to the east of the A127 corridor for use beyond the plan period.
- 9.10 It was subsequently recommended to the Strategic Planning & Infrastructure Committee on the 3 October 2018 that this approach potentially constrained supply, and the economic potential of the Basildon Borough. Furthermore, the Basildon A127 Enterprise Corridor is a key location for current economic activity in South Essex, in part driving the economic outputs for Basildon Borough relative to other locations in the South Essex area. The EDNA recognises this strength and advocates further growth in this corridor. This when coupled with strong ambitions set out in the Basildon Borough Economic Development Policy 2017 indicates that there is a need to bring forward more land in this corridor to ensure that both the Basildon Borough and South Essex economies grow, and the Basildon Enterprise Corridor is 'open for business'.
- 9.11 Also, a consequence of the constrained approach taken in the Publication Local Plan is that the developer promoting the sites in this location has proposed a mixed use development comprising a significant proportion of housing (270-370 homes) covering the remainder of the area to the north of Burnt Mills Road. This has the potential to limit business activity on this site by creating a conflict with residential amenity. Residential development would constrain the potential of any employment allocation in this location to grow over time to fill the remainder of the site – effectively reducing the flexibility of the Borough to respond effectively to inward investment by business.

- 9.12 There was therefore a need for a different approach to be taken to the employment allocation to the north of Burnt Mills Road in order to ensure its deliverability, and consequent soundness. This is critical to the economic growth strategy in the Local Plan, and to the Council's wider ambitions for economic growth.
- 9.13 The Revised Publication Local Plan October 2018 seeks to be more ambitious in terms of the employment need it aims to provide for during the plan period. **The Local Plan therefore seeks to provide a total land supply of 92ha in order to meet a total need of 51ha of B-class employment land during the period 2014-2034.** This includes 14ha of either displaced or unmet need from Greater London which is going to be planned for on the basis that this would increase the overall ratio of job numbers to new homes in excess of 1:1. This approach aims to retain and strengthen the Borough's position as a major employment hub in the wider south Essex sub-region, and will preserve the long-term future of the employment zone by providing a robust and defensible Green Belt boundary, and protecting the site from potential losses to other uses such as housing development.
- 9.14 The approach was agreed by the Strategic Planning & Infrastructure Committee on 3 October 2018 (Minute 2018:545), whereby the entire area to the north of Burnt Mills Road (48ha) was allocated for employment purposes for the following reasons:
- The resultant allocation has a more logical green belt boundary than that shown in the Publication Local Plan;
 - The allocation of the entire site will enable the existing dairy farm business to move in its entirety, improving the deliverability of the employment allocation;
 - The A127 is a strategic location for economic activity in Basildon and in South Essex, and this site is therefore an appropriate location for employment development;
 - The Council has strong ambitions for growth in the local economy as set out in the Basildon Borough Economic Development Policy. These ambitions exceed what may be suppressed growth predictions for the area;
 - If not allocated for employment purposes, there may be pressure to bring the remaining land forward for housing. This has the potential to frustrate employment development through the loss of land opportunities and through conflicts with residential amenity.
- 9.15 Losses of B1 uses that have already occurred since 2013, forecast losses of B1 uses that will occur over the plan period and a lack of significant surplus land suitable for B1 uses identified by the EDNA would make it challenging for the Basildon Borough to meet its need for office growth during the period

2014-2034. **Therefore, it was recommended that the Council may wish to provide policy protection to either the entirety of or part of the following sites so that they may be used solely for employment purposes falling within use class B1:**

- Gardiners Lane South (A127 Corridor);
- Blue House Farm (London Road (Pitsea) Corridor Cluster); and
- Billericay Cluster.

9.16 However, the NPPF states that local planning authorities should not continue to protect sites for certain B-class uses if it can be demonstrated that there is no demand for that type of use to come forward on that site. The usual period for determining whether or not there is no demand for a site for a particular use is recommended as 2 years in the ELPS 2013. Therefore, there is no guarantee that providing policy protection for these sites to be used specifically for B1 uses will ensure that this is the use that will end up occupying the site. **Therefore, it was also recommended that the Council may wish to consider allocating additional employment land suitable for B1 use in order to provide additional flexibility in offsetting the potential loss of B1 to other employment uses.** This could assist in the regeneration of town centres, where traditionally office demands have been weaker in the Basildon Borough. The Council could also phase land release subject to conditional criteria, which would mean the land could be brought forward earlier, *if* it can be demonstrated that the land is required to meet a demand for B1 uses that cannot be suitably or viably accommodated elsewhere in the Borough.

9.17 Basildon Borough has a shortage in the amount of available land that is considered suitable for office uses. Owing to this shortage, and due to one of the largest underutilised sites that is suitable for new office development being located within the Dunton Technical Centre, this employment land supply cannot therefore be assumed to come forward for B1 or grow-on space given the potential that it would serve this existing enterprise. Therefore, there is a need as part of the Local Plan to be more flexible in terms of overall land supply. This increases the required land supply to 77.2ha (this is based on a 70:30 split between B1 employment being provided for Ford / non-Ford uses). This has been taken into consideration as part of the allocation of 92ha of employment land to meet needs.

9.18 Subsequent to the recommendations made in relation to B1 uses, the Infrastructure, Growth & Development Committee approved an approach on 5 December 2017 (Minute 2017:615). This approach was subsequently approved by the Strategic Planning & Infrastructure Committee on 3 October (Minute 2018:545) which will provide policy protection for B1 uses in the

following proposed employment allocations contained in the Revised Publication version of the Local Plan:

- 9.8ha of land at Dunton, as identified on the Policies Map, will be protected for employment purposes falling within use class B1(a) and (b);
- At least 3.3ha of B-class employment land will be protected specifically for B1 uses on land west of Gardiners Lane South, with at least 3ha of land required to provide grow-on space opportunities for businesses falling within that use class;
- At least 4.2ha will be protected for the purposes of providing grow-on space within the B1 use class as part of the proposed Burnt Mills extension to the east of the A127 corridor.

9.19 In order to target Advanced Technology and Digital Creative sectors to broaden as components of the Basildon Borough economy, it was recommended that **there is a need to provide larger, high quality employment land opportunities as part of the land allocations.** The Council's Local Plan Economic Development Strategy is clear in its desire to attract high value advanced manufacturing jobs to the Borough that would ordinarily fit into the B2 use class. **Therefore, the Council may also wish to consider providing policy protection to either the entirety of, or part of the following larger sites:**

- **Land adjacent A13 and A130 slip roads (London Road Corridor Cluster);**
- **Terminus Drive Pitsea (London Road Corridor Cluster – part of site);**
- **East Basildon Urban Extension (Allocation E6 and A127 Corridor Cluster); and**
- **Other vacant & underutilised land located in the A127 Corridor Cluster.**

9.20 The protection of certain sites for B-Use Class employment development that would enable the Borough to achieve its Local Plan's Economic Development Strategy were currently considered to be too weak in the Draft Local, such as Policy E4. It was recommended as part of the consideration of the Publication Local Plan that **if the Borough is to attract businesses within the advanced manufacturing sector, protection of sites specifically for this purpose could be included along the A127 Corridor** as this is where the majority of these types of businesses already are, which would help it improve its role as a focus for this type of economic activity.

9.21 **Alternatively,** options for the Council to consider including the fact that **the Council could choose to conditionally allocate land that could come**

forward earlier, if they are to be used specifically for high quality B2 uses, if it can be demonstrated that there are no other suitable sites in the Borough that could meet this demand. **Furthermore, safeguarding land for beyond the plan-period could help improve the confidence that there is the security of a long-term future for employment land in the Borough**, which is subject to uncertainties. However, the provision of a surplus supply to offset potential losses is less of a concern with regards to B2 uses in the Basildon Borough and demand is likely to be achieved within the employment supply suggested. If the Council wishes to expand these sectors and attract even more of this type of development, policy protection of a couple of these sites should be sufficient.

9.22 Other alternatives for bringing land forward for specific use classes **could include designated Local Development Orders (LDO), or an Article 4 Direction (to remove permitted development rights) to prevent further automatic loss without applying for planning permission**. However, there is a compensation element payable to this and this could be more costly than simply allocating more land in order to offset losses to other uses throughout the plan period.

9.23 Subsequent to the recommendations set out in this Topic Paper, the Council has decided to take an approach which will provide policy protection for B2 uses in the following proposed employment allocations contained in the Revised Publication version of the Local Plan:

- 1.63ha of land within the Burnt Mills Industrial Estate, Basildon;
- 2.49ha of land within Festival Business Park;
- 8.5ha of land within the proposed extension to Burnt Mills will be protected for B2 uses, with an additional 2ha protected for grow-on space within the B2 use class.

9.24 The Infrastructure, Growth & Development Committee approved an approach on 5 December (Minute 2017:615) that policy protection should be provided to protect sites for the purposes of attracting businesses within the advanced manufacturing sector. More specifically, these policies should be associated with sites along the A127 corridor as this is where the majority of these types of businesses are already located, which would help the area improve its role as a focus for this type of economic activity. The Committee approved the strengthening of this recommendation with regard to providing optimum policy protection for B-class employment sites, which was subsequently approved at the Committee on 7 December 2017 in accordance with para 9.19 above. Policy protection of sites for the purposes of attracting high quality businesses in the advanced manufacturing sectors has been subsequently approved by the Strategic Planning & Infrastructure Committee on 3 October (Minute 2018:545).

- 9.25 Policy E6 of the Draft Local Plan sought to provide protection of the Terminus Drive site in Pitsea for uses falling within B1 or B2, rather than also B8 due to a weak and narrow bridge on Pitsea Hall Lane. A recent appeal decision by the Planning Inspectorate has, however, allowed a haulage use to operate from the site. As the site is considered by the EDNA to fall into the category of 'Monitor & Manage', and as the Council can no longer provide a good quality option for continued protection for B1 or B2 employment uses, the restriction should be lifted. **Therefore it was recommended that the policy protection for the Terminus Drive site in Pitsea is lifted, subject to the submission of a transport assessment.**
- 9.26 The policy protection for B1 and B2 uses was subsequently lifted on this site as part of the approach decided by the Infrastructure, Growth & Development Committee on 5 December (Minute 2017:615). This approach has also been approved by the Strategic Planning & Infrastructure Committee on 3 October (Minute 2018:545) in the approach taken for the Revised Publication Local Plan. Whilst the site is identified for protection for B-class uses, the restriction not allowing B8 uses due to a weak bridge is considered to be too prescriptive. Any potential highway issue associated with the site is intended to be addressed by the highway authority as part of their statutory consultation response to Basildon Borough Council as part of the planning application process.
- 9.27 A few sites which make up the existing vacant or underutilised land in the A127 Corridor which are identified in the Draft Local Plan are located immediately adjacent to the A127. Should proposals for widening this route become a reality in the future, these sites would instead need to be considered for road widening purposes, rather than for employment development. The effect of this would be, however, that other land would be required to be allocated, in place of these sites, to ensure enough land was being allocated for development. This therefore **strengthens the case for considering the expansion of the employment land designated in the A127, eastwards and westwards, as provisionally shown in the Draft Local Plan.** Options to the West would be better as they would have the least overall impact in terms of traffic congestion on the local road network, and is located closer to the M25. Eastern options would mean the Council would need to consider the case for continuing to extend the A127 Corridor by safeguarding and/or allocating land to the east of Burnt Mills Industrial Estate. This latter option would also help make the case for a new junction on the A127, to serve Wickford and Pitsea.
- 9.28 12ha of the vacant land supply within the existing urban area is in the form of narrow strips adjacent to the A127. There are sub-regional aspirations to widen the A127 which may further reduce the width of these sites, affecting

whether they can practically accommodate commercial development, and the types of commercial development that may be suitable. This may ultimately affect their delivery. Therefore, the Council has taken the decision to replace this lost land supply for B-class employment uses by allocating land as part of the Burnt Mills extension to the east of the A127 employment corridor and protecting the sites adjacent to the A127 as open space for the time being. The site to the east of Basildon was chosen as the best location for employment growth due to its proximity to the existing employment corridor, the strategic highway network, and due to the uncertainty surrounding the potential development being proposed to the west of Basildon in the Brentwood Borough adjacent to the borough boundary south of the A127.

- 9.29 The Strategic Planning & Infrastructure Committee has approved this approach as part of the expansion of the development to the east of Basildon in accordance with Minute 2018:545 as mentioned above in para 9.14.
- 9.30 Draft Policy E3 of the Draft Local Plan identifies the Ford Dunton site as an existing employment area for research and development purposes and places a safeguarding restriction for that such a use falling within use Class B1b of the Use Classes Order. In the Basildon District Local Plan 1998, the Research and Development (R&D) use was restricted to the automotive industry only and, given the ongoing presence of Ford Motor Company on at this site, it was intended to maintain this industry based restriction over the Ford buildings and associated test track in the Draft Local Plan. However, the Draft Local Plan suggested that to improve flexibility in the long-term use of the land surplus to Ford's operations, it was proposed that the remainder of the land still be restricted, but not to just the automotive industry. The suggested opening up of the restriction on the surplus land at Ford's in the Draft Local Plan may not, however, go far enough given the ongoing presence of the main occupier of the site, the Ford Motor Company and their potential for more varying needs in the future, and the fact that some of these needs may not fall into the R&D use class category. Therefore, in order to expand the flexibility of the site and secure its long-term future, **it is recommended that the restriction of use on the Ford Dunton site is further expanded to include all B1 development.**
- 9.31 The Infrastructure, Growth and Development Committee decided on 5 December (Minute 2017:615) that this approach should be adopted, and the proposed policy in relation to the Ford Dunton only restricts the test track to automotive research and development purposes. The remaining 9.8ha is therefore protected for uses falling within use Class B1 (a) and (b). This approach has also been approved by the Strategic Planning & Infrastructure Committee on 3 October (Minute 2018:545) for the Revised Publication Local Plan.

- 9.32 The Draft Local Plan included a safeguarded area for a further 40ha of employment land to the east of Basildon, Policy E8b, for employment uses beyond the period of this plan 2014-2034. This safeguarded area was in accordance with the requirements of the NPPF in order to meet longer-term development needs stretching well beyond the plan period. It was recommended that **the Council may wish to continue with such a safeguarded area in the east of Basildon, which may also be required in order to contribute to the business case for the delivery of vital infrastructure upgrades to support residential development in Pitsea and Wickford.** It was also recommended that **the Council may also wish to allocate some of this land to come forward within the plan period, in order to satisfy some of the unmet need coming from London should it consider the opportunities for doing so could be good for the Borough economically.** This could in turn assist the Council to deliver the required employment need within the Borough in a timely fashion, assist the Borough in maintaining the A127 employment corridor's strategic position within South Essex as a major employment hub ensuring the economic prosperity of the wider sub-region, and potentially deliver new employment growth in the desired sectors as set out in the Council's economic development strategy through effective policy protection.
- 9.33 The Infrastructure, Growth & Development Committee determined that an area should be safeguarded for future employment growth needs along the A127 corridor in the Publication Local Plan at its meeting of 7 December (Minute 2017:652), which would be in accordance with the NPPF and ensure confidence in the employment area into the future. Owing to the potential need for large scale investment in infrastructure to the east of Basildon, and the deliverability of this site, this would be the preferred location for the safeguarded area.
- 9.34 However, this was subsequently recommended for inclusion in the Revised Publication Local Plan as set out in paras 9.10 to 9.13 as was approved by the Strategic Planning & Infrastructure Committee for the reasons set out in para 9.14.

Topic Paper Conclusions

- 10.1 The Employment Land & Premises Study is now over four years old and whilst planning practice guidance states that comprehensive assessment exercises should be carried out as frequently as every 5 years, they should be updated regularly. Therefore, we are potentially entering the final year of the ELPS in terms of its usefulness as a comprehensive assessment, however, this is now complemented by the EDNA 2017, which provides the required update to illustrate an overall picture of the employment needs in the Basildon Borough, in the context of the South Essex sub-region over the next 20 years.

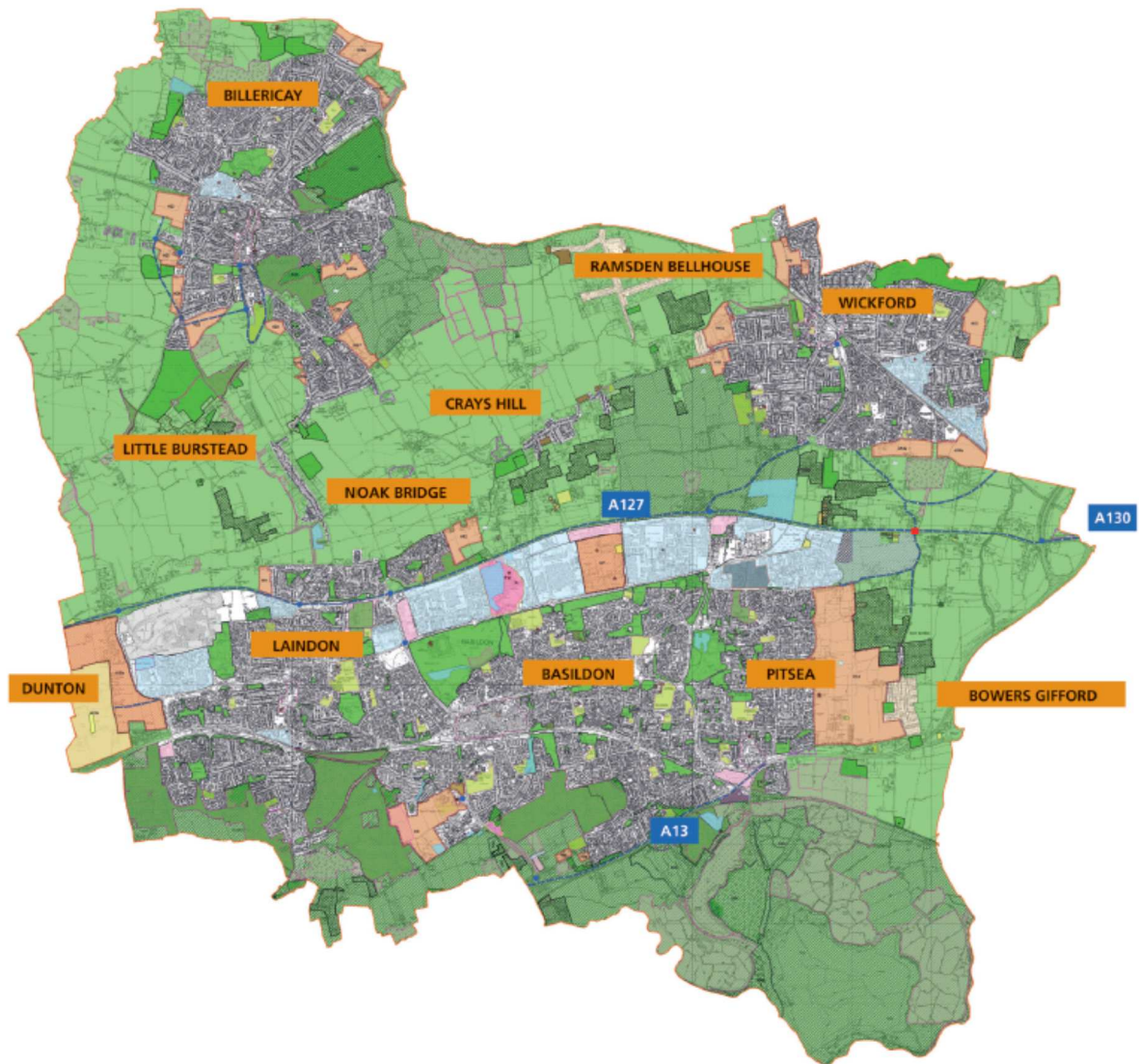
- 10.2 In terms of overall employment need/supply, the ELPS suggested that approximately 49ha of employment need would be required from a supply of at least 71.5ha. The EDNA uses a different econometric forecasting model EEFM as opposed to Experian to calculate need. The EEFM model does not suggest such a radical shift in demand from B2 to B8 uses and, given that the Basildon Borough is still attracting advanced manufacturing businesses within the B2 use class to the area, this forecast is more realistic in terms of what is happening on the ground. Therefore, as B2 uses generally require less land than B8 uses, the overall need for the Basildon Borough as predicted by the EDNA is 28ha of need from a supply of 50ha. This does, however, seem like an underestimation given the difference between 49ha and 28ha, particularly when the ELPS was carried out at a time of much greater economic uncertainty.
- 10.3 The EDNA is not a full comprehensive study of the Basildon Borough and provides a more broad assessment of the likely employment needs across the South Essex. Therefore, it is important that the Council should develop an idea of future needs based on a range of data which is current and robust. One such study includes the Essex Grow-on Space Feasibility Study 2016 which suggests that the Council has an additional need for at least 9ha of employment land to meet this hidden need which is currently not being provided across many Borough's and Districts in Essex. This would result in a need for 37ha of employment land to come from at least 60ha of supply. However, current delivery of employment land to meet needs is requiring a larger land supply due to recent conversions of offices to residential dwellings as planning permission is no longer required. Government proposals are to extend these permitted development rights to other employment uses and therefore the Council may wish to consider providing a larger supply of land in order to account for the additional windfall losses this policy direction could cause. Owing to the loss of B-class employment to other uses, the need for designated employment land to potentially contribute to expansion aspirations for the A127, and the scarcity of sites suitable for B1 uses, the Council has decided to adjust the supply of land upwards so that a total of 92ha of employment land supply is available.

It has become apparent in the Council's Duty to Cooperate discussions with the Mayor of London, through the Greater London Authority that there is an opportunity open to the Borough to maintain and strengthen its strategic position as a major economic hub within South Essex by to helping to accommodate some of the likely unmet needs from Greater London. This would also assist with the delivery of the Borough's own employment needs within the plan period as currently delivery rates suggest this may be an issue. The Council could provide policy protection to the sites it allocates to this specific need to ensure the types of businesses attracted to the Borough are

in accordance with the market sectors the Council wants to develop in accordance with its Economic Development Policy.

- 10.4 **Therefore, the Council has decided for the purposes of the Revised Publication Local Plan that the Borough should provide a B-Use Class employment land supply of at least 92ha in order to meet a local need of at least 37ha, which would also provide the potential for the Borough to satisfy up to a maximum of 14ha of London's unmet employment growth needs.**

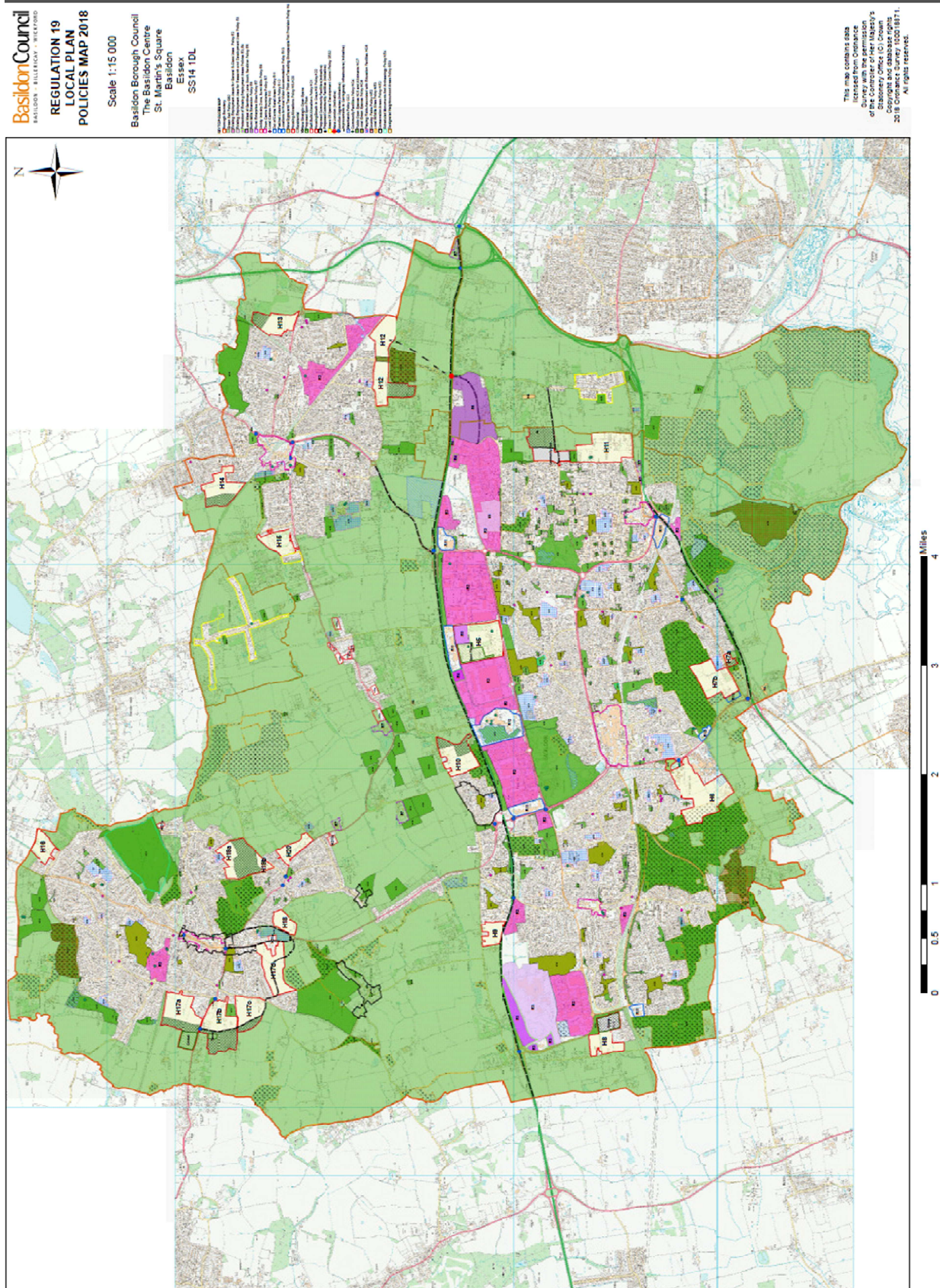
Appendix A – Basildon Borough Draft Local Plan Policies Map and list of allocations.



Land Allocation	Location	No. of Dwellings / Hectares of Employment Land Provision
E8	Burnt Mills Extension	5.5ha (+40ha Safeguarded Area)
E6	Terminus Drive, Pitsea	1.8ha Employment Land
E5 & H7	Mixed use development site – Land West of Gardiners Lane South	660 homes / 8ha Employment Land
H8	Land north of Dry Street	725 homes

H9	Land North and South of London Road, Vange	55 homes
E7 & H10	Mixed use development site – West Basildon Urban Extension	1,000 homes / 5.5ha Employment Land
H11	Land west of Steeple View, Dunton Road, Laindon	140 homes
H12	Land east of Noak Bridge	360 homes
H13	East of Basildon	2,000 homes
H14	Land south of Wickford	870 homes
H15	Land north of Southend Road, Shotgate	400 homes
H16	Land at east and south of Barn Hall, Wickford	420 homes
H17	Land north of London Road, Wickford	250 homes
H18	Land south of London Road, Wickford	160 homes
H19	Land north of Potash Road, Billericay	150 homes
H20	Land west of Tye Common Road, Billericay	160 homes
H21	Land south of London Road, Billericay	180 homes
H22	Land west of Mountnessing Road, Billericay	280 homes
H23	Land east of Frithwood Lane, Billericay	330 homes
H24	Land south of Windmill Heights, Great Burstead and South Green	70 homes
H25	Land west of Kennel Lane, Great Burstead and South Green	70 homes
H26	Land east of Greens Farm Lane, Billericay	280 homes
H27	Land east of Southend Road, Great Burstead and South Green	220 homes
H28	Housing growth in Ramsden Bellhouse	45 homes
H29	Housing growth in Crays Hill	45 homes

Appendix B – Basildon Borough Publication Local Plan Policies Map and list of allocations.



Land Allocation	Location	No. of Dwellings / Hectares of Employment Land Provision
E1	Intensification and regeneration of underutilised land within existing employment areas	22.5ha Employment Need
E3	Dunton, Basildon	9.8ha Employment Need
E5 & H5	Mixed use development site – Land West of Gardiners Lane South	790 homes / 5.5ha Employment Land
E6	Burnt Mills Extension	28.5ha Employment Need
H6	Land north of Dry Street	725 homes
H7a&b	Land North and South of London Road, Vange	650 homes
H8	West Basildon Urban Extension	300 homes
H9	Land west of Steeple View, Dunton Road, Laindon	245 homes
H10	Land east of Noak Bridge	400 homes
H11	East of Basildon	650 homes
H12	Land south of Wickford	1,100 homes
H13	Land north of Southend Road, Shotgate	280 homes
H14	Land south of Barn Hall, Wickford	540 homes
H15	Land north of London Road, Wickford	300 homes
H16	Land north of Potash Road, Billericay	255 homes
H17	South West Billericay	1,700 homes
H18	Land south of Windmill Heights, Great Burstead and South Green	200 homes
H19	Land east of Greens Farm Lane, Billericay	300 homes
H20	Land east of Southend Road, Great Burstead and South Green	190 homes
H21	Self-Build Allocations, Billericay	32 homes
H22	Housing growth in Crays Hill	69 homes
SD3	Housing growth in Ramsden Bellhouse	39 homes
SD3	Housing growth in Bowers Gifford & North Benfleet	1,350 homes