



Nathaniel Lichfield  
& Partners

Planning, Design, Economics.



# Colchester Employment Land Needs Assessment

Colchester Borough Council

Final Report

January 2015





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## Executive Summary

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This Employment Land Needs Assessment has been prepared by Nathaniel Lichfield & Partners on behalf of Colchester Borough Council.

It provides an evidence base to inform the preparation of a new Local Plan covering the period to 2032 by assessing economic development needs (specifically focusing on B-use class sectors) objectively in line with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). It will also inform a subsequent phase of work to evaluate specific employment allocations and determine where growth should be accommodated across the Borough.

The key findings of the study are as follows:

- Colchester has recorded reasonably strong levels of employment growth over the last 23 years with declining industrial employment being offset by growth in office jobs. Workforce job growth has historically lagged behind working-age population growth in Colchester, in contrast with the majority of local authorities within the sub-region. Key sectors include professional services, publishing & broadcasting, education and healthcare while major job losses have been recorded in the public administration, wholesale and transport sectors.
- The Borough's business base accommodates a slightly lower share of smaller firms and a higher share of larger firms compared with regional and national averages. It is also characterised by relatively low levels of business start-up and self-employment. The largest concentrations of businesses are located around Colchester town and the A12 corridor although the smaller District settlements and rural areas of the Borough also play an important role in accommodating firms and jobs.
- The Borough is characterised by an uneven set of labour market indicators including average economic activity, low claimant unemployment and generally low levels of deprivation. Colchester is a net exporter of labour with a self-containment rate that has reduced over the last ten years. Census data also points to a slight skills mismatch between in- and out-commuters, with out-commuters more likely to be employed within higher skilled occupations than those travelling into the Borough for work.
- Colchester's employment space is dominated by industrial (factory and warehousing) uses although commercial office stock is also relatively significant at around 208,000sq.m and has been increasing in scale in recent years. Office space is largely concentrated within Colchester town centre and the Northern Gateway business parks while industrial space tends to be more evenly distributed across the Borough.

- The Borough has recorded moderate amounts of new development over the last few years, mainly relating to industrial (B1c/B2/B8) uses and driven by a small number of large developments. At the same time, the Borough has been losing significant amounts of B class space, to the extent that net development rates have been negative in recent years.
- The supply of employment space in the Borough's development pipeline comprises just under 77ha in net terms of undeveloped employment allocations. This supply is distributed across the Borough but concentrated particularly strongly within the Strategic Employment Zones at North Colchester, Stanway and the Knowledge Gateway.
- The Borough's commercial property market is diverse and overwhelmingly centred upon Colchester town. Its geographical location and proximity to a number of larger, more established commercial centres means that its commercial property market is largely localised, heavily reliant on a relatively large base of SMEs. Accessibility to the A12 is an important aspect of the Borough's property market with established sites near to this route amongst the best performing employment areas in the Borough.
- At the same time, many rurally located employment sites throughout the Borough have poor access to the A12 and the longer term viability and deliverability of a number of these is questionable due to their peripheral location and more limited demand outside of key centres. Demand for rural employment space is reported to be steady, with premises generally taking the form of purpose built, stand-alone business parks, industrial estates and converted rural premises/barns.
- An assessment of the Borough's employment sites undertaken as part of this study indicates that Colchester contains a reasonable range of employment sites of differing quality and type. The majority of sites accommodate a combination of both office (B1a/b) and industrial (B1c/B2/B8) uses, although some specific, single use sites are also evident. Generally, the range of sites comprises good quality, well maintained stock with low vacancy levels. This demonstrates that this type of space meets requirements of the local market.
- Four different scenarios of future employment space requirements have been considered for the period up to 2032, based on a number of approaches which reflect economic growth, past development trends and potential housing supply factors. Two of these reflect an assumption of higher future economic growth in Colchester than the Borough has achieved in the recent past. The overall gross space requirements related to these different scenarios range from -60,075sq.m to 247,130sq.m of all types of employment space to 2032, implying in broad terms a need for between -21.0ha and 55.8ha of employment land. The majority of this spatial requirement relates to office (B1a/b) uses.

- When compared with available employment space identified by CBC and the site appraisal process undertaken by this study, Colchester would appear to have sufficient employment floorspace in quantitative terms to meet future needs up to 2032 under all scenarios of future growth. However, this positive balance is highly dependent upon three Strategic Employment Zones coming forward for development over the plan period, with the remaining available land elsewhere in the Borough much more limited by comparison.
- The pattern of demand and availability of employment land to meet future needs varies significantly across the Borough's sub areas and key settlements, with Colchester town and the Northern Gateway Growth Area attracting the greatest levels of occupier demand but also accommodating a significant amount of available employment land. The Strategic Employment Zones at Stanway and the Knowledge Gateway are characterised by a more limited level of demand which in both quantitative and qualitative terms would appear insufficient to necessitate retaining the full quantum of employment land identified as available.
- In response to this, the Council could consider rationalising the Borough's existing and future supply of industrial space by seeking to concentrate this space in the Borough's key locations and areas of strongest market demand. Beyond these, a selective approach could be taken to condensing the Borough's portfolio of industrial sites, drawing upon market feedback on which individual sites and locations perform an important role and those which have proved less attractive to the market despite prolonged periods of marketing. In the more peripheral areas of the Borough where demand levels are weaker, it may be necessary to adopt a flexible approach to bringing forward employment sites by allowing the development of other higher value non-B uses on part of allocated sites, in order to unlock the site's potential and fund associated infrastructure works.
- In light of the quantitative surplus of office land to meet future business needs over the plan period, there would appear to be limited scope for identifying/allocating new land for office development over the next few years in Colchester based on current levels of business demand and rental values/viability, particularly outside of key employment areas such as Colchester Business Park and town centre.
- From a more qualitative perspective, the requirement for office space in future will be for better quality, modern space and to cater for small and start-up businesses. The focus for Colchester should increasingly be on retaining existing office employers and allowing for their expansion, alongside continued efforts to attract new office-based firms into the Borough through targeted initiatives such as the Colchester Creative Business Centre. A key challenge for the Council will also be to manage the shift from older, outdated office space to providing new space which meets modern business needs, particularly within Colchester town centre where some of the stock tends to be dated.



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## 1.0 Introduction

1.1 Colchester Borough Council ('the Council') commissioned Nathaniel Lichfield & Partners ('NLP') to prepare an Employment Land Needs Assessment ('ELNA') for the Borough. It provides an important evidence base to inform the preparation of a new Local Plan covering the period to 2032 by assessing economic development needs objectively in line with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). It will also inform a subsequent phase of work to evaluate specific employment allocations and determine where growth should be accommodated across the Borough.

1.2 The study has involved three main stages:

- **Stage 1: Taking Stock of the Existing Situation:** analysis of the economic strengths and weaknesses of the local economy, functional economic area, and an assessment of the fitness for purpose of a portfolio of designated employment sites.
- **Stage 2: Assessing B-Use Future Requirements:** testing the implications of different population/household growth scenarios on future employment space requirements for the Borough, including latest economic forecasts and housing targets.
- **Stage 3: Identifying a Site Portfolio:** analysing the suitability and deliverability of sites available to meet future needs under each growth scenario, which sites should be retained for employment uses and which released for alternative uses, and any need for additional sites.

## Scope of Study

1.3 The purpose of the ELNA is to provide part of the evidence base for the Council's new Local Plan by providing the Council with an understanding of the current and potential requirements for employment land. This is based on considering a range of scenarios for how the Colchester economy could change in the future.

1.4 Following from this analysis, the land and floorspace implications are specifically considered for the group of B-class sectors outlined below:

- **B1 Business** (offices, research & development, light industry);
- **B2 General Industrial;** and
- **B8 Storage or Distribution** (wholesale warehouses, distribution centres).

1.5 Demand for B-class employment land and floorspace is considered in this report, and references to "employment space" are intended to mean both these elements. Industrial space in this report includes both manufacturing and distribution uses.

- 1.6 The study also considers future projections for growth in non B-class sectors to set out how the overall economy of the area could change in the future, although does not specifically assess the space implications of these other sectors because they are planned for using different methodologies and considered by other forms of technical evidence (e.g. retail assessment). A full breakdown of individual sectors can be found in Appendix 6.
- 1.7 It should be noted that there are a variety of factors and drivers to consider when objectively assessing business needs for a local area. This study utilises a combination of both quantitative and qualitative analysis to explore these issues within the context of Colchester Borough and synthesises these to draw overarching conclusions and implications. An important consideration for any work of this type is that it is inevitably a point-in-time assessment. This study has incorporated the latest data and other evidence available at the time of preparation. The accuracy and sources of data derived from third party sources has not been checked or verified by NLP.
- 1.8 As part of the study, consultation was undertaken with a range of stakeholders including commercial agents, economic development and business organisations. A list of consultees is included at Appendix 1. As part of the duty to cooperate, a stakeholder workshop was held in Colchester in September 2014 with Officers from Colchester Borough Council and adjoining authorities and comprised a presentation of interim findings and structured group discussion.

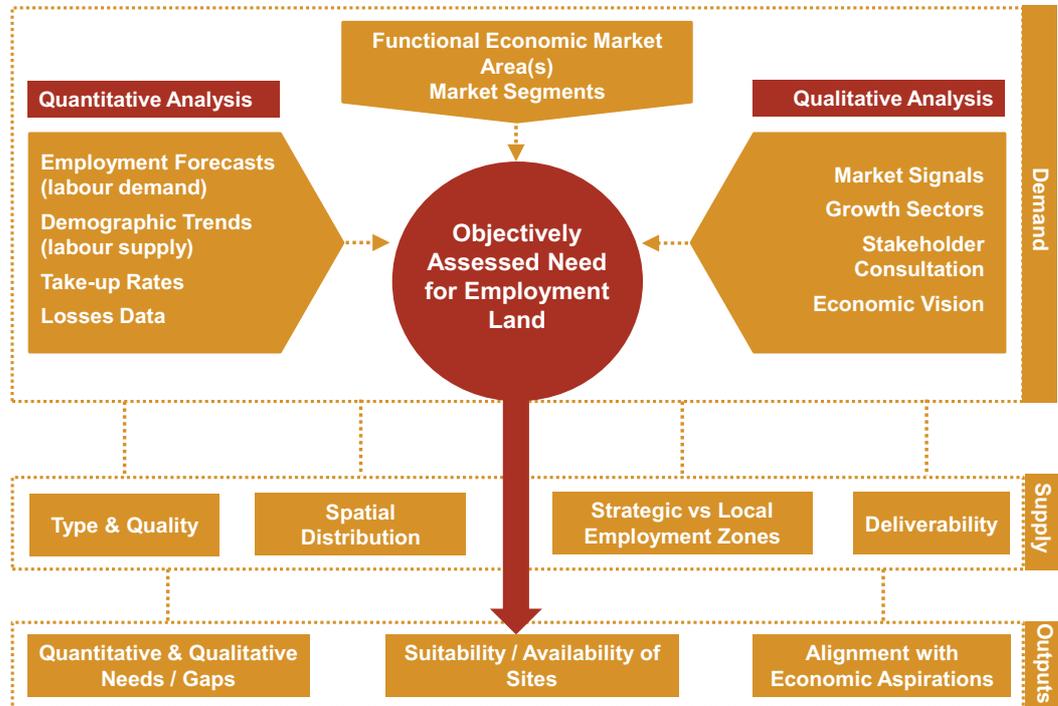
## Methodology

- 1.9 In March 2014, the Government released Planning Practice Guidance (PPG) to provide practical support for practitioners and inform the implementation of the National Planning Policy Framework (NPPF). With regards to assessing economic development needs, the Guidance states that local authorities should:
- a Consider their existing stock of land, identifying the demand for and supply of employment land and determine the likely business needs and future market requirements;
  - b Consider the locational and premises requirements of particular types of business;
  - c Consider projections and forecasts to help identify where sites have been developed for a specific economic use;
  - d Analyse supply and demand to identify whether there is a discrepancy between quantitative and qualitative supply and demand for employment sites; and
  - e Identify where gaps in local employment land provision exist by comparing the available stock of land with the requirements of the area.

1.10

The methodology that has been used to undertake the ELNA conforms to the requirements of the NPPF and PPG and can be summarised in Figure 1.1 below.

Figure 1.1 ELNA Methodology



Source: NLP

## Structure of the Report

1.11

The report is structured as follows:

- **Economic Context** (Section 2.0) – a review of current economic conditions and recent trends in the Borough and its economic strengths and weaknesses that may affect future needs for employment space;
- **Overview of Employment Space** (Section 3.0) – analysis of the current stock and trends of employment space in the Borough in terms of mix of uses, development rates, gains and losses, age of premises, and provision in adjoining local authority areas;
- **Commercial Property Market Signals and Intelligence** (Section 4.0) – a review of the local commercial property market, including the supply of and demand for different types of employment space within the Borough and the needs of different market segments;
- **Review of Current Employment Sites Portfolio** (Section 5.0) – assessment of the quality of current and potential employment land supply against defined criteria including its attractiveness to the market and its ability to meet future needs;
- **Future Requirements for B Class Employment Space** (Section 6.0) – estimates future employment space requirements for B Class sectors in quantitative terms, drawing on employment forecasts and other factors;

- **Demand/Supply Balance** (Section 7.0) – assesses the balance between current land supply and future needs, in both quantitative and qualitative terms, comparing forecast requirements with availability of existing sites;
- **Overall Conclusions and Policy Implications** (Section 8.0) – considers policy and other measures needed to support the existing site portfolio and maximise economic growth in Colchester.

1.12

References to 'Colchester' refer to the Borough overall rather than Colchester town unless otherwise stated.

## 2.0 Economic Context

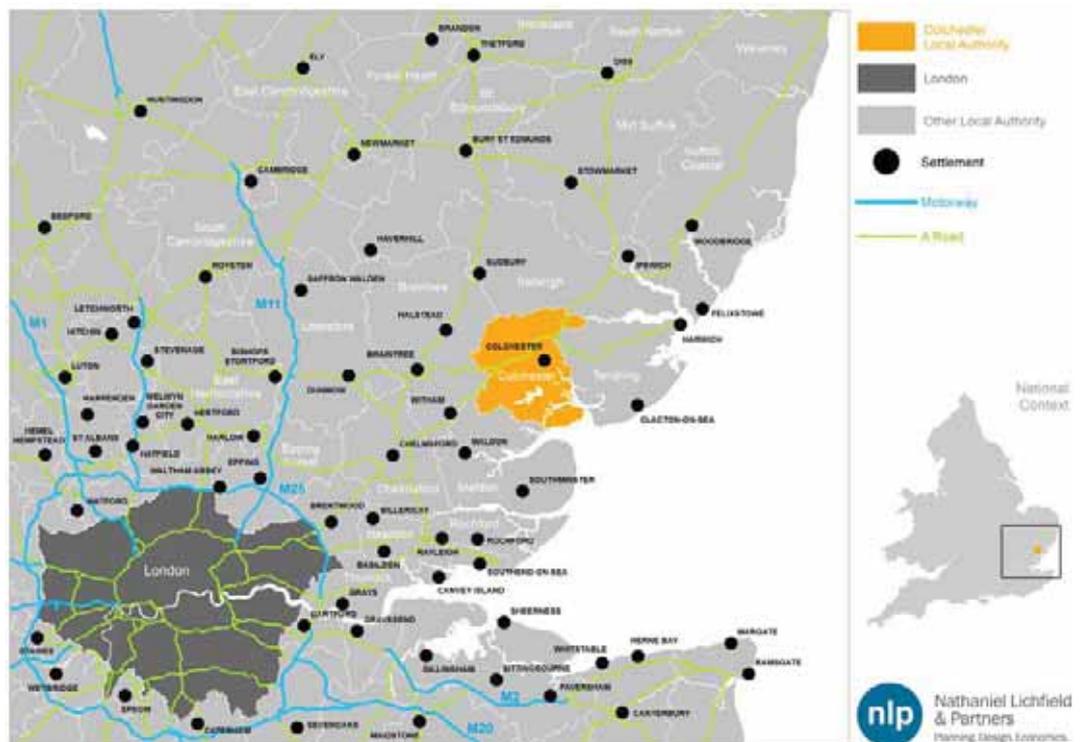
2.1 This section establishes the economic and labour market context for the study by summarising recent economic conditions and trends in Colchester relative to Essex, the East of England and the national economy. This is important for identifying the prevailing strengths and weaknesses of the local economy, and the factors likely to influence the future demand for employment space.

### Spatial Overview

2.2 The Borough of Colchester is located within northern Essex, situated between the Essex authorities of Maldon, Braintree and Tendring with the Suffolk authority of Babergh to the north. It lies in a key gateway location between the UK and mainland Europe, with access to Europe via the nearby Ports of Harwich and Felixstowe to the east and Stansted Airport to the west. According to the 2011 Census, the Borough's population stands at just over 173,000, making it the third largest Essex authority in population terms.

2.3 The main town of Colchester serves as a major regional centre with significant employment activity, cultural facilities, educational institutions, retail outlets and visitor attractions. The Borough's identity is also shaped by its extensive countryside areas and urban green spaces as well as its historic smaller settlements including Stanway, Tiptree, West Mersea, Wivenhoe, Dedham and Rowhedge.

Figure 2.1 Spatial Context of Colchester Borough



Source: NLP analysis

2.4 The Borough’s strategic road network includes the A12 London to Lowestoft trunk road, an important east-west route across the Borough. The Borough is also well-served by a number of inter-city rail services including the Great Eastern Main Line providing direct links to London in about 50 minutes.

## Economic Conditions and Trends

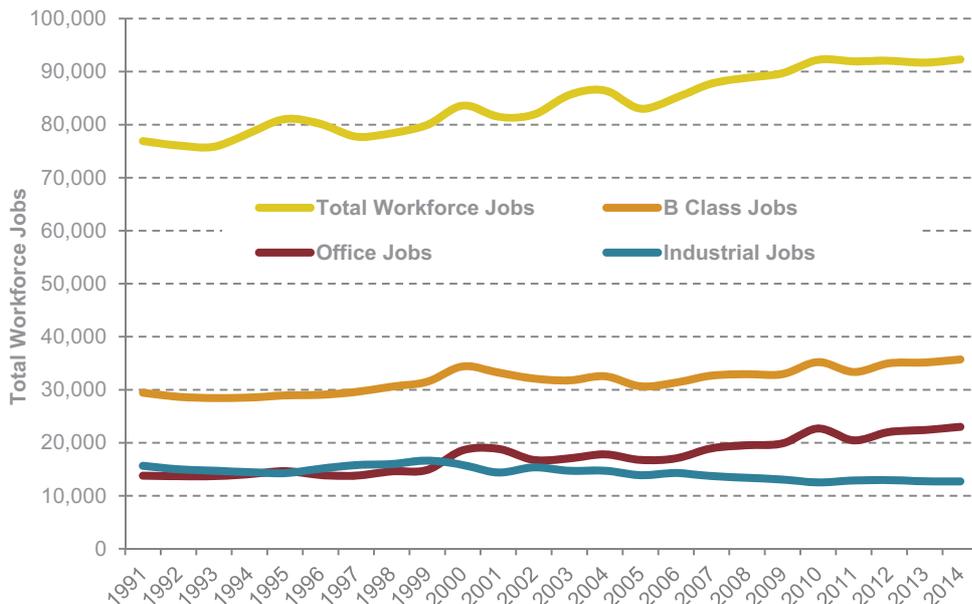
2.5 Current economic conditions and trends in Colchester are summarised below, with comparisons made, where appropriate, with regional and national averages. Data is from the East of England Forecasting Model (EEFM) 2013 and published Office for National Statistics (ONS) sources via Nomis unless indicated otherwise.

### Employment

2.6 Based on EEFM data, Colchester registered 92,300 workforce jobs in 2014 representing an increase of 20.0% over its 1991 level. This increase was higher than in the UK (14.6%) and similar to the East of England (19.6%), but was significantly lower than employment growth recorded across Essex as a whole (27.9%) over the same period.

2.7 Between 1991 and 2004, Colchester recorded a steady increase in workforce jobs that equated to around 735 new jobs per annum. Since 2005, growth in workforce jobs in Colchester has been much higher, with an average growth rate of 1,030 new jobs per annum. This employment growth corresponds with an increasing proportion of office jobs and declining number of industrial jobs supported within the local economy. Overall, the proportion of B class jobs in the Borough has remained relatively stable over recent years, representing between 36% and 41% of all jobs in Colchester (Figure 2.2).

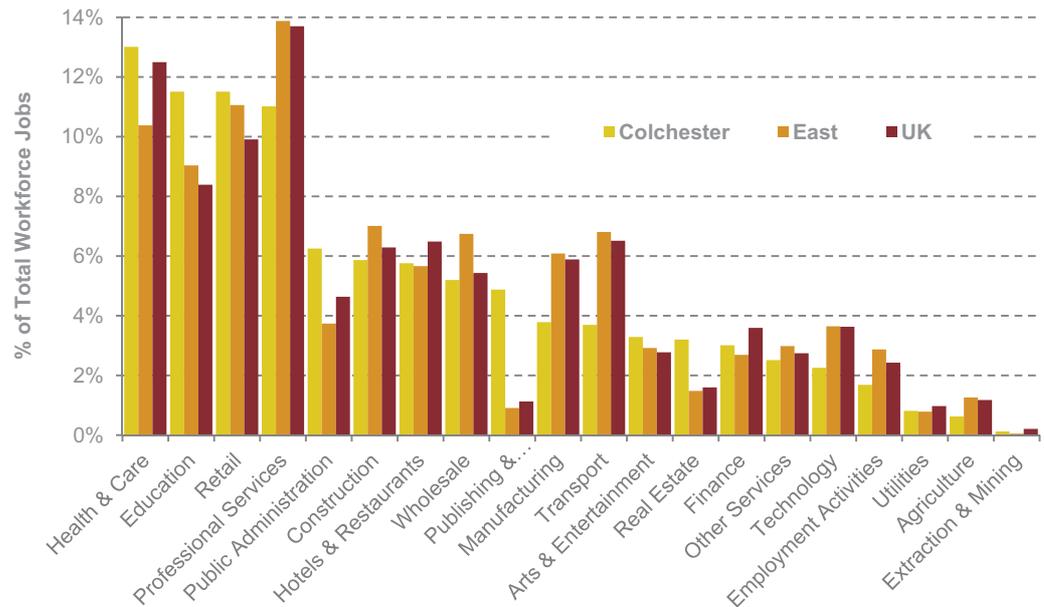
Figure 2.2 Changes in Total Workforce Jobs and B Class Jobs in Colchester, 1991 - 2014



Source: EEFM Spring 2013 / NLP analysis

- 2.8 In employment terms, the largest sector in Colchester in 2014 was healthcare (13.0%), while the education (11.5%), retail (11.5%) and professional services (11.0%) sectors also accounted for a high proportion of workforce jobs. The professional services, manufacturing and transport industries in Colchester are under-represented compared with regional and national proportions (Figure 2.3).

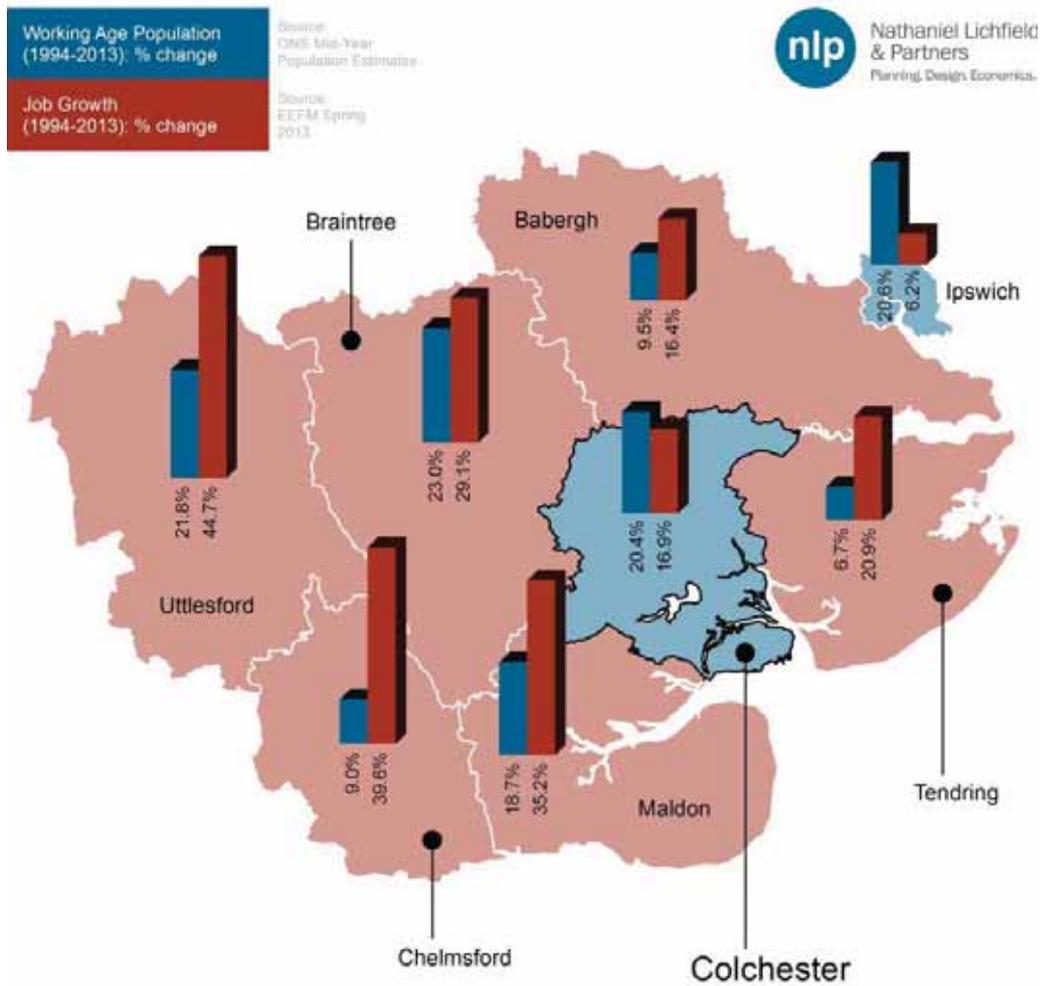
Figure 2.3 Workforce Jobs by Sector in Colchester, 2014



Source: EEFM Spring 2013 / NLP analysis

- 2.9 Between 1991 and 2014, employment growth within Colchester was primarily driven by professional services (representing an increase of 3,910 jobs), publishing & broadcasting (3,490 jobs), education (3,060 jobs), and health & care (3,030 jobs). At the same time, major job losses were recorded in the public administration, wholesale and transport sectors.
- 2.10 As shown in Figure 2.4, workforce job growth has historically lagged behind working-age population growth in Colchester, a trend which is in contrast with nearly all other local authorities within the sub-region. This is likely to be driven by significant levels of new residential development in the Borough (and in Colchester town specifically) in recent years, which has outpaced net employment growth.

Figure 2.4 Changes in Working-Age Population and Total Workforce Jobs, 1994 - 2013



Source: ONS Mid-Year Population Estimates 2012 / EEFM Spring 2013 / NLP analysis

2.11 These population and employment trends may in part explain the Borough’s continued role as a net exporter of labour, as working residents have been increasingly required to look outside of the local economy to gain suitable employment roles or have moved into the Borough but continued to work elsewhere. This is discussed in more detail in relation to the ‘functional economic market area’ below.

2.12 It should also be noted that a significant proportion of employee growth in Colchester in recent years has related to part-time working. For example, Colchester Borough Council analysis indicates that between 2001 and 2012, 98.4% of the increase in all employees in the Borough was accounted for by part-time jobs. This trend may also help to explain the growing imbalance between working age population and employment growth in Colchester.

### Productivity

2.13 Productivity (measured by Gross Value Added [GVA] per worker) within the labour force in Colchester currently stands at £37,810 per worker, which is lower than both the regional (£39,710) and national (£41,080) equivalent.

Labour productivity in Colchester does however out-perform some other authorities in the sub-region such as Chelmsford, Braintree and Tendring (Table 2.1).

Table 2.1 Average GVA per Worker for each Borough in the Sub-Region, 2014

Rank	Borough	GVA per Worker	Total GVA
1	Ipswich	£41,000	£3.00 billion
2	Maldon	£40,880	£1.00 billion
3	Uttlesford	£40,830	£1.81 billion
<b>4</b>	<b>Colchester</b>	<b>£37,810</b>	<b>£3.49 billion</b>
5	Braintree	£37,780	£2.31 billion
6	Chelmsford	£37,550	£3.79 billion
7	Babergh	£31,870	£1.20 billion
8	Tendring	£29,280	£1.33 billion

Source: EEFM Spring 2013 / NLP analysis

- 2.14 This could reflect the concentration of lower value retail, leisure and hospitality employment within Colchester and indicates scope to enhance the Borough's productivity levels and output in future, particularly if more of Colchester's highly skilled residents can be encouraged to work in the Borough.

## Business Demography and Enterprise

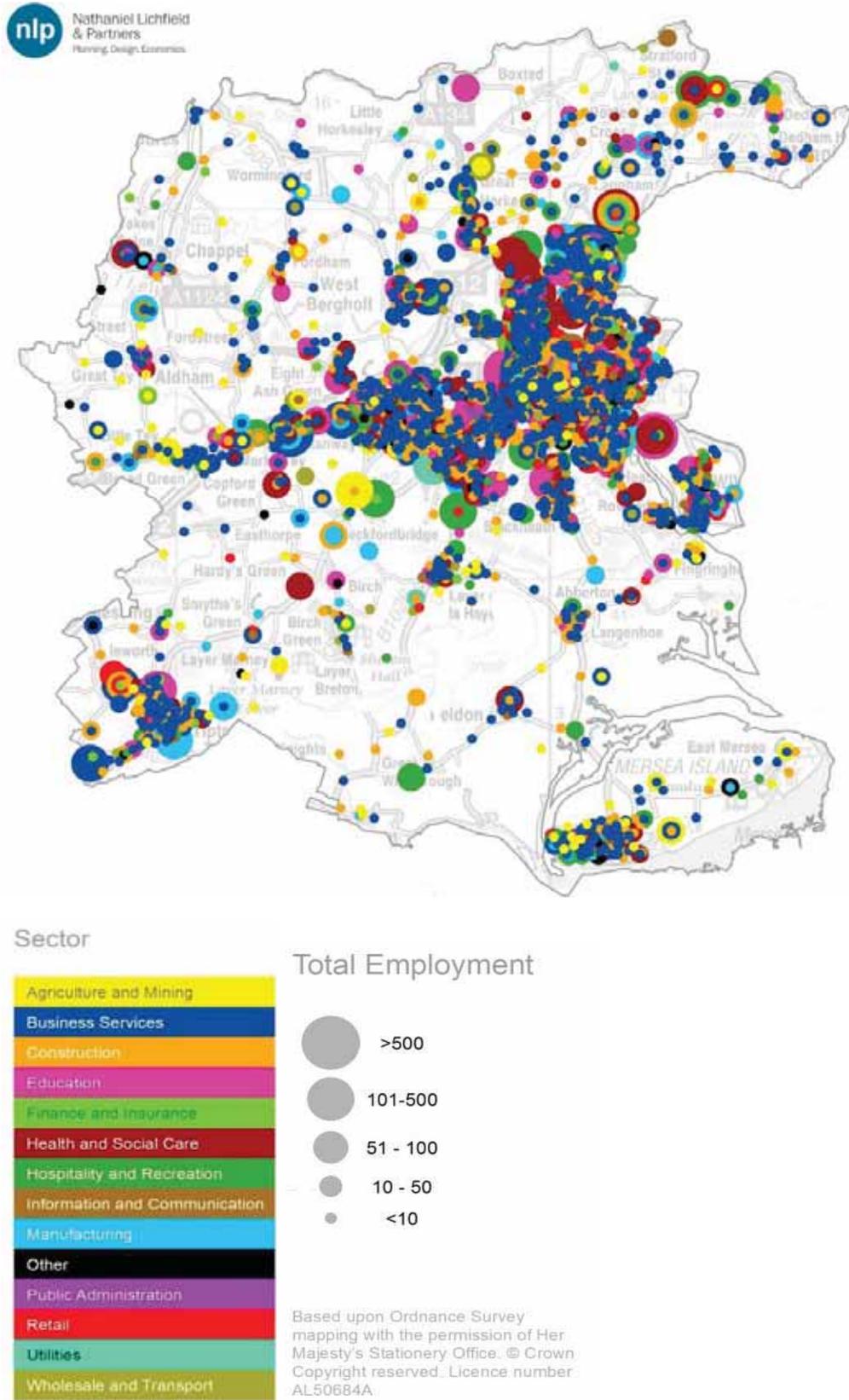
- 2.15 Colchester has a slightly lower proportion of small firms employing between 0 and 4 workers (75.3%) than in Essex (77.1%), the East (76.6%) and the UK (75.6%). It accommodates a slightly higher proportion of large firms employing at least 50 workers (2.2%) compared with Essex (1.6%), the East (1.9%) and the UK (2.0%)<sup>1</sup>.
- 2.16 The Borough supports relatively low levels of business start-up, with just under 78 new business registrations per 10,000 working age population compared with 88 across the East of England and 85 across the UK<sup>2</sup>. Self-employment in Colchester also falls below the regional and national average, with just 7.7% of the working-age population falling with this category compared with 11.0% in the region and 9.8% nationally in 2014<sup>3</sup>. These indicators point towards limited levels of entrepreneurship in the local economy compared to other parts of the country.
- 2.17 Drawing on Inter-Departmental Business Register (IDBR) data, the spatial distribution of key business clusters within Colchester can be identified and is presented in Figure 2.5. This underlines the presence of a diverse mix of business sectors within Colchester, with the largest business concentrations located around Colchester town and the A12 corridor.

<sup>1</sup> ONS, UK Business Statistics: Activity, Size and Location 2012

<sup>2</sup> ONS, Business Demography Statistics 2013

<sup>3</sup> ONS Annual Population Survey (Jul 2013-Jun 2014)

Figure 2.5 Spatial Distribution of Business Sectors and Employment in Colchester



Source: IDBR / NLP analysis

Note: IDBR data does not record smaller businesses that fall under the VAT threshold

- 2.18 The smaller settlements of Tiptree, Wivenhoe and West Mersea accommodate important clusters of firms including those operating within the agricultural, hospitality and business services. Rural areas of the Borough are also home to a wide range of business sectors including manufacturing, construction and business services, although the scale of employment tends to be lower outside of the key centres. Business Register and Employment Survey (BRES) data indicates that the majority (84%) of employment is concentrated within the urban areas of the Borough, with the rural area accounting for just 16%.
- 2.19 Tourism and the visitor economy have an important role to play in Colchester, drawing on the Borough's rich heritage and history as well as its role as a sub-regional cultural, leisure and retail destination. According to EEFM data, the hospitality and entertainment sectors account for just under 10% of the Borough's employment in 2014, having increased from 6% in 1991. The Borough has benefitted from a sustained programme of tourism development over the last 20 years which has seen the tourism sector grow in significance to the local economy through the local employment that it sustains and through visitor spending in the local economy.
- 2.20 The Council have sought to closely monitor the economic impact of this tourism development in recent years and acknowledge that there is scope for developing a destination which celebrates its heritage as well as offering a high quality contemporary range of experiences.

### **Knowledge-Based Industries**

- 2.21 Around 20.3% of businesses within the Borough were classified as knowledge-based in 2008, which was slightly lower than the regional (21.8%) and national (21.8%) averages. Knowledge-based industries are those sectors where value-added is derived from the accumulation of knowledge, often fostered through innovative activities and the increasing use of technology. Such sectors tend to have more growth potential and can signal an economy's competitiveness.
- 2.22 While Colchester is less well represented in knowledge-based activities compared with the region and nationally, it is better represented when compared with other areas in the sub-region (Table 2.2). This suggests that the local economy in Colchester is currently better placed to create higher levels of growth in the future than other local authority areas in the surrounding sub-region including Ipswich, Maldon and Braintree.

Table 2.2 Share of Knowledge-Based Businesses, 2008

Rank	Borough	Knowledge-Based Businesses (% of Total Businesses)
1	Uttlesford	25.2
2	Chelmsford	24.4
<b>3</b>	<b>Colchester</b>	<b>20.3</b>
4	Babergh	20.2
5	Ipswich	19.8
6	Maldon	19.7
7	Braintree	19.6
8	Tendring	12.6

Source: UK Competitiveness Index 2010 / NLP analysis

## Creative Industries

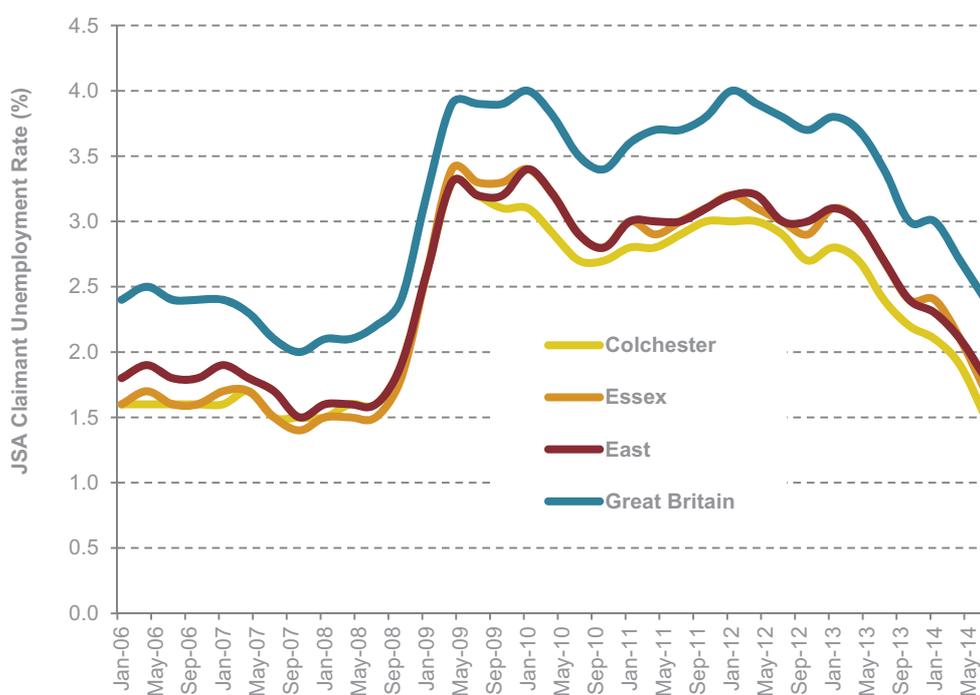
- 2.23 The Department for Culture, Media and Sport (DCMS) defines the creative sector as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”. The DCMS separates creative sectors from other industries by determining which occupations and industry codes contain a high proportion of their workforce in creative roles.<sup>4</sup>
- 2.24 Using the latest IDBR data, it is estimated that approximately 310 firms within Colchester are operating in creative sectors, equivalent to around 5% of the Borough’s total business base. According to the Business Register and Employment Survey (BRES), this activity is estimated to support just over 4,000 creative and media based jobs in the local economy, most commonly in publishing (37%), IT & computer services (18%) and advertising & marketing (15%). Other published research suggests that this figure is higher, including the Creative Colchester Strategy which noted that creative businesses in the Borough employ approximately 5,650 people or 8% of the Borough total.
- 2.25 The important role that the creative media sectors play within Colchester’s economy has been recognised through the development of a strategic framework (‘Creative Colchester’) for the development of the cultural and creative industries in the town which aims to ensure that Colchester’s creative assets are recognised and used as a key driver of job creation, economic growth and sustainable community development to raise the profile of the town overall. A key element of this strategy involves the development of a Creative Business Centre in the St Botolph’s Quarter to provide workspace, networking and showcasing facilities for the creative industries.

<sup>4</sup> Department for Culture, Media and Sport, Creative Industries Economic Estimates: Statistical Release, January 2014

## Labour Market

- 2.26 The economic activity rate (i.e. the share of working-age residents either in or seeking employment) in Colchester at 79.4% is higher than the national rate (77.4%), but slightly lower than the regional rate (80.3%). This suggests only a limited amount of capacity exists to grow labour supply from current residents.
- 2.27 Claimant unemployment levels rose significantly in Colchester between 2008 and 2009 (reflecting the onset of the recession), with unemployment levels peaking at 3.3% in April 2009. Since then, the proportion of JSA claimants in the Borough has consistently dropped (other than a temporary increase between October 2010 and April 2012), reaching a six year low of 1.5% in July 2014. This current claimant unemployment rate is lower than across Essex (1.7%) the East of England (1.8%) and Great Britain as a whole (2.4%).

Figure 2.6 Changes in JSA Claimant Rates in Colchester, 2006 - 2014



Source: NOMIS / NLP analysis

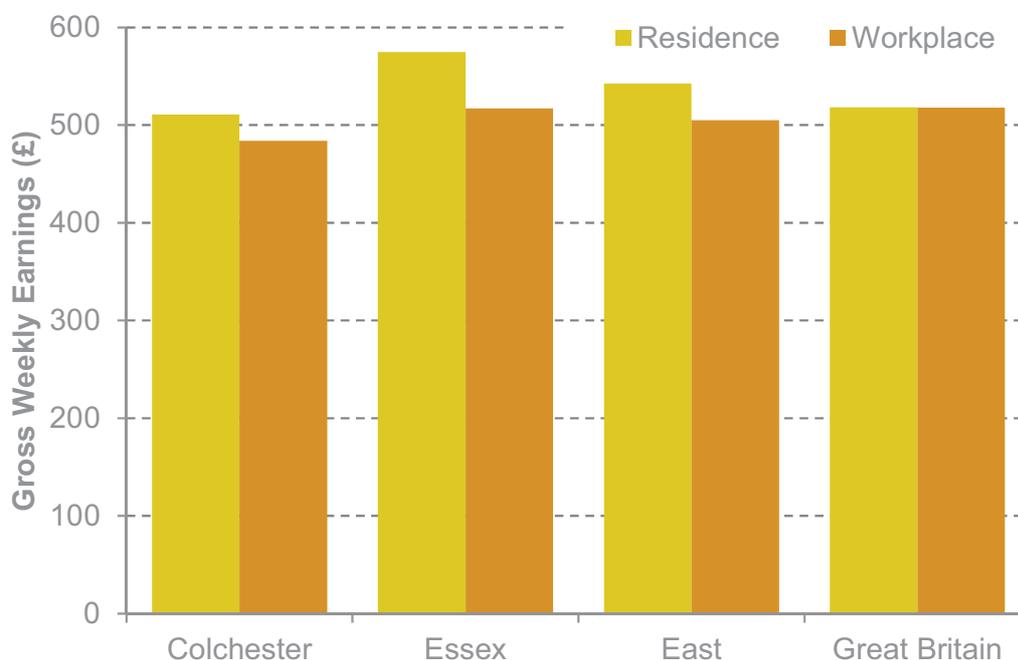
- 2.28 On the wider Annual Population Survey measure<sup>5</sup>, the Borough's unemployment rate is higher at 5.7%, slightly above the East of England average (5.4%) but below the national average of 6.8%.
- 2.29 The proportion of working age residents claiming Employment and Support Allowance (ESA) and incapacity benefits provides another indicator of labour market participation. In Colchester this is equivalent to 4.9%, which falls slightly above the regional average of 4.8% but below the national equivalent of 6.2%.

<sup>5</sup> This records all those searching for work but who are currently unemployed regardless of whether they are claiming jobseekers allowance or not

2.30 In November 2012 (the latest available data), there were 3.4 claimant unemployed workers for every unfilled job centre vacancy in the Borough. This was higher than the ratio for the East (2.8) and similar to the ratio for Great Britain (3.5), suggesting a certain amount of latent demand for jobs exists within the labour market.

2.31 This may in part explain the fact that resident wages in Colchester (at £511 per week) are lower than across Essex (£575), the East of England (£543) and Great Britain (£518) as a whole. Those who work in the Borough earn less than residents, with workplace wages (at £484 per week) around 5% lower than average resident wages (Figure 2.7). This indicates the types of jobs available locally are less well paid than elsewhere in the sub-region (and beyond) and that many residents are commuting to higher paid jobs outside of the Borough.

Figure 2.7 Mean Gross Weekly Earnings

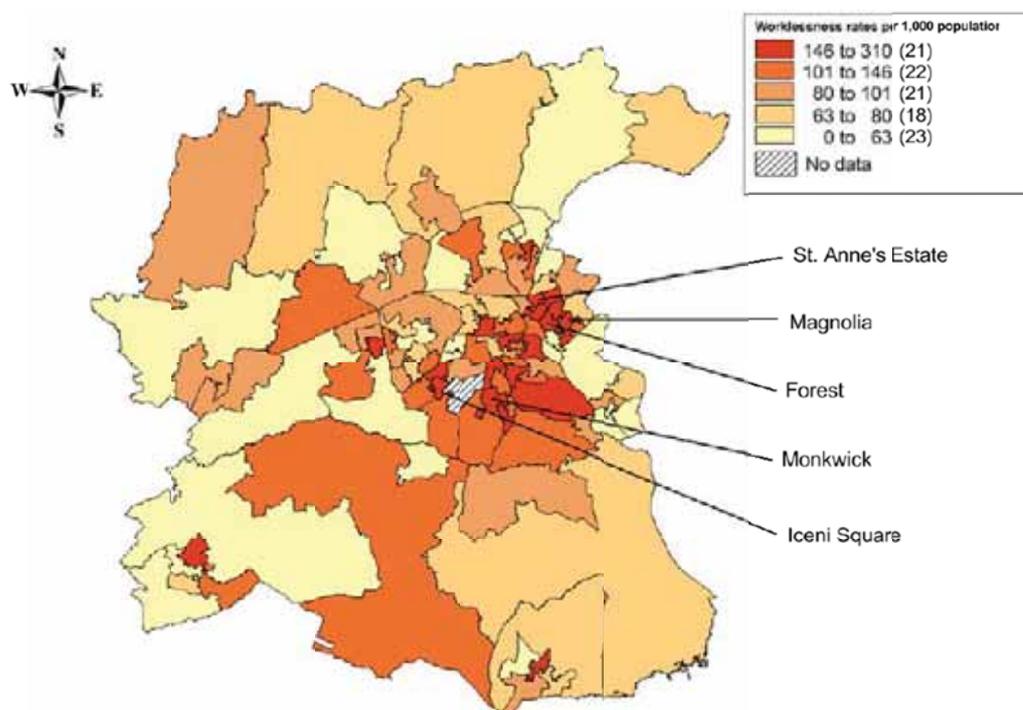


Source: Annual Survey of Hours and Earnings 2013

2.32 Colchester is characterised as having relatively low levels of deprivation, with a ranking of 206<sup>th</sup> out of 326 local authorities areas on the Indices of Multiple Deprivation (2010), placing the Borough in the 40% least deprived in England. However, this Borough-wide profile masks significant variation within Colchester, with long term unemployment and worklessness remaining entrenched in pockets of deprivation across the Borough, within such wards as St. Andrews and St. Anne.

2.33 Figure 2.8 below shows concentrations of worklessness across the Borough using Department for Work and Pensions (DWP) data on benefits claimed amongst working age residents. It identifies a number of Lower Super Output Areas (LSOAs) where worklessness is most pronounced, including Magnolia, St. Anne's Estate, Icen Square, Forest, and Monkwick.

Figure 2.8 Worklessness Claimants per 1,000 Working Age Population, May 2014



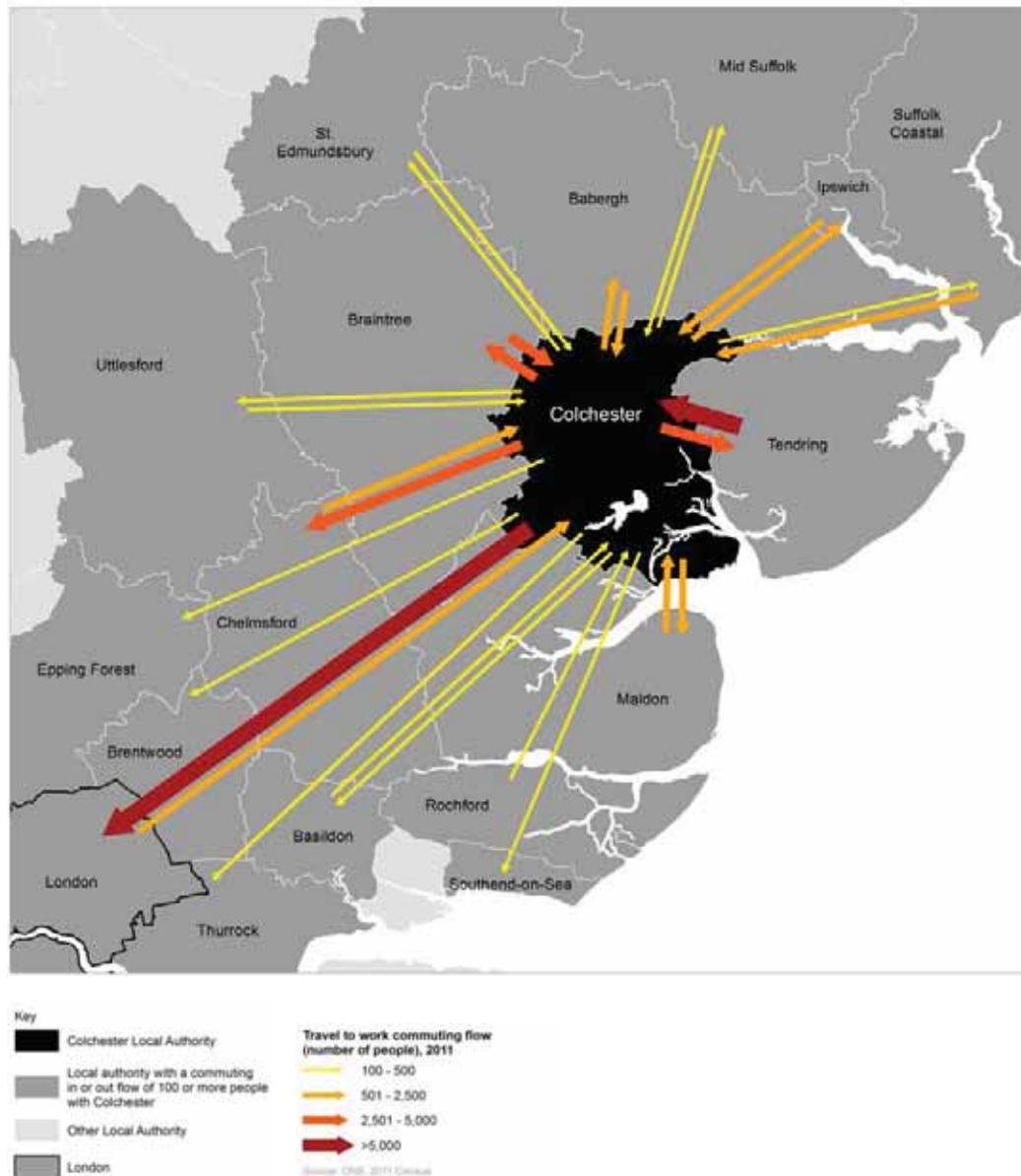
Source: Colchester Borough Council (Colchester Quarterly Economic Report Issue 19) September 2014

## Functional Economic Market Area

- 2.34 Examining commuting flows can help to define the functional economic market area of an economy.<sup>6</sup> These commuting flows can be assessed using the latest travel-to-work flow data from the 2011 Census.
- 2.35 In 2011, approximately 29% of Colchester's working residents travelled outside the Borough for employment. The Borough's self-containment rate (i.e. share of residents also working within the Borough) was equivalent to just under 63%, having declined from about 71% at the time of the previous Census in 2001. The worker outflow in 2011 equated to around 24,790, with the largest flows to Tendring (15%), Braintree (15%), Westminster (11%) and Chelmsford (10%).
- 2.36 At the same time, around 22,970 workers commuted into the Borough for work in 2011, primarily coming from the adjoining authorities of Tendring (38%), Braintree (16%), and Babergh (11%) (Figure 2.9).
- 2.37 It should be noted that a further 7,170 (8%) of Colchester's working residents were classified by the 2011 Census as having no fixed place of work. This group is likely to include sole traders and skilled trade workers who undertake their work at various sites on a job-by-job basis. It is anticipated that many of these residents will also largely work within the Borough, suggesting that Colchester's self-containment rate is likely to be higher than 63% in reality.

<sup>6</sup> CLG, Functional Economic Market Areas: An Economic Note, 2010

Figure 2.9 Travel-to-Work Flows for Colchester, 2011



Source: Census 2011 / NLP analysis

2.38 On this basis, Colchester is a net exporter of labour, with a net outflow of around 1,830 workers, equivalent to around 3% of all workplace jobs within the Borough.

2.39 The ONS defines labour market areas as those areas where the bulk of the resident population also work within the same area. Defining labour market areas requires an analysis of commuting patterns to identify Travel to Work Areas (TTWAs) for local economies. The current criteria for defining TTWAs is that generally at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area. The area must also have a working population of at least 3,500.

- 2.40 Applying this methodology to the 2011 Census, it is possible to define Colchester's TTWA as the three local authority areas of Colchester, Tendring and Braintree, which together comprise the workplace for 75.4% of Colchester's resident working population and the residence for 84.4% of the Borough's workers.
- 2.41 Between 2001 and 2011, the net outflow of workers from Colchester increased slightly as the number of out-commuting resident workers increased at a higher rate than the number of workers commuting into the Borough. This is reflected by a lower self-containment rate in 2011 (62.8%) than in 2001 (71.4%) (Table 2.3).

Table 2.3 Changes in Travel-to-Work Flows in Colchester, 2001 - 2011

	2001 Census	2011 Census	Change (2001 - 2011)
Out-Commuting Working Residents	21,420	24,790	+ 3,370
In-Commuting Workers	19,810	22,970	+ 3,160
<b>Net Out-Commuting Flow</b>	<b>1,610</b>	<b>1,830</b>	<b>+ 220</b>
<b>Self-Containment Rate</b>	<b>71.4%</b>	<b>62.8%</b>	<b>- 8.6%</b>

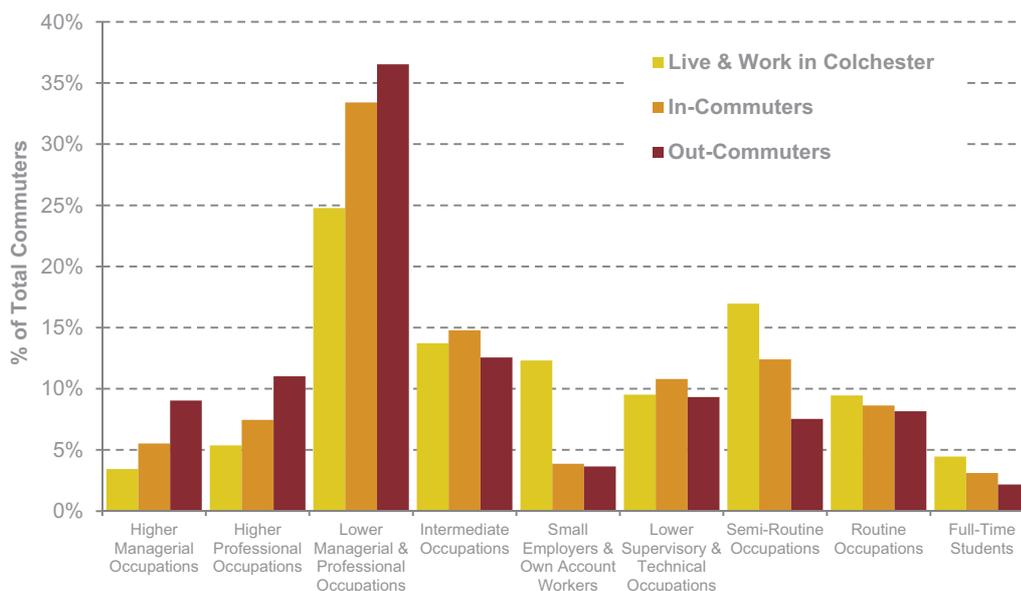
Source: Census 2001 & 2011 / NLP analysis

Note: Differences in the way that the two sets of Census data (2001 and 2011) record 'no fixed place of work' means that the two data sets are not directly comparable

- 2.42 Growth in the number of working residents travelling outside the local economy to find suitable employment could reflect the lower scale of job growth achieved within Colchester in recent years compared with the growth in the working-age population (as presented in Figure 2.4), as well as the part-time, lower value nature of much of the employment growth recorded in the Borough in recent years.
- 2.43 Analysis of commuting flows for Colchester in 2001<sup>7</sup> also points to a slight mismatch in terms of the skills levels associated with in and out commuters to and from Colchester, with out-commuters more likely to be employed within higher skilled occupations (such as managerial and professional occupations) than in-commuters (Figure 2.9). Conversely, in-commuters tend to be employed within lower skilled jobs such as intermediate, lower supervisory and technical occupations. Residents that both live and work in Colchester are most likely to be employed as sole traders (Figure 2.10).

<sup>7</sup> Occupation group data for commuting flows has not yet been released for the 2011 Census

Figure 2.10 Travel-to-Work Flows for Colchester by Occupation Type, 2001



Source: Census 2001 / NLP analysis

## Conclusions

- 2.44 Colchester has recorded reasonably strong levels of employment growth over the last 23 years (20%), outperforming regional and national rates but falling behind the rate of growth recorded across Essex as a whole. The proportion of B class jobs has remained largely the same during this period, with declining industrial employment being offset by growth in office jobs. Workforce job growth has historically lagged behind working-age population growth in Colchester, in contrast with the majority of local authorities within the sub-region.
- 2.45 Key sectors in Colchester that have experienced strong employment growth over the last 23 years include professional services, publishing & broadcasting, education and healthcare. At the same time, major job losses were recorded in the public administration, wholesale and transport sectors.
- 2.46 The business base in Colchester accommodates a slightly lower share of smaller firms and a higher share of larger firms compared with regional and national averages. It is also characterised by relatively low levels of business start-up and self-employment. The largest concentrations of businesses are located around Colchester town and the A12 corridor although the smaller District settlements and rural areas of the Borough also play an important role in accommodating firms and jobs.
- 2.47 The Borough is characterised by an uneven set of labour market indicators including average economic activity, low claimant unemployment and generally low levels of deprivation. Workplace wages lag behind resident wages, indicating that the types of jobs available locally are less well paid than

elsewhere in the sub-region, with many residents commuting to higher paid jobs elsewhere.

2.48

Colchester is a net exporter of labour, with a net outflow in the order of 1,830 according to the 2011 Census. Over the last ten years, the Borough's self-containment rate has reduced by more than 8%, largely as a result of increasing levels of out-commuting from the Borough to adjoining areas. Census data also points to a slight skills mismatch between in- and out-commuters, with out-commuters more likely to be employed within higher skilled occupations than those travelling into the Borough for work.

### 3.0 Overview of B-Use Employment Space

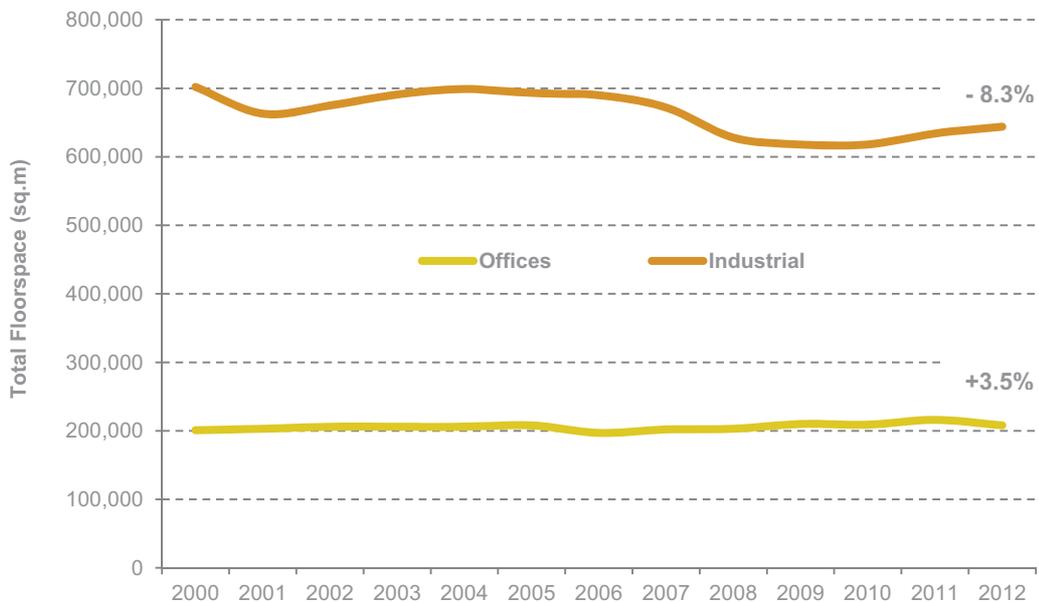
3.1 This section provides an overview of the current stock of B-Use employment space in Colchester, while also summarising recent trends and changes to the supply of this employment space. The amount of employment land and quantity of built employment floorspace has been considered across the three main types of employment uses (i.e. offices [B1a/b], manufacturing [B1c/B2], and warehouse and distribution [B8]). This analysis uses data from the following sources:

- Commercial floorspace data from the ONS and various datasets from the Valuation Office Agency (VOA);
- Monitoring data on commercial space from Essex County Council; and
- EGi Property Link database and other commercial property sources.

### Current Stock of Employment Space

3.2 In 2012, Colchester contained around 852,000sq.m of B class floorspace. The total stock of commercial office floorspace in the Borough increased by 3.5% between 2000 and 2012, falling behind the higher rate of growth (14.8%) achieved across the East of England as a whole. Industrial floorspace fell more significantly over this period by around 8.3%, which contrasts with the regional growth rate of 4.0% over the same 12 year period (Figure 3.1).

Figure 3.1 Change in Commercial Floorspace in Colchester, 2000 - 2012

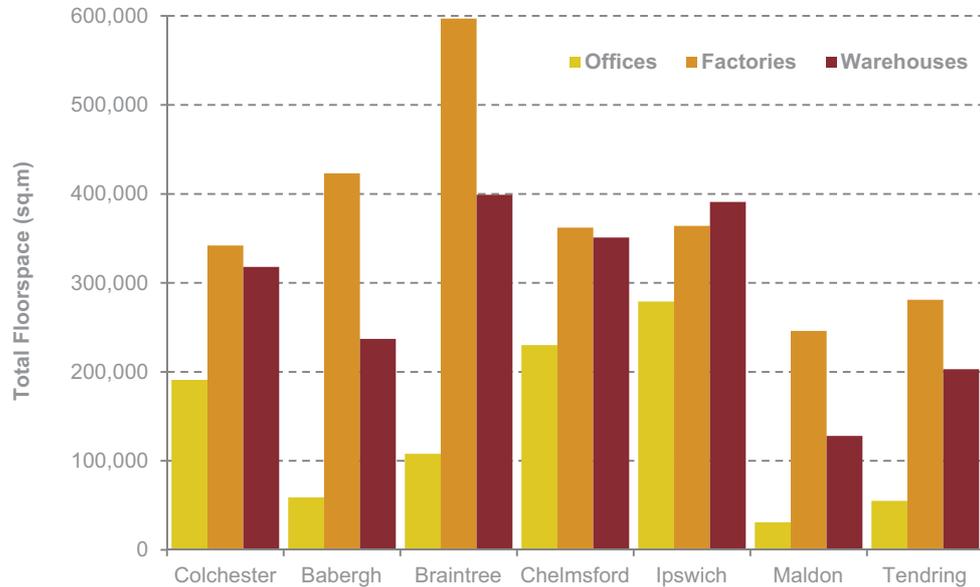


Source: VOA Business Floorspace / NLP analysis

3.3

A breakdown of the total employment floorspace by uses in 2008 is illustrated in Figure 3.2, including a comparison with employment space recorded in other local authority areas surrounding Colchester Borough.

Figure 3.2 Components of Employment Floorspace by Local Authority, 2008



Source: VOA 2008<sup>8</sup> / NLP analysis

3.4

This analysis indicates that the supply of employment space within Colchester is dominated by industrial (factory and warehousing) space which accounts for 40% and 37% of total stock respectively. Commercial office space accounts for just 23% of total stock in the Borough and falls below the amount of stock recorded in the Boroughs of Ipswich and Chelmsford, each representing county towns that support more established office markets. The amount of factory and warehousing stock within Colchester in 2008 was also lower than in many of the Boroughs in the surrounding sub-region, including Braintree, Chelmsford and Ipswich. In overall terms, Colchester contained the fourth largest stock of employment floorspace in the sub-region in 2008, behind Braintree, Ipswich and Chelmsford.

### Spatial Distribution

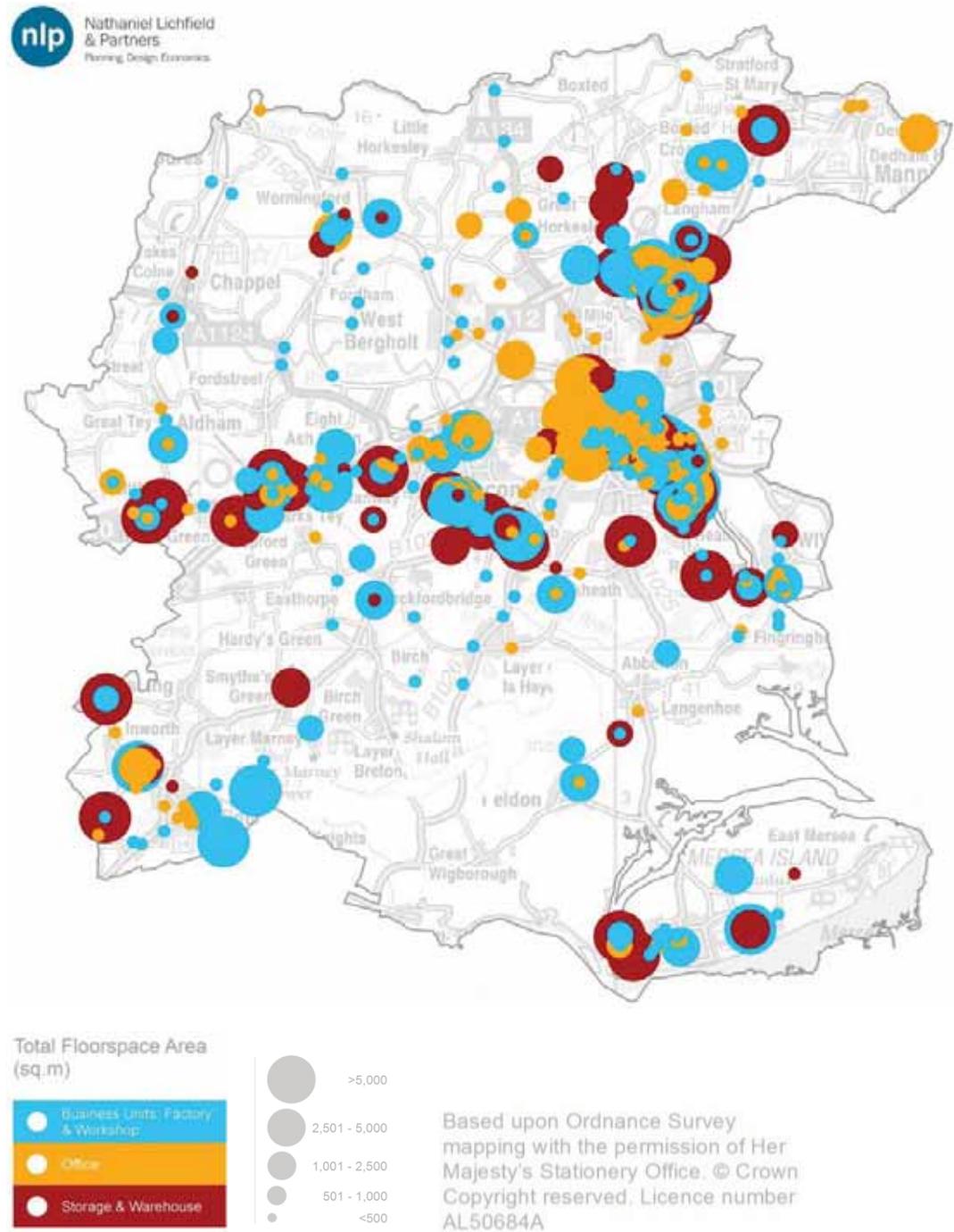
3.5

Figure 3.3 and Table 3.1 show the spatial distribution of B class employment space across Colchester using latest available VOA data. This indicates that just over 20% of commercial office floorspace in Colchester is concentrated in the main employment areas of Colchester Business Park (14.2%) and Severalls Industrial Park (7.2%), which are both located in the northern gateway to Colchester town alongside the junction to the A12 and A120. A somewhat smaller concentration of office space is also found at Whitehall Industrial Estate (2.5%). Outside these employment areas, the remaining 76%

<sup>8</sup> VOA business floorspace analysis presented in this section draws upon a number of different VOA datasets – although these have been published at different time periods (2008, 2010 and 2012), they have been used because they each provide information in a slightly different, albeit complementary, format

of office space is distributed across the Borough, with the VOA mapping indicating a large focus also exists in Colchester town centre.

Figure 3.3 Spatial Distribution of Employment Floorspace in Colchester, 2010



Source: VOA 2010 / NLP analysis

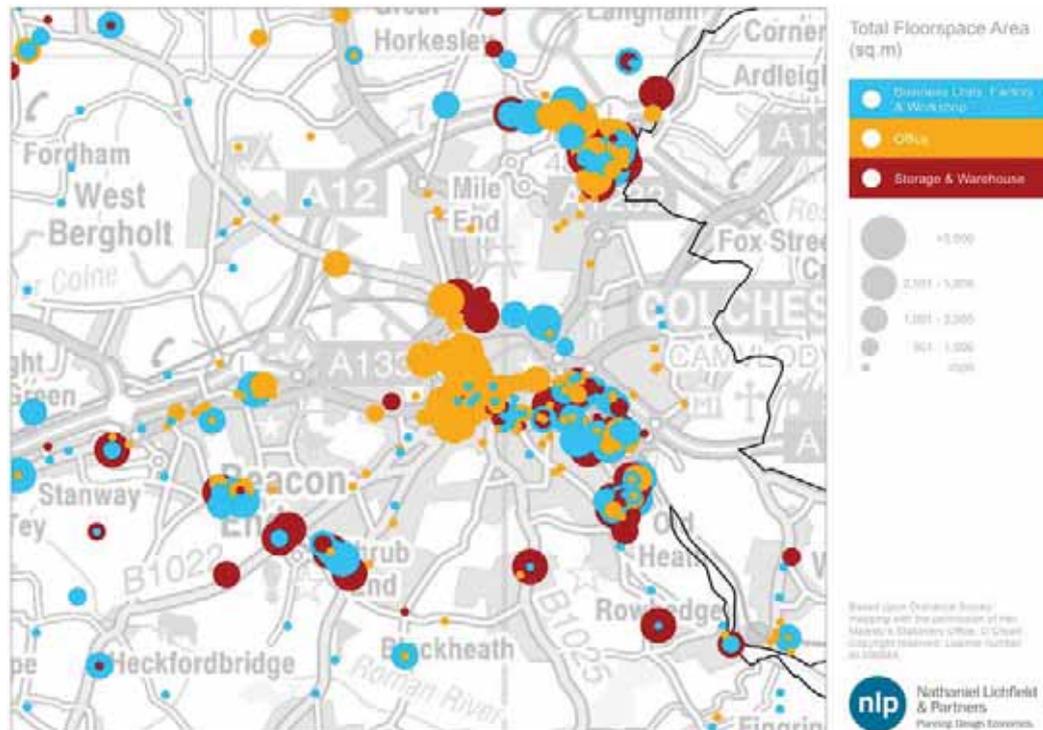
Table 3.1 Location of Employment Floorspace in Colchester, 2010

Employment Area	% of Office Space	% of Industrial Space	% of Total Space
Severalls Industrial Park	7.2%	15.4%	13.6%
Whitehall Industrial Estate	2.5%	14.2%	11.6%
Colchester Business Park	14.2%	1.4%	4.2%
Depot, Old Ipswich Road, Dedham	0.3%	4.6%	3.6%
Gosbecks Road	0.1%	4.3%	3.4%
Cuckoo Farm / Colchester Northern Gateway	0.0%	4.0%	3.1%
Other Employment Sites	75.7%	56.2%	60.5%

Source: VOA 2010 / NLP analysis

- 3.6 In contrast to the office market, the distribution of industrial floorspace within the Borough is more concentrated in the main employment areas, with 44% of total industrial space accommodated in these areas. The largest concentration can be found at Severalls Industrial Park (15.4%), while Whitehall Industrial Estate (14.2%) located on the southern edge of Colchester town also represents a large focus of industrial activity, particularly amongst lower value uses seeking more affordable premises. The VOA mapping also highlights some large concentrations of industrial stock in West Mersea, Tiptree and along the A12 corridor.
- 3.7 A more detailed distribution map of employment floorspace in Colchester town is presented in Figure 3.4, which underlines the significant presence of both office and industrial space within the town and its periphery. The stock of office space in this area is primarily located in and around retail and leisure spaces in the town centre (in both stand alone, purpose built office premises and above retail units) while some office space is also found in the northern gateway area, at Colchester Business Park. Industrial space in this area is more distributed around the periphery of Colchester town, with the largest concentrations found in the northern gateway and the south-eastern corridor around New Hythe and the Whitehall Industrial Estate.

Figure 3.4 Spatial Distribution of Employment Floorspace in Colchester Town, 2010



Source: VOA 2010 / NLP analysis

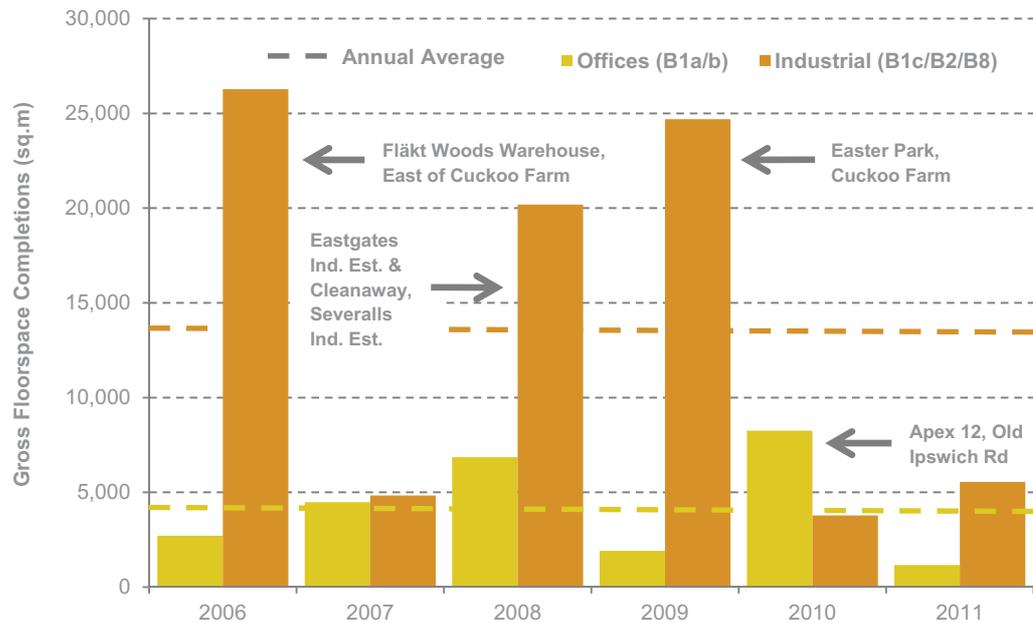
## Development Rates

### Gross Completions

- 3.8 The gross amount of floorspace developed for employment uses in Colchester during the period 2006 to 2011 is shown in Figure 3.5. This shows that around 110,690sq.m<sup>9</sup> of gross B class space was developed within the Borough over the six year period, equivalent to an average of 18,450sq.m per annum. Most of this new employment floorspace within the Borough was developed for industrial uses (77%).
- 3.9 As shown in Figure 3.5, the level of new development within the Borough was relatively uneven during this period, with the reporting years of 2006, 2008 and 2009 standing out as recording significant levels of gross B class development. Between them, these three years made up more than 75% of the total space developed during this period.

<sup>9</sup> Excludes the development of just under 60,000sq.m (net) of B class space at Colchester Garrison in 2010 which related to specific Ministry of Defence activities and is therefore not available for open market commercial uses.

Figure 3.5 Gross Development Rates in Colchester, 2006 - 2011



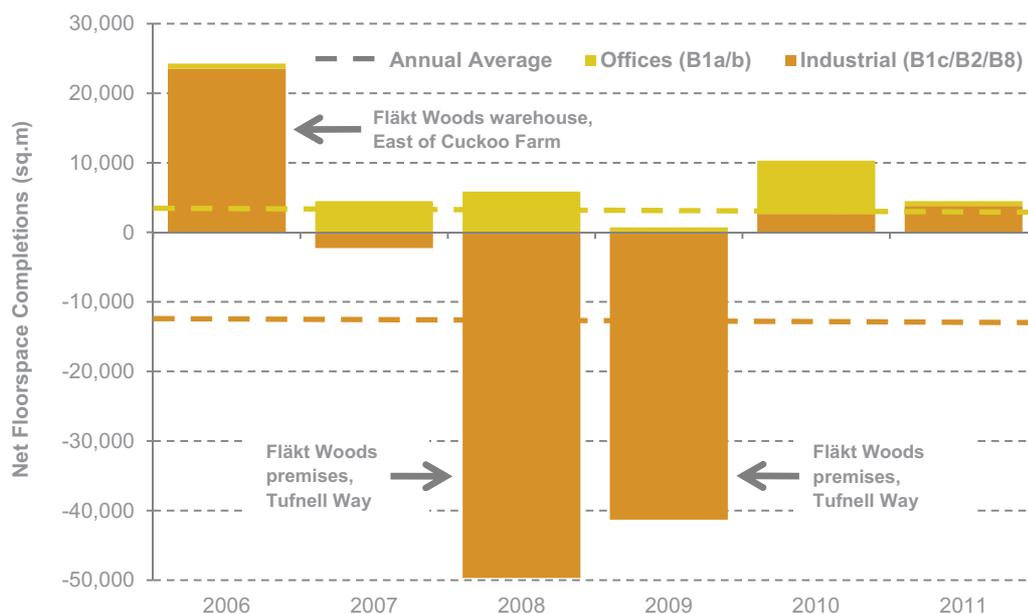
Source: Essex County Council / NLP analysis

- 3.10 A significant proportion (70%) of gross completions in 2006 related to the development of a new industrial facility by Fläkt Woods to the east of Cuckoo Farm in the Northern Gateway, replacing their former premises on Tufnell Way.
- 3.11 Completions in 2008 were driven by a number of individual schemes including Eastgates Industrial Estate, Mill Race Garden Centre and Cleanaway (Severalls Industrial Estate). The Easter Park scheme comprising 32 new light industrial/warehouse units at Cuckoo Farm accounted for the majority of gross B class completions in 2009.
- 3.12 By comparison, gross completions of office space were significantly more limited, at around 4,230sq.m per annum on average. 2010 stands out as the monitoring year recording the highest amount of new office development, largely accounted for by the development of Apex 12, a small scale business park at White House Farm, Old Ipswich Road.

## Net Completions

- 3.13 Across the period as a whole the net development rate (i.e. taking account of losses of employment space) was negative, reflecting significant losses of employment space which outpaced the level of gross development recorded. Between 2006 and 2011, the Borough recorded net development in the order of -43,145sq.m, or an average of -7,190sq.m per annum (Figure 3.6). This means that across all B use classes, the loss of employment space exceeded gains by around 7,190sq.m each year, resulting in a reduction of B class space in Colchester over the last nine years (as also shown in Figure 3.1).

Figure 3.6 Net Development Rates in Colchester, 2006 - 2011



Source: Essex County Council / NLP analysis

- 3.14 A review of the County Council's monitoring data indicates that the majority of these losses related to industrial (B1c/B2/B8) space, equivalent to 24,770sq.m per annum on average or 97% of the total. Whilst these losses were recorded across the Borough and mainly comprised of a large number of smaller developments, a significant proportion of these losses were driven by the redevelopment of the Fläkt Woods manufacturing premises at Tufnell Way for residential uses. This represents a 'one off' redevelopment following the decision by the firm to consolidate and build a new facility to the north of the town rather than the ongoing gradual erosion of B class space in Colchester. Beyond the Fläkt Woods premises, losses of industrial and office space were relatively moderate across the six year monitoring period.

### Impact of Permitted Development Rights

- 3.15 In early 2013, the Government announced the proposed introduction of Permitted Development (PD) Rights to allow for change of use from B1(a) offices to residential, whereby premises can undergo change of use without the need to obtain planning permission, at least for an initial three-year period. The effect of the new permitted development rights could be to increase the rate of losses of office space potentially above past trends.
- 3.16 Initial analysis of Council monitoring data indicates that 20 prior approval applications<sup>10</sup> have been submitted for change of use from office to residential in the Borough under the new PD rights since May 2013. Two of these applications were refused prior approval and one was withdrawn.

<sup>10</sup> As at September 2014

- 3.17 It is not a requirement under the regulations to monitor the scale of office floorspace lost through this Permitted Development, although it is possible to use historic VOA data to estimate the amount of floorspace that could be lost in the Borough if all of these applications were to be implemented in full. This is equivalent to just under 7,000sq.m of office floorspace in total (or 3% of the Borough's existing recorded stock) or just under 500sq.m per application
- 3.18 More than half of the prior approvals relate to office premises in and around Colchester town centre, with the remainder distributed across the Hythe Quay/Whitehill Industrial area, as well as the smaller settlements of Great Tey, Marks Tey and Fingringhoe.

## Emerging Supply of Employment Space

- 3.19 The supply of employment space in the development pipeline comes from undeveloped employment allocations including sites that have been allocated as both Strategic and Local Employment Zones in accordance with Core Strategy Policies CE1 and CE3. This has been identified based on information provided by CBC and from NLP's assessment of the Borough's employment sites portfolio (presented in Section 5.0) and amounts to just under 77ha in net terms, broken down as follows in Table 3.2.

Table 3.2 Available Employment Space in Colchester

Location		Available Employment Land (ha)		
		Office (B1a/b)	Industrial (B1c/B2/B8)	Total
Strategic Employment Zones	North Colchester	7.9	14.6	22.5
	Stanway	13.3	13.5	26.8
	Knowledge Gateway	11.4	0	11.4
Colchester Town Centre	Town Centre Core	0.1	0.1	0.2
	Edge of Centre	3.5	7.1	10.6
Rural District Centres (Tiptree, West Mersea, Wivenhoe)		0.0	0.0	0.0
Other Rural Areas		1.4	4.0	5.4
<b>Total</b>		<b>37.6</b>	<b>39.3</b>	<b>76.9</b>

Source: Colchester Borough Council / NLP analysis

Note: Split between office (B1a/b) and industrial (B1c/B2/B8) uses has been estimated based upon Core Strategy policy CE1 and existing uses present at the time of site assessments

- 3.20 The majority (79%) of this supply relates to the Borough's Strategic Employment Zones, in particular Stanway and North Colchester which are anticipated to accommodate a range of industrial and office uses. Beyond this, the supply of employment land is relatively limited and concentrated around the edge of Colchester town (including Whitehall Industrial Estate) and smaller sites dispersed across the more rural areas of the Borough such as Marks Tey and Boxted Cross.
- 3.21 The available supply is split relatively evenly between office (B1a/b) and industrial (B1c/B2/B8) uses. It should be noted that although the Council monitors planning permissions granted for employment (B class) uses, it is not

possible to identify whether these permissions have been implemented either in full or in part. Whilst any such permissions relating to sites over and above those listed in Table 3.2 could potentially contribute towards future employment space supply, they have therefore not been included within the assessment of supply.

## Changing Requirements for Employment Space

- 3.22 Given that this study assesses Colchester's business needs over the longer term plan period, it is relevant to consider some of the key drivers and macro trends that are likely to influence the type, scale and locational requirements for employment space in the Borough over this period. Because it is impossible to know precisely what impact they will have, it will be important to closely monitor their implications within the context of the Borough's evolving portfolio of land and sites for business.
- 3.23 These trends as set out below, mainly relate to office occupier requirements; aside from the use of increasingly advanced technologies and resulting efficiencies, the nature of industrial activity in future is not expected to have a significant impact upon spatial requirements for workspace. These trends should also be considered within the context of increasing flexibility in the way in which workspace is used, whereby business activity and operations do not always align neatly with any one particular use class.

## Space-Less Growth

- 3.24 At the national level, long-term trends show the growth in the number of office workers outpacing office floorspace, particularly over the past decade. As a result, the density ratio of sq.m per employee has declined, partly due to technology with devices such as computers having reduced in size making it possible for workspaces to become smaller and more compact. Use of office floorspace has become increasingly efficient, sometimes configured to allow dedicated, complimentary space for leisure, amenities and collaborative workspace.

## Urban Tendency/Centralising Trend

- 3.25 Office location preferences are changing. There is growing demand for more central locations that have good public transport links and access to a range of amenities such as leisure and retail. Many businesses are attracted to these locations as they offer access to a large pool of potential labour. They are seen as vibrant and attractive places to work by prospective employees.
- 3.26 The structure of employment growth has been primarily within the financial and business service sectors and technology and digital media/creative firms. City centre locations are particularly favoured by these sectors, as they benefit from agglomeration economies and clustering effects of shared inputs such as labour and knowledge as well as the exchange of ideas and innovation. At the

same time, out-of-town business parks that are only accessible by cars are no longer the preferred option for many businesses and workers.

## Technology

- 3.27 Increasingly sophisticated technology is changing the way in which firms and employees interact with each other and reduces the need for a fixed workplace. For instance, mobile and wireless technology allows information to be accessed almost anywhere from a single platform while video conferencing negates the requirement for face-to-face interaction in many situations. The traditional 'desk' can be situated almost anywhere, whether inside a building, in a café, on the move, or in a public open space. Furthermore, cloud computing enables IT services to be piped into an office building though the internet, reducing the space required by a building's IT infrastructure, moving it into specialist data centres.

## Rise of the Self-Employed

- 3.28 Self-employment is at its highest level for 40 years according to data from the ONS, at 4.6 million people or 15% of the total UK workforce. Since 2008 there has been a significant growth in self-employment, with two thirds of all employment growth relating to this group.
- 3.29 While the most common jobs for the self-employed are in construction, taxi driving and carpentry, over the past five years there has also been significant growth in self-employment among industries such as management consultancy, information technology and chartered accountants – professions that typically have some requirement for office space. The implication is that these self-employed workers will either work from home (see below) or seek more formal, small scale workspaces for example with access to shared facilities and opportunities to collaborate with like-minded entrepreneurs.

## Homeworking

- 3.30 An improvement to broadband connectivity combined with more tolerance of working remotely by employers has led to a rise in the levels of home working in the UK. According to the ONS the number of homeworkers in the UK amounted to 4.2 million in the first three months of 2014, equivalent to 13.9% of the total workforce. Businesses are increasingly adapting their practices to account for the varying lifestyle of modern workers, many of whom often need to balance flexible working hours with family commitments and busy social schedules.
- 3.31 The changing attitudes towards homeworking have had an impact on space requirements across some sectors. For some companies increased levels of remote working can lead to a reduction in the proportion of permanent or formal desk space required and the introduction of hot desking/hoteling systems in the office.

## Conclusions

- 3.32 Colchester's employment space is dominated by industrial (factory and warehousing) uses which account for 77% of total stock. The Borough's commercial office stock is also relatively significant at around 208,000sq.m and has been increasing in scale (albeit at a slow pace) in recent years.
- 3.33 Office space is largely concentrated within Colchester town centre and the northern gateway business parks. Industrial space tends to be more evenly distributed across the Borough, but with strong concentrations at Severalls Industrial Park and Whitehall Industrial Estate. VOA data also highlights some key concentrations of industrial stock in West Mersea, Tiptree and along the Borough's A12 corridor.
- 3.34 The Borough has seen moderate amounts of new development over the last few years, mainly relating to industrial (B1c/B2/B8) uses and driven by a small number of large developments. At the same time, the Borough has been losing significant amounts of B class space, to the extent that net development rates have been negative in recent years. Again, this has been driven by a handful of large redevelopments (such as the Fläkt Woods premises at Tufnell Way) which have acted to skew the general trend of development.
- 3.35 The recent introduction of Permitted Development right for change of use from office to residential has started to have an impact in Colchester, with Council monitoring data indicating that 20 Prior Approval Notices have so far been submitted, mainly in and around the town centre.
- 3.36 The supply of employment space in the Borough's development pipeline comprises just under 77ha in net terms of undeveloped employment allocations. This supply is distributed across the Borough but concentrated particularly strongly within the Borough's Strategic Employment Zones at North Colchester, Stanway and the Knowledge Gateway.
- 3.37 A number of key drivers and macro trends are likely to influence the type, scale and locational of requirements for employment space in the Borough over the plan period, including self-employment and homeworking, increasing use of technology and a growing demand for central urban locations amongst many growth sectors. It is therefore important that Colchester monitors and responds to these changing preferences, to ensure that business needs can be met within the Borough.

## 4.0 **Commercial Property Market Signals and Intelligence**

4.1 This section provides an overview of the commercial property market in Colchester, including recent trends in demand and supply. The findings are mainly based on discussions with a number of commercial property agents currently active in the Borough (see Appendix 1) and where appropriate this has been supplemented with information derived from a number of sources including commercial property availability databases and published reports.

### **UK Property Market Overview**

4.2 The UK economic recovery, which began in 2013, has now become firmly entrenched, and sentiment in commercial property appears to be the most positive it has been for many years. Improvements in market conditions have been supported by the greater availability of real estate debt and equity finance, occupier demand is steadily increasing, and generally rents and capital values are broadly stable.

4.3 While central London offices are still the outperforming market segment, some investors and developers are also looking further afield in an attempt to access stock and achieve good returns. However, much of this activity is focusing on the best performing locations in the South East or major provincial cities. In more economically marginal locations, and those without a significant existing commercial property market, there is still uncertainty and lenders and developers are likely to remain cautious.

### **Market Geography**

4.4 The Borough's commercial property market is diverse and overwhelmingly centred on Colchester town, which is situated at the A12/A120 intersection and therefore has good links with the strategic road network.

4.5 The Borough's commercial property market is largely localised, heavily reliant on a relatively large base of SMEs and characterised by very few sizable occupiers and market transactions. This can partly be explained by Colchester's geographical location and proximity to larger, more established centres including Chelmsford which benefits from greater proximity to both the Capital and the M25, and has a larger, stronger commercial property market.

4.6 In property market terms, Colchester has always faced competition from Ipswich – which has good access to the A12/A14 and is the main market town for the area – as well as the Haven Ports, which are relatively nearby and to varying degrees, a number of other centres such as Witham, which has a large amount of industrial/distribution accommodation on the Eastgates and Freebornes Estates.

- 4.7 Accessibility to the A12 is an important aspect of the Borough's property market. Established sites that are near to this road and offer high quality accommodation – for example Colchester Business Park and Apex 12 (Crown Interchange) – are amongst the best performing employment areas in the Borough. Both Axial Way (Cuckoo Farm) and Stane Park are viewed as having excellent prospects for employment uses because of their proximity to the A12 (and the recently completed junction 28 with regards to the Northern Gateway). The significance of the A12 has also provided a catalyst for employment development in nearby Tendring and a number of recently completed schemes in the adjoining district are now competing for occupiers in the area, albeit such schemes appear to be relatively small in scale.
- 4.8 Colchester has experienced significant population and housing growth in recent years, placing increased pressure on infrastructure and services, resulting in high levels of congestion along key routes in the Borough. Market feedback suggests that peak hour traffic levels in and around the town and on the A12 has had, and continues to have, an adverse effect on its commercial property market. For example, traffic and congestion to the south east of the town (alongside poorer accessibility to the strategic road network) is reported to have dampened market interest in the proposed University Research Park which relies upon Colchester's strategic access to UK and international markets as a key competitive advantage in marketing the Knowledge Gateway scheme.
- 4.9 Across Essex as a whole, the office market has been badly affected by the recession and while demand throughout the county has showed some recent signs of improvement, it remains characterised by high levels of supply. For example, Chelmsford's office vacancy rate was reported to be 11% earlier this year. The county's industrial market has weathered the recession better, especially in prime industrial locations such as Thurrock, Braintree and Basildon where the lack of good quality, well located supply is constraining activity.<sup>11</sup>
- 4.10 Some of the Borough's employment stock is dated and/or poorly specified. To an extent this may satisfy certain local requirements for affordable business space, although such accommodation is considered to have very limited market appeal.

## Market Segments

### Offices

- 4.11 The majority of the Borough's office stock lies within or on the edge of Colchester town, and while the town has good train links with London and has in the past attracted significant head office occupiers such as Lloyds of London Press and Royal London Insurance, it has never been perceived as a major office location and instead its office market largely depends on SME activity.

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<sup>11</sup> As reported in "Building Trends", Bidwells, Summer 2014

Consequently, the mainstay of the market comprises small requirements of 465sq.m or less, as existing occupiers either expand or consolidate their operations.

- 4.12 Echoing the situation across wider Essex, Colchester is still contending with a supply overhang of office space due to the economic downturn. An analysis of information derived from EG Property Link shows that office availability in the Borough currently amounts to 29,740sq.m, equivalent to a vacancy rate of around 15%. However, availability levels vary by employment area, for example only 3% of office stock at Colchester Business Park is presently vacant, whereas the vacancy rate for Colchester's town centre is much higher than this - now standing at 16.5%<sup>12</sup>.
- 4.13 These two areas are significant components of the local office market and the low vacancy rate for Colchester Business Park reflects market interest in a high calibre scheme that caters for an established business community, has good access to the A12 and an adequate provision of car parking. The town centre accounts for about a third of the Borough's overall provision of office stock<sup>13</sup> and offers an attractive historic environment and range of services and facilities which continues to provide a draw for some office occupiers. However much of its office stock comprises dated, poorly specified office buildings that tend to have little or no car parking provision. This has prompted some office occupiers to relocate out of the town centre to edge of town locations such as Stanway. In this respect, local commercial agents generally viewed the recent introduction of PD rights to allow redundant office buildings in this area to be converted to residential uses as having a positive effect in Colchester.
- 4.14 The development of new office accommodation in Colchester has also been affected by the economic downturn. Plans to provide a new business park on the Stane Park site amounting to c. 36,560sq.m have been abandoned, and only a relatively small amount of office stock has been developed in the Borough over the past few years. The recent completion of nine small office/R&D units totalling c. 1,300sq.m at Parkside Village, the initial phase of the University Research Park, was reliant on funding from the South East Local Enterprise Partnership. Beyond this, since 2008 only two schemes have been developed – the speculative development of the initial phase of Apex 12 (Crown Interchange), which amounts to c. c.1,860sq.m and 3,250sq.m at Tollgate Business Park, albeit the original consent for the latter allowed B1, B2 and B8 uses.
- 4.15 Data provided by the Council on office transactions (derived from EGi's Deals database<sup>14</sup>) shows that 13,230sq.m of office space was let or sold during 2013, which is considerably higher than what occurred annually between 2007 and 2011, as is illustrated in Figure 4.1 below. Office take-up in 2013 was

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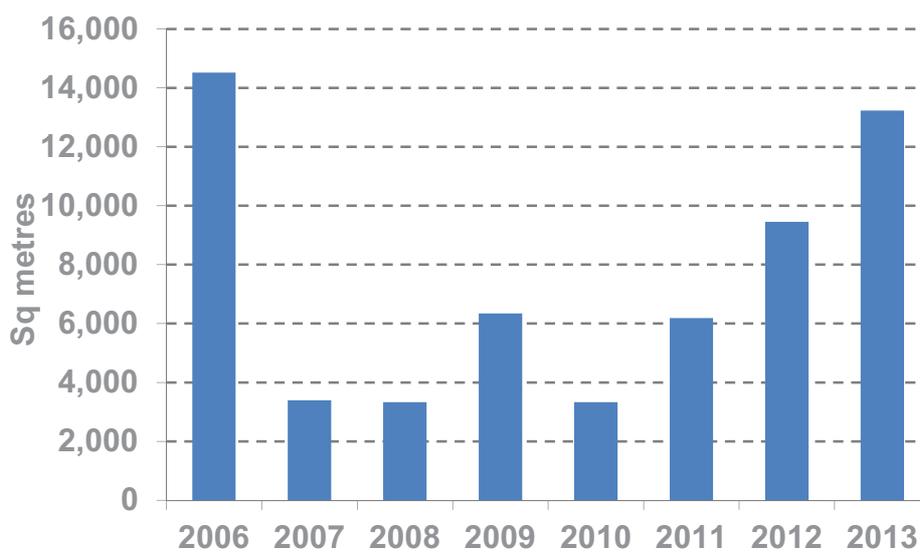
<sup>12</sup> For the purpose of calculating this figure NLP have defined the town centre as an area bounded by the river in north and roughly extending to Queen Street in the east, Southway (the A134) in the south, and to Balkerne Hill in the west.

<sup>13</sup> As per NLP's analysis of VOA stock data – this identified that there was 203,466 sq.m of office space in the Borough of which 71,039sq.m is assumed to be in the town centre

<sup>14</sup> While a degree of caution needs to be exercised in using data derived from this source as it only relates to transactions which agents have effectively reported to EGi, it can provide a useful indication of letting activity

noticeably inflated by several sizeable transactions (varying in size between 1,049sq.m and 2,392sq.m) and such deals are infrequent in Colchester. Nevertheless, it is relevant to highlight that last year 'Provide', who deliver a broad range of health and social care services in various parts of the South East and East Anglia, acquired 1,670sq.m at Colchester Business Park, as a new head office. As a result of this 150 jobs have been relocated from Maldon to its new Colchester office, which opened in May 2014.

Figure 4.1 Office Take-up in the Borough between 2006 and 2013



Source: EGi Deals Database (Colchester Borough Council), May 2014

- 4.16 Asking rents for office accommodation vary throughout the Borough and currently range from around £5/sqft for old/poorly specified space in the town centre to about £16/sqft for good quality space at Colchester Business Park, Tollgate Business Park and Apex 12. Market feedback indicates that the Stanway area currently lacks critical mass as an office location and subsequently there has been little market appetite to pay £16/sqft for office space at Tollgate Business Park.
- 4.17 While there is some evidence to suggest that demand in selected locations in Essex (such as Chelmsford and Basildon) may have improved in recent months, generally market conditions remain subdued and consequently there has been little change in the headline office rent for accommodation in Colchester or any of its competing centres since 2008, if not slightly before. However, it is possible that the scale of incentives, such as rent free periods, are now considerably less than they were between 2008 and 2010.
- 4.18 Research by Bidwells indicates that currently the headline rent for grade A office space in Chelmsford is c £26/sqft, compared with £14.50/sqft in Ipswich – which is less than what is presently being sought for good accommodation at Colchester Business Park, Tollgate Business Park and Apex 12. The table

below illustrates the headline office rent in Colchester and at a number of key office markets in the wider Essex area.

Table 4.1 Office Rents in Colchester and Comparator locations

	£/sq.ft
Colchester	£10.00 - £16.00
Chelmsford	£14.00 - £26.00
Ipswich	£8.00 - £14.50
Basildon	£12.00 - £17.50

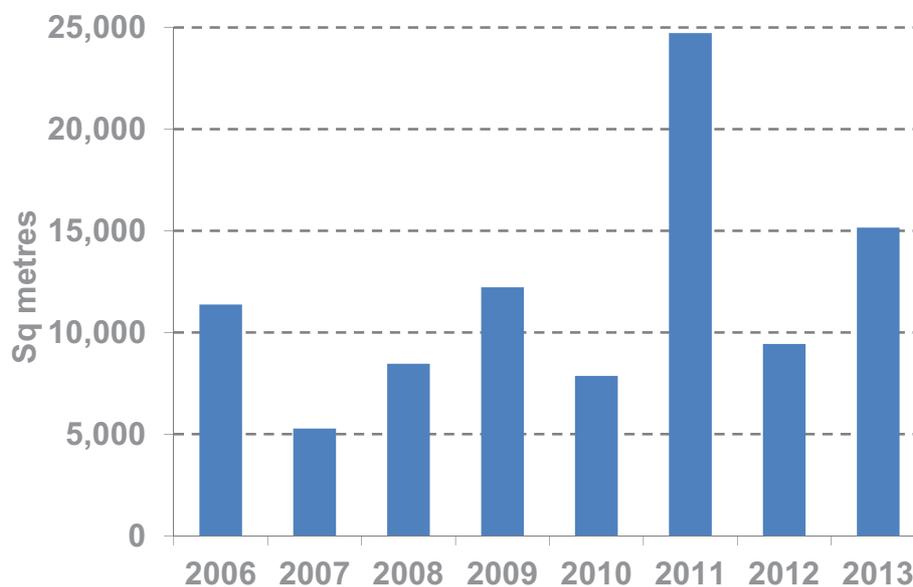
Source: Business Space Data Book, Bidwells, Autumn 2014 / EGi Property Link

## Industrial

- 4.19 Colchester has a strong industrial heritage in engineering and manufacturing and the Borough has a considerable amount of industrial stock, which continues to accommodate an important source of local employment. Outside of Colchester town, industrial provision is dispersed throughout the rural areas of the Borough and there are also a number of small industrial estates in settlements such as Tiptree and West Mersea.
- 4.20 A number of manufacturing firms are located in the Borough such as the furniture maker Alexander Cleghorn in Tiptree, Fläkt Woods who occupy a 16,520sq.m plant on Axial Way and MAN PrimeServ at the Former Paxmans Site on Port Lane; and Hamblion Transport is one of several Colchester based firms specialising in distribution. In addition, a number of trade counters operate in the Borough including Rapid Electronics, based on Severalls Lane, which forms parts of Colchester Business Park. However, the vast majority of industrial firms in the Borough are local SMEs operating from light industrial units and workshops, or that are involved in storage and distribution activity.
- 4.21 Market feedback suggests that the supply of and demand for industrial accommodation in the Borough is relatively well matched, and that a steady flow of requirements has kept industrial rents stable in recent years. There has never been much in the way of demand for industrial space from national or regional firms and instead the market is very reliant on local business churn. Demand tends to be focused upon the Borough's key commercial centre of Colchester town, and can be limited in more peripheral areas.
- 4.22 The majority of demand is for small to medium sized industrial premises of between 100sq.m and 1,000sq.m. In overall terms, local commercial property market agents noted that there is currently insufficient demand to warrant speculative development and this is unlikely to change over the short to medium term.
- 4.23 Notwithstanding this, there are a small number of occupier requirements that are proving difficult to satisfy, either because of the lack of modern, high quality premises which are available on the market in Colchester at the moment, or because a business has a very specific need such as a plot of up to 2ha to accommodate self-build new premises located near to the A12.

- 4.24 Based on an analysis of information derived from EG Property Link, industrial availability in the Borough currently amounts to 58,570sq.m, implying that the industrial vacancy rate for the area is about 8%, which is slightly above the rate for Essex as a whole<sup>16</sup>.
- 4.25 Nonetheless, as is the case for office space, industrial availability levels vary by employment area and the Whitehall Industrial Estate has the highest industrial vacancy rate in the Borough – now standing at 13%. Market feedback suggests that the age and specification of some of the estate's stock was a particular issue, alongside its poor access to the A12 and odours from the nearby sewage works. A number of other employment sites in the Colchester area also have poor access to the A12 and feature dated/poorly specified stock, including Gosbecks Road and the former Paxmans Site, Port Lane.
- 4.26 An analysis of industrial take-up has been informed by a schedule of industrial transactions that have occurred in the Borough as derived from EGi's Deals database (supplied by CBC). This indicates that just over 15,150sq.m of industrial accommodation was let or sold during 2013, which is notably down on 2011 when take-up amounted to 24,720sq.m, as illustrated in Figure 4.2 below. While not as high as 2011, take-up in 2013 was noticeably up on what was achieved in 2012, and there were a relatively large number of lettings at the Cowdray Centre.

Figure 4.2 Industrial Take-up in the Borough between 2006 and 2013



Source: EGi Deals Database (Colchester Borough Council), May 2014

- 4.27 Asking rents for industrial accommodation vary throughout the Borough and currently range from around £4/sqft for old/poorly specified space at Whitehall Road Industrial Estate to in the region of £6.50/sqft to £7/sqft for the best

<sup>16</sup> 'Building Trends Summer 2014' by Bidwells informs that in mid-2014 the industrial vacancy rate for Essex was 7%

space at Severalls Industrial Estate or for the recently completed stock at Easter Park (Table 4.2).

- 4.28 Market feedback suggests that in order to finance the development of a new industrial scheme in Colchester it would be necessary to achieve a rent of around £7.50/sqft for a 10 year term, if not longer. Because this rental level is in excess of the current headline achieved in Colchester, in the short term at least, there is a major issue in funding new industrial developments, whereby undermining the viability of bringing forward new schemes throughout the Borough. In the meantime, those locations and sites benefiting from excellent access to the A12 and/or proximity to established employment areas (such as Colchester Business Park) are most likely to provide viable development opportunities.
- 4.29 This development funding issue also applies to many other locations across Essex and the wider East of England region, including some that compete with Colchester. Table 4.2 below illustrates the headline industrial rent in Colchester and at a number of competitor locations.

Table 4.2 Industrial Rents in Colchester and Comparator locations

	£/sq.ft
Colchester	£4.50 to £7.00
Chelmsford	£5.00 - £8.00
Witham	£5.00 - £6.50
Basildon	£5.00 - £7.50
Thurrock	£5.00 - £8.50
Clacton-on-sea	£5.50
Ipswich	£3.75 - £5.00

Source: Local Agents and Business Space Data Book (Bidwells, Autumn 2014) / EGi Property Link

## Rural Employment Space

- 4.30 The rural areas of Colchester also accommodate provision of employment space. This takes the form of purpose built, stand-alone business parks (such as Tower House, Tiptree), industrial estates (such as Gun Hill Trading Estate, Dedham) and converted rural premises/barns (such as Tey Brook Farm, Great Tey). These sites accommodate a range of sectors and industries but generally B1 and light industrial uses.
- 4.31 Demand for rural employment space in Colchester is reported to be steady, with continued growth of this type of premises considered inevitable to meet the needs of what is essentially a local market consisting of rural businesses which operate in the area. These premises can also play an important role in providing affordable workspace and retaining home based businesses within the local community.
- 4.32 However, many rurally located employment sites throughout the Borough have poor access to strategic routes such as the A12 and market feedback indicates that the viability of some of these sites for future B class development is questionable due to their peripheral location and more limited demand outside

of key centres. In addition, parts of the Borough are constrained by the coast and market activity is limited in more remote locations such as West Mersea where demand for any type of commercial accommodation tends to originate solely from local businesses.

- 4.33 Many rural businesses face particular challenges to continued economic growth and prosperity, including poor infrastructure and access to facilities (such as high speed broadband), low density of firms leading to a poorer choice of local employment opportunities for rural residents, and limited access to affordable housing for employees in many areas. The availability of broadband (explored in more detail below) and good access is essential to ensuring the growth and expansion of the local rural economy and should continue to be recognised by relevant planning policy in the Borough.

### Policy Drivers

- 4.34 The important role that the rural area of Colchester plays within the Borough's economy is recognised by planning policy, most notably the Adopted Core Strategy which seeks to protect and enhance Colchester's natural and historic environment, countryside and coastline and support appropriate local employment and housing development in villages and rural communities. In particular, Policy CE1: Centres and Employment Classification and Hierarchy notes that small scale developments may be acceptable in countryside locations if they have low travel needs and low impacts, such as rural businesses, recreation and tourist developments to meet local needs and support rural economies.
- 4.35 In rural areas of the Borough, economic activity has shifted away from agriculture towards a more diverse range of small enterprises and tourist related business. This can be evidenced by the various examples of former agricultural premises having been converted for alternative business uses. This process is now supported by recently introduced permitted development rights which allow the change of use of agricultural buildings to a range of commercial uses including retail (A1-A3), business (B1, B8), hotels (C1) and leisure (D2) without the need for planning permission.
- 4.36 It is important that the Council continues to safeguard against any future downturns in traditional rural activities by encouraging the conversion and re-use of rural buildings for non-agricultural uses (including for tourism and leisure related activities) in order to grow and diversify the employment offer in Colchester's rural economy.

### Rural Broadband Provision

- 4.37 Availability of broadband has significant positive economic, environmental and social impacts. Recent research<sup>18</sup> emphasises that at the local level economic impacts arise from construction effects, productivity growth, enterprise creation, job creation and increased labour force participation. Broadband is

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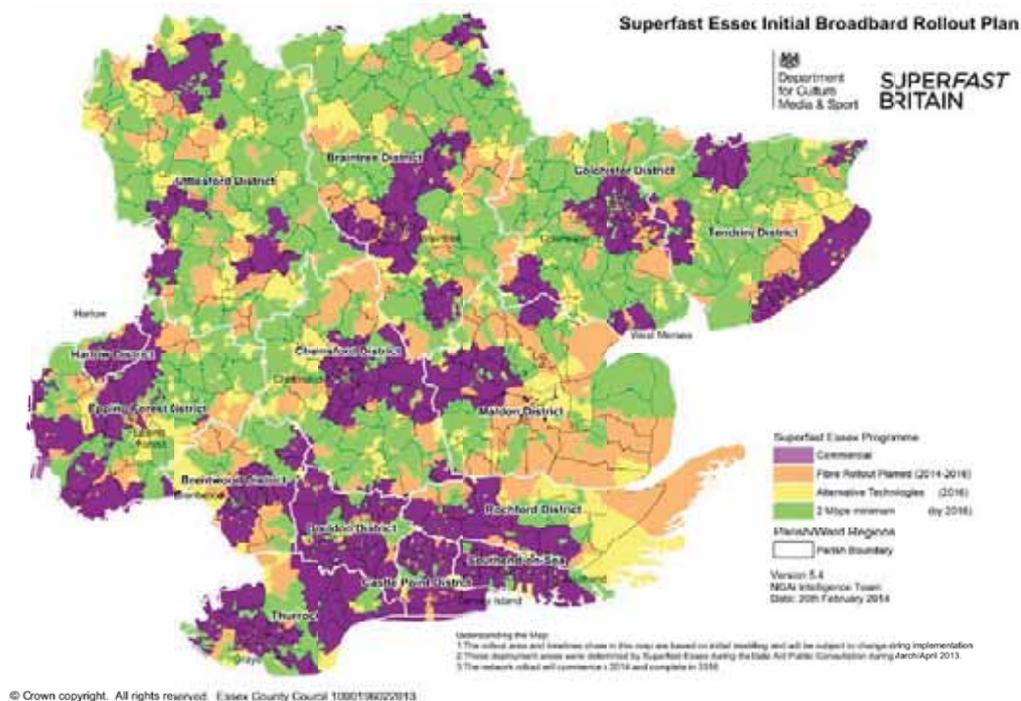
<sup>18</sup> UK Broadband Economic Impact, Literature Review, SQW, February 2013

also an enabler for international trade and innovation. BT estimate that for a typical rural area in the South East superfast broadband could lead to an annual increase in GVA of 0.3% per annum over 15 years<sup>19</sup>. The availability and quality of broadband coverage are increasingly essential to the relative attractiveness of an area to do business.

4.38 The Government's Universal Service Commitment aims to ensure that everyone will have access to at least basic broadband (with a download speed of 2 Mbps). However, as bandwidths available in urban areas improve it is possible that a 'digital-divide'<sup>20</sup> is emerging. The Department for Culture Media and Sport, Essex County Council and BT are jointly investing £24.6m into the Superfast Essex programme, with the aim of improving broadband coverage in the county so that more than 87% of Essex has access to fibre broadband by the end of 2016. The programme seeks to ensure that a minimum of 2Mbps download speed is available across Essex, and that the fibre network – with the potential to provide superfast speeds (24Mbps and above) – is extended as much as possible with the available funding.

4.39 The Superfast Essex programme is ongoing across the county from 2014 to 2016. The map in Figure 4.3 below illustrates the initial assessment of where fibre broadband will be implemented and when and indicates that while fibre broadband will be available in and around the key urban areas of the Borough within the next couple of years, much of the rural area will be restricted to broadband speeds of 2 Mbps.

Figure 4.3 Superfast Essex Initial Broadband Rollout Plan



Source: Essex County Council (<http://www.superfastessex.org/en-gb/maps.aspx>)

<sup>19</sup> Social Study 2012 The Economic Impact of BT in the United Kingdom and the South-East, Regeneris

<sup>20</sup> UK Broadband Economic Impact Study, Impact Report, SQW, November 2013

- 4.40 Furthermore, the Council are currently working with a fixed wireless broadband provider, County Broadband Ltd, to promote coverage across the Borough's rural and under-served urban business parks. This initiative has recently been awarded funding from BIS and the South East LEP to deliver (alongside County Broadband Ltd) a £500,000 project targeting business parks in the Borough which is due to start next year.

### Provision for Small Firms/Start-ups

- 4.41 There appears to be a reasonable level of provision of small scale, flexible business space for SME and start-up firms in the Borough. For example, the Colchester Business Enterprise Agency (Colbea) offers advice for business start-ups, ongoing training for established firms; and small, fully serviced, office suites on a flexible basis. It operates the North Colchester Business Incubation Centre on Colchester Business Park as well as the Colchester Business Centre on George Williams Way, and in overall terms has 61 office suites ranging in size from 18sq.m to 950sq.m. Currently only one of these units is reported to be vacant and Colbea advised that whilst there is always an element of churn, demand for this type of space is strong, especially for accommodation at the North Colchester Business Incubation Centre.
- 4.42 There are also two other developments in the Colchester area providing fully serviced, affordable accommodation, essentially for small, local firms. Weston Group's Colchester Centre on Hawkins Road is similar to what is offered by Colbea, in that it comprises small office suites which are available on a flexible basis. In addition, Enterprise Centres operates the Colchester Business and Seedbed Centre on Wyncolls Road (on the Severalls Industrial Estate), which is a mix of 44 small office and workshop units that are available on a short-term licence. Demand is reported to be strong for both of these schemes and property market stakeholders generally feel that there is currently an adequate provision of this type of accommodation. It should also be noted that the Parkside Office Village, the initial phase of the University Research Park, is also intended to cater for SMEs whilst the Colchester Creative Business Centre, which will be based in the St Botolph's area of Colchester, is intended to provide a hub for start-up, small and medium sized creative businesses, providing business support, skills and networking opportunities.

### Conclusions

- 4.43 The Borough's commercial property market is diverse and overwhelmingly centred upon Colchester town. Its geographical location and proximity to a number of larger, more established commercial centres such as Chelmsford means that its commercial property market is largely localised and heavily reliant on a relatively large base of SMEs.
- 4.44 Accessibility to the A12 is an important aspect of the Borough's property market with established sites near to this route such as Colchester Business Park and Apex 12 (Crown Interchange) amongst the best performing employment areas in the Borough. In this respect, the Strategic Employment

Zones at Northern Gateway and Stanway provide good prospects for employment uses because of their proximity to the A12. At the same time, many rurally located employment sites throughout the Borough have poor access to the A12 and the longer term viability and deliverability of a number of these is questionable due to their peripheral location and more limited demand outside of key centres.

- 4.45 Colchester is still contending with a supply overhang of office space following the economic downturn and this is reflected in the Borough's relatively high office vacancy rate (15%). This does however vary across the Borough's employment sites with what limited market demand there is focused upon high calibre, small scale schemes that have good access to the A12. Conversely, the town centre suffers from a concentration of dated, poorly specified office stock that tends to have little or no car parking. Congestion also represents a major problem for town centre office occupiers and acts to limit market appeal for those areas of the Borough that are located away from key strategic routes.
- 4.46 The Borough's industrial market has weathered the recession better, with market feedback indicating that the supply and demand for industrial accommodation is relatively well matched. Demand is generally for small to medium sized industrial premises up to 1,000sq.m and mainly from local firms.
- 4.47 Notwithstanding this, there may be scope for greater provision of modern, high quality industrial premises as well as small scale plots of land located near to the A12 that are available (ideally on freehold basis) to accommodate self-build premises to enable local firms to expand and/or upgrade.
- 4.48 Demand for rural employment space in Colchester is reported to be steady, with premises generally taking the form of purpose built, stand-alone business parks, industrial estates and converted rural premises/barns. It will be important that the Council continues to safeguard against any future downturns in traditional rural activities by encouraging the conversion and re-use of rural buildings for non-agricultural uses in order to grow and diversify the employment offer in Colchester's rural economy.

## 5.0 Review of Employment Sites Portfolio

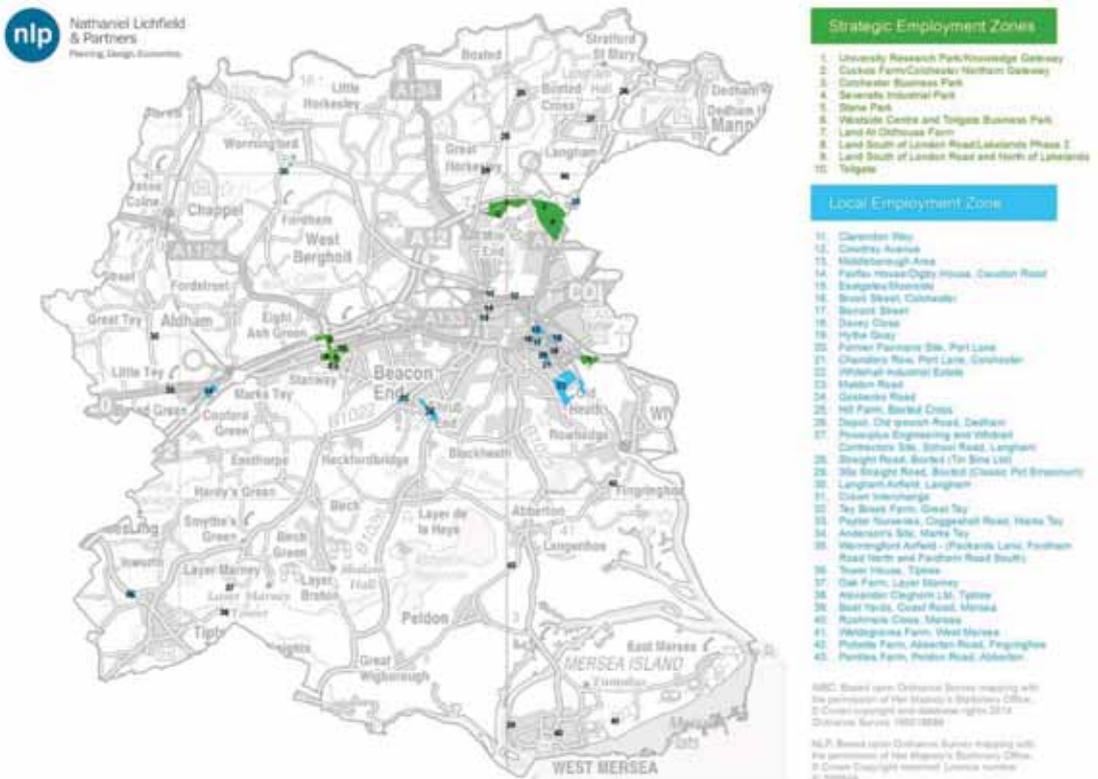
5.1 This section presents the findings of an assessment of employment land supply in Colchester, which considered the characteristics and quality of existing and undeveloped employment sites in the Borough and their suitability to meet future employment development needs.

### Introduction

5.2 In consultation with the Council it was agreed that the assessment should be structured on 43 employment sites, all of which are designated for employment use as set out in the Council’s Site Allocations Development Plan Document (DPD) which forms part of Borough’s current Local Development Framework. This includes the three Strategic Employment Zones (SEZs) at Stanway, University Research Park (the Knowledge Gateway) and North Colchester. To allow these large and significant sites to be explored in sufficient detail it was agreed that the SEZs would be subdivided into ten smaller areas for the purposes of assessment.

5.3 The assessment also considered 33 sites designated in the DPD as Local Employment Zones. The location of these sites is presented in Figure 5.1 below and at Appendix 2.

Figure 5.1 Map of Employment Sites Assessed



Source: NLP

- 5.4 All 43 employment sites were inspected and, in accordance with Government guidance on Employment Land Reviews, assessed against the following criteria:
- a strategic and local road access;
  - b proximity to labour and services;
  - c adjoining uses that might constrain employment uses;
  - d site size, characteristics and potential development constraints; and
  - e market attractiveness.
- 5.5 Other factors were also noted including suitability for specific uses, planning constraints, potential timescale for delivery, and whether there were any barriers to the delivery of undeveloped sites. Although flood risk is considered as part of the assessment, it is recognised that location within a flood zone does not necessarily in itself preclude certain types of commercial uses from coming forward for development.
- 5.6 Site plans are included at Appendix 2. Details of the criteria used to assess sites are provided in Appendix 3 and Appendix 4 contains a table summarising the assessment of each site against these criteria.
- 5.7 It should be noted, however, that this assessment process in itself does not necessarily provide a complete picture of the local significance of certain sites. A site, for example, could be considered as having the potential of satisfying particular business or sector needs, which can be important reasons for retaining it, even if it does not perform well against conventional site assessment criteria. A broader commentary is therefore provided on each site to supplement the formal scoring exercise.
- 5.8 It is also important to note that the assessment is based on the current conditions and intrinsic qualities of each site and the associated scoring has been derived on this basis. It is possible that the scoring and relative ranking of sites could change in future if measures were to be put in place to improve their functioning as employment sites (for example through new infrastructure and servicing).

## Overview of Sites

- 5.9 As summarised in Table 5.1 below, in overall terms 263.7 hectares of employment land was assessed in this study, 59% of which relates to land in Strategic Employment Zones; 28% is located in Local Employment Zones within Colchester's Urban Area; 7% within or on the edge of large settlements; and 6% within villages or in rural locations.
- 5.10 The assessment also revealed that 29% of this provision, 77 hectares, is currently undeveloped. While the overwhelming majority of this can be accounted for by land that is yet to come forward at Axial Way and the Tollgate sites, there is also 9.2 hectares of undeveloped land at the Whitehall Road Industrial Estate allocation.

Table 5.1 Distribution of employment sites

Type/Location	Number of sites	Total Site Area (ha)	% of total site area	Amount Undeveloped (ha)	% Undeveloped
Strategic Employment Zones	10	154.4	59%	60.7	39%
Local Employment Zones within Colchester's Urban Area	14	74.8	28%	10.8	14%
Local Employment Zones Elsewhere:					
- Within/on the edge of large settlements	9	18.2	7%	3.2	18%
- Within villages/rurally located	10	16.3	6%	2.3	14%
<b>Total</b>	<b>43</b>	<b>263.7</b>	<b>100%</b>	<b>77.0</b>	<b>29%</b>

## Strategic Employment Zones

- 5.11 This section provides an overview of each of the sites with Strategic Employment Zone status visited during the site assessment, with a corresponding reference number shown in square brackets.

### University Research Park/Knowledge Gateway [1]

- 5.12 Situated to the southeast of Colchester on Essex University's campus, this 11.8 hectare site is earmarked to provide 37,160sq.m of commercial accommodation, as a key element of the University's aspirations of creating stronger connections with businesses. The proposal has taken a considerable time to gather momentum. The 2007 Employment Land Review notes that outline consent for the scheme was granted in 1989, but an initial phase of 5,574sq.m was due to be developed during 2007/2008. In the preceding years there has been market uncertainty, but with forward funding from the South East Local Enterprise Partnership, the first phase of the scheme comprising 9 small office/R&D units totalling c.1,300sq.m completed in early 2014. At the time of the assessment just 3 units at this speculative development called Parkside appeared to be occupied, and until the remaining units are let, further development of this site seems remote. The site is serviced by a regular bus service to Colchester's town centre and it has good access to labour and services. However, part of the site is in flood zone 3 and access to the strategic road network is considered to be relatively poor, given the need to virtually cross Colchester town and travel c. 5km to join the A12.

### Cuckoo Farm, Axial Way [2]

- 5.13 This site amounts to 34.8 hectares and forms part of the North Colchester Strategic Employment Zone. It is situated immediately south of the A12 and has extremely good access to the strategic road network, brought about by the relatively recent completion of junction 28, which connects with Axial Way. At the time of the assessment the site was only partially developed. The last employment land review informed that Fläkt Woods, a major employer in the

area, had just moved to their new plant on Axial Way, which amounts to approximately 16,520sq.m. Shortly after that review was published, the initial phase of Easter Park, which comprises 10 relatively small, high calibre light industrial units, collectively amounting to 12,500sq.m also completed. Planning permission had been obtained for phase 2 of Easter Park entailing up to 6,970sq.m of light industrial space on the adjacent plot although it is understood that car showrooms have recently been developed on this land. The completion of junction 28, and associated direct access to the A12, has resulted in the site becoming an attractive proposition for car showrooms. Near to this junction on the southern side of Axial Way, Toyota have recently opened a showroom, and a plot almost directly opposite this is currently being developed for VW. In addition, a further car showroom is now earmarked for the parcel of land that had been set aside for the second phase of Easter Park. All three of these plots have prominent frontage onto Axial Way and are therefore particularly well suited for traditional B class uses. Consequently, it may be appropriate to introduce measures to restrict further car showrooms, a sui generis use, in this employment site if the Strategic Employment Zone is to be able to accommodate traditional B class uses in future.

### Colchester Business Park [3]

- 5.14 Totalling 24.4 hectares this site comprises Colchester Business Park, which forms part of the North Colchester Strategic Employment Zone. It is situated immediately to the south of the A12/A120 interchange, though access to the site from this approach is only via the westbound A12 slip road, which mitigates some of the benefits of the closeness this site has to the strategic road network. The site therefore suffers from congestion and traffic at peak times.
- 5.15 The business park itself is effectively integrated into a large employment area most of which takes the form of Severalls Industrial Estate (discussed below). It has mainly been developed off two roads - the Crescent and Newcomen Way - surrounding which there are a number of purpose-built, high quality office buildings, dating from the late 1980s/early 1990s. Supplementing this on Newcomen Way there is also some relatively modern industrial/warehouse space. All of this accommodation appears to have been developed with ample off street parking. On the north side of the Crescent there is a relatively small plot (amounting to 1.1 hectares) that is yet to be developed, otherwise this site appears to be fully developed.
- 5.16 The business park has clearly appealed to a diverse range of occupiers, notably including Linklaters, Natwest and Essex County Council, though when the assessment occurred some properties had available space to let, or for sale, and as such was actively being marketed. A regular bus service operates between the business park and Colchester's town centre, and the site features a newsagent, a café, restaurant and a range of other amenities, all of which are seen as positive qualities in terms of this assessment.

#### **Severalls Industrial Estate [4]**

- 5.17 Amounting to 48.27 hectares this site forms the largest part of the North Colchester Strategic Employment Zone. Situated immediately to the east of Colchester Business Park, it also accessed via the A12/A120 interchange, though as mentioned above, there are limitations to this which mitigate access to the strategic road network.
- 5.18 The site comprises a mix of warehousing, light industrial and office units and has principally been developed out as a number of estates or business parks, seemingly by a multitude of parties, at different periods of time, and with different end-users in mind. Examples of this include: Brunel Court, a mainly office scheme located off Brunel Way, which is of a similar specification and age to the stock on Colchester Business Park; a development called Severalls Industrial Estate, which comprises 23 industrial units and appears to be the largest development on this site; Caxton Court on Newcomen Way, which comprises five good quality industrial units; and seven light industrial units forming Crown Gate on Clough Road, one of which is a Royal Mail vehicle workshop.
- 5.19 While the employment stock on this site varies in terms of age and specification, most is of reasonable calibre, or better, and none appears particularly dated. There is ample off street car parking, and the industrial provision here tends to feature good eave heights and where appropriate has large yard areas for loading / unloading. A regular bus service operates between the estate and Colchester's town centre, though there are no shops or amenities on this site.

#### **Stane Park [5]**

- 5.20 Stane Park is a greenfield site amounting to 12.2 hectares, which is situated immediately to the south of the A12 and forms part of the Stanway Strategic Employment Zone. Due to its proximity to the busy A12 this site is unlikely to be considered suitable for housing or recreational purposes and instead its development for employment use would represent a logical extension to Colchester's urban area. The recent opening of the nearby Sainsburys store has strengthened public transport links to and from this area of the borough, and given that Stane Park is exceptionally well located in terms of access to the strategic road network this site performs well in this assessment.

#### **Westside Centre and Tollgate Business Park [6]**

- 5.21 Situated on the southern side of London Road (the B1408) this employment site amounts to 8.1 hectares and forms part of the Stanway Strategic Employment Zone. It mainly features the Westside Centre, an industrial estate providing a mix of warehousing, light industrial and office units, which vary in terms of size and appear to be of reasonable condition. The estate has ample space for parking. At the time of the assessment two units at the Westside Centre were vacant.

- 5.22 Immediately to the west of the Westside Centre, the site also comprises the Tollgate Business Park (providing 3,250sq.m of B1, B2 and B8 accommodation), which completed in 2010. This scheme, which has been developed to a high specification and has prominent frontage onto the new relief road (the Western Approach), comprises 12 units varying in size from c.160sq.m to c.570sq.m. Three of these units were vacant when the assessment occurred.
- 5.23 While most of this employment area is developed, in its north eastern corner there is a parcel of land that is coming forward, referred to as 'Land at Floral Acres', which fronts onto both London Road and the Western Approach. Planning permission has been granted to build a business incubation centre (providing 1,329sq.m within B1,B2 and B8 uses) and a drive-through coffee shop on this plot, together with 470sq.m restaurant on another employment site immediately to the west. While the drive-through coffee shop and restaurant may be relatively small in scale their development would result in a loss of employment land. In addition, the proposed business incubation centre will be constrained by only having car parking to the rear of Tollgate Barns.
- 5.24 In overall terms this site performs well in this assessment, though at times the flow of traffic associated with the Tollgate Urban District Centre may restrict access to this employment area.

#### **Land at Oldhouse Farm [7]**

- 5.25 Amounting to 3.2 hectares, this site is situated immediately to the west of the relief road. It forms part of the second phase of a major residential-led mixed use proposal known as Lakeslands, a scheme that has had a long and complex planning history. Outline permission for this scheme was granted in 1995, for a mix of uses including employment (B1, B2, B8 and car showroom uses), to be developed on 4.57 hectares<sup>25</sup>, the bulk of which we presume is earmarked for this site.
- 5.26 The site performs well in this assessment. It has prominent frontage onto the relief road, is close to the Tollgate Urban District Centre and will have good access to local amenities at the Lakeslands scheme when it completes. It also has very good accessibility, both locally and with the strategic road network.
- 5.27 Potentially a scheme providing a mix of small office units and/or workshops would be suited to this site. It may be prudent to consider whether car showroom use, which is a sui generis activity, is appropriate here.

#### **Land South of London Road/Lakelands Phase 2, Church Lane [8]**

- 5.28 This 1.78 hectare plot is situated immediately to the east of the relief road, and like the site at Oldhouse Farm has been earmarked to provide employment use (B1, B2, B8 and car showroom uses) as part of Lakelands, a major residential-led mixed-use development. The plot has prominent frontage onto the relief

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<sup>25</sup> As per COL/90/1904

road, is close to the Tollgate Urban District Centre and will have good access to local amenities at the Lakelands scheme when it completes. It also has very good accessibility, both locally and with the strategic road network. However, as per the 1995 outline consent for Lakelands, housing is intended to be developed in close proximity to the plot which will constrain its employment potential.

- 5.29 Recently an application has been submitted for a variation of the permission for Lakelands, to allow the plot to be developed for residential rather than employment use<sup>26</sup>. Consultation with local agents did not identify this plot as having a particular role or function in terms of satisfying a specific market need and it is difficult to identify any valid, compelling reason why this variation should be opposed. In addition, the nearby site on the west of the relief road, referred to as 'Land at Oldhouse Farm', makes a much more attractive and logical location for employment and is more likely to attract commercial interest. Nevertheless, if this variation is allowed there will be a loss of employment land.

### Land South of London Road and North of Lakelands [9]

- 5.30 Amounting to 3.58 hectares this undeveloped site has prominent frontage onto London Road and the relief road, is close to the Tollgate Urban District Centre and will have good access to local amenities at the Lakelands scheme when it completes. It is noted that in 2013, a Planning Performance Agreement was put in place for a mixed-use proposal for this site and the adjacent Tollgate area [10], though ideally much of it should remain allocated for employment use<sup>27</sup>.

### Tollgate [10]

- 5.31 As a consequence of Sainsbury's opting to develop a new store on land north of London Road, a land swap has occurred on part of this site. In addition to the former Sainsbury's site, the 7.1 hectare site includes a Frankie & Bennys restaurant, the Tollgate Health Centre and Stanway Motors, and part of the Land at Floral Acres development mentioned in 5.23 above, with permission granted to develop a 200sq.m restaurant.
- 5.32 All of this implies that the employment potential of this site does not equate to its full size – it is estimated that 5.49 hectares could come forward. The site is considered to have good access to public transport but potentially is constrained by the volume of traffic associated with the nearby retail park and Sainsbury's store which may at times restrict access to this employment site. Given the variety of existing uses on this site and its close proximity to Tollgate Retail Park, potentially a mixed-use scheme with an element of office space and/or workshops may be most suited here, subject to market demand.

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<sup>26</sup> As per application ref 146100

<sup>27</sup> As per planning ref: 13176

## Local Employment Zones

- 5.33 The following section provides an overview of each of the Local Employment Zones visited during the site assessment.

### Colchester Urban Area

#### Clarendon Way [11]

- 5.34 This site amounts to 1.29 hectares and is located behind a Wickes DIY store on the northern side of Clarendon Way, while on the opposite side of the road there is housing. Much of the site has been developed. LA Fitness operates a gym here, and two buildings are used by a day nursery for children. However, the site also comprises an undeveloped plot amounting to 0.22 hectares, surrounded by hoarding. It is understood that the Royal Mail relocated from the site in the late 1980s and it has remained vacant ever since. Although the site is located in close proximity to Colchester's mainline station and has reasonably good access to the A12 via the nearby A134, its location at the far end of Clarendon Way, with limited visibility onto the A134, reduces the likelihood of this plot being redeveloped as an office scheme, and the possibility of it coming forward for any other type of employment use is constrained by its proximity to residential uses and the nursery.

#### Cowdray Avenue [12]

- 5.35 Totalling 0.73 hectares this site is fully developed as a Volvo/Land Rover car showroom and service centre. Immediately to the east of the site is the Colne Way Retail Park, while to the west it borders with housing fronting onto Cowdray Avenue and also the long standing Cowdray Centre, which has a relatively large provision of B use employment space. The site is within walking distance of the mainline station and is considered to have reasonable access to local services. If this site became available, it would have potential for employment use.

#### Middleborough Area [13]

- 5.36 This employment site effectively forms part of Colchester's town centre and is situated on the southern banks of the River Colne near to the North Bridge. Amounting to 1.92 hectares the site takes the form of four plots of land, each of which has been fully developed and mainly comprises B1 office accommodation. This provision notably includes the large and relatively dated building called the Octagon, which was Royal London's former HQ, and Colwyn House. The latter is a high calibre scheme providing 2,619sq.m of office space which completed in 2007 and is now the head office of the residential estate agent Spicerhaart. Overall, this is a functioning employment location though several units in the Octagon were noted to be vacant at the time of the assessment. The site has very good access to labour and local services, but is constrained by comprising several listed buildings and by mostly being in flood zone 3.

### **Fairfax House/Digby House [14]**

- 5.37 Totalling 0.75 hectares this employment site features the 5 storey Fairfax House and the two-storey Digby House, both of which are part of a purpose built scheme called the Riverside Office Centre, situated on the northern bank of the River Colne. The site has good access from Causton Road and ample off street parking, including undercroft parking on the ground level of Fairfax House. According to VOA figures, there is 2,218sq.m of office accommodation at Fairfax House and 904sq.m at Digby House. The condition of this stock appears to be reasonable but it is now clearly dated. Both properties are multi-tenanted and at the time of the assessment were fully let. The entire site is in flood zone 3.

### **Eastgates/Moorside [15]**

- 5.38 This employment site amounts to 6.7 hectares and is also located relatively close to Colchester's town centre, on the southern side of East Street (the A137). Immediately to the west of the site is the River Colne, and to the south and east there are railway lines. A further railway line divides the site into two parcels of land, the largest of which is referred to as the Eastgate Industrial Estate. This area noticeably includes the Moorside Business Park, a reasonably large scheme comprising a mix of small office, light industrial and storage units on flexible terms, and a Royal Mail depot. Some non B use classes are evident on the site such as Rollerworld which now operates from a unit that would have initially been developed for B2/B8 purposes. This area has a good internal road network and ample off street parking. The other parcel of land is triangular in shape and is completely surrounded by railway lines. Access to this area is via a link road from the Eastgate Industrial Estate, which passes through a narrow tunnel beneath one of the railway lines. Despite this constraint this area appears to be fully utilised, though some of the stock here appears dated and poorly specified.

### **Brook Street [16]**

- 5.39 Situated on the eastern side of Brook Street, this is a fully developed employment site amounting to 0.39 hectares. The provision here takes the form of a small industrial estate comprising 7 light industrial units. One of these units, a two storey building used by Halfords as a garage fronts onto Brook Street and an access road adjacent to this extends towards the rear of site where the remaining units are located. The overall quality of these premises is fair. No problems with access, parking or servicing were identified during the site visit, and none of the units were vacant. It was noted that a church is currently based at unit 4 of this estate, indicating the presence of some non B-use classes on this employment site. At the time of the site visit traffic on Brook Street was relatively free moving but immediately to the south of the employment area is Brook Square, a new residential scheme currently being developed to provide 110 new homes. The scale of this residential scheme may constrain local accessibility when these homes are eventually occupied.

### **Barrack Street [17]**

- 5.40 Located on the north side of Barrack Street this fully developed employment site (amounting to 1.92 hectares) consists of a large vehicle servicing facility operated by Ford, alongside which on Challenge Way there is a small industrial estate. The industrial estate comprises good quality light industrial units and none of this accommodation was vacant when the site was visited. It was noted that a large amount of vehicles were parked around the Ford facility, but parking was not an issue on the industrial estate. The site has good access to labour and services and is also considered as having good local accessibility. In addition there are regular bus services from just outside the site and Hythe station is within a 10 minute walk.

### **Davey Close [18]**

- 5.41 This site amounts to 5.42 hectares and is situated to the east of Colchester's town centre, within its urban area. The site fronts onto Greenstead Road, which is just a short distance from St Andrew's Avenue (the A133). To the west it borders the River Colne and almost the entire employment area is located within flood zone 3. The employment area is also constrained by the fact that a railway line runs through it, splitting the site into two plots.
- 5.42 By far the largest of these plots is located on the eastern side of the railway<sup>30</sup> and this area has clearly been in employment use for many years. This area notably includes a factory used by a long standing firm in Colchester who manufacture high precision tapered roller bearings. Alongside this, there are warehouses that are used by Dairy Crest and the self-storage business Easy Store. Provision also includes Oyster Park and Davey Close Trade Park, which respectively comprise 11 and 31 light industrial units. The build quality of these schemes, which seem to date from the 80s or 90s, is considered to be good. Davey Close Trade Park mainly comprises trade counters but with some examples of non B-use classes such as a Karate Club. When the assessment occurred two industrial units located in this plot were vacant.
- 5.43 In overall terms this employment area is considered as having good access to labour and public transport, but is viewed as having relatively poor access to the strategic road network.

### **Hythe Quay [19]**

- 5.44 This employment area amounts to just under one hectare and is located on the western side of Hythe Quay (the A134), opposite the River Colne. Because of this close proximity to the river almost the entire site falls within flood zone 3. The site is flanked by housing on its northern and southern borders, and in the southwest it borders with a gas holder. The site has been fully developed mostly in the form of a mix of warehouse and light industrial units, which vary in terms of size. The build quality of the stock is considered to be relatively good. It was noted that a Veterinary Practice occupies a premises on the

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<sup>30</sup> Estimated as amounting to 4.34 hectares

employment area, which is classed as sui generis. When the inspection occurred no units were vacant. This site is considered as having good access to labour and local services, but like many other sites that are located in Colchester's urban area is viewed as having relatively poor access to the A12 and the strategic road network. Overall, this site performs reasonably well against the assessment criteria.

#### **Former Paxmans Site, Port Lane [20]**

- 5.45 This is a long standing employment area which fronts onto the eastern side of Port Lane near to its junction with Falcon Crescent. It is relatively close to Colchester's town centre and comprises a number of buildings used for industrial purposes (B2/B8). Two firms involved in manufacturing diesel engine components have premises on this site - Regulateurs Europa operates from buildings on the northern part, but it is mainly occupied by MAN PrimeServ, whose holdings here according to VOA data amounts 8,843sq.m. While the stock on this site appears dated it is in reasonable condition and this clearly remains an active employment area. The site is adequately serviced with an internal road and there is ample off street parking. It is viewed as having good access to labour and local amenities, though given the site's close proximity to a residential area at times local accessibility could be constrained. In addition, access to the strategic road network from this site is considered to be poor because of the need to travel through Colchester's urban area to reach the A12.

#### **Chandlers Row, Port Lane [21]**

- 5.46 Immediately to the south of the former Paxmans site is Chandlers Row, a fully developed designated employment area, amounting to 1.3 hectares, which is within walking distance to local services and the town centre. The site comprises a mix of warehouse and workshop units, which vary in terms of size, age and specification. When the site was inspected only one unit appeared to be vacant. In summary, this site is rated as average against the set of assessment criteria, though its access to the strategic road network is considered poor because of the need to travel through Colchester's urban area in order to get onto the A12.

#### **Whitehall Industrial Estate [22]**

- 5.47 This employment area is located on the southeast side of Colchester, situated between Old Heath Road on the west and Haven Road on the east, a short distance beyond which the River Colne is located. These two roads are connected to one another by Whitehall Road in the northern part of the site, off which most of the estate has been developed. There is housing immediately to the north and west of the employment area, to the south there are fields, and in the southeast there is the sewage works for the town. In addition, there is a prefabricated housing development on the southern side of Whitehall Road and the presence of this is presumably one reason why this site has an irregular shape.

- 5.48 The estate itself predominantly comprises warehouses and workshop units, though also features some office space. This provision varies in terms of size, age and specification. Some is arguably dated and/or poorly specified but appears to be serving a market for lower value uses in the Borough. Some however, probably dates from the 80s or early 1990s, is in a good condition and appears to be well specified. In a similar manner to Severalls Industrial Estate this employment site contains several small estates or business parks, which seem to have been developed by a multitude of parties, at different periods of time, and with different end-users in mind. Edward Park at the end of Grange Way, which is arranged in two short terraces and comprises 7 relatively small two storey (B1/B8) units is a good example, as is the Condor Way Industrial Estate, where occupiers include Healey Tool Hire and Eurocar. When the assessment occurred 14 units on the estate were vacant, 12 of which were industrial.
- 5.49 It was noted that Bannatyne Heath Club (D2 leisure use) is located at Grange Way and Whitehall Road indicating the presence of some non B class uses on the site. It is also noted that permission has been granted to convert Cemex House, a three storey office building close to the junction of Haven Road and Whitehall Road into a hotel<sup>32</sup>, and should this be implemented the employment potential of this site could be further eroded.
- 5.50 While the employment area amounts to 37.45 hectares it is only partially developed. Two plots of land, one at the southern edge of Grange Way, estimated to be c. 6.67 hectares, and the other to the end of Haven Road, estimated as amounting to c. 2.5 hectares, form part of the allocation and are yet to come forward for development. Both of these plots will require significant levels of infrastructure to be put in place to make them viable for employment use. They are situated in close proximity to the sewage works, which according to market feedback has deterred some would-be occupiers from moving to the existing provision on the estate. In addition, the plot at the end of Grange Way borders with Upper Colne Marshes, a designated SSSI, and part of it falls within flood zone 3. However, the possibility of flooding doesn't solely relate to the undeveloped land at this employment area and several existing properties fronting onto Haven Road are located within flood zone 3 as well.
- 5.51 Given this employment area is located in Colchester's urban area it is considered to have good access to labour and reasonable access to services. However, it is viewed as having relatively poor access to the strategic road network.

### **Maldon Road [23]**

- 5.52 Totalling 3.16 hectares<sup>33</sup>, this linear shaped employment site fronts onto both Maldon Road and Shrub End Road and is located in the south-western outskirts of Colchester. Part of the site is occupied by a recycling centre, but it

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<sup>32</sup> As per change of use application ref: 130237

<sup>33</sup> The size of this site has been amended as the allocated employment area included a plot, estimated as amounting to 0.33 hectares, at the junction of Shrub End Road and Straight Road which comprises houses.

also includes a relatively large provision of industrial stock, most of which is B8 warehouses. While this accommodation varies in terms of age, size and specification, the most prominent building on this site is a very recently developed high bay warehouse, used by the self-storage business 'Big Box' although there was a 'for let' sign in front of this property when this site was visited. No other stock at this site was vacant when the assessment occurred. Aside from this new warehouse, the overall quality of the employment stock varies; most is considered fair, but some is dated, and it may be beneficial if this was recycled. In addition, some of the land at this employment site appears to be poorly utilised. An example of this is a plot (amounting 0.33 hectares) that is barely used by Tolly Paving, though this possibly will be redeveloped to provide 12 business units<sup>34</sup>. The site however is constrained by having relatively poor access to the strategic road network, which may limit the viability of providing certain types of B-use accommodation in this location.

### Gosbecks Road [24]

- 5.53 This employment area is also located on the south-western outskirts of Colchester. Totalling 9.53 hectares, it extends down a large section of the eastern side of Gosbecks Road, while on the western side of this road there is a hedge, beyond which there is mainly fields. The site predominately consists of B8 space, notably including a building at the southern end of the site used by Kent Blaxill, a builder's merchant; and near to this there is a large wholesale unit occupied by Bookers. The site also comprises a council depot and a former Toyota car showroom – as mentioned earlier, Toyota are now on Axial Way. When the assessment occurred, most of the former showroom, which comprises a number of buildings, was vacant, though a small unit was being used as a control centre by a taxi and another had become a 'dog day care centre'<sup>35</sup>. Hence, it appears that this employment area will continue to have an element of sui generis uses. It is also noted that in 2013 planning permission was granted to redevelop a plot (amounting to 0.75 hectares) on this employment site to provide a foodstore, a proposal which is now being progressed by Lidl<sup>36</sup>. While the application in respect of this proposal informs that this will result in the loss of 1,001sq.m of industrial space it would appear that this employment area has been struggling in recent years. This could possibly be attributed to the site's poor access to the strategic road network, or due to the fact that some of the stock here appears dated and/or is poorly specified.

## Elsewhere in the Borough

### Hill Farm, Boxted Cross [25]

- 5.54 This employment area extends to 1.26 hectares and is situated in Boxted Cross, a village approximately 4.5km north of the A12 and about 8km from

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<sup>34</sup> As per application ref: 132259

<sup>35</sup> Further to application ref: 145173

<sup>36</sup> Lidl have submitted their own application (Ref: 145510) which is yet to be determined

Colchester. In the past the site, which fronts onto Carters Hill, was used as an apple picking station and VOA records indicate that there had been c. 3,080sq.m of commercial accommodation here, mainly in the form of small workshops and storage units<sup>37</sup>. However, planning permission was granted in 2007 to redevelop the site to provide a new commercial scheme providing a mix of B1, B2 and B8 space and shortly after this, presumably in readiness of implementing this consent, all the buildings which had occupied this site were demolished.<sup>38</sup>

- 5.55 Currently the site, which is now overgrown, only features an area of hard standing. Market feedback indicates that there has been very limited interest in the new commercial scheme. Its development requires a significant pre-let and securing this is likely to prove challenging in locations away from established commercial and employment areas. A planning application for a residential development of up to 45 homes<sup>39</sup> on the site was refused in July 2014 and is currently subject to appeal. The site has poor access to local services and has very limited public transport links, so is relatively inaccessible for people who do not own a car. In addition, the site is constrained by the fact that its entrance is located directly opposite a primary school. For these reasons and given the isolated location and size of Boxted Cross it seems questionable as to whether this site should remain allocated for employment use.

### **Depot, Old Ipswich Road, Dedham [26]**

- 5.56 This employment area, better known as Gun Hill Trading Estate, is located in mainly open countryside approximately 2km to the west of Dedham and about 6.5km north of Colchester. The site is situated just outside the Dedham Vale AONB in very close proximity to a junction of the A12, so has exceptionally good access to the strategic road network. Gun Hill Trading Estate appears to have been in employment use for quite some time and comprises a mix of warehousing, light industrial and office units. The overall quality of this provision is fair. No major problems with site access, parking or servicing were identified during the site visit, though a light industrial unit and storage unit were noted to be vacant. 1.06 hectares is currently allocated for employment use at this site, but this does not take into account the land at the rear of the site that is used for storage. If this is included the overall size of this employment area is estimated to be c. 2.09 hectares.

### **School Road, Langham [27]**

- 5.57 This employment site is situated on the south side of School Road on the outskirts of Langham, almost directly opposite the village primary school. It is a fully developed employment site, comprising a small cluster light industrial units, with a small provision of ancillary office space. The build quality of this scheme is considered to be good. None of the units were vacant at the time of

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<sup>37</sup> As per the 2005 rating revaluation

<sup>38</sup> VOA records show that the rating liability relating to the former buildings only extended until 2008, suggesting they were demolished in that year

<sup>39</sup> As per application ref: 144589

the visit and occupiers include Powerplus Engineering and the plant hire firm Lionel Whitnell. This appears to be a popular employment site and although its size (at 1.08 hectares) may limit the possibility of firms who want to remain in Langham from expanding, this needs to be balanced alongside the quality of the countryside surrounding the village. While School Road is not necessarily a narrow road, access to the site may be restricted when children are arriving or leaving the nearby school.

### **Straight Road, Boxted (Tin Bins Ltd) [28]**

- 5.58 This employment area relates to two small sites, both of which are located on Straight Road, in mainly open countryside, a short distance from the village of Boxted Cross. The site closest to the village amounts to 0.10 hectares and is used by Tin Bins, a skip hire business; the other site (amounting to 0.38 hectares) is used by Essex Tipping Ltd, another firm dealing in skip hire/waste disposal. A certain amount of land in both sites is being used for storage (presumably class B8) and both feature a number of warehouses. While several of these warehouses appear dated they remain fit for purpose and are still clearly being used. Both sites are well screened from Straight Road by mature trees. No major problems with access, parking or servicing were noted during the visit to these sites.

### **30a Straight Road, Boxted (Classic Pot Emporium) [29]**

- 5.59 This rurally located employment area is sited approximately 4km north of Colchester, roughly 2.5km southwest of the village of Boxted Cross. The site amounts to 0.74 hectares and is situated on the western side of Straight Road close to its junction with Horkesley Road. It has a good access road which leads to an area of hardstanding on which large glasshouses are visible. While it was noted that the site features a small shop from which plant pots are sold to the general public, this site is mainly used for storage purposes (class B8) and it is presumed that the principal activity of Classic Pot Emporium, who operate this business, is wholesale distribution. No problems relating to access, parking or servicing were identified during the visit to this site. However, it has poor access to local services and is relatively inaccessible to people without a car.

### **Langham Airfield, Langham [30]**

- 5.60 This 2.44 hectare site is rurally located, surrounded by fields. The western side of the site comprises a number of relatively small buildings associated with the former airfield, including several nissen huts, 16 of which are now used for light industrial/warehousing purposes. This stock is dated and is of poor quality, though this is not necessarily a constraint as it seems suitable for engineering and storage purposes. Permission was granted in 2012 to replace this provision with a new industrial development comprising 28 units of varying sizes. If this permission was implemented there would be net loss of 1,611sq.m

of employment space<sup>40</sup>. The eastern side of the site features Lodge Park, a fairly recently developed scheme mainly comprising office accommodation. The quality of this appears to be good. At the time of the assessment there were no vacancies at this site. However, it has poor access to local services and is relatively inaccessible to people without a car. In addition, access to the site is via Lodge Lane, which is in poor condition and given this is a narrow country road it is not suitable for heavy traffic or HGVs.

### **Crown Interchange [31]**

- 5.61 This site is located to the northeast of Colchester town and is accessed from the Old Ipswich Road just beyond the A12/A120 interchange. Even though it is surrounded by roads, noise from passing traffic did not appear to be particularly noticeable when the site was visited. The employment area amounts to 2.4 hectares and is viewed as having exceptionally good access to the strategic road network and while it lacks access to a broad spread of amenities, both a hotel and a public house are situated nearby. Planning permission to develop an office scheme on the site was obtained some time ago and this has been partially implemented. Three detached, small office buildings have been developed, apparently speculatively, in the initial phase of Apex 12. The quality of this scheme is very good. Each building amounts to 620sq.m implying that in overall terms c.1,860sq.m of B1 office space has been developed to date. The consent allows for three further buildings which it is presumed will also amount to c.1,860sq.m. It is estimated that about a hectare remains to be developed at this site. Despite one of the units being vacant when the assessment occurred, this development has significant market appeal and represents strong competition to both Colchester Business Park and the Cuckoo Farm site.

### **Tey Brook Farm, Great Tey [32]**

- 5.62 This employment area is rurally situated and mainly surrounded by arable farmland. It fronts onto Brook Road, a narrow country road, about 1km south of Great Tey and approximately 2.5km from Marks Tey. The site has been fully developed and comprises a number of single storey barn-style buildings, mainly providing B1 office space. The scheme, which is called the Tey Craft Centre, was initially configured so as to provide 14 units, but it is now fully let to 9 occupiers. This is a good quality development in an attractive setting. However, the site is in close proximity to Roman River and part of it is classed as being in flood zone 3. In addition, it has poor access to local services and is relatively inaccessible to people without a car.

### **Poplar Nurseries, Coggeshall Road, Marks Tey [33]**

- 5.63 This allocated employment area predominately comprises a large, fully functioning garden centre. However, in 2004 consent was granted for a change of use from redundant horticultural buildings on part of this site to provide class

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<sup>40</sup> Drawings accompanying application ref: 121519 indicate that the existing provision on this part of the site amount to 3,890sq.m of employment space and also inform that the new scheme will provide 2,522sq.m

B1 business accommodation. When the site visit occurred it was not possible to establish whether this permission has been implemented. However, VOA records indicate that the nursery currently includes 250sq m of B1 office space. The garden centre has a large car park and has good access roads and no problems were noted when the site was assessed. Indeed, in many ways it performs well when considered against assessment criteria. Nevertheless, it would seem that a very successful garden centre currently operates from this site which in planning terms is a sui generis activity, and the B1 office provision here is ancillary to that business. For this reason, careful consideration needs to be given to the justification as to why this should remain an allocated employment site.

### Anderson's Site, Marks Tey [34]

- 5.64 This site amounts to 8.06 hectares and covers an area that extends from the A12 in the south to the railway mainline in the north, beyond which most of Marks Tey is located. The land which has been allocated for employment use here surrounds housing on the Crescent to the north, east and west; though the land to the east and north east of this housing is predominately undeveloped, currently comprising fields<sup>41</sup>.
- 5.65 Access to the site is from the Old London Road which runs parallel with the A12 joining the Marks Tey (A12/A120) roundabout. It is also possible to join the northbound carriageway of the A12 almost at the site itself but doing so can be dangerous. Given this and the fact that Old London Road is in a poor condition mitigates some of the benefits this site could have in being located so close to the strategic road network.
- 5.66 The majority of this site is occupied by WF Anderson which sells, stores and processes timber products. The business occupies a two storey office and several large warehouses on the site. Two other businesses; an insulation sales firm and an auto salvage firm, also operate from the site. Two warehouse units amounting to 4,275sq.m were vacant at this site when it was assessed.

### Sites on Fordham Road and Packards Lane [35]

- 5.67 This employment area is situated approximately 1.8km south of the village of Wormingford in mainly open countryside. In overall terms it amounts to 2.83 hectares and comprises three separate sites. These are in relatively close proximity to one another and formerly were part of Wormingford airfield. Two of the sites front onto Fordham Road (Fordham Road North and Fordham Road South), while the third is on the north side of Packards Lane – detailed as follows:-
- a **Fordham Road North** – this 0.94 hectare site comprises a mix of large industrial/warehousing premises as well as some smaller light industrial/workshop units. It features a large yard, part of which is being used to store sea containers. Occupiers here include Colne Forklifts and

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<sup>41</sup> It is estimated that 3.17 hectares of undeveloped land are included in this allocation.

Gregory & Card, who specialise in pallets, crates and packaging. The overall quality of the premises is fair, with no major problems with access, parking or servicing seen during the site visit, though one of the larger units appeared to be vacant.

- b **Fordham Road South** – this 1.02 hectare site contains a relatively modern two storey building with office accommodation on the first floor and storage on the ground, a large workshop used as an accident and repair centre and a further, smaller building used for light industrial purposes. The two storey building is in good condition and is used by Codair, who specialise in the design and printing of maps. The quality of the other accommodation appears reasonable but is somewhat dated. Again, no major problems with access, parking, servicing or environmental factors were noted during the site visit.
- c **Parkards Lane** - amounts to 0.87 hectares and is located almost directly opposite a recycling facility. Some of the land at the recycling facility is used by Colchester Skip Hire for the storage of skips and the same firm also stores skips on part of the employment site. However, most of the site is used by P Flatman Poultry, who processes and distributes poultry. There were a number of HGVs at this site when the visit occurred, though there was ample space in a large yard to accommodate these vehicles. The premises look to be in fair condition, with no problems noted with regard to access, parking, servicing or environmental factors.

### Tower House, Tiptree [36]

- 5.68 This employment site is known as Tower Business Park and it is situated on the northwest fringe of Tiptree, adjacent to an octagonal brick water tower. It fronts onto the western side of the B1023 (Kelvedon Road), the main route to the A12, just beyond its junction with Oak Road. Immediately to the north of the site is Perry's Wood, whereas to the south and southwest it is surrounded by fields. The site has been developed mainly to provide a mix of office, warehouse and light industrial units, which vary in terms of size and age, and the build quality of the business park is considered to be relatively good. When the inspection occurred no units were vacant and it was noted that occupiers include Mumford & Wood (Quality Windows), Dairy Crest and Tower Animal Feeds. The business park is well serviced by an internal road and there is ample parking. Totalling 2.59 hectares<sup>42</sup> this is a fully developed employment site and there is no apparent scope for further development. Overall, this site performs reasonably well against the assessment criteria.

### Oak Farm, Layer Marney [37]

- 5.69 Rurally situated, this small site (amounting to 0.22 hectares) is surrounded by arable farmland. It fronts onto Newbridge Road, about 3km to the east of Tiptree and approximately 13km to the west of Colchester. The site, which is set back and well screened from the road, is used by a single business, Hart

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<sup>42</sup> The size of this site has been amended as the allocated employment area included adjacent fields and there is no scope for development to occur on these fields.

Carpentry, who manufacture window frames and garden sheds. This site does not perform particularly well in this assessment. It is in an isolated location, has poor access to the strategic road network and local services, and is relatively inaccessible to people without a car.

#### **Alexander Cleghorn Ltd, Tiptree [38]**

- 5.70 This employment site is situated on the eastern fringe of Tiptree. It fronts onto the south side of Newbridge Road and while there is some housing on the opposite side of the road it is mainly surrounded by fields. The 2.12 hectare site, which is well screened from the road, is occupied by a single business, Alexander Cleghorn Ltd, who manufactures and stores wooden furniture. The premises look to be in relatively good condition, and the site has good access to Newbridge Road. There appears to be adequate space for business vehicles on the site. Such vehicles however will need to travel through Tiptree and the site is constrained by the fact that it is located approximately 7.2km from the A12.

#### **Boat Yards, West Mersea [39]**

- 5.71 This small employment site (amounting to 0.4 hectares) is located in West Mersea and is mainly accessed from the Coast Road, a narrow, busy road extending along the sea front. The site is situated in very close proximity to the sea and most of it falls within flood zone 3. The employment area, which is also within the West Mersea Area of Special Character, comprises a small, seemingly long standing cluster of businesses involved in some aspect of the boat industry. This is reflected in the type of accommodation to be found here, which appears mainly to be used for boat storage, but it was also noted that the site comprises a sailing making business (Gowen Ocean Sailmakers) and a shop (Marine Store Wyatts). These uses clearly enhance the existing traditional maritime character of the West Mersea Waterside Area of Special Character, and its role as a yachting, fishing and boating centre in line with Policy DP23: Coastal Areas in the Colchester Development Policies Development Plan Document (DPD). No vacant premises were noted during the site visit, but the stock here is clearly dated.

#### **Rushmere Close, West Mersea [40]**

- 5.72 This employment site is called the West Mersea Business Centre and is situated in West Mersea's urban area, close to the B1025, the main road to Mersea Island. The site is mainly surrounded by housing. Accessed from Rushmere Close, West Mersea Business Centre is an established, fully developed industrial estate, consisting of approximately 15 units, most of which are relatively small workshops/ warehouses. It is well laid out and has ample space for car parking. One unit was noted to be vacant when the site visit occurred. The site is considered as having good access to labour and services. However, given that a school is located directly opposite Rushmere Close, access to the site may be constrained at certain times of the day.

### **Waldegraves Farm, West Mersea [41]**

- 5.73 This former farm consists of a holiday park as well as the Employment Zone section which is known as Waldegraves Business Park. The business park accommodates approximately 30 units, most of which are warehouses/storage units and workshops. The adjacent holiday park means that an element of this provision is being used for the storage of watercrafts, caravans and vehicles, alongside which it is being used by a relatively diverse range of businesses, including some small scale engineering firms. The scale and character of this site generally is similar to other non-rural employment locations within the Borough. The site, which amounts to 1.9 hectares, appeared to be fully developed, though there may be scope for some infill or expansion onto adjacent land. It has ample space for parking and no vacant premises were noted during the site visit. However, the site is clearly constrained by the fact that its access road is narrow and shared by vehicles accessing Waldegraves Holiday Park.

### **Picketts Farm, Abberton Road, [42]**

- 5.74 This is a small site (just 0.55 hectares) at Picketts Farm, which is located on the eastern fringes of Fingringhoe, a village located approximately 8km south-east of Colchester. In September 2000 an application was submitted to determine whether prior approval of details was required for construction of new general purpose building<sup>43</sup>. However, there is no evidence of B-use employment activity at this Farm. This is a livestock farm operated by WA Ketley & Son and it is presumed that the building which was the subject of this application is used for purposes associated to farming. Close to Fingringhoe are salt marshes, which provide habitats for many birds and salt-water animals and the Fingringhoe Wick Nature Reserve. While there is a pub in the village there is no shop and there is only a limited bus service to Colchester.

### **Pantiles Farm, Peldon Road, Abberton [43]**

- 5.75 Rurally situated, this site is mainly surrounded by arable farmland. It fronts onto Peldon Road approximately 1.3km southwest from the village of Abberton and about 7.5km south of Colchester. The site, which amounts 0.47 hectares, is used solely by TCS Architectural Supplies, a salvage and reclamation firm. It mainly comprises a mix of single storey warehouse and workshop units, and VOA records indicate that there are 7 units here collectively amounting to 520 sq.m. The premises look to be in fair condition, with no problems noted with regards to access, parking, servicing or environmental issues. However, like many other rurally located employment sites, Pantiles Farm has poor access to local services and has no apparent public transport links.

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<sup>43</sup> Application Ref: AG/COL/01506

## Conclusions

- 5.76 Overall, the assessment of identified employment sites indicates that the Borough contains a reasonable range of employment sites of differing quality and type, totalling just under 264ha (Table 5.2). All of the sites have a planning policy status, are safeguarded for employment uses and are therefore afforded a degree of protection from competing land uses. Most of the sites accommodated a combination of both office (B1a/b) and industrial (B1c/B2/B8) uses, although some specific, single use sites were also evident.
- 5.77 Generally, the range of sites comprises good quality, well maintained stock with low vacancy levels. This demonstrates that this type of space meets requirements of the local market. There is also some evidence of poorer quality sites and premises in the Borough, often characterised by poor access and proximity to amenities, although these sites are largely occupied and appear to be serving a local market for more affordable space from lower value uses and activity.

Table 5.2 Summary Site Assessment Matrix

Site Ref	Site Name	Site Status	Size (ha)	Total Score / 30
2	Cuckoo Farm/Colchester Northern Gateway	Strategic Employment Zone	34.9	26
3	Colchester Business Park	Strategic Employment Zone	24.4	24
4	Severalls Industrial Park	Strategic Employment Zone	47.3	24
5	Stane Park	Strategic Employment Zone	12.2	23
1	University Research Park/Knowledge Gateway	Strategic Employment Zone	11.8	22
6	Westside Centre and Tollgate Business Park	Strategic Employment Zone	8.2	21
7	Land At Oldhouse Farm	Strategic Employment Zone	3.2	21
13	Middleborough Area	Local Employment Zone	1.9	21
31	Crown Interchange	Local Employment Zone	2.5	21
9	Land South of London Road and North of Lakelands	Strategic Employment Zone	3.6	20
10	Tollgate	Strategic Employment Zone	7.1	20
12	Cowdray Avenue	Local Employment Zone	0.7	20
14	Fairfax House/Digby House, Causton Road	Local Employment Zone	0.8	20
15	Eastgates/Moorside	Local Employment Zone	6.8	20
16	Brook Street, Colchester	Local Employment Zone	0.4	20
17	Barrack Street	Local Employment Zone	1.9	20
8	Land South of London Road/Lakeland Phase 2	Strategic Employment Zone	1.8	19
11	Clarendon Way	Local Employment Zone	1.3	19
18	Davey Close	Local Employment Zone	5.4	19
22	Whitehall Industrial Estate	Local Employment Zone	37.5	19
19	Hythe Quay	Local Employment Zone	1.0	18
21	Chandlers Row, Port Lane, Colchester	Local Employment Zone	1.3	18
34	Anderson's Site, Marks Tey	Local Employment Zone	8.1	18
20	Former Paxmans Site, Port Lane	Local Employment Zone	3.2	17
26	Depot, Old Ipswich Road, Dedham	Local Employment Zone	2.1	17
36	Tower House, Tiptree	Local Employment Zone	2.6	17
40	Rushmere Close, Mersea	Local Employment Zone	1.5	17
30	Langham Airfield, Langham	Local Employment Zone	2.4	16
32	Tey Brook Farm, Great Tey	Local Employment Zone	0.8	16
23	Maldon Road	Local Employment Zone	3.2	15
38	Alexander Cleghorn Ltd, Tiptree	Local Employment Zone	2.1	15
33	Poplar Nurseries, Coggeshall Road, Marks Tey	Local Employment Zone	2.5	15
24	Gosbecks Road	Local Employment Zone	9.5	14
41	Waldegraves Farm, West Mersea	Local Employment Zone	1.9	14
27	Powerplus Engineering and Whitnell Contractors Site, School Road, Langham	Local Employment Zone	1.1	13
29	30a Straight Road, Boxted (Classic Pot Emporium)	Local Employment Zone	0.7	13
37	Oak Farm, Layer Marney	Local Employment Zone	0.2	13
39	Boat Yards, Coast Road, Mersea	Local Employment Zone	0.4	13
28	Straight Road, Boxted (Tin Bins Ltd)	Local Employment Zone	0.5	12
35	Wormingford Airfield - (Packards Lane, Fordham Road North and Fordham Road South)	Local Employment Zone	2.8	12
43	Pantiles Farm, Peldon Road, Abberton	Local Employment Zone	0.5	11
42	Picketts Farm, Abberton Road, Fingringhoe	Local Employment Zone	0.6	10
25	Hill Farm, Boxted Cross	Local Employment Zone	1.3	9

Source: NLP analysis

## 6.0 Future Requirements for Employment Space

6.1 This section considers future economic growth needs in Colchester by drawing on several methodologies that are guided by the PPG. These scenarios are used to inform the assessment of the Borough's future employment land needs for office and industrial (i.e. manufacturing and distribution) uses.

### Methodology

6.2 The NPPF requires local authorities to “*set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth*” (para 21). Considering this in evidence base terms, this should be underpinned by a “*clear understanding of business needs within the economic markets operating in and across their area*” (para 160).

6.3 Within this context, a number of potential future economic scenarios have been developed in this study to provide a framework for considering future economic growth needs and B class employment space requirements in Colchester up to 2032. In line with PPG, these future scenarios draw upon:

- projections of employment growth in the main B class sectors (**labour demand**) derived from economic forecasts produced by the EEFM;
- consideration of **past trends in completions of employment space** based on monitoring data collected by Essex County Council, and how these trends might change in the future; and
- estimating future growth of **local labour supply** based on the latest 2012 Sub-National Population Projections (SNPP) for Colchester, and the amount of jobs and employment space that this can support.

6.4 All these approaches have limitations and consideration needs to be given as to how appropriate each is to the circumstances in Colchester. Further, to be robust, the economic growth potential and likely demand for employment space in Colchester needs to be assessed under a variety of future scenarios, to reflect both lower and higher growth conditions that could arise in the future.

6.5 It should also be noted that the ultimate judgement as to the level of need that Colchester should plan for is not purely quantitative, and that there will be a number of qualitative factors to consider (discussed in other sections). These factors will influence the employment space requirements that will need to be planned, and must be considered alongside the following modelled scenarios.

### A. Forecasts of Job Growth

6.6 Forecasts of employment growth in Colchester to 2031 were obtained from the Spring 2013 release of the East of England Forecasting Model (EEFM), which takes into account recent regional and national macroeconomic assumptions. Such assumptions of economic conditions in the East region includes sluggish levels of growth in 2013; labour market growth set to outstrip that in the UK (i.e.

with job growth in the East driven by exporting service sectors, wholesale and retail); and population growth set to outpace that in the UK as the East remains a desirable location for international migrants. Economic recovery in the East is expected to become more established and gain momentum in 2014.

- 6.7 It is important to note that there are inherent limitations to the use of economic forecasts of this type, particularly within the context of recent changes in the economy. National macroeconomic assumptions are taken as the starting point and then modelled down to the regional and local levels by reference to the existing economic profile and sectoral composition of an area. Local level data is less comprehensive and reliable than at national and regional levels, which can affect how the modelling is calibrated. Similarly, top-down forecasts do not take account of specific local factors that might influence employment growth. However forecasts are seen as a valuable input to indicate the broad scale and direction of future economic growth within different sectors, which helps assess the future land requirements of a local area.
- 6.8 Population projections are just one of several inputs used to produce economic forecasts both in terms of future changes in working-age population (i.e. which directly impacts on the demand for jobs) and total population (i.e. which create demand for consumption activities). The EEFM Spring 2013 model uses both official projections of natural growth and forecast net migration levels produced by Oxford Economics.
- 6.9 It is important to note that population projections are frequently revised, as are assumptions around future working-age populations, economic activity rates and national changes to the pension age. The forecasts also assume existing patterns of commuting remain unchanged, which means future updates to this study will need to take account of the 2011 Census commuting data when it is incorporated into the EEFM model.
- 6.10 In order to extend the employment growth projections up to 2032 (i.e. to cover the plan period for the emerging Colchester Local Plan), the average annual job growth rates for the period 2014 to 2031 were used as a proxy to estimate employment levels in Colchester in 2032, on a total and sector basis.

### **Scenario 1: Baseline Job Growth**

- 6.11 The forecasts of job growth by sector reflect recent trends and are based upon projections at the regional level, and how sectors within Colchester have fared relative to historic growth in the region. For example, where particular sectors have performed well compared with the regional average (i.e. East of England) the forecasts generally assume that these sectors will continue to drive growth within the Borough in the future. These projections also reflect the current post-recession economic climate.
- 6.12 These projections indicate an overall growth of 14,530 jobs for Colchester over the 18 year period (Table 6.2), equivalent to around 807 jobs per year. Table 6.1 shows the fastest growing sectors under this scenario, alongside those that

are expected to see a decline in employment. A full breakdown of baseline job growth by sector (i.e. including non B class sectors) is provided in Appendix 6.

Table 6.1 Fastest Growing and Declining Employment Sectors in Colchester, 2014 - 2032

Sector	Use Class	Additional Jobs (2014 - 2032)	% Change (2014 - 2032)
Professional Services	YELLOW	+ 4,060	+ 39.9%
Health & Care	RED	+ 2,120	+ 17.6%
Construction	ORANGE	+ 1,750	+ 32.2%
Business Services	YELLOW	+ 1,620	+ 40.0%
Education	RED	+ 1,230	+ 11.6%
Real Estate	YELLOW	+ 1,200	+ 40.6%
Hotels & Restaurants	RED	+ 1,150	+ 21.7%
Arts & Entertainment	RED	+ 1,050	+ 34.6%
Public Admin & Defence	ORANGE	- 100	- 1.8%
Utilities	ORANGE	- 190	- 23.4%
Manufacturing	YELLOW	- 1,205	- 25.1%

Source: EEFM Spring 2013 / NLP analysis

Key: **YELLOW** = B class sector **ORANGE** = Part B class sector **RED** = Non B class sector

- 6.13 This analysis indicates that professional services, healthcare and construction are expected to be key drivers of employment growth within the Borough over the next 18 years, while the business services, education and real estate sectors are also expected to account for a significant proportion of employment growth during the plan period. Sectors forecast to incur the largest employment losses during this period include manufacturing, utilities and public admin.
- 6.14 The EEFM baseline data also suggests that Colchester is anticipated to play a key role in accommodating employment growth within the South East LEP's key growth sectors, most notably in life sciences/ medical technologies, creative, cultural and media and the visitor economy (Table 6.2). These priority sectors have been identified by the LEP as those which have high growth potential, fit closely with the National Industrial Strategy and through which the LEP can target support for innovation, thereby boosting growth beyond the UKCES forecast level<sup>44</sup>.
- 6.15 The Borough's creative and media economy will be supported through the development of a digital incubation centre for the creative industries in Colchester town centre while the regeneration programme for the Northern Gateway aims to create a new leisure and sporting hub/destination for local residents and visitors alike.
- 6.16 Table 6.2 also indicates that employment within the Borough's advanced manufacturing and environmental technologies/energy sectors is expected to

<sup>44</sup> South East LEP: Growth Deal and Strategic Economic Plan, March 2014

decline slightly over the plan period, although it should be noted that the niche nature of these activities means it is not possible to accurately align these LEP growth sectors with broad EEFM sectors.

Table 6.2 Anticipated employment growth in South East LEP Growth Sectors

LEP Growth Sector	EEFM Equivalent Sectors	Colchester		East of England
		Additional Jobs (2014 - 2032)	% Change (2014 - 2032)	% Change (2014 - 2032)
Advanced Manufacturing	Chemicals	-300	-34%	-22.9%
	Pharma			
	Electronics			
Transport and Logistics	Wholesale	190	3%	11.2%
	Land Transport			
	Water and air transport			
Life Sciences and Healthcare	Pharma	2,130	18%	13.8%
	Health and care			
	R+D			
Environmental Technologies and Energy	Utilities	-180	-22%	9.0%
	Waste and remediation			
	R+D			
Creative, Cultural and Media	Publishing and broadcasting	4,310	32%	32.2%
	Professional services			
	Arts and entertainment			
Visitor Economy	Hotels and restaurants	2,210	26%	-22.9%
	Arts and entertainment			
All Sectors		14,530	16%	13.4%

Source: EEFM Spring 2013 / NLP analysis

6.17

The total employment change in Colchester resulting from these forecasts is shown in Table 6.3, alongside the forecast job growth in the B class sectors. This includes an allowance for jobs in other non B class sectors that generally use office or industrial space (Appendix 5).

Table 6.3 Forecasted Employment Change in Colchester, 2006 - 2032

	Number of Jobs		Change (2014 - 2032)
	2014	2032	
Offices (B1a/B1b)*	22,995	29,865	6,870
Manufacturing (B1c/B2)**	7,910	7,070	- 840
Distribution (B8)***	4,810	4,925	115
<b>Total B Class Jobs</b>	<b>35,715</b>	<b>41,860</b>	<b>6,145</b>
<b>Total Jobs in All Sectors</b>	<b>92,300</b>	<b>106,830</b>	<b>14,530</b>

Source: EEFM Spring 2013 / NLP analysis

Note: \* Includes publishing and a proportion of government offices.

\*\* Includes vehicle repairs and some construction activities.

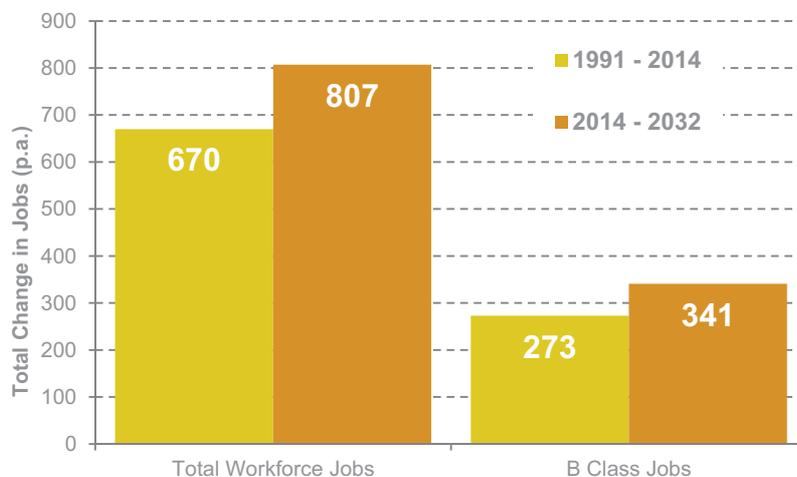
\*\*\* Includes parts of transport and communication sectors that use industrial land.

6.18 These figures indicate relatively high overall net job gains in B class sectors (6,145 jobs) within Colchester up to 2032, with particularly strong growth in office activities, negligible gains in distribution jobs and a moderate decline in manufacturing jobs. This is within the context of total job growth of 14,530 jobs forecast for the Borough over the plan period, which outside the B class sectors will mainly be in the healthcare, education and hospitality sectors. It should be noted that these key growth sectors will also require additional floorspace to accommodate an increase in employment over the period to 2032 (including some conventional office space) although as noted previously, the spatial implications of this growth are considered using different methodologies and other forms of technical evidence.

6.19 The total GVA growth associated with the EEFM employment forecasts for Colchester equate to a 69.4% rise between 2014 and 2032, or 3.9% per year over the plan period. In absolute terms, this is equivalent to an increase of just over £2.4 billion over the plan period.

6.20 This projected net increase of 6,145 B class jobs up to 2032, which underpins this estimate of future employment space needs, is equivalent to an average of 341 additional B class jobs each year. This is considerably higher than the B class job growth achieved in Colchester during the period 1991 to 2014, which EEFM data indicates increased by 273 jobs per annum (Figure 6.1).

Figure 6.1 Annual Job Growth Implied by the EEFM Baseline



Source: EEFM Spring 2013 / NLP analysis

6.21 Total workforce jobs growth is also expected to accelerate beyond the level of growth recorded in the Borough between 1991 and 2014, at around 807 jobs per annum, or 20% higher than historic trends (Figure 6.1). On the basis of past performance, the baseline job growth scenario could be regarded as a more optimistic estimate of employment growth.

6.22 The B class part of these employment growth forecasts have been converted to net future employment space requirements by applying the latest published density figures for employment space, which take account recent trends in

occupancy for the different B class uses. To estimate space requirements, the following average ratios have been applied to job forecasts:

- **Offices:** 1 job per 12.5sq.m for general office space;
- **Industrial:** 1 job per 43sq.m as an average across B1c and B2 uses; and
- **Warehousing:** 1 job per 65sq.m for general, smaller scale warehousing (i.e. assumed to account for 90% of total stock) and 1 job per 74sq.m for large scale, lower density units (i.e. assumed to account for 10% of total stock).

6.23 These assumptions are based on latest HCA/OffPAT guidance on employment densities published in 2010.<sup>45</sup> The guidance takes into account recent trends in term of the change uses of employment space, with the main change being the more efficient use of office space through flexible working and hot-desking.

6.24 An allowance of 10% is added to all floorspace requirements to reflect normal levels of market vacancy in employment space. Where a reduction in jobs is forecast (e.g. manufacturing), the associated negative floorspace was halved. This reflects that while there may be ongoing manufacturing job losses (e.g. as firms use more efficient production approaches), it doesn't automatically follow that all of the existing employment is lost.

Table 6.4 EEFM Job Growth Based Net Employment Space Requirements in Colchester, 2014 - 2032

	Floorspace (sq.m)
Offices (B1a/B1b)	94,480
Manufacturing (B1c/B2)	-18,090
Distribution (B8)	8,430
<b>Total B Class Jobs</b>	<b>84,820</b>

Source: NLP analysis

## B. Past Development Rates

6.25 Because they reflect market demand and actual development patterns on the ground, in some cases long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs. Completions over such a period as ten years or more should even out demand fluctuations over a business cycle, and normally provide a reasonable basis for estimating future needs provided land supply has not been unduly constrained. Whereas job forecasts show growth in net terms, past trend-based assessments take into account development that offsets the redevelopment of employment sites, and from the recycling of sites.

<sup>45</sup> Based on HCA/OffPAT Employment Densities Guide (2010) and converted to Gross External Area (GEA) and total workforce jobs by NLP

## Scenario 2: Past Development Rates

- 6.26 Monitoring data on past completions by B class uses between 2006 and 2011 was provided by Essex County Council<sup>46</sup>. During this period, average annual net completions for B class uses in Colchester amounted to around -7,190sq.m of employment floorspace (Table 6.5). Gross completions were much higher at an average of 18,450sq.m each year, although this masks significant losses of employment space that have occurred over this period. It should be noted that these figures exclude the development of just under 60,000sq.m (net) of B class space at Colchester Garrison in 2010 which related to specific Ministry of Defence activities and is therefore not genuinely available to the wider market and occupiers.

Table 6.5 Annual Completion Rates of Employment Space in Colchester, 2006 - 2011

	Net Annual Completions (sq.m)	Gross Annual Completions (sq.m)
Offices (B1a/B1b)	3,360	4,230
Industrial (B1c/B2/B8)	-10,550	14,220
<b>Total</b>	<b>-7,190</b>	<b>18,450</b>

Source: Essex County Council / NLP analysis

- 6.27 One view of future growth in Colchester could therefore simply assume that the past development rates carry on in the future at the long term average. If it were assumed that past net completion rates were to continue over the next 18 year period, this would equate to an increase of 60,445sq.m of office space and a loss of 189,880sq.m of manufacturing and distribution space by 2032. Such employment requirements are significantly lower than that estimated using job based forecasts (Table 6.4).

Table 6.6 Net Employment Space Requirements Based on Past Completion Trends, 2014 - 2032

	Assumed Net Floorspace Change (p.a.) (sq.m)	Net Floorspace Requirements (2014 - 2032) (sq.m)
Offices (B1a/B1b)	3,360	60,445
Industrial (B1c/B2/B8)	-10,550	-189,880
<b>Total</b>	<b>-7,190</b>	<b>-129,435</b>

Source: Essex County Council / NLP analysis (totals rounded)

- 6.28 Using standard ratios of jobs to floorspace for the different B class uses (i.e. as outlined above)<sup>47</sup>, it is possible to estimate that 1,380 B class jobs would still be created in the Borough up to 2032 under this scenario, despite the continued erosion of industrial space. This is equivalent to a negligible gain of around 77 B class jobs each year over the course of the plan period. This is

<sup>46</sup> It should be noted that monitoring data covering the years 2006 to 2011 has been used as it presents information on B class completions and losses in a consistent format. Whilst monitoring data is available for subsequent years (i.e. from 2012 onwards), it only relates to planning permissions granted and is therefore not comparable with the earlier data

<sup>47</sup> Due to manufacturing and warehousing uses being jointly categorised as industrial uses in the monitoring data, an average job density ratio of 55sq.m per job was used to represent both these industrial spaces.

due to the relatively high employment densities associated with the use of office space when compared with industrial uses.

### Scenario 3: Higher Past Development Rates

- 6.29 County Council monitoring data suggests that take-up rates for both office and industrial uses have been very variable over the six year snapshot where data is available in a consistent format (see Figures 3.5 and 3.6). In particular, it is characterised by a small number of significant ‘one-off’ developments and losses of employment space relating to consolidation activities associated with one company, Fläkt Woods, and the relocation of their former manufacturing premises from Tufnell Way to the north of Colchester railway station to a new facility East of Cuckoo Farm, in the Northern Gateway. The total net effect of this consolidation process is equivalent to a loss of just over 100,000sq.m of industrial space across the 2006, 2008 and 2009 monitoring years. Whilst this process reflects the changing spatial requirements of local businesses and the continued recycling of sites for various commercial uses, it does not appear to necessarily reflect the general, ambient level of development that has occurred in the Borough in recent years and therefore skews the average annual rate of completions within Colchester to the extent that average annual net completions of industrial space were negative between 2006 and 2011 (see Table 6.5).
- 6.30 It is therefore useful to consider an alternative past take-up based requirement that excludes the B class development (both in terms of gross gains and losses) associated with Fläkt Woods from the monitoring period. Under this scenario, average annual net completions for B class uses in Colchester would amount to around 9,880sq.m of employment floorspace between 2006 and 2011 or 15,390sq.m in gross terms. Applying this over the 18 year plan period generates a requirement for 60,445sq.m of office space (unchanged from Scenario 2) and 117,325sq.m of industrial floorspace. In total, this indicates demand for just under 177,770sq.m of employment space by 2032 (Table 6.7).

Table 6.7 Net Employment Space Requirements Based on Past Completion Trends, 2014 - 2032 (Higher Development Rates)

	Assumed Net Floorspace Change (p.a.) (sq.m)	Net Floorspace Requirements (2014 - 2032) (sq.m)
Offices (B1a/B1b)	3,360	60,445
Industrial (B1c/B2/B8)	6,520	117,325
<b>Total</b>	<b>9,880</b>	<b>177,770</b>

Source: Essex County Council / NLP analysis (totals rounded)

## C. Future Labour Supply

- 6.31 It is also important to take into account how many jobs, and hence how much employment space, would be necessary to broadly match forecast growth of the resident workforce in the Borough. In contrast to the other two approaches,

this approach focuses on the future supply of labour rather than the demand for labour. It then indicates the amount of new jobs needed to match the future supply of working-age population, and how much employment space would be needed to accommodate these jobs.

### Scenario 4: Labour Supply (SNPP Population Projections)

- 6.32 At the request of the Council, a labour supply based scenario has been considered which uses the latest 2012 based Sub-National Population Projections (SNPP) for Colchester, as used by Edge Analytics in the demographic forecasting work undertaken on behalf of the Essex Planning Officers Association (EPOA)<sup>48</sup>. These projections estimate that the Borough's population will increase from 179,800 in 2014 to 210,500 in 2032, equivalent to population growth of 30,700 in total over the plan period or 1,706 per annum.
- 6.33 The labour supply implications of this scenario have also been modelled by NLP to take account of economic activity rates and future pension age changes outlined in current national policy. This provides an approximation of the number of people likely to be seeking work within Colchester as it allows for a proportion of the resident population commuting to jobs elsewhere and for some in-commuting. This scenario assumes that 2011 based commuting relationships are maintained over the plan period and that Colchester continues to be a net exporter of labour. This approach reflects the most recent and up-to-date population projections and provides a purely demographic driven assessment of future labour supply. It does not go on to consider the housing implications arising from this population growth.
- 6.34 Table 6.8 summarises the resident and workplace labour supply resulting from this scenario, equivalent to an increase of 11,780 and 11,020 respectively over the plan period to 2032. From these forecasts, the number of B class jobs required was estimated assuming that one additional job would be required for each additional worker forecast, while also taking account of the existing and forecast proportion of B class jobs to total jobs within the Borough.<sup>49</sup>

Table 6.8 Forecast Labour Supply and Job Requirements for Colchester, 2014 - 2032

	Average Per Annum (2014 - 2032)	Total Change (2014 - 2032)
Resident Labour Supply	655	11,780
Workplace Labour Supply	612	11,020
Office Jobs (B1a/B1b)	338	6,080
Manufacturing Jobs (B1c/B2)	-66	-1,195
Distribution Jobs (B8)	-5	-85
<b>All B Class Jobs</b>	<b>267</b>	<b>4,800</b>

Source: Colchester Borough Council / NLP analysis

<sup>48</sup> Edge Analytics, Greater Essex: Demographic Forecasts 2012-2037, Phase 6 Main Report (September 2014)

<sup>49</sup> Based on EEFM Spring 2013 baseline employment forecasts.

- 6.35 This results in a need for 4,800 B class jobs in Colchester over the plan period to 2032, which is equivalent to 267 jobs per annum. These job numbers can then be translated into estimated requirements for B class employment space by applying the same standard employment densities used in the job growth based approach, and adding a 10% vacancy allowance. Where a reduction in jobs is forecast, the associated negative floorspace was halved.
- 6.36 Overall future employment floorspace requirements based on meeting the job needs of local workers would require some 47,560sq.m of B class employment floorspace in the Borough by 2032 (Table 6.9).

Table 6.9 Net Employment Floorspace Required from Labour Supply Growth, 2014 - 2032

	Floorspace (sq.m)
Offices (B1a/B1b)	76,000
Manufacturing (B1c/B2)	-25,710
Distribution (B8)	-2,730
<b>Total</b>	<b>47,560</b>

Source: NLP analysis

- 6.37 This labour supply based estimate provides a useful benchmark for comparing with the demand approaches. Based on the latest population projections, this forecast produces a positive space requirement that is significantly lower than the baseline employment growth scenario but significantly higher than the (negative) past completion rates based scenario.

## Net Employment Space Requirements

- 6.38 Drawing together the results from each of the future economic scenarios, Table 6.10 summarises the net floorspace requirements up to 2032.

Table 6.10 Net Floorspace Requirements in Colchester by Scenario to 2032 (sq.m)

	1. Baseline Job Growth (EEFM)	2. Past Completion Rates	3. Higher Past Completion Rates	4. Labour Supply (2012 Based SNPP)
Offices (B1a/B1b)	94,480	60,445	60,445	76,000
Industrial (B1c/B2/B8)	-9,660	-189,880	117,325	-28,440
<b>All B Uses</b>	<b>84,820</b>	<b>-129,435</b>	<b>177,770</b>	<b>47,560</b>

Source: NLP analysis

- 6.43 These forecasts reflect a fairly wide range of potential net space requirements. For office space, this ranges between a requirement for 60,445sq.m (based on past take-up rates) and 94,480sq.m (based on baseline job growth). For industrial space, this ranges from -189,880sq.m under the past development rates scenario to 117,325sq.m under the higher past take-up scenario (i.e. excluding completions and losses associated with the Fläkt Woods relocation).

## Safety Margin

- 6.44 To estimate the overall requirement of employment floorspace that should be planned for in allocating sites, and to give some flexibility of provision, it is normal to add an allowance as a safety margin (i.e. for such factors as delays in some sites coming forward for development).
- 6.45 In a location like Colchester with a relatively unconstrained land supply but also development pressure from other higher value uses, there is a need to ensure a reasonable but not over-generous additional allowance that provides for some flexibility but avoids over-provision of land. However, it also needs to reflect that there may be potential delays in some of the Borough's development sites coming forward for development.
- 6.46 The former SEEPB guidance on employment land assessments recommended an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. For Colchester, the margins set out in Table 6.11 were added for B Class use based on two years of average net take-up and appears an appropriate level relative to the estimated scale of the original requirement.
- 6.47 This excludes the gross completions and losses of B class space associated with the consolidation of Fläkt Woods from the company's previous site at Tufnell Way to their new premises East of Cuckoo Farm, on the basis that this one relocation was significant enough in scale to skew the historical average annual rate of completions within Colchester and does not necessarily reflect the ambient level of development that has occurred in the Borough in recent years. This issue is discussed in more detail below.

Table 6.11 Safety Margin Allowances

Use	Average Annual Net Take-up (sq.m)	Safety Margin Added (sq.m)
Industrial (B1c/B2/B8)	6,520	13,040
Offices (B1a/b)	3,360	6,720

Source: NLP analysis

## Gross Employment Space Requirements

- 6.48 To convert the net requirement of employment space into a gross requirement (the amount of employment space or land to be allocated/planned for), an allowance is also typically made for some replacement of losses of existing employment space that may be developed for other, non B Class uses. This allowance ensures that sufficient space is re-provided to account for employment space that is anticipated to be lost in future and provides some protection against continued erosion of employment space in the Borough.
- 6.49 Judgements were made on the suitability and degree of the allowance for future losses which it would be appropriate to apply here based on analysis of supply-side deliverability factors and current trends in the market. Not all losses need to be replaced as some will reflect restructuring in the local

economy, for example as less manufacturing space is needed in future. Consideration has been given to a number of factors and property market dynamics, as described in turn below.

- 6.50 Analysis of monitoring data suggests that a significant amount of employment space that has been lost in the past related to the large 'one off' relocation and consolidation of Fläkt Woods, a key Colchester firm and employer in the town. The firm relocated from its large industrial premises on Tufnell Way to a smaller mixed use premises at land East of Cuckoo Farm in 2007/08, with the associated gain and loss of B class floorspace having a significant effect upon average annual completions over the monitoring period 2006 to 2011.
- 6.51 For example, the Fläkt Woods relocation involved the loss of c.120,000sq.m of industrial floorspace from across the two monitoring years of 2008 and 2009, equivalent to just under 20% of Colchester's total stock of industrial space in 2008 or just over 80% of all industrial space losses recorded in the Borough between the years 2006 and 2011.<sup>50</sup> By contrast, the firm's new premises in the Northern Gateway area of the town comprised just over 18,000sq.m of industrial floorspace, reflecting increasingly efficient working practices.
- 6.52 The inclusion of such a development can skew the general, ambient trend of losses and has in part driven the high annual average level of employment space losses in recent years in Colchester, as presented under Scenario 2 above. It is likely that the scale of one-off industrial losses declines in the future, particularly as the number of remaining sites of this type diminishes.
- 6.53 For this reason, the gross completions and losses of B class space associated with the consolidation of Fläkt Woods have been excluded from the analysis of past development in Colchester for the purposes of identifying a suitable allowance for loss replacement over the plan period. It has been assumed that 50% of the residual industrial losses will be replaced each year, equating to 41,760sq.m by 2032 (or 2,320sq.m per annum).
- 6.54 Recent losses of office floorspace in Colchester have to some extent been driven by the loss of older, redundant office space, such as large purpose built premises that are effectively redundant to current market requirements and lack occupier appeal. It is therefore considered inappropriate for the Borough to replace all office space that is lost in future and it has been assumed that 50% of office losses recorded over the six years 2006 to 2011 (i.e. for which consistent monitoring data is available) will be replaced each year, equating to 7,840sq.m to 2032 (or 435sq.m per annum). The resultant gross floorspace requirements incorporating these allowances are set out in Table 6.12 and Figure 6.2.

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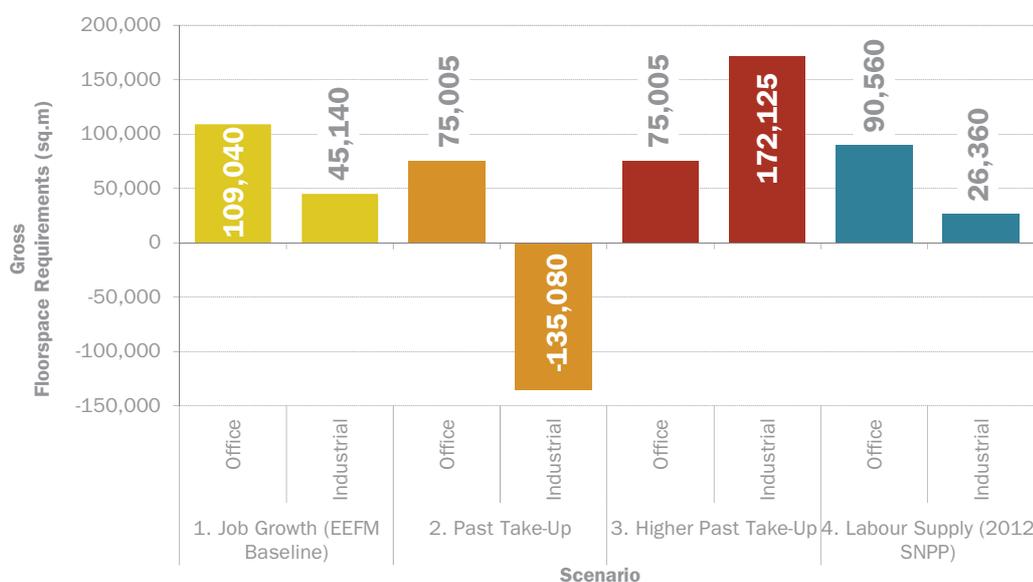
<sup>50</sup> Based on Essex County Council monitoring data

Table 6.12 Gross Floorspace Requirements in Colchester by Scenario to 2032 (sq.m)

	1. Baseline Job Growth (EEFM)	2. Past Completion Rates	3. Higher Past Completion Rates	4. Labour Supply (2012 Based SNPP)
Offices (B1a/B1b)	109,040	75,005	75,005	90,560
Industrial (B1c/B2/B8)	45,140	-135,080	172,125	26,360
<b>All B Uses</b>	<b>154,180</b>	<b>-60,075</b>	<b>247,130</b>	<b>116,920</b>

Source: NLP analysis \* totals rounded

Figure 6.2 Gross Floorspace Requirements by Scenario (sq.m)



Source: NLP analysis

- 6.59 The range of floorspace requirements for industrial development land is very wide, between -135,080sq.m and 172,125sq.m to 2032 depending on the approach used. Compared with the stock of industrial space in Colchester in 2012<sup>51</sup> (i.e. the most recent year for which consistent VOA data is available), this range would be equivalent to between a reduction in stock of 21% and an increase in stock of 27% to 2032.
- 6.60 For office floorspace, the range is slightly narrower, between 75,005sq.m and 109,040sq.m to 2032. Compared with the stock of office space in Colchester in 2012<sup>52</sup>, this range would be equivalent to an increase in stock of between 36% and 52% to 2032.

<sup>51</sup> Based on industrial stock of 644,000sq.m as recorded by the VOA for 2012

<sup>52</sup> Based on office stock of 208,000sq.m as recorded by the VOA for 2012

## Estimate Land Requirement

6.61

The final step, for all scenarios, was to translate floorspace into land requirements for both office and industrial uses. This has been calculated by applying appropriate plot ratio assumptions to the floorspace estimates using the following assumptions and local adjustment factors to reflect the pattern of development in the Borough:

- **Industrial** – a plot ratio of 0.4 was applied so that a 1 ha site would be needed to accommodate a footprint of 4,000sq.m of employment floorspace; and
- **Offices** – it was assumed that 60% of new floorspace would be in lower density, business park developments with a plot ratio of 0.4, with 40% in higher density town centre locations at a plot ratio of 2.0.

6.62

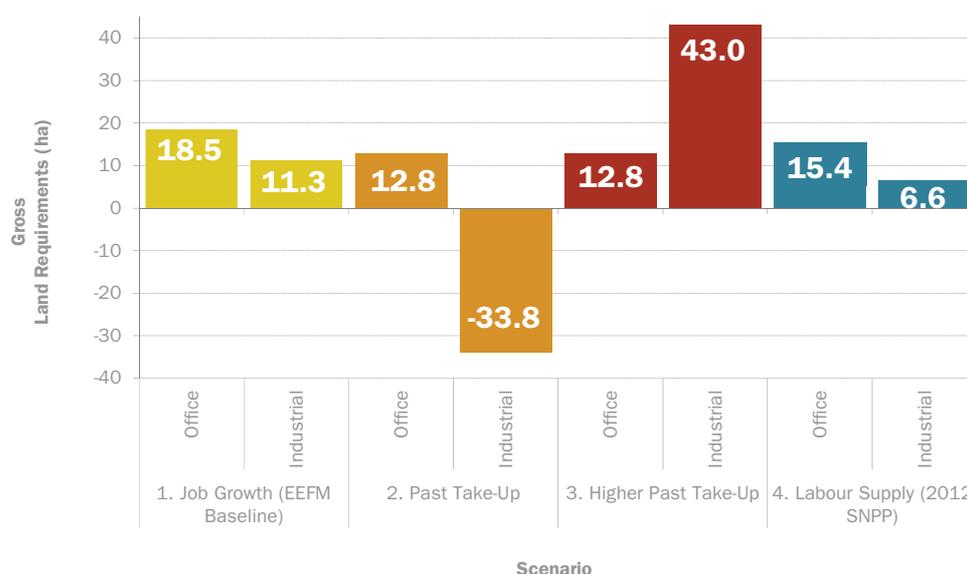
The resulting land requirements are set out in Table 6.13 and Figure 6.3.

Table 6.13 Gross Land Requirement by Scenario to 2032 (ha)

	1. Baseline Job Growth (EEFM)	2. Past Completion Rates	3. Higher Past Completion Rates	4. Labour Supply (2012 Based SNPP)
Offices (B1a/B1b)	18.5	12.8	12.8	15.4
Industrial (B1c/B2/B8)	11.3	-33.8	43.0	6.6
<b>All B Uses</b>	<b>29.8</b>	<b>-21.0</b>	<b>55.8</b>	<b>22.0</b>

Source: NLP analysis

Figure 6.3 Gross Land Requirement by Scenario (ha)

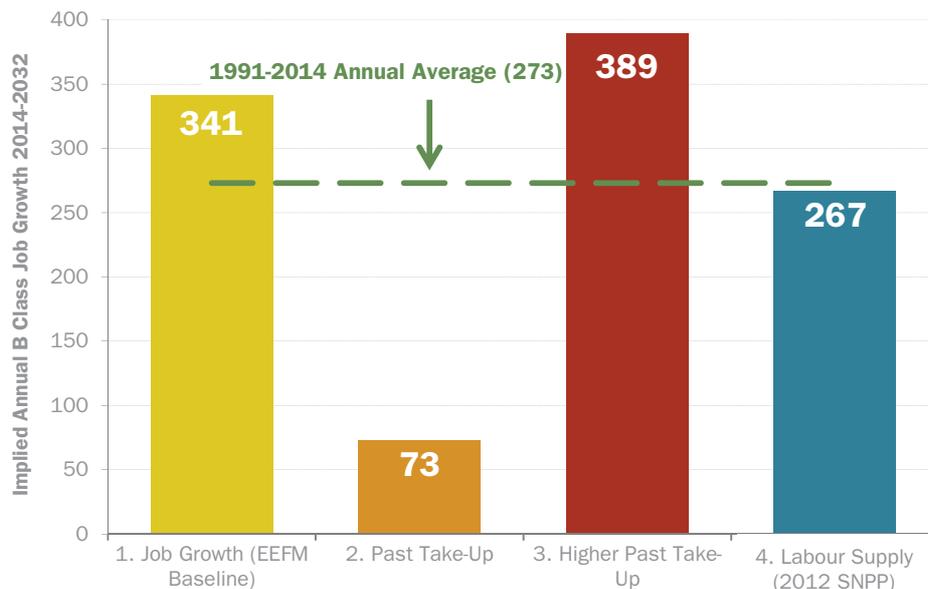


Source: NLP analysis

## Sensitivity Tests

- 6.67 Given the range of potential requirements implied by these different estimates of future requirements, it is important to test how reasonable each appears against other factors and how sensitive they are to different assumptions.
- 6.68 It is useful to first compare the employment growth implied by these amounts of land with employment growth actually achieved in Colchester in recent years (Figure 6.4). The lowest estimate based on past take-up implies a gain of 73 B class jobs per annum over the next 18 years, driven by significant losses of industrial space in the Borough in the past and moderate office floorspace gains.
- 6.69 The highest growth estimate based on a higher past take-up based scenario (i.e. excluding the Fläkt Woods relocation) implies some 389 more B class jobs annually, the majority of which relate to office-based jobs. These figures compare with an average increase of 273 B class jobs in Colchester per year between 1991 and 2014. The labour supply scenario based the 2012 SNPP population projections lies closest to this past trend of employment growth, the difference being equivalent to just six B class jobs per year.

Figure 6.4 Annual Job Growth Implied by Scenarios



Source: EEFM / NLP analysis

Note: Estimated job levels for each scenario do not take account of additional floorspace allowance in the safety margin, which is identified for planning purposes and may not actually be developed

- 6.70 This indicates that two of the four scenarios could generate a higher level of job creation than has been achieved in the Borough in the recent past. As that period was one of relatively strong economic growth, followed by a severe recession and fragile recovery, the two estimates based on past take-up and labour supply would not appear to be overly optimistic, particularly in light of

the Council's ambitious aspirations for Colchester to become a sustainable and prestigious regional centre.

- 6.71 It should be noted that the significant disparities between the two past take-up based approaches highlights the volatility associated with the Borough's development monitoring data which is clearly very sensitive to the inclusion or exclusion of the 'one off' Fläkt Woods relocation. Due to inconsistencies in the way that B class development activity has been monitored in the Borough in recent years, scenarios 2 and 3 are also based on a relatively short time period of just six years (covering the period 2006 to 2011) and therefore present a less robust basis for longer term planning for accommodating business needs in Colchester.

## Conclusions

- 6.72 In interpreting the outputs of this section, regard should be had to PPG guidance which states that Local Authorities should develop an idea of future economic needs based on a range of data and forecasts of quantitative and qualitative need. In this respect, planning for employment growth should avoid relying upon using single sources of data or projections which tend to rely upon a number of different variables which are inevitably subject to change.
- 6.73 It is also important to recognise that there are inevitable uncertainties and limitations associated with modelling assumptions under any of the future growth scenarios considered. For example, there are some inherent limitations to the use of local level economic forecasts, particularly in the context of significant recent changes in the economy. For example, economic forecasts are regularly updated and the resulting employment outputs will change over the plan period.
- 6.74 Four different scenarios of future employment space requirements have been considered, based on a number of approaches which reflect economic growth, past development trends and potential housing supply factors. Two of these reflect an assumption of higher future economic growth in Colchester than the Borough has achieved in the recent past. The overall gross space requirements related to these different scenarios range from -60,075sq.m to 247,130sq.m of all types of employment space to 2032, implying in broad terms a need for between -21.0ha and 55.8ha of employment land. The majority of this spatial requirement relates to office (B1a/b) uses.
- 6.75 Given an uncertain economic outlook, it is difficult to select the most likely option from these alternative growth pictures and all four scenarios have been tested against the Borough's supply position (Section 7.0). The scenarios based on past take-up rates continuing (scenarios 2 and 3) provide a less robust basis for understanding objectively assessed need arising from economic growth as past take-up rates have been very sensitive to the inclusion of a significant 'one off' loss of industrial space associated with a large firm relocation in 2008/09.

- 6.76 In contrast, the two growth scenarios implied by the SNPP labour supply and EEFM job growth approaches are based on the most up-to-date demographic and macroeconomic assumptions and therefore provide the most objective assessment of needs. Within the context of the NPPF requirement to plan positively for growth, the Council should plan to accommodate at least the 2012 SNPP based labour supply based requirement (scenario 4), to ensure that the Borough's indigenous growth potential (i.e. arising from its resident workforce) is not constrained by lack of spatial capacity in future.
- 6.77 At the same time, the Council should consider planning to accommodate the higher requirement arising from the baseline EEFM job growth scenario. The annual job growth implied by this scenario would exceed the level of employment growth recorded by the Borough in the recent past, and would therefore provide the opportunity for Colchester to readdress the balance between population and employment growth going forward. The industrial land requirement associated with the baseline EEFM approach (11.3ha) would also appear to better reflect local market signals which point to the relative strength of the industrial market as well as a tightening supply of existing stock.

## 7.0 Demand/Supply Balance

7.1 This section draws together the forecasts of future employment land needs in Section 6.0 and the estimates of land available on the area's existing and allocated employment sites in Section 3.0 to identify any need for more provision of employment space, or surpluses of it, in both quantitative and qualitative terms.

### Quantitative Balance

7.2 The previous section identified a need for between-60,075sq.m and 247,130sq.m of employment space up to 2032, including a modest safety margin largely to allow for delays in sites coming forward for development. The land requirements associated with these amounts of employment floorspace were estimated at between -21.0ha and 55.8ha, clearly reflecting a wide variation in the level of growth that could be supported by Colchester's economy over the plan period.

### Pipeline Supply

7.3 As detailed in Section 3.0, the supply of employment space in the development pipeline comes from undeveloped employment allocations including sites that have been allocated as both Strategic and Local Employment Zones in accordance with Core Strategy Policies CE1 and CE3.

7.4 Based on information provided by CBC and from NLP's assessment of the Borough's employment sites portfolio (presented in Section 5.0), the space available to help meet future needs in Colchester is estimated to comprise just under 77ha of B class space in net terms as shown in Table 7.1.

Table 7.1 Available Employment Space in Colchester

Location		Available Employment Land (ha)		
		Office (B1a/b)	Industrial (B1c/B2/B8)	Total
Strategic Employment Zones	North Colchester	7.9	14.6	22.5
	Stanway	13.3	13.5	26.8
	Knowledge Gateway	11.4	0	11.4
Colchester Town Centre	Town Centre Core	0.1	0.1	0.2
	Edge of Centre	3.5	7.1	10.6
Rural District Centres (Tiptree, West Mersea, Wivenhoe)		0.0	0.0	0.0
Other Rural Areas		1.4	4.0	5.4
<b>Total</b>		<b>37.6</b>	<b>39.3</b>	<b>76.9</b>

Source: Colchester Borough Council / NLP analysis

Note: Split between office (B1a/b) and industrial (B1c/B2/B8) uses has been estimated by NLP based upon Core Strategy policy CE1 and existing uses present at the time of site assessments

7.5 The available supply is split relatively evenly between office (B1a/b) and industrial (B1c/B2/B8) uses. The majority (79%) relates to the Borough's

Strategic Employment Zones at North Colchester, Stanway and Knowledge Gateway; beyond this, the supply of employment land is relatively limited and concentrated around the edge of Colchester town (most notably at Whitehall Industrial Estate) and smaller sites dispersed across the more rural areas of the Borough such as Marks Tey and Boxted Cross.

- 7.6 Beyond the supply outlined above, current levels of vacant employment space being marketed do not appear particularly excessive against the 'normal' market vacancy rate of 10% to enable churn and choice and no surplus capacity in terms of existing vacant floorspace has been added to the supply position.
- 7.7 A broad comparison of estimated demand for B Class space against all currently identified supply, as shown in Table 7.2, implies that Colchester would have sufficient employment space in quantitative terms up to 2032 to meet the needs arising from all four scenarios of future requirements.
- 7.8 The potential surplus of space under the four scenarios would vary from 21.1ha under the higher past take-up based scenario (3) to 97.9ha under the baseline past take-up based scenario (2), although as previously mentioned, the disparity between these two approaches can be explained by the inclusion/exclusion of one single firm's relocation within the Borough and may therefore be less robust in terms of planning for future economic growth in Colchester.

Table 7.2 Demand/Supply of B Class Employment Space in Colchester (to 2032)

	1. Baseline Job Growth (EEFM)	2. Past Completion Rates	3. Higher Past Completion Rates	4. Labour Supply (2012 Based SNPP)
Requirement for B Class Space (ha)	29.8	-21.0	55.8	22.0
Available Employment Space (ha)	76.9			
Surplus (ha)	+47.1	+97.9	+21.1	+54.9

### Needs of Different Employment Uses

- 7.13 Ensuring an adequate choice of types of sites is also important to meet the needs of different employment sectors and the aims for diversity of employment opportunities at different skill levels. Potential supply of employment space for both industrial and office uses was therefore compared with estimated requirements for these uses.
- 7.14 Table 7.3 and Figure 7.1 compare the demand and supply situations for industrial and offices uses separately. This indicates that there would be sufficient supply available, in purely quantitative terms, to meet office needs arising under all four of the demand estimates. The surplus would range from 19.1ha to 24.8ha depending upon the approach.

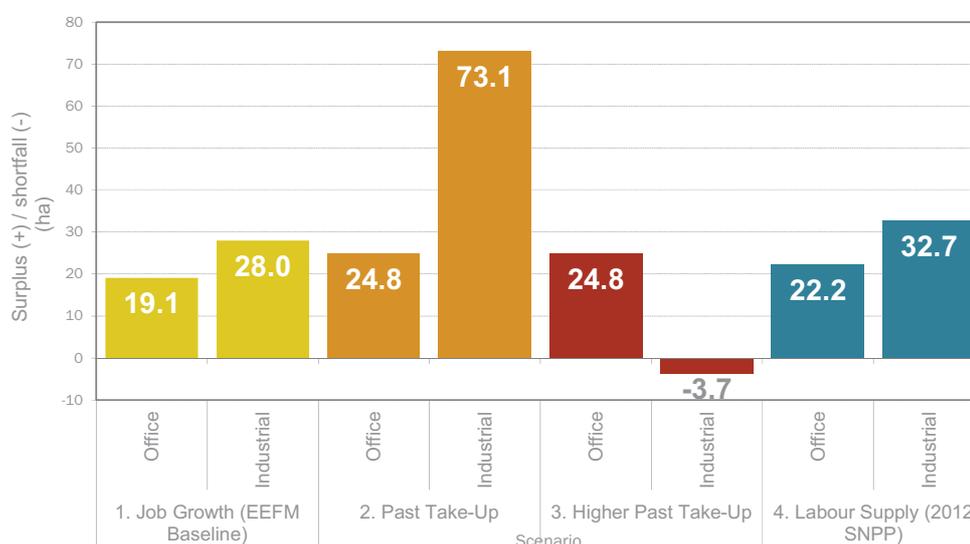
7.15

For industrial space, there would be sufficient supply to accommodate three of the four growth scenarios, but a minor shortfall of industrial land to meet the needs associated with the higher past take-up based approach.

Table 7.3 Demand/Supply balance for office and industrial space to 2032 (ha)

	1. Baseline Job Growth (EEFM)	2. Past Completion Rates	3. Higher Past Completion Rates	4. Labour Supply (2012 Based SNPP)
<b>Industrial</b>				
Industrial space requirement (ha)	11.3	-33.8	43.0	6.6
Potential supply of industrial space (ha)	39.3			
Surplus(+)/Shortfall(-) (ha)	+28.0	+73.1	-3.7	+32.7
<b>Offices</b>				
Office space requirement (ha)	18.5	12.8	12.8	15.4
Potential supply of office space (ha)	37.6			
Surplus(+)/Shortfall(-) (ha)	+19.1	+24.8	+24.8	+22.2

Figure 7.1 Forecast surplus of office and industrial space to 2032 by scenario



Source: NLP analysis

7.20

This demand/supply analysis assumes that the Borough's undeveloped employment allocations come forward in full for employment development over the plan period. Any deviation from this assumption could potentially have an impact upon the balance, for example by tightening the existing surplus of employment space or resulting in a shortfall under some scenarios.

- 7.21 On paper, this suggests that the identified pipeline supply as it stands provides for sufficient industrial and office space to meet the Borough's employment development needs to 2032 in purely quantitative terms (notwithstanding the minor shortfall of industrial space under the higher past take-up based scenario).
- 7.22 The analysis does however imply that a significant reliance is placed upon the Borough's Strategic Employment Zones to accommodate business needs over the plan period, with the Northern Gateway, Stanway and Knowledge Gateway together accounting for nearly 80% of the total employment land supply. Excluding these Strategic Employment Zones from the supply position would reduce the amount of available employment land to just over 16ha, which in quantitative terms would be insufficient to accommodate the Borough's future growth needs under the two scenarios that are based on the most up-to-date demographic and macroeconomic assumptions (i.e. baseline job growth and labour supply) and therefore provide the most objective assessment of needs.

## Sub-Borough Distribution

- 7.23 Whilst a key aim of this ELNA is to estimate gross employment land requirements for the Borough overall, it is also important to ensure the appropriate distribution of allocated sites across Colchester to meet future requirements, and to accord with market demand. As such, this section provides an overview of market views on demand for different uses, locations of stronger/weaker demand across the Borough and seeks to identify where any gaps in future provision may exist.
- 7.24 A summary of the anticipated demand/supply situation over the plan period for the Borough's main sub areas (as defined by the Borough's Core Strategy Centres and Employment Hierarchy) is presented in Table 7.4 with a summary by sub area provided below. This analysis has been undertaken within the context of an identified gross requirement of between -21.0ha and 29.8ha and a quantitative over supply of employment land over the 18 year time period 2014-2032 across all B class uses.

Table 7.4 Comparison of Employment Land Supply and Demand to 2032 by Sub Area

Sub Area	Available Employment Land Supply (ha)	Reported Level of Market Demand		Demand / Supply Balance to 2032
		Office	Industrial	
North Colchester	22.5	Moderate	High	
Stanway	26.8	Low/Moderate	Low/Moderate	
Knowledge Gateway	11.4	Low/Moderate	n/a	
Colchester - Town Centre Core	0.2	Moderate	n/a	
Colchester - Edge of Centre	10.6	Low/Moderate	Moderate	
Rural District Centres (Tiptree, West Mersea, Wivenhoe)	0.0	Low	Low/Moderate	
Other Rural Areas	5.4	Low/Moderate	Low/Moderate	
<b>Borough Total</b>	<b>76.9</b>	<b>Low/Moderate</b>	<b>Moderate</b>	

KEY  = adequate supply  = over-supply  = under-supply

- 7.25 **North Colchester** forms part of the Northern Gateway Growth Area which covers an area of approximately 100ha and is intended to provide an attractive and sustainable destination for sports, leisure and business. It is designated as a Strategic Employment Zone in the 2008 adopted Colchester Core Strategy which identifies industrial (B1b/c, B2) and distribution (B8) uses as the primary activities.
- 7.26 The SEZ benefits from excellent access to the strategic road network, while the recent completion of junction 28 has provided direct links onto the A12. It represents the highest scoring of all employment sites assessed by this study and has significant potential to accommodate business growth over the plan period, particularly given its proximity to the successful Colchester Business Park and Severalls Industrial Estate and associated potential for over-spill demand from these largely developed sites. Nevertheless, employment development has been slow to come forward in the SEZ and the recent introduction of non B class uses such as car showrooms have the potential to undermine the profile of the area for more traditional employment uses.
- 7.27 North Colchester accommodates a significant proportion of the Borough's supply of employment land (at 22.5ha or just under 30% of the total) which would appear to be sufficient to meet future demand to 2032.
- 7.28 **Stanway** is located to the far west of Colchester town and is identified as a Growth Area and Strategic Employment Zone in the Borough's Core Strategy. The Council's vision is to transform the character of the area to become a stimulating, attractive and economically vibrant hub for the growing population, building on its success as a retail and commercial destination. The Stanway

Growth Area has seen significant new development in recent years, largely focused upon retail-led commercial uses cementing Tollgate's role as an Urban District Centre.

- 7.29 Several sites have been identified to contribute to the delivery of new jobs and the creation of a compact, mixed use community including Stane Park, Tollgate, Land at Oldhouse Farm and Land West off the Tollgate Centre, all of which score reasonably well against a range of suitability and fitness-for-purpose criteria (see Section 5.0). However, the Stanway area currently lacks critical mass as an employment location and market appeal appears to be limited in the current climate. The area accommodates more than a third (35% or 26.8ha) of the Borough's available employment land although in light of the above, it seems unlikely that this full scale of provision would be required to meet business needs over the plan period. Those sites with the greatest prospect of coming forward for employment development in future – most notably Stane Park which benefits from an excellent location adjoining the A12 (jct 26) and greenfield status – should provide the focus for continued allocation.
- 7.30 **The Knowledge Gateway** is an integral part of the East Colchester Growth Area and is allocated as a Strategic Employment Zone in the 2008 Core Strategy. The Council's vision is for the Knowledge Gateway to become one of the prime locations for research and business in Essex with the University of Essex proposing to develop 400,000sq.ft (37,161sq.m) of commercial space alongside a range of ancillary facilities and student accommodation. The Masterplan for the scheme includes an Innovation Centre and business village providing office and R&D space although to date the only development to have come forward is phase one of the Parkside Office Village comprising 9 small office/R&D units totalling c.1,300sq.m which was completed earlier in 2014.
- 7.31 Market feedback suggests that the site's location to the southeast of Colchester represents a key barrier to further general employment development due to poor proximity to existing business clusters and access to the strategic road network/A12. Demand for a more specialised, stand-alone science park style development would clearly need to be driven by the University of Essex – perhaps through its strategy to create stronger connections with business - and such a product is therefore less likely to be available to meet wider market/business needs arising within Colchester.
- 7.32 The **Colchester Town Centre Core** comprises a number of employment areas including Clarendon Way, Cowdray Avenue and the Middleborough Area, all of which score relatively well in terms of their suitability and fitness-for-purpose as employment sites. Occupier demand for these locations remains steady although available supply is extremely limited at just 0.2ha. The proximity of these sites to Colchester town centre mean that expansion opportunities are extremely limited therefore future development will need to focus on upgrading, redeveloping and intensifying existing space.
- 7.33 **Colchester Edge of Centre** sites are typically located to the south east of Colchester town centre in proximity to the established business area of the

Hythe, the town's former port. They tend to be larger in size (compared with the town centre) and continue to attract demand from local occupiers, particularly those seeking lower cost premises. There are some undeveloped plots providing opportunities for future expansion and development, estimated at 10.6ha in total which appears to be sufficient to meet future demand. It should be noted however that the vast majority (87%) of this supply is concentrated at Whitehall Industrial Estate, with very few expansion opportunities available elsewhere.

- 7.34 The Borough's **Rural District Centres** (as defined by the 2008 Core Strategy Centre Hierarchy) include Tiptree, West Mersea and Wivenhoe and provide a wider range of shops and services for the needs of residents within the immediate neighbourhood and the vicinity of the District settlement. They provide an important source of employment and include a number of established employment sites such as Tower House in Tiptree and Waldegraves Farm in West Mersea. Nevertheless, demand is very localised, accessibility (particularly to strategic routes) can be poor and new development of employment space is largely unviable due to the peripheral location of these centres away from the critical mass of established employment areas in and around Colchester town. The District Centres do not accommodate any available supply of employment land, although the above factors mean that it does not appear necessary to specifically identify any new land for B class development over the plan period.
- 7.35 **Other Rural Areas** are dispersed across the Borough and include the smaller settlements of Langham, Marks Tey, Boxted Cross and Fingringhoe. As per the Rural District Centres, occupier demand generally comes from local businesses and can be very variable by site/location. For example, the Crown Interchange site located just beyond the junction between the A12 and A120 accommodates a recently completed speculative office scheme (Apex 12) that has significant market appeal, characterised by good quality, small scale units and benefiting from excellent access to the strategic road network. By contrast, Hill Farm is located within the village of Boxted Cross, approximately 4.5km north of the A12 and 8km from Colchester and has remained undeveloped despite planning consent granted for a small scale commercial scheme in 2007. Its peripheral location, as well as other constraints such as proximity to a primary school, means that the site is unlikely to secure the pre-let that is needed to bring forward development. It is estimated that around 5.4ha of undeveloped employment land is available across the rural areas of the Borough, which appears proportionate to the scale of demand likely to arise.

## Conclusions

- 7.36 Based on available employment space identified by CBC and the site appraisal process undertaken by this study, Colchester has sufficient employment floorspace in quantitative terms to meet future needs up to 2032 under all four scenarios of future growth. The surplus of employment space ranges from 21.1ha (under the higher past take-up approach) to 97.9ha (under the baseline past take-up based approach). This demand/supply balance is also the case

for both office and industrial uses, notwithstanding the minor shortfall of industrial space required to accommodate the higher past take-up based scenario of growth.

- 7.37 The pattern of demand and availability of employment land to meet future needs varies significantly across the Borough's sub areas and key settlements, with Colchester town and the Northern Gateway Growth Area attracting the greatest levels of occupier demand but also accommodating a significant amount of available employment land.
- 7.38 The Strategic Employment Zones at Stanway and the Knowledge Gateway are currently characterised by a more limited level of demand which in both quantitative and qualitative terms would appear insufficient to necessitate retaining the full quantum of employment land identified as available.
- 7.39 The rural areas of the Borough including the District Centres play an important role in accommodating local business as well as providing affordable workspace and retaining home based businesses within the local community. While the analysis identifies some available employment land, the provision of a positive policy framework that encourages rural enterprise and diversification schemes arguably represents the most appropriate way of ensuring that rural needs can be met, as supported by Policy ENV2 Rural Communities in the 2008 adopted Core Strategy.

## 8.0 Conclusions and Policy Implications

- 8.1 This section draws together overall conclusions and considers potential policy approaches in relation to employment space for the emerging Local Plan as well as other measures which may be required to support Colchester's economic growth objectives.

### Overview of Colchester's Economy

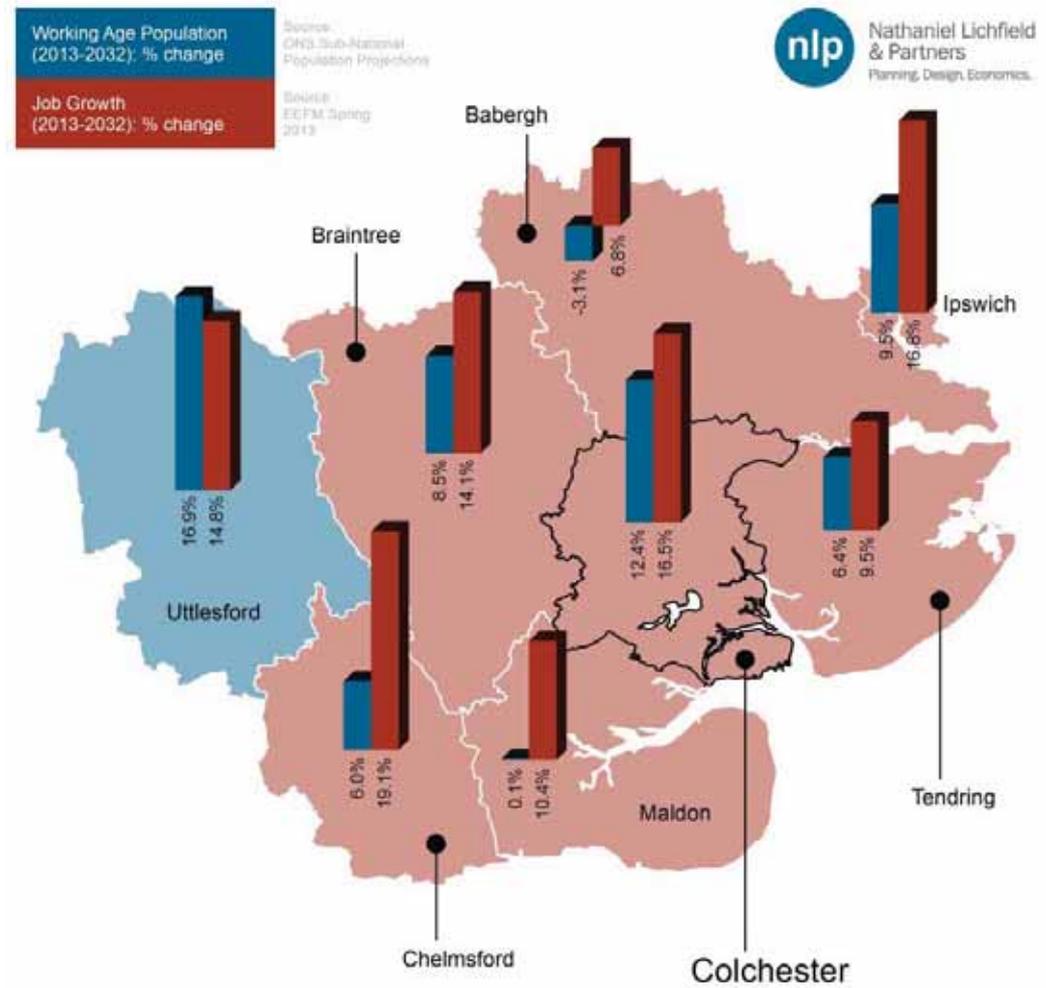
- 8.2 Colchester has a relatively successful economy, which has recorded reasonably strong job growth in recent years including in key growth sectors of professional services and creative media. However, the Borough is also characterised by relatively low levels of business start-up and self-employment while the trend has been for the Borough's working-age population growth to outpace employment growth, in contrast with the majority of local authorities within the sub-region. Over the last ten years, the Borough's self-containment rate has reduced by more than 8%, while Census data also points to a slight skills mismatch between in and out commuters, with out-commuters more likely to be employed within higher-skilled occupations than those travelling into the Borough for work.
- 8.3 Employment space in the Borough is dominated by industrial (factory and warehousing) uses although the commercial office stock is also relatively significant and has been increasing in scale in recent years. Office space tends to be concentrated within Colchester town centre and the North Colchester business parks while Industrial space is more evenly distributed across the Borough.
- 8.4 The Borough has seen moderate amounts of new development over the last few years, mainly relating to industrial (B1c/B2/B8) uses and driven by a small number of large developments. At the same time, the Borough has been losing significant amounts of B class space, again driven by a handful of large redevelopments. The recent introduction of Permitted Development rights for change of use from office to residential has started to have an impact in Colchester, with 20 Prior Approval Notices so far been submitted, mainly in and around the town centre. The supply of employment space in the Borough's development pipeline comprises just under 77ha of undeveloped employment allocations. This supply is concentrated within the Borough's Strategic Employment Zones at North Colchester, Stanway and the Knowledge Gateway.
- 8.5 The local commercial property market is diverse and overwhelmingly centred upon Colchester town. The Borough's geographical location and proximity to a number of larger, more established commercial centres such as Chelmsford means that its commercial property market is largely localised and heavily reliant on a relatively large base of SMEs and access to the A12.

- 8.6 Colchester is still contending with a supply overhang of office space following the economic downturn although this varies across the Borough's employment sites with market demand focused on higher quality, small scale schemes that have good access to the A12. The Borough's industrial market has weathered the recession better, with market feedback indicating that the supply and demand for industrial accommodation is relatively well matched. There may be scope for greater provision of modern, high quality industrial premises as well as small scale plots of land located near to the A12 that are available (ideally on freehold basis) to accommodate design and build premises to enable local firms to expand and/or upgrade.

## Functional Economic Market Area

- 8.7 Colchester's functional economic market area (FEMA) is characterised by a range of economic, property and labour market factors and is driven by its geographical location within the wider Northern Essex/Southern Suffolk sub region but also its relative proximity to Greater London as a result of good rail links. These inter-relationships have been explored in detail in earlier sections, but can be summarised as follows.
- 8.8 Strong commuting flows in and out of the Borough represent a key factor influencing the Borough's FEMA, with nearby authorities of Tendring, Braintree, Chelmsford and Babergh representing the origin and destination of the majority of these flows, alongside Greater London (particularly in terms of out-commuting). Based on the ONS methodology for defining labour market areas, Colchester's Travel to Work Area comprises the three local authority areas of Colchester, Tendring and Braintree, which together comprise the workplace for 75.4% of Colchester's resident working population and the residence for 84.4% of the Borough's workers.
- 8.9 The Borough remains a net exporter of labour, while latest Census 2011 commuting data indicates that Colchester's self-containment rate (i.e. the proportion of residents also working within the Borough) has declined by more than 8% over the 10 years since the 2001 Census, driven by greater absolute numbers of Colchester's working residents commuting out of the Borough for work. This may in part, be a reflection of working-age population growth out-pacing job growth in recent years (as shown previously in Figure 2.4) although these trends are projected to reverse over the remaining years of the plan period with workforce job growth forecast to increase at a greater rate than working-age population growth (Figure 8.1).

Figure 8.1 Changes in Working-Age Population and Total Workforce Jobs, 2013-2032



Source: ONS Mid-Year Population Estimates 2012 / EEFM Spring 2013 / NLP analysis

- 8.10 It is worth noting however, that this trend is also anticipated to occur within a number of other authorities within Colchester’s FEMA including Braintree, Tendring, Maldon, Chelmsford and Ipswich, all of which will be competing with the Borough for a finite pool of labour to satisfy this demand.
- 8.11 Census data also points to a slight skills mismatch between in and out commuting flows to and from Colchester, with out-commuters more likely to be employed within higher skilled occupations than those travelling into the Borough for work. This implies that if measures can be put in place to enable Colchester to retain a higher proportion of working residents in future, this is likely to have a positive impact upon the skills base of the local workforce and in turn, the types of higher skilled jobs that are able to be accommodated in Colchester.
- 8.12 The Borough’s commercial property market is relatively localised and heavily reliant on a relatively large base of SMEs and existing occupier churn. Colchester is located between a number of larger, more established commercial centres such as Chelmsford and Ipswich and the Borough has historically tended not to compete with other centres within its FEMA for office

and industrial occupiers. It does however benefit from a significant pipeline of land for business development, with the spatial capacity to compete for and accommodate larger scale enquiries, including the potential to capture footloose enquiries that may emerge along the A12 corridor.

- 8.13 This suggests that from a commercial property market perspective, Colchester's functional economic area does not currently extend far beyond the Borough boundary, although there could be an opportunity to broaden this if a strategy was put in place to pro-actively target and attract business requirements from further afield, such as footloose opportunities arising along the wider A12 corridor.
- 8.14 Colchester is also recognised by the LEP as having the potential to accommodate significant future growth including through the planned development of the town centre, Northern Gateway and Knowledge Gateway. It is also set to benefit from economic opportunities associated with planned capacity improvements to the A12 corridor and Great Eastern Main Line.

## Meeting Future Needs

- 8.15 The scenarios considered in the previous sections indicate the broad scale and type of growth arising from different approaches to modelling the Borough's future employment space needs. To varying degrees, they reflect both indigenous needs arising within Colchester as well as – particularly in the case of the scenarios based on past development rates – a degree of footloose demand which operates across the Borough's boundaries from the wider sub-region. In the context of the NPPF and PPG, the Council's policy approach should aim to plan positively to meet Colchester's employment space needs so that the Borough's economy is not constrained, recognising that developments in adjoining areas will also be a key influence.
- 8.16 However, to ensure a flexible and responsive policy framework, it will be necessary not just to focus on meeting forecast quantitative requirements (which will fluctuate over time), but to think about the opportunities and risks that flow from particular policy approaches. That might concern how delivery can be prioritised in some locations or for some types of employment uses, or how scope can be created for meeting as yet undefined inward investment opportunities, but also not protecting legacy employment sites for which there is no longer a productive employment use. Planning for employment will need to be balanced against pressures from other land uses, as well as other Local Plan objectives such as planned housing, retail and leisure growth. B-class employment space also competes with non B-class uses, some of which may also generate local economic benefits or have identified needs that the NPPF indicates should be supported.
- 8.17 This requires choices in the Local Plan about which sites to protect or allocate for employment development, or which to consider for mixed use development (either in whole or part). That judgement must ultimately take account of:

- 1 the local benefits of B-class sectors and the need to maintain a diversified and resilient economy that is open to growth and new economic opportunities as they arise (as envisaged by the NPPF);
- 2 the economic and other outcomes (e.g. labour market) if some sectors become displaced or are otherwise constrained from expanding within the Borough;
- 3 the need to encourage growth of high quality jobs within the Borough to address the disparity between resident employee earnings (higher) and workplace earnings (lower);
- 4 the trade-off between seeking more intensive use of sites and thereby yielding higher net job creation over time, and identified business needs (as specified in the NPPF) which may for some activities or sectors imply a less efficient use of land in order to function effectively; and
- 5 maintaining a delivery trajectory for employment space with short, medium and longer-term opportunities over the life of the Plan.

8.18 The emerging Local Plan should seek to plan for a choice of sites and locations to meet the needs of particular sectors and occupier needs. Some further commentary on the approach and potential options for providing for the different B-class uses are considered below.

## **Industrial Uses**

- 8.19 Colchester has an industrial heritage and continues to represent a reasonably strong industrial location for smaller scale activities, also reflecting the Borough's proximity to key strategic transport routes (in particular the A12). The supply of and demand for industrial accommodation in the Borough appears to be relatively well matched with market activity which is generally driven by local business churn. Demand tends to be focused upon the Borough's key commercial centre of Colchester town, and can be limited in more peripheral areas.
- 8.20 In terms of quantitative requirements, the analysis contained in Section 6.0 identifies a modest positive requirement for industrial floorspace under the majority of scenarios considered, with the two scenarios that are based on the most up-to-date demographic and macroeconomic assumptions (i.e. SNPP labour supply and EEFM job growth approaches) generating a gross industrial requirement of 26,360sq.m and 45,140sq.m respectively, equivalent to 6.6ha and 11.3ha to 2032 (Tables 6.12 and 6.13). It is recommended that the Council should plan to accommodate at least the 2012 SNPP based labour supply requirement (equivalent to a land requirement of 6.6ha for industrial uses) to ensure that the Borough's indigenous growth potential (i.e. arising from its resident workforce) is not constrained by lack of spatial capacity in future. At the same time, it should aim some way towards the higher growth trajectory implied by the baseline EEFM employment projections which generates a gross industrial land requirement (11.3ha) that appears to best reflect local

market signals which point to the relative strength of the industrial market as well as a tightening supply of existing stock.

- 8.21 A comparison with future supply of employment space identified by CBC and NLP indicates that in quantitative terms Colchester has sufficient industrial space to meet the needs to 2032 associated with the EEFM baseline job growth and 2012 SNPP based scenarios of future growth. Within this context, a number of policy issues emerge for consideration, considered in turn below.
- 8.22 In the first instance, the Council could consider rationalising the Borough's existing and future supply of industrial space by seeking to concentrate this space in the Borough's key locations and areas of strongest market demand (such as the Northern Gateway and East Colchester/The Hythe). Future development of employment space in the Borough must build upon and take advantage of infrastructure improvements associated with the A12, and the additional economic opportunities that this enhanced connectivity will bring to Colchester not only by making the Borough's locations more attractive (including to higher value occupiers and markets) but also by improving access to the workforce.
- 8.23 The Borough's best performing employment sites (including Severalls Industrial Estate and Colchester Business Park) should be retained and protected in order to ensure that the Borough can effectively accommodate additional growth in a sustainable way. Beyond these, a selective approach could be taken to condensing the Borough's portfolio of industrial sites, drawing upon market feedback on which individual sites and locations perform an important role and those which have proved less attractive to the market despite prolonged periods of marketing and/or reflecting other feedback about their constraints. It will be important to safeguard the Borough's best employment sites, particularly in light of aspirations amongst some landowners for higher value non B class land uses. This also includes those sites (such as parts of the Whitehall Industrial Estate) that accommodate lower quality business space given the on-going requirement for affordable premises for low value and start-up businesses.
- 8.24 In the more peripheral areas of the Borough (i.e. outside of Colchester town) where demand levels are weaker, it may be necessary to adopt a flexible approach to bringing forward employment sites by allowing the development of other higher value non-B uses on part of allocated sites, in order to unlock the site's potential and fund any associated infrastructure works. In this respect, the emerging Local Plan should promote a flexible mix of B class uses on these more peripheral sites, whereby enhancing attractiveness to occupiers and promoting the message to investors and developers that Colchester is 'open for business', although the nature of the Borough's commercial property market indicates that the majority of demand would come from industrial users. The key challenge is to ensure the deliverability of space, hence the need to consider how any infrastructure or other barriers can be removed or cross-subsidised.

- 8.25 At the same time, the Council could consider releasing some of the Borough's poorer quality and poorer performing sites in more peripheral locations that suffer from limited prospects for, and constraints to, (re)development (such as proximity to residential uses).
- 8.26 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. 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."* (para 22)
- 8.27 Against this backdrop, and within the context of an identified surplus of industrial land needed to accommodate the Borough's growth needs over the plan period, it would appear difficult to justify retaining Colchester's poorer performing employment sites where they no longer perform a productive employment use. This is particularly in the context of the availability of more sustainable sites within the Borough (most notably those within the Strategic Employment Zones) that are well-located, have the potential to attract greater levels of market demand and have fewer barriers to delivery over the plan period. It is important to note however, that any approaches to releasing employment land over the plan period should be undertaken in a cautious manner, ensuring that the Borough has sufficient remaining stock in the right location and of the right quality to accommodate needs going forward.
- 8.28 It should be noted that Essex County Council are currently in the process of preparing a Replacement Waste Local Plan for the county which will focus on allocating waste treatment uses in areas currently designated for employment uses. The County Council has recently published a report<sup>53</sup> which reviews designated employment land across Essex and assesses whether the land is an acceptable in-principle location for waste management facilities. It identifies a shortlist of seven allocated employment sites in Colchester including Severalls Industry Park, Land off Axial Way (Cuckoo Farm), Westside Centre Area (Stanway) and Gosbecks Business Park.
- 8.29 The report notes that many of these sites have planning constraints including the potential risk of flooding and proximity to established residential areas. All seven of the shortlisted sites have either Strategic or Local Employment Zone status and are therefore either protected for high quality commercial employment uses or are located in rural areas with poorer access and restrictions in place regarding their ability to be expanded. Within this context, the potential for the Borough's poorer performing sites to be used for waste purposes would appear to be limited.

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<sup>53</sup> Essex Replacement Waste Local Plan, Review of employment land for waste management facilities, September 2013

## Office Uses

- 8.30 The Borough is not perceived as a major office location partly reflecting its geographical location and proximity to larger, more established centres including Chelmsford. The market largely depends on SME activity and tends to be characterised by smaller requirements and existing occupier churn. Echoing the situation across wider Essex, Colchester is still contending with a supply overhang of office space due to the economic downturn and whilst there have been some examples of speculative office development in recent months (for example at Tollgate Business Park and Parkside/Knowledge Gateway), take-up of these schemes has been relatively slow to date.
- 8.31 The Borough is expected to see reasonably strong office job growth over the next 18 years (reflecting wider macro-economic trends) and the sector is anticipated to have an increasingly important role to play in Colchester's future economy. Quantitatively, it would appear that Colchester has enough identified office floorspace to meet future needs under all four development scenarios to 2032, with the potential surplus ranging from 19.1ha to 24.8ha. Within the context of this identified surplus, there would appear to be limited scope for identifying/allocating new land for office development over the next few years in Colchester based on current levels of business demand and rental values/viability, particularly outside of key employment areas such as Colchester Business Park and town centre.
- 8.32 It should be noted however that just under a third of pipeline office supply is concentrated within the Knowledge Gateway and is effectively reserved for University related knowledge based development. Excluding the Knowledge Gateway from the supply portfolio would effectively reduce the identified surplus of office space by half and consequently tighten the demand/supply balance over the plan period.
- 8.33 From a more qualitative perspective, the requirement for office space in future will be for better quality, modern space and to cater for small and start-up businesses. The focus for Colchester should increasingly be on retaining existing office employers and allowing for their expansion, alongside continued efforts to attract new office-based firms into the Borough through targeted initiatives such as the Colchester Creative Business Centre.
- 8.34 Provision of higher quality office accommodation could also help to develop the Borough's base of higher value occupiers and employers, in an effort to 'claw back' some of the highly skilled residents who currently commute out of the Borough to work. Whilst this trend of skilled out-commuting is not uncommon within wider South East authorities (particularly those benefiting from strong transport links and connectivity to London), it could have important implications for the types of sectors and activities that can be attracted to and grow in Colchester and consequently the types of jobs that are available for local residents in future.
- 8.35 In this respect, policies to encourage greater retention of highly skilled workers within Colchester (such as proposals for a Creative Business Centre within the

St Botolph's Quarter of Colchester town centre) could have a range of positive economic impacts for the Borough, including boosting productivity and levels of enterprise more generally, particularly if measures can be put in place to support these residents to start-up and grow businesses, reducing reliance upon 'footloose' inward investment for employment. This could also support changing working preferences that are anticipated to occur over the plan period, such as self-employment and occupier requirements for increasingly flexible, centralised workspace.

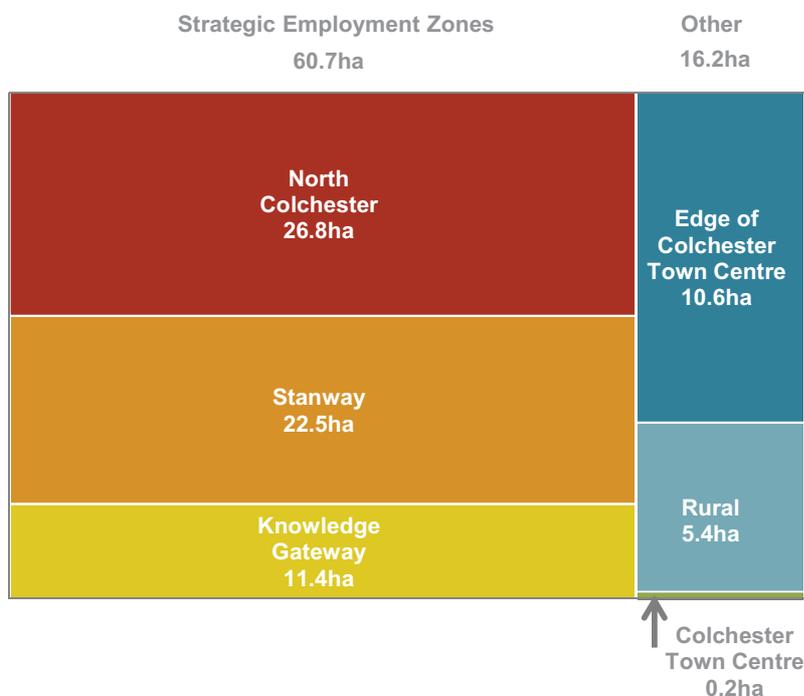
- 8.36 Analysis presented in Section 7.0 points to an uneven spatial distribution of office space supply to meet future needs across the Borough, with Colchester town centre in particular accommodating a very limited supply of office space for new development at just 0.2ha. The Council's adopted Core Strategy sets out a strong preference for new office development to be concentrated in Colchester town centre, although very little development has occurred here in recent years. The key challenge the Council must therefore seek to manage is the shift from older, outdated space to providing new space which meets modern business needs, and supports other Core Strategy objectives such as concentrating new office development within Colchester's town centre.
- 8.37 Ensuring that Colchester has an adequate supply of good quality, modern offices of the right scale, type and location to meet the more limited demand that there is likely to be in future is likely to mean provision of some new schemes involving mainly smaller office units, close to the town centre, public transport and services. It will require 're-setting' the Borough's office market by letting some older, obsolete, and vacant large office blocks within existing sites to be redeveloped for residential, mixed use schemes or for other town centre uses. This process is likely to be spurred by the recent introduction of Permitted Development (PD) rights for change of use from office to residential, although this policy is so far reported to have had a limited impact upon the Borough's office market.

## Strategic Employment Zones

- 8.38 In light of limited opportunities for expanding existing, established employment areas in the Borough, the Council has identified a number of Strategic Employment Zones (SEZs) through the 2008 adopted Core Strategy where new business development should be focused. Employment development is intended to complement a range of other mixed uses including leisure and sport at the Northern Gateway, R&D related activity at the Knowledge Gateway and retail/residential uses at Stanway, supported by a range of transport and infrastructure improvements.
- 8.39 As a consequence, the SEZs comprise the majority (79%) of future employment land supply over the plan period (as illustrated by Figure 8.2) and whilst they generally score well against a range of suitability and fitness-for-purpose criteria (as presented in Section 5.0), there is a notable risk associated with relying upon a small number of large sites or employment areas to accommodate this growth. Larger strategic sites often face greater

initial barriers to delivery (such as infrastructure and servicing costs) and longer lead-in times, so there is also a need to ensure that there is a supply of other readily-available sites to meet more immediate business expansion needs.

Figure 8.2 Spatial Distribution of Employment Land Supply



Source: Colchester Borough Council / NLP analysis

## Northern Gateway

- 8.40 The Northern Gateway represents one of the Borough's key Growth Areas and is intended to accommodate a range of B class uses as part of a mixed use development. Through an emerging Masterplan, the Council identifies a target of 3,500 new jobs to be created in the area by new employment development, the majority through the development of Council-owned land at Cuckoo Farm alongside some retail and leisure uses as well as a new hotel for the town.
- 8.41 To date, employment development within the SEZ has comprised the first phase of Easter Park, a 132,100sq.ft scheme offering small to medium-sized high quality industrial units, and a new purpose built factory for local manufacturing company, Fläkt Woods which was the first development to take place in the North Colchester regeneration area. Beyond this, employment development has been slow to come forward and market feedback suggests that the recent introduction of non B class uses such as car showrooms on a number of high profile sites adjoining the A12 is starting to undermine the longer term profile or role of the area for more traditional employment or B class uses.
- 8.42 Nevertheless, the Northern Gateway occupies one of the Borough's better located and connected sites for business, benefiting from excellent access to

the strategic road network alongside proximity to Colchester town centre's services and facilities. It provides a sustainable location for business growth that is capable of capturing both indigenous firm expansion as well as some inward investment. In particular, its proximity to the existing Colchester Business Park and Severalls Industrial Estate leaves the Northern Gateway well placed to accommodate over-spill demand from these sites at least in the short term as expansion and development opportunities become increasingly rare on these well performing and popular business areas.

- 8.43 Whilst it is acknowledged that the Council is currently in the process of preparing a detailed regeneration framework for the Northern Gateway, within the current risk-averse climate it would be beneficial for such an over-arching framework to be accompanied by clear planning briefs or masterplans that provide a greater degree of certainty for developers. Ideally this would provide the market with a clear indication of the opportunities available for employment related development; this is particularly important given the range of competing uses that the emerging Masterplan seeks to accommodate in the Northern Gateway.
- 8.44 As part of this, the Council should consider the most appropriate way of dividing the large undeveloped employment allocations into more manageable plots – or at least providing flexibility to do so – which are likely to be more suitable for meeting the needs associated with existing Colchester firms looking to expand or acquire their own freehold development opportunity.

### Stanway

- 8.45 The Stanway Growth Area has seen significant new development in recent years, largely focused upon retail-led commercial uses and this has cemented the role of Tollgate as an Urban District Centre. The area benefits from strong connectivity due to its proximity to the A12 on the western fringes of Colchester town and has been successful in attracting a small number of office-based occupiers from the town centre which increasingly suffers from congestion and traffic issues, particularly at peak times.
- 8.46 Notwithstanding this, employment development in general has been slow to come forward in the SEZ, despite the allocation of a number of sites for B class use. The Stanway area lacks any significant critical mass of (B class) business occupiers and does not currently have a strong profile as a key Colchester business location, particularly in the face of strong competition from established and successful sites elsewhere in the town/Borough such as Colchester Business Park.
- 8.47 The SEZ is home to one of very few speculative office schemes that have come forward in the Borough in recent months, namely Tollgate Business Park, providing eight modern office/workshop suites. Whilst this scheme offers the type and scale of product that local occupiers want (i.e. small scale, high specification flexible units), the relatively high asking rents (which are reported to be comparable with the established Colchester Business Park) are reported to have driven slow take-up. This underlines the viability issues associated with

funding new office developments in the Borough (and wider sub-region) in the current climate.

- 8.48 In light of the identified surplus of employment (and specially office) land available to meet future economic growth needs in Colchester over the plan period, it would be difficult to justify retaining the full extent of undeveloped employment allocations at Stanway from both a quantitative and qualitative market perspective. In this respect, it is recommended that the Council adopts a selective approach to safeguarding these undeveloped allocations for future development, by retaining those sites with the best intrinsic qualities and greatest prospect of coming forward for employment development in future.
- 8.49 Such an approach could also support a pro-active strategy for attracting inward investment to the Borough, by retaining a portfolio of good quality development opportunities that are most likely to prove attractive to prospective firms. This most notably includes Stane Park, a 12.2ha site which benefits from a gateway location on the northern fringes of the Stanway SEZ, adjoining Junction 26 of the A12, providing scope for the site to create its own unique identity and profile as a business location. As noted for the Northern Gateway above, there is scope to consider how best to present the site to the market, including through the sub-division of the allocation into a number of smaller parcels of land which are likely to provide greater developer appeal.

### Knowledge Gateway

- 8.50 As a key mechanism for creating stronger connections between the University of Essex and business, the Knowledge Gateway is intended become one of the prime locations for research and business in Essex through provision of a range of high tech innovation, office and R&D space alongside ancillary facilities and student accommodation. As noted previously, the proposal has taken a considerable time to gather momentum (with initial outline consent granted in 1989) with phase one of the Parkside Office Village representing the only commercial development to have taken place on site to date.
- 8.51 Given that the aspirations for the site are for a relatively niche range of knowledge-based, high tech uses benefiting from immediate access to the University's research, professional development activities and pool of high quality students and graduates, to some extent the employment allocation is not genuinely available to the wider commercial market, and it does not perform particularly well as a traditional employment location. This is reflected in the slow take-up of office units at phase one of Parkside, which also required Growing Places funding from the South East Local Enterprise Partnership in order to be viable.
- 8.52 The site's allocation as a Strategic Employment Zone therefore represents a means of delivering the wider strategic policy aspiration for high value, knowledge driven growth within Colchester and the wider LEP area by providing a high quality base for innovative companies to co-locate and collaborate with the University and in doing so develop a competitive advantage. The extent to which this objective can be achieved will arguably

depend upon the success of relationships that can be forged between the academic, research and business community.

## Supporting the Rural Economy

- 8.53 Rural businesses face particular challenges to continued economic growth and prosperity, including poor infrastructure and access to facilities. The current roll-out of superfast broadband across Essex (which will extend coverage to some parts of Colchester's rural areas) will help to overcome some of these barriers and provides the opportunity for the Borough's rural locations to play a greater economic role in future.
- 8.54 Employment space can be found across the rural areas of Colchester and takes the form of purpose built, stand-alone business parks and industrial estates as well as converted rural premises such as barns and agricultural units. In the past, the Council's policy approach has been to allocate many of these rural sites as Local Employment Zones, thereby safeguarding their use for traditional B class activities. It is important that these allocations are reviewed on a regular basis to take account of any changing factors over the plan period and that the Council adopts a flexible approach to future proposals that could result in the loss of employment land, particularly where there is no reasonable prospect of a site being used for the allocated employment use.
- 8.55 Demand for rural employment space in Colchester is reported to be steady and it is recommended that planning policy supports sustainable rural based employment development and responds positively to proposals that encourage the re-use of redundant agricultural buildings to meet future industrial and office based needs.

## Constructing a Delivery Trajectory for Employment Sites

- 8.56 As noted above, while the Borough's emerging pipeline supply of employment land would appear to be sufficient to accommodate demand over the plan period, the positive demand/supply balance is reliant upon a number of significant Strategic Employment Zones coming forward for development, despite a number of risk factors. In particular, larger strategic sites often face greater initial barriers to delivery (such as infrastructure and servicing costs) and longer lead-in times, so there is a need to ensure that there is a supply of other readily-available sites to meet more immediate business expansion needs in Colchester, including over the first few years of the plan period.
- 8.57 Accordingly, it is recommended that the Council should evidence how its portfolio of allocations and other development opportunities will support delivery of new space over the short, medium and long-term (structured broadly in five year periods). This accords with the approach set out in the former SEEPB guidance on employment land assessments which encouraged local authorities to demonstrate a five-year rolling supply of employment land. Where any gaps are identified, the Council will want to consider options for

how this can be addressed. Therefore, it is helpful for sites to be assessed on a consistent basis in order to determine at broadly what point in the Plan period they may become available, and how important any individual site is for meeting either office or industrial needs within any rolling five-year period.

- 8.58 In determining the likely timing and availability of land, this delivery trajectory should have regard to:
- a the planning status of sites (extant planning permission, allocation, development brief etc);
  - b development constraints/costs and known requirements for infrastructure;
  - c current developer/landowner aspirations; and
  - d market delivery and viability factors.
- 8.59 The assessment provides the opportunity to identify and map out the Local Plan's 'when', 'whom' and 'how' employment space delivery actions for each site. In turn, it will also offer a basis to continually assess the potential role of a site in meeting employment land and other Local Plan objectives (and, inter alia, the policy benefits that would accrue if earlier delivery of the site was encouraged). The trajectory should be linked to the annual monitoring process and periodically updated to ensure the rolling supply of employment land during the Plan period.
- 8.60 It is possible that this process uncovers evidence to suggest that the Strategic Employment Zones are most likely to be available to meet business needs over the longer term plan period, placing pressure on the Borough's Local Employment Zones and other sites to accommodate demand over the short to medium term. As noted in the previous section, excluding the Strategic Employment Zones from the Borough's pipeline of employment land supply would reduce the amount of available employment land to just over 16ha, which in quantitative terms would be insufficient to accommodate the Borough's future growth needs under the two scenarios that provide the most objective assessment of need. The potential demand/supply mismatch that could result therefore underlines the importance of undertaking a comprehensive review of Colchester's employment land delivery trajectory, particularly if the Council decides to pursue a strategy for the selective release of allocated employment sites (as per the option outlined above).

## Monitoring

- 8.61 Reflecting guidance set out in the PPG, it will be important to monitor future change in the demand and supply of employment space to identify changing patterns and inform any policy responses required. This is particularly significant given the scale of B class floorspace losses in Colchester in recent years, particularly with regards to industrial uses.
- 8.62 Although the Council monitors planning permissions granted for employment (B class) uses in the Borough on an on-going basis, it does not monitor or

record whether these permissions have been implemented either in full or in part. This makes it difficult to accurately assess the scale and nature of employment development that is occurring within the Borough.

8.63

Specific items which it could be useful to monitor are identified below.

- a levels of future demand for office/industrial space and which of the study's estimates of future requirements this best relates to;
- b how much of the currently identified supply of employment space commitments are likely to come forward and whether any new sites emerge;
- c the extent and type of any losses of existing employment land to non B uses, particularly residential (part of the on-going monitoring of PNOs under PD rights) and in a more detailed format than existing monitoring arrangements (i.e. recording the quantum of office floorspace lost); and
- d any on-going deficiencies in provision for specific types of employment premises e.g. small, low cost, business or industrial units.

8.64

Given the increasing importance of the tourism and visitor economy to Colchester and upcoming programme of developments that are planned for the coming years, it is recommended that the Council continue to monitor the economic impact of this tourism development and consider preparing up-to-date needs assessments for tourism and related development in Colchester, against which to assess individual applications



## Appendix 1 Consultees

### Individual Consultees

Richard Bailey, Invest Essex

David Burch, Essex Chamber of Commerce

Howard Davies, Colchester Borough Council

David Boyden, Boydens

Richard Blake, Boydens

Lewis Chambers, Fenn Wright

Jonathan Reubin, Jonathan Reubin Chartered Surveyor

Jeremy Newman, Newmans Commercial

Daniel Watts, Tollgate Partnership

### Officer Workshop

Nigel Myers, Colchester Borough Council

Jim Leask, Colchester Borough Council

Laura Chase, Colchester Borough Council

Patrick O'Sullivan, Colchester Borough Council

Fiona Duhamel, Colchester Borough Council

Sarah Pullin, Colchester Borough Council

Paul Wilkinson, Colchester Borough Council

Jevon Harper, Colchester Borough Council

Emma Goodings, Braintree District Council

Marie Rutherford, Colchester Borough Council

Teresa Hogsbjerg, Colchester Borough Council

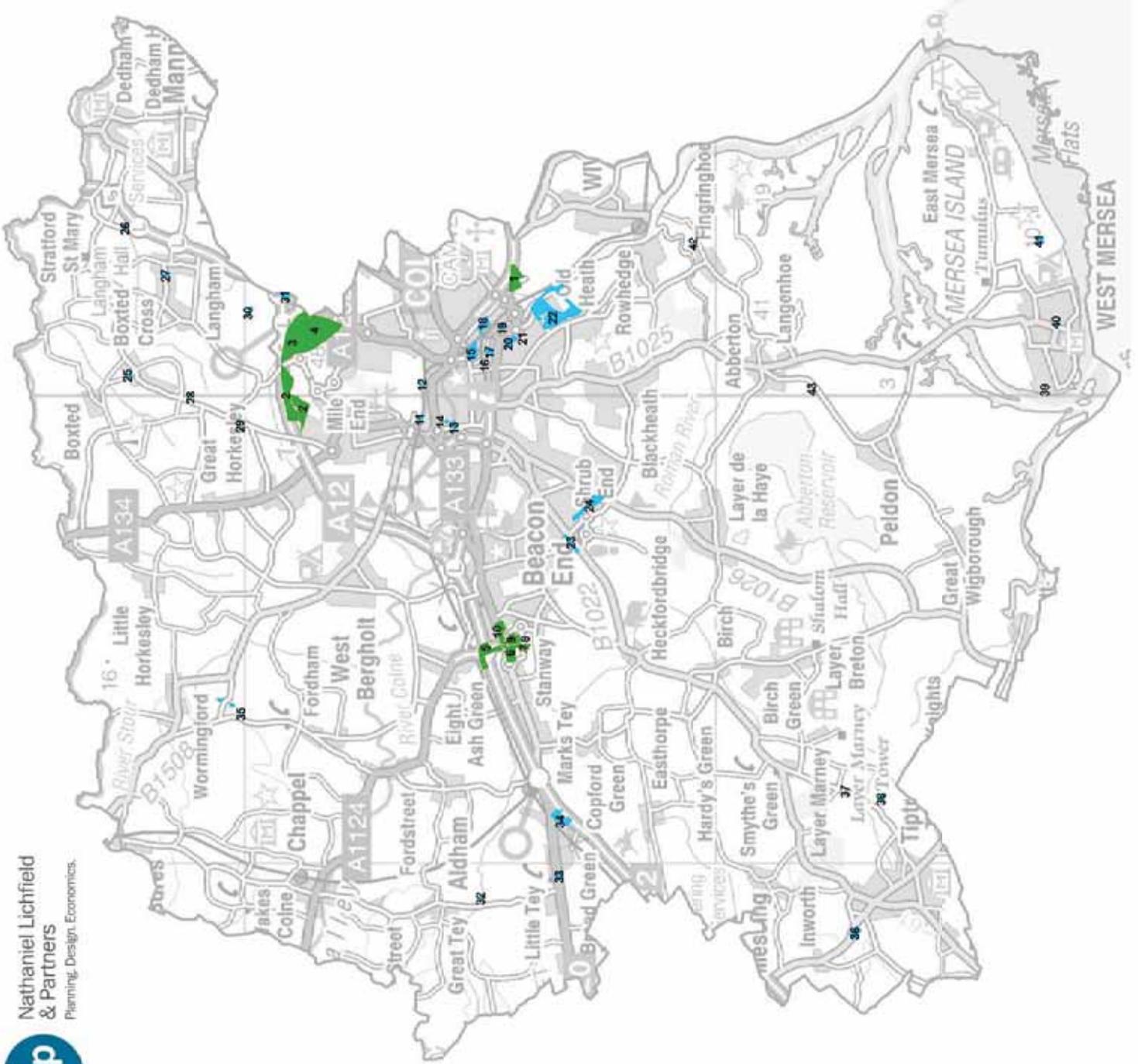
Daniel Cameron, Colchester Borough Council

Matthew Spry, NLP

Ciaran Gunne-Jones, NLP

Lucie Edwards, NLP

## Appendix 2 Site Plans



## Strategic Employment Zones

1. University Research Park/Knowledge Gateway
2. Cuckoo Farm/Colchester Northern Gateway
3. Colchester Business Park
4. Severalls Industrial Park
5. Stone Park
6. Westside Centre and Tollgate Business Park
7. Land At Oldhouse Farm
8. Land South of London Road/Lakelands Phase 2
9. Land South of London Road and North of Lakelands
10. Tollgate

## Local Employment Zone

11. Clarendon Way
12. Cowdray Avenue
13. Middleborough Area
14. Fairfax House/Digby House, Causton Road
15. Eastgate/Moorside
16. Brook Street, Colchester
17. Serrack Street
18. Daye Close
19. Hythe Quay
20. Former Farman's Site, Port Lane
21. Chandlers Row, Port Lane, Colchester
22. Whitehall Industrial Estate
23. Maldon Road
24. Gosbecks Road
25. Hill Farm, Boxted Cross
26. Depot, Old Ipswich Road, Dodham
27. Powerplus Engineering and Whitnell Contractors Site, School Road, Langham
28. Straight Road, Boxted (Tin Bins Ltd)
29. 30a Straight Road, Boxted (Classic Pot Emporium)
30. Langham Airfield, Langham
31. Crown Interchange
32. Tey Brook Farm, Great Tey
33. Poplar Nurseries, Coggeshall Road, Marks Tey
34. Anderson's Site, Marks Tey
35. Wormingford Airfield - (Packards Lane, Fordham Road North and Fordham Road South)
36. Tower House, Tiptree
37. Oak Farm, Layer Marney
38. Alexander Clegghorn Ltd, Tiptree
39. Boat Yards, Coast Road, Mersea
40. Rushmere Close - Mersea
41. Waldegraves Farm, West Mersea
42. Picketts Farm, Abberton Road, Fingringhoe
43. Pamities Farm, Peldon Road, Abberton

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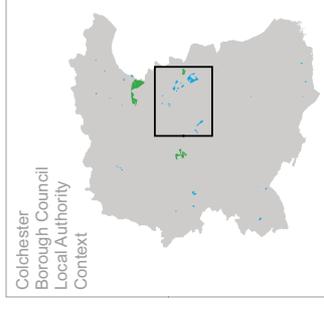
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Key



Strategic Employment Zone

Local Employment Zone



1. University Research Park/Knowledge Gateway
11. Clarendon Way
12. Cowdray Avenue
13. Middleborough Area
14. Fairfax House/Digby House, Causton Road
15. Eastgates/Moorside
16. Brook Street, Colchester
17. Barrack Street
18. Davey Close
19. Hythe Quay
20. Former Pakmans Site, Port Lane
21. Chandlers Row, Port Lane, Colchester
22. Whitehall Industrial Estate
23. Malton Road
24. Gosbecks Road



Nathaniel Litchfield  
& Partners  
Planning, Design, Economics.

Project Colchester ELR

Title Employment Sites

Client Colchester Borough Council

Date 27.06.2014

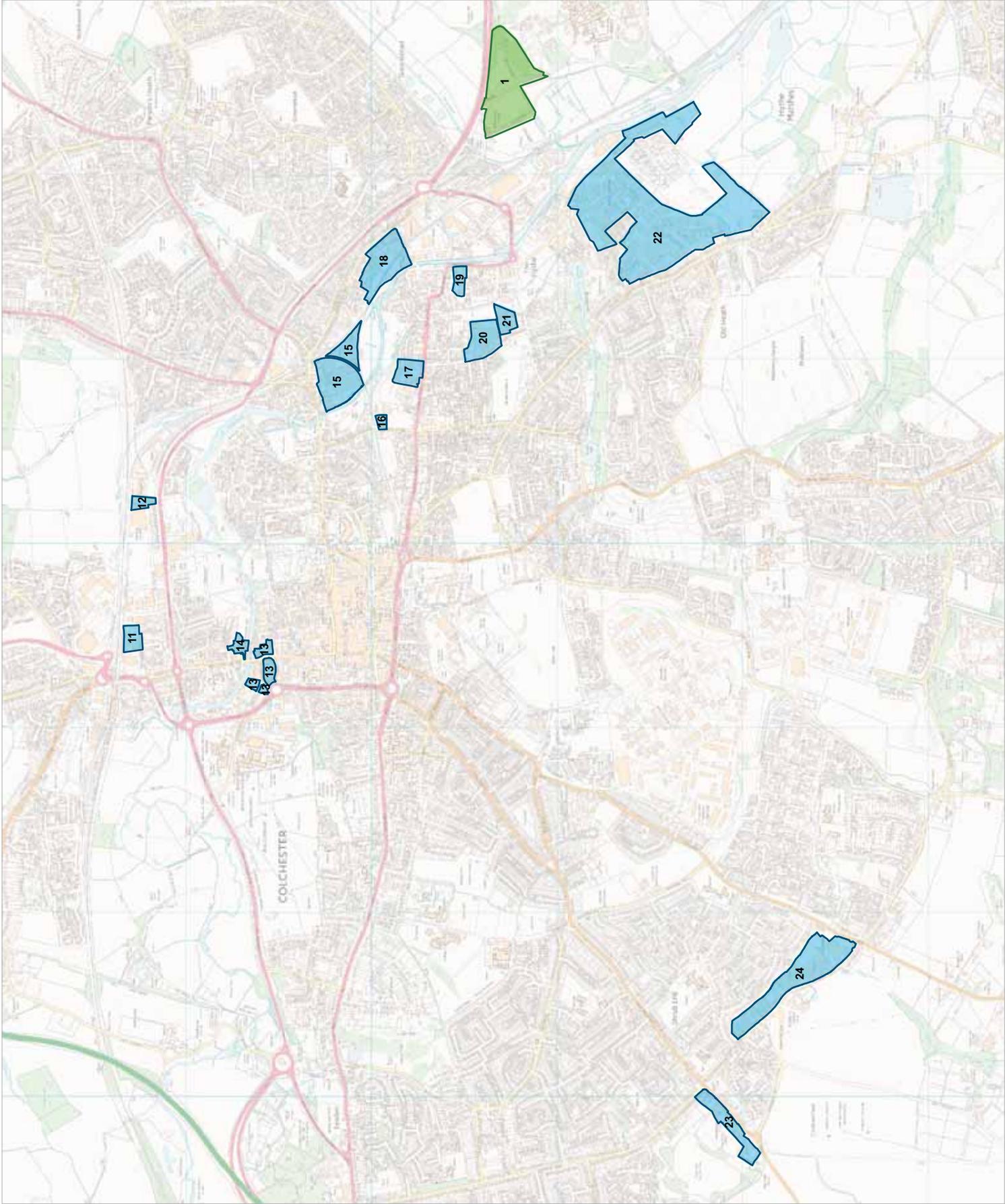
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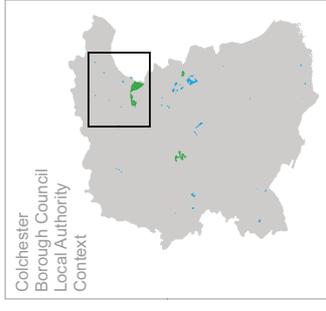


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Colchester ELR - Employment Sites (01) - 27.06.2014.mxd



Key

- Strategic Employment Zone
- Local Employment Zone



2. Cuckoo Farm/Colchester Northern Gateway
3. Colchester Business Park
4. Severalls Industrial Park
25. Hill Farm, Boxted Cross
26. Depot, Old Ipswich Road, Dedham
27. Powerplus Engineering and Whitnell Contractors Site, School Road, Langham
28. Straight Road, Boxted (Tin Bins Ltd)
29. 30a Straight Road, Boxted (Classic Pot Emporium)
30. Langham Airfield, Langham
31. Crown Interchange



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Title Employment Sites

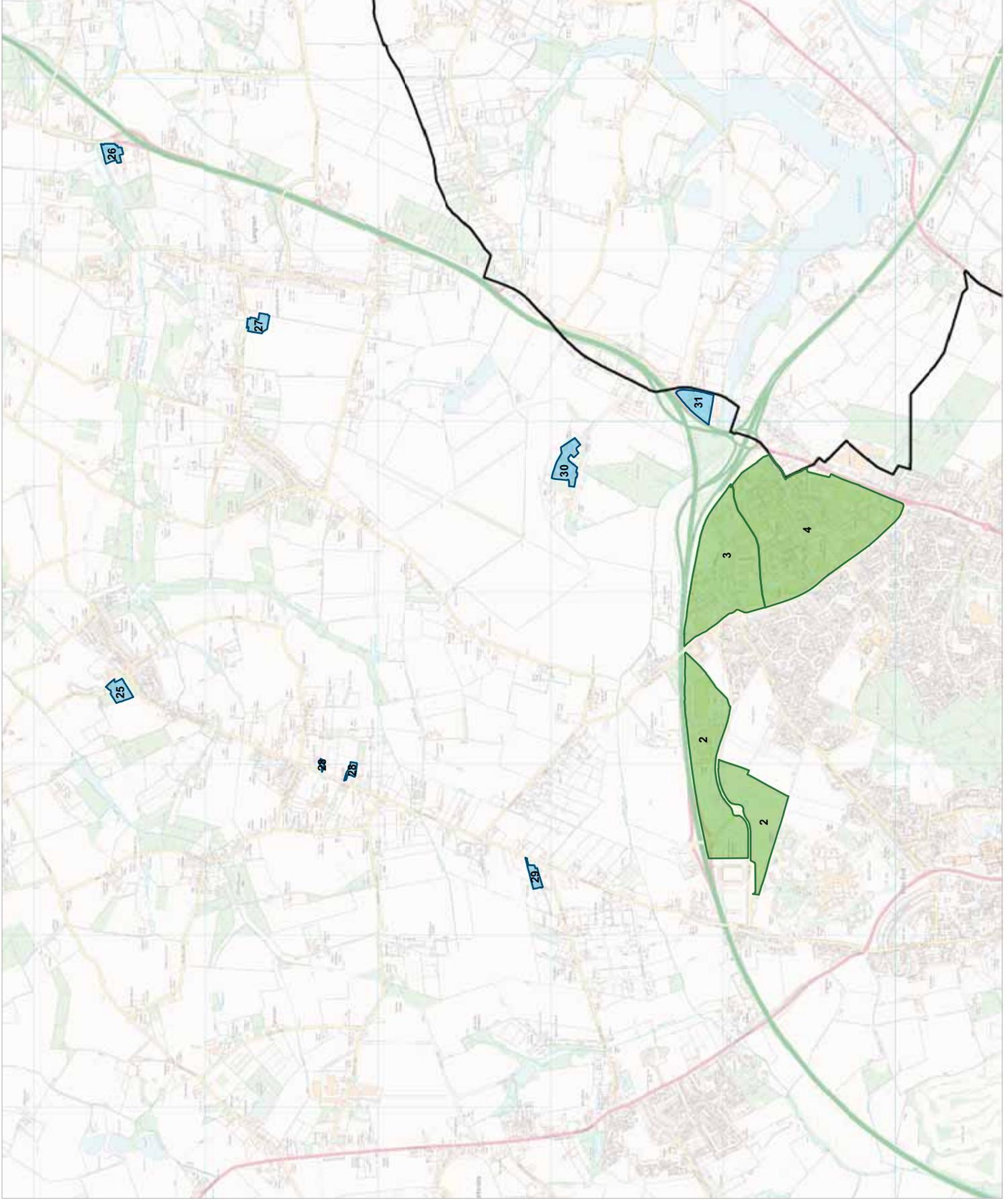
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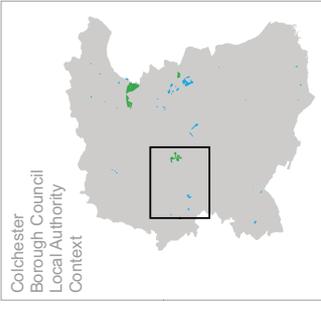
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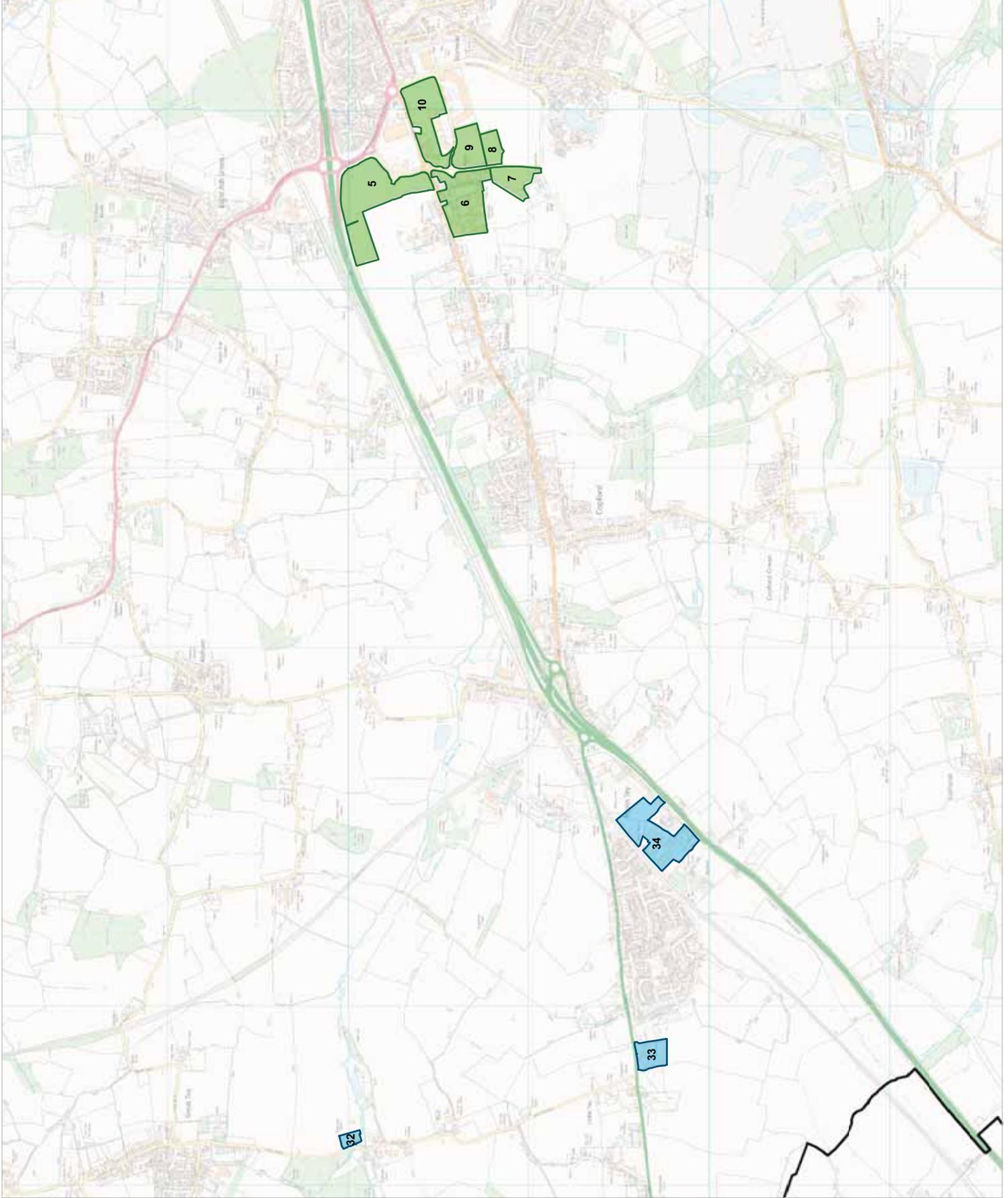


Key

- Strategic Employment Zone
- Local Employment Zone



- 5. Stane Park
- 6. Westside Centre and Tollgate Business Park
- 7. Land At Oldhouse Farm
- 8. Land South of London Road/Lakelands Phase 2
- 9. Land South of London Road and North of Lakelands
- 10. Tollgate
- 32. Tey Brook Farm, Great Tey
- 33. Poplar Nurseries, Coggeshall Road, Marks Tey
- 34. Anderson's Site, Marks Tey



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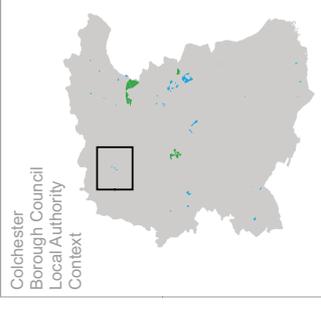
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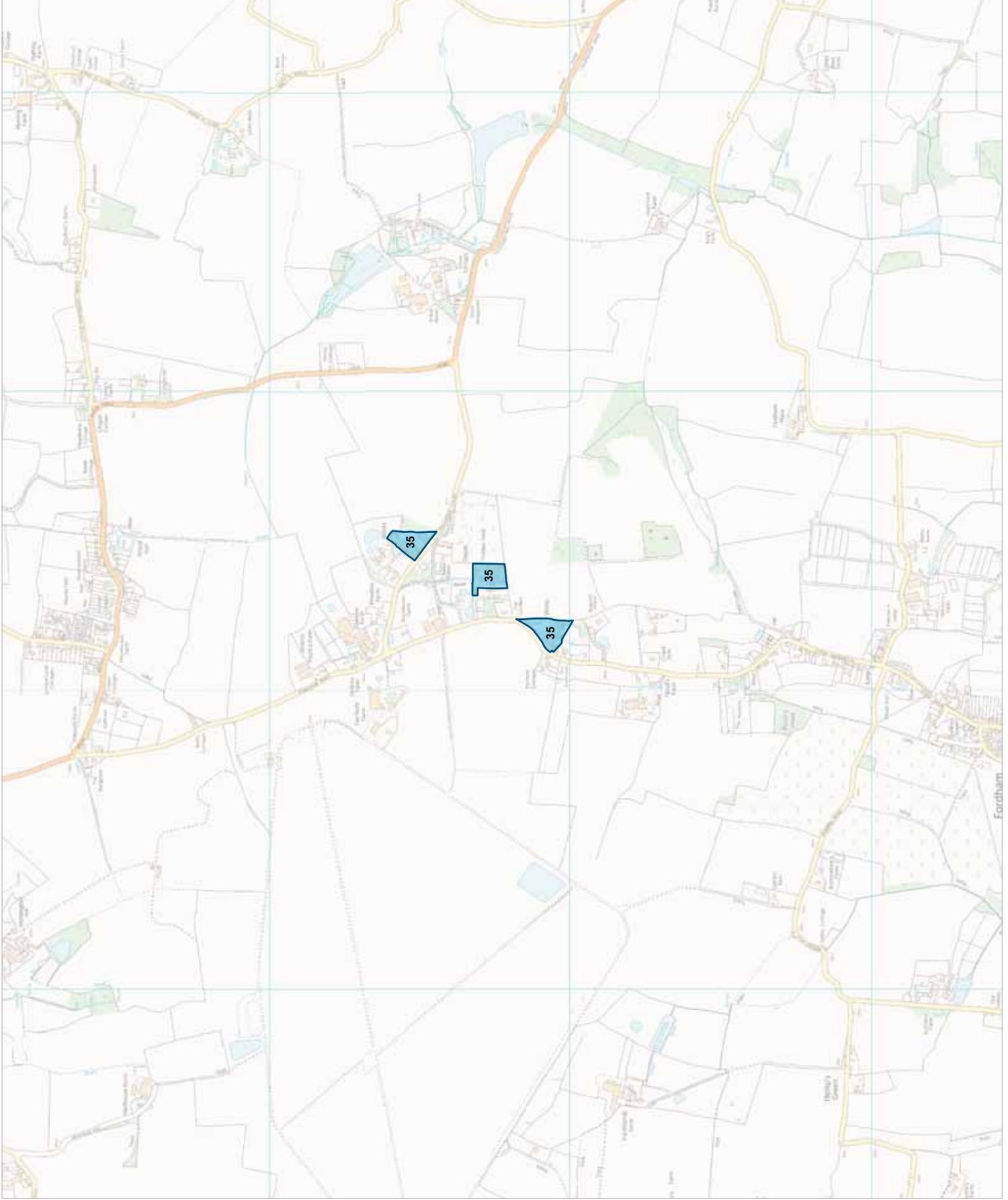
Strategic Employment Zone

Local Employment Zone



Colchester  
Borough Council  
Local Authority  
Context

35. Woringford Airfield - (Packards Lane, Fordham Road North and Forcham Road South)



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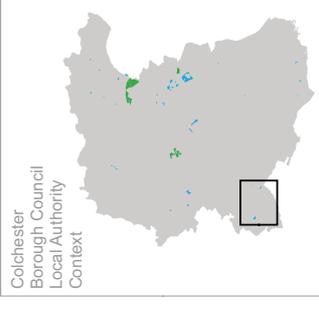
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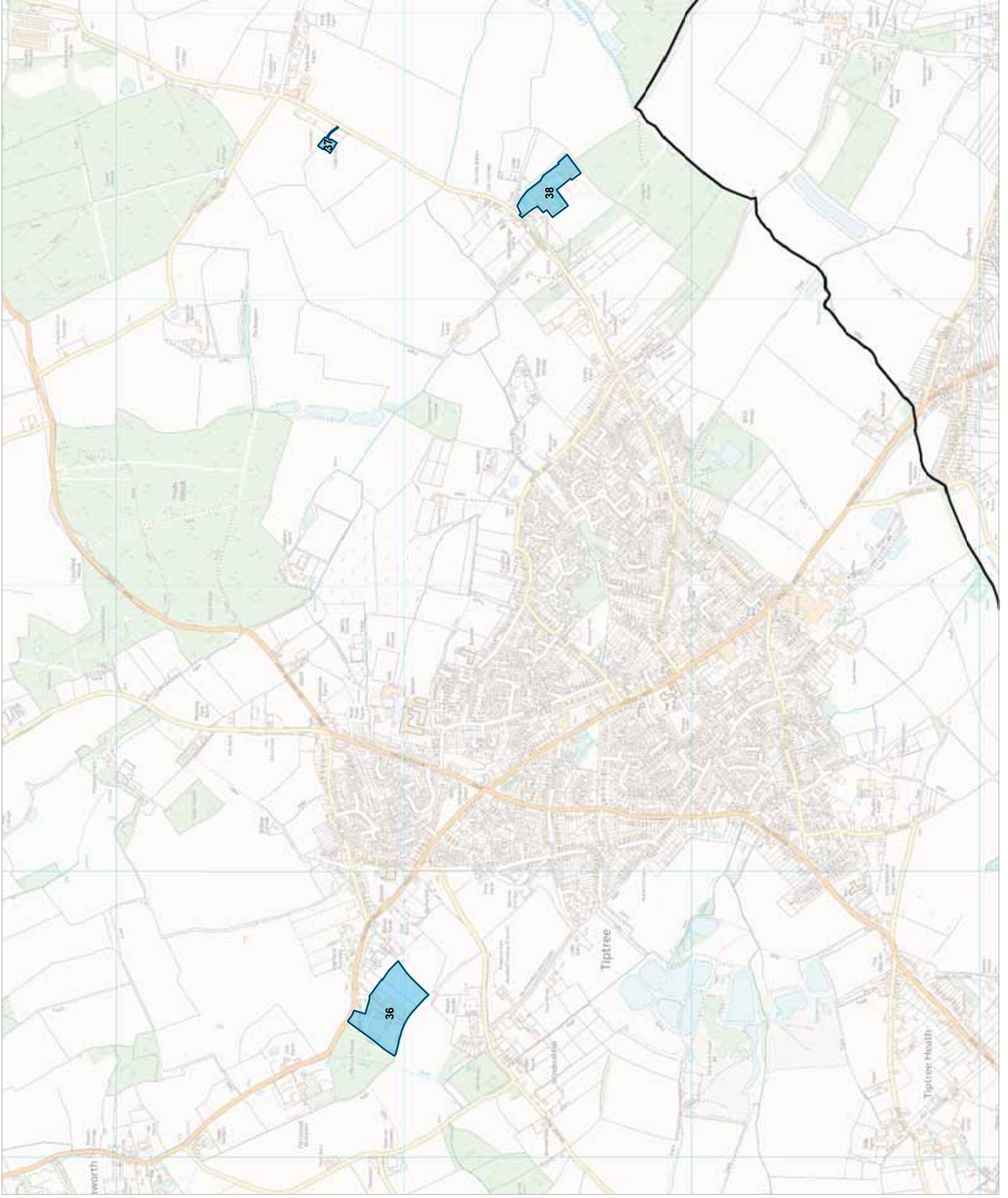
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Key

- Strategic Employment Zone
- Local Employment Zone



- 36. Tower House, Tiptree
- 37. Oak Farm, Layer Marney
- 38. Alexander Cleghorn Ltd, Tiptree



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Scale -  
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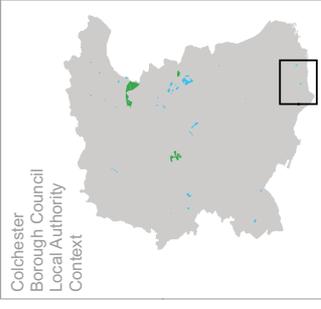
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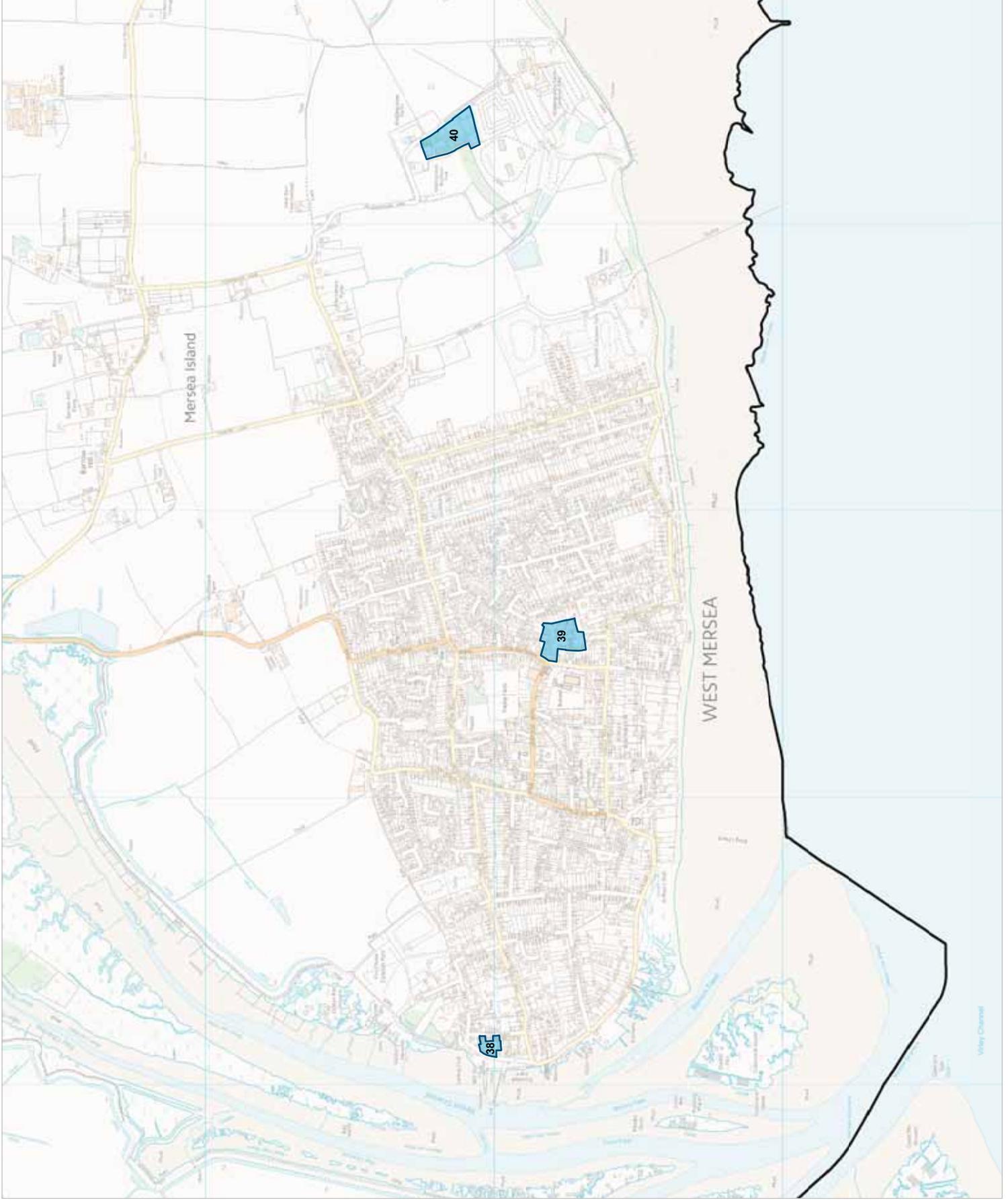
Strategic Employment Zone

Local Employment Zone



Colchester  
Borough Council  
Local Authority  
Context

- 38. Boat Yards, Coast Road, Mersea
- 39. Rushmere Close, Mersea
- 40. Waldegraves Farm, West Mersea



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Client Colchester Borough Council

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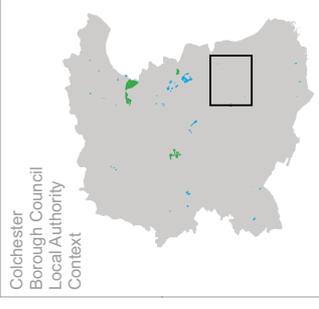
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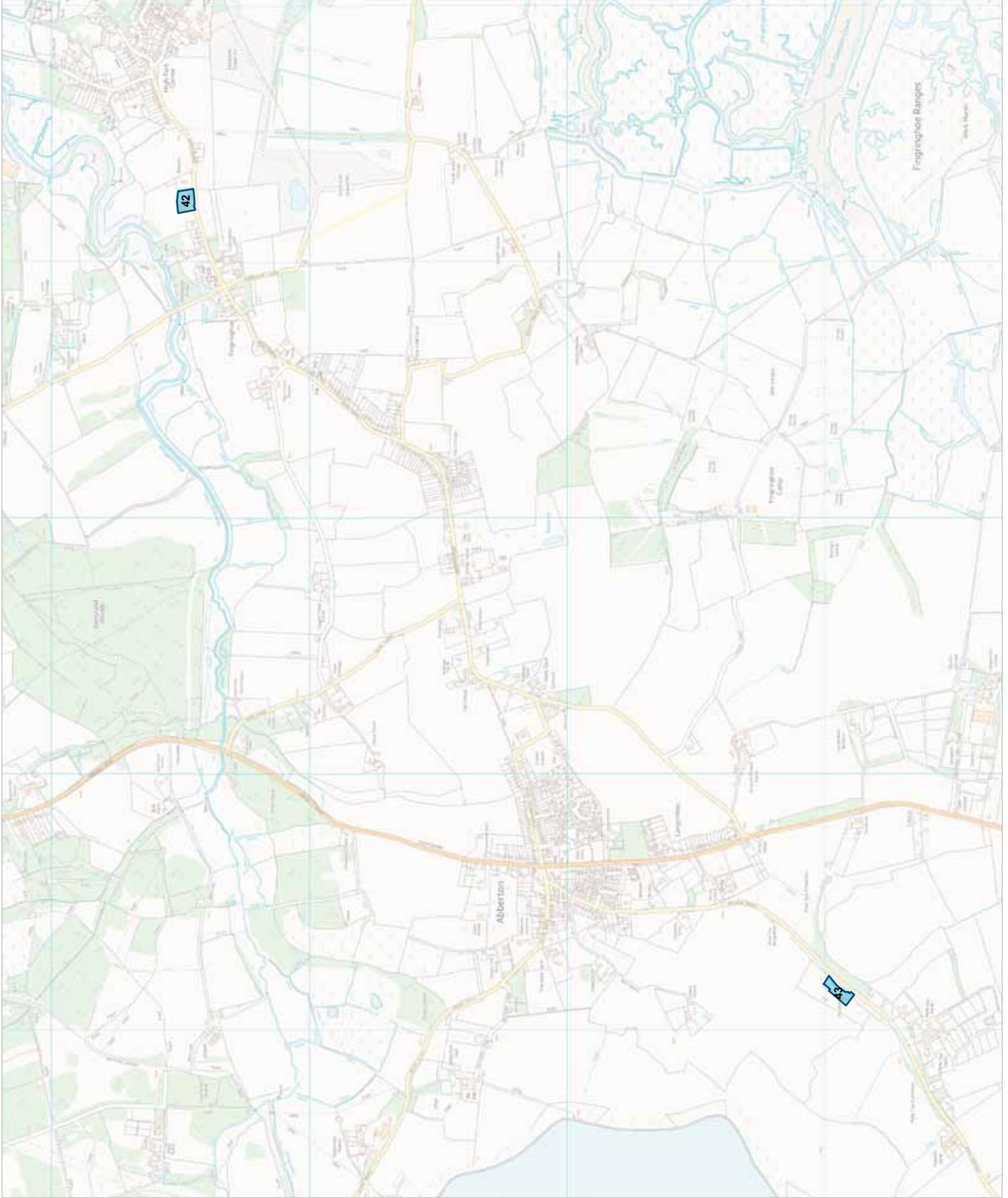
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Key

- Strategic Employment Zone
- Local Employment Zone



- 42. Picketts Farm, Abberton Road, Fingringhoe
- 43. Pamilles Farm, Peldon Road, Abberton



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Planning, Design, Economics

Project: Colchester ELR  
Title: Employment Sites

Client: Colchester Borough Council  
Date: 28.06.2014  
Scale: -  
Drawn By: CS  
Dwg. No: GIS1413301-07



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## Appendix 3 Site Assessment Criteria

The proposed criteria for assessing the quality/condition of allocated and other existing sites reflecting the particular circumstances of the local authority area are set out below. These criteria mainly relate to the inherent value of a site rather than current conditions on it, although such characteristics would also be noted. Additional criteria would apply to undeveloped allocated/development sites although ownership and availability information may not be possible to obtain in many cases and a judgement may need to be made on these.

Each site is given a score of between 1 and 5 against each criterion with 1 being the lowest and 5 being the highest. No individual weightings are attached to different criteria.

Scorings can reflect a combination of different factors applying to the same criteria and a balanced judgment has to be made on an appropriate overall score.

### Strategic Road Access

5 = within 2 Km of strategic road junction/ via good unconstrained roads

1 = over 5 Km from strategic road junction/access, and/or through constrained/local roads, and/or through town centre or residential areas etc.

*NB: Strategic road is typically defined as a motorway or 'A class' trunk road.*

### Local Accessibility

5 = via free moving good roads avoiding residential areas/difficult junctions; unconstrained vehicle access to the site with good visibility/lack of queuing; close access to range of town centre public transport services

1 = difficult/narrow road access, via residential roads, difficult site access junction, congested local roads; low level/limited range/infrequent public transport services nearby

### Proximity to Urban Areas and Access to Labour and Services

5 = near centre of urban area with wide range of services nearby; proximity to sizeable residential areas providing local labour supply

1 = remote isolated site, no local services or residential areas nearby

### Site characteristics and development constraints

5 = generally level site, regular shape, over 3 ha in size; low flood risk (Zone 1); no conservation or landscape constraints on scale of development; no adverse ground conditions or abnormal development costs; no other significant constraints on new development

1 = sloping/uneven site; under 0.5 ha, irregular/narrow shape, other severe constraints; within flood risk Zone 3; conservation or landscape constraints on scale of development; adverse ground conditions or abnormal development costs

### **Proximity to incompatible uses**

5 = Within larger employment area/no incompatible surrounding land use

3-4 = B1 use adjoining residential/other sensitive uses

1 = B2/B8 adjoining residential/other sensitive uses

### **Market Attractiveness**

5 = high profile/high quality appearance, managed site; good environment and quality of occupiers; under 10% vacant; viewed as attractive by agents/occupiers; recent investment/development activity, strong demand, units rarely available

1 = run-down unattractive appearance/location; attracts lower end users and over 25% vacant space/buildings; vacant units not marketed; no recent investment; units remain vacant for lengthy period

### **Sequential Status**

Applies to existing/potential office sites only – identifies whether site is in town centre, edge of centre or out-of-centre location in NPPF terms

### **Barriers to Delivery**

Identify any factors that would constrain development of the site for employment uses e.g. site occupied, need for infrastructure

### **Planning Factors**

Identify any planning designations or policy constraints that could affect development of the site for employment uses

## Appendix 4 Site Assessments



Site Reference	Site Name	Area (ha)	Undeveloped Land (Est. ha)	Site Status	Assessment Criteria						Future Potential				
					Strategic Access	Local Access	Proximity to Labour & Services	Compatibility of Adjoining Uses	Development & Environmental Constrains	Market Attractiveness	TOTAL SCORE (/30)	Planning Factors	Barriers to Delivery	Timescale for Delivery	Potential Uses
1	University Research Park/Knowledge Gateway	11.8	11.78	Strategic Employment Zone	3	4	4	4	4	3	22	Core Strategy Policies CE1 and CE3; SA EC7 (University of Essex Expansion); and Development Policy DP5	Part of the site is in flood zone 3	Medium/Long term	B1a, & B1b
2	Cuckoo Farm/Colchester Northern Gateway	34.9	21.55	Strategic Employment Zone	5	4	4	5	4	4	26	Core Strategy Policies CE1 and CE3; SA NGA1, SA NGA2 and SA NGA3; and Development Policy DP5	None identified	Short/Medium term	B1, B2 & B8
3	Colchester Business Park	24.4	1.1	Strategic Employment Zone	4	3	4	5	4	4	24	Core Strategy Policies CE1 and CE3; SA NGA1, SA NGA2 and SA NGA3; and Development Policy DP5	None identified	Medium term (undeveloped plot)	Mainly B1 but also B8
4	Severalls Industrial Park	47.3	0.0	Strategic Employment Zone	4	4	3	5	4	4	24	Core Strategy Policies CE1 and CE3; SA NGA1, SA NGA2 and SA NGA3; and Development Policy DP5	None identified	N/A	B1, B2 & B8
5	Stane Park	12.2	12.2	Strategic Employment Zone	5	4	3	3	4	4	23	Core Strategy Policies CE1 and CE3; SA STA3; and Development Policy DP5	Potential development costs	Medium/Long term	Mainly B1a and B1b but possibly B1c, B2 & B8 as well
6	Westside Centre and Tollgate Business Park	8.2	0.51	Strategic Employment Zone	3	3	3	4	4	4	21	Core Strategy Policies CE1 and CE3; SA STA3; and Development Policy DP5	None identified	Short/Medium term (undeveloped plot)	Varies: Westside Centre B1, B2 & B8; Tollgate Business Park ideally B1
7	Land At Oldhouse Farm	3.2	3.2	Strategic Employment Zone	3	3	4	3	4	4	21	Core Strategy Policies CE1 and CE3; SA STA3; and Development Policy DP5	None identified	Medium term	Potentially small office units and/or workshops
8	Land South of London Road/Lakeland Phase 2, Church Lane	1.78	1.78	Strategic Employment Zone	3	3	4	2	4	3	19	Core Strategy Policies CE1 and CE3; SA STA3; and Development Policy DP5	Borders with a major residential proposal. Option to develop housing on the site now being considered	Medium term	Potentially small office units and/or workshops

Site Reference	Site Name	Area (ha)	Undeveloped Land (Est. ha)	Site Status	Assessment Criteria							Future Potential					
					Strategic Access	Local Access	Proximity to Labour & Services	Compatibility of Adjoining Uses	Development & Environmental Constrains	Market Attractiveness	TOTAL SCORE (/30)	Planning Factors	Barriers to Delivery	Timescale for Delivery	Potential Uses		
9	Land South of London Road and North of Lakelands	3.58	3.58	Strategic Employment Zone	3	3	4	3	4	3	4	3	20	Core Strategy Policies CE1 and CE3; SA STA3; and Development Policy DP5	None identified but there is a Planning Performance Agreement in place for a mixed-use proposal	Medium term	Potentially small office units and/or workshops
10	Tollgate	7.1	5.49	Strategic Employment Zone	3	4	3	3	4	3	4	3	20	Core Strategy Policies CE1 and CE3; SA STA3; and Development Policy DP5	None identified	Medium term	Potentially small office units and/or workshops
11	Clarendon Way	1.3	0.22	Local Employment Zone	3	4	4	2	4	4	2	19	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Nearby housing and children's nursery	Medium term	Live work?	
12	Cowdray Avenue	0.7	0.0	Local Employment Zone	3	4	3	3	4	3	4	3	20	Core Strategy Policies CE1 and CE3; and Development Policy DP5	None identified	Medium term	B1, B2 and B8
13	Middleborough Area	1.9	0.0	Local Employment Zone	3	4	4	4	2	4	4	21	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Comprises several listed buildings and is mostly in flood zone 3		B1a	
14	Fairfax House/Digby House, Causton Road	0.8	0.0	Local Employment Zone	3	4	4	4	2	3	3	20	Core Strategy Policies CE1 and CE3; and Development Policy DP5	The entire site is in flood zone 3		B1a	
15	Eastgates/Moorside	6.8	0.0	Local Employment Zone	3	4	4	3	3	3	3	20	Strategy Policies CE1 and CE3; and Development Policy DP5	None identified		B1, B2 and B8	
16	Brook Street, Colchester	0.4	0.0	Local Employment Zone	3	4	4	3	3	3	3	20	Core Strategy Policies CE1 and CE3; and Development Policy DP5	None identified		B1, B2 and B8	
17	Barrack Street	1.9	0.0	Local Employment Zone	3	4	4	3	3	3	3	20	Strategy Policies CE1 and CE3; and Development Policy DP5	Adjacent to new housing scheme	N/A	B1, B2 and B8	
18	Davey Close	5.4	1.08	Local Employment Zone	3	4	4	3	2	3	3	19	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Mostly in flood zone 3	N/A	B1, B2 and B8	
19	Hythe Quay	1.0	0.0	Local Employment Zone	3	4	4	3	1	3	3	18	Strategy Policies CE1 and CE3; and Development Policy DP5	Mostly in flood zone 3	N/A	B1, B2 and B8	

Site Reference	Site Name	Area (ha)	Undeveloped Land (Est. ha)	Site Status	Assessment Criteria							Future Potential				
					Strategic Access	Local Access	Proximity to Labour & Services	Compatibility of Adjoining Uses	Development & Environmental Constrnts	Market Attractiveness	TOTAL SCORE (/30)	Planning Factors	Barriers to Delivery	Timescale for Delivery	Potential Uses	
20	Former Paxmans Site, Port Lane	3.2	0.0	Local Employment Zone	3	3	3	3	3	2	2	17	Core Strategy Policies CE1 and CE3; and Development Policy DP5	None identified	N/A	B2 & B8
21	Chandlers Row, Port Lane, Colchester	1.3	0.0	Local Employment Zone	3	3	3	3	3	3	3	18	Strategy Policies CE1 and CE3; and Development Policy DP5	None identified	N/A	B2 & B8
22	Whitehall Industrial Estate	37.5	9.19	Local Employment Zone	3	3	4	3	3	3	3	19	Core Strategy Policies CE1 and CE3; and Development Policy DP5. e	Part of the undeveloped element of site is in flood zone 3 and borders with Upper Colne Marshes, a designated SSSI	Medium term (Undeveloped plots)	B1, B2 and B8
23	Maldon Road	3.2	0.33	Local Employment Zone	2	2	3	2	3	3	3	15	Core Strategy Policies CE1 and CE3; and Development Policy DP5	None identified	Short/Medium term	B1, B2 and B8 (certain forms of B8 questionable)
24	Gosbecks Road	9.5	0.0	Local Employment Zone	2	2	3	2	3	2	2	14	Core Strategy Policies CE1 and CE3; and Development Policy DP5	None identified	N/A	B1, B2 and B8 (certain forms of B8 questionable)
25	Hill Farm, Boxted Cross	1.3	1.3	Local Employment Zone	1	2	1	2	2	1	1	9	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Rural/peripheral location	N/A	Consider de-allocating this site
26	Depot, Old Ipswich Road, Dedham	2.1	0.0	Local Employment Zone	5	2	2	2	2	4	17	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Situated just outside the Dedham Vale AONB	N/A	B1, B2 and B8	
27	Powerplus Engineering and Whitnell Contractors Site, School Road, Langham	1.1	0.0	Local Employment Zone	2	2	2	2	2	3	13	Core Strategy Policies CE1 and CE3; and Development Policy DP5	None	N/A	B1, B2 and some B8	
28	Straight Road, Boxted (Tin Bins Ltd)	0.5	0.0	Local Employment Zone	2	2	2	2	2	2	12	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Small size of sites	N/A	B2 & B8	
29	30a Straight Road, Boxted (Classic Pot Emporium)	0.7	0.0	Local Employment Zone	2	2	2	2	2	3	13	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Rural/peripheral location	N/A	B8	
30	Langham Airfield, Langham	2.4	0.0	Local Employment Zone	3	2	2	2	3	4	16	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Rural/peripheral location	N/A	B1, B2 and B8	

Site Reference	Site Name	Area (ha)	Undeveloped Land (Est. ha)	Site Status	Assessment Criteria							Future Potential				
					Strategic Access	Local Access	Proximity to Labour & Services	Compatibility of Adjoining Uses	Development & Environmental Constrnts	Market Attractiveness	TOTAL SCORE (/30)	Planning Factors	Barriers to Delivery	Timescale for Delivery	Potential Uses	
31	Crown Interchange	2.5	1.0	Local Employment Zone	5	2	3	3	3	3	5	21	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Rural/peripheral location	Short/Medium term	B1a
32	Tey Brook Farm, Great Tey	0.8	0.0	Local Employment Zone	2	2	2	2	3	5	5	16	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Part of the site is in flood zone 3.		B1(a), B1 (c) & B8
33	Poplar Nurseries, Coggeshall Road, Marks Tey	2.5	0.0	Local Employment Zone	3	3	3	1	3	2	2	15	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Principally a garden centre (sui generis)		Consider de-allocating this site
34	Anderson's Site, Marks Tey	8.1	3.2	Local Employment Zone	3	3	3	3	3	3	3	18	Core Strategy Policies CE1 and CE3; and Development Policy DP5	None identified		B2, B8
35	Wormingford Airfield - (Packards Lane, Fordham Road North and Fordham Road South	2.8	0.0	Local Employment Zone	1	2	2	2	3	2	2	12	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Rural/peripheral location		B2, B8
36	Tower House, Tiptree	2.6	0.0	Local Employment Zone	2	4	3	2	3	3	3	17	Core Strategy Policies CE1 and CE3; and Development Policy DP5	None identified		B1, B2 & B8
37	Oak Farm, Layer Marney	0.2	0.0	Local Employment Zone	2	2	2	2	3	2	2	13	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Rural/peripheral location		B1(c), B2 & B8
38	Alexander Clegghorn Ltd, Tiptree	2.1	0.0	Local Employment Zone	2	3	2	2	3	3	3	15	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Rural/peripheral location		B8
39	Boat Yards, Coast Road, Mersea	0.4	0.0	Local Employment Zone	1	3	3	2	2	2	2	13	Core Strategy Policies CE1 and CE3; and Development Policy DP5	None identified		B1(c), B2 & B8
40	Rushmere Close, Mersea	1.5	0.0	Local Employment Zone	1	3	4	3	3	3	3	17	Core Strategy Policies CE1 and CE3; and Development Policy DP5	None identified		B1, B2 & B8
41	Waldegraves Farm, West Mersea	1.9	0.0	Local Employment Zone	1	2	2	3	3	3	3	14	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Access road is narrow and shared by vehicles accessing Waldegraves Holiday Park		B1, B2 & B8

Site Reference	Site Name	Area (ha)	Undeveloped Land (Est. ha)	Site Status	Assessment Criteria							Future Potential				
					Strategic Access	Local Access	Proximity to Labour & Services	Compatibility of Adjoining Uses	Development & Environmental Constrains	Market Attractiveness	TOTAL SCORE (/30)	Planning Factors	Barriers to Delivery	Timescale for Delivery	Potential Uses	
42	Picketts Farm, Abberton Road, Fingringhoe	0.6	0.0	Local Employment Zone	1	2	2	2	2	2	1	10	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Rural/peripheral location		Consider de-allocating this site
43	Pantiles Farm, Peldon Road, Abberton	0.5	0.0	Local Employment Zone	1	2	2	2	2	2	2	11	Core Strategy Policies CE1 and CE3; and Development Policy DP5	Rural/peripheral location	N/A	B8



## Appendix 5 Definition of B Class Sectors

The method used for re-categorising the employment forecasts by sector into B-Class uses is summarised below.

Apportionment of B Class Sectors to Land Uses

Experian Sector	Proportion of Jobs by Use Class		
	B1 office	B2 industrial	B8 warehousing
Agriculture, Forestry & Fishing	Non B-Class		
Extraction & Mining	Non B-Class		
Food, Drink & Tobacco	0%	100%	0%
Textiles & Clothing	0%	100%	0%
Wood & Paper	0%	100%	0%
Printing and Recorded Media	0%	100%	0%
Fuel Refining	0%	100%	0%
Chemicals	0%	100%	0%
Pharmaceuticals	0%	100%	0%
Non-Metallic Products	0%	100%	0%
Metal Products	0%	100%	0%
Computer & Electronic Products	0%	100%	0%
Machinery & Equipment	0%	100%	0%
Transport Equipment	0%	100%	0%
Other Manufacturing	0%	100%	0%
Utilities		45%	
Construction of Buildings	Non B-Class		
Civil Engineering	Non B-Class		
Specialised Construction Activities	0%	54%	0%
Wholesale	0%	23%	77%
Retail	Non B-Class		
Accommodation & Food Services	Non B-Class		
Land Transport, Storage & Post	0%	0%	47%
Air & Water Transport	Non B-Class		
Recreation	Non B-Class		
Media Activities	100%	0%	0%
Telecoms	100%	0%	0%
Computing & Information Services	100%	0%	0%
Finance	100%	0%	0%
Insurance & Pensions	100%	0%	0%
Real Estate	100%	0%	0%
Professional Services	100%	0%	0%
Administrative & Supportive Services	15%	0%	0%
Other Private Services	Non B-Class		
Public Administration & Defence	10%	0%	0%
Education	Non B-Class		
Health	Non B-Class		
Residential Care & Social Work	Non B-Class		

Source: EEFM / NLP analysis

## Appendix 6 EEFM Baseline Forecasts

EEFM Sector	Workforce Jobs			
	2014	2032	Change 2014-2032	% Change 2014-2032
Agriculture	578	477	-101	-17.4
Mining and Quarrying	112	54	-57	-51.3
Food Manufacturing	662	551	-112	-16.8
General Manufacturing	1,832	1,411	-420	-22.9
Chemicals	576	358	-219	-37.9
Pharma	0	0	0	0.0
Metals	426	314	-112	-26.3
Transport	979	718	-262	-26.7
Electronics	305	225	-81	-26.4
Utilities	534	388	-146	-27.3
Waste and remediation	218	176	-42	-19.1
Construction	5,416	7,161	1,745	32.2
Wholesale	4,797	4,900	103	2.1
Retail	10,620	11,513	893	8.4
Land Transport	2,428	2,508	80	3.3
Water and air transport	6	8	3	47.3
Hotels and restaurants	5,316	6,471	1,155	21.7
Publishing and broadcasting	4,503	5,323	820	18.2
Telecoms	606	622	16	2.6
Computer related activity	1,169	1,647	478	40.9
Finance	2,779	3,002	224	8.0
Real Estate	2,956	4,155	1,200	40.6
Professional services	6,092	8,526	2,434	40.0
R+D	37	49	11	30.5
Business services	4,038	5,654	1,615	40.0
Employment activities	1,556	2,107	551	35.4
Public Administration incl land forces	5,771	5,669	-102	-1.8
Education	10,621	11,853	1,232	11.6
Health and care	12,010	14,126	2,115	17.6
Arts and entertainment	3,037	4,089	1,052	34.6
Other services	2,321	2,780	459	19.8
<b>Total (rounded)</b>	<b>92,300</b>	<b>106,830</b>	<b>14,530</b>	<b>15.7</b>

Source: EEFM 2013





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