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Maldon District Council LDP: Employment Evidence and Policy Update

Final Report

Prepared for Maldon District Council

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Contents

Executive Summary	i
1 Introduction	1
2 Planning and Economic Development	3
3 The Maldon District Economy	5
4 Drivers of and Constraints to Future Economic Growth	12
5 Economic and Employment Change in Maldon District	16
6 Demand for Sites and Premises	22
7 Supply of Sites and Premises.....	29
8 Comparing Demand and Supply.....	43
9 Conclusions	50

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Executive Summary

Background

This report is an independent review of the economic and employment growth prospects of Maldon District using the latest and most up-to-date evidence. It is compliant with the approaches to considering economic development as part of the planning process, as set out in the NPPF and PPG.

The local economy

The economy of Maldon District is not entirely self-contained, and the District is part of a wider functional economic market area (FEMA). Maldon District has the strongest functional economic relationship with the City of Chelmsford, and these two local authority areas are best considered as the core of the Maldon District FEMA. It has less strong relationships with Basildon, Braintree, Colchester and London, which comprise the periphery of the Maldon District FEMA.

The particular strengths of the local economy are:

- The good quality of life, which attracts people to live in the District
- A diverse business base, with a relatively healthy business start-up rate
- Strong residents' earnings (influenced by out-commuting for work) and low unemployment

Weaknesses of the local economy include:

- A high level of out-commuting for work, with lower earnings for those who work in the District compared to regional and national averages
- Lower rates of growth in employment and businesses than regional and national averages
- A lower proportion of the population who are of working age, with higher-skilled residents commuting out for work
- Relatively poor access to the strategic transport network, compared to other nearby places, and poor telecoms and broadband infrastructure
- Relatively poor quality industrial property stock

Opportunities for the local economy include:

- Potential for growth in the tourism, agricultural processing and renewable energy sectors
- Plans to improve transport connectivity into the District
- Potential for the allocation of new employment sites, particularly in the proposed urban extensions

Threats to the local economy include:

- An ageing population, so a decreasing working-age population
- Lack of available high quality industrial premises, and little commercial development activity

Drivers of and constraints to growth

There are a number of drivers of future growth in the Maldon District economy. The quality of life for residents encourages people to move to the District, and should be used to encourage the start-up of new businesses by residents, and the maintenance and growth of those businesses already established in the District. The potential for the regeneration of the Causeway area and redevelopment of particular sites could support economic and employment growth in the District. The allocation of new employment sites as part of larger mixed-use developments (such as the proposed urban extensions) could accommodate significant amounts of employment. The creation of a business innovation or incubation centre could help start-up and growing businesses. Promotion of the visitor economy could help stimulate growth, particularly in the Dengie Peninsula. Transport improvements could help to improve accessibility, and therefore the attractiveness of the District as an employment location.

There are some constraints to economic growth which will need to be overcome. Maldon District has not historically attracted large employers and inward investment, and efforts should be focused on new-start businesses and growing those businesses already located in the District. The transport infrastructure has weaknesses, although there are plans for investment in this. Efforts need to be made to improve the quality of the local workforce. Investment is needed in the quality of overall employment property stock.

Vision for future economic growth

The vision for growth in the District is to maintain a vibrant and competitive economy whilst sustaining the high quality of life. Maldon District is part of the Heart of Essex, and the majority of the forecast employment growth within this sub-region is proposed in Chelmsford.

Projected economic growth

Over the period 2014 to 2029, employment projections derived from the East of England Forecasting Model (EEFM) suggest a growth of 2,200 jobs in Maldon District. This is a reasonable target given the local drivers of and constraints to growth discussed in this report, and it is broadly in line with the Economic Prosperity Strategy ambition of 2,000 jobs over the period 2013-2029. Overall it is the service sector which is forecast to generate job growth over the plan period. The construction sector is forecast to experience more substantial growth than in the historic period. Manufacturing employment is forecast to decline, but not to the extent experienced in the past.

Demand for sites and premises

The assessment of future requirements indicates that approximately 11 hectares of further B1/B2/B8 Use Class land will be required during the Local Plan period. This will support the expansion of the economy and ensure existing employment is safeguarded by facilitating the replacement of ageing stock.

Supply of sites and premises

A list of 38 current employment sites was identified by Maldon District Council and Fenn Wright at the beginning of this study. The largest concentration of existing employment space is to be found

in the Causeway between Maldon and Heybridge. There is scope for some employment-led mixed-use development on some currently poor quality employment sites, but the generally low level of available supply in Maldon District means that none should be de-allocated.

The current availability of vacant stock is around one-year's worth of office take-up and one-quarter of one year's worth of industrial take-up. This vacancy rate is low in comparison to other local centres.

A list of 22 potential development sites was identified by Maldon District Council and Fenn Wright at the beginning of this study. The best potential sites are those in the proposed urban extension and those that comprise extensions to existing employment areas, such as the land south of Limebrook Way, Primrose Meadow, and Mundon Road.

Local property experts Fenn Wright suggest that the main obstacle to the delivery of new sites and premises is the viability of new commercial development. Maldon District is not alone in having to overcome such issues.

Comparing demand and supply

With a target of 2,200 net additional jobs in Maldon District by 2029, there is an insufficient quantity and quality of currently available employment premises to enable and accommodate that growth. Tackling this shortfall will require a range of actions, including: making better use of currently under-utilised sites and premises; occupying currently vacant stock; redevelopment of existing sites; and the allocation of new employment sites, particularly greenfield sites.

The District needs a mix of types and quality of sites and premises to accommodate the range of businesses that are located in and wish to locate in the District. A market-led assessment of the preferred locations for further employment allocations suggests that these are:

- Maldon
- Heybridge
- Burnham on Crouch (primarily to satisfy local demand)
- Latchingdon – but no sites have been proposed for consideration in the Local Plan
- South of the District – near South Woodham Ferrers – but no sites have been proposed for consideration in the Local Plan

Clearly there are not potential sites identified in every one of these locations, and a further site search would need to be undertaken. In much of the District, transport accessibility is relatively poor. It is also acknowledged that traffic congestion in the Danbury to Maldon corridor is an issue that has been discussed during the Examination in Public of the Local Plan, and that this needs to be given weight when considering the location of further employment sites. From a policy perspective there is a preference for further search in the south of the District to avoid exacerbating these traffic issues in the Danbury to Maldon corridor.

The main policy responses needed to enable future economic growth are:

- Allocate land to accommodate future economic growth aspirations

- Ensure that land released by the decline of employment in manufacturing is re-used for employment (unless it is no longer suitable for this use). To achieve viable development, it may be necessary to allow part of such sites for other uses such as retail or residential only insofar as this enables the delivery of employment premises. A cautious approach to allowing residential development should be taken, to avoid it restricting the ongoing operation of businesses on employment sites
- Encourage regeneration in the Causeway area and other employment areas that are currently failing to meet their development potential
- Allocate some sites as part of the proposed urban extensions to Maldon/Heybridge and Burnham on Crouch
- Avoid the over-allocation of land, to maximise the potential for viable development
- Encourage the development of flexible office and industrial buildings which can be subdivided to accommodate smaller as well as larger businesses
- Ensure that future employment growth does not compromise the quality of life that makes Maldon District an attractive place to live for economically active residents
- Set a criteria-based policy for the future development of employment sites in rural areas
- Set a criteria-based policy to enable the allocation of a site for 'bad-neighbour' uses (e.g. waste transfer and recycling) if a suitable site comes forward

1 Introduction

1.1 Background

- 1.1.1 A Local Development Plan for Maldon is currently being prepared, to cover the period 2014 to 2029. An evidence base was prepared, to support the Submission Draft Local Plan. An initial review of the Plan by the Inspector has led to him raising concerns about the soundness of the plan, which were set out in a key concerns letter. His concerns mainly deal with housing need, housing numbers, and deliverability, which will impact on the employment aspects of the Plan. He is concerned that any revisions to the housing need assessment could have ‘knock-on’ effects for the rest of the Plan, including the employment policies. The Inspector also raised some specific concerns with the employment evidence base. A separate review of housing numbers has been carried out.
- 1.1.2 This report is an independent review of the economic and employment growth prospects of Maldon District using the latest and most up-to-date evidence. In the first instance the economic and employment growth prospects have been considered without any external constraints, such as future housing numbers. The state of the District’s economy, the plans for future development, and external factors have been considered in order to arrive at an independent assessment of possible future growth. A number of different scenarios have been considered. This growth projection has then been considered alongside the revised housing numbers, to consider the fit between these two strands of work.

1.2 The paper

- 1.2.1 This paper is the final summary report, which draws on the detailed research that has been undertaken for this study. This paper comprises the following chapters:
- 1.2.2 **Chapter 2** sets out the current policy and guidance on planning and economic development
- 1.2.3 **Chapter 3** is an overview of the current state of the Maldon District economy, using latest data
- 1.2.4 **Chapter 4** considers the drivers of and constraints to future growth in Maldon District
- 1.2.5 **Chapter 5** discusses the level and composition of the latest projections of future growth in the Maldon District economy
- 1.2.6 **Chapter 6** identifies the demand for sites and premises, based on the economic and employment growth projections
- 1.2.7 **Chapter 7** sets out an overview of a new assessment of the current employment land supply, and the potential future employment land supply in Maldon District
- 1.2.8 **Chapter 8** compares forecast future land requirements against current and potential future land supply to identify the implications for the Local Plan
- 1.2.9 **Chapter 9** sets out the conclusions of the study and the implications for the Maldon Local Plan and future economic development strategy
- 1.2.10 The detailed research is set out in the accompanying appendices:

- Appendix 1 sets out an overview of the methodology for undertaking this research
- Appendix 2 sets out the documentary and data review that has been undertaken, and includes the main messages that have emerged from the consultations that have been undertaken for this study
- Appendix 3 sets out the projected future economic growth in Maldon District, and translates this into projected demand for employment floorspace and employment land
- Appendix 4 considers the current and potential future supply of employment premises and sites in Maldon District

2 Planning and Economic Development

2.1 NPPF and PPG

- 2.1.1 The National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) put economic development at the heart of the planning process, contributing to the achievement of sustainable development. This planning framework is considered in more detail in Appendix 2 to this report. This section summarises the main aspects of the NPPF and PPG that are important, and there is some further discussion at appropriate places later in the report.

2.2 Sustainability and vitality

- 2.2.1 Local plans should encourage and support growth in a sustainable manner. Promoting the vitality of existing urban areas through enhancing development is part of the core principles set out in the NPPF, and is pertinent to Maldon District.

2.3 Functional economic market area

- 2.3.1 NPPF and PPG are clear that future economic growth needs to be considered at the level of the functional economic market area. Maldon District is not an entirely self-contained functional economic market area, so its future economic growth needs to be considered within the context of a wider local and regional geography. Given the uncertainty of future economic growth, a range of scenarios for future economic growth in Maldon District should be considered. The Duty to Cooperate suggests that strategic priorities (including homes, jobs, retail, leisure, commercial development, infrastructure etc.) should be considered across administrative boundaries, to the *mutual benefit of neighbouring authorities* (NPPF Paragraph 178). Identifying the functional economic market area(s) that include Maldon District is an important task that is dealt with in the following chapter.

2.4 Economic vision and strategy

- 2.4.1 Within the context of a functional economic market area, NPPF is clear that local planning authorities should set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth (NPPF Paragraph 21). At present there is a recently prepared economic strategy for Maldon District as well as economic visions for several of the wider functional geographies that the District sits within such as the Heart of Essex, Essex County Council and South East LEP.

2.5 Places

- 2.5.1 Promotion of the development and competitiveness of town centres is discussed in Section 2 of the NPPF, and this is important for Maldon District given the importance of its main town, Maldon, and other towns and villages. Section 3 discusses the need to support a prosperous rural economy, and again this is very important to Maldon District where a large proportion of the District is rural.

2.6 Objective need and plan development

- 2.6.1 According to Planning Practice Guidance¹, *“The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.”*
- 2.6.2 This study carries out an independent and unbiased assessment of need, and then considers how the Local Plan’s policies can respond to this.

¹ <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/the-approach-to-assessing-need/>

Paragraph: 004 Reference ID: 2a-004-20140306

3 The Maldon District Economy

3.1 The functional economic market area

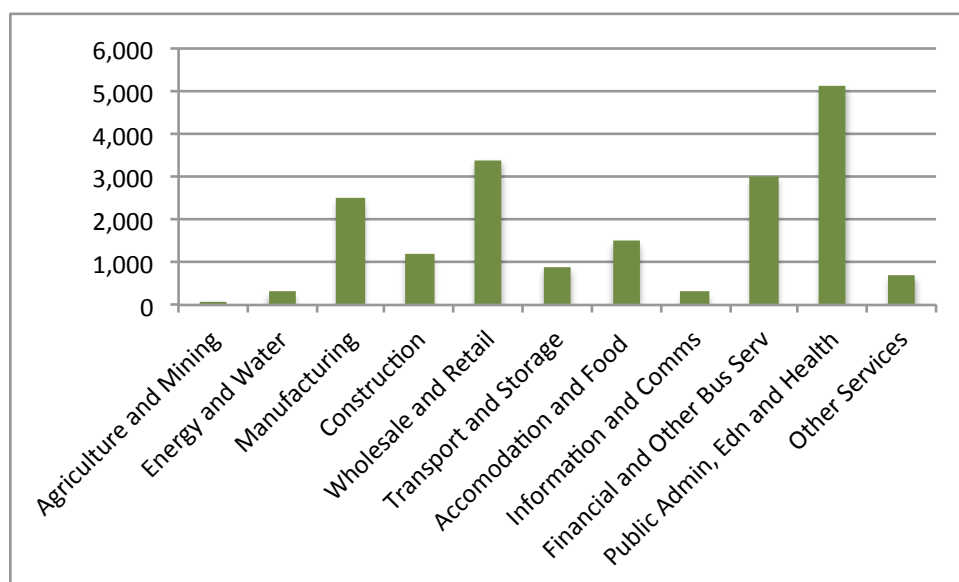
- 3.1.1 The economy of Maldon District is not entirely self-contained, and the District is part of a wider functional economic market area (FEMA)². It is not easy to put a single line around a FEMA, and different data sets can help to identify very strong, less strong and weaker relationships with other places. The best data for assessing the extent of this FEMA are commuting data, housing market data, governance structures and transport infrastructure, enhanced with local consultations.
- 3.1.2 The strongest commuting relationship is with the adjoining district of Chelmsford, which also contains the urban area of Chelmsford, the nearest city, and a centre for economic activity and employment that serves a wider hinterland. There are also strong net commuting flows to Basildon and London. There are less strong commuting links to other adjacent local authority areas.
- 3.1.3 Analysis of the local housing market has concluded that Maldon District can be considered as a single housing market area. There are some housing market flows to and from adjacent districts, but the evidence suggests that the District boundary is a good approximation of a housing market area.
- 3.1.4 Maldon District is a member of two sub-regional partnerships: the Heart of Essex and the Haven Gateway. It is also a district of the County of Essex and a member of the South East LEP. Of these structures, only the Heart of Essex (which comprises Maldon District, Chelmsford and Brentwood) represents a functional economic market area – and in this case it is one centred on Chelmsford. However, other than this partnership commissioning an economic growth study there appears to be little other partnership working.
- 3.1.5 There are no trunk roads in Maldon District, and the District's main roads connect to the A12 and A130, linking the District to Braintree, Chelmsford, Basildon and Colchester, and onwards to further locations. The rail lines in the south and to the north of the District connect it to London.
- 3.1.6 Business consultations have not identified any particularly strong linkages with specific places, and local businesses appear to have customer and supplier relationships over a broad and diverse area.
- 3.1.7 Considering all of the available data, Maldon District has the strongest functional economic relationship with the City of Chelmsford, and these two local authority areas are best considered as the core of the Maldon District FEMA. It has less strong relationships with Basildon, Braintree, Colchester and London, which comprise the periphery of the Maldon District FEMA.

² A more detailed discussion of the functional economic market area can be seen in Chapter 2 of Appendix 2

3.2 The local economy

- 3.2.1 Maldon District has a robust economy³, with relatively strong out-commuting for work. The District has a slightly lower proportion of the population of working age than for comparator areas such as the East of England or Great Britain, and a lower economic activity rate. The District has fewer employees in employment, but more self-employed residents than average. It has a lower employment density (i.e. jobs per working age resident) than the nearby districts with large towns and cities. Recent growth in employment in Maldon District has been lower than average, and lower than in Chelmsford. 45% of the working residents of Maldon District work in the District (either at a place of work or from home), with the rest commuting out of the District to work. 70% of those who work in Maldon District live in the District, with the balance commuting in from outside.
- 3.2.2 The District has a broad economy with no particular clusters⁴ or networks of specialist economic activity, with employment by sector shown in Figure 3.1. It has a number of advanced manufacturing and technology businesses, but they are not linked to each other. Figure 3.2 below shows location quotients of the main sectors⁵, and it can be seen that Maldon District has a relatively small service sector.

Figure 3.1: Employment by Sector in Maldon District, 2013



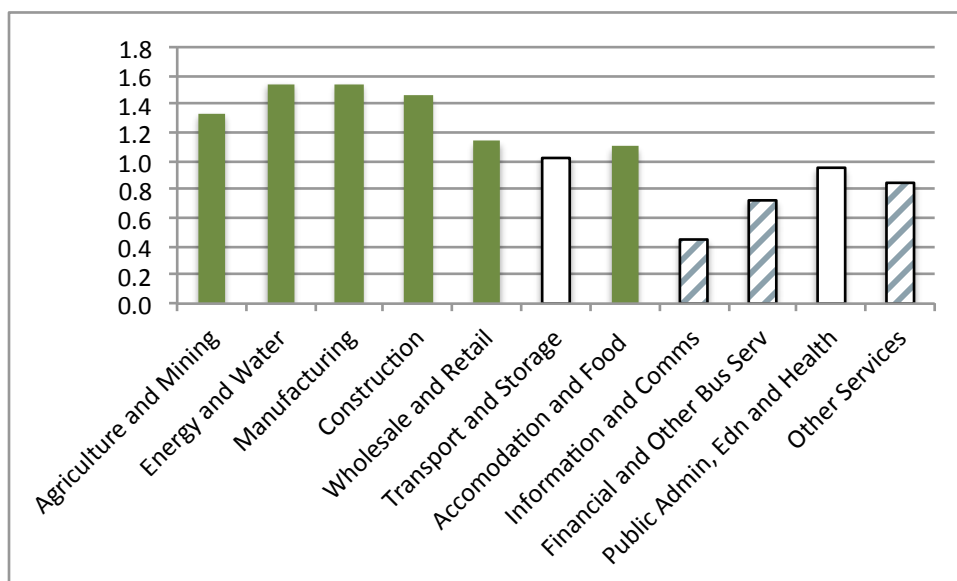
³ A more detailed discussion of the economy of Maldon District can be seen in Chapter 3 of Appendix 2

⁴ In this context we are using the widely accepted definition of clusters defined by Michael Porter in The Harvard Business Review in 1998 as “geographic concentrations of interconnected companies and institutions in a particular field. Clusters encompass an array of linked industries and other entities important to competition. They include, for example, suppliers of specialized inputs such as components, machinery, and services, and providers of specialized infrastructure. Clusters also often extend downstream to channels and customers and laterally to manufacturers of complementary products and to companies in industries related by skills, technologies, or common inputs. Finally, many clusters include governmental and other institutions—such as universities, standards-setting agencies, think tanks, vocational training providers, and trade associations—that provide specialized training, education, information, research, and technical support.”

⁵ A Location Quotient (LQ) is a measure of the concentration of an activity in an area. An LQ less than 1.0 shows a lower concentration of an activity in the local area than in the national economy, and an LQ greater than 1.0 shows a greater concentration of activity in the local area than in the national economy

Source: ONS Business Register and Employment Survey, 2013

Figure 3.2: Location Quotients (LQ) of Sectors in Maldon District, 2013

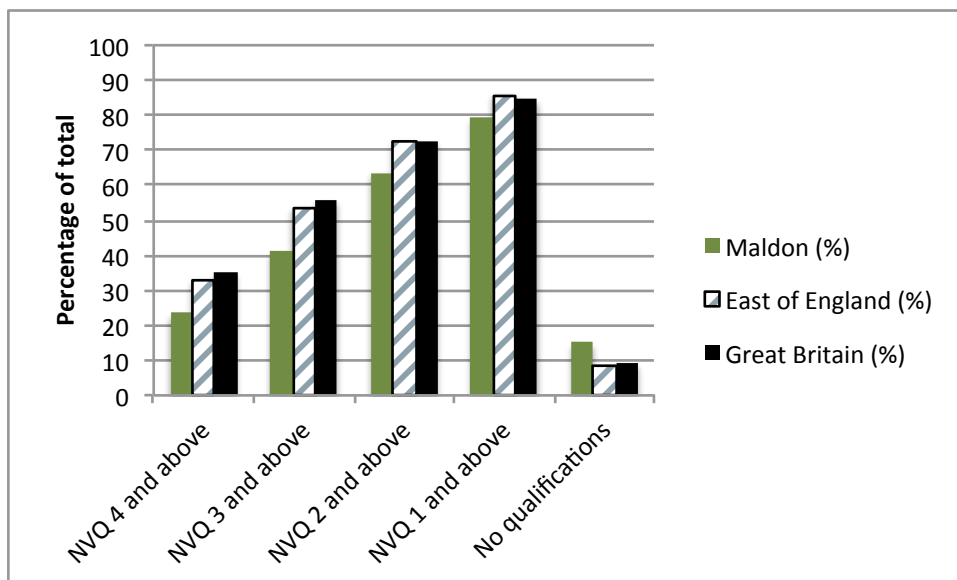


Bars in green indicate an LQ>1.0; bars in white indicate an LQ=1.0; and bars in grey indicate an LQ<1.0

Source: ONS Business Register and Employment Survey, 2013

- 3.2.3 In term of job numbers and annual turnover tourism is a relatively small sector in the local economy. However, the decommissioning of the Bradwell nuclear power station has been a boon for local accommodation and leisure businesses in serving the temporary workforce. However, this is coming to an end and efforts are being made to stimulate more visitors and visitor-spend, to counteract this decline. The District has a larger than average agricultural sector, as would be expected in a rural area, but limited food and drink processing.
- 3.2.4 The District has slightly more micro businesses and fewer large businesses than the regional and national comparators. A large proportion of the employment in Maldon District is concentrated in Maldon and Heybridge, with over 50% of the District's jobs in the Maldon and Heybridge wards. Maldon town is the main retail and service centre in the District.
- 3.2.5 The primary asset of Maldon District as a place to do business is its quality of life.
- 3.2.6 Workforce skills are below regional and national averages, as can be seen in the figure below.

Figure 3.3: Workforce Skills in Maldon District, 2014



Source: ONS Annual Population Survey July 2013 to June 2014

3.2.7 Both gross weekly pay and hourly pay by workplace are significantly lower in Maldon District than in the East of England and Great Britain. However, both gross weekly pay and hourly pay by place of residence are higher for Maldon District residents than for the East of England and Great Britain. This suggests that those living in Maldon District and working outside of the District (i.e. out-commuting) are earning more than those working in the District (whether local residents or in-commuters).

3.2.8 Maldon District has significantly fewer jobs in the higher occupation groups (managers, director, senior officials, professional occupations, associate professionals and technical occupations) than the East of England or Great Britain. It has a similar proportion of jobs in the next occupational groups (administrative & secretarial and skilled trades) than the East of England and Great Britain; and more in the lower occupational groups (caring, leisure, other service occupations, sales, customer services, process plant & machinery operators and elementary occupations) than the East of England and Great Britain.

3.3 SWOT Analysis

3.3.1 A summary SWOT analysis is set out below – considering the strengths, weaknesses, opportunities and threats facing the economy of Maldon District. This is considered in more detail in Appendix 2, Chapter 8.

Strengths

3.3.2 Quality of life

- Good quality of life attracts people and businesses to Maldon, and keeps them in the District

3.3.3 Business base

- Diverse business base

- Relatively healthy business start-up rate
- Independent retailers in Maldon town centre have tended to be robust in the recession

3.3.4 Earnings and unemployment

- Residents' earnings are higher than the regional and national averages (but this is due to out-commuting rather than high paying jobs in Maldon)
- Relatively low unemployment

3.3.5 Other strengths identified in the Heart of Essex Economic Futures study include:

- Significant growth in the professional, scientific and technical sectors
- Retail hub sustaining significant levels of local employment
- Strong presence of education and health sectors, identified as having significant growth potential
- Resilience of the business base, with low level of insolvencies, and the highest adaptive capacity within Heart of Essex

Weaknesses

3.3.6 Quality of employment

- High level of out-commuting to other Districts for work, particularly to Chelmsford
- Workplace earnings are lower than the regional or national averages
- Maldon has fewer jobs in higher quality occupations and more jobs in lower quality occupations
- Relatively low job density (i.e. low number of jobs compared to the working age population)
- Less full-time jobs and more part-time jobs than regionally and nationally
- Lower rate of growth in employees and employment than regionally or nationally (2009-2013)
- Lower rate of growth in businesses than regionally or nationally (2011-2014)
- No strong clusters of inter-linked businesses. The advanced manufacturing businesses in the local area are not part of a cluster
- Parts of the tourism and accommodation sector (particularly in the south of the District) have been reliant on workers involved in the decommissioning of the Bradwell power station, and this is coming to an end

3.3.7 Population and workforce

- Lower proportion of the population are of working age than regionally and nationally
- Relatively lower skilled working population, with higher-skilled residents commuting out
- Businesses believe that many people have unsuitable attitudes as well as poor skills

3.3.8 Infrastructure and accessibility

- Relatively poor accessibility to the strategic transport network (road and rail): which impacts on businesses and commuting
- Relatively poor telecoms and broadband infrastructure
- Vulnerability to flooding in the Causeway industrial area
- Relatively poor quality industrial property stock

- There are few flexible employment sites suitable for new start businesses
- Maldon District is not particularly attractive to mobile and footloose inward investors

3.3.9 Other weaknesses identified in the Heart of Essex Economic Futures study include:

- Reliance on public sector for employment (accounting for a fifth of all employment) leaves Maldon vulnerable to further public sector cuts

Opportunities

3.3.10 Opportunities include:

- There is potential to increase the economic impact of the tourism sector by growing visitor numbers, and increasing the spend per visitor, although this will require investment in infrastructure and training in the sector
- There is potential for adding value to the agricultural sector through processing e.g. wine bottling
- There is potential for more renewable energy generation in the rural parts of the District
- The County Economic Plan and SELEP Growth Deal bid have proposed transport improvement projects for Maldon District, and investment in the Causeway industrial area
- There is a lack of supply of deliverable employment land across Essex (n.b. *commercially deliverable* employment land, not just allocated employment land), and so if sites can be brought to a deliverable state in Maldon (i.e. with services and infrastructure in place), there will be a demand for them

3.3.11 Other opportunities identified in the Heart of Essex Economic Futures study include:

- High proportion of small businesses (*albeit not much higher than elsewhere*) provides an opportunity to flourish and generate employment provided appropriate support
- High levels of entrepreneurialism and self employment providing opportunities for sustainable future growth
- Potential to boost sustainable, nature based and historic tourism given the quality of the environment

Threats

3.3.12 Threats

- As well as having a lower proportion of the population of working age, the population of Maldon District is ageing
- Car parking charges in the town centre may discourage shoppers and visitors
- The lack of available high quality industrial premises is restricting the growth of existing businesses
- Current market rents do not enable landlords to invest in improving their stock
- The local market cannot deliver speculative industrial and commercial property developments
- Chelmsford is an attractive growth location and is forecast to attract a large proportion of future growth in the sub-region, which might displace growth that could otherwise have come to Maldon District. However, there is a lack of deliverable employment land in

Chelmsford (as discussed above), and so cheaper land in Maldon may well be attractive if it can be made available

- Further out-commuting could be constrained by the capacity of the road network

3.3.13 Other threats identified in the Heart of Essex Economic Futures study include:

- Production and manufacturing represent key sectors in Maldon – but have shown strong recent decline
- The construction sector has experienced decline in employment and output during the economic downturn
- Relatively high proportion of businesses in agriculture sector – but this sector has experienced rapid recent declines
- Prevalence of small businesses which face challenges to survive and grow

4 Drivers of and Constraints to Future Economic Growth

4.1 Future drivers

4.1.1 Future economic growth for Maldon District will comprise two main elements:

- Economic and employment growth located within the District boundary
- Economic and employment growth in the functional economic market area, but outside the District, creating employment opportunities for District residents outside the District boundary

4.1.2 This section deals mostly with the former, because this growth has implications for the Local Plan. Despite opportunities for employment outside the District, there is still a demand for employment land within Maldon District, and it is dealt with in this report. There are a number of ways in which the latter can be influenced e.g. through Maldon District's influence on County-level economic plans, and SELEP plans. These need to be considered as part of the District's economic development strategy, remembering that economic growth drivers work across functional economic market areas, and are not constrained within local authority boundaries.

4.2 Growth within Maldon District

4.2.1 The main drivers of future growth in Maldon District are discussed below.

Quality of life

4.2.2 Many businesses are located in Maldon District because of the quality of life for the owners and employees of those businesses. Maintaining that quality of life is important to stimulating future economic growth. Quality of life should be used to maintain and grow those businesses that are already located in Maldon District, and encourage and support local residents (or incoming residents) to start high quality and high growth business in the District.

Regeneration of the Causeway area

4.2.3 The regeneration of the Causeway area is identified as a project in the Local Plan and is listed in the SELEP Growth Deal bid. A study into the future development of the Causeway area has been commissioned by Maldon District Council, and is currently being undertaken.

4.2.4 The objectives of the study are to: meet the needs of existing businesses, in order to retain existing employment; attract new businesses in higher value sectors; consider the development of an employer-led vocational skills training centre; and increase the attractiveness of the area.

Allocation of new employment sites

4.2.5 As well as the regeneration and improvement of existing sites there are proposals for the allocation of three new employment sites within the District, and two of these (at Wycke Hill) are part of plans for larger mixed-use developments. These are:

- 3.4 hectare extension to Burnham Business Park at Burnham-on-Crouch for B1, B2 and B8 uses
- 0.5 hectares of employment land at Wycke Hill (north) for B1 and B2 uses
- 4.5 hectares of employment land at Wycke Hill (south) for B1, B2 and B8 uses

4.2.6 It is worth considering whether there is scope to increase the amount of employment land, particularly in the Wycke Hill proposals adjacent to Maldon or adjacent to existing employment sites throughout the District. Viability and commercial deliverability are key factors that need to be considered.

Business support and an incubation centre

4.2.7 The Council has prioritised business support in its Economic Growth Strategy. It has also referred to the potential for developing a business incubation centre, but there are no detailed plans in place to deliver this.

Promotion of the visitor economy

4.2.8 As part of the promotion of business growth in Maldon District, there is particular interest in promoting tourism and the visitor economy. This is largely part of the response to end of decommissioning work at the Bradwell power station, and so efforts to promote the visitor economy are more prevalent in the south of the District and the Dengie peninsula.

Transport improvements supporting broader growth

4.2.9 There are three proposed projects for improving transport infrastructure in Maldon District, and its links to the strategic highway network set out in the South East Growth Deal. At least one of these, the A414 Maldon to Chelmsford Route Based Strategy, is definitely going ahead.

4.2.10 Transport improvements may make Maldon District more attractive to further investment by existing businesses, or investment from inward investors. Transport improvements may also enable further out-commuting, which is a significant source of employment for residents of Maldon District.

4.3 Growth in the functional economic market area

4.3.1 The most significant driver of growth in the functional economic market area is the future growth of Chelmsford. This is important for several reasons:

- It will provide jobs for Maldon District residents
- Growth in Chelmsford-based businesses could provide supply chain opportunities for Maldon District businesses

- Development of sites and new premises in Chelmsford (and in other nearby districts) could either displace businesses from Maldon District or attract businesses that might otherwise have moved to Maldon District

4.3.2 However, as mentioned previously there is generally poor availability of deliverable employment sites across Essex. This may constrain the economic growth that can take place in the functional economic market area, and the presents an opportunity for Maldon District if deliverable sites can be brought to the market.

4.4 Constraints to economic growth

Difficulty attracting large employers and inward investors

4.4.1 Maldon does not have large employers and has not attracted large inward investment projects in the past. It is not linked directly to the strategic highways network, and mainline rail links are limited. Maldon District does not have a large resident workforce, and there are no clusters or networks of high value businesses already established in the District. For these reasons, large employers and mobile inward investment projects have tended to locate elsewhere. Directly overcoming these constraints is a longer-term ambition, albeit one that is achievable given a positive approach to planning policy and support for the deliverability of employment sites e.g. through investment in services and infrastructure. In the short to medium term efforts to promote economic growth in Maldon District should concentrate on: growing existing businesses; increasing the quality of existing businesses; encouraging local residents to start new businesses; and attracting smaller businesses into the area that are less reliant on high capacity transport links.

Transport and other infrastructure

4.4.2 The constraints associated with the transport network and other infrastructure have been extensively discussed above. Some investment may take place, which could improve the quality of transport and other infrastructure. However, efforts to grow the local economy should recognise this constraint and should be focused on businesses that are less dependent on high speed, high capacity transport linkages.

Workforce

4.4.3 The quality of the workforce is relatively low. Efforts need to be made to improve the workforce quality, either through the provision of training and skills in the District, or through improving accessibility to training and skills outside the District. Training and skills provision needs to respond to local employers' needs if local businesses are going to be supported to grow and improve their quality.

Property stock

4.4.4 The industrial property stock is of relatively low quality. This is constraining the ability of local businesses to grow, as they cannot find high quality, suitable premises. Whilst market led and speculative development is limited, this situation will not improve quickly. There is potential for the development of new industrial property on newly allocated sites in the District. Plans are being developed for the regeneration of the main Causeway industrial area, but funding will need to be found to enable this development to take place.

Development viability

4.4.5 Low rental levels in Maldon District mean that it is difficult to achieve viability in delivering new development. This is discussed in more detail in Chapter 7, which considers the supply of sites and premises.

5 Economic and Employment Change in Maldon District

5.1 This chapter

- 5.1.1 This chapter summarises more detailed analysis that is set out in Appendices 2 and 3. This chapter sets out the vision for growth in Maldon District and a quantitative assessment of the growth potential of the District.

5.2 Vision for future growth

- 5.2.1 The economic vision for the District, as set out in its 2013 Economic Prosperity Strategy, is to:

Maintain a vibrant and competitive economy, balancing the needs of industry and prosperity whilst sustaining a high quality of life, increasing incomes and promoting the Maldon District as a great place to live, play, work and do business.

- 5.2.2 The Economic Prosperity Strategy sets out a target to create 2,000 net additional jobs between 2013 and 2029. Several growth scenarios are considered in the plan, but the basis of these is no longer considered suitable.
- 5.2.3 At the sub-regional level, a 2012 study of future growth prospects in the Heart of Essex sub-region⁶ suggested that over two-thirds of the area's total employment growth is expected to take place in Chelmsford, with between one-third and one-fifth in Brentwood, and up to one-tenth in Maldon District. This clearly shows that sub-regional growth is expected to be concentrated in Chelmsford.
- 5.2.4 At the County and South East LEP level, plans have been set to support significant numbers of sustainable private sector jobs, deliver new homes and lever investment into the local economy.

5.3 Economic forecasts

- 5.3.1 Core to considering future employment land and property requirements in Maldon District is an understanding of the likely pattern of economic and employment change. Forecasts for Maldon District and other parts of the FEMA are drawn from the East of England Forecasting Model (EEFM). The EEFM is an econometric model developed by Oxford Economics providing consistent forecasting information for the whole of the East of England region and its constituent local authority areas. The EEFM 2014 model outputs have been used to provide a baseline view of the economy as well as a basis to test alternative scenarios. The EEFM is an independent forecast of potential growth. It has been recently revised (early 2015), and the latest figures are used in this analysis. HJA has tested the EEFM 2014 projections for employment growth, and found them consistent with the level of housing growth proposal over the plan period, of 310 dwellings per annum.

⁶ Nathaniel Lichfield & Partners and Experian (June 2012) The Heart of Essex: Economic Futures Study

Headline Projections

5.3.2 Figure 5.1 below sets out selected headline economic indicators over the Local Plan period 2014-2029. On the basis of the evidence in respect of the FEMA the results for Maldon District are benchmarked against Chelmsford and the Strategic Housing Market Area⁷, and the Essex and UK economies. The Maldon District results are also benchmarked against the 15-year period 1999-2014 to provide some sense of historic context.

5.3.3 Setting the future projections in the context of the benchmark areas, the EEFM baseline suggests that the Maldon District economy will:

- Grow slightly less strongly than the benchmark areas in GVA terms, most notably Chelmsford and the SHMA. It will see a broadly similar scale of growth to the UK and Essex as a whole.
- Experience similar levels of growth in GVA per capita and labour productivity to all benchmark areas.
- Experience a slightly lower rate of job growth than Chelmsford, the SHMA and Essex, but higher than the UK.

5.3.4 Relative to the 15-year period 1999-2014, the rate of employment growth is anticipated to be lower and labour productivity to be higher. This variation in the scale of employment growth between the forecast period and the historic period is consistent across all the benchmark areas. This is in part as a result of the fact that employment did not fall as fast during the recession as in previous recessions. As a result there is additional capacity in the workforce to deliver economic growth through productivity gains. It is also a result of assumptions around continuing public sector austerity with much lower levels of employment growth forecast in public administration, education and health activities.

5.3.5 The scale of forecast employment growth over the Local Plan period is broadly in line with the Economic Prosperity Strategy ambition of 2,000 jobs over the period 2013-2029.

Figure 5.1: EEFM Projections – Selected Indicators – percentage change 2014-2029

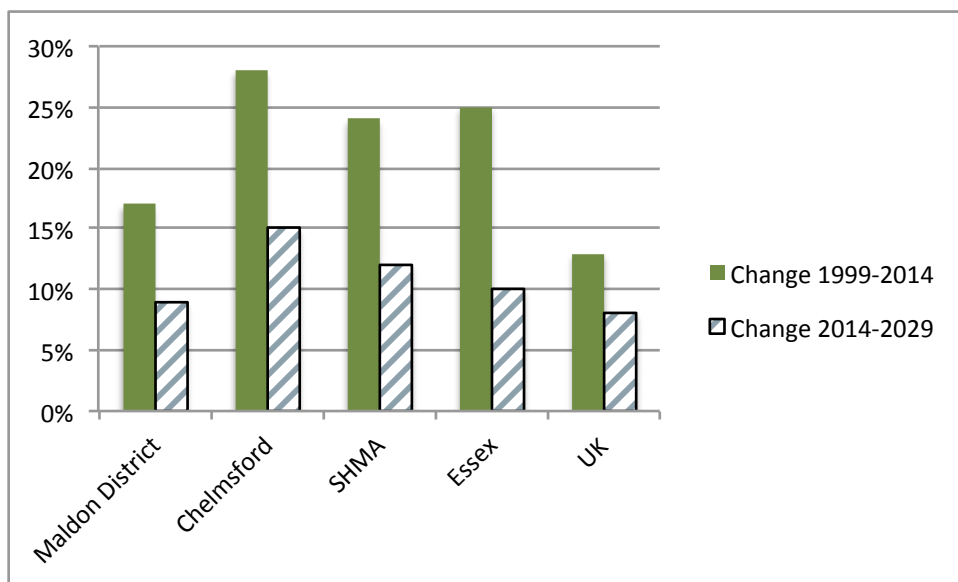
	Maldon District		Chelmsford	SHMA	Essex	UK
	Historic Trend Scenario	2014 Baseline				
Total GVA	45%	43%	48%	48%	44%	44%
Total GVA (per annum)	2.5%	2.4%	2.7%	2.6%	2.5%	2.5%
GVA per capita	33%	33%	35%	32%	31%	32%
Labour productivity	23%	32%	29%	32%	32%	33%
Total employment (number of jobs)	3,900	2,200	14,700	40,400	65,100	
Total employment	17%	9%	15%	12%	10%	8%

Source: EEFM 2014 (Oxford Economics), HJA analysis
 N.b. Projections for benchmark areas based on EEFM Baseline Scenario

⁷ Comprising the districts of Maldon, Chelmsford, Brentwood, Braintree and Colchester

5.3.6 It should be noted that the lower level of future employment growth when compared to historic employment growth (i.e. 9% cf. 17% as seen in the figure above), is common to all of the benchmark areas as well as for Maldon, so this does not indicate any particular concerns about Maldon's figures. It is also influenced by the exact time period considered due to the volatility of local level data. These issues are explored in more detail in Appendix 3, and are summarised in the figure below.

Figure 5.2: Future forecast growth and historic growth in employment



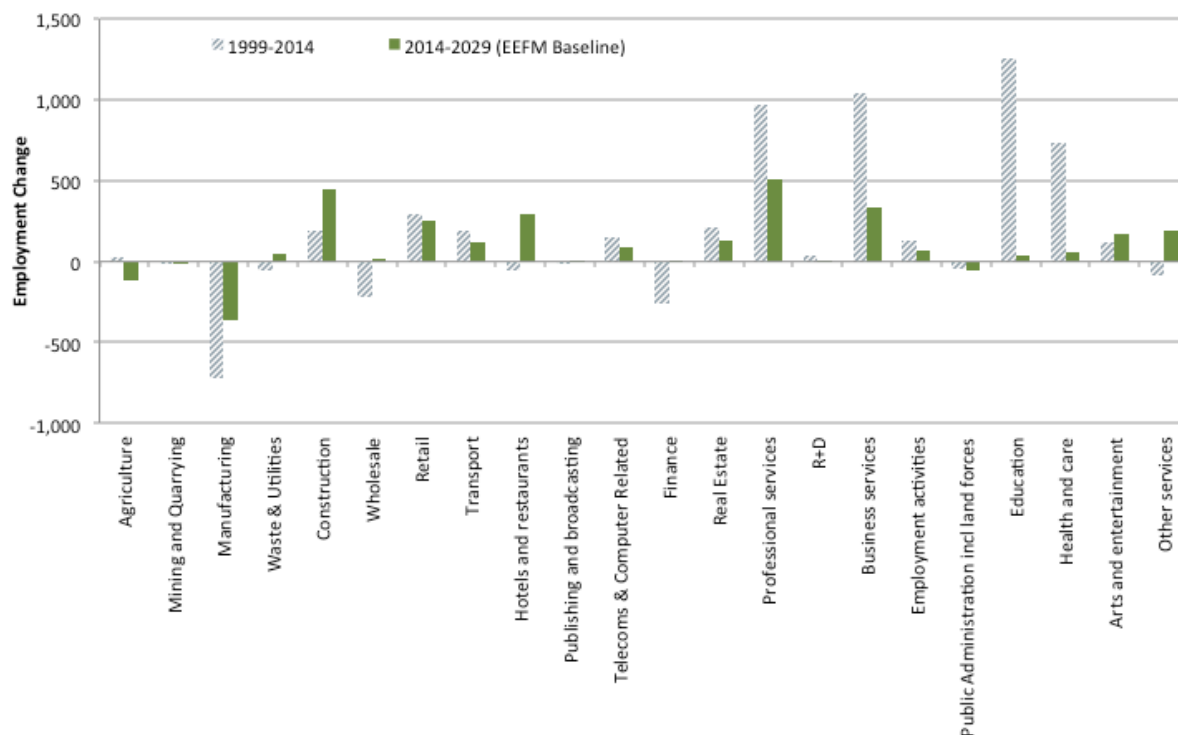
Source: EEFM 2014 (Oxford Economics), HJA Analysis

Baseline Sectoral Projections

5.3.7 The EEFM provides forecasts at the sectoral level. The figure below benchmarks sectoral forecasts for the Plan Period against the 15-year historic period. A number of key messages immediately stand out:

- The historic period included very substantial growth in the education and health sectors, which is not forecast to be repeated in the future, given constrained public finances.
- Business and professional services were key growth sectors in the historic period 1999-2014. These sectors are forecast to continue to grow, but will not deliver the same volume of new jobs as in recent history.
- Overall it is the service sector which is forecast to generate job growth over the plan period. This is similar to the historic period, but the rate of growth is anticipated to be much lower.
- The construction sector is forecast to experience more substantial growth than in the historic period. This in part includes catch-up given the impact of the recession on employment in this sector. Manufacturing employment is forecast to decline, but not to the extent experienced in the historic benchmark period.

Figure 5.3: Employment Growth Projections by Sector



Source: EEFM 2014 (Oxford Economics), HJA analysis

5.4 Maldon District’s future growth forecasts in context

5.4.1 In this section we consider the employment growth forecasts and subsequent land requirements against the local evidence on future economic change to identify any reasons for adjusting these forecasts. As a starting point, it is observable that the future employment growth forecasts derived from the latest 2014 version of the EEFM (published in January 2015) is similar to the growth aspiration set out in the Maldon Economic Prosperity Strategy discussed at the beginning of this chapter (2,200 jobs over the Local Plan period and 2,000 jobs respectively).

Structural changes in the local economy

5.4.2 No primary evidence has been found of any expected significant structural changes in the economy of Maldon District, particularly when compared to other nearby places. As discussed above, the forecast growth in employment numbers is lower in the future than over the same historic period, but this is true for the UK, Essex and most other nearby places. The decommissioning of the Bradwell power station reaches a conclusion early in the Local Plan period, so this is no longer a driver of jobs and economic benefit in the local economy. This will have some minor direct impacts on employment, and indirect impacts on the tourism (accommodation) and leisure sectors. Plans have been put in place to address this challenge. Overall, the cessation of decommissioning is unlikely to have a major impact on local employment during the Local Plan period.

5.4.3 When considering the sectoral breakdown of the employment growth forecasts set out earlier in this chapter, it is clear that there is significantly less forecast growth in growth in public sector employment, particularly education and health, than over the same period in the past. There is a lower level of forecast growth in some of the main service sectors, including professional services and business services, but a smaller decline in manufacturing. To a large extent these trends follow county-wide and national trends. This is shown in more detail in Appendix 3.

Permitted Development Rights

5.4.4 Permitted Development Rights (PDR), in particular the potential to convert offices to residential, are not believed to have a significant impact on either the supply of offices or the supply of residential units in Maldon.

Conclusions

5.4.5 Employment growth of 2,200 over the Local Plan period 2014 to 2029 from a base of 26,200 (+9%) is reasonable given the drivers of and constraints to future growth, and the role of Maldon District in the functional economic market area.

5.5 Competition for employment growth

5.5.1 There is strong competition for employment growth from areas around Maldon District, including those in its FEMA. The forecast employment growth (derived from the 2014 EEFM) and plans to enable this growth in nearby places Chelmsford, Braintree and Colchester are discussed below.

Figure 5.4: Employment growth forecasts and plans for delivery

	EEFM 2014 Data			Plans/assets to support change in employment
	Current employment (2014)	Forecast future employment (2029)	Change in employment 2014-2029	
Chelmsford	99,500	114,100	14,700 (+15%)	<ul style="list-style-type: none"> Plans for ARU Medical Technologies campus
Braintree	63,200	72,000	8,800 (+14%)	<ul style="list-style-type: none"> Aspiration for more than 14,000 new jobs Use of existing undeveloped employment land allocations at Witham Innovation park in urban extension to Braintree Existing business incubator and plans for another Phase 2 of Skyline 120 business park Access to A12, A120, mainline rail and Stansted Airport

	EEFM 2014 Data			
	Current employment (2014)	Forecast future employment (2029)	Change in employment 2014-2029	Plans/assets to support change in employment
				<ul style="list-style-type: none"> Keen to promote business and financial services
Colchester	93,600	102,300	8,700 (+9%)	<ul style="list-style-type: none"> Three strategic employment zones
Brentwood	44,000	49,900	5,900 (+14%)	

5.5.2 The figure above shows that there is strong competition for employment growth in the functional economic market area of Maldon District, and the wider local area. All have a currently greater critical mass of employment and economic activity, and greater accessibility to the strategic road and rail networks than Maldon District. Overall, this section puts Maldon District's forecast future growth into local context, and reinforces the conclusion above that a growth target of 2,200 net additional jobs is reasonable.

6 Demand for Sites and Premises

6.1 This chapter

6.1.1 This chapter builds on the employment growth set out in the previous chapter, and uses it to calculate the potential demand for sites and premises in Maldon District to enable the projected level of economic and employment growth.

6.2 Approach to calculating demand

6.2.1 Slightly different methodologies are used for considering the land and floorspace implications of employment change within the different Use Classes. These result from the varying availability of robust evidence to inform assumptions and the level of maturity of assessment techniques.

6.2.2 The B Use Class includes business, industrial and storage/distribution uses. These have often historically been viewed as the primary employment Use Classes. However, it is often the case that a minority of jobs are actually accommodated within sites and premises classified within the B Use Classes, and many jobs fall within other Use Classes including jobs in retail, customer services, hotels, leisure and catering, health, education and construction. Some jobs are entirely mobile and require no sites or premises base at all.

6.2.3 There is available information to make an assessment of net additional floorspace requirements using the employment density method for A Use Classes. However, there are also other more traditional methods for assessing future floorspace requirements, particularly for retail use. As a result, the assessment within this analysis is set out as indicative. In this instance, a separate retail study has been undertaken and should be given more weight than this assessment.

6.2.4 Outside the A and B Use Classes the information available to allow the translation of jobs to floorspace is often insufficient to allow a full and robust assessment of future requirements. There is a very wide range of activities within Use Classes with hugely varying sites and premises requirements and therefore other more qualitative approaches are required.

6.2.5 Our approach to assessing the scale of growth within the B Use Class is summarised in the figure below (and is described in more detail in Appendix 3).

Figure 6.1: Assessing employment in the B Use Class

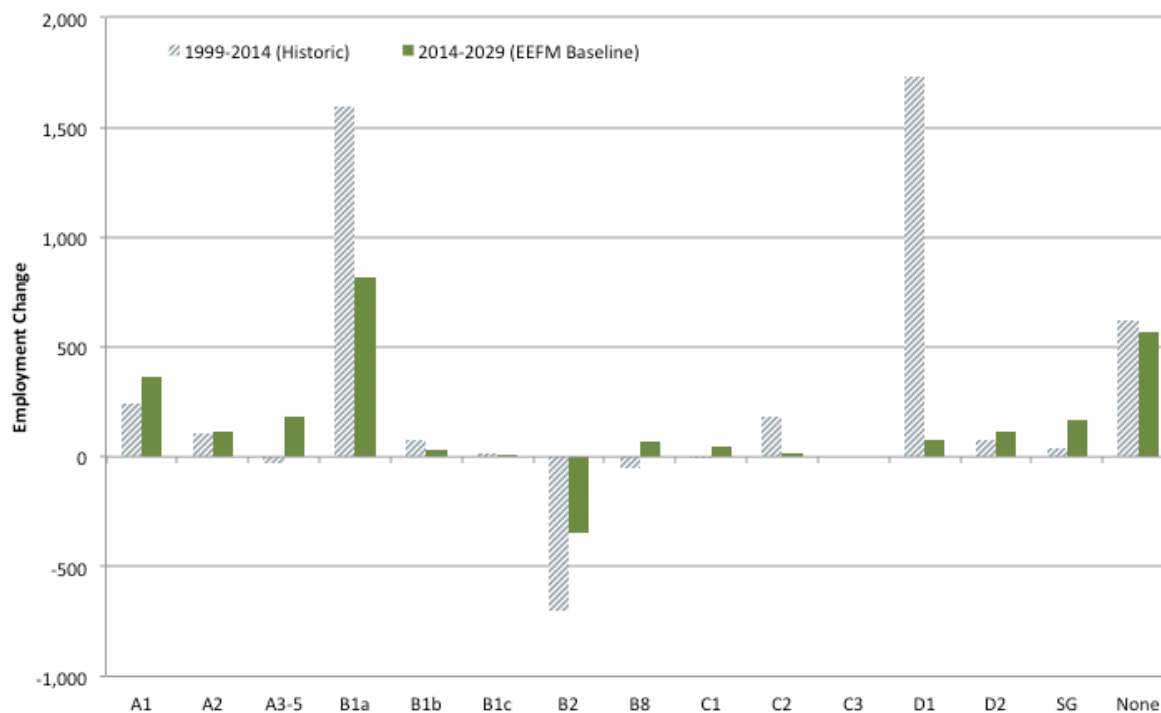


- 6.2.6 The first part of the process considers the potential for additional requirements for employment land and property as a result of expansion in the economy. This is based on sectoral employment projections, which are then converted into projected employment change by Use Class using a conversion matrix, and then into property and land requirements using employment and development density assumptions.
- 6.2.7 The second part then considers wider market factors. In particular, this includes the need to recognise the churn in the economy and the need to replace and upgrade property stocks. For example, whilst the manufacturing sector as a whole has experienced well-documented decline in its employment base, there has been a continued demand for new premises within which to operate. This demand can be driven by the need to replace dilapidated stock, existing companies needing more/less space, a different location or a different type of premises. It can also be driven by new companies in the market, which may not find the right type of property available in the right location within the market. As a result, whilst overall a sector may be in decline (although this still applies to growing sectors too), there are changes beneath the surface which will continue to drive demand. This can be a particular issue where existing stocks are ageing or where vacant sites are no longer in the locations that are suitable for modern occupiers.
- 6.2.8 The third part of the model builds in an allowance for choice and flexibility. This element needs to take account of offering location choice as well as choice in terms of the type of property and setting. Within the detailed assumptions employed as part of this model, local evidence has been used to ensure the approach is appropriate to Maldon District.
- 6.2.9 The results of the quantitative assessment are tested against historic patterns of activity, alternative growth scenarios and other available evidence of a more qualitative nature to aid interpretation of the results and set the results in a wider context.

6.3 Employment projections by Use Class

- 6.3.1 Figure 6.2 sets out HJA's estimation of employment projections by Use Class. These are benchmarked against the historic period 1999-2014. These reflect the sectoral variations described previously. Much lower growth in education and health is forecast within the C2 and D1 Use Classes. The lower rate of forecast growth in business and professional services is shown predominantly within the B1a Use Class. The reduced rate of decline in manufacturing based activities is shown within the B2 Use Class.
- 6.3.2 The chart also shows that a substantial proportion of future employment growth will be outside any of the Use Classes.

Figure 6.2: Employment Growth Projections by Use Class



6.4 Trends in future use of employment land and premises

6.4.1 There are a number of general trends that are driving changes in the demand for employment land and premises. These are not specific to Maldon District, but will impact the District as much as anywhere else. They are, in summary:

- More office-based jobs means higher density use of employment space
- A shift from labour-intensive to more capital-intensive manufacturing means that whilst the number of employees is declining this is not necessarily reflected in declining productivity and GVA. Also, some employment change could be absorbed within current floorspace. That is, existing employers increasing employment with no need for additional floorspace and other employers reducing headcount without releasing floorspace to the market. The nature of the property market with lease structures and freehold ownership is such that floorspace requirements will not adjust in a perfect correlation with employment. Therefore the demand for premises is not simply affected by a decline in employment in manufacturing, and there is a constant demand for modern, high quality industrial premises.
- There is ongoing need for replacement employment premises as they reach the end of their lifespan. This is significant in Maldon District where there is an older stock, and much is reaching the end of its lifespan. This means that there is a constant need for new premises simply to maintain current employment levels
- More home-working and space-less working is driven by changes in culture and more self-employment, facilitated by broadband (albeit that this is dependent on better broadband coverage)

- There are general and ongoing changes in the retail and distribution sectors, facilitated by technology development (e.g. a shift from physical shops to online shopping)
- There is some revival of town centre residential and leisure uses, and some decline in the growth of out-of-town activities, which is helping to re-vitalise many town centres

6.4.2 One trend that is stronger in Maldon than other places is the demand for offices ancillary to industrial premises, allowing a business to undertake a broader range of tasks than in pure office or pure industrial premises.

6.5 Estimating future employment land requirements

6.5.1 When considering the impact of net changes in employment upon future sites and premises requirements it is necessary to highlight the caveat that some employment change could be absorbed within current floorspace. That is, some existing employers may increase employment with no need for additional floorspace and other employers may reduce headcount without releasing floorspace to the market. The nature of the property market with lease structures and freehold ownership is such that floorspace requirements will not adjust in a perfect correlation with employment. Nevertheless, over the course of the entire Local Plan period there is likely to be scope for adjustments to be made. It will be important to monitor the supply and demand for premises over the Plan period.

Net additional requirement

6.5.2 The following figure summarises the results of analysis to estimate net additional future property and sites requirements for the various employment accommodating Use Classes. This is the first part of the process set out at the beginning of this chapter.

Figure 6.3: Summary of Net Additional Requirements for Maldon District 2014-29

(figures rounded to nearest hundred and may not sum)

Use Class	Projected Employment Change	Projected Net Additional Floorspace Requirement	Projected Net Additional Land Requirement
A1	400	7,500 – 38,500 sq m	Dependent on nature of development
A2	100	2,200 sq m	
A3-5	200	4,000 sq m	
B1a	800	9,800 sq m	Up to 2.4 ha
B1b	<50	1,100 sq m	0.3 ha
B1c	<50	200 sq m	<0.1 ha
B2	-300	-13,100 sq m	-3.3 ha <i>Estimated 1-2 ha might be available for re-use</i>
B8	100	5,100 sq m	1.3 ha
C1	<50	Potential hotel demand	-
C2	<50	-	-
D1	100	-	-
D2	100	-	-
Sui Generis	200	-	-
None	600	-	-

N.b. A detailed description of the modelling used to generate these figures is set out in Appendix 3 (Chapters 3 and 4, and Appendix 1)

6.5.3 To ensure best practice it is necessary to consider churn, replacement, choice and flexibility in the future demand for employment floorspace and land.

Churn and replacement

6.5.4 The following analysis relates only to the B Use Classes.

6.5.5 Based on what can be observed in the data, and what is known of the property market in Maldon District, it is assumed that provision should be made for around 1% of commercial stock to be replaced each year. Further discussion of this is set out in Appendix 3.

6.5.6 For the purposes of this analysis we assume that half of all replacement activity requires appropriate supply to be made available through allocations of development land. This therefore equates to a need to accommodate 0.5% of stock each year (i.e. half of the 1% per annum shown above), or 7.5% over the course of the 15-year Local Plan period. This floorspace figure is translated into land requirements, assuming a site development density of 40%.

6.5.7 Historic data on replacement demand is only available for offices and industrial, hence the modelling of future replacement demand can only be broken down into offices (Use Class B1a) and industrial (which in this case covers Use Classes B1b, B1c, B2 and B8).

Choice

6.5.8 A percentage uplift of the combined requirement for net additional and churn/replacement is applied to ensure that an allowance for range and choice is incorporated. This is discussed in more detail in Appendix 3. This uplift also builds in some additional flexibility to allow the normal frictional movement in the market. An uplift of 10% has been applied. This is greater than the uplift that is applied to residential, given the sometimes different nature of sites within each of the B Use Classes, i.e. there needs to be sufficient flexibility for choice in each of the Use Classes B1, B2 and B8, which often have quite different requirements.

Longer term requirements

6.5.9 A flexibility allowance (or 'buffer') could be made to ensure sufficient provision is made to avoid a shortage of provision towards the end of the Local Plan period and immediately following its end. In addition, this flexibility allowance would provide insurance should higher levels of demand become apparent within the Local Plan period. In this regard, a five-year 'buffer' (based on average annual requirements) is identified for this flexibility. This element could be classified as safeguarded land at the current time, with a trigger mechanism linked to Local Plan review. At this stage such a requirement does not relate to identified need within the current Plan period and is not part of objectively assessed need.

Combined results

6.5.10 Figure 4.6 draws together the results of all of the components within the quantitative assessment that are discussed above, to provide an indication of potential future requirements for Maldon District. No overall totals are provided given the different nature of demand in each of the Use Classes.

Figure 6.4: Results of Quantitative Assessment

	Net Additional Floorspace (Sq m)	Net Additional Land (ha)	Replacement (ha)	Choice (ha)	Core Requirement
A1	7,500 – 38,500 sq m ⁸	Dependent on nature of development			See commentary below
A2	2,200 sq m				
A3-5	4,000 sq m				
B1a	9,800 sq m	Up to 2.4 ha	0.3 – 0.7 ha	0.3	3.0 – 3.4 ha
B1b	1,100 sq m	0.3 ha	6.8 ha	0.7	7.6 ha
B1c	200 sq m	<0.1 ha			
B2	-13,100 sq m	-3.3 ha <i>Estimated 1-2 ha might be available for re-use</i>			
B8	5,100 sq m	1.3 ha			
C1	Potential hotel demand	-			See commentary below
C2	-	-			
D1	-	-			See commentary below
D2	-	-			See commentary below
Sui Generis	-	-			See commentary below

N.b. B1a (offices) has a different site requirement, employment density and site coverage than B1b, B1c and B2 so it has not been combined the rest of B1 and B2 in this table

6.5.11 This analysis indicates a requirement for B Use Class land of approximately 11 hectares across the plan period. The most significant demand driver being the need to upgrade and replace industrial premises as a result of the ageing stock. The big uncertainty here is the ability of the commercial property development market to deliver this scale of replacement given commercial viability and end values in the area. As a result it is believed that this estimate is at the upper end of the range of what can be achieved. This demand will be met in a number of ways:

- Better use of currently under-utilised premises (although the corollary is that existing premises may be used less effectively in the future)
- Take-up of currently vacant stock
- Redevelopment of existing sites, leading to improved utilisation of these sites

⁸ Note that White Young Green has undertaken a separate and specific retail study, which concludes that between 13,400 sq m and 21,500 sq m of convenience and comparison retail space will be required over the period to 2029. This is discussed in more detail in Section 8 of this report

- Building of new premises on currently vacant plots on existing employment allocations
- Allocation of new employment sites

6.5.12 A separate and more detailed analysis of the demand for retail sites in the A Use Class has been undertaken by White Young Green, and should be given significant weight.

6.5.13 The C Use Classes cover a broad range of activities. There are potentially around 50 additional jobs in the C1 Use Class. Based on best practice guidance this might support growth of between 60–150 hotel rooms in Maldon District depending on the quality of hotel provision. No significant change is projected in employment within the C2 Use Class covering residential institutions. However, this may mask patterns of change within the Use Class, particularly with qualitative indicators of demand for care home development.

6.5.14 The EEFM suggests a growth of around 100 jobs within the D1 Use Class covering non-residential institutions. This includes education and health provision. A further growth in employment of around 100 jobs is projected within the D2 Use Class. Current employment in Maldon District in this Use Class is concentrated within sports and fitness facilities and clubs. On this basis the projected growth in employment would require around 7,800 sq m of net additional floorspace. At a development density of 40% this would equate to 1.9 hectares of land. However, this would be dependent on the nature of developments coming forward and should be treated as indicative.

6.5.15 HJA analysis of the EEFM projections suggest some 200 additional jobs across activities that fall within the Sui Generis category. There are no robust assumptions to generate floorspace estimates.

Sensitivity analysis

6.5.16 Testing of alternative scenarios with 10% and 25% higher growth in job numbers in the district suggest there would be an increase in the level of B1a demand by up to 0.5 hectares and very modest adjustments to the figures for B1 b/c, B2 and B8. Given the challenge for the commercial market to deliver the scale of replacement activity that is likely to be required, it is not thought likely that allocations in line with the above analysis would constrain economic growth in Maldon in any way.

7 Supply of Sites and Premises

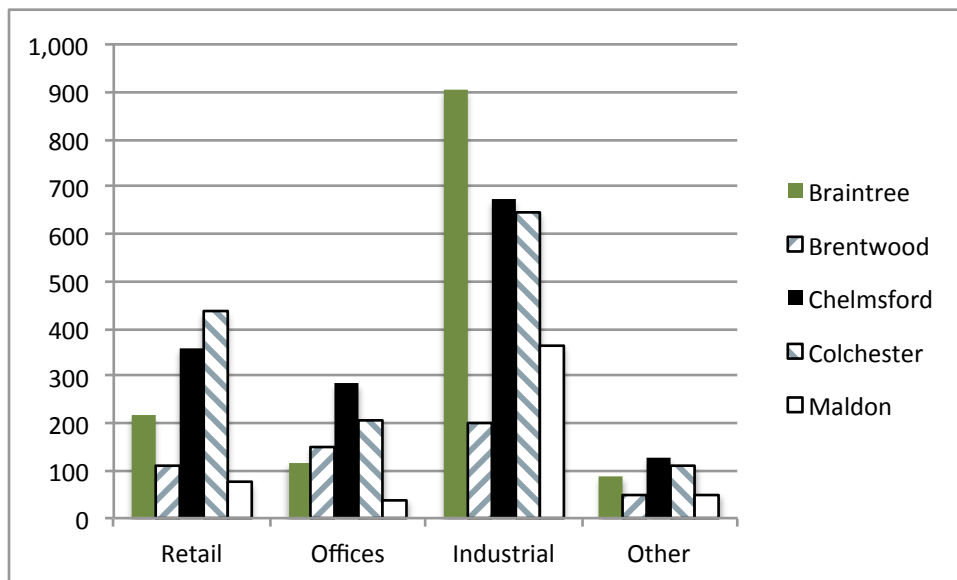
7.1 This chapter

7.1.1 In this chapter we consider the state of the commercial and industrial property market in and around Maldon District; and then look at the current supply of employment sites and premises in the District and the potential future supply of sites and premises.

7.2 The local property market

7.2.1 Data from the Valuation Office Agency⁹ provides information on the local property stock and recent changes. The figure below shows the stock of employment premises in Maldon District and the neighbouring Districts in 2012. The figure shows that the stock in each property class in Maldon District is lower than in immediate neighbours Chelmsford and Braintree, reflecting the smaller size of the local economy. Maldon District's most significant property class is industrial, but in keeping with the size of the local economy, the District's industrial stock is just over one-half of the industrial stock in Chelmsford and just over one-third of the industrial stock in Braintree.

Figure 7.1: Property stock in 2012 ('000 sq m)

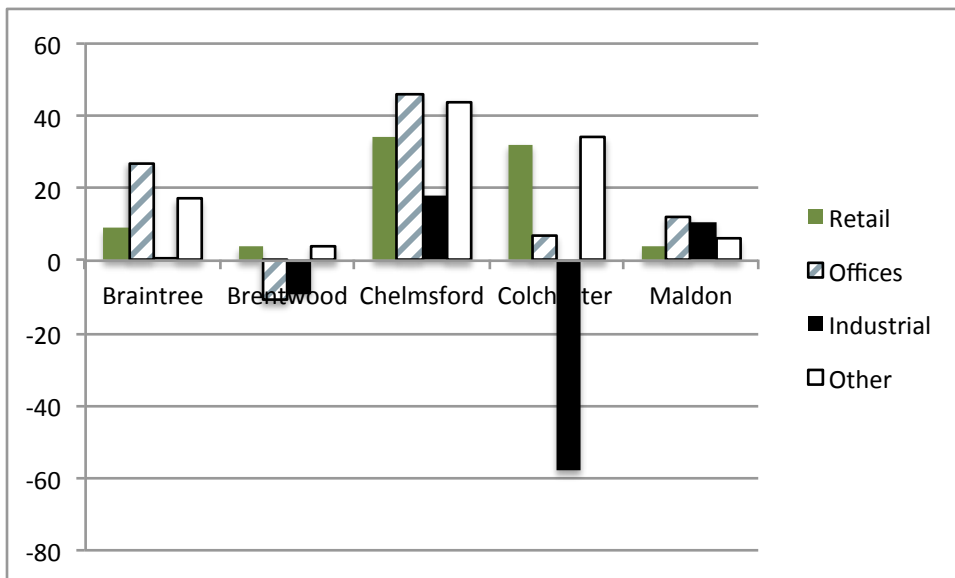


Source: Valuation Office Agency, 2012

⁹ Valuation Office Agency (2012) Business Floorspace (Experimental Statistics)

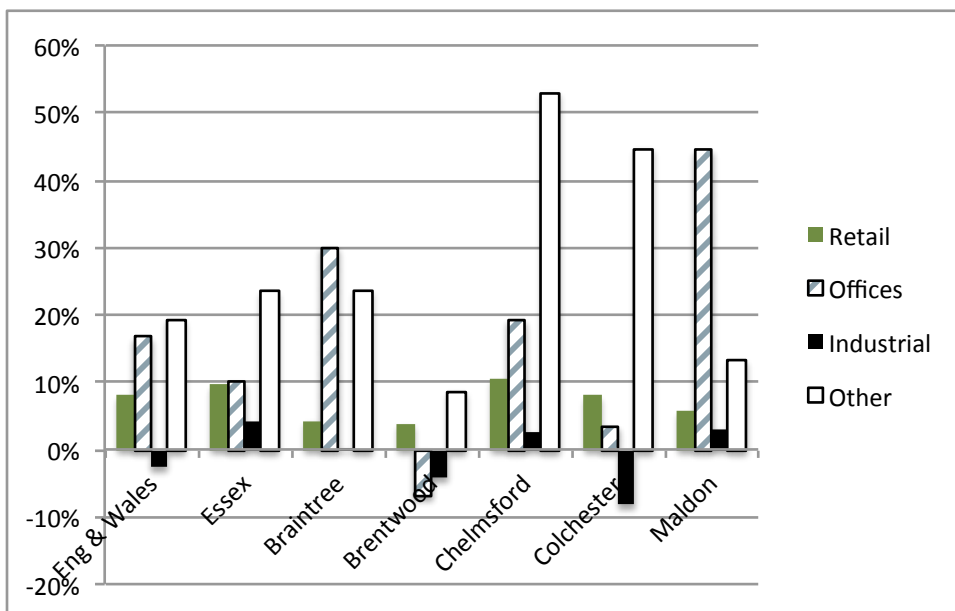
7.2.2 The figures below show the absolute and percentage changes in stock in each of the SHMA Districts and in benchmark areas, Essex and England & Wales, over the period from 2000 to 2012. In most property classes, the percentage change in Maldon District over the period is lower than or similar to the other SHMA Districts. The percentage increase in office space in Maldon District is much higher than in the other Districts, but this must be considered against the low starting point (27,000 sq m), the low absolute change (+12,000 sq m), and the fact that the office stock in Maldon District remains much lower than in the other SHMA Districts, as can be seen in the figure above.

Figure 7.2: Absolute change in property stock 2000-2012 ('000 sq m)



Source: Valuation Office Agency, 2012

Figure 7.3: Percentage change in property stock, 2000-2012



Source: Valuation Office Agency, 2012

7.3 The current supply of employment sites and premises

7.3.1 Fenn Wright has completed a review of the existing and potential employment sites in the District. A detailed assessment sheet on each site is set out at Appendix 4. The Appendix also includes a plan showing the location of each site. A total of 38 existing and 22 potential sites were reviewed, covering some 110 hectares of existing employment land, and over 500 hectares of potential development land. The assessment includes a review of the current uses and relevant market sector, occupancy rates and an overall assessment of market conditions.

Current stock of sites and premises

7.3.2 A list of 38 current employment sites was identified by Maldon District Council and Fenn Wright at the beginning of this study. These are summarised in the figure below.

Figure 7.4: Existing employment sites in Maldon District

Site	Use Class	Site Size (hectares)	Market Appeal Score (out of 30)	Notes
Wycke Hill, Maldon	B1/B2/B8	4.3	29.5	Valuable employment site - retain
Knowles Farm, West of Limebrook Way	B1	0.4	27.0	Mixed use site - retain in employment use
Quayside Park, Maldon	B1/B2/B8	5.6	24.4	Valuable employment site - retain
Oval Park, Langford	B1	11.9	24.0	Retain for high end B1 business uses
Heybridge House Industrial Estate, Heybridge	B1/B2/B8	1.4	24.0	Valuable employment site - Retain
West Station Yard Industrial Estate, Maldon	B1/B2/B8	3.1	24.0	Retain as valuable employment site
Bentalls Industrial Estate, Maldon	B1/B2/B8	3.5	23.5	Site constraints now evident: may struggle to find new occupiers. Potential for mixed-use development
Blackwater Trading Estate, Maldon	B1/B2/B8	12.5	23.5	Large well located opportunity site - Retain
Station Road Industrial Area, Maldon	B1/B2/B8	4.4	22.5	Potential Regeneration/Action area
Mill Lane Industrial Estate, Maldon	B1/B2/B8	1.9	22.0	Mixed Use opportunity site
Benbridge Industrial Estate, Maldon	B1/B2	1.0	21.5	Retain
Street Industrial Estate, Heybridge	B1/B2/B8	1.3	21.5	Potential Mixed Use Regeneration Area
Galliford Road Industrial Estate, Maldon	B1/B2/B8	5.6	21.5	Valuable employment site - retain
Langford Waterworks, Langford	B1/B2/B8	5.2	21.0	Consent for both industrial and residential. Appears to have been lost to residential
Leigh Industrial Estate, Maldon	B1/B2/B8	1.4	21.0	Potential Regeneration site -

Site	Use Class	Site Size (hectares)	Market Appeal Score (out of 30)	Notes
				retain
The Commodity Centre, Great Braxted	B1/B8	2.6	21.0	Retain as strategic employment site
Mapledean Industrial Estate, Latchingdon	B1/B2/B8	2.3	20.5	Valuable employment site - retain
Reigate Farm, Langford Rd, Wickham Bishops	B1	0.3	20.5	Retain as local employment centre
Station Approach and Mildmay Industrial Estate, Burnham on Crouch	B1/B2/B8	1.6	19.0	Potential for further investment - Retain for mixed uses
Hall Road Industrial Area, Heybridge	B1/B2	4.3	18.5	Potential for mixed-use development
The Maltings, Southminster	B1/B2/B8	1.2	18.5	Retain as local employment centre
Great Hayes Farm, Stow Maries	B1/B2/B8	1.8	18.5	Retain as local employment centre
Hall Road Estate, Southminster	B1/B2/B8	0.7	17.5	Retain as local employment centre
Hallmark Industrial Estate, Southminster	B1/B2/B8	0.5	17.5	Retain as local employment centre
Land at Burnham Road	B1, B8 (Storage)	0.8	17.5	Retain
Birchwood Farm, Cock Clarks	B1/B2	1.1	17.0	Retain as local employment centre
Mayfair Industrial Estate, Latchingdon			16.5	Valuable employment site - retain
Springfield Rd Ind Est, Burnham on Crouch	B1/B2/B8	5.0	15.0	Good mix of occupiers and uses -Retain
Beckingham Business Park, Tolleshunt Major	B1/B2/B8	6.6	15.0	Retain as local employment centre
Hook Farm, Mundon Road, Mundon	B1/B2	0.4	15.0	Retain as local employment centre
Scatterbrook Farm, Latchingdon	B1	0.9	14.5	Retain as local employment centre
Burnham Bus. Park, Burnham on Crouch	B1/B2/B8	3.3	14.0	Improved mix of occupiers and uses -Retain
Station Way, Tolleshunt D'Arcy	B1/B2/B8	0.4	14.0	Retain as local employment centre
Mayland Industrial Estate, Mayland	B1/B2/B8	1.6	12.5	Retain as local employment centre
Woodrolfe Road, Tollesbury	B1/B2/B8	4.1	12.0	Retain as local employment centre
Heybridge Basin Allocation, Heybridge Basin	B1	1.1	12.0	Already de-allocated as an employment site
Wellinditch Farm Barn, Stow Maries	Agricultural	0.5	9.5	Potential for mixed-use development
Colleton Farm, Foxhall Rd, Southminster	Agricultural	6.1	7.5	Potential for mixed-use development
Total		110.7		

Source: Fenn Wright, February 2015

Overview of sites and premises

7.3.3 The sites are considered as part of an overview of the current supply of sites and premises, below.

The Causeway

7.3.4 The largest concentration of employment space in the District is to be found to the north of Maldon town centre on either side of the Causeway. The largest single estate in the Causeway Industrial Area is the Blackwater Trading Estate, Heybridge, which comprises 43,350 sq m on a site of some 13 hectares. The size and older age of the estate gives rise to a high level of turnover and letting activity. Lease voids are generally higher than in other estates. Industrial/warehouse rents are generally at or around £3.00 to £3.25 per sq ft per annum (c. £32 to £35 per sq m), which is well below the average rent level for larger industrial and warehouse space in Essex at £4.75 to £6.75 per sq ft per annum (c. £51 to £73 per sq m). The reasons for the large differential in rental levels include the size and specification of the units, their location, age and condition. Fenn Wright suggests that the size of the estate coupled with opportunities for active management make this area a good subject for a site specific regeneration and a development brief.

7.3.5 Quayside Park has seen a number of new owner-occupier led developments including Circuit House and Court Langley House in Bates Road. The latter comprises a 3,700 sq m office and warehouse building constructed for owner-occupation in 1996 and subsequently extended and re-let in 2013 to Eppendorf.

7.3.6 Nearby estates such as that at Galliford Road are multi-occupied and made up of smaller units from 930 sq m to 1,860 sq m. The buildings have seen some investment and refurbishment, and rents are higher than on the Blackwater Estate at £3.50 to £4.50 per sq ft per annum (c. £38 to £48 per sq m). The estate scores well in terms of accessibility, and is recommended for retention.

7.3.7 Heybridge House Estate comprises a range of small business and industrial units, ranging in size from 140 sq m to 370 sq m in size. Rents for small units are much higher than those quoted above, and they achieve a round £5.50 per sq ft per annum (c. £59 per sq m). The market rent reflects the strength of demand for such space and there are no voids.

Station Road

- 7.3.8 To the south of the Causeway industrial area is an existing employment site known as the Station Road industrial area. The site is located in a prominent position adjacent to the River Chelmer and Heybridge Creek, and overlooked by the residential areas to the north of Maldon High Street. Station Road is bordered by office, trade retail and light industrial uses to the north and general industrial premises to the south. The nature of the occupiers and the mix of building types give a rundown and untidy appearance to the area. Station Road is often obstructed by HGVs and parked vehicles. Station Road scores well in terms of the local facilities and access to the main road network but less well in terms of on-site environment and quality of the buildings.
- 7.3.9 Overall, the Causeway and Station Road areas are large enough to generate their own sense of place and an environment that complements their riverside location. However, the fractured nature of the land ownership, the existing use value of the buildings, and the current access constraints mean that without external investment and a positive plan-led approach this area is unlikely to change or be improved in a comprehensive way.
- 7.3.10 Outside of the principal centre of Maldon and Heybridge, the next largest employment centres are located at Burnham on Crouch in the south, Beckingham Business Park at Tolleshunt Major to the north and Latchingdon to the south.

Burnham-on-Crouch

- 7.3.11 Burnham Business Park is a modern development of industrial and warehouse units, many of which were built for owner-occupation. The adjacent Springfield Industrial Estate is a much older employment area dating back to the 1970s. The buildings are held on a long lease from Maldon District Council and are showing signs of a lack of investment, possibly due in part to the nature of the leasehold interest. There is a significant difference in rental values between the two areas: £5.00 per sq ft per annum at Burnham Business Park (c. £54 per sq m), compared to £3.50 per sq ft per annum (c. £38 per sq m) for similar sized units at Springfield Industrial Estate. The Mildmay Estate adjoins the station and offers potential for a higher quality of development including business space units.

Beckingham Business Park, Tolleshunt Major

- 7.3.12 Beckingham Business Park at Tolleshunt Major has evolved from a single occupier site to become a significant local employment centre. The estate is made up of older low-specification warehouses with ancillary offices, which due to the direct access from the A12 at Rivenhall and cheaper rents are attractive to low cost warehouse and distribution occupiers; and modern purpose-built owner-occupier buildings that were attracted by the availability of low cost industrial sites within a reasonable distance of the A12 trunk road. Rents vary from £3.50 to £4.75 per sq ft per annum (c. £38 to £51 per sq m), and are thus slightly above rental levels in Maldon, with less traffic constraints.

Latchingdon

7.3.13 Latchingdon offers good access to the A132 and a range of local facilities for staff. There have been a number of new employment developments on well-located off-lying sites such as Burnham Road, Latchingdon. The industrial areas are located some distance from the village, which is not ideal, but the lack of alternative options means that occupation levels are high. Mayfair Industrial Estate is longer established, and Mapledean Works is the most recent development, which comprises six small industrial units totalling 12,015 sq ft (1,116 sq m). Rents range from £6.50 to £7.00 per sq ft per annum (c. £70 to £75 per sq m), which is less than might be achieved for similar sized units in Chelmsford or Maldon, but comparable to South Woodham Ferrers.

Rural/farm business centres

7.3.14 Rural farm business centres (i.e. small rural employment sites often in converted farm buildings) offer a range of employment options and have filled a gap in the market in the absence of new-build dedicated office development over the last ten years. However, the commercial viability of these developments is marginal, and can be a problem. Infrastructure costs are low and such centres afford occupiers the advantage of a good quality environment, good car parking and freedom from the constraints imposed by town centres and traditional office buildings, but broadband availability can be poor. Occupiers can operate under more flexible leases. Rural business centres are ideal for small growing business that do not require significant numbers of support staff and are likely to remain a significant feature of the office market, however broadband provision is sometimes problematic. There is a risk that these centres could undermine the market for dedicated office provision.

The market appeal of existing sites

7.3.15 The largest concentration of existing employment space is to be found in the Causeway between Maldon and Heybridge. The Causeway area and that at Wycke Hill and West Station Yard score well in terms of access and public transport accessibility. However, there are significant areas of the Causeway where the buildings are low quality or have layout constraints. Conversely, the buildings on Burnham Business Park score well on internal environment but are let down by accessibility issues.

7.3.16 The scores for existing sites vary from 29.5/30 (Wycke Hill) to 7.5/30 (Colleton Road, Southminster). The scores should be interpreted with care due to the weighting attributed to factors such as road accessibility and public transport (i.e. 10 points), which are in themselves not always reflective of market need or appeal. Nonetheless there are clear trends that can be found through this assessment.

- 7.3.17 The average score for the existing sites is 18.8/30, which is higher than the score achieved when this exercise was last carried out in 2009 (the time of the last Employment Land Review in Maldon District). The result indicates that the existing stock is of fair quality but may not be sufficiently attractive to compete with better-located and more modern sites in adjacent Districts, such as South Woodham Ferrers. Looking at those sites that are in the upper quartile, all are likely to be well located to the available distributor road network, and well-managed estates with modern building in good repair.
- 7.3.18 The sites in the upper-middle quartile in most cases serve a valuable local employment function (as evidenced by high levels of occupation), but annual rents will be at or below the average levels for the region, and this discourages further investment in these locations. The scores of certain sites such as the Southminster estates are skewed by the proximity of those sites to a rail station, and would otherwise fall into the lower quartiles. It is questionable what impact if any public transport has on industrial demand.
- 7.3.19 A number of sites score relatively poorly, but still meet a specific local need (such Woodrolfe Road Tollesbury), and serve a valuable local employment function. Overall, occupancy and the score for internal environment were better than in 2009, suggesting either a shortage of space or cheaper occupation costs than in surrounding districts.
- 7.3.20 There is scope for some employment-led mixed-use development on some currently poor quality employment sites, but the general low level of supply in Maldon District means that none should be de-allocated.

Vacant premises and recent take-up

- 7.3.21 We attach at Appendix 4 a schedule of available industrial and office premises in Maldon District as at February 2015. Following a significant upturn in occupier demand during the second half of 2014 and the first few months of 2015, there is a very limited amount of industrial and warehouse floor space available. As might be expected, the majority of the available space is to found in the larger employment areas as described above. There is also a very limited amount of office space available. Currently there is 7,275 sq ft (676 sq m) of office space available for rent, and 81,800 sq ft (7,590 sq m) of industrial space.
- 7.3.22 Between 2011 and 2014, take-up of office space was 22,755 sq ft (2,110 sq m) in total, or 7,585 sq ft (705 sq m) per annum; and take-up of industrial space was 429,500 sq ft (39,900 sq m) in total, or 142,170 sq ft (13,300 sq m) per annum. Therefore the current availability of vacant stock is around one-year's worth of office take-up and one-quarter of one year's worth of industrial take-up. This vacancy rate is low in comparison to other local centres. This situation is likely to be the result of a range of factors including low rent levels, the high number of small business in the area and the greater flexibility of small business to weather an economic downturn. Overall, demand is higher than in 2009 (when the last Employment Land Review for Maldon District was carried out), and the availability of vacant stock is lower than in 2009.

General market observations

- 7.3.23 The majority of occupiers moving to Maldon are attracted by the relatively low level of rents, the availability of additional yard areas and the proximity to existing staff or premises. However, once established in the local area, Fenn Wright suggest that occupiers would often rather pay higher rents than relocate to another area.
- 7.3.24 The residential market is currently enjoying a significant upturn both in terms of the demand for housing and the level of investment into that sector. As a result, sales prices and land values have risen since 2010, facilitating viable mixed-use employment-led development and regeneration in certain locations. Fenn Wright's past experience of developing other waterside sites such as Brightlingsea Marina, the Hythe, Colchester and Ipswich Wetdock suggest that residential development can be a major catalyst in overcoming obstacles to development, delivering new jobs and creating business opportunities.
- 7.3.25 At the same time, there is continued growth in the leisure sector as lifestyle changes lead to people eating out more often. For this reason, Fenn Wright believes that the opportunities exist to promote regeneration and mixed use development in certain locations across the District where active management and private sector investment can play a part in overcoming issues such as site assembly, adverse ground conditions or poor repair. Ideally, consideration should be given to the identification of more sustainable sites close to existing facilities, the river and the A414 junction which are capable of accommodating retail and leisure users which would attract evening activity, restaurant and leisure activities to waterfront areas.

7.4 Potential future development sites

- 7.4.1 A list of 22 potential development sites was identified by Maldon District Council and Fenn Wright at the beginning of this study. These are discussed in detail in Appendix 4. The market appeal of these sites is considered below.
- 7.4.2 The potential development sites achieve a narrower spread of scores than the existing employment sites, from 11 to 27.5/35¹⁰. The best sites are constrained by wider environmental issues, such as flood risk. Such issues may be overcome by appropriate masterplanning of the sites. For the remainder, accessibility remains a major issue as does market appeal, with demand tailing off quickly the further the site is located from the main road network. Very few of the sites offer the market appeal necessary to justify employment as part of a mixed-use allocation. The average score is 20.6/35.
- 7.4.3 The best potential sites are those that comprise extensions to or are in close proximity to existing employment areas, such as the land south of Limebrook Way, Primrose Meadow, and Mundon Road. The best potential development sites are shown in the figure below. Although there are a small number of sites here, they do comprise a large amount of land. More information on this can be seen in Appendix 4.

¹⁰ Note that the scoring criteria for development sites are different to those for existing sites, so the scores are not directly comparable

Figure 7.5: Highest potential development sites

Site	Assessment of likely Use Class	Market attractiveness score (max 35)	Commentary
New south of Maldon allocation at Wycke Hill South	B1/B2/B8	31.0	Potential to contribute to wide range of employment needs
New south of Maldon allocation at Wycke Hill North	B1/B2	29.0	Potential to contribute to some employment needs
Land at Primrose Meadow, Mundon Road	B1	28.0	Potential B1 small business allocation
Lands south of Limebrook Way, Maldon	B1/B2/B8	27.5	Well located site, good potential
Land south of Limebrook Way, Maldon	B1/B2/B8	26.5	Opportunity Site if others fail to come forward
Land north of Heybridge	B1/B2/B8	24.5	Good potential as part of wider mixed use allocation
Extension to Burnham Business Park	B1/B2/B8	21.5	Protect and retain for phased release
Land at Maldon Road Latchingdon	B1	21.5	Potential for rural business centre
<i>Source: Fenn Wright, February 2015</i>			

7.5 Development viability and the future supply of sites and premises

Development potential in the Causeway

7.5.1 There are no vacant employment sites in the Causeway area. There is potential for the redevelopment of existing employment sites in the Causeway area, but the viability of this is marginal. Recent employment property development in the Causeway area has been undertaken by owner-occupiers rather than by commercial property developers. Owner occupiers are keen to stay in the local area, mainly because of their local workforce, and do not need to deliver commercial returns on the property development, so can deliver new developments in areas where commercial developers would not be able to do so.

- 7.5.2 Mixed-use development will generally be necessary to enable development viability for employment sites in Maldon District. In the core Causeway employment area¹¹, any mixed-use should be employment-led rather than residential development, as residential development can restrict further employment development if it is too close and could set an undesirable precedent. Residential development should only be introduced where the financial viability of development cannot be achieved by any other means or in more peripheral areas.
- 7.5.3 A masterplan will deliver some certainty about the development proposals for the Causeway area, thus increasing confidence to invest in development. Good quality retail development in the core Causeway area could increase confidence and act as a catalyst to further investment and (re)development.
- 7.5.4 The core Causeway area has a relatively small number of landowners, which could make attempts at redevelopment much more likely to succeed than in places where the land is held in multiple ownerships.
- 7.5.5 BBP Regeneration is currently undertaking a study of the redevelopment potential of sites within the Causeway area.

Greenfield sites

- 7.5.6 Maldon District does not have the Green Belt restrictions that many other places in Essex do. Mixed-use development will be required on many greenfield sites to enable the cross-subsidy and delivery of employment development. Residential and employment uses can be mixed, as long as the employment uses are ‘good neighbours’, with employment preferably in offices and other uses that can be carried out in residential areas¹². The proposed garden suburb urban extensions to Maldon would be the preferred locations for further employment land uses. Employment sites will require cross-subsidy from higher value allocations (e.g. residential).

General viability

- 7.5.7 Local property experts Fenn Wright suggest that the main obstacle to the delivery of new sites and premises is the viability of new commercial development, and by association the absence of alternative funding for infrastructure and services to enable the delivery of serviced sites. Put simply, the market value of new industrial premises constructed in and around Maldon District will be less than the land value and build cost. This deficit must be funded by cost savings by the occupier, the release of a higher value site elsewhere, or by landlords or occupiers willing to take a long term view or a reduced return on their investment. Most of the recent development that has taken place has been undertaken for specific occupiers.

¹¹ The Core Causeway Employment Area comprises: Blackwater Trading Estate, Heybridge House Industrial Estate, Leigh Industrial Estate, Quayside Park and Galliford Road Industrial Estate

¹² i.e. Use Classes B1a, B1b and B1c – which can be carried out in a residential area without detriment to the area by reason of noise, vibration, smell, fumes, etc

- 7.5.8 Maldon District is not alone in having to overcome such issues. Market rental levels for older industrial and office buildings have moved very little throughout the East of England region over the last ten years.
- 7.5.9 Some speculative development has taken place in surrounding places, such as Chelmsford and Basildon over this period. These towns have significantly better road and rail links and rent levels for similarly sized new industrial units are £6.25 to £7.25 per sq ft per annum (c. £67 to £78 per sq m), and for new offices £15.00 to £21.00 per sq ft per annum (c. £161 to £226 per sq m). It is notable that industrial rents in Chelmsford and Basildon are around 40% to 60% higher than in Maldon; and that office rents are 110% to 150% higher than in Maldon. Broadly speaking, new development can be made viable at or about the higher rental levels in these adjoining places under current (i.e. 2015) market conditions, as long as land values are not excessive. However, development viability in Maldon District is not so easily achieved.
- 7.5.10 In the absence of new employment development, Maldon District may find it difficult not only to attract inward investment, but also to retain existing employers who increasingly require modern flexible accommodation and potentially in certain instances, larger premises. Such occupiers may have no choice but to relocate out of area. Drawing on Fenn Wright's local experience, existing local occupiers are reluctant to move away unless or until they have explored all other options.
- 7.5.11 Lack of new development viability and a shortage of vacant freehold sites in Maldon District and surrounding areas dictates that few occupiers can afford to procure new commercial floorspace. As a result, such occupiers may have no option but to lease existing buildings as they arise at or about their current lease expiry date, wherever those opportunities arise. Some businesses may plan to acquire new freehold premises, but they are the exception, as the shortage of land, funding structures and lead-in times are not conducive to what can be volatile and unpredictable trading conditions. The availability of alternative premises and sites during the window of opportunity when trading conditions allow is fundamental to the decision-making process. Many prospective relocations and property investment transactions fail due to planning delays or unforeseen costs followed by a loss of confidence by the businesses' decision-makers.
- 7.5.12 New ways need to be found to strengthen the range of the commercial sites and premises offer in Maldon District, in order to accommodate local growth potential and attract inward investment from occupiers interested in Maldon District or unable to source or afford suitable employment sites elsewhere in the region. Driving up the quality of the business stock in Maldon District will require high quality sites and premises that are easily available for development and occupation.

- 7.5.13 The shortage of suitable employment sites and premises is not conducive to sustainable economic growth, but there are no easy solutions when rents and values are so low. Analysis of new commercial developments in the region over the last 15 years suggests that new industrial development does act as a catalyst to induce further investment, both by local occupiers and 'land hungry' low employment density activities such as warehousing and storage. This has been seen in places such as Wycke Hill in Maldon District, and further afield in places such as Braintree. New developments, by their nature and design, increase motivation and inspire confidence, particularly when compared to older industrial estates which offer little or no 'added value' to occupiers. Careful thought needs to be given to how new sites can be brought forward, and the delivery of roads, infrastructure and services to them.
- 7.5.14 The scale of the problem regionally can be seen by looking at the quantum of serviced employment land in and around Maldon District. Attached at Appendix 4 is a schedule that attempts to identify the quantum of serviced industrial sites in surrounding local authority areas. Whereas, in total, local authorities claim to have over 100 ha of allocated employment land '*available for purchase*', further investigation reveals that only some 20 ha of that land is actually serviced and available for sale.
- 7.5.15 Market forces suggest that, in due course, rental and land values will rise in response to rising demand and build costs. However, Fenn Wright suggest that unless employment sites are 'pump-primed' in some way, rents do not rise, as the existing stock of buildings continues to age and new investment, whether that be from existing or new employers, is seldom forthcoming. There is a high risk that in the absence of suitable premises some employment opportunities will be lost entirely to Maldon District.
- 7.5.16 Fenn Wright suggests three ways in which development viability and deliverability of new sites and premises can be improved:
- Greenfield investment and promotion, such as that adopted successfully by ECC at Wycke Hill over the period 1990 to 2000 i.e. the area between Morrisons and the Fire Station
 - Promotion of larger mixed-use developments at a scale which enables cross-subsidy between investment in less viable employment infrastructure and sites and viable residential development. An example of successful private 'pump-priming' can be seen at Skyline 120 near Braintree which was conceived as part of the masterplan for Notley Garden Village
 - Public sector direct intervention in land assembly and promotion, which is seen at Severals Farm and the Colchester Northern Relief Road, which opened up over 50 acres of serviced employment land.

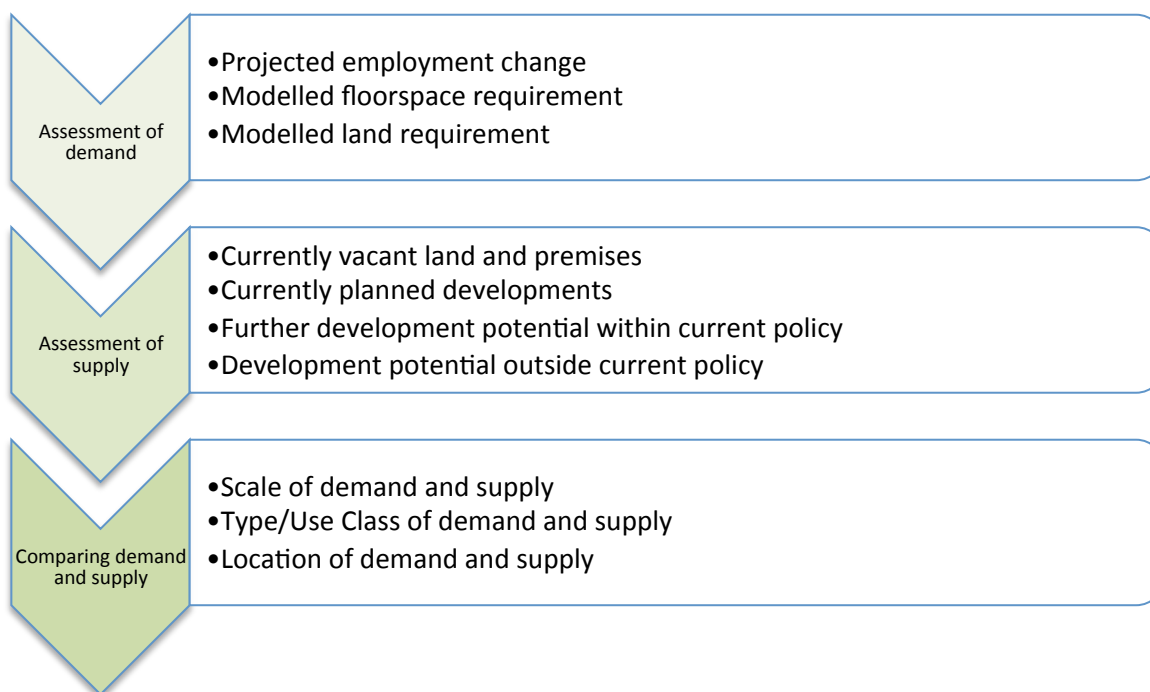
- 7.5.17 In addition to support such as that described above, direct incentives such as empty business rates relief and/or rates rebates linked to the delivery of lower energy commercial buildings can also stimulate new investment. Such initiatives are particularly valuable where linked to supporting existing local employers to relocate, and to encourage the regeneration of older employment sites, as this reduces total occupation costs from day one and thus allow the employer time to adapt and expand the business to take advantage of the benefits of new premises.
- 7.5.18 Maldon District has a proven track record in attracting and retaining new business to the area. By promoting the delivery of new employment sites, this is likely to be achieved far quicker and with more positive impact in terms of the retention and growth of job opportunities than might be achieved by traditional regeneration initiatives alone.

8 Comparing Demand and Supply

8.1 This chapter

8.1.1 In this chapter we compare the information on the likely future demand for employment land in Maldon District over the Local Plan period with the currently known and potential supply. The approach to comparing these is summarised in the figure below.

Figure 8.1: Comparing supply and demand



8.1.2 In the following sections we consider:

- Retail and town centre activities (Use Class A)
- Offices (Use Class B1a)
- Industrial and warehousing (Use Classes B1b, B1c, B2 and B8)
- Hotels and residential (Use Class C)
- Non residential, assembly and leisure (Use Class D)
- Sui generis uses

8.2 A: Retail and town centres

- 8.2.1 Many town centre uses fall into planning Use Classes A1 to A5, including shops, public-facing financial and professional services, restaurants, cafes, drinking establishments and hot food takeaways. Our analysis, based on the EEFM, shows a growth of 700 jobs in sectors occupying these Use Classes, from which we have modelled a requirement for 14,500 sq m of premises, covering 3.4 hectares. However, a comprehensive retail study is currently being undertaken by White Young Green which shows an initial estimate of demand for between 13,400 sq m and 21,500 sq m of convenience and comparison retail space over the period to 2029¹³ (i.e. retail capacity). Given the specialist nature of the work undertaken by White Young Green, their assessment should be given more weight.
- 8.2.2 According to White Young Green¹³, the Aquila proposals will take up much of the identified convenience and comparison capacity. White Young Green also recommends that the bottom of its range for comparison capacity is more realistic.
- 8.2.3 Businesses occupying these Use Classes are likely to want town centre and edge-of-town sites, in the main towns in the District, i.e. primarily Maldon and Heybridge, although there will be demand throughout the District.
- 8.2.4 The Causeway regeneration study will identify the potential for accommodating some of this demand in the Causeway area. It is also likely that there will be new neighbourhood centres in the possible urban extensions, which may accommodate some of this demand.

8.3 B1a: Offices

- 8.3.1 Planning Use Class B1a includes business activities, mainly in offices. Our analysis, based on the EEFM, shows a growth of around 800 jobs in sectors that will occupy premises in this Use Class. This equates to a demand for about 9,800 sq m of premises, which will require an additional 3.4 hectares of employment land. According to the VOA the office stock of Maldon District was increased by some 12,000 sq m (c. 1,000 sq m per annum), over the period 2000 to 2012, so it may be possible to deliver this scale of development if viability constraints can be overcome. However, much of the recent delivery of offices has been in rural farm business centres (of variable quality) and offices within industrial developments, so delivery of dedicated, high quality office space may be more problematic.
- 8.3.2 Office occupiers will prefer accessible locations, i.e. accessible both to the main road network and the public transport network, thus enabling people to commute into these relatively high employment density premises. Preferred sites for larger office developments will be in or adjacent to the District's larger towns, primarily Maldon. There will be demand for smaller office units throughout the District, particularly outside Maldon. Given the attractiveness of Maldon District to smaller rather than larger businesses, there is likely to be a strong demand for smaller office units, including flexible, serviced offices.

¹³ White Young Green (March 2015) Maldon Retail Study

- 8.3.3 There is very little stock available at present (February 2015), and no allocated sites that are easily developable. The Causeway regeneration study may identify potential sites for new office developments and suggest ways in which viability can be achieved. Accessible sites in the possible urban extensions could also be strong locations for office developments, i.e. the proposed allocations at Wycke Hill (north and south).
- 8.3.4 Fenn Wright identified eight potential employment sites that could be allocated in the Local Plan. All of these could be suitable to accommodate some office development.

8.4 B1b, B1c, B2 and B8: Industrial and warehousing

- 8.4.1 These Use Classes include light industrial, Research & Development, general industrial, storage and distribution activities. The sectors that occupy these Use Classes are expected to have varying fortunes over the period to 2029. Sectors occupying Use Class B2 premises are forecast to see a decline in employment of 300 jobs over the period to 2029. This may lead to a net decline in demand for 13,100 sq m of premises. However, the need for the replacement of existing premises and the need for choice and flexibility in the market will lead to a gross demand for land. A net growth of 100 jobs in sectors occupying Use Class B8 will lead to an increase in demand for 5,100 sq m of space. Overall, the sectors occupying these Use Classes will require 7.7 hectares of net additional land, which assumes that 1.5 hectares of land released by declining employment in manufacturing is re-used. If this land is not re-used for employment, then additional land will be required. Much of the additional land is required for the replacement of existing premises to provide more modern facilities for occupiers.
- 8.4.2 According to the VOA, the total net stock of industrial floorspace in Maldon District increased by around 11,000 sq m over the period from 2000 to 2012 (i.e. just under 1,000 sq m per annum). This is net change in stock and is a headline figure which is made up of losses as well as gains. Fenn Wright's local market data shows that 13,300 sq m of industrial space was let or sold in the District every year between 2011 and 2014, thus showing a relatively high level of activity within this headline picture.
- 8.4.3 Businesses occupying these Use Classes will prefer accessible locations, particularly with good road access, to allow the movement of both staff and goods into and out of the site. Sites will be required throughout the District, but with greater demand in the more accessible parts of the District.
- 8.4.4 There is very limited supply of vacant industrial premises (at February 2015), with 7,590 sq m of industrial space available. Between 2011 and 2014, take-up of industrial space was 39,900 sq m in total, or 13,300 sq m per annum, so the current availability of vacant stock is around one-quarter of a year's worth of industrial take-up. It may also be the case that the available stock is not suitable for the needs of those seeking premises. The Causeway regeneration study may identify potential sites for new industrial property developments and suggest ways in which viability can be achieved. Accessible sites in the possible urban extensions could also be strong locations for industrial developments, if they can be delivered in close proximity to new residential areas.

Business incubation units

- 8.4.5 There is a demand for small, flexible office units, let on flexible terms (e.g. easy-in, easy-out), with good broadband connectivity. It is unlikely that these could be delivered by commercial developers, with no public sector intervention. Magnox funding may be available to support a feasibility study into the delivery of incubation units.

8.5 C: Hotels and residential institutions

- 8.5.1 The C Use Classes include hotels, boarding houses, residential institutions (such as schools and hospitals) and all forms of dwelling houses.
- 8.5.2 The EEFM shows negligible employment growth in this sector, but this may comprise a range of different trends including: decline in some parts of the sector (discussed below); potential for a new business hotel in Maldon; and some growth in the care sector. No specific hotels study has been carried out for the local area.
- 8.5.3 This sector is facing a challenging time in Maldon District, particularly in the south of the District, with the conclusion of the major part of the decommissioning of the Bradwell power station. In recent years many contractors working on the decommissioning have stayed in local hotels and guest houses, but this demand will not continue in the future.
- 8.5.4 Overall this sector will have some requirements for sites and premises – particularly for at least one business hotel in Maldon/Heybridge, and a proposal has recently been approved in the Causeway area. It is likely that some businesses in this sector will decline, so there is unlikely to be a significant gross demand for new sites and premises. However, the demand for care homes should be carefully monitored as there is anecdotal evidence that the demand could be higher than that suggested by the EEFM-based analysis.

8.6 D: Non residential institutions, assembly and leisure

- 8.6.1 Use Class D1 covers a large range of non-residential institutions, including schools, nurseries, health centres, museums, libraries, religious buildings, community halls and conference centres. Use Class D2 includes places of assembly and leisure, including cinemas, play centres, concert halls, sports facilities and other leisure facilities. These sectors are forecast to see employment growth of 200 jobs over the period to 2029. This is translated into a demand for around 7,800 sq m of premises, covering some 2.0 hectares. However, these figures are indicative given the broad range of activities covered.
- 8.6.2 Premises in Use Class D1 will be needed throughout the District, in many of the settlements, with some of the larger facilities being located in the larger towns such as Maldon. Premises in Use Class D2 will be required throughout the District, but are also more likely to be required in the larger towns such as Maldon. Developments in Use Class D1 are generally integrated in housing developments, and will be located on small pockets of land within any major new developments, so do not need specific allocations. Submission Draft Local Plan Policy E3 is probably sufficient to cover this.

8.7 Sui Generis

- 8.7.1 Sui generis uses are those which are not met in any of the other Use Classes listed above, and include activities such as car showrooms, petrol filling stations and garden centres. The nature of sui generis users means that it is not possible to predict the scale or preferred location of future demand for land and premises. There will be around 200 additional jobs in the sectors that occupy sui generis premises over the period to 2029.

8.8 Overall

- 8.8.1 With a target of 2,200 new additional jobs in Maldon District by 2029, there is an insufficient quantity and quality of currently available employment premises to enable and accommodate that growth. Tackling this shortfall will require a range of actions:

- Making better use of currently under-utilised sites and premises (although the corollary is that existing premises may be used less effectively in the future). If sites and premises are currently under-utilised because they are not good quality, then investment will be needed to improve them. However, with relatively low rental levels, it may not be possible to make a sound business case for further investment in these sites and premises, unless there is some form of public sector support or intervention
- There is potential to occupy currently vacant stock. However, levels of vacant industrial and office stock are very low (e.g. there is about one-quarter of a typical year's take-up of industrial stock available, and around one year's worth of typical office take-up). It is important that there is sufficient land and premises available in an effectively functioning local market to allow for both choice and flexibility, so a certain level of vacant stock is necessary. It may also be the case that the premises that are available may not be suitable for occupiers requirements
- Redevelopment of existing sites, leading to improved utilisation of these sites. Again, this is possible, but constrained by low rental levels and the viability challenges of new development. Some sort of public sector intervention may be necessary to stimulate any potential redevelopment, and the current work being undertaken for Essex County Council and Maldon District Council on the development potential and masterplanning of the Causeway area is a good example of this
- Building of new premises on currently vacant plots on existing employment allocations. At present there are no current allocations of employment land that are likely to be developed. Viability of any development is an issue, as discussed above
- Allocation of new employment sites, particularly greenfield sites. Three sites at Wyke Hill (north and south) and Burnham on Crouch have been proposed for employment allocations. Fenn Wright has identified those possible development sites with the highest level of potential. Efforts will need to be made to encourage and stimulate employment development on these sites, including mixed-use allocations and perhaps business rate reliefs

Areas of search for further allocations

- 8.8.2 As mentioned above, the work undertaken by Fenn Wright has identified a number of potential further allocations at Maldon, Heybridge, Burnham-on-Crouch and Latchingdon – which can be seen in Figure 7.5.
- 8.8.3 A market-led assessment of the preferred locations for further employment allocations suggests that these are:
- Maldon
 - Heybridge
 - Burnham on Crouch (primarily to satisfy local demand)
 - Latchingdon
 - South of the District – near South Woodham Ferrers – but again, no sites have been proposed for consideration in the Local Plan
- 8.8.4 Clearly there are not potential sites identified in every one of these locations, and a further site search would need to be undertaken. It is also acknowledged that traffic congestion in the Danbury to Maldon corridor is an issue that has been discussed during the Examination in Public of the Local Plan, and that this needs to be given weight when considering the location of further employment sites. From a policy perspective there is a preference for further search in the south of the District to avoid exacerbating traffic issues in the north.
- 8.8.5 It is worth noting the current distribution of employment across the District, which can be seen in the Figure below. It is clear from this figure that 52% of the District’s current employment is located in Maldon and Heybridge. The next largest concentration is in Burnham-on-Crouch, with 9%, and the rest is distributed across the District. This pattern of distribution has evolved over time, based upon a number of factors including the distribution of population and the availability of sites. Consideration of the future distribution of employment should start with this pattern, and take account of both market demand and policy constraints in terms of identifying future areas for employment growth.
- 8.8.6 Applying the current pattern of distribution of employment to the projected growth in employment (of 2,200), some 1,140 additional jobs would be accommodated in Maldon and Heybridge and just under 200 in Burnham-on-Crouch. However, accommodating this projected level of growth will depend on the availability and location of deliverable employment sites.

Figure 8.1: Distribution of employment in Maldon District by wards

Wards	Employment¹⁴	Percentage of total
Althorne	1,150	6
Burnham-on-Crouch (North and South)	1,850	9
Great Totham	850	4
Heybridge (East and West)	2,550	13
Maldon (North, East, South and West)	7,700	39
Mayland	500	2
Purleigh	1,000	5
Southminster	800	4
Tillingham	700	3
Tollesbury	500	2
Tolleshunt d'Arcy	1,250	6
Wickham Bishops and Woodham	1,150	6
	19,950	
<i>Source: BRES, 2013</i>		

¹⁴ Includes employees (jobs) and working owners who are registered for VAT or PAYE schemes. Excludes the self-employed not registered for VAT or PAYE, HM Forces and Government supported trainees

9 Conclusions

9.1 Conclusions of the study

9.1.1 The primary drivers of future economic and employment growth in Maldon District are:

- Good quality of life, which makes the District an attractive place to live. Some residents will want to work locally, and others may work from home or establish new businesses, thus generating employment in the District
- The potential for regeneration and development in employment areas that are currently failing to meet their potential e.g. the Causeway industrial area
- The potential allocation of new sites for employment, and the development of new premises
- Potential for growth in the tourism and food processing sectors, maximising the economic benefit of the local environment
- Potential for more support to businesses to encourage new start-ups, growth and relocation into the District
- Proposed investment in strategic transport projects to improve strategic accessibility

9.1.2 Constraints to achieving the District's economic and employment growth potential include:

- Relatively poor accessibility across the District (by both road and rail), particularly compared to other nearby places such as Chelmsford and the southern part of Braintree District
- Significant levels of net out-commuting to other places to work, although this does comprise both in- and out-commuting
- Relatively poor quality employment property stock, low rental levels and low vacancy rates. This is the case across the District, but is being addressed in Maldon and Heybridge through consideration of the regeneration potential of the Causeway industrial area
- Constrained viability to deliver new sites and premises

9.1.3 Maldon District is a relatively strong location for smaller businesses and those working at or from home, but is a less strong location for larger businesses, particularly those that need good access to the strategic transport network. Maldon District is not highly attractive to large inward investment projects, and there is strong competition for these types of projects from nearby places like Chelmsford and Braintree. Encouraging the establishment and growth of smaller businesses will require sites and premises of a suitable nature, which offer sufficient occupational flexibility to meet their needs.

- 9.1.4 The vision for the future growth of Maldon District's economy is for it to be vibrant and competitive, and to balance economic growth with maintaining the local quality of life. Achieving this vision will mean improving the quality of local employment, rather than having a major focus on creating large numbers of new jobs. The economic growth aspirations of the wider local area (i.e. the Heart of Essex) are for the majority of sub-regional growth in job numbers to be focused in Chelmsford rather than in Maldon District. The Economic Prosperity Strategy for Maldon District published in 2013 sets an aspiration for 2,000 additional jobs by 2029. The EEFM, which is used across Essex, suggests higher GVA growth but lower growth in job numbers than in the preceding 15-year period. The EEFM suggests growth of 2,200 jobs over the period to 2029, and this is a reasonable target given the local drivers of and constraints to growth discussed in this report. This is a lower projected level of growth in job numbers in the next 15 years than in the preceding 15 years. This pattern is common across all geographical areas, from the UK down.
- 9.1.5 The main changes in the composition of future employment growth compared to historic employment growth are:
- Historically high levels of growth in education and health will not be repeated
 - Business and professional services will grow strongly, but at a lower level than in the past
 - The construction sector is expected to grow strongly
 - The manufacturing sector will continue to lose jobs, but at a lesser rate than in the past
- 9.1.6 A significant amount of future employment growth over the Plan period (c. 600 jobs) will not require any new employment premises, because people will work at or from home, or in the premises of other businesses.
- 9.1.7 Over the period to 2029 the largest employment growth will be in those sectors which occupy offices. Up to 3.4 hectares of Use Class B1a land will be required to accommodate this. Despite a decline in numbers employed in manufacturing, there will be a requirement for up to 7.7 hectares of additional land to accommodate businesses that occupy premises in Use Classes B1b, B1c, B2 and B8 (assuming that 3.3 hectares of existing employment sites are redeveloped and that 1.5 hectares of this is re-used for employment).
- 9.1.8 In addition a buffer of an additional 1.1 hectares for B1a plus 2.0 hectares for B1b, B1c, B2 and B8 should be considered (either allocated or safeguarded) to ensure effective market functioning in the latter part of the plan period.

9.2 Implications for the emerging Local Plan and future economic development strategy

Sites and Premises

- 9.2.1 There is an insufficient quantity and quality of sites of premises currently available in Maldon District to accommodate the projected level and nature of future economic growth during the Local Plan period. The market is struggling to deliver new sites and premises because of development viability constraints. The District needs a range of types and quality of sites and premises to accommodate the range of businesses that are located in and wish to locate in the District and enable economic growth. There is a role for lower quality premises in the District's stock, and so employment stock and employment land should be retained, e.g. in the core Causeway area.
- 9.2.2 There is a need to deliver the types of sites and premises that are attractive to those sectors and businesses that are likely to want to locate in Maldon District, including both offices and industrial premises, particularly for SMEs.
- 9.2.3 The level of delivery should be sufficient to meet local growth aspirations, but help to increase rental levels and therefore future development viability i.e. avoiding the over-allocation of employment land. It is likely that if serviced employment sites are available, then they will attract occupiers. Given that the time from the allocation of a site to its delivery in the marketplace can be long as many challenges still remain, Fenn Wright advises that there should not be any restriction placed in the timing of the release of sites. Allocating sites as early as possible will lead to them being delivered and developed spread over a relatively long period of time i.e. a number of years.
- 9.2.4 Support should be provided to landowners and developers to deliver the types of sites and premises that growing and new businesses will require, through:
- Providing some stability and confidence in the local economy and property market with the adoption of a business-friendly Local Plan, with suitable growth aspirations
 - Encouraging the regeneration of run-down areas, through activities such as masterplanning to provide market confidence
 - Allocating new sites in suitable areas
 - Ensuring that new allocations and regeneration proposals are viable and deliverable, including through the mix of uses allowed on these sites, albeit that they are employment led
 - Potential for direct intervention such as Business Rates relief in certain circumstances

- 9.2.5 The Causeway area should be maintained as the prime employment area for Maldon District. The study being undertaken by BBP Regeneration should help to identify opportunities for redevelopment in the Causeway area.
- 9.2.6 Any employment site that is allocated through the Local Plan process needs to be deliverable during the plan period. Deliverability will often be achieved through cross-subsidy of employment sites (e.g. spend on infrastructure), by higher value developments e.g. retail and residential. To ensure that employment sites form part of mixed-use developments, it is recommended that all sites with mixed-use development potential require a masterplan and Section 106 agreement which ensure the delivery of serviced employment sites.
- 9.2.7 Maldon District Council will need to work with landowners to encourage the allocation of deliverable mixed-use developments.

Economic Development Activity

- 9.2.8 Job creation should be supported by:
- Provision of business support to new start and growing businesses
 - Encouraging and supporting local residents to start and grow businesses
- 9.2.9 It will be important to ensure the delivery of the infrastructure needed to enable working throughout the District (e.g. broadband connectivity).
- 9.2.10 It will be important to support and enable the delivery of flexible business premises, possibly through direct public sector provision of such premises.

9.3 Policy responses required

- 9.3.1 The current Submission Draft Local Plan was prepared on the basis of the evidence that was available at the time. This study has provided new and updated evidence, and there is scope to make some changes to the Local Plan policies to take this into account. This section discusses potential revisions that can help to strengthen the Local Plan.
- 9.3.2 Employment land allocations are needed to accommodate both the safeguarding of current employment and to realise future economic growth aspirations (e.g. 2,200 new additional local jobs), particularly in places that are attractive to occupiers and which are more sustainable, such as near Maldon/Heybridge and Burnham-on-Crouch. HJA has assumed that around 3.3 hectares of B Use Class employment land will be redeveloped, but 1.5 hectares of this will be made available for re-use for employment during the Local Plan period. In addition, 11.1 hectares of further B1/B2/B8 Use Class land will be required during the Local Plan period, The overall quantum of demand is:
- 3.4 hectares of land in Use Class B1a
 - 7.7 hectares of land in Use Classes B1b/B1c/B2/B8

- 9.3.3 An additional 3.1 hectare buffer will ensure that land is available during the latter years of the plan period. This could be allocated during a later plan review, and the exact figure should be determined according to take-up and projected demand at the review point. As mentioned above, it will be important to ensure that some of the land released by the decline of employment in manufacturing is re-used for employment in the industrial Use Classes (B1b/B1c/B2/B8), rather than being allocated for other uses such as retail or residential, otherwise further allocations will be required.
- 9.3.4 There is a need to encourage employment led regeneration in the Causeway area and other employment areas that are currently failing to meet their development potential by allowing a mix of uses, such that higher value uses can help to cross-subsidise and increase the viability of employment sites and premises. One possibility is to stipulate that higher value uses such as the retail and residential components of mixed-use developments can only be delivered in conjunction with other employment developments, to avoid cherry picking (i.e. delivering only the higher value elements of mixed use schemes).
- 9.3.5 Some sites need to be allocated as part of the proposed urban extensions to Maldon/Heybridge and Burnham on Crouch.
- 9.3.6 There is a need to avoid the over-allocation of land, to maximise the potential for viable development on those sites which have been allocated. There must be a sufficient amount of allocated land to ensure choice and flexibility in the local market. If allocated sites cannot be developed by the market and show no prospects of future delivery, then de-allocation should be considered.
- 9.3.7 The development of flexible office and industrial buildings which can be sub-divided to accommodate smaller as well as larger businesses should be encouraged. Some 99.8% of businesses currently located in Maldon District are SMEs (i.e. with less than 250 employees).
- 9.3.8 Future employment growth should not compromise the quality of life that makes Maldon District an attractive place to live.
- 9.3.9 A criteria-based policy should be set for the future development of employment sites in rural areas. Rural business centres have made a contribution to the supply of sites and employment in the past, and can continue to do so in the future. However, the sustainability of employment at these sites must be given due consideration, along with their accessibility (particularly to large vehicles), and their effect on neighbours.
- 9.3.10 A criteria-based policy should be set to enable the delivery of a site for 'bad-neighbour' uses (e.g. waste transfer and recycling) if a suitable site comes forward. At present businesses in these sectors are operating in close proximity to other businesses and residential areas, and their ability to operate effectively is becoming increasingly constrained.



HARDISTY JONES ASSOCIATES
Economic Development, Regeneration & Sustainability

Maldon District Council LDP: Employment Evidence and Policy Update

Appendix 1: Overview of Methodology

Prepared for Maldon District Council

May 2015

Contents

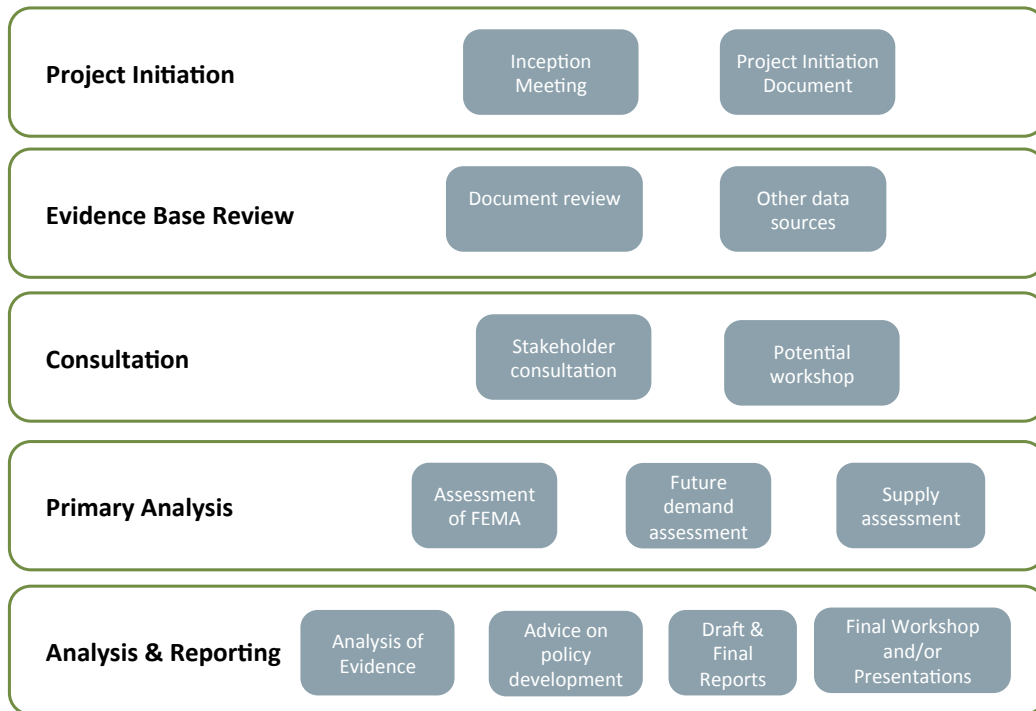
1	Our Approach.....	1
2	Evidence Base Review.....	2
3	Consultations.....	3
4	Primary Analysis.....	5

Job Number:	14-08-01
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Date:	May 2015

1 Our Approach

Our approach is summarised in the figure below.

Figure 1: Our Approach



1.1 Project initiation

On 7 October 2014 we met with your client steering group to ensure a common understanding of the aims, objectives, approach and outputs from the project. At this meeting we identified all relevant technical documents, the list of consultees, and the best format for consultations. We discussed the timetable for the delivery of the review. We also discussed how we work with your retail consultants on areas such as joint consultations to ensure a cost-effective and coordinated approach to delivering this work for you.

The output of this stage was a project initiation document which sets out everything we have agreed, including the approach, timetable and budget for the review.

2 Evidence Base Review

We have reviewed a number of documents to inform this study. These include:

- Maldon District Pre-Submission Local Development Plan 2014-2029 (2014) Maldon District Council
- Maldon District Economic Prosperity Strategy (2013) and its evidence base, and action plan
- Heart of Essex Economic Futures (2012), Nathaniel Litchfield and Partners
- Mid Essex Economic Futures Study (2006) University of the West of England
- Maldon District Employment Land Review (2009) and later addendums; Roger Tym and Partners
- Economic Plan for Essex (April 2014), Essex County Council
- Growth Deal and Strategic Economic Plan (March 2014) South East LEP
- East of England Forecasting Model (EEFM): 2013 and 2014 versions
- Maldon District Council LDF Annual Monitoring Report (March 2013)
- Inspector's Key Concerns Letter (3 July 2014)
- Maldon District Council's Supplementary Statement to the Inspector (25 September 2014)
- Maldon District Council Supplementary Statement on Assessing Maldon's Housing Requirements (September 2014)
- Assessing Maldon's Housing Requirements, Report to Maldon District Council (August 2014), NMSS
- Maldon District Strategic Housing Market Assessment (2013), DCA
- Bradwell Legacy Partnership Action Plan 2014/15
- Maldon and Heybridge: Central Area Intermediate Study (August 2014) Allies & Morrison
- Colchester Employment Land Needs Assessment (January 2015) Nathaniel Litchfield and Partners
- Maldon Retail Study: First Draft (March 2015) White Young Green
- Development and Improvement Plan for the Causeway: Draft (April 2015) BBP
- Valuation Office Agency (2012) Business Floorspace Experimental Statistics
- National Planning Policy Framework (March 2012), DCLG
- Planning Practice Guidance; DCLG Website
- East of England Plan: Revision to the RSS for the East of England (May 2008) Government Office for the East of England

3 Consultations

We consulted with a number of stakeholders. These are listed below. We have also set out the main consultation topics that were discussed.

3.1 Consultees

Maldon District Council

- Nick Fenwick, Interim Head of Planning, Maldon District Council
- David Coleman, Planning Policy Manager, Maldon District Council
- Tai Tsui, Senior Planning Policy Officer, Maldon District Council
- Fiona Marshall, Chief Executive, Maldon District Council
- Russell Everard, Interim Economic Development Officer, Maldon District Council
- Cllr. Bob Boyce, MDC Member, Leader of the Council, Maldon District Council
- Cllr. Miriam Lewis, MDC Member, Deputy Leader of the Council, Maldon District Council
- Cllr. Penny Channer, MDC Member, Chair of Planning and Licensing Committee, Maldon District Council
- Cllr. Henry Bass, MDC Member, Vice-Chair of Planning and Licensing Committee, Maldon District Council

Other local authorities

- Ian Lewis, Essex County Council Economic Development
- [Dominic Collins](#), Essex County Council Economic Development
- [Tim Rignall](#), Essex County Council Economic Development
- Stuart Graham, Chelmsford Council
- Jonathan Quilter, Brentwood Council
- Laura Chase, Planning and Jim Leask, Economic Development, Colchester Council
- Peter Smith, Head of Economic Development and Regeneration, Braintree Council

Other stakeholders

- David Rayner, SELEP representative

Technical Experts

- Rob Pearson (Director – Planning), White Young Green
- Neil McDonald, Cambridge Centre for Housing and Planning Research
- Stephen Pritchard, BBP Regeneration

Local businesses

- Andrew Barker, Taylor Construction (Business in the Heybridge / Causeway area)
- Andrew Barker, TCP: plant hire (Business in the Heybridge / Causeway area)
- Lisa Russell, Brynleigh; electronics assembly (Business in the Heybridge / Causeway area)
- Paul Bentley, Youngmans: scaffolding and access (Business in the Heybridge / Causeway area)
- Chris Owen, Youngmans (Business in the Heybridge / Causeway area)

- Robert Smith, Green Recycling: waste and recycling (Business in the Heybridge / Causeway area)
- Mary Powell, The Emporium, and Think Local: retailer (Business in the Heybridge / Causeway area)

3.2 Consultation topics

The local economy

- Strengths of the local economy
- Weaknesses of the local economy, and barriers to economic growth
- Opportunities for economic and employment growth in the local area
- Future threats to economic and employment growth in the local area

Functional economic market area

- Relationships with other places
- Role of Maldon District in wider functional economic market areas

Growth outside Maldon District

- Growth opportunities in adjoining areas/other areas
- Employment opportunities for Maldon District residents

Future growth

- Vision for the future growth of the local economy
- Scale of future growth expected/proposed
- Barriers to the delivery of growth
- Availability of employment land to accommodate growth
- Infrastructure and investments needed to deliver growth

Projects and proposals to deliver growth

- Details of any projects and proposals in place to deliver future growth
- Barriers that might prevent these projects from being delivered

4 Primary Analysis

4.1 Functional Economic Market Area

A detailed explanation of the assessment of the Functional Economic Market Area has been set out in Appendix 2, Chapter 2, so is not repeated here.

4.2 Future demand assessment

This is discussed in detail in Appendix 3.

4.3 Supply assessment

This is discussed in detail in Appendix 4.



HARDISTY JONES ASSOCIATES
Economic Development, Regeneration & Sustainability

Maldon District Council LDP: Employment Evidence and Policy Update

Appendix 2: Evidence Base and Consultations

Prepared for Maldon District Council

May 2015

Contents

1	National Planning Policy.....	1
2	Functional Economic Market Area.....	6
3	Current Economy.....	11
4	Sites, Premises and Infrastructure.....	24
5	Economic Vision and Strategy.....	28
6	Clusters and Networks.....	35
7	Future Drivers and Constraints to Growth.....	36
8	SWOT Analysis.....	39

Job Number:	14-08-01
Version Number:	1.0
Approved by:	Gareth Jones
Date:	May 2015

1 National Planning Policy

This chapter considers those parts of national planning policy that are relevant to this study.

National Planning Policy is set out in two documents/sources:

- The National Planning Policy Framework, 2012¹, hereafter referred to as NPPF
- Planning Practice Guidance², hereafter PPG, which is a live website and continually updated

1.1 National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG)

1.1.1 National Planning Policy Guidance

NPPF sets out the Government's planning policies for England, and how these are expected to be applied at the local level. It has a clear emphasis on achieving *sustainable development*. NPPF is a material consideration in any planning decision.

NPPF sets out three dimensions to sustainable development, which need to be delivered in balance because they are mutually dependent: the economic role, the social role and the environmental role. The economic role of the planning system (para. 7) is:

contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure

The NPPF establishes a *presumption in favour of sustainable development* (para. 14). For plan making this means that:

local planning authorities should positively seek opportunities to meet the development needs of their area

At paragraph 152 on plan making, the NPPF states that:

Local planning authorities should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainable development, and net gains across all three.

Neighbourhood plans (para. 16) should:

support the strategic development needs set out in Local Plans, including policies for housing and economic development

1.1.2 Planning Practice Guidance

Planning Practice Guidance (PPG) sets out guidance on key elements of the NPPF. The most pertinent of these are discussed below.

¹ National Planning Policy Framework (March 2012) Department for Communities and Local Government

² <http://planningguidance.planningportal.gov.uk/blog/guidance/>

1.2 Core planning principles

Twelve core planning principles are set out in the NPPF (para. 17). These include the principles that planning should:

proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities

take account of the different roles and character of different areas, promoting the vitality of our main urban areas, protecting the Green Belts around them, recognising the intrinsic character and beauty of the countryside and supporting thriving rural communities within it

1.3 Economy

Section 1 of the NPPF sets out how it will help to build a **strong, competitive economy**. At paragraph 19, it states that:

The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system.

At paragraph 21 the NPPF sets out a number of requirements of local plans that are of particular importance to this review. It states that local planning authorities should:

set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;

set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;

support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;

plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;

identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and

facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

1.4 Town centres

Section 2 of the NPPF is about *ensuring the vitality of town centres*. At paragraph 23 the NPPF states that:

Planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period.

1.4.1 Ensuring the vitality of town centres in Planning Practice Guidance

According to paragraph 001:

Local planning authorities should assess and plan to meet the needs of main town centre uses in full, in broadly the same way as for their housing and economic needs

The local plan should include a positive vision or strategy for the town centres (para. 002).

1.5 Rural economy

Section 3 of the NPPF is about *supporting a prosperous rural economy*. It states that to promote a strong rural economy, local and neighbourhood plans should:

support the sustainable growth and expansion of all types of business and enterprise in rural areas, both through conversion of existing buildings and well designed new buildings;

promote the development and diversification of agricultural and other land-based rural businesses;

support sustainable rural tourism and leisure developments that benefit businesses in rural areas, communities and visitors, and which respect the character of the countryside. This should include supporting the provision and expansion of tourist and visitor facilities in appropriate locations where identified needs are not met by existing facilities in rural service centres; and

promote the retention and development of local services and community facilities in villages, such as local shops, meeting places, sports venues, cultural buildings, public houses and places of worship.

1.6 Other elements

Other elements of the NPPF that are relevant to economic and employment issues include:

- section 4 on promoting sustainable transport
- section 5 on supporting high quality communications infrastructure – particularly telecommunications and broadband
- section 6 on delivering a wide choice of high quality homes

1.7 Evidence base

In the NPPF section on plan making, there is some discussion of the evidence base required for the plan making process. Any assessment of housing and employment should be integrated. The NPPF (para. 160) states that there should be a clear understanding of business needs and economic markets operating across the local area.

Local planning authorities should work with county and neighbouring authorities and LEAs to prepare and maintain a robust evidence base. They should also work closely with the business community to understand their needs, and barriers to investment.

At paragraph 161 the NPPF states that local planning authorities should use this evidence base to assess:

the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;

the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land;

the role and function of town centres and the relationship between them, including any trends in the performance of centres;

the capacity of existing centres to accommodate new town centre development;

locations of deprivation which may benefit from planned remedial action; and

the needs of the food production industry and any barriers to investment that planning can resolve.

1.8 Duty to cooperate

Strategic priorities (including homes, jobs, retail, leisure, commercial development, infrastructure etc.) should be considered across administrative boundaries (para. 178), to the *mutual benefit of neighbouring authorities*. At paragraph 179, the NPPF states that:

Joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas

In two-tier areas, county and district authorities should cooperate with each other on relevant issues (para. 180). Local planning authorities should work together with LEAs and other bodies.

1.8.1 Duty to cooperate in Planning Practice Guidance

Local planning authorities should engage *constructively, actively and on an ongoing basis* (para. 001). It is not a duty to agree (para. 001, para. 003). There is no definitive list of actions that constitute

effective cooperation (para. 011). The range of organisations that need to cooperate will be driven by functional geographies e.g. housing market areas and travel-to-work areas (para. 015).

1.9 Housing and economic development needs assessment

In terms of economic needs analysis (para. 002), the objective of the assessment is to:

identify the future quantity of land or floorspace required for economic development uses including both the quantitative and qualitative needs for new development; and

provide a breakdown of that analysis in terms of quality and location, and to provide an indication of gaps in current land supply.

In paragraph 030 it is suggested that:

plan makers should liaise closely with the business community to understand their current and potential future requirements

Other areas for consideration set out in paragraph 030 include:

- The recent pattern of employment land supply and loss to other uses
- Market intelligence (from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums)
- Market signals, such as levels and changes in rental values, and differentials between land values in different uses
- Public information on employment land and premises required
- Information held by other public sector bodies and utilities in relation to infrastructure constraints
- The existing stock of employment land
- The locational and premises requirements of particular types of business
- Identification of oversupply and evidence of market failure

Detailed guidance on the method for assessing the need for employment land is set out in paragraphs 031 to 034.

1.9.1 Housing and economic land availability assessment

Detailed guidance is provided on the methodology for land availability assessment.

2 Functional Economic Market Area

This chapter considers evidence and defines the functional economic market area (FEMA) that Maldon District is part of.

2.1 Defining the Functional Economic Market Area

The duty to cooperate requires local planning authorities to work with other authorities with which it shares a functional geography. Two measures of functional geography that are typically (and relatively easily) measured are:

- housing market areas
- travel to work areas

Retail catchment areas are also helpful, although data is harder to access.

The Planning Practice Guidance (PPG) website states that there is no standard approach, but makes a suggestion on the factors that can be used in the definition of functional market areas. This is reviewed below.

PPG Suggestion	Comment
Extent of LEP	The full SELEP boundary is not helpful in the case of Maldon District as it covers a significantly larger area, of which Maldon District is only a small part. The SELEP has a county-level operational structure, and Maldon District is part of Essex. Within Essex there are a number of sub-regional groupings, and Maldon District is part of the Heart of Essex along with Chelmsford and Brentwood. The validity of this sub-regional partnership is discussed below. Maldon District Council is also part of the Haven Gateway Partnership, and this is discussed in more detail below.
Travel to Work Areas	Latest TTWAs are based on 2001 Census data. Maldon District is part of the larger Chelmsford & Braintree TTWA. This area is much larger than Maldon District and does not represent an effective functional economic market area for Maldon District
Housing market area	Maldon District is considered as a single housing market area. This is discussed in more detail below.
Flow of goods, services and information	No information easily available.
Service market for consumers	Major town centres and regional retail developments outside the District draw a lot of the comparison retail spend out of the District, across a broad area, so this is not helpful.
Administrative area	The Maldon District area appears to be a fairly good approximation of a functional economic market area in several respects. As mentioned above, Maldon District is part of two sub-regional partnerships, although neither is a particularly good approximation of a functional economic market area for

PPG Suggestion	Comment
	Maldon District.
Catchment area for cultural and social facilities	No information easily available, although it is likely that cultural and social flows will follow a similar pattern to retail. Some data and anecdotal evidence would suggest that the major links are to Chelmsford and London
Transport network	There are no motorways or trunk roads in the District. There are main road links in the northern part of the District to the A12 in the north and A414 in the west; and in the south there are links to the A130. Chelmsford is the most easily accessible large town. There is a mainline rail link in the south of the District to London, and two mainline rail stations to the north of the District which link to London

2.2 Sub Regional Partnerships

In some cases Sub Regional Partnerships can be good proxies for Functional Economic Market Areas. However, in the case of Maldon District, which is a member of two Sub Regional Partnerships, this is less helpful as neither represents a coherent functional economy for Maldon District.

Maldon District is a member of the Heart of Essex partnership along with Brentwood and Chelmsford. Braintree was originally proposed as a member, but doesn't appear to be involved. Whilst this partnership makes sense for Chelmsford as it comprises two significant parts of its hinterland, this is less relevant from a Maldon District perspective as it does not have strong links with Brentwood. Other than commissioning an economic growth study and a housing growth study in 2012, the partnership does not appear to have engaged in any other activity. The Heart of Essex Partnership appears to have superseded a previous Mid Essex grouping of Maldon, Chelmsford, Brentwood and Braintree that commissioned an economic futures assessment in 2006.

Maldon District is a member of the Haven Gateway partnership along with Colchester, Braintree and Tendring in Essex, and Ipswich, Babergh Mid Suffolk and Suffolk Coastal in Suffolk (although it was not identified as part of the Haven Gateway Sub Region in the Adopted East of England Plan³). The Haven Gateway partnership is focused on the main Haven ports and the towns within their hinterland, and Maldon District is on the periphery of this area. Although the Haven ports may support some economic activity in Maldon District, they are not the most significant drivers of economic activity in the District.

2.3 East of England Plan

Although the East of England Plan³ has been revoked, it was adopted in 2008. It identified sub-areas and centres within the East of England where there is scope for joint working on local issues. Maldon District was included in the 'Rest of Essex' grouping of local authorities that fell outside the main growth corridors, so the Plan does not offer much help in determining a functional economic grouping including Maldon District.

³ Government Office for the East of England (May 2008) East of England Plan: Revision to the RSS for the East of England

The Plan identified a number of locations for the concentration of future growth, and Maldon was not included in that list. Chelmsford was the nearest growth location to Maldon District.

2.4 Commuting patterns

Latest commuting data from the 2011 Census analysis tells us that Maldon District is a net out-commuting District. A little more than double the number of people out-commutes from Maldon District than commutes in to the District for work. The main out-commuting destinations are:

- Chelmsford (4,100)
- Braintree (1,300)
- Basildon (1,300)
- Westminster and the City of London (1,200)
 - *All of London (including the above) (3,000)*
- Colchester (1,100)

Around one-third of Maldon District residents commute to other locations in Essex, and 10% commute to locations in London. Some 31% of Maldon District working residents work in the district. In addition:

- The data also tell us that 14% of Maldon District's working residents work from home
- So that is 45% of Maldon District working residents working within Maldon in some way
- 10% have no fixed place of work - which may include workers in the construction industry, agency workers and people working from home some (but not most) of the time.

In-commuting is primarily a local phenomenon. The main origin locations for in-commuters are in Essex with Chelmsford (1,700), Colchester (1,400) and Braintree (1,400) all contributing well over 1,000 workers to the Maldon District labour force.

Almost 70% of Maldon District based workers live in Maldon District (this includes homeworkers). Almost 30% live elsewhere in Essex. Around 1-2% lives in London and a small proportion in other locations.

In net terms, the major out-flows are to Chelmsford (net outflow of 2,400), Basildon (1,000), and central London (1,100). Net flows to other locations are more muted (i.e. +/- <400). Of interest is the net in-flow from Braintree and Colchester (but both of these are less than 300).

Consultation messages

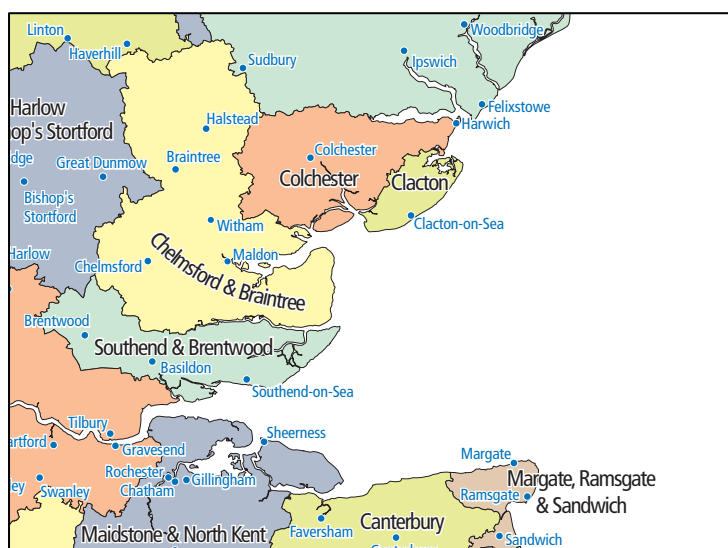
Out-commuting is an important source of employment for local people. Would like to reduce out-commuting, but not sure that this is feasible

2.5 Travel to Work Areas

On the 2001 Travel to Work Area Map⁴, Maldon District is part of the Chelmsford & Braintree TTWA. At the time of writing this report, TTWA areas had not yet been redrawn based on 2011 travel-to-work data.

This can be seen in the figure below.

Figure 2.1: Chelmsford & Braintree TTWA, 2001



2.6 Strategic Housing Market Assessment

A Strategic Housing Market Assessment (SHMA) was commissioned in 2013 by Maldon District Council, along with Brentwood, Chelmsford, Colchester and Braintree⁵. However, the report explicitly states that although adjacent the five local authorities do not consider themselves a housing market, and a separate report has been produced for each local authority (para 1.2.2 p.10).

The report goes on to state that “Maldon can be considered as a single market area.” (para 1.4.6 p.11), based on a self-containment rate of around 70%. Data from the 2001 Census quoted in the SHMA shows that 65% of those who moved to a new home in Maldon in the previous year had originated from within Maldon, with the next largest place of origin being Chelmsford, which accounted for less than 2%. Of those moving out of Maldon District, the most popular destinations were Chelmsford and Braintree.

Consultation messages

The FEMA is the Heart of Essex (Maldon, Chelmsford and Brentwood), but Maldon District has no functional relationship with Brentwood. Chelmsford is the hub of the Heart of Essex, but the authorities either side of it do not relate to each other.

⁴ <http://www.ons.gov.uk/ons/guide-method/geography/beginner-s-guide/other/travel-to-work-areas/index.html>

⁵ DCA (2013) Strategic Housing Market Assessment: Maldon District Council

Maldon District is close to Chelmsford where there has been a rapid growth in the business stock. However, there has not been much 'trickle-down' benefit from this.

2.7 Definition of the functional economic market area

Maldon District has a strong relationship with Chelmsford and forms part of the Chelmsford hinterland, along with Brentwood. However, Maldon District's functional relationship with Brentwood is less strong, so from a Maldon District-centric perspective the core FEMA would be Maldon District and Chelmsford. The District has less strong links with other adjacent local authority areas, including Braintree, Basildon and Colchester, and also to London. These areas could be considered as a second or outer-tier of Maldon District's FEMA.

3 Current Economy

This chapter considers the current state of the economy of Maldon District.

3.1 Geography and location

Maldon District covers 929 square miles of central-eastern Essex, with a large proportion of the District being rural and coastal in nature, with 60 miles of coastline. The A12 trunk road and M11 and M25 motorways run close to, but not within, the District. These give access to London; airports at Stansted and Southend; and ports at Harwich, Felixstowe, Tilbury and the new London Gateway port at Thurrock. The District is on the edge of the SELEP's 'A12 and Great Eastern Mainline' transport corridor.

Consultation messages

Businesses that were consulted are located in Maldon largely because of the quality of life for owners and staff. Maldon District is a nice place to live. Businesses do not want to move away from Maldon because local resident staff are unlikely to travel elsewhere, and the businesses cannot afford to lose them.

3.2 Existing economy

According to the District's Economic Prosperity Strategy, Maldon has a population of 62,500, of whom 38,400 are of working age⁶. The Nomis Labour Market Profile for Maldon District⁷ shows a population of 62,200 of which 37,600 are of working age (based on 2013 Mid Year Population Estimates). According to this latter source, 60.5% of the population is aged 16 to 64, which is lower than the 62.4% in the East of England and 63.8% in Great Britain. There are 26,000 households in the District⁵.

Some 35,200 residents are economically active, with 32,600 of these in employment and self-employment, and 1,600 people are unemployed⁷. The economic activity rate (at 78.0%) is slightly lower than for the East of England (80.3%), but slightly higher than for Great Britain (77.5%)⁷. The percentage of employees in employment is lower in Maldon than in the East of England and Great Britain (57.8% compared to 64.2% and 61.6%), but the percentage of those who are self-employed is commensurately higher (13.7% compared to 11.3% and 9.9%)⁷.

The Economic Prosperity Strategy (p.3) claims that there are 4,300 businesses in the District, which create 24,000 jobs⁸. It is claimed that the economy is characterised by small and medium sized enterprises, with 75% of companies in Maldon employing four staff or fewer. A higher proportion of Maldon District residents start their own businesses than the residents of Essex or the UK.

The ONS calculates jobs density, as a measure of the total number of jobs compared to the population aged 16 to 64. For Maldon District, this ratio was 0.70 in 2012, which is lower than for

⁶ Maldon District Council (2013): Economic Prosperity Strategy 2013-2029

⁷ <https://www.nomisweb.co.uk/reports/lmp/la/1946157218/report.aspx?town=maldon>

⁸ Based on Experian pH Megafire, as quoted in the Heart of Essex: Economic Futures Study (2012) which includes non-limited businesses, sole traders and partnerships

the East of England (0.77) and Great Britain (0.78)⁷. For comparison, the local authority areas with larger towns have much higher jobs densities i.e. Chelmsford Borough has a jobs density of 0.87, and Colchester Borough has a jobs density of 0.81.

Maldon District has a lower proportion of full-time jobs than the East of England and Great Britain (62.4% compared to 65.3% and 67.7%); and a commensurately higher proportion of part-time jobs (37.6% compared to 34.7% and 32.3%)⁷.

Data from the Business Register and Employment Survey (BRES) shows that between 2009 and 2013 both the number of employees and the numbers in employment⁹ in Maldon grew by 1%. This is slightly lower than the rate of increase in the East of England (where employees grew by 2% and employment by 1%) and Great Britain (where both employees and employment grew by 2%. In terms of local comparators, employees and employment grew by 2% over the same period in Chelmsford, but both by only 1% in Basildon.

Consultation messages

There is not a significant number of businesses threatening to leave Maldon District. Any loss of businesses is a function of natural churn, and is not seen as a structural decline. Heron Press, part of Wyndham Group, is currently in the process of closure with the loss of 170 jobs. Their building is not fit for purpose, but the business is closing due to wider market forces.

The Economic Prosperity Strategy identifies three distinct parts of the District's economy:

- The core towns of Maldon and Burnham-on-Crouch where there is concentrated economic activity, transport links and local amenities. Future growth will be concentrated in these towns
- The rural hinterland, with few large employers
- The commuter economy, based on movements of people to London, Chelmsford and Colchester.

It is noted that Maldon has an ageing population. According to the Economic Prosperity Strategy Evidence Base¹⁰ "this will create opportunities in the healthcare and care sectors, but may reduce the size of the working population" (p.1).

Consultation messages

There is potential demand for care homes due to the ageing population, although recent applications have been refused. This sector provides relatively low skilled and part-time employment, for which there is a demand. There is potential for the conversion of residential properties to care homes.

3.3 Key sectors

The Economic Prosperity Strategy⁶ claims that the District has a very diverse business base. Given the coastal nature of much of the District, the marine engineering sector is seen as a local strength. Tollsbury Marina has a number of small manufacturing businesses, many of which are related to the marina. These marine-related businesses are in part related to the tourism industry.

⁹ Employment includes employees plus the number of working owners i.e. self-employed people that are registered for VAT and PAYE schemes

¹⁰ Maldon District Council (2013) Economic Prosperity Strategy 2013-2029 Evidence Base (Draft)

Advanced manufacturing, construction, ICT and professional services are also claimed as local strengths. The District has some areas of food and drink specialisation, with Maldon Sea Salt, vineyards and breweries being noted.

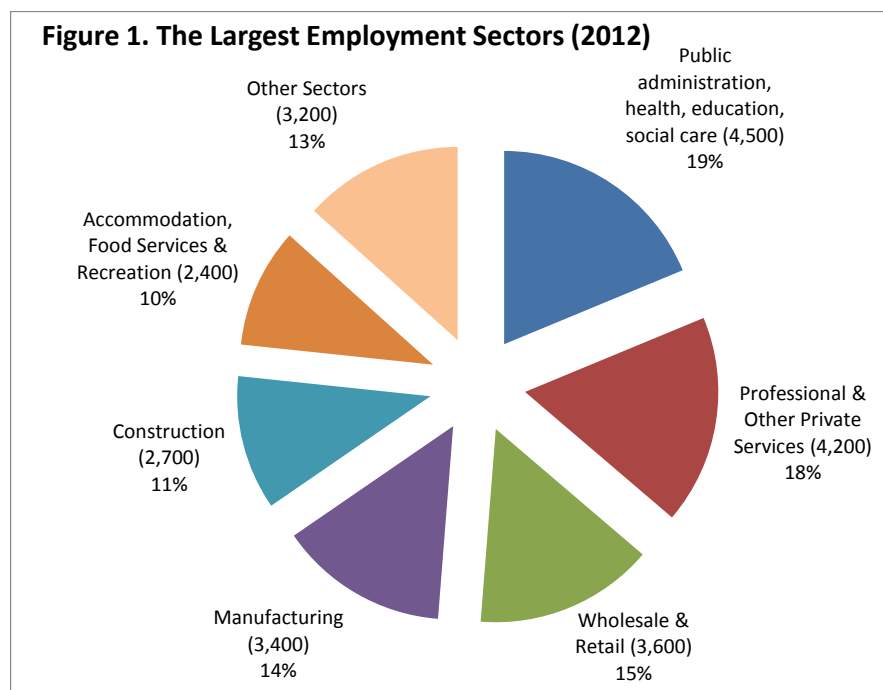
Consultation messages

The advanced manufacturing in Maldon has evolved from the manufacturing sector rather than being planned or driven by any particular factor. There are a number of advanced manufacturing businesses, but few links between them, and no functional business cluster. There is no particular driver of a cluster or network in advanced manufacturing in the District. Quite a few have a marine background. Most are ‘home grown.’

Maldon does not have any particular factors that draw inward investment into the District. There are other locations nearby that have more attractors such as accessibility, access to markets, size of labour force etc.

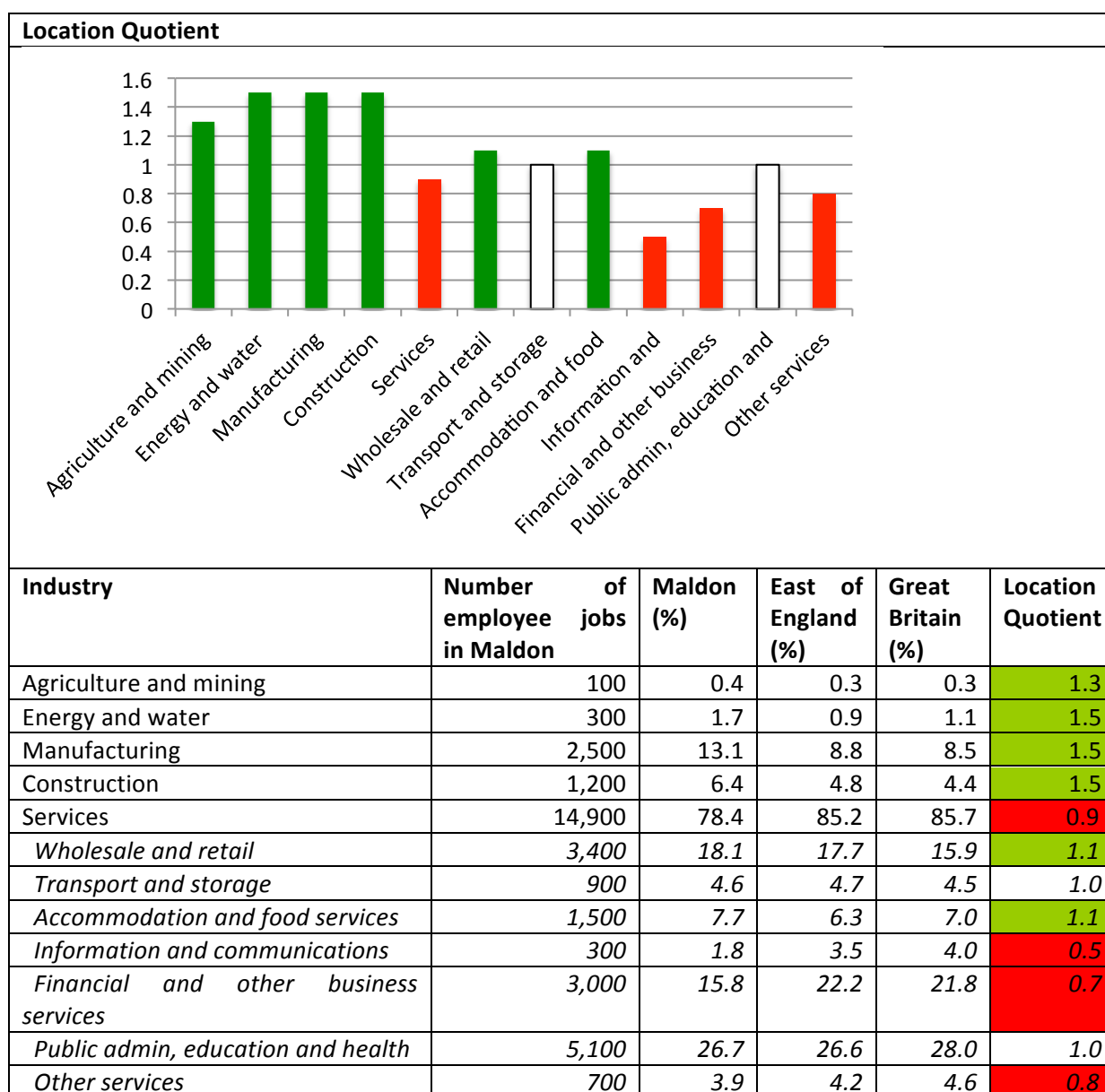
The figure below, taken from the Economic Prosperity Strategy shows the sectoral composition of the District’s economy.

Figure 3.1: Employment by Sector in Maldon District, 2012



More recent data from the ONS shows how the distribution of jobs by sector in Maldon compares to the East of England and Great Britain.

Figure 3.2: Employment by Sector in Maldon District, 2013



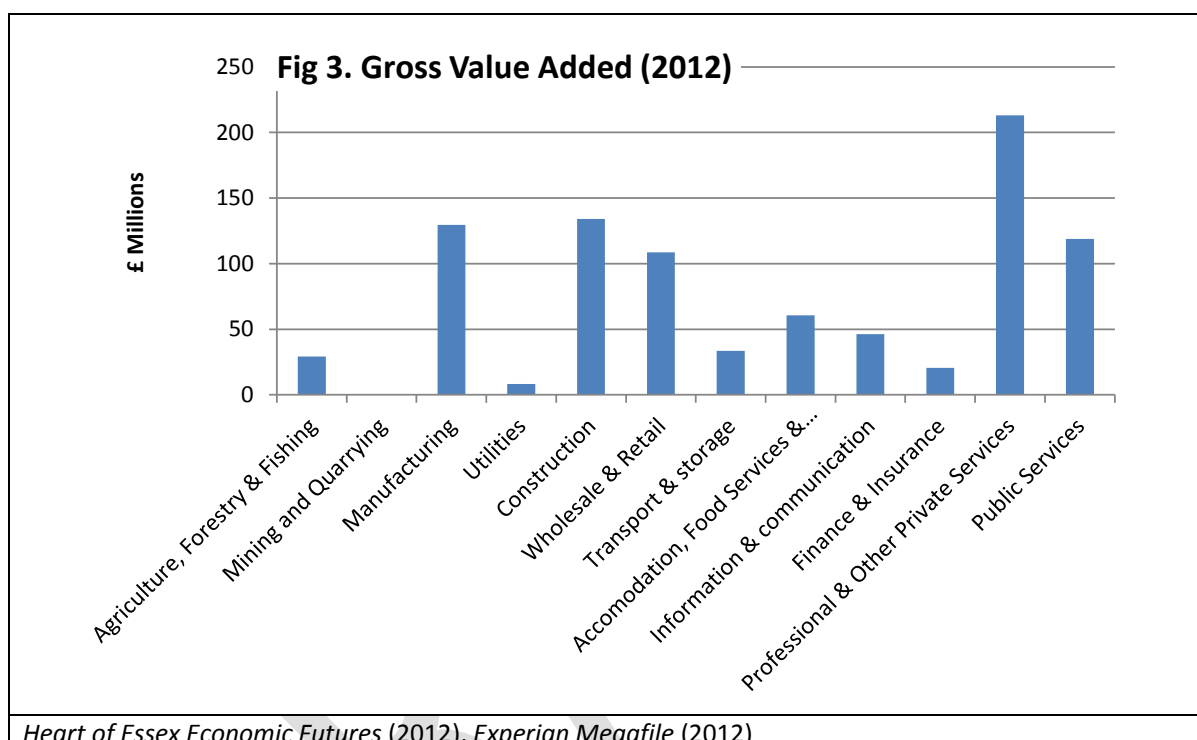
Source: ONS Business Register and Employment Survey, 2013

The relative strengths of Maldon District are in the primary services, manufacturing and construction. The District is relatively weaker in the service sector, with particular weaknesses in information and communications, financial & other business services, and other services.

Whilst Bradwell nuclear power station has been a significant source of employment in the past, intensive decommissioning is coming to an end and there are no plans for new development at the site in the foreseeable future. As well as the impact on direct employment, this cessation of decommissioning activity will also have an impact on the local leisure and accommodation sectors which have hosted many of the mobile workers who have been involved in this task.

The Economic Prosperity Strategy Evidence Base¹⁰ includes data on Gross Value Added (GVA) by sector in Maldon District (p.11)¹¹. This can be seen in the excerpt below.

Figure 3.3: Total Output (GVA) in Maldon District, 2012



This figure shows a similar picture to the employment data, but with a stronger emphasis on construction and professional & other private services.

The Economic Prosperity Study Evidence Base suggest that around 30% of the manufacturing sector in Maldon District is advanced manufacturing or high tech manufacturing (p.13). The study also claims that Maldon District has a higher concentration of employment in 'knowledge-driven production', with around the double the concentration of employment in this activity than Essex or nationally.

Tourism is a cross-cutting activity in the local economy rather than a distinct sector. The Economic Prosperity Strategy Evidence Base reports that tourism accounted for 5% of the District's GVA – i.e. £46 million – in 2010¹¹.

3.3.1 Town centres

Consultation messages

There are three aspects of Maldon town: the industrial quarter, the high street and the leisure quarter.

There has been lots of interest from large retailers in investing in the local area. There are currently lots of independent retailers, with a diversity of offer. The retail unit vacancy rate is not high. Small

¹¹ Albeit that the stated method for calculating GVA does not appear to be very robust

shops are let easily, but larger shops are harder to let. There is not a strong demand for more retail units.

Car parking charging in the town centre is an issue for local retailers

Maldon has lots of independent shops, which have been more robust in a recession. National retailers draw shoppers in to the town centre and this also brings benefit to independent retailers.

There are lots of service businesses in the town centre, providing services that you cant buy online.

3.3.2 Tourism and the visitor economy

Consultees have been keen to discuss the tourism and visitor economy, and its future potential. Important visitor assets include:

- The only surviving WW1 airfield in the UK
- The Combined Military Services Museum
- The 7th Century chapel of St Peter on the Wall at Bradwell
- Moot Hall, Beeleigh Abbey and Plume Library in Maldon
- Promenade Park in Maldon
- Burnham on Crouch is a sailing destination.

Maldon District is not generally recognised as a significant tourism destination (according to the Economic Prosperity Strategy Evidence Base, p.17). The accommodation sector (particularly in the Dengie Peninsula) has been reliant on workers involved in decommissioning at Bradwell, and this market will decline as the decommissioning comes to an end. Other businesses in other parts of the District focus on weddings, conferences and golf, which are seen as more resilient.

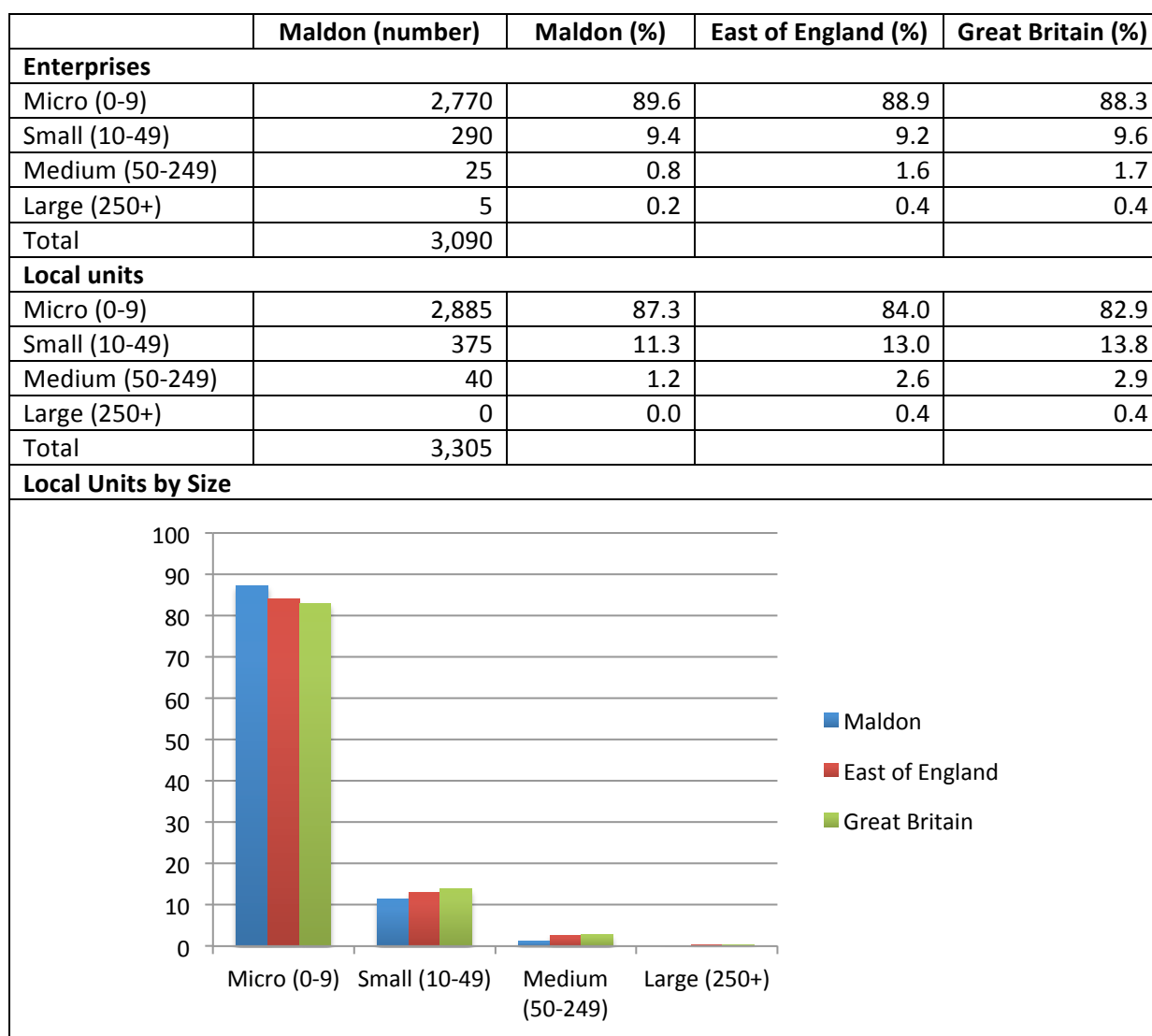
The Dengie Peninsula is looking to increase visitor numbers, particularly through the development of Wallisee Island, a new RSPB wetland area being created with construction waste from Crossrail. The coast has SSI and RAMSAR protection.

3.4 Business population structure

3.4.1 Business size

Although the Economic Prosperity Strategy claims 4,300 businesses in the District⁸, the ONS Inter-Departmental Business Register (2014) identifies 3,090 enterprises (i.e. autonomous business units), with 3,305 local units (or separate sites within the enterprises). Maldon District has slightly more micro *enterprises* than the East of England and Great Britain and slightly fewer large *enterprises*. It has more micro *units* and fewer large *units* than the East of England and Great Britain.

Figure 3.4: Businesses by Size in Maldon District, 2014



Source: ONS Inter Departmental Business Register, 2014

3.4.2 Entrepreneurialism

The Economic Prosperity Strategy Evidence Base (p.21) states that in 2011 Maldon District saw 7.2 new businesses registered per 1,000 residents; but 9.6 businesses closed per 1,000 residents. It placed Maldon District as fourth highest District of the 12 Essex Districts in terms of new business starts.

3.4.3 Change in local business units

ONS data on the change in the number of business units over the period from 2011 to 2014 shows that the total number of local units increased in Maldon by 120 or 4%. The largest increases were in micro business units (0 to 9 employees) which increased by 70 units, and small business units (10 to 49 employees), where the number increased by 65. Over the same period however, the total number of business units in the East of England and Great Britain both increased by 7%. This shows that the business unit growth rate during this period was lower in Maldon District than regionally and nationally.

3.5 The rural economy

According to the Economic Prosperity Strategy Evidence Base (p.18), agriculture forestry and fishing account for 7% of the District’s businesses and 3.5% of its employment. Arable farming is the most common type of farming in the District. There are a number of established and emerging vineyards in the District. There are a small number of large agri-businesses in the District, including Dengie Crops and Springstep Dairy.

The District is seen as a good location for renewable energy generation, including onshore wind and photo-voltaic energy production (EPS Evidence Base, p.19).

Consultation messages

Grape growing and wine production have strong growth potential. The Council is considering a bid for Leader funds to set up a bottling plant for the wine industry, to try and capture more value in the local economy.

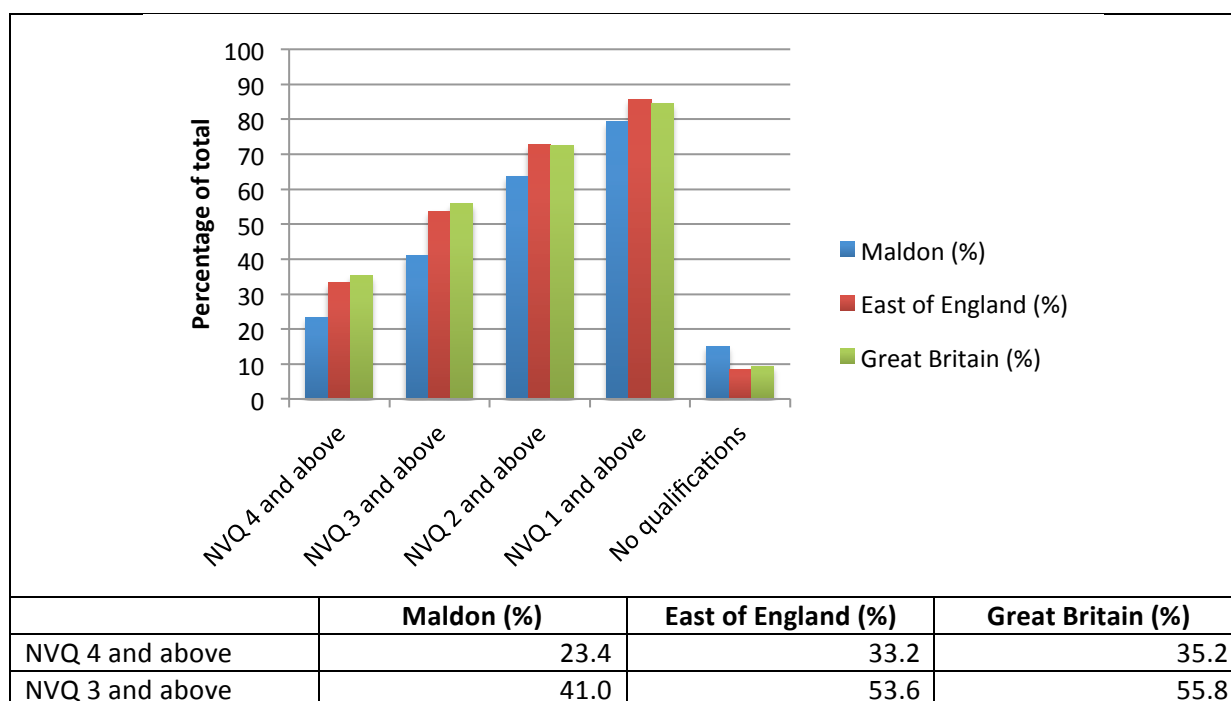
Windfarms don’t tend to create employment. There is some potential for employment in the construction of turbines, but the cancellation of the London Array project means that this is probably not a significant opportunity for the Maldon economy.

3.6 Workforce

3.6.1 Skills and qualifications

Skills and qualification levels are lower than the national average in Maldon. The ONS Annual Population Survey (January 2013 to December 2013)⁷ shows this starkly, as can be seen in the figure below.

Figure 3.5: Workforce Skills in Maldon District, 2014



NVQ 2 and above	63.7	72.7	72.5
NVQ 1 and above	79.3	85.8	84.4
No qualifications	15.0	8.4	9.3

Source: ONS Annual Population Survey July 2013 to June 2014

Data in the Economic Prosperity Strategy Evidence Base (p.23) shows a different set of figures, but with the same key message. However, the Evidence Base also suggests that the proportion of the population qualified to NVQ 4 had risen significantly from 2004 to 2011, at a higher rate of growth than for the East of England and Great Britain.

Consultation messages

Businesses that were consulted are struggling to recruit young people. The main problem is their attitude rather than qualifications. Insufficient desire to learn means that they are not valuable to the businesses.

3.6.2 Earnings and occupations

Data from the ONS Annual Survey of Hours and Earnings (2014)⁷ shows that both gross weekly pay and hourly pay by workplace are significantly lower than for the East of England and Great Britain.

Figure 3.6: Gross Weekly Pay by Workplace, 2014

	Maldon District (£)	East of England (£)	GB (£)
Gross weekly pay by workplace (full time workers)	490.1	505.8	520.2
Hourly pay (excluding overtime) by workplace (full time workers)	10.25	12.61	13.14

Source: ONS Annual Survey of Hours and Earnings, 2014

Data from the ONS Annual Survey of Hours and Earnings (2014)⁷ shows that both gross weekly pay and hourly pay by place of residence are higher for Maldon District residents than for the East of England and Great Britain.

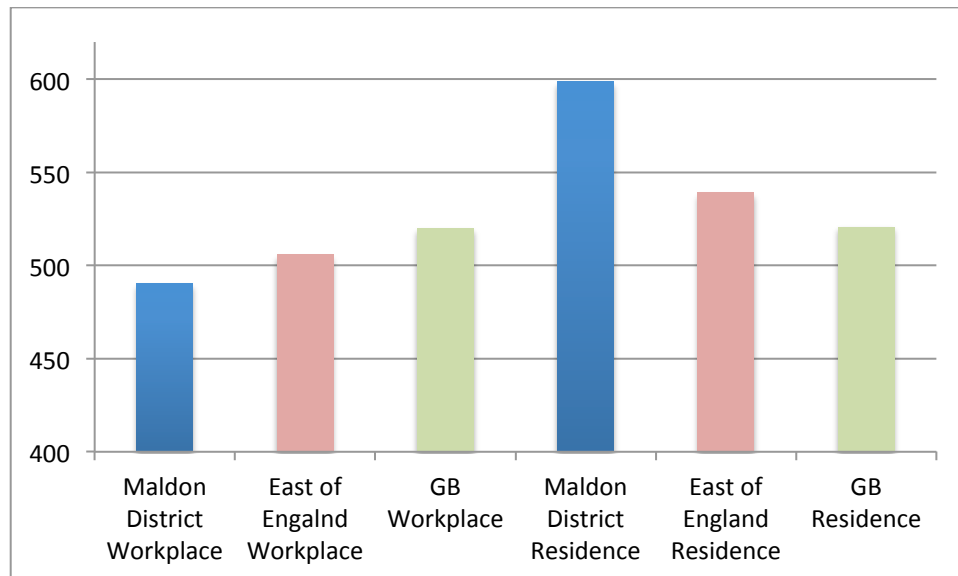
Figure 3.7: Gross Weekly Pay by Place of Residence, 2014

	Maldon District (£)	East of England (£)	GB (£)
Gross weekly pay by residence (full time workers)	598.6	539.1	520.8
Hourly pay (excluding overtime) by residence (full time workers)	15.34	13.62	13.15

Source: ONS Annual Survey of Hours and Earnings, 2014

The significant difference between workplace pay and residents' pay suggests that those living in Maldon District and working outside of the District (i.e. out-commuting) are earning more than those working in the District (whether local residents or in-commuters).

Figure 3.8: Workplace and Residence Based Pay (£ per week), 2014



Source: ONS Annual Survey of Hours and Earnings, 2014

According to the ONS Annual Population Survey (July 2013 to July 2014)⁷, Maldon District has significantly fewer jobs in the higher occupation groups (managers, director, senior officials, professional occupations, associate professionals and technical occupations) than the East of England or Great Britain (37.2% compared to 45.2% and 44.5%). It has a similar proportion of jobs in the next occupational groups (administrative & secretarial and skilled trades) than the East of England and Great Britain (21.4% compared to 22.3% and 21.4%); and more in the lower occupational groups (caring, leisure, other service occupations, sales, customer services, process plant & machinery operators and elementary occupations) than the East of England and Great Britain (41.4% compared to 32.5% and 34.1%).

Consultation messages

The local employers forum (presumably the Employment and Skills Board) claims that local businesses are having difficulty attracting people with the necessary skill levels. STEM training is required for local young people to help them to access opportunities in local (advanced) manufacturing businesses. Colchester Institute offers courses but they don't meet the needs of the employers that have been consulted.

There have been attempts to establish a vocational training centre in the local area, linked to local employers' needs, but this is unlikely to come to fruition. Businesses claim that there is not enough critical mass of learners with the same requirements to set up a skills centre in Maldon. It has been suggested that it could be developed to focus on tourism and rural industries, and an approach could be made to Writtle College or Anglia Ruskin University as a partner. Any vocational skills centre

should be employer led, but businesses are not engaging in this concept. Maldon District doesn't have a large amount of unmet training needs, as young people go elsewhere for their training.

There is potential to do more to coordinate and deliver training in the District, or improve transport links to places where training is currently delivered e.g. Chelmsford.

3.6.3 Unemployment and benefits claimants

Latest modelled data on unemployment in Maldon District (ONS Annual Population Survey, July 2013-June 2014) shows unemployment at 1,600 people or 4.7% of the economically active population. This is lower than for the East of England (5.4%) and Great Britain (6.8%). Some 440 people were claiming Jobseekers Allowance (JSA) in October 2014 (ONS Claimant Count), which at 1.2% of the claimant count and workforce jobs total is lower than for the East of England (1.5%) and Great Britain (2.1%). The total amount of key benefit claimants (identified by DWP, May 2014) at 3,400 (9.1% of working age residents) is proportionally lower than for the East of England (10.4%) and Great Britain (12.9%).

Consultation messages

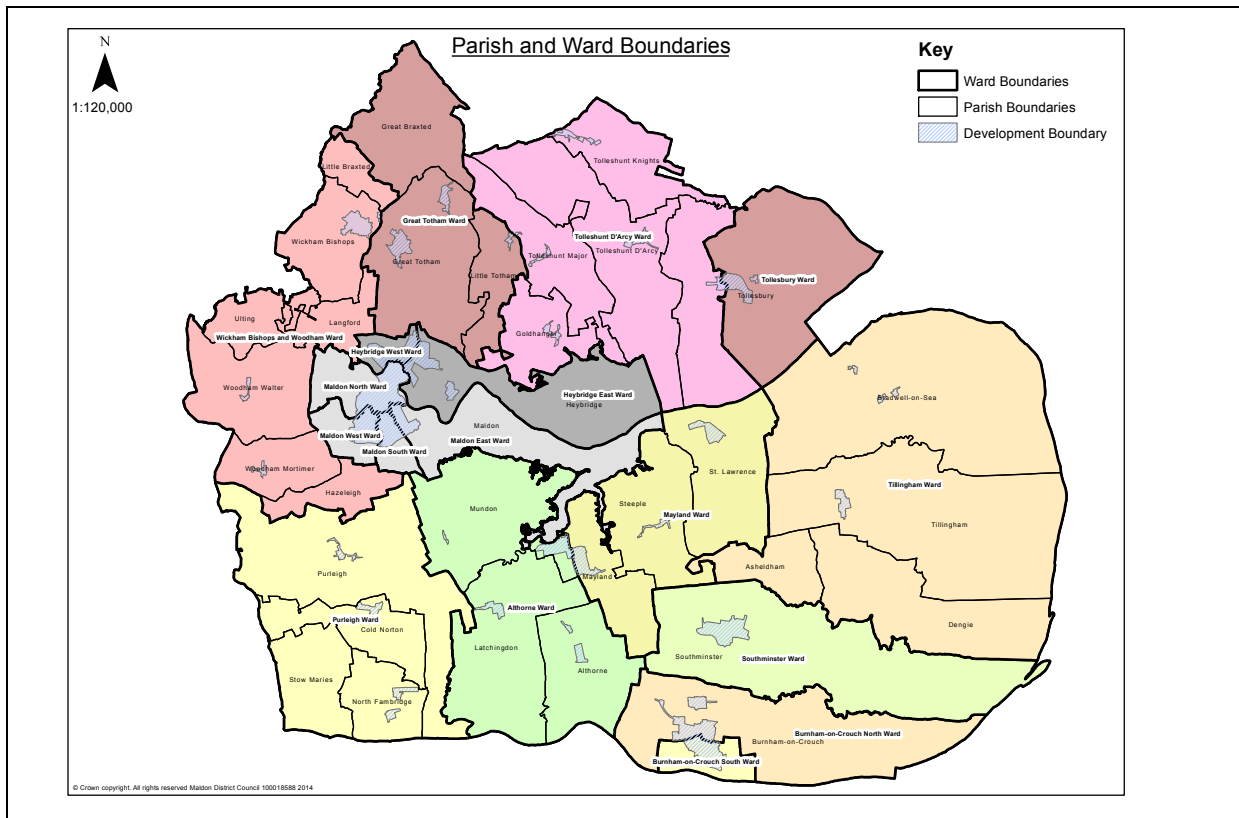
NEETs (young people Not in Education, Employment or Training) are a problem, but no worse than anywhere else. Young people have low aspirations and little entrepreneurial spirit. Young people are not starting new businesses.

3.7 Location of employment

The most significant employment locations in the District are Maldon, Heybridge and Burnham-on-Crouch. The distribution of employees and employment is shown by ward in the figure below.

Figure 3.9: Distribution of employment in Maldon District by wards

Wards	Employment ⁹	Percentage of total
Althorne	1,150	6
Burnham-on-Crouch (North and South)	1,850	9
Great Totham	850	4
Heybridge (East and West)	2,550	13
Maldon (North, East, South and West)	7,700	39
Mayland	500	2
Purleigh	1,000	5
Southminster	800	4
Tillingham	700	3
Tollesbury	500	2
Tolleshunt d'Arcy	1,250	6
Wickham Bishops and Woodham	1,150	6
	19,950	



Source: BRES, December 2014

Consultation messages

The Causeway area between Maldon and Heybridge is the largest concentration of businesses in the District. The development market wants to build mixed-use and housing here, but the District Council wants to maintain this as an employment area in order to maintain employment. There are policies in place to protect this area, and the boundaries have been tidied up to remove non-employment uses from the employment area.

Lots of the businesses located in the Causeway area are looking for new, more modern premises. Some businesses are considering leaving the District, so retention of existing businesses in an important issue. However, the demand for new premises is not necessarily linked to employment growth, but rather to employment retention.

New allocations of employment land, particularly in South Maldon may encourage some growth and new employment.

3.8 Retail

The Economic Prosperity Strategy Evidence Base claims that 8% of businesses in the District are in retail (p.14), with a higher concentration of independent shops than the national average. A separate retail study is being carried out for Maldon District Council by White Young Green.

3.9 Commuting

Some 8,000 local residents commute out of the District every day, and their gross weekly pay is around 30% higher than that of residents who work in the District. The Council aspires to reduce out-commuting by creating higher value jobs in the District.

Data from the 2001 Census (quoted in the 2009 Employment Land Review¹²) showed that 52% of Maldon's working age residents worked in Maldon – which is lower than, for example, Chelmsford at 59%, Colchester at 71% and Braintree at 57%.

3.10 Infrastructure and accessibility

Consultation messages

Whilst the District is reasonably accessible, the lack of strategic infrastructure has been suggested an important constraint to economic growth in the District.

Businesses that were consulted stated that transport links into the District need to be improved. In particular businesses have difficulty accessing the A12. Journey time and the windiness of the roads are a problem – especially for getting large lorries to Maldon. Road widening and by-passing villages such as Hatfield Peverell would be helpful.

Roads can be congested at peak commuting times. It is feared that additional housing in the District will cause more traffic congestion. Businesses thought that other local authorities may object to housing growth plans because of possibility of greater out-commuting.

Businesses have stated that it would be helpful to have a branch rail line to Maldon: to allow commuting into the District as well as out of it.

Telecoms and broadband infrastructure are poor in Maldon District.

Flooding in the Causeway area is a local weakness. Businesses with high technology and sensitive machinery are particularly vulnerable. Some businesses in the Causeway area need flood defences. Some sites need significant piling to make them developable.

Maldon District is not an attractive place for large businesses (because of transport/communications difficulties and the relatively small local labour force), but is more suitable for small businesses.

4 Sites, Premises and Infrastructure

An Employment Land Review was undertaken for Maldon District Council in 2009¹². The policy position has changed since then, with the revocation of the Regional Spatial Strategy (RSS) and the abandonment of the Regional Economic Strategy (RES). Under the RSS, Maldon was considered as part of the 'Rest of Essex', with a combined job growth target of 56,000 over the period 2001 to 2021.

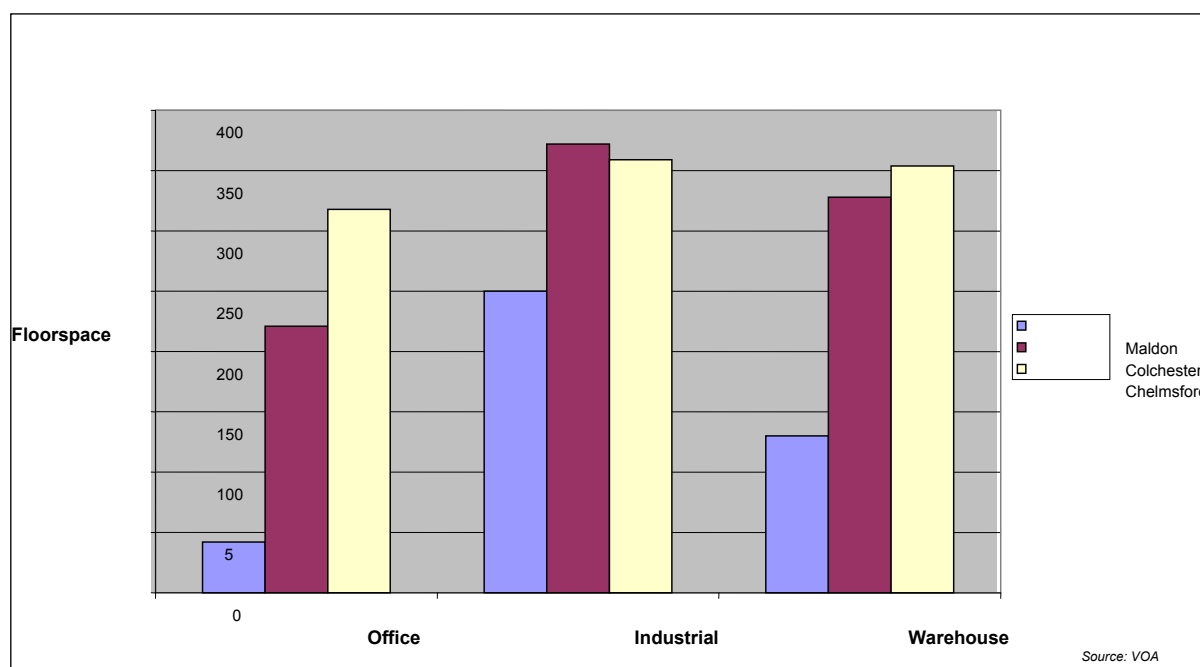
4.1 Employment sites and premises

The Employment Land Review (2009) showed the size of Maldon District's commercial floorspace stock in comparison to the nearest large towns of Colchester and Chelmsford. Maldon had significantly less offices and warehousing space than these comparators. This can be seen in the figure below.

Consultation message

There is low demand for offices in Maldon District.

Figure 4.1: Commercial Floorspace Stock



Source: *Employment Land Review, 2009*

The Employment Land Review suggests that industrial property take-up in Maldon District was around 8,000 sq m per year between 2004 and 2007 (para 4.19, p.40). This tended to be in smaller units of less than 500 sq m. Office take-up over this period was around 1,500 to 2,000 sq m per year, mostly in premises of less than 250 sq m. Larger office occupiers tend to look to Chelmsford and Colchester.

¹² Roger Tym & Partners and Fenn Wright (2009) Maldon District Employment Land Review

Warehouse rents, particularly on the Blackwater Trading Estate, Heybridge, tended to be lower than the Essex average, in part reflecting the quality of the stock (ELR para 4.22, p.40).

The main employment locations in Maldon District are:

- Maldon and Heybridge, including the Causeway area
- Burnham-on-Crouch
- Beckingham
- Latchingdon

The Employment Land Review included an assessment of 37 employment sites, covering just over 100 hectares of land. The existing stock was assessed as being of fair quality, but not sufficiently attractive to compete with more modern and better-located sites in adjacent districts (ELR para 5.8, p.49).

Some 12.3 hectares of potential sites were identified in 2009 (ELR para 5.13, p.50), but there was limited marketing of these sites taking place.

In summary, the 2009 Employment Land Review shows that although the overall quality of the stock in Maldon District was not high, occupation levels were good. Of 33 occupied industrial estates in the District, 18 were rated 'fair', eight were 'good', and seven were 'poor'.

Consultation messages

Some rural business centres have been successful.

Key companies in the local area want to grow but cannot e.g. Youngmans, Blackman & Whyte, Environmental Biotech. Providing/enabling new premises for them will safeguard local employment and potentially enable some growth.

The employment property stock is generally poor, ageing and not fit for purpose. There is too much focus on maintaining historic premises, which discourages developers. Conservation is sometimes given too much emphasis.

There is a lack of demand for some industrial site, e.g. the Southminster site was allocated for employment for 15 years, but there was no interest in developing it, so it was allowed to be redeveloped for residential. Sites in the Causeway area are under pressure for conversion to retail

No speculative employment development is taking place, but businesses want to move into ready built (new) premises. Residential development is needed to pump-prime any employment development.

There are no sites for heavy industry and 'bad neighbour' activities in the local area. There is potential for co-location of recycling and waste transfer operations in the District. There is a need for distinct and separate sites for businesses, sufficiently far from housing to avoid any restrictions to their operations. This could be allocated using a criteria-based policy for these uses rather than a spatial policy.

Local demand for industrial premises is driven by local business growth rather than significant inward investment. Inward investors to Maldon District are discouraged by the relatively poor accessibility. The local market tends to respond to local demand, albeit slowly. No speculative development of employment premises has taken place in recent years, so supply lags behind demand. Sites are sought after, but viability is marginal. There is demand from owner-occupiers.

Lots of premises nearing the end of their life, but it is not commercially viable to renew or update them because of insufficient return on this investment.

Premises in the Causeway area will let at cheap rents. There is a good churn of businesses here. Some retail development is taking place, which may drive up land values. There is a lack of good quality premises in the local market, but insufficient return to encourage speculative build.

4.1.1 Vacancies

Data on Non Domestic Rates (NDR) collection in 2014 provided by Maldon District Council shows that around 7.4% of all NDR properties were empty in mid 2014.

Consultation messages

Many small industrial sites have been changed to residential. In general there has been a lack of protection of industrial sites.

There is a need to protect good quality employment sites and provide high quality premises for new and growing businesses. There is potentially a need for an enterprise centre, which would require public intervention.

There are few available and suitable premises for local businesses to start-up. There is potential for Maldon District Council to invest in new start-up units, but it doesn't have the resources to do this.

4.1.2 Deliverability

Consultation messages

Any planning gain/Section 106 contributions are likely to be spent on flood alleviation, to the north of Heybridge, and affordable housing. There are no plans in place to use developer contributions to support employment development. Local labour requirements could be put in place for developers. There is potential to train local people in order that they can access local construction employment opportunities.

4.2 Infrastructure

Consultation messages

There are two main routes into Maldon District, with congestion pinch points on each. There are rail lines to the London, to the north and in the south of the District. Hatfield Peverall and Witham are main station links to London, to the north of the District.

Maldon District is relatively inaccessible from the A12, and businesses want to be closer to the A12. Further distance and time increases travel and haulage costs and can affect driving hours

It is believed that Chelmsford Council is objecting to the draft Maldon Local Plan because of the likely increase in out-commuting.

5 Economic Vision and Strategy

This chapter considers economic visions and strategies that will affect the future economic growth of Maldon District.

5.1 Maldon District

Maldon District Council has set out its growth aspirations in its Pre-Submission Draft Local Development Plan¹³ and its Economic Prosperity Strategy⁶. Core to the Economic Prosperity Strategy are the twin objectives of economic prosperity and quality of life, with quality of life being identified as “one of the District’s greatest economic strengths.” (p.2).

The economic vision for the District is to:

Maintain a vibrant and competitive economy, balancing the needs of industry and prosperity whilst sustaining a high quality of life, increasing incomes and promoting the Maldon District as a great place to live, play, work and do business.

The main areas of activity that are intended to deliver this vision are set out in the Economic Growth Strategy. They are discussed below.

5.1.1 Promoting Maldon District

The Council will market and promote the District.

5.1.2 Business growth, earnings and housing affordability

The Council will seek to promote both lower skilled and higher skilled employment, to create more local jobs as well as improve the quality of jobs in Maldon District. The Council intends to promote rural enterprise and the visitor economy through the Dengie Gateway Programme. Investment will be made into Burnham-on-Crouch as the gateway to a number of tourist attractions in this area.

The Council intends to work with a private sector partner to provide support to new-start businesses. This will be complemented with support for a business incubation/enterprise centre. The Council will provide support to existing businesses, including the provision of links to existing sources of business support and business rate relief schemes. The Council also intends to support Think Local, which aims to promote local businesses.

The Council proposes to maintain a database of employment land and premises, with a particular view to attracting inward investment to the District.

5.1.3 Key growth sectors

The Council will work with *Invest in Essex* to attract investment in sectors with strong growth prospects. These are proposed as:

¹³ Maldon District Council (2014): Maldon District Pre-Submission Local Development Plan 2014-2029

- High-tech manufacturing, low carbon engineering and design. In particular, computers and electronics products are identified as a future growth opportunity, along with specialist plastics manufacturing
- Professional services
- ICT
- Administrative and business services
- Education and training services
- Leisure, food services and short-stay accommodation services;
- Residential care and health care. This is driven in particular by the ageing population
- Agriculture related activities, particularly related to vineyards

The Council intends to support the growth of the visitor economy, with the aim of encouraging visitors to stay longer and spend more.

5.1.4 Employment land and premises

The Council recognises that much of the employment land and premises stock in the District is poor quality. Local businesses with high growth potential are citing the lack of employment sites as a significant barrier to growth. The Council will seek to support the regeneration of existing employment sites and the delivery of high quality new sites in accessible locations. This is stated as *“the most pressing economic challenge facing the District”* (Economic Prosperity Strategy p.13). The Council is seeking to influence the regeneration of the Causeway industrial area in Heybridge to bring forward new employment premises, and diversify the range of uses where appropriate. This is intended to retain existing employment as well as enable new employment. The Council intends to support new employment areas in more accessible locations. The Economic Prosperity Strategy suggests the need for six hectares of new employment land. The Council will also support the regeneration of other employment sites.

Consultation message

Need greater focus on sites that are accessible to the A12.

5.1.5 Skills and workforce development

Skills and educational attainment levels are lower than UK averages, and there remains significant need for improvement. It has been suggested that there is a growing mismatch between the skills needs of employers and the skills of the resident workforce. The Council will work to improve local skills and education levels, including a better match of skills to employers’ needs, extending employer-school engagement programmes, promoting apprenticeships and up-skilling/re-skilling adults.

Consultation message

The ageing population means that it is difficult to maintain the size of the workforce, let alone grow the workforce from the local resident population.

5.1.6 Road connectivity

Although the road infrastructure linking Maldon District to the main transport network and larger towns is constrained, the Economic Prosperity Strategy states that major road infrastructure works are unlikely. However, there are proposals in the SELEP Growth Deal bid that could lead to road infrastructure improvements in Maldon District.

5.1.7 Broadband connectivity

The Council will support efforts to roll out superfast broadband throughout the District.

5.1.8 Draft Local Development Plan Policies

In the Pre-Submission Draft of the Local Development Plan¹³ there are a number of policy areas related directly to future economic growth. These are discussed briefly below.

Policy E1 on employment seeks to support the creation of 2,000 net additional jobs through:

- Retaining, protecting and supporting further (suitable) employment on existing employment sites
- Improving the quality of the employment land and premises stock, including through the de-allocation of unsuitable sites
- Supporting and encouraging employment development on three new employment sites

Policy E4 on agricultural and rural diversification enables diversification where this is the most appropriate option.

Policy E5 on tourism supports the development of new tourist attractions, facilities and accommodation where appropriate; and protects good quality tourism provision.

5.1.9 Tourism

Tourism is a growth potential sector, and one which was raised by a number of consultees. It is particularly important in the southern part of the District as has been identified as a response to the loss of economic activity from the Bradwell power station.

Consultation messages

Tourism in Maldon is currently dominated by day visitors, and there is potential to encourage more staying visitors. This will require an improvement in the accommodation stock in the area, and there has been some interest in developing a Premier Inn in the Causeway area.

There are a number of attractions that have been highlighted as drivers of the growth in the tourism sector:

- *Maldon District has a WW1 airfield, which has won awards as a tourism attraction. There is potential to increase the scale of this attraction*
- *Wallisee Island will be developed into a tourist destination operated by the RSPB, with the provision of facilities for visitors. There will be a ferry to the island from Burnham-on-Crouch, which can be accessed by train to Burnham from London. A bid has been submitted to the Coastal Communities Fund to improve the environment in Burnham and to attract more businesses to this location*
- *There is potential for a restaurant-based food trail in Maldon District*

- *There is potential to encourage tourist attractions to work together to develop common branding and marketing; and potential for a historic sites trail.*
- *Langford Waterworks includes a museum and railway line, and has potential to be developed as a tourist attraction. It could be linked to Colchester by cycle path. The canal could be developed as more of a tourist attraction*
- *Promenade Park has quarter of a million visitors per year, and attracts day visitors from outside the local area. There is potential for the regeneration of Hythe Quay, mini golf facilities, tearoom and splash park. The relocation of the Combined Forces Museum from the Causeway area has been suggested. Maldon Mud Race attracts profile to the local area.*

5.2 Economic Growth Targets

The Economic Prosperity Strategy sets out a number of growth targets for the period from 2013 to 2029. These include:

- Creating 2,000 net additional jobs, in addition to the current 24,000 locally based jobs. This target is also stated in Policy E1 of the Pre-Submission Draft Local Plan¹³. However, the basis on which this number has been calculated is not robust and is unlikely to stand up in a Local Plan Inquiry
- Improving the quality of commercial and industrial premises, with the percentage of employment sites rated as ‘good’ rising from 25% to 35%
- The growth rate in the business stock to place Maldon within the middle 20% of Districts on a national basis. It is currently in the lowest 40%
- Average gross weekly workforce pay to match the national average. In 2012 it was slightly below the national average
- The composite measure of workforce skills (Local Futures) to place Maldon in the middle 20% of Districts nationally. It is currently in the lowest 20%
- Access to high speed broadband (24Mbps) for 90% of the District’s businesses and homes

5.3 Future Growth Scenarios

The Heart of Essex Economic Futures¹⁴ report considers several future growth scenarios for Maldon, including:

- A dwelling constrained scenario, based on 200 new dwellings per year. In this scenario the working age population declines, and employment declines by 400 over the Plan period. However, the number of new dwellings established in the Local Plan is likely to be much higher than this, and dwellings constrained scenarios are not considered acceptable in Local Plan Examinations
- A new nuclear scenario which assumes the development of a new nuclear power station at Bradwell. This results in 2,600 net additional local jobs over the Plan period, but this will not be realised as there are no plans to build the power station in the foreseeable future
- A key sector growth based scenario (without the nuclear power station). This assumes 1,200 net additional jobs over the Plan period, but is also based on a dwellings constrained labour supply, which is not acceptable

¹⁴ Experian and Nathaniel Lichfield & Partners (2012) The Heart of Essex: Economic Futures Study

Neither of the two more likely scenarios produces the 2,000 net additional jobs targeted in the Economic Prosperity Strategy, and none of the scenarios is likely to be considered acceptable in a Local Plan Examination.

5.4 Delivering growth in Maldon

The Economic Prosperity Strategy Evidence Base¹⁰ (p.36) identified seven enablers of economic growth and assessed these in Maldon. The results are summarised in the figure below.

Figure 4.1: Enablers of Growth in Maldon

Enabler	Assessment of Maldon
Skilled workforce	Weak, but improving
Connectivity	Medium (and poor in the rural east of the District)
Innovation in firms	Medium-strong
Diversity of business base	Medium
Capacity to implement long-term strategies	Weak
Quality of life	Strong-medium
Availability and cost of business premises	Medium-weak

5.5 Sub Regional Growth Aspirations

The Heart of Essex partnership comprises Maldon District Council, Brentwood Borough Council and Chelmsford City Council. The partnership commissioned an economic futures study in 2012¹⁵. The study considered two future growth scenarios: one based on dwelling constraints; and the other based on sector growth potential, but building on dwellings constraints. However, neither of these would be considered as robust in a Local Plan Examination as dwelling-constrained scenarios are not generally accepted. Nevertheless, the study suggests employment growth in Maldon District (to 2031) of minus 400 in the dwelling constrained scenario and plus 2,800 in the sector-derived scenario. The employment decline in the first scenario is due to the ageing of the population and subsequent decline in workforce numbers.

At the sub-regional level, this study suggested that over two-thirds of the area's total employment growth is expected to take place in Chelmsford, with between one-third and one-fifth in Brentwood, and up to one-tenth in Maldon District. This clearly shows that sub-regional growth is expected to be concentrated in Chelmsford.

An earlier growth study undertaken for the Mid Essex Authorities in 2006¹⁶. This report focused on driving up productivity per resident and the competitiveness of the Mid Essex economy.

The Haven Gateway partnership is focused on promoting economic growth through the drivers of the Haven ports, the associated transport infrastructure and the major towns in the hinterland. Maldon District is peripheral to these objectives.

Consultation messages

¹⁵ Nathaniel Lichfield & Partners and Experian (June 2012) The Heart of Essex: Economic Futures Study

¹⁶ University of the West of England (2006) The Mid Essex Economic Futures Assessment

Colchester and Chelmsford are growth poles in the wider local area. There is lots of growth taking place to the north of Chelmsford, including a new station. Maldon has stronger links to Chelmsford than Colchester. It also has some links to outer north east London e.g. Romford.

5.6 County and LEP Growth Plans

There is close integration between the growth plans for Essex County and the South East LEP.

5.6.1 Economic Plan for Essex

The latest draft of the Economic Plan for Essex¹⁷ was published in April 2014, with a further update expected in the future. This sets out the Essex contributions to the SELEP programme of activity (discussed below). The main targets for the Economic Plan are:

- Around 118,000 new jobs by 2021
- Over 80,000 new homes by 2021

Actions to enable this growth help to address a number of issues. These are:

- Enhancing the Essex workforce
- Unlocking growth in strategic corridors. This involves transport and broadband improvements
- Enhancing productivity
- Improving the reputation of Essex as a location for investment and growth
- Overcoming local resistance to growth
- Improving public sector partners' capacity to support growth

It is important to note that this Plan focuses on growth corridors, but Chelmsford is also identified as an important regional centre (para 90, p.29).

The South East Fund (SEFUND) is a real estate investment fund that brings together private, public and EU funds to invest in high quality infrastructure. This will be recyclable funding into real estate development projects. It is intended to accelerate the delivery of existing projects or deliver schemes that would not otherwise have happened.

5.6.2 South East Local Enterprise Partnership

The South East LEP (SELEP) covers an area significantly greater than Maldon District, and covers a very varied socio-economic area. The LEP has prepared a Strategic Economic Plan and Growth Deal submission to Government¹⁸. The ambitions of the LEP are to:

- Enable the creation of 200,000 sustainable private sector jobs over the decade to 2021
- Complete 100,000 new homes by 2021
- Lever £10 billion of investment

However, two of the SELEP's strategic objectives are pertinent to Maldon:

- Promote investment in our coastal communities

¹⁷ Essex County Council (April 2014) Economic Plan for Essex

¹⁸ South East LEP (March 2014) Growth Deal and Strategic Economic Plan

- Strengthen our rural economy

Within the overall South East Growth Deal is an Essex County Growth Deal. There are a number of projects within this that will support growth in Maldon District, including several transport projects:

- A414 Maldon to Chelmsford Route Based Strategy due for completion by 2018. There is commitment to delivering this project
- B1022 Colchester to Maldon Route Based Strategy due for completion by 2020
- Maldon Pinch Point Programme due for completion by 2019

Also included is the Causeway Regeneration Programme including the masterplanning of this area, which is projected for completion by 2021. A feasibility study into this project has recently been commissioned.

6 Clusters and Networks

Maldon District does not have any strong clusters or specialised activities. It is a broad and varied economy. As mentioned above, the marine engineering sector is seen as a local strength. Advanced manufacturing, construction, ICT and professional services are also claimed as local strengths. The District has some areas of food and drink specialisation, with Maldon Sea Salt, vineyards and breweries being noted⁶.

Consultation messages

Maldon and Heybridge have some advanced manufacturing in a number of industries including fibre optics, electronics, microchip manufacture and marine related (e.g. navigational equipment). There are also some specialist food and drink producers including Maldon Salt. There are some flour mills, and vineyards and biomass crops are also strong sectors.

However, there don't appear to be many linkages between these businesses and hence no clustering or agglomeration effects or benefits. Reasons given for the location of advanced manufacturing businesses include proximity to London and cheap premises.

There are few large office-occupying businesses or sectors in Maldon.

7 Future Drivers and Constraints to Growth

This chapter considers those factors that will drive future growth in the District, and those which will constrain that growth.

7.1 Drivers of growth

There are a number of potential drivers of future economic development in Maldon District, but none is likely to promote significant structural economic change. Therefore, future economic growth is likely to promote an economic structure that is similar in nature to the current economy. The main drivers of economic growth are set out below.

7.1.1 Quality of life

Many businesses are located in Maldon District because of the quality of life for the owners and employees of those businesses. Maintaining that quality of life is important to stimulating future economic growth. Quality of life should be used to maintain and growth those businesses that are already located in Maldon District, and encourage and support local residents (or incoming residents) to start high quality and high growth business in the District.

7.1.2 Regeneration of the Causeway area

The regeneration of the Causeway area is identified as a project in the Local Plan and is listed in the SELEP Growth Deal bid. A study has been commissioned into the future development of the Causeway area. It is noted that¹⁹:

Large scale Compulsory Acquisition is not an option nor is seeking to achieve the type and scale of uses that may be attracted to premier sites adjacent to Trunk Road interchanges. Nor, currently, is the market likely to drive wholesale redevelopment.

The brief states:

The purpose of the project is to build upon the Maldon Central Area intermediate plan to consider the development potential of the Causeway industrial area between Maldon and Heybridge. The study will consider a range of projects and initiatives to improve the area with the aim of retaining current businesses, understanding their longer term aspirations and attracting new occupiers.

The objectives of the study are to: meet the needs of existing businesses, in order to retain existing employment; attract new businesses in higher value sectors; consider the development of an employer-led vocational skills training centre; and increase the attractiveness of the area.

7.1.3 Allocation of new employment sites

As well as the regeneration and improvement of existing sites there are proposals for the allocation of three new employment sites within the District, and two of these are part of plans for larger mixed-use developments. These are:

¹⁹ Essex County Council and Maldon District Council (September 2014) The Causeway Industrial Area, Maldon: Project Brief

- 3.4 hectare extension to Burnham Business Park at Burnham-on-Crouch for B1, B2 and B8 uses
- 0.5 hectares of employment land at Wyke Hill (north) for B1 and B2 uses
- 4.5 hectares of employment land at Wyke Hill (south) for B1, B2 and B8 uses

7.1.4 Business support and an innovation centre

The Council has prioritised business support in its Economic Growth Strategy. It has also referred to the potential for developing an innovation centre, but there are no detailed plans in place to deliver this.

7.1.5 Promotion of the visitor economy

As part of the promotion of business growth in Maldon District, there is particular interest in promoting tourism and the visitor economy. This is largely part of the response to end of decommissioning work at the Bradwell power station, and so efforts to promote the visitor economy are more prevalent in the south of the District and the Dengie peninsula.

7.1.6 Transport improvements supporting broader growth

There are three proposed projects for improving transport infrastructure in Maldon District, and its links to the strategic highway network. At least one of these is definitely going ahead.

Transport improvements may make Maldon District more attractive to further investment by existing businesses, or investment from inward investors. Transport improvements may also enable further out-commuting, which is a significant source of employment for residents of Maldon District.

7.2 Constraints to economic growth

7.2.1 Difficulty attracting large employers and inward investors

Maldon does not have large employers and has not attracted large inward investment projects in the past. It is not linked directly to the strategic highways network, and mainline rail links are limited. Maldon District does not have a large resident workforce, and there are no clusters or networks of high value businesses already established in the District. For these reasons, large employers and mobile inward investment projects have tended to locate elsewhere. Directly overcoming these constraints is a very long-term ambition, so in the short to medium term efforts to promote economic growth in Maldon District should concentrate on: growing existing businesses; increasing the quality of existing businesses; encouraging local residents to start new businesses; and attracting smaller businesses into the area that are less reliant on high capacity transport links.

7.2.2 Transport and other infrastructure

The constraints associated with the transport network and other infrastructure have been extensively discussed above. Some investment may take place, which could improve the quality of transport and other infrastructure. However, efforts to grow the local economy should recognise this constraint and should be focused on businesses that are less dependent on high speed, high capacity transport linkages.

7.2.3 Workforce

The quality of the workforce is relatively low. Efforts need to be made to improve the workforce quality, either through the provision of training and skills in the District, or through improving

accessibility to training and skills outside the District. Training and skills provision needs to respond to local employers' needs if local businesses are going to be supported to grow and improve their quality.

7.2.4 Property stock

The industrial property stock is relatively low quality. This is constraining the ability of local businesses to grow, as they cannot find high quality, suitable premises. Whilst market led and speculative development is limited, this situation will not improve quickly. There is potential for the development of new industrial property on newly allocated sites in the District. Plans are being developed for the regeneration of the main Causeway industrial area, but funding will need to be found to enable this development to take place.

8 SWOT Analysis

This chapter provides an overview SWOT analysis of the Maldon District economy.

8.1 Strengths

Quality of life

- Good quality of life attracts people and businesses to Maldon, and keeps them in the District

Business base

- Diverse business base
- Relatively healthy business start-up rate
- Independent retailers in Maldon town centre have tended to be more robust in the recession

Earnings and unemployment

- Residents' earnings are higher than the regional and national averages (but this is due to out-commuting rather than high paying jobs in Maldon)
- Relatively low unemployment

Other strengths identified in the Heart of Essex Economic Futures study include:

- Significant growth in the professional, scientific and technical sectors
- Retail hub sustaining significant levels of local employment
- Strong presence of education and health sectors, identified as having significant growth potential
- Resilience of the business base, with low level of insolvencies, and the highest adaptive capacity within Heart of Essex

8.2 Weaknesses

Quality of employment

- High level of out-commuting to other Districts for work, particularly to Chelmsford
- Workplace earnings are lower than the regional or national averages
- Maldon has fewer jobs in higher quality occupations and more jobs in lower quality occupations
- Relatively low job density (i.e. low number of jobs compared to the working age population)
- Less full-time jobs and more part-time jobs than regionally and nationally
- Lower rate of growth in employees and employment than regionally or nationally (2009-2013)
- Lower rate of growth in businesses than regionally or nationally (2011-2014)
- No strong clusters of inter-linked businesses. The advanced manufacturing businesses in the local area are not part of a cluster
- Parts of the tourism and accommodation sector (particularly in the south of the District) have been reliant on workers involved in the decommissioning of the Bradwell power station, and this is coming to an end

Population and workforce

- Lower proportion of the population are of working age than regionally and nationally
- Relatively lower skilled working population
- Businesses believe that many people have unsuitable attitudes as well as poor skills

Infrastructure and accessibility

- Relatively poor accessibility to the strategic transport network (road and rail): impacts on businesses and commuting
- Relatively poor telecoms and broadband infrastructure
- Vulnerability to flooding in the Causeway industrial area
- Relatively poor quality industrial property stock
- There are few flexible employment sites suitable for new start businesses
- Maldon District is not particularly attractive to mobile and footloose inward investors

Other weaknesses identified in the Heart of Essex Economic Futures study include:

- Reliance on public sector for employment (accounting for a fifth of all employment) leaves Maldon vulnerable to further public sector cuts

8.3 Opportunities

- There is potential to increase the economic impact of the tourism sector by growing visitor numbers, and increasing the spend per visitor, although this will require investment in infrastructure and training in the sector
- There is potential for adding value to the agricultural sector through processing e.g. wine bottling
- There is potential for more renewable energy generation in the rural parts of the District
- The County Economic Plan and SELEP Growth Deal bid have proposed transport improvement projects for Maldon District, and investment in the Causeway industrial area

Other opportunities identified in the Heart of Essex Economic Futures study include:

- High proportion of small businesses (albeit not much higher than elsewhere) provides an opportunity to flourish and generate employment provided appropriate support
- High levels of entrepreneurialism and self employment providing opportunities for sustainable future growth
- Potential to boost sustainable, nature based and historic tourism given the quality of the environment

8.4 Threats

- As well as having a lower proportion of the population of working age, the population of Maldon District is ageing
- Car parking charges in the town centre may discourage shoppers and visitors
- The lack of available high quality industrial premises is restricting the growth of existing businesses
- Current market rents do not enable landlords to invest in improving their stock
- The local market cannot deliver speculative industrial and commercial property developments
- Chelmsford is an attractive growth location and is forecast to attract a large proportion of future growth in the sub-region, which might displace growth that could otherwise have come to Maldon District

- Further out-commuting could be constrained by the capacity of the road network

Other threats identified in the Heart of Essex Economic Futures study include:

- Production and manufacturing represent key sectors in Maldon – but have shown strong recent decline
- The construction sector has experienced decline in employment and output during the economic downturn
- Relatively high proportion of businesses in agriculture sector – but this sector has experienced rapid recent declines
- Prevalence of small businesses which face challenges to survive and grow



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Economic Development, Regeneration & Sustainability

Maldon District Council LDP: Employment Evidence and Policy Update

Appendix 3: Economic Forecasts and Modelling

Prepared for Maldon District Council

May 2015

Contents

1	Introduction	1
2	Methodology.....	2
3	Maldon District’s Economic Growth Forecasts in Context.....	6
4	Estimating Future Sites & Premises Requirements.....	13
5	Testing the Results	21
	Appendix 1: Detailed Methodological Assumptions.....	25
	Appendix 2: Detailed Data Tables.....	29

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1 Introduction

1.1 Purpose

This background paper sets out the analysis to assess future employment sites and premises requirements in Maldon District over the Local Plan period 2014-29. The results inform the wider Employment Evidence and Policy Update used to inform the Maldon District Local Plan.

1.2 Overarching Principles

The assessment of future requirements contained within this report is not designed to be a detailed prediction of exactly what will happen in the future in Maldon District. Any exercise which includes an element of forecasting includes substantial risk and uncertainty. Therefore, the results of this exercise are not intended to be the basis of a 'predict and provide' policy response. Rather, the approach is designed to bring together available evidence in order that there is a clear basis on which to consider policy options, in conjunction with other complementary, or potentially competing evidence. In particular, the method has been designed in line with national policy and best practice guidance to help inform the development of the Maldon District Local Plan, specifically to inform policies around the provision of land for employment. Policies should be regularly reviewed in the light of new evidence and the passing of time as part of the on-going planning policy development and review process.

1.3 Geographic Designations

The analysis is focused on Maldon District. However, it is important that this is considered in the context of the functional economic market areas (FEMAs) in which the district is located. This aligns to the Planning Practice Guidance. Maldon's FEMA is discussed in more detail at Chapter 3 of the main report. Issues from across the FEMA have been used to inform scenario development and testing.

2 Methodology

2.1 Overview and Official Guidance

The method employed to assess future requirements has been developed over many years and is aligned to the principles set out in the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).

Paragraph 21 of the NPPF states that:

Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing. In drawing up Local Plans, local planning authorities should:

- *set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;*
- *set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- *support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;*
- *plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;*
- *identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and*
- *facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.*

The PPG states that:

Need for all land uses should address ...the ... quantity of economic development floorspace needed based on quantitative assessments, but also on an understanding of the qualitative requirements of each market segment.

Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.

Plan makers should consider forecasts of quantitative and qualitative need (i.e. the number of units and amount of floorspace for other uses needed) but also its particular characteristics (eg footprint of economic uses and proximity to infrastructure). The key output is an estimate of the scale of future needs, broken down by economic sectors.

Local authorities should develop an idea of future needs based on a range of data which is current and robust. Authorities will need to take account of business cycles and make use of forecasts and surveys to assess employment land requirements.

Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible. Market segments should be identified within the employment property market so that need can be identified for the type of employment land advocated.

The available stock of land should be compared with the particular requirements of the area so that 'gaps' in local employment land provision can be identified

Plan makers should consider:

- *sectoral and employment forecasts and projections (labour demand);*
- *demographically derived assessments of future employment needs (labour supply techniques);*
- *analyses based on the past take-up of employment land and property and/or future property market requirements;*
- *consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.*

The underlying principle is to acknowledge the range of available evidence and the inherent uncertainty. In so doing, various factors can be brought together to give a balanced view of future requirements. As a result, whilst there are elements of this approach which are quantitative and could be viewed as mechanistic, these must be balanced and adjusted in line with other available qualitative evidence to ensure the approach and the interpretation of the results are appropriate to the characteristics of the area of focus.

The key components of method employed are:

- A consideration of the likely pattern of economic growth in the area based on economic and employment forecasts giving an indication of labour demand and sectoral patterns of growth, set in the context of wider sub-regional and national growth trends;
- A consideration of the potential change in labour supply as a result of changes in the demographics of the area and likely changes in patterns of economic activity;
- A consideration of key economic policy ambitions, drivers and confirmed actions which may have an impact upon the future scale and pattern of economic change in the area;
- A consideration of the socio-economic characteristics of the area and the implications of this for future patterns of land and property use;
- A consideration of the commercial property market dynamics and characteristics of the area and the influence the development, occupier and investment markets will exert on future employment property and land use; and

- A consideration of historic patterns of employment property development and land use as a potential indicator of future trends.

2.2 Quantitative Assessment

For many years employment land studies considered only employment within the B Use Class. It has been acknowledged that this failed to capture the full range of employment accommodating uses. Within the modern economy jobs are accommodated across a variety of Use Classes and none.

The methods for considering the scale of requirement for different Use Classes vary due to the differing drivers of demand. For example, the scale of future retail requirements is typically derived from an assessment considering likely future expenditure patterns and the future requirements for future education and health provision is based on expectations of future demographic change.

This report provides an assessment of the likely change in employment across the whole economy and provides some commentary on what that may mean for land use. However, there is a primary focus on the B Use Classes, acknowledging that for some other Use Classes separate evidence is being prepared.

2.2.1 Employment within the B Use Classes

The B Use Class includes business, industrial and storage/distribution uses. Within the balanced approach outlined above is a quantitative component which brings together available evidence within a quantitative model, designed to capture the key drivers of future requirements. This is summarised in the flow diagram (Figure 2.1).

Figure 2.1: Methodology Diagram



The first part of the process considers the potential for additional requirements for employment land and property as a result of expansion in the economy. This is based on sectoral employment projections, which are then converted into projected employment change by Use Class using a conversion matrix, presented at Appendix 1 to this report, and then into property and land requirements using employment and development density assumptions.

The second stage then considers wider market factors. Particularly the need to recognise the churn in the economy and a need to replace and upgrade property stocks. For example, whilst the manufacturing sector as a whole has experienced well documented decline in its employment base, there has been a continued demand for new premises within which to operate. This demand can be driven by the need to replace dilapidated stock, existing companies needing more/less space, a different location or a different type of premises. It can also be driven by new companies in the market, which may not find the right type of property available in the right location within the market. As a result, whilst overall a sector may be in decline (although this still applies to growing sectors too), there are changes beneath the surface which will continue to drive demand. This can

be a particular issue where existing stocks are ageing or where vacant sites are no longer in the locations that are suitable for modern occupiers.

The third element of the model builds in an allowance for choice and flexibility. This element needs to take account of offering location choice as well as choice in terms of the type of property and setting.

Within the detailed assumptions employed as part of this model, local evidence has been used to ensure the approach is appropriate to Maldon District.

2.2.2 Employment within other Use Classes

As noted above, the drivers of sites and premises requirements within other Use Classes are not purely economically driven. They are often a product of changing demographics. Other approaches are therefore used to develop an understanding of future requirements.

Within this report we provide some commentary on the potential scale of future requirements within other Use Classes.

There is available information to make an assessment of net additional floorspace requirements using the employment density method for A Use Classes. However, there are also other more traditional methods for assessing future floorspace requirements, particularly for retail use. As a result, the assessment within this analysis is indicative. A detailed retail study has been undertaken by White Young Green.

Outside the A and B Use Classes the information available to allow the translation of jobs to floorspace and land use is insufficient to complete a full and robust assessment of future requirements. There is a very wide range of activities within Use Classes with hugely varying sites and premises requirements and therefore other more qualitative approaches are required.

Sectoral employment projections are translated into Use Class using a detailed SIC-Use Class matrix which is also used for the A and B Use Classes. This can be found at Appendix 1. This is an important step in understanding the scale and nature of change of employment within each Use Class.

The scale of projected employment change is set out with associated commentary and indicative floorspace implications where appropriate.

2.3 Validation

The results of the quantitative assessment are tested against historic patterns of activity, alternative growth scenarios and other available evidence of a more qualitative nature to aid interpretation of the results and set the results in a wider context.

3 Maldon District’s Economic Growth Forecasts in Context

The following analysis is based on the East of England Forecasting Model (EEFM) 2014 version. This provides consistent economic forecasts for the entire East of England region and parts of the South East region. The EEFM has been developed by Oxford Economics and is administered by Cambridgeshire County Council. Further details on the EEFM can be found at <http://www.cambridgeshireinsight.org.uk/EEFM>

3.1 Headline Projections

Figure 3.1 below sets out selected headline economic indicators over the Local Plan period 2014-2029. On the basis of the evidence in respect of the FEMA the results for Maldon District are benchmarked against Chelmsford and the Strategic Housing Market Area¹, and the Essex and UK economies. The Maldon District results are also benchmarked against the 15-year period 1999-2014 to provide some historic context.

Setting the future projections in the context of the benchmark areas, the EEFM baseline suggests that the Maldon District economy will:

- Grow slightly less strongly than the benchmark areas in GVA terms, most notably Chelmsford and the SHMA. It will see a broadly similar scale of growth to the UK and Essex as a whole.
- Experience similar levels of growth in GVA per capita and labour productivity to all benchmark areas.
- Experience a slightly lower rate of job growth than Chelmsford, the SHMA and Essex, but higher than the UK.

Relative to the 15-year period 1999-2014, the rate of employment growth is anticipated to be lower and labour productivity to be higher. This variation in the scale of employment growth between the forecast period and the historic period is consistent across all the benchmark areas. This is in part as a result of the fact that employment did not fall as fast during the recession as in previous recessions. As a result there is additional capacity in the workforce to deliver economic growth through productivity gains. It is also a result of assumptions around continuing public sector austerity with much lower levels of employment growth forecast in public administration, education and health activities.

Figure 3.1: EEFM Projections – Selected Indicators – percentage change 2014-2029

	Maldon District		Chelmsford	SHMA	Essex	UK
	Historic Trend Scenario	2014 Baseline				
Total GVA	45%	43%	48%	48%	44%	44%
Total GVA (per annum)	2.5%	2.4%	2.7%	2.6%	2.5%	2.5%
GVA per capita	33%	33%	35%	32%	31%	32%
Labour productivity	23%	32%	29%	32%	32%	33%
Total employment (number of jobs)	3,900	2,200	14,700	40,400	65,100	
Total employment	17%	9%	15%	12%	10%	8%

Source: EEFM 2014 (Oxford Economics), HJA analysis

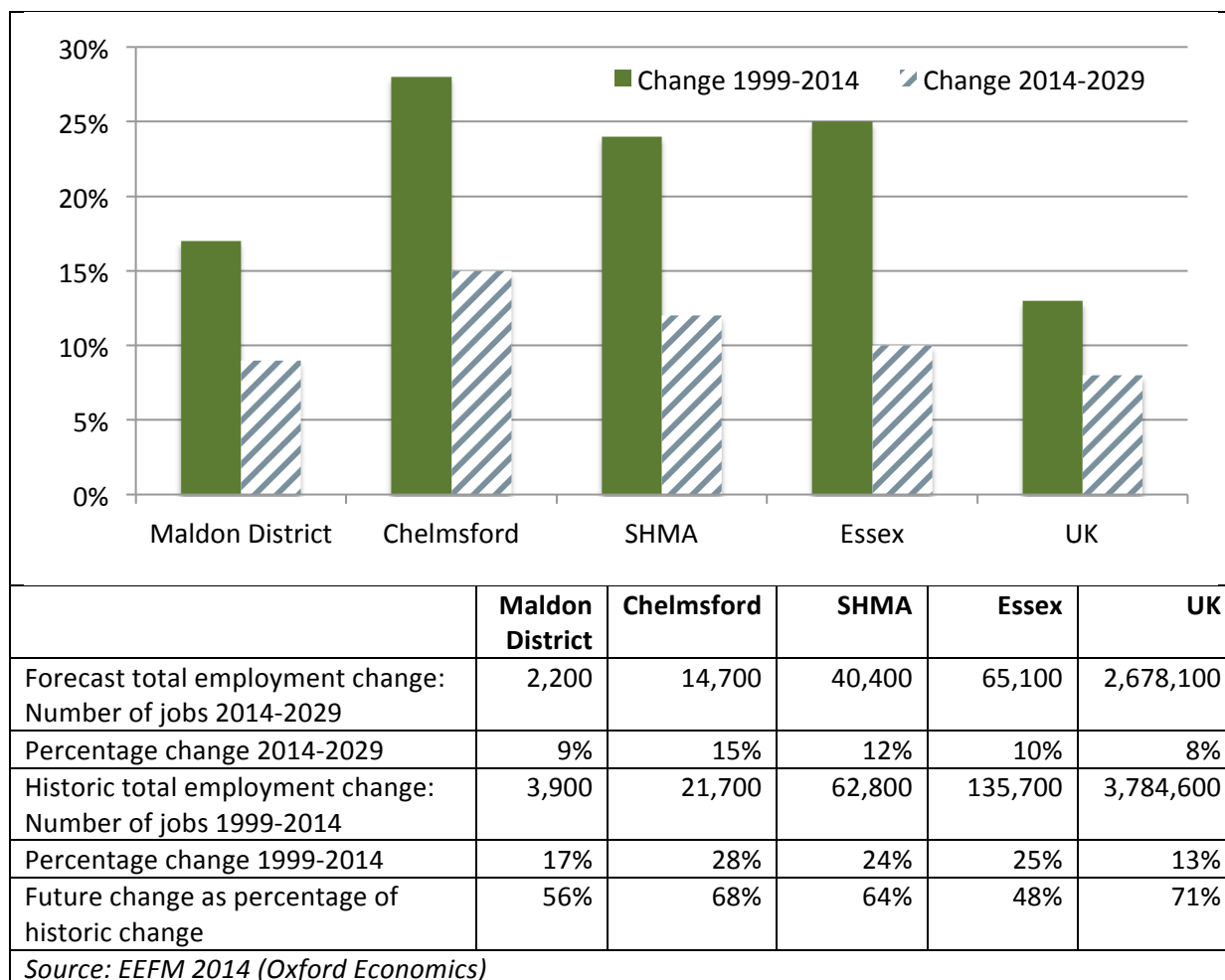
¹ Comprising the districts of Maldon, Chelmsford, Brentwood, Braintree and Colchester

3.2 Employment forecasts

The EEFM baseline 'business as usual' forecast projects growth in Maldon District of 2,200 jobs over the period 2014 to 2029. Whilst this rate of growth is lower than local benchmarks it is higher than the UK average.

Over the preceding 15-year period the total number of jobs grew by 3,900. This trend of lower growth compared to historic growth is replicated across most geographies and is not unique to Maldon District, as can be seen in the figure below. This in part reflects the tightening of labour supply across the wider area as the population ages.

Figure 3.2 Future forecast growth and historic growth in employment



The data helps to identify several interesting patterns:

- Forecast future employment growth in all benchmark areas is lower than historic growth. This is a function of lower employment growth expectations at the national level, which then cascade down through all other areas
- Forecast future employment growth is less volatile than historic growth. This is largely a function of the nature of forecasting. In reality, future growth, especially at the smaller geographical levels (e.g. Districts) is likely to be more volatile than the chart suggests
- The rates of future employment growth in the benchmark areas are more closely clustered than they were in the past. As above, this is because of the lower levels of volatility inherent in any forecasting model
- Those areas which have seen more rapid growth in employment in the recent past are projected to continue to out perform other areas e.g. Braintree, Brentwood and Chelmsford.

Figure 3.3 Future forecast growth and historic growth in employment (2014 = 100)

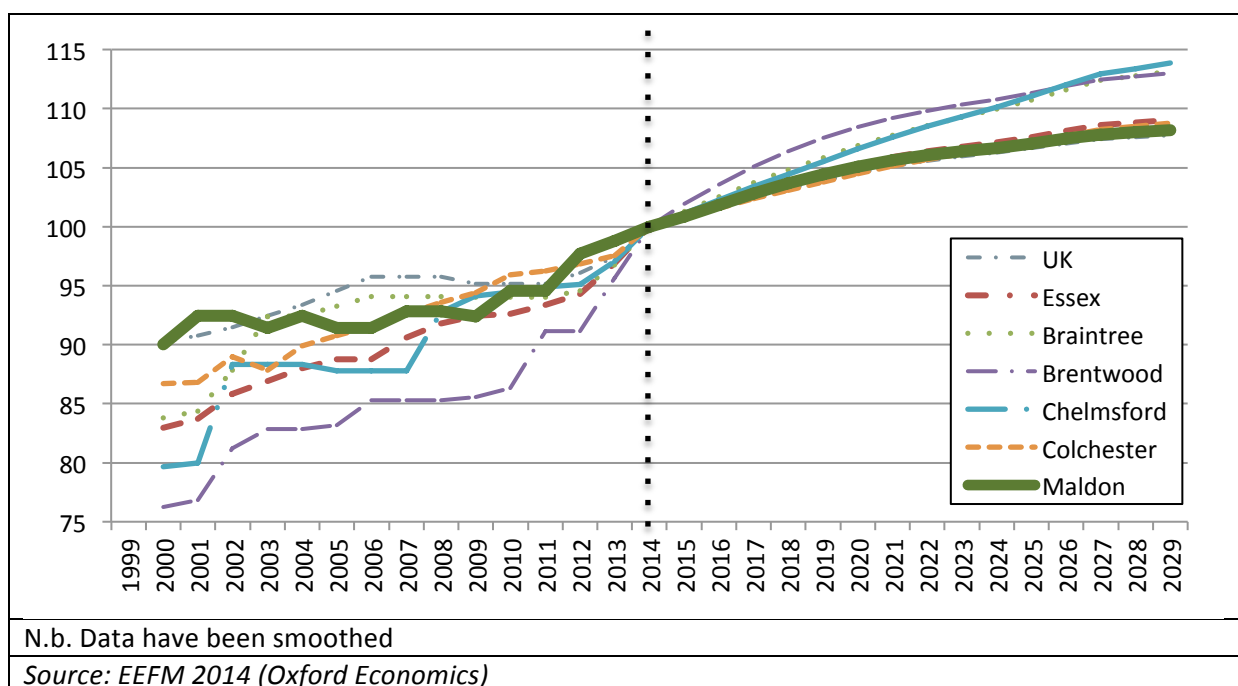


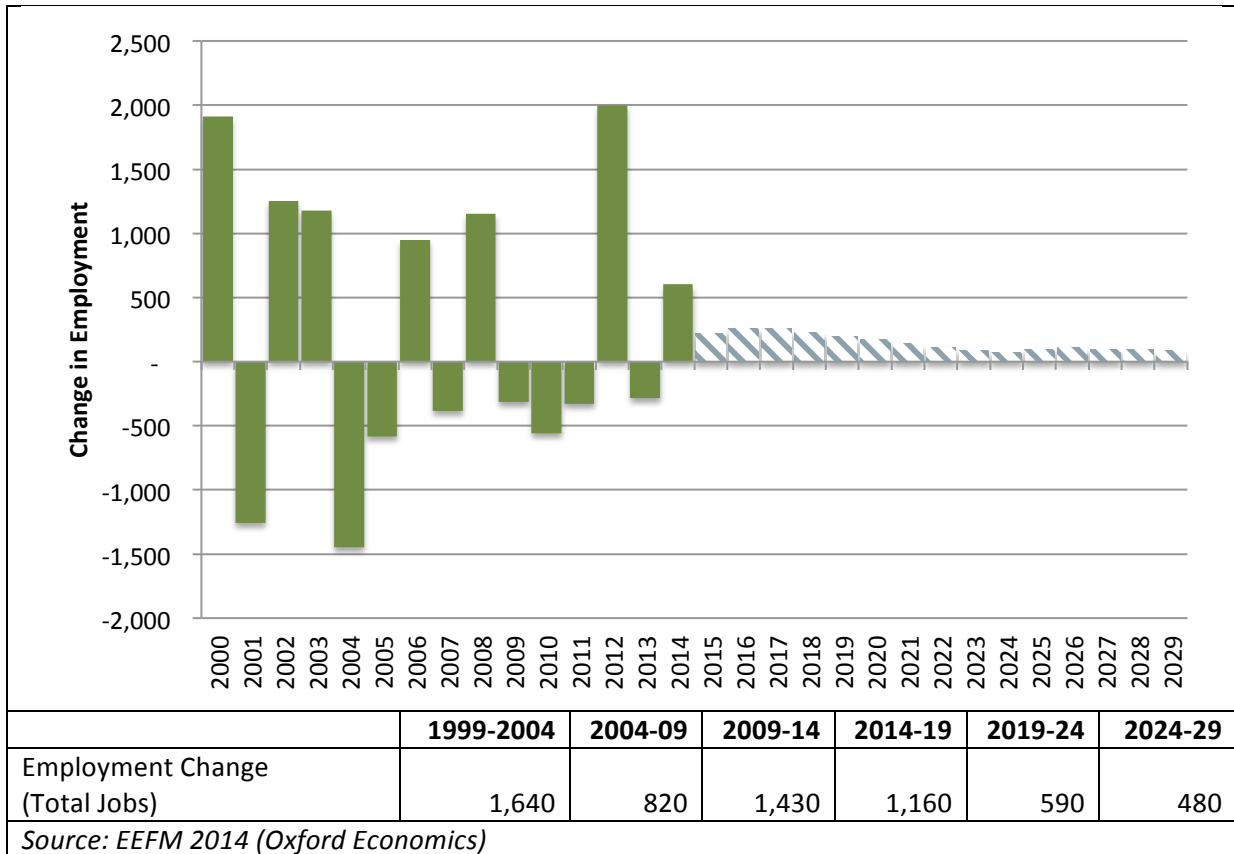
Figure 3.4 sets out employment growth by year. This compares historic (solid bars) and forecast (hatched bars). This highlights a number of key points:

- Employment change from year to year as recorded at the local level is very volatile. This is clearly illustrated by the historic data. This is in part a reflection of the impact of local changes in employment but also a reflection of data sampling methodologies. It is therefore important not to overreact to single data points.
- Future forecasting models do not show the volatility and project moderated annual changes. However, in reality the official data as it is released will continue to show volatility.
- As noted above, the historic average level of employment growth is higher than future forecast employment growth. This is in part related to the high level of employment growth recorded in the

period 1999-2000. Because of data volatility the inclusion or exclusion of a single year of data can make a dramatic difference to the results. Average annual change in total employment 1999-2014 is 260 jobs per annum and over the period 2000-2014 is 140 jobs per annum. This compares to future projected growth of around 150 jobs per annum.

- The first five years of the forecast period show a higher level of projected growth than the later years. This reflects the continued recovery from the recessionary period. The EEFM then tends towards a longer term average level of growth.

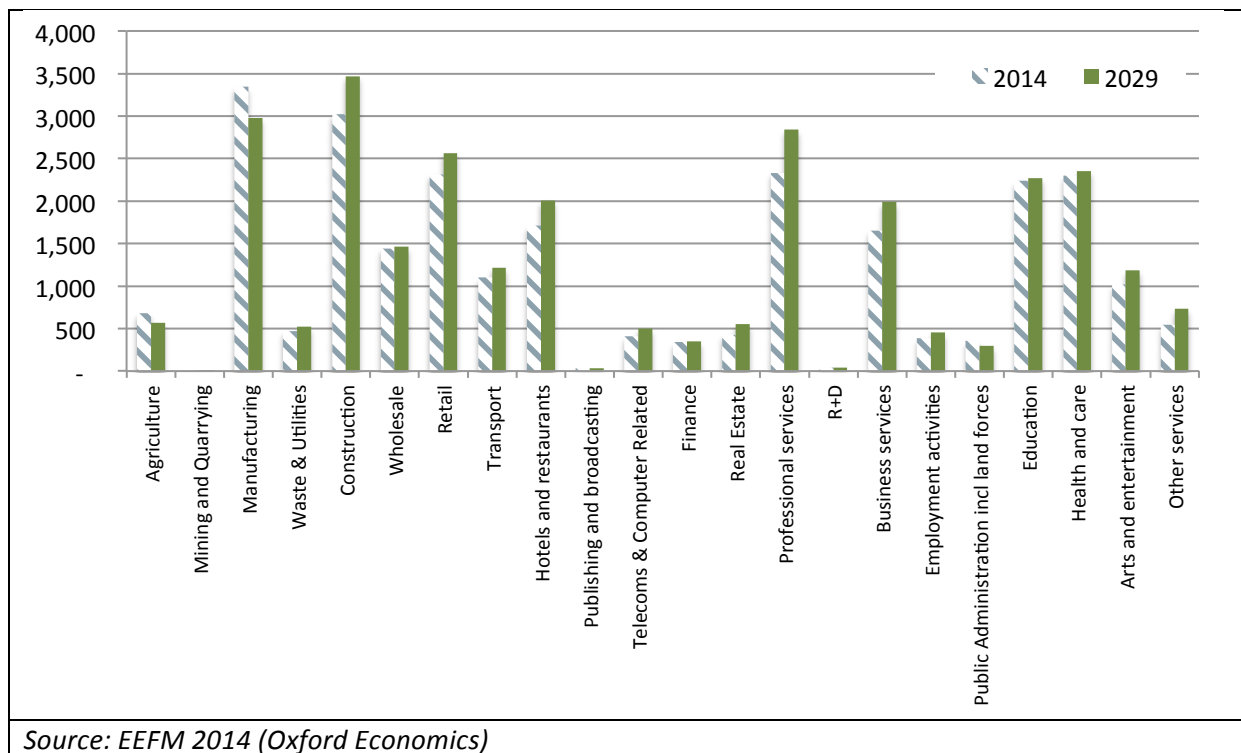
Figure 3.4 Employment change by year in Maldon District 1999-2029



3.3 Sector growth prospects

Figure 3.4 shows the change in employment by sector between 2014 and 2029. This also provides insight into the relative scale of various sectors. Manufacturing is currently one of the largest sectors in the Maldon economy, but is projected to continue to shrink in employment terms. The construction sector which is also large is projected to grow, as are the professional and business services sectors.

Figure 3.4 Total employment by sector 2014 and 2029



Some sectors make more significant contributions to the difference between historic growth and forecast future growth than others. In the figure below we have picked out some sectors where forecast future growth (over the next 15 years) is lower than historic growth (over the last 15 years). These are:

- Professional services
- Business services
- Education
- Health & care

These changes reflect not only the general economic change in terms of scale of growth but also the anticipated continued shift of business and professional services to more urbanised locations and the continued effects of public sector spending restraint.

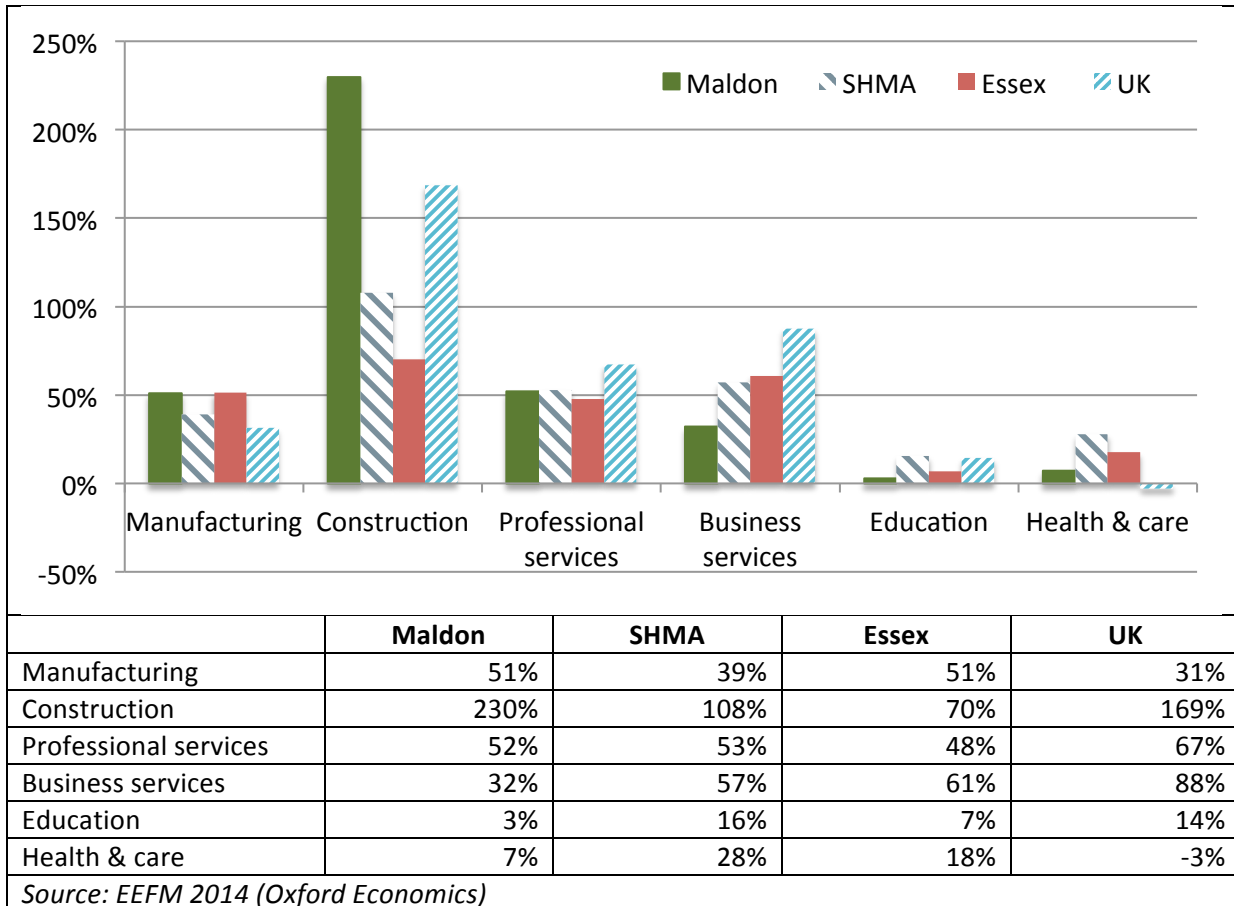
The figure below shows the future growth in these sectors as a percentage of historic growth, each over 15 years (so that 100% means exactly the same amount of growth; less than 100% is lower future growth than past growth; and more than 100% is higher future growth than past growth).

Two other sectors have also been included, as they make a more positive contribution to future growth than historic growth. They are:

- Manufacturing – where the forecast decline in employment over the next 15 years is lower than the historic decline in employment over the last 15 years

- Construction – where future growth in employment in Maldon District is forecast to be much higher than historic growth

Figure 3.5 Forecast future change in employment (2014-2029) as a percentage of historic change in employment (1999-2014)



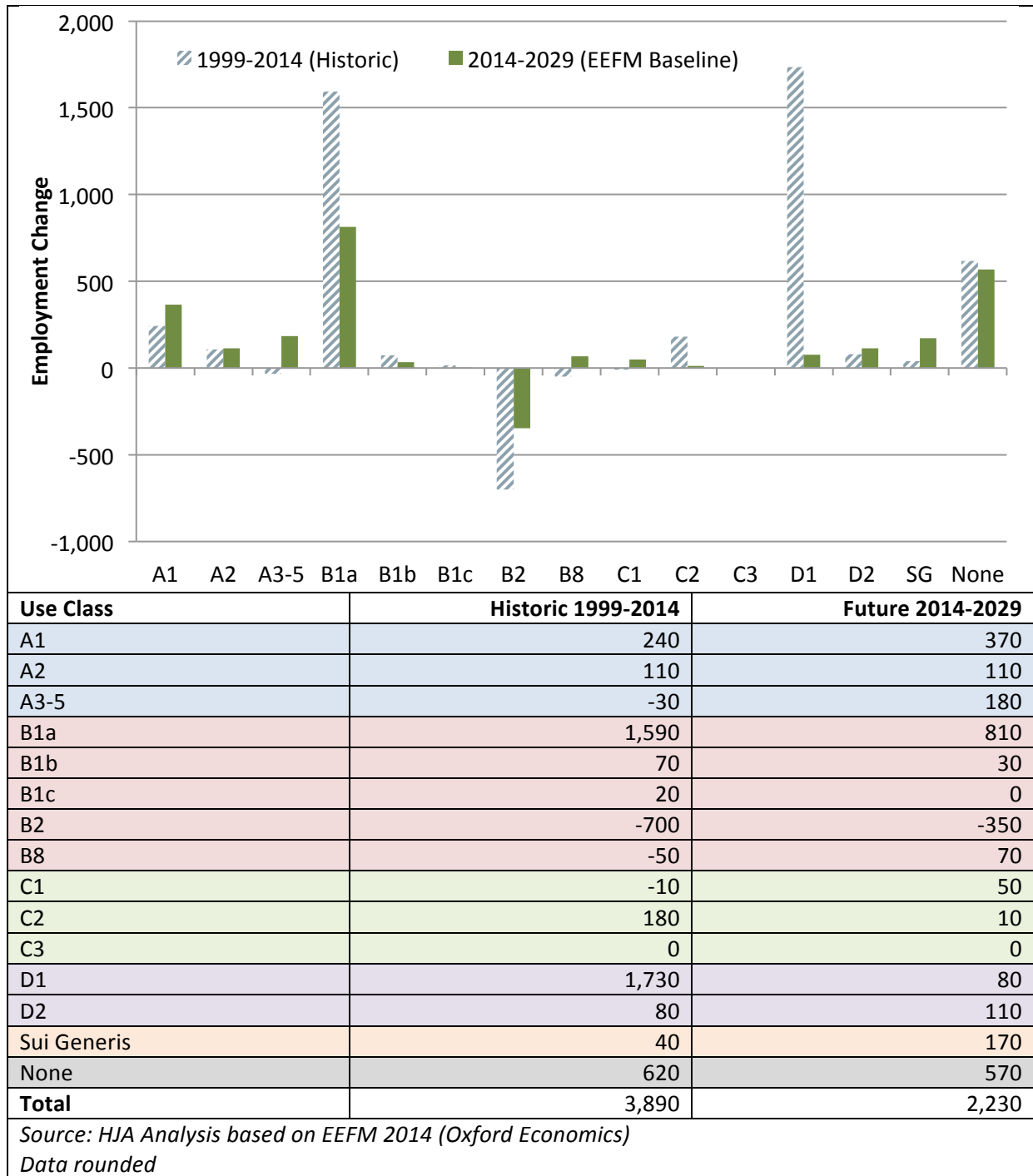
3.4 Use Class Projections

Sectoral employment is converted to employment by Use Class using the matrix presented at Appendix 1 to this report. This matrix has been prepared using detailed employment data for Maldon District taken from the Business Register and Employment Survey (BRES).

Figure 3.6 sets out HJA’s estimation of employment projections by Use Class. These are benchmarked against the historic period 1999-2014. These reflect the sectoral variations described previously. Much lower growth in education and health is forecast within the C2 and D1 Use Classes. The lower rate of forecast growth in business and professional services is shown predominantly within the B1a Use Class. The reduced rate of decline in manufacturing based activities is shown within the B2 Use Class.

The chart also shows that a substantial proportion of future employment growth will be outside any of the Use Classes.

Figure 3.6 Historic and forecast change in employment by Use Class



Appendix 2 to this document sets out the change in employment by Use Class by five-year period.

4 Estimating Future Sites & Premises Requirements

This chapter sets out the results of the quantitative assessment, undertaken in line with the method outlined in chapter two of this report. These results are then tested against other evidence on past take up, alternative futures scenarios and other qualitative evidence in the following chapter. Details of assumptions used to convert jobs to floorspace can be found at Appendix 1 to this report.

4.1 Net Additional Requirements

The preceding chapter set out the economic forecasts for Maldon District. Figure 3.6 shows employment changes by Use Class. This shows that future employment will be spread across many Use Classes, and some employment requires no dedicated workspace. Only around 25% of future employment growth is anticipated to be accommodated within the B Use Classes, which are traditionally considered as the employment Use Classes. 30% of future employment growth is anticipated to be within the A Use Class and a further 25% of future employment growth is estimated to require no sites and premises at all. The remaining 20% will be spread across the C and D Use Classes and those activities classified as Sui Generis.

When considering the impact of net changes in employment upon future sites and premises requirements it is necessary to highlight the caveat that some employment change could be absorbed within current floorspace. That is, existing employers increasing employment with no need for additional floorspace and other employers reducing headcount without releasing floorspace to the market. The nature of the property market with lease structures and freehold ownership is such that floorspace requirements will not adjust in a perfect correlation with employment. Nevertheless, over the course of the entire Local Plan period there is likely to be scope for adjustments to be made.

To ensure there is no artificial restriction on growth, no allowance is made for increasing the intensity of occupation of existing stocks.

4.1.1 A1 Retail

Future retail floorspace requirements are traditionally assessed based on future expenditure patterns compared with current and planned capacity. The approach considered in this assessment is based on employment projections within the retail sector and therefore differs to the more traditional approach which is considered in other evidence prepared by White Young Green (WYG) on behalf of Maldon District Council².

The EEFM/HJA analysis indicates a growth of 370 jobs within the A1 Use Class over the plan period. These could be accommodated within town centres, district/local centres and out of town shopping locations.

Guidance on floorspace per worker shows a substantial variation between high street and food superstore retail and other superstores or retail warehouses. If the full effects of the change were felt within the retail warehouse sector there is an estimated requirement of 39,500 sq m. The

² Maldon Retail Study, WYG for Maldon District Council, 2015

requirement is much more lower using town centre/superstore densities at 7,500 – 8,300 sq m. Whilst anticipating a mix of requirements the figure may lie within this range.

The emerging findings of WYG suggest a requirement of 13,400 – 21,500 sq m of retail space over the period to 2029. This lies comfortably within the range set out above.

Given the differing nature of these retail requirements and the associated parking requirements for in-town and out of town locations there will also be a broad range of development densities relating to such uses, with higher density development in town and district/local centres and much lower density development for food superstores and out of town retail warehouses. This creates challenges in converting outline floorspace estimates into land requirements. Any conversion would exaggerate the range of outcomes with both higher density of development and occupation in town centres and lower densities of both indicators out of town.

4.1.2 A2 Financial & Professional Services

HJA analysis of the EEFM projects an additional 110 jobs within the A2 Use Class over the Local Plan period. These will primarily be accommodated within town centres and district/local centres. This generates an estimated net additional future requirement of 2,200 sq m of A2 floorspace over the plan period.

Conversion of floorspace to site area is reliant on assumed plot ratio/development density. Within town centres plot ratios will vary depending on provision of car parking and the number of storeys achieved. Plot ratios upwards of 0.7:1 or 70% might reasonably be considered a minimum and greater than 2:1 or 200% could be achieved. This would suggest a land requirement of 0.1 – 0.3 hectares.

4.1.3 A3 – A5 Food & Drink Uses

The A3-A5 Use Classes cover a range of settings including restaurants, cafes, pubs, bars and takeaways. HJA analysis of the EEFM baseline scenario projects an additional 180 jobs within the A3-A5 Use Classes over the Local Plan period.

On this basis future net additional requirements are estimated at 4,000 sq m over the plan period. Land requirements would depend upon development density. This would vary from town centre densities of close to 100% and upward to out of town densities where restaurants/pubs may incorporate car parking and therefore cover densities closer to 40%. The associated land requirement is therefore uncertain but likely to be in the range of 0.4 – 1.0 hectares.

4.1.4 B1a Office

HJA analysis of the EEFM projects an additional 800 jobs within the B1a Use Class over the Local Plan period. This would suggest a net additional requirement of around 9,800 sq m in Maldon District over the Local Plan period.

The land requirement for this quantity of office development will depend on the type of developments coming forward. Where offices are developed within town centres, either as dedicated office developments or above retail uses plot ratios of 1:1 or 100% and above are potentially achievable. In edge of centre and out of town/business park developments a plot ratio of

around 40% is more typical, reflecting the requirement for car parking and landscaping. In reality, a mix is likely to be achieved. At the two extremes the associated land requirement ranges from 1.0 – 2.4 hectares.

4.1.5 B1b/c Research, Development and Light Industry

HJA analysis of the EEFM projects less than 50 additional jobs within the B1b Use Class and a negligible increase in the level of employment within the B1c Use Class over the Local Plan period. This leads to a requirement of 1,100 sq m of B1b R&D floorspace over the plan period. The small projected increase in employment for B1c light industry is anticipated to require around 200 sq m of net additional floorspace. It is anticipated that B1b/c developments would be primarily based in business park type environments with development densities of around 40%. This would lead to a land requirement of 0.3 hectares combined.

The above analysis is based on the mix of industrial activities across B1c and B2 remaining constant. If there is a shift away from B2 towards B1c this might increase the requirement for light industrial premises. This potential shift would be addressed through the analysis of replacement demand below.

4.1.6 B2 Industry

The EEFM forecasts a decline of around 300 jobs within the B2 Use Class as a result of the continued decline in manufacturing employment. None of the manufacturing subsectors within the EEFM analysis are forecast to grow in employment terms over the Local Plan period. If this decline in employment were to manifest in terms of a release of floorspace this might lead to a reduction in total required B2 floorspace of 13,100 sq m. At a development density of 40% this equates to some 3.3 hectares of land.

4.1.7 B8 Storage & Distribution

The HJA analysis of the EEFM suggests an increase of around 100 jobs within the B8 Use Class. This equates to an additional floorspace requirement of 5,100 sq m. In land terms, at a development density of 40% around 1.3 hectares of land could be required.

4.1.8 Implications of Employment Decline in B2 and B8 Use Classes

The decline in employment in the B2 Use Classes is not projected to drive any expansion in the requirement for space³. The issue is whether there is a release of space to the market. As noted in chapter two, whilst there has been employment decline in the industrial sector for some time, there continues to be demand for new premises (see past development data presented at section 5.1). Issues around the need to upgrade the supply of employment premises are dealt with in the next section of this chapter. However, when reflecting on the employment reduction in the industrial Use Class the following issues should be considered:

- Whilst a business may shed some of its staff, it may not close in its entirety and it may not release any of its property holdings to the market. Due to the lumpy nature of the commercial property market, through both lease structures and freehold ownership there is not necessarily a direct relationship

³ That does not mean there will be an absence of demand for new B2 premises as a result of churn in the market and changing occupier requirements. This is considered in following sections of the chapter.

between employees and floorspace. The trends that hold true across the economy at large do not always apply evenly at the individual business level. There are indications of increasing space per worker measures in the industrial sector over recent years, which likely reflect the trend towards reduced employment and increasing capital intensity. As a result, one should not necessarily expect a direct release of floorspace in this instance.

- Where a business does close, there may well be a release of either property or indeed an entire site. In some instances these will be available for re-occupation and redevelopment through normal market mechanisms. In other cases, this may not happen within the plan period. There may be constraints upon the re-use of premises or land (such as ownership or contamination), or the site/property may be located unfavourably or be inappropriate for modern business occupiers. As a result, its continued use within the stock of employment land/property could be uncertain.

As a result of both of these issues it is not easy to assess the potential release of land and property as a result of the projected scaling back of the labour force. However, it does suggest there may be some windfall releases which could contribute to future supply. Potentially, windfalls of around 3.3 hectares could be seen, based on the entirety of projected employment declines. If it is assumed that 50% of space was released and made available for re-use within the Local Plan period a figure of around 1.6-1.7 hectares might be contributed to future supply. However, this is an outline estimate and should not be relied upon as anything more than indicative for detailed policy making.

4.1.9 C Use Classes

The C Use Classes cover a broad range of activities including hotels, guest-houses, care homes, boarding schools and colleges, hospitals, prisons and detention centres, and barracks. Some data is available within best practice guidance for hotels, showing varying levels of employment depending on the quality of the hotel. Typically hotel demand is assessed via other market driven assessments. The most recent Hotels Study for Essex was completed in 2009⁴ and so is now dated. Nevertheless, this did not suggest strong market drivers for significant hotel development within Maldon District, although potential for a budget hotel was noted.

The HJA analysis of the EEFM suggest less than 100 net additional jobs in the C Use Classes. Potentially around 50 additional jobs in the C1 Use Class. Based on best practice guidance this might support growth of between 60 – 150 hotel rooms in Maldon District depending on the quality of hotel provision.

No significant change is projected in employment within the C2 Use Class covering residential institutions. However, this may mask patterns of change within the Use Class, particularly with qualitative indicators of demand for care home development.

4.1.10 D Use Classes

The EEFM suggests a growth of around 100 jobs within the D1 Use Class covering non residential institutions. This includes education and health provision.

⁴ Essex Hotel Futures, Hotel Solutions (2009)

A further growth in employment of around 100 jobs is projected within the D2 Use Class. This covers a range of leisure uses including cinemas, concert halls, bingo halls and casinos, dance halls, swimming pools, skating rinks, gyms and other sports grounds.

Current employment in Maldon District in this Use Class is concentrated within sports and fitness facilities and clubs. On this basis the projected growth in employment would require around 7,800 sq m of net additional floorspace. At a development density of 40% this would equate to 1.9 hectares of land. However, this would be dependent on the nature of developments coming forward and should be treated as indicative.

4.1.11 Sui Generis

Sui Generis covers a range of activities that do not fall within the specified Use Classes order. These include theatres, amusement arcades, funfairs, laundrettes, sale and repair of motor vehicles and many other activities.

HJA analysis of the EEFM projections suggest some 200 additional jobs across activities that fall within the Sui Generis category. The range of activities is very broad. Current employment data suggests the largest employment activities are motor trades including renting and leasing of vehicles and machinery as well as sale and repair (30%) and waste and utilities (30%). The major sector growth projected in the EEFM which is driving Sui Generis growth is Business Services which includes vehicle hire and leasing activities and Arts and Entertainment. There are no robust assumptions to generate floorspace estimates.

4.1.12 Summary of net additional requirement

The following figure summarises the results of analysis to estimate net additional future property and sites requirements for the various employment accommodating Use Classes.

- A Use Class requirements in the region of 13,700 – 44,700 sq m. Land requirements will depend on the nature of retail product coming forward. The WYG retail study should be used to determine more detailed requirements.
- B Use Class requirements are primarily driven by B1a office employment growth with more modest growth in B1b, B1c and B8 Uses. Employment within B2 Use Class is projected to decline but the effects on land requirements are uncertain.
- C Use Class requirements are uncertain. Modest employment growth is projected and it may support a hotel development.
- D Use Class requirements are uncertain. Some growth in education and health requirements may arise as a result of demographic change.

Figure 4.1 Summary of Net Additional Requirements for Maldon District 2014-29

(figures rounded to nearest hundred and may not sum)

Use Class	Projected Employment Change	Projected Net Additional Floorspace Requirement	Projected Net Additional Land Requirement
A1	400	7,500 – 38,500 sq m	Dependent on nature of development
A2	100	2,200 sq m	
A3-5	200	4,000 sq m	
B1a	800	9,800 sq m	Up to 2.4 ha
B1b	<50	1,100 sq m	0.3 ha
B1c	<50	200 sq m	<0.1 ha
B2	-300	-13,100 sq m	-3.3 ha <i>Estimated 1-2 ha might be available for re-use</i>
B8	100	5,100 sq m	1.3 ha
C1	<50	Potential hotel demand	-
C2	<50	-	-
D1	100	-	-
D2	100	-	-
Sui Generis	200	-	-
None	600	-	-

4.2 Churn and Replacement

The following analysis relates only to the B Use Classes. It is assumed that either the majority of A, C and D Use Class redevelopment activity that would be required would take place at existing locations and no major new provision of sites is required to facilitate such replacement activity e.g. town centre redevelopment would take place at current town centres and not require a major town centre relocation or that specific requirements for replacement in these Use Classes are identified through specific research (e.g. need for replacement education or health provision). There has been no evidence presented to suggest that this is not the case. One exception which has been identified is the redevelopment opportunity at the Causeway in Maldon. This is subject to a specific study undertaken by BBP. This has been considered.

The methodology employed for estimating the level of B Use Class replacement demand is based upon the theory that a proportion of the total existing stock of employment property is replaced each year to ensure the overall stock of premises is appropriate to modern needs in terms of both building quality and site characteristics. This is particularly important for the manufacturing sector where ongoing development of industrial premises has been observed across the UK, despite a decline in employment in the sector over many years.

In Maldon District, the supply review suggests there is some aging stock and although there are no huge pressures to bring redevelopment it is likely that there will be a need to upgrade some of the stock over the course of the Local Plan period as it becomes unfit for purpose. The most recently available official data on the age of commercial property stocks is from 2005. This indicates that 37% of office stocks and 5% of factory stocks at that time were built pre 1940. 50%-60% of office, factory and warehouse stocks were built pre 1970 and will be more than 60 years old at the end of

the Plan period (some substantially older). Given the relatively low levels of commercial property development in Maldon District these figures are not believed to be substantially different ten years on. Permitted development rights relating to office space could also contribute to a requirement to replace lost office stocks.

Based on what can be observed in the data, and what is known of the property market, it is assumed that provision should be made for 1% of commercial employment stock to be replaced each year in Maldon. This is equivalent to the entire stock of employment property being replaced over a 100 year period. This is at the lower end of the assumption range given the relatively weak commercial property market in the area. Further details relating to this assumption are contained in Appendix 1 to this report.

The stock based assumption set out above indicates a total level of replacement activity one might expect to observe in the property market. However, it does not consider whether this replacement activity takes place on existing employment sites (replacing or refurbishing one building with another on the same plot of land) or whether currently unoccupied land needs to be made available. The evidence and market observation suggest there will be elements of both. For example the Causeway redevelopment will provide an opportunity to deliver some upgraded employment stocks but will also likely require new stock replacement elsewhere in the District. For the purposes of this analysis we assume that 50%⁵ of replacement activity requires appropriate supply to be made available through provision of alternative development land. This therefore equates to a need to accommodate 0.5% of stock each year, or 7.5% over the course of the 15 year Local Plan period. This is translated into land requirements assuming a development density of 40% for industrial development and a range of 40% - 100% for office development to highlight the range of development types.

For the purposes of this analysis all industrial (factory and warehousing) categories are grouped together given the similarity of the products.

Figure 4.2 Estimates of Requirements for Churn and Replacement

Use Class	Total Stock (2012)	0.5% per annum on new sites	15 year total replacement on new sites	Projected Net Additional Land Requirement
B1a	39,000 sq m	200 sq m	2,900 sq m	0.3 – 0.7 ha
B1b/c/B2/B8	364,000 sq m	1,800 sq m	27,300 sq m	6.8 ha

Figures may not sum due to rounding

4.3 Choice and Flexibility

A percentage uplift of the combined requirement for net additional and churn/replacement is applied to ensure an allowance for range and choice is incorporated. This uplift also builds in some additional flexibility to allow the normal frictional movement in the market, particularly given current low vacancy rates in Maldon District. An uplift of 10% has been applied. This is greater than the flexibility used for housing given the increased heterogeneity of employment premises.

⁵ This analysis therefore assumes the other 50% of replacement activity takes place on existing employment sites.

4.4 Longer Term Requirements

A flexibility allowance could be made to ensure sufficient provision is made to avoid a shortage of provision towards the end of the Local Plan period and immediately following its end. In addition, this flexibility allowance would provide insurance should higher levels of demand become apparent within the Local Plan period. In this regard, a five-year buffer (based on average annual requirements) is identified for this flexibility. This element could be classified as safeguarded land at the current time, with a trigger mechanism linked to Local Plan review. At this stage such a requirement does not relate to identified need within the current Plan period and is not part of objectively assessed need.

4.5 Combined Results

Figure 4.3 draws together the results of the various components within the quantitative assessment to provide an indication of potential future requirements for Maldon District.

No combined totals are provided given the different Use Classes.

For the B Use Class which is the focus of this assessment the total requirements are estimated at up to 3.0 – 3.4 hectares for B1a office development and 7.6 hectares for industrial development. In total this equates to a need to provide 10.6 – 11.0 hectares of B Use Class development land. This equates to 0.6 – 0.7 hectares of net take up per annum over the Plan period.

Figure 4.3 Results of Quantitative Assessment

	Net Additional Floorspace (Sq m)	Net Additional Land (ha)	Replacement (ha)	Choice (ha)	Core Requirement	Additional Buffer
A1	7,500 – 38,500 sq m	Dependent on nature of development				
A2	2,200 sq m					
A3-5	4,000 sq m					
B1a	9,800 sq m	Up to 2.4 ha	0.3 – 0.7 ha	0.3	3.0 – 3.4 ha	<i>Up to 1.1 ha</i>
B1b	1,100 sq m	0.3 ha			7.6 ha	<i>2.5 ha</i>
B1c	200 sq m	<0.1 ha				
B2	-13,100 sq m	-3.3 ha <i>Estimated 1-2 ha might be available for re-use</i>	6.8 ha	0.7		
B8	5,100 sq m	1.3 ha				
C1	Potential hotel demand	-				
C2	-	-				
D1	-	-				
D2	-	-				
Sui Generis	-	-				

5 Testing the Results

This chapter considers a range of other factors as a means of testing the robustness of the core assessment set out in the previous chapter.

5.1 Historic Take-Up and Market Context

It can be helpful to test the results of the assessment of future requirements against observed historical patterns. Data from Maldon District Annual Monitoring Reports over the period 2004/05 to 2011/12 has been reviewed.

5.1.1 Historic Gross Development Patterns

Over the eight-year period for which data is available, a total of 53,500 sq m of employment property has been developed. The annual average figure is 6,700 sq m. Whilst no data is provided for land take, on the basis of 40% site coverage land take is estimated at 13.4 hectares over the eight year period or 1.7 hectares per annum. These figures relate to gross new development. This will include new development to facilitate growth in the economy as well as replacement of existing stocks both on existing employment sites and on new allocations.

The data is recorded in such a way that it is not possible to accurately quantify the patterns by individual Use Class. However, from the data that is provided we can tell the following:

- A minimum of 5,850 sq m of B1a offices has been developed. This primarily relates to schemes in 2004/05 and 2008/09. Figures from 2009/10 onwards group all B1 development so it is not possible to identify the office elements. There are also a number of developments recorded as B1, B2, B8 and may therefore incorporate some office elements. Official data on office stocks in Maldon also indicates an increase in office stocks over this period of around 5,000 sq m following more substantive expansion in office stocks over the period 2000-04 of around 7,000 sq m.
- A minimum of 33,850 sq m of development has been industrial (B1c, B2 and B8). This is more than 60% of the total. A further 6,800 sq m of development classified as B1, B2, B8 and a further 7,000 sq m of B1 development is also included. This suggests a strong industrial emphasis within the new development profile, despite ongoing decline in the manufacturing sector in employment terms. Official data on industrial property stocks indicates a net loss of floorspace in the industrial sector of around 10,000 sq m. This may relate to losses of employment land which are noted below. This gives a clear indication of the presence of the replacement and churn activities that are a feature of the assessment methodology.
- Within the 33,850 sq m of known industrial development, 56% is B1c, 17% B2 and 27% B8. This suggests an emphasis on B1c over B2 in terms of industrial type space. This may reflect the importance of lighter industrial workshop style developments to meet the demand from SMEs.

5.1.2 Historic Net Development Patterns

Data on net gains is available for the period 2007/08 onwards. This indicates around 70% of gross development is net additional. That would suggest around 1.2 hectares of net additional employment (B Use Class) development per annum. The remaining 30% is a potential indicator of the scale of replacement taking place immediately on existing employment sites, through change of use and re-provision of employment space.

The gross development figure includes net additional development, replacement on new sites and replacement on existing sites. The data indicates this latter portion is around 30% of the total. It is helpful to check whether this validates the analysis in the assessment of future requirements. The data in figure 4.3 above relate only to net additions and replacement on new sites. If one also includes the replacement activity on existing sites⁶ the share of replacement on existing sites is a little below 40% of the total. It is not unreasonable that this figure in the future analysis is higher than the historic figure given the lower level of net additional employment growth that is projected. It is also not clear how the monitoring data handles an existing employment site which is cleared sometime before being redeveloped creating a time lag. If this is not included in the net figures a further proportion of replacement is likely to take place on existing employment sites but not be accurately recorded.

Overall the historic net development figure of 1.2 hectares is higher than the 0.6 – 0.7 hectares emerging from the assessment of future requirements. This reflects the difference in scale of historic and future employment growth and also the potential replacement of land lost from employment uses.

5.1.3 Losses of Employment Land

Data on losses of employment land is incomplete and appears to have some double counting present with the same sites recorded in multiple years. These effects have been taken into account where possible and suggest losses in the region of 6.4 hectares over the eight-year period. This equates to almost 0.8 hectares per annum. It is not clear whether these losses were allocated sites only, vacant premises or whether they had been in active economic use immediately before being lost. In order to safeguard current employment and enable the replacement of ageing stocks on existing sites it is important that existing employment sites are protected.

The future projections analysis assumes 7.1 – 7.5 hectares of replacement on new sites equivalent to around 0.5 hectares per annum. The analysis does not suggest the former land would be lost in its entirety. As set out in the discussion of the methodology, the approach allows for the lags in land coming forward for development due to various factors. However, it is accepted that in some cases sites will not be suitable for ongoing employment use and may be more suitable for alternative uses in the future.

5.2 Alternative Scenarios

5.2.1 Historic Economic Context

The scale of historic economic and employment growth does not provide a pressing need to consider an alternative scenario. Section 3.2 of this document considered the relationship of historic and future growth. This identified that actual historic data is volatile and the inclusion and exclusion of particular years can have a notable effect. When comparing the 15-year Plan period with the preceding 15 years future projected growth can appear lower. When comparing it to the 14-year preceding period (using average annual data to compensate for the difference in length) the growth figures in the Plan period are higher. There is also a consistent message across the benchmark areas

⁶ On the basis of the analysis as it is set out this would be a figure equivalent to the replacement on new sites as it was split 50:50 new sites and existing sites.

that the scale of future employment growth is likely to be lower than the previous period. This reflects the forecasters expectations of future economic growth nationally, the continuing restraint in public spending which is different to the period 1999 – 2008 and the ageing of the workforce.

5.2.2 Policy Ambition

If local economic policy was promoting a level of growth very different to that tested in the core scenario there would be a need to consider this as an alternative to inform the implications for planning policy.

The scale of employment growth projected by the EEFM 2014 baseline scenario broadly aligns with the policy aspiration of Maldon District Council for around 2,000 additional jobs over the Plan period. The EEFM baseline is forecasting some 2,200 additional jobs. On this basis there is no rationale for testing an alternative scenario.

5.2.3 Labour Market Capacity

In line with PPG it is important to consider the alignment of labour supply and labour demand. The following analysis considers the potential workforce available to meet growing employment in the district.

Changes in the retirement age along with other pressures on residents to work for longer mean changes to economic activity and employment rates among older workers in particular need to be considered. These effects have been modelled by applying the resident employment rates by age from the EEFM to the three population scenarios prepared by Neil MacDonald as part of the housing and demographic evidence base.

Figure 5.1 Residence employment aged 16-74 years

	2014	2029	Change 2014-29
2012 based POPP	29,487	31,620	+2,133
10 yr Internal Migration	29,674	32,571	+2,897
10 yr Migration	29,511	31,842	+2,331

Analysis of both the EEFM and the 2011 Census shows that there are around 1.3 times as many employed residents as jobs located in Maldon District. This reflects the pull of other locations for employment which leads to out commuting. Primary out-commuting locations include Chelmsford, Braintree, Basildon, City of London and Colchester.

On this basis of the modelling undertaken the *10 year internal migration* scenario proposed by Neil McDonald which shows a change in employed residents of just under 2,900 over the Local Plan period would broadly align with the forecast employment growth of 2,100 jobs in Maldon District. We understand that the *10 year internal migration* scenario is consistent with housing growth of 310 dwelling per annum.

Therefore these data suggest there is sufficient growth in the workforce to meet an employment aspiration of around 2,100 jobs over the plan period.

5.2.4 Sensitivity Testing

Whilst there is no clear rationale for testing a higher or lower growth scenario we have considered the implications of higher employment growth levels. Such testing only relates to the net additional component and therefore the implications are relatively modest, lower than the additional 1 hectare provided for choice and flexibility in the analysis above.

Appendix 1: Detailed Methodological Assumptions

Standard Industrial Classification (SIC) to Use Class Matrix

The proportion of employment in each category in this matrix is based upon the share of reported employment as recorded by the Business Register and Employment Survey (BRES) in different activities. This approach was applied to each of the sub-sectors in turn and with analysis going down to 4 digit SIC codes. The matrix therefore reflects the current structure of the Maldon District economy in detail.

	A1	A2	A3-5	B1a	B1b	B1c	B2	B8	C1	C2	C3	D1	D2	SG	None
Agriculture	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Mining & Quarrying	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Manufacturing: Food	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%
Manufacturing: General	0%	0%	0%	0%	0%	5%	90%	0%	0%	0%	0%	0%	0%	0%	5%
Manufacturing: Chemicals	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%
Manufacturing: Pharma	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%
Manufacturing: Metals	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%
Manufacturing: Electronics	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%
Manufacturing – T’sport Eqpt	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%
Utilities	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%
Waste & Remediation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%
Construction	0%	0%	0%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	97%
Wholesale	2%	0%	0%	5%	0%	0%	0%	63%	0%	0%	0%	0%	0%	25%	5%
Retail	95%	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	0%	1%	1%
Land Transport	0%	0%	0%	22%	0%	0%	0%	38%	0%	0%	0%	0%	0%	1%	39%
Water & Air Transport	0%	0%	0%	0%	0%	0%	0%	25%	0%	0%	0%	0%	0%	0%	75%
Accom & Food Services	8%	0%	61%	0%	0%	2%	0%	0%	16%	0%	0%	0%	0%	0%	13%
Publishing & Broadcasting	0%	0%	0%	62%	38%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Telecoms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Computer Related Activity	0%	0%	0%	94%	0%	0%	0%	6%	0%	0%	0%	0%	0%	0%	0%
Finance	0%	36%	0%	64%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Real Estate	0%	28%	0%	72%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Professional Services	0%	1%	0%	90%	6%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%
Research & Development	0%	0%	0%	45%	55%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Business Services	1%	0%	0%	49%	0%	2%	0%	0%	0%	0%	0%	0%	0%	11%	37%
Employment Activities	0%	99%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Public Administration	0%	0%	0%	69%	0%	0%	0%	0%	0%	0%	0%	31%	0%	0%	0%
Education	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%
Health & Care	0%	0%	0%	10%	0%	0%	0%	0%	0%	25%	0%	66%	0%	0%	0%
Arts & Entertainment	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	11%	68%	20%	0%
Other Services	53%	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	3%	0%	15%	24%

Floorspace per Worker

The table below sets out further details on assumptions in respect of average floorspace per worker.

Use Class	Assumption
Office (B1a)	The Employment Densities Guide (2010) provides estimates for a range of office functions ranging from 8 – 12 sq m per FTE employee (Net Internal Area). The higher end of this range relates to ‘general office’ uses including HQ, Administration and ‘Client Facing’ office types. The lower end relates to call centres with Business Park and Serviced Office developments averaging 10 sq m. The Occupier Density Study (2013) indicates an average density of 9.4 sq m for the East of England region and a mean density for the UK of 10.9 sq m. On this basis, an assumption of 10 sq m per employee has been adopted, with a 20% uplift to provide Gross External Area (GEA). The utilised assumption is therefore 12.0 sq m per employee.
R&D (B1b)	The most recent (2010) best practice guidance does not include an employment density figure for R&D B1b premises. The average of B1a office and B1c light industrial equates to 29.5 sq m NIA (35.4 sq m GEA), this is broadly aligned to the first edition (2001) of the best practice guidance estimate for High Tech R&D of 29 sq m GIA (30.5 GEA) in non Science Park locations and 32 sq m GIA (33.6 sq m GEA) within Science Parks. A figure of 34 sq m (GEA) has been used within the analysis.
Light Industrial (B1c)	The 2010 Employment Densities guide includes an employment density estimate for B1(c) light industry at 47 sq m per employee (NIA). Allowances are made to align to GEA (+20%). A figure of 56.4 sq m per FTE employee has been used in this analysis.
Industrial (B2)	B2 General is estimated at 36 sq m per employee (GIA) based on best practice guidance. Allowances are made to align to GEA (+5%) with a final assumption of 37.8 sq m per employee.
Warehouse (B8)	Latest available estimates suggest 70 sq m per employee (GEA) for general warehousing and 80 sq m per employee (GEA) for large scale warehousing. There is the potential for a mix of both in Maldon and the mid point has been adopted for this analysis, 75 sq m per employee.

Changing Densities over Time

Research publications setting out employment densities have indicated a trend towards increasing density of occupation of office space (i.e. reduced space per worker) over the last 20 years. Guidance published in 2001 indicated general office density of 19 sq m per worker (GIA) which had reduced to 13.8 sq m per worker (GIA) within the 2012 2nd edition of the guidance. As a result of increasing density of occupation across the whole office stock it was possible for substantial increases in employment to be accommodated within existing stocks through the reconfiguration and modernisation of space.

However, the September 2013 Occupier Density Study published by the British Council for Offices suggests this trend might be levelling off, for various reasons. For the purposes of the quantitative assessment in this report it is assumed that there is no further substantive increase in the density of office occupation so as not to artificially restrict the provision of office space. However, when interpreting the results it should be considered that if the recent historic trend did continue there may be scope for a lower requirement for new office development than set out within this analysis.

Allowing for Replacement

An allowance for replacement has been included within the methodology to encapsulate the wider changes in the economy not picked up in the employment projections. Within sectors there is constant churn of businesses and employees. Working practices change, new technologies are adopted and the sites and premises used by firms need to adapt to these new ways of working. As a result, there will be a need for some existing employment stocks to be replaced. There will also be instances where existing buildings are so dilapidated that they require complete reconstruction.

Developing a methodology to estimate the scale of replacement activity is not straightforward. As a result, the experience of the team at Hardisty Jones Associates, working with clients over a number of years, particularly Hampshire County Council and the Partnership for Urban South Hampshire, to develop a methodology which is robust in terms of its underpinning logic and the evidence used to derive assumptions.

Typically within the property sector, development appraisals on new buildings consider a 25-30 year time horizon. As a result, one may expect that after this period, a building would be ripe for replacement. However, data on the age of commercial employment buildings indicates a very different picture.

Data from 2004 for Maldon District (shown in the table below) indicates that a notable proportion of the current office stocks were built pre 1940 and 50%-60% of all employment stocks were built pre 1970. This implies that the useful lifespan of some stocks is considerable.

	% built Pre 1940	% built 1940 - 1970	Total Pre 1970
Office	37%	22%	59%
Factory	5%	57%	62%
Warehouse	7%	44%	51%

Source: CLG archive. Total floorspace by LAD and age. 2004.

If buildings were replaced every 30 years, one would expect around 3% of all commercial employment property stocks to be replaced each year. Due to the existence of a substantial stock of property aged pre 1970 this assumption is too strong. As a result, for this analysis an assumption that 1% - 1.5% of existing stock is replaced each year. This effectively equates to a replacement of the entire commercial employment stock every 66-100 years (clearly there will be some property which is not replaced and other buildings which could be replaced more than once).

References:

Employment Densities: A Full Guide, 2001, Arup for English Partnerships

Employment Densities Guide, 2nd Edition, 2010, Drivers Jonas Deloitte for OffPAT and Homes & Communities Agency

Occupier Density Study, 2013, British Council for Offices

Appendix 2: Detailed Data Tables

Employment Projections By Use Class and Time Period

Table 1: Employment change by Use Class by time period

Use Class	2014-2019	2019-24	2024-29	Total
A1	180	100	80	370
A2	60	30	20	110
A3-5	100	50	30	180
B1a	420	220	180	810
B1b	20	10	10	30
B1c	10	0	0	0
B2	-60	-120	-160	-350
B8	60	10	0	70
C1	30	10	10	50
C2	-10	10	10	10
C3	0	0	0	0
D1	-70	70	80	80
D2	70	20	20	110
Sui Generis	90	40	40	170
None	270	140	160	570
Total	1,160	590	480	2,230