South Somerset Employment Land Evidence: Long Term Economic Forecasting and Implications for Employment Sites and Premises

Final Report

Prepared on behalf of South Somerset District Council

July 2017

Contents

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HJA

Executive Summary

i.   Hardisty Jones Associates Ltd (HJA) was appointed by South Somerset District Council (SSDC) to provide a review of long-term economic forecasts for the district, and their implications for future employment sites and premises requirements. This will form part of the evidence base to underpin the early review of the South Somerset Local Plan. The methodology employed has been designed to align to the requirements of the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).

Economic Context

ii.   The starting context for the forecast period is important. A review of official statistical data shows that South Somerset has not seen growth in total employment over the period 2010-15, and has performed below county and national benchmarks. This is largely explained by the sectoral structure of the local economy, with over-representation in sectors that have experienced employment decline in recent times. However, strong labour market metrics, including high levels of participation and low unemployment suggest this is not presently a cause for concern.

iii.   The South Somerset economy has a strong over represention of the manufacturing sector, particularly aerospace manufacture, reflecting the long history of rotocraft manufacturing in the district. The predominance of manufacturing is offset by an under-representation of what might be termed 'office based' activities, such as financial, professional and business services. Growth in the number of businesses has also been slower than in benchmark areas, however, the survival rates of the businesses that do form are generally higher than benchmark areas. Overall the economy is ranked below average in terms of competitiveness by the UK Competitiveness Index.

Economic Forecast Scenarios

iv.   Economic forecasts from two sources, Experian and Oxford Economics (OE), have been reviewed. The two forecasters use different models and have differing expectations of the growth potential of the UK economy and the respective sectors within it. Utilising more than one forecast is therefore useful for understanding the range of potential futures. Both forecasters anticipate stronger average annual growth in Gross Value Added (GVA), a measure of economic output, and lower average annual growth in employment over the period 2014-34 than the historic period 2000-14. In order to achieve this productivity growth will need to be higher than it has been historically. This is particularly the case within the OE forecast which forecasts the higher GVA growth and lower employment growth of the two forecasters.

v.   Closer inspection of sector by sector forecasts shows some substantial variation between the two forecasting houses. HJA in conjunction with SSDC has therefore undertaken a sector by sector review of the forecasts, drawing on local intelligence to understand the most realistic assessment hybrid assessment of the forecasts. The output of which was a moderated baseline forecast for 8,500 additional jobs over the Plan period. This falls within the middle of the 6,000 – 10,700 range emerging from the two forecasters.

vi.   These results were cross-checked with potential labour supply projections arising from the Strategic Housing Market Assessment (SHMA). The SHMA suggests that there will be insufficient labour supply to meet the moderated baseline which will require adjustments in the local labour market. On this basis it was determined inappropriate to consider higher employment growth scenarios. Neither was there any clear basis from the labour demand perspective to develop any such scenarios, particularly with a constrained labour market position across the wider county and a substantial jobs demand resulting from the Hinkley Point C new nuclear power station construction phase. The focus should be on driving productivity growth in line with county and LEP growth plans.

Future Employment Sites and Premises Requirements

vii.   The forecast employment change will be spread across the Planning Use Classes Order. This includes around 2,000 jobs in the A Use Class, 1,000 in the B Use Class, 1,700 in the C Use Class and 1,400 in the D Use Class. A further 1,900 jobs are forecast that will not require direct provision of sites and premises, either as a result of home working, peripatetic working or within the workplaces of others. The implications within the A, C and D Use Classes (retail, leisure, health, care and education etc) will be picked up through other evidence base documents (e.g. retail study and infrastructure delivery plan).

viii.   The sites and premises requirements within the B Use Class arise from two elements. Firstly, adapting to the net changes in employment and secondly, ensuring that the existing stock of premises is maintained in the face of changing occupier requirements, dilapidation and losses to other uses. Account is taken in the forecasting of the potential to reprovide some of the B Use Class development on sites that have previously accommodate B Use Class premises. There is also an allowance to ensure flexibility and choice in the market. Figure 1 summarises the results of the forecast assessment. This is split into office and industrial requirements.

ix.   Within the office sector, growth of some 1,600 jobs will fuel an additional requirement for approximately 13,100 sq m of office space. In addition, 21,600 sq m will be required to retain a high quality stock of premises. After deductions for replacement on previously used B Use Class sites and allowing for choice and flexibility provision will need to be made for 30,500 sq m, approximately 3-8 hectares depending on development density. Based on market intelligence this should be deemed a top side estimate, with the potential for some of this requirement to be accommodated at larger urban centres such as Taunton, Exeter and Bristol through the changing workforce requirements of occupiers, as well as through more intensive occupation of existing office stocks in the area.

x.   Within the industrial sector the net additional requirement is negative as a result of a decline in employment in the B2 general industry Use Class. However, replacement demand will be substantial at approximately 190,000 – 390,000 sq m over the 20 year Plan period. This accords with substantial development levels witnessed in the district in the face of declines in manufacturing employment in the past. After adjusting for the re-use of previously used B Use Class sites and for flexibility and choice there is an outstanding requirement for 42-85 hectares of industrial development land. The results of the forecast analysis were validated through cross-referencing historic levels of development activity and with commercial market

stakeholders. These both indicated figures towards the upper end of the range of industrial floorspace were achievable and it would be short-sighted to fail to plan for such levels of development. However, development viability issues remain a challenge in both the office and industrial sectors.

Figure 1 Total Estimated Future Sites and Premises Requirements (sq m unless stated)

	Office	Industrial
Replacement Provision (A)	21,600	197,600 - 395,200
Net Additional Requirement (B)	13,100	-6,800
Gross Requirement (C=A+B)	34,700	190,800 - 388,400
Delivered on Existing Employment Sites (D)	6,940	38,160 - 77,680
Net Requirement (E=C-D)	27,760	152,640 - 310,720
Flexibility Allowance (F)	2,780	15,260 - 31,070
Total Requirement (G=E+F)	30,540	167,900 - 341,790
Average Annual Requirement	1,530	8,400 - 17,090
Total Land Requirement	3 – 8 ha	42 - 85 ha
Average Annual Land Requirement	0.2 - 0.4 ha	2.1 - 4.3 ha

Source: HJA

1   Introduction

1.1   South Somerset District Council (SSDC) is currently undertaking an early review of the South Somerset Local Plan. In order to inform this review, the Council requires robust evidence prepared in line with national policy and practice guidance.

1.2   HJA was appointed by South Somerset District Council to provide a review of long-term economic forecasts for the district, and their implications for future employment sites and premises requirements. This report sets out the results of the study and will form part of the evidence base to underpin employment and economic policies within the Local Plan.

1.3   This report complements a second research study which focuses on short term issues in the commercial property market, based primarily on consultation with local commercial property market stakeholders.

National Policy and Guidance

1.4   The approach adopted has been informed by, and aligned to, national policy and guidance.

1.5   Planning Practice Guidance provides advice on undertaking economic development needs assessments (section reference ID 2a). The entire section is of relevance and has been considered. This includes the following specific guidance relating to the assessment of future requirements:

Local authorities should develop an idea of future needs based on a range of data which is current and robust (PPG ID 2a-032)

Plan makers should consider:

- *Sectoral and employment forecasts and projections (labour demand)*
- *Demographically derived assessments of future employment needs (labour supply)*
- *Analyses based on 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, economy and employment statistics*

1.6   In setting the tone for the assessment it is also important to consider the National Planning Policy Framework (NPPF). This notes that the planning system, in fulfilling its economic role, needs to ensure *"that sufficient land of the right type is available in the right places and at the right time to support growth and innovation" (paragraph 7)*. That *"every effort should be made to objectively identify and then meet the…business…needs of an area, and respond positively to wider opportunities for growth" (paragraph 17)*. Specifically in drawing up Local Plans the NPPF states that *"Local Plans should be aspirational but realistic" (paragraph 154)*. These principles underpin the approach employed, ensuring a positive view of future growth potential, unencumbered by constraint but grounded in reality.

Methodology

1.7 The assessment of future scenarios and associated employment sites and premises requirements contained within this report is not designed to be a detailed prediction of exactly what will happen in the future. 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. Policies developed using this evidence 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.

1.8 In summary, the approach followed contains four key stages:

- Review of forecasts – a review of econometric forecasts for the district sourced from two providers. This review included a consideration of the baseline economic conditions and tested labour demand against the labour supply from the demographic modelling within the Strategic Housing Market Assessment (SHMA).
- Scenario Workshop – a discussion with a range of officers of the Council to discuss the forecasts and the potential for considering alternative economic scenarios based on local knowledge, evidence and aspiration.
- Employment sites and premises modelling – analysis of the future employment sites and premises requirements arising over the Local Plan period as a result of forecast changes in the economy including testing against historic levels of development activity.
- Testing with the LDS[1] Board and Commercial Agents – two workshops with Council Members and local commercial property market stakeholders to test emerging findings and modelling assumptions.

1.9 Additional comment on the detailed methodology employed is included within the report and supporting appendices where relevant.

Report Structure

1.10 This report is structured simply to:

- Set out the current and recent historic economic performance of the district economy;
- Provide a summary of the underpinning economic forecasts and associated scenarios; and
- Set out the implications for future employment sites and premises requirements.

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[1] Local Development Strategy
[2] ONS Population Estimates (2015), figures rounded to nearest thousand
[3] ONS Annual Population Survey (2016)
[4] ONS Annual Population Survey (2016)
[5] ONS Annual Survey of Hours and Earnings (2016)

2   Economic Baseline and Context

2.1   It is helpful to understand the starting point from which future scenarios are being considered. However, it should be cautioned that socio-economic data at the local (district) level has some limitations, particularly where sample based surveys are used. Whilst such techniques are designed to provide very robust data at the national level, as the area of focus narrows and the samples become smaller the data is subject to wider confidence intervals and greater volatility.

Summary Labour Market Profile

2.2   The South Somerset district has a resident population of 165,000[2]. The population has been steadily rising for many years although at a slightly slower rate than the GB and South West regional populations. The population aged 16-64 (a proxy for working age population) has been falling as a proportion of the total population and is now notably below the averages for GB and the South West. The absolute number of 16-64 year olds has been falling since 2008.

2.3   The economic activity rate and employment rate[3] are both higher in South Somerset than the GB average whilst very marginally below the South West figures. As a sample based dataset there is a high degree of local volatility but over the medium to longer term the South Somerset economic activity and employment rates have generally been above both the national and regional benchmarks. This suggests a high degree of labour market participation in South Somerset. There is some evidence of a decline in the most recent data but potentially as a result of sampling error it is too early to determine whether this is an established change.

2.4   Unemployment as recorded by both the Annual Population Survey and Claimant Count is lower in South Somerset than regional and national benchmarks. In keeping with the participation data above, there is no evidence of a fundamental issue in terms of engaging the workforce in employment. Unemployment has generally been falling in recent years since a post recession peak around 2012. Claimant numbers have slightly increased in early 2017, although this is in line with regional and national trends.

2.5   South Somerset has a lower proportion of its working age population qualified[4] to the highest level (Level 4 and above) than GB and South West benchmarks, but higher proportions at all other levels. This is reflected in the occupational profile, with fewer residents employed in professional occupations or as senior managers, but higher proportions in middle and lower order occupational groupings. This is also reflected in the sectoral structure of the local economy as described below.

2.6   Earnings[5], when measured both by where people live and where people work are recorded as lower for South Somerset than South West and GB benchmarks. This again aligns to the lower

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[2] ONS Population Estimates (2015), figures rounded to nearest thousand
[3] ONS Annual Population Survey (2016)
[4] ONS Annual Population Survey (2016)
[5] ONS Annual Survey of Hours and Earnings (2016)

proportion of workers in the highest order occupational groups, which often attract higher earnings.

Recent Changes in Total Employment

2.7 There are multiple official measures of employment for local areas, all with strengths and weaknesses. We have considered each to build a picture of the local economy.

2.8 The ONS Jobs Density measure is the most complete measure of all jobs in an area. This records 82,000 jobs in South Somerset in 2015. This equates to 0.86 jobs per working age person. This ratio is in line with the South West regional average (0.86) and above the GB average of 0.83. Whilst a time-series of data is available, the ONS do not recommend using it. Although this measure is the best point in time estimate of all jobs when it is released, based on a combination of other datasets, the figures are not revised as and when the various component datasets are revised. Hence the time-series becomes unreliable.

2.9 The time-series data that is available shows a steady increase in employment through the early 2000s from 74,000 to 84,000 jobs, before a decline from 2007-09 back to 80,000 jobs. There was then fairly rapid increase in employment to 2011, reaching a peak of 85,000 jobs. Since that point the data shows a period of modest ups and downs with neither great decline nor growth.

2.10 Other measures of workplace based employment (i.e. employment located in South Somerset) include the ONS Business Register and Employment Survey (BRES), which provides the most detailed sectoral data, and the ONS Annual Population Survey (APS) workplace jobs measure, which is generally regarded as a weaker indicator, but is used to assess self employment. The BRES data has been relied upon in much of the following analysis due to the level of sectoral disaggregation that is available, as well as a reasonably consistent time-series.

2.11 Figure 2.1 shows the recent trend in employment change from 2010 onwards for the three employment datasets. This is helpful to illustrate firstly that the different datasets provide differing assessments of employment and that the Jobs Density measure is the most comprehensive. Also, that on all measures the broad pattern is of minor year-on-year fluctuations but with no real change in terms of growth or decline.

2.12 In order to provide some comparison with national trends the BRES is the most reliable source. Figure 2.2 shows the indexed change in total employment for South Somerset, the county of Somerset and GB over the period 2010-15. This shows a broadly similar pattern in the data for Somerset and South Somerset, albeit with a steeper decline in the year 2011-12. GB did not experience that decline and therefore shows a much greater growth in employment over the analysis period.

Figure 2.1 Change in Total Employment in South Somerset 2010-15
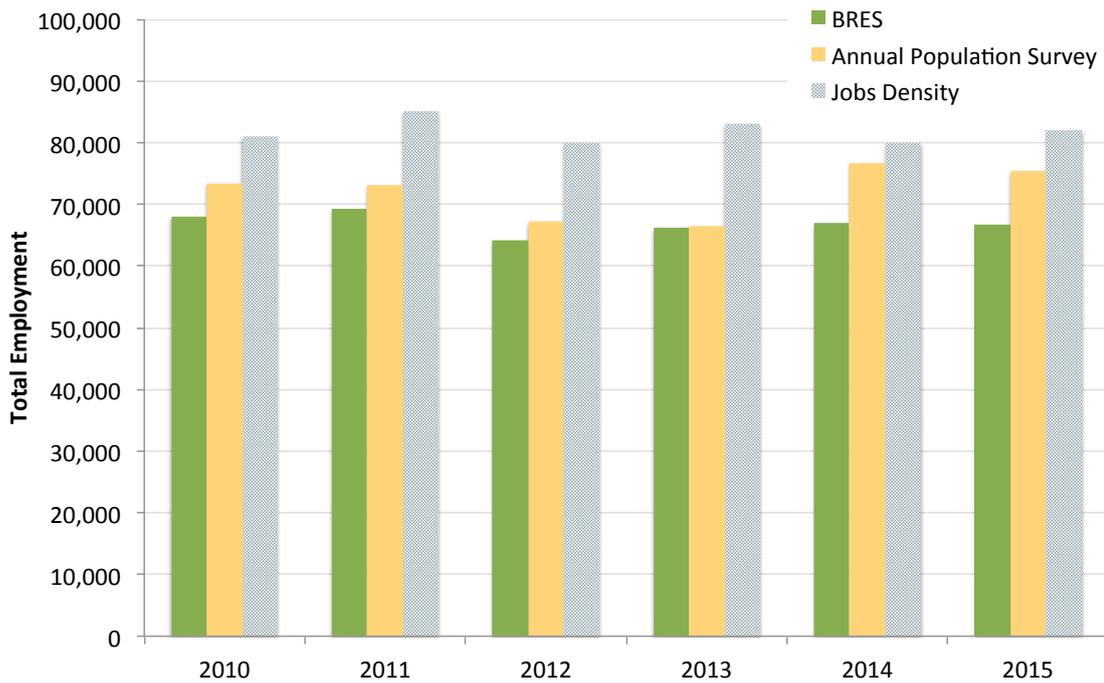
Source: ONS Jobs Density, APS, BRES

Figure 2.2 Change in Total Employment vs Benchmark Areas 2010-2015
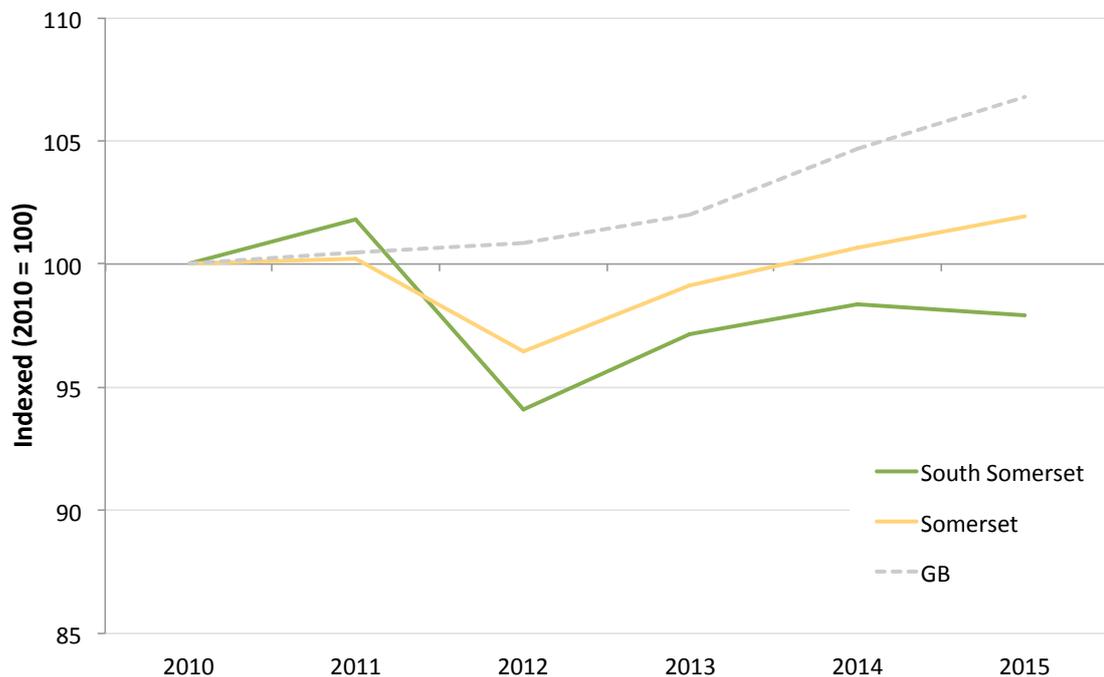
Source: ONS BRES

2.13 In combination, what this analysis shows is that in recent years there has not been substantial growth in net additional jobs in South Somerset. Broadly the level of employment has been static (with some variation and volatility which is common with survey based datasets). However, the labour market analysis does not suggest any major cause for concern at this stage. Economic activity and employment rates remain high and unemployment remains low.

Employment by Sector

2.14   The South Somerset economy has a particularly high concentration of employment within the manufacturing sector.   This arises primarily through its longstanding role as a centre for aerospace (rotocraft) manufacturing and its associated supply chains.   There is also a concentration in terms of food manufacture (including pet foods).   Figure 2.3 shows the location quotient (LQ) of sectors in the South Somerset economy.   This illustrates how concentrated a sector is, relative to the national average. If a sector is relatively concentrated in South Somerset (i.e. a greater proportion of employment falls within that sector in South Somerset compared to the UK) then the LQ will be greater than 1. If the sector is under-represented the LQ figure will be less than 1. The chart clearly shows the high concentration of manufacturing.   There are also concentrations in the construction sector, wholesale & retail sector and health sector.   The chart also shows the under-representation of employment in what might be typically thought of as 'office based activities' including information and communication, financial and insurance, professional services and business services.

Figure 2.3 Sectoral Location Quotients
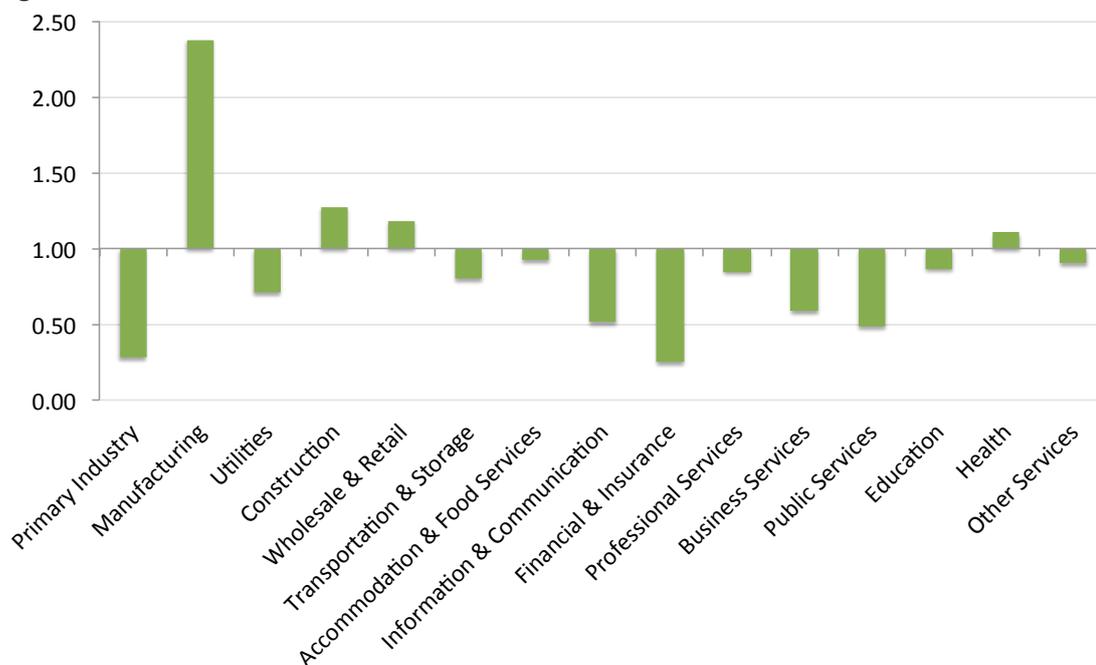
Source: ONS BRES

2.15   This sectoral profile is likely to explain some of the relatively poorer performance in terms of changes in employment. Figure 2.4 shows both the absolute numbers of people employed in each sector at 2015, and also the change in employment by sector over the period 2010-15. This shows how the sectors in which South Somerset has particular concentrations and are also large in absolute terms, have almost all experienced employment decline over that period, namely manufacturing, construction and wholesale & retail. The sectors that have experienced growth, of which there are relatively few, are primarily sectors in which the district is relatively under-represented.

Figure 2.4 Sectoral Employment Change 2010-15
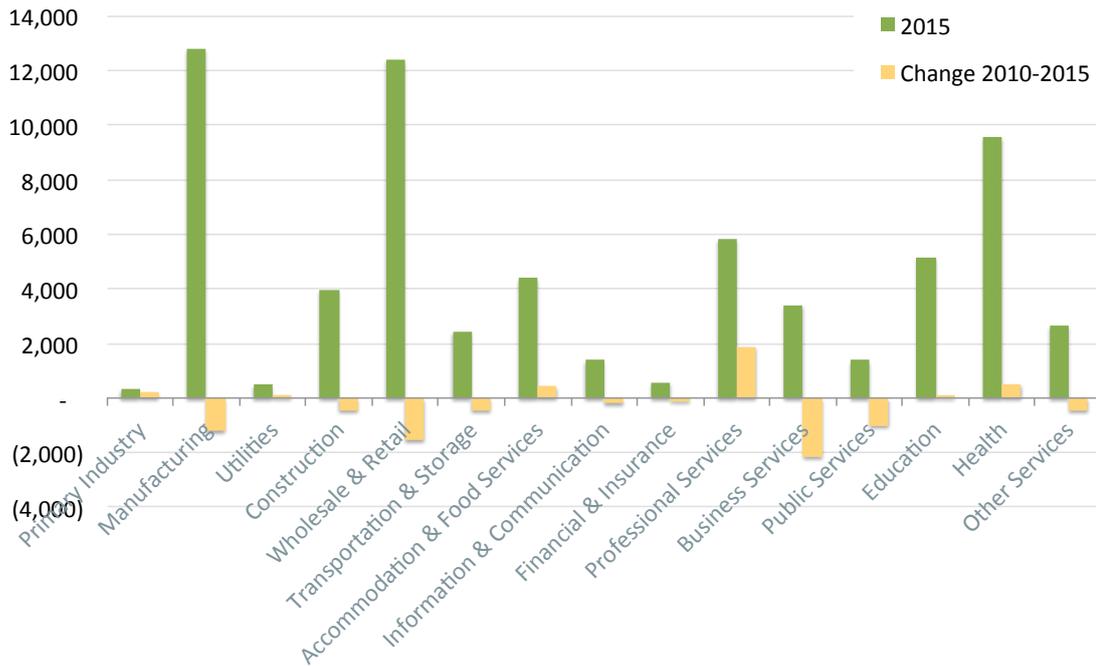
Source: ONS BRES

Business Demography

2.16   The ONS Inter Departmental Business Register (IDBR) shows a steady rise in the number of enterprises in South Somerset since 2011, to 7,165 in 2016. However, over the period 2010-16 the growth in the number of enterprises in the district is approximately 7%. This compares to more than 14% in the South West region as a whole and more than 22% in Great Britain.

2.17   The South Somerset economy has a slightly higher proportion of enterprises classified as micro enterprises (i.e. 0-9 employees) with 89.7% of all enterprises within this classification. However, the UK economy is characterised by a very large micro business sector (89% GB).

2.18   Data on business survival[6] shows a general trend for higher rates of business survival in South Somerset than the county, regional and national averages.

Competitiveness

2.19   Data on the competitiveness of local economies can be found in the UK Competitiveness Index[7] (UKCI). This work measures the competitiveness of places in the UK according to a number of factors, which are summarised in figure 2.5 below. These factors are combined to produce a score of 100 for the UK. A score below 100 indicates a less competitive place than average, and a score above 100 suggests a more competitive place.

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[6] ONS Business Demography
[7] Huggins, R and Thompson, P (2016) UK Competitiveness Index

Figure 2.5 The Factors of Competitiveness

Input Factors
Economic activity rate
Business start-up rate
Number of businesses
Proportion of working-age population qualified to NVQ4
Proportion of knowledge-based businesses
Output Factors
GVA per head
Productivity (output per hour worked)
Employment rate
Outcome Factors
Gross weekly pay
Unemployment rate

Source: Huggins & Thompson, 2013

2.20 The UKCI provides a benchmarking of the competitiveness of different spatial scales across the UK, namely local authorities, cities, LEPs, and regions (but not counties). It is designed to be an '*integrated measure of competitiveness focusing on both the development and sustainability of businesses and the economic welfare of individuals*' (p7, UKCI). The report considers competitiveness to be the capability of an economy to '*attract and maintain firms with stable or rising market shares in activity*', while maintaining stable or increasing standards for residents.

2.21 Figure 2.6 shows very modest change in the score and rank for South Somerset between 2013 and 2016. South Somerset is ranked 230th of the 379 district and unitary authority areas in England with a score below 100, suggesting the area is less competitive than the average. It is ranked in the middle of the districts within Somerset.

Figure 2.6 UK Competitiveness Index Score and Rank

Area	2013		2016		Change	
	Score	**Rank**	**Score**	**Rank**	**Score**	**Rank**
Mendip	89.9	198	91.3	176	1.4	22
Sedgemoor	84.7	278	83.6	301	-1.1	-23
South Somerset	87.9	229	88.1	230	0.2	-1
Taunton Deane	91.0	178	92.9	164	1.9	14
West Somerset	82.7	305	84.0	292	1.3	13
HOSW	**88.5**	**33**	**88.7**	**33**	**0.2**	**0**

Source: HJA adapted from UK Competitiveness Index 2016

Baseline Summary

2.22 The South Somerset economy is dominated by the manufacturing sector, particularly related to rotocraft and the associated supply chain. However, the economy has not seen any real growth in jobs in recent years. This is not necessarily a major problem at the current time as labour market participation is high and unemployment low, but could be an issue in the future. Also, the area does not perform strongly in the UK Competitiveness Index.

2.23 There is a relative under-representation of office based activities and the occupational, skills and earnings profile show a shortage of opportunities in higher wage, higher skilled jobs. In addition to not adding jobs, the local economy has seen much slower growth in its business base than comparator areas, although there are positive indicators in terms of the survival of those businesses which do form. As with the UK economy generally, micro business are incredibly important to the area.

3   Economic Growth Forecasts and Scenarios

3.1   This chapter considers the potential economic futures for South Somerset.

'Business as Usual' Forecasts

3.2   Economic forecasts have been purchased from two leading forecasters, Oxford Economics (OE) and Experian. The OE data has been utilised previously for other research including the SHMA and was prepared before the UK voted to leave the EU. The Experian data was newly purchased for this study and is a more recent economic forecast prepared after the EU referendum. Experian indicated that its forecast was prepared anticipating a 'soft' Brexit[8]. It is evident when comparing the two forecasts (as can be seen in following sections) that there is some suggestion of a short term slow down related to uncertainty before the economy returns to something similar to previously forecast long term growth rates. The forecasters provided both historic and forecast data from their forecasting models.

3.3   More than one economic forecast is used to ensure a broader perspective on potential economic changes. As was evident from the baseline analysis presented previously, there are various historic datasets. The way in which these are interpreted can vary from forecaster to forecaster. To illustrate this figure 3.1 shows the historic analysis of South Somerset total employment from the two forecasters, these are overlayed with two potential sources of ONS employment data from the Census and Jobs Density datasets. This shows how even in modelling historic statistics there is room for variation, and as this is a component of the forecasting model it creates scope for differences in forecasting results.

Figure 3.1 Historic Employment Data

Source: HJA based on OE, Experian and ONS

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[8] Assuming the UK remains within the Single Market.

3.4   There will also be differing views of the future potential of the UK economy as a whole and its constituent sectors and localities. Forecasting is an imprecise science and therefore it is appropriate not to rely solely on a single provider.

3.5   There is also often discussion about whether forecasts should be termed 'policy on', 'policy off', 'baseline' or 'business as usual'. Each of these terms has helpful and unhelpful connotations. Nevertheless, there is a need to use some form of terminology within this report. We therefore clarify the following:

- The forecasts as initially provided by the forecasters are referred to in this report as *baseline* forecasts. This enables a contrast between the original forecast scenarios and any adjusted scenarios that might be considered.
- However, the forecasters' 'baselines' draw on historic economic performance of the area as one of the determining factors. They also draw on detailed analysis of national economic potential. The forecasts are not therefore developed assuming a policy vacuum or absence. Whilst they are not developed with explicit reference to future local policy, the historic period on which they draw also included efforts from national, regional and local economic development stakeholders to deliver a prosperous economy. A level of economic development action is therefore inherent within the forecasts.   For this reason, the term 'business as usual' can appear more helpful. However, this implies no consideration is taken of wider economic factors, which will determine the economic prospects of the UK economy. This would be a misinterpretation.

3.6   In order to validate the baseline forecasts they have been tested against:

- Historic economic performance of the area
- Existing policy and strategy ambition
- Local intelligence on economic drivers and sectoral prospects
- Demographic analysis undertaken as part of the SHMA as a measure of labour supply and employment need.

Brexit and the Uncertain Economic Climate

3.7   This report and the research within it have been undertaken approximately 9-12 months after the UK voted to leave the EU. Article 50 has been triggered but the potential economic implications remain hotly debated and disputed. There is considerable uncertainty as to the exact timing and nature of the terms on which the UK will leave the EU.   Commentators conflict in their views of both the opportunities and threats posed to the economy. This creates substantial uncertainty for economic forecasters when assessing future growth trajectories. As noted above, the OE forecast was prepared ahead of the EU Referendum and assumed the UK remained in the EU, the Experian forecasts were prepared after the referendum but assumed a soft Brexit.

3.8   Since the preparation of both forecasts there has been a further General Election creating additional uncertainty in the UK political and economic landscape.   Inflation has risen as the effects of the devaluation of sterling start to take effect. Levels of growth in the UK economy are also now reported as the lowest of the G7 economies in the year (2017) to date.

3.9   As a result of the above, the performance of the UK and local economy should be kept under review.   As greater clarity emerges it may be appropriate to revisit the analysis.

GVA

3.10   Figure 3.2 illustrates the forecast change in Gross Value Added (GVA), a measure of the output of the economy.   The chart shows the forecast for the period 2014-34, as well as the historic trend from the Experian model to provide some historic context.

3.11   OE forecast a higher level of GVA growth over the forecast period, with average annual growth of 2.2%. This compares to their historic assessment of GVA growth over the period 2000-14 of 1.9% per annum. As can be clearly seen on the chart, the yellow OE forecast line is fairly linear throughout the entire forecast period. This is in contrast to the Experian (green) line, which has a period of slower growth in the short term before increasing towards a similar growth rate to OE.   This is most likely to reflect the expectations of uncertainty affecting the economy in the wake of Brexit negotiations. Experian forecasts average annual GVA growth of 2.0% per annum over the forecast period. This contrasts to its view of the 2000-14 period when the economy grew at 1.7% per annum.

3.12   Both forecasters are therefore forecasting average annual GVA growth over the period 2014-34 above that of the period 2000-14 by 0.3% points but the Experian forecast includes a lower overall growth rate, at least in part because of Brexit uncertainty.

Figure 3.2 Forecast GVA Change 2014-34
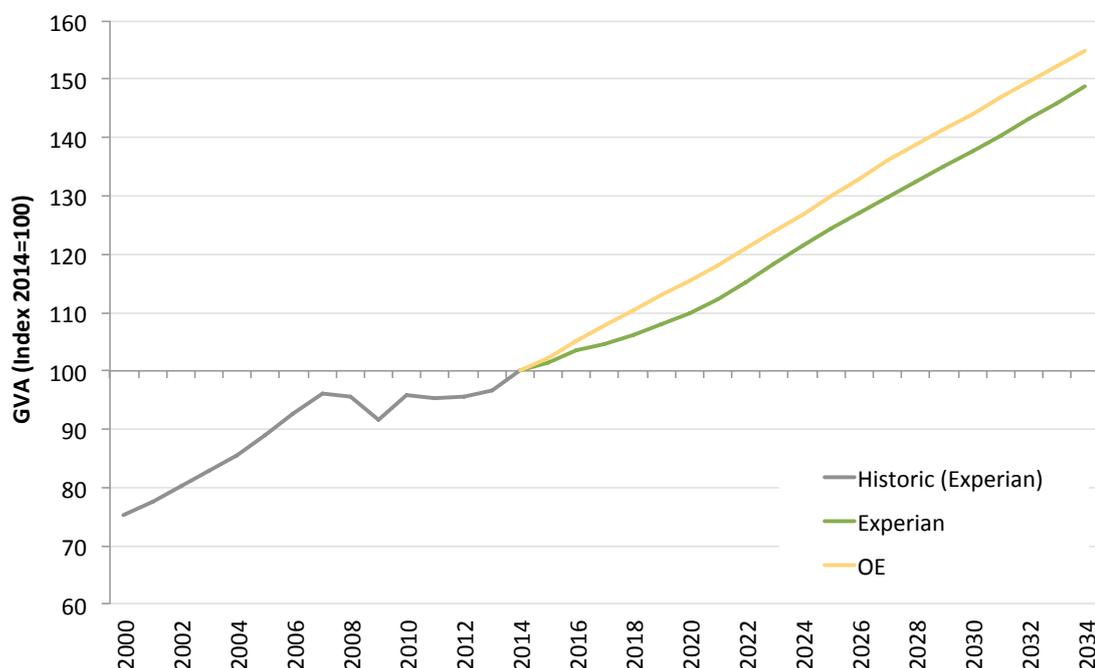
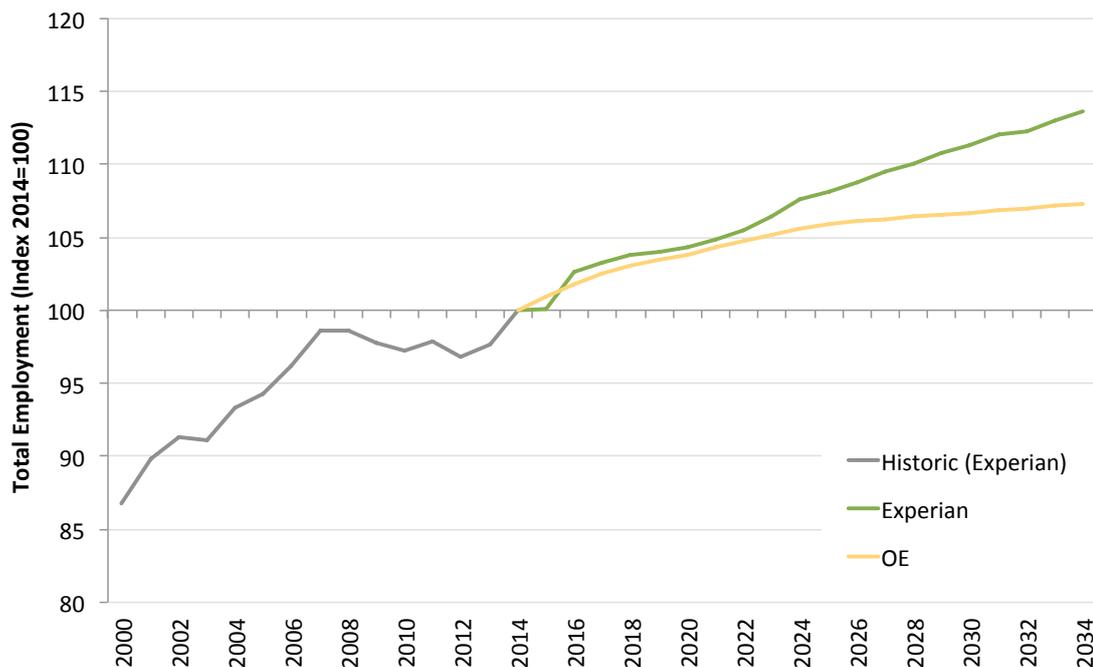Source: HJA based on OE and Experian

Total Employment

3.13   Figure 3.3 illustrates the forecast changes in employment over the Plan period. Of note, Experian forecasts a higher rate of growth in employment than OE. The two forecasters track quite closely until around 2020 when the Experian line increases far more rapidly, whereas

the OE line is fairly flat. This may in part result from the differing views of historic employment change in the district as shown at figure 3.1 above. The rate of historic growth in employment was far higher in the Experian model, albeit from a lower starting position. This may well be carried forward into expectations for future growth. This differences between the two forecasters must relate to anticipated productivity changes. OE is forecasting higher GVA growth and lower employment growth, which means it is anticipating far greater productivity gains to support the higher growth in GVA than Experian.

3.14 OE forecasts employment growth of 0.4% per annum. This compares with 0.6% per annum over the period 2000-14. Experian forecasts employment growth of 0.6% per annum, compared to historic growth of 1.0% per annum. For employment, both forecasters are anticipating lower average employment growth than over the historic period. This is likely to reflect the fact that the labour market is much tighter now than in the early 2000s, with high economic activity and low unemployment, as well as an ageing population leading to a substantial proportion of the current workforce moving into retirement in the forecast period. There is therefore less scope for rapid employment growth, particularly with uncertainties as to the level of international inward migration to the UK in the future.

Figure 3.3 Forecast Employment Change 2014-34

Source: HJA based on OE and Experian

3.15 In absolute terms OE is forecasting employment growth of around 6,000 jobs compared to Experian's 10,700. This is a notable divergence and shows the variations in forecast results.

Sectoral Employment

3.16 Figure 3.4 shows the forecast change in employment by sector over the Plan period. This further highlights the variation between the two forecasting houses. For example, OE forecasts a loss of approximately 3,000 jobs in the manufacturing sector compared to no change forecast by Experian. The variations can look particularly large when considered out

of context. Figure 3.5 shows the forecast level of employment for each sector in 2014 and 2034, whilst it remains clear there are marked differences of opinion over particular sector prospects these are generally less extreme than they might appear in figure 3.4.

Figure 3.4 Forecast Sectoral Employment Change 2014-34
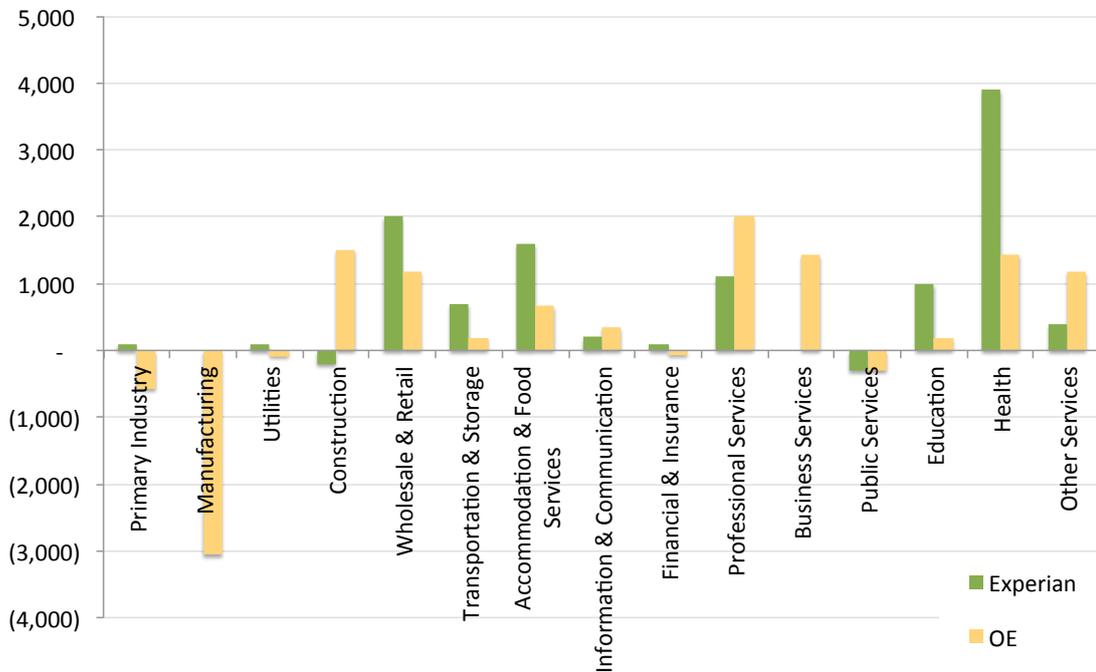
Source: HJA based on OE and Experian

Figure 3.5 Forecast Sectoral Employment 2014 and 2034
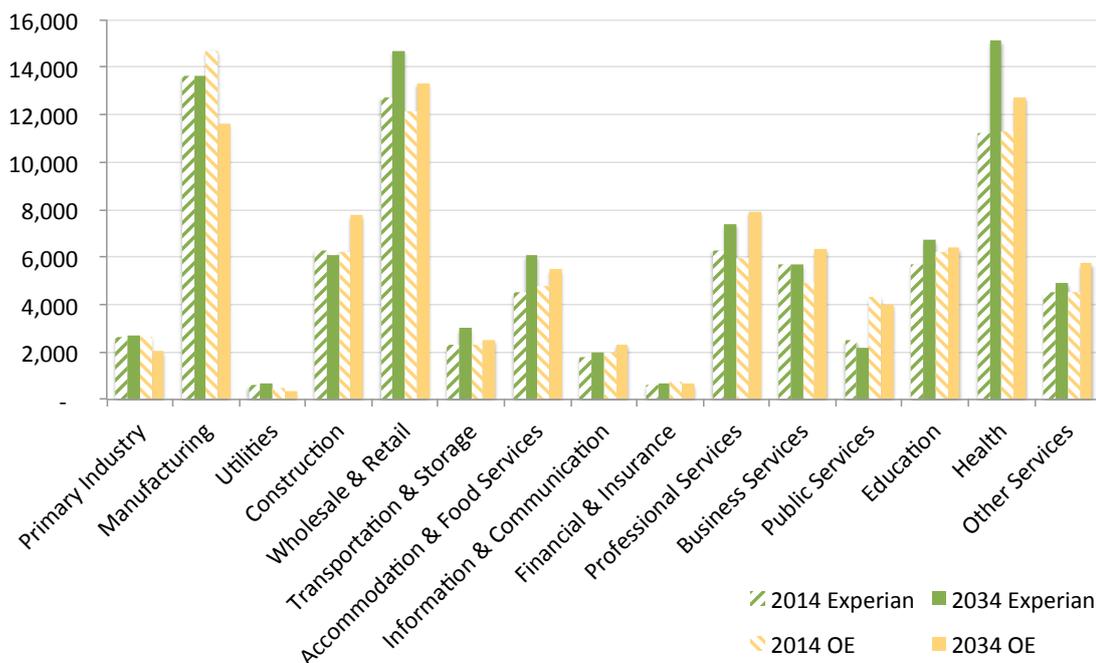
Source: HJA based on OE and Experian

Moderated Baseline

3.17   HJA, in liaison with South Somerset District Council, has considered the two sets of forecasts in detail. This included a sector by sector review of forecasts where there was substantial variation between the forecasters. For each sector the OE, Experian and a hybrid (midpoint) scenario were considered. Based on local understanding of each sector, in terms of historic performance and known local strengths, weaknesses, opportunities and threats a series of scenarios were developed. The decision making is summarised in the table below. As can be seen, as a general rule a positive view of economic potential was taken for each sector.

Sector	Commentary
Primary Industries	Experian forecasts some employment growth for the sector whereas OE forecasts decline. In absolute terms the variations are relatively small. It is anticipated that whilst the sector will continue to be important it will be productivity gains that will be the primary driver of output growth. The nature of agriculture in the area is not highly labour intensive horticulture, which would be fuelled by increased labour demand. Therefore marginal reductions in employment over the long term are anticipated. On balance either the hybrid (midpoint) or OE forecast is deemed appropriate.
Manufacturing	The historic trend has been for a steady decline in employment within manufacturing, although there has been some slowing of the rate of decline. Experian forecasts broadly no change in employment over the forecast period, with OE forecasting a decline of approximately 3,000 jobs. There is anecdotal evidence of both positives and negatives across the sector, as well as substantial uncertainty as to the future of the Aerospace industry in the district, which is the primary core of the sector. It was deemed unlikely that employment would not decline further without a substantial change in fortunes that is not presently evident. On balance the hybrid (midpoint) is deemed appropriate.
Utilities	This is a relatively small sector with modest variation between the two forecasters. The hybrid (midpoint) is therefore adopted.
Construction	Employment grew steadily in the sector up to 2006/07 before a sharp decline with the recession. This has subsequently recovered to pre recession levels through strong growth in recent years, which was borne out by local understanding in terms of Yeovil College and a buoyant local sector. Experian forecasts a modest decline in the total level of construction employment whereas OE forecasts growth of more than 1,500 jobs. Substantial confirmed infrastructure improvements as well as planned expansion of house building volumes are identified as driving further growth in the sector. However, challenges in delivery of housing may mute the effects. The potential for Hinkley Point C to attract construction workers away from South Somerset was also noted. The hybrid (midpoint) is therefore adopted.

| Sector	Commentary
Wholesale & Retail	The wholesale and retail sector has experienced employment decline in recent years however, both forecasters are indicating employment growth through the Plan period. Experian forecast the greater level of growth, with employment returning to the pre-recession level by the end of the period. There are clear policy ambitions to regenerate town centres including the Yeovil Urban Regeneration Framework, Chard Regeneration and forecasts for a growing population. At the same time there are trends towards automation in retail and growth in online shopping. There are therefore competing trends but with some strongly performing centres and a clear desire of the District Council to see growth in retail the Experian forecast is adopted.
Transport & Storage	Transport and storage employment is at a similar level in 2014 to the beginning of the 2000s although there have been rises and falls over that period. Both forecasters anticipate modest growth over the Plan period, with Experian being the more bullish of the two. However, Experian data included a rapid growth in the period 2014-15 which created an exceptional difference between the two forecasters. After checking the available ONS employment data this appears to be a strange anomaly and has been adjusted. In terms of the sector locally, large-scale distribution has generally located close to the M5 outside the district. Improvements in the A303/A358 may improve the attractiveness of the area. Businesses from the area that have grown and needed larger distribution premises have generally looked elsewhere (e.g. Screwfix locating in Staffordshire). There has been interest from last mile distribution companies (i.e. local distribution to homes and businesses), which is expected to drive some growth. The hybrid (midpoint) is therefore used, after adjusting the Experian figure.
Accommodation & Food Service	Employment in this sector has been increasing steadily in recent history. Both forecasters anticipate continued growth, with Experian anticipating much stronger growth than OE. Local intelligence indicates continued growth potential as a result of town centre investment, new hotel development and changing habits of resident communities as well as the potential for increased domestic tourism following Brexit and with weaker sterling. The focus was therefore towards the higher growth options of Experian and the hybrid (midpoint) rather than the lower OE forecast.
Information & Communications	Historically employment has fluctuated over the period 2000-14. Both forecasters anticipate growth in employment in the sector over the period 2014-34, with OE more bullish than Experian. However, in absolute terms the differences are small. With lots of anecdotal evidence of small business growth in this sector, including the increasing attractiveness of the area for high value lifestyle/home based businesses it was determined to focus towards the higher growth options of OE and the hybrid (midpoint).

Sector	Commentary
Financial & Insurance	Employment in this sector has been falling and overall it is not a large sector for the district. OE forecasts a continued, but very modest decline in employment over the 2014-34 period. Experian forecasts a growth but not large in absolute terms. There are competing trends, with banks closing branches and increasingly using automation. There are also examples of growing insurance businesses with plans for additional staff. It was determined that the higher growth Experian option was most suitable.
Professional Services	This sector has seen strong employment growth over the 2000-14 period. Whilst both forecasters anticipate continued growth the rate of growth is more muted than historically. Consultation work did not identify huge potential for this sector, with the majority of professional service firms locating closer to the M5 or in larger urban areas to service a wide hinterland. The hybrid (midpoint) has therefore been adopted.
Business Services	After a period of rapid growth through the early 2000s employment in the sector in South Somerset has seen modest decline and then recovery since the financial crisis and ensuing recession. The forecasters take differing views of the future prospects of the sector, with OE forecasting strong growth and Experian virtually no growth over the Plan period. With anticipation of continued outsourcing and moves to a more agile economy the no growth option does not look likely and the hybrid is therefore adopted.
Public Administration	Employment has been falling in this sector. Both forecasters anticipate a decline in the short term before levelling off from around 2020 onwards. In absolute terms the forecasters provide almost identical assessments and therefore the hybrid (midpoint) is adopted.
Education	There was strong employment growth in this sector through the 2000-12 period before some evidence of declines. Experian forecasts continued strong growth with OE taking a differing view of more muted growth. With continued growth planned in terms of new schools and at Yeovil College there is reason to anticipate growth. The hybrid (midpoint) appears the most reasonable based on current known plans.
Health	There has been strong growth in health employment in the district. Experian forecasts this to continue. OE anticipate more muted growth. This is an important sector for the local economy and the two local hospitals have growth plans. The ageing population is also anticipated to drive strong growth in employment in this sector. The degree to which telecare advances might impact is as yet uncertain. On this basis the higher growth options of Experian and the hybrid (midpoint) appear more realistic.
Other Services	Employment over the period 2000-14 has risen although not in an even manner. OE forecasts continued strong growth in the sector, with Experian indicating much more muted growth. Whilst there is awareness of various plans for leisure sector improvements the job growth associated with this is fairly modest. The hybrid (midpoint) is therefore deemed the most suitable option.

3.18 On the basis of the scenario workshop and desk based analysis a total of five scenarios were prepared:

- Oxford Economics
- Experian
- Hybrid (midpoint)
- Alternative 1 - based on the sector moderation above, taking the higher option where a range was identified
- Alternative 2 - based on the sector moderation above, taking the lower option where a range was identified.

3.19 Figure 3.6 illustrates the employment trajectories of these scenarios. The Experian and OE baseline forecasts create the upper and lower limits. The Alternative 1 scenario is close to the Experian forecast. The hybrid (midpoint) and Alternative 2 scenario are very close to one another in terms of overall employment growth, but have some differences in terms of sectoral mix.

Figure 3.6 Employment Growth Forecast Scenarios 2014-34
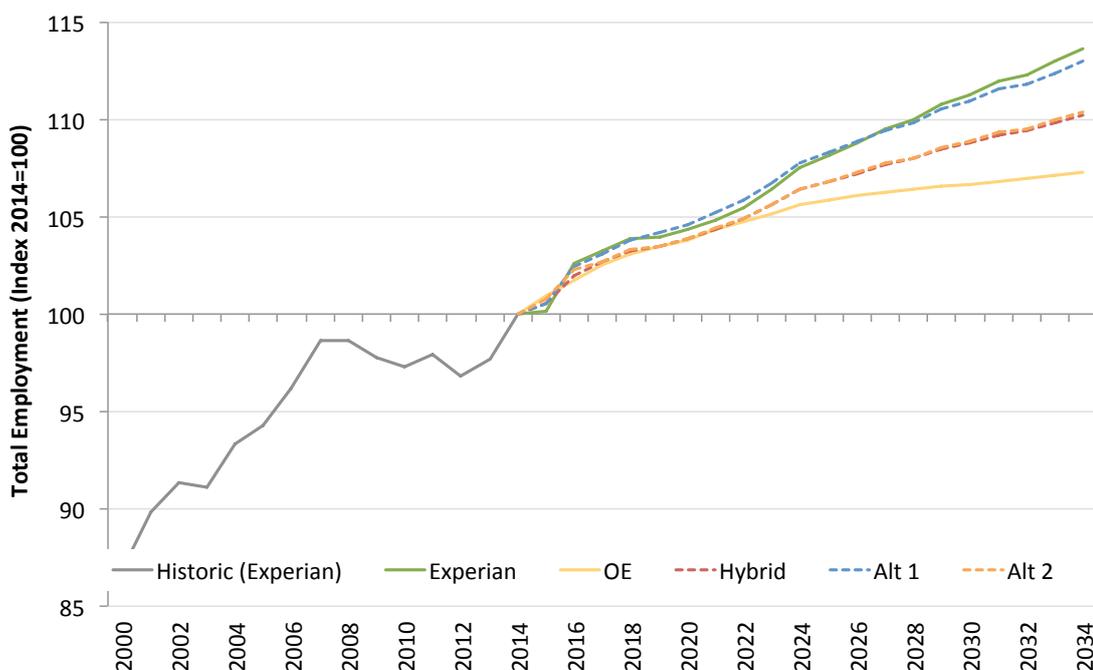
Source: HJA, OE and Experian

Balancing Labour Demand and Supply

3.20 The analysis set out above was undertaken with no direct consideration of labour supply. However, it should be noted that the OE and Experian models are developed on an internally consistent basis to ensure that at the UK level there is a matching of labour supply and demand. At the local level there may be some assumption of changes to commuting patterns to balance local labour markets.

3.21   Detailed local demographic analysis has been undertaken as part of the Strategic Housing Market Assessment[9]. This is a core part of the Local Plan Review evidence base and includes substantially more detailed consideration of local demographic and housing market trends than is undertaken by the econometric forecasting houses. As part of the SHMA work, the OE forecasts were utilised to consider the balance of jobs and homes.

3.22   Figure 3.7 sets out the jobs change per annum for each of the five scenarios, as well as the SHMA Objectively Assessed Need (OAN) figure. It also shows the indicative annual housing requirement associated with each of these levels of growth provided by J G Consulting. This identifies that the levels of housing required are higher than the SHMA OAN for all but the lowest scenario (OE). This results from a shortage of working age population within the demographic modelling work to meet the needs of the economic forecasts.

3.23   In providing objective assessment the evidence suggests the following:

- The labour demand based approaches are suggesting greater levels of employment growth than can be supported by projected demographic change.
- As a result the potential adjusting factors are:
- Increasing the provision of housing to attract additional in-migration of working age persons
- An adjustment to the levels of in and out commuting to and from South Somerset to bring the labour market into balance
- A higher than anticipated increase in the economic activity and employment rate within the local population to support a higher level of employment
- A constraint on the number of new jobs which can be filled.

Figure 3.7 Aligning Jobs and Homes

Scenario	Jobs per annum	Homes
Experian	550	738
Oxford Economics	303	569
Hybrid	419	648
Alternative 1	532	726
Alternative 2	426	653
SHMA OAN	*359*	*607*

3.24   It was agreed that Alternative 2 should be adopted as the preferred scenario to be taken forward for further detailed consideration.

Higher Growth Scenarios

3.25   The demographic analysis means the consideration of further higher growth scenarios must be treated very cautiously. As was noted in Chapter 1 of this report, the NPPF requires plan makers to be *aspirational and realistic*. The level of growth identified through the moderated 'business as usual' scenarios already comfortably exceeds the projected workforce growth undertaken as part of the SHMA. If higher growth scenarios are considered there is no basis on which to anticipate a suitable labour supply to support this growth. If there was a

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[9] J G Consulting (2016) Mendip, Sedgemoor, South Somerset and Taunton Deane, Strategic Housing Market Assessment, Final Report

situation whereby the labour supply exceeded the labour demand there would be a clear rationale to consider routes to boost the scale of job creation in order to meet the needs of the resident workforce. Quite the reverse is true in this instance. The Hybrid and Alternative 2 scenarios should already be considered as *aspirational* relative to the labour supply position. The Experian and Alternative 1 scenarios would appear highly aspirational in the light of available labour supply. As noted earlier in the report, stronger levels of historic employment growth were enabled through slack in the labour market. With an ageing population and high workforce participation rates this slack is no longer available and will limit the scope for employment growth. To go further runs the risk of lacking realism.

3.26   The focus for delivering additional growth will need to switch to productivity fuelled growth, rather than employment fuelled growth. It was previously noted that the OE forecasts already allow for much greater productivity growth than is inherent within the Experian model. The Somerset Growth Plan has recently been revised[10] accepting the countywide issues of future labour supply constraint and focusing efforts on delivering productivity growth rather than purely driving employment. This is particularly brought into focus by the development of Hinkley Point C new nuclear power station. This is creating huge demands on the labour market over the next 10 years and should be taken into account when considering the scale of potential growth to be achieved in South Somerset and the wider county. It may in fact limit the scope for the district economy to create the level of employment forecast in the moderated baseline scenarios. The Local Enterprise Partnership (LEP) is also revising its strategic documentation through the preparation of a 'productivity plan', which further reinforces the need to focus on productivity fuelled growth rather than jobs based growth. There is no South Somerset specific economic development strategy to consider at the current time.

3.27   In addition, discussions with SSDC officers have highlighted challenges in delivering the required volumes of housing growth within the current adopted Local Plan. As such, a policy to boost the supply of housing with a view to boosting the labour supply is far from certain to succeed. It is important that the revised Local Plan is internally coherent but also deliverable.

3.28   On this basis no higher employment growth scenarios have been considered. The Alternative 2 moderated baseline scenario is retained as the preferred scenario. In addition to the issues outlined above, no strong demand side drivers were identified on which a realistic higher growth scenario could or should be developed.

Summary

3.29   Two sets of econometrics forecasts have been reviewed to ensure a rounded view of potential future growth prospects is made. The two sets of forecasts show differences in outlook in terms of GVA, employment and productivity growth in South Somerset. However, both forecasters agree that the level of employment growth over the Plan period is likely to be lower than the historic rate. This is consistent with labour market analysis, which shows

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[10] The document was not published at time of writing but a draft document had been reviewed.

limited slack in the labour market currently and relatively slow forecast growth in workforce as a result of the ageing population.

3.30 HJA in conjunction with SSDC and other stakeholders, sought to test through local knowledge the two sets of forecasts on a sector by sector basis. This has enabled the development of a moderated baseline position. After consideration of the balance of labour supply and demand, there is no evidential basis to develop higher growth scenarios in terms of employment, with the focus needing to be on productivity. This is particularly relevant with major labour demands arising from the Hinkley Point C new nuclear power station construction, which will impact throughout the Somerset and wider economy, exacerbating potential labour shortages.

3.31 Figure 3.8 shows the preferred scenario arising from the moderation process (referred to above as Alternative 2). This anticipates future employment growth of around 8,500 jobs over the Plan period. This is within the centre of a range of 6,000 – 10,700 which was identified.

Figure 3.8 Preferred (Alternative 2) Scenario – Employment Change by Sector 2014-34
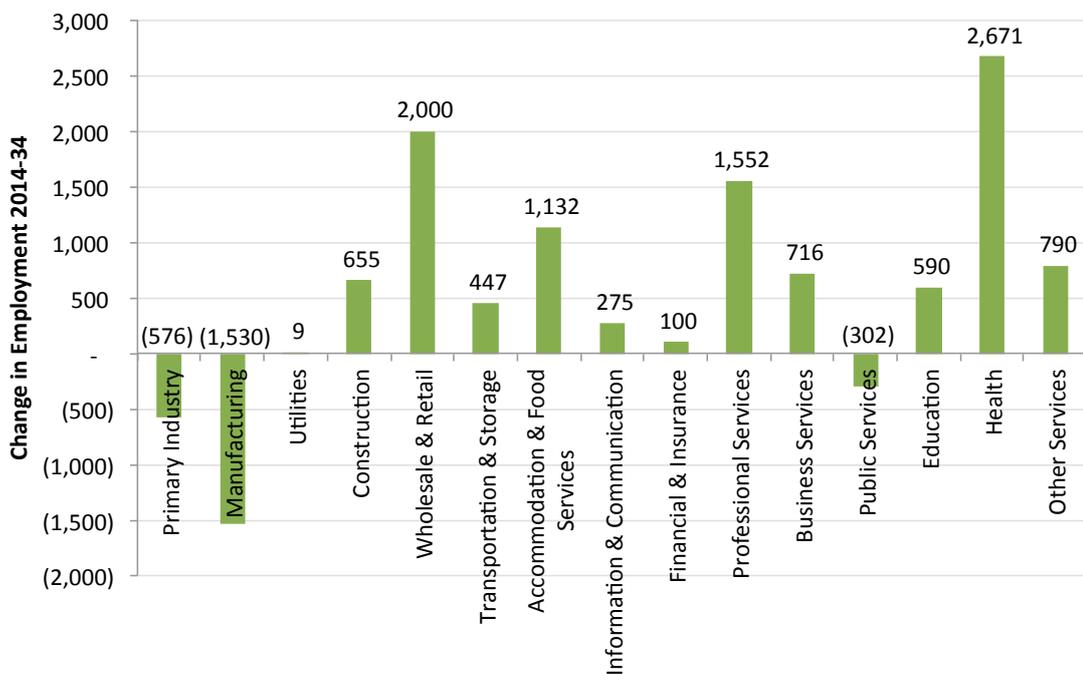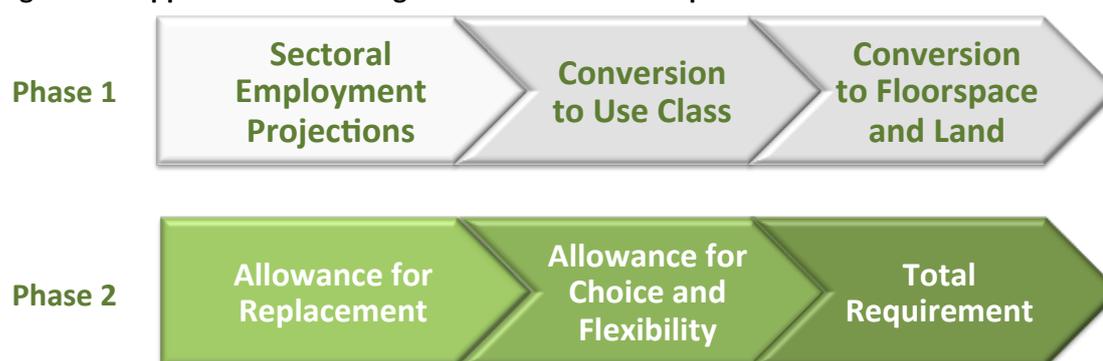

Source: HJA based on OE and Experian

4   Future Employment Sites and Premises Requirements

4.1   The preceding chapter considered potential economic and employment scenarios for South Somerset. This chapter sets out analysis of the associated employment sites and premises requirement arising from future growth and to enable a strong local economy.

Approach

4.2   Figure 4.1 provides a summary diagram of the approach employed to assess future sites and premises requirements.

Figure 4.1 Approach to Assessing Sites and Premises Requirements

Phase 1	Sectoral Employment Projections	Conversion to Use Class	Conversion to Floorspace and Land
Phase 2	**Allowance for Replacement**	**Allowance for Choice and Flexibility**	**Total Requirement**

4.3   The first phase takes account of the net changes in the economy i.e. the growth and decline of particular sectors. The sectoral employment projections are converted to Use Class. This provides an indication of the spread of future employment change across the full range of planning Use Classes and none. From that point onward the focus is upon the B Use Class, with other elements of the evidence base more suited to informing the detailed requirements for A, C and D Use Classes (e.g. retail study and infrastructure development plan). The net employment changes in the B Use Class are then converted to property and land requirements using employment and development density assumptions.

4.4   The second phase then considers wider market factors, particularly the need to recognise the churn in the economy and the associated 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 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 that 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 to modern occupiers. This also ensures provision is made for sites that might be lost from employment use to other uses. Also within Phase 2 the assessment 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.

4.5   Within the detailed assumptions employed as part of this model, local evidence has been used to ensure the approach is appropriate to the South Somerset area. These assumptions have also been tested through workshops with Council Members and Officers as well as with commercial property market stakeholders.

4.6   The results of the assessment approach are also validated through a review of historic levels of development activity as recorded through SSDC monitoring records and through the stakeholder engagement process.

4.7   Further details of the method are set out within the remainder of the chapter and supporting appendices. For ease of reading all figures are rounded throughout this chapter. As a result some tables may not sum.

Phase 1 – Net Additional Changes

Employment Change by Use Class

4.8   Employment change by sector is converted to Use Class using the conversion matrix set out at Appendix 1 to this report. This matrix has been tailored to the South Somerset economy using fine-grained employment data from the ONS BRES dataset. A headline schedule of use classes is set out at Figure 4.2 for those that are not familiar with the terminology.

Figure 4.2 Use Classes Summary

Use Class	Description
A1	Retail
A2	Financial and Professional Services
A3	Restaurants and Cafes
A4	Drinking Establishments
A5	Hot Food Takeaways
B1a	Offices (other than those within A2)
B1b	Research and Development
B1c	Light Industrial
B2	General Industry
B8	Storage and Distribution
C1	Hotels
C2	Residential Institutions
C3	Dwellings
D1	Non Residential Institutions
D2	Assembly and Leisure
Sui Generis	Uses which do not fall in the above

4.9   Figure 4.3 illustrates the employment change by Use Class across the plan period. This is helpful to understand a number of key points. Firstly, employment is spread across Use Classes and none. Employment is not confined to the B Use Class. The greatest growth is forecast in the 'none and homeworking' category. This includes not only home based workers

but also those such as cleaners that work in the workplace of others, or itinerant workers such as many in the construction industry.

4.10 Around 2,000 jobs are forecast in the A Use Class. This includes retail, restaurants and cafes and some office based activities. These are primarily town centre or retail park uses. The primary consideration for the scale of sites and premises requirements will be via retail assessment and other town centre research.

4.11 A net change of around 1,000 jobs is forecast in the B Use Class. This includes substantial forecast growth in the B1a office Use Class, more modest growth in B1b, B1c and B8 uses and a substantial loss of B2 manufacturing employment.

4.12 Some 1,700 jobs are forecast in the C Use Class and 1,400 in the D Use Class. This includes health, education and leisure activities. Many of the sites and premises requirements for these uses will emerge through infrastructure planning as a result of demographic and housing changes through the district.

Figure 4.3 Employment Change by Use Class 2014-34
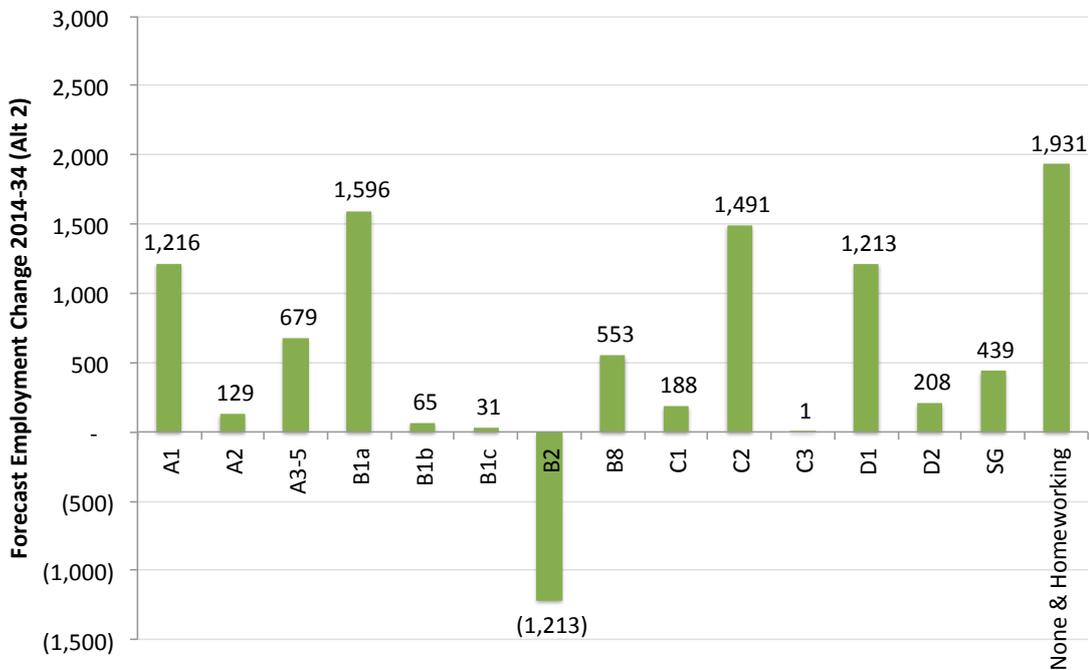
Source: HJA

Net B Use Class Floorspace Changes

4.13 The analysis presented provides brief headlines by Use Class. All totals are reported as gross external area (GEA). The detail behind the assumptions is set out in Appendix 1.

4.14 The analysis assumes a direct link between employment and floorspace required. It is appropriate to caveat this approach with two important points. Firstly, if there is capacity within the existing stock of premises there will be the opportunity to accommodate some employment increases without the need for new space. Secondly, if there are changing working practices the ratio between workers and floorspace could change over time. The first

of these issues is dealt with via consideration of vacancy and under-utilisation, which has been tested through consultations. No specific evidence relating to under-utilisation has been cited in our research. It is therefore assumed that whilst some occupiers may well be under-utilising their current facilities others may well be operating above capacity. Over the course of the plan period there is an opportunity for adjustment. We are not aware of particularly high vacancy rates at the current time, so there is no substantial capacity within the existing stock to accommodate future growth. A frictional vacancy rate of 5-10% is typical to enable the efficient workings of the market. There is also the fact that some stock is unsuitable. Secondly, the issue of changing working practices is considered at Appendix 1. In summary this concludes that whilst within the office sector there has been a trend towards occupation at increasing density, there is some evidence that this trend has now levelled off. It was cited that in South Somerset there may be further scope for increasing the density of occupation within offices, as a result the figures quoted might reasonably be considered a top-side estimate.

B1a Offices

4.15   Approximately 1,600 net additional office based jobs are estimated within the forecast. This equates to 1,000 net additional full time equivalent jobs (FTE). Best practice guidance[11] has informed the assumption of 13.2 sq m (GEA) per FTE worker. On this basis it is estimated that 13,100 sq m of net additional office space will be required across the district to accommodate this growth.

B1b Research & Development

4.16   The economic forecast model estimates an increase of approximately 65 jobs within B1b accommodation. This equates to 45 FTEs, and at a density of 60 sq m per FTE a requirement for around 2,600 sq m of premises to accommodate these jobs.

B1c Light Industrial

4.17   Approximately 30 additional jobs are forecast within B1c Light Industrial premises, equating to 15 FTEs. At a density of 56.4 sq m per FTE this generates a requirement for approximately 900 sq m of net additional premises.

B2 General Industry

4.18   Employment within B2 premises is forecast to decline by approximately 1,200 jobs over the Plan period. This equates to a loss of 1,300 FTEs[12]. This has the potential to reduce the total requirement for such space by approximately 49,500 sq m at 37.8 sq m per FTE.

B8 Storage & Distribution

4.19   An additional 550 jobs are forecast in B8 premises over the period 2014-34, 490 FTEs. Based on a density of 80 sq m per FTE this will generate an additional demand for approximately 39,200 sq m of storage and distribution warehousing.

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[11] HCA (2015) Employment Density Guide, 3rd edition is the primary source. Appendix 1 sets out further details of the approach taken.
[12] The fact that FTE decline is greater than jobs decline is not a typographical error. A number of sectors contribute employment to B2 uses. Some sectors with greater rates of part time working are forecast to grow, whilst others with low levels of part time working are forecast to decline. The offsetting adjustment is a greater level of decline in FTE terms than in jobs terms.

Summary

4.20   Figure 4.4 summarises the employment and floorspace changes arising from net changes in the economy.

Figure 4.4 Forecast Net Changes in B Use Class Employment and Floorspace 2014-34

Use Class	Forecast Employment Change (Jobs)	Forecast Employment Change (FTEs)	Estimated Floorspace Change (sq m)
B1a	1,600	1,000	13,100
B1b	65	45	2,600
B1c	30	15	900
B2	-1,200	-1,300	-49,500
B8	550	500	39,200
Total	**1,000**	**230**	**6,300**

Source: HJA *(figures may not sum due to rounding).*

Phase 2 – Replacement, Churn, Flexibility

4.21   Phase 1 considered only the net changes in the economy to ensure all B Use Class activity can be accommodated within the district. Phase 2 deals with the need to ensure the existing economy, and the on-going changes within it are supported through the provision of sufficient employment stocks.

4.22   The methodology employed for estimating the level of replacement demand assumes that a proportion of the total existing stock of employment property needs to be replaced each year to ensure the overall stock of premises is sufficient and appropriate to modern needs, in terms of both building quality and site characteristics. This is particularly important for the manufacturing sector where on-going development of industrial premises has been observed, despite a decline in employment in the sector over many years.

4.23   With Permitted Development Rights (PDR) now in place there is increasing pressure for redevelopment of office stocks to other uses. Later in 2017 this right will be extended to light industrial premises. There are also losses of employment property for other reasons, whether occupation by non-employment users (e.g. the growth in leisure occupiers) or redevelopment for non-employment uses. It is important that any potential losses of commercial employment stocks do not hamper the growth of the economy. Energy Performance Certificate (EPC) legislation is also coming into force later in 2017 for commercial employment property, which will further drive the need to upgrade premises to ensure they are fit for purpose.

4.24   HJA estimates a replacement requirement equivalent to 1-2% of stock per annum[13].   Data on commercial property stocks is available up to 2012.   This indicated 108,000 sq m of offices and 988,000 sq m of industrial premises in the district at 2012[14]. Commercial stock data is only split by office and industrial (including B1c, B2 and B8), and does not therefore allow fine-grained analysis by Use Class. This estimate of commercial stocks is used to calculate

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[13] See Appendix 1 for details.
[14] 2012 data is used as the best available source

replacement and upgrading requirements in the future. Figure 5.5 sets out the results of the analysis

Figure 5.5 Forecast Replacement & Churn Requirement 2014-34 (sq m)

Use	Total Stock (2012)	Annual Replacement	20 Year Plan Period Total
Office (1% pa)	108,000	1,100	21,600
Industrial (1-2% pa)	988,000	9,900 – 19,800	197,600 – 395,200
Total	**1,096,000**	**11,000 – 20,800**	**219,200 – 416,800**

Source: HJA based on VOA *(figures may not sum due to rounding).*

Reuse of Employment Sites

4.25   The analyses of both net additional and replacement requirements set out above do not consider whether the development activity takes place on existing employment sites (replacing or substantially 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, particularly as some former employment sites are lost to alternative uses e.g. to residential uses through PDRs.

4.26   HJA has interrogated district level monitoring data for the period 2006-15 to identify the degree to which B Use Class completions have been achieved on previously developed B Use Class land. For the purposes of this analysis we assume that 20% of gross employment development activity can be achieved through reuse of previously developed B Use Class sites. This assumption is also consistent with findings of HJA analysis in other parts of the South West[15]. The corollary of this is a need for the remaining 80% of gross requirements to be provided for through new development land (this can include previously or existing allocated but not yet taken up employment sites)

Development Density

4.27   A development density of 40% is assumed for industrial premises development. For offices a range is used to address the differing nature of development at 'in-town' and 'out-of-town' locations. A figure of 40% is used for out-of-town and business park type development. A figure of 100% is used to capture the higher densities achieved in town. If high-rise development is accommodated this can lead to even higher densities being achieved[16]. As a result the land requirement range for the office sector is wide and the floorspace figure may be a more suitable metric.

Choice & Flexibility

4.28   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. As such, in line with industry standards, an uplift of 10% has been applied.

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[15] Previous HJA analysis in Hampshire, Wiltshire and Devon has identified a replacement rate of around 20% on B Use Class sites. Available data for South Somerset indicates a figure in the region of 17%. However there are some uncertainties in the data which may suppress this figure.
[16] These assumptions draw on evidence cited in ODPM (2004) Employment Land Reviews – Guidance Note and Yorkshire Forward (2010) Planning for Employment Land (Roger Tym & Partners)

Total Requirement

4.29   Figure 5.6 brings together the various elements within the analysis to build a picture of future requirements, split by office and industrial. This sets out an estimated gross level of development of approximately 35,000 sq m of offices and 190,000 – 390,000 sq m of industrial over the 20 year Plan period. After discounting for development which will take place on previously developed employment sites, and allowing for the flexibility allowance a total requirement, requiring land provision is estimated at 30,500 sq m of offices and 168,000 – 342,000 sq m of industrial. In land terms this is estimated at 3-8 hectares for offices and 42-85 hectares for industrial development.

Figure 5.6 Total Estimated Future Sites and Premises Requirements (sq m unless stated)

	Office	Industrial
Replacement Provision (A)	21,600	197,600 - 395,200
Net Additional Requirement (B)	13,100	-6,800
Gross Requirement (C=A+B)	34,700	190,800 - 388,400
Delivered on Existing Employment Sites (D)	6,940	38,160 - 77,680
Net Requirement (E=C-D)	27,760	152,640 - 310,720
Flexibility Allowance (F)	2,780	15,260 - 31,070
Total Requirement (G=E+F)	30,540	167,900 - 341,790
Average Annual Requirement	1,530	8,400 - 17,090
Total Land Requirement	3 – 8 ha	42 - 85 ha
Average Annual Land Requirement	0.2 - 0.4 ha	2.1 - 4.3 ha

Source: HJA *(figures may not sum due to rounding).*

Validation

4.30   The figures set out above are largely drawn from desk based analysis, but with testing at key points from local stakeholders. The results have therefore been validated through analysis of historic development activity and through further stakeholder engagement from both Council Members and Officers and local commercial property market stakeholders.

Historic Completions

4.31   SSDC has compiled detailed monitoring records of historic development activity across the district. Figure 5.7 shows the gross and net levels of development of B Use Class floorspace over the period 2006-2015. The term 'net' here refers to B Use Class development net of any losses incurred as a result of new B Use Class premises coming forward. This does not take account of all B Uses to other Use Classes. This is to aid comparison with the figures set out at figure 5.6 above.

4.32   Unfortunately the way the data is coded does not allow an accurate disaggregation between office and industrial developments. However, from those developments which are coded in detail it is evident that the vast majority of developments are for industrial floorspace.

4.33   To aid comparison with forecast analysis all figures are reported on an average annual basis. However, as is clearly evident from the chart, there is not an even annual spread of activity. The data is what might reasonably described as 'lumpy', with major developments in some years and almost nothing in others. This is a typical feature of the development industry and

means caution needs to be used when analysing data, as the inclusion or exclusion of datapoints can have substantial impact on the averages calculated.

4.34 Over the 10 years for which data has been made available average annual gross B Use Class completions are estimated at 19,400 sq m per annum. After deducting any losses of B Use Class floorspace as part of these developments the net figure is 16,600 sq m per annum.

4.35 Figure 5.8 compares these annual average figures with the equivalent annualised figures from the forecast analysis (Rows C and E from figure 5.6). This suggests historic development levels have been towards the higher end of the range forecast. This may suggest levels of replacement activity have been closer to the 2% end of the assumption range than the 1%.

Figure 5.7 Historic B Use Class Floorspace Completions (sq m)
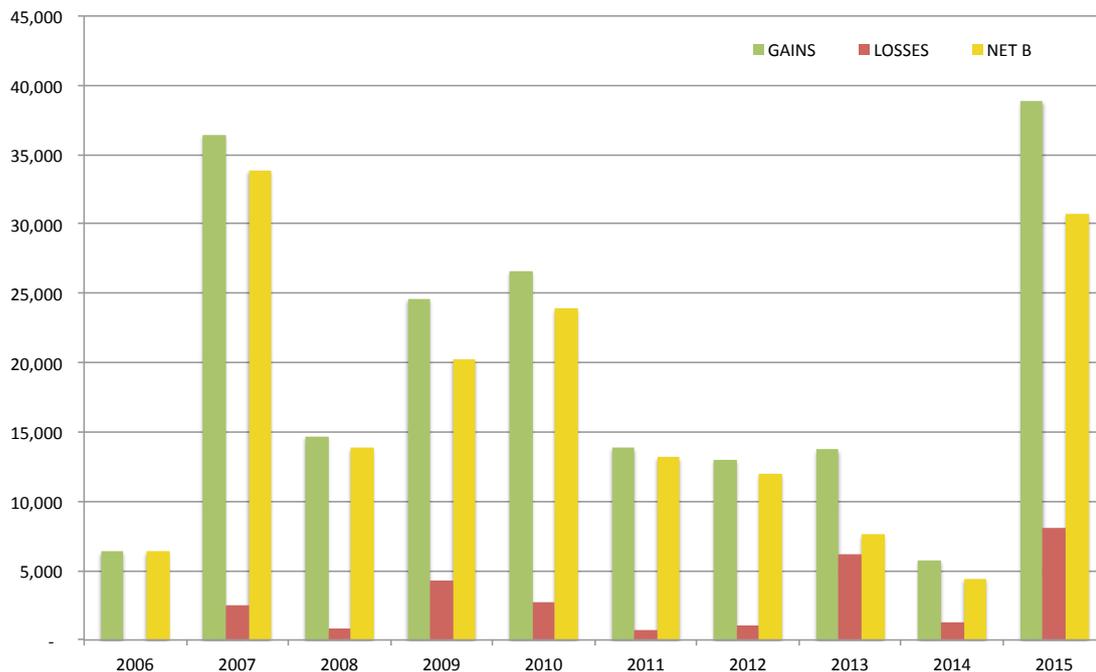
Source: HJA based on SSDC

Figure 5.8 Comparison of Historic and Forecast B Use Class Development Activity (sq m)

	Historic	Forecast[17]
Gross Requirement(C)	19,400	11,300 - 21,200
Net Requirement (E)	16,600	9,000 - 16,900

Consultation Workshops

4.36 The workshop held on 4th May 2017 discussed the emerging analysis. A number of points were made by stakeholders:

- There is a lot of older stock, and with the advent of EPC legislation there is a greater drive to see replacement activity. However, it was noted that some of this achievement would be

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[17] Based on combining office and industrial figures from figure 5.6

achieved through putting new roofs on properties 25-30 years of age rather than total redevelopment.

- South Somerset is not perceived as an office location and the office market is currently very weak with public sector retrenchment and a very limited private sector for anything beyond micro businesses. The office floorspace forecasts[18] therefore look ambitious. It may be possible that replacement for losses will not be directly in the district but will be at locations closer to the M5 corridor (e.g. Taunton) or even into larger regional centres such as Exeter and Bristol. These larger centres offer more attractive offers for workers and hence the labour market profile that occupiers require. The forecast office floorspace figures[15] therefore appear very ambitious.

- There is potential scope for increasing density of occupation. Examples were cited of manufacturing and office occupiers able to consolidate operations from other parts of the UK into their existing South Somerset accommodation without a requirement for additional space. The focus on costs in the current economic climate are leading occupiers to seek to enhance space utilisation wherever possible to drive costs down.

- Increased car use across the population since many older industrial areas were developed means the opportunities for intensification of development are very limited. There is already a shortage of parking spaces and intensification will only exacerbate this.

- Gross industrial development of approximately 10,000 sq m per annum doesn't sound high. Figures closer to 15,000 – 20,000 don't seem totally unreasonable. It is important we 'back ourselves' as an area. If the allocations are not in the plan it will be short sighted.

- Site allocations need to be cognisant of the dualling of the A303.

- The challenge is delivery. Viability of development is a major challenge as rents are not high enough in the area. It is more expensive to build offices than housing yet the returns are lower. Hence a need to seek routes to reduce build costs and increase values e.g. modular buildings.

4.37 The commercial market stakeholder workshop confirmed many of the findings from the desk review. That industrial development would likely predominate and the figures towards the top of the forecast range would not be unreasonable. However, for offices there was substantially less confidence, particularly in terms of larger scale office requirements.

Summary and Conclusions

4.38 This chapter considers both the requirements for B Use Class sites and premises to accommodate the net changes in the economy, but also to ensure a sufficiently high quality ongoing stock to meet the needs of the existing economy and the perpetual changes that are going on within it.

4.39 Changes in employment will be spread across a wide range of Use Classes and none. More than 1,900 of the 8,500 net additional jobs will not require sites and premises provision, either as a result of home working, peripatetic working or accommodation within the workplaces of others. Substantial net additional job creation will fall within the A, C and D Use Classes. There is a mixed picture within the B Use Class with forecast losses in B2 Use

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[18] It should be noted that the office floorspace forecasts presented at the workshop were approximately 25% higher than as set out in figure 5.6.

activities, but gains in B1 and B8 activities. In net terms around 1,000 additional B Use Class jobs are forecast, equivalent to around 230 FTE posts.

4.40   Net changes in the economy will require an additional 13,000 sq m of B1a offices, 3,500 sq m of B1b/c Uses, a potential net reduction of 49,500 sq m of B2 premises and growth of 39,200 sq m of B8 floorspace. In addition a further 22,000 sq m of office floorspace and 200,000 – 400,000 sq m of industrial floorspace will need to be delivered to replace lost, dilapidated or unsuitable premises within the existing portfolio.

4.41   It is estimated that approximately 20% of the total gross requirement can be achieved on previously developed B Use Class sites. However, the remainder, and a suitable flexibility and choice buffer will need to be provided for through the site allocations process.   This is estimated at 3-8 hectares for office development and 42-85 hectares for industrial development.

4.42   The forecast figures have been validated through comparison with historic levels of development activity and consultation with commercial market stakeholders. This showed historic levels of activity towards the upper end of the forecast ranges, with the vast majority industrial development. The consultation workshop further validated the industrial forecast, towards the top of the range but expressed caution regarding the office requirement, given very weak interest in the area.

5 Conclusions

5.1 This report set out to consider the long-term economic forecasts for the district of South Somerset and their implications for future employment (B Use Class) sites and premises requirements over the period 2014-34.

5.2 A review of the current and recent performance of the South Somerset economy identifies broadly positive labour market metrics, including high levels of participation and low unemployment. However, the area has lower than average wage levels and an underrepresentation of persons with the highest level of qualifications or in the highest order occupations. The sectoral employment profile of the area bears this out, with an under-representation in high value office based activities such as professional services.

5.3 The economy is dominated by manufacturing activities, which are substantially over represented compared to benchmark areas. This is primarily driven by the historic strength in the aerospace (rotocraft) manufacturing sector and its supply chain. There is current uncertainty as to how this will fare in the future with no current orders for the development of new aircraft. Three of the four sectors, which show over-representation in South Somerset, have experienced employment decline in recent years. This is a potential risk factor if employment continues to decline in areas of strength without being replaced in other growth sectors.

5.4 Overall, total employment levels have been fairly static in the last five years. Over the same period the GB economy has added net new jobs. Due to positive labour market indicators this is not a major cause for concern yet, but it is important to ensure the South Somerset economy remains competitive. Business statistics show that business growth has also been slower than nationally in recent years, although data on the survival of newly formed businesses is better than benchmark areas. The UK Competitiveness Index shows the district ranked 230 of 379 districts and unitary authority areas in the country with no great change in competitiveness in recent years.

5.5 Business as usual econometric forecasts indicate GVA growth over the 2014-34 Plan period ahead of the historic 2000-14 period. However, it is important to note there is much uncertainty as to the potential impact of Brexit on the UK economy. Employment growth is forecast to be slower than the historic period, partly as a result of a tighter labour market. The potential implications of Brexit are not fully understood or accounted for in the forecasts and therefore it will be necessary to keep the performance of the local economy under review.

5.6 To take account of variation between the two sets of forecasts a moderation exercise was undertaken, ensuring local intelligence was factored in. This led to a moderated baseline position or 'preferred scenario'. This preferred scenario estimates 8,500 net additional jobs over the Plan period. This level of employment is above the level utilised within the SHMA and the potential labour supply available to the local economy. On this basis it is not appropriate to consider higher growth scenarios, but rather to ensure focus is on improving

productivity in the economy. This is in keeping with economic development efforts at County and LEP level.

5.7 Changes in employment will be spread across the Planning Use Classes Order with substantial job creation not requiring any direct provision of site and premises. Within the B Use Class there is anticipated growth in the requirement for B1a office space, B1b/c R&D and light industrial space and B8 storage and distribution space. There is a forecast net decline in employment within the B2 general industry Use Class as a result of forecast decline in manufacturing employment.

5.8 In addition to accommodating the net changes in the economy it will be necessary to ensure the existing stock of premises is maintained in the face of changing occupier requirements, dilapidation and losses to other uses. Provision is made to replace 1-2% of total stocks each year (on average). Account is taken in the forecasting of the potential to re-provide some of the B Use Class development on sites that have previously accommodated B Use Class premises, there is also an allowance to ensure flexibility and choice in the market.

5.9 Figure 6.1 sets out the final conclusions of the analysis, including the estimated total land requirement for B Use Classes for the period. These have not been adjusted for what has already been delivered within the analysis period. They should not be considered as an addition to that which has already been delivered or is identified as supply within the existing Local Plan (Policy SS3).

Figure 6.1 Total Estimated Future Sites and Premises Requirements (sq m unless stated)

	Office	Industrial
Replacement Provision (A)	21,600	197,600 - 395,200
Net Additional Requirement (B)	13,100	-6,800
Gross Requirement (C=A+B)	34,700	190,800 - 388,400
Delivered on Existing Employment Sites (D)	6,940	38,160 - 77,680
Net Requirement (E=C-D)	27,760	152,640 - 310,720
Flexibility Allowance (F)	2,780	15,260 - 31,070
Total Requirement (G=E+F)	30,540	167,900 - 341,790
Average Annual Requirement	1,530	8,400 - 17,090
Total Land Requirement	3 – 8 ha	42 - 85 ha
Average Annual Land Requirement	0.2 - 0.4 ha	2.1 - 4.3 ha

Source: HJA

5.10 The range displayed for office development arises solely from the alternative development types, with exclusively town centre, higher density development forming the lower end of the range and out of town, business park lower density development forming the upper end of the range. The potential options for accommodating and delivering office floorspace will inform where in the range it is appropriate to settle.

5.11 The range displayed for industrial development arises from the adoption of alternative levels of replacement activity (1% or 2% per annum).

5.12 The quantitative conclusions were validated through cross-referencing historic levels of development activity and with commercial market stakeholders. These both indicated figures

towards the upper end of the range of industrial floorspace were achievable and indeed desirable to ensure the local economy remains competitive. However, there was some caution relating to the potential for office sector development with very low occupier demand at present.

Appendix 1: Methodology Details

SIC Use Class Matrix

i. 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 South Somerset economy in detail.

	A1	A2	A3-5	B1a	B1b	B1c	B2	B8	C1	C2	C3	D1	D2	SG	None & Homeworking
Primary Industry	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Manufacturing	0%	0%	0%	0%	0%	1%	92%	0%	0%	0%	0%	0%	0%	1%	7%
Utilities	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	55%	45%
Construction	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Wholesale & Retail	52%	0%	0%	1%	0%	0%	4%	24%	0%	0%	0%	0%	0%	9%	11%
Transport & Storage	0%	0%	0%	4%	0%	0%	0%	13%	0%	0%	0%	0%	0%	2%	81%
Accommodation & Food Services	0%	0%	59%	0%	0%	2%	0%	0%	16%	0%	0%	0%	0%	0%	23%
Information & Communications	0%	0%	0%	57%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	39%
Finance & Insurance	0%	48%	0%	35%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	17%
Professional Services	0%	5%	0%	63%	2%	0%	0%	0%	0%	0%	0%	0%	0%	4%	26%
Business Services	6%	0%	2%	27%	0%	0%	16%	3%	1%	5%	0%	6%	0%	6%	27%
Public Admin	0%	2%	0%	36%	0%	0%	0%	0%	0%	0%	0%	22%	0%	0%	40%
Education	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	91%	0%	0%	9%
Health	0%	0%	0%	9%	1%	0%	0%	0%	0%	55%	0%	24%	0%	2%	10%
Other Services	17%	1%	0%	10%	0%	2%	0%	0%	0%	0%	0%	9%	26%	9%	26%

Homeworking

ii. It is important to consider the effects of homeworking. 2011 Census of Population data shows us that homeworking accounts for some 14% of all workers.

iii. Data on homeworking by sector is relatively limited and crude because of the aggregation of broad sectors. Agriculture and others is the sector with the highest reported homeworking.

iv. In some sectors, homeworking may be a reflection of home-based businesses, which might include some itinerant working, e.g. the construction sector. The level of detail in the data does not allow clear conclusions to be drawn.

v. The SIC/Use Class matrix used for assessing employment by Use Class already makes allowance for employment that does not require land. This could include some who report being home-based, or itinerant workers. It could also include those with home-based

businesses in a wide range of sectors. It would not therefore be appropriate to apply the figures from the Census as standardised deductions by sector. However, it should be utilised. The data clearly suggests:

- A proportion of manufacturing based employment is homebased.
- Homeworking in office based sectors is important in the area.
- A proportion of public administration employment is home based.
- Other services includes a substantial element of home based activity.

	South Somerset
All categories: Industry	14%
A, B, D, E Agriculture, energy and water	45%
C Manufacturing	7%
F Construction	19%
G Wholesale and retail trade; repair of motor vehicles and motor cycles	9%
H Transport and storage	11%
I Accommodation and food service activities	18%
J Information and communication	33%
K Financial and insurance activities	17%
L Real estate activities	16%
M Professional, scientific and technical activities	28%
N Administrative and support service activities	17%
O Public administration and defence; compulsory social security	7%
P Education	9%
Q Human health and social work activities	8%
R, S, T, U Other	22%

Floorspace Per Worker Assumptions

vi. Best practice guidance[19] on employment densities uses a mix of net internal area (NIA), gross internal area (GIA) and gross external area (GEA). To convert to GEA an uplift is provided, +20% to convert NIA to GEA and +5% to convert GIA to GEA.

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

Use Class	Assumption
B1a Offices	The Employment Densities Guide (2015) provides estimates for a range of office functions ranging from 8 – 13 sq m per FTE (Net Internal Area). The higher end of this range relates to Corporate HQ and the lower end relates to call centres. Financial Services, Public Sector and Professional Services fall within the 10-12 sq m range. The Occupier Density Study (2013) indicates an average density of 10.9 sq m for the UK. On

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[19] Homes and Communities Agency, Employment Density Guide 3rd Edition, November 2015.

	this basis, an assumption of 11 sq m per employee has been adopted, with a 20% uplift to provide Gross External Area (GEA). The utilised assumption is therefore **13.2 sq m per FTE**.
B1b R&D	The most recent (2015) best practice guidance sets out a range of 40-60 sq m (NIA) for R&D B1b premises. The mid point of this range has been adopted, and uplifted by 20% to convert to GEA. A figure of **60 sq m per FTE** has been used within the analysis.
B1c Light Industry	The most recent (2015) best practice guidance indicates a figure for B1(c) light industry at 47 sq m per FTE (NIA). Allowances are made to align to GEA (+20%) with a final assumption of **56.4 sq m per FTE (GEA).**
B2 General Industry	B2 General is estimated at 36 sq m per FTE (GIA). Allowances are made to align to GEA (+5%) with a final assumption of **37.8 sq m per FTE (GEA).**
B8 Storage & Distribution	Latest available estimates suggest a range of 70 – 95 sq m per FTE. 70 sq m per employee (GEA) for 'final mile' distribution centres and 95 sq m per employee (GEA) for national distribution centres. There is the potential for a mix of both and **80 sq m per FTE** has been adopted for this analysis.

Changing Employment Densities

viii.   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 2010 2nd edition of the guidance and a range of 9.2 – 15.0 sq m per worker in the 2015 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.

ix.   However, the September 2013 Occupier Density Study published by the British Council for Offices suggests this trend might be levelling off, for various reasons. This is in keeping with the findings of the 2012 and 2015 guidance documents. 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. Particularly if there is a high proportion of call centre type occupiers.

Replacement Allowances

x.   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. Working practices change, new technologies are adopted, and the sites and premises used by firms need to adapt to these new ways of working. There are also losses to other uses either through sales and lettings or redevelopment. 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.

xi. Developing a methodology to estimate the scale of replacement activity is not straightforward. As a result, the team at Hardisty Jones Associates, drawing on our experience of working with clients over a number of years, has developed a methodology which is robust in terms of its underpinning logic and the evidence used to derive assumptions.

xii. Typically within the property sector, development appraisals on new buildings consider a 25-35 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.

xiii. Data from 2004 (no more recent data has been published) for the South Somerset District (shown in the table below) indicates that a notable proportion of the existing[20] stocks were built pre 1940 and around 50% pre 1970. This implies that the useful lifespan of some stocks is considerable and beyond the 35 year development appraisal period.

Age of Commercial Stocks in South Somerset

	% built Pre 1940	% built 1940 - 1970	Total Pre 1970
Retail	46%	8%	55%
Office	42%	17%	59%
Factory	17%	35%	51%
Warehouse	15%	24%	39%
Total	**24%**	**26%**	**49%**

Source: Department for Communities and Local Government (CLG) archive. Total floorspace by LAD and age. 2004.

xiv. 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 (48% for office, factory and warehouse stocks) this assumption is not supported by the evidence and is too strong. A range of assumptions were tested at a stakeholder workshop. This proposed options ranging from 0.5% per annum to 1% per annum and up to 2% per annum, with a consensus that a figure around 1-2% per annum was a sensible working assumption for industrial premises and 1% for offices. This effectively

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[20] This data is indicative given it is now 12 years out of date, but is used to indicate the point that much of the data has a longer economic life than may be imagined at time of construction.

equates to a replacement of the entire commercial employment stock every 50-100 years (clearly there will be some property which is not replaced and other buildings which could be replaced more than once). It was noted at the workshop that newer stocks do not have the same life as Victorian buildings which have lasted very well.

xv. For completeness, the available CLG data (as per the preceding table) indicates that 5% of office, factory and warehouse stocks are of uncertain age, 36% is 1971-1990 and 11% post 1990 (as at 2004).

References

Arup for English Partnerships (2001) Employment Densities: A Full Guide

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

Homes & Communities Agency (2015) Employment Density Guide, 3rd Edition

Occupier Density Study, 2013, British Council for Offices

Appendix 2: Consultees

i.   HJA and SSDC are grateful to the following consultees that participated in the commercial market stakeholder workshop:

- Andrew Maynard (Alder King)
- David Foot (Chesters Commercial)
- John Timmis (Abbey Manor Group)
- Matt Frost (Boon Brown)
- Nigel Timmis (Abbey Manor Group)
- Shaun Travers (Boon Brown)
- Tony Canvin