1. Introduction

1.1 This paper provides a review of the Section 2 economic growth policies to demonstrate the allocations and policy approaches remain sound in principle and have not been rendered out of date by the passage of time since the plan was submitted in October 2017. The paper will address any requirements arising from the following potential sources:

Revisions to national policy, including the Use Classes order. The paper cross-references information already provided to the Inspectors in the Topic Paper on consequential changes to economic growth policies arising from Section 1 and recent national legislation and considers in particular the need for any changes arising from the latest modifications to the Use Classes order.

Evidence Base update. The paper will provide an update on its 2015 and 2017 Employment Land Needs Assessment work which uses data from the 2019 East of England Forecasting Model to note the latest information available on employment demand, consequential demands for employment space, and update the position on employment land allocations.

Local Plan consultation responses. The paper will consider if issues arise from consultation responses made to the Publication Draft Local Plan prior to its submission in 2017.

2. Background

2.1 Section 2 economic growth policies SG3 (Economic Growth) and SG4 (Local Economic Areas) were drafted to comply with the requirements of the 2012 National Planning Policy Framework, the basis for examination of the submitted Plan. Under the 'Building a strong, competitive economy' section, local authorities were tasked with planning 'proactively to meet the development needs of business and support an economy fit for the 21st century' (para 20), having regard to para 21 criteria, with the first three criteria providing guidance on general requirements:

- Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- Support existing business sectors, taking account of whether they are expanding or contracting and where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances.

2.2 Policies SG3 and SG4 (main policy wording, including proposed updates, attached as Appendix 1) follow through on the NPPF approach by allocating land to deliver B use employment land up to 2033. As discussed in the Council's Topic Paper 1, changes arising from Section 1 modifications resulting in a reduction to the higher end of the range of employment land required from 39.7 to 36 ha and the deletion of the Colchester Braintree Borders Garden Community including 1.7 ha of employment land will result in the need to modify the policy wording to reduce the overall and Garden Community allocations. These changes, however, do not reduce the soundness of the policies and as argued below produce figures that are consistent with the most recent evidence and provide an appropriate level of allocations, addressing objections made to the plan that the earlier higher end figure represented an over-supply.

3. 2019 NPPF

3.1 The 2019 NPPF approach to economic growth as found in para 81 largely replicates the above criteria, so submitted policies remain consistent with the Government's overall approach to economic growth policies and allocations. The Council's Topic Paper 1, on consequential changes arising to Section 2 policies arising from the 2019 NPPF and other post-submission Government guidance therefore did not identify any economic growth policy changes arising from the 2019 NPPF, but did note that the introduction of new use classes for commercial development could have a potential impact on economic growth policies.

4. Use Class Changes

4.1 The B use class has now been changed, with the transfer of offices uses from B1a to the new E use class, which includes a range of other commercial uses, thereby eroding the traditional distinction between B employment uses and A retail uses. The change reinforces the need for employment policies to provide flexibility and scope for encouragement of jobs in a range of sectors.

4.2 Council policies as worded are considered to achieve this, since they provide encouragement for economic development across the board. The existing terminology in the policies does involve reference to now-revised 'B' categories, but Policy SG3 does clarify that a flexible approach will be taken to economic growth given that it is not confined to B classes only. It states that 'suitable alternative economic uses (ie non-B use classes) will be supported with the defined areas where they are in accordance with all relevant policies in the plan'. Policy SG4 also promotes a flexible approach to economic growth in its approach to Local Economic Areas. While 'existing economic uses on the sites identified will be safeguarded in accordance with relevant policies', Policy SG4 provides a criteria-based approach that allows new uses to supplant employment uses where appropriate.

4.3 Development management policies DM5 (Tourism, Leisure, Culture and Heritage), DM6 (Economic Development in Rural Areas and the Countryside), and DM7 (Agricultural Development and Diversification) all encourage a proportionate approach to economic

development to support tourism, leisure, culture and heritage businesses and rural economic health, subject to environmental constraints.

4.4 Some changes to reflect the revised terminology for use classes will however need to be made to policies to change terminology from 'B' to 'E' as shown in Appendix 1. A minimal approach to this modification has been taken given that the B use class still remains relevant for industrial B2 and warehousing B8 uses, so a distinction between B and non-B uses is still appropriate. The Council's Local Economic Areas are largely identified for these B2 and B8 uses, so the change to office uses should have a limited impact on its application.

4.5 The inclusion of offices within the E use class could have implications for centres policies, since office uses are now more difficult to restrict to specific locations, but this issue is addressed separately in the Council's Topic Paper on Retail and Town Centres.

5. Evidence Base Update

5.1 The Council's evidence base on Section 2 employment land policies and allocations is largely contained in the 2015 Colchester Employment Land Needs Assessment and subsequent 2017 Employment Land Trajectory by NLP. Additionally, evidence for the Garden Community employment land allocations was contained in the North Essex Garden Communities Employment and Demographic Study April 2017: https://www.braintree.gov.uk/downloads/file/6945/eb009_north_essex_garden_commun ities_employment_and_demographic_study_april_2017

5.2 The range of hectares of employment land to be provided in the joint strategic Section 1 and then carried forward to the allocations made in Section 2 was based on two of the four scenarios developed by NLP to consider future need for employment land. As our Topic Paper 1 indicated, following examination of Section 1, the Inspector's Proposed Modifications provide that the higher end of the range of employment land required be lowered from 55.8 to 30 ha. It is noted that the lower number still reflects one of the four NLP scenarios (the Baseline Job Growth EEFM scenario of 29.8, rounded up to 30 for simplicity, rather than the Higher Past Completion Rates scenario of 55.8). The Section 1 Inspector did not query the methodology behind the scenarios, but he questioned the Council's choice of a scenario that was based on a particular unique set of circumstances rather than robust evidence of high employment land need. Historically, Colchester has experienced low take-up of employment land allocations and lost appeals in the Stanway Strategic Employment Area on that basis. The Inspector accordingly supported a more cautious approach to employment land allocation.

5.3 With the EEFM now forming the basis for the Council's higher end employment land allocation figure, the Council has revisited the EEFM scenario to see if the 2019 figures justify a revision to the 30 ha figure. We have followed the methodology used in the NLP report to consider the Baseline Job Growth scenario. Appendix 2 provides the detailed analysis of the latest available information on projected job growth.

5.4 The review raised a number of uncertainties concerning potential job growth given the current unknowns raised by such factors as Covid and Brexit, but identified some broad trends indicating continuity with the 2015 employment land position. Appendix 2 provides

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a narrative to help situate these findings within complex wider economic and social trends as well as local market determinants. The review indicates there will be a relatively high overall net job gains in B class sectors (including office jobs now in the E use class) of 3,276 jobs within Colchester up to 2032, with stronger growth in office activities compared to manufacturing and distribution, reflecting wider trends. Office jobs sees a significant fall from the 2015 estimate in light of trends such as increases in home working however, the situation is reversed for distribution activities where there is significant growth now projected compared to the 2015 estimate reflecting wider growth in that sector. The projected decline in manufacturing jobs in 2015 now sees moderate growth as food and drink manufacturing for instance grows to meet population growth.

5.5 This is within the context of total job growth of 20,300 jobs forecast for the Borough over the period to 2032, which outside of the B class sectors will be in retail, healthcare, construction and tourism. It should be noted that these key growth sectors will also require additional floorspace to accommodate an increase in employment over the period to 2032 (including some conventional office space) although as the spatial implications of this growth are considered using different methodologies and other forms of technical evidence.

5.6 The floorspace numbers that emerged from the new analysis indicate variations between the 2015 and 2019 figures, with the increased demand for warehousing space and decreases in offices a particular difference. The 2015 Baseline ELNA Scenario B figure is 84,820sqm of employment land floorspace and the 2019 EEFM figure is 139,326 sqm. When matching these numbers to the employment land allocations in Table SG3 totalling 151,333 it is noted that there is some variation in time periods covered, with the 2015 evidence base covering an 18-year period from 2014-2032, as does our update to allow for comparability, while the allocations in the plan cover a different 16-year period of 2017-33. The yearly requirement therefore provides a more direct comparison, with the EEFM annual figure at 7740sqm and the Table SG3 annual requirement at 9458 sqm. This 22% oversupply is considered acceptable in the context of providing sufficient choice to address the changing fortunes of different sectors whose locational and space requirements evolve over time.

5.7 Counterbalancing the Council's higher levels of employment floorspace allocation in relation to demand there could be some loss of office floorspace to other uses since office floorspace now lies within the wide range of uses within the new class E. In practice, however, it is considered that the functional differences between offices and other commercial uses will continue segmentation of the office market and that allocations for offices will be delivered as such.

6. Employment Land Allocations

6.1 Some changes will need to be made to Policy SG3 and Table SG3 as shown in Appendix 1 to reflect the following changes in employment land allocations, as identified in Topic Paper 1:

- Reduction of Stanway allocation from 15.6 to 5.4 hectares as a result of planning consents granted for alternative uses following on from planning decisions won at appeal for a mixed retail/leisure development at the Tollgate Village (Planning application 150239) and at the adjacent Stane Park site for restaurant/retail uses

(planning applications 146486 and 193163). It is noted that the 5.4ha figure may be subject to further minor revision through the examination process due to ongoing development of proposals for the site referred to as 'Stanway Lakelands West' in the 2017 Employment Land Trajectory, reflecting final divisions on the split between residential and employment uses on the site.

- Deletion of 1.7 ha. of employment land at the Colchester Braintree Borders Garden Community. The deliverability of the remaining employment land allocation at the Tendring Colchester Borders Garden Community was explored in the Section 1 Evidence Base study referenced above and will be further developed through detailed masterplanning work which will refine floorspace requirements. The Council does not accordingly consider that this allocation needs to be revisited through the Section 2 examination process, other than to revise the 2.8 ha share for Colchester originally included at time of plan submission to 3.5 to reflect the overall Garden Community figure of 7 ha agreed for the final adopted figure in Policy SP8.

- Increase in the Other Areas category to reflect reinstatement of employment land in Marks Tey at the Andersons timber yard site allocation of 3ha that was included in the 2010 Proposals Map but not included in the Submission Policies Map. The word 'Rural' has been deleted from the category title since allocations lie within Sustainable Settlements.

6.2 As Topic Paper 1 indicated, no further adjustments are considered to be required to employment land. While the new total of 36 is over the higher end range figure of 30ha, some additional capacity is considered appropriate to provide flexibility and greater choice given the current uncertain economic climate. As Appendix 2 explains, Colchester is expected to experience job growth in a range of non-B use sectors which will contribute to overall totals. In particular, the increased prominence of working from home and digital careers will reduce requirements for traditional office floorspace and increase, at a lower level, requirements for new types of co-working and digital working arrangements that are not captured by B-use floorspace requirements. Additionally, as noted above total floorspace requirements could be affected by the changes in the office use class allowing for alternative commercial uses in office floorspace.

6.3 No changes are proposed at this stage to any of the allocations made in Table SG4 for Local Employment Areas, although some alterations may be required as the examination progresses to reflect changes arising from approved development.

7. **Responses to Local Plan consultation**

7.1 The Council received 10 objections to Policy SG3 and 6 to Policy SG4. The details of each objection have been supplied to the Inspector in a table including both representations and a summary of Council responses. In the table, the Council noted the comments made but did not consider any changes were warranted to the policies as they were supported by evidence. The responses primarily raised site specific issues, but two of the respondents to SG3 did question the deliverability of the higher end total for allocations. The proposed reduction in the higher end Section 1 employment land delivery range total from 55.8 to 30 ha. addresses this point. A further respondent questioned the lack of mention of London as a source of employment for Colchester, but

evidence provided to set the Council's Objectively Assessed Housing Need figure established that no adjustment needed to be made to deal with the effect of London's economic influence on Colchester. Accordingly, to reiterate the view made in the Council's summary table, no modifications are considered to be required to Section 2 economic growth policies to address objections made to the Publication Draft Local Plan.

8. Conclusion

8.1 The Council's economic growth policies are considered to remain sound in principle, subject to limited modifications to reflect factual changes in allocations and changes in use class terminology. The review of the Council's evidence base on employment growth and resulting demand for land allocations has produced figures which broadly align with the Council's revised employment land allocations. Additionally, the examination process to date, including responses to the Publication Draft and consequential changes arising from the Section 1 examination, has not raised any fundamental soundness issues.

Appendix 1 Proposed Modifications

Economic Growth Policies Section 2

SG3 Economic Growth Provision

The Local Planning Authority will encourage economic development and have allocated ~~39.7~~ **32.5** hectares of land to plan for the delivery of ~~B use class~~ employment land **(principally Class B2, B8 uses, supporting Class E uses and any associated employment generating sui generis uses)** in Colchester Borough up to 2033. An additional ~~4.5~~ **3.5** hectares of employment land is expected to come forward in Colchester within the **Tendring Colchester Borders** Garden Communiti~~esy~~. Existing economic uses on the sites identified will be safeguarded in accordance with the relevant policies. New development for employment uses will primarily be provided on a range of sites to ensure jobs are accessible to new and existing communities across the borough. Sites include;

- Land within Strategic Economic Areas as indicated on the policies maps (policies NC1, EC1 and WC1)
- Land within Local Economic Areas identified on the policies maps
- Land within defined mixed use special policy areas as shown on the policies maps (Policies TC3, NC2-3, EC2)
- Existing sites with planning permission.

Within some of the defined economic areas alternative economic non- B class uses contribute to the provision of jobs providing flexibility and securing delivery of the additional jobs. Suitable alternative economic uses will be supported within the defined areas where they are in accordance with all relevant policies in the plan.

Table SG3 - Colchester Employment Land Supply 2017-2033

Location / Allocations		Site area (ha.)	Office (E Use Class) ~~(B1 a/b)~~ sqm	Industrial (B1c/2/8) sqm	Total sqm
North Colchester		10.4	56,696	0	56,696
Stanway		~~15.6~~ **5.4**	~~20,506~~ **0**	~~42,054~~ **21,548**	~~62,560~~ **21,548**
Knowledge Gateway		7.0	22,538	0	22,538
Local Economic Areas (LEAs)					
Colchester Town Centre	Town Centre Core	0.7	3,160	0	3,160
	Edge of Centre	3.5	0	13,959	13,959
District Centres (outside Colchester)		1.5	3,078	3,078	6,156
Other ~~Rural~~ Areas		~~1.0~~ **4.0**	2,000	~~2,000~~ **14,000**	~~4,000~~ **16,000**
~~Total SEAs and LEAs~~		*~~39.7~~*	*~~107,978~~*	*~~61,091~~*	*~~169,069~~*
~~**Garden Communities Employment Areas (GCEAs)**~~					
~~Colchester Braintree Borders GC~~		~~1.7~~	~~6,858~~	~~0~~	~~6,858~~
Tendring Colchester Borders GC		~~2.8~~ **3.5**	~~11,276~~ TBD	~~0~~ TBD	~~11,276~~ TBD
~~Total GCEAs~~		*~~4.5~~*	*~~18,134~~*	*~~0~~*	*~~18,134~~*

Total all allocations	44.2	126,112	61,091	187,203
	36	87,472	52,585	140,057

Sources: Lichfields (March2017 Employment Land Trajectory), CBC Planning Policy (April 2017)

SG4 - Local Economic Areas

The Local Economic Areas as defined on the policies maps and listed in policy tables SG3 and SG4, will be safeguarded primarily for B class uses **and office use within E class where appropriate** to provide, protect and enhance employment provision in a range of locations across the borough to enable balanced job and housing growth. Planning permission will be granted for the redevelopment or change of use for non-Class B uses where:

i) it can be demonstrated that there is no reasonable prospect of the site concerned being used for Class B purposes; and

ii) The supply, availability and variety of **B use class** employment land is sufficient to meet Borough and local needs; and

iii) it can be demonstrated that the alternative use cannot be reasonably located elsewhere within the area it serves; and

iv) The proposal does not generate potential conflict with the existing proposed B class uses / activities on the site; and

iv) the use will not give rise to unacceptable traffic generation, noise, smells or vehicle parking; and

v) The proposal provides the opportunity to maximise the sites potential for economic growth and support the continued operation of existing employment uses within the economic area.

Opportunities to enhance and renew more dated buildings within Local Economic Areas will be supported when proposals are promoted for improvements to existing operations or for new operations where the use and scale is appropriate.

Table SG4: Local Economic Areas

Local Economic Area	Place Policy Reference
Colchester	
Barrack Street	EC3
Brook Street	EC3
Chandlers Row (Port Lane)	EC3
COLBEA (George Williams Way)	EC3
Crown Interchange	NC3
Davey Close (including Oyster Park)	EC3
Gosbecks Road	SC1
Maldon Road (including Shrub End Depot)	SC1
Middleborough Area (including Fairfax House/Digby House, Causton Road and Sheepen Road)	TC3
Eastgates (including Moorside)	EC3
Southway	TC3
Whitehall Industrial Estate	EC3
Outside Colchester	
Abberton - Pantiles Farm, Peldon Road	SS1
Boxted - Classic Pot Emporium	SS2
Boxted - Tin Bins Skip Hire)	SS2
Dedham/Langham - Depot (Old Ipswich Road)	SS9

Great Horkesley - Holly Lodge	SS7
Great Tey - Tey Brook Farm	SS8
Langham – Lodge Lane	SS9
Langham - Powerplus Engineering and Whitnell Contractors Site, School Road	SS9
Marks Tey – Timber Yard	SS11
Tiptree - Alexander Cleghorn	SS13
Tiptree - Tower Business Park	SS13
Tiptree - Wilkins & Son	SS13
Tiptree – Basket Works	SS13
West Bergholt - Pattens Yard, Nayland Road	SS14
West Mersea - Waldegraves Farm	SS15a
West Mersea - Boat Yards, Coast Road	SS15c
West Mersea - Rushmere Close	SS15a
Wormingford Airfield – (Packards Lane, Fordham Road North and South)	OV1

Appendix 2

Evidence Base Update

A. Forecasts of Job Growth

Updated forecasts of employment growth in Colchester to 2033 were obtained from the 2019 release of the East of England Forecasting Model (EEFM), which takes into account recent regional and national macroeconomic assumptions. This version of the EEFM was developed before the Covid-19 pandemic. The forecasts do not include any Covid-19 specific assumptions or impacts.

The model does include a forecast formulated in May 2019 of the assumptions of the impacts of Brexit. This forecast focussed primarily on the macroeconomic effects of Brexit on exports, migration and investment.

It is important to note that there are inherent limitations to the use of economic forecasts of this type, particularly within the context of recent changes in the economy. National macroeconomic assumptions are taken as the starting point and then modelled down to the regional and local levels by reference to the existing economic profile and sectoral composition of an area. Local level data is less comprehensive and reliable than at national and regional levels, which can affect how the modelling is calibrated. Similarly, top-down forecasts do not take account of specific local factors that might influence employment growth. However forecasts are seen as a valuable input to indicate the broad scale and direction of future economic growth within different sectors, which helps assess the future land requirements of a local area.

Population projections are just one of several inputs used to produce economic forecasts both in terms of future changes in working-age population (ie: which directly impacts on the demand for jobs) and total population (ie: which create demand for consumption activities). The EEFM September 2019 uses both official projections of natural growth and forecast net migration levels produced by Oxford Economics.

It is important to note that populations, economic activity rates and national changes to the pension ages. The forecasts also assume existing patterns of commuting remain unchanged, which means that future updates to this study will need to take into account the changes to a commuting data as a result of changing working patterns driven by the impact of Covid-19 when it is incorporated into the EEFM model.

In order to extend the employment growth projections up to 2033 to cover the period of the emerging Colchester Local Plan, the average annual job growth rates for the period 2014 to 2032 were used as a proxy to estimate employment levels in Colchester in 2033 on a total and sector basis using the 2019 EEFM. For consistency the 2019 model was used to revisit the 2014 figures rather than start afresh in 2019.

Scenario 1: Baseline Job Growth

The forecasts of job growth by sector reflect recent trends and area based upon projections at the regional level and how sectors with Colchester have fared relative to historic growth in the region. For example, where particular sectors have performed well compared with

the regional average (ie: East of England) the forecasts generally assume that these sectors will continue to drive growth within the Borough in the future. These projections also reflect the current post 2008 recession climate but have yet to feature the impacts of the Covid-19 pandemic.

These projections indicate an overall growth of 20,300 jobs for Colchester over the 18 year period 2014-2032 (table 6.2), equivalent to around 1127 jobs per year. Table 6.1 shows the fastest growing sectors under this scenario, alongside those that are expected to see a decline in employment. A full breakdown of baseline job growth by sector is provided in Table 6.1a from both the 2015 report and the 2020 revision.

Update based on EEFM 2019

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

Sector	Use Class (prior to recent revisions)	Additional Jobs 2014-2032	% Change 2014-2032
Retail		3600	37.1
Healthcare		3300	21.1
Education		2900	25.8
Construction		2500	50.0
Accommodation & Food Services		2500	40.3
Arts & Entertainment		1900	61.2
Real Estate		1600	123.0
Wholesale		1600	33.3
Employment Activities		1100	45.8
Business Services		700	22.6
Professional Services		700	8.9
Publishing & Broadcasting		-900	-40.9
Finance		-200	-7.4
Manufacturing		-200	-22.2

Source: EEFM 2019/CBC analysis, ranked by additional jobs/losses.

Key:

B class sector	Part B class sector	Non B class sector

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

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

Source: EEFM Spring 2013 / NLP analysis
Key: **YELLOW** = B class sector   **ORANGE** = Part B class sector   **RED** = Non B class sector

Comparing Table 6.1 with the original table in the 2015 NLP Report above there are some important differences

- *Utilities* – although the model projects a zero figure this time, Colchester Borough Council's work on the installation of a new heat network and the further deployment of its Ultrafast fibre gigabit Broadband network means that its likely some sectoral development will take place. This can be seen in the table as the 2015 NLP report projected a loss of -190 jobs whereas the latest projection of zero represents some growth.

- *Public Administration & Defence* – the last report was pre-referendum and saw a projection that this sector would be contracting by -100 jobs. However, the 2019 EEFM incorporates some consideration of Brexit impacts. As a military town Colchester could see some growth of employment in this sector of an estimated 500 jobs; a growth of 8.4%.

- *Business Services (combined with Professional Services)* – came out strongest in terms of projected job growth in the 2015 report with an estimated additional 4060 jobs. However, the revised figure is 1400 jobs over the period so, even though it's still growing, it represents a significant contraction in this sector when both reports are compared.

- *Wholesale* – a new sector this time possibly acknowledging the trend for online retail growth. Though the model is pre Covid-19 the pandemic is certainly accelerating the trend for online shopping which requires warehousing. Brexit is also a factor, so there is now a double source of demand for warehousing. Storage also might be a consideration to offset the trend for 'Just in Time' supply chains which have proven to be risky whereas stockpiling some goods in warehousing might be a prudent move. Consumers are demanding goods to be available so there's a need to keep stock somewhere and manufacturers need stocks of components to meet ongoing demand. Colchester is an obvious location because it's so close to Harwich and close enough to Felixstowe.

- *Employment Activities* - will have more than doubled from the original 2015 projection.
- *Publishing & Broadcasting* – another sector undergoing significant change from social media and online broadcasting (often the same thing using apps). Colchester's creative and digital sector is dual currently with published magazines in some cases being replicated with added value on websites. The need for content will remain but could be open sourced using freelancers and members of the public so jobs could be affected.
- *Finance* – the contraction of this sector is not surprising given the changes in this sector. Increasingly online, increasingly condensing through mergers, increasing use of Artificial Intelligence.
- *Manufacturing* – The contraction of this sector has been a long-term trend in the UK and is featuring in the modelling in line with the ongoing automation of traditional manufacturing and industrial processes. This is however, presenting opportunities in the emergence of new forms of manufacturing which may be slowing the decline in the sector overall.

Just as in 2015 the analysis indicates that retail, healthcare, construction and tourism (accommodation and food services) are expected to be the key drivers of employment growth in the Borough over the period of the plan. In addition, business services, education and real estate are also expected to account for significant employment growth. Sector forecasts to incur the largest employment losses during this period include manufacturing, publishing and broadcasting and finance.

The EEFM baseline data also suggests that Colchester is anticipated to play a key role in accommodating employment growth withing the South East LEP's (SELEP) key growth sectors. The SELEP is currently developing its Local Industrial Strategy which has been delayed due to Covid-19. Therefore, assuming the SELEP's Growth Deal and Strategic Economic Plan is still current as the Local Industrial Strategy process has been put on hold due to the pandemic, the sectors in Table 6.2 have been updated. It should be noted that data for the East of England in the EEFM 2019 has not yet been published.

It is important to note that the data and subsequent projections were pre-pandemic. The situation will be monitored when future editions of the EEFM are published. Some sectors which are currently affected by the pandemic such as travel, leisure, culture and entertainment will see demand return when movement restrictions are eased and these service industries will satisfy that demand with adapted models of operation. The information should accordingly be considered over the whole life of the projection to 2032-3.

Update based on EEFM 2019

Table 6.2 Anticipated Employment Growth in the South East LEP Growth Sectors 2014-2032.

SELEP Growth Sector	EEFM Equivalent Sectors	Additional Jobs 2014-2032	% Change 2014-2032
Advanced Manufacturing	Chemicals		
	Pharmaceuticals	-200	-22.2

	Electronics		
Transport & Logistics	Wholesale	1400	18.6
	Land Transport		
	Water & Air Transport		
Life Sciences & Healthcare	Pharma	3300	21
	Health & Care		
	R&D		
Environmental Technologies & Energy	Utilities	0	0
	Waste & Remediation		
	R&D		
Creative, Cultural & Media	Publishing & Broadcasting	1700	12.9
	Professional Services		
	Arts & Entertainment		
Visitor Economy	Hotels & Restaurants	4400	47.3
	Arts & Entertainment		
All Sectors		20300	21.4

Source: EEFM 2019/CBC analysis

Original NLP 2015 Report

Table 6.2 Anticipated employment growth in South East LEP Growth Sectors

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

Source: EEFM Spring 2013 / NLP analysis

The total employment change in Colchester resulting from these forecasts is shown in Table 6.3 alongside forecast job growth in the B class sectors. This includes an allowance

for jobs in other non-B class sectors that generally use office or industrial space (Appendix 5).

Update based on EEFM 2019

Table 6.3 Forecasted Employment Change in Colchester 2014-2032.

	Number of Jobs		Change (2014-2032)
	2014	*2032*	
Offices (B1a/B1b)*	17,315	18,635	1,320
Manufacturing (B1c/B2)**	8,104	8,922	818
Distribution (B8)***	4,965	6,103	1,138
Total B Class Jobs	**30,834**	**33,660**	**3,276**
Total jobs in all sectors	**94,700**	**115,000**	**20,300**

Source: EEFM 2019/CBC analysis

*Includes publishing and a proportion of Government offices

**Includes vehicle repairs and some construction activities

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

Original NLP 2015 Report

Table 6.3   Forecasted Employment Change in Colchester, 2006 - 2032

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

Source: EEFM Spring 2013 / NLP analysis
Note: * Includes publishing and a proportion of government offices.
         ** Includes vehicle repairs and some construction activities.
         *** Includes parts of transport and communication sectors that use industrial land.

These figures indicate relatively high overall net job gains in B class sectors (3,276 jobs) within Colchester up to 2032, with stronger growth in office activities compared to manufacturing and distribution. Office jobs sees a significant fall from the 2015 estimate however, the situation is reversed for distribution activities where there is significant growth now projected compared to the 2015 estimate. The projected decline in manufacturing jobs in 2015 now sees moderate growth as food and drink manufacturing for instance grows to meet a population growth.

This is within the context of total job growth of 20,300 jobs forecast for the Borough over the plan period, which outside of the B class sectors will be in retail, healthcare, construction and tourism. It should be noted that these key growth sectors will also require additional floorspace to accommodate an increase in employment over the period to 2032 (including some conventional office space) although as the spatial implications of this growth are considered using different methodologies and other forms of technical evidence.

The total GVA growth associated with the EEFM 2019 employment forecasts for Colchester equate to a 50.2% rise between 2014 and 2032, or 2.8% per year over the plan period. In absolute terms, this is equivalent to an increase of just over £1.9bn over the plan period.

This projected net increase of 3,276 B class jobs up to 2032, which underpins the estimate of future employment space needs, is equivalent to an average of 182 additional B class jobs each year.

The B class part of these employment growth forecasts have been converted to net future employment space requirements by applying the latest published density figures for employment space, which take account of recent trends in occupancy for the different B class uses. To estimate space requirements, the following average ratios have been applied to job forecasts:

- **Offices:** 1 job per12.5sqm for general office space
- **Industrial:** 1 job per 43sqm as an average across B1 and B2 uses, and
- **Warehousing:** 1 job per 65sqm for general, smaller scale warehousing (ie: assumed to account for 90% of total stock) and 1 job per 74sqm for large scale, lower density units (ie: assumed to account for 10% of total stock).

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

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

Update based on EEFM 2019

Table 6.4 EEFM 2019 Job Growth Based Net Employment Space Requirements in Colchester, 2014-2032.

	Floorspace (sq m)
Offices (B1a/B1b)	18,150
Manufacturing (B1c/B2)	38,691
Distribution (B8)	82,485
Total B Class Jobs	**139,326**

Original NLP 2015 Report

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

Source: NLP analysis

The changes in floorspace requirement unsurprisingly follow on from the changes in sectoral demand analysed above, including a decrease in office requirements and an increase in manufacturing and distribution floorspace. The overall result shows an increase in B Class floorspace from 84,820 sqm. in 2015 to 139,326 in 2019.

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