

Committee: Local Plan Leadership Group

Date:

Title: Employment Needs, Economic Development and Growth

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Summary

1. This report sets out current progress on the assessment of economic growth and employment needs that will inform the Local Plan.

Recommendations

2. To note progress on the employment evidence base summarised in this report.

Financial Implications

3. The approved budget for the Local Plan in 2021-22 includes sufficient provision for the work needed through to the end of March 2022.

Background Papers

4. The following assessment of the *local economy of Uttlesford* interim working papers are appended:
 - Overview Paper (8 July 2021)
 - Working Paper A: Literature Review (draft July 2021)
 - Working Paper B: Socio-Economic Baseline (draft July 2021)
 - Working Paper C: Insights from employment projections by Cambridge Econometrics (draft July 2021)
 - Commercial Property Market Dynamics Paper (July 2021)

Impact

- 5.

Communication/Consultation	N/a
Community Safety	N/a
Equalities	Forthcoming policies will be subject to an Equalities and Healthy Impact Assessment (EqHIA).
Health and Safety	N/a

Human Rights/Legal Implications	Preparation of a local plan is a statutory duty. It needs to meet legal tests and comply with regulations.
Sustainability	Forthcoming policies will need to meet the sustainability objectives of the Council and the Local Plan will be subject to a Sustainability Appraisal.
Ward-specific impacts	All
Workforce/Workplace	N/a

Situation

6. Consultants Icen, in collaboration with SQW, were appointed in May 2021 to prepare evidence on economic growth assessment and employment needs to inform the Local Plan.
7. The timing of the work is outlined below:

<i>Topline input into strategic context work (initial findings from key objectives 1-3)</i>	<i>5th July 2021</i>
<i>Initial report to inform preferred options Local Plan</i>	<i>1st October 2021</i>
<i>Detailed work to inform Reg 19 Submission Plan</i>	<i>Autumn 2022</i>
<i>Contribution to Local Plan examination of Reg 19 Submission Plan and modifications, as required</i>	<i>Autumn 2023-Spring 2024</i>

8. The economic development work will examine the different strands of the local economy including:
 - The Stansted hub – airport, travel, and logistics
 - Life sciences, research & innovation sector – focused around Chesterford Research Park
 - The rural and visitor economy – identifying the needs of primarily smaller businesses (76% of businesses in Uttlesford have less than 4 employees and 69% of businesses have a turnover of less than £250,000)
 - The green economy, including for example: new methods of construction, renewable energy, electric charging points, retrofitting property to meet new standards etc

9. The interim reports (July 2021) will be informed by further work including a Business Survey particularly focusing on understand the needs of small business enterprises and the rural economy.

10. The Overview Paper includes initial findings regarding:

- Overall employment growth
- Sectoral dimensions
- Spatial dimensions
- Stansted airport
- Commercial market dynamics
- Opportunities and threats

11. Regarding opportunities and threats the following key points are made:

- There is currently very limited employment space available; a very low vacancy rate and almost no development potential on existing sites (with the exception of Chesterford Research Park). The industrial market is particularly tight, with a need to improve the supply position. For office space, the market is evidently flatter and viability challenging and there are schemes which have been part delivered or have not come forwards
- The effects from the pandemic and consequences of UK departure from the EU are important contextual factors and are both reflected in the Cambridge Econometrics projections
- Aviation is a potentially important growth driver but there are some uncertainties about the pace of its recovery
- The logistics sector is projected to grow and demand for logistics-related activities is likely to be high. The Council will need to take a view on appropriate provision, recognising the double-edged nature of the sector's growth
- With regard to the research and innovation agenda, there are opportunities and threats, however, prospects in relation to life sciences should continue to be strong:

Opportunities:

- spur for additional investment and growth in the quest for vaccines and therapeutics during the pandemic
- relocation of Public Health England to Harlow
- establishment in Braintree of the Cell and Gene Therapy Manufacturing Catapult's Manufacturing Innovation Centre

Threats:

- whilst the Oxford-Cambridge Arc continues to be a national priority, the implications for resourcing seem increasingly uncertain
- insofar as research investment is funded by the public sector – there may well be increasing pressure to direct available resources out of the Golden Triangle in response to wider 'levelling up' imperatives

- Although Uttlesford is within the ‘digital innovation zone’, CE’s analysis suggests that the IT sector is underrepresented in Uttlesford currently
- The construction sector is set to see rapid future growth, this relates in part to projected population growth within Uttlesford, but also more broadly across Essex, Cambridgeshire and Hertfordshire
- More could be done to support micro-business in Uttlesford, reflecting the reasonably well qualified working population, in higher order occupations and likely post-pandemic impact of working from home, including:
 - a strategy for enterprise – including appropriate incubator/innovation centre provision
 - consideration ought to be given to appropriate grow-on space
- Of the three main towns, Saffron Walden is the most vibrant and best connected. Great Dunmow and Thaxted are smaller and less well connected. The economic role of all three towns will need consideration going forward
- Issues around a growing, ageing population ought to be considered carefully. How this growth is distributed within the District and phased over time will have economic implications

12. The *Essex Sector Development Strategy Missing Middle* will be published on 23 July 2021. Our consultants working on employment needs and economic development will be informed of the work once published.

Risk Analysis

13.

Risk	Likelihood	Impact	Mitigating actions
that the employment evidence is not ready on time to inform the reg 18 Local Plan	1	a potential delay to the timetable for the Local Plan production	the consultants have a well-managed project plan
that the uncertainty around the pandemic impacts on the quality of the evidence	2	this will impact the ability of the Local Plan to implement the right policies	up to date forecasts are being used to inform the evidence, if necessary an early review of the plan can update policies

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.