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Uttlesford Employment Needs & Economic Development Evidence

Draft Final Report

Iceni Projects Limited on behalf of
Uttlesford District Council

November 2021

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ON BEHALF OF
UTTLESFORD DISTRICT
COUNCIL

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Uttlesford Employment Needs &
Economic Development Evidence
DRAFT FINAL REPORT

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1. EXECUTIVE SUMMARY

1.1 Uttlesford District Council has commissioned Icen Projects and SQW to prepare a report on its Economic Needs and Economic Development Evidence to inform the preparation of its new Local Plan and the Council's activities in supporting sustainable economic development and growth.

1.2 The Study brief includes the following key components:

- Economic Growth Assessment: assessment of future economic growth prospects for Uttlesford and associated employment land requirements.
- Land Availability Assessment: appraisal of existing employment land supply and how it meets needs, including existing employment allocations and land with planning permission (provided separately).
- Employment Land Requirements: an assessment of the need for employment land in Uttlesford, including an assessment of the scale and type of employment land needed and locational considerations.
- Stansted Hub: advice on the needs and economic opportunities associated with London Stansted Airport for the Uttlesford economy.
- Rural Economy Advice: best practice in supporting and developing strong rural economy.

1.3 Main findings across the topics contained in this report are set out below:

Overview of Uttlesford

1.4 Uttlesford is a district in north-west Essex. In 2019, it had a total population of 91,000 people. According to ONS sources, the total number of jobs in the district was 56,000 in 2019 and the total number of enterprises was 5,475. Within Uttlesford, the largest settlements are Saffron Walden (population approximately 15,500), Great Dunmow (8,800), and Stansted Mountfitchet (6,400). Collectively these settlements accommodate 30,700 – around a third of the District's population – with two-thirds living in rural areas.

1.5 Stansted Airport sits within the District, but larger settlements in proximity to it such as Bishop's Stortford and Harlow lie outside of the District's boundaries. Stansted is the UK's fourth busiest airport by total passenger traffic in 2019 - and aided by its location between London and Cambridge is well served by major road and rail links.

- 1.6 The M11 runs north/south through the District. Junction 8 (Stansted/ Bishop's Stortford) falls within the District, with Junction 9/9A (Great Chesterford) on the District's northern boundary. Great Chesterford Research Park, in the north of the District, forms part of the wider Southern Cambridgeshire research and bio-tech cluster.

Baseline

- 1.7 The evidence suggests that **Uttlesford has seen relatively rapid employment growth in recent years**, out performing surrounding areas in comparative terms.
- 1.8 The Covid-19 pandemic has affected the local economy in the short-term but the claimant count in Uttlesford – which stood at 4.4% in May 2021 – remains below regional and national averages.
- 1.9 The **largest sectors in Uttlesford** by the proportion of total employment in 2019 were: Transportation and Storage (19.6%), Professional, Scientific and Technical Services; and Wholesale and Retail Trade (both 10.9%). Other sectors that recorded greater than 5% of total employment included Accommodation and Food Service Activities (8.7%), Manufacturing, Administration and Support Services and Education (all of which accounted for 6.5%).
- 1.10 **Uttlesford is home to a high proportion of micro-enterprises** and a lower proportion of small, medium-sized and large enterprises when compared to the East of England and England as a whole.
- 1.11 Saffron Walden and Great Dunmow are home to just over a quarter of **business units** in Uttlesford. Rural areas accommodate nearly a third of units. Birchanger (including Stansted Airport) is home to 60% of large business units in Uttlesford.
- 1.12 Around a third of employment in Uttlesford is within Stansted Airport and its environs. Around three quarters of employment in this area are in Transportation and storage and Accommodation and food services. Rural areas and Small Towns/Villages accommodate around 40% of employment in Uttlesford.

Property market

- 1.13 **Office** demand is focused generally on local SME businesses and particularly space of up to 20,000 sq.ft. The market is difficult at the time of writing (July 2021) influenced by Covid-19. It is reported that that outstanding requirements are all for small and medium-sized units, with little demand for larger HQ office space. Rents around Stansted Airport achieve around £19 psf which is below viable for speculative development. The new-build office scheme at Tristal Towers has been on the market for five years, but appears unlikely to come forwards in the short-term given viability challenges.

- 1.14 The local market in Saffron Walden is focused typically on units of 500 – 1,500 sq.ft.. Some inquiries from small businesses are reported, for satellite offices instead of commuting to London or Cambridge.
- 1.15 A lack of **industrial supply** is noted in Uttlesford and more generally within 10 miles of Bishops Stortford with a 98% occupancy level within the industrial market. Demand outstrips supply and there is a need to bring forward new development. Within a 10 mile radius of the Airport, agents report significant requirements. There is demand for industrial space in a range of small, medium and large size bands across the District including from established manufacturing businesses in the District. Additional supply is needed, particularly close to M11 Junction 8, which is the area of strongest occupier demand. Demand exists for smaller rural premises across the district and around the smaller towns and villages.

Key sectors and opportunities

- 1.16 This data shows that **rural areas and rural town/villages** within Uttlesford accommodate a very significant portion of economic activity within the district. There appears to be an opportunity to diversify and grow Uttlesford's Rural Economy.
- One potential opportunity may be to focus **floorspace provision of small (potentially shared) units in rural areas** which offer micro businesses an alternative to working from home, particularly in relation to office type premises. There is also potential for growth of non-office-based sectors (e.g. manufacturing). Engagement with stakeholders revealed that there was a lack of workshop space (particularly incubator space for small businesses).
 - **Agri-tech, Agri-food** and Forestry-tech sectors may provide opportunity to deliver growth and support sustainable food production, maintain plant and animal health and support and enhance natural habitats. There are a number of major institutions in Cambridge and initiatives associated with the University of Essex that could provide a springboard for Uttlesford.
 - **Digital connectivity** is vital in diversifying the rural economy - Uttlesford's Economic Development Strategy produced in 2018 stated that digital connectivity is particularly poor in rural parts of the district. Opportunities around 5g may be more appropriate than broadband investment.
 - Providing **sufficient housing and affordable housing in rural areas** is vital to unlocking the potential of rural businesses.
 - There is a **need to allow farmers of modernise/replace buildings, expand and diversify, both from an economic and environmental sustainability perspective.**

1.17 Key issues for Uttlesford's **green economy** include:

- Essex is one of the sunniest counties in the UK with an average of 1,598 hours of sunshine per year compared to the national average of 1,373. Solar farms are currently under development at two sites near Thaxted and Saffron Walden.
- Construction, which is evidently a strength in Uttlesford, has a number of green economy related opportunities most notably in terms of retrofit of properties and new build using modern methods of construction. The retrofit agenda has been distorted by the short lived green homes grants scheme by government, but is likely to remain a priority given the impact on overall carbon emissions and the move for example away from gas powered boilers.

1.18 In 2018, Uttlesford's **visitor economy** represented the second most important income strand for the district after retail spending . The district's visitor economy is best understood in relation to two main elements: One part is centred around the historic market towns of Saffron Walden, Great Dunmow and Thaxted as well as regionally and nationally important visitor attractions; A second element is linked to London Stansted Airport.

1.19 A key local economic driver in Uttlesford is **Chesterford Research Park** which provides laboratory and office space for biotechnology, pharmaceutical and technology R&D companies. Chesterford Research Park is Uttlesford's most prominent R&D facility. The Park masterplan set out the potential for around 1m sqft for research and development uses of which approximately 300,000 sq ft of space is already occupied. Around 700,000 sqft or 65,000 sqm remains for construction of which some has planning permission. It would be reasonable to expect that by the end of the Plan period the masterplan could have been developed in full.

Stansted Airport

1.20 In May 2021, Stansted Airport secured planning consent (through appeal) for expansion to 43 million passengers per year. Additional Direct On-Airport **Additional employment of 3,000 is expected in the Plan period.** Potentially 400-500 additional jobs could be created through indirect and induced employment.

1.21 The airport owners, Manchester Airports Group (MAG), have brought in a development partner – Columbia Threadneedle – to bring forward development of land at **Northside**, on the northern side of the Airport. Around 2.1million sq.ft (200,000 sqm) of principally B8 warehousing development is envisaged. It is expected that the early phases of development will be targeted at 'big box' logistics exceeding 100,000 sqft and possibly much larger. This reflects the target occupiers as being regional / national occupiers rather than meeting the needs of local businesses. Oxford Economics, for the scheme promoters, estimate that the **scheme will deliver around 2,600 net additional jobs.**

Economic Growth outlook

- 1.22 IcenI has considered baseline forecasts by Cambridge Econometrics which report 61,500 jobs by 2040 from a start of 53,900 in 2019. Based on potential developments at Stansted Airport, Northside and Chesterford Research Park, IcenI is of the view that employment could reach 66,600 by 2040 and that this is a more realistic figure.

Employment Land Needs to 2040

- 1.23 **For offices** IcenI therefore considers a range of 4.0-6.3 ha is a reasonable provision for the office market based on a labour demand model and taking into account a discount for R&D premises growth.
- 1.24 For industrial 18.9 ha should be considered as a minimum with **27.2 ha being a pragmatic and recommended level of net growth that facilitates new premises for business over the Plan period**. This reflects that the vast majority of premises are essentially full and there is justification to support business growth through new allocations. IcenI's of the view that the development at Northside should **not** be considered suitable supply for the general industrial needs established here, given the very large nature of units which, certainly for phase one, are large scale and strategic in nature and not relating to the historic and local development patterns.
- 1.25 The pattern of future allocations should be considered in full as the Local Plan Spatial Strategy developed. At present our view is that Great Dunmow has the strong local industrial market with a range of local businesses. We consider that the allocation of 5-10 ha or more of employment land would be justified. Saffron Walden is the largest settlement. Given the size of the settlement there is limited existing employment land provision. The allocation of some additional land (c. 2-4 ha) would therefore be warranted through the Local Plan having regard to current provision and to support sustainable development. Historic take-up data shows a strong preference for industrial type business to be located up to 5 miles from Stansted where it can access the M11, population centres at Bishop's Stortford and supply chain and business benefits of Stansted Airport. Further industrial and business space should be considered for allocation in this area, beyond Northside.
- 1.26 Given competition from larger and more established centres in surrounding areas, we see limited role for corporate offices. The Council should however look to maintain a supply of good quality, SME space to support local business formation and growth. To do so may however require public sector intervention and support to overcome viability challenges. The Council could appropriately target provision initially at boosting provision in the main urban centres of Saffron Walden, Great Dunmow and Stansted Mountfitchet. There are a range of potential options to do so, including repurposing retail space.
- 1.27 Great Chesterford Research Park is somewhat unique and has developed as an important site for biology and lifesciences. There is a good case for the allocation of additional land in line with the

masterplan already developed in order to provide certainty for larger plots which are capable of attracting investment from biotech businesses looking to establish a campus. There is the potential for international inward investment in this regard.

Policy

- 1.28 In terms of the **rural economy**, planning policy requires a nuanced approach. Supporting small businesses to survive and grow is essential for rural areas. Particular recognition should be given to the retention and attraction of value-adding processes in rural areas.
- 1.29 There may well be a case for the greater provision of small business units. ‘Hubs’ of small business units could be part of the solution. In practice, schemes of this nature often struggle in terms of viability and may require public sector support but their role can be important. Live/work interlinked facilities should also be considered by the planning system in order to attract new incoming workers and business facilities that allow people to meet and collaborate.
- 1.30 Planning policy through **S106** can be applied to new developments where there are opportunities to provide apprenticeships or training thus raising skills and attainment and supporting people into higher paid employment, potentially connecting employers and employment opportunities to local schools, colleges, training organisations and voluntary services.
- 1.31 The market analysis and business engagement undertaken by Iceni has identified a floorspace **affordability issue in the office and employment market** in Uttlesford particularly relating to better quality spaces. The workspace market can be difficult for micro-enterprise and SME’s to enter. London authorities and the GLA provide good examples of planning policies that seek to secure affordable workspace. These use Section 106 agreements in order to deliver affordable workspace.

2. INTRODUCTION

- 2.1 Uttlesford District Council has commissioned Icen Projects and SQW to prepare a report on its Economic Needs and Economic Development Evidence to inform the preparation of its new Local Plan and the Council's activities in supporting sustainable economic development and growth.

Uttlesford District's Geography

- 2.2 Uttlesford is principally a rural district located in North West Essex. It includes two market towns – Saffron Walden and Great Dunmow – and over 60 rural settlements. Around 70% of the District's population live within the villages and countryside outside of the main towns. Larger villages comprising more than 1900 population within the District include Stansted Mountfitchet, Thaxted, Elsenham, Great Chesterford, Hatfield Heath, Newport and Takeley.
- 2.3 Stansted Airport sits within the District boundaries, but larger settlements in proximity to it such as Bishop's Stortford¹, Harlow and Braintree lie outside of the District's boundaries. The south-western fringes of the District fall within Metropolitan Green Belt.
- 2.4 The M11 runs north/south through the District. Junction 8 (Stansted/ Bishop's Stortford) falls within the District, with Junction 9/9A (Great Chesterford) on the District's northern boundary. Great Chesterford Research Park, in the north forms part of the wider Southern Cambridgeshire research and bio-tech cluster. The A120 dual carriageway runs east-west through the District from Bishop's Stortford/M11 Junction 8 to Braintree, Colchester, and the Port of Harwich. There are six rail stations in the District served by Greater Anglia services.

Study Objectives

- 2.5 The objectives of the report are to provide a robust evidence base regarding economic issues to support the Uttlesford Local Plan, and in doing so meet the requirements of the National Planning Policy Framework (NPPF) and associated Planning Practice Guidance (PPG).
- 2.6 The Study brief includes a number of components:
- Economic Growth Assessment: assessment of future economic growth prospects for Uttlesford and associated employment land requirements. This is intended to be informed by consideration of key strands of the local economy, including the Stansted Hub; the Life Science sector focused around Chesterford Research Park; and the needs of the rural, visitor

¹ Bishops Stortford is in East Hertfordshire

and green economies. This is intended to inform a strategic vision for economic development for Uttlesford.

- Land Availability Assessment: appraisal of existing employment land supply and how it meets needs, including existing employment allocations and land with planning permission. Identification of development opportunities at existing sites; and sites which are no longer suitable for continued employment use or allocation.
- Employment Land Requirements: an assessment of the need for employment land in Uttlesford, including an assessment of the scale and type of employment land needed and locational considerations; with comparison of the need and available land supply (as above) to identify what additional land is needed. Advice on development management policies for economic development.
- Stansted Hub: advice on the needs and economic opportunities associated with London Stansted Airport for the Uttlesford economy, including potential growth scenarios and land-use requirements for airport and non-airport related businesses.
- Rural Economy Advice: best practice in supporting and developing a strong rural economy, and the potential role of village/rural locations and neighbourhood planning in meeting employment land needs.

2.7 The Study has been prepared at an early stage in the preparation of a new Local Plan for the District. Icenis's commission includes reviewing the evidence and providing more focused advice as the plan-making process progresses, including inputting to the emerging strategy. This recognises that the strategy for economic development and employment land needs to relate and inter-relate to the wider development strategy for the District.

2.8 The Study has involved a combination of desk-based and statistical research; key stakeholder engagement; and on-site review of employment land / premises within the District undertaken in Summer 2021.

Report Status

2.9 This draft report is submitted as a draft for discussion. It will be finalised following discussions with the Council Team.

3. OVERVIEW OF UTTLESFORD

- 3.1 Uttlesford is a district in north-west Essex. In 2019, it had a total population of 91,000 people². According to ONS sources, the total number of jobs in the district was 56,000 in 2019³ and the total number of enterprises was 5,475⁴, 91.1% of which are micro enterprises (with less than 10 in employment).
- 3.2 Within Uttlesford, the largest settlements are Saffron Walden (population approximately 15,500), Great Dunmow (8,800), and Stansted Mountfitchet (6,400)⁵. Collectively these settlements accommodate 30,700 – around a third of the District's population – with two-thirds living in rural areas.
- 3.3 South Cambridgeshire and Cambridge lie to the north of Uttlesford, the Essex Districts (and towns) of Braintree and Chelmsford lie to the east and south east, the Districts of Epping Forest and Harlow lie to the South West, and the East Hertfordshire town of Bishop's Stortford lies to the west (Figure 3.1). The district is home to London Stansted Airport – the UK's fourth busiest airport by total passenger traffic in 2019⁶ - and aided by its location between London and Cambridge is well served by major road and rail links. The M11 motorway runs north-south through the district with junctions at Stansted Airport (junction 8) and Stump Cross near Saffron Walden (junction 9), whilst the A120 runs east-west between Bishop's Stortford and Braintree via Great Dunmow. This connects Uttlesford to Colchester, Harwich, and Hertford. These major transport corridors influence the geography of demand for employment space.
- 3.4 The West Anglia Main Line also runs north-south through the district with stations at six locations (Stansted Mountfitchet, Stansted Airport, Elsenham, Newport, Audley End [serving Wendens Ambo and to a lesser extent Saffron Walden] and Greater Chesterford). From all stations there are services to Cambridge operated by Greater Anglia. However, services from Elsenham, Newport and Greater Chesterford are less frequent (than the Stansted stations and Audley End) which may lead to greater reliance on car travel in these areas. Greater Anglia also runs services from Stansted Airport (and on occasion Stansted Mountfitchet) to London Liverpool Street, under the branding of the Stansted Express. These services run every half hour with a journey time of approximately 50 minutes.

² ONS Mid-Year Population Estimates, 2019

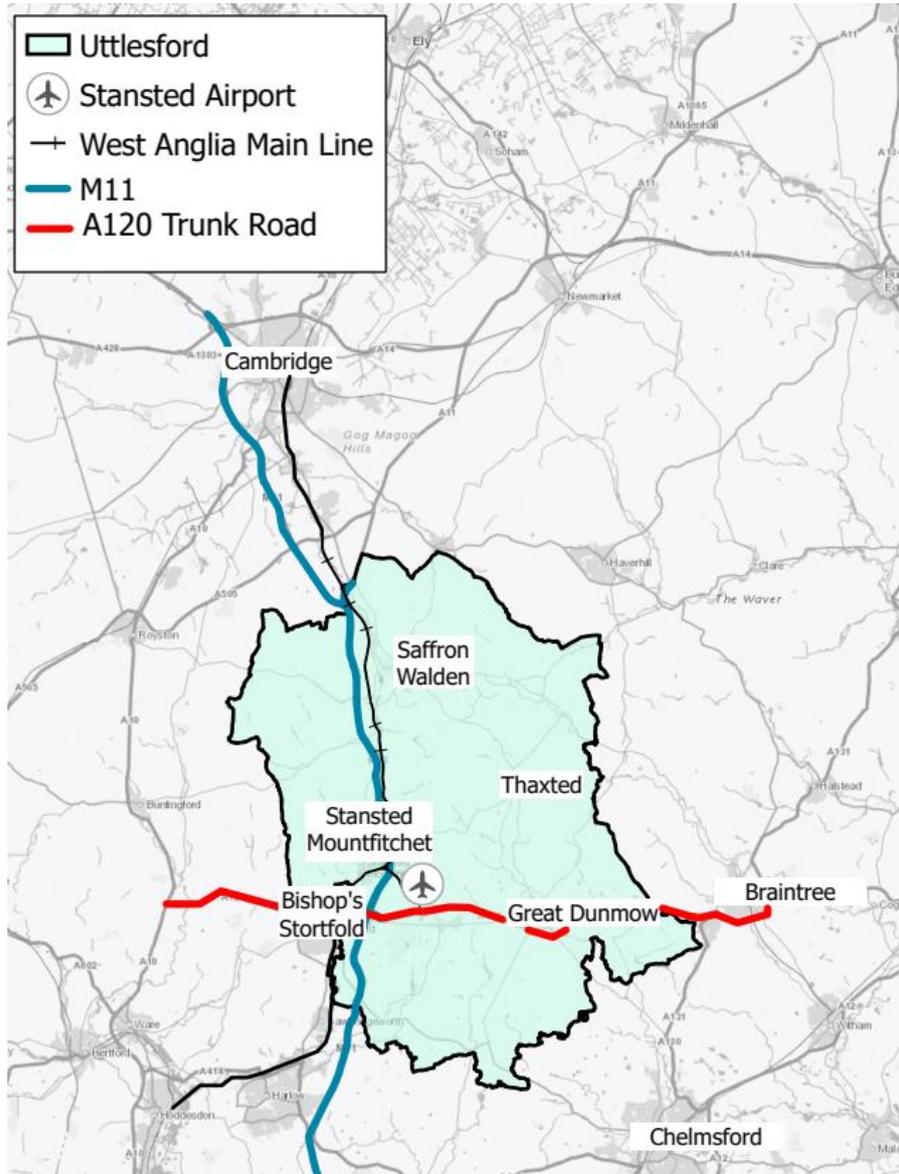
³ ONS Jobs Density, 2019

⁴ UK Business Counts, 2020

⁵ Essex Highways (2018) *Uttlesford District Cycling Action Plan*

⁶ UK Civil Aviation Authority (CAA) Airport Data 2019 - <https://www.caa.co.uk/Data-and-analysis/UK-aviation-market/Airports/Datasets/UK-Airport-data/Airport-data-2019/>

Figure 3.1: Map of the Major Settlements and Transport Links in and around Uttlesford

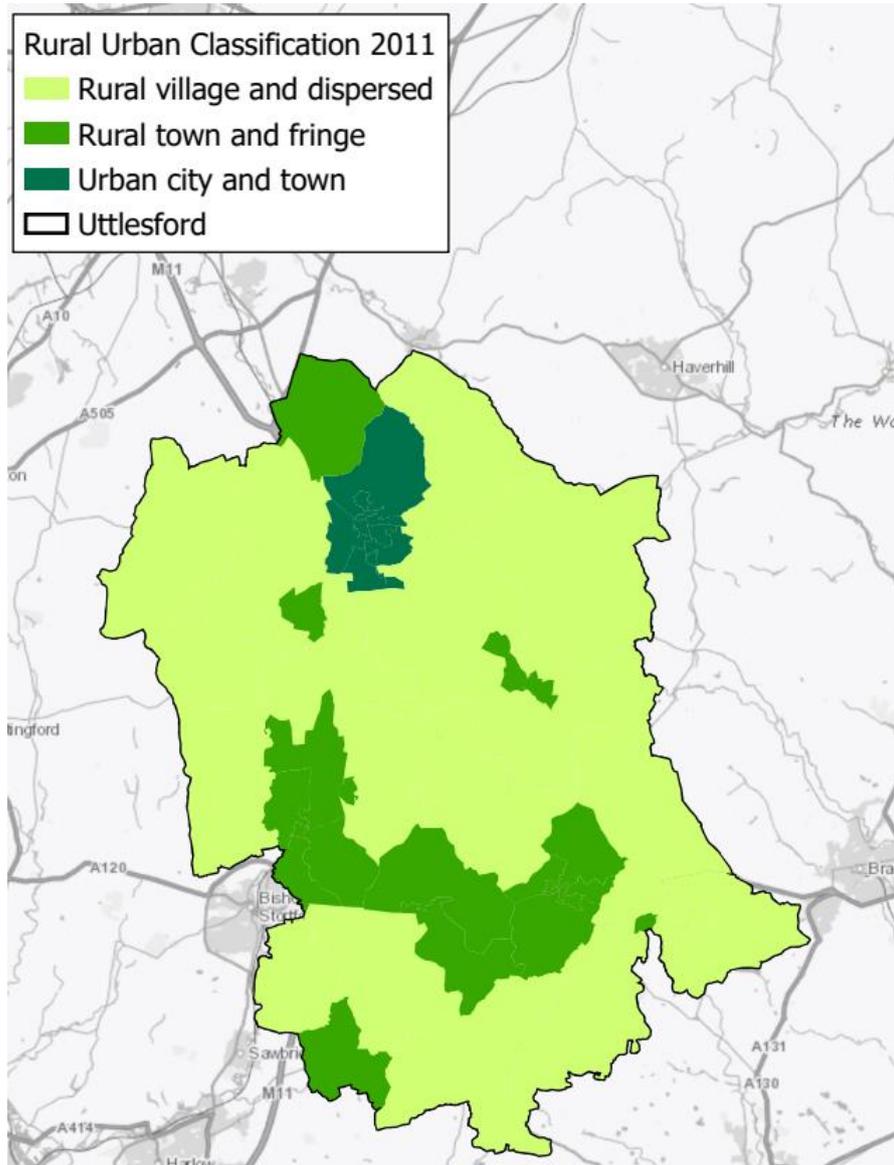


Source: Produced by SQW 2021. Licence 100030994

3.5 As shown in Figure.2, Uttlesford is predominantly rural; most of its territory is defined as either '*Rural village and dispersed*' or '*Rural town and fringe*' under the 2011 Rural / Urban Classifications⁷. The only Lower Layer Super Output Areas (LSOAs) classified as '*Urban city and town*' are situated in the north of the district clustered around Saffron Walden. As set out above, two-thirds of the District's population lives in the rural areas/settlements.

⁷ This Classification defines areas as rural if they fall outside of settlements with more than 10,000 resident population.

Figure 3.2: Rural Urban Classification 2011 – Uttlesford



Source: 2011 Rural / Urban Classification, ONS. Produced by SQW 2021. Licence 100030994

4. KEY BASELINE INFORMATION

4.1 The following section presents key baseline information which informs this study regarding Uttlesford's Population Structure, Employment, Sectoral Composition and spatial distribution of employment and enterprises. Further separate baseline topic papers on the economy and literature review are appended to this report.

4.2 Whilst the focus is on Uttlesford, comparator areas are used to assess the District's relative performance across the key metrics. The comparator areas include a number of Local Authority Districts (LADs) which abut Uttlesford (namely Braintree, Chelmsford, East Hertfordshire, South Cambridgeshire), as well as county (Essex), regional (East of England) and national comparators (England).

Population Structure

4.3 In comparison to the neighbouring LADs, Uttlesford had the second largest 0-15 population behind South Cambridgeshire (20.1%), the third largest working age population behind East Hertfordshire (62.1%) and Chelmsford (61.6%), and the second largest 65+ population behind Braintree (20.4%).

4.4 In comparison to the average for England, Uttlesford had a relatively large 0-15 population and 65+ population, and a relatively small working age population.

Table 4.1 Population Age Structure 2019 (% of Total Population)

	0-15	16-64	65+
Uttlesford	19.9	60.5	19.6
Braintree	19.2	60.4	20.4
Chelmsford	19.1	61.6	19.2
East Hertfordshire	19.7	62.1	18.1
South Cambridgeshire	20.1	60.3	19.6
Essex	19.0	60.4	20.7
East of England	19.4	60.7	19.9
England	19.2	62.4	18.4

Source: ONS Mid-Year Population Estimates (2019)

4.5 Dependency ratios are calculated by dividing the size of the dependent population (those not typically in the labour force, namely those aged 0-15 and 65+) by the size of the working age population (16-64). Higher values indicate a greater the level of dependency.

4.6 In 2019, Uttlesford recorded a dependency ratio of 65.3 (Table 4.2). The dependency ratios recorded for the neighbouring LADs were very similar.

- 4.7 Looking across the county, regional and national comparators, Uttlesford had a slightly relatively lower level of dependency in its population compared to Essex, but a relatively higher level of dependency compared to the East of England and England.

Table 4.2 Dependency Ratios, 2019

	2019
Uttlesford	65.3
Braintree	65.5
Chelmsford	62.2
East Hertfordshire	61.0
South Cambridgeshire	65.9
Essex	65.6
East of England	64.7
England	60.3

Source: Analysis of ONS Mid-Year Population Estimates (2019)

Employment

- 4.8 The evidence reviewed through the working papers suggests that **Uttlesford has seen relatively rapid employment growth in recent years**, out performing surrounding areas in comparative terms.
- 4.9 ONS Jobs Density Data suggests that, since 2010, the total number of jobs (both full and part time) in Uttlesford has increased by roughly 16,000 . Between 2010 and 2015, the average annual growth in the number of jobs was 2.8%. This was on par with the growth rate observed in Braintree and, with the exception of East Hertfordshire (3.3%), exceeded the growth rates observed in the other comparator areas. Between 2015 and 2019, the average annual growth rate in the number of jobs in Uttlesford almost doubled to 5%. This exceeded the growth rates observed in the neighbouring LADs and across the county, regional and national comparators.
- 4.10 Data within the projections produced by Cambridge Econometrics (CE) differ slightly to the ONS Jobs Density data. The Cambridge Econometrics data estimated there to be 53,900 jobs in Uttlesford in 2019 (in comparison to 56,000), and the growth rates between 2010-2015 and 2015-2019 were 1.5% per annum and 4.7% per annum respectively, lower than those derived from the ONS Jobs Density data.
- 4.11 The Cambridge Econometrics forecasts also estimated there to be fewer jobs in the East of England in 2019 than the ONS Jobs Density Data (3,221,000 in comparison to 3,268,000) and the growth rates between 2010-2015 and 2015-2019 were also lower than those derived from the ONS Jobs Density data (1.7% and 1.2% respectively in comparison to 2% and 1.7%).
- 4.12 2019 is the last year for which historic data are available. ONS's Jobs Density dataset suggests that there were 56,000 jobs in Uttlesford. CE's estimate for 2019 is slightly lower – at 53,800. The

difference between the data sources, noting the former is modelled to the nearest 1,000 is modest. For consistency with other elements of the assessment, the core figure used should be 54,000 jobs.

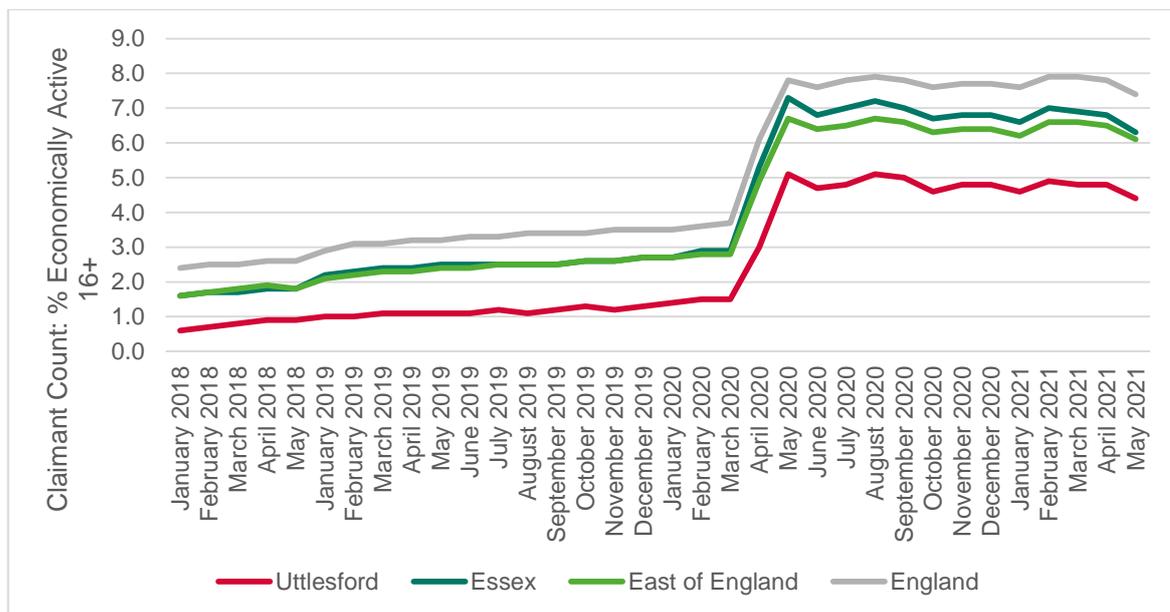
4.13 Between 2010 and 2020, economic activity and employment rates have fluctuated (mainly because of issues linked to the data) but overall, they have been close to the national average.

Impacts of Covid-19

4.14 The pandemic has precipitated a substantial economic shock and the scale of this is set out in some of the literature we reviewed. However, the evidence and data is mostly related to the uptake of government schemes and there is, as yet, little evidence of wider impacts – such as consideration of the long term effects on key sectors like aviation and the visitor economy.

4.15 Clearly the Covid-19 pandemic has affected the local economy in the short-term. Unemployment rose sharply in Spring 2020, but the claimant count in Uttlesford – which stood at 4.4% in May 2021 – remains significantly below regional and national averages, as can be seen in the figure.

Figure 4.1: Trend in Unemployment Claimants, 2018-21



Source: NOMIS

4.16 HMRC provisional data indicates that as at 31st May 2021, there were 3,900 employments⁸ furloughed in businesses within Uttlesford representing a rate of 10% of roles. This is slightly above the Essex, regional and national averages of 8%, but not as high as might be expected given that aviation is one of the sectors which has been relatively strongly affected by Covid-19. In addition to

⁸ There terms employment is used as, for example, where a person has two jobs and both of these are out on furlough, this is counted as two employments.

the employments furloughed, there will be self-employed persons who have sought support through the Self-Employed Income Support Scheme. The profile of the roles furloughed, shows that the highest absolute numbers are in transport and storage (760), wholesale/retail (520) and accommodation and food (470) highlighting that aviation and leisure are key areas affected. The Uttlesford Economic Recovery Plan highlights that some businesses in the District have been hit harder by the impact of the Covid-19 pandemic than others. These include:

- Businesses in town centres and in the retail, hospitality and personal services sectors.
- Businesses in the Visitor Economy and arts and entertainment venues and associated services.
- London Stansted Airport and business in the aviation supply chain and transportation sector.

4.17 Furthermore, Iceni has undertaken a business survey the results of which are set out later in the report.

Sectoral Composition

4.18 Sectoral composition can be understood by looking at sectoral split of enterprises and employment and GVA in Uttlesford.

Employment-based

4.19 As can be seen in the Table 4.3, the largest sectors in Uttlesford by the proportion of total employment in 2019 were:

- Transportation and Storage (19.6%), Professional, Scientific and Technical Services; and Wholesale and Retail Trade (both 10.9%).
- Other sectors that recorded greater than 5% of total employment included Accommodation and Food Service Activities (8.7%), Manufacturing, Administration and Support Services, and Education (all of which accounted for 6.5%), Construction and Human Health and Social Work Activities (both of which accounted for 5.4%).

Table 4.3 Employment by Sector (% of Total Employment)

	Uttlesford	Braintree	Chelmsford	East Hertfordshire	South Cambridgeshire	Essex	East of England	England
A : Agriculture	2.7	2.2	0.9	1.1	1.9	1.5	1.7	1.3
B : Mining	0.2	0.1	0	0.1	0	0	0.1	0.1
C : Manufacturing	6.5	10.7	4.4	5.9	12.1	6.7	7.5	7.8
D : Utilities	0	0	0.1	0.1	0.1	0.1	0.2	0.4
E : Water	0.7	0.8	1	0.4	0.5	0.8	0.7	0.6
F : Construction	5.4	8.9	6.7	6.6	6.6	7.9	6.2	5
G : Wholesale and retail	10.9	17.9	16.7	15.8	9.9	16.4	15.8	15.1
H : Transportation and storage	19.6	3.6	3.3	5.3	1.9	5.1	4.9	5
I : Accommodation and food	8.7	5.4	6.7	6.6	4.9	6.9	6.9	7.5
J : ICT	2.7	2.7	3.9	3.9	8.8	3.3	3.8	4.4
K : Financial and insurance	1.7	2.7	3.9	1.3	1.1	2.8	2.4	3.5
L : Real estate	1.7	1.8	1.9	2	1.4	2	1.9	2
M : Professional Services	10.9	8.9	7.8	10.5	25.3	8.9	9.6	9.2
N : Administrative and support	6.5	6.2	6.7	17.1	6.6	8.2	10.1	8.9
O : Public administration	2.7	3.6	5	2	1.4	3	3.2	3.9
P : Education	6.5	8	8.9	9.2	7.7	8.9	9	8.4
Q : Human health and social work activities	5.4	10.7	16.7	7.9	7.7	13	11.7	12.4
R : Arts, entertainment and recreation	2	2.2	2.2	2.6	1.1	2.5	2.5	2.5
S : Other service activities	1.5	1.8	2.8	1.6	1.9	2.1	2	2.1

Source: Business Register and Employment Survey (2019)

4.20 Analysis of compound annual growth rates for the period 2015 to 2019 reveals that one of the fastest growing sectors in Uttlesford by total employment was Professional, Scientific and Technical Services, recording 9.3% growth per annum. The data also show that the Wholesale and Retail Trade and Construction sectors declined in size during the four-year period (both sectors recorded annual growth rates of -4.5%).

4.21 In order to get an understanding of sectoral strengths in Uttlesford, location quotients (LQ) have been calculated which are a measure of the relative size of a sector in Uttlesford compared to the East of England and England as whole. An LQ of 1 shows that the same proportion of enterprises in Uttlesford are in the given sector compared to the comparator area. Where an LQ is greater than 1 this means that Uttlesford has a greater proportion of enterprises the a given sector than the comparator area. This would suggest that Uttlesford has a sectoral strength.

4.22 Analysis of location quotients (LQ) reveals that employment in the Transportation and Storage sector in Uttlesford in 2019 was almost four times as concentrated than the national average, shown by a LQ of 3.9 (Table 4.4). This reflects the importance of Stansted Airport. Other highly concentrated sectors in Uttlesford are Agriculture and Mining, and to a lesser extent Professional Services and Accommodation and food services.

Table 4.4 Employment-based Location Quotients

	Uttlesford	Brain tree	Chelmsford	East Hertfordshire	South Cambridgeshire	Essex	East of England
A : Agriculture	2.1	1.7	0.7	0.8	1.5	1.1	1.3
B : Mining	2.6	0.6	0.3	1.6	0.4	0.5	0.7
C : Manufacturing	0.8	1.4	0.6	0.8	1.6	0.9	1.0
D : Utilities	0.0	0.0	0.3	0.3	0.3	0.2	0.5
E : Water	1.0	1.3	1.6	0.6	0.9	1.3	1.2
F : Construction	1.1	1.8	1.3	1.3	1.3	1.6	1.2
G : Wholesale and retail	0.7	1.2	1.1	1.0	0.7	1.1	1.0
H : Transportation and storage	3.9	0.7	0.7	1.1	0.4	1.0	1.0
I : Accommodation and food	1.2	0.7	0.9	0.9	0.7	0.9	0.9
J : ICT	0.6	0.6	0.9	0.9	2.0	0.8	0.9
K : Financial and insurance	0.5	0.8	1.1	0.4	0.3	0.8	0.7
L : Real estate	0.9	0.9	1.0	1.0	0.7	1.0	0.9
M : Professional Services	1.2	1.0	0.8	1.1	2.8	1.0	1.0
N : Administrative and support	0.7	0.7	0.8	1.9	0.7	0.9	1.1
O : Public administration	0.7	0.9	1.3	0.5	0.4	0.8	0.8
P : Education	0.8	1.0	1.1	1.1	0.9	1.1	1.1
Q : Human health and social work activities	0.4	0.9	1.3	0.6	0.6	1.0	0.9
R : Arts, entertainment and recreation	0.8	0.9	0.9	1.2	0.4	1.0	1.0
S : Other service activities	0.7	0.8	1.3	0.8	0.9	1.0	0.9

Source: SQW Analysis of Business Register and Employment Survey Data (2019)

GVA-Based

- 4.23 The table below shows 2019 GVA and productivity (measured by GVA per worker) in Uttlesford with GVA per worker compared against the East of England and the UK as whole. This uses Oxford Economics data (Sourced from BRES and National Statistics Regional Accounts). The employment data presented here may differ from that presented above but is used in order to calculate GVA per worker using OE data only, for the purpose of consistency.
- 4.24 It can be seen that overall GVA per worker in Uttlesford is lower than at the regional and national level suggesting that productivity is relatively weak in Uttlesford.
- 4.25 Based on GVA, the largest sector in Uttlesford is Real Estate owing to its extremely large GVA per worker. Transportation and storage is the second largest sector in terms of GVA. This is owing to the high employment count in the sector which outweighs low levels of productivity and is likely to be driven by Stansted. It can be seen that Uttlesford's productivity in the Transportation and storage sector is lower than for the East of England and the UK as a whole. The Professional, scientific and tech sector is less strong in GVA terms than employment terms owing to low levels of GVA per worker.

Table 4.5 GVA and Productivity

	Uttlesford			East of England	UK Aggregate
	Employment	GVA	GVA per Worker	GVA per Worker	
Real estate activities	710	£387,070,000	£545,169	£443,889	£435,619
Transportation and storage	11,180	£381,050,000	£34,083	£44,794	£44,648
Construction	3,870	£263,610,000	£68,116	£63,282	£55,223
Wholesale and retail trade	5,950	£230,960,000	£38,817	£43,286	£42,072
Manufacturing	3,050	£173,500,000	£56,885	£81,315	£74,456
Administrative and support	3,580	£151,410,000	£42,293	£29,086	£33,920
Professional, scientific and tech	5,720	£129,840,000	£22,699	£36,580	£46,942
Education	3,620	£105,980,000	£29,276	£38,044	£40,529
Accommodation and food service	4,230	£104,410,000	£24,683	£23,386	£23,691
Public administration and defence	2,170	£95,960,000	£44,221	£62,834	£63,583
Human health and social work	3,090	£86,120,000	£27,871	£33,611	£34,621
Information and communication	1,600	£56,190,000	£35,119	£64,699	£83,591
Other service activities	1,130	£46,970,000	£41,566	£37,138	£38,004
Water supply	320	£30,450,000	£95,156	£102,112	£108,961
Arts, entertainment and rec	1,280	£28,010,000	£21,883	£27,049	£31,376
Agriculture, forestry & fishing	790	£25,290,000	£32,013	£43,519	£34,504
Financial and insurance	840	£19,520,000	£23,238	£110,662	£144,967
Mining & Quarrying	110	£10,120,000	£92,000	£58,707	£59,396
Electricity, gas, steam and air	10	£2,460,000	£246,000	£237,909	£210,473
Overall	53,210	£2,325,540,000	£43,705	£52,680	£56,178

Source: Icen Analysis of BRES, National Statistics Regional Accounts Oxford Economics

Enterprise-based

- 4.26 The table below shows the percentage split of enterprises in Uttlesford (and the East of England and England) by SIC07 Section with the largest section first. It can be seen that the largest section in Uttlesford is Professional, scientific and technical activities (whereby Uttlesford performs strongly compared to the comparators), followed by Construction; Wholesale and retail trade and then Administrative and support service activities.

Table 4.6 Percentage of Enterprises by SIC07 Section

	Uttlesford	East of England	England	United Kingdom
M : Professional, scientific and technical activities	19.0%	16.4%	17.5%	17.0%
F : Construction	16.0%	16.0%	12.8%	12.8%
G : Wholesale and retail trade	11.8%	13.7%	14.1%	14.1%
N : Administrative and support	9.7%	8.4%	8.8%	8.6%
J : Information and communication	7.5%	8.2%	8.7%	8.2%
A : Agriculture, forestry and fishing	6.8%	4.4%	4.2%	5.4%
C : Manufacturing	5.5%	5.3%	4.9%	5.0%
I : Accommodation and food service	3.6%	4.9%	5.6%	5.9%
L : Real estate activities	3.3%	3.5%	3.8%	3.7%
H : Transportation and storage	3.2%	5.1%	4.6%	4.5%
S : Other service activities	3.2%	3.6%	3.8%	3.9%
Q : Human health and social work	2.8%	3.5%	3.7%	3.8%
R : Arts, entertainment and	2.3%	2.2%	2.5%	2.5%
K : Financial and insurance	2.3%	1.9%	2.3%	2.3%
P : Education	1.7%	1.8%	1.7%	1.6%
O : Public administration	0.8%	0.5%	0.3%	0.3%
E : Water	0.3%	0.3%	0.3%	0.3%
D : Utilities	0.3%	0.1%	0.2%	0.2%
B : Mining and quarrying	0.0%	0.0%	0.0%	0.0%

Source: IDBR

- 4.27 LQ analysis of all enterprises shows – perhaps surprisingly - that Uttlesford has three key sectoral strengths: Electricity, gas, steam and air conditioning supply (utilities); Agriculture, forestry and fishing; and Public administration and defence; compulsory social security.
- 4.28 The table below shows the percentage of enterprises by size band in Uttlesford and is compared to the East of England, England and the United Kingdom. Uttlesford has a higher proportion of micro enterprises than the comparator areas and a lower proportion of small, medium-sized and large enterprises.

Table 4.7 Percentage of Enterprises by Size Band

	Uttlesford	East	England	United Kingdom
Micro (0 to 9)	91.1%	90.0%	89.7%	89.6%
Small (10 to 49)	7.5%	8.1%	8.4%	8.5%
Medium-sized (50 to 249)	1.2%	1.5%	1.5%	1.5%
Large (250+)	0.2%	0.4%	0.4%	0.4%

Source: IDBR

4.29 There are around 15 large enterprises in Uttlesford, around ten of which are in the Transport and storage sector. Three of the other large enterprises are in the public sector.

There are around 120 medium-sized enterprises in Uttlesford. The table below shows the percentage split of medium-sized enterprises by sector (those reporting zero are excluded). It can be seen that the largest SIC07 sector in Uttlesford is Manufacturing, with the Wholesale and retail trade; repair of motor vehicles and motorcycles second largest and the Transportation and storage the third.

Table 4.8 Split of Medium-sized Enterprises by SIC07 Section (Key Sections Only)

	Uttlesford	East of England	England	United Kingdom
C : Manufacturing	15.4%	15.0%	14.2%	14.7%
G : Wholesale and retail trade	15.4%	13.3%	12.0%	12.1%
H : Transportation and storage	15.4%	4.9%	3.6%	3.8%
F : Construction	7.7%	5.4%	4.5%	4.9%
I : Accommodation and food service	7.7%	5.5%	7.4%	7.8%
M : Professional, scientific and technical activities	7.7%	8.5%	9.6%	9.3%
N : Administrative and support	7.7%	10.8%	10.2%	10.0%
P : Education	7.7%	11.1%	9.4%	8.6%
Q : Human health and social work	7.7%	11.4%	12.5%	12.6%

Source: IDBR

4.30 LQs have been calculated across the medium-sized enterprises. Relative to the comparator areas, by far the largest sector in Uttlesford is Transport and storage. This, along with the number of large businesses in this section, highlights a sectoral strength. Uttlesford's IDBR shows that nearly all these medium-sized local units are at and/or serve Stansted Airport.

4.31 In second place (a long way behind Transport and storage) is the Construction section – many enterprises in this section may be based in Uttlesford but provide services in London and other parts of the UK (and may even be partly based in London). It is therefore likely that a significant proportion of employees of these enterprises do not live in Uttlesford.

- 4.32 The third largest section (when compared to England) is Wholesale and retail trade; repair of motor vehicles and motorcycles. Again, this may be due to the presence of retail at Stansted Airport (something which is looked at in more detail below).
- 4.33 Interestingly, Accommodation and food service activities is the 5th largest section when compared to England (with an LQ of only slightly above 1) but the third largest when compared to the East of England (with an LQ of 1.4). This shows in the context of a predominantly rural region Uttlesford has a lot of medium and large Accommodation and food service activities enterprises but that it mirrors the national pattern.
- 4.34 The table below shows the split of small enterprises by SIC07 Section. It can be seen that the most represented section is the Wholesale and retail trade. This section is more highly represented than it is when considering all enterprises within Uttlesford (See Table 4.6 above). The Human health and social work activities section is very well represented amongst small enterprises but is not when considering all enterprises.

Table 4.9 Split of Small Enterprises by SIC07 Section (Key Sections Only)

	Uttlesford	East of England	England	United Kingdom
G : Wholesale and retail trade	15.9%	17.3%	16.3%	16.3%
M : Professional, scientific and technical activities	11.0%	9.0%	10.2%	9.9%
N : Administrative and support service activities	11.0%	8.3%	7.8%	7.5%
F : Construction	9.8%	8.3%	7.1%	7.3%
I : Accommodation and food service activities	9.8%	12.2%	14.1%	14.7%
Q : Human health and social work activities	9.8%	10.4%	10.9%	11.1%
C : Manufacturing	8.5%	9.5%	9.2%	9.1%

Source: IDBR

- 4.35 The table below shows the split of micro enterprises by SIC07 Section. It can be seen that nearly 20% of micro enterprises in Uttlesford are in the Professional, scientific and technical activities section, driving the high representation of this sector when considering enterprises of all sizes (See Table 4.6 above). Overall, sectors which are best represented by micro enterprises are similar to those best represented by all enterprises. This reflects the fact that over 91% of enterprises are micro in size.

Table 4.10 Split of Micro Enterprises by SIC07 Section (Key Sections Only)

	Uttlesford	East of England	England	United Kingdom
M : Professional, scientific and technical activities	19.8%	17.3%	18.4%	17.9%
F : Construction	16.6%	17.0%	13.5%	13.5%
G : Wholesale and retail trade	11.4%	13.4%	13.9%	13.9%
N : Administrative and support service activities	9.5%	8.4%	8.9%	8.6%
J : Information and communication	7.8%	8.7%	9.2%	8.7%
A : Agriculture, forestry and fishing	7.2%	4.6%	4.5%	5.9%
C : Manufacturing	5.1%	4.7%	4.3%	4.4%

Source: IDBR

Summary of Sectoral Composition

4.36 In summary the analysis above suggests the following;

- Uttlesford is home to a high proportion of micro-enterprises and a lower proportion of small, medium-sized and large enterprises when compared to the East of England and England as a whole.
- The largest sectors based on both proportion of employment and enterprises are Wholesale and retail trade, repair of motor vehicles and motorcycles; and Professional, scientific and technical services. The construction sector is also one of the largest sectors in terms of employment.
- The Transportation and storage sector is the largest and has the highest LQ in Uttlesford in terms of employment. Whilst it is not large or highly concentrated in terms of enterprise numbers, it is in terms of medium and large enterprises. This means that a high proportion of the employment in the sector is in medium and large enterprises.
- Based on both employment and enterprise based LQs, the other highly concentrated sector in Uttlesford is Agriculture, forestry and fishing.
- However, in terms of employment LQs alone, Mining, and to a lesser extent Professional scientific and technical services and Accommodation and food services are also highly concentrated, although Mining has a limited employment count.
- Most large enterprises in Uttlesford are in the Transportation and storage sector. In addition to the Transportation and storage sector, there are a lot of medium-sized enterprises in the Wholesale and retail trade, repair of motor vehicles and motorcycles and Construction sector, both absolutely and comparatively. In absolute terms, there are also a lot of medium-sized Manufacturing enterprises in Uttlesford.

Spatial Distribution of Economic Activity

4.37 Icení has sought to drill into spatial dynamics of economic activity within the District based on the distribution of businesses and, at coarser geographical scale, employment.

Employment-based

4.38 Using BRES data on employment, we have split the district into four geographical building blocks. These are as follows:

- Stansted Airport and Environs⁹
- Saffron Walden¹⁰
- Great Dunmow¹¹
- Other Rural Areas and Small Towns/Villages¹²

4.39 Our analysis is based on the best fit to lower level super output areas (LSOAs) – recognising that data robustness at this level of granularity is limited. In addition, the data will not fully count self-employment (which we would expect to be greater in the rural areas), but provide some indication of the relative composition of employment in different areas.

4.40 Stansted Airport and Environs has the greatest number of jobs at 14,900 accounting for around a third of the District total. Employment in this area is strongly focused in Transport and storage (7,700) – essentially activities associated with the airport operation – together with Accommodation and food (2,000), which will include employment in restaurants and hotels. These two sectors account for around three quarters of jobs in this area. The next largest sector is Administrative and support services.

4.41 The Saffron Walden area accounts for 7,000 jobs, around 16% of the BRES District total. The largest employment sector in this area is wholesale/retail (1,400 jobs, LQ 1.3). There is an above average representation of employment in public administration (350 jobs, LQ 1.6) influenced by the Council's presence here; but also above average jobs in higher value sectors such as professional, scientific and technical activities (800 jobs, LQ 1.2) and finance and insurance (250 jobs, LQ 1.3) albeit that employment numbers in these sectors are modest.

⁹ LSOAs E01022086 and 090

¹⁰ LOSAs E01022074, 075, 076, 077, 978, 079, 080, 081 and 082

¹¹ LSOAs E01022067, 068, and 69 plus E01033054, 55, and 56

¹² Remaining LSOAs in the District

- 4.42 The Great Dunmow area has around 4,100 jobs (around 9%). It appears to have a relatively broad employment base with slightly higher levels of employment relative to the region in real estate, construction, wholesale/retail and other services; albeit that the absolute numbers of jobs are modest. Wholesale and retail is the largest employment sector (900 jobs) followed by Admin and support services (almost 500).
- 4.43 The remaining Rural Areas and Small Towns/Villages of the District accommodate over 18,000 jobs, around 40% of the District total. The largest employment sectors in this area are again wholesale and food, construction and education – as is the case in many areas. Sectors which are more strongly represented in this area are Professional, scientific and technical activities (3,400 jobs, LQ 2.0), construction (1800 jobs, LQ 1.6). Health and accommodation and food also account for over 1,500 jobs, with the latter having an LQ of 1.3.

Enterprise-based

- 4.44 Based on 2020 IDBR data downloaded from NOMIS there are 5,475 enterprises registered in Uttlesford. Uttlesford's IDBR contains 4,583 local units (i.e. individual sites which often represent the whole enterprise but are sometimes just one site within an enterprise). Therefore, enterprise counts based on the data presented below do not necessarily align with those presented in the Uttlesford wide analysis above. For the purposes of this analysis rural is considered to be anything outside of Built-up Areas (BUA). Other BUAs are BUAs which are less significant (these all have a lower number of enterprises than Thaxted).
- 4.45 The table overleaf shows the geographical distribution of local units in Uttlesford (Overall row). It can be seen that Saffron Walden accommodates the most local units (16.7%) out of any BUA in Uttlesford by a significant margin. In second place is Great Dunmow at 10.2%. Some way behind with 6% and 5% respectively are Stansted Mountfitchet and Birchanger (including Stansted Airport). It can be seen that the rural areas make up a significant proportion of business activity with 32.5% of all local units in rural areas.
- 4.46 The table also shows the geographical distribution of local units in each SIC07 Section. Where a given area accommodates more than 10% of local units in a section this is highlighted in green. This highlights in absolute terms, where in Uttlesford business activity in each section is concentrated.
- 4.47 Saffron Walden and rural areas accommodate a significant proportion of business activity across all sections. Whilst accommodating less business activity than Saffron Walden, Great Dunmow is particularly strong in a number of sections.
- 4.48 Birchanger BUA covers Stansted airport as well as a small town/village (Birchanger) and a small industrial park. Birchanger accommodates a particularly large proportion of Uttlesford's

Accommodation and food service activities, Public administration and defence; compulsory social security and Transportation and storage businesses.

Table 4.11 Geographic Distribution of Local Units by SIC07 Section

	Birchanger (inc. Stansted Airport)	Stansted Mountfitchet	Takeley	Great Chesterford	Great Dunmow	Hatfield Heath	Newport	Saffron Walden	Thaxted	Other BUAs	Rural
Accommodation and food service activities	12.7%	6.1%	2.2%	2.2%	10.5%	3.5%	1.7%	17.5%	2.2%	20.5%	21.0%
Administrative and support service activities	5.9%	7.2%	4.1%	1.3%	9.5%	1.7%	1.9%	15.6%	1.1%	17.1%	34.6%
Agriculture, forestry and fishing	0.0%	1.5%	0.0%	1.5%	2.3%	0.0%	0.0%	0.8%	0.0%	9.0%	85.0%
Arts, entertainment and recreation	0.9%	7.2%	2.7%	1.8%	9.0%	0.0%	3.6%	21.6%	3.6%	19.8%	29.7%
Construction	1.2%	6.5%	3.5%	1.7%	9.5%	2.5%	2.2%	10.8%	1.7%	21.0%	39.5%
Education	1.0%	5.9%	6.9%	3.0%	4.0%	3.0%	4.0%	16.8%	1.0%	27.7%	26.7%
Electricity, gas, steam and air conditioning supply	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	0.0%	33.3%	33.3%
Financial and insurance activities	5.4%	3.9%	3.9%	1.6%	12.4%	1.6%	2.3%	21.7%	3.9%	19.4%	24.0%
Human health and social work activities	1.9%	5.3%	6.7%	2.4%	12.0%	1.9%	1.4%	21.2%	2.9%	20.7%	23.6%
Information and communication	4.4%	9.1%	2.8%	2.5%	6.0%	1.3%	1.9%	17.2%	1.3%	26.6%	27.0%
Manufacturing	5.5%	4.7%	2.2%	2.5%	14.9%	0.7%	1.5%	13.5%	0.7%	13.8%	40.0%
Mining and quarrying	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	20.0%	0.0%	20.0%	40.0%
Other service activities	1.4%	4.2%	4.2%	0.0%	18.2%	0.0%	2.1%	23.8%	2.8%	15.4%	28.0%
Professional, scientific and technical activities	2.2%	7.0%	3.4%	3.4%	8.4%	2.5%	2.4%	18.4%	2.8%	19.8%	29.8%
Public administration and defence; compulsory social security	22.6%	6.5%	3.2%	0.0%	16.1%	0.0%	3.2%	12.9%	6.5%	12.9%	16.1%
Real estate activities	5.3%	6.1%	4.4%	1.8%	14.9%	1.8%	2.6%	21.9%	0.9%	12.3%	28.1%
Transportation and storage	25.0%	4.3%	2.4%	1.8%	9.1%	1.8%	1.2%	7.9%	0.0%	18.3%	28.0%
Water supply; sewerage, waste management and remediation activities	4.0%	4.0%	0.0%	0.0%	12.0%	0.0%	0.0%	16.0%	0.0%	20.0%	44.0%
Wholesale and retail trade; repair of motor vehicles and motorcycles	7.1%	4.3%	3.2%	0.9%	13.1%	2.6%	1.9%	23.7%	2.2%	13.1%	28.0%
Overall	5.0%	6.0%	3.4%	1.9%	10.2%	1.9%	2.0%	16.7%	1.9%	18.4%	32.5%

Source: IDBR 2020

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- 4.49 The table below presents LQs for SIC07 Sections of Uttlesford's BUAs and rural areas vs Uttlesford as a whole based on counts of local units in each section. This shows the relative strengths of Uttlesford's main BUAs, other BUAs and rural areas within the context of the District.
- 4.50 Birchanger (including Stansted Airport), as expected, has relative strengths in: Transportation and storage; Accommodation and food service activities; and Public administration and defence; compulsory social security (given the presence of government and public service activities at the airport).
- 4.51 Saffron Walden and Great Dunmow, the largest towns in Uttlesford, have relative strength in a mixture of sectors covering those which are typically office, industrial and retail based.
- 4.52 Again, as to be expected, rural areas have a significant relative strength in Agriculture, forestry and fishing. However, this is not the only strength in rural areas. There is also a relative strength in: Water supply; sewerage, waste management and remediation activities; Mining and quarrying; Manufacturing; and Construction.

Table 4.12 Location Quotient for SIC07 Sections of BUAs and Rural Areas vs Uttlesford

	Birchanger (Stansted Airport)	Stansted Moudfichet	Takeley	Great Chesterford	Great Dunmow	Hatfield Heath	Newport	Safron Walden	Thaxted	Other	Rural
Accommodation and food service activities	2.5	1.0	0.6	1.1	1.0	1.8	0.9	1.0	1.2	1.1	0.6
Administrative and support service activities	1.2	1.2	1.2	0.6	0.9	0.9	0.9	0.9	0.6	0.9	1.1
Agriculture, forestry and fishing	0.0	0.3	0.0	0.8	0.2	0.0	0.0	0.0	0.0	0.5	2.6
Arts, entertainment and recreation	0.2	1.2	0.8	0.9	0.9	0.0	1.8	1.3	1.9	1.1	0.9
Construction	0.3	1.1	1.0	0.9	0.9	1.3	1.1	0.6	0.9	1.1	1.2
Education	0.2	1.0	2.0	1.5	0.4	1.6	2.0	1.0	0.5	1.5	0.8
Electricity, gas, steam and air conditioning supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	1.8	1.0
Financial and insurance activities	1.1	0.7	1.1	0.8	1.2	0.8	1.2	1.3	2.1	1.1	0.7
Human health and social work activities	0.4	0.9	2.0	1.2	1.2	1.0	0.7	1.3	1.6	1.1	0.7
Information and communication	0.9	1.5	0.8	1.3	0.6	0.7	0.9	1.0	0.7	1.4	0.8
Manufacturing	1.1	0.8	0.6	1.3	1.5	0.4	0.7	0.8	0.4	0.8	1.2
Mining and quarrying	0.0	0.0	0.00	0.0	0.0	0.0	10.0	1.2	0.0	1.1	1.2
Other service activities	0.3	0.7	1.2	0.0	1.8	0.0	1.	1.4	1.5	0.8	0.9
Professional, scientific and technical activities	0.4	1.2	1.0	1.8	0.8	1.3	1.2	1.1	1.5	1.1	0.9
Public administration and defence; compulsory social security	4.5	1.1	0.9	0.0	1.6	0.0	1.6	0.8	3.5	0.7	0.5
Real estate activities	1.1	1.0	1.3	0.9	1.5	0.9	1.3	1.3	0.5	0.7	0.9
Transportation and storage	5.0	0.7	0.7	0.9	0.9	1.0	0.6	0.5	0.0	1.0	0.9
Water supply; sewerage, waste management and remediation activities	0.8	0.7	0.0	0.0	1.2	0.0	0.0	1.0	0.0	1.1	1.3
Wholesale and retail trade; repair of motor vehicles and motorcycles	1.4	0.7	0.9	0.5	1.3	1.4	0.9	1.4	1.2	0.7	0.9

Source: IDBR 2020

4.53 The table below shows how local units in each size group are split across Uttlesford's BUAs and rural areas. It can be seen that whilst most local units are in rural areas, by far the most large local units are in Birchanger (Stansted Airport). The majority of medium sized local units are split evenly between Birchanger (Stansted Airport) and rural areas whilst Saffron Walden also has a significant portion of medium sized local units. Small units are split across a greater number of areas including Birchanger (Stansted Airport), Great Dunmow, Saffron Walden, other BUAs and rural areas. This is similar for micro local units, aside from Birchanger (Stansted Airport) which has few of this size.

Table 4.13 Split of Local Units by Area in Each Size-Band

	<i>Micro</i>	<i>Small</i>	<i>Medium</i>	<i>Large</i>	<i>Area Total</i>
<i>Birchanger (Stansted Airport)</i>	2.8%	12.7%	30.6%	60.0%	5.0%
<i>Stansted Mountfitchet</i>	6.1%	5.3%	6.5%	0.0%	6.0%
<i>Takeley</i>	3.6%	2.9%	2.4%	0.0%	3.4%
<i>Great Chesterford</i>	1.8%	3.4%	0.8%	0.0%	1.9%
<i>Great Dunmow</i>	10.2%	10.8%	4.8%	13.3%	10.2%
<i>Hatfield Heath</i>	1.9%	2.2%	0.8%	0.0%	1.9%
<i>Newport</i>	2.1%	1.7%	0.8%	0.0%	2.0%
<i>Saffron Walden</i>	16.5%	18.0%	17.7%	13.3%	16.7%
<i>Thaxted</i>	1.9%	1.7%	0.0%	0.0%	1.9%
<i>Other BUAs</i>	19.9%	12.4%	4.8%	6.7%	18.4%
<i>Rural</i>	33.2%	29.0%	30.6%	6.7%	32.5%

Source: IDBR 2020

4.54 The table below shows the percentage of local units by size in each area. It can be seen that Birchanger (Stansted Airport) has a particularly high percentage of small, medium and large local units. All other areas have a relatively low percentage of medium and large local units. Other areas with a high percentage of small units include Great Chesterford, Great Dunmow, Hatfield Heath and Saffron Walden whilst Takeley, Thaxted, and Other BUAs have a particularly high percentage of micro units. Rural areas have a slightly higher percentage micro enterprises relative to Uttlesford as a whole, with less small and large enterprises.

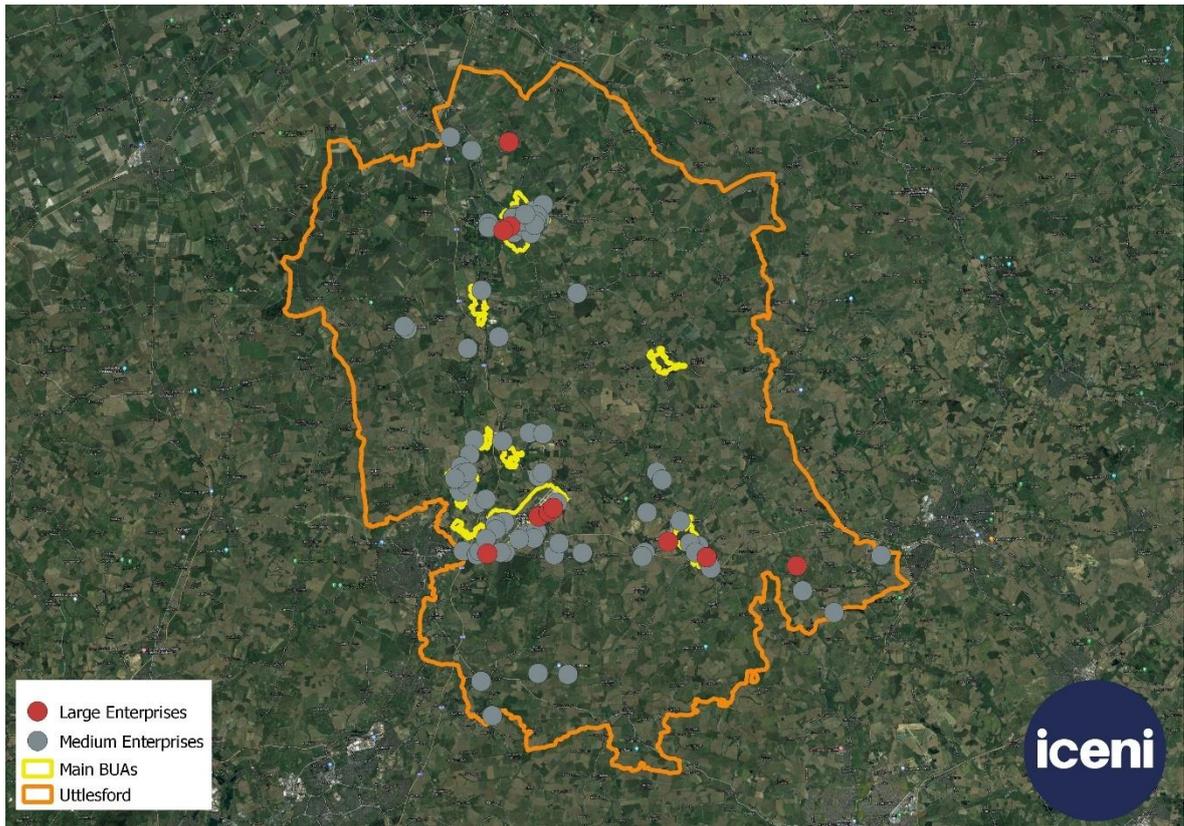
Table 4.14 Percentage of Local Units by Size Band in Uttlesford's BUAs and rural areas

	<i>Micro</i>	<i>Small</i>	<i>Medium</i>	<i>Large</i>
<i>Birchanger (Stansted Airport)</i>	46.7%	32.8%	16.6%	3.9%
<i>Stansted Mountfitchet</i>	85.8%	11.3%	2.9%	0.0%
<i>Takeley</i>	87.3%	10.8%	1.9%	0.0%
<i>Great Chesterford</i>	76.4%	22.5%	1.1%	0.0%
<i>Great Dunmow</i>	84.5%	13.8%	1.3%	0.4%
<i>Hatfield Heath</i>	84.1%	14.8%	1.1%	0.0%
<i>Newport</i>	88.0%	10.9%	1.1%	0.0%
<i>Saffron Walden</i>	83.0%	13.8%	2.9%	0.3%
<i>Thaxted</i>	88.2%	11.8%	0.0%	0.0%
<i>Other BUAs</i>	90.5%	8.6%	0.7%	0.1%
<i>Rural</i>	85.9%	11.5%	2.6%	0.1%
<i>Grand Total</i>	84.1%	12.9%	2.7%	0.3%

Source: IDBR

4.55 The map below shows the geographical distribution of medium and large local units in Uttlesford. It can be seen that the majority of medium-large local units are in and around Stansted Airport and to a lesser extent Saffron Walden. Around 28% of medium and large enterprises are in rural areas. However, as can be seen in the map, many of these rural units are in close proximity to Stansted Airport, Great Dunmow and Saffron Walden.

Figure 4.2: Map of Medium and Large Local Units in Uttlesford



Source: IDBR 2020

4.56 It can be seen in the table below that the majority of medium and large local units in the Transport and storage section are in Birchanger (Stansted Airport).

4.57 As indicated above, there are also a significant proportion (24%) of Wholesale and retail trade; repair of motor vehicles and motorcycles units in Birchanger (Stansted Airport) as well as Saffron Walden, rural areas and to a lesser extent Great Dunmow. Uttlesford's medium and large manufacturing units are split relatively evenly between in Birchanger (including Stansted Airport), Saffron Walden and rural areas.

4.58 Medium and large units, in Uttlesford's significant Professional, scientific and technical activities sector are mainly based in rural areas (60%) but Great Chesterford (likely due to the presence of Chesterford Research Park) and Stansted Mountfitchet are also home to 20% each.

4.59 As expected, medium and large units in the Agricultural, forestry and fishing sector of Uttlesford are completely focussed in rural areas.

Table 4.15 Percentage of Medium-sized and Large Enterprises by Area in each SIC07 Section

	<i>Birchanger (inc. Stansted Airport)</i>	<i>Stansted Mountfichet</i>	<i>Takeley</i>	<i>Great Chesterford</i>	<i>Great Dunmow</i>	<i>Hatfield Heath</i>	<i>Newport</i>	<i>Saffron Walden</i>	<i>Other BUAs</i>	<i>Rural</i>
<i>Accommodation and food service activities</i>	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.6%	44.4%
<i>Administrative and support service activities</i>	33.3%	0.0%	8.3%	0.0%	8.3%	8.3%	0.0%	8.3%	0.0%	33.3%
<i>Agriculture, forestry and fishing</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
<i>Arts, entertainment and recreation</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	0.0%	66.7%
<i>Construction</i>	0.0%	25.0%	25.0%	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%	25.0%
<i>Education</i>	0.0%	15.4%	7.7%	0.0%	0.0%	0.0%	7.7%	38.5%	15.4%	15.4%
<i>Financial and insurance activities</i>	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	0.0%	33.3%
<i>Human health and social work activities</i>	7.1%	14.3%	0.0%	0.0%	14.3%	0.0%	0.0%	28.6%	7.1%	28.6%
<i>Manufacturing</i>	35.7%	0.0%	0.0%	0.0%	7.1%	0.0%	0.0%	28.6%	0.0%	28.6%
<i>Mining and quarrying</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
<i>Other service activities</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
<i>Professional, scientific and technical activities</i>	0.0%	20.0%	0.0%	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	60.0%
<i>Public administration and defence; compulsory social security</i>	57.1%	0.0%	0.0%	0.0%	14.3%	0.0%	0.0%	14.3%	14.3%	0.0%
<i>Transportation and storage</i>	73.1%	7.7%	0.0%	0.0%	0.0%	0.0%	0.0%	3.8%	3.8%	11.5%
<i>Wholesale and retail trade; repair of motor vehicles and motorcycles</i>	23.5%	0.0%	0.0%	0.0%	11.8%	0.0%	0.0%	29.4%	5.9%	29.4%
Overall	33.8%	5.8%	2.2%	0.7%	5.8%	0.7%	0.7%	17.3%	5.0%	28.1%

Source: IDBR

Summary of Spatial Distribution of Economic Activity

4.60 Key points regarding the spatial distribution of economic activity in Uttlesford are as follows;

- Together Saffron Walden and Great Dunmow are home to just over a quarter of business units in Uttlesford. Rural areas accommodate nearly a third of units. Birchanger (including Stansted Airport) is home to 5% of units.
- Birchanger (including Stansted Airport) is home to 60% of large business units in Uttlesford. 30% of medium-sized units are in Birchanger, 30% are in rural areas (outside of Built-up Areas) and around 17% are in Saffron Walden. However, many of the medium sized units in rural areas are in close proximity to Birchanger and Saffron Walden.
- Birchanger (including Stansted Airport) accommodates a particularly large proportion of Uttlesford's Accommodation and food service activities, Public administration and defence; compulsory social security and Transportation and storage business units. Birchanger accommodates 8 out of the 15 large units in Uttlesford, all of which are in the Air Transport SIC07 Division.
- Around a third of employment in Uttlesford is within Stansted Airport and its Environs. Around three quarters of employment in this area are in Transportation and storage and Accommodation and food services.
- Rural areas and Small Towns/Villages accommodate around 40% of employment in Uttlesford. The Professional, scientific and technical activities; Construction and Accommodation and food services sectors are the most highly concentrated sectors in rural areas in terms of employment.
- In terms of business unit counts, rural areas of Uttlesford (Outside BUAs) are highly concentrated in Agriculture, forestry and fishing; Water supply, sewerage, waste management and remediation activities; Mining and quarrying; Manufacturing; and Construction when compared to the rest of Uttlesford.
- Saffron Walden (best fit LSOAs) accounts for around 16% of employment in Uttlesford. The largest sector here is Wholesale and retail trade, repair of motor vehicles and motorcycles. Public administration, and the high value Professional, scientific and technical activities and Finance and Insurance sectors are also highly concentrated in Saffron Walden.
- Great Dunmow (best fit LSOAs) accounts for around 9% of employment in Uttlesford and has a relatively broad sectoral composition in terms of both employment and enterprises.

Stansted Airport

- 4.61 Stansted Airport is clearly a major economic driver for the District's (and the East of England's) economy; but one which has been hit hard (as with other airports) by the Covid-19 pandemic. It is currently unclear how long it will take for passenger numbers and freight volumes to return to pre-pandemic levels and then to resume a growth trajectory. This will have implications for the wider footprint of Stansted as an employment hub.
- 4.62 Pre-pandemic, there had been ambitious plans for Stansted. In 2018, Manchester Airport Group outlined plans for £500 million investment over five years¹³. The plans included: construction of a new Arrivals terminal; reconfiguration of an existing terminal to become a departures terminal; and development of a new technical and professional skills college on site (which subsequently opened and is operated in conjunction with Harlow College).
- 4.63 In May 2021 the Airport was granted planning consent for expansion of the airport to enable combined airport operations of 274,000 aircraft movements (in line with the current cap), but with an increased proportion of passenger flights and an increased throughput of 43 million terminal passengers per annum. To facilitate this, the planning consent (UTT/18/0460/FUL) includes provision for two new taxiway links to the runway and nine additional aircraft stands, together with highways improvements including at M11 Junction 8.
- 4.64 The Appeal decision notes that the planning consent provides airlines and other prospective investors, with greater certainty regarding the ability of Stansted to grow, secure long-term growth deals and expand their network – potentially including long-haul routes. It notes that since the acquisition of the Airport by Manchester Airports Group (in 2013) and the onset of the Covid-19 pandemic there had been significant growth in passengers – with passenger numbers increasing by over 10mppa, from 17.8m in 2013 to 28mppa in 2019(?) with associated growth in routes, airlines and employment (from 10,200 to 13,000).
- 4.65 The Inquiry evidence estimated that it would take 3-4 years for passenger traffic to recover to levels seen before the pandemic. It notes that the airport is less exposed to the long-haul and business markets which are likely to see more prolonged recovery curves and (in the case of the business sector) structural change to working practices.
- 4.66 The Inquiry Panel found that the conclusions of the Environmental Statement and Environmental Statement Addendum regarding forecast passenger growth numbers were reasonable and sensible, and sufficiently robust (ID Para 27). The ES Addendum updated the demand forecasting to take

¹³ Uttlesford District Council (2018) *Uttlesford Economic Development Strategy and Action Plan 2018-21. 'Supporting Sustainable Business Growth'*

account of Covid. This shows 35mppa being achieved in 2027 the cap of 43 mppa being reached in 2032-34. The Panel found that if it takes the airport longer than expected to reach the anticipated levels of growth, the environmental effects would take longer to realise; we note that a worst-case scenario assessed (reaching the cap in 2034) in the ES/ ESA.

4.67 The Inquiry evidence on forecasts expected cargo volumes growing from 234k tonnes in 2019 to 375k tonnes in 2032 – a 60% growth in cargo tonnage, but just 2% of the overall total cargo handled at London Airports. The assumed split of flights in 2032 is 92% passenger (252,000), 5% cargo (15,000) and 7% other (e.g. private aviation).

4.68 An economic impact analysis was undertaken for MAG by Optimal Economics. This expected Stansted-related employment across a wide study area to grow from 24,100 in 2019 (of which 13,000 is direct on-airport employment) to 30,300 – with the proposed development supporting 5,600 additional jobs and £380m GVA. Of the additional employment, 3,000 is additional direct on-airport jobs. According to the evidence, 17.4% of Stansted's employees reside in Uttlesford, the highest portion reside in East Herts (28.0%).

4.69 In terms of the wider economic benefits, the evidence indicated that the proposed development will enable 1.2 million business passengers to travel through Stansted in 2032, which is estimated to create an additional £1 billion of GVA for the East of England and London economies. The spending of the 2.2 million inbound leisure passengers will support 13,900 jobs and £336 million of GVA in the tourism industry. Both these effects will support the growth of the East of England and London economies¹⁴. These wider economic benefits arise through a range of factors:

- Attractiveness to FDI and enabling local firms to exploit investment opportunities overseas;
- Facilitating trade – through both the shipment of goods and enabling people to visit customers;
- Labour market effects – in particular associated with the attraction of highly skilled individuals to work in the UK;
- Agglomeration effects – both through the role of the flight network and in influencing FDI decisions resulting in clustering of firms in locations around airports;
- Tourism – supporting growth in tourism through inbound visitor travel/ expenditure.

¹⁴ Proof of Evidence of Edith McDowall, Optimal Economics

-
- 4.70 Many of these wider benefits are at a regional level rather than specific to Uttlesford, which is likely to benefit more specifically from direct airport jobs and some potential for growth in businesses locally which provide products or services to the Airport.
- 4.71 The evidence then identifies particular air intensive or air sensitive economic sectors, but picks out in particular the globally important tech, pharmaceuticals and life science sector around Cambridge and in the LSC Corridor.

5. COMMERCIAL MARKET REVIEW

Office Market

- 5.1 The recent trend in office markets has been of subdued activity as a result of Covid-19 and the associated effect on the wider economy. Despite the overall subdued outlook, agents expect certain office sectors to see above average activity including the lifesciences sector which is an important component in the northern part of Uttlesford District.
- 5.2 This section considers the Functional Economic Market Area (FEMA) comprising Uttlesford, Epping Forest, East Hertfordshire and Harlow. For the purposes of this document, the PMA is the equivalent of the 'functional economic area' referred to in the PPG, although PMAs can differ for example by property type, with larger distribution units having a wider area than local offices of industrial units. The FEMA was defined in the 'Economic Evidence to Support the Development of the OAHN for West Essex and East Herts' (2015) by Hardisty Jones Associates and reinforced in Aecom's 2016 and 2017 Uttlesford District Employment Land Review Updates. It is considered that this area and analysis remains valid.

Office Stock

- 5.3 Based on Valuation Office Agency (VOA) data, Uttlesford contains around 94,000 sq.m of office floorspace, equating to 22% of the total office stock across the FEMA. Whilst East Hertfordshire and Harlow have seen a notable decline in office floorspace over the last decade, the stock in Uttlesford has declined only modestly in net terms – with a loss of 4,000 sq.m (-4%). This is broadly in line with trends across the East of England.

Table 5.1 Office Stock in the District and FEMA, 2019-20

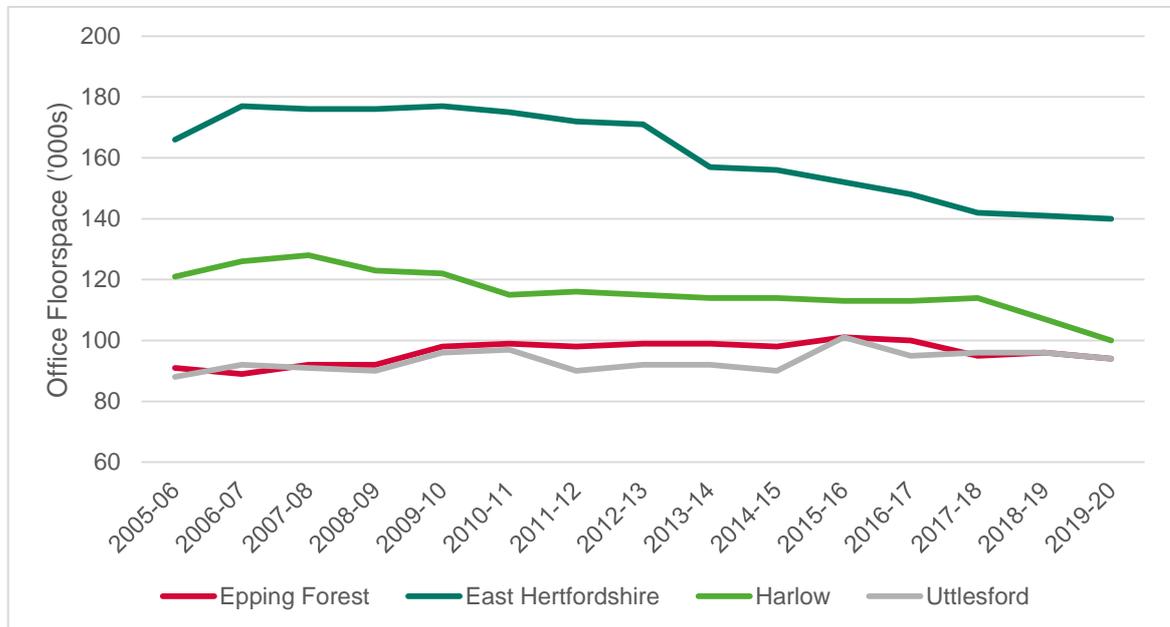
	Stock, 2020 (sq.m)	% FEMA Stock	Stock Change, 2010-20	% Change, 2010-20
Epping Forest	94,000	22.0%	-4,000	-4%
East Hertfordshire	140,000	32.7%	-37,000	-21%
Harlow	100,000	23.4%	-22,000	-18%
Uttlesford	94,000	22.0%	-2,000	-2%
FEMA	428,000		-65,000	-12%
East of England	7,041,000		-374,000	-5%
England	84,598,000		-5,000	0%

Source: VOA Non-Domestic Rating Statistics

- 5.4 As the chart below shows, whilst the scale of office floorspace in the FEMA has historically been greatest in East Herts, followed by Harlow, the reduction in floorspace in these areas seen – in

particular since the introduction of permitted development rights in 2013 – has reduced these differentials.

Figure 5.1: Change in Office Floorspace, 2005-20



Source: VOA Non-Domestic Rating Statistics

5.5 Data on the average size of office properties in the District is lower than in the other parts of the FEMA and across wider (regional/ national) geographies, and notably half that in Harlow. This reflects the rural nature of the District and focus on SME businesses.

Table 5.2 Average Size of Office Properties, 2020

	Stock, 2019-20 (sq.m)	Rateable Properties	Average Floorspace (sq.m)
Epping Forest	94,000	930	101
East Hertfordshire	140,000	1,000	140
Harlow	100,000	470	213
Uttlesford	94,000	890	106
FEMA	428,000	3,290	130
East of England	7,041,000	38,540	183
England	84,598,000	411,000	206

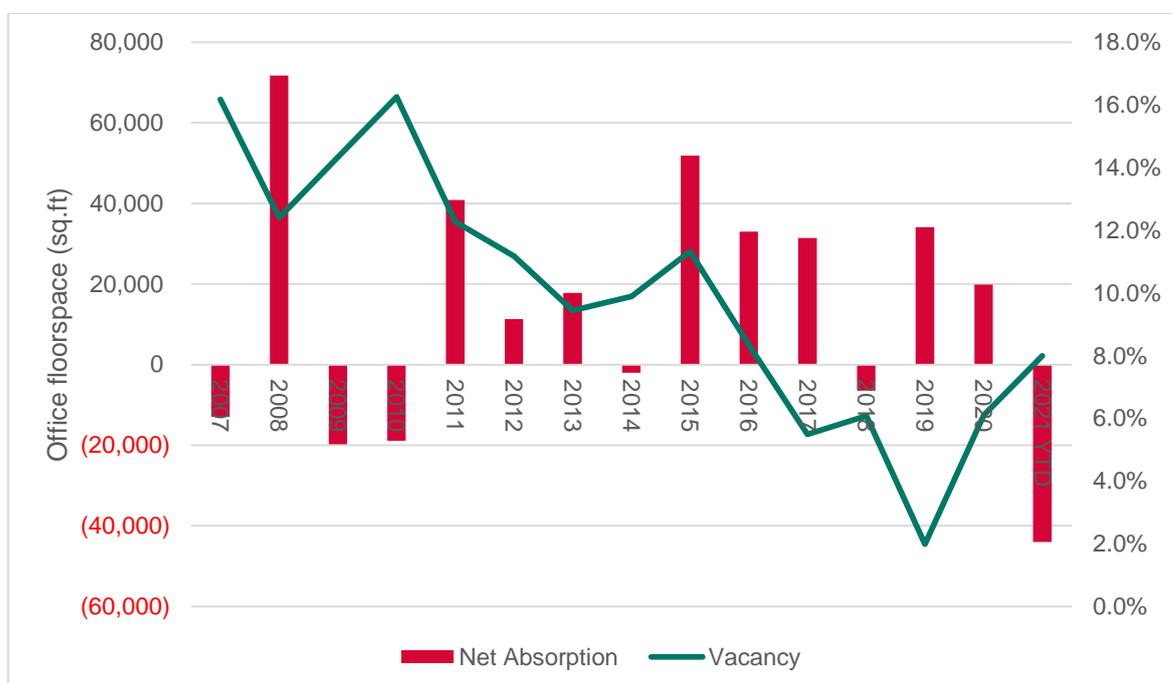
Source: VOA Non-Domestic Rating Statistics

5.6 We would note that CoStar shows a slightly higher level of office stock in the District than the VOA data (107,800 sq.m compared to 94,000 sq.m). CoStar rates the quality of existing office stock, and shows that just 8,000 sq.m (7.4%) of stock is rated 4 or 5 Star¹⁵.

Take-Up and Net Absorption

5.7 The District has seen positive net absorption in the majority of years over the 2010-20 decade, meaning that more office floorspace was being take-up than coming onto the market (either through existing office space being vacated or new-build development). As the graph below shows, this has resulted in a reduction in the level of vacant floorspace which fell to a low-point of 2.0% in 2019. This has however since risen and stands at 8.0% in mid 2021.

Figure 5.2: Office Net Absorption and Vacancy Rate – Uttlesford District



Source: Icen analysis of CoStar data

5.8 The trends in net absorption over time show an average take-up of 21,200 sq.ft of office space (2,150 sq.m) per annum over the 2011-20 period. However, the negative net absorption of 4,086 sq.m in 2021 to date has driven a rise in the vacancy rate.

Table 5.3 Office Net Absorption and Vacancy Rate – Uttlesford District

	Annual Net Absorption (sqm)	Vacancy Rate at End of Period
2007-10	467	16.3%
2011-15	2,226	11.3%

¹⁵ See Page 4 of the following link for definitions of each Star Rating - https://www.costar.com/docs/default-source/brs-lib/costar_buildingratingsystem-definition.pdf

2016-20	2,078	6.1%
2021 YTD	(4,086)	8.0%

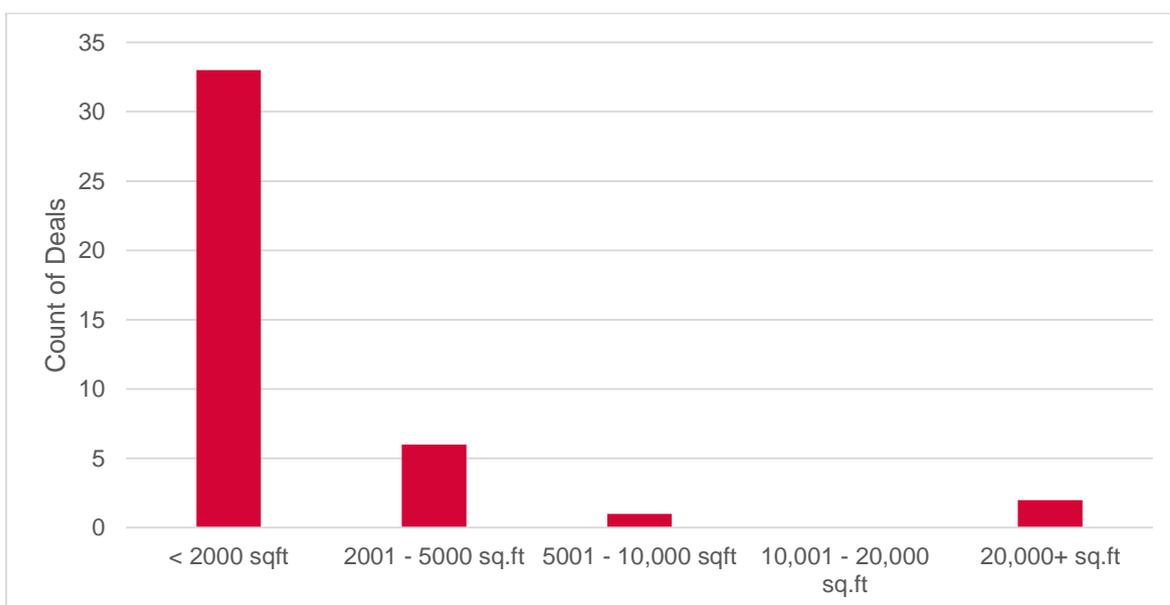
Source: Icen analysis of CoStar data

5.9 The overall vacancy rate for office stock at 8% is above the average for Essex (4.4%). However, this is reflective of vacant lower grade space, with no vacancy within the stock of Grade 4 or 5 Star space.

Leasing Activity

5.10 The median size of office floorspace leased in the District over the last three years (2018-20) has been of 850 sq.ft, reflecting the focus of the District's economy towards micro- and small businesses. Indeed as the chart below shows, leasing activity is strongly focused on office units of < 2,000 sq.ft (185 sq.m). CoStar records just nine larger deals.

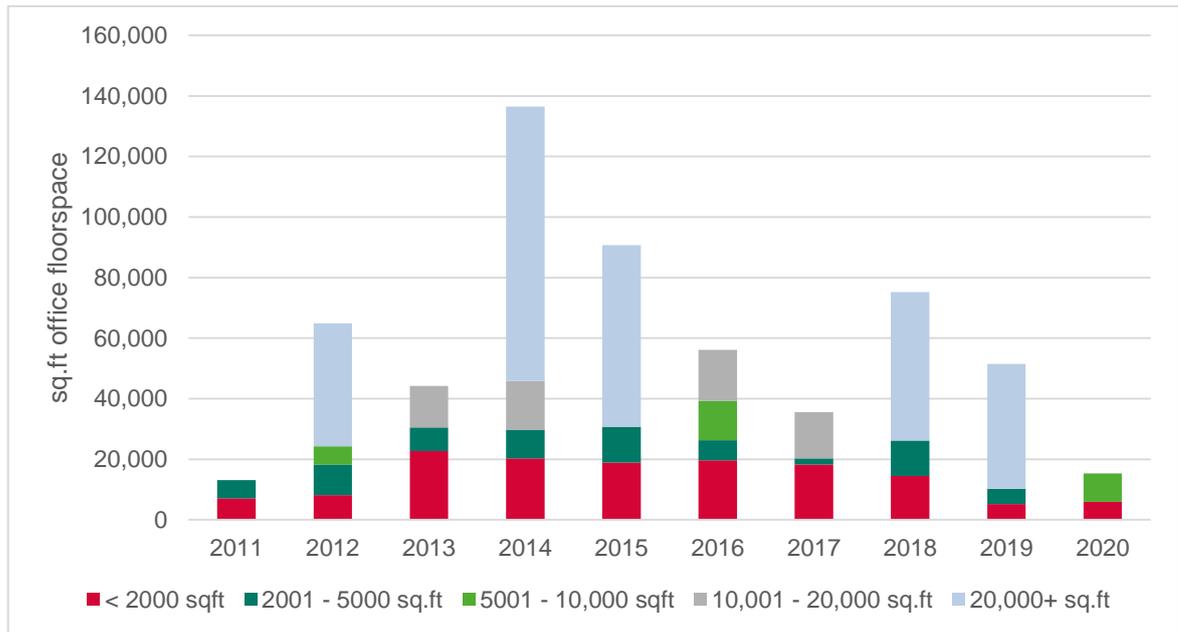
Figure 5.3: Leasing Activity by Size Band – Uttlesford, 2018-20



Source: Icen analysis of CoStar data

5.11 However, the larger deals disproportionately affect overall take-up, as the Figure below shows. Strong take-up in 2014 reflected the leasing of 49,000 sq.ft of space at Parsonage Road in Takeley to Weston Homes and of 41,500 sq.ft of space at Chesterford Research Park to Retroscreen Virology Ltd. 2015 similarly saw a single larger deal for 60,000 sq.ft of space at Chesterford Research Park to Biofocus. 2018 saw Weston Homes renewal 49,000 sq.ft at Parsonage Road; with 2019 seeing 41,300 sq.ft unit occupied by Lonza at Chesterford Research Park.

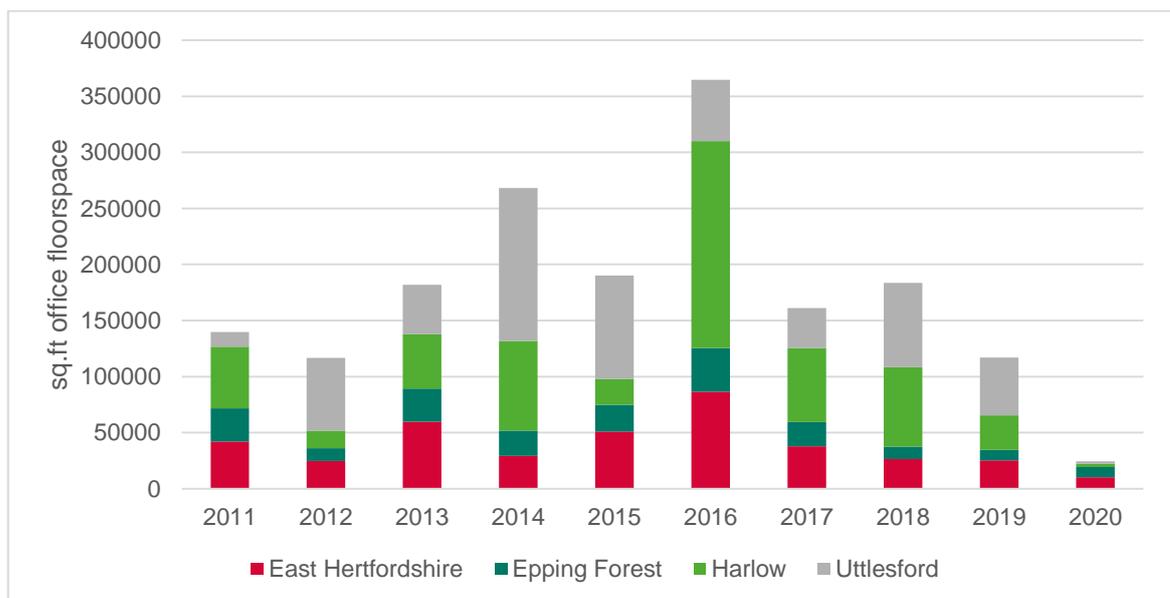
Figure 5.4: Office Leasing Activity by Size Band – Uttlesford



Source: Icen analysis of CoStar data

5.12 The analysis highlights the influence of a few larger deals on overall take-up; and the role which development at Chesterford Research Park in particular has had on office/R&D take-up. The chart below shows take-up across the wider FEMA. Over the last 10 years, CoStar records take-up of 175,000 sq.ft (16,200 sq.m) per annum with Uttlesford accounting for on average a third (33%) of this, consistent with overall office take-up in Harlow (33%). East Hertfordshire has then accounted for 22% and Epping Forest 12%.

Figure 5.5: Office Take-Up across the Property Market Area

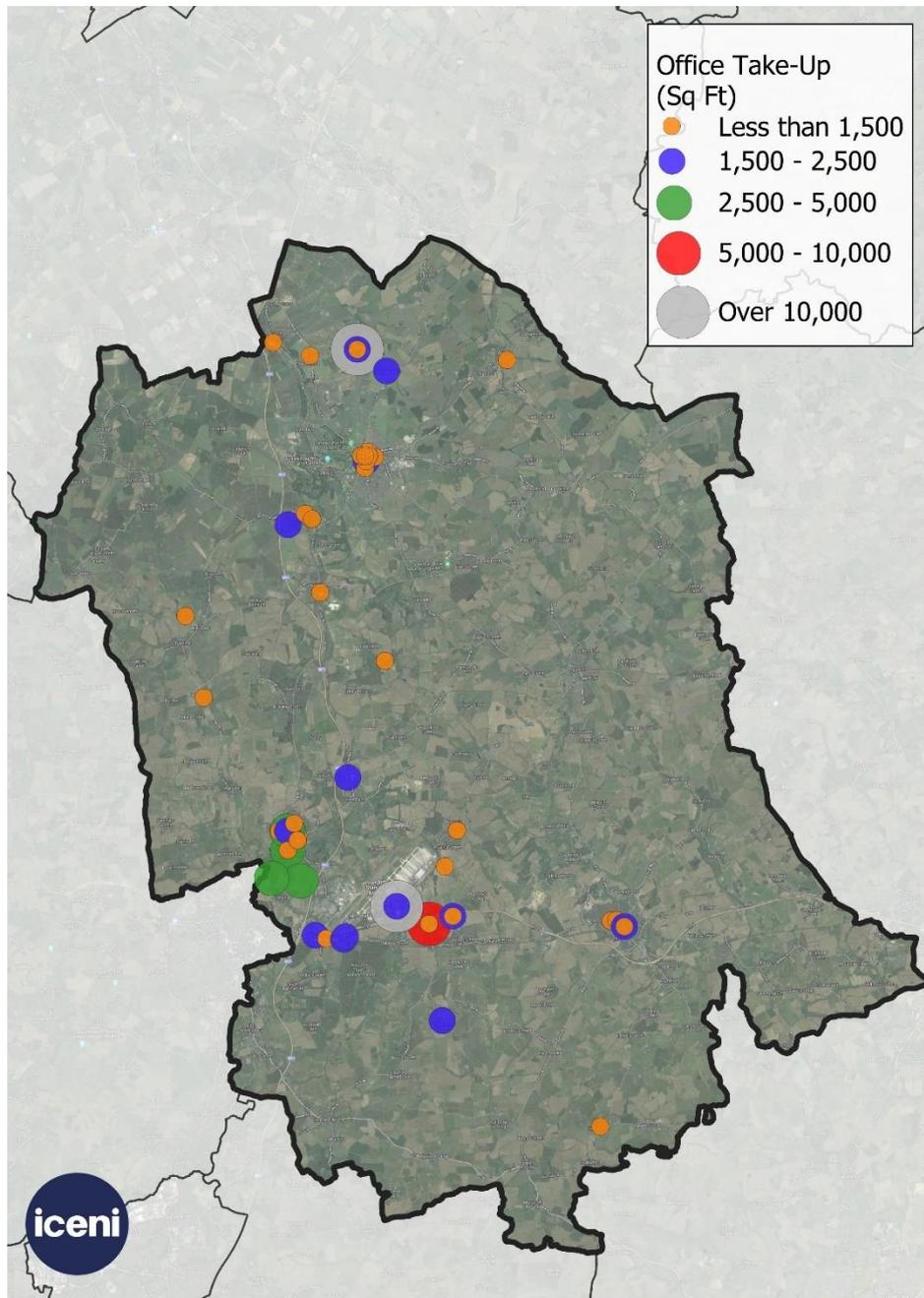


Source: Icen analysis of CoStar data

5.13 If a shorter time frame is used, Uttlesford has accounted for 40% of take-up in the PMA, with weak take-up in both Epping Forest and East Hertfordshire.

5.14 Figure 5.6 below shows the spatial distribution of office leasing activity in the District between 2015-20. Most leases above 1,500 sq ft are around Stansted Airport and Stansted Mountfitchet with some at Chesterford Research Park. There is a concentration of leases of between 2,500 and 5,000 sqm of space in and around Stansted Mountfitchet. These are at Stansted Road, Cambridge Road, Forest Hall Road and Stoney Common Road.

Figure 5.6: Office Leasing Activity in Uttlesford, 2015-20

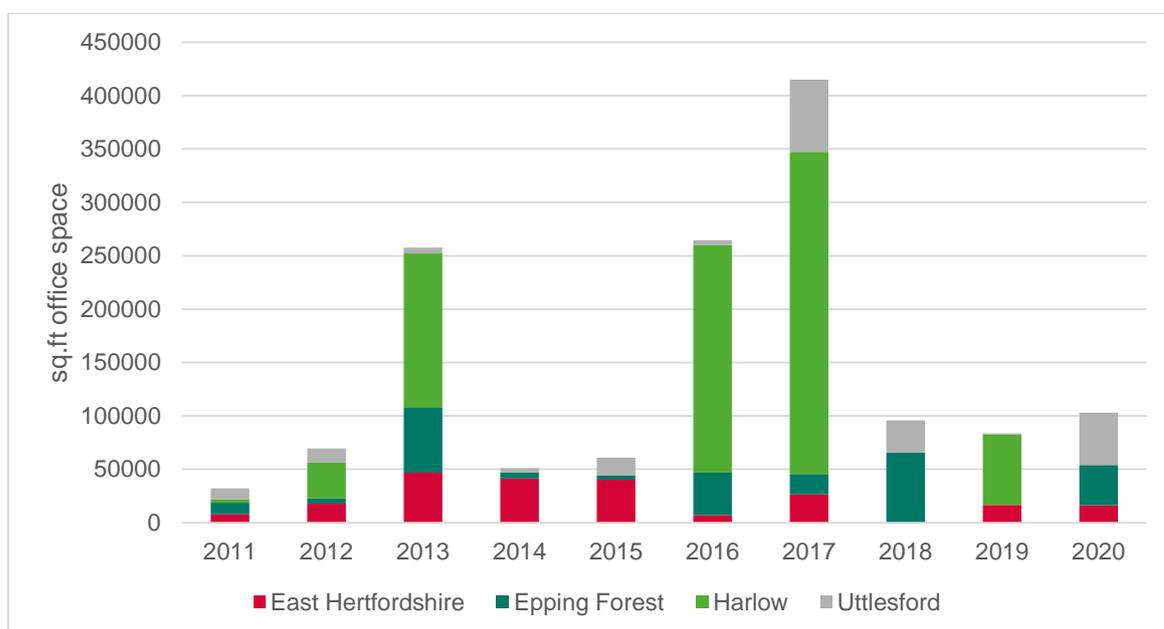


5.15 Recent new-build development of office space has been modest. The largest building constructed has been of 49,000 sq.ft at Innovation Centre, Parsonage Road for Weston Business Centres. Smaller schemes at Stansted Courtyard (9,476 sq.ft) and Thremhall Park (10,551 sq.ft) were completed in early 2020.

Freehold Activity

5.16 The chart below shows freehold sales of office space.¹⁶ Over the last 10 years, CoStar records take-up of just over 200,000 sq.ft of office space (18,700 sq.m) in Uttlesford accounting for around 14% of the total across the Property Market Area. Year-on-year take-up is significantly influenced by the larger deals.

Figure 5.7: Freehold Office Sales over Last 10 Years

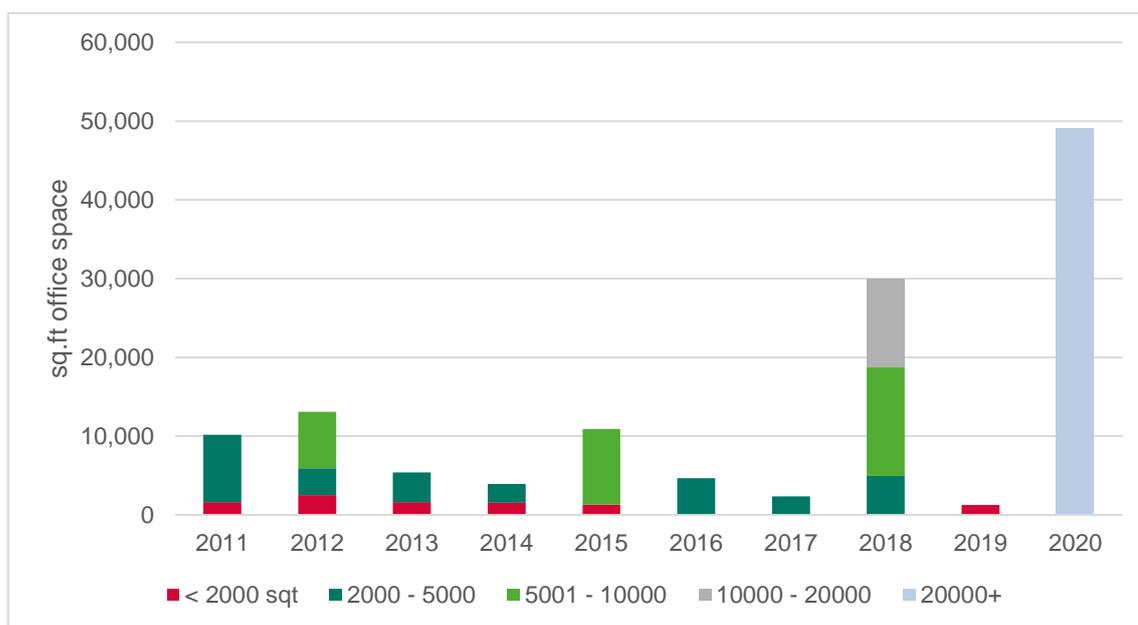


Source: IcenI analysis of CoStar data

5.17 In most years, freehold activity in Uttlesford is focused on units of < 5,000 sq.ft. There have however been one recent deal: the delivery of an Innovation Centre at Parsonage Road for Weston Business Centres, which completed in 2020.

¹⁶ IcenI has sought to exclude investment transactions

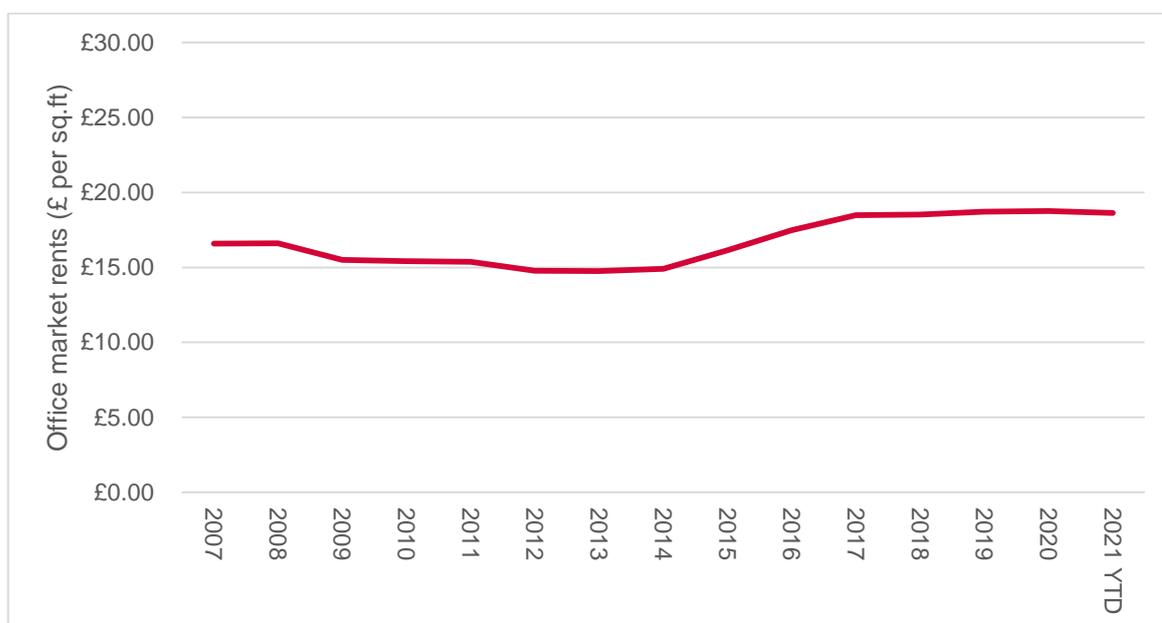
Figure 5.8: Freehold Sales in Uttlesford, 2011-20



Property Costs

5.18 As availability has fallen in recent years, office rents have increased growing from £14.90 psf in 2014 to £18.70 psf in 2019. They have remained broadly stable since. The market expectation is that rents will weaken slightly in the short-term.

Figure 5.9: Office Rental Trend



Source: Icen analysis of CoStar data

5.19 Headline rents for new/refurbished stock appear to have hit around £20 psf. This compares for instance with headline rents of close to £50 psf in Central Cambridge and rents exceeding £40 psf

for new-build fitted lab space¹⁷. Headline rents in Uttlesford are not sufficient to support speculative development; and thus in the short-to-medium at least we would expect pre-lets to be required before new office floorspace is brought forward. This may constrain business growth in the district – existing businesses may look elsewhere for space, home-based businesses may put-off growth plans and external businesses may not be likely to be able to find suitable space within Uttlesford. The council could help by taking pre-lets of space or otherwise creating more favourable conditions for development. For freehold sales, the average value stands currently at around £214 per sq.ft based on CoStar data for Uttlesford.

Chesterford Research Park

5.20 Chesterford Research Park is part of the South East Cambridge cluster of world leading life sciences research institutes and is part of the wider UK Innovation Corridor. Current occupiers include AstraZeneca, Cambridge Epigenetix, Microbiotica and Oxford Nanopore Technologies. The Research Park is a distinct area within the District with a strong property sub-market which supports high value employment.

5.21 Average market rents at Great Chesterford Research Park are £25.39 compared to £18.70 across the district as a whole and £20 for new/refurbished stock. This reflects the modern, high quality nature of stock at the Research Park as well as low vacancy rates (currently 0% according to CoStar). Much of the demand for larger office space in Uttlesford is within the Research Park, as well as demand for larger light industrial and medical space. Speculative is more likely to come forward at Chesterford Research Park.

Office Market Outlook

5.22 At the current time the market is relatively uncertain, not least due to uncertainties associated with how home working may change companies' office floorspace requirements, impacts of permitted development rights (PDR)/ further use class changes, and uncertainties as to whether some London-based firms may seek to open satellite offices in commuter-belt locations or move out of the City. Larger companies will principally seek high quality office space, with clear floor plates that allow for potentially more generous office spacing than pre-Covid.

5.23 Flexible working is long established in the UK, with Eurostat reporting that 22% of UK-based employees were occasionally working from home pre-pandemic – twice the EU average. Growth in home working, which seems likely, is therefore an acceleration of an existing trend.

¹⁷ <https://www.savills.co.uk/insight-and-opinion/savills-news/304868-0/cambridge-office-market-remains-resilient-despite-impact-of-covid-19>

Agent Feedback

- 5.24 Icenis has spoken to a number of commercially active local agents to understand current market conditions. Agents are clear that office demand is focused generally on local SME businesses and particularly space of up to 20,000 sq.ft. The market is difficult at the time of writing (July 2021) influenced by Covid-19. Coke Gearing reports that outstanding requirements are all for small and medium-sized units, with little demand for larger HQ office space.
- 5.25 Headline rents are quoted at £21 psf for Grade A office space such as at Enterprise House, close to Stansted Airport, but rents of around £19 psf are achieved. The agents stated that higher rents, in the early £20s, were required for speculative development. The new-build office scheme at Tristal Towers has been on the market for five years, but appears unlikely to come forwards in the short-term given viability challenges (influenced by the rental tone and high build costs) and poor access.
- 5.26 The local market in Saffron Walden is focused typically on units of 500 – 1,500 sq.ft. Deals of over 20,000 sq.ft are rare. It is clear that there has been relatively little activity in the office market over the last year (as supported by the CoStar data). Mullucks reports some inquiries from small businesses, particularly where the owner lives locally, for satellite offices instead of commuting to London or Cambridge.

Industrial and Logistics Market

- 5.27 Whilst other sectors have witnessed disruption from Covid-19, warehousing and logistics is a property sector which has thrived driven in particular by the substantial growth seen in online sales, continuing (and accelerating) the trend we have seen in recent years of growing demand for logistics space.
- 5.28 Nationally Lambert Smith Hampton Commercial Property reports that UK industrial and logistics take-up reached 59.7 million sq.ft in 2020, a record level, influenced in particular by strong take-up for large and extra large units (100,000 sq.ft+). Whilst this was influenced in particular by the very substantial (and partially temporary) shift towards online retailing, the logistics sector has been very active now for a number of years and there is no current evidence of this abating. Brexit is clearly disrupting some industrial activities, and LSH report that this may lead to some restructuring of supply chains which could demonstrate some additional demand for UK logistics if companies seek to keep increased stock volumes to mitigate potential impacts of trade disruption on sales. Brexit could also lead to some re-shoring of supply chains and/or restructuring to deliver separate EU and UK focused infrastructure.
- 5.29 Nationally the pandemic has had a smaller impact on speculative industrial development than initially feared, and despite strong delivery of new supply there has been ongoing rental growth which nationally averaged 4.2% for prime industrial units in 2020.

- 5.30 Whilst mid-box units have been the focus of speculative development activity in recent years, larger units (100,000 sq.ft+) saw the largest growth in 2010 and the pipeline nationally is skewed towards this sector. LSH reports a more modest pipeline of 2.1m sq.ft of speculative development in the mid box market is anticipated in 2021. LSH describes the East of England as a real hotspot of speculative development with 1.4 million of new space being brought forward speculatively at the end of 2020.
- 5.31 Uttlesford is not however particularly a market for 'big box' logistics space which is more focused towards major motorway corridors such as, within the East of England, the M1 corridor through Hertfordshire and Bedfordshire. There is no evidence of big box take-up in the District over the last decade. However, proposals for 200,000 sq.m. of Warehousing space at Northside (adjacent to Stansted Airport) suggests that there is demand for 'big box' space, which is reasonable, given the growth of online retailing, the presence of the airport and proximity to London.
- 5.32 In the East of England, LSH reports industrial take-up in 2020 which was 30% above the 5 year average at 5.2 million sq.ft. The available supply of units is 2.0 years for the mid-box units, and less than this for larger/ extra-large sizes.

Industrial Stock

- 5.33 Uttlesford accommodated around 20% of the Functional Economic Market Area's (FEMA's) industrial stock, with a total of 459,000 sq.m of floorspace recorded by the Valuation Office Agency (VOA) in 2020. The largest share of stock is seen in Harlow (with a quantity 60% greater than in Uttlesford).
- 5.34 The total industrial stock across the FEMA has declined in net terms over the 2010-20 decade, falling by a modest 4%, compared to a regional and national picture which is flat. However, in Uttlesford, the VOA data points to modest growth in stock of 6% over this period. Industrial floorspace includes industrial and warehousing/logistics floorspace.

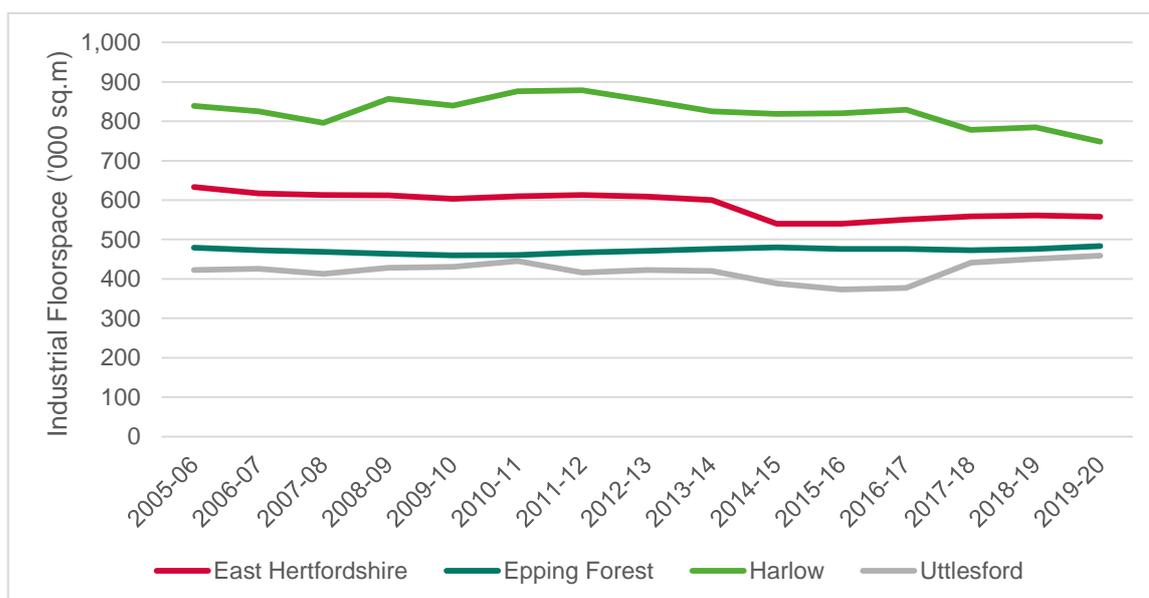
Table 5.4 Industrial Stock in the District and FEMA, 2019-20

	Stock, 2019-20 (sq.m)	% FEMA Stock	Stock Change, 2010-20	% Change, 2010-20
East Hertfordshire	558,000	24.8%	-45,000	-7%
Epping Forest	483,000	21.5%	23,000	5%
Harlow	748,000	33.3%	-92,000	-11%
Uttlesford	459,000	20.4%	28,000	6%
FEMA	2,248,000		-86,000	-4%
East of England	33,820,000		281,000	1%
England	311,632,000		-892,000	0%

Source: VOA Non-Domestic Rating Statistics

- 5.35 The chart below shows the trend in industrial floorspace by area. It shows that industrial floorspace in Uttlesford fell between 2009-16 but has been increasing since (with subsequent growth of 86,000 sq.m, 23%). A general downward trend is evident in East Herts and Harlow.

Figure 5.10: Change in Industrial Floorspace, 2005-20



Source: Icen analysis of VOA Non-Domestic Rating Statistics

5.36 The average size of industrial properties is below wider averages, indicating a focus of industrial stock and demand towards SME businesses. It is notable that the average size of industrial units in Harlow is more than twice that in Uttlesford, with Harlow more likely to cater for larger requirements.

Table 5.5 Average Size of Industrial Properties, 2020

	Floorspace, 2020 (sq.m)	Rateable Properties	Average Floorspace (sq.m)
East Hertfordshire	558,000	1,440	388
Epping Forest	483,000	1,500	322
Harlow	748,000	850	880
Uttlesford	459,000	1,080	425
FEMA	2,248,000	4,870	462
East of England	33,820,000	57,770	585
England	311,632,000	507,060	615

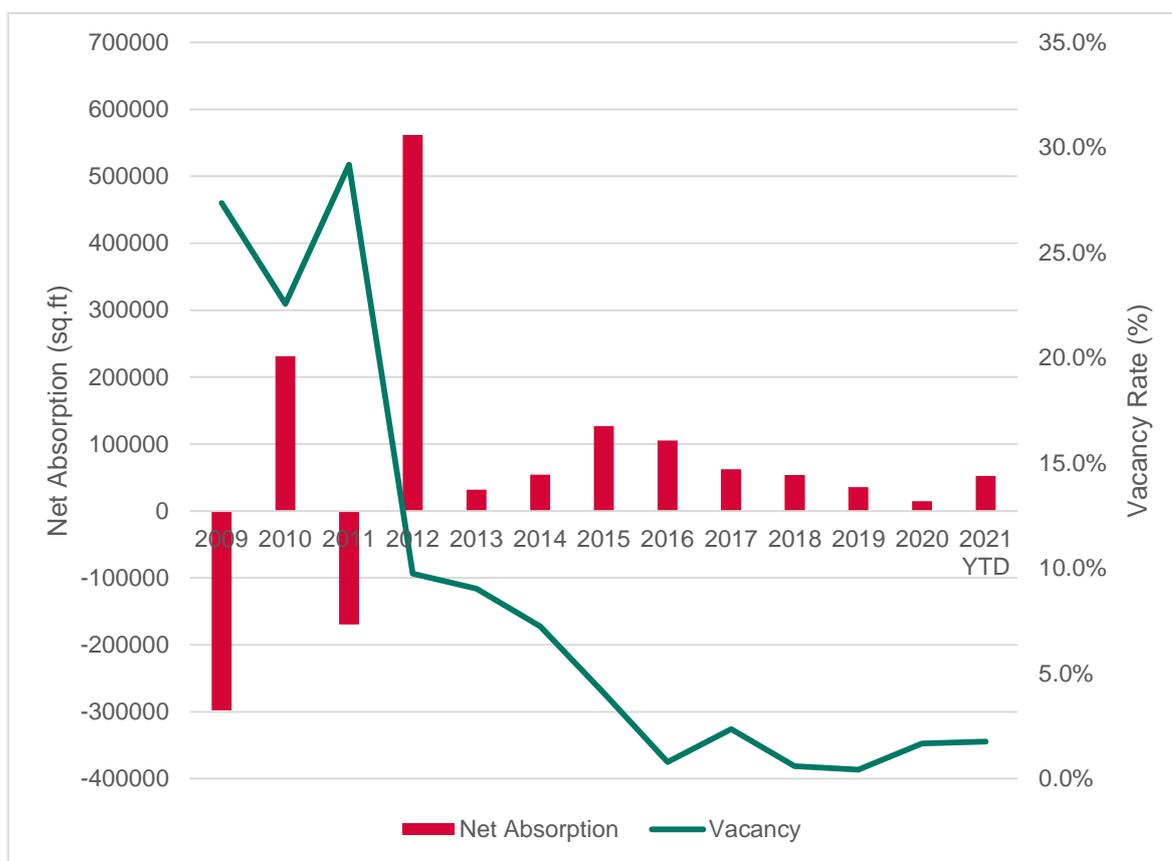
Source: VOA Non-Domestic Rating Statistics

Take-Up and Net Absorption

5.37 The District has seen positive net absorption in the majority of years over the 2010-20 decade, meaning that more industrial floorspace was being take-up than coming onto the market (either through existing office space being vacated or new-build development). As the graph below shows, this has resulted in a reduction in the level of vacant floorspace which fell to a low-point of 0.4% in 2019.

5.38 Net absorption over the last 6 years has averaged 66,400 sq.ft (6,200 sq.m) per annum of industrial space in the District.

Figure 5.11: Industrial Net Absorption and Vacancy Rate – Uttlesford District



Source: Icen analysis of CoStar data

5.39 The current industrial vacancy rate stands at 1.8% in mid 2021 – a very low level. This is still representative of constrained supply and tight property market conditions. As the table below shows, there is a greater level of vacant space within the specialist industrial category (albeit with this the vacancy level is still comparatively low); whilst for both light industrial and logistics space a vacancy rate of 1.5% points to a tight market and need to bring forward further supply.

Table 5.6 Vacancy Rate for Different Types of Industrial Space – Uttlesford District

	Floorspace (sq.ft)	Vacancy Rate	Availability Rate
Logistics	2,384,277	1.5%	2.0%
Specialist Industrial	291,844	4.1%	4.1%
Light Industrial	467,938	1.5%	22.1%
All Industrial	3,144,059	1.8%	5.2%

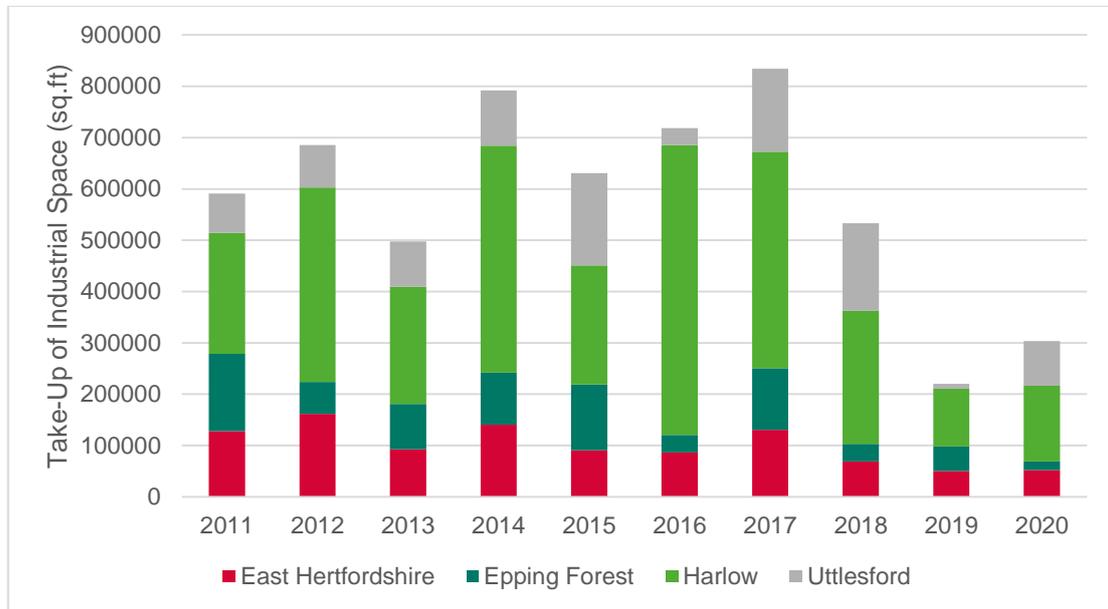
Source: CoStar

Leasing Activity

5.40 Across the PMA the average take-up of leased industrial space over the last 10 years has been 54,000 sq.m (580,600 sq.ft). Harlow has dominated industrial take-up, recording 52% of the PMA total. Uttlesford and East Hertfordshire have recorded 17% each, with Epping Forest 14%. Average take-up in Uttlesford has been 28,100 sq.m per annum.

5.41 As Figure 4.12 clearly shows, there has been a notable drop off in take-up over the last 3 years. This is likely to have been in part influenced by a constrained supply position. Take-up over this period has averaged just 33,000 sq.m across the 4 authorities.

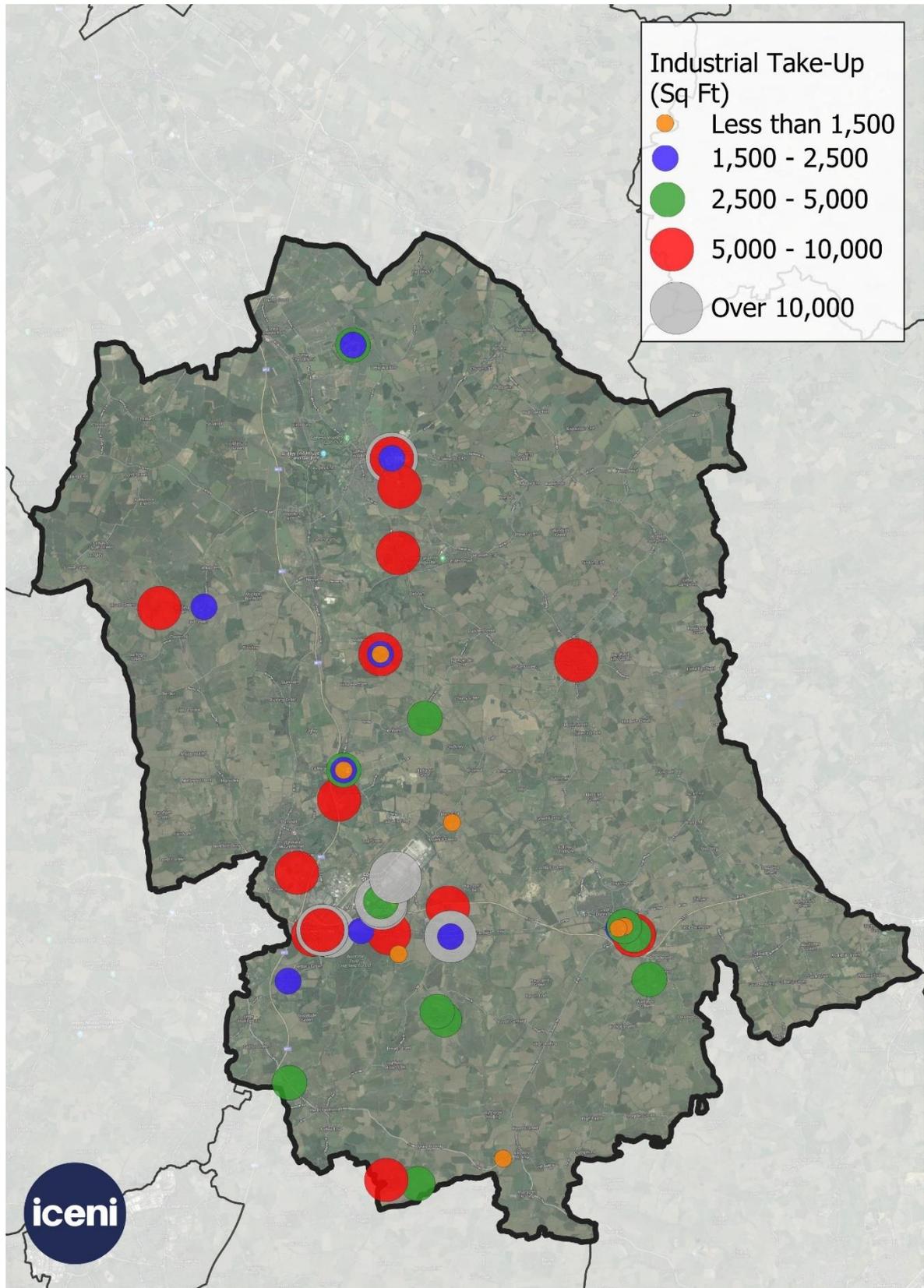
Figure 5.12: Industrial Take-Up – Property Market Area



Source: Icen analysis of CoStar data

5.42 The figure below shows the spatial distribution of industrial leasing activity in the District between 2015-20. The strongest cluster is around Stansted Airport and Takeley.

Figure 5.13: Industrial Take-Up in Uttlesford (2015-20)

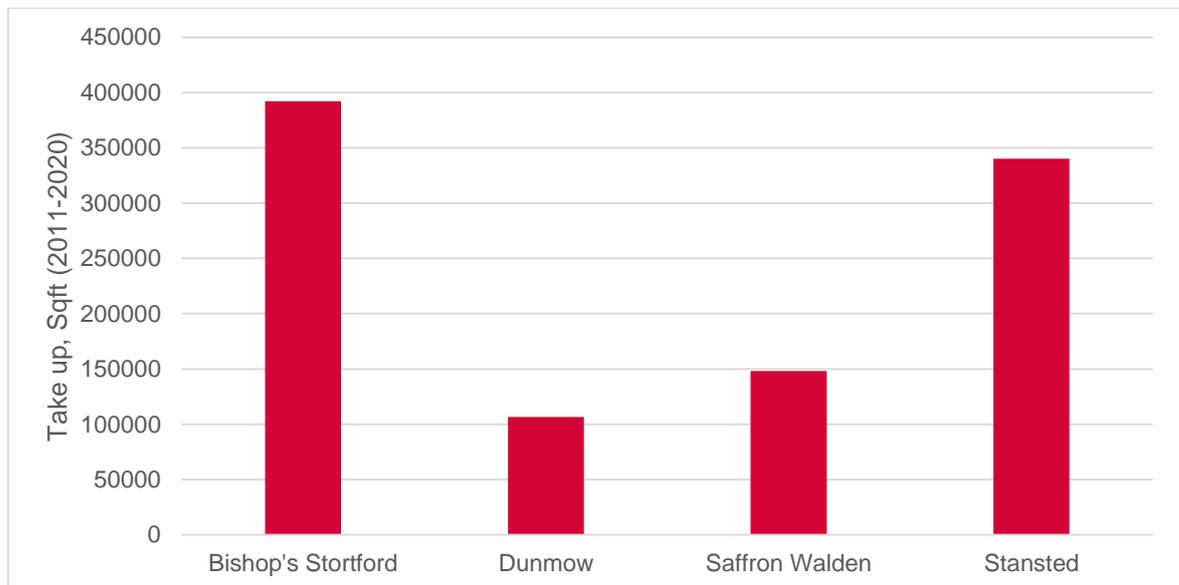


5.43 The chart below reports the take up by location (nearest town, all postcodes are in Uttlesford).

- 34% at 'Stansted' covering Taylors End Road / M11 Business Link (6% the latter)
- 39% at 'Bishop's Stortford' being the wider south west of the district
- 11% at Great Dunmow
- 15% Saffron Walden

5.44 Whilst CoStar will tend to miss off smaller rural transactions which do not register to the national database, this pattern suggests that the airport has a strong influence on industrial demand in the district, attracting at least 28% of transactions and potentially influencing many more.

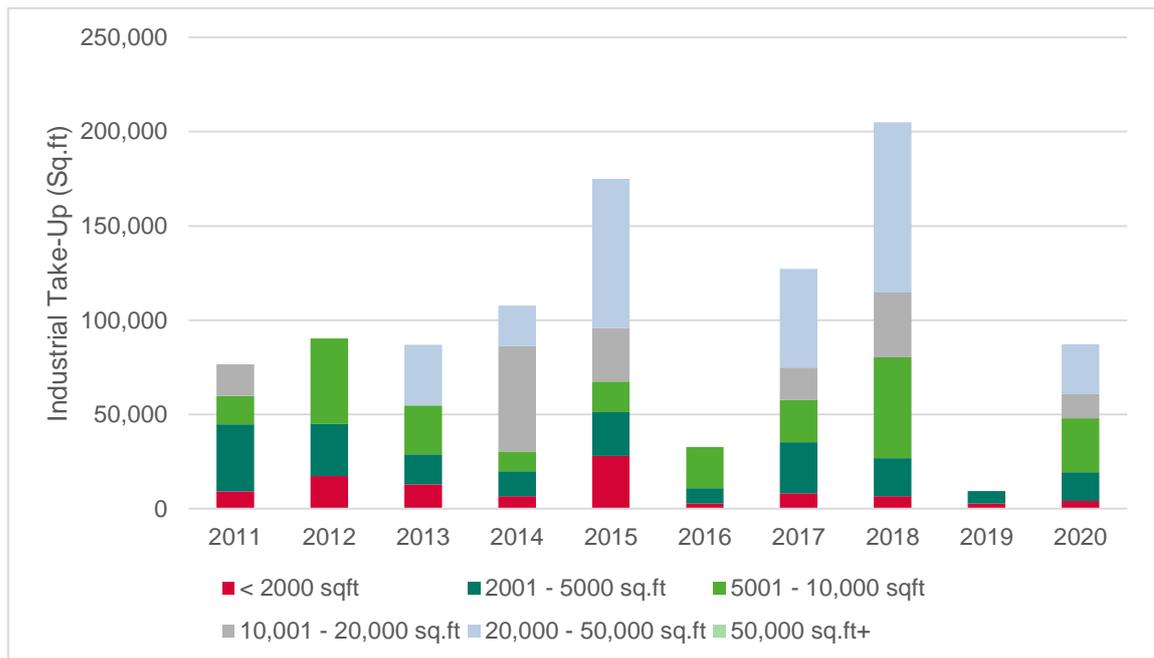
Figure 5.14: Industrial Take-Up by location – Uttlesford District



Source: Icen analysis of CoStar data

5.45 In terms of size band, it is evident from the figure below that there has been no take-up in the district of 'mid box' (50,000 – 100,000 sq.ft) or 'big box' industrial units (> 100,000 sq.ft) over the last decade. The largest units leased have been of around 35,000 sq.ft.

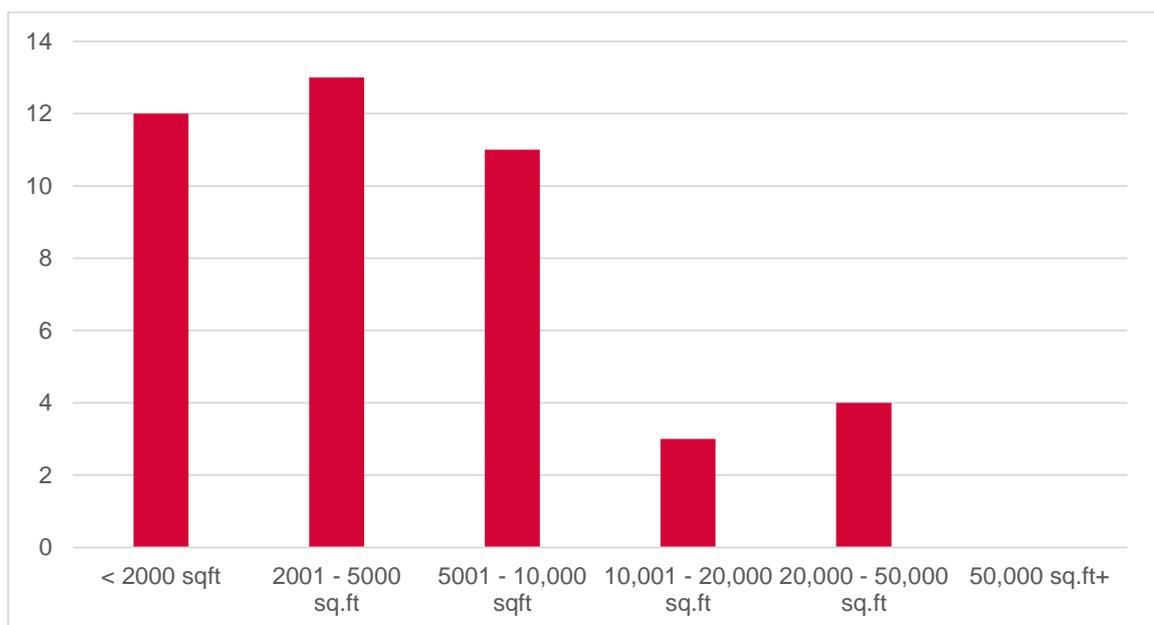
Figure 5.15: Industrial Take-Up by Size Band – Uttlesford District



Source: Icen analysis of CoStar data

5.46 The chart below shows the profile of leasing deals of different sizes. Activity is strongest for smaller units of < 10,000 sq.ft reflecting the focus of the economy on SMEs. However, leases of over 10,000 sq.ft units are rarer, but have driven overall take-up in the District. There has been no leasing activity of space over 50,000 sq ft in the District highlighting the lack of larger scale and strategic logistics space in the District.

Figure 5.16: Industrial Leasing Activity by Size Band – Uttlesford, 2018-20

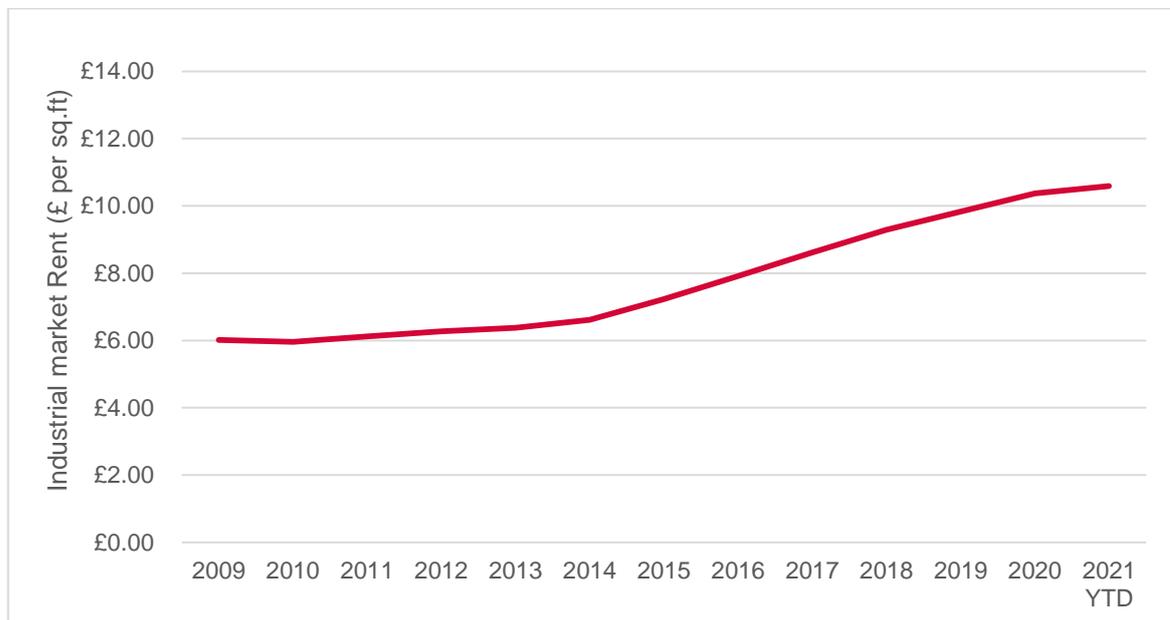


Source: Icen analysis of CoStar data

Industrial Rents

- 5.47 Market rents vary depending on the location and quality of the property, by CoStar record typical market rents of £10.35 psf for logistics space, £12.88 for light industrial and £8.88 psf for specialist industrial stock.
- 5.48 There has been relatively strong growth in industrial rents since 2014 as industrial supply has tightened.

Figure 5.17 Industrial Rents – Uttlesford



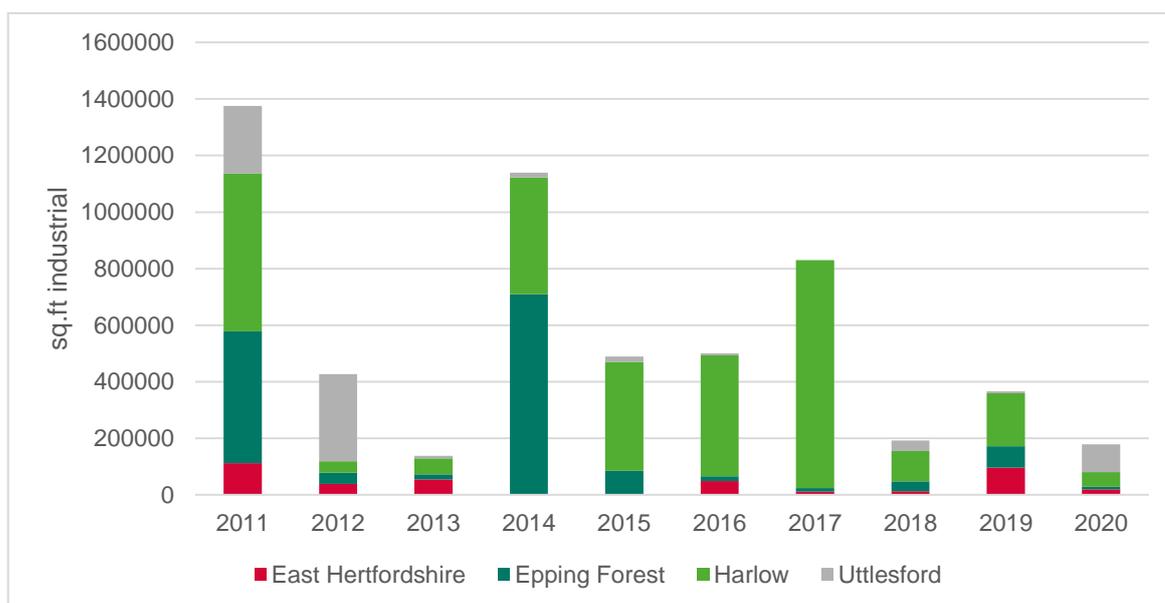
Source: Icen analysis of CoStar data

- 5.49 Whilst it is typically expected that positive rental growth and declining availability results in new supply coming forwards, CoStar report just 1,500 sq.ft of industrial space underway in the District. The outlook therefore points to further rental growth in the short- term (next couple of years).

Freehold Activity

- 5.50 The level of freehold take-up is influenced by a number of larger deals, which saw much higher take-up across the PMA in 2011, 2014 and 2017. Uttlesford has accounted for a modest 7% of freehold take-up across the PMA since 2011 with 373,000 sq.ft (81,900 sq.m) of space being recorded as transacted, equivalent to an average 7605 sq.m per annum.

Figure 5.18: Industrial Freehold Transactions – PMA, 2011-20



Source: IcenI analysis of CoStar data

- 5.51 The focus of freehold deals in recent years has been on units of up to 22,000 sq.ft in Uttlesford; with the majority of deals for under 10,000 sq.ft of space.

Agent Feedback

- 5.52 IcenI has spoken to a number of commercially active local agents to understand current market conditions and gaps in supply. Coke Gearing notes a lack of industrial supply within the market in Uttlesford and more generally within 10 miles of Bishop’s Stortford with a 98% occupancy level within the industrial market. This is consistent with our findings from the CoStar data and our discussions with Mullucks. Demand outstrips supply and there is a need to bring forward new development.
- 5.53 Within a 10 mile radius of the Airport, Coke Gearing reports current market requirements for 1.8 million sq.ft of industrial space as at July 2021. There is demand for industrial space in a range of size bands including 30,000 – 40,000 sq.ft units from established manufacturing businesses in the District, together with larger requirements – including for units of 60,000 sq.ft, 70,000 sq.ft and 130,000 sq.ft. They report that they have just secured a letting to an Uttlesford occupier of a unit of 140,000 sq.ft in Braintree, who was unable to find suitable premises within the District. Mullucks appear more focused on smaller requirements of units of between 5,000 – 25,000 sq.ft.
- 5.54 Agents report a need to bring forward additional supply, particularly close to M11 Junction 8, which is the area of strongest occupier demand. The Saffron Malden market, in the north of the District, is tilted towards Cambridge and focused more towards R&D and bioscience activities; with industrial demand more limited influenced by the lack of decent access to the motorway.

6. BUSINESS SURVEY

6.1 An online business survey was undertaken over summer 2021 which received 83 responses from Uttlesford businesses. The findings of the survey which are of relevance to this study and economic development in Uttlesford are detailed below. It is noted that the majority of businesses, based on staff and turnover, were micro businesses.

Respondents

6.2 Over 60% of respondent businesses have been trading for over 10 years with lower numbers of respondents for lower trading times.

6.3 Businesses were asked if they operated online only, to which 11 % said yes.

6.4 The table below shows the split of type of premises occupied by the respondent businesses. It can be seen that the largest proportion of respondents work from home or were mobile. Around 18% of respondent businesses occupy offices and 12% occupy industrial space. This means that in total, around 30% of respondent businesses occupy former B Class floorspace.

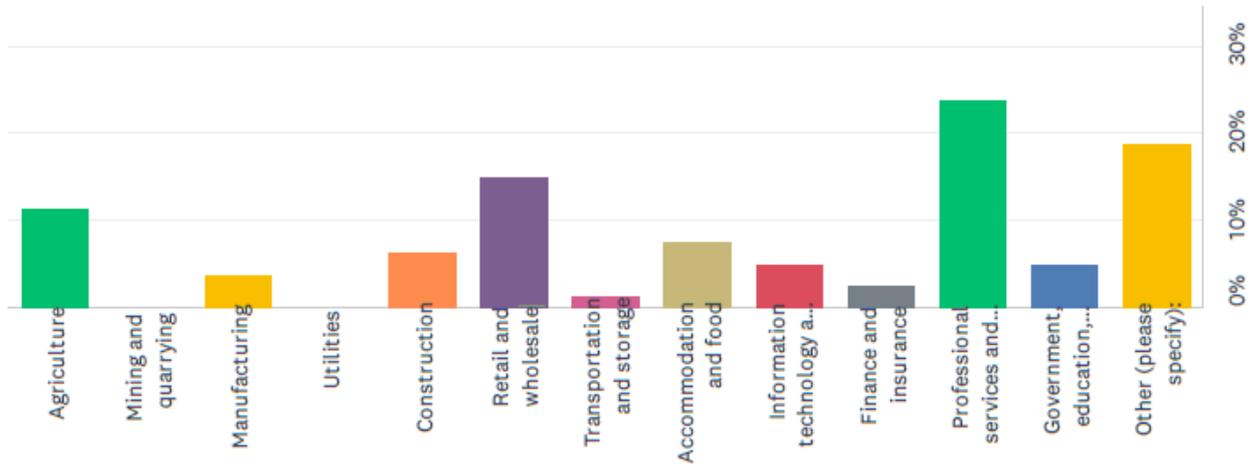
Table 6.1 What type of premises do you occupy?

ANSWER CHOICES	RESPONSES	
Industrial	12.33%	9
Distribution	0.00%	0
Retail	10.96%	8
Offices	17.81%	13
Restaurants	1.37%	1
Hotel/Conference Centre	0.00%	0
Community Building	4.11%	3
Agricultural	16.44%	12
No premises - Mobile/Work From Home	36.99%	27
TOTAL		73

6.5 As can be seen in the figure below, the largest proportion of respondent businesses felt they were in Professional services and business support (24%). However, over half of these businesses operated from a home (or were mobile), explaining the fact that only 18% of all businesses were office-based. Other traditionally office-based sectors made up a small proportion of respondents (5% in Information technology and communication, 3% in Finance and insurance). The second highest proportion of respondents classed themselves as Other (19%). However, on further inspection of the data it is likely that only around 8% of the respondents should fall within the other category. The third largest

sector is Retail and Wholesale at 15%. The 12% of respondents which occupy industrial premises are made up of businesses from a range of sectors but most undertake some manufacturing activities (based on their own description).

Figure 6.1 – Which of these categories best reflects the nature of your business?

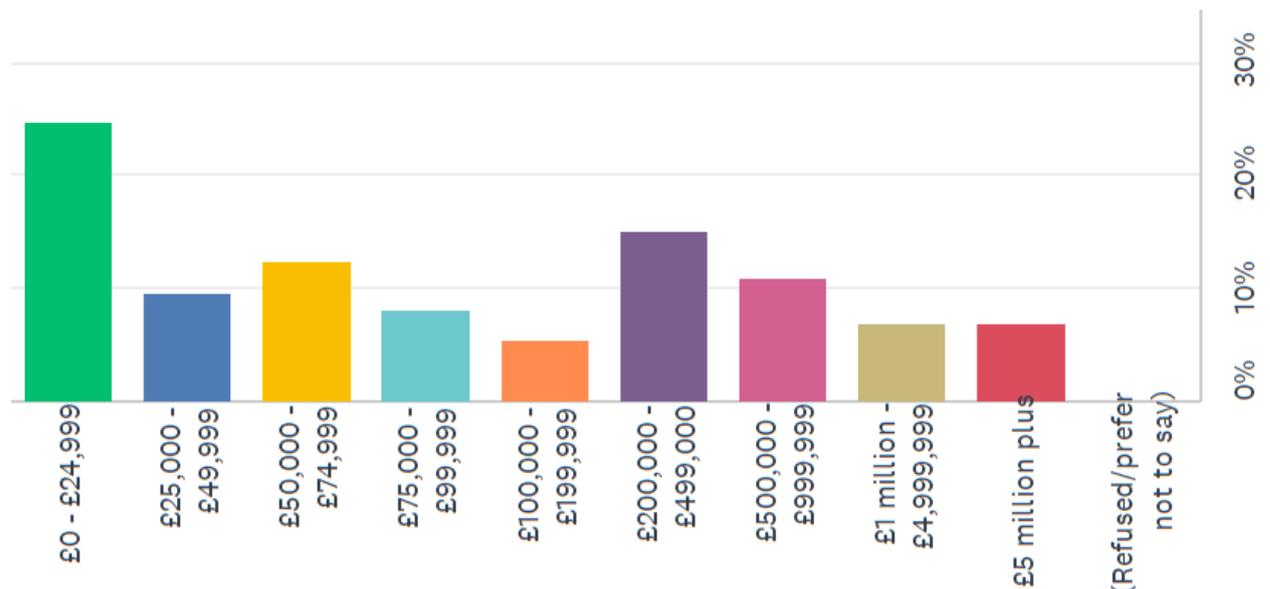


Business Size - Turnover and Employment

Turnover

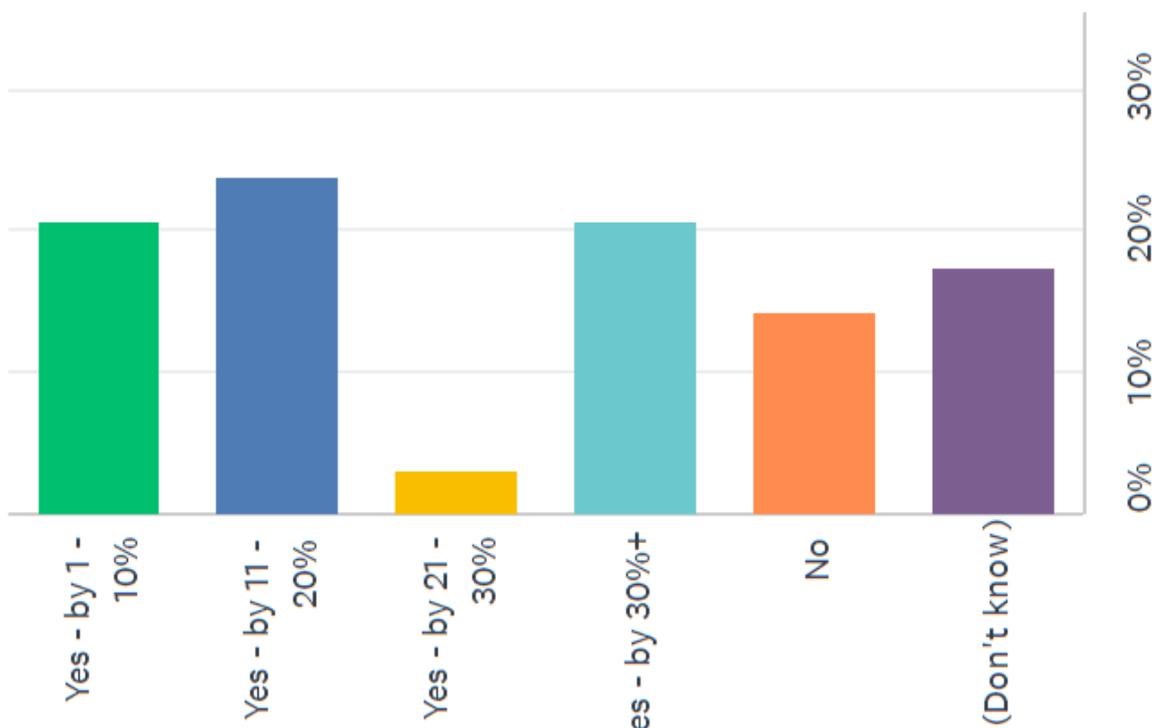
6.6 The figure below shows that the largest proportion (25%) of respondent businesses had a very low turnover of less than £25,000. Around 70% of the businesses with a turnover of less than £25,000 were based from a home or were mobile, and around 60% were in Accommodation and food, Retail and wholesale or Agriculture.

Figure 6.2 – What was your approximate annual turnover, pre-pandemic?



Around a third of the businesses surveyed said that they were looking to expand or diversify their business. The figure below shows how the businesses surveyed expected turnover to grow, on pre-pandemic levels, over the next 1-2 years. It can be seen that whilst only a third of businesses were looking to expand/diversify their business, around two thirds of the businesses which were able to answer expected some turnover growth in the next 1-2 years.

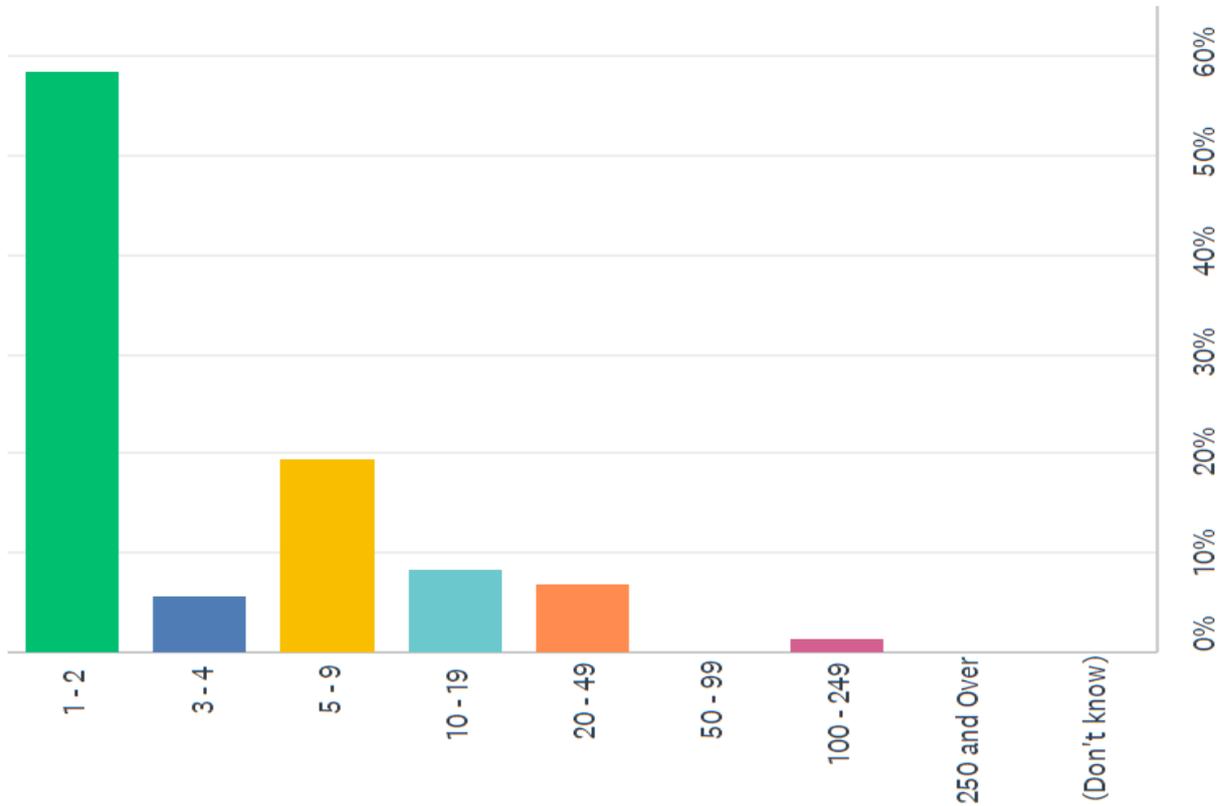
Figure 6.3 – Is your turnover* expected to grow in the next 1-2 years? (*relative to your average pre-pandemic turnover in 2019)



Employment

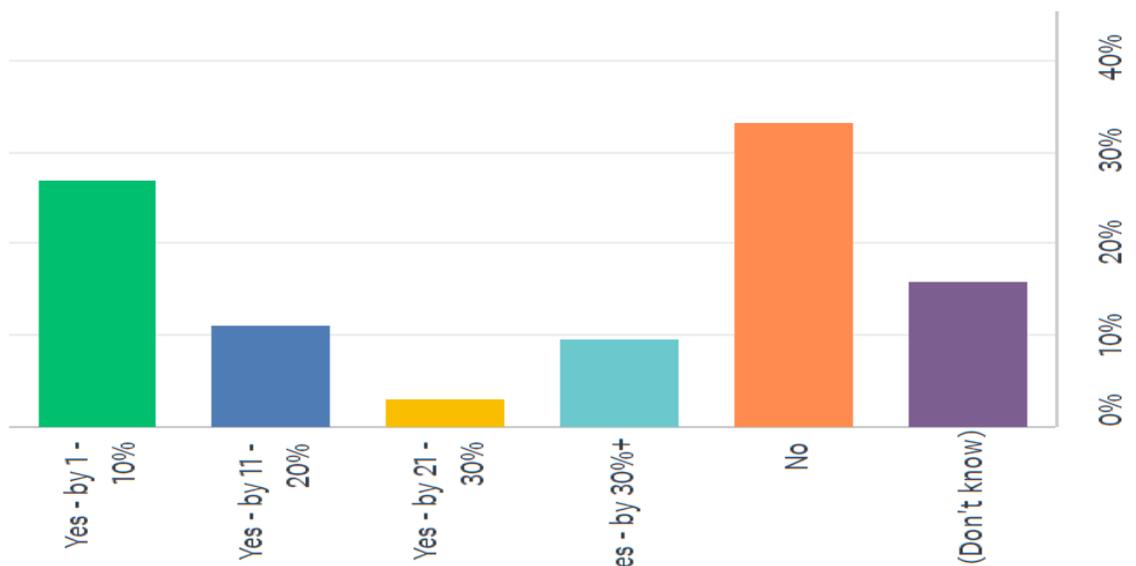
- 6.7 The figure below shows that over half (58%) of the respondent businesses had 1-2 employees. These businesses are spread across a wide range of sectors. Nearly 99% of respondent businesses had less than 50 employees with just one business with between 100 and 249 employees.
- 6.8 Around 15% of the respondent businesses employed apprentices. These businesses are spread across a wide range of sectors. They were all businesses with greater than 4 employees and over £75,000 in turnover (most of which had over £500,000 turnover).
- 6.9 Around 43% of the respondents stated that they intended to employ apprentices in the future. Of these, six had a turnover of less than £50,000 (five of which had turnover less than £25,000) and 10 had less than 5 employees.

Figure 6.4 – Including yourself, how many employees do you have?



6.10 The figure below shows by how much businesses felt they were likely to grow, in terms of employment, the next 1-2 years.

Figure 6.5 – Are staff numbers growing/expected to grow in the next 1-2 years?



6.11 Around half of the businesses which stated growth expectations thought they would grow by between 1 and 10% with the other half saying they would grow by between 11 and 30%.

Local Barriers to Growth

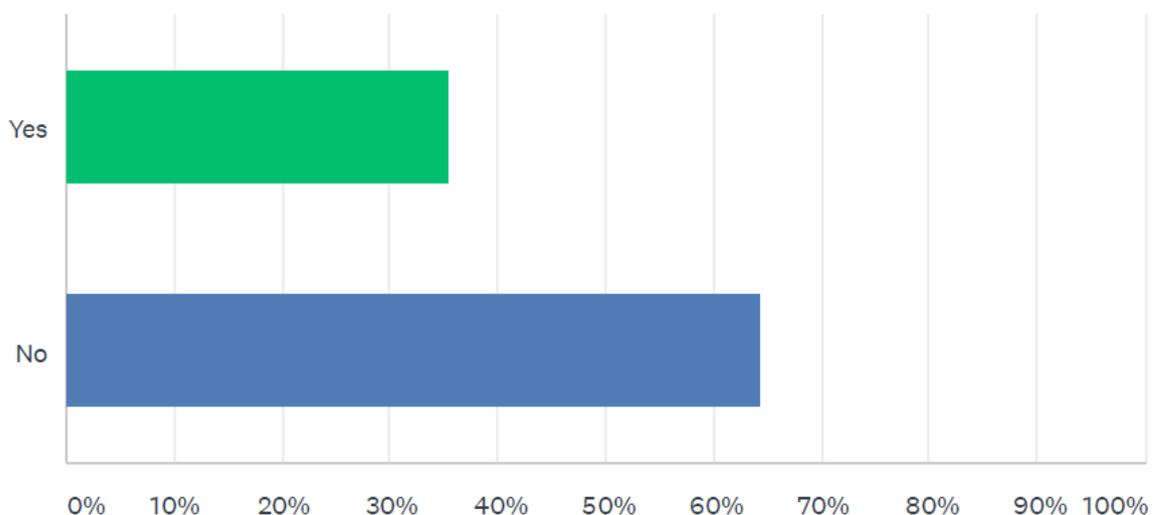
- 6.12 When asked about whether there were local barriers to business growth the following key themes arose – bearing in mind the limited sample survey.
- 6.13 A barrier to business growth was the **planning system/the planning authority** (Issues with planning were also mentioned by a further 2 businesses when asked for general comments at the end of the survey). It was suggested that getting planning permission was slow and inefficient. One business stated that there was a lack of engagement in planning and that the system was faceless. 4 out of the 7 businesses mentioning issues with the planning system were agricultural businesses. This issue should be investigated further and reflected in future planning policy and spatial strategy documents.
- 6.14 Linked to the issues around planning was the reported issue of **NIMBY'ism**. This was mentioned by two agricultural businesses. The other agricultural business also mentioned a **lack of rural/agricultural housing**– something which is likely to be related to an ability to gain planning permission. A general **lack of housing** was also mentioned by another business.
- 6.15 Five businesses mentioned that there was a **lack of suitable premises** in Uttlesford. One office-based company stated that they would like to purchase commercial premises which “is not really an option in Saffron Walden”. Issues around premises are analysed further below.
- 6.16 The other most frequently mentioned barrier to business growth was the **low supply of (skilled) staff**. One business to mention this was in the wholesale trade and specifically had shortages of lorry drivers and warehouse operatives. Another business with significant growth plans stated that they were likely to move out of the area due to ‘lack of resources’ and specifically mentioned staff and skilled staff. An agricultural business also mentioned the issue of getting suitable staff, but also accommodating them - linked to the lack of supply of agricultural housing mentioned above.
- 6.17 A **lack of funding/financial support** from local and central government was mentioned by 2 businesses – one agricultural and one design and manufacturing. A further business stated that there was a ‘total lack of local government and large business to engage the services of local micro businesses due to blocks on their procurement’.
- 6.18 Other barriers to growth mentioned more than once were; a lack of (free) parking in towns / parking problems; issues with roads / lack of road improvements; high tax (specifically business rates mentioned once); lack of customers; and a lack of quality internet coverage. One of the businesses to mention a ‘lack of broadband was an agricultural business’.
- 6.19 When asked ‘do you have any staffing issues or skills needs?’, around 20 out of the businesses surveyed responded affirmatively. Over half of these businesses cited problems getting

skilled/qualified staff. One business specifically referred to a lack of technically astute apprentices whilst another said it was difficult to get committed apprentices and another business empathised the need for trainees. One agricultural business stated that whilst they had a loyal workforce, getting (and accommodating) seasonal staff was an issue.

Impact of Technological and Other Change

- 6.20 The figure below shows that around a third of businesses surveyed felt they were being / would be impacted by technological change or changing ways of working. A number of the businesses stated that this was because of home working and it was noted that that better digital infrastructure is needed across Uttlesford to facilitate this. Recent commitments to improving digital connectivity in the District (including through the Digital Innovation Zone) should be built on in future planning policy and economic strategy.
- 6.21 Three businesses stated that they would be impacted by a move to the use of more digital technology. One company had already embraced this move. However, two companies suggested they needed a better website and online communications. One of these businesses said that there was very little support for micro businesses to transition to more digital forms of operation.
- 6.22 Two agricultural businesses felt that they would be / are being impacted to a transition to the use of electric vehicles including use of an electric agricultural robot.

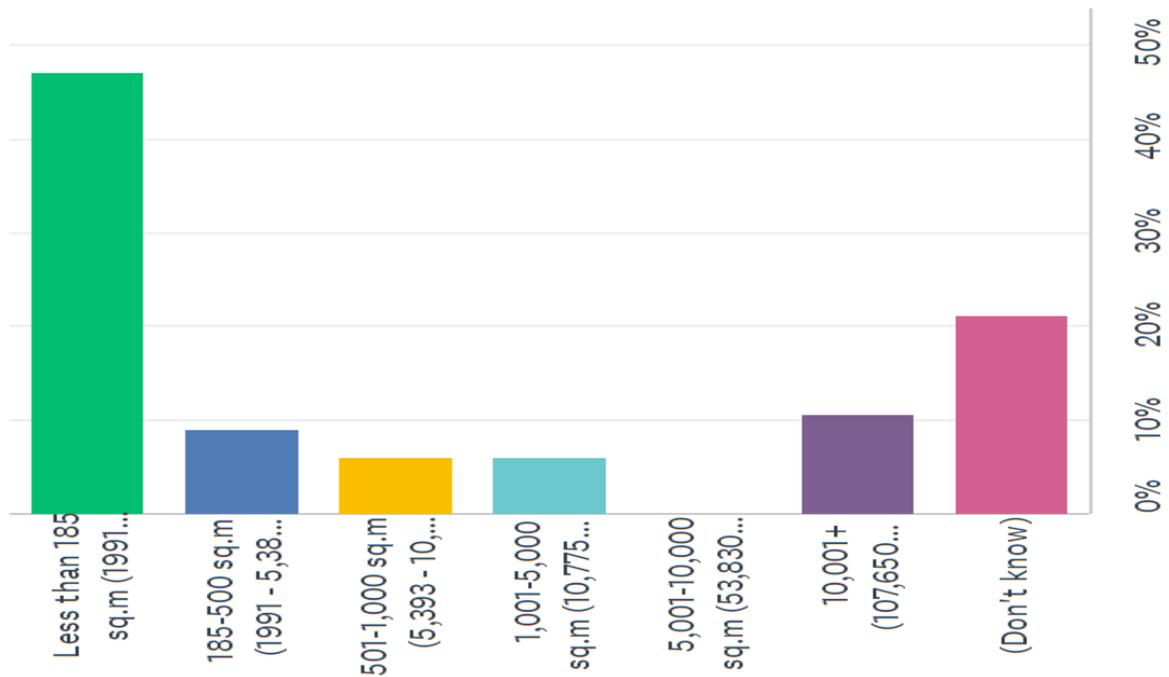
Figure 6.6 – Are there new technologies or ways of working that impact your business or business sector?



Premises

- 6.23 The figure below shows the split of premises by size. It can be seen that the majority of business who were able to respond had floorspace of less than 185 sqm. This proportion is higher for office-based businesses at around two thirds. On the other hand, industrial and distribution businesses are based in a mix of sizes of premises.

Figure 6.7 – What is the approximate floorspace/site size of your premises?



- 6.24 The table below provides information on the adequacy of existing premises. It can be seen that the around 40% of businesses think their premises meet their current and/or future needs and 35% think they meet current needs only. Of those finding the premises inadequate, around 12% are looking to relocate, of which 8% are looking to re-locate out of Uttlesford.

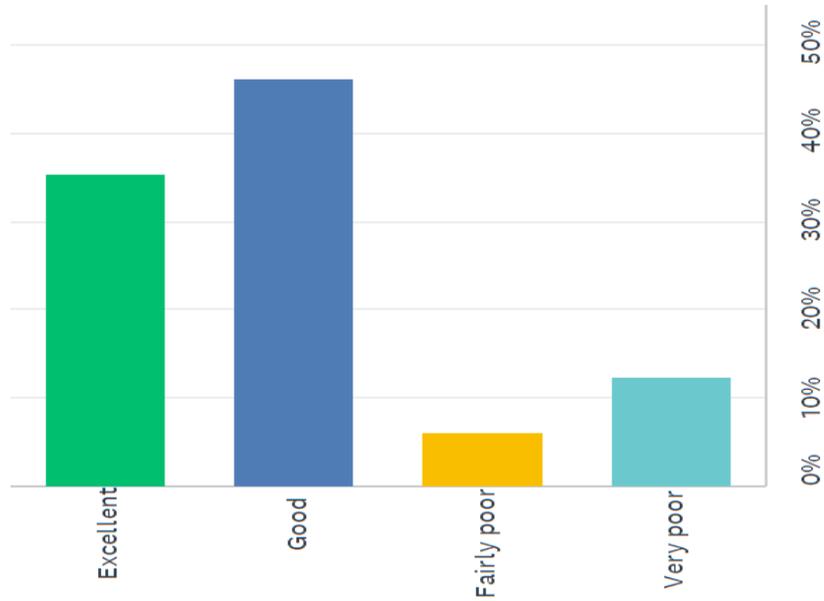
Table 6.2 Which of the following best answers how adequate your premises are for your needs?

ANSWER CHOICES	RESPONSES
Yes they meet our current needs only	35.38% 23
Yes they meet our current and foreseeable future needs	40.00% 26
No they don't meet our current needs but we plan to remain	12.31% 8
No they don't meet our current needs and we are looking to relocate within Uttlesford	4.62% 3
No the don't meet our current needs and we are looking to relocate outside Uttlesford	7.69% 5
TOTAL	65

- 6.25 The figure below shows how good businesses felt the broadband speed and reliability was at their premises. Over 80% of respondent businesses felt the speed was excellent or good. However,

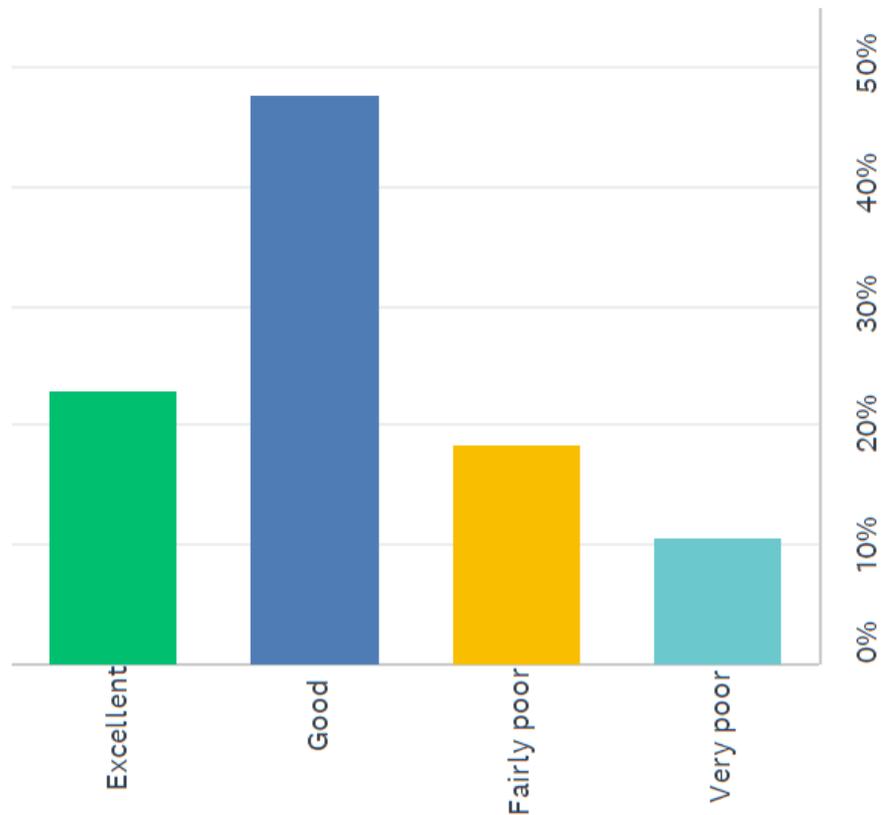
amongst those based at agricultural premises, around half felt their broadband connectivity was very poor.

Figure 6.8 – At your premises, how adequate is your broadband speed and reliability?



6.26 The figure below shows how good businesses felt mobile connection was at there premises. Around 70% of businesses felt mobile connection was good or very good.

Figure 6.9 – At your premises, how adequate is your 4G/5G speed and reliability?



6.27 Out of the 39 businesses which suggested a building/site specific factor was constraining business operation, 9 cited lack of space as the main/a factor in doing so. 2 out of 8 office-based businesses suggested a building/site specific factor was constraining business operation and 12 office-based businesses in total cited space as an issue. Accessibility (in terms of public transport, parking, and visibility from street) was also an issue for a significant number of office-based business who felt their premises were limiting operations.

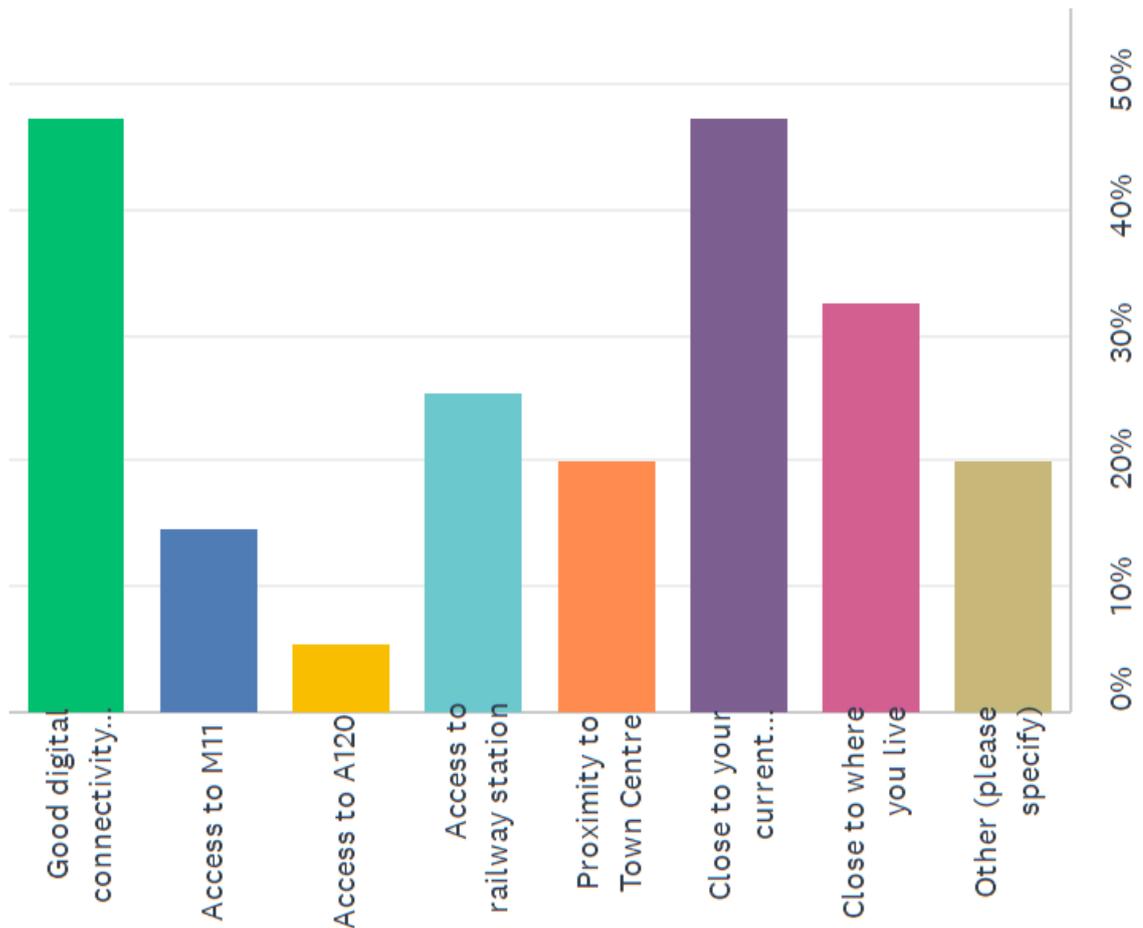
6.28 The table below shows that floorspace needs are varied but that need for smaller premises is generally higher. However, all businesses said that if they were to move that they would like their new premises to be about the same size or bigger.

Table 6.3 What sized floorspace do you need?

ANSWER CHOICES	RESPONSES	
Less than 185 sq.m (1991 sq.ft.)	24.56%	14
185-500 sq.m (1991 - 5,382 sq.ft.)	19.30%	11
501-1,000 sq.m (5,393 - 10,764 sq.ft.)	10.53%	6
1,001-5,000 sq.m (10,775 - 53,820 sq.ft.)	8.77%	5
5,001-10,000 sq.m (53,830 - 107,639 sq.ft.)	3.51%	2
10,001+ (107,650 sq.ft.) and above	7.02%	4
(Don't know)	26.32%	15
TOTAL		57

6.29 The figure below shows what the businesses surveyed deemed to be key factors when choosing the location of new premises. It can be seen that the most important factors were good digital connectivity and being close to their current location. Access to the M11 and A120 was not deemed important to many businesses. However, general road access may still be important.

Figure 6.10 – What would be the key factors influencing your choice of a new location site?



Location of Customers/Clients and Suppliers

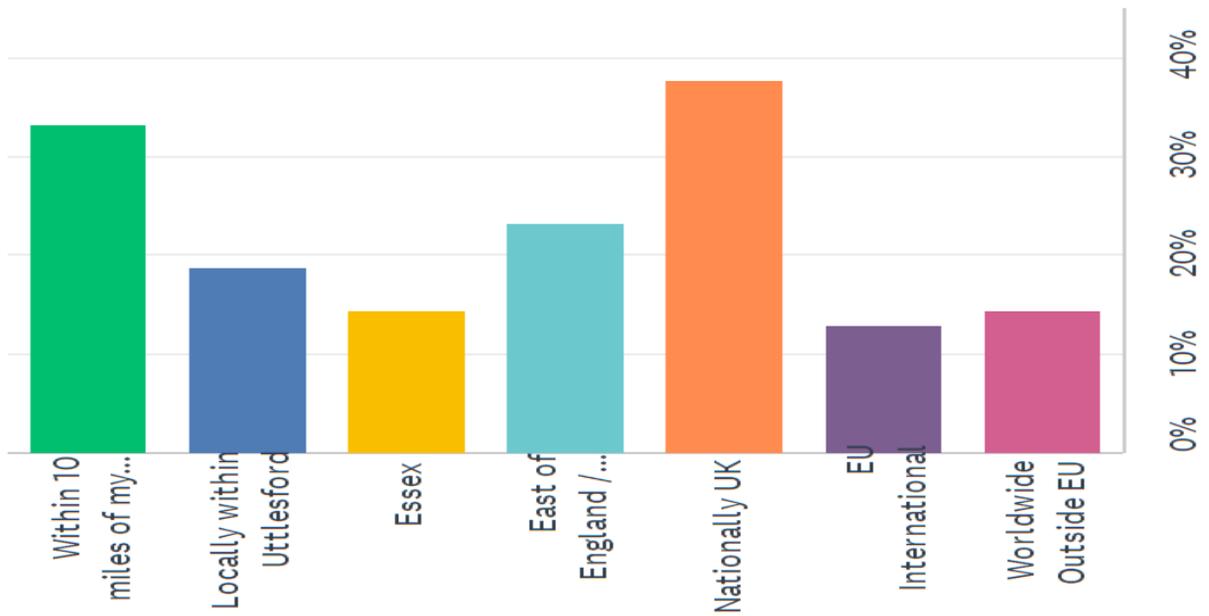
- 6.30 The table below indicates where the businesses surveyed sell goods/services based on the average proportion of customers businesses had in each location. It can be seen that on average most sales were to customers within 10 miles of respondent businesses premises. On average 14% of sales were to customers in the EU, and 23% of sales were to outside of the EU.

Table 6.4 Broadly, what proportion of your services/goods do you sell to customers in different areas?

Location of Customers	%
Within 10 miles of my premises	47
Locally within Uttlesford (but not within 10 miles)	35
Essex (but not within Uttlesford)	29
East of England / London (but not within Essex)	44
Nationally UK (But not within East of England/London)	43
International - EU (But not within UK)	14
International -Outside EU	23

- 6.31 The figure below shows the percentage of businesses which source a significant proportion of their service and goods from each of the locations listed. It can be seen that around a third of businesses have suppliers within 10 miles of their premises with a further 19% having suppliers somewhere else within Uttlesford.
- 6.32 Interestingly a large proportion of the businesses which both export their goods and services and use local suppliers (within 10 miles or within Uttlesford) are in the Professional services and business support sector (as well as the Retail and wholesale sector).

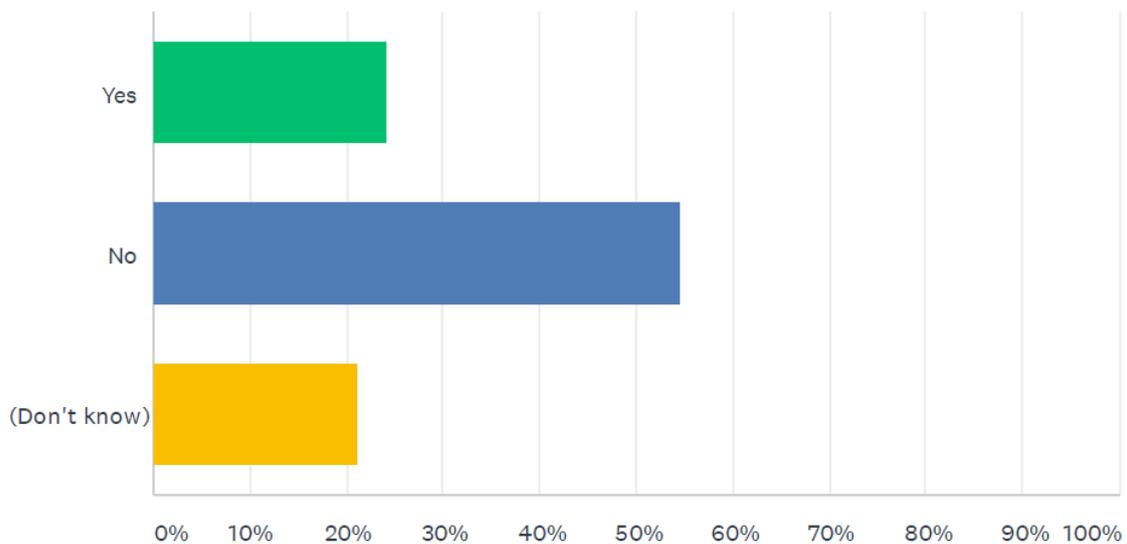
Figure 6.11 – Broadly, what proportion of your supply chain is in each area?



Relocation Plans

6.33 The figure below shows that over half of the respondent business were not looking to relocate in the next 5 years whilst around 20% did not know. Around a quarter of business surveyed did want to relocate in the next 5 years. The vast majority of businesses that were looking to re-locate were micro businesses. Around half of these were office based or had no premises. This suggests there is demand for small office space and light industrial space.

Figure 6.12 – Is the business looking to relocate in the next 5 years?



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- 6.34 Out of the businesses wanting new premises, all said they would like them to be the same size or bigger, with around half saying they would like their premises to be a little bigger.
- 6.35 Nearly 40% of businesses surveyed stated they would consider intensification/expansion of their existing site. Between a third and half of these were currently in agricultural premises. This suggests that there is potential for growth of the rural economy.

Opinions on Uttlesford Commercial Property

- 6.36 Around 10-15 of the businesses surveyed said that there was **not enough or not enough quality/suitable space in Uttlesford**. Around half of these stated that the issue was an availability of any space with the other half stating issues with the availability of quality/suitable space.
- 6.37 One design and manufacturing company said that space is too large and more small properties with serviced rooms are needed. A creative professional services company stated that there was not enough micro business space for creatives who need to be able to spread work out. A small, currently homebased business stated that making the jump to a new premises was daunting with 'no way to test run ideas or business plans and is very risky' and suggest providing more flexible space that can be rented on a daily/weekly/monthly basis which would help 'so many gain traction and confidence to make the jump to a larger premise [or more permanent premises]'. Another, tech design and manufacture company stated that there was a lack of eco-friendly, A-rated space.
- 6.38 Around 7 of the businesses surveyed stated that commercial property in Uttlesford was **too expensive**. One states that, 'It's just too expensive for a micro business like mine and there are no tax breaks or incentives to move away from my office at home.'
- 6.39 Two businesses suggested that **the time taken to get planning permission was too slow** and another stated that planning rules needs to be more flexible to allow re-use of buildings. This was also identified as one of the key barriers to business growth in the District.
- 6.40 A farming businesses stated that they were looking to convert redundant agricultural buildings for commercial (and residential use) in response to very high demand for this type of space. They stated they would also like to build new premises (and have submitted options for the call for sites) which would 'offer additional benefits for the village'. Assuming other agricultural businesses are in a position to do the same (which was suggested when agricultural businesses were asked whether they would consider expansion) this suggests that there is potential for growth of the rural economy. However, another businesses stated that the roll out of rural broadband was slow. This could limit the growth and diversification of rural businesses.

Other comments

- 6.41 Throughout the survey, one business persistently highlighted a lack of support for micro-businesses (including in the other comments section). They feel that East Hertfordshire is much more active in supporting micro-businesses.

Summary and Conclusions

- 6.42 It should be noted that those responding don't necessarily reflect the District as a whole. Around 1.5-2% of businesses in Uttlesford responded to the survey 1.5-2% which is very low around means that the results could be impacted by sampling bias. However, around 83% of respondents were micro businesses which is just less than the percentage of micro-businesses in the District (~91%) and the sectoral split of respondents was representative of the District. Overall, the results should be treated with caution and should be used in conjunction with other evidence.

- 6.43 The findings of the business survey are summarised below. An assessment of how representative of the District each finding is likely to be is provided in italics.

- Traditionally office-based businesses tend to be home-based or mobile. *This is likely to be representative given the prominence of micro-enterprises in traditionally office-based sectors in Uttlesford and based on engagement with stakeholders regarding the need for small office space.*
- Most industrial premises-based businesses undertake some manufacturing type activities. *This is likely to be representative as this is the primary reason for occupying industrial premises.*
- Around 25% of businesses surveyed had a turnover of less than £25,000. Most of these were based from a home or were mobile, and around 60% were in Accommodation and food, Retail and wholesale or Agriculture. *It is likely to be a representative that most low turnover businesses are home-based or mobile (as these are micro-businesses often with 1 employees) and be in those sectors (given they are relatively low value).*
- Around a third of businesses surveyed said they were looking to expand or diversify and around two thirds expected their turnover to grow and all businesses expected employment numbers to grow. *It is uncertain whether this is likely to be representative but indicates an appetite for growth in the District which the Council should look to accommodate.*
- Around 15% of respondent businesses employed apprentices. *It is uncertain whether this is likely to be representative.*
- Key local barriers to growth include;

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- Planning system/authority – *This was a recurring theme throughout the surveys and is therefore likely to be representative.*
 - NIMBY'ism – *It is uncertain whether this is likely to be representative but given the rural nature of Uttlesford and tensions between resident and business priorities it is reasonable.*
 - Lack of rural and agricultural housing (including for seasonal workers) – *Whether this is representative is uncertain given the fact that conversion to residential in agricultural areas is prominent in Uttlesford. However, a lack of affordable rural housing supply is more likely. Both should be tested by undertaking a housing needs assessment.*
 - Lack of suitable commercial premises (including those available to purchase) – *This is likely to be representative given our commercial market assessment identified low availability of industrial properties and a low availability of quality office properties.*
 - Low supply of skilled staff – *Uttlesford has a relatively skilled population, although it is likely that a significant proportion of skilled residents are out-commuters meaning that there may be a low supply of skilled staff for business within Uttlesford.*
- Around 10-15 of the businesses surveyed said that there was not enough or not enough quality/suitable space in Uttlesford. *This is likely to be representative given our commercial market assessment identified low availability of industrial properties and a low availability of quality office properties.*
 - Around 20 of the businesses surveyed had staffing and skills needs with a particular problem of getting skilled/qualified staff. *Uttlesford has a relatively skilled population, although it is likely that a significant proportion of skilled residents are out-commuters meaning that there may be a low supply of skilled staff for business within Uttlesford.*
 - Around a third of businesses surveyed felt they were being / would be impacted by technological change or changing ways of working. A key part of this issue was around the need for better digital technology and skills. Furthermore, digital connectivity would be the key factor for businesses if they were looking to choose new premises. *Our literature review identifies that there is a lack of digital connectivity in many parts of the district and digital skills are a key issue across the UK (and are likely to be even more so in rural areas which lack physical connectivity).*
 - Around a third of office-based business in Uttlesford were in premises of less than 185 sqm whilst industrial-based business are in a mix of premises sizes. *Our commercial market assessment identifies that Uttlesford's office market is focussed on very small space whilst Industrial is more mixed (but still on the smaller side).*

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- Around 60% of businesses do not think their premises meet their current and/or future needs. *It is uncertain whether this finding is representative. However, for office space, this finding may be backed up by the fact that just 7% is of a high quality¹⁸.*
 - The need for smaller premises appears high in Uttlesford. All businesses said that that if they were to move that they would like their new premises to be about the same size or bigger. Our commercial market assessment identified. *Our commercial market assessment identifies that Uttlesford's office market is focussed on very small space whilst Industrial is more mixed (but still on the smaller side).*
 - Nearly 40% of businesses surveyed stated they would consider intensification/expansion of their existing site. *It is uncertain whether this finding is representative. However, in Iceni's experience, businesses often don't want to move but would like to expand and planning policy should accommodate this where possible.*
 - Around a quarter of businesses surveyed wanted to relocate in the next 5 years. A significant proportion of these were micro office-based/home-working businesses suggesting demand for small office space. *A demand for small office space is evidenced by our commercial market assessment.*
 - Around 7 of the businesses surveyed stated that commercial property in Uttlesford was too expensive. *Our commercial market assessment shows that industrial rents have risen sharply in recent years due to a lack of availability suggesting this finding may be representative for industrial property. Office rents have risen more gradually and are far lower than in neighbouring areas suggesting that this is less likely to be the case for offices, but may still be a significant issue.*

¹⁸ CoStar Star Rating 4-5.

7. ECONOMIC GROWTH: SECTORS AND DRIVERS

7.1 The *Uttlesford Economic Development Strategy and Action Plan 2018-21* (prepared by Uttlesford District Council in 2018) identifies a number of key sectoral groups for the District. These are as follows:

- the rural economy
- the visitor economy
- life sciences, research and innovation.

7.2 In addition, **activities linked directly or indirectly to Stansted Airport are effectively a fourth key sectoral group**; this embraces aviation, some advanced manufacturing and logistics/warehousing activities, as well as retail, hotel and other ancillary functions linked to a major airport. This sectoral group crosses over with the visitor economy. There is also crossover between the rural and visitor economies.

7.3 Furthermore, given Uttlesford's declaration of a climate and ecological emergency and the ability of Uttlesford's rural businesses to diversify (as detailed below), **the Green Economy is also likely to be a key for the District.**

7.4 This section of the report looks in more detail at the issues and opportunities related to some of these specific sectors, notably those of the rural, visitor, green and life sciences. Stansted Airport is dealt with separately in the following section.

The Rural Economy

7.5 For the purposes of this analysis rural areas are defined as all areas which are outside Built-up Areas (BUAs).

The Economic Make-up of Uttlesford's Rural Areas

7.6 An analysis of the business base (detailed above in the baseline review) shows that around 68% of Uttlesford's local business units are outside the key towns/areas of Birchanger (including Stansted Airport), Great Dunmow and Saffron Walden. Furthermore, 42% of medium and large enterprises are outside these key towns/areas.

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- 7.7 Based on IDBR data¹⁹, around 26% of employment is in rural areas and 53% is outside of the key towns/areas of Birchanger (including Stansted Airport), Great Dunmow and Saffron Walden.
- 7.8 This data shows that rural areas and rural town/villages within Uttlesford accommodate a very significant portion of economic activity within the district. Given the fact that, at a national level, productivity in the rural economy is at least 16% less than the average²⁰, the rural economy can be a weakness but also offers great potential for economic growth.
- 7.9 Some 86% of local businesses in rural areas of Uttlesford are defined as micro (less than 10 persons in employment). This drives the stronger focus on micro-businesses across the District relative to the regional and national averages.
- 7.10 Rural areas of Uttlesford accommodate diverse economic activity. The largest employment sectors in these areas are Wholesale and retail (12.9%), Accommodation and food services (12.6%), Professional, scientific and technical activities (11.7%), Manufacturing (10.1%), Administrative and support service activities (10.1%) and Construction (9.3%).

Rural Diversification

- 7.11 Rural economies are changing. Based on commuting patterns, rural areas of Uttlesford are generally home to people who work elsewhere in the district or in other districts. These residents tend to be relatively well qualified and work in high order occupations. Since the onset of Covid-19, more of these types of people have moved to rural Uttlesford and are likely to continue to do so. Given this demographic, it is likely that number of micro-enterprises in these areas is likely to increase (potentially increasing the size of the already large Professional, scientific and technical services and other similar sectors).
- 7.12 At present business formation rates are modest and business survival rates are relatively low in the district. This suggests that more could be done to support businesses in Uttlesford, particularly micro-businesses based, many of which are based in rural areas.
- 7.13 There appears to be an opportunity to diversify and grow Uttlesford's Rural Economy, however more support may be needed. One potential solution may be to focus floorspace provision of small (potentially shared) units in rural areas which offer micro businesses an alternative to working from home, particularly in relation office type premises.

¹⁹ It is recommended that BRES data is used for analysis of employment numbers. However, BRES data is not available at BUA level.

²⁰ CLA/Rural Powerhouse, Supporters Briefing

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- 7.14 There is also potential for growth of non-office-based sectors (e.g. manufacturing). Engagement with stakeholders revealed that there was a lack of workshop space (particularly incubator space for small businesses). This could be accommodated on farm premises and such units do exist although are of varying quality. Business survey respondents indicated they were looking to convert agricultural buildings to commercial (and/or residential) use. Whilst these premises can be beneficial for general space and start up space, they can also lack quality accommodation and services better located at business / industrial parks.
- 7.15 **Agri-tech, Agri-food** and Forestry-tech sectors may provide opportunity to deliver growth and support sustainable food production, maintain plant and animal health and support and enhance natural habitats.
- 7.16 The Essex Plant innovation Centre (EPIC) launched in 2019 as part of the University of Essex. EPIC's current projects include state-of-the-art robotics and AI for crop harvesting as well as developments in hydroponic systems and LED lighting for vertical farming. It is noted that the South East LEP has secured £18m for the agritech, food and drink sectors although this is focused in the Kent & Medway region. It is an initiative to drive innovation-led growth through UK Research and Innovation's flagship Strength in Places Fund. It will build upon more horticultural research undertaken at NIAB EMR in East Malling, Kent.
- 7.17 Directly north of Uttlesford, Greater Cambridge is host to the HQ of NIAB an independent, science-based crop research organisation, working across plant science, crop evaluation and agronomy. The centre includes offices, laboratories, growth room facilities and meeting rooms. The NIAB Seed Handling Unit (SHU) is located on the farm behind the HQ. Based near Soham in Cambridgeshire the Eastern Agri-Tech Innovation Hub includes a fully equipped laboratory, meeting room, office, field lab, and plenty of outdoor parking.
- 7.18 In April 2020 an appeal was dismissed for an AgriTech technology park in South Cambridgeshire, submitted originally 2017. This comprised of around 50 ha including 10ha of land for crop trials and up to 112,000 m² of employment floorspace with a mix agreed by condition of B1a office / B1b R&D / B1c light industrial - 92,000 m²; B1b laboratories - 11,800 m²; ancillary A3 / A5 - 2,000 m²; D1 - 3,000 m² D2 - 3,200 m².

The East of England is clearly an active area for Agritech and the above suggests there is further growth potential for the sector. Further specific feasibility research could be undertaken regarding this matter. *Agriculture, forestry and fishing*

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- 7.19 Approximately 97% of land in Uttlesford is agricultural²¹, most of which is arable. Agriculture, forestry and fishing makes up 6.8% businesses in Uttlesford with a LQ of 1.6 when compared to the East of England and 1.7 when compared to England as a whole. Agriculture, forestry and fishing also has an employment based LQ of 2.1. This puts Agriculture, forestry and fishing in the top three most concentrated sectors in the district by both measures.
- 7.20 At the peak of Covid-19 furloughing (July 2020), 20% of Agriculture, forestry and fishing employments in the East of England and England as a whole were on furlough. This was much lower than the all economy averages for the region and England as a whole (30% and 32% respectively). By July the following year just 3% of Agriculture, forestry and fishing employments across England were on furlough compared to an average of 6% across all sectors. This suggests that the Agriculture, forestry and fishing sector was more resilient to the impacts of Covid-19 when compared to other sectors.
- 7.21 On the other hand, CE estimates/projections of employment by industry estimate that employment in Agriculture, forestry and fishing in Uttlesford fell from around 900 in 2019 to 500 in 2020. This is backed up by ONS Workforce Jobs data for the East of England which estimates that job in the sector fell from around 43,000 in June 2019 to 25,000 in June 2020 – a similar magnitude of decline. CE data did not estimate that there would be a recovery in Agriculture, forestry and fishing jobs in 2021 and projected that there would be no recovery in the future. Conversely, ONS Workforce Jobs data for the East of England estimates that in June 2021 Agriculture, forestry and fishing jobs reached 45,000, exceeding pre-Covid levels. This points to a strong recovery of the sector across the region which is also likely to have occurred/occur within Uttlesford.
- 7.22 Based on the data presented above, the future of the Agriculture, Forestry and Fishing in Uttlesford is uncertain. These uncertainties also exist at a national level due to changes in agricultural policy. Under the EU Common Agricultural Policy (CAP) the majority of agricultural subsidy was based on the amount of land a farmer farmed/owned²² - Direct Payments under the Basic Payment Scheme. The UK is now under an Agricultural Transition Period. Between now and 2027 the government will gradually introduce paying farmers for 'public goods' (environmental improvements and maintenance) under the Environmental Land Management (ELM) Scheme whilst gradually reducing Direct Payments. Government have guaranteed that the overall agricultural subsidy funding pot will remain at current levels until 2024 (the end of the current parliament).

²¹ Uttlesford District Council (2018). Uttlesford Economic Development Strategy 2018-2021.

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- 7.23 In addition to the subsidy changes announced above, a new Farming Investment Fund will also be launched to support innovation and productivity by offering grants to pay for equipment, technology and infrastructure²³. There will also be increased investment in agricultural R&D.
- 7.24 Whilst farming and environmental groups have been broadly supportive of the new system of subsidies, farming groups are concerned about the speed of the transition period and the NFU called for a postponement of reductions to the Basic Payment Scheme planned for 2022 and 2023²⁴. The NFU believe that supply chain problems and labour shortages have made it hard for agricultural businesses to run effectively even before reductions in direct payments.
- 7.25 The National Food Strategy²⁵ states that it is not yet clear exactly how the money will be distributed making it hard for farmers to plan ahead. Furthermore, given current levels of funding are only guaranteed until 2024, if ELM payments are not sufficient for farmers to switch from conventional to sustainable farming practices they may farm more intensively to make up for lost revenue or stop farming. Finally, uncertainty regarding minimum food standards and tariffs in future trade deals may leave UK farmers unsure whether they will be undercut by those outside the UK.
- 7.26 The government states that, ‘the changes will be designed to ensure that by 2028, farmers in England can sustainably produce healthy food profitably without subsidy, whilst taking steps to improve the environment, improve animal health and welfare and reduce carbon emissions.’
- 7.27 The status of agricultural policy described above and that policy’s driving forces (productivity, climate change, the environment, food security), presents significant uncertainties, challenges and opportunities for the agricultural sector. In response, agricultural business will need to be plan ahead were possible, be responsive to threats and take advantage of opportunities to innovate. It is important that as a local authority, Uttlesford District Council, support them in doing this. Recommendations on how the Council can support agricultural (and other rural) businesses can be found in paragraphs 6.26 to 6.32 (below) and paragraph 10.7 of the Further Policy Development chapter.
- 7.28 Labour challenges also affect farming, as cited in the business survey and reported more widely in relation to the impact of the UK’s departure from the EU and the repatriation of European workers, causing increasing difficulty in recruiting general and seasonal workers, particularly given high local costs of living vs agricultural wages.

²³ <https://www.gov.uk/government/news/government-unveils-path-to-sustainable-farming-from-2021>

²⁴ <https://www.instituteforgovernment.org.uk/explainers/agriculture-subsidies-after-brexit>

- 7.29 **Digital connectivity** is vital in diversifying the rural economy - sectors such as the visitor economy need good internet to accommodate bookings and guests needs whilst connectivity is crucial in Professional, scientific and technical services as well as developing online marketing platforms for retail and manufacturing. Improving rural digital connectivity (broadband and mobile) is vital to the meeting many of the challenges and opportunities faced in the rural economy of Uttlesford. Quality mobile data coverage is required to allow in field innovations which can improve productivity and help meet climate and environmental policy requirements²⁶. More indirectly, better connectivity will help businesses – including farmers - plan find new markets, do taxes, apply for grants, collect data and relieve the need for travel. Farmers with superfast broadband are more likely to invest and expand and become more productive according to a recent NFU survey. Furthermore, two agricultural business surveyed recognised that they were needed to transition to more high tech forms of agriculture.
- 7.30 Uttlesford's Economic Development Strategy produced in 2018 stated that digital connectivity is particularly poor in rural parts of the district. In terms of broadband, business surveys backed this up – around half of businesses based at agricultural premises felt their broadband connectivity was very poor. However, Uttlesford is within the Digital Innovation Zone which aims to be the best connected are 'of its type' whilst installation of broadband is being pursued as part of the Covid Recovery Strategy for the district. **This push for digitalisation should be supported through planning policy and further emphasis should be placed on digitalisation in rural areas. More specifically, policies promoting on-farm mobile and broadband infrastructure (such as masts and fibre broadband) should be considered.** Dorset's "5G RuralDorset project" is a useful case study, being a 'ground-breaking' project to understand how next generation connectivity can help people live better, safer and more prosperous lives in rural communities, even in environments as sensitive as Dorset's UNESCO-designated world heritage coastline. The research and development project is contributing to the understanding of how 5G can be used to address some specific challenges – public safety, economic growth, food production and environmental – as well as create new opportunities in Dorset and rural communities across the UK. Emerging case studies are demonstrating the value in 5g in supporting a range of business including agriculture and aquaculture.
- 7.31 **In addition to providing digital infrastructure, it is vital to help ensure rural workers have the skills to use the technology.** This links to a need for wider skills development and the need for long-term skills programmes to help the rural economy innovate, become more productive and achieve better environmental outcomes.

²⁶ CLA Rural Powerhouse Supporters Briefing

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- 7.32 Providing **sufficient housing and affordable housing in rural areas** is vital to unlocking the potential of rural businesses. The provision of affordable homes is particularly important (across the UK only 9% of houses in rural areas are affordable compared to 19% in urban areas) to retain/attract those who want to work in traditional rural industries such as farming. Two agricultural business survey respondents were concerned about the lack of affordable rural housing in Uttlesford. One agricultural business specifically stated that accommodating seasonal staff was difficult meaning more affordable rented accommodation (or other provision) for seasonal farm workers may also be required. **It is recommended that these particular housing needs are assessed when conducting Housing Needs Assessments and that if necessary local provisions are made to increase supply (for example by introducing permitted development rights for new affordable housing on rural exception sites).**
- 7.33 **As well as providing suitable and affordable rural housing, providing high quality rural services (transport, medical digital) is also vital to attracting and retaining the rural workforce.** One such service that is likely to be important is the provision of EV charging points. This will ensure rural economies remain resilient given the lack of public transport and policy to ban the sale of petrol/diesel cars by 2030. Furthermore, EV charging points can help support diversification, for example through growth of the visitor economy. Farms on the edge of rural villages are well placed to accommodate this infrastructure.
- 7.34 Despite potential issues around a lack of rural housing, there are concerns in Uttlesford that too many redundant farm buildings are being converted to residential use as this is more profitable than converting to other commercial uses. Furthermore, some business survey respondents mentioning issues with the planning system. **The potential need for more rural housing needs to be balanced with the need for commercial development and regeneration This balance should be informed by the findings of this employment needs study and the findings of past and future Housing Needs Assessments..**
- 7.35 There is a **need to allow farmers to modernise/replace buildings, expand and diversify, both from an economic and environmental sustainability perspective.** This need has been confirmed in Uttlesford through the business survey results which suggest that a significant number of business based at agricultural premises would consider intensification/expansion. From an environmental perspective, farmers may need to modernise and replace premises to increase resource efficiency and reduce GHG emissions whilst providing optimum conditions for livestock and crops. According to the NFU, blanket environmental requirements often mean that development is refused preventing farm-based businesses from becoming more environmentally friendly and generating green growth²⁷. . From an economic perspective, 65% of farm businesses rely on diversification, which is likely to require expansion and/or re-development of buildings. The NFU argue that local planning

²⁷ NFU – Levelling Up Rural Britain

policy should be rural-proofed by engaging the rural community and considering impacts on the rural economy and the environment. Further to this, they suggest that Development Orders and Right to Build Orders could be put in place to fast track farm building modernisation and replacement. **On the whole, local planning policy should be more flexible in order to better balance local amenity with the environmental and climate objectives and the needs of the rural economy.**

The Green Economy

7.36 In 2019, Uttlesford District Council declared a climate and ecological emergency and committed to achieving net-zero carbon status by 2030 and protecting and enhancing bio-diversity. In 2011, the Essex Local Economic Assessment reported that Uttlesford had roughly twice the levels of CO2 emissions per capita in comparison to the rest of Essex: the report stated that this was no doubt in part due to the presence of London Standard Airport in the south of the district.

7.37 Key issues for Uttlesford's green economy include:

- The 2018 report of the Essex Economic Commission identified sector strengths in low carbon and renewables in Uttlesford, however the report did not elaborate on this.
- In 2011, Essex had more than 600 companies operating within the environmental goods and services (EGS) sector employing roughly 10,000 people. This was identified as a county-level strength and it provides the backdrop for the development of the sector in Uttlesford.
- Uttlesford continues to have a locally significant land-based sector which ought to be a strength in relation to the key outcomes linked to the green economy. These could potentially provide a route to local produce and a more circular economy, helpful in relation to environmental objectives.
- High levels of CO2 emissions in Uttlesford may represent an opportunity for the development of alternative fuel sources and the adoption of innovative technologies. Working from home may also represent an opportunity to reduce carbon emissions through reduced car-based commuting (although the carbon balance will depend on the housing stock and the efficiency with which it can be heated)
- The draft Uttlesford Economic Recovery Plan outlines an intention to conduct research and commission specialist expertise into sectors that offer business growth opportunities, including the green economy.
- Essex is one of the sunniest counties in the UK with an average of 1,598 hours of sunshine per year compared to the national average of 1,373. Solar farms are currently under development at two sites near Thaxted and Saffron Walden.

- Jet Zero – there is an opportunity for Uttlesford, spearheaded by Stansted Airport, to lead the way on the government’s ambition to be carbon neutral in aviation by 2050.
- Construction, which is evidently a strength in Uttlesford, has a number of green economy related opportunities most notably in terms of retrofit of properties and new build using modern methods of construction. The retrofit agenda has been set back by the short lived green homes grants scheme by government, but is likely to remain a priority given the impact on overall carbon emissions and the move for example away from gas powered boilers.

7.38 It is recognised that ‘green jobs’ are often ill defined and broadly relate to any carbon reducing activity. Local authorities have a role to play in place shaping, transport policy, social housing and waste management.

The Visitor Economy

7.39 In 2018, Uttlesford’s visitor economy represented the second most important income strand for the district after retail spending. The district’s visitor economy is best understood in relation to two main elements.

7.40 One part is centred around the historic market towns of Saffron Walden, Great Dunmow and Thaxted as well as regionally and nationally important visitor attractions²⁸.

7.41 A second element is linked to London Stansted Airport. Within Uttlesford, many of the visitor-related amenities are linked to an international airport – hotels, car parks, conference facilities, etc. Because of the Airport, large numbers of international visitors – both business and leisure-related – pass through the district. The anticipated expansion of the airport (see preceding section) will increase direct and indirect employment growth related to the airport including the visitor economy.

7.42 Key strengths/opportunities for Uttlesford’s visitor economy include:

- Town centres in Saffron Walden and Great Dunmow are a draw for many shoppers and visitors - both offer a range of independent stores, cafes and service businesses.
- The quality of Uttlesford’s natural environment is high, and there are walking routes and wildlife sites.

²⁸ Saffron Hall, Audley End House, Bridge End Gardens, Fry Art Gallery, Audley End Railway, St Mary the Virgin Parish Church, Saffron Walden Museum, Priors’ Hall Barn, Gardens of Easton Lodge, Great Dunmow Maltings, Mountfitchet Castle and Toy Museum, St Mary’s Church Stansted, Hatfield Forest, Thaxted Morris Festival, Dunmow Flitch, St Botolph’s Saxon Church, Hadstock and Chickney St Mary’s

-
- Uttlesford has regionally and nationally important arts, heritage and cultural assets and around 3,700 listed buildings.
 - Uttlesford benefits from two high quality tourism services - Visit Essex and Visit Cambridge & Beyond. There is also an award-winning Tourist Information Centre in Saffron Walden.
 - Excellent strategic transport connections including road (M11), rail (West Anglia Mainline) and air links (London Stansted Airport).
 - Uttlesford's proximity to Cambridge and London (both of which are international tourism destinations) presents a significant opportunity, particularly when linked to Uttlesford's historic assets.
 - Future investment in Stansted Airport is expected to increase the volume of international visitors passing through the district and there is potential for better coordination between Stansted and the Uttlesford hospitality economic offer and opportunity.
 - Working from home presents an opportunity for increased spend in local hospitality businesses.
 - A strategic priority of the SELEP Economic Recovery and Renewal Strategy is to support the recovery, adaptation and growth of the visitor economy.

Life Sciences Research and Innovation

- 7.43 As noted in Appendix A 'Working Paper A: Literature Review', a key local economic driver in Uttlesford is Chesterford Research Park. This is highlighted by the historic employment data. Located in the north of the District, Chesterford Research Park provides laboratory and office space for biotechnology, pharmaceutical and technology R&D companies. Current occupiers include AstraZeneca, Cambridge Epigenetix, Microbotica and Oxford Nanopore Technologies.
- 7.44 Chesterford Research Park is working closely with Granta Park, Babraham Research Park and the Wellcome Trust Sanger Institute (in South Cambridgeshire) as part of the South East Cambridge Cluster. Cambridge and South Cambridgeshire form a world leading cluster of life sciences research institutes including Addenbrookes Hospital and Cambridge University. The evidence base for the Greater Cambridge authorities suggests a very positive outlook for the life sciences sector employment growth and floorspace requirements²⁹.

²⁹ <https://www.greatercambridgeplanning.org/media/1399/greater-cambridge-employment-land-and-economic-development-evidence-study-gl-hearn-nov2020.pdf>

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- 7.45 The UK Innovation Corridor runs from London to Cambridge (and beyond) via Uttlesford. The Innovation Corridor is considered a dynamic ecosystem of “international businesses, maverick academics, ambitious start-ups, City finance and law firms”³⁰ cross-pollinating to accelerate their success. The UK Innovation Corridor Local Industrial Strategy Prospectus - a Local Industrial Strategy Prospectus for the UK’s leading tech region - was launched June 2019. There are six ‘asks’ which include *Promoting UKIC’s global leadership and excellence as the country’s key life sciences and agritech Corridor, uniquely able to compete with global competitors.*
- 7.46 Chesterford Research Park is Uttlesford’s most prominent R&D facility. The Park masterplan set out the potential for around 1m sqft for research and development uses of which approximately 300,000 sq ft of space is already occupied. Around 700,000 sqft or 65,000 sqm remains for construction of which some has planning permission. At a density of 36 sqm per FTE (GIA) this would support around 1,800 additional jobs direct. Based on growth in recent years in the sector (see preceding section) and high rates of demand for such accommodation it would be reasonable to expect that by the end of the Plan period the masterplan could have been developed in full. This would also support the out commuting pressures on the District’s workforce, providing higher wage employment and improving sustainability considering the proximity to Saffron Walden.

Issues relating to workforce skills

- 7.47 In general terms, there is increasing evidence of both labour and skills shortages which appear to be caused by the UK’s departure from the EU and the need to adjust to changing patterns of labour supply. Nationally, this is particularly apparent in low pay sectors / occupations. Within Uttlesford, activities linked to the ‘Stansted economy’ (especially routine airport functions and logistics activities) and the visitor economy may well be similarly affected. In relation to the rural economy, the agricultural and food processing sectors have also struggled to recruit and retain workers.
- 7.48 Over the medium-long term, these pressures may well lead to greater automation and, effectively, the substitution of capital for labour. The consequence could be a partial decoupling of GVA and employment growth. This in turn could shape demand for employment sites and premises – the expectation would be that firms may not seek to increase their footprint as they grow, but they may instead look for differently configured sites and premises.
- 7.49 In addition, there is much evidence to suggest that skills will need to be pivoted. There is some evidence to suggest demand for some occupations which did not exist a decade ago and commentators expect the pace of change to accelerate. A World Economic Forum report on ‘The future of skills and jobs’ observed that 65% of children entering primary school today will ultimately end up working in completely new job types that do not yet exist.

³⁰ <https://innovationcorridor.uk/about>

7.50 Across the key sectors which have been identified (rural economy; visitor economy; life sciences, research and innovation; and the 'Stansted economy'), the growth potential that exists in Uttlesford is – for the most part – dependent on an appropriate scale and mix of workforce skills.

7.51 An analysis completed by SELEP (undated, but it appears to predate Brexit) has identified key issues relating to workforce skills across the LEP area. In relation to Uttlesford's priority sectors, this suggests:

- For the visitor economy, there are already large numbers of vacancies across the area and the situation may well have been exacerbated by Brexit. There is a need for better language skills and a need to respond to structural changes within the sector.
- For professional, scientific and technical activities (including life sciences), there are large numbers of vacancies. There will also be a need for STEM (science, technology, engineering and mathematics) skills which are in short supply.
- Within the rural economy, the land based sector is also facing labour shortages and there will be a need to adapt to major changes post-Brexit
- For activities relating to Stansted Airport, the closest proxy from the SELEP analysis relates to 'transport and logistics'. This suggested vacancies in activities range from HGV drivers to forklift truck drivers, warehouse managers, etc., but a need also to anticipate the skills implications of robotics .

7.52 In addition, given the commitment to Net Zero, there is an overarching imperative to 'gear up' in relation to green skills. This imperative is cross-cutting and it relates to many different sectors – including construction and retrofitting, waste and recycling, digital and smart technology, transport and renewables. An analysis completed by MACE has suggested that demand for green skills is likely to rise rapidly over the next period. It will be important that skills providers work closely with local businesses to align existing provision to the changing imperatives for Net Zero. University of Essex, Anglia Ruskin University and Writtle University all have a key role to play, as do the various colleges of further education. Essex-wide, a Joint Stakeholder Action Plan is due for publication in December 2021 .

8. GROWTH OF STANSTED AIRPORT

The Airport and its Historic Growth

- 8.1 Stansted Airport served 3.1 million passengers in FY21 (April 2020-April 2021)³¹. This is an 88.5% reduction from FY20 (April 2019-April 2020) with 26.9 million passengers, and further reduction from a peak of over 28.4 million passengers in FY19 (April 2018-2019)³². This reflects the clear impact which Covid-19 has had on international travel.
- 8.2 Between the acquisition of the Airport by Manchester Airports Group (in 2013) passenger numbers increased from 17.8 million to 28 million in 2018 (before the onset of the Covid-19 pandemic) with associated growth in routes, airlines and employment. This means that before the onset of Covid-19, Stansted was the third busiest 'London' airport and fourth busiest in the UK overall³³. To support flights to over 200 destinations in over 40 countries, the Airport has 10,608 sqm of retail space (shops, restaurants and cafes).
- 8.3 Whilst, not facilitating particularly large volumes of cargo movements when compared to London's other airports, limited cargo capacity on long-haul passenger routes and the growth of online shopping during periods of lockdown led to a 31% increase in the volume of goods handled in FY21 compared to FY20¹.
- 8.4 Taking into account all activities at the Airport, it directly employed 13,000 people in 2018 (up from 10,200 in 2013). The Airport's operating company (Manchester Airport Group) employed an average of 1,655 FTE's at Stansted Airport in FY21, slightly down from 1,872 in FY20.
- 8.5 There have been previous phases of airport growth at Stansted. In 1985, permission was granted for the Airport (which was built in 1942 and extended in 1970) to be developed to accommodate 15 million passengers a year (over two phases). In 1991, a new terminal was opened to extend the Airport's physical capacity from two to eight million passengers a year and in 1999 the second phase of expansion was given the go ahead. In 2002, planning permission was granted to allow the expansion of the Airport to 25 million passengers a year and in 2008 the extension of the main terminal was completed. Subsequently, in 2008, permission was granted to increase the passenger limit to 35 million passengers per annum. As outlined above, growth to this maximum limit has not yet been achieved, pre-pandemic.

³¹ <https://www.magairports.com/media/1721/mahl-fy21-final-signed-12072021.pdf>

³² <https://www.magairports.com/media/1659/mahl-arfs-fy20.pdf>

³³ <https://www.stanstedairport.com/about-us/london-stansted-airport-and-mag/facts-and-figures/>

Planned and Forecast Growth

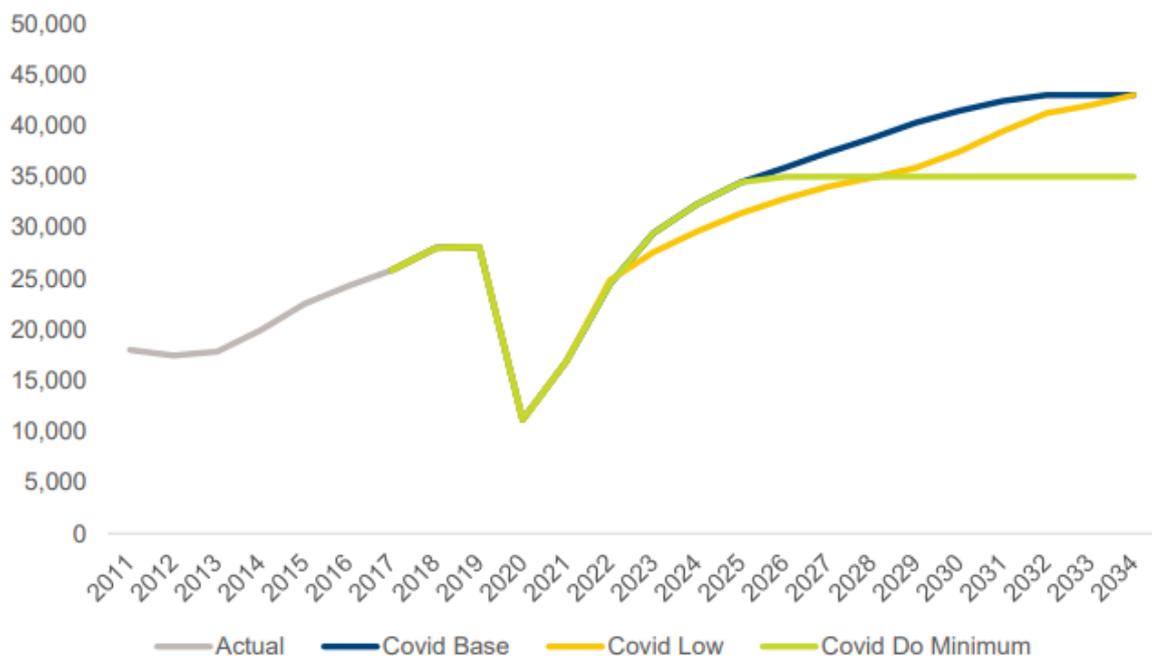
Planned Development

- 8.6 In May 2021, Stansted Airport secured planning consent (through appeal) for expansion to 43 million passengers per year. However, the existing limit of 274,000 aircraft movements is still in place and therefore the increase in passenger numbers will be accommodated by increasing the proportion of passenger flights (in relation to cargo flights) and a shift towards larger, next generation aircraft. To facilitate the increased passenger number limit, the planning consent includes provision for two new taxiway links to the runway and nine additional aircraft stands, together with highways improvements including at M11 Junction 8.
- 8.7 The Appeal decision notes that the planning consent provides airlines and other prospective investors, with greater certainty regarding the ability of Stansted to grow, secure long-term growth deals and expand their network – potentially including long-haul routes³⁴.

Forecast Passenger and Cargo Growth

- 8.8 Taking into account the impacts of Covid-19, MAG forecast that Stansted passenger numbers will grow to 35 million per year by 2027 and 43 million per year by 2032-34 if the above development described above goes ahead³⁵. In the Do Minimum case (without development and consent for over 35 million passengers per year), the Airport would reach 35 million passengers per year by 2027. The figure below, shows the forecast growth in passenger numbers without development in two cases (Covid Base and Covid Low) and in the Do Minimum case.

Figure 8.1 - Stansted Passenger Forecasts (000s)

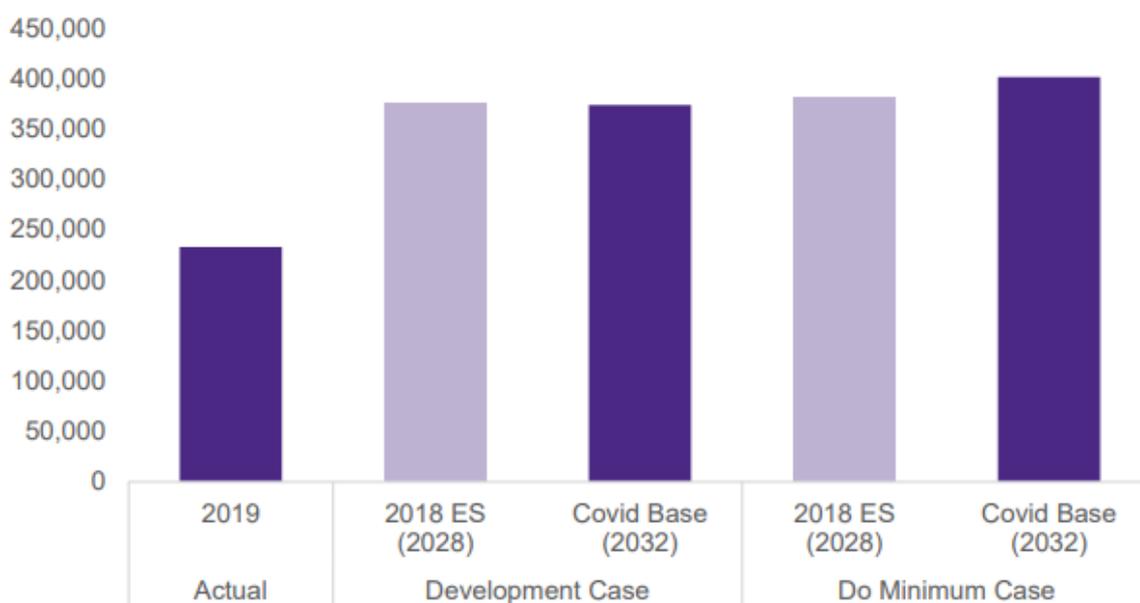


Source: Stansted Airport 35+ ES Addendum – Chapter 4 Aviation Forecasts

8.9 In the shorter-term, it is expected that it will take 3-4 years for passenger traffic to recover to levels seen before the pandemic³⁶. This is shorter than expected for other airports given the fact that it has less reliance on long-haul and business markets which are likely to see more prolonged recovery curves and (in the case of the business sector) structural change to working practices.

8.10 With development of the Airport, it is expected that cargo volumes will continue to grow, with forecast growth of 60% from 234k tonnes in 2019 to 375k tonnes in 2032. This is lower than that forecast in the Do Minimum case – 400k tonnes in 2032 – reflecting the shifting mix of flights. The figure below shows the tonnage of cargo handled at Stansted in the Development and Do Minimum case.

Figure 8.2 - Stansted Cargo Tonnage Forecasts (Tonnes)



Source: Stansted Airport 35+ ES Addendum – Chapter 4 Aviation Forecasts

8.11 The assumed split of flights in 2032 is 92% passenger (252,000), 5% cargo (15,000) and 7% other (e.g. private aviation).

8.12 The table below summarises the impact of the development of Stansted on passenger numbers, Air Transport Movements (ATMs) and cargo movements.

³⁴ Stansted is targeting further long-haul routes, building on the launch of the Dubai route, with China, the Middle East and North America being key markets

³⁵ [Report Template Blue \(hwa.uk.com\)](#)

³⁶ The base assumption being the pandemic ends in in 2021, with a two year recovery (2022-23) to return to pre-pandemic traffic levels

Table 8.1 Summary of Impact of Stansted Development on Passenger and Cargo Levels

No Development (Do Minimum)	Passengers (mppa)	ATMs (000s)	Cargo (000 tonnes)
2019	28.3	200.4	233.1
2027	35.0	245.1	286.6
2032	35.0	251.6	401.7
Proposed Development (Development Case)			
2027	37.4	257.1	290.4
2032	43.0	274.0	373.6
Impact of Proposed Development			
2027	+2.4	+12.0	+3.8
2032	+8.0	+22.4	-28.1

Source: Stansted Airport 35+ ES Addendum – Chapter 11 Socio-economics

Forecast Employment and GVA Growth

- 8.13 As part of the 2020 ES Addendum Socio-economic chapters which provided evidence in the Planning Appeal for the development of Stansted, the operational employment (and GVA) impact resulting from the expansion of Stansted Airport has been estimated (for the year 2032, when passenger numbers are forecast to peak and plateau). This estimate is based on forecast passenger growth and employment productivity (taking into account future productivity increases).
- 8.14 Three main categories of employment were considered in the ES Addendum. These are;
Direct Employment, which is split into;
- Direct On-Airport Employment – those employed at the Airport
 - Direct Off-Airport Employment – those employed in businesses whose activity is directly and solely related to Stansted Airport, but which are located outside the Airport boundary.
- 8.15 Alongside:
- Indirect Employment – employment in firms which are in the supply chain of businesses at the Airport during operation.
 - Induced Employment – employment supported by the expenditure of those employed directly and indirectly.

- 8.16 A Study Area over which the employment and GVA impacts were assessed is determined in the ES Addendum. This covers 17 local authorities across the East of England and London, including Uttlesford.
- 8.17 Indirect and Induced Employment was calculated by applying a multiplier of 0.8 to the Direct Employment. This multiplier was determined to be appropriate by Optimal Economic based on a review of regional multiplier studies and impact studies in the UK including for Airport impact studies.
- 8.18 GVA was calculated by applying the GVA per person employed in the Study Area by the amount of employment.
- 8.19 The figure below sets out the expected levels of employed and GVA generated due to the operation of Stansted Airport both with and without development in the year 2032.

Table 8.2 Stansted Related Employment & GVA in Development / Do Minimum Cases, 2023

	Without Development (Do Minimum)		With Development (Development Case)	
	Employment	GVA, £m	Employment	GVA, £m
Direct on-airport	13,300	891.9	16,300	1,095.8
Direct off-airport	500	30.4	600	37.3
Indirect & induced	11,000	737.8	13,500	906.5
Total	24,700	1,660.2	30,300	2,039.6

Source: Stansted Airport 35+ ES Addendum – Chapter 11 Socio-economics

- 8.20 Based on the table above, the figure below sets out the effect of the development on Employment and GVA by the year 2032 – i.e. the additional impacts of the development. The ES Addendum assumes that no displacement of employment (and hence GVA) will occur.

Table 8.3 Additional Impact of Development on Stansted Related Employment & GVA, 2032

	Employment	GVA, £m
Direct On-Airport	3,000	203.9
Direct Off-Airport	100	6.9
Indirect and Induced	2,500	168.7
Total	5,600	379.5

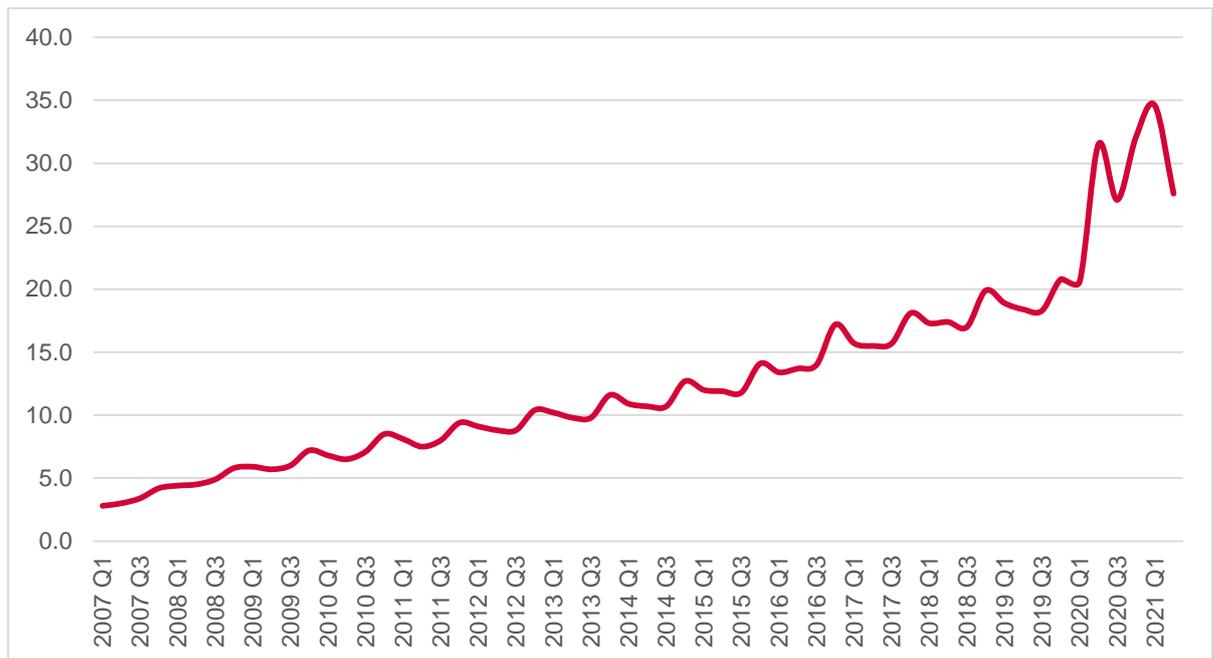
Source: Stansted Airport 35+ ES Addendum – Chapter 11 Socio-economics

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- 8.21 All of the Direct On-Airport Employment will be within Uttlesford and therefore the Additional Direct **On-Airport Employment (3,000) could therefore be used to adjust the jobs forecast for the District.** However, as these jobs will be catered for by the planned Airport development, they will not require the allocation of further employment land.
- 8.22 It should be noted that Stansted's 2019 Airport Employee Travel survey suggests that 17.4% of those employed at the Airport reside within Uttlesford.
- 8.23 The Direct-Off Airport Employment was determined to come from businesses located within Uttlesford, East Hertfordshire and Harlow. Therefore, the Additional Direct Off-Airport Employment within Uttlesford could be used to adjust the jobs forecast for the District. However, the exact split of the location of this employment was not set out in the ES Addendum. Given the fact that not all of this employment will be within offices, industrial units or warehouses, and the fact that only 100 additional jobs are spread across three districts, it is likely that the amount of further employment land needed will be negligible.
- 8.24 The ES Addendum does not estimate the amount of Additional Indirect and Induced Employment which will be in Uttlesford. However, this is likely to be significant, especially given the fact that around 17% of those employed at the Airport are likely to reside within Uttlesford and a significant amount of their spending will take place within the District. This could equate to potentially 400-500 additional jobs. Much of this will be in consumer-related and service activities which do not directly require additional employment land.

Northside

- 8.25 The airport owners, Manchester Airports Group (MAG), have brought in a development partner – Columbia Threadneedle – to bring forward development of land at Northside, on the northern side of the Airport.
- 8.26 Around 2.1million sq.ft (200,000 sqm) of principally B8 warehousing development is envisaged, driven by sub-regional/ regional growth in demand for warehousing and logistics space, influenced by structural economic trends including the shift towards e-retailing. It is expected that the early phases of development will be targeted at 'big box' logistics exceeding 100,000 sqft and possibly much larger, although later phases could be smaller units. This reflects the target occupiers as being regional / national occupiers rather than meeting the needs of local businesses.
- 8.27 Whilst the 2005 Local Plan dictates that this site should be used for Aviation related activities, Stansted Airport's owner-operators don't believe that the site is required for this use and hence it is deemed appropriate that the site is not limited to this use.
- 8.28 The chart below sets out the shift in retail spending between physical retail space and e-retailing. This structural shift has evidently resulted in a growing take-up of warehousing space which has risen to historical highs, and the expectation is that further growth in internet sales could support further growth.

Figure 8.3: Internet sales as a % of total retail sales, Great Britain



Source: ONS

- 8.29 Iceni consider that whilst Uttlesford has historically seen minimal growth of 'big box' logistics uses, this reflects a lack of available supply. The locational attributes of this site – its proximity to the M11, ability to draw on labour from a number of surrounding towns, and proximity to London as a major market for goods – mean it would be commercially attractive for these types of activities.
- 8.30 Oxford Economics, for the scheme promoters, estimate that the scheme will deliver around **2,600 net additional jobs** with associated growth in GVA of £76.6, potentially phased from 2023-30. This suggests employment densities of around 80 sqm per FTE however larger units may be closer to 95 sqm per FTE whilst smaller units could be lower. There are also expected to be temporary construction job benefits of around 1,500 temporary jobs that are likely to involve trades from around the region.

Employment Summary

- 8.31 Overall the airport's plans could generate around 3,000 direct jobs by 2032. Iceni expects that these would be spread largely across Air and Land Transport and Business Support Services and to a lesser extent Warehousing and Postal.
- 8.32 Separately, the delivery of some 200,000 sqm of warehousing (with potential further phases) is expected to deliver around 2,600 net additional jobs by 2030.

9. ECONOMIC GROWTH OUTLOOK

9.1 This section considers the employment outlook for the District to 2039. These are developed from baseline forecasts acquired from Cambridge Econometrics for the period to 2019.

Forecasts

9.2 Appendix C 'Working Paper C: Insights from employment projections prepared by Cambridge Econometrics' identifies key messages from the baseline employment projections. These are:

- Comparison of the historic patterns of employment growth in Uttlesford to those observed across the East of England and the UK between 1984 and 2019 reveals that rates of growth in Uttlesford have been consistently higher, and this is expected to continue.
- Projected patterns of employment growth in Uttlesford over the next 20 years are expected to be lower than the rates of growth observed historically: in the four five-year periods between 2019 and 2039, rates of growth are not expected to exceed 1% per annum whilst from 1991 to 2019 the growth rate fluctuated but never fell below 1%.
- In 2019, the Warehousing and Postal was the largest sector by the percentage of total employment at 4,600 (8.5%). This was followed by Construction with total employment of 4,300 (8%), Business Support Services (3,800, 7%), Education (3,700, 7%) and Food and Beverage Services (3,500, 6.5%).
- Looking ahead over the next 20 years, the sectoral profile of employment is not projected to change very much. Construction is expected to be the largest sector in both 2029 and 2039 with 10.4% and 11.2% of total employment respectively. Warehousing and Postal, with expected employment of 4,800 (8.3% of total employment) is projected to be the second largest sector in 2029 just ahead of Food and Beverage Services in third (4,000 employment, 7.3%). In 2039, these positions are expected to reverse. Business Support Services and Education are expected to take the fourth and fifth spots in 2029 and 2039 with regards to the largest sectors by the proportion of total employment with 6.7% and 6.5%, and 6.5% and 6.3% respectively.

Table 9.1 Absolute Employment in Selected Sectors, 2009 - 2039

	2009	2019	2029	2039
Construction	4,000	4,300	6,000	6,800
Education	3,900	3,700	3,700	3,800
Warehousing and Postal	3,700	4,600	4,800	4,900
Retail Trade	3,500	3,200	3,200	3,300
Business Support Services	3,000	3,800	3,800	4,000

Food and Beverage Services	2,500	3,500	4,000	5,000
Total (all sectors)	42,500	53,900	57,500	61,200

Source: Cambridge Econometrics

Alternative outlooks

- 9.3 IcenI has also undertaken detailed examination of sector performance between 2001-19 and 2011-19 in terms of year on year absolute growth and the average growth rate. The fastest growing sectors in absolute terms from 2011-19 were Other Professional Services (including R&D), Warehouse and Postal and Land Transport (followed by Air Transport). Looking back from 2001-19, these were also the fastest growing sectors (alongside education). After discounting smaller sectors (including agriculture), these same sectors have the highest average growth rates (as well as absolute growth). This suggests that these have the potential to achieve strong growth in the future.
- 9.4 When applying the 2001-19 average growth rate to the 2019 employment position we see a significant difference by 2039 in the outcomes compared to that of the CE projections in some sectors. To account for the effect of high growth rates on smaller sectors, the growth rate has been (conservatively) quartered, and jobs lost 2019-21 pandemic have been discounted to adjust for lost growth in those years. The same exercise using 2001-19 and 2011-19 absolute annual average change comes to a similar albeit slightly higher figure for Other Professional Services (including R&D) whilst the outlook for Land transport is higher.

Table 9.2 Projections of 2001-19 'fast growth' sectors vs CE forecast

	2001	2011	2019	2040 (CE)	2040 (@25% 2001-19 growth rate)	Difference
Other Professional Services (including R&D)	800	1,200	3,200	3,800	5,800	2,000
Air Transport	2,600	1,300	2,600	3,100	3,600	500
Warehousing and Postal	2,800	3,800	4,600	4,900	5,100	200
Land Transport	1,000	1,700	3,500	3,000	3,700	700
Business Support Services	2,200	2,700	3,800	4,000	4,700	700
Total (all sectors)	38,400	43,800	53,900	61,500	65,700*	5,100*

Source: Cambridge Econometrics

* adjustment applied to fast growth sectors (those listed) only

- 9.5 When compared with the East of England outlook, we find that the largest differences in the CE outlook and the recent growth trends are in Business Support Services and Other Professional Services (inc R&D), as well as Education, Residential and Social Care, Head Offices and Management Consultancy.

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- 9.6 Overall CE evidently sees notably slower growth in Business Support Services and Other Professional Services (which includes R&D) in the future compared to the past. The effect is more extreme in Uttlesford in relation to Other Professional Services (inc R&D). In Iceni's view it is likely that there is an **underestimation of the R&D sector potential** in the forecast outlook in particular, given the effect of a top down modelling technique and an inability to explore niche growth sectors such as the cluster at Chesterford in the forecast model. A similar issue is noted in the Greater Cambridge Employment Evidence³⁷.
- 9.7 It is also of note that the Air and Land Transport and Business Support Services (including car hire, cleaning, security and temping) and to a lesser extent Warehousing and Postal (which includes 'Support for Transportation' as identified by BRES) growth over the last 10 to 20 years will in part if not largely be influenced by Stansted Airport, both in direct and indirect employment terms. Their outlook may therefore be influenced by airport activities and prospects, discussed in the previous section.
- 9.8 Drawing on the overall analysis, there are a number of key factors to be considered which could lift the baseline forecasts to an alternative greater employment outcome. In order to draw this together we consider both the baseline forecasts and the planned development potential considered in previous sections of the report:
- Baseline (Cambridge Econometrics): growth of 7,600 jobs
 - Additional 2,600 warehouse related at Northside. In line with good practice³⁸, a level of displacement is assumed but this is low given there is little if any distribution of this nature in the district, so 25%, resulting in 1,950. This is presumed as additional to the baseline forecasts which report non strategic type warehouse employment.
 - Additional 1,800 R&D type jobs at Chesterford. In order to manage displacement effects these are instead of the 400 in the baseline forecast, not in addition.
 - Growth of 3,000 jobs at the airport (and 2,500 indirect / induced of which c.400 in Uttlesford). Based on the current profile of direct employment³⁹ at the airport, around 28% would be managerial / clerical, 10% security, 8% catering / cleaning and remainder in air cabin, pilot or other airside. CE reports baseline +500 jobs in Air Transport and +200 in Business Support. For the purposes of this exercise, it is considered reasonable to replace these 700 jobs with the 3,000 direct jobs growth, so +2,300 of which 20% Business Support and 50% Air Transport alongside a further 30% net additional in Professional services. There is uncertainty and little evidence related to the sector nature of the 400 indirect / induced jobs. For the

³⁷ <https://www.greatercambridgeplanning.org/media/1399/greater-cambridge-employment-land-and-economic-development-evidence-study-gl-hearn-nov2020.pdf>

³⁸ HCA Additionality Guide 2014

³⁹ STANSTED AIRPORT 35+ ES ADDENDUM P12

purpose of this exercise they are divided as net additional between Land transport, Retail, Accommodation, Food and beverage.

9.9 Taking into account the above, the full sectoral breakdown for the baseline and preferred growth scenario is set out below. The preferred scenario is recommended for policy planning purposes.

Table 9.3 Baseline and preferred employment forecasts ('000s)

	CE	CE baseline	Preferred scenario
	2019	2040	2040
Agriculture, forestry & fishing	0.9	0.5	0.5
Mining & quarrying	0.1	0.0	0.0
Manufacturing	3.2	2.6	2.6
Electricity & gas	0.0	0.0	0.0
Water, sewerage & waste	0.4	0.4	0.4
Construction	4.3	6.9	6.9
Motor vehicles trade	1.0	1.1	1.1
Wholesale trade	2.0	2.0	2.0
Retail trade	3.2	3.3	3.4
Land transport	2.7	3.0	3.1
Water transport	0.0	0.0	0.0
Air transport	2.6	3.1	3.7
Warehousing & postal	4.6	4.9	6.9
Accommodation	0.8	0.9	1.0
Food & beverage services	3.5	5.0	5.1
Media	0.5	0.5	0.5
IT services	1.0	1.2	1.2
Professional services (inc R&D)	7.6	8.6	10.4
Business support	3.8	4.0	4.2
Public Administration & Defence	1.5	1.7	1.7
Education	3.7	3.9	3.9
Health	1.4	2.2	2.2
Residential & social	2.3	2.5	2.5
Arts	0.7	0.9	0.9
Recreational services	0.6	0.7	0.7
Other services	1.4	1.5	1.5
Total	53.9	61.5	66.6

10. EMPLOYMENT LAND NEEDS

10.1 This section provides commentary on the future employment land needs by type from 2020 to 2040. It primarily considers the labour demand (baseline) scenarios provided by Cambridge Econometrics, as well as floorspace trends using VOA monitoring data. Consideration is also given to margins for flexibility, vacancy and replacement demand.

Floorspace Trend Model

10.2 Using data from the VOA, we have derived net change in floorspace trends to model a future trend based need. Three periods have been used based on an annualised average need on the last 5, 10 and 15 years change (using 3 yr rolling averages). For industrial, using the most recent trends sees a high growth in industrial floorspace due to recent increases. However for offices, historic growth has been followed by a period of little change.

Table 10.1 VOA trend forecast by historic period 2020/21-2040/41, sqm ('000s)

	Offices			Industrial		
	5yr	10yr	15yr	5yr	10yr	15yr
Uttlesford	-	-	20	220	60	60

Source: VOA

10.3 For completeness the sqm floorspace projections above have been converted to a land need on the following plot ratios:

- 0.3 for office and R&D uses;
- 0.4 for industrial uses; and
- 0.5 for warehouse / distribution floorspace.

Table 10.2 VOA trend forecast 2020/21-2040/41, ha

	Offices			Industrial		
	5yr	10yr	15yr	5yr	10yr	15yr
Uttlesford	-	-	7	49	13	13

Source: VOA

10.4 For the purpose of this exercise, IcenI considers the 2009/10 to 2019/20 (last ten years) to be the minimum period to consider for industrial modelling, as it incorporates a relatively stable period followed by a more recent faster growth period. For offices the same period is also recommended for use but under the caveat that planning for 'nil growth' is unlikely to accurately represent future needs.

- 10.5 VOA trends should not be considered in isolation as they mask the gains and losses occurring which may paint an important picture in their own right, as new workspace types replace older ones in existing or new locations. VOA records will also be influenced by space at Stansted airport, although a detailed breakdown of the make up of space is not readily available. As an alternative, the national property database CoStar has been drawn upon. Of note, CoStar reports 320,000 sqm of industrial space in Uttlesford (vs VOA 459,000 – differences are expected given different techniques in monitoring) of which 93,000 or 28% is at the airport (Taylor’s End).

Property Market Trend Model

Offices

- 10.6 Using data from CoStar, we can identify average net absorption (move ins) for office space as 19,300 sqft per annum from 2010-2020 or 1,800 sqm per annum. Projecting this forward to 2040 is 36,000 sqm of office requirement. However CoStar forecasts absorption at closer to 12,000 sqft or 1,100 sqm in the next 5 years, which may be more realistic in the future market. This would require 22,000 sqm over the next plan period.

Industrial

- 10.7 Using data from CoStar, we can identify net absorption (move ins) for industrial space as 100,750 sqft from 2010-2020 or 9,400 sqm per annum. Projecting this forward to 2040 is 188,000 sqm of industrial requirement. However CoStar forecasts absorption at closer to 20,000 sqft or 1,900 sqm in the next 5 years, which may be in part due to the constrained market. This would require 38,000 sqm over the next plan. Based on past transactions analysis some 28% is directly at the airport.

Table 10.3 CoStar trend forecast 2020/21-2040/41, sqm

	2010-20 ave p.a.	2040 needs from past trend	CoStar forecast 2021-26 ave pa.	2020-26 rolled forwards
Offices	1,800	36,000	1,100	22,000
Industrial	9,400	188,000	1,900	38,000

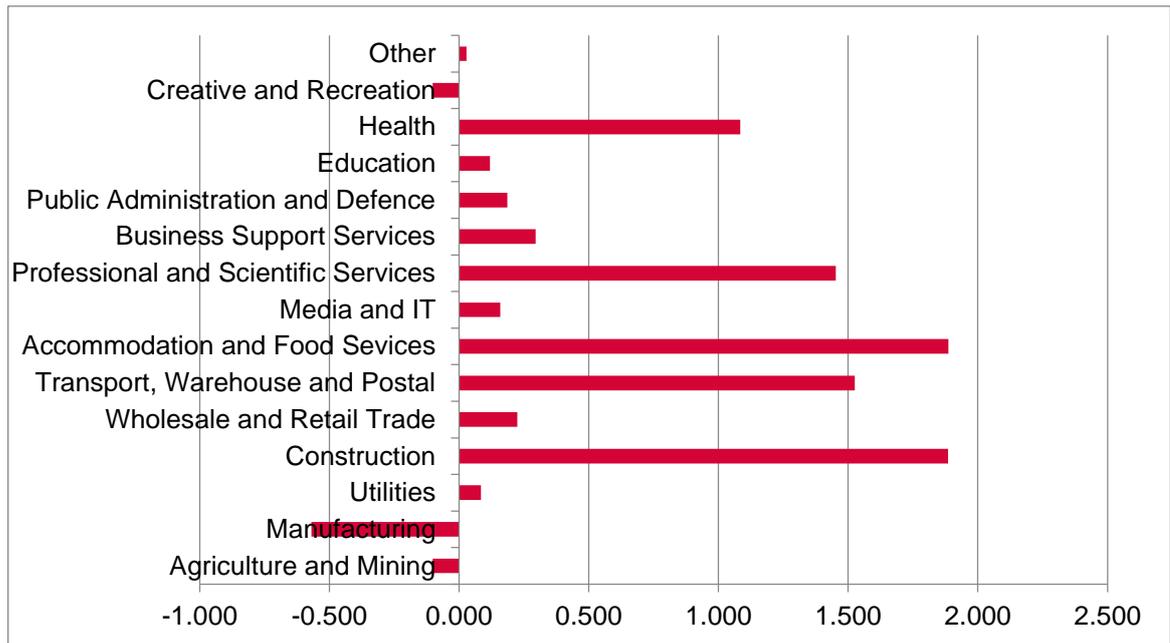
Source: CoStar

- 10.8 The above table indicates a considerable range most notably in the industrial outlook. The near-term industrial outlook as indicated by CoStar is perhaps unexpected in light of the strong market indicators in the property review section.

Labour Demand Model: Baseline

- 10.9 The baseline scenario considers the quantum of employment land required to support the growth of 8,160 jobs from 2021-39 shown in the Cambridge Econometrics **baseline** forecast. This is used as the floorspace requirements for the preferred growth scenario are already accounted for in other planned developments. The jobs change by sector is set out below:

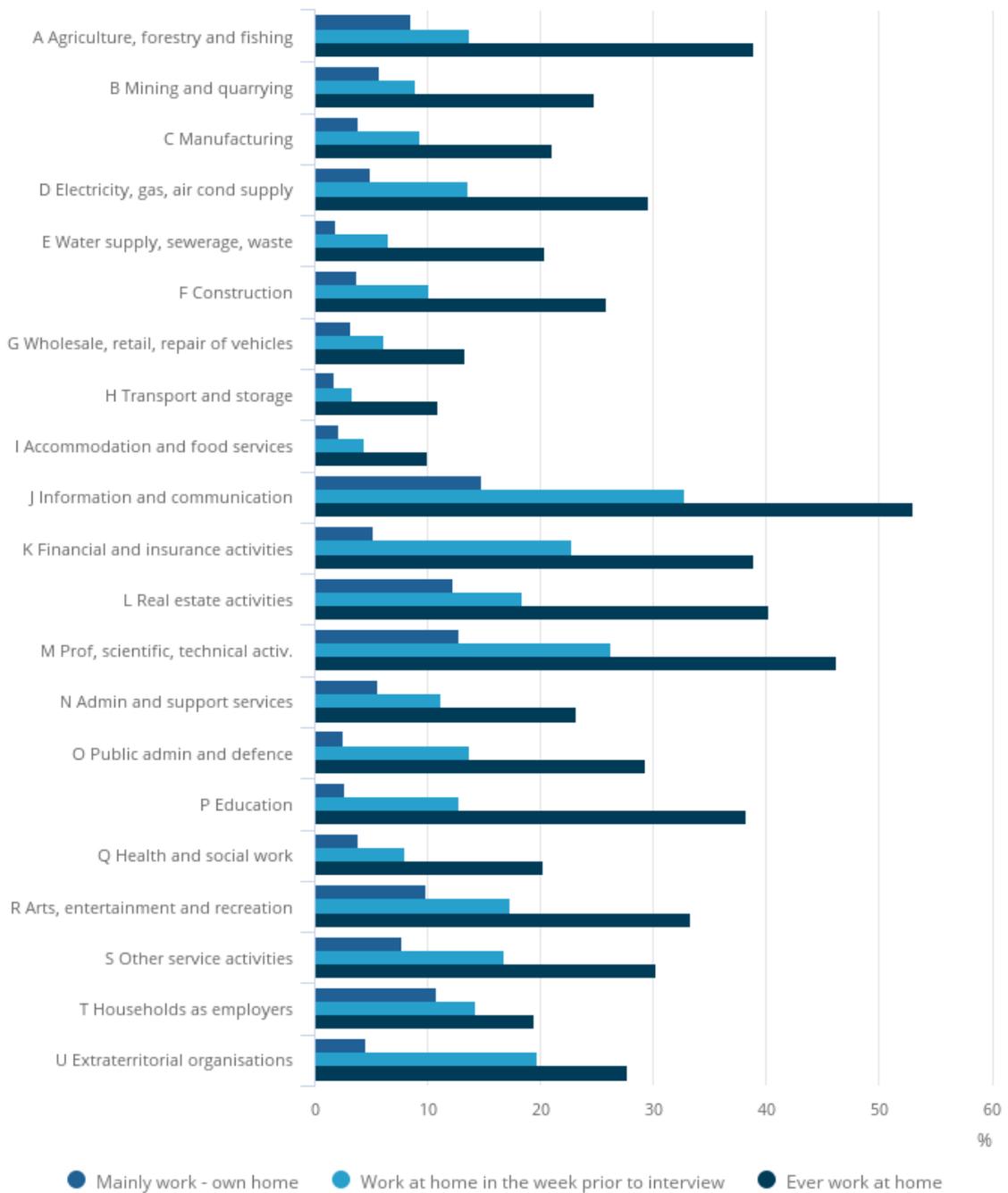
Figure 10-1: Uttlesford baseline employment change, 2021-2040



Source: Cambridge Econometrics, IcenI analysis

- 10.10 IcenI Projects has converted the forecasts for total employment by sector into forecasts for Full-Time Equivalent (FTE) employment by sector through analysis of the proportion of full- and part-time jobs in Uttlesford as of 2019 (BRES) on a 2 digit SIC sector by sector basis, aggregated up to the 45 sector forecast.
- 10.11 An adjustment has been made taking into account home working data based on 2019 as per the chart below. More recent data for 2020 during the pandemic shows increases of up to 70% home working particularly in office based sectors, however this level is not expected to continue indefinitely and is discussed further below.

Figure 10-2: Homeworking by sector 2019



Source: ONS

10.12 Icen Projects has considered the proportion of employment in each sector which is likely to take place in the various use classes.

10.13 To do this we have calibrated our standard model which relates sectors and use classes for the local economy through interrogation of the current composition of employment in key sectors. This provides an estimate of the proportion of FTE jobs in each sub-sector which are currently located on

each type of employment land (or other use class). The modelling assumes that this proportion will hold true moving forwards, which in reality will change.

10.14 This approach has been used to derive the following forecasts of net growth in FTE employment by use class over the plan period, relating to the district as a whole. This apportionment is then multiplied by the jobs growth in each sector, showing growth by class of employment. The table below sets out the 5-year band requirements. 2019-21 is included for context as it demonstrates a contraction that may allow for some employment reabsorption that would not require floorspace.

Table 10.1 FTE Job Growth by Use Class Sector, 2021-39: Baseline Scenario

Area	2019-21	2021-26	2026-31	2031-36	2036-40	2021-40
Offices Class E(g)(i)	-150	300	280	250	180	1,000
R&D Class E(g)(ii)	-180	120	110	110	80	430
Industrial Class E(g)(iii) / B2	-90	-150	-70	-70	-40	-330
Storage or distribution (Class B8)	30	100	60	60	40	260
Total of above	-390	370	380	350	260	1,360
Other sectors	-10	1,900	1,130	1,110	820	4,960

Source: Icen analysis of Cambridge Econometrics

10.15 To these figures we have applied employment densities taking account of the HCA Employment Densities Guide: 3rd Edition (2015). We have converted figures to provide employment densities for gross external floor areas on the following basis:

- Office: an average of 12 sq m NIA per employee based on a blend between business park, serviced office and general office floorspace and assuming that the gross external area of buildings is on average 25% higher than the net internal area – note that further sensitivity is run on this further below to take account of remote working practices;
- Research and development: an average of 38 sq m GEA per employee based on low density research premises and assuming that the gross external area of buildings is on average 25% higher than the net internal area;
- Light Industrial: an average of 49 sq m GEA per employee, assuming that the gross external area of buildings is on average 5% higher than the net internal area;
- General Industrial: an average of 38 sq m GEA per employee, assuming that the gross external area of buildings is on average 5% higher than the gross internal area;
- Warehouse/ Distribution: an average of 70 sq m GEA per employee.

- 10.16 Applying these employment densities to the forecasts of net growth in jobs in B-class activities, we can derive forecasts for net changes in employment floorspace. The breakdown by use class is shown below.

Table 10.2 Floorspace (sqm) requirements by Use Class 2021-40, Baseline

Area	2019-21	2021-26	2026-31	2031-36	2036-40	2021-40
Offices Class E(g)(i)	-2,300	4,500	4,100	3,700	2,700	15,100
R&D Class E(g)(ii)	-6,700	4,300	4,300	4,100	3,200	15,900
Industrial Classes E(g)(iii) / B2	-4,000	-6,400	-3,200	-2,900	-2,000	-14,500
Storage or distribution (Class B8)	2,200	7,000	4,400	4,300	2,700	18,400
Total of above	-10,900	9,400	9,700	9,200	6,600	34,900

Source: Icen analysis of Cambridge Econometrics

- 10.17 Icen has also considered a further sensitivity, reflecting changing working patterns that most particularly influence office needs. With the COVID-19 pandemic leading to most office based employees home working, it is likely that a greater rate of home working occurs in the future as a result, reducing the need for office floorspace. Whilst definitive evidence is yet to emerge, a sensitivity that reduces office need 30% is considered. Major corporates positions range from around 30% home working to complete flexibility⁴⁰.
- 10.18 The sensitivity also incorporates an adjustment for the 2019-21 period. In the case of offices and warehousing, there was a reported decline in this period followed by growth. Realistically the lost jobs can be reabsorbed without the need for new floorspace, so these are deducted from the 2021-26 requirements.

Table 10.3 Floorspace (sqm) requirements by Use Class 2021-40, sensitivity

Area	2019-21	2021-26	2026-31	2031-36	2036-40	2021-40
Offices Class E(g)(i)	-2,300	1,600	2,900	2,600	1,900	9,000
R&D Class E(g)(ii)	-6,700	4,300	4,300	4,100	3,200	15,900
Industrial Classes E(g)(iii) / B2	-4,000	-6,400	-3,200	-2,900	-2,000	-14,500
Storage or distribution (Class B8)	2,200	7,000	4,400	4,300	2,700	18,400
Total	-10,900	6,500	8,400	8,100	5,800	28,800

Source: Icen analysis of Cambridge Econometrics

- 10.19 To calculate the land requirements to support these net changes, we have applied the plot ratios as pervious.

⁴⁰ HSBC is cutting its global office space by 40%. Lloyds is cutting desk numbers by 20%. Alphabet, is developing a model where staff work three days in the office and two days from home. Facebook are allowing 'complete flexibility'.

10.20 This generates the following requirement for net additional land to support employment growth over the plan period:

Table 10.4 Labour demand net land (ha) requirements by Use Class 2021-40

Area	Baseline	Baseline sensitivity
Offices Class E(g)(i)	5.0	3.0
R&D Class E(g)(ii)	5.3	5.3
Industrial Classes E(g)(iii) / B2	-3.6	-3.6
Storage or distribution (Class B8)	3.7	3.7
Total	10.4	7.4

Source: Icen analysis of Cambridge Econometrics

10.21 The labour demand model therefore indicates a total net need range of between 7.4 and 10.4 ha of employment land need.

10.22 It is important to note that these are net changes that do not take of further matters such as a margin adjustment, which is considered further in this section below.

Comparing Labour Demand and Floorspace Trends

10.23 The table below compares the labour demand models, property models and the VOA floorspace trends for the 2021-41 period.

Table 10.5 Employment land needs 2021-2040, sqm

	Labour demand	Labour demand sensitivity	10yr VOA	CoStar historic	CoStar future
Office	15,100	9,000			
R&D	15,900	15,900			
Office and R&D	31,000	24,900	0	36,000	22,000
Industrial	-14,500	-14,500			
Warehouse	18,400	18,400			
Ind & warehouse	3,900	3,900	60,000	188,000	38,000
Total	38,800	32,700	60,000	224,000	60,000

Source: VOA / CE / Icen / CoStar

10.24 This is translated to land requirements below.

Table 10.6 Employment land needs 2020-2041, ha

	Labour demand	Labour demand sensitivity	10yr VOA	CoStar historic	CoStar future
Office	5.0	3.0			
R&D	5.3	5,3			
Office and R&D	10.3	8.3	0	12.0	7.3
Industrial	-3.6	-3.6			
Warehouse	3.7	3.7			
Ind & warehouse	0.1	0.1	13.3	41.8	8.4
Total	7.2	5.8	13.3	49.0	12.8

Source: VOA / CE/ Icen / CoStar

10.25 Evidently there are substantial differences in the outcomes when looking across the model outcomes. These are most pronounced in relation to industrial needs. Before consideration of a preferred model further adjustments are made as below.

Margin and adjustments

10.26 To provide an indication of the potential gross need for employment land in this scenario, it may be appropriate to make some allowance for frictional vacancy within employment floorspace; and provide some margin within the supply of land to provide a choice of sites.

Future vacancy

10.27 We have assumed a need to achieve a 7.5% vacancy rate within the additional floorspace for needs outlined above (mid point between 5-10%), which is what we would consider reasonable in a functioning commercial property market. A level of vacant floorspace is necessary to support turnover and improvements to stock.

Current vacancy

10.28 It is also considered appropriate to make an allowance to increase the current vacancy levels which are at a historic low of 1.8% for industrial stock. To reach a minimum 5% vacancy the current stock of 459,000 sqm needs to increase by 14,700 or around 3.3 ha (adding 25% to the VOA trend for example). For office this is not considered to be required in the current market.

Safety / flexible margin

10.29 In identifying how much land to allocate for development, we however consider that it would be prudent to include a 'margin' to provide for some flexibility, recognising:

- The potential error margin associated with the forecasting process;
- To provide a choice of sites to facilitate competition in the property market;
- To provide flexibility to allow for any delays in individual sites coming forward.

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- 10.30 We consider that it would be appropriate to make provision for a 'margin'. There are different approaches to identifying a margin, using either a number of years of past take up (ie completions, typically 5 years, or VOA trend) or a percentage of future need. Given VOA trend for offices is '0', as an alternative 10% of need is preferred for both industrial and office categories.

Replacement demand

- 10.31 Replacement demand is the requirement to replace historic stock that is falling out of functional use. Industrial and warehouse units in particular have a typical life of 30-40 years and need to be replaced thereafter, whilst offices tend to last longer and can be more readily refurbished. Therefore over time older industrial stock needs replacing. In markets where viability is weak or marginal, businesses can be trapped in old units that are unsuitable and inhibit growth. An alternative way of thinking about replacement demand is when industrial units or sites have been lost to other uses but not replaced – meaning business growth or choice is constrained. To understand what level of need this generates requires a detailed dataset on completions and losses by use class, which is not available.
- 10.32 Using market data we can draw inferences on replacement need. CoStar indicates 65% of the stock is pre 2000 and may need replacing by 2040, equivalent to 150,000 sqm. However this rate may be excessive given that many more rural businesses will rely successfully on older barn buildings or warehouses. It is therefore difficult to accurately define this level of need, however considering a replacement level of older stock of just 25% would add a further 37,400 sqm of industrial requirements.

Recommendations

- 10.33 The resulting summary of all needs elements is set out below.

Table 10.7 Employment land needs 2021-2040, sqm

	Labour demand	Labour demand sensitivity	10yr VOA	CoStar historic	CoStar future
Office	15,100	9,000			
R&D	15,900	15,900			
Office and R&D	31,000	24,900	0	36,000	22,000
Future Vacancy	2,300	1,900	0	2,700	1,650
Margin	2,700	2,300	0	3,600	2,200
Office Total	36,100	29,000	0	42,300	25,850
Industrial	-14,500				
Warehouse	18,400				
Ind & warehouse	3,900		60,000	188,000	38,000
Future vacancy	300		4,500	14,100	2,850
Margin	400		6,000	18,800	3,800
Current vacancy			14,500		
Industrial Total A	19,100		85,000	235,400	59,150
Replacement demand			37,400		
Industrial Total B	56,500		122,400	272,800	96,550

Source: VOA / CE (inputs) / Icen / CoStar

10.34 This is summarised and translated to land requirements below.

Table 10.8 Employment land needs 2021-2040, ha

	Labour demand	Labour demand sensitivity	10yr VOA	CoStar historic	CoStar future
Office + R&D Total	12.0	9.7	0.0	14.1	8.6
Industrial Total A		4.2	18.9	52.3	13.1
Industrial Total B inc. R.D.		12.6	27.2	60.6	21.5

Source: VOA / CE (inputs) / Icen / CoStar

10.35 The implication of the modelling is considered below.

Offices

10.36 The range for office needs is not substantial. It should be noted that both the VOA and CoStar will merge the office and R&D trends whereas in theory the labour demand model can separate these out. Given activity at Chesterford Research Park it is likely that R&D estimates are influencing the labour demand and CoStar models. Most activity for R&D takes places at Chesterford Research Park which already has a substantial provision via the masterplan and some permissions.

10.37 Although not displayed in the table above, the labour demand model for offices *excluding R&D* can be identified separately. This would lead to an office requirement of **11,900 - 19,000 sqm or 4.0 – 6.3 ha**. Conversely the R&D total is 19,000 sqm which is below the future capacity of Chesterford, however it has previously been noted that the forecasts are likely to underestimate the level of jobs growth potential in this sector.

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- 10.38 IcenI therefore considers the labour demand based range of 4.0-6.3 ha is a reasonable provision for the office market.
- 10.39 It is of note that the 2017 West Essex and East Hertfordshire Assessment of Employment Needs by Hardisty Jones Associates Ltd, on behalf of Epping Forest District Council, East Herts Council, Uttlesford District Council and Harlow Council, recommended a need of 2-5 ha of office land needs for Uttlesford 2016-33 (17 years) understood to be including both office and R&D. Herein the central recommendation is 4.0-6.3 ha (19 years) so at the upper end of the previous study recommendations. The 2017 Aecom Uttlesford District Employment Land Review Update indicated a need of 12,900–21,100 sqm or 2.6 – 4.2 ha for 2016-33 (17 years) which again is comparable to the current requirement rate.

Industrial

- 10.40 The range for industrial needs is very varied.
- 10.41 In the first instance IcenI is cautious about the use of the labour demand modelling for future requirements for a range of factors but most notably because capital is a productivity driver for manufacturing and related businesses, rather than labour, therefore expanding premises to drive GVA growth is separate from jobs trends. This is compounded by the replacement demand factor noted above, i.e. the need for newer premises.
- 10.42 The VOA and CoStar trends are considered the most useful models for future industrial needs. CoStar manages a complex model predicting future net gains, however the outlook in their model does not accord with the property market feedback or historic position, which suggests it under estimates needs.
- 10.43 The preferred requirements are therefore either a roll forward of the CoStar historic net trend or the VOA trend, the former evidently higher than the later. The real requirement is likely to fall between the two. **The 18.9 ha should be considered as a minimum with 27.2 ha net being a pragmatic level of growth that facilitates new premises for business over the Plan period.** A more positive outlook would be up to a more substantial 43.9 ha, being the mid point between the VOA ten year trend and CoStar ten year trend, incorporating a replacement demand factor. This reflects that the vast majority of premises are essentially full and there is justification to support business growth through new allocations. The upper end of the CoStar range (60.6 ha) is not recommended due to uncertainties in the datasets and the potential influence of airside Stansted Airport related occupations which could potentially be at Northside. However, IcenI is of the view that the development at Northside should **not** be considered suitable supply for the general industrial needs established here, given the very large nature of units which, certainly for phase one, are large scale and strategic in nature and not relating to the historic and local development patterns.

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- 10.44 The 2017 West Essex and East Hertfordshire Assessment of Employment Needs recommended a need of 22 ha of industrial land needs for Uttlesford 2016-33 or 1.3 ha per annum. Herein the central recommendation is for 27.2 ha for the 2021-40 period or a comparable 1.4 ha per annum. The more positive 43.9 ha is equivalent to 2.3 ha per annum which places greater emphasis on the increased demand for industrial premises in the area in recent years and would enable a potentially increased level of economic growth and productivity.
- 10.45 It is also of note that the 2017 report assumes a 40% rate of employment site reuse - which is not considered in the same way here, but it would be reasonable for the Council to allow for proportion of needs to be met in the same way (on existing sites) subject to reviewing monitoring and completions data. Factoring this element in essentially accounts for the difference between the 43.9 ha and the 27.2 ha herein (although this should be examined in more detail when monitoring data is available) again reinforcing that a net additional provision of 27.2 ha is appropriate.
- 10.46 The 2017 study also suggests a further 2,100 jobs are required to rebalance the labour market (section 4.5). Any provision for employment land above the 27.2 ha in Uttlesford could be considered to be supporting this requirement, meanwhile other FEMA authorities may be best placed to provide office type provision for this additional need should the market still require it at this time.
- 10.47 The 2017 Aecom Uttlesford District Employment Land Review Update indicated a need of 2.5 – 10.5 ha for 2016-33 (17 years). This is considered too low to reflect the long term needs of businesses in Uttlesford taking into account the current constraints in the market.

Qualitative needs

- 10.48 The following considerations are provided in terms of spatial and qualitative requirements:
- 10.49 Existing employment sites in the District are mainly catering for industrial premises (rather than office) - as the VOA analysis shows – and this is really the more substantive market. The office market is modest in scale, localised and focused on SME occupiers. There is little market for larger corporate offices.
- 10.50 Currently there is little in the way of larger firms/premises, and the economy is very focused on local SMEs businesses (outside of the airport). This is true of both the industrial and office markets, with the office market in particular focused particularly on small businesses.
- 10.51 In the short/medium-term the industrial market outlook is strong. Property agents report that attractive locations for new development will be those which are located close to / accessible from the M11 and A120, and which are at/ close to the main settlements as centres of population. This is supported by the historic transactions data, being focused at around Stansted, Great Dunmow and Saffron Walden. Vacancy rates overall are very low at 1.8% with a clear need to bring forward new space in markets across the district in the short-term.

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- 10.52 Great Dunmow has the strong local industrial market with a range of local businesses. Across the industrial estates in the Town there is very limited vacant premises, and almost no vacant development land. Substantial residential growth is coming forwards, with a lot of consented residential development, and there is a need to bolster the employment role of the settlement to support sustainable development through managing commuting. We consider that the allocation of 5-10 ha or more of employment land would be justified.
- 10.53 Saffron Walden is the largest settlement. This is less well located with respect to the strategic road network. Nonetheless, given the size of the settlement there is limited existing employment land provision – with current provision focused on the Shire Hall Industrial Estate. The allocation of some additional land (c. 2-4 ha) would therefore be warranted through the Local Plan having regard to current provision and to support sustainable development.
- 10.54 There are then employment sites and premises located across a number of other settlements and villages, and in rural locations. Locations with a greater level of provision include Takeley and Elsenham; or Great Chesterford and Clavering (relative to their size). In contrast there is limited provision in some other settlements, such as Thaxted or Felsted. Historic take-up data shows a strong preference for industrial type business to be located up to 5 miles from Stansted where it can access the M11, population centres at Bishop's Stortford and supply chain and business benefits of Stansted Airport. The economic potential of the airport should not be underestimated and many if not most UK airports are able to catalyse industrial and business parks in their proximity. Further industrial and business space should be considered for allocation in this area, beyond Northside.
- 10.55 The office market is focused on SME businesses. Demand is more modest and the market generally slower than is the case for industrial. Proposals for major HQ office development at Trisail Towers, Gaunts End, have not come forwards in part due to the design and location of the scheme. However larger corporate office requirements are more likely to gravitate towards the region's larger / more established commercial centres. Harlow's growth may strengthen its role. Existing office schemes tend to therefore be smaller scale, and focused on providing for local SME businesses. The build-out of these has however been slow in some instances – with for instance further phases of development potential at Thremhall Park and Stansted Courtyard having extant consent.
- 10.56 Given competition from larger and more established centres in surrounding areas, we see limited role for corporate offices. The Council should however look to maintain a supply of good quality, SME space to support local business formation and growth. To do so may however require public sector intervention and support to overcome viability challenges. There is a greater density of schemes in the south of the District, including Thremhall Park, Stansted Courtyard and Sion Park. The Council could appropriately target provision initially at boosting provision in the main urban centres of Saffron Walden, Great Dunmow and Stansted Mountfitchet. There are a range of potential options to do so, including repurposing retail space.

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- 10.57 Great Chesterford Research Park is somewhat unique and has developed as an important site for biology and life sciences, with a range of existing occupiers in this sectors on a secure site which is accessible from Cambridge and sits within the wider Cambridge/South Cambridgeshire bio-tech cluster. This is a key higher value sector with growth potential, with the (model-based) forecasts showing a modest need land which could be accommodated within the existing allocation. However there is a good case for the allocation of additional land at the site to provide larger plots which are capable of attracting investment from biotech businesses looking to establish a campus. There is the potential for international inward investment in this regard. There does not appear to be evidence indicating potential for R&D / life sciences growth outside of Chesterford, which in itself links strongly into the Greater Cambridgeshire life sciences cluster. Expansion of the existing park is considered to be the best opportunity to grow this sector in the district.
- 10.58 Industrial take-up in the District has been constrained by supply historically, with the lack of progress with local plans influencing this. This means recorded take-up is focused on smaller units influenced by the nature of development opportunities and profile of existing units. There is however wider, strategic sub-regional market demand for larger industrial and particularly warehousing/logistics premises at locations which are accessible from the strategic road network. Stansted Northside in particular provides the potential to accommodate a component of strategic (as opposed to local) demand which is over and above the forecast needs.
- 10.59 In more rural settlements, there is a case for some flexibility within the policy approach to allow the in situ expansion of existing businesses onto adjoining land where they out grow existing employment sites; and to facilitate employment redevelopment of redundant agricultural buildings.
- 10.60 The overall strategy for employment however needs to relate to the broad spatial development strategy for the District, with the potential for strategic development locations to deliver appropriate employment space alongside residential to support vibrant places, daytime population and sustainable travel. The scale and phasing of growth at strategic development locations will be influenced by their size and location. The employment strategy for such locations will need to evolve in an iterative way as the option generation and appraisal process develops and the preferred strategy emerges. It is however reasonable for a proportion of the district's employment needs to be met in these locations; alongside existing settlements which have an existing concentration of population, businesses and local services.

11. FURTHER POLICY DEVELOPMENT

11.1 This section considers the following matters:

- Best practice policy development in rural districts to support a strong rural economy
- The role of village and rural locations in meeting employment site needs.
- The role of neighbourhood plans in bringing forward employment land
- Planning policies that can widen the benefits of employment growth to surrounding communities
- Advice on the impact of market rents on businesses and models for provision of affordable business space that could be secured through planning policy.

Best practice policy development in rural districts to support a strong rural economy

11.2 Uttlesford is a primarily rural area. This is a straightforward reflection of its settlement morphology and the fact that its largest settlement, Saffron Walden, has a population of under 20,000 people. By definition therefore, Uttlesford has a largely rural economy and Uttlesford is rightly regarded as a rural district. However it is important to acknowledge that Uttlesford is well-connected – by road and rail to London and Cambridge; by road to Colchester and the east coast ports; and by air to destinations around the world. It also has an economic structure that does not differ greatly from that of areas with a stronger urban character: While Uttlesford has more micro businesses and both a land-based sector and a visitor economy, the bulk of employment is in sectors and businesses that are not intrinsically rural. Uttlesford differs therefore from ‘deeply rural’ districts – such as Torridge in Devon or perhaps North Norfolk – whilst sharing some of the same spatial attributes. ‘Best practice’ in relation to policy development in rural districts therefore needs to be understood in this context.

11.3 Various reviews of rural planning policy have been completed and elements of these are relevant to Uttlesford. The Scottish government, for example, published a comprehensive review of the evidence to inform the next iteration of Scotland’s National Planning Framework⁴¹. This considered, *inter alia*, how planning policy can support strong and vibrant rural communities and economies. It argued for a nuanced approach, based on a rural typology that needed to be quite granular and recognising that remote and sparsely populated areas have policy requirements that are quite

⁴¹ *Rural planning policy to 2050: Research to inform the preparation of NPF4* Report by Chris Dalglish (Inherit) and Angus Dodds, Debbie Mackay and Hannah Belford (Savills), published by the Scottish Government, January 2020

different from those surrounding better-connected rural areas. At one level this is self evident, but at another, it is important: the rural 'label' needs to be used with some reflection and care.

11.4 Some of the findings from the evidence review conducted for the Scottish Government are germane. Mirroring what has been observed in Uttlesford, it found that “*general changes to the rural economy, often associated with the decline in relative importance of the land based industries and the rise of the service sector, are creating challenges and opportunities across all rural areas. Small and micro businesses are more significant in a rural context than larger scale industries*”. Its recommendation in response was that “*Supporting small businesses to survive and grow is essential for rural areas. Particular recognition should be given to the retention and attraction of value-adding processes in rural areas*”.

11.5 What this means in practice will inevitably vary from place to place, but two suggestions resonate strongly with Uttlesford’s particular circumstances as described earlier in this report:

- First, there may well be a case for the greater provision of small business units. This reflects both the high incidence of microbusinesses across a broad spectrum of sectors, but also a concern that innovation needs to be encouraged. ‘Hubs’ of small business units could be part of the solution. In practice, schemes of this nature often struggle in terms of viability and consideration would therefore need to be given to *how* they might be delivered, which may well involve public intervention or management of such facilities, but their role can be important – both in direct and indirect (and possibly intangible) terms.
- Second – and related – the report for the Scottish Government argues for “*a more permissive approach allowing for the gradual expansion of home working activities across all rural areas until they reach a size where they can justify the cost of renting specific premises*”. It suggests further that “*live/work interlinked facilities should be catered for by the planning system in order to attract new incoming workers and business facilities that allow people to meet and collaborate*”⁴². There is evidence that Uttlesford has seen a growth in home working; this preceded the pandemic but has been accelerated by it. In this context, a proactive approach to live/work provision would appear to be consistent with the district’s economic ambitions.

11.6 More broadly, it is important to recognise that at a local level, there are very close inter-relationships between housing, local services and community viability – and the links between all three affect the vibrancy or otherwise of local rural economies. Therefore in seeking to design a policy to support a strong rural economy, consideration also needs to be given to these different dimensions. SQW completed a long term evaluation of Defra’s Rural Growth Network Pilot Initiative – a programme that was designed fundamentally to stimulate rural economic growth. One of the key findings from it was the importance of what might be described as ‘pre-enterprise support’ – i.e. building networks

⁴² Ibid. page 124

between individuals (often women) who might be interested in setting up a small business and giving them the confidence (and to some extent the tools) to do so. In truth, this was closer to a community-level intervention than a strictly economic one, as conventionally defined, yet it appeared to make an important difference. It effectively strengthened networks within communities which were, in some respects, the catalysts for economic activity and, prospectively, economic growth⁴³.

11.7 Finally, it is important to recognise that the two key sectors which have sometimes been synonymous with the rural economy also need appropriate and supportive policy frameworks:

- In relation to land-based activities, this means a policy framework that is supportive of both diversification (linked to the re-use of, for example, redundant farm buildings) and intensification/movement along the value chain (e.g. through the provision of small manufacturing/production sites).
- For the visitor economy, the issues are more complex, particularly given the links to the housing market. However the intention ought to be to support sustainable forms of tourism (particularly where there are (or could be) strong local supply chains) and to plan for an appropriate local infrastructure for the visitor economy (linking to town centres in Uttlesford in particular, but also recognising the significance of heritage attractions).

The role of neighbourhood plans in bringing forward employment land

11.8 Uttlesford has 9 designated Neighbourhood Plan Areas and 4 made Plans, although none appear to have allocated employment sites.

11.9 Neighbourhood Plans enable communities to take charge in deciding the future of the places where they live and work. They can be used as a tool to help identify suitable sites for employment land. The development of Neighbourhood Plans in Uttlesford provides an opportunity for the designated Neighbourhood Areas to include policies and allocations for employment land. There are numerous examples of adopted Neighbourhood Plans across the country that do this. This would typically be expected to protect or support local business providing services or employment particular to that area. The stakeholder engagement undertaken suggests there is an appetite to develop employment sites however, based on past experience, Iceni is also of the view that Neighbourhood Plans can in some instances seek to release employment land particularly where this enables housing development that might otherwise occur on greenfield sites. Overall, the contribution of Neighbourhood Plans to the employment land process is expected to be modest.

⁴³ Final evaluation of the Rural Growth Network Pilot Initiative – Final Report prepared by SQW, published by Defra May 2016

Planning policies that can widen the benefits of employment growth to surrounding communities

- 11.10 Planning policy can be applied to new developments where there are opportunities to provide apprenticeships or training thus raising skills and attainment and supporting people into higher paid employment, potentially connecting employers and employment opportunities to local schools, colleges, training organisations and voluntary services. It seems reasonable to include such policies as a matter of course to encourage local skills and employment development and should generate little burden on the developer / contractor.
- 11.11 There are a number of authorities in London and the South East that have effectively adopted example policies. Lambeth, Reading and Barnet have set out a policy requirement (as part of Section 106 planning obligation) to access employment opportunities created by the development. This includes creating apprenticeships, using local labour supply and providing training for young people – and where initiatives could not be met in developments, a financial contribution would be considered.
- 11.12 Each Council has created a supplementary planning document (SPD) outlining the context and justification of the requirement. The SPD requirements are outlined below.

London Borough of Lambeth

- 11.13 In order to address Lambeth's high out-of-work benefits, skills shortages and high youth unemployment, Lambeth Borough Council's Employment and Skills Planning Obligations SPD sets out the planning obligations which will be sought from developers:
- 11.14 Provision of apprenticeships for Lambeth residents aged under 25, with the expectation that one new apprentice would be capable of being generated by every 1,000 sqm of development or every 10 residential units provided,
- 11.15 Provision of employment opportunities in the end-user phase which have appropriate support to make them suitable for long-term unemployed Lambeth resident(s),
- 11.16 Provision for notification of job vacancies, arising from both construction and end-use occupation, to the council or any other agency nominated by the council;
- 11.17 Provision for delivery of bespoke pre-employment and skills training for Lambeth residents that will provide them with the skills to access the jobs that are being created.

Reading Borough Council

- 11.18 Reading Borough Council's Employment Skills and Training SPD recognises that the skills and education of the labour force is crucial to the economic viability, flexibility and competitiveness of the

local economy. The Council has a requirement for S106 planning obligations to develop a site-specific Employment and Skills Plan (ESP).

11.19 The ESP's should cover the following outcomes (both construction and end use phase):

- Number of apprenticeships,
- Employment and training initiatives,
- Training and work experience for younger people, including those who are not in employment, training or education,
- Best endeavours to maximise local labour;
- Local procurement agreement - potential for local businesses to be included in tender list.

London Borough of Barnet

11.20 Barnet's 'Delivering Skills, Employment, Enterprise and Training from Development through S106' SPD establishes the use of Local Employment Agreements (LEA) as a mechanism to deliver employment opportunities generated by construction and end uses jobs.

11.21 In the LEA, the developer is expected to set out its approach to forecasting job opportunities, notification of job vacancies, local labour target, jobs brokerage and skills training, apprenticeships and work experience, use of local suppliers and delivery of specific LEA targets.

Advice on the impact of market rents on businesses and models for provision of affordable business space that could be secured through planning policy.

11.22 The market analysis and business engagement undertaken by Icenii has identified a floorspace affordability issue in the office and employment market in Uttlesford particularly relating to better quality spaces. The workspace market can be difficult for micro-enterprise and SME's to enter. As noted elsewhere, there appears to be a role for the public sector in developing and managing smaller quality units which the market can find it difficult to achieve viably.

11.23 Affordable Workspace can be defined as workspace that has a rental value below the market rate (generally, 80% of the market rate or less). The lower rates mean that occupation tends to be feasible for small or start up enterprises. Therefore, by providing affordable workspace it can help local entrepreneurs and firms to have security and to be protected from rising rents and displacement.

11.24 London authorities and the GLA provide good examples of planning policies that seek to secure affordable workspace. These use Section 106 agreements in order to deliver affordable workspace. Examples are outlined below.

London Plan 2021

- 11.25 The London Plan includes policies to provide new affordable workspace based on evidence that the city is running short of industrial and lower-cost office space and disproportionately affecting micro firms and other SMEs.
- 11.26 Policy E2 (D) addresses this by securing a supply of space by needing to “consider the scope to provide a proportion of flexible workspace or smaller units suitable for micro, small and medium-sized enterprises” for larger commercial proposals above 2,500 sqm.
- 11.27 Policy E3 has an explicit focus on affordable workspace stating that “in defined circumstances.. planning obligations may be used to secure affordable workspace (in the B Use Class) at rents maintained below the market rate for that space.” Specific circumstances are required including where “affordable workspace would be necessary or desirable to sustain a mix of business or cultural uses which contribute to the character of an area” and that “Boroughs, in their Development Plans, should consider detailed affordable workspace policies in light of local evidence of need and viability.”

Islington Local Plan Strategic and development management policies (2019)

- 11.28 The provision of affordable workspaces in Islington is secured through the Section 106 agreements. The Council’s evidence has shown that the affordable workspace market has failed in Islington. Their intervention has reportedly secured 4,000 sqm of office and workshop space in commercial development now being let to local entrepreneurs and starts-ups at genuinely affordable rents.
- 11.29 Policy B4: Affordable workspace provides area specific guidance on where 10% of affordable workspace must be included for employment developments over 1,000 sqm, leased to the council for a peppercorn rent for 20 years and managed by a council approved Workspace Provider. Rental values for end occupiers will ultimately depend on the quality of space and its location. All proposals which provide affordable workspace must prepare an Affordable Workspace Statement.

Tower Hamlets Local Plan (2020)

- 11.30 The impact of permitted development rights and the general shortage of industrial property in the borough has disproportionality affected the ‘affordable’ end of the property market; including being attractive to local SME firms. Without explicit policy it is thought that it would be unlikely the borough could secure space below the market rent.
- 11.31 The local plan details in policy D.EMP2 that “4. Within major commercial and mixed-use development schemes, at least 10% of new employment floorspace should be provided as affordable workspace.”

12. SUMMARY AND RECOMMENDATIONS

12.1 The key findings and recommendations of the report are set out below:

Baseline

12.2 The evidence suggests that **Uttlesford has seen relatively rapid employment growth in recent years**, out performing surrounding areas in comparative terms.

12.3 The Covid-19 pandemic has affected the local economy in the short-term but the claimant count in Uttlesford – which stood at 4.4% in May 2021 – remains below regional and national averages.

12.4 The **largest sectors in Uttlesford** by the proportion of total employment in 2019 were: Transportation and Storage (19.6%), Professional, Scientific and Technical Services; and Wholesale and Retail Trade (both 10.9%). Other sectors that recorded greater than 5% of total employment included Accommodation and Food Service Activities (8.7%), Manufacturing, Administration and Support Services and Education (all of which accounted for 6.5%).

12.5 **Uttlesford is home to a high proportion of micro-enterprises** and a lower proportion of small, medium-sized and large enterprises when compared to the East of England and England as a whole. There are a lot of medium-sized enterprises in the Transportation and storage, Wholesale and retail trade, and Construction sector and Manufacturing in Uttlesford.

12.6 In terms of **spatial distribution**, Saffron Walden and Great Dunmow are home to just over a quarter of **business units** in Uttlesford. Rural areas accommodate nearly a third of units. Birchanger (including Stansted Airport) is home to 60% of large business units in Uttlesford. **Around a third of employment in Uttlesford is within Stansted Airport and its environs**. Around three quarters of employment in this area are in Transportation and storage and Accommodation and food services. **Rural areas and Small Towns/Villages accommodate around 40% of employment in Uttlesford**.

Property market

- 12.7 **Office** demand is focused generally on local SME businesses and particularly space of up to 20,000 sq.ft. The market is difficult at the time of writing (July 2021) influenced by Covid-19. It is reported that that outstanding requirements are all for small and medium-sized units, with little demand for larger HQ office space. Rents around Stansted Airport achieve around £19 psf which is below viable for speculative development. The new-build office scheme at Tristal Towers has been on the market for five years, but appears unlikely to come forwards in the short-term given viability challenges.
- 12.8 The local market in Saffron Walden is focused typically on units of 500 – 1,500 sq.ft.. Some inquiries from small businesses are reported, for satellite offices instead of commuting to London or Cambridge.
- 12.9 A lack of **industrial supply** is noted in Uttlesford and more generally within 10 miles of Bishops Stortford with a 98% occupancy level within the industrial market. Demand outstrips supply and there is a need to bring forward new development. Within a 10 mile radius of the Airport, agents report significant requirements. There is demand for industrial space in a range of small, medium and large size bands across the District including from established manufacturing businesses in the District. Additional supply is needed, particularly close to M11 Junction 8, which is the area of strongest occupier demand. Demand exists for smaller rural premises across the district and around the smaller towns and villages.

Business survey

- 12.10 The finding of the business survey (83 respondents) can be summarised as follows, reflecting those responding necessarily than the District as a whole:
- Around a third of businesses surveyed said they were looking to expand or diversify and around two thirds expected their turnover to grow and all businesses expected employment numbers to grow.
 - Key local barriers to growth include: Planning system; Lack of rural and agricultural housing (including for seasonal workers); Lack of suitable commercial premises (including those available to purchase); and Low supply of skilled staff.
 - Around a third of businesses surveyed felt they were being / would be impacted by technological change or changing ways of working. A key part of this issue was around the need for better digital technology and skills. Furthermore, digital connectivity would be the key factor for businesses if they were looking to choose new premises.
 - Around 60% of businesses do not think their premises meet their current **and/or** future needs.

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- Around a quarter of businesses surveyed wanted to relocate in the next 5 years. A significant proportion of these were micro office-based/home-working businesses suggesting demand for small office and light industrial space.
 - Around 10-15 of the businesses surveyed said that there was not enough or not enough quality/suitable space in Uttlesford. Around 7 of the businesses surveyed stated that commercial property in Uttlesford was too expensive.

The Rural Economy

12.11 This data shows that rural areas and rural town/villages within Uttlesford accommodate a very significant portion of economic activity within the district. There appears to be an opportunity to diversify and grow Uttlesford's Rural Economy.

- One potential opportunity may be to focus **floorspace provision of small (potentially shared) units in rural areas** which offer micro businesses an alternative to working from home, particularly in relation to office type premises. There is potential for growth of non-office-based sectors (e.g. manufacturing). Engagement with stakeholders revealed that there was a lack of workshop space (particularly incubator space for small businesses). This could be accommodated on farm premises and such units do exist although are of varying quality.
- **Agri-tech, Agri-food** and Forestry-tech sectors may provide opportunity to deliver growth and support sustainable food production, maintain plant and animal health and support and enhance natural habitats.
- **Digital connectivity** is vital in diversifying the rural economy - Uttlesford's Economic Development Strategy produced in 2018 stated that digital connectivity is particularly poor in rural parts of the district.
- Providing **sufficient housing and affordable housing in rural areas** is vital to unlocking the potential of rural businesses.
- There is a **need to allow farmers of modernise/replace buildings, expand and diversify, both from an economic and environmental sustainability perspective.**

The Green Economy

12.12 Key issues for Uttlesford's green economy include:

- Uttlesford continues to have a locally significant land-based sector which ought to be a strength in relation to the key outcomes linked to the green economy. These could potentially provide a route to local produce and a more circular economy, helpful in relation to environmental objectives.

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- Essex is one of the sunniest counties in the UK with an average of 1,598 hours of sunshine per year compared to the national average of 1,373. Solar farms are currently under development at two sites near Thaxted and Saffron Walden.
 - Jet Zero – there is an opportunity for Uttlesford, spearheaded by Stansted Airport, to lead the way on the government’s ambition to be carbon neutral in aviation by 2050.
 - Construction, which is evidently a strength in Uttlesford, has a number of green economy related opportunities most notably in terms of retrofit of properties and new build using modern methods of construction. The retrofit agenda has been distorted by the short lived green homes grants scheme by government, but is likely to remain a priority given the impact on overall carbon emissions and the move for example away from gas powered boilers.

The Visitor Economy

- 12.13 In 2018, Uttlesford’s visitor economy represented the second most important income strand for the district after retail spending . The district’s visitor economy is best understood in relation to two main elements: One part is centred around the historic market towns of Saffron Walden, Great Dunmow and Thaxted as well as regionally and nationally important visitor attractions; A second element is linked to London Stansted Airport.

Life Sciences Research and Innovation

- 12.14 A key local economic driver in Uttlesford is Chesterford Research Park which provides laboratory and office space for biotechnology, pharmaceutical and technology R&D companies. Current occupiers include AstraZeneca, Cambridge Epigenetix, Microbiotica and Oxford Nanopore Technologies.
- 12.15 Chesterford Research Park is Uttlesford’s most prominent R&D facility. The Park masterplan set out the potential for around 1m sqft for research and development uses of which approximately 300,000 sq ft of space is already occupied. Around 700,000 sqft or 65,000 sqm remains for construction of which some has planning permission. It would be reasonable to expect that by the end of the Plan period the masterplan could have been developed in full.

Stansted Airport

- 12.16 In May 2021, Stansted Airport secured planning consent (through appeal) for expansion to 43 million passengers per year. Additional Direct On-Airport **Additional employment of 3,000 is expected in the Plan period.** Potentially 400-500 additional jobs could be created through indirect and induced employment.

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- 12.17 The airport owners, Manchester Airports Group (MAG), have brought in a development partner – Columbia Threadneedle – to bring forward development of land at **Northside**, on the northern side of the Airport. Around 2.1million sq.ft (200,000 sqm) of principally B8 warehousing development is envisaged. It is expected that the early phases of development will be targeted at ‘big box’ logistics exceeding 100,000 sqft and possibly much larger. This reflects the target occupiers as being regional / national occupiers rather than meeting the needs of local businesses. Oxford Economics, for the scheme promoters, estimate that the **scheme will deliver around 2,600 net additional jobs**.

Economic Growth outlook

- 12.18 IcenI has considered baseline forecasts by Cambridge Econometrics which report 61,500 jobs by 2040 from a start of 53,900 in 2019. Based on potential developments at Stansted Airport, Northside and Chesterford Research Park, IcenI is of the view that employment could reach 66,600 by 2040 and that this is a more realistic figure.

Employment Land Needs to 2040

- 12.19 **For offices** IcenI therefore considers a range of 4.0-6.3 ha is a reasonable provision for the office market based on a labour demand model and taking into account a discount for R&D premises growth.
- 12.20 For industrial 18.9 ha should be considered as a minimum with **27.2 ha net being a recommended pragmatic level of growth** that facilitates new premises for business over the Plan period. A more positive outlook would be up to a more substantial 43.9 ha. This reflects that the vast majority of premises are essentially full and there is justification to support business growth through new allocations. IcenI’s of the view that the development at Northside should **not** be considered suitable supply for the general industrial needs established here, given the very large nature of units which, certainly for phase one, are large scale and strategic in nature and not relating to the historic and local development patterns.
- 12.21 Great Dunmow has the strong local industrial market with a range of local businesses. We consider that the allocation of 5-10 ha or more of employment land would be justified.
- 12.22 Saffron Walden is the largest settlement. Given the size of the settlement there is limited existing employment land provision. The allocation of some additional land (c. 2-4 ha) would therefore be warranted through the Local Plan having regard to current provision and to support sustainable development.
- 12.23 There are then employment sites and premises located across a number of other settlements and villages, and in rural locations. Historic take-up data shows a strong preference for industrial type business to be located up to 5 miles from Stansted where it can access the M11, population centres at Bishop’s Stortford and supply chain and business benefits of Stansted Airport. The economic potential of the airport should not be underestimated and many if not most UK airports are able to

catalyse industrial and business parks in their proximity. Further industrial and business space should be considered for allocation in this area, beyond Northside.

- 12.24 Given competition from larger and more established centres in surrounding areas, we see limited role for corporate offices. The Council should however look to maintain a supply of good quality, SME space to support local business formation and growth. To do so may however require public sector intervention and support to overcome viability challenges. The Council could appropriately target provision initially at boosting provision in the main urban centres of Saffron Walden, Great Dunmow and Stansted Mountfitchet. There are a range of potential options to do so, including repurposing retail space.
- 12.25 Great Chesterford Research Park is somewhat unique and has developed as an important site for biology and lifesciences. There is a good case for the allocation of additional land to provide larger plots which are capable of attracting investment from biotech businesses looking to establish a campus. There is the potential for international inward investment in this regard.
- 12.26 In more rural settlements, there is a case for some flexibility within the policy approach to allow the in situ expansion of existing businesses onto adjoining land where they out grow existing employment sites; and to facilitate employment redevelopment of redundant agricultural buildings.
- 12.27 The overall strategy for employment however needs to relate to the broad spatial development strategy for the District, with the potential for strategic development locations to deliver appropriate employment space alongside residential to support vibrant places, daytime population and sustainable travel. The scale and phasing of growth at strategic development locations will be influenced by their size and location. The employment strategy for such locations will need to evolve in an iterative way as the option generation and appraisal process develops and the preferred strategy emerges. It is however reasonable for a proportion of the district's employment needs to be met in these locations; alongside existing settlements which have an existing concentration of population, businesses and local services.

Policy development

- 12.28 In terms of the rural economy, planning policy requires a nuanced approach. Supporting small businesses to survive and grow is essential for rural areas. Particular recognition should be given to the retention and attraction of value-adding processes in rural areas.
- 12.29 There may well be a case for the greater provision of small business units. 'Hubs' of small business units could be part of the solution. In practice, schemes of this nature often struggle in terms of viability and may require public sector support but their role can be important. Live/work interlinked facilities should also be considered by the planning system in order to attract new incoming workers and business facilities that allow people to meet and collaborate.

12.30 Planning policy through S106 can be applied to new developments where there are opportunities to provide apprenticeships or training thus raising skills and attainment and supporting people into higher paid employment, potentially connecting employers and employment opportunities to local schools, colleges, training organisations and voluntary services.

12.31 The market analysis and business engagement undertaken by Icení has identified a floorspace affordability issue in the office and employment market in Uttlesford particularly relating to better quality spaces. The workspace market can be difficult for micro-enterprise and SME's to enter. London authorities and the GLA provide good examples of planning policies that seek to secure affordable workspace. These use Section 106 agreements in order to deliver affordable workspace.

A1.NOTE ON BUSINESS DATA

A1.1 The Inter-Departmental Business Register (IDBR) provides details of UK enterprises for statistical purposes. An enterprise is a business or company and includes state-owned enterprises such as local councils. It is mainly drawn from Value Added Tax (VAT) and Pay As You Earn (PAYE) records from HMRC. The IDBR covers around 2.7 million enterprises in all sectors of the economy, but since its two main sources have thresholds, very small enterprises operating below these will, in most cases, not be included.

A1.2 Enterprise counts by size and sector covering all enterprises are available from BEIS, however this data is not available at a local authority level and therefore IDBR data has been used to assess the structure of the business base in Uttlesford.

A1.3 Data on the number of enterprises registered in a given geographical area by sector and size, which is sourced from the IDBR, is available to download from NOMIS. This data is rounded to the nearest five. The IDBR for Uttlesford has also been purchased which gives details of local units which are within the District. Local Units are individual sites that belong to an Enterprise. These often represent the whole enterprise but are sometimes just one site within an enterprise. For example, a supermarket chain may have more than one local unit within a district.

A1.4 When performing analysis at a district level, IDBR data downloaded from NOMIS has been used in order to allow for comparison with wider geographical areas. The IDBR of local units within Uttlesford has been used to assess the distribution of enterprises within Uttlesford.